Next *Perspectives*

PUBLIC SERVICES

Top 10 trends

2025

sopra steria next

Public services: so *many challenges...* and *solutions*

The public services sector in Europe is an essential pillar of modern societies. It encompasses crucial services such as health, labour, social security, internal security, defence and justice. These services aim to guarantee equitable and universal access to quality services for all citizens.

One of the main challenges lies in the ability of public services to adapt to demographic change and the new expectations of citizens, as well as to internal security challenges and defence issues with the multiplication of crises and shocks. Europe's ageing population is generating growing demand for health and long-term care services. At the same time, younger generations are demanding better quality and greater accessibility of services, particularly through new technologies.

Technological innovation is both a major challenge and a source of solutions. Public services need to incorporate digital solutions to improve their efficiency and responsiveness. Digitalisation makes it possible to simplify administrative procedures, manage resources more effectively and cut costs. However, this digital transition raises challenges in terms of cybersecurity, user experience and personal data protection.

Environmental sustainability is another crucial issue. Public services must play an active part in the fight against climate change by adopting eco-responsible practices. This includes promoting IT for Green as much as Green IT, and, more generally, responsible and ethical digital technology.

Despite their importance, public services in Europe face a number of problems. Funding remains a pressing challenge. Public budgets are often under strain, and governments have to make difficult choices to allocate resources efficiently.

We are fully aware that there are disparities in Europe. Overall, bureaucracy and administrative rigidity are also major obstacles. Decision-making processes can be long and complex, which slows down the implementation of necessary reforms and limits the agility of public services in responding to the changing needs of the population. Here again, however, digital technology can provide concrete and lasting solutions.

> **“Public services need to incorporate digital solutions to improve their efficiency and responsiveness.”**

Finally, human resources management is a major challenge. Public services need to attract and retain skilled talent, while effectively managing the careers and ongoing training of their staff. The motivation and commitment of civil servants are essential to guaranteeing the quality of services but can be affected by budgetary constraints and structural reforms.

INTRO

The public services sector in Europe is faced with complex issues and problems that require appropriate and innovative responses. With our "Next Perspectives 2025", we highlight the 10 most important future trends and our recommendations for European public services. **In the background, like a 'red thread' running through our trends, AI appears to be the cornerstone of many of the innovations we aim to drive in coming years. It is our strategy.** Finally, we are convinced that a successfully digitally transformed European society is crucial for the continued existence of our democratic values. All European societies face the same challenges in this task. Bringing strong solutions across national borders and formulating European responses - that is our major concern.

> We are convinced that a successfully digitally transformed European society is crucial for the continued existence of our democratic values."

Trend 01.
Revolutionising *digital identity*

Europe is a patchwork quilt in terms of the maturity of its eID solutions. In Denmark, the Netherlands or Sweden, the use of digital identity systems is a matter of course. Over 90% of the adult population use them for secure access to online services. The EU average is just over 40%. In Germany, the utilisation rate is below 10%[1].

> **“Up to 400 million euros a year can be saved by reducing the administrative burden on citizens and end users[1].”**

In contrast, the potential of a Europe-wide regulated digital identity ecosystem is enormous - both for citizens and for administrations:

- **Citizens** benefit from a secure identity that can be used across borders, making it easier for them to access services. This allows them to access banking services, administrative services or educational programmes in other EU countries without having to go through multiple identification processes. Up to 400 million euros a year can be saved by reducing the administrative burden on citizens and end users[2].
- The **economy** benefits from advances in efficiency and security through automated identification processes and reduced fraud risks. Companies benefit from easier access to EU markets, better customer loyalty and new digital business models, which strengthens Europe's digitalisation and competitiveness.
- There are also major benefits for **administrations:** the digitalisation and automation of identification processes reduce administrative costs and applications can be processed faster and more accurately.

(1) En route vers l'avenir numérique | economiesuisse - https://www.economiesuisse.ch/fr/articles/en-route-vers-lavenir-numerique
(2) EC: Study to support the impact assessment for the revision of the eIDAS regulation.

The European Commission is driving change with the eIDAS 2.0 regulation, aiming to provide citizens with secure, portable, and interoperable digital identities. Governments play a central role in issuing and supervising these identities, ensuring security and trust. This initiative marks a shift from e-government, focused on online services, to digital government, which transforms public services through technology and data.

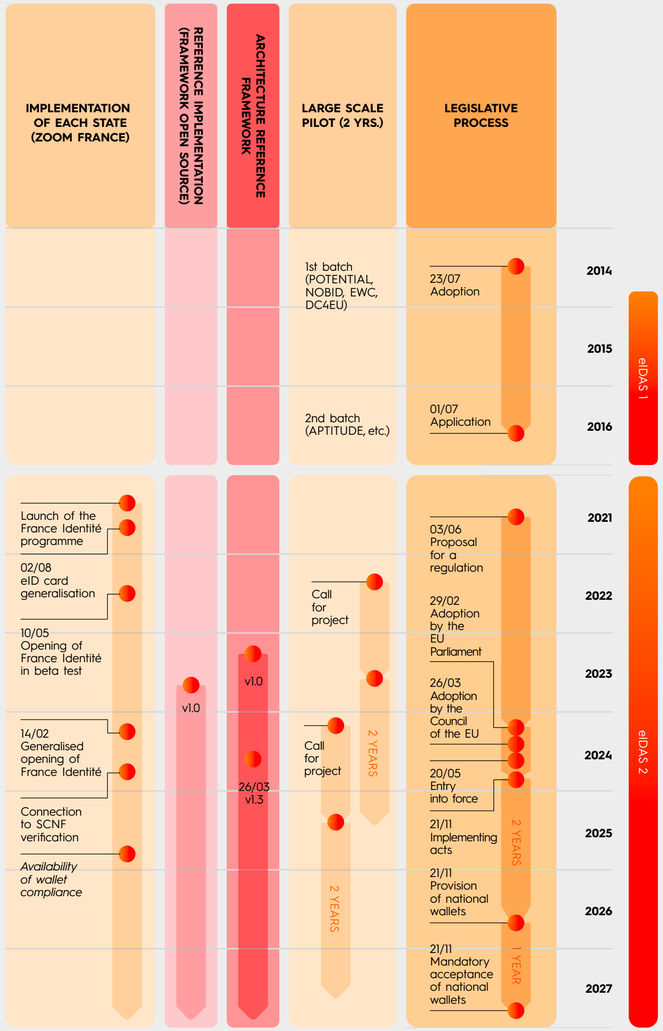
What exactly is it about? At the heart of the EU's strategy is the European Digital Identity Wallet (DIW), which will allow citizens to securely store and manage their electronic identification and credentials. The European Commission has invested €46 million in pilot projects, involving 250 public and private partners across Europe, as well as €90 million for trials on real-life applications such as mobile driving licenses and e-prescriptions[3].

By 2026, all EU Member States must offer citizens a secure and interoperable DIW. Globally, analysts predict that by the same year, at least 500 million smartphone users will be regularly making verifiable claims using a DIW[4].

Great opportunities are usually accompanied by equally great challenges: a key challenge is aligning these efforts across countries to create a cohesive system. The list of tasks with regard to technical standardisation, interoperability, data protection and security is long. In order to make this important initiative a success, **we believe that the following actions are required** at both European and national level in 2025:

- The adaptation of national **legal frameworks** to develop the recognition of electronic evidence in the various regulatory bodies.
- Work on the **economic model,** which has not been fully defined yet. The reconciliation of a remuneration model supported by private operators with a free model advocated by state actors shows the difficulty in converging on a shared model.
- Inclusivity, the **principle of voluntariness** and alternative traditional ways. eIDAS will emphasise voluntariness while ensuring that traditional means of identification continue to exist. It is important that the transition to digital solutions is as seamless as possible so that the general population embraces digital identity.

Figure 01.
THE EIDAS GLOBAL CALENDAR



(3) EU Digital identity: 4 projects launched to test EUDI Wallet | Shaping Europe's digital future.
(4) The Digital Identity Regulation Enters into Force - EU Digital Identity Wallet.

