

Private Partnership as a Global Trend of Digital Government

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Abstract. Currently, the concept of creating a digital government is firmly entrenched in the long-term development strategies of most countries of the world. However, the implementation of digital state projects requires capital investments to ensure the operation and maintenance of systems and technologies in a sustainable manner. Faced with excessive financial constraints, the governments of most countries were not able to fully provide open financial support for digital projects. In the context of budgetary savings and demand for improving the quality of public services, the search for innovative methods of financing projects has gained particular importance. This led to a steady global trend of public-private partnership in the provision of digital public services to the population. The purpose of this study was to identify the main trends in digitalization of the public administration system based on public-private partnerships, as well as to reveal the features and effectiveness of the implemented models. This study reveals the features of public-private partnership mechanisms, identifies the risks of such interaction, and presents examples of successful global practices to minimize these risks.

Keywords: digital public administration, digital trends, public-private partnerships, digital transformation.

1 Introduction

For over 18 years, the UN has been studying the pace of digital government in the world. At the same time, the 2018 Review noted not only a global increase in the level of digitalization of public administration, but also the presence of a steady trend in enhancing public-private cooperation in this area [1]. Such a partnership ensures the implementation of the integrated approach that involves the introduction of advanced technologies, and the provision of affordable, reliable and fast services to a wide range of users. The idea of public-private partnership is not new. But in the context of the digital economy, it acquired a new sound and posed a number of urgent issues related to determining the areas of responsibility of the state and private structures in implementing digital state programs, as well as establishing the ultimate beneficiary of digital management models.

2 Problem Statement

The digital lifestyle, caused by the introduction of the latest technologies, such as blockchain, big data, Internet of things, artificial intelligence, predetermined the qualitative transformation of management processes [2, 3]. The analysis of international surveys allows us to highlight a number of key trends in the digitalization of public administration. The most commonly used digital public services in 2018 were utility bills, tax filing, fines and fees; filing applications for birth and marriage certificates; registration of vehicles; applying for a driver's license and identity cards and registering new enterprises [4]. In Russia, the situation regarding the popularity of services is somewhat different. The most popular was the service of obtaining information on the amount of pension savings (5.5 million requests), then the service of registering vehicles (1 million applications), filing applications for a new passport (750 thousand applications) and passing exams for driving (670 thousand applications). The top 5 most demanded services also included the service "mobile voter" (550 thousand applications), which allows you to choose the most convenient polling station for elections [5].

Another trend inherent in all countries involved in the active introduction of IT services in public administration is the active transition to mobile applications [6]. In Russia, this trend is also obvious. The Public Services mobile application was downloaded more than 17 million times last year, which is 2 times higher than the previous year. The average monthly audience of the Public Services mobile application has grown from 5.6 million users to 9.3 million, and the number of visits per month - from 45 million to 72 million. Active expansion of mobile applications has contributed to the growth of payments to pay tax and court debts. So, the total volume of mobile payments exceeded 20 billion rubles [5].

But as practice shows, with all the obvious advantages of state digital programs, they cannot always fully reflect the needs of the population in terms of establishing feedback with the provider of public services. As our survey showed, 40% of people using digital public services note an overly formal approach to the solution. This is largely due to the objective limited participation of public and business associations in the development of such digital programs.

It is no coincidence that one of the modern global trends in digitalization is the expansion of public-private partnership in digital social services.

Public-private partnerships are types of partnerships, which include all stages of state interaction in the form of individual executive authorities and business representatives in implementing projects, from operating facilities and providing services on behalf of the state, to flexible methods of financing these services. Moreover, cooperation is based on the exchange of risks and benefits [7].

Among the main advantages of public-private partnership can be identified the following:

- Significant improvement in the quality of public services provided through the introduction of advanced processes and innovative technologies of the private sector;
- Minimization of financial and other risks of the project due to the appropriate distribution of risks throughout the project implementation period;
- Stimulation of private socially-oriented initiatives and projects;
- Active use of alternative sources of financing of state infrastructure and public services.

There are already examples in the world when corporations partially or fully take on administrative and government functions. For example, Microsoft provides data storage about medical records in a cloud accessible to clients when changing a medical institution. Such an initiative allows corporations to obtain the necessary data set used for testing and expanding the capabilities of developed services, and for state and citizens to get free access to various information services [8].

Humanitarian projects are of particular importance in the framework of public-private partnerships.

The Féitel project in Peru is an early and successful example of a global public-private partnership that pioneered an innovative approach to broadband access in rural areas, which is now widely used around the world: the auction with the smallest subsidies. This is an effective mechanism to minimize the subsidies required by commercial telecommunications companies to expand the network in non-profit areas by providing a contract to a bidder seeking the lowest subsidy. Despite its shortcomings, this innovative program brought a number of social benefits, and since then the initiative has expanded from public telephone communications to Internet access [9].

