

Lotus knows.

Smarter software for a Smarter Planet.

Forces Shaping Change in Government

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The world is **smaller** and **flatter**.

The reality of living in a globally integrated world is upon us.



- Sudden economic downturn and future uncertainty.
- Energy shortfalls and erratic commodity prices.
- Information explosion and risk/opportunity growth.
- Slowing superpowers and emerging economies.
- Threat of global disease transmission.



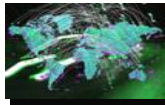
The world is connected:
economically, socially and technically.

For governments, this means leading in the face of growing challenges by these key drivers.



Changing Demographics

Longer life spans, lower birthrates, aging population, dynamic work force



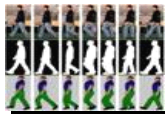
Accelerating Globalization

Developed countries erosion of industrial jobs, growing migratory work force



Rising Environmental Concerns

Climate change, flood, droughts, pollution



Evolving Societal Relationships

Integrated delivery of secure services anywhere at anytime



Threats to Social Stability and Order

Terrorism, regional conflicts, to pandemics to natural disasters,



Expanding Impact of Technology

Infrastructure, collaboration, interoperability, pace of change

Changing demographics...

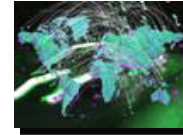


1. Changing demographics

Long-term changes are occurring in the composition of populations. These vary by country and region and include rising average age in many developed countries (e.g.: Japan), falling average age in many emerging countries (e.g.: India) and a shift in the male/female balance in select situations (e.g.: China), evolving educational requirements.

Drivers	Manifestations	Implications
Changing demographics	<ul style="list-style-type: none">• Rising average age in countries with declining birth rates• Declining average age in countries with high birth rates• Demographics and migration affect each other• Shifting gender balance in some countries• Demand for more inclusion of citizens (minorities, handicapped) in society and economy	<ul style="list-style-type: none">• Changes in the worker/pensioner/youth balance upset budget plans• Acceleration of societal health and pension costs as populations age• Over 50% of the world living in cities• Increased accessibility by government

Accelerating globalization...



2. Accelerating globalization

Countries and societies are becoming more economically interdependent across social, political and cultural, boundaries. This trend is evidenced by increased global movement of capital, raw materials, finished goods, work and labor between previously independent and sovereign entities. Additionally, public policies are becoming increasingly globalized as well.

Drivers	Manifestations	Implications
Accelerating globalization	<ul style="list-style-type: none">• Global capital (e.g. FDI) is becoming more flexible and moves to where returns on investment is the highest• Millions workers in China, India, etc. are entering the global labor market and yet will be in competition for existing jobs• National economic profiles, job availability and skill requirements all in flux• Emerging economies are modernizing rapidly	<ul style="list-style-type: none">• Developing countries like China and India will generate more and better paid high tech jobs• Economic interdependence grows, e.g. financial markets• Education programs are more critical than ever to economic strategies• Communication and cultural compatibility are critical to success

Rising environmental concerns...



3. Rising environmental concerns

Societies and governments are becoming more attuned to what the earth can provide and what the earth can tolerate. These issues cross domains as diverse as politics (growing importance of the “green vote”), economic development, public works, civil infrastructure development and education.

Drivers	Manifestations	Implications
Rising environmental concerns	<ul style="list-style-type: none">• A 2 degree Celsius rise in global average temperature will be enough to cause: poor harvests in Europe, large-scale displacement of people in Northern Africa, increased water shortages, 97% loss of coral reefs, total loss of summer Arctic sea ice causing extinctions of polar bear and walrus, spread of malaria in Africa and North America• Decline in fossil fuel and gas is foreseeable• Steeply rising energy costs• Fresh water becomes scarce	<ul style="list-style-type: none">• Natural resource availability will reshape nations and societies• Reshaping of peoples’ daily lives• Individual and national behavior will impact all humanity & reshape society• The “greening” of government policies taking place around the world• Rise of new green industries – alternative & renewable energy

Evolving societal relationships...



4. Evolving societal relationships

The trends that are reshaping the relationships between individuals and between customers and businesses are reshaping the expectations that citizen and business constituents have of their governments. Governments are expected to deliver results and value through secure, private services that are available anywhere and anytime to businesses, individuals, employees and other governments.

