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Beyond austerity

Accelerating government efficiency through digital transformation

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What's inside

In an era of tight budgets and increasing citizen expectations, government leaders face relentless pressure to do more with less.

The reflexive response to efficiency mandates often involves across-the-board cuts, hiring freezes and service reductions. Yet a cut-first approach can prove counterproductive if not accompanied and supported by operational and procedural changes in the way that government functions and delivers public services, potentially damaging service quality and public trust while often generating less sustainable savings.

Delivering sustainable efficiency without sacrificing the impact of government programs requires a reimagining of processes, well-designed application of technology, and the strategic alignment of budget reductions with meaningful organizational change and outcome-oriented goals. But the path to more comprehensive and sustainable government efficiency does exist, one that balances or replaces resource reductions with efficiency-focused digital transformation.

Digital government transformation offers the potential to simultaneously reduce costs, empower employees, improve service delivery, enhance citizen satisfaction and, importantly, better manage fraud and risk. Among the most promising areas for this transformation is payment digitization, which touches nearly every aspect of government operations — from revenue collection to procurement and benefits disbursement.

Digital government transformation offers the potential to simultaneously reduce costs, empower employees, improve service delivery, enhance citizen satisfaction and importantly, better manage fraud and risk.

The path to creating sustainable efficiency in the public sector

Government digital transformation encompasses the purposeful integration of digital technology across government operations, with the potential to fundamentally change how governments deliver value. Rather than simply digitizing existing processes, true transformation reimagines workflows and service delivery from the ground up with digital capabilities as the enabler, including potential applications of AI to help improve the efficiency of internal operations and responsiveness of public services. For governments, this approach can yield multiple benefits.

Process automation in public service delivery — for example, customer-service software powered by generative AI — has the potential to help improve services and outcomes for constituents while freeing up staff to focus on strategic priorities instead of low-value support activities.

Data integration can help eliminate redundancies and inconsistencies by breaking down silos. For example, abstracting information from disparate data sources into a common service layer can reduce data duplication, accelerate processing and enable efficient, synchronized updates across agencies and governments.

Advanced data analytics can play a key role in improving resource allocation and program effectiveness.

Self-service digital options for government services and payments, such as citizen wallets, can help to reduce costs, streamline processes, and simplify interactions for people and businesses.

Cloud infrastructure can help decrease IT maintenance costs and enhance scalability.

Government efficiency in action

Japan's digital government initiative offers a compelling example at a national scale. Developed and managed by its national Digital Agency, Japan's e-Gov portal helps streamline administrative procedures and enhance service access by enabling people and businesses to complete a wide range of tasks online. Users can submit applications and view status updates and notifications, remotely and 24/7, helping reduce resource and staffing burdens related to in-person service delivery.

The e-Gov portal provides access to thousands of government applications and procedures across multiple ministries, with the number of available services continuing to expand. This platform offers a centralized digital entry point for services such as employment, health, infrastructure, taxation and business licensing. The portal also offers a trial function to build users' familiarity and comfort with the platform's processes, as well as the ability to make payments for taxes, utility bills and other charges electronically via the Pay-easy service.

True to the Digital Agency's slogan — "Government as a Startup" — its platform embodies the spirit of agility and continuous innovation that drives effective government digitization. Japan's e-Gov portal highlights the potential of digital transformation to create a win-win for governments and their constituents — simultaneously enhancing operational efficiency and improving public service delivery.

Embracing new opportunities in the age of AI, Japan's national Digital Agency is working with other government bodies to coordinate AI strategy, which advocates integrating AI within government to streamline administrative functions and emphasizes leveraging AI for data-driven policymaking and service delivery.

Japan's e-Gov portal helps streamline administrative procedures and enhance service access by enabling people and businesses to complete a wide range of tasks online.

