



Government and Public Services sector overview

Modernization, the new priority



Government occupies a unique position in the experience economy. Unlike private organizations, public services operate as monopoly providers, citizens are beneficiaries rather than customers, and interactions often involve eligibility, entitlement, or compliance. Yet expectations are no less demanding. Citizens increasingly compare public services to their best private-sector experiences, and governments are under pressure to modernize at speed.

From transformation to modernization

For decades, governments have spoken of “digital transformation,” but the reality is more incremental. In practice, governments rarely turn off old systems or stop legacy processes; instead, they layer new capabilities on top. This makes modernization the more accurate framing: a series of interlinked steps that gradually unlock the potential for more transformative outcomes.

Modernization priorities include upgrading outdated mainframe systems, achieving interoperability across departments, and establishing common design parameters for digital services. Without this groundwork, governments cannot deliver the seamless, citizen-centric experiences already demonstrated in global benchmarks such as Estonia and Singapore.

Citizen-centric design and data

Citizen journeys are increasingly central to service redesign. Mapping life events, from birth registrations to pensions, provides a blueprint for more intuitive, joined-up interactions. Yet many governments still struggle to turn their greatest asset, citizen data, into actionable insight. Legal restrictions, siloed systems, and cultural conservatism limit the ability to reuse data, collaborate across agencies, or derive value through advanced analytics and AI. Unlocking these barriers is essential to creating services that feel proactive rather than reactive.

Talent, trust, and technology

Two systemic issues compound the challenge: talent and trust. Governments must attract and retain a workforce with the digital skills, leadership mindset, and openness to adopt new ways of working.

This requires investment in both technology and literacy, ensuring that employees can use new tools effectively while shaping services to meet contemporary expectations.

At the same time, trust in government and in technology is at record lows. This dual deficit makes it harder to secure citizen buy-in for data-driven, AI-enabled solutions. To succeed, governments must not only deploy modern technologies but also demonstrate integrity, transparency, and accountability in their use.

The speed challenge

Perhaps the most pressing tension lies in speed. Government by design is cautious and steady, protecting citizens from risk. Yet other industries are accelerating rapidly, and citizen expectations are rising accordingly. Unless governments can strike a more agile balance between risk and reward, the gap between citizen demand and public service delivery may continue to widen.

Scaling what matters

The direction of travel is clear: governments may need to modernize to keep pace with citizen expectations and global benchmarks. This may not mean wholesale transformation overnight, but rather coordinated investment in infrastructure, data, digital skills, and trust. For those that succeed, the prize is significant: a more connected, citizen-centric government capable of delivering services that match the experiences offered by the private sector.

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Government and Public Services are moving beyond ‘digital transformation’ to a more nuanced ‘modernization’ that prioritizes citizen-centric design and data. The real challenge lies in unlocking the potential of citizen data, overcoming siloed systems and cultural conservatism, and building trust in AI-enabled solutions. Success hinges on attracting digital talent and demonstrating integrity in technology’s use to deliver proactive, seamless services that meet rising citizen expectations.”

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