Drivers	Manifestations	Implications
Evolving societal relationships	<ul style="list-style-type: none">• Rise of the private sector digital economy is rippling through public sector institutions• Flexible, spontaneous collaboration is replacing fixed management structures in industry	<ul style="list-style-type: none">• Traditional government processes – e.g.: policy setting and regulation -- will adapt faster or risk irrelevance• Constituents expect government to add measurable value• Concept of privacy redefined for the digital age• From e-gov to web2.0

Growing threats to social stability and order...



5. Growing threats to social stability and order

Societies face challenges from terrorism and armed conflict -- including inter-cultural friction -- to pandemics and natural disasters. The nature of these threats is changing and the consequences of inadequate mitigation, preparation and response are increasing. Governments and societies are forced to respond to protect lives and property and to ensure stability.

Drivers	Manifestations	Implications
Growing threats to social stability and order	<ul style="list-style-type: none">• Inter -cultural and -national tensions are rising• Terrorist enterprises and globally organized crime are the newest forms of asymmetric warfare• Changing demographics and immigration are sparking a rise in intra-national tensions and civil disobedience	<ul style="list-style-type: none">• Global terrorism is an example of a much larger clash of cultures• Globalization and human migration force more cultural collisions• Pockets of new isolationism and tolerant coexistence appears

Expanding impact of technology...



6. Expanding impact of technology

As businesses, individuals and public institutions are adopting technology (e.g. IT, medical, communications, nano) it is changing the way each functions and reshaping the relationships between them. This trend creates a range of challenges and opportunities many of which are unexpected and require responses.

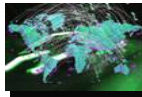
Drivers	Manifestations	Implications
Expanding impact of technology	<ul style="list-style-type: none">• Emerging capabilities in medicine, energy and information are vitally important to humanity• Anticipation, planning and reaction times to harness technologies are decreasing• Successful economic and political strategies must acknowledge and channel technology	<ul style="list-style-type: none">• The “digital divide” is increasingly becoming a “technology divide”• Suitable, responsive policies and strategies are vital

For governments, this means leading in the face of growing challenges by these key drivers.



Changing Demographics

Longer life spans, lower birthrates, aging population, dynamic work force



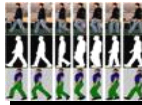
Accelerating Globalization

Developed countries erosion of industrial jobs, growing migratory work force



Rising Environmental Concerns

Climate change, flood, droughts, pollution, long cycle times for correction



Evolving Societal Relationships

Integrated delivery of secure services anywhere at anytime



Threats to Social Stability and Order

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Expanding Impact of Technology

Infrastructure, collaboration, interoperability, pace of change

• **The need to collaborate is more important than ever as the world continues to get more complex.**

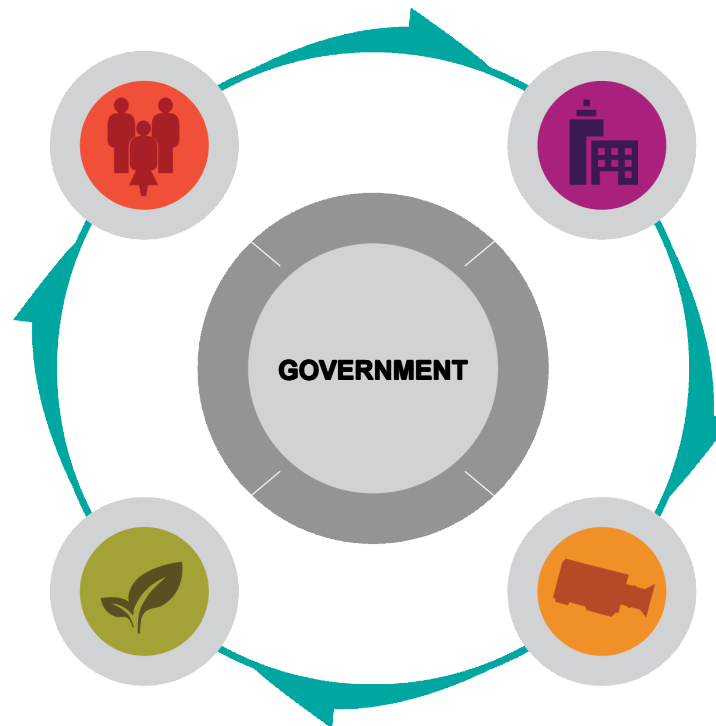
To ensure the economic health, welfare and security of their citizens, smart governments are working toward...

