

## Session summary

THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM — 2010  
17—19 JUNE 2010, ST. PETERSBURG

### Session title: **UNIVERSAL CITIZEN SMART CARD — ARE SOCIETY, THE STATE AND TECHNOLOGIES READY FOR THIS?**

#### Problem

The draft law on electronic state services envisages the issuance of a Universal Smart Card as the key to accessing services. The proposed solution is unique and innovative in that the Universal Smart Card (USC) envisages placement of banking, medical, pension and other services thereon. In the future, the card may be used as ID, as a civil liability insurance policy tool or a driving license. When a person uses the card, they might be identified by an electronic digital signature or a finger print or simply a PIN code. Use of modern technologies can make the use of such a card unique in the world.

#### Session Highlights

##### Select assertions and opinions

- For a successful system the Universal Smart Card (of USC) should synchronize all existing data concerning pension fund, government revenue service and other social services.
- The issues surrounding security, transparency and confidence are the main challenges facing the project.
- One way in which the USC will achieve results in decreasing the amount of “dead souls” who receive social privileges.
- USC will decrease time and expense on issuing or replacing identity and public financial documents — it is a question is issuing a single card instead of multiple identity and financial documents.
- USC will lead to a considerable decrease in the number of government officials providing services to the population.
- In the near future citizens will be able to choose the design, and also different options of what functions/services are associated with the USC card.

##### Select quotes

“The only chance to reduce bribery is to limit direct contact between citizens and officials” — Herman Gref.

“Costs will be 3 times higher if we do nothing...This is a breakthrough project that is unique and first of its kind in the world.” — Herman Gref

##### Moderator

**Vladimir Solovyov**, TV presenter

##### Panelists

**Herman Gref**, Chairman of the Board and CEO, Sberbank

**Mikhail Zadornov**, President and Chairman, VTB24

##### Discussants

**Alexander Tkachev**, Governor of the Krasnodar Region

**Alexander Zhilkin**, Governor of the Astrakhan Region

## Synopsis

The project to create an “electronic government” represents an important stage in modernizing the functions of government agencies. Like many new projects, it is surrounded by controversy. The introduction of the universal citizen smart card as part of this project will help reduce corruption and public sector costs, while also solving many other urgent problems.

The Universal Smart Card will be the key to accessing over 80% of public services including pension, tax, and communal payments as well as transportation services. It will also work as a student identification card, a driving license and a bank card – all functions that will be incorporated into a single card. Thus, the Universal Smart Card will combine social and commercial functions, as well as serve as an ID. According to German Gref, there are no similar secure access solutions anywhere else in the world. In the future, citizens will be able to choose the design of their Universal Smart Card and select its functional content.

Gref stressed that the project was quite expensive, with an estimate of 150 billion roubles over the next five years. “The costs will be three times higher if we do nothing,” he added. According to panelists, the introduction of the Universal Smart Card will also help reduce bribery in Russia, limiting direct contact between citizens and officials as it pertains to specific services. The reduction of “dead souls” receiving state benefits will also help optimize costs.

Mikhail Zadornov, President and Chairman of VTB 24, expressed doubts over the efficiency and expediency of the Universal Smart Card in Russia, pointing to the lack of Internet access by certain categories of the population, the lack of permanent connections to the Pension Fund and tax agency databases, as well as the complications involved in issuing and replacing the cards. At the same time, Zadornov proposed ideas on how to optimize and improve the project. Among other things, he recommended that the government should combine databases from the Pension Fund, tax services and other departments, providing better conditions for direct contact between the government and the population. He also stressed the need to set common technological standards for all of the country’s regions. It is more expedient to introduce the system in big cities first, according to Zadornov.

Proposals were voiced to introduce the new system on a stage-by-stage basis, without forcing citizens to accept the electronic format. Thus, two systems — the paper and the electronic systems – will co-exist at the initial stage. As Gref calculated, the introduction of the Universal Smart Card system will reduce the number of officials by 20% at the first stage and by 60-70% at the second stage.

Gref also stressed the social nature of the Universal Smart Card project, noting that it would be introduced based on public/private partnership, meaning that both budget funds and private investment will be used to finance the costly undertaking. It was also noted that the project was predominantly social and educational in nature, with profit margins expected to reach 4-5% in the future. And the project will also serve to enhance the population’s information awareness.

Keywords: universal citizen smart (USC) card, public services in electronic form, identification of citizen, e-government.

Recommended reading for:

Government employees, innovation specialists, citizens, representatives of bank area, companies provided social services.

## Disclosures

The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the St. Petersburg International Economic Forum.

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19 June 2010