PUBLIC ADMINISTRATION IN THE CONDITIONS OF THE DEVELOPMENT OF DIGITAL ECONOMY AND SOCIETY

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Abstract. The purpose of this paper is to study public administration in the context of the development of the digital economy and society. The basis of the methodology of the study is a systematic approach, using general scientific and special methods of scientific research. The categorical-conceptual apparatus of public administration is investigated, the author's interpretation of the definition is formed; digitalization is highlighted as one of the influential factors of the effectiveness of public administration; The evolutionary stages of the development of public administration are proposed: state administration → public administration → digital public administration, and digital public administration is considered as an innovative model of interaction between public authorities and digital society participants, built on the use of ICT and electronic communication channels. Electronic governance as an innovative form of public administration using ICT is highlighted; the materials of the UN research on the technological maturity of the countries in the field of e-government according to the index of development of the e-government have been analyzed, Ukraine's significant lagging rating has been identified, the research on the best practices of e-government leaders has been substantiated, including post-Soviet countries for decision-making in the field of public administration, and the formation of a state policy on the development of a digital government. The applied aspects of the development of digital Ukraine, which have been implemented in recent years, have been described, those include: strategic and normative documents, and state digital platforms. The next stage of digitalization of public administration is highlighted - the association of state information resources, the provision of integrated electronic services; the necessity of development of digital public administration is substantiated. The scientific significance of the paper is to study the process of development of public administration in the conditions of the digital economy and society. As conclusion, the necessity of the development of digital public administration as the basic precondition for the development and integration of the domestic digital economy into the global digital market has been substantiated. In practice, digitalisation of public administration will improve the quality of service for citizens and business and increase the openness, transparency and efficiency of public bodies.

Key words: public administration, digital economy, digital public administration, e-government

JEL Classification: H11
INTRODUCTION

The development of digital society and economy requires new forms, methods, and tools in all spheres, including the sphere of government which underwent essential evolution due to the development of democracy, civil society and transformed into public administration. The study of theoretical and practical issues in the implementation of digital public administration is important in the process of state-management reforms that are taking place in Ukraine today.

LITERATURE REVIEW

The scientific direction of public administration was investigated by M. M. Bilynska, V. S. Zagorskyi, I. Y. Malyi, N.I.Obushna, O.Yu. Obolenskyi, T.B. Semenchuk, O.V. Serov, O.V. Sosin, S.O. Telesun, and S.K. Chernov Some aspects of digitalisation of public administration were reflected in the publications of O.V.Karpenko, V. S. Kuibida, and V.V. Namestnyk. Issues of electronic government, development of government activities in digital format are addressed by researchers O. A. Baranova, S.V. Dzyuba, P.S. Klimushyna, M.V. Makarova, A.I. Semenchenko, S.A. Chukut and others. Despite the significant range of scientific developments the current direction is not sufficiently investigated and needs more attention from the standpoint of its current relevance.

PAPER OBJECTIVE

The purpose of this paper is to study public administration in the field of digital economy and society.

RESULT AND DISCUSSION

In the process of establishing a digital society, the effectiveness of public administration increasingly contributes to the implementation of information and communication technologies (hereinafter – ICT) and the use of the Internet. The current stage of development of state governance is public administration, which is oriented towards the realization of public interests, as well as public administration and public institutions.

In order to understand the concept of public administration, it should be noted that as an object of scientific perception it is a complex and multiple phenomenon, influenced by the political system and the interaction of different elements of the social system and society. Here are some examples offered by the definition of “public administration” (Table 1).

Table 1

<table>
<thead>
<tr>
<th>Author</th>
<th>Public administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>V.D. Bakumenko O.O. Krasnorutskyi (2018)</td>
<td>– a kind of social activity implemented by the system of public authorities in the spheres of public administration and local self-government</td>
</tr>
<tr>
<td>O.Yu. Obolenskyi (2009)</td>
<td>– management carried out on the basis of the will of the community (members of the public) and implemented by community-defined actors to meet the needs and objectives of the community as an object of management</td>
</tr>
</tbody>
</table>

