Gov2020
Opinions on the future of government

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The aim of Gov2020 is to help leaders from all sectors make sense of the ever-changing demographic, societal, economic, and technological trends shaping our future. Gov2020 is not a crystal ball but it does bring together some of our best Deloitte research and expertise from all over the world to start a discussion on what is probable, and even more importantly, what is possible for those who are most willing to embrace change.

Gov2020 is meant to be a starting point for governments wishing to engage with the future. It provides policymakers with some thought-provoking ideas about what is possible and a means to evaluate whether they are ready to embrace a future that will in all likelihood be very different from the world we know today. Effectively responding to the drivers of change and shifting needs of citizens will affect virtually every process, system, and structure of government.

Gov2020 is the culmination of an in-depth exploration of the drivers that are influencing the future of education, human services, defense, transportation, and other sectors, as well as the impact those forces of change might have on government and society at large. Gov2020 brings together in one easy-to-use website a rich source of analysis, video, and creative visualizations on the future of government, including:

- 39 drivers that will influence the way government operates and serves its citizens
- 194 trends that represent the shifts that are likely or at least possible by 2020

This project draws from hundreds of interviews conducted by dozens of colleagues over several years with leading specialists from around the world.

The confluence of several drivers (demographic, socioeconomic and technological) will influence what happens in the future and, ultimately, how governments evolve to meet citizens' changing needs. Understanding these drivers of change and their potential impact is the first step in preparing for the future.

The drivers of change and potential impact

1. **Demographic drivers**—Demographic drivers will have a significant impact in 2020. The aging population will dominate many policy and workforce discussions in the West, while population growth will continue to slow across most developing nations. The world is in the midst of a massive, long-term shift in wealth, economic power and population growth from West to East.

   Globally, the improved socioeconomic status of women will integrate billions of people into the working population in the future. Megacities will burgeon across the globe, while increased global migration will lead to the mingling of cultural identities and the rise of the global citizen.

2. **Societal drivers**—Society is grappling with the undesirable effects (security and privacy concerns) of a hyperconnected, digital lifestyle. Governments are faced with a balancing act: using the latest technologies to meet the rising expectations of hyperconnected citizens, while still reaching those offline. Citizen consumers, empowered by information and technology, are playing a bigger role in resolving societal issues as well as in fighting corruption.

   Unprecedented advances in healthcare, neuroscience, technology, IT, nanotechnology, and learning are beginning to allow human beings to expand their physical and mental faculties. However, potential innovations that enhance cognitive capacity also pose regulatory and ethical problems for business, government, social institutions and international organizations.

3. **Economic drivers**—Building off the early bitcoin example, currencies will take on new digital and databased forms in the near future. Social consciousness surfaces as a common theme, with more and more organizations and citizens contributing to societal change and redefining a sense of openness, innovation, and independence. Governments are faced with budget constraints, infrastructure bottlenecks, and rising income inequality among citizens.

However, while disparities between rich and poor persist, the impact of the scarcity of basic requirements such as food, water, energy, healthcare, housing, and education will begin to be addressed as technology improves the basic standard of living for many.

Climate change will remain a major concern in 2020 and differing national policies concerning the sale and ownership of natural resources will become a top priority for international organizations such as the UN and World Economic Forum

4. **Digital technologies**—The digital revolution hinges on the convergence of four principal technologies: social, mobile, analytics, and the cloud. In 2020, social networks will penetrate all realms of life as individuals and governments explore new ways to tap into the power of the crowd using advanced analytics and sentiment analysis.

   Cloud computing accelerates the capabilities of technologies such as mobile and analytics. Remote computing services allow mass collaboration around huge data sets, bringing affordable scale to computationally intensive problem-solving. Advanced algorithm design and faster computing, along with a growing cell of data scientists, unlock value from digital exhaust, influencing decision-making by governments, corporations and individuals alike.

5. **Exponential technologies**—Exponential technologies have a major, transformative impact across various regions and industries. These technologies represent unprecedented opportunities but also existential threats. However, their huge impact is indisputable.

   Developments in "additive" manufacturing, or 3D-printing, will spur a second industrial revolution. 2020 will see robotics gain momentum and become vital components in a number of applications.

6. **Cyber-physical systems**—Previously, computers were embedded in stand-alone and autonomous products. With the advent of the internet, these embedded computers became networked and are now evolving into cyber-physical systems that sense, monitor, and control the human and physical environment. This feedback loop in which embedded computers and networks control the physical processes, and physical processes in turn affect computations, holds tremendous economic and societal potential. These "smart" systems permeate into the infrastructure around us. In 2020, unmanned aerial vehicles or drones will contribute to domestic policing.

   The "Internet of Things" (IoT) will grow by leaps and bounds. Businesses and governments will struggle to integrate this evolving technology, using analytics to gain insights from the wealth of data that improve delivery models in healthcare, transportation, security and defense, infrastructure management, and many other areas. The exponential growth of the IoT could prove to be a regulatory headache, forcing governments to keep pace with the ever-changing technology.

These drivers will influence government differently. However, the following seven mega shifts are more likely to be seen across government and cause transformations

Seven mega shifts

Across the world, trust in government has reached an all-time low, citizen expectations are rising, and government finances are under pressure. The result: the gap between citizen expectations and government's ability to meet them has never been greater. Our current industrial age model of government needs to change radically to close this gap.

But how? What are the main features of a government better suited for our times? How will the drivers identified earlier significantly change government, and which of them have the greatest potential to make a positive difference, and which represent the biggest threats?

The following seven major trends have the potential to reshape government—in many cases from the outside—and transform the public sector.

