SKOLKOVO
Moscow School of Management

"DIGITAL RUSSIA" INDEX

Reflection of Russian regions digitalization process through the prism of open sources Know-how methodology that takes into consideration Russian specifics and best practices

October 2018

"Digital Russia" Index

Digital economy has evolved from strategic priority for the governments into the tangible actions for businesses, municipalities and public.

The necessity of evaluating the country's digitalization level motivated us to create **"Digital Russia" index**. Based on the best practice in evaluation of the digitalization level as well as Russian economy specifics SKOLKOVO Financial Innovations & Cashless Economy Centre created **the know-how methodology** that accounts for both quantitative and qualitative facts measured using the expert valuation built on metadata related to the digitalization processes in Russian regions.

"Digital Russia" index reflects the existence and success of the regional initiatives related to the digitalization. 100 points are awarded in case the initiative has tangible actions (e.g., related to the creation of the necessary infrastructure), does not contradict the governmental strategic outlook at digitalization and has positive socio-economic and business effects. The index is based on the facts contained in open sources and related to the digitalization of Russian regions. Digitalization process is evaluated considering both the goals achievements and its publicity. "Digital Russia" index also accounts for the tone, reliability and quotability of the public mentions of the facts.

Each fact is categorized in one of the **7 indicators:**

- Regulation
- Specialized human resources
- Research and technological competences
- Digital infrastructure
- Information security
- Economic effects
- Social effects

Index results reflect **the first evaluation** of the digitalization level and dynamics in Russian regions. These results will be useful to anyone interested in the digital economy and digital products development. In particular, public authorities may use the results for the identification of leading and lagging regions, which may help rebalance the national strategies related to the digital economy development. Private sector, in turn, can refine marketing and product strategies in digital space and propose PPP projects to stimulate further digitalization in Russian regions.
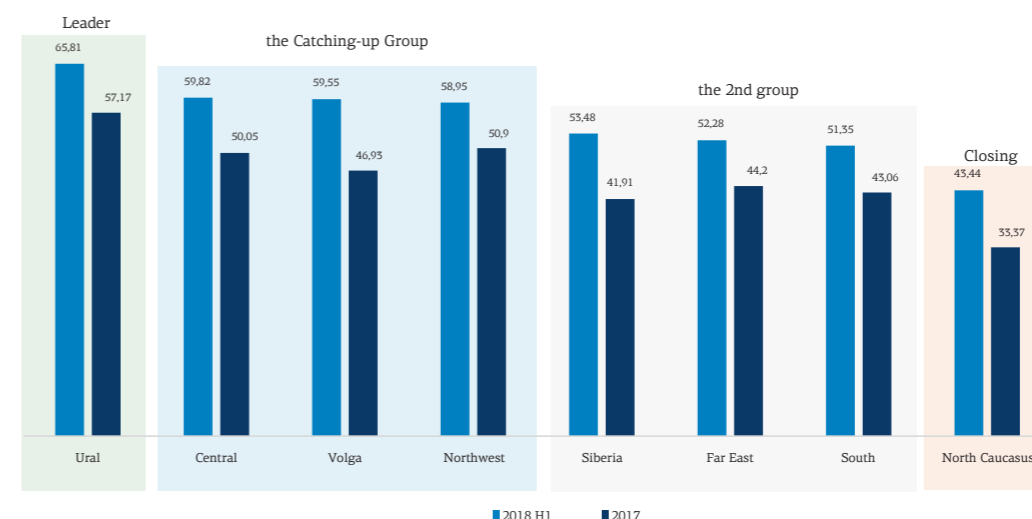

Index
- < 44.2
- 44.2 - 51.4
- 51.4 - 59.6
- 59.6 - 66.8
- > 66.8

Key Results

Russian Regions	"Digital Russia" Index (H1 2018)
Moscow	75,14
Republic of Tatarstan	74,74
Saint Petersburg	74,55
KMAO - Yugra	74,24
Tyumen region	74
YNAO	72,43
Moscow region	71,86
Republic of Bashkortostan	71,29
Leningrad region	71,25
Chelyabinsk region	70,75

1. **Moscow is leading in both 2017 and H1 2018. The difference among the first 5 regions is not significant. At the moment, top 10 regions are successful in developing research competences and regulation related to digital economy.**
   - Moscow leadership is caused mainly by the concentration of significant financial, human, scientific and administrative resources as well as developed digital infrastructure.
   - Moscow and Leningrad regions are in top 10 due to territorial and infrastructural unity with regions-leaders (Moscow and Saint Petersburg).
   - "Digital infrastructure" indicator (79,85) has the maximum value among top 10 regions in 2017, while "Research and technological competences" (87) — in H1 2018.
   - In some regions, e.g. Moscow, Saint Petersburg, Tomsk, Omsk, Kursk and Moscow regions there is a visible heterogeneity among the public facts related to digital economy. However, it does not influence key results of this research significantly.
2. **Index values for the last 10 regions are almost twice as small as for the top 10. In addition, all indicators in 2017 in these regions fluctuate between 25 and 29. However, digitalization is actively developing in these regions — all indicators grew by 30-40% in H1 2018.**
   - The maximal value in 2017 is for the "Digital infrastructure" (33,62) indicator, while in H1 2018 – "Research and technological competences" (46,29) indicator.
3. **There is a tendency for digitalization harmonization in all Russian regions due to the active digitalization development in lagging regions, which allowed them to catch up with the leaders.**
   - In general, the growth rate of the leaders is limited by 11%, while lagging regions show one of the highest rates of development. During H1 2018 they increased by 38% overall, and by 85% in "Social effects" indicators.
4. **The highest digitalization level is attained in central and western parts of Russia, while the lowest — in south-western regions. It is possible to highlight 4 groups of federal districts (FD): the leader (Ural FD), the group of three catching up districts (Central FD, Volga FD, Northwest FD), the second group (Siberia FD, Far East FD, South FD), and the closing district (North Caucasus FD):**

Leader: Ural 65,81 / 57,17
the Catching-up Group: Central 59,82 / 50,05; Volga 59,55 / 46,93; Northwest 58,95 / 50,9
the 2nd group: Siberia 53,48 / 41,91; Far East 52,28 / 44,2; South 51,35 / 43,06
Closing: North Caucasus 43,44 / 33,57

■ 2018 H1   ■ 2017

- Ural FD is the leader since it includes the lowest number of regions, which are homogeneous in the level of digital development. Moreover, there are relevant educational centers, research and development facilities as well as territories of advanced economic and social development in this FD.
- Central FD is one position behind because it includes 18 regions that are heterogeneous in the level of digital development. Furthermore, there is noticeable outflow of high quality human and other resources to the capital due to the concentration of financial resources in Moscow.

Moscow School of Management SKOLKOVO is one of the leading private business schools in Russia and CIS founded in 2006 under the initiative of business society.

Educational programmes of Moscow School of Management SKOLKOVO target all business stages – from startups to large corporations entering global markets. All of the programmes are built on the principle of "learning by doing" and include theoretical blocks, practical assignments, project work and international modules.

Moscow School of Management SKOLKOVO is also the centre of expertise that attracts those, who rely on Russia and work in the markets with rapidly changing economies.

SKOLKOVO Financial Innovations & Cashless Economy Centre was founded with the aim to build an independent Russian centre of competences in financial innovations and cashless economy.

Centre agenda is based on 3 key areas: research projects, educational programmes development and establishment of institutional partnerships. Results of the research are published in academic journals as well as used during the development of national programmes.

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more than **150** research projects in the areas of education, energetics, economics, philanthropy and urban studies

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