The Startup Country: Lessons from Estonia’s Digital Society

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Following the adoption of the Sustainable Development Goals (SDGs), Estonia’s President Ilves stated enthusiastically, “The smart use of the Internet and digital technologies can be essential drivers for economic growth and development.” Estonia, a Northern European country of 1.3 million residents, may be best known for being home to the creators of Skype. In recent years, Estonia has attracted interest as a global leader in e-governance. Beyond a development buzzword, what does e-governance mean for everyday people? It means providing government services (banking, medical records, etc.) digitally and securely, saving on average 5 working days for each employed citizen. It means adapting policy to disruptive technologies like UBER and Airbnb (Estonia introduced legislation to tax directly on UBER’s mobile phone transactions; France is fighting the very presence of UBER in its country). In developing and fragile states, it means using SMS and mapping tools to track vaccine surpluses and incidents of violence. Additionally, transparency and accountability are among the most obvious benefits of e-governance.

The international development community has been excited about the role of ICTs in accelerating progress towards each one of the SDGs and its targets. This paper aims to provide an overview of impacts of Estonian e-government system on government, business, and the citizenry, with particular focus on SDG 8. The research includes a literature review on the political framework that has enabled the ICT infrastructure and digital society. Additionally, the study will include interviews with Estonian academic, policy makers, and technologists on the promise and perils of an information society (data security and integrity, privacy and the surveillance state), as well enabling conditions that can help translate the success of Estonia’s approach to different national and regional contexts.

Technology is widening the development gap - with some countries advancing rapidly and other falling further behind. ICTs alone cannot fix a broken system, but it can make good governance better. In the age of sustainable development in an increasingly digital world, we are compelled to consider: as governments augment the physical infrastructure with the digital, what values are we taking with us, and which ones are we leaving behind? How can governments build - and maintain - trust? How do we leverage innovation to benefit the people? As a small, post-Soviet state, Estonia has undergone a complete digital transformation in only the last 20 years, with valuable lessons for countries at all stages of development.