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### Advantages, problems, and prospects of legal regulation of the digital economy in the Russian Federation

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# Преимущества, проблемы и перспективы нормативно-правового регулирования цифровой экономики в Российской Федерации

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Аннотация: В статье проведен анализ проблем и сформулированы предложения, направленные на совершенствование регулирования и развитие цифровой экономики. Проблема информационной безопасности и защиты конфиденциальности особенно остро встает при рассмотрении больших данных, которые являются наиболее важными объектными связями. Российское законодательство конкретизирует отдельные правовые моменты специальной обработки информации, представляющей особую ценность. Проанализированная в статье национальная программа «Цифровая экономика Российской Федерации» охватывает все сферы экономической и социальной жизни, имеет детальную дорожную карту, реализация которой предусмотрена до 2024 года, и предполагает научно обоснованный подбор ресурсов, подготовку профессионалов, развитие талантливой молодежи, а также повышение интереса и совершенствование компьютерной грамотности населения в сети Интернет. В статье обозначены государственные и частные перспективы внедрения цифровой экономики во все сферы производственной, хозяйственной деятельности, сферу услуг. Определено, что необходимо стандартизировать обработку данных, создать адекватные средства хранения данных, обеспечить их бесперебойную работу, создать условия, при которых цифровые данные не могут быть потеряны, а также создать инструменты оценки предоставляемых услуг. Выявлено, что существует нехватка как высокопрофессиональных кадров, так и кадров, обеспечивающих обучение и подготовку специалистов. Существующие образовательные программы и стандарты нуждаются в доработке. Обозначены проблемы внедрения цифровой экономики. Автором предложен ряд изменений в действующее законодательство в целях совершенствования регулирования развития цифровой экономики.

Ключевые слова: цифровая экономика, информационные технологии, цифровое управление, эфемерное управление, безопасное пространство человечества, социально-экономические системы, правовое регулирование, оптимизация

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## ADVANTAGES, PROBLEMS, AND PROSPECTS OF LEGAL REGULATION OF THE DIGITAL ECONOMY IN THE RUSSIAN FEDERATION

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**Abstract:** The article analyzes the problems and formulates proposals aimed at improving regulation and developing the digital economy. The problem of information security and privacy protection is especially acute when considering Big Data, which are the most important object links. Russian legislation specifies certain legal aspects for special processing of information with particular value. The national program "Digital Economy of the Russian Federation" analyzed in the article covers all spheres of economic and social life, has a detailed roadmap, the implementation of which is provided until 2024, and involves scientifically based selection of resources, training professionals, developing talented youth, as well as increasing interest and improving the computer literacy of the population on the Internet. The article outlines public and private prospects for the implementation of the digital economy in all areas of production, economic activity, and the service sector. It was determined that it is necessary to standardize data processing, create adequate data storage facilities, ensure their uninterrupted operation, create conditions under which digital data cannot be lost, and also create tools for assessing the services provided. It was revealed that there is a shortage of both highly professional personnel and personnel providing education and training of specialists. Existing educational programs and standards need to be improved. The problems of introducing the digital economy are outlined. The author proposes a number of changes to the current legislation in order to improve the regulation of the development of the digital economy.

Keywords: digital economy, information technology, digital control, ephemeral control, safe space for humanity, socio-economic systems, legal regulation, optimization

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The digital economy is an economic activity that contributes to the formation of the information space, realizes the needs of citizens and enterprises for high-quality and reliable data, the growth of computerization, the creation and application of information and telecommunication technologies, as well as the emergence of a new technological base for the socio-economic sphere ["Digital Economy of the Russian Federation", 2017].

For the first time, the concept of the "digital economy" was used in 1995 by the American computer scientist Negroponte N. He suggested that a transition from the processing of atoms (physical substances) to the processing of bits (a unit of measurement of information) is a necessary

condition for further development. Negroponte was the first who showed the drawbacks of material substances that were used as raw materials and products. Such drawbacks include the physical weight of the product, the need

of a high amount of resources for production, the use of space for storage, the cost of logistics, and transportation

of the product. The advantages in the transition to the digital economy include: the physical weight of goods is replaced by information volume, lower resource costs for the production of electronic products and significantly less space volume for goods (electronic media), as well as the instant turnover of goods on the Internet [Yumaev, 2017].

For a long time, Russian and foreign researchers have regularly studied this issue. Active research and publications on this topic are associated with the adoption of some governmental acts as: Order No. 1632 "Digital

Economy in the Russian Federation" of July 28, 2019; Presidential Decree No. 203 "Strategy for the Development of the Information Society in the Russian Federation for 2017-2030" of May 9, 2017; Federal Law No. 173-FZ "On Strategic Planning in the Russian Federation" of June 28,

2014; Presidential Decree No. 683 "Russian Federation National Security Strategy" of December 31, 2015; Presidential Decree No. 646 "Doctrine of information security of the Russian Federation" of December 05, 2016.