Table 1 continuation on the next page

Table 1 continuation

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>T. B. Semenchuk (2013)</td>
<td>– interaction of public authorities with society in the form of the implementation of specific government functions in order to ensure the socio-political effect</td>
</tr>
<tr>
<td>S.I. Chernov S.O. Haiduchenko (2014)</td>
<td>– organizational and regulatory influence of the state on the social life of people with the aim of its organization, preservation or transformation, based on the state power that restricts effective public control</td>
</tr>
</tbody>
</table>

Investigating the categorical-conceptual apparatus of public administration O.V. Serov (2016) believes that public management is implemented in the following conditions:
- decentralization of public administration on the basis of a combination of market and state mechanisms of regulation of social and economic processes;
- transition to a polycentric system of public administration, management, and decision-making;
- management of state-owned enterprises and institutions on the basis of combined administrative and economic methods of influence and economic activity based on market mechanisms;
- self-management of organizational formations of the non-state sector on the principles of their functioning as open social-oriented systems in interaction with the external environment;
- formation of an organizational market-entrepreneurial culture that systematizes the key features of the organization of innovative management of socio-economic objects and processes.

According to N.I. Obushna (2015), the basis of public administration is the concept that follows from the close relationship between politics and law, governance and power, the political system and society as a whole, as well as the interaction of society with various elements of the social system. The scholar believes that public administration arises as a result of a certain social contract between the state and society, and distinguishes its characteristic features, namely: ensures the interaction of interests of the state and the people; relies on the state power, backed up and guaranteed by it; involvement of society in socio-economic and public, social, and political processes; extends to the whole of society and beyond its borders in the field of international politics, the state exercises systemic quality of public administration; it operates within the bounds of the rule of law, due to the legally regulated and practically functioning mechanism of society control of all state power bodies and local self-government; public administration operates systematically, combining the functioning of such structures as the mechanism of the state, state apparatus, public service and public manifestations of society. In the author’s opinion, the distinguishing features of the state administration are the advantages of the administrative and organizing influence of the state which is not sufficiently based on the public sector.

In 2018, the scientific world was introduced to the Terminological Dictionary published by the National Academy of Public Administration under the President of Ukraine, where the concept under study is interpreted as follows: “public administration is the activities of state administration, local authorities, private sector representatives and civil society institutions within the statutory powers and functional responsibilities (planning, organization, management, coordination and control) regarding the formation and implementation of administrative decisions of public interest, development policy of the state and its administrative territorial units” (Kujbida, V. S., Bilinska, M. M., Petroye O. M. et al., 2018).

Summing up the aforementioned, in our opinion, interaction of public authorities with society through public participation in the development and implementation of the state policy is characteristic of public administration. Public administration should be understood as the
functioning of the system of state authorities, local self-government, civil society organizations, and civil society actors with a view to implementing the state policy on sustainable development of the country. Well-functioning effective interaction between these institutions serves as a pledge of high-quality public policy. Particularly relevant, at the present stage of development of public administration, is the building of partnership relations between government bodies and public organizations. Public administration should ensure the interaction of the state and society in order to involve citizens in participation in socio-political, socio-economic development processes.

Having said that, public administration is a continuation of the development of state governance, one of its evolutionary stages, I.J. Malyi (2017) – representative of the national science – points out that the need to ensure the intensity and effectiveness of state governance has led to the introduction of public administration (New Public Management), reflecting the implementation of principles such as transparency, publicity, openness and democracy, the target orientation of management activities, and the evaluation of its effectiveness. The researcher states that globalization, networking and innovation radically alter the functions of the state in solving global and other problems of humanity.

To the abovementioned factors that have an impact on the formation of public administration and the changing functions of the state should be added digitalization, which today rapidly penetrates into all spheres of life. The rapid development of information and communication technologies and significant achievements of IT spheres generate digital society and economy, and their digital globalization takes place. Under these conditions, the digitalisation of the activities of public bodies is taking place. According to scholars V.S. Kubaida, O.V. Karpenko, V.V. Namestnik (2018), digital governance will be perceived as a digital implementation of public administration (digital form of public governance), which will be another stage of the evolutionary introduction of information and communication technologies into the activities of public authorities ("Informatization of Public Administration" → “Electronic Governance” → “Digitalization of Public Governance”).

