



# Government Trends 2023

The nine trends reshaping government



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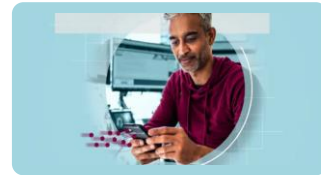
Each trend is a result of a multi-year sensing and horizon scanning process using a combination of primary and secondary research conducted globally with a local touch.

## Cross-cutting trends

Governments are eliminating silos in areas such as data, funding, and workforce to pool resources and capabilities.



Fluid government workforce models



Bridging the data-sharing chasm



Tailored public services



Back-office innovations improving mission performance



Tackling funding silos

## Domain-focused trends

Governments are nurturing collaborative public-private ecosystems to take advantage of shared knowledge and unique strengths to drive solutions in key government domains.



Teaming up to deliver whole health



Regulation that enables innovation



End-to-end justice



Security by network

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01

## Fluid government workforce models

To tackle changing citizen preferences, employee needs, and talent shortages, governments are exploring new workforce models and prioritising flexibility:

- **Flexible talent models** to mobilise skills in the face of talent shortages, especially in areas such as cybersecurity, artificial intelligence (AI), data science, and adaptation to climate change.
- Taking early steps toward a **skills-based workforce** approach that places skills at the centre rather than traditional jobs (with specific descriptions and requirements).
- Adapting talent management practices to **better support hybrid work** and the overwhelming demand for **workforce flexibility**

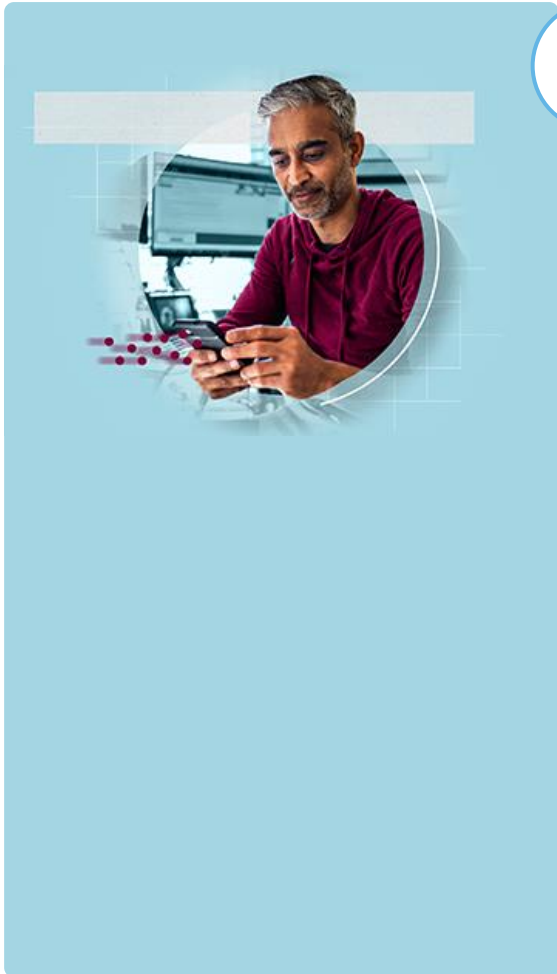
The result is the outline of a public sector workforce for the future: one that is mobile, flexible, skills-based, and collaborative.

The Deloitte Human Capital Trends 2023 report revealed that 29% of respondents in European public sector organisations believe that the way their organisation is currently set up is not conducive to effectively matching the skills of employees to their role. Over 50% state that their priority is to match workers better to their work based on their current, future and adjacent technical and human skills. Moreover, 23% believe that a thriving workplace not only increases, but also maintains worker engagement.

[Human Capital Trends 2023 | Deloitte Belgium](#)

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02

## Bridging the data-sharing chasm

Governments are expanding the canvas for safe, interoperable data-sharing. With effective data governance, agencies can alleviate tension, balancing efforts to break down data silos with protecting citizens' data.

Developing interoperability frameworks that allow cross-jurisdictional and cross-sector organisations and databases to safely interact and share information requires governments to not only secure stakeholder buy-in—especially when dealing with external citizen and private-sector data—but also showcase the meaningful change that expanded data use can bring.

In Belgium, there are four examples that highlight this trend.