Decree of the President of the Russian Federation of May 09, 2017 No. 203 "Strategy for the Development of the Information Society in the Russian Federation for 2017-2030" proclaims that the development of the digital economy is a strategic issue for Russia to ensure its competitiveness on the world stage.

We should admit that, in modern Russia, there are no conditions to form the readiness of the digital economy promptly; mainly, due to technological backwardness and the absence of a critical mass of economic agents. This means that the government must be directly involved in the development of the digital economy.

A significant feature of the Russian economy is that the bulk of GDP belongs to state-owned companies (or companies with a large share of the state's participation). In many market sectors, government participants can hold 80% of the market. In such conditions, the most reasonable step is to create some industrial digital platforms under the leadership of the relevant ministries or government companies. Such platforms create the necessary infrastructure

for the rapid development of the digital economy and the distribution of related technologies.

When designing industrial platforms, the digital economy should focus on such areas as transportation, telecommunications, energy, and data processing.

Work in these areas will create the necessary infrastructure and technological base for the rapid development of the digital economy in Russia.

Creating industrial platforms of the digital economy with a unified architecture and standards will form a unified digital space in all industrial spheres in the future. This approach greatly improves the visibility, control, and flexibility of the economy.

At the moment, this approach is most suitable for Russia, but it still has some disadvantages.

To form the concept of the "Digital Economy", it is necessary to take into account both the hazards that may arise on the way to its achievement and the risks of the "Digital" economy itself.

The study of the national program "Digital Economy of the Russian Federation" showed that it includes all areas of economic and social services, has a detailed roadmap, provides for the participation of scientific resources, training of highly qualified personnel, grants and scholarships for talented youth, an increase in computer literacy and the connection of the Russian population to the Internet.

According to the national program, the digital economy has three levels:

Markets and industries where digital technologies are being adopted.

Platforms and technologies for the implementation of the digital economy.

Circumstances leading to the growth of platforms and technologies, as well as a highly efficient interaction between market participants and economic sectors; also, includes the formation and development of the information security sphere for the further implementation of digital economy projects ["Digital Economy of the Russian Federation", 2017].

The national program also provides for three goals, because of which it is possible to ensure economic growth and increase the competitiveness of the Russian Federation not only in the world market but in particular sectors of the Russian economy ["Digital Economy of the Russian Federation", 2017]. The latter is the third goal of the program.

Speaking about the prospects for the growth of the digital economy, we can mention two main groups:

- Global prospects with an increase in the authority of the country and strengthening the role of the country in the world arena:
- and Individual prospects connected with citizens, • consumer, public, educational, medical, and other spheres.

The global perspective includes more efficient governance of the country. In the economic literature, there is such a concept as "ephemeral management", which is characterized as management with the application of

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ephemeral programs of economic development, labor productivity, and industrial revival, when the organization and improvement are based on intuition [Solozhentsev, 2018]. This problem affects not only the Russian Federation but also most countries of the world.

The transition to digital economy in all sectors of the state will lead to such a volume of processing of financial and economic data, which will allow a more efficient redistribution of finances and resources within the country and will contribute to further socio-economic development. If we talk about the Russian Federation, then the significance of this national program can be compared in importance with the electrification of the country at the very beginning of the 20th century.

From a global prospect, namely, increasing the efficiency of public administration, the following possibility arises – a reduction in the number of managers, a decrease in the volume of their work, and their role in public administration. This will lead to a significant reduction in the cost of maintaining the state apparatus. In the literature, along with "ephemeral management" we can find such a term as "ephemeral managers". These include managers with high salaries; in Russia, they earn 14-15 times higher than the salary of a specialist with higher education, for comparison, in the United States, the salary of managers is only 3-4 times higher than the wage of specialists with higher education. Accordingly, such managers are not interested in changing the management system and the development of the state and economy [Solozhentsev, 2018].

Global prospects also include optimization of the education system, with the ability to clearly plan the educational process, to assess the public need for doctors, teachers, engineers, and professionals of other specialties, instead of managers, legal and economic specialists who are not in demand in the labor market [Solozhentsev, 2018].

Speaking about the prospects for the global development of the digital economy, we must mention the study by Kate Raworth. The main goal pursued by the most advanced economy is constant development. It is not focused on people or their safe and comfortable existence in the environment. The current economy is a cyclical flow of income between a country, companies, banks, government, and trade. Kate Raworth is rethinking the foundations of economics and creates new boundaries for the safe space of humanity; it includes not only multilateral and stable economic growth but also the social basis, namely: health, nutrition, gender and social equality, energy industry, labor, electoral rights, profit, education, stability [Raworth, 2017].

When speaking about the global perspective, it is necessary to note the benefits of the digital economy for citizens who are consumers of products and services. It becomes possible to receive a product or service without delay. The price of the product will decrease, as its suppliers do not spend money on logistics and product storage. Unlike material products, the resource of electronic products is almost unlimited, and its access and choice are greatly facilitated. As a result, it leads to an increase in the quality of life of the population [Karaman, Amirova, 2018].

