

Managing Public Administration Reform in Russia the Role of Citizens' eCard Project

Electronic Government in Russia became a strategic component in the governance process. To establish trust and security in the electronic interaction process between authorities and citizens, the Russian Government aims to deliver high quality public services through a secured and comfortable environment. The complexity of Strategic eGovernment decisions is illustrated through the example of a key eGovernment solution, the Citizens Electronic Card. The Citizens eCard project case study outlines strategic management issues caused by the interrelation between eGovernment and administrative reforms in Russia. The necessary technological, legal and organisational changes performed in Russia to effectively organise the national eGovernment system are also analysed.



Evgeny Styrin

Institute for Public and Municipal Administration,
Higher School of Economics



Artem Kostyrko

Institute for Public and Municipal Administration,
Higher School of Economics

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“ Public Private Partnership is a key tool to Citizens' eCard project implementation in Russia ”

1. Introduction

Strategic eGovernment development in Russia started in 2002 when the Federal Program Electronic Russia (2002-2010) was launched (Russian Government Resolution №65, 2002). The Russian Federal Government considered the Programme as a tool to build Information Society in Russia based on key components consisting of technological and organisational measures in different areas: culture, governance, healthcare, IT-industry, regional development. The measures proposed were quite typical and comprised hardware and software access supply across the country, public services transfer to online mode, high priority for IT-industry development, public records digitalisation, eSociety promotion campaign, and IT-skills improvement programmes.

In fact, the first edition of 'eRussia' targeted too many diverse and ambitious goals with quite a limited number of accumulated resources during a period of eight years. The Programme had to be coordinated by five federal agencies and implemented with the resources of regional governments. This meant that programme coordination and decentralisation of responsibility became a real threat to the Programme's implementation.

In 2008, the Government produced the third consecutive version of eRussia, which was limited to only one key goal - "to make interaction between government and other stakeholders efficient and effective" (Russian Government Resolution №632, 2008).¹ The main target of the Programme mostly became the Russian Federal Government with the assumption to achieve tangible results first on federal level of governance and then to share best practices with regional and municipal level authorities. This corresponds to the principle announced by Andersen Consulting in 2000 "Think big, Start small, Scale fast" (Heath, 2000). Until 2008, the eGovernment development programme in Russia was chaotic and comprised projects, which could be characterised as the first and admissibly quite difficult new ICTs usage experience for Russian regional and federal authorities.

Among a series of typical projects sponsored by the Programme were web-portals for federal and regional authorities, eDocument management systems, regional analytical systems, geographical information systems, data registers and public services reengineering and design. These projects were financed both by the federal authorities (eRussia budget) as well as regional authorities, but unfortunately they were not able to deliver tangible results, visible to end users - citizens and businesses. Civil servants considered eGovernment as means of making their own work and performance more effective and efficient but businesses and citizens were not much involved in the process of public information systems' design. Civil servants assumed that 'they knew better than people from the street' why and what exactly they need from ICT and how that would help other stakeholders use their constitutional rights and use public services (Styrin, 2006).

Authorities tended to buy ready made IT solutions from IT companies, considering it as the simplest way to deal with eGovernment challenges. Both IT-spending effectiveness and information system appropriateness were not of a high priority for agencies because they didn't own experience and recommendations on how to make decisions about ICT-solutions. At the same time, Russia's world rankings on eGovernment remained around the 60th place (UN eGovernment Survey, 2010). In 2012 Russia's standings improved sufficiently by moving to 27th place (UN eGovernment Survey, 2012). Further eGovernment system improvement will be possible when secure electronic transactions between citizens and governmental information systems will be implemented. eCard project will serve these goals by providing secure infrastructure for transactions with Government. The article defines specific Russian context in which the project is being implemented. The context is viewed from

1 The second edition of the 'eRussia' Programme was released in 2006 but didn't become a true guidance to a successful eGovernment system either.

historical, administrative and strategic perspectives. Key factors influencing project development Public Private Partnership mechanisms are being analysed. The research question of the article is to find what the risks of eCard project that arise through public private partnership mechanisms quality analysis in Russia are. The applied methodology includes eCard project stakeholder analysis and SWOT analysis. Finally, recommendations on possible strategic, legal and technological changes aiming to improve project's results tangibility are formulated.

2. Strategic Goals for Russian Governance System Transformation

eGovernment development was supported by the Federal Programme 'Administrative Reform (2004-2010)' owned by the Russian Ministry of Economic Development (MED). The MED was implementing eGovernment in Russia as a tool to effectively satisfy citizens' and businesses' demand for high quality services.