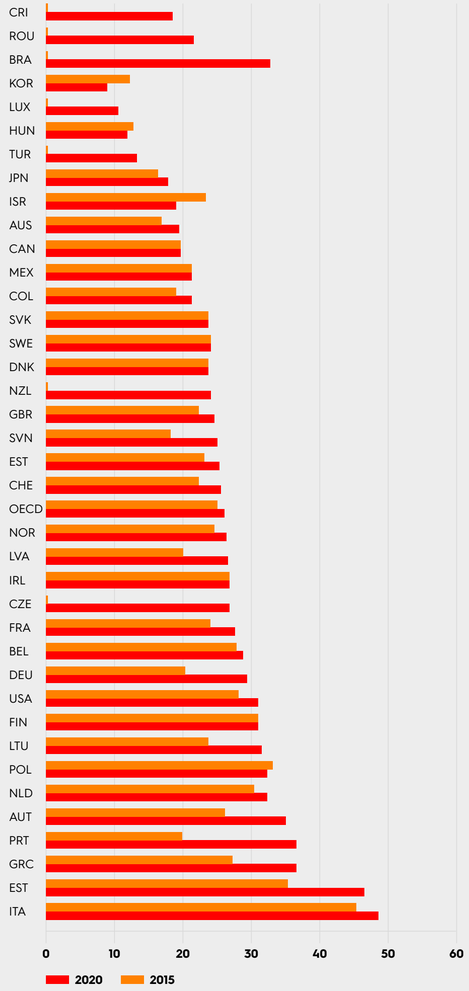
Trend 02.
Empowering *the digital workforce*

Public administrations in Europe urgently need to modernise their workforce, as 25% of public sector employees are over 55[5], and retirements are causing significant understaffing. Attracting new talent is challenging, and the growing demand for technical and digital skills further complicates workforce management. While digital transformation has emphasised process dematerialisation, effective service transformation requires investment in civil servants' skills.

25%

of public sector employees are over 55

Figure 02.
PERCENTAGE OF CENTRAL GOVERNMENT EMPLOYEES AGED 55 YEARS OR OLDER, 2020 AND 2015 (WORLD)



(5) OECD, Ageing and talent management in European public administration, European Institute of Public Administration (2022).

Technological innovation is key to this workforce transformation. AI, especially generative AI, enables public sector employees to automate routine tasks, freeing time for higher-value activities. For instance:

> **“AI, especially generative AI, enables public sector employees to automate routine tasks, freeing time for higher-value activities.”**

- **In France,** the “Albert” AI project, launched in 2023, showcases generative AI’s role in helping public service agents summarise complex documents, pre-assess environmental projects, and automate court hearing and medical report transcriptions[6].

- **In Germany,** the federal state Hessen launched a research chatbot which answers public service agents' questions based on internal Hessian documents and transparently provides the relevant text source in the documents. Moreover, with the assistant, public employees can summarise, create and rephrase texts. To launch this assistant and potentially develop more use cases, Hessen is building a scalable AI platform.

- **In the UK,** the Alan Turing Institute estimates that the central government manages one billion transactions annually, with 143 million being complex and repetitive; automating 84% of these could save up to 1,200 person-years of work annually by reducing each transaction by just one minute[7].

To navigate the digital era, governments must act decisively to enhance workforce capabilities. Adopting a “talent ecosystem” approach is essential, viewing talent as a dynamic asset that necessitates continuous investment. Public sector leaders should work with HR to refine talent strategies, integrating human skills with digital tools. Many sensible measures are currently being discussed. In our view, the following three should have the highest priority:

01

- **Purpose Dimension:**
Working in the public sector is not just about profit, it is also a value-based commitment to a functioning community. This is especially true in a Europe of opportunities and challenges. The purpose dimension must take centre stage in employer marketing.

02

- **High-tech Ambition:**
Working conditions, especially in the technical dimension, must be state of the art. This is critical for employer attractiveness and work efficiency. The biggest obstacle here is not high costs but public procurement channels.

03

- **Resource Management:**
Moving away from rigid civil service career paths and towards modern skills management. Linking resource and competence planning with individual personnel development creates attractive learning and performance profiles.

(6) Guerin, A. Comment a été développée Albert Lia, générative de l’État français, ICTjournal (2024).
(7) Turing Institute, AI and bureaucratic productivity: Measuring the potential of AI to help automate 14.3 million UK jobs (2024).

Trend 03.
Unlocking health data *for better care*

European Union Strategy on Data Spaces

The EU's 2020 European strategy for data introduced the concept of common European data spaces. These aim to enable free, secure data flow, fostering innovation while respecting privacy and security. Data spaces are emerging in key sectors, including energy, agriculture, finance, and healthcare.

Health is a priority. **The European Commission, led by President von der Leyen, initiated the European Health Data Space (EHDS) to improve health data exchange, enhance care, and foster research.** The EU lacks a centralised health record system, complicating cross-border care. While the initiative promises better patient outcomes and innovation, challenges in protecting sensitive personal data highlight the importance of prioritising security and privacy.

The European Health Data Space

The EHDS seeks to enable cross-border health data reuse, enhancing care through secure data sharing. The 2024 EHDS regulation outlines a five-year roadmap, requiring Member States to establish robust data infrastructures by 2029. The EHDS aims to improve care continuity, integrating health services across the EU.

For example, a French tourist in Italy could grant doctors access to their medical history, ensuring better care (primary use data). Simultaneously, researchers could leverage shared anonymised health data to develop innovative treatments (secondary use data). However, realising this vision involves overcoming significant governance and technical challenges.

> **"The EHDS seeks to enable cross-border health data reuse, enhancing care through secure data sharing."**

Governance and Technical Challenges

Governance varies across Member States. Germany has implemented the Health Data Use Act and Digital Act for decentralised health data management. France's Health Data Hub promotes centralised governance. Sweden and Spain focus on regional data, with limited national coordination.

For secondary use, technical infrastructure is crucial. The HealthData@EU ecosystem aims to facilitate secure data access for research, policy-making, and innovation. Data categories range from genetic information to determinants of health, such as environmental and behavioural factors. Certain uses, such as developing harmful products, are prohibited. Also, fees may apply for accessing secondary data.

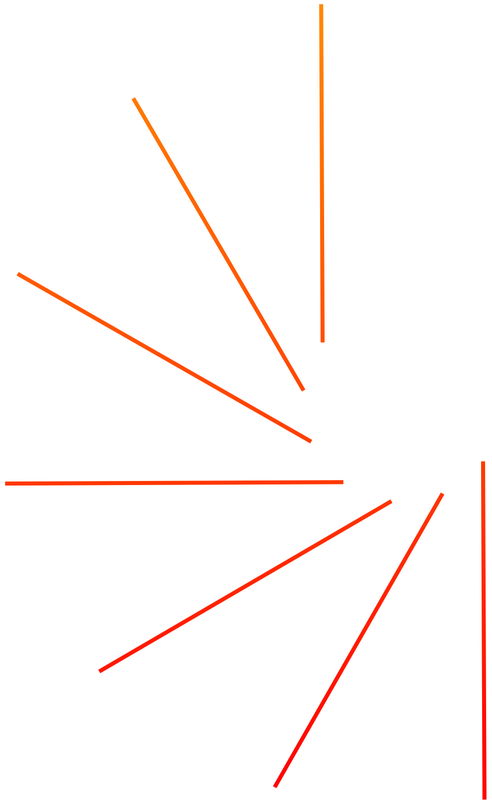
What Member States Must Do

- Establish health data access bodies for HealthData@EU.
- Ensure systems align with HealthData@EU standards.
- Build on the NIS2 (Security of Network and Information Systems) Directive to enhance cybersecurity.

The EHDS promises transformative healthcare benefits, advancing research and care across the EU. Success will depend on harmonised governance, robust technical systems, and public trust in secure data sharing.

Opportunities with EHDS Implementation

The EHDS offers Member States several benefits:



01

- **Enhanced Data Access:** Individuals gain faster, easier access to electronic health records, both domestically and abroad. Electronic identities (eIDs), such as Estonia's system, can secure access while empowering individuals to control their data.