Both in the Russian Federation and abroad, the introduction of the digital economy is associated with particular problems. Some of them are described in the "Digital

Economy of the Russian Federation" program. These include a lack of highly qualified personnel and personnel in the process of training. Existing educational programs and standards need to be improved. This is a significant problem because all educational programs must be revised and standardized; there is a need to transfer students and their learning process into the newly created digital environment; changes are required in all higher education institutions of the country ["Digital Economy of the Russian Federation", 2017].

The program also states that it is necessary to standardize data processing, create data storage facilities, ensure their uninterrupted operation for preserving digital data, and create tools for assessing the provided services ["Digital Economy of the Russian Federation", 2017].

When studying the digital economy, it can be seen that its implementation in all spheres of social and economic activities can provoke the loss of the country's national sovereignty. Experts note that this fact is associated with an increase in the number of technologies using foreign digital platforms [Karaman, Amirova, 2018].

Another critical problem may be a sharp decline in the number of jobs in professions with low qualifications. For example, a reduction in such professions as a salesman, cashier, or an operator can lead to an increase in the unemployment rate. This problem is one of those that require an immediate solution. There is a need for highly professional retraining and employment of this category of citizens [Zubarev, 2018].

Another major issue in the digital economy is data security. Violation of the digital data security system can lead to the development of digital economic crimes. That is why the implementation of digital economy requires the introduction of an unprecedented security system.

However, many security issues have not yet found their reflection in Russian legislation and therefore require more detailed consideration. To improve the growth of the digital economy, it is necessary to amend the current legislation, namely:

Add electronic form of the transaction in part 1 of Article 158 of the Civil Code of the Russian Federation "form of the transaction": "1. Transactions are made in oral, written (simple or notarized) or electronic form".

When creating a digital environment, provide legal support for the identification and authentication of subjects (individuals) in every technically possible way since paragraph 2 of Article 160 of the Civil Code of the Russian Federation provides for the use of a different method of handwritten signatures, and indicates the possibility of such application in cases provided by law.

Techniques not reflected in current legislation may include:

• Electronic biometric signature (electronic analog of a handwritten signature). This signature is made by a

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person on a physical medium with his/her own hands using special equipment (light pen, graphic tablet).

- Mobile electronic signature.
- Customer's phone number an individual using mobile telephone services.
- Email address.

If the subject is identified and commits legally significant actions, then it should be assumed that he owns the will to commit these actions until otherwise is proven.

Add to the legislation the terms of digital offer and acceptance, thus supplementing Articles 435 and 438 of the Civil Code of the Russian Federation. Part 1 of Article 433 of the Civil Code of the Russian Federation "the date of the conclusion of the contract": "1. The contract shall be deemed concluded with the acceptance of the offer, including digital".

Revise the list of civil law objects by adding 2 new categories of objects in the form of informational and digital financial assets (including cryptocurrency). To do this, it is necessary to supplement article 128 of the Civil Code of the Russian Federation "objects of civil rights": "Objects of civil rights are referred to items, including money and securities, as well as the other property, including property rights; works and services; protected results of intellectual activity and the means for individualization that are equated to them (the intellectual property); data; non-material benefits".

It should be emphasized that the introduction of digital technologies in the economic and social sphere is inevitable. It is an integral part of modern life that should bring many significant changes to the current community. The advantages of its implementation include a change in the public administration system, the transition from ephemeral management to clear planning and modeling of socio-economic spheres. The transition from an income-oriented economy to a growth-oriented one centered on people and their safe living environment. A clear benefit is also a decrease in the cost of goods, an increase in their availability, and an improvement in the quality of life.

The formulation and improvement of the regulation of legal relations in the digital economy are now taking place in many legal systems, which are connected to the dynamism and complexity of the advanced information technologies use.

Often, digital technologies radically transform the already known legal relations, changing the concept of their

formation in public life and legal regulation itself. The unprecedented opportunities provided by modern digital technologies are qualitatively changing the principles of using information, the criteria for determining its value, and, accordingly, the model of potential threats to confidentiality. For the development of the digital economy, it is required to supplement the legal structure, revise and

improve Russian legislation to identify the ability to influence new types of relations (new objects and subjects of information legal relations, specific rights, duties and responsibilities). In the context of legal regulation, we are talking about common legal relations, which are described in legislation with a particular set of rights and obligations.

For the development of the digital economy, it is important to harmonize complex information and legal regulation, develop the mentioned models of legal relations (at least

according to the object principle), determine the subjective composition of common legal relations, the principles of

their formation, and normative approaches. It is necessary to work out the apparatus of information law and eliminate the legal obstacles that currently exist both in the information legislation itself and in the practice of its application. In particular, it is required to stimulate the development of individual legal institutions in the digital economy.

When carrying out reforms aimed at the development of the digital economy, it is necessary to achieve a balance in ensuring the free exchange of information and the growth of confidentiality, which, at the moment, is a genuinely difficult task.

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