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# **Digital Transformation in Public Services: Political Challenges and Global Implications**

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**Abstract**---Digital transformation in public services has become a strategic agenda in many countries, including Indonesia, to improve efficiency, transparency, and accountability in governance. Digitalisation of public services not only accelerates administrative processes and expands public access to services, but also strengthens public participation through innovative digital channels. However, the implementation of digital transformation faces complex political challenges, such as infrastructure gaps, bureaucratic cultural resistance, limited digital literacy, and regulatory and leadership dynamics. These challenges can hinder the optimisation of the benefits of digitalisation in public services. At the global level, digital transformation encourages harmonisation of governance standards, international collaboration and exchange of best practices, but also raises new issues such as data security and the digital divide between countries. This research uses a literature review method to analyse the political challenges and global implications of digital transformation in public services, with the hope of providing strategic recommendations for inclusive and sustainable policy development.

**Keywords**---digital transformation, global implications, governance, political challenges, public services.

#### **Introduction**

Digital transformation has become a global phenomenon that marks fundamental changes in governance and public service delivery. In the digital era, people increasingly demand services that are fast, accessible, and responsive to their needs. The development of information and communication technology (ICT) encourages governments around the world, including Indonesia, to adopt digital innovations to improve the quality, efficiency, and transparency of public services (Maulana, 2024).

The application of digital technology in the public sector goes beyond the digitisation of documents or processes, but involves systemic changes to the way the bureaucracy works and the interaction between government and society. Digital transformation includes the utilisation of online platforms, e-government policies, and the use of data to support faster and more targeted decision-making (Latupeirissa, 2024). This requires the government to reform the bureaucracy and eliminate convoluted procedures, so that public services become more effective and efficient.

In Indonesia, digital transformation in public services has become a strategic necessity, especially since the launch of the Electronic-Based Government System (SPBE) policy through Presidential Regulation No. 95/2018. This effort aims to streamline the bureaucracy, strengthen transparency, and increase government accountability in providing services to the community. The implementation of e-government is also one of the main instruments in expanding the accessibility of public services to remote areas and vulnerable groups (Rahardjo, 2023).

Digital transformation brings various benefits, such as increased accessibility, efficiency, effectiveness, transparency, and accountability of public services. Through digitisation, people can access services without having to physically attend government offices, thus saving time and money (Author Team, 2024). In addition, ICT-based service innovations also strengthen public participation in the public policy-making process through online complaint and consultation channels. However, behind these benefits, digital transformation also faces challenges. One of the main challenges is the digital divide, both in terms of infrastructure and digital literacy. Inequality in internet access between regions, especially in underdeveloped areas, is still a major obstacle to the equitable distribution of digital-based public services. In addition, the low level of digital literacy among the state civil apparatus and the community also hinders the optimisation of technology utilisation in public services (Badruddin et al., 2022).

Bureaucratic cultural resistance to change is the next challenge that must be faced. Digital transformation requires changes in mindset, work culture, and organisational systems that have tended to be conventional and hierarchical. Not infrequently, this change causes resistance, both individually and institutionally, so that the digitalisation process runs slowly and unevenly (Somnah, 2024).

Political dynamics also influence the success of digital transformation in public services. Political interests, government stability, and leadership commitment are key factors in encouraging or hindering the transformation process. In addition, complex regulations, data protection, and cybersecurity issues are challenges in implementing digital public services (Rahman, 2024).

Globally, digital transformation in public services has become a trend in various countries. Developed countries such as China, South Korea, and Estonia have successfully utilised digital technology to improve the efficiency and competitiveness of their public services. Meanwhile, developing countries are still struggling to overcome infrastructure and human resource challenges, but still show significant progress in the adoption of digital technology in the public sector (Millard, 2023).

The global implications of digital transformation are not only limited to technical aspects, but also include more open, transparent, and accountable governance. Digitalisation of public services encourages the exchange of best practices between countries and strengthens international collaboration in digital policy development. In addition, data security and privacy issues are a major concern in the context of the globalisation of digital public services, given that public data is now stored and managed online across national borders (Carter, 2024).

In Indonesia, various digital innovations such as the SP4N-LAPOR! application and online civil registration services have shown positive results in improving government responsiveness and accountability. However, the effectiveness of digital transformation is highly dependent on synergies between infrastructure development, improved digital literacy, inclusive regulations, and coordination between stakeholders (Hauga, 2023).

