



International Conference on Technological Readiness for Innovation-based
Competitiveness: Promoting an Enabling Information and Communication
Technology (ICT) Policy and Regulatory Framework

The role of ICT in building up modern information society

Mr. Executive Secretary,

Ladies and Gentlemen,

I'm very pleased of the opportunity to address you here in Geneva at the International Conference on Technological Readiness for Innovation-based Competitiveness. In my presentation I will give a brief overview of what has been done in Estonia over some years in developing the present information society.

The most urgent question today remains getting the world economy back on track. Given the present crises, it has become clearer than ever that further development of our economies can only come from innovation. Estonia has always been a strong supporter of innovation as we as a small economy consider this to be an engine for growth. The capability to innovate and to bring innovation successfully to market is a crucial determinant of the knowledge-based economy.

In developing an innovative economy, the state must be seen as a role model and a competent innovation consumer, whose procurements encourage innovativeness. As Estonian Internet "guru" and eGovernance "ambassador" Mr. Linnar Viik has put it very rightly, paraphrasing William Shakespeare's best-known quotation from "Hamlet" – the ultimate question for the governments in 21st century is to e- or not to e.

Estonia started to employ modern information and communications technology in the service of the state several years ago. We have not had any textbooks or so called ABC-books to follow, but our readiness for new challenges has given us lot of valuable experiences in creating and implementing many society-wide e-solutions and building up a modern information society.

To date, Estonian Government has approximately 270 different IT-projects. I will name only some examples – X-way, e-Health, e-BusinessRegister, e-TaxOffice, e-Statistics, e-File. This means that we are engaged with projects in different sectors



and those times are history when e-Government meant computers on ministers' desks.

Lets take, for example, X-way – the nation-wide data exchange environment. It was created as a secure basic infrastructure for different electronic solutions of public service. It contains more than 100 national databases and both public and private sector, i.e. banks, insurance companies, telecom companies etc., take part in this “traffic”, if I may it call this way. For example, the police officers can, using e-Police, enter more than 20 different databases in carrying out their duties. Or I as an Estonian resident can check my data registered, for example, in Sick Fund or Citizenship and Migration Board or, in some cases, to submit documents to governmental institutions electronically. X-way has made the cooperation between different organisations and sectors considerably more efficient and the use of the possibilities of X-way increases every year. X-way is a secure and standardized system which fosters the creation of new e-state solutions.

Several countries have created an electronic tax board but in case of Estonian e-TaxOffice, most of the information is already electronically available in a pre-completed forms. So, users do not have to enter the data (only to correct, if it is necessary) and submitting a declaration takes only a few minutes. Estonia also stands out among other countries for the fact that a total of 86% of all tax-payers submit their annual tax declaration online.

More than 80% of Estonian residents have an ID-card which can be used for many purposes. Besides the function as a piece of identification card, it can be used also electronically, for digital signature or for e-voting. There were elections of the European Parliament in the beginning of June and Estonians were electing their representatives to the Parliament. This could be done both traditional way or by using e-voting system. Approximately 15% of the people who participated in the elections cast their vote electronically.

But the Estonian ID-card system is not reserved for governmental use only. Private companies are welcome to incorporate the ID-card solutions into their systems. The Estonian banks promote the ID-card as the securest way to access internet banking system. Another examples are e-school by using of which the students can follow their homework and evaluations given by teachers, and parents can do the same, and e-tickets in the public transportation system. In Estonia's capital Tallinn electronic monthly transportation passes are used in parallel to conventional paper passes. The existence of the electronic ticket is verified through the ID-card.



By now we have also an example of international e-cooperation. Recently Estonia launched a portal for creating companies on-line. Most importantly this service is open also to the owners of an e-identity of another country, at the moment the Finnish, Belgian, Portuguese and Lithuanian residents can become owners of a company on-line at the same terms to the Estonian residents.

Information technology is not only a tool for reducing administrative burdens and making interaction between partners more comfortable and less time-consuming. Equally importantly the ICT helps to increase transparency and reduce the administrative burden. According to the public information regulation, all public information has to be made available and the primary and free of charge channel is Internet. One can find all Estonian legal acts in Estonian State Gazette's webpage. Even the expenditures made from the state budget can be followed on the Internet in real-time.

Of course, this array of e- and internet based services means that in parallel to developing them considerable efforts have been made to increase the e-literacy of the population and to ensure Internet access to everyone. In doing that the Estonian Government has got help from private partners who have joined in to promote responsible internet behavior, explain the usages of the ID-card and promote several e-services.

Since year 2006 Estonia has the Information Society Development Plan until year 2013. This Plan sets objectives in three areas: 1. every member of Estonian society is able to use the possibilities offered by information society; 2. the driving force for the economic growth is the extensive use of ICT solutions; and 3. public sector is focused on a person, is transparent and effective. For reaching these objectives, concrete annual implementation plans are set up.

Estonian Government has also contributed to the improvement of the availability of physical infrastructure by allocating funds from state budget. Internet access is in all Estonian schools (project called Tiger Leap), local administrations (Village Road), public libraries (Village Road 2). The high-speed wireless Internet (WiFi) is available at over 1000 public places. The Tiger Leap Foundation works with educational establishments, its initial aim was to help all schools to get Internet access which was achieved already in year 2000. Today the Foundation's goal is to increase ICT competence of all students and teachers and promote innovative e-learning initiatives. Through several stages the Village Road has brought Internet even to the most remote and rural areas of Estonia – people without computers have free internet access in local libraries.



The Internet-coverage of the territory of Estonia is now already 98%. The new challenge is to cover the country with fiber optic broadband network to increase the speed and quality of internet access. We have initiated a project for developing a new generation Internet network (EstWin), the objective of the project is that by year 2015 every household, company and institution has the availability to Internet access of 100 Mbit/s. The necessity for new generation broadband network derives from the fact that every day new modern services are offered which, again, require greater network resources.

As has already become evident from my examples today competition is no longer the only driving force behind development and innovation – cooperation and networking have become as important. Cooperation gives an access to knowledge and facilitates risk sharing. Therefore, the central principle of the knowledge-based economy is creation of cooperation networks that encourage innovativeness. In the case of Estonia good results have been achieved in cooperation between the government and local and international ICT enterprises.

Estonia has been improving its position in the European Innovation Scoreboard and has advanced to the so-called moderate innovators group. Among the 38 countries, Estonia occupies a significantly high 18th position. We are the second best among the new European Union Member States.

Ladies and Gentlemen,

Thank you for your attention.