

Estonia's path to becoming one of the world's most digital societies

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Societal transformation is complex

Societal transformation requires an understanding of the complex mechanisms that drive change.

Technology should be used as an enabler, supported by initiatives that are agreed upon and implemented collaboratively by the private and public sectors.

01.
Political
will

02.
Access
to internet

03.
Digital
literacy

04.
Incentives

05.
Awareness

06.
Champions

07.
Trust

08.
Data quality

09.
Cybersecurity

10.
Core
registers

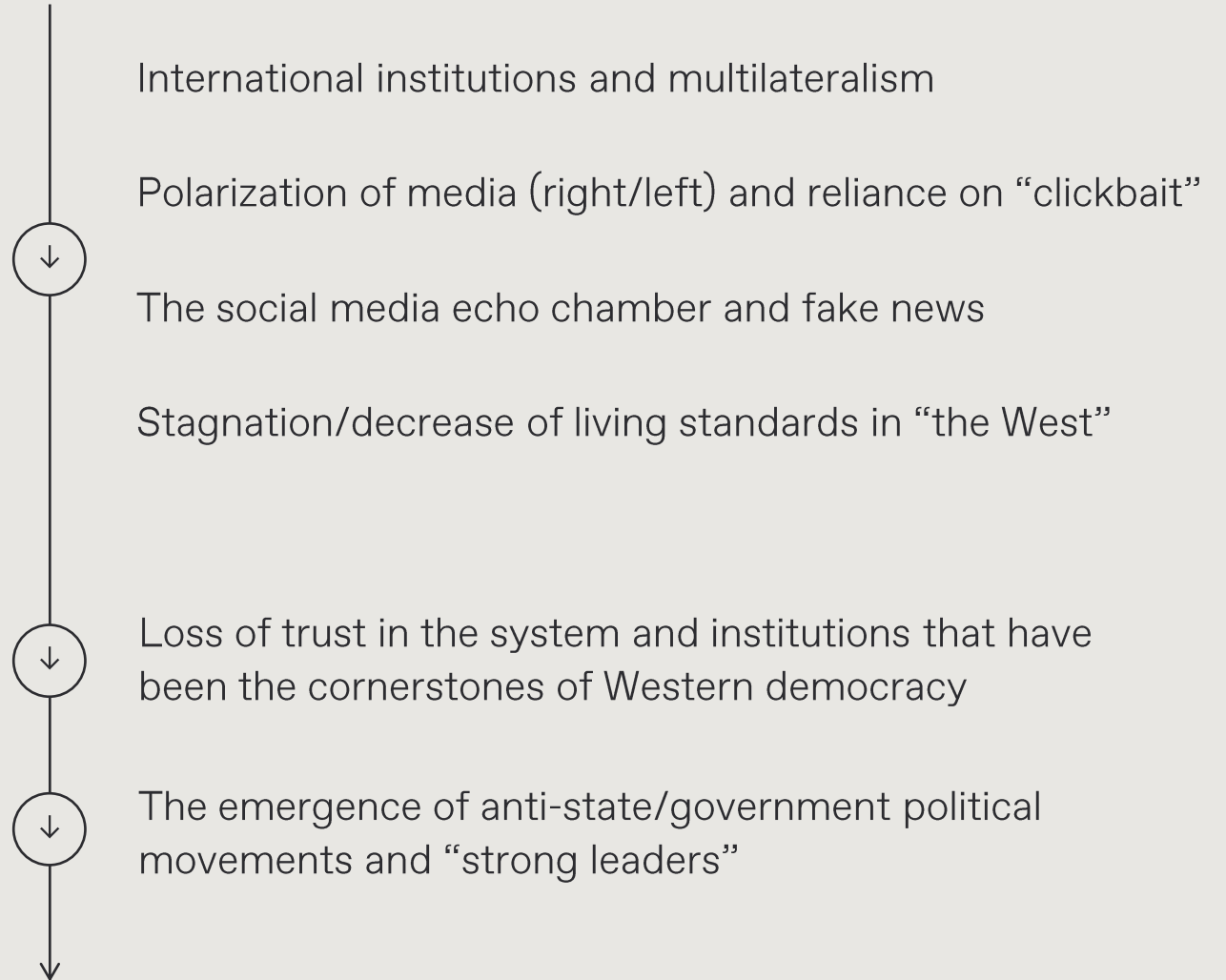
11.
Legal
infrastructure

12.
Digital public
infrastructure



We are going through
an era of erosion of
trust in institutions

“The system
does not serve you!”





Who would you rather trust?



Rescue
services



Tax
authority



Citizens' trust in Estonia

Citizens' trust in Estonian institutions based on IV quarter 2023 survey

Source: Turu-uuringute AS survey 26.10.– 6.11.2023



1.—3.
Rescue,
emergency,
police and
defense



4.
Tax
authority

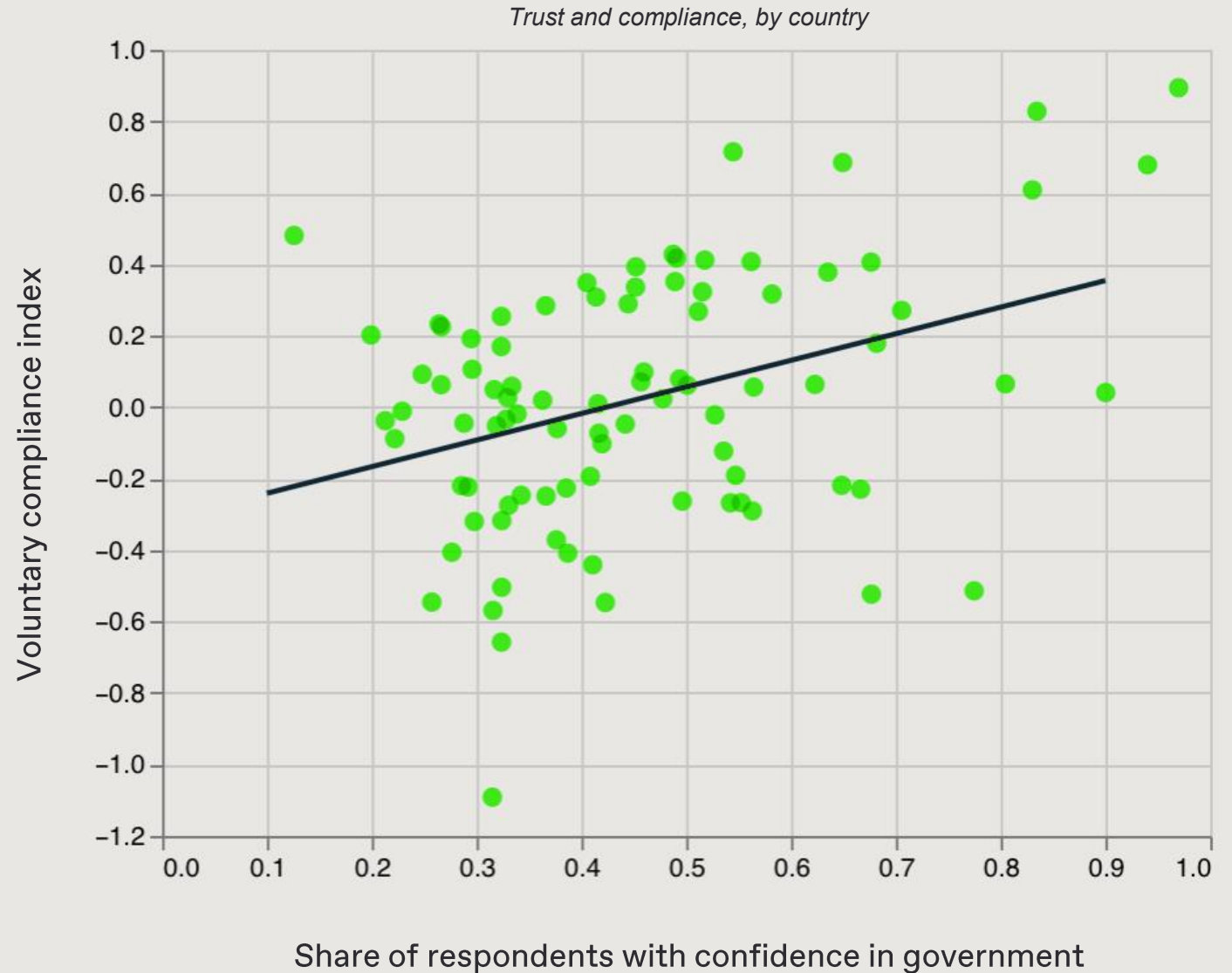
(also, within TOP3 in
efficiency in European Union)