Digital transformation also opens strategic opportunities for governments to strengthen democracy, human rights, and social cohesion. Transparent and accountable public services can increase public trust in the government, while encouraging active participation in national development. This is in line with the principles of good governance, which emphasise the importance of accountability, transparency, and participation in modern governance (KPMG & Forrester, 2024).

Thus, digital transformation in public services is a complex and multidimensional process that involves not only technological aspects but also political, social, and cultural aspects. The success of digital transformation is largely determined by the government's ability to overcome political challenges, build adequate infrastructure, and increase the capacity of human resources in all lines of government and society (Verhoef et al., 2021).

This research will examine in depth the political challenges faced in the process of digital transformation of public services, as well as analyse the global implications of these changes. Through a literature review, this research is expected to make theoretical and practical contributions to the development of digital transformation policies in the public sector, both at the national and global levels (Anh & Ha, 2022).

## Method

The research method used in this research is a literature review, namely by collecting, examining, and analysing various relevant literature sources such as scientific journals, books, and official documents related to digital transformation in public services, political challenges, and their global implications (Eliyah & Aslan, 2025). The research process begins with problem identification, followed by searching and selecting appropriate literature, and then the data and information obtained are systematically analysed to gain an in-depth understanding of the issues studied. The results of the literature analysis are used as the basis for formulating research findings, conclusions, and recommendations (Webster & Watson, 2002).

## Result and Discussion

### *Digital Transformation in Public Services*

Digital transformation in public services is a fundamental change that integrates information and communication technology into all aspects of government service delivery. This process is not only about replacing manual systems with digital ones, but also requires changes in mindset, organisational culture, and governance to be more adaptive to technological developments. The implementation of digital transformation in Indonesia is driven by the need to improve the efficiency, transparency, and accountability of public services (Indar, 2024). Through digitalisation, the government seeks to cut bureaucratic red tape, speed up administrative processes, and provide easier and more equitable access to services to all levels of society (Ramdhan, 2023).

One of the key milestones in the digital transformation of public services in Indonesia is the implementation of the Electronic-Based Government System (EGMS). SPBE is a conceptual foundation in managing digital government, encouraging the integration of various applications and public services into one coordinated ecosystem. The main benefit of digital transformation is the ease of access to public services. People can now take care of population documents, business licences, and tax payments online without having to come to the government office. This saves time, money, and energy, and increases public satisfaction with government performance (Mubarika, 2024).

Digital transformation also strengthens transparency and accountability. With a digital system, the service process can be monitored in real-time, minimising the potential for corruption and ensuring that every stage of the service can be audited easily. In addition, digitalisation opens up space for public participation through online complaints and consultation channels, such as the SP4N-LAPOR! application and JAKI in DKI Jakarta (Berman, 2021). However, behind these various benefits, digital transformation faces major challenges. One of them is the digital infrastructure gap, especially in 3T (frontier, outermost, underdeveloped) areas that still lack internet access. This inequality causes the unequal utilisation of digital services throughout Indonesia (Maulana, 2024).

Apart from infrastructure, the digital literacy of the community and the state civil apparatus is also a challenge. Not all citizens and government employees have sufficient capabilities to utilise digital technology optimally. Therefore, improving digital literacy and continuous training is necessary.

Bureaucratic cultural resistance to change is also an obstacle. Many institutions or bureaucratic officials are still reluctant to switch from conventional to digital systems. Digital transformation requires changes in work patterns, cross-sector collaboration, and openness to innovation, which are not always easily accepted by all parties. Data security and privacy are crucial issues in the digital transformation of public services. Recent data leakage cases have raised public concerns about the protection of personal data. The government must ensure a strong cybersecurity system to maintain public trust (Hauga, 2023).

Digital transformation also encourages public service innovation at the regional level. Various applications such as Tangerang LIVE, Digital Public Service Mall, and online population administration services in Bandung City are concrete examples of digitalisation that make it easier for people to access various services in one platform. The positive impact of digital transformation is not only felt by the community, but also by the government. Digitalisation increases operational efficiency, reduces administrative costs, and accelerates data-based decision-making. This supports the creation of a bureaucracy that is more responsive and adaptive to the needs of the community (Ikwuanusi, 2024).

Globally, the digital transformation of public services has become a trend in many countries. Indonesia itself has shown significant progress with its ranking in the United Nations E-Government Survey 2024, signalling the government's real efforts in developing an electronic-based government system.