02

- **Improved Research:** Researchers access anonymised data to advance treatments and patient care. Policy-makers gain insights to shape healthcare initiatives.

03

- **Interoperability:** Digital disparities among Member States hinder data sharing. The EHDS mandates compliance with the European electronic health record exchange format, promoting seamless integration.

> “World peace cannot be safeguarded *without the making of creative efforts* proportionate *to the dangers* which threaten it.”

Ursula von der Leyen [8]

(8) Ursula von der Leyen quite rightly places the first lines of the Schumann Declaration of 1950 at the beginning of her strategic guidelines on Europe’s future security.

Trend 04.
Strengthening *public resilience*

Navigating Europe's Complex Challenges

In an increasingly complex global landscape characterised by high-intensity conflicts, climate change, and geopolitical tensions, resilient institutional frameworks are critical. As Europe shifts from crisis management to addressing unexpected shocks[9], Institutions must adapt to a volatile environment where hybrid warfare and natural disasters intersect with traditional security threats. This requires a proactive approach that leverages technological innovation for resilience.

Technological innovations are key to strengthening resilience

"World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it." Ursula von der Leyen quite rightly places the first lines of the Schumann Declaration of 1950 at the beginning of her strategic guidelines on Europe's future security.
In the coming years, we will need a lot of political will and just as much European integration power to achieve resilience.
At the same time advanced technologies play a key role in strengthening resilience:

- The war in Ukraine highlights the crucial role of cloud technology in modern warfare, enhancing military efficiency through improved data processing, quicker decision-making, and logistics. **By integrating diverse data sources, cloud technologies support military operations and offer advantages for civilian use, contributing to informational superiority.** These capabilities are strategic imperatives tied to national sovereignty; for instance, the British government's private cloud provides scalable, secure access while adhering to stringent security protocols[10].

- Climate change is a crucial security issue with increasingly frequent catastrophic events. From 2021 to 2023, extreme weather events in Europe surged from 11,442 to 16,956 annually, highlighting the need for robust resilience and rapid response[11]. Through the Copernicus programme, the Emergency Response Coordination Centre (ERCC) uses satellite data to monitor disasters, while systems such as EFAS, EFFIS, and EDO provide

(9) Opening speech by the Chief of Staff of the French navy at the "Naval Defence" symposium, Euronaval 2022 exhibition.
(10) Sopra Steria, "Defence & Security vision paper: Building tomorrow's European defence and security together" (2024).
(11) Euronews, "Why is Europe experiencing such extreme weather conditions?" (2024).

alerts to aid national authorities[12]. In fire management, platforms such as CRIMSON[13] are used to monitor forest fires and coordinate responses.

→ The Resilience Dashboards of the European Commission, introduced in 2020 as part of the Strategic Foresight Report, assess the resilience of Member States and the EU across social, economic, geopolitical, and green dimensions. Developed and maintained by the Joint Research Centre (JRC), the dashboards use robust data from national statistics, EU-wide indicators, scientific analyses, and open data. Providing data-driven insights, they help policymakers prioritise investments and develop strategies to address global challenges such as pandemics, cyber threats, and climate risks, ensuring a resilient future for Europe[14].

Broad challenge landscapes require prioritisation

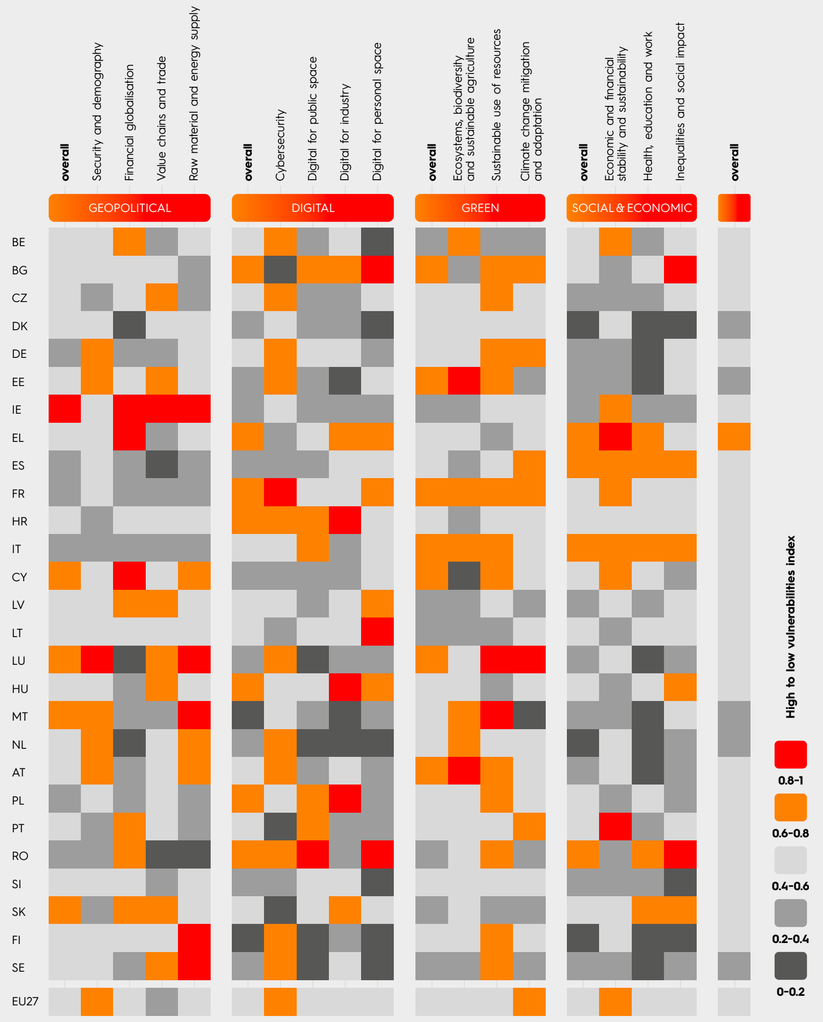
In addition to the application of technologies, institutional structures must also be strengthened. The following three aspects should be prioritised both at the level of the European countries and the European Union:

→ **Strengthening cybersecurity and digital sovereignty:** Expansion of the cybersecurity strategy to protect critical infrastructures, particularly in the energy sector.

→ **Promoting cross-border cooperation and institutional resilience:** Implementing the concept of a 'Preparedness Union' in order to increase the collective security and resilience of Member States and ensure a coordinated response to various threats.

→ **Climate protection and adaptation to climate change:** Promotion of sustainable and climate-friendly energy supply and establishment of an EU-wide crisis response plan for climate change.

Figure 03.
SYNTHETIC INDICES (DATA UP TO 2022)



(12) European Flood Awareness System (EFAS), European Forest Fire Information System (EFFIS), and European Drought Observatory (EDO).
(13) Ibid. Sopra Steria.
(14) Resilience Dashboards - European Commission.

Trend 05.
Driving *the GovTech revolution*

Europe's public sector holds untapped potential for digital innovation. GovMind tracks 5,000+ GovTech products from 2,000+ European start-ups. Providers quadrupled in a decade, signalling growth. GovTech spans governance areas such as safety, education, healthcare, and sustainability, offering transformative opportunities for modernising Europe's public sector. Full potential remains underutilised.

> **Building a dedicated GovTech infrastructure reduces reliance on global tech giants."**

Innovation and Implementation Speed

Start-ups focus on solving narrow challenges with agility. This approach fosters rapid, tailored innovation. GovTech solutions are often ready-to-use, reducing time, costs, and risks for public administrations.

For instance:

- **Estonia** was an early adopter of services such as e-residency and automated tax filing.
- **Barcelona** uses IoT to optimise public services such as waste management.
- **Denmark** showcases AI-based healthcare diagnostics and digital patient records.

Strengthening Digital Sovereignty

Building a dedicated GovTech infrastructure reduces reliance on global tech giants. Europe currently holds only 7% of the global GovTech market, compared to the US's 85%[15]. Digital sovereignty ensures data protection, enforces European values, and secures critical digital infrastructure.