Trust leads to effectiveness

High trust leads to voluntary compliance.

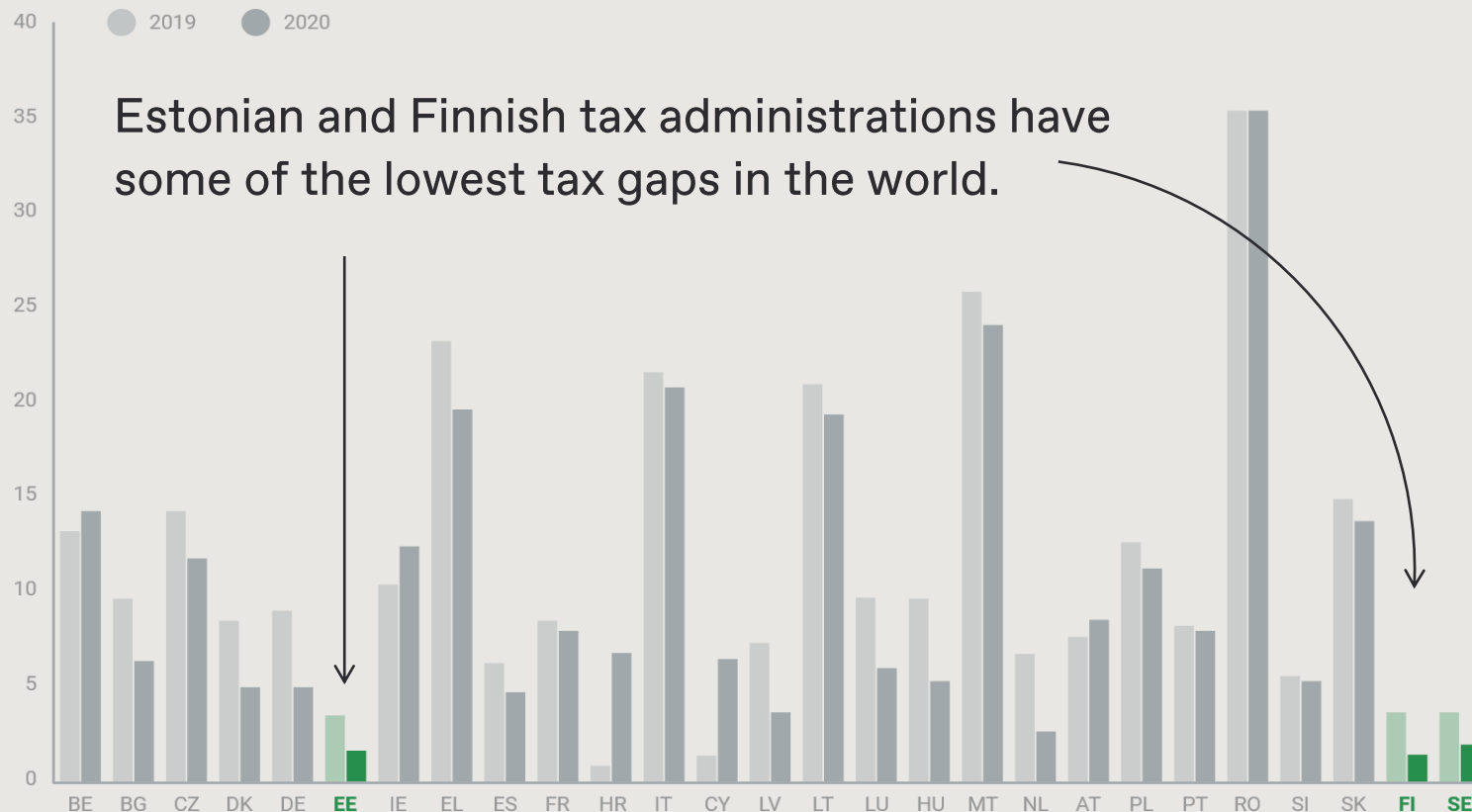
Source: <https://www.economicsobservatory.com/does-public-trust-in-government-matter-for-effective-policy-making>