Payment digitization

The efficiency multiplier

Within the broader scope of government digital transformation, payment digitization can represent a particularly high-impact opportunity. Paper-based or partially digitized payment systems and processes can often present challenges related to cost and process inefficiencies, delays and errors for many governments. Digitizing these systems can play a part in delivering cost savings, while catalyzing broader process improvements and enhancing the experience for government constituents. These benefits can be achieved for payments both to and from the government, including taxes and fees, public purchasing and expenses, and the disbursement of government program funds.

Traditional collection methods — such as paper forms, in-person payments, and manual processing — can introduce significant friction for both citizens and government agencies.

Revenue collection

From friction to flow

Government revenue collection represents one of the most extensive financial operations in any economy and is essential to sustaining core government functions and public services. From income and property taxes to fees, fines, and usage charges, the complexity and volume of these transactions are immense.

Traditional collection methods — such as paper forms, in-person payments and manual processing — can introduce significant friction for both citizens and government agencies. For decades, governments have relied upon checks and bank transfers to collect taxes and other revenue from people and businesses, but these payment methods can contribute to higher indirect costs, back-office inefficiencies, and increased work for taxpayers.

Point-of-payment processes that fail to ensure accurate collection of tax reference and invoice information are the primary cause of payment mismatches from bank transfers and can pose significant reconciliation challenges. Human error, such as incorrect data entry or incomplete or inaccurate payment details, can also lead to payment mismatches. When a constituent's payment is not properly credited, this can necessitate time-consuming manual intervention by government staff or cause taxpayers to receive "failure to pay" notices weeks after they have made their payment. Citizens whose tax accounts are incorrectly flagged as unpaid must take steps to resolve the issue or face late payment penalties — which may cause stress, waste time, and potentially erode their trust in government systems.

These process gaps can also translate into substantial operational costs, with unallocated payments being placed in suspense accounts requiring manual identification, reallocation and reconciliation. Consequences can include delays in revenue recognition, increased back-office processing time, higher call volumes for government call centers, heightened fraud risk from unallocated funds, and reduced effectiveness in cash flow management and financial planning.

Critically, this can impair the government's ability to promptly allocate funds to essential services such as health, education, infrastructure and welfare. Moreover, funds held in suspense may pose compliance risks, including failure to meet financial reporting standards and exposure to additional audit requirements and scrutiny.

Digital- and card-based payment options can offer an alternative that contributes significantly to the efficiency and effectiveness of government revenue collection, such as through lower direct costs, faster processing times, enhanced security, greater convenience for constituents making payments, improved operational performance, richer data and enhanced cash flow management.

Citizens whose tax accounts are incorrectly flagged as unpaid must take steps to resolve the issue or face late payment penalties — causing stress, wasting time and eroding their trust in government systems.

Sophisticated government payment portals can leverage card network tokenization to securely store citizens' payment credentials. This ensures that even if the constituent's physical card is lost, stolen or expires, their stored token remains valid.

Digital and card payments can specifically address the payment mismatch challenge. Tax reference numbers, invoice numbers and other identifiers can be collected as part of the payment process and passed through the card network clearing system, directly into the ERP and ledger processing system used by the government revenue collection agency. By automatically matching the payment to the intended account, governments can recognize revenue immediately, minimize the risk of fraud from unallocated funds, and reduce the burden on back-office staff and call centers.

Sophisticated government payment portals can leverage card network tokenization to securely store citizens' payment credentials. This ensures that even if the constituent's physical card is lost, stolen or expires, their stored token remains valid — automatically updating with the replacement account details via the acquirer, gateway and network process. As a result, recurring or future payments can be processed more simply, without requiring the constituent to enter their new card information.

Beyond direct cost savings, digital revenue collection processes can enable more sophisticated approaches to compliance, transparency and optimization through enhanced use of data. Advanced analytics can identify patterns suggesting potential tax evasion, allowing targeted enforcement rather than blanket audits. Real-time reporting capabilities can also provide governments with improved cash flow visibility and forecasting ability.

For example, Japan's National Tax Agency is leveraging AI and data analytics to detect underreporting, help improve delinquent tax collection, personalize taxpayer services and integrate data across agencies — forming a smarter, more proactive tax compliance system.