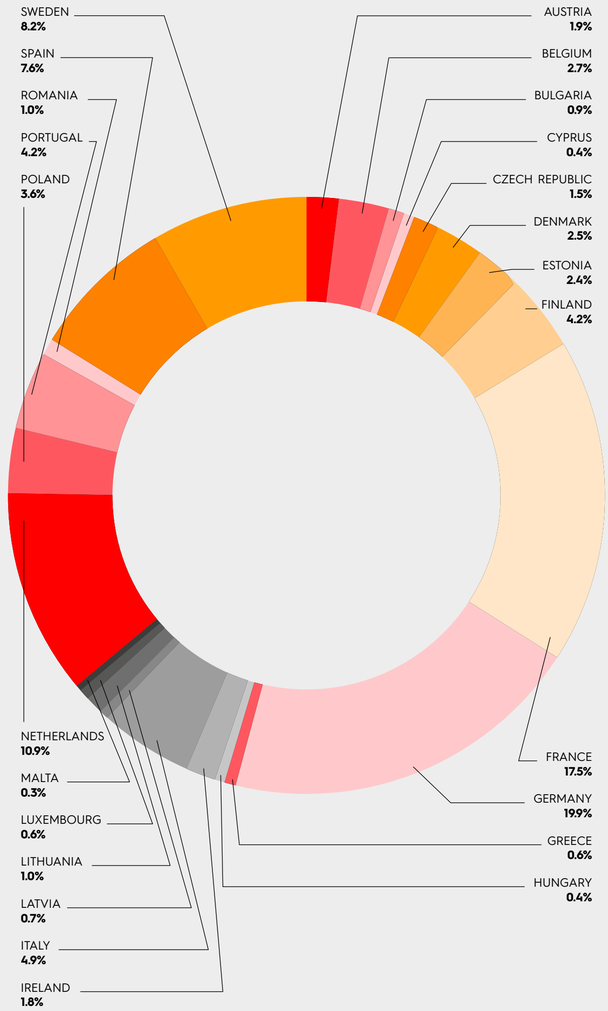
The EU's 'Interoperable Europe' initiative promotes common standards to foster cross-border collaboration. France's **BlueHats initiative,** for example, promotes open-source software to enhance public sector control and reduce reliance on proprietary systems.

(15) Is Europe Missing Out on the GovTech Revolution?, Jaime Codagnone, Interoperable Europe.

SHORT

Building a dedicated GovTech infrastructure ensures digital sovereignty, data protection, and critical infrastructure security. Europe holds 7% of the global GovTech market, far behind the US's 85%. Initiatives such as the EU's 'Interoperable Europe' and France's **BlueHats initiative** promote collaboration and open-source solutions, reducing reliance on tech giants.

Figure 04.
GENERATIVE AI START-UPS
– GEOGRAPHICAL DISTRIBUTION IN THE EU



A Growing Global Market

The GovTech revolution is global. Public sector technology spending has reached $400 billion annually[16]. Europe, where only 0.25% of public budgets currently go to GovTech, could raise this to 7–9%, unlocking over $200 billion in opportunities and bolstering global competitiveness.

Leveraging Europe's AI Landscape

AI is a key driver in GovTech. Europe hosts over 6,300 AI start-ups, including 669 focused on generative AI, which have collectively raised €2.37 billion[17]. Notable firms such as **Mistral AI** and **Aleph Alpha** already rival US giants.

(16) Qu'est-ce que GovTech? Le marché de 400 milliards de dollars bouscule les marchés publics ; Is Europe Missing Out on the GovTech Revolution? | Interoperable Europe Portal.

(17) Communiqué de presse : L'IA générative dans le paysage européen des startups en 2024 — Hub France IA.

AI-driven GovTech solutions include:

- **Predictive governance:** Crime prediction systems in the Netherlands allocate police resources more effectively[18].
- **Policy modelling:** AI simulates policy outcomes using massive datasets[19].
- **Citizen engagement:** Generative AI-powered chatbots make services more accessible[20].

Scaling such innovations positions Europe as a global leader.

Overcoming Barriers to Growth

The sector faces key hurdles:

- **Procurement challenges** limit start-up access.
- **Funding gaps** hinder early-stage companies.
- **Fragmentation** impedes solution scaling across EU Member States.

Initiatives such as the EU's GovTech Connect, Germany's **GovTech Campus,** and the UK's **GovTech Catalyst** lay a foundation for growth. Measures such as simplifying procurement processes, increasing funding for pilot projects, and promoting interoperability standards are critical.

Scaling Through Venture-Clienting[21]

Procurement systems lack capacity to scout thousands of solutions. Venture-clienting bridges this gap by connecting start-ups with administrations. It enables governments to test and scale solutions efficiently, reducing risks for both sides.

For example:

- Austria's **Open Data platform** helps start-ups use public data to solve challenges.
- Germany's **GovTech Campus** pilots innovations before scaling nationwide.

Building a GovTech Ecosystem

Europe is well-positioned to lead the GovTech revolution. Its start-ups, focus on digital sovereignty, and appetite for innovation provide a strong foundation. By fostering collaboration, standardisation, and innovation-friendly policies, Europe can achieve smarter governance and stronger economies. Coordinated action at all levels is needed to ensure Europe not only participates in the GovTech revolution but leads it.

(18) https://essay.utwente.nl/93249/1/Westenberg_MA_BMS.pdf

(19) Governing with Intelligence: The Impact of Artificial Intelligence on Policy Development.

(20) AI Chatbots in City Governance: Enhancing Public Services and Citizen Engagement - Tomorrow.City - The biggest platform about urban innovation; The impact of chatbots on public service provision: A qualitative interview study with citizens and public service providers - ScienceDirect.

(21) Venture clienting is a real strategic lever, because large companies are no longer just investors in start-ups, but become their first customers.

Trend 06. Redefining *digital leadership*

The public sector's ability to serve citizens in an increasingly digital world depends on leaders' capacity to effectively navigate and harness emerging technologies. Gartner identifies six transformative technologies that will reshape digital government services in the next five years[22]:

- **Digital Employee Experience (DEX):** By 2027, multidisciplinary workplace teams blending business and tech roles will outperform IT-only teams by 50%. DEX strategies use personas, journey mapping, and employee feedback to enhance digital dexterity, reduce silos, and boost workforce well-being.

> **Leaders combining technical, regulatory, and collaborative expertise can empower teams, improve services, and build trust, doubling success likelihood by 2027."**

- **AI Code Assistants:** AI tools for debugging, refactoring, and documentation will be used by 75% of enterprise software engineers by 2028, up from 10% in 2023[23]. These tools increase developer velocity and address specific needs, including government customisation.
- **Generative AI:** Focus is shifting to ROI-driven use cases. GenAI is advancing into critical applications, democratising AI through conversational interfaces and accelerating scientific discovery and industry adoption.
- **Generative Design AI:** Automating design processes, this technology will soon support full digital product design, enhancing efficiency in government services.
- **Predictive Analytics:** Transparent modelling informs policies, improves decision-making, and adapts plans proactively, minimising risks and ensuring trust.
- **Workstyle Analytics:** Aligning workplace investments with digital goals can reduce waste by 50%[24], optimising tech impact on employees and government service planning.

(22) Gartner, "Gartner Hype Cycle for Digital Government Services Identifies Six Technologies to Have Transformational Benefit Within 5 Years" (2024).
(23) Gartner Says 75% of Enterprise Software Engineers Will Use AI Code Assistants by 2028.
(24) Gartner Hype Cycle for Digital Government Services Identifies Six Technologies to Have Transformational Benefit within Five Years.