1. The first is SmartMove. By building governance and privacy into the smart kilometre-charge programme from the beginning, Brussels has eliminated lack of trust in the broader data-sharing ecosystem. [SmartMove, plan voor een leefbaar Brussel | SmartMove](#)
2. All policy domains of the Flanders government, the Community of Flemish Provinces and the Flemish Community of Cities and Municipalities have engaged their data professionals to build a common data strategy, the Vlaamse datastrategie. Supported by Deloitte and launched in 2022, this strategy aims to strengthen the collaboration on data and focuses on four key priorities: building a generic framework of collaboration, improving data literacy and related skills, ecosystem thinking with all stakeholders, and investment in data governance.
3. Flemish public employment organisation VDAB uses data and AI driven applications for enhancing its services for citizens, from jobseekers to employers. The use of data does not come without risks, and to ensure this happens in a responsible, ethical and trustworthy manner, VDAB decided to launch an Ethics Council to help oversee the use of AI. Deloitte assisted VDAB in setting up this Council and getting it operational. <https://www.vdab.be/vdab-lanceert-eerste-ethische-raad-voor-gebruik-van-data-en-ai>
4. On a European level, the New Interoperable Europe Act will mandate the implementation of interoperable solutions across the EU, with a focus on collaboration among the Member States and private sector. [New Interoperable Europe Act \(europa.eu\)](#)

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03

### Tackling funding silos

By design, government agencies are set up as specialised, **hierarchical organisations** funded and governed in silos, providing visibility and accountability **on how public funds are used**. But that defined scope itself can act as a **roadblock to the creation of greater public value**.

Indeed, siloed budgets, regulatory constraints on fund transferability, limited flexibility, and a lack of incentives to collaborate can lead agencies to narrow their efforts even as challenges such as climate change, homelessness, and intergenerational poverty demand a coordinated whole-of-government response.

Focused on digitisation, innovation, and sustainability, the **Next Generation EU** (NGEU) plan was developed to put the EU on the path toward resilient economic growth and social welfare. It aims to support transformational change by distributing funds to be invested by national governments by 2026 based on their National Recovery and Resilience Plans. Funds can be distributed by the national governments through different mechanisms and ultimately reach public institutions (e.g., national ministries), agencies (e.g., municipalities), and private companies. [NextGenerationEU \(europa.eu\)](https://europa.eu/next-generation-eu)





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04

## Tailored public services

Digital technology is enabling greater personalisation by government. These **tailored services** can, and should, be more effective and equitable:

- A Deloitte survey found that a positive digital experience was a major factor in **boosting respondents' trust** in government.
- **Government for one** refers to government services personalised to the individual level. This represents the **deepest level of customisation**, wherein services are tailored not just for a segment of the population but for a particular citizen.

It is important to note that delivering more personalised and tailored services generally **requires data-sharing, clear communication** about responsibilities, and **funding that rewards cooperation**. Agencies should **work diligently on the back end** to ensure simplicity for users at the front end.

Without changes to their incentives and accountability, agencies that retain a siloed approach may struggle to work across boundaries to deliver integrated services.

In Europe, the Single Digital Gateway Regulation (SDGR), which applies to all European Member States and all their levels of government, aims to reduce the administrative burden for citizens and businesses, eliminate discrimination, and boost 'free movement' within Europe. [Single Digital Gateway | BOSA \(belgium.be\)](#)

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05

## Back-office innovations improving mission performance

Government back-office functions and processes are moving beyond automations and internal efficiency. Yet, there are two key considerations:

- **Barriers between back office and front office:** The mindset that places a wall between front office and back office won't survive. Agencies should view back offices as mission-enabling offices that are key to achieving an organisation's mission.
- **Barriers between legacy and new technologies:** Numerous legacy systems underpin key government services, and not all systems need to be replaced. One key to both back-office and mission innovation is harmonising technology, both new and old.

Moving forward, it is important to:

- **Overcome siloed technology systems:** Many agencies store data on fragmented legacy systems. However, integrating data across agencies can multiply its benefits and interagency policies.
- Innovation is more than just new technology. It **requires redesigning processes that can adapt to new technology**. Dropping a new software on top of legacy systems won't cut it. Assess your current manual workflows and decide what changes need to be made before digitising the workflows.

## Domain-focused trends

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06

### Regulation that enables innovation

Regulatory agencies are being called upon to not only **protect consumers** from the negative effects of technology and economic shifts, but also to **help catalyse innovation** in areas such as climate sustainability and AI ethics. The twin role creates a strategic tension for regulators: protecting consumers and citizens through regulation while ensuring regulations don't discourage innovation and growth.

Key considerations:

- **Innovation vs. consumer safety:** The safety of consumers shouldn't come at the expense of innovation. Regulators are deploying several tools, such as sandboxes and accelerators, to ensure consumer safety while promoting an environment conducive to new technologies and new business models.
- **Pace vs. effective regulation:** Effective regulation doesn't necessarily require years of drafting regulations. Soft law instruments, such as guidelines and standards, can rapidly adapt to new business models.
- **Regulated entities vs. regulators:** A customer experience lens and risk-based regulations can improve the relationship between businesses and regulators.
- **Higher protection for consumers vs. lower regulatory requirement:** Digital technologies can streamline regulatory processes; and regulators can proactively engage with regulated entities to develop standards and guidelines that protect consumers from risks but at the same time do not put unnecessary burden on regulated entities.