The key goals outlined in the Programme became the absolute new tasks for authorities, which had never been formulated before.² Until 2008, key players responsible for administrative reforms and ICT-development didn't have a common vision on the role of ICT in goal achievement. Below these goals are summarised and ICT influence on each one of them are briefly described:

- **Create citizen oriented government.** Citizen oriented government becomes possible thanks to the combination of openness, accessibility and availability of public services. Official web-resources organised around citizens' needs provide complete information on Government activity.
- **Create a result oriented governance system.** The better an agency performs, the more financing it can get in the future. Governmental eDocuments and eRecords management systems can simultaneously increase civil servants' productivity and transparency of decision making processes.
- **Increase quality and access to public and municipal services for citizens and businesses.** In the context of the fast growing Internet penetration in Russian households, there is a necessity to design citizen oriented governmental portals providing information and interaction mechanisms aiming at the best possible comfort of the citizen. Starting in 2002, the number of Russian Internet users has been stably growing and in the past two years Russia has been the fastest growing Internet users' country in Europe with more than 50 million Internet users in 2011, Russia has overtaken Germany (Comscore, 2011).
- **Decrease corruption level in public authorities.** This goal can be achieved indirectly by providing control mechanisms to the society through public services and discussions based on online interaction.
- **Improve the feedback between authorities and society.** The growing importance of social networks, blogs and other virtual environments together with the official Governmental Internet presence, provides perfect conditions to for the facilitation of the dialog between Government and society. 55 % of Russian citizens are using Internet and 82 % of them are registered in social networks (Russian Public Opinion Research Center, 2012).

² Includes federal regional and municipal level authorities in Russia

3. Public Services Reengineering and Transfer to Electronic Form: Russian Outlook

The Administrative Reform (2004-2010) Programme aimed at supplying the public services with a reengineering process reallocating them from paper to electronic environment.

eServices creation and development is a formalised process produced by both Russian federal and regional agencies systematically and guided by the MED. The latter supports federal and regional agencies in providing methodological recommendations developed by leading Russian experts in public administration. A very important feature of electronic public services development process in Russia is their formalisation (includes in particular public service quality standard, process provision description) in the form of normative acts approved by the agency, which owns the service. These normative acts are called 'administrative regulations' and they institutionalise electronic service provision on the agency governance level.

An administrative regulation is a normative act, which establishes formal procedures and quality standards for the public service. It contains a description of service usage process (divided in steps), delivery channels (personal visits to the agency, Internet, personal visits to authorised one stop shop service operation centers), time frames for results obtainment, results of the service as well as claim mechanisms if service results are seen by citizens as unsatisfactory (Russian Government Resolution №30, 2005). All administrative regulations are approved by the agency which owns the service. In other words administrative regulation in the form of a normative act fixes the results of public services transformation from the 'AS IS' state to the state of 'AS IT IS TO BE'. The agencies skills and capabilities to produce high quality administrative regulations are strongly challengeable, even though they are the basis for service provision in its electronic form. More than 50 % of the administrative regulations in the years 2009-2010 didn't pass the validity expertise (performed by the MED) allowing them to be considered as roadmaps for eServices implementation.

At the end of 2009, the highly important decision to establish and run the national eServices portal www.gosuslugi.ru as a single point of access to all public services in Russia was implemented. Up to this day, this portal is a collection of all administrative regulations and public services produced by federal, regional and municipal authorities. The portal is run by the Russian Federal Ministry of Infocommunications and Media. The back office system for this portal is called Public and Municipal Services Register (PMSR), owned by MED which coordinated efforts to collect all public services and administrative regulations in one information system (Styrin and Zhulin, 2011).

The portal supplies citizens with interactive eServices. It means that citizens can download eForms and fill out eApplications for a number of services online. 73 public services owned by 15 federal agencies were defined as of the highest priority for transformation in electronic form (Russian Government's Order, 2009). Citizens can check online the documents they need to successfully apply for the service. They can also get consultation online and be assigned to an appointment to obtain service in person. The portal was noticed by the United Nations Development Programme (UNDP) experts and Russian eGovernment rating improved in 2012 (27th place instead of 59th).³

Russia, as many other countries developing eGovernment services, goes through legal framework changes, which are being developed and approved with a much lower speed than ICT solutions' enactment. For example, key legal initiatives were firstly approved by the Russian Parliament (Duma)

3 In previous UN eGovernment development ratings including report in 2010 Russian Federal One Stop Shop Portal: www.gosuslugi.ru were not included. That influenced the overall rank of Russian eGovernment system as soon as methodology of the rating is very sensitive to availability of single points of access to government services in Internet.

only since 2008 even though eRussia was initiated in 2002. The most important federal laws for eServices development were approved in 2010 and they were the Federal Law About Public Services Provision in the Russian Federation, the Law About eSignatures and the Law About the National Payment System. These Federal Laws define the terms 'eDocument' and 'eService', clarify the term 'eSignature' and establish the eGovernment system architectural components.