Figure 05.
HYPE CYCLE FOR DIGITAL GOVERNMENT SERVICES, 2024 [25]

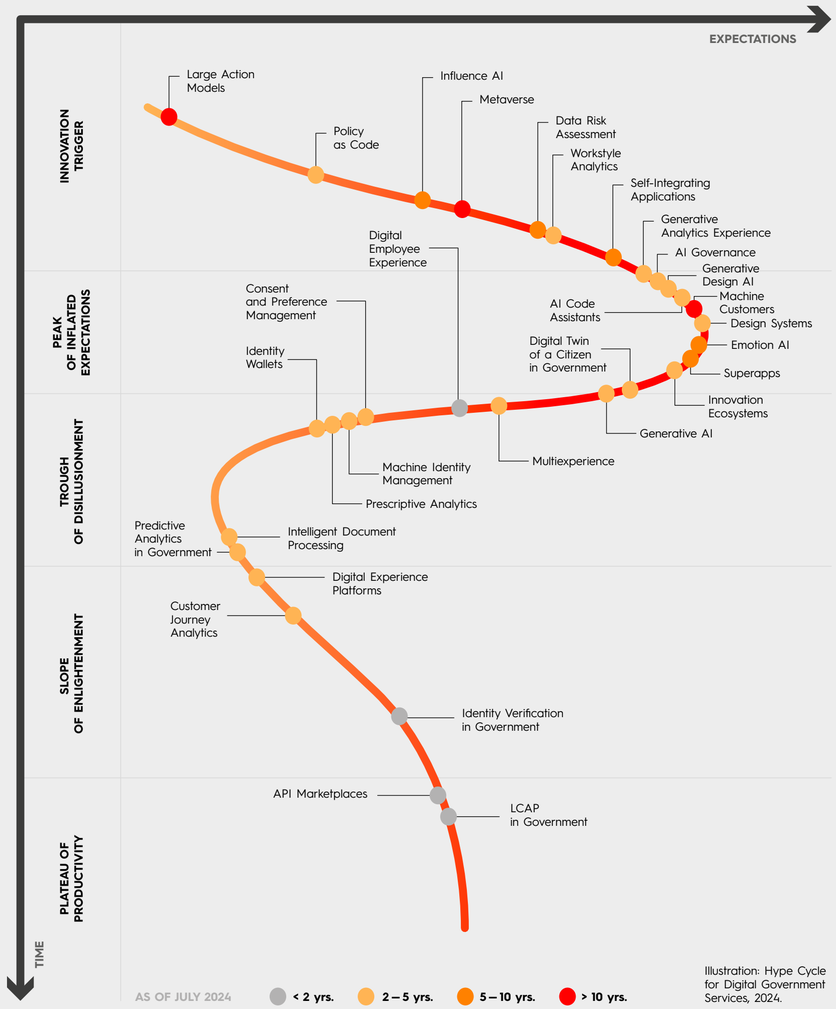


Illustration: Hype Cycle for Digital Government Services, 2024.

Effective public sector digital leadership demands agility, collaboration, and user-focused strategies while balancing technology with transparency and ethics. Leaders combining technical, regulatory, and collaborative expertise can empower teams, improve services, and build trust, doubling success likelihood by 2027.

The requirements for future management in the public sector are therefore multi-dimensional and complex. Accordingly, the solution spaces for the challenges must also be multi-dimensionally designed:

→ **Modernising the Leadership Paradigm in Public Administration:** Leaders should facilitate change by fostering innovation, empowering employees, and adopting agile principles like Estonia, which encourages collaboration and drives digital innovation in public administration.

→ **Focusing on Core Priorities:** Digital leadership requires prioritising key competencies such as IT security and resilience. The Netherlands' NCSC (National Cyber Security Centre) and Germany's Cyberagentur focus on advanced cybersecurity strategies and training to secure public IT infrastructures effectively.

→ **Promoting Cross-Sector Exchange:** Facilitating the transfer of leadership experience between the private and public sectors is vital. Initiatives such as Germany's "Querwechsler" network support this exchange, enabling personnel transitions and fostering knowledge sharing across organisations and sectors.

→ **Leveraging European Initiatives:** Europe offers various programmes and policy frameworks to support digital leadership in the public sector. Initiatives such as the Digital Europe Programme (DIGITAL) and the European Public Administration Network (EUPAN) advance digital transformation, promote agility, and encourage strategic thinking in administrative leadership.

(25) Ibid. Gartner (2024).

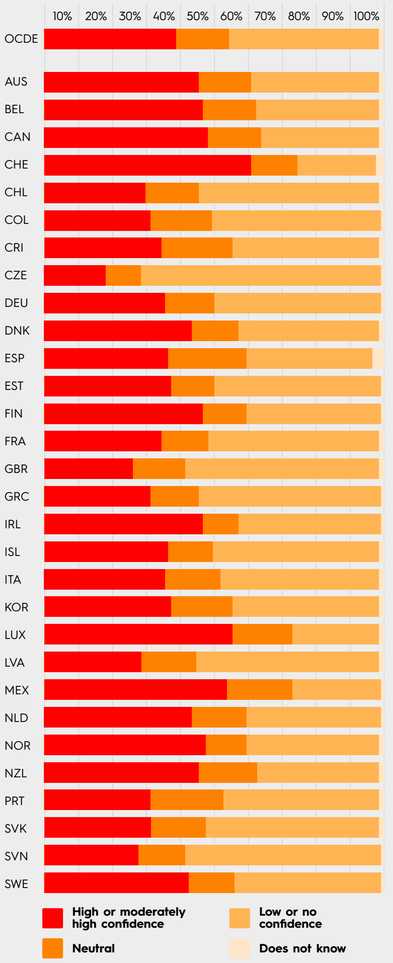
> *With 75% of citizens* expecting public services to rival private sector standards, governments face challenges in delivering reliable, *user-friendly platforms for tasks* like health records access[26].”

(26) Boston Consulting Group, “The Trust Imperative 4: GenAI, the Trust Multiplier” (2024).

Trend 07.
Managing trust *in digital government*

In the digital age, trust is crucial for effective public service but remains fragile, easily eroded by data breaches or poor user experiences[27]. Over one-third of citizens doubt government capability to regulate new technologies responsibly, emphasising trust as a measurable factor in digital governance. When trust weakens, it jeopardises the social contract, eroding confidence in public institutions' ability to manage digital transformations such as generative AI integration.

Figure 06.
SHARE OF THE POPULATION WHO BELIEVE IT IS LIKELY OR UNLIKELY THAT THE GOVERNMENT WILL ADEQUATELY REGULATE NEW TECHNOLOGIES AND HELP BUSINESSES AND INDIVIDUALS USE THEM RESPONSIBLY, 2023[28]

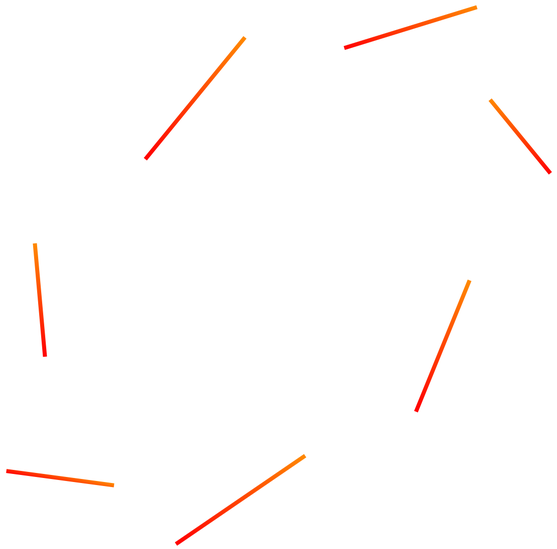


(27) OECD, "OECD Survey on the Determinants of Trust in Public Institutions – 2024 Results: Building Trust in a Complex Environment" (2024).

(28) Ibid. OECD (2024).

> **Over one-third of citizens doubt government capability to regulate new technologies responsibly, emphasising trust as a measurable factor in digital governance.”**

Trust in digital government hinges on service quality, data security, and digital literacy. With 75% of citizens expecting public services to rival private sector standards, governments face challenges in delivering reliable, user-friendly platforms for tasks such as health records access[29]. Trust requires balancing technology and people. Agile systems and innovations such as GenAI personalise services, but equipping public sector employees with skills and tools is equally vital. By investing in citizens and providers, governments can foster trust and ensure digital transformation benefits everyone.