New applications of AI for tax administration may be able to analyze databases to assist government treasury and finance agencies in reviewing taxpayer assets and liabilities — and potential tax obligations — by examining available data on property and land ownership, car registrations, trusts and beneficial owners, and business ownership, subject to applicable privacy laws and regulations.

Case study

Brazil's electronic invoicing system

Brazil's Nota Fiscal Eletrônica (NF-e) is a national digital invoicing system developed to modernize the country's tax administration by replacing traditional paper tax documents with electronic versions that are digitally signed. This system enables real-time monitoring of transactions by tax authorities, improving the reliability of invoice data and facilitating information exchange between federal, state and municipal governments.

By transmitting the NF-e online to the appropriate tax authority, which validates and authorizes its use, the system allows for streamlined control, reduced operational workload, and enhanced coordination across jurisdictions — addressing historical challenges of fiscal decentralization and fragmented oversight, and creating opportunities for efficiency gains and cost reductions for both government and businesses.

For tax authorities, the system reduces paper handling, improves data accuracy, and enhances fraud detection capabilities — ultimately aiming for higher tax compliance and revenue collection. For taxpayers, it can help to lower costs related to printing, storage, and transport of documents, while helping to minimize errors and simplifying compliance with ancillary tax obligations. The project also supports broader goals such as reducing bureaucracy, enabling electronic bookkeeping and promoting the digital transformation of commerce.

Cases like Brazil's demonstrate the potential for digital initiatives to set in motion a virtuous cycle of administrative improvement. Initial efficiencies in processing may help encourage greater compliance, which can lead to increased revenue and, over time, provide governments with additional capacity to invest in further enhancements, supporting a gradual shift toward more responsive and sustainable public administration.

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Revenue efficiencies at national and local levels of government

Australia's tax administration aims to process most electronically filed current-year tax returns within 12 business days, with digital notifications and status updates providing greater visibility into the progress of returns. In contrast, paper tax returns can take up to 50 days to be manually processed. Through a significantly streamlined experience, such digital tax filing options can contribute to greater constituent satisfaction and public trust in government systems.

Italy's PagoPA, a public tech company founded with the mission of strengthening and expanding digital public services in Italy, is working with Visa to promote the adoption of digital payments for public services such as schools through a series of informational campaigns. This initiative underscores the importance of effective outreach and education to drive adoption of card and digital payment methods and, ultimately, realize their efficiency benefits for local and national government. Digital payment adoption is already accelerating, with PagoPA reporting a 17% year-on-year increase in digital transactions in 2023 through its platform.

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Public spending and procurement

From paperwork to strategic public expense management

Government spending represents an enormous financial flow, encompassing everything from major infrastructure projects to everyday office supplies, from consultant contracts to employee travel reimbursements. Collectively, public sector procurement and expenses account for approximately 13% of GDP across OECD countries and 14% of GDP within the European Union. Given the scale and variety of public spending, managing these operations remains a significant challenge — one that has traditionally relied on paper-intensive, highly manual processes.

Conventional approaches to managing public spending can come with significant inefficiencies, and rigid procurement processes may fail to account for the size of the purchase or level of associated risk. Procurement processes may involve redundant approvals and lengthy processing times. Employee expense management can be similarly process heavy, requiring paper receipts, manual submission forms and labor-intensive verification.

Both public procurement and employee expense management are areas that commonly suffer from limited visibility into spending patterns, challenges in enforcing policy compliance, and difficulties in strategic spend management. Furthermore, employees traveling for official government business often must use their own means to pay for travel and seek reimbursement later, creating a financial burden.

Digital transformation of these expenditure processes yields benefits throughout the spending lifecycle — from initial requisition to final payment — while also providing powerful analytics for strategic decision-making.

13%

Collectively, public sector procurement and expenses account for approximately 13% of GDP across OECD countries.

14%

Collectively, public sector procurement and expenses account for 14% of GDP within the European Union.