The Rural Knowledge Network is a multi-stakeholder alliance standing for the use of digital technology to empower rural communities through the creation of rural knowledge centers. The project was launched as part of the initiative of the M Swaminathan Research Foundation (MSSRF) in South India in 1998, during which the concept of rural knowledge centers was tested. Subsequently, the project evolved into the “Mission 2007: Every Village is a Knowledge Center” campaign to extend the benefits of ICT access to 600,000 villages in India. The initiative grew from a small pilot project to a mass movement that influenced similar initiatives in Asia and Africa and mobilized high-level support from public, private and public organizations [10].

The bulk of humanitarian projects are unfolding in areas with a humanitarian catastrophe. So, in Mozambique, a health information network (MHIN) has been created. The Collaboration Project between SPA AED-Satellite and Mozambique Ministry of Health include the application of an innovative and affordable technological solution, including mobile networks and the use of Personal Digital Assistants by people unfamiliar with the use of digital technologies, in particular, medical workers, who are often elderly and therefore more resistant to the introduction of new technologies. Thanks to the project, it was possible to reduce costs and increase productivity in terms of collecting data from areas, including monitoring paper and digital data collection systems [10].

An example is the mobile service for identifying counterfeit medical devices through their instant verification using a unique code sent to SMS. Such a drug verification system is free and implemented in Ghana, Kenya and Nigeria.

An important stage in the development of the public-private partnership program was the concept of “lean government”. This platform connects developers, content providers, government agencies, service providers and citizens on one platform, allowing them to interact with each other [11].

Such a partnership is successfully used in the UK. It should be noted that the UK was the first country in the world to develop a public-private partnership concept for public health services projects. For almost 3 decades of such partnerships, 130 projects have been implemented in the country totaling more than £ 12 billion. Currently, the concept of public-private partnership is also being implemented in the framework of providing digital public services to the population. This ensures the provision of efficient, cost-effective and measurable public services, while minimizing financial risks. Today, through a public-private partnership, the country plans to reduce ICT spending by 50% through new approaches, while increasing the pace of implementation and the scale of digital government [12]. The experience of Great Britain is also successfully implemented in the provision of services in Canada, Ireland, Portugal, Australia, Japan and Sweden [13].

3 Research Questions

A review of the best practices of implementing digital projects in the framework of public-private partnerships raises the question of what the economic and legal prospects for expanding this activity may be, and how appropriate it is to transfer certain public functions to commercial structures or public organizations. The issues of sharing responsibility in the event of an error or unlawful actions, as well as criteria for assessing the quality of the services provided are also important. Unfortunately, the current level of development of state and social digital projects does not allow talking about resolving the raised issues. Rather, on the contrary, as the digital economy penetrates public administration and public monitoring system and enforcement problems become more acute and chronic.

4 Purpose of the Study

The purpose of the study is to identify the main trends in digitalization of the public administration system on the basis of public-private partnerships, as well as to reveal the features and effectiveness of the introduced models in the context of adaptability of law.

5 Research Methods

The methodological basis of the study is a systematic approach to modern practice of assessing the effectiveness of public-private partnership based on analysis of its legal and economic aspects. In the processing of factual material, such traditional scientific methods as dialectical, logical, scientific generalization, content analysis, comparative analysis, synthesis, SWOT analysis, etc. were used. The application of these methods allows ensuring the validity of the study, theoretical and practical conclusions, and developing proposal. The authors also use a set of statistical methods: summaries and groupings, average and relative values, index method, analysis of the series of dynamics, selective method, and others.

6 Results

The expansion of public-private partnership creates the risks of getting a huge amount of data, including personal information, into the hands of third parties, which is fraught with negative consequences [14]. To prevent such phenomena, it is necessary not only to create reliable data storage and processing systems that prevent unauthorized access, but also to build an effective legislative framework that clearly defines the degree of responsibility of all participants in such relations, as well as the negative consequences of possible leaks.

Switzerland is illustrative in this aspect, which allowed minimizing these risks. So, in Geneva, an initiative to attract private partners for the provision of digital public services is being implemented [15]. So, a private partner produces and technically provides a service to an eligible end user individual. In this case, the legal responsibility for the provision of relevant public services and full control over confidential information remains with the state. The contract between public and private partners establishes the terms of cooperation, remuneration and fines (in case the service is not provided or abuse is committed). The advantage of the scheme is that the end user reduces time costs until the state agency fully completes the manufacturing and control processes before receiving the service. Thus, the contractor is responsible to the state for the functionality of digital services, but the state is responsible to the end user for the provision of digital services and compliance with the rules [16].

7 Conclusion

The active development of public-private partnerships is a steady trend in the development of the digital economy in general and the digitalization of the public administration system in particular. Being closely associated with the digital state program, it is subject to systemic distortions and shortcomings associated with determining the most significant areas for joint efforts.

Within the framework of international cooperation, it seems promising to increase investment in the development of human capital and telecommunications infrastructure, expanding public-private partnerships in the field of healthcare, education and environmental protection.

To coordinate the activities of public servants, it is necessary to create a common concept of public-private partnership, which provides thoughtful management of human resources and comprehensive disclosure procedures based on compliance with information security requirements and the preservation of personal data. New forms of institutional framework for effective coordination, cooperation and accountability should be created at the state level, and in collaboration with relevant non-state actors.

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