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**DIGITAL TRANSFORMATION OF PUBLIC ADMINISTRATION  
IN THE RUSSIAN FEDERATION: AGENDA AND ISSUES**

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**Abstract**

Modern global trends in the development of the digital economy specify new demands for public administration. Serious changes are required both for the government office setup and for the mechanism of interaction between citizens and organizations with state bodies, as well as between state bodies. It is necessary to simplify and speed up the organization of such interaction, which could be possible to reach through the introduction of digital technologies, the replacement of e-government with the digital one. This study reveals the problem of digital transformation of public administration in the Russian Federation. It discusses the main tasks and the current constraints. Digital transformation requires a change in fundamental approaches to the organization of public administration in our country, and a radical restructuring of the state apparatus. At the same time, there are restrictions regarding the financial support of digital transformation, the availability of qualified IT specialists, information security, etc. The methods comprised for the study include the methods of analysis and synthesis, economic and statistical methods, methods of comparative and factor analysis. The results of the study allowed determining the content of digital transformation, identifying the tasks of digital transformation of public administration in Russia, and analyzing the financial support of digital transformation of public administration. Also the problems of personnel support and national security in the implementation of digital technologies in public administration are explored in the paper.

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## 1. Introduction

The process of digitalization that is taking place all over the world is increasingly intertwining with all aspects of public life – the economy, the social sphere, and public administration. In Russia, this process was given its start in 2008, when the strategy for the development of the information society in the Russian Federation was approved (Information Society Development Strategy in the Russian Federation, 2008). The main goal of digital transformation is to ensure effective interaction of the government, citizens and businesses through the use of information and communication technologies. In turn, this will increase both the transparency of public administration and the productivity and competitiveness of the domestic economy, and improve the quality of life of the Russian population.

This article seeks to comprehensively discuss the Russian experience in the area of digital transformation of public administration. It is primarily aimed at improving the quality of services provided by the state, as well as improving the effectiveness of national projects and programs. In this regard, the Russian Federation is implementing the national program “Digital Economy of the Russian Federation” (Passport of the national program "Digital Economy of the Russian Federation", 2018), aimed at creating an information environment for the digitalization of public administration.

## 2. Problem Statement

In 2019 the Russian Federation ranked the 48th position in the ranking of 121 countries in the Networked Readiness Index (NRI), the indicator value was 54.98, i.e. gone down from the 41st place in 2018. The index shows the level of development of information and communication technologies and the network economy in the countries of the world. The leading positions in terms of the indicator value are currently occupied by Sweden, Singapore, the Netherlands, and Norway. However, compared to 2018 in 2019, Russia has slightly improved its position in terms of the share of the population with digital skills – from 26 % to 27 % (Portulans Institute, 2019).

Nevertheless, the values of these indicators suggest that Russia has a lot of work to do on the digital transformation of public administration. In particular, the regulatory environment needs to be improved in order to give flexibility to the regulation of public relations. It is necessary to strengthen security measures for the information environment. The provision of public services and public administration should be converted to digital format, which will increase their availability, technological efficiency and reduce administrative barriers.

## 3. Research Questions

The study was conducted to analyze the following questions. The economic content of digital transformation and its significance in the sphere of public administration were determined. The main tasks of digital transformation of public administration were revealed and considered. In addition, the study has investigated the issue of financial support for the digital transformation of public administration. It was also revealed that the development of digital transformation in the field of public administration is hindered by the problem of staffing, lack of qualified specialists. National security risks are also high when

implementing digital technologies. Solving these problems is extremely important for effective public administration that applies the tools of the digital economy.

#### **4. Purpose of the Study**

The main aim of this study is to investigate the process of digital transformation of public administration in the Russian Federation. The process of digital transformation affects all aspects of the socio-economic life of society, including the public administration domain. Since the use of digital technologies makes it possible to provide public services to the population and organizations more quickly and efficiently, the digital transformation of public administration is of special importance today. It contributes to improving the quality of public services. In addition, digitalization reduces budget expenditures on public administration. Digital technologies are increasingly being used in the field of public procurement of goods and services, in the budget financing of research and development. In this regard, providing an information space for the digitalization of public administration represents an important task of the state.

#### **5. Research Methods**

The research methodology is based on a systematic approach that implies that digital transformation should be considered as a complex concept. Digital transformation has its own subject, goals and objectives, methodology and methods. Digital technologies are at the core of digital transformation, which defines its features as an economic category. The study was conducted using such research methods such as analysis and synthesis, which allowed determining the content of digital transformation and demonstrating difference between the notions of “digital transformation” and “digitalization”. The tasks of digital transformation of public administration in Russia were determined based on the study of relevant legal acts, in particular, the national program in the field of digital economy. Economic and statistical methods were used in the analysis of financial support for the digital transformation of public administration in Russia. The methods of factor and comparative analysis were applied to illuminate the problem of personnel support for digital transformation, as well as the problem of economic security.

#### **6. Findings**

The analysis of existing research has shown that there is no common understanding of “digital transformation” concept among economists, and the definitions of “digitalization” and “digital transformation” should be distinguished from one another. “Digitalization” in the broadest understanding means the introduction of digital technologies in various aspects of public life. Its economic content was considered in the previous research (Mulendeeva, 2021).

“Digital transformation” implies a more profound transformation than the “digitalization”: it affects conceptual approaches to managing socio-economic processes, and involves complex changes that affect each element of the system. The focus of “digital transformation” is on the customers’ needs and their satisfaction with the quality of a service or a product. In this regard, the scientific work of Franke and Zoubir (2020) is of special interest. The authors highlight the positive consequences of digital

transformation, such as an increase in the standard of living due to equal access to education, high mobility and speed of information transfer. However, there are also negative consequences, namely a decrease in the share of hired labor and its replacement with artificial intelligence, which cannot but cause concern.