Case study

South Korea's KONEPS system

South Korea's Korea Online E-Procurement System (known as "KONEPS"), launched in 2002, revolutionized the country's public procurement approach by replacing fragmented, paper-based processes with a centralized, fully digital platform. Developed by South Korea's Public Procurement Service (PPS), KONEPS helped streamline the procurement lifecycle — from tendering to contract management — by integrating over 140 external systems and enabling automated data sharing. This transformation resulted in substantial administrative savings and operational efficiencies, with billions of dollars in estimated annual savings.

Beyond financial savings, KONEPS also enhanced transparency, reduced opportunities for corruption, and increased the volume and efficiency of public procurement. Between 2002 and 2019, transaction volume tripled from $30 billion to nearly $100 billion, accompanied by a dramatic rise in the number of contracts processed. Additionally, the simplified digital system supported Korea's broader economic goals, such as promoting small-business participation and fostering inclusive growth.

$100B

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A consistent focus on transparency through digital platforms like KONEPS aligns with the nation's steady improvement in Transparency International's Corruption Perceptions Index (CPI) over the past decade. While public trust derives from many factors, sustained efforts to promote efficient, effective and accountable procurement processes can play a crucial role in the perception of public sector integrity.

As an early example of public procurement digitalization, KONEPS illustrates how streamlined and government-wide systems can yield multiple dividends. In addition to unlocking potential transaction and administrative cost reductions, digital systems can generate strategic benefits such as broader supplier participation, stronger compliance and greater transparency.

140

KONEPS helped streamline the procurement lifecycle by integrating over 140 external systems and enabling automated data sharing.

Unlocking global spending efficiencies

Chile's public procurement platform has helped simplify and centralize government purchasing, with over $12 billion in public agency transactions in 2020. Through coordinated purchases and framework agreements, the state achieved 33% savings on essential purchases during the COVID-19 pandemic and has expanded opportunities for micro, small and medium enterprises (MSMEs), which account for 96% of suppliers. Following a report highlighting the potential to save an estimated $290 million to $855 million annually by further improving competition and management in public procurement, the state has taken key steps, including the implementation of e-commerce and card-based payment processes for its small-business partners.

The **United Kingdom** has made significant strides in simplifying public spending through initiatives, including its Digital Marketplace and Government Procurement Card (GPC) program. In 2016–2017 alone, frameworks available through the Digital Marketplace helped the Crown Commercial Service (CCS) deliver £725 million in savings. By 2018, over £4.22 billion had been spent through the platform, with more than 90% of suppliers being small and medium-sized enterprises (SMEs), underscoring its role in boosting inclusive procurement. On the payment side, it has been estimated that the use of procurement cards has reduced transaction costs by around 35%, or £5 per transaction, compared to traditional purchasing methods — highlighting this program's value in streamlining low-value, high-volume spending.

Australia's digital expense management systems — guided by its ERP Travel and Expense Management System (TEMS) Standard — enhance efficiency, cost control and transparency in managing employee travel and expenses. By automating processes such as travel planning, expense claims, reimbursements, compliance checks and credit card reconciliation, these systems help enforce policy, simplify operations and deliver real-time visibility into spending. This integrated, standardized approach supports accountability and informed decision-making across Commonwealth entities, supporting integrity in public spending.

By digitizing both major procurement and everyday expenses, governments can pursue opportunities to dramatically reduce operational costs while improving control and transparency. Commercial card programs have emerged as effective tools to help streamline spending through integration with their existing financial management systems.

A 2022 study by Visa and Kearney points out how traditional and virtual card programs offer governments enhanced visibility into spending, enabling ongoing monitoring of transactions to better ensure compliance with internal policies, assess supplier performance, and inform strategic sourcing decisions. By capturing detailed, timely data on spending activity, digital payment programs can generate actionable insights that support evidence-based policymaking and enhance the overall effectiveness of public procurement and expense management strategies.

$12B

With over $12 billion in public agency transactions in 2020, Chile's public procurement platform has helped simplify and centralize government purchasing.