4. Context and history of the citizens' ECARD project

The eGovernment System Project is a practically oriented document adopted by the Russian Federal Government in 2010 as a guide to implement eGovernment on a federal level. It defines the key eGovernment components in Russia: eServices, security and trust infrastructure and national payment system. Without these three components the Russian eGovernment system cannot move to the transactional stage where citizens can get public service in a completely electronic form on a legal basis. The key goal in the Citizens eCard project is to establish secure identification of the citizen as a public eServices user. At the same time the Russian Government aims to ensure that the eService applicant is really the person who applies for service. It also aims to effectively manage personalised financial relations with citizens obtaining services. By means of the eCard, Government can directly allocate, control and monitor money assigned to each eligible for benefits by law citizen. Thus, money distribution function from Moscow Government to citizens implemented previously by intermediary banks disappears. The demand for eCard usage is provided by developing the appropriate banking system in Russia, which makes citizens use plastic cards and electronic transactions (170 million plastic cards issued by banks in Russia and only half of them actively used (Central Bank of Russia, 2011)).

Banks are not the only source of experience regarding the use of plastic cards by citizens. Regional authorities were also using plastic cards in social support projects in order to pay social benefits to different social groups: single mothers, students, pensioners, and people with disabilities and as a pass in public transport. Regional authorities are card proprietors and issuers by Law. The Moscow authorities, for example, named such a project Social card and implemented it in partnership with Bank of Moscow. The key problems encountered were as following:

- Different social groups eligible for benefits were getting different types of cards (they had different colors and different scales of usability);
- The social card, as applied in the transport sector could not be unique because it couldn't be used in all types of transportation (for example suburban trains);
- It was not clear what type of card to issue if a certain citizen was eligible for benefits belonging to different benefit groups at a time (for example, single mother with disabilities). The solution was to give different cards to the same person making social card usage uncomfortable for both issuer and acceptor.
- The Moscow Government couldn't make personalised social payments by transferring big sums of money to the banks (most Banks in Moscow) which were distributing funding to the citizens. The authorities couldn't trace how much money was spent and by whom. For example, each year Moscow Government paid to the eligible citizens a certain amount of subsidy money on the basis of 30 trips per month. According to internal statistics and surveys conducted the Moscow Government social beneficiaries in average used not more than 60 % of their trips. At the same time in the end of the month almost every transport card did not contain any transport money. It means that social beneficiaries gave their cards to third party people who were able to use the transport money in their own interests. Budget losses could be measured in millions of dollars.

Social card projects were implemented in most developed and financially strong regions of Russia. The eCard project can provide much more convenient and effective support to citizens using electronic public services.

5. Electronic card as a tool for effective access to public and municipal eServices

5.1 eCard definition, appearance and applications

eCard is “a material carrier of personal data used to identify a citizen and successfully implement eServices for him/her, legally bringing to completion the electronic transaction between the citizen and the service provider” (Russian Federal Law №210, 2010). In other words, the Russian Government aims to supply secure technology that can provide eServices in a way that would allow further claims in court, in case a citizen is not satisfied with the result and quality of the service. This is due to the fact that eTransactions lead to a change of the citizen’s personal data in one or several governmental databases or registers, changes that can now be confirmed and verified. The eCard contains a chip, a magnet stripe and a barcode, as well as the citizen’s name, date, place of birth, photo, and a series of data used for citizen’s identification in different governmental agencies: unique number in the National Pension Fund and the National Medical Insurance Fund. The chip will be not less than 72KB and will be produced by Russian companies under governmental supervision and certification. The eCard will comply with the EMV standard (Europay, VISA, Mastercard) regulating eCard applications functionality. The eCard also contains a scalable number of applications such as: a pension savings calculator, medical benefits and medical history viewer, a taxes history calculator, a social benefits informer, a bank application and last but not least, a transport application. The citizen signs an application giving permission to authorities and other service providers to work with his personal data (Russian Federal Law №152, 2006). No decision has yet been made regarding the payment systems to be used in the eCard project, while the Government is still in negotiations process with Visa and MasterCard. Another opportunity is to use a payment system PRO100 developed by Russia’s biggest bank, Sberbank - a key participant of the project. In this case, the card will have limited payment opportunities and will be used for transactions exclusively carried out in the Russian Federation. An example of how personal card could look like can be seen in Figure 1.

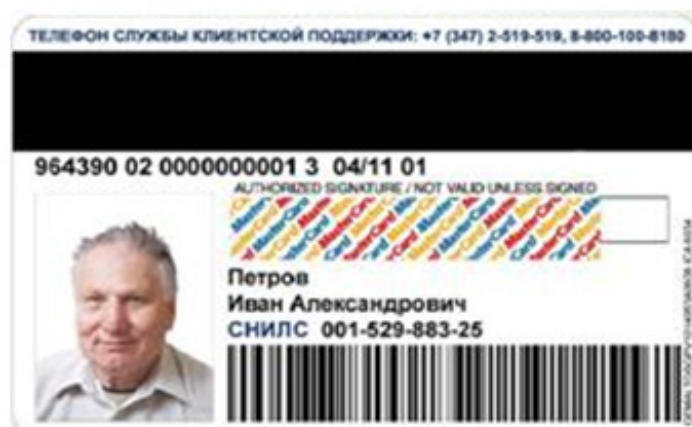


Figure 1: eCard appearance

5.2 eCard benefits

There are three key ideas making the Russian Government proceed with the eCard project:

- **The eCard will be the single key to access eGovernment infrastructure on all governance levels.** This infrastructure includes all government databases and registers which will become available online through eCards serving as references, information and facilitating transactions. Interaction between citizens and authorities will initiate the process of citizen's eRecords quality improvement in all agencies involved, for example the National Pension Fund, the National Medical Insurance Fund, the Federal Agencies Adminstrating Taxes, the Healthcare system etc. When citizen applies for the eCard, all his/her personal data mentioned in application in paper form will be inserted in agency's data base in electronic form. In case the data about the citizen already exists in electronic form all necessary changes in agency's eRecords about the citizen will be made especially if mistakes were detected (Federal Law №152, 2006).
- **Personalised transactions including electronic payments executed by citizens in the process of governmental and commercial services usage.** The government will be able to effectively control the amount of social benefits paid and used by citizens and thus redistribute social support to those who really need it. The Government also intends to decrease fraud in social benefits allocation.
- **Citizens will be able to interact with the government based on the principle 'any service, anywhere'** which means that the eCard will enable citizens to access to hundreds of governmental and commercial services, including ePayments on a 24/7.

The eCard will be the only tool used by citizens while interacting with the authorities but also public and private enterprises in the provision of services. The card will also be used by citizens as a unique identifier to initiate electronic transactions with information systems belonging to pension funds, medical insurance companies, governmental agencies, public transport companies and other partners of the project. Citizens will access public information systems with eCard through personal card readers, public kiosks, ATMs. Still it is not possible to say that eCard is equal to internal Russian passport (Russia does not use plastic IDs for internal identification) and in some cases authorities can re demand the passport instead of the card (for example, when a citizen personally visits the agency to obtain the service).

5.3 eCard distribution process

According to Federal Law №210, starting 1 January 2012 and until 1 January 2014, citizens can apply for an eCard filling out a paper application at all points of eCard distribution. As of 1 January 2014, eCards will automatically be issued for all unless citizens make a personal request against the issuance of the Card. The card distribution process involves all possible infrastructures belonging to public and private organisations participating in the eCard project. It means that citizens who do not yet have their card or do not know that they can use it, will definitely be proposed the issuance of an eCard if they submit an application, for any reason, to any office of the participating organisations: the National Pension Fund, The Social Security Offices, the Medical Insurance Offices, the automobile insurance offices, special points of eCard distribution established by the Federal Company JSC FUO eCard as well as banks. An eCard, for instance, must be immediately issued for all newborns or when a citizen starts to work and his/her unique number appears in National Pension Fund. Another example is the case of a citizen who wants to obtain medical insurance. The agent may propose the filling out of the application of the eCard which will also serve as the citizen's medical insurance card. The eCard distribution process is closely connected to the information of citizens on the

opportunities created by the use of eCards. Authorities have to organise this process so as to reach as many citizens as possible, persuading them as to the usefulness of eCard, Validating, thus, all investments in the project.

6. Federal and regional governance interaction in citizens' eCard project implementation

According to Federal Law 210, the key organisation appointed by the Federal Government's Order № 1344, to manage the eCard project on a federal level is JSC FUO ECard and is established through the partnership of three Russian banks: Sberbank, UralSib and AK Bars. Sberbank is the biggest bank in Russia with a developed branch infrastructure executing more than a half of all bank services in the citizens' market. Any other bank can join these three banks in the future and become a provider of the eCard banking application. The FUO eCard is responsible for establishing information and applications for federal level authorities and organisations: the National Pension Fund, the National Medical Insurance Fund, as well as the National Social Security Fund. Each of these organisations has their unique identifier for each citizen in their databases, registers or eRecords. The FUO eCard creates and manages a federal register of eCard users, keeping information on what eCard is assigned to which citizen, how many applications are made per card and which of them are active, also making possible the creation of a register of federal applications developed by public and private organisations. In fact the function of card issuance belongs to Regional Authoritative Organisation (Regional AO) which is selected and appointed by regional authorities in partnership with the Department of the Ministry of Economic Development (Regional MED). On a federal level, the project is supervised by the Ministry of Economic Development (the leader of the Russian Administrative Reform Program) in collaboration with the Federal Security Service (security expertise), the Ministry of Infocommunications and Media (which has established very important Federal Program entitled 'Information Society (2011-2020)' and acted as a leader as far as the technological components of the national eGovernment system are concerned), the Ministry of Industry and Trade (involved in partnership relations with commercial organisations - potential service providers).