Research and development of the digitalization of public administration is now at the periphery of the scientific community engaged in “public administration”. In the early 2018, the following definitions were introduced into scientific circles: digitalization of public governance - a leap-like process of digital transformation of public governance into digital governance (digital administration); digital governance – a service-oriented organization of the functioning of the system of public governance (management) on the basis of digital technologies (Kujbida, Karpenko and Namestnik, 2018). It should be noted that the categorical-conceptual apparatus of the area in question is constantly updated and revised in the light of the development of society. In our opinion, the evolutionary development of public administration can be represented as follows: state governance → public administration → digital public administration, while we propose to consider the digital public administration as an innovative model of interaction of public bodies with participants of the digital society built on the use of ICT and electronic communication channels.

Consequently, under the conditions of the development of the digital economy and society, the next evolutionary stage of public administration is digital public administration. With regard to public administration during the development of the digital society and economy, the technology of “e-governance” (hereinafter - e-government) occupies a special place among the new innovative technologies. E-government is the adaptation of public administration to the conditions of the society of digital technologies through the establishment of interaction between the authorities proper, citizens and business through the use of modern ICTs and the Internet. According to the Concept of e-Government Development in Ukraine, adopted in September 2017, “e-government is a form of public administration that promotes the efficiency, openness, and transparency of government bodies and local governments through the use of information and telecommunication technologies for the formation of a new type of state, oriented to meet the needs of citizens” (Cabinet of Ministers of Ukraine, 2017). As stated in the Concept, the introduction of e-governance
is a prerequisite for building an effective digital economy and digital market in Ukraine and its further integration into the EU Digital Single Market Strategy.

Exploring the world-wide practice of using ICT has revealed that governments are increasingly turning to digital technology; in developed countries, the number of jobs with active use of ICTs is higher in the government rather than business sector. The existing problem, called the digital divide, separates information-developed and information-backward countries, with digital inequality in the field of public administration. Information sources for research on the development of this area are the UN materials on the development of e-government in the countries of the world, which is published once every two years. The leading indicator of the state’s maturity in the field of e-governance is the E-Government Development Index (EGDI), which is formed on the basis of three indexes: Online Services Index (OSI), Telecommunication Infrastructure Index (TII) and human capital (Human Capital Index, HCI) (Department of Economic and Social Affairs, United Nations, 2016).

In the studies of the Department of Economic and Social Development of the United Nations, the countries are grouped by the EGDI, the results of relevant studies in recent years are given in Table 2. According to the changes in indicators for 2014-2018, it should be noted that the number of countries with very high and high EGDI has grown and a significant reduction of the low EGDI group, indicating the global tendency in the development of e-governance.

Table 2

<table>
<thead>
<tr>
<th>EGDI</th>
<th>Number of countries %</th>
<th>2018</th>
<th>2016</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high EGDI (more than 0.75)</td>
<td></td>
<td>40 \21%</td>
<td>29 \15%</td>
<td>25 \13%</td>
</tr>
<tr>
<td>High EGDI (between 0.5 and 0.75)</td>
<td></td>
<td>71 \37%</td>
<td>65 \34%</td>
<td>62 \32%</td>
</tr>
<tr>
<td>Medium EGDI (from 0.25 to 0.5)</td>
<td></td>
<td>66 \34%</td>
<td>67 \35%</td>
<td>74 \38%</td>
</tr>
<tr>
<td>Low EGDI (Less than 0.25)</td>
<td></td>
<td>16 \8%</td>
<td>32 \16%</td>
<td>32 \17%</td>
</tr>
</tbody>
</table>

Sources: (Department of Economic and Social Affairs, United Nations 2016, p.108; Department of Economic and Social Affairs, United Nations 2018, p. 84)

According to UN 2018, a total of 40 countries belong to the group with very high EGDI, which is 21% of the total number of countries in the world. The largest group of countries (71) is a group with a high e-government development index (37%), and with an average EGDI of 66 countries (34%). The low EGDI group includes 16 countries, accounting for 8% of the total number of countries. The highest average is in Europe (0.7727), while the countries of America have 0.5898; Asia - 0.6779; Oceania - 0.4611; and Africa - 0.3423 (2018, p. 92).