35%

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Government disbursements

From delays to direct delivery

Government program disbursements are among the largest types of payment flows in almost all countries, distributing trillions of dollars annually across a wide spectrum of programs and payment types. These disbursements include social benefits and entitlements but also encompass employee salaries and pensions, tax refunds, grants to organizations, intergovernmental transfers, and emergency relief funds. Across OECD member countries, public social expenditures alone averaged more than 21% of GDP in 2024. The scale and diversity of these payments present significant operational challenges.

Traditional disbursement methods — such as cash, vouchers, manual bank transfers and paper checks — can produce substantial inefficiencies. Processing costs can be high, and delivery times can be lengthy, often requiring days or weeks for recipients to receive funds. Reconciliation processes are labor-intensive, and loss or theft of physical payment instruments creates additional administrative burdens. For recipients, paper-based disbursements often mean delayed access to funds, inconvenient deposit requirements, and sometimes expensive check-cashing services for the unbanked. Further, government vouchers and similar aid methods can stigmatize the beneficiary by visibly identifying them as a recipient of government support.

In contrast, digital disbursement systems can offer governments a path to greater efficiency, transparency and inclusion. The World Bank's Digital Progress and Trends Report 2023 highlights examples of countries around the world that have accelerated payment times, reduced costs and administrative burdens, and expanded access through digital disbursement systems. Nations such as Zambia, India and Türkiye demonstrate how well-designed digital systems can help improve targeting, minimize fraud and leakage (disbursed funds that do not reach the intended recipient), and provide faster, more reliable access to these essential services.

Prepaid and virtual card solutions have proven particularly valuable for reaching underbanked populations and enabling immediate fund access without requiring traditional bank accounts, while also allowing them to make payments in the same manner as others in their community.

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21%

Across OECD member countries, public social expenditures alone averaged more than 21% of GDP in 2024.

Transforming a wide array of disbursement use cases through digitization

Germany's SocialCard, a federal program implemented by German states and cities to provide refugee aid, has enabled the delivery of critical support more efficiently. The system replaces traditional aid methods such as cash and vouchers with a simple prepaid card, cutting down on paperwork and administrative burdens for officials, and reducing wait times for beneficiaries. This has simplified the process and saves public resources by streamlining the distribution of aid — leading to estimated efficiency savings as high as 90%. The SocialCard's enhanced data and program controls have also provided a powerful tool for managing and optimizing refugee aid programs to meet national and local goals.