The Regional Authoritative Organisation executes the same functions as the FUO eCard on federal level. It creates and manages the Regional eCard Register and the Regional eCard Applications Register, while being the issuer and owner of every single eCard. The overall price of the eCard project was initially estimated by MED to 150 billion rubles (almost 3,75 billion euros). Banks will invest in infrastructure for eCard acceptance and usage (ATMs, terminals, card readers) and federal and regional authorities will invest in the establishment of card processing centers, public eServices transactions management and card issuance. Regional AO must qualify to the requirements posed by FUO eCard to security, privacy, eRecords management, interoperability with federal level systems and data bases. Regional AO can be founded by private owners or it can be joined stock company belonging both to regional authorities and private owners. Regional AO established in one of the Russian regions has the right to provide the same functionality to authorities in other regions but only after the company wins this right on a competitive basis with other candidates in each region. Thus one company can serve as a Regional AO in more than one region at a time. Information from regional eCard registers is integrated in federal eCard users register.

eCard applications are of two types: federal and regional. Firstly, the eCard is initialised on federal level and then it is completed through applications provided by suppliers at a regional level. When citizens receive the eCard they submit permission on applications that they want to be activated on their eCard. For example, a citizen might want to use transport and social security applications but not the one from healthcare. Any moment citizens will be able to change activation status of all

available eCard applications by submitting a special application (this service will be implemented online). Commercial service providers can apply to Regional AOs and as soon as these applications comply with formal requirements and are approved by Regional AOs they can be available in cloud applications and also installed on the card.

The eCard register will be connected to federal and regional governments' eServices gateways called Interagency Electronic Exchange Systems (IEES). IEES electronically connect agencies on the same governance level and provide complex eServices to citizens, involving information resources from several agencies simultaneously. A single point of access to eServices will be the Federal One Stop Shop Portal - www.gosuslugi.ru. The totality of the eServices provision system architecture in Russian Federation is presented in Figure 2.

Figure 2 demonstrates the role of Citizens' eCard project in general eGovernment architecture in Russia. First component of the eGovernment system is front office Federal One Stop Shop eGovernment portal www.gosuslugi.ru, with which citizens start using eServices. At the back office, there is Interagency Electronic Exchange System (IEES) which is transportation information system connecting federal and regional agencies in both horizontal and vertical eDocuments exchange. Security, integrity and IT standards compliance is coordinated and controlled by three federal agencies: Federal Security Service, Federal Ministry of Infocommunications and Media and Ministry of Industry and Trade. Federal Ministry of Economic Development (MED) and its branches in the regions provide methodological, organisational and legislative support to FOU eCard and Regional AOs in managing eCard registers, interacting with stakeholders. Federal eCard Register integrates records from regional eCard Registers and also interacts with IEES authorising interagency eDocuments exchange from citizen applying for the service with eCard and agency accepting citizen's application. To solve namely problems arising with eCard (loss, exchange, applications activation) citizens can apply to eCard Users Portal. Later, along with banks FOU eCard will establish eCard payment gateway, which will serve both security and transaction control purposes. It is worth to mention that architecture presented on Figure 2 has to be replicated and reproduced in 83 Russian regions. This is a very expensive and difficult task, due to the scale of replication, regional digital divide issues and rigid time frames, posed by Federal Government (in 2014 citizens should be able to use their eCards on regular basis benefitting from all public services put online).

Citizens will be supplied with personal card readers which can work on their PCs. Other points of eCard access will be developed in partnership with several banks and authorities. The challenges of establishing partnerships in the eCard project will be discussed further on in the paper.