Digital transformation also opens opportunities for international collaboration in digital policy development, exchange of best practices, and strengthening more open and inclusive governance. However, the global digital divide is still a challenge, especially for developing countries that do not have adequate infrastructure and human resources (Sumantri, 2024). The success of the digital transformation of public services is highly dependent on the synergy between infrastructure development, increasing digital literacy, inclusive regulations, and coordination between stakeholders. The government needs to continue to innovate and adapt so that digital public services are truly inclusive and accessible to all people without exception (Gunawan, 2023).

Thus, digital transformation in public services is a continuous process that requires commitment, collaboration, and innovation from all elements of the nation. If these challenges can be overcome, Indonesia has a great opportunity to realise excellent, efficient, and globally competitive public services.

### *Political Challenges in Digital Transformation*

Digital transformation in public services presents not only opportunities but also complex and multidimensional political challenges. These challenges arise from various aspects, ranging from leadership, regulation, to bureaucratic dynamics and diverse political interests. One of the main challenges is the weak capacity of digital leadership within the government (Ivanova, 2024). Many bureaucratic leaders do not fully understand the urgency and strategy of digital transformation, so digitalisation initiatives are often slow or poorly coordinated. The digital competency gap among the state civil apparatus (ASN) is also a significant obstacle. Low digital literacy and a lack of training make it difficult for many government employees to adapt to new systems, so the digitisation process does not run optimally (Aharon & Siev, 2024).

A conventional and change-resistant bureaucratic culture exacerbates the political challenge. Many agencies are still comfortable with old working patterns, so digital innovations are often met with resistance, both individually and institutionally. Fragmentation of data and digital systems between government agencies is also a serious problem. Each agency tends to build its system without cross-sector integration, resulting in overlapping applications and unsynchronized data, hampering the effectiveness of digital public services (Mountasser & Abdellatif, 2023).

Unsynchronised regulations and policies between institutions add to the complexity of political challenges. Differences in standards, rules, and procedures between ministries or regions often hinder the integration of digital systems nationally. Political interests and power dynamics also affect the direction and sustainability of digital transformation (Kozhyna, 2024). Changing officials, changing political priorities, and tug-of-war between political actors can cause digitisation programmes to stall or change direction. Budget limitations and financing priorities are another challenge. Not all regions or agencies can allocate sufficient funds for digital infrastructure development, HR training, and ongoing system maintenance (Hafel, 2023).

Data security and privacy issues are increasingly crucial amidst the rise of digitalisation. The government must face political challenges in formulating strong data protection regulations while building public trust in the security of government digital systems. Lack of integration and coordination across agencies has led to partial and inefficient digitalisation initiatives. Many applications and digital platforms are not connected, so people have to repeatedly input data in various systems (Hafel, 2023). Dependence on legacy systems and specific vendors is also a political obstacle. Migration to new systems is often hampered by business interests, the risk of data loss, and resistance from those who benefit from the old system. Lack of technology leadership at managerial and policy-making levels means digital initiatives often lose direction or fail to gain cross-departmental support, slowing down the digital transformation process (Wohlers & Pal, 2021).

Political challenges also arise from low public participation in the digital policy formulation process. Lack of effective public communication means that people do not understand the benefits and risks of digitalisation, leading to social resistance. The disparity in digital infrastructure between urban and rural areas deepens the gap in access to digital public services. This creates inequities in service delivery and reinforces political resistance in disadvantaged areas (Desai, 2024).

Finally, digital transformation in public services requires synergy between infrastructure development, improved digital literacy, inclusive regulations, and coordination between stakeholders. Without strong political commitment and cross-sector collaboration, these challenges will continue to hinder the realisation of effective and inclusive digital public services.

### *Global Implications of Digital Transformation of Public Services*

Digital transformation in public services has broad and profound implications at the global level, affecting the way countries govern and interact with their citizens. In the era of globalisation and the 4.0 industrial revolution,

digitalisation is becoming an important foundation in building governments that are efficient, transparent and responsive to citizens' needs (Srisuwan, 2025). One of the main implications is the improvement of governance standards globally. Countries that have successfully implemented digital transformation show progress in transparency, accountability and public participation. This has led to the emergence of international standards and best practices that serve as a reference for other countries, including Indonesia, which is in the process of accession to the OECD and is committed to adopting global standards of digital governance (Mergel, 2021; Tangi et al., 2021).