1. Government as an enabler instead of a solution provider

In 2020, the most successful governments will focus on developing societal solutions from outside government, rather than on trying to solve problems themselves. They will build platforms, hold partners accountable for targeted outcomes, gear services to choice, and manage crowdsourced campaigns and competitions.

The result: a surge in public-private partnerships. This will encourage the growth of triple-bottom-line businesses that pursue social, environmental, and financial goals.

2. Provision of customized services

We are 20 years into a shift towards more personalized services, and government is not immune from the forces underlying this shift.

3. Delegation of governance

Increasingly, "government" functions are being "co-created" with citizens, on their own or working with others. Technology makes it possible to delegate tasks to citizens.

4. Data-led government

Predictive modeling and other types of data analysis and visualization allow the public sector to focus more on prevention, instead of just reaction and remediation.

The immediate future is a source of inevitable changes and we should embrace the opportunities it brings for progress

5. *Other government funding models*

Technology opens up many unique alternatives to fund services and infrastructure, which is good news at times of budgetary restraints. We already see increased use of payment-for-results models—such as social impact bonds and Tax Increment Financing (TIF)—to fund costly large-scale development projects and services.

6. *Just-in-time civil service*

Radical changes in the public sector's talent model are possible. One option would be for governments to apply the external recruitment model to their workforces. Civil servants do not stay at the same department, but instead will move from project to project. Advanced HR policies will track skills, accomplishments, and certifications in ways that keep employees engaged.

Governments will also expand their talent networks to include "partnership talent" (employees who are part of joint ventures), "borrowed talent" (employees of contractors), "freelance talent" (independent, individual contractors), and "open-source talent" (people who do not work for government at all, but are part of a value chain of services). This shift from a closed model to an open, more inclusive one will redefine what "public workforce" actually means.

7. *New national prosperity indicators*

Critics have long criticized both GDP and GNP metrics for failing to measure social success. Society has evolving attitudes about what defines success, and new methods will measure social good. They will include more global indicators of progress and well-being such as personal safety, ecosystem sustainability, health and wellness, shelter, sanitation, inclusion, and personal freedom.

Taken together, these indicators will change how societies assess their progress, creating new demands *vis-à-vis* government and business.

Sector trends

Changes in the way government operates as a whole will have implications for the various sectors within government. For example, what could data-led government mean for law and justice? Or how could alternative forms of funding improve transportation? The following sector trends reveal how high-level changes could trickle down to individual segments of the public sector.

1. **Education**—A global shortage of skilled talent propels career-focused learning. Virtual learning, digitization, and augmented reality have made our traditional definitions of a classroom obsolete. Evolving learning requirements redefine what education means, who delivers it and how. Students become teachers, learning from one another through project-based learning and self-organized learning environments.

2. **Energy and environment**—Conversations on energy and the environment center on the three Cs: connect, collaborate, and coexist. Smarter devices result in smarter energy choices, while networks of sensors, drones, citizen regulators, and conscious consumers work together to monitor and protect the environment. Rapid urbanization fuels innovation and the quest for sustainable and resilient cities. Entire markets emerge around sustainable solutions such as reducing food waste. Government regulation is less blunt and is heavily influenced by sensor-produced data.

3. **Healthcare**—The dominant healthcare trend in 2020 will, quite simply, be pervasiveness. Mobile health apps, telemedicine, remote screening, and ingestible sensors will generate rich data streams, allowing doctors and patients themselves to track every heartbeat, sneeze, or symptom in real time. Bioinformatics and analytics will cater for personalized risk assessments and tailor-made medicine.

4. **Human services**—Human services in 2020 will be customized, data-driven, and technology-infused, continually redefined by new possibilities. Governments will tap community assets and peer-to-peer support programs to augment service delivery. Behavioral psychology and economics will play a larger role in designing interventions, while outcome-oriented social innovation financing will help scale the programs that work. Outcome-based funding will move beyond fringe status thanks to new assessment and analysis methods, and major inflows of private and nonprofit funding.

5. **Law and justice**—2020 will see law enforcement using innovative new methods and technologies to protect public safety and rehabilitate offenders. As crime becomes more sophisticated, so does policing: drones will fly around to provide surveillance, while officers on the ground will use wearable technology, facial recognition software, and predictive video.

6. **Transportation**—In 2020, transportation is as much about bits and bytes as the physical infrastructure on which we walk, bike, drive, and ride. Technology will help tackle traffic congestion in major urban corridors: sensor-powered dynamic pricing, mobile-enabled collaborative transport models such as ridesharing and social transport apps. Tremendous advances in connected and automated vehicle technology will put the first fleets of autonomous or semi-autonomous vehicles on the road. Sustainable transport solutions such as electric vehicles and bikes will become widespread.

7. **Defense**—Security and warfare will look very different in 2020. Electronic intelligence and surveillance functions driven by big data will have become key defense requirements.

For further details on Gov2020, please visit our dedicated website: http://government-2020.dupress.com/

In 2020, the most agile governments will openly embrace the new possibilities of technology and civic engagement as they reposition themselves to achieve better outcomes. Outside drivers will gradually enforce change within governments, but many will take steps today to reshape their futures in ways that produce measurable benefits for society. Increasing numbers of partnerships will likely be organized around innovative solutions that ignore old methods and divisions between the nonprofit, corporate, and public sectors. Expect to see simplified interactions with citizens, more dynamic workforces, more accurate assessments of each program's impact, and greater citizen participation in civic work and civic policy.

Don't expect government to stand still. The immediate future is a source of inevitable changes and we should embrace the opportunities it brings for progress.

Sources: http://government-2020.dupress.com/