To meet citizens’ high expectations, European governments must focus on the following key areas:

- **Quality of Digital Services:** To build trust, digital government services in Europe must match the user-friendliness, efficiency, and reliability of private-sector platforms, as emphasised by initiatives such as the *European Interoperability Framework (EIF) at the EU level*[30].
- **Promotion of Digital Skills:** In Belgium, the Digital Belgium Skills Fund (DBSF) provides financial support to projects and charities offering training for individuals in vulnerable situations. Its goal is to promote inclusion, digital skills, participation in civil society and ultimately improve employability for these individuals. Since 2023, Sopra Steria has contributed to this programme by evaluating its social impact and providing key recommendations.
- **Data Security:** Trust in digital governance depends on transparent data handling and robust cybersecurity measures, reinforced by EU-wide regulations such as the *General Data Protection Regulation (GDPR)* and the *Cybersecurity Act*[31].
- **Regulation of Digital Platforms:** It is recommended that digital platforms be regulated in such a way that they support democratic processes and do not undermine them, for example through measures against disinformation and in favour of greater transparency.
- **Digital Literacy:** Citizens’ digital skills are essential for adopting government services, with EU programmes such as *Digital Skills and Jobs* and *Horizon Europe* focusing on bridging the digital divide across Member States.
- **Involvement of Civil Society:** The initiative strives for a stakeholder process to ensure the broad implementation of the proposals and to involve various social groups in the development of the reforms.

(29) Boston Consulting Group, “The Trust Imperative 4: GenAI, the Trust Multiplier” (2024).
(30) NIFO – National Interoperability Framework Observatory.
(31) The EU Cybersecurity Act | Shaping Europe’s digital future.

Trend 08.
Leveraging tech for *sustainability*

Digital technologies offer significant potential for reducing CO_2 emissions in Europe. The public sector has a dual responsibility concerning sustainability and digitalisation:

- **It is a major emitter itself** due to the use of digital technologies – ranging from data centres to communication infrastructures and digital public administration services – all of which require significant amounts of energy. Regardless of the sector, the energy consumption of data centres alone is expected to increase by 200% by 2030 compared to 2018 [32].

- **It has significant influence** over itself and all industrial sectors by creating knowledge and setting political frameworks, such as introducing sustainability standards for digital products and processes under the European Green Deal and the Ecodesign for Sustainable Products Regulation (ESPR). Initiatives such as France's REEN law, which requires municipalities to develop strategies for responsible digital transformation by 2025, set important precedents.

The European Green Digital Coalition (EGDC), founded in 2021 with European Commission support, unites industry leaders to align digitalisation with sustainability. Anchored in EU strategies such as the Green Deal, it fosters green technology investments, develops impact standards, and promotes collaboration between public and private sectors to advance sustainable digital solutions.

> **Digital technologies offer significant potential for reducing CO_2 emissions in Europe. The public sector has a dual responsibility concerning sustainability and digitalisation."**

(32) EU Commission : EU-Aktionsplan zur Digitalisierung des Energiesystems.

However, progress towards responsible digital transformation is slow, hindered by limited expertise, lack of standardised impact measures, and insufficient supplier accountability. Key steps to address this include:

- **Establishing impact measurement frameworks:** By 2026, 50% of organisations will adopt sustainability-enabled monitoring[33]; by 2027, 75% will likely adopt sustainable data centre programmes[34]. France's **REEN Law** demonstrates how legislative action can mandate the measurement of the environmental impact of digital technologies, setting a standard for public organisations.

- **Optimising procurement and infrastructure:** Extending hardware lifespans and integrating sustainability into procurement, inspired by Ireland's Buying Greener programme which aims for 80% of ICT products to meet environmental criteria by 2025[35].

- **Promoting data-driven sustainability:** Leveraging technologies such as AI and blockchain to enhance transparency, as seen in the Netherlands' blockchain-based EnergieKnip app[36] which incentivises energy-saving, benefiting citizens and public sector sustainability.

- **Strengthening internal expertise:** Implementing training on Green IT and sustainable practices including advancing eco-design and digital sobriety through prioritising low-energy solutions and eco-design principles. Germany's Green IT Initiative provides training to public sector employees, focusing on energy-efficient practices and eco-design principles to integrate sustainability into administrative processes.

Digital technology, despite its negative impacts, paradoxically accelerates sustainability in the public sector. It drives decision-making, facilitates data sharing, and optimises resources in response to environmental challenges. A cultural shift toward responsible, essential digital solutions is needed, aligning sustainability and performance goals in public administration to enhance both environmental responsibility and operational efficiency.

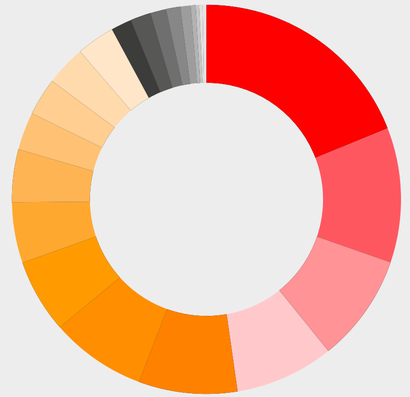
(33) Gartner, "Gartner predicts half of organisations will manage hybrid cloud energy consumption with sustainability monitoring by 2026" (2024).
(34) Gartner, "Gartner predicts 75% of organisations will have implemented a data center infrastructure sustainability program by 2027" (2023).
(35) Circular Computing, "Landmark Irish public sector agreement awarded" (2024).
(36) IOTA Foundation, "Using data to cut energy use while boosting local economies" (2023).

Trend 09.
Navigating *cybersecurity challenges*

The European Union's public sector is at the forefront of a rapidly evolving cybersecurity landscape. **Increasing digitalisation has expanded attack surfaces, making public administrations a prime target for cyber threats.** Between July 2023 and June 2024, ransomware and Distributed Denial-of-Service (DDoS) attacks represented over half of all reported incidents, with public administration (19%) being the most targeted sector[37]. Notable breaches, such as the November 2023 ransomware attack in Germany on a municipal IT provider and France's record-breaking healthcare data breach in early 2024, highlight the critical need for robust defences.

(37) ENISA, "Threat Landscape 2024", (2024).
(38) Ibid. ENISA (2024).

Figure 07.
TARGETED SECTORS PER NUMBER OF INCIDENTS (JULY 2023 - JUNE 2024)[38]



Sector groups

- PUBLIC ADMIN **1.88K (19%)**
- TRANSPORT **1.11K (11%)**
- BANKING/FINANCE **0.9K (9%)**
- BUSINESS SERVICES **081K (8%)**
- DIGITAL INFRASTRUCTURE **0.81K (8%)**
- GENERAL PUBLIC **0.79K (8%)**
- MANUFACTURING **0.63K (6%)**
- MEDIA/ENTERTAINMENT **0.48K (5%)**
- HEALTH **0.41K (4%)**
- ENERGY **0.32K (3%)**
- RETAIL **0.32K (3%)**
- ICT SERVICE MANAGEMENT **0.32K (3%)**
- EDUCATION **0.32K (3%)**
- DEFENCE **0.18K (2%)**
- ALL **0.17K (2%)**
- FOOD **1.14K (1%)**
- OTHER **0.09K (1%)**
- POSTAL/COURIER **0.09K (1%)**
- DRINKING WATER **0.02K (0%)**
- SPACE **0.02K (0%)**
- CHEMICALS **0.02K (0%)**
- WASTE WATER **0.02K (0%)**