We have created a tax system with one of the lowest tax gaps in Europe

Nortal has been a long-time strategic partner for both Estonian and Finnish tax administrations in their journey for excellence.





Embracing the human nature



For

man

Always late”

Negativity bias – the train might be late once but feels like always

“

The rich will always get away with it”

E.g. public scandals revealing tax avoidance



ff

I believe what
I can see for myself”

Human nature to distrust things we cannot experience ourselves



FF

They take our jobs”

Human nature to distrust what we don't fully understand



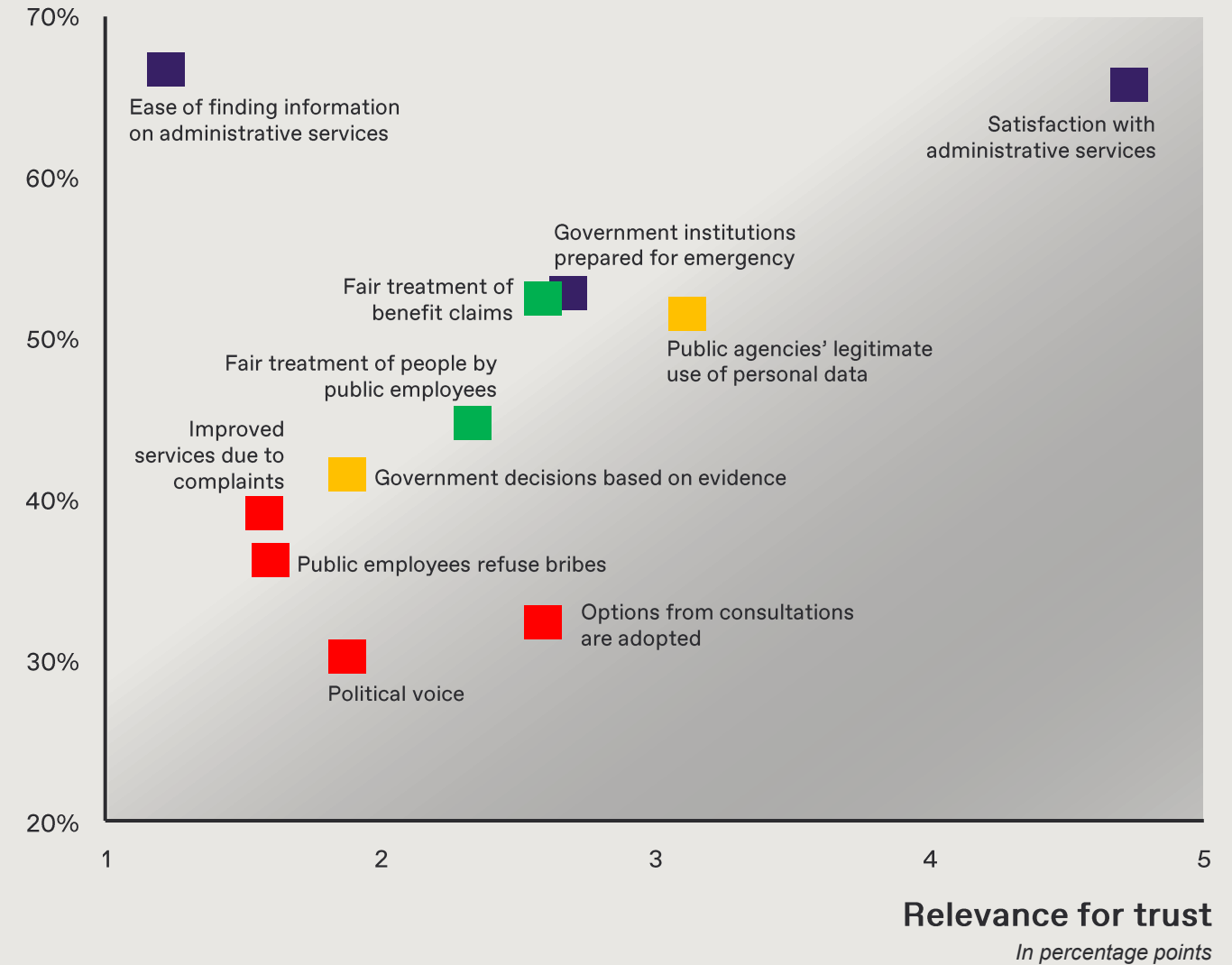


Reliability, fairness, transparency of public service have the largest impact on trust

- Reliability
- Fairness
- Transparency
- Execution

Positive perception

% across OECD countries





So what is the formula?



Trust = reliability × fairness × transparency ± execution

Trust = **reliability** × fairness × transparency ± execution

Make it crazy simple and affordable – everything should happen within 3 moves of the thumb.

Once-only principle and digital public infrastructure.