Ukraine joined the group with high EGDI (between 0.5 and 0.75), ranking 68th among 71 countries and 82nd in the overall ranking. It should be noted that five post-Soviet countries: Estonia, Russia, Belorussia, Kazakhstan, and Lithuania belong to the group with the highest coefficient - more than 0.75. The leaders in this rating are Denmark, Australia, and Korea (Table 3).
A certain lagging behind of the countries with developing economies from leading nations indicates the need for effective institutional support to encourage development in this direction. The successful use of ICT and modern communication channels in the field of public administration depends on many factors, namely: political, regulatory, organizational, economic, public, informational, and social. Therefore, the priority for today's researchers is to study the best practices of e-government leaders, including the countries of the post-Soviet space for decision-making in the field of public administration, the formation of a state policy on the development of a digital government.

Estonia deserves special attention, in recent years it has been the leader of international ratings on the use of ICTs: 1) according to the UN, it is one of the top 20 leaders in the world as to e-government development index (EGDI), 2) according to the WEF, it is ranked 25th in the world. according to the NRI – network readiness index and is a leader among the countries of Central and Eastern Europe. It should be noted that the country has the main portal of the electronic state – www.eesti.ee, which is the only access point for citizens and business structures to government and municipal electronic services. This single Government Gateway provides execution of various transactions by users with the state. It should be noted that Estonia has managed to achieve such

### Table 3

**E-Government Development Index for 2018, 2016, 2014**

<table>
<thead>
<tr>
<th>Country</th>
<th>2018 Rating place</th>
<th>E-Government Development Index</th>
<th>2018 Rating place</th>
<th>E-Government Development Index</th>
<th>2018 Rating place</th>
<th>E-Government Development Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>1</td>
<td>0.9150</td>
<td>9</td>
<td>0.8510</td>
<td>16</td>
<td>0.8162</td>
</tr>
<tr>
<td>Australia</td>
<td>2</td>
<td>0.9053</td>
<td>2</td>
<td>0.9143</td>
<td>2</td>
<td>0.9103</td>
</tr>
<tr>
<td>Korea</td>
<td>3</td>
<td>0.9010</td>
<td>3</td>
<td>0.8915</td>
<td>1</td>
<td>0.9462</td>
</tr>
<tr>
<td>UK</td>
<td>4</td>
<td>0.8999</td>
<td>1</td>
<td>0.9193</td>
<td>8</td>
<td>0.8695</td>
</tr>
<tr>
<td>Sweden</td>
<td>5</td>
<td>0.8882</td>
<td>6</td>
<td>0.8704</td>
<td>14</td>
<td>0.8225</td>
</tr>
<tr>
<td>Finland</td>
<td>6</td>
<td>0.8815</td>
<td>5</td>
<td>0.8817</td>
<td>10</td>
<td>0.8449</td>
</tr>
<tr>
<td>Singapore</td>
<td>7</td>
<td>0.8812</td>
<td>4</td>
<td>0.8828</td>
<td>3</td>
<td>0.9076</td>
</tr>
<tr>
<td>New Zealand</td>
<td>8</td>
<td>0.8806</td>
<td>8</td>
<td>0.8653</td>
<td>9</td>
<td>0.8644</td>
</tr>
<tr>
<td>France</td>
<td>9</td>
<td>0.8790</td>
<td>10</td>
<td>0.8456</td>
<td>4</td>
<td>0.8938</td>
</tr>
<tr>
<td>Japan</td>
<td>10</td>
<td>0.8783</td>
<td>11</td>
<td>0.8440</td>
<td>6</td>
<td>0.8874</td>
</tr>
</tbody>
</table>

...  