One of the nine national development goals of Russia is to ensure the accelerated implementation of digital technologies in the economy and social sphere. Specific measures to achieve national goals are reflected in the policies named “Main Activities of the Government of the Russian Federation for the Period up to 2024” (2018). The state programs represent the tools for implementing national goals, and the most paramount of them are selected to form the national projects (programs). Digital transformation in the economy and social sphere will be achieved by increasing the volume of its financing from all sources (budgetary and extra-budgetary) by at least three times compared to 2017. It implies the formation of a sustainable and secure information and telecommunications infrastructure for high-speed transmission, processing and storage of large amounts of data, and which is accessible to all business entities. The government of the Russian Federation sets the task of developing competitive domestic software and its wide use by the state and municipal authorities and management, as well as by various organizations. The digital transformation of public administration and public services is aimed at solving the following main tasks (Passport of the national program "Digital Economy of the Russian Federation", 2018):

- to improve the system of providing state and municipal services, and ensure maximum access convenience for the population and enterprises;
- to form a national data management system in the Russian Federation;
- to implement a unified electronic cartographic framework, to provide access to spatial data, and to develop spatial data exchange and processing;
- to create a digital platform that can ensure the activity, document flow and interaction of state and local government bodies with economic entities;
- to use digital mechanisms in strategic planning, to streamline the strategic planning documents and implement digital reporting.

The passport of the national program “Digital Economy of the Russian Federation” reflects the planned amounts of its financing, including financial support within the framework of the federal project “Digital public administration” (Table 1) (Passport of the national program "Digital Economy of the Russian Federation", 2018).

**Table 1.** Funding for the national program “Digital Economy of the Russian Federation”

Source of funding	2019	2020	2021	2022	2023	2024	Total
National project “Digital Economy of the Russian Federation”, mln. Rubles	183 436,51	452 303,34	301 427,61	258 015,00	233 394,00	198 570,00	1 627 146,46
Federal project “Digital Public Administration”, mln. Rubles	29 281,67	30 914,09	40 810,92	53 078,00	44 775,00	36 838,00	235 697,68
Share of Federal project funding in the total amount of National program funding, %	15,96	6,83	13,54	20,57	19,18	18,55	14,49

Source: author based on (Passport of the national program "Digital Economy of the Russian Federation", 2018).

As it can be seen from Table 01, the national program "Digital Economy of the Russian Federation" provides financial support for six federal projects in the amount of 235,697.68 million rubles. The maximum amount of funding for the program is planned in 2020 (452,303.34 million rubles). At the same time, the total financial support for the Federal project "Digital Public Administration" will amount to 235 697.68 million rubles, or 14.49% of the funding for the national program. The largest amount of funding for digitalization of public administration is planned for 2022 (53 078 million rubles). It should be noted that the national program "Digital Economy of the Russian Federation" provides funding from several sources – the federal budget, consolidated budgets of the Russian Federation, and extra-budgetary sources. While the federal project "Digital Public Administration" is planned to be implemented entirely at the expense of the federal budget.

In addition, in July 2020, the President of the Russian Federation Vladimir Putin signed a decree defining national development goals, including those related to digital transformation (On the national development goals of the Russian Federation for the period up to 2030, 2020). Therefore, the national program targets are expected to be adjusted soon. A pivotal issue of digital transformation in Russia is the availability of highly qualified IT specialists who can ensure the development and implementation of information and communication technologies and digital platforms. Moreover, this problem exists not only in our country but around the world as well. Mergel (2019) in her study, which examines the development of government digital services in the USA, Canada, Italy and other countries, came to the conclusion that the innovative way of development of states is limited to the available talent pool. Governments of developed countries resort to outsourcing IT specialists, but even from the outside it is extremely difficult to attract them, thus, the training of appropriate personnel is necessary. In Nadkarni and Prügl (2020) it is argued that the introduction of digital technologies alone is not enough for digital transformation. It is only possible to use all available advantages through a combination of technology and human resources. It is difficult to disagree with this position. In Russia, this problem is solved through the federal project "Personnel for the Digital Economy" (Passport of the national program "Digital Economy of the Russian Federation", 2018). The state aims to develop a variety of educational technologies (including remote ones), train and improve the skills of competent specialists in the digital economy, and attract foreign specialists. According to Smotritskaya and Chernyh (2018), another problem with the introduction of digital technologies in the process of public governance is the increasing risks of national (economic) security. This is due to the fact that a large share of software is purchased by government agencies abroad. Currently, a complete rejection of foreign digital technologies in Russia is not possible. In this regard, it is necessary to develop and use domestic fundamental solutions in the field of information and communication technologies. In the future, this will ensure the technological independence of the Russian Federation.

## **7. Conclusion**

This research was undertaken to study the problem of digital transformation of public administration in the Russian Federation. The conducted analysis allowed formulating the following conclusions. The creation of unified digital platforms for providing public services to economic entities will reduce the cost of maintaining and operating state authorities and management. Digitalization will help increase the productivity of civil servants. In addition, it will increase the effectiveness of control and supervisory

activities of the state bodies by unifying and modernizing control procedures. Digital transformation will reduce the cost of providing public services. Ultimately, digital transformation is designed to increase the efficiency of public spending and ensure transparency of the state's socio-economic policy. The process of digital transformation of public administration is focused on meeting the needs of the population and enterprises of various forms of ownership. Currently, Russia is at the very edge of the digital economy, and it will have to tackle many challenging issues in this area, which will ultimately ensure economic growth in the country and improve the standard of living among Russian citizens.

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