Digital transformation is also strengthening cross-border collaboration in government policy and technology development. For example, the Indonesia-Finland bilateral cooperation on digital strategy planning demonstrates the importance of global alliances to accelerate innovation and build an inclusive and sovereign digital governance ecosystem. This collaboration enables the exchange of knowledge, resources, and technologies that accelerate digital progress across countries (Hansen, 2021; Scupola & Mergel, 2021). Another significant global impact is the accelerated deployment of new technologies such as artificial intelligence (AI), big data, and cloud computing in public services. Countries are racing to adopt these technologies to improve service quality, operational efficiency, and data-driven decision-making. Indonesia, for example, is developing an open and accountable data ecosystem as part of its vision towards a modern and adaptive digital government (Maulana, 2024).

However, digital transformation also poses global challenges, especially regarding data security and privacy. As more public data is stored and processed digitally, the risk of data leakage and misuse increases. This requires countries to develop strong data protection regulations and reliable cybersecurity systems to maintain public trust. Digital inequality between countries is also an important issue in the global context. Developed countries generally have better digital infrastructure and human resources ready for the digital era, while developing countries are still struggling to overcome these limitations. This gap has the potential to widen the gap of inequality in access to digital public services and quality of governance (Latupeirissa, 2024).

The digital transformation of public services also has an impact on more inclusive and participatory governance at the global level. Digitalisation opens up space for the public to more actively participate in oversight and decision-making through online complaint and consultation platforms. This strengthens democracy and good governance in various countries (Rahardjo, 2023). In addition, digitalisation encourages comprehensive bureaucratic reform, not only in technology, but also in aspects of business processes, human resources, and organisational culture. These changes are key to creating an agile, responsive, and user-centric government (Badruddin et al., 2022).

In the context of the global economy, the digital transformation of public services supports the rapid growth of the digital economy. Efficient and transparent governance creates a conducive investment climate, accelerates innovation, and improves the country's competitiveness in the global market. It also opens up new job opportunities and digital skills development in society.

Digital transformation also strengthens national data sovereignty. Countries are increasingly recognising the importance of independently managing and controlling public data to maintain digital security and sovereignty. International cooperation that respects the principle of data sovereignty is becoming increasingly important in this digital era (Somnah, 2024).

At the regional level, digital transformation strengthens integration and synergy between countries, especially in the ASEAN region. Indonesia and neighbouring countries are working to harmonise digital policies and build interconnected digital infrastructure to support more efficient and secure cross-border public services (Rahman, 2024).

The Indonesian government, through various programmes and international collaborations, continues to strengthen its digital capacity to adapt to global trends. This commitment is reflected in various initiatives such as the development of Digital Public Infrastructure (DPI), data interoperability, and capacity building of the state civil apparatus (ASN) in facing digital challenges (Millard, 2023).

Overall, the digital transformation of public services has far-reaching global implications, ranging from improved governance and international collaboration to security challenges and digital divides. The success of this transformation relies heavily on the ability of countries to adapt, innovate, and cooperate in the face of evolving technological and social dynamics.

With these global implications in mind, countries including Indonesia need to continue to strengthen comprehensive and inclusive digital transformation strategies, so that public services are not only effective and efficient but also contribute to sustainable development and the welfare of people globally.

## Conclusion

Digital transformation in public services is a strategic step that not only improves government efficiency, transparency, and accountability but also strengthens community participation in public governance. Digitalisation of public services has opened up great opportunities to speed up administrative processes, expand access to services, and build public trust through transparency and data disclosure. However, the success of this transformation is highly dependent on the readiness of infrastructure, competence of human resources, and changes in organisational culture within the bureaucracy.

On the other hand, political challenges are a determining factor that cannot be ignored. The digital divide between regions, bureaucratic resistance to change, weak digital leadership, and the complexity of regulations and data protection are major obstacles to the implementation of digital transformation. In addition, political dynamics and interests between actors often affect the direction and sustainability of digitalization programmes, requiring strong political commitment, cross-sector coordination, and adaptive and inclusive policies to overcome these obstacles.

Globally, the digital transformation of public services has far-reaching implications, ranging from improving governance standards, international collaboration to data security challenges and the digital divide between countries. Countries that can effectively adopt digital technologies will be better prepared to face the challenges of globalisation and the industrial revolution 4.0. Therefore, a comprehensive, collaborative, and public interest-oriented digital transformation strategy is key to realising excellent, inclusive, and globally competitive public services.

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