<table>
<thead>
<tr>
<th>Country</th>
<th>Rating place</th>
<th>E-Government Development Index</th>
<th>Rating place</th>
<th>E-Government Development Index</th>
<th>Rating place</th>
<th>E-Government Development Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia</td>
<td>16</td>
<td>0.8486</td>
<td>13</td>
<td>0.8334</td>
<td>15</td>
<td>0.8180</td>
</tr>
<tr>
<td>Russia</td>
<td>32</td>
<td>0.7969</td>
<td>35</td>
<td>0.7215</td>
<td>27</td>
<td>0.7296</td>
</tr>
<tr>
<td>Belarus</td>
<td>38</td>
<td>0.7641</td>
<td>49</td>
<td>0.6625</td>
<td>55</td>
<td>0.6053</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>39</td>
<td>0.7597</td>
<td>33</td>
<td>0.7283</td>
<td>28</td>
<td>0.7283</td>
</tr>
<tr>
<td>Lithuania</td>
<td>40</td>
<td>0.7534</td>
<td>23</td>
<td>0.7747</td>
<td>29</td>
<td>0.7271</td>
</tr>
<tr>
<td>Ukraine</td>
<td>82</td>
<td>0.6165</td>
<td>62</td>
<td>0.6076</td>
<td>87</td>
<td>0.5032</td>
</tr>
</tbody>
</table>

...  

| Somalia     | 193          | 0.0566                         | 193          | 0.0270                         | 193          | 0.0139                         |

Sources: (Department of Economic and Social Affairs, United Nations 2014; Department of Economic and Social Affairs, United Nations 2016; Department of Economic and Social Affairs, United Nations 2018)
success thanks to the state support and focus on the development of information and communication technologies when setting the priority tasks of the government and society.

**CONCLUSION**

In recent years, a system of measures has been developed in Ukraine to intensify the processes of forming a digital society. But despite this, there are a number of issues that are come to the fore in the context of the political crisis. Under these conditions, the role of the state is strengthened, it not only defines the development strategy, the rules of functioning and interaction of the participants in the digital society and the economy, but also creates incentives to launch the digital processes in the country.

To obtain digital dividends by Ukrainian society, one of the priority tasks is to create a modern institutional design of the public administration system by digitizing its functions. In turn, digital transformations in the field of public administration are aimed at improving the quality of service for citizens and businesses and increasing the openness, transparency, and efficiency of public bodies. In addition, the development of digital public administration is a prerequisite for the development of a digital economy in Ukraine and its further integration into the global digital market.

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ПУБЛИЧНОЕ УПРАВЛЕНИЕ В УСЛОВИЯХ РАЗВИТИЯ ЦИФРОВОЙ ЭКОНОМИКИ И ОБЩЕСТВА

МАТВЕЙЧУК ЛЮДМИЛА ОЛЕКСАНДРОВНА, доктор наук по государственному управлению, кандидат экономических наук, доцент, профессор кафедры туризма и гостинично-ресторанного дела Каменец-Подольского национального университета им. Ивана Огненка, г. Каменец-Подольский

Актуальность данного исследования обусловлена реформированием сферы государственного управления и его адаптация к условиям общества цифровых технологий. Предметом исследования являются теоретические и прикладные аспекты цифрового публичного управления. Целью научной статьи является исследование публичного управления в условиях развития цифровой экономики и общества. В основе методологии исследования был применен системный подход, использовались общенаучные и специальные методы научных исследований. Научная значимость работы заключается в исследовании процесса развития публичного управления в условиях цифровой экономики и общества. В статье исследован категориально-концептуальный аппарат публичного управления,
сформирована авторская интерпретация определения; цифровизация выделяется как один из влиятельных факторов эффективности государственного управления. Предложены эволюционные этапы развития государственного управления: государственное управление → публичное управление → цифровое публичное управление, а цифровое публичное управление предлагается рассматривать как инновационную модель взаимодействия государственных органов и участников цифрового общества, построенную на использовании ИКТ и электронных каналов связи. В ходе исследования проанализированы материалы ООН, касающиеся технологической зрелости стран в сфере электронного правительства, согласно индексу развития электронного правительства, при этом выявлен значительный отстающий рейтинг Украины. Как вывод аргументирована необходимость развития цифрового публичного управления, как базовой предпосылки для развития и интеграции отечественной цифровой экономики в мировой цифровой рынок. На практике цифровизация публичного управления будет способствовать улучшению качества обслуживания граждан и бизнеса, повышению открытости, прозрачности и эффективности деятельности публичных органов.

**Ключевые слова:** публичное управление, цифровая экономика, цифровое публичное управление, электронное правительство.