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07

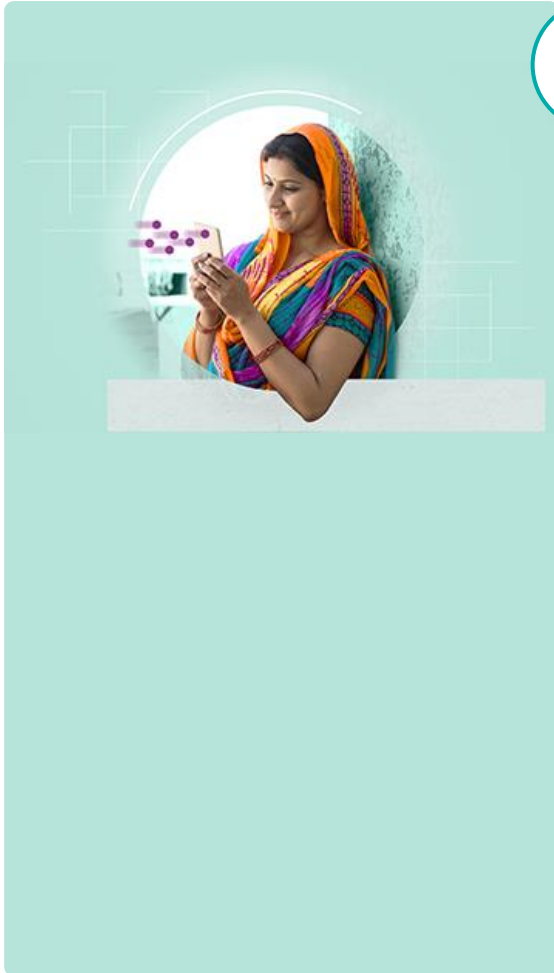
### Teaming up to deliver whole health

As costs continue to rise, health care systems everywhere face pressure to meet increasing demand with limited resources. Cost savings from prevention thus look extremely tempting. To reap these benefits, many governments are exploring what we're calling "**whole health**," an approach centred on wellness rather than illness.

A whole-health approach emphasises the many external factors involved in human health and encourages community investments that foster it. It stresses communication, collaboration, and integration across health services, sectors, and agencies. Whole health can help **improve health outcomes, reduce health care costs**, and enhance the experiences of both patients and caregivers.

Walls are coming down:

- Across **government agencies** that support health: Agencies recognise that their collective impact could improve with coordination.
- Between **health care** and other **sectors that support health**: Understanding how social, economic, and environmental factors influence health can shape expectations for many sectors.
- Between **government agencies and the private sector**: Businesses realise that contributing to healthy communities, and investing in the health workforce, improves their bottom lines.



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### End-to-end justice

Creating a more just society calls for collaboration and resource-sharing across the justice system and beyond with businesses, nonprofits, and communities:

- **Sharing data, budgets, programmes, intelligence,** and other resources among different components of the justice system not only curtails errors and redundancies but also **enhances the capacity of justice organisations to fulfill their mission.**
- **Proactive collaboration between justice organisations** and other government entities when dealing with common issues reduces friction and enhances efficiency.
- Partnerships **between justice organisations and nongovernmental entities** such as commercial companies, universities, civic organisations, and community groups make the justice system more responsive to public needs and resilient to sudden shocks.

Our recommendations to establish and manage collaboration between governments and a broad ecosystem that includes a wide variety of players are:

- Align on a **common vision.** Proactively engaging with multiple stakeholders can help justice organisations set community-defined goals, which can in turn help justice organisations think of outside-the-box approaches to solving challenges. Further, setting measurable metrics of success in achieving those goals can align priorities, operations, and resources to better match the needs of the broader community.
- **Execution by network.** Justice organisations should nurture collaborative public-private ecosystems of technology companies, universities, research labs, and other public sector entities. These ecosystems can contribute to collective intelligence that exponentially increase justice organisations' ability to mitigate society's biggest challenges.
- **Set clear expectations and boundaries for collaboration.** Setting terms and establishing protocols at the onset of collaboration helps define each organisation's role in situations involving multiple organisations. It also helps organisations avoid overstepping boundaries.

In Europe, an ecosystem approach and vision, or collaboration model, is of utmost importance. Different entities should reflect on introducing new digital techniques, digital transformation projects, innovative and new sourcing models, talent needs for the future, and align on a common vision as part of the wider ecosystem.

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09

### Security by network

**More collaboration with public and private participants** is necessary to protect national security. Leaders are beginning to evolve **new approaches and new tools** to shape **commercial partners' incentives and protect public security**.


- Traditional distinctions between **purely commercial and national security issues** are becoming increasingly fuzzy with corporate actions to pull out of countries, relocate manufacturing plants, or provide/deny service having significant national implications.
- Renewed strategic competition between major powers is driving new collaboration between other nations on issues beyond security as they find their interests currently aligned.
- **Global, interdependent supply chains also increase the shared risk** for both government and businesses as conflicts, or other disruptions, can cause whole industries to grind to a halt.


# Get in touch



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