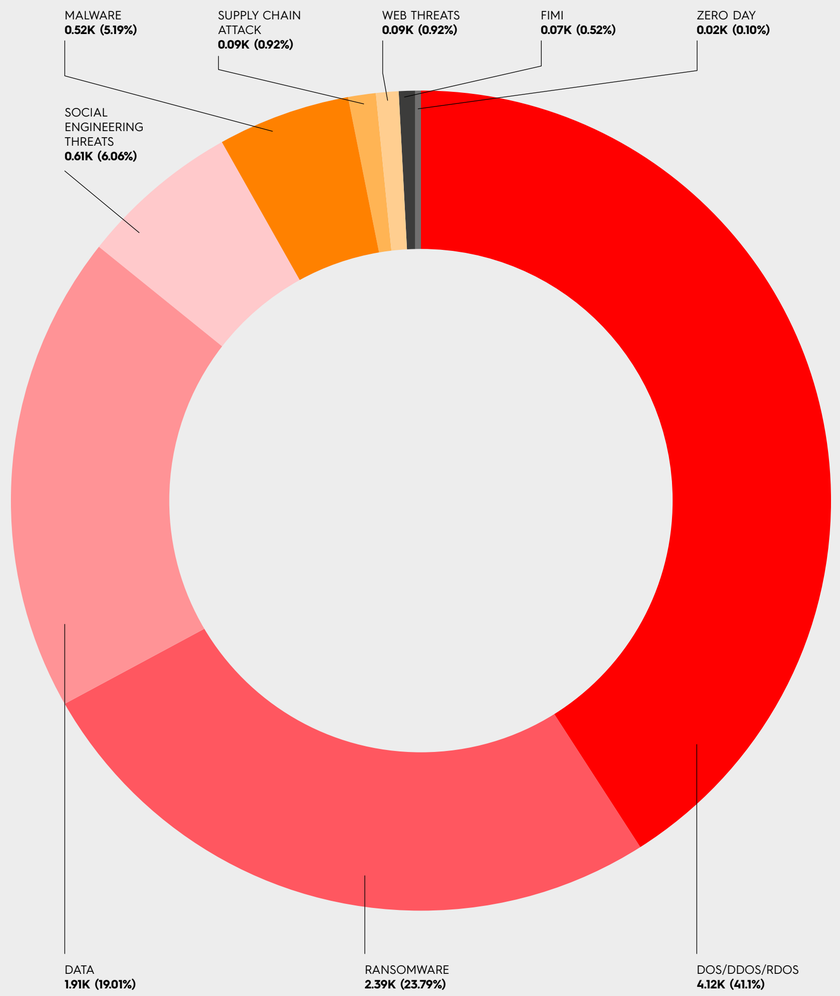
This escalating threat environment, fuelled by emerging technologies and geopolitical tensions, demands significant cybersecurity adaptations. A key example is the European **NIS2 Directive,** enacted in early 2023 and enforced from October 2024. NIS2 establishes harmonised regulations across EU Member States to enhance resilience in critical sectors such as healthcare, energy, and transportation. The directive imposes stricter requirements for incident reporting and risk management, directly addressing vulnerabilities in increasingly complex digital ecosystems.

Meanwhile, threat actors leverage advanced tools such as:

- **FraudGPT**[39] to craft phishing campaigns and generate malicious scripts, further raising the stakes for public sector security.
- **Information manipulation,** exemplified by Russia's operations during its war in Ukraine. These campaigns, designed to distort narratives and influence public opinion, have grown more sophisticated in response to global events and elections.
- **Quantum computing,** which introduces new challenges, compelling governments to prioritise quantum-safe encryption to protect sensitive systems.

To meet these threats, integrating advanced technologies will be pivotal. By 2028, 70% of AI implementations in threat detection and response will involve multiagent systems, up from just 5% today[40]. These systems, alongside adaptive security strategies, can enhance public administrations' ability to pre-empt and mitigate attacks. However, a cybersecurity talent shortage – compounded by competition with the private sector – remains a significant barrier. Governments must address this gap through strategic investments in workforce development and international collaboration.

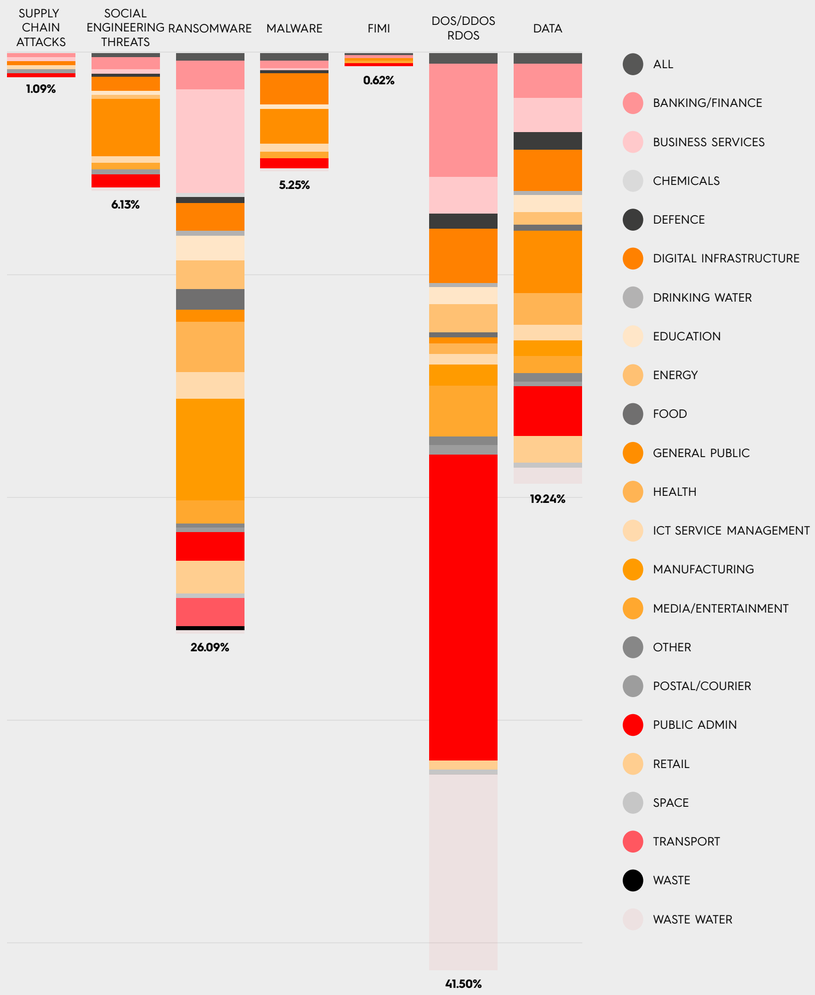
Figure 08.
BREAKDOWN OF ANALYSED INCIDENTS BY THREAT TYPE (JULY 2023 TO JUNE 2024)



(39) An AI-powered tool specialised in offensive security, designed to assist cybercriminals in executing attacks – like a ChatGPT tailored for cybercrime.

(40) Gartner, "Top Technology Trends in Government for 2024" (2024).

Figure 09.
OBSERVED EVENTS RELATED TO PRIME ETL THREATS IN TERMS OF THE AFFECTED SECTORS



In a digital world where cyber threats are ever-present and increasingly diverse, administrations must prioritise their efforts to manage risks effectively. To achieve this, it is essential to:

Build a Cyber-security Culture

- Run Awareness Campaigns: Launch quarterly training on phishing, passwords, and updates.
- Targeted Training: Create e-learning by role (employees, managers, IT).
- Simulations: Conduct incident drills to improve response.

Adapt Protection via Risk Analysis

- Security Audits: Focus on sensitive sectors such as health or defence.
- Custom Action Plans: Align measures with audit findings and critical assets.
- Strategy Updates: Review risks annually to address evolving threats.

Use AI for Threat Detection

- AI Deployment: Automate detection and real-time responses.
- Process Automation: Configure systems for anomaly detection and alerts.

Collaborate for Resilience

- Share Information: Join platforms to exchange threat data.
- Collaborative Drills: Organise crisis simulations with partners.
- Innovative Partnerships: Co-create solutions with start-ups and universities.

Trend 10.
Enhancing *decision-making*

> **ADM systems in Europe span a wide spectrum of applications, ranging from simple information processing to assisting with policy implementation."**

ADM (Application Delivery Management) systems in Europe span a wide spectrum of applications, ranging from simple information processing to assisting with policy implementation. These tools support public officials by analysing large datasets, identifying trends, and generating recommendations. For instance:

- **The Schengen Information System (SIS)** leverages automated decision-making (ADM) to revolutionise identity verification and law enforcement across Europe. By utilising biometric data such as fingerprints and facial images, the system automatically compares personal data against existing warrants and triggers alerts when matches are found.
- **The Directorate-General for Agriculture and Rural Development (DG AGRI)** employs ADM to enhance the monitoring of agricultural compliance. Using satellite data and AI systems, fields are analysed to detect violations such as unauthorised land use or breaches of environmental regulations.
- **With the National Data Analytics Solution (NDAS)** British police forces use predictive analysis programmes to evaluate crime data and conduct risk assessments. These systems apply statistical models and artificial intelligence to predict potential criminal activities and allocate resources more effectively.