CITIZEN-CENTERED EXPERIENCES

Connecting people to programs based on individual needs—achieving sustainable outcomes while reducing operational costs and maximizing taxpayer value.

GREEN GOVERNMENT FOR A GREENER PLANET

Deploying environmentally responsible operations, from energy efficiency and conservation to transportation management and the pursuit of renewable resources.



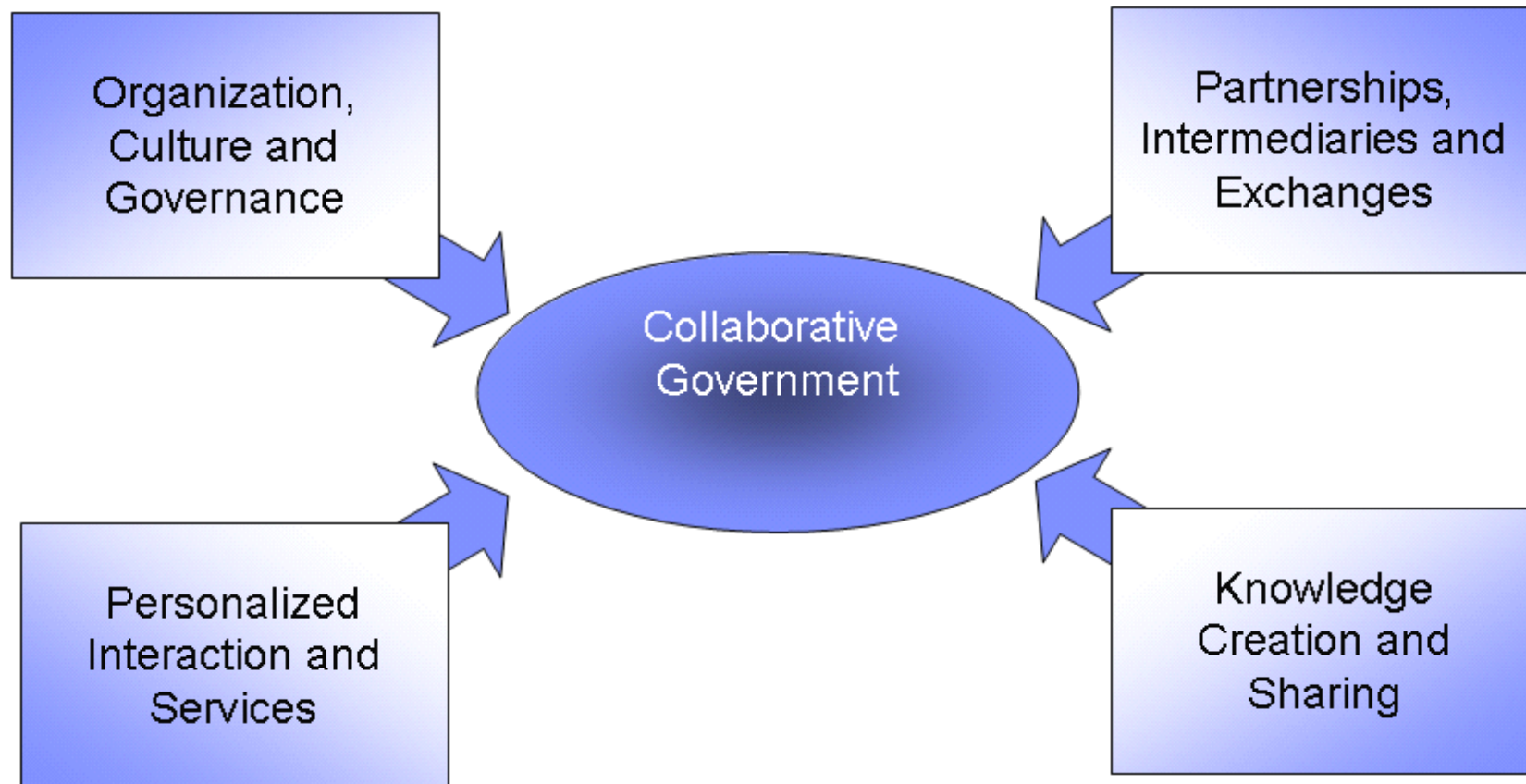
GOVERNMENT ACCOUNTABILITY

Leveraging business intelligence and planning to improve insight and elevate performance with visibility and control.