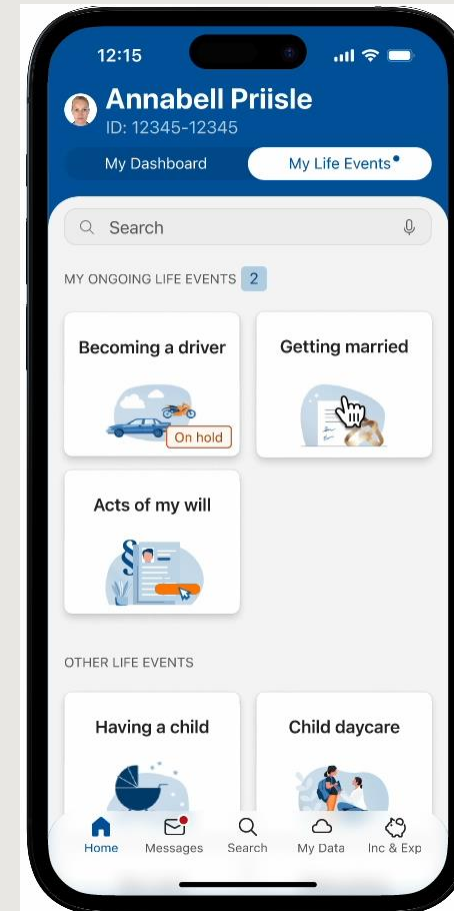


Illustration of the “three moves of the thumb” principle



Trust = reliability × **fairness** × transparency ± execution



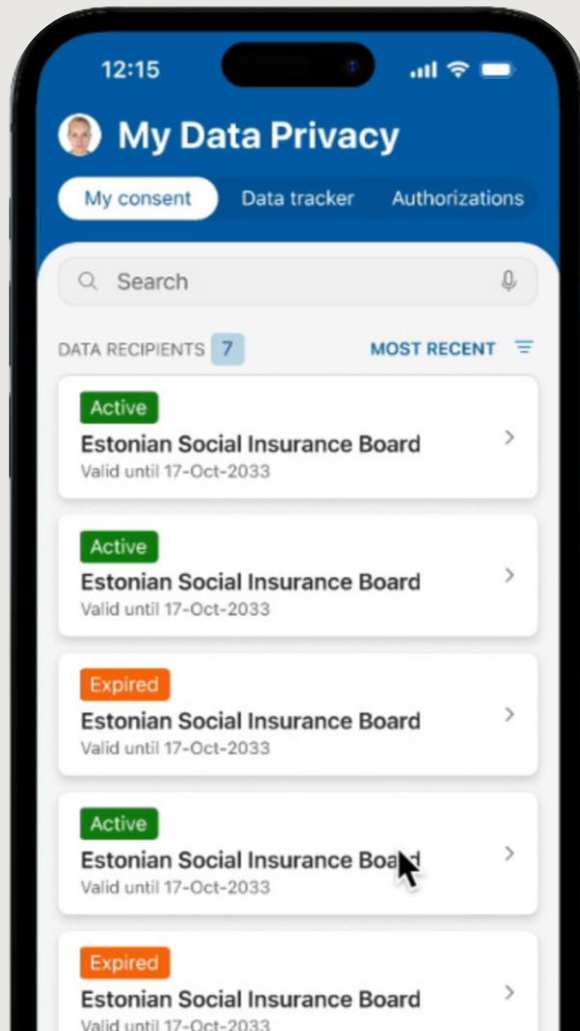
Algorithms do not discriminate.

Clear rules who can do what with my data.

Don't need a lawyer to tell what's allowed or not allowed.



Trust = reliability × fairness × **transparency** ± execution



