

Sberbank Tries New Dance at 170th Fete

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It was former Finance Minister Alexei Kudrin who tripped the elephant when it tried to dance.

Sberbank, Russia's largest lender, officially celebrated its 170th birthday Saturday with a host of foreign academics and businessmen extolling the virtues of crowdsourcing — using the Internet to distribute tasks usually performed by individuals to a wider public.

The event's theme had been selected to emphasize Sberbank's forward-looking, high-technology aspirations and quash the associations many have with the lumbering and queue-prone savings bank of the Soviet Union. One Sberbank executive, appointed by current head German Gref, told The Moscow Times earlier this year that his job was to "make the elephant dance."

Saturday's celebrations — which finished with dinner for 1,000 guests at Gostinny Dvor to live orchestral music under a ceiling illuminated in the lender's lurid green — were designed to show domestic and foreign observers that Sberbank was capable of dancing.

Even Prime Minister Vladimir Putin, who prefers to leave such topics to iPad-wielding President Dmitry Medvedev, attended the plenary session on crowdsourcing. He was seated next to U.S. journalist Jeff Howe, self-proclaimed inventor of the term.

Howe described crowdsourcing as "Wikipedia for everyone," and the concept has been used by U.S. President Barack Obama in attempts to broaden the representative base of U.S. government. While he looked bored during the proceedings, Putin praised crowdsourcing.

"The openness of one's work, the democracy and transparency of an activity — this is not just a mechanism to raise the effectiveness of government," he said. "It is a strengthening of the traditions of civil society and offers new opportunities for social initiatives."

But someone had not told Kudrin, who quit as finance minister in September after a public spat with Medvedev, that the day's theme was how new technologies could facilitate openness and democracy. Speaking at Sberbank's business breakfast at the Ritz-Carlton hotel, and broadcast live on news channel Rossia-24, Kudrin criticized the media censorship that had muzzled him during his dramatic ouster.

State-controlled broadcasters edited out Kudrin's sarcastic retort during the televised meeting when Medvedev ordered him to retract criticisms or leave the government. Kudrin's edited reply, where he said he would consult with Putin before deciding, appeared to undermine Medvedev's authority.

Standing alongside Gref on Saturday, Kudrin returned to the issues of additional military expenditure and budget discipline over which he had publicly broken ranks with Medvedev.

"It's a live broadcast now, so I will speak more freely," Kudrin said, provoking laughter among those of the assembled business leaders and politicians who understood contemporary Russian affairs.

Kudrin said Russia's decision to increase military spending to 3 percent of gross domestic product should be reviewed and the country was more exposed to an economic crisis now than three years ago.

"The government's options for taking anti-crisis measures in the coming years are considerably fewer than they were in the first wave of crisis from 2008 to 2009," he said.

It was not just Kudrin, however, who made it awkward for the elephant to dance on its 170th anniversary. Outside the set-piece plenary session on crowdsourcing, Putin asked Gref what impact Sberbank's modernization would have on the lender's staff.

Gref admitted that the introduction of innovative computer technologies would permit Sberbank to cut 30,000 workers — or one out of every eight employees, Interfax reported. The country's biggest bank has 240,000 staff working in 20,000 subdivisions across Russia.

And one of the event's star foreign guests, New York University economics professor and respected financial commentator Nouriel Roubini, pointed out that crowdsourcing in the wrong hands could be a negative as well as a positive force.

It could be used by "a totalitarian regime that controls the media to bypass representative

democracy altogether," he said. In response, Howe added that the word was "always meant to encapsulate ... dark forces."

Despite the objections, Gref lavished only praise on the concept. He said its implementation at Sberbank had saved the organization up to 700 million rubles (\$23 million) in 2010.

Some attendees were also impressed. Klaus Kleinfeld, chief executive of U.S. aluminum giant Alcoa, told The Moscow Times that "this conference, which has focused on how new technology can spur Russia's growth, is evidence of Sberbank's forward-thinking approach and vision."

Peter Mandelson, former European Union trade commissioner, said: "Gref has the right vision, the right approach and the right determination."

But crowdsourcing techniques are not the preserve of big business and government, nor is it a new idea in Russia. One of their most famous practitioners is not a large bank or official body, but Alexei Navalny, a lawyer and anti-corruption campaigner.

Last year, Navalny opened the RosPil web site, which lists state tenders online and encourages readers to identify anomalies indicating possible corruption.

Introducing the prolific blogger before he addressed students in Britain in September, London School of Economics politics professor David Woodruff described Navalny's RosPil project as "crowdsourcing Russian corruption."

Navalny was not present at Sberbank's conference Saturday.

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