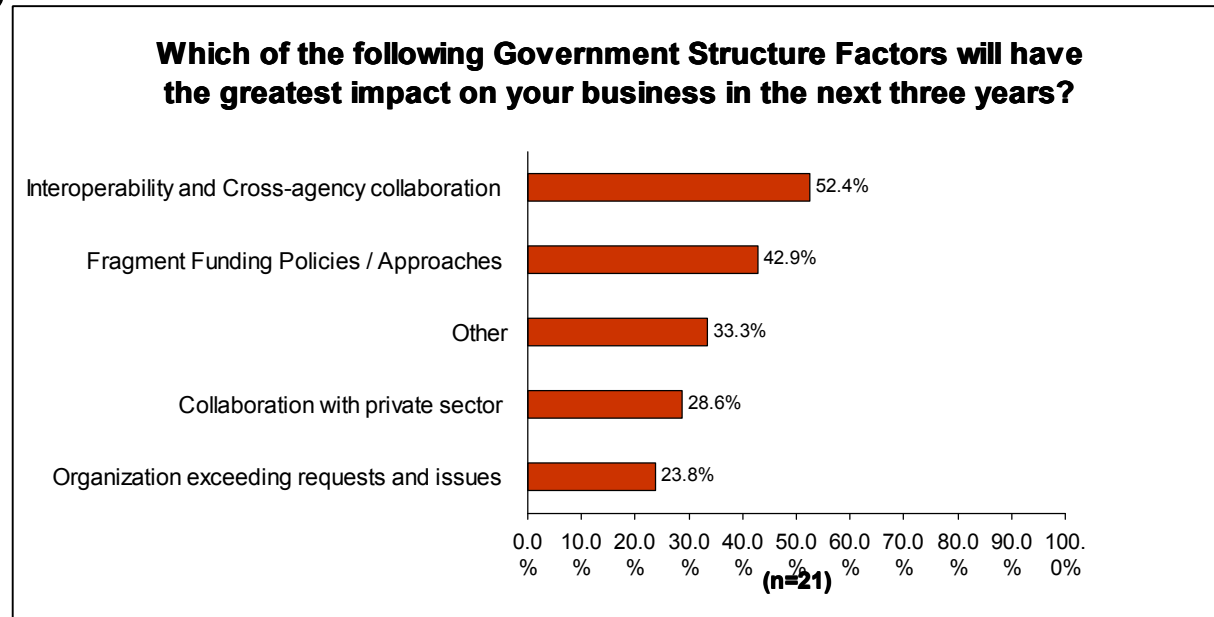
SENSE AND RESPOND CAPABILITIES

Enabling defense and law enforcement organizations to achieve situational awareness, increased speed of command and combat superiority.

While the drivers, constraints, aspirations and strategies are different for each country, there is a core of common capability required.



The majority of Public Sector Leaders said that cross agency collaboration would most impact their organization