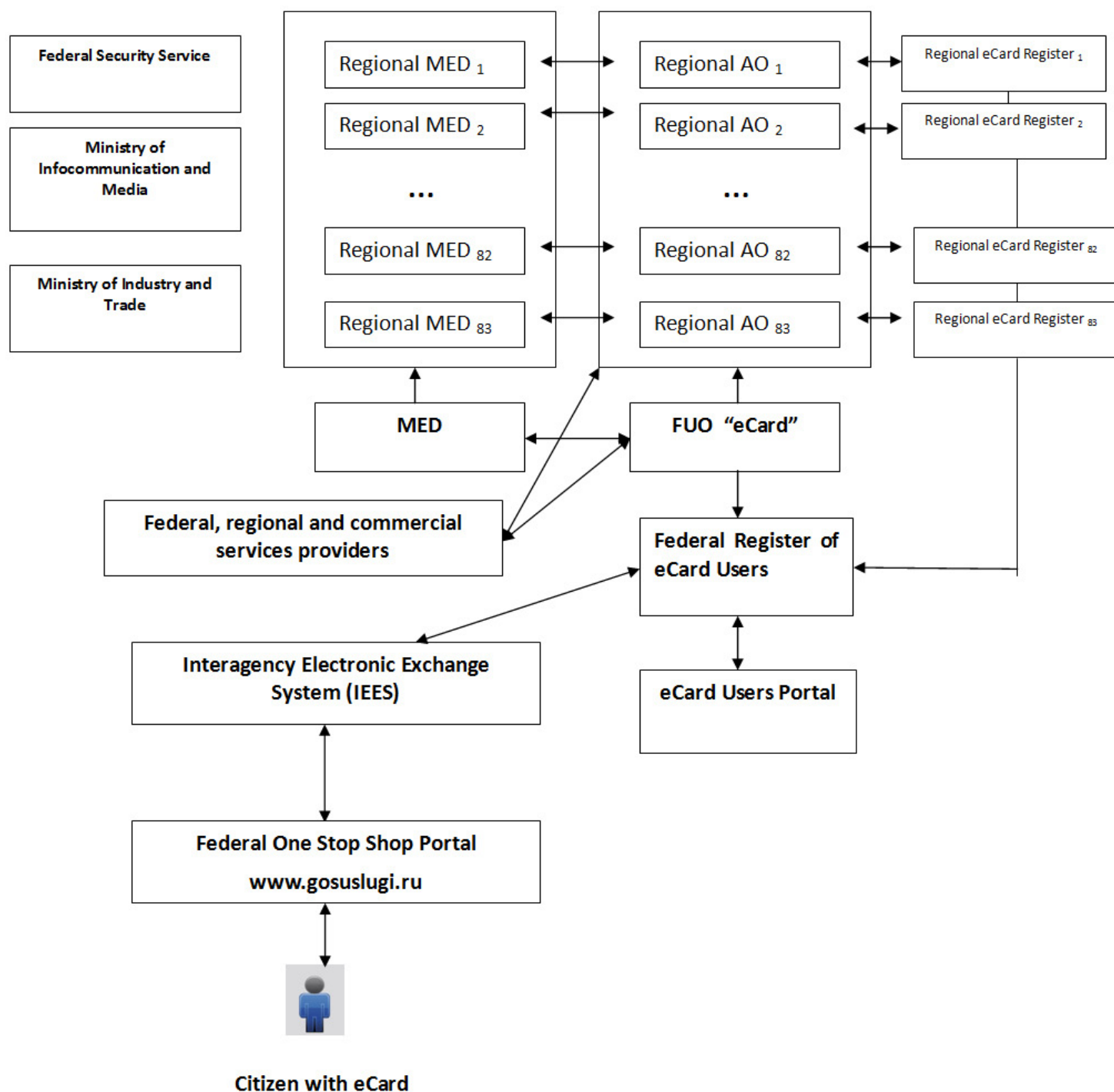


Figure 2: Multilevel eServices provision system architecture

7. Stakeholder analysis in citizens' eCard project

eCard implementation is not something new; countries like Singapore and Estonia have already successfully implemented eCards for citizens (Young, 2003; Voore, 2011). The main difference between these countries and the Russian Federation is their small territory and population size but the highly developed ICT infrastructure as well as the existence of one (Singapore) or two (Estonia) levels of governance. Still, it is possible to admit that the Russian Government used the same general principles for eCard infrastructure as the ones used in Estonia. The main burden of the Citizens' eCard project in Russia (including federal, regional and municipal authorities) is carried by regional authorities with the methodological support from the federal center (MED) and banks - cofounders of the JSC FUE eCard. Sberbank constitutes a key player in the establishment of project leadership as has already happened in Asia (Sharma S., 2007). According to Figure 2, it is possible to assume that the general number of treaties to be signed between Regional AOs, the FUE eCard project banks and commercial services providers will grow fast during the lifespan of the project. The Russian Government assumes that the number of banks participating in the JSC FUE eCard could reach forty during the year 2012. All these banks will have to satisfy the requirements of an eCard issuer as stipulated by the JSC FUE eCard. The key challenge in this particular partnership is to satisfy the interests of all stakeholders, including citizens - as the end consumers of eCard product. Unfortunately the stakeholders' interests can be quite contradictory.

7.1 Government (including federal and regional authorities) establishing and regulating partnership relationships

The final estimation of the project has not yet been completed. A preliminary evaluation shows that authorities will spend approximately 2.9 billion euros whereas some experts estimate investments reaching the double of that amount. At the same time, the issues of general trust of the Russian society to the Government remain challengeable and in case citizens' security and privacy is not well protected within the eCard project, it will fail and investments will have absolutely no returns. Another problem lies within the management of partnerships and agreements with participating organisations aiming at preserving society's interests. For example, Government is liable to reasonable costs in order to offer its citizens eCard payments, simplicity of eCard interaction interface and reliability of transactions. It remains unclear who and how will undertake the familiarisation of the citizens and the creation of skills and knowledge in performing electronic interactions with Government. Massive rejection of eCards by the citizens will cause the failure of the project, but if established transactions interests remain high enough, citizens will prefer cheaper ways to communicate with Government. At this point, that sufficient resources are invested in the so called regional multifunctional centers where citizens can personally apply for wide range of services produced by regional governments based on the single window principle⁴. The reasons making eCard more effective of an interaction channel than the multifunctional center is currently not well understood by citizens.