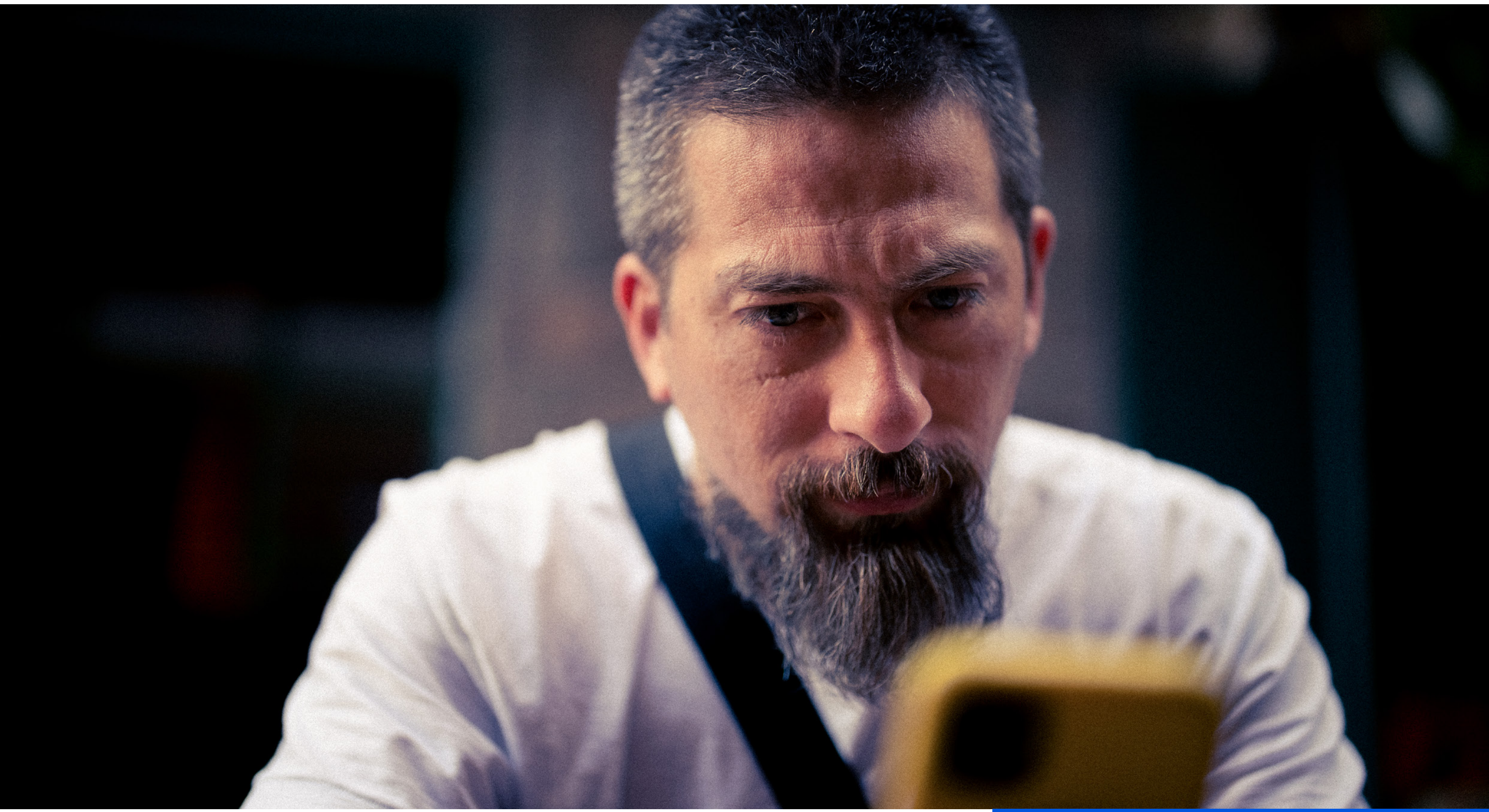
In the **Netherlands**, an innovative collaboration led to a digital payment solution that has streamlined money management and disbursements for financial guardians and those who have been placed in their care by the state. This solution replaces time-consuming paperwork and delays with an efficient web portal and Visa Debit Cards. It not only boosts efficiency for professionals but also empowers vulnerable individuals with greater financial autonomy and secure payment access.

In the **United States**, the State of Maine simplified and streamlined management of its lottery payouts by partnering with Visa, shifting from slow paper checks to real-time digital disbursements through Visa Direct.* This change allows lottery winners to receive funds directly within minutes, offering immediate and secure access. For the State of Maine, it has led to efficiency gains, reduced administrative costs, and increased satisfaction for lottery winners by streamlining and enhancing the payout process for administrators and lottery winners.

90%

Germany's SocialCard program saw an estimated efficiency savings as high as 90% by cutting down on paperwork and administrative burdens for officials, and reducing wait times for beneficiaries.

* Actual fund availability depends on the receiving financial institution and region.



In the **Ukraine**, for millions displaced by the country's ongoing conflict, the UK-based neobank and fintech Revolut is collaborating with Visa to enable digital remittances to friends and family in Ukraine. This initiative supports easy bank account setup in the EU for those resettling, often using just their passports, and facilitates swift cross-border money transfers via Visa Direct.* The value of this digital approach is significant: It helps minimize risks like theft or loss associated with physical cash, enables rapid disbursement of funds, and also creates a transparent record to help ensure aid reaches its intended recipients efficiently.