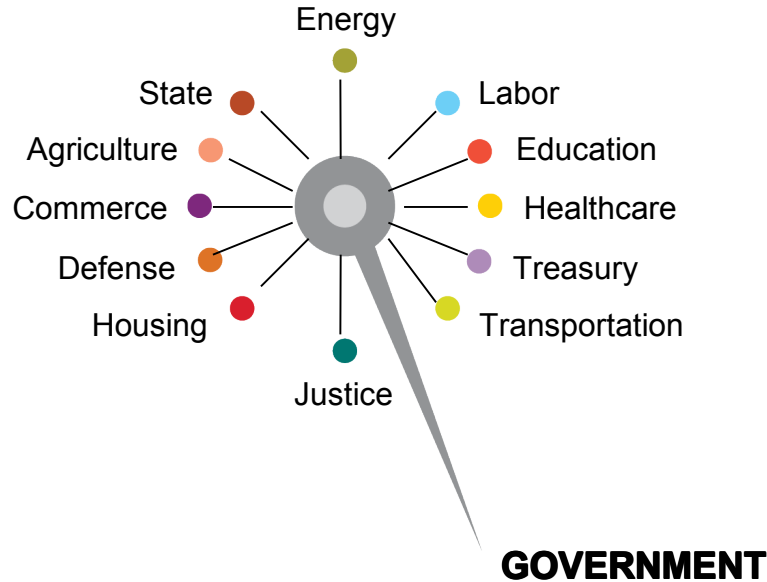


Collaboration has emerged as a key issue and a required competency

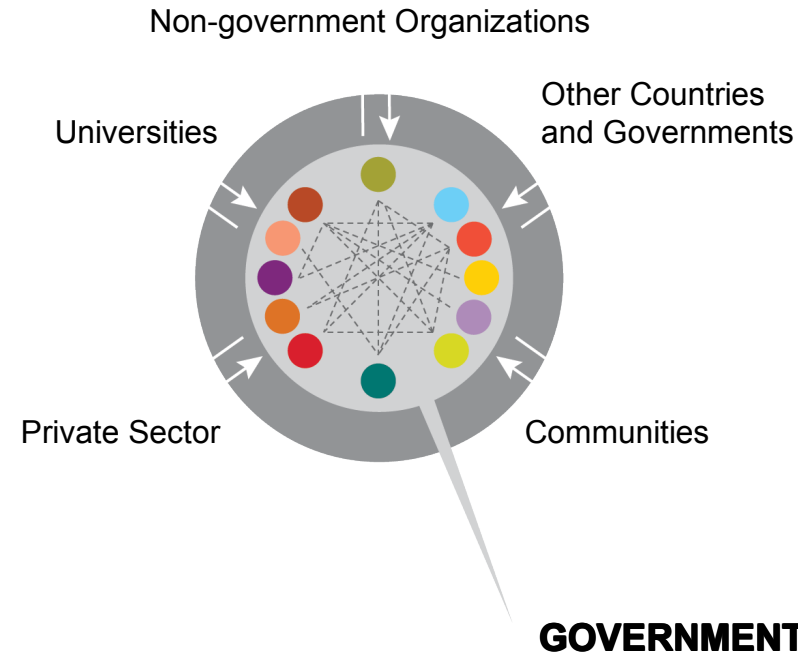
- Cross-agency collaboration or 'joined up' government has emerged as a key structural priority, as has the associated (fragmented) funding issues.
- To make this a reality, Public Sector Leaders are improving collaboration processes and developing common output based measures to drive integration across departments.

The goal? Increased information awareness and collaboration, leading to smarter decision-making across governments, agencies and other constituents.

20TH CENTURY GOVERNMENT



21ST CENTURY GOVERNMENT



Why must we take action now?

THE FINANCIAL CRISIS

As the fundamental principles underpinning the global financial system are being challenged, many are considering the wider implications this might have to other systems. Governments know they will play a central role in defining and ushering in a new paradigm through policy, education, standards, appropriate transparency and leading by example.

PUBLIC DEMAND

Citizens and the public are demanding greater accountability for the stewardship of the financial system as well as greater regulatory participation in the effort to establish market discipline.

EMERGING GLOBAL GOVERNANCE

The features of a global governance framework among regulators and supervisors are emerging.

