

AI-Enabled Government: Disruption or Dysfunction?

On the campaign, Prime Minister Carney boldly promised to transform the federal public service and significantly reduce operational spending through digitization and Artificial Intelligence (AI). Accordingly, the Government of Canada's AI Strategy (2025-27) reasserts this ambition: '[Artificial intelligence \(AI\) presents unprecedented and wide-ranging opportunities to enhance the public service and the services it offers Canadians.](#)' The strategy also recognizes that such advances bring heightened risks and new challenges.

As rhetoric meets reality for the Carney-led Government of Canada, two main sets of variables are apparent – one fiscal and the other more human and operational. First, the history of digital government has long featured rising infrastructure and operational investments, as the budgetary demands of transitional complexity invariably outweigh efficiency savings. AI will be no different. Indeed, Nova Scotia's Provincial Deputy Minister of Digital Solutions, albeit with a bit of embellishment, has termed the inherent costs of internal AI deployments as '[astronomical.](#)'

Secondly, there is growing reticence and distrust of AI within the public service, a trend also apparent across society (and even within the very companies developing AI as noted below). Based partly on virtual classroom conversations this past summer with approximately fifty public servants from all government levels (including both mid-career managers and new interns), and drawing from related surveys and research, this article focuses primarily on this second set of variables, namely why Canadian public servants are largely skeptical (though not fearful) of AI-driven reforms.

From the vantage point of those working in government, three salient themes stand out: i) growing AI experimentation despite notable readiness gaps; ii) the potential diminishment of the public servants' traditional policy analysis and advisory roles; and iii) significant demographic cleavages in terms of AI temperament and training that carry broader implications for organizational leadership and renewal.

In terms of growing experimentation, as societal and industry AI adoption rates vastly exceed those of early Internet years, it is hardly surprising that many public servants are eager to import such tools into their workplace (and perhaps especially so when elected officials are often championing them). The concern is that organizational readiness is often lacking.

Such anxiety is underscored by 2025 KPMG research in Canada which that [‘while fewer than one-quarter of public sector organizations have formally adopted AI, nearly half of public servants are already using AI tools in their work, with half relying on publicly available platforms.’](#) OECD research from fourteen countries, [reported in 2026](#) similarly finds that public servants are increasingly adopting AI without sufficient guidance and oversight.

Digital government has long been molded through struggles between holistic and incremental change, between embracing innovation and mitigating risk. Many new entrants into government are facing a potential minefield of choices in terms of where and how AI can and should be used while abiding by appropriate data governance and protections seemingly in flux. As public servants are encouraged to collaborate and share more information and data on the one hand, managers are constantly weary of the potential for privacy breaches and lurking cyber-threats.

A lack of readiness tempers acceptance and stymies innovation. One [PWC Canada 2026 survey](#) found that just one quarter of Canadian public sector workers believe they’ll have significant control over how AI reshapes their work. Without meaningful engagement, trust is further undermined - and organizational culture turns insular and defensive.

At the same time, while facing new challenges within their own ranks, many senior managers also find themselves under pressure from political leaders to produce policies at, well, the speed of AI. As AI seeps into Ministerial offices as well, there is mounting evidence that the time and space afforded to the public service for reflective analysis and policy deliberation may be viewed as ripe for AI-driven displacement.

In a world of economic tensions and geo-political crises, political cycles quicken and the interface between politicians and public servants may well become less about neutral and reasoned advice and more about speedy response and implementation. Such a shift portends unintended consequences for balancing innovation and risk, and for AI algorithmic scrutiny and design. An even more centralized public service may well emerge, managerially and politically, which further amplifies concerns within the ranks about a lack of voice in shaping workplace evolution.

How AI tools are embraced also varies considerably across generations, creating a new layer of training and development that can be destabilizing for some. Drawing from his doctoral research, Judah Adeniyi explains why older public servants are particularly susceptible: [‘when training is poorly timed, overly complex or insufficiently supported, it...erodes workers’ sense that they can keep doing the job and can push them closer to leaving it altogether.’](#)

The potential loss of experiential capital and tacit knowledge can further hinder internal efforts to re-align digital and human capacities and to devise appropriate AI guardrails. Across all age cohorts, moreover, there are intensifying and deeply personal struggles tied to cognitive overload stemming from the relentless pace of constant connectivity and now AI-driven processes.

It also bears noting that the AI skepticism of many public servants is also reflected in the shifting ethos of the very companies creating AI systems. Just this year, more than one thousand employees from the leading American AI frontier companies signed an open letter urging the US government to support international efforts to develop tools that can [‘deliberately pace the frontier of automated AI development’](#).

Canadians, meanwhile, continue to await the adoption of federal AI legislation – meant to update privacy frameworks and instil new regulatory and oversight mechanisms. As governments at all levels face new AI-driven threats and rising costs associated with refurbishing cyber-defences, shared solutions across government levels are also required. The proposed [Canadian Cyber Defence Collective](#) would be a positive and overdue step in this regard.

To date, the political architecture of AI – notably a new federal Minister, has focused more on commercialization and economic opportunity than public service reform. The aforementioned Federal AI Strategy, however, promises a ‘Think AI’ approach to challenge engrained operational planning and underscores the need for a comprehensive retraining program for employees. Moreover, the September launch of [Digital Transformation Canada](#) marks an important new phase in the federal government's digital journey, with this new entity expected to play a leading role in AI-driven reforms.

Yet it remains to be seen whether the public service is a partner or a patient as the AI revolution gathers steam. New investments into organizational readiness, meaningful employee and stakeholder engagement, and thoughtful and demographically tailored training initiatives are all necessary enablers of AI-driven innovation - and positive disruption. With them, by contrast, AI imposition will fuel resentment, confusion, and widespread dysfunction.