7.2 Banks investing in eCard infrastructure

Banks invest serious capital to develop eCard infrastructure, processing and acquiring centers. They would like to establish profitable relations with authorities, thus keeping their commercial interests high. At the same time, banks are interested to enlarge the number of eCard users through their banking application. Agreements and negotiations between banks and authorities may not be easily achievable and may differ as to the time frames (eCards will be issued automatically in 2014).

4 In Russian terminology "single window" is equivalent to one-stop-shop principle according to which citizens can choose one point of access to different interconnected public services.

Meanwhile, Sberbank promotes its own payment system PRO100 which can be chosen by citizens in a row with VISA and Mastercard payment systems to be assigned to eCard. PRO100 payment system might lose to VISA and Mastercard if eCard assigned to it can be used as a payment means only in Russia and not in international scale. The final decisions on a number of payment systems potentially serving the card have not been made yet.

7.3 Commercial providers of eServices for citizens developing eCard applications

Russian authorities are very interested in the creation of federal and regional eServices clouds which can be accessed by citizens through eCards. Commercial companies may face certain types of problems in their attempt to join the eCard project. For example, the process of inclusion of the application made by a Regional AO organisation in the applications register may not be transparent or can take too much time. This process can also lack competitiveness in case the Regional AO is interested in a certain type of commercial partners. Moreover, the issue regarding the way in which foreign enterprises can participate in eServices clouds also remains open.

7.4. Citizens using eCard infrastructure

The key challenge for citizens is to understand the importance of eCard usage. It is very hard to predict the actual number of eServices relevant to citizens needs and available through eCards. A typical global strategy is to put online as many services as possible starting from social security and medicine and up to the process of starting a business or getting permission to build new warehouse. Current research shows that the most popular online services are: foreign passport exchange, making an appointment for vehicle inspection, paying fines for traffic violations, making a doctor's appointments. The level of demand for more complex services or just any services similar to the ones above remains question to be answered by researchers. To provide electronic public services which demand embedded electronic payments (getting a new passport, permission, paying fines) governmental agencies will have to establish partnership agreements with banks defining financial burden to maintain payment transaction among participating stakeholders: citizens, agencies and banks. There is the actual risk of including interest redistribution in the general cost of the service. In other words the citizen doesn't pay interest directly to the bank instead it is included in the final cost of the service (this can be a new passport, license, permission etc), thus making the eCard usage for electronic public services access more expensive than more traditional interactions with Government.

8. Citizens eCard project swot analysis

The project is quite unique among world best practices. Russia (the size of its population and territory) is a challenge on its own. The amount of the cards to be issued brings initial investments to billions of dollars.⁵ The future infrastructure includes not only cards but ATM machines' upgrade or installation. The services' provision must attract citizens by showing them very clear profits from the electronic use of public services. The transaction price has to be reasonable among all partners: banks, authorities and citizens. The security and privacy level has to be kept high throughout the project lifecycle since the first serious personal data leakage can immediately downsize the level of the public trust in this particular Government initiative.

⁵ Population of Russia is more then 143 million people.

The Russian Government has not yet accumulated sufficient experience in public/private partnerships establishment in the domain of eGovernment. The coordination burden for the Government remains high since the number of business participants will grow extremely fast in short amount of time. Existing digital and economic divide among Russian regions may represent an additional obstacle in the simultaneous implementation of the project.

The overall conclusions on project perspectives are presented in Table 1.

Table 1: Citizens' eCard Project Strategy Implementation - SWOT

Strengths	Opportunities
<ul style="list-style-type: none"> The Government guarantees financial support to the project. Public services provision quality is continuously growing since 2009. The number of Internet and mobile phone users is growing with a high speed. Russian IT-industry presents growth and maturity. 	<ul style="list-style-type: none"> In midterm time frame corruption level may decrease. Citizens will stop spending time in lines at the agencies during working hours (indirect growth of National GDP). Faster economic development (the speed of opening new business, paying taxes, getting permissions and licenses can sufficiently grow). The government has the opportunity to better control expenditures (social benefits, transport, pensions).
Weaknesses	Threats
<ul style="list-style-type: none"> Russian Government lacks experience in establishing public-private partnerships in the eGovernment area. Sufficient difference in legal frameworks, economic, technological and human resource support on regional governance level. Existing unsuccessful practices in previous eGovernment projects as to citizens' personal data and/or other public records protection. Lack of ICT-skills among civil servants and citizens. Public opinion marketing research about the project is not of a high priority. 	<ul style="list-style-type: none"> The burden of transaction prices is still not clearly divided among project stakeholders; High burden of coordination among key players due to the country scale. External economic factors may influence governmental financial support to the project. Citizens' trust and awareness level of the project may not be sufficient to establish massive eCard usage. Fair competition among payment systems supporting the project is still a challenge.