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Thank You

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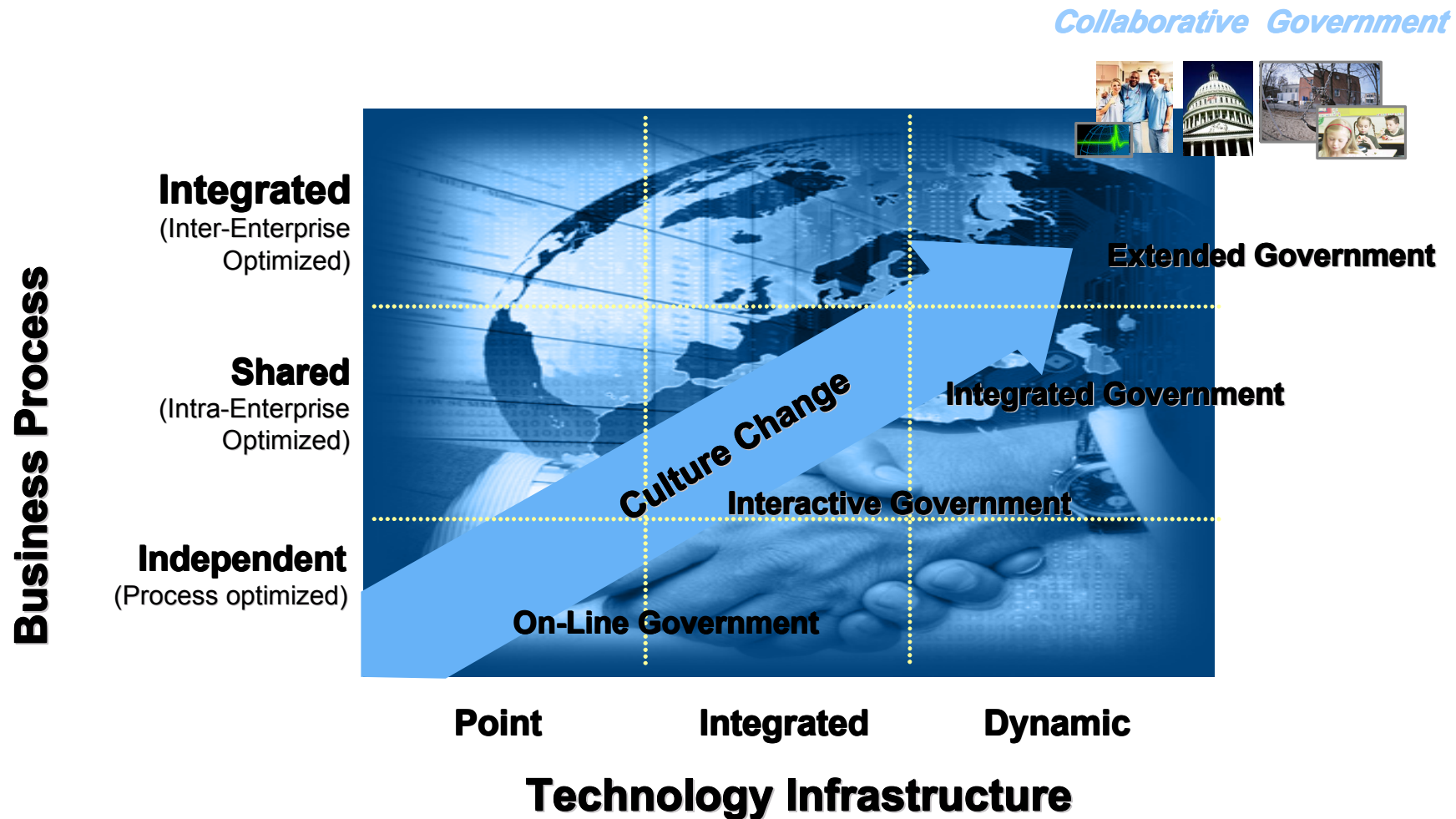
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Backup Slides

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Three Dimensions define the Transformation Journey

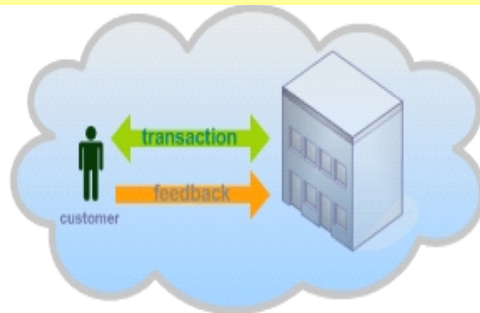


Web 2.0 – the evolution of the web, or the champion of the next phase of transformation?

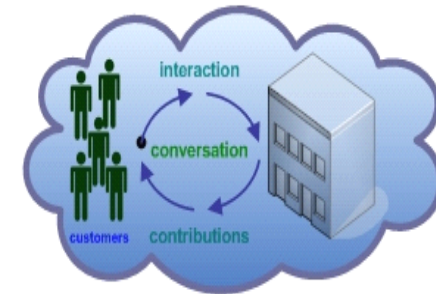
Web 1.0 was about **connecting computers** and making technology more efficient for computers.



Web 2.0 is about **connecting people**, and making technology efficient for people.



Web 2.0 changes the way in which government interacts with its constituents: it's about communities and social networks contextual relationships knowledge sharing people and the way they collaborate



Web 1.0
Get it online
Connecting computers
Personal websites

Britannica Online
Domain speculation

Screen scraping
Content management
Directories

Web 2.0
Make it work
Connecting people
Blogs, Facebook, MySpace
Wikipedia
Search Engine Optimisation
Web services
Wikis
Tagging

