

STATE OF THE ISLANDS

THE AI EVOLUTION

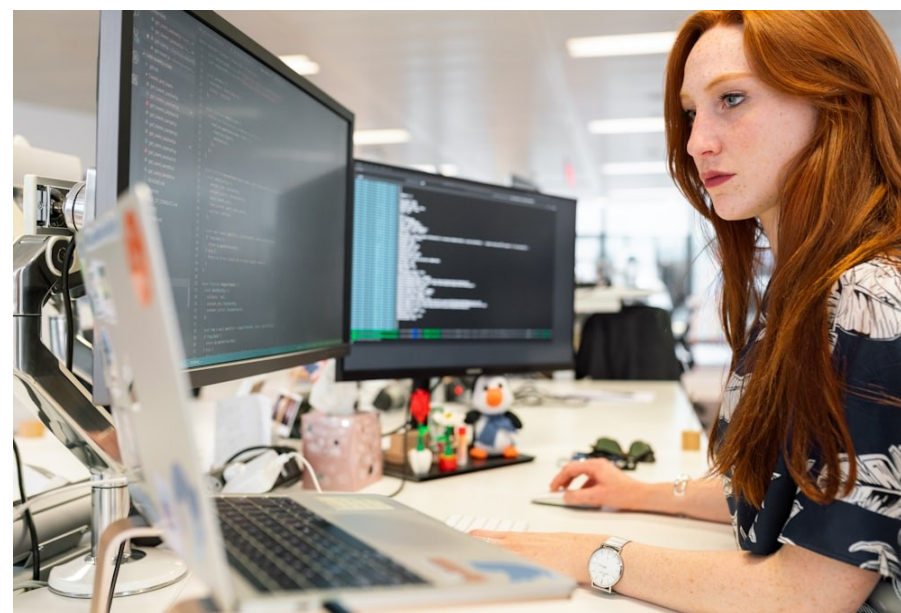
2026 REVIEW

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1. EXECUTIVE SUMMARY

The subject specifically covered in this Review is the growing influence of artificial intelligence (AI) but, perhaps, at the outset, it is not fully acknowledged how many functions already incorporate AI technology and have done so for many years.

On the other hand, the use of AI is accelerating and the world is now having to address the threats which AI could pose if no action is taken to regulate unacceptable applications. As the vast majority of island communities simply do not have the internal resources to counter potentially harmful AI usage, they will need to rely heavily on international initiatives with a global perspective to address the threats.

Notwithstanding the assumption that appropriate regulatory controls will be put into place over time, the Review highlights the extent to which AI is now being adopted across all island economic, social and environmental activities and the real benefits there are of such adoption to island societies as a whole.

The majority of economic and social sectors broadly apply similar AI technologies. These can be found in areas such as customer service and interaction, infrastructure efficiency and effectiveness, security monitoring, and the countering of cyber threats. The greatest benefits are in functions such as healthcare delivery as well as in education and training. These latter two functions will offset some of the obvious negative AI impacts on employment levels mainly in service sectors although this will be balanced out to some extent by ageing demographic trends in more mature economies.

Finally, the Review highlights the speed at which AI take-up within island jurisdictions is very dependent upon several internal factors such as government funding, the availability of on-island technical resources, and the quality of infrastructure.

REVIEW PROGRAMME

The *State of the Islands* Review Programme is designed to support and stimulate island strategic and operational decision-making and provide clear, evidence-based guidance for policymakers and business leaders.

Each Review features a selected topic, chosen for its significance to island-based organisations and individuals. Island best practice is also highlighted whenever relevant and a broad sample of islands including the three Crown Dependencies will be referenced.

There is a high degree of synergy between the Reviews and the following key island subject areas will form the structure of the Programme schedule over a twelve months' cycle:

Economic Sector Performance	Climate Change Mitigation
Government Finance	Education and Skills
Health & Long-term Care	Digital Development
Transport Connectivity	Security and Law & Order
On-island Infrastructure	Social Care
External Collaboration	Culture & Leisure
Labour & Employment	Population & Demography

In addition, periodic Briefing Papers (minimum of two over a twelve months' rolling cycle) covering latest international trends impacting island communities will also be available.

Full details of the Review Programme including how to subscribe to the service can be found at: www.islefact.com/reviews



Located in Guernsey, we have extensive knowledge of and practical experience in how islands operate globally. There are a wide range of island economic and social models adopted and it is essential that data and information are benchmarked accurately. Full details of all our services can be found at: www.islefact.com

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(NB. Every effort has been made to ensure that the contents of this Review are accurate at the time of drafting (July 2026).)