> **Policy makers must ensure that ADM systems align with European values such as data protection, transparency, and democracy."**

Striking the right balance in fostering ADM is a significant challenge, requiring a delicate approach to intensively promoting ADM as a key technology for progress and efficiency while simultaneously demonstrating the necessary sensitivity in establishing stringent regulations to uphold ethical standards and protect fundamental rights. At the European level, the following activities are evident:

- **Promoting ADM:** The EU backs ADM as a crucial technology *via* Horizon Europe, the European Defence Fund, and the Digital Europe Programme, promoting innovation, defence, and public sector adoption. National strategies, such as Germany's AI Strategy, France's *Plan National pour l'Intelligence Artificielle,* and Estonia's e-government applications, complement these efforts to advance ADM across Europe.

- **Regulating ADM:** The EU AI Act addresses ADM's ethical and legal concerns, complemented by the GDPR for data privacy and Ethics Guidelines for transparency and fairness. Member States add measures such as France's *Loi pour une République numérique,* promoting transparency, and the Netherlands' Algorithmic Accountability Act, assessing ADM fairness in public services.

ADM has significant potential to transform public administration by streamlining processes, reducing costs, and enabling data-driven decision-making. However, to fully realise this potential, policy makers in Europe must **harness opportunities and strengthen responsibility by:**

- **Leveraging ADM as a driver of innovation and efficiency:** ADM can accelerate administrative processes, reduce costs, and elevate data-driven decision-making to a new level. This is particularly important in highly regulated sectors such as public administration, agriculture, and healthcare.

- **Addressing risks to trust and fundamental rights:** The risks of discrimination, lack of transparency, and public distrust posed by ADM systems necessitate a responsible implementation approach. Striking a balance between efficiency and ethical standards is crucial.

Highlighting strategic relevance for Europe: ADM is central to Europe's technological sovereignty. Policy makers must ensure that ADM systems align with European values such as data protection, transparency, and democracy.

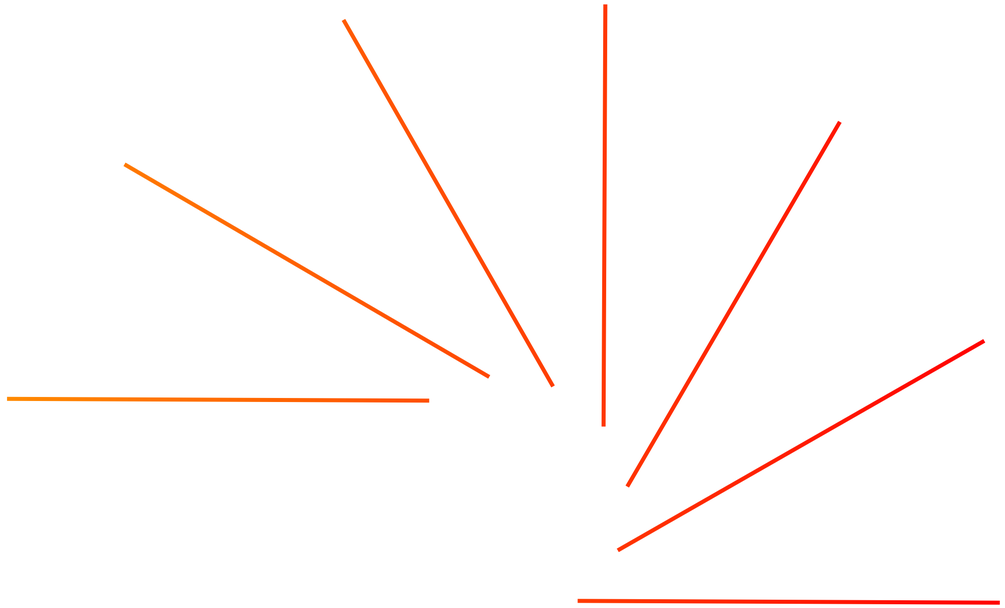
Shaping the Future of European Public Services

European public services are at a crossroads, faced with the dual challenge of addressing evolving societal demands and leveraging transformative opportunities. The trends outlined in our "Next Perspectives 2025" provide a comprehensive roadmap for how governments can navigate these complexities while fostering innovation, resilience, and sustainability.

The digital revolution stands at the heart of this transformation. Digital identity ecosystems, exemplified by the European Digital Identity Wallet, promise to streamline services across borders, unlocking cost efficiencies and fostering trust. Meanwhile, open data initiatives such as the European Health Data Space (EHDS) have the potential to revolutionise healthcare, driving research and innovation through seamless, secure data exchange.

Equally crucial is the empowerment of the workforce. With 25% of public sector employees nearing retirement, the need to bridge digital skills gaps is more urgent than ever. Governments must adopt a dual strategy of recruitment and reskilling, creating an agile workforce equipped for the digital age. This also underscores the importance of digital leadership, which will shape how effectively public sector leaders manage complex bureaucracies while embracing cutting-edge technologies.

GovTech and automated decision-making (ADM) are poised to redefine governance and service delivery, offering unprecedented efficiency gains. However, realising their full potential requires addressing challenges such as transparency, accountability, and procurement bottlenecks. Similarly, cybersecurity and cross-border resilience must remain top priorities, ensuring the robustness of European institutions in the face of multifaceted threats.



> **AI is the cornerstone of many of the innovations we aim to drive in the coming years.”**

CONCLUSION

Sustainability must also be a cornerstone of this transformation. The alignment of digital transformation with sustainability goals, as exemplified by the European Green Digital Coalition, can help reduce emissions and promote eco-responsible practices. However, this ambition demands expertise, impactful strategies, and robust measurement frameworks to deliver tangible results.

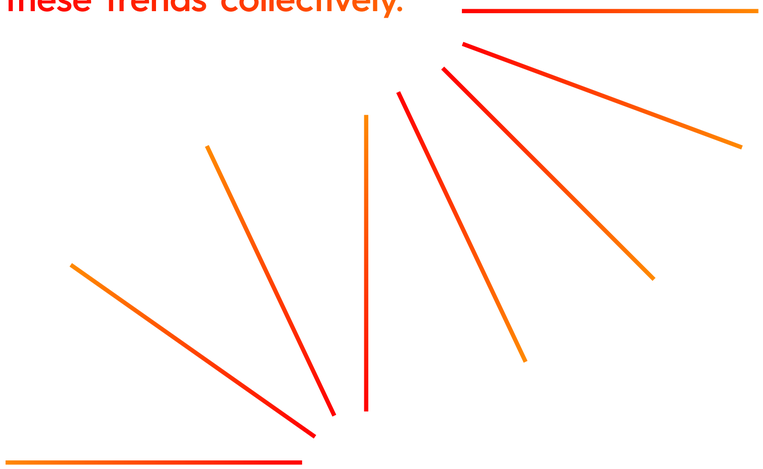
Ultimately, the success of these initiatives hinges on trust. Citizens must see digital transformation as a means to enhance their lives, not as a threat to their rights or privacy. Governments must actively build this trust through transparent, inclusive, and secure digital services. **This is particularly the case for artificial intelligence, which has been a common thread linking some of the trends in this issue.**

At Sopra Steria Next, artificial intelligence is the cornerstone of many of the innovations and transformations we aim to drive in the coming years. It is already deeply embedded in our solutions and consulting expertise, enabling us to deliver tailored, cutting-edge responses to the most pressing challenges faced by public services.

We are committed to harnessing the power of AI to empower public institutions, enhance citizen experiences, and ensure sustainable growth across Europe.

At Sopra Steria Next, we firmly believe that the future of European public services lies in embracing these trends collectively. By fostering collaboration across borders and leveraging innovation, Europe has the unique opportunity to redefine public service excellence, ensure that democratic values endure, and create a sustainable, inclusive society for generations to come.

The future of European public services lies in embracing these trends collectively.



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