Particularly in times of crisis, digital disbursement systems can be key to responsive governments. The COVID-19 pandemic showed the vital role strong digital infrastructure and payments played in delivering and quickly expanding effective government aid. This experience and the innovative solutions put in place during the pandemic convinced many governments of these systems' advantages. For instance, an innovative partnership in Guatemala put an emergency digital disbursement solution into action in only 15 days, while Spanish communities responded to the public health crisis with a flexible aid delivery program using prepaid cards, often distributing them in less than a week — highlighting the agility and speed that digital solutions can offer in times of need.

UK-based neobank and fintech Revolut is collaborating with Visa to enable digital remittances to friends and family for millions of Ukrainians displaced by the country's ongoing conflict.

* Actual fund availability depends on the receiving financial institution and region.

Success factors for government efficiency efforts

While payment digitization can offer significant efficiency benefits, implementation outcomes may vary based on multiple factors. Government leaders should consider several critical factors for delivering effective services through digitization.

01

Human-centered design

Digital systems should be designed with all users in mind, including those with limited access or digital literacy. Successful initiatives prioritize extensive user research across the communities and demographics governments serve to create user-centric digital services. In the context of government payments, integrating familiar and accessible payment options — such as widely used debit and credit cards — can better meet the public's expectations for convenient digital experiences, improve access to public services, and drive adoption. High user satisfaction often stems from aligning system design with real-world behaviors and needs.

02

Interoperability and standards

Government systems rarely exist in isolation. Interoperability frameworks and shared data standards help enable secure information exchange across government platforms, allowing digital payment infrastructure to connect with other systems to streamline a wide array of processes, from eligibility verification to payment management and auditing. For example, Estonia's X-Road data exchange layer has demonstrated how such infrastructure can support secure, cross-agency coordination. Adopting widely recognized standards — such as those used by global card networks — can also facilitate integration with existing commercial payment infrastructure.

03

Change management

Digital transformation is ultimately about people, not just technology. Effective leadership, planning and policies are essential to help both public sector employees and constituents adapt to new systems and processes. Successful initiatives often include dedicated programs that provide clear communication, training and support throughout the transition. A phased approach — such as initially offering new digital payment options alongside traditional methods before gradually transitioning away from legacy systems — can help build trust, ease resistance and encourage adoption over time.

04

Public-private collaboration

Governments can accelerate payment and service digitization by forming strategic partnerships to leverage proven commercial solutions from the payments ecosystem. Best practices include clear governance, managing risk through vendor diversification, transparent contracting, and contingency planning. Ultimately, governments must act as strategic buyers — accessing the private sector's expertise and innovations while upholding public service values and responsibilities such as data protection, accessibility and end-user outcomes.

05

Security and privacy by design

For digitization initiatives — from citizen wallets to procurement platforms — governments should embed security and data protection measures from the start. A risk-based, privacy-focused approach builds citizen trust and helps mitigate the security, financial, and reputational risks associated with data breaches and other cyber risks. Whole-government strategies, clear governance structures, and alignment with industry standards and best practices can help public institutions prepare for risks in today's digital economy. Far from being a constraint, security and privacy are foundational to digital initiatives that build long-term efficiency and public trust.

Strategic best practices

For government leaders seeking to drive efficiency through payment digitization, several strategic principles can help accelerate and optimize the delivery of direct and indirect efficiencies through digital transformation and digital payments.

Start with high-impact use cases

Begin with payment processes that deliver clear efficiency gains and benefit many end-users. Areas such as tax collection, vendor payments and benefit disbursements can be strong starting points. Prioritizing low-complexity, high-volume transactions can demonstrate immediate value through fiscal and operational benefits, such as opportunities for enhanced revenue collection or reduced administrative burdens, helping to build momentum and stakeholder support for broader digital transformation efforts.