9. Discussion

By implementing the eCard project the Russian Government plans to establish a secure infrastructure for the development of an eServices system for citizens. Due to the fact that investments in the project are unprecedented, the risks of low ROI (Return on Investments) from the governance perspective are equally high and unpredictable. Russia experiences sufficient economic, social and technological divide among 83 regions. Simultaneous eCard infrastructure establishment becomes a

challenge in regional development context. The issue of trust in partnerships between commercial enterprises (mostly banks) and public agencies can be foreseen through historical experience of collaboration. Political component here remains important as soon as in the first stage of the project informal agreements and guarantees between Government and banks will have to be preserved followed by formal agreements. The Government needs infrastructure, skills and experience from the private sector and at the same time has to pursue acceptable price levels encouraging citizens to use the eCard as an access point to the eServices system.

Further research is needed on knowledge management and learning practices exchange and dissemination among Regional AOs. Clear recommendations on technological and organizational aspects of integration among Regional AOs and Federal company FEO eCard must be developed and pushed from top to the bottom by federal company. Research and recommendations on world experience legal adaptation of partnership agreements in Russian realities among project's stakeholders are also necessary. Finally, one of the most important steps to be done in the eCard project is citizens' demand and readiness for eCard adaptation and usage study. The number of interviews and focus groups with citizens in pilot regions adopting citizens' eCard have to be conducted on system basis. Government has to have clear response on how to improve citizens' demand, attitude and trust towards eCard as an instrument to use public services.

The project also has potential vulnerability in security area. FEO eCard keeps the complete log of all eCard transactions performed by citizens in different Russian regions and maintained through Regional AOs. In this log it is possible to see that through certain eCard with unique number N a certain service with unique identifier M was used. eCard identification function is implemented by federal company FEO eCard even if the citizen uses regional services. In case of third party access to federal eCard log information it becomes possible to know private information about citizens. For example, to learn which services were used by certain citizen and when.

Russian Government does not own an electronic population register and information about citizens (including their different unique identifiers) is spread by different organisations including the National Pension and Medical Funds. The eCard project can contribute to the creation of such register which is almost equal to a federal eCard users' register.

The Russian Government is ready to spend a sufficient budget on this project foreseeing future savings on personalised benefits distribution to citizens. In this case the Government might need to shift the data storage paradigm to citizen's life events. It needs to not just keep data but also facts about citizens. For example, during a car accident a person lost his leg and became eligible for social support. The responsible public agency (the Police in this case) and the hospital have to describe the fact of the incident in electronic form and insert it in the register of citizens who become eligible for support and privileges. Thus the Government will keep the history of events and services provided to every citizen and will avoid fraud and possible legal claims' burden. This management of citizens' records may result to the shifting of decision making to civil servants (it will be possible to only say 'yes' or 'no' if a certain fact about the citizen existed or not). The Facts register will eliminate personal contacts between citizens and civil servants and decrease discretionary powers of the agencies. Thus the chance to mitigate corruption in the country increases a fact that is extremely important since Russia ranks 143 in the international corruption perception index (Transparency International, 2011). This approach is very challenging and can hardly be implemented in coming one or two years.

Finally, we provide some quantitative data demonstrating the problem of the country's size scale from a financial point of view. The population of Russia is of 143 million people and the territory is 1/7 of the land on Earth. eCard issuance costs regional government 350 rubles (approx. €8,75). A personal eCard reader for the citizen should cost approximately 90 rubles (€2,25). The Moscow Government is spending 1,5 billion rubles (€37 million) to establish data centers and hardware for eCard infrastructure and 1 billion rubles (€25 million) to develop necessary software.

10. Conclusions

The Russian Federation is the only one among countries comparable from a territory and population point of view that is actually implementing an eCard project on system basis, involving all levels of governance simultaneously. To keep the project running, the Government had to propose a package of completely new laws regulating electronic security and interaction between Government and citizens, to face the problem of establishing partnerships with commercial organisations (primarily banks), develop federal and regional Interagency Electronic Exchange Systems for complex eServices provision, and constantly improve quality of electronic data registers (cadastre, enterprises, property rights, addresses), crucial for national eGovernment system. The eCard project's success remains interdependent from that of other eTransformation projects (ICT infrastructure, eGovernment readiness among agencies, interagency information sharing). Only clearly augmented and guaranteed benefits formulated by the Government through the eCard project together with high emphasis on the strategic management approach can guarantee citizens' involvement and support.

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Author

Evgeny Styrin

Institute for Public and Municipal Administration, Higher School of Economics

estyrin@gmail.com

<http://www.epractice.eu/en/people/309231>

Artem Kostyrko

Institute for Public and Municipal Administration, Higher School of Economics

artem.kost@gmail.com

<http://www.epractice.eu/en/people/330071>