Build modular, scalable systems

Rather than pursuing large, monolithic projects, successful digital payment transformations often start with core functionality and expand incrementally as governments progress through each stage of digital transformation.** This phased approach reduces risk, allows for faster delivery of benefits, and enables continuous learning and improvement. For example, starting with basic capabilities — such as card acceptance for a small number of services — can lay a foundation for broader integration across multiple programs and departments over time.

** A 2023 report from Kearney and Visa outlines four stages of digital evolution and maturity of government services. See pg. 7 of the study, Digital Government Platforms, to learn about each stage and its defining characteristics.

Establish common payment standards

Developing consistent standards across government entities may help create significant reductions in integration and implementation costs while helping to improve the overall citizen experience. Standardization allows agencies to leverage shared infrastructure and tools, even while maintaining service-specific business rules. This approach also supports faster scaling, enhances interoperability, and creates a simpler and more consistent payment experience for users across different public services — compared to fragmented, agency-by-agency implementations.

Create centers of excellence

Dedicated agencies or teams with specialized expertise can support multiple agencies in their digital transformation efforts. These centers — often housed within digital ministries, central ICT departments or treasury and finance agencies — serve as institutional thought leaders and provide technical guidance, change management support and hands-on implementation assistance. By acting as knowledge hubs, they accelerate adoption through reusable components, shared best practices and coordinated support across agencies. This approach helps reduce project timelines, improve success rates and prevent common pitfalls.

Leverage ecosystem partnerships

Financial institutions, fintechs and global payment networks can be valuable partners in government payment modernization. By collaborating with established players, governments can access existing infrastructure, specialized expertise and ongoing innovation — helping to accelerate implementation and reduce costs. Partnerships with card networks, in particular, can offer access to broad acceptance infrastructure, advanced fraud prevention tools and analytics. These collaborations can enable governments to focus on core service delivery while leveraging partners' investments in secure, scalable payment technologies.

Dedicated agencies or teams with specialized expertise can support multiple agencies in digital transformation efforts.

Efficiency through transformation

The pressure for government efficiency may continue to build in coming years as demographic shifts, fiscal constraints, political pressures and rising public expectations converge. While budget cutting may reduce some costs, sustainable efficiency can be maximized through a more strategic digital transformation of government operations and services.

Payment digitization represents a particularly compelling opportunity within the broader transformation landscape. By streamlining and modernizing how governments collect revenue, purchase goods and services, and disburse funds, public sector leaders can potentially achieve both immediate cost savings and long-term process improvements, with additional benefits in areas such as data capture and visibility, end user experience, and security. The case studies highlighted in this document illustrate how these benefits may be achievable across diverse contexts and at various stages of government digital transformation, though results can vary based on specific circumstances and implementation approaches.

What distinguishes digital transformation from the simple incorporation of digital tools is its focus on reimagining processes rather than just automating existing ones. By leveraging modern payment technologies, particularly card-based solutions that offer security, convenience and detailed transaction data, governments can simultaneously improve operational efficiency and citizen experience. The integration of these payment capabilities with broader digital government initiatives can help governments to produce multiplicative benefits, as transactional data feeds analytics that can drive further improvements.

As the world moves further into the digital age, the gap between digitally transformed governments and those relying on legacy approaches will likely widen. Citizens increasingly expect the same convenience and responsiveness from government that they experience in their interactions with leading private sector organizations. Meeting these expectations while managing fiscal constraints requires a fundamental shift in how we conceptualize government efficiency.

The most successful governments will be those that view efficiency not as doing less with less, but as doing more with the same — leveraging digital capabilities to deliver better outcomes for citizens while responsibly managing public resources. In this way, efficiency becomes not just a fiscal imperative but a pathway to more effective, responsive government that builds public trust through improved service delivery.

The journey toward digital government may begin with payment transformation, but its ultimate destination is a reimagined relationship between public institutions and their constituents — one characterized by convenience, transparency and responsiveness rather than bureaucracy, paperwork, and delay. This vision of government efficiency offers a compelling alternative to the austerity narrative, promising not just cost savings but genuine improvement in how government fulfills its essential mission.

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