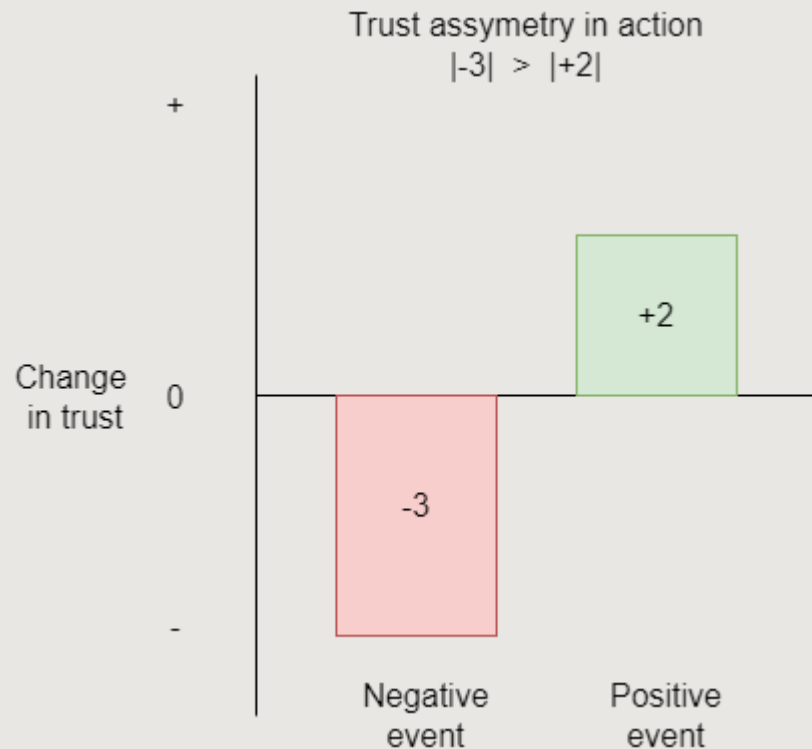
It's not transparent if there's no proof.

Real-time proof works much much better.

The “Mirror” example



$$\text{Trust} = \text{reliability} \times \text{fairness} \times \text{transparency} \pm \text{execution}$$



Trust is easier to destroy than to create.

Large reform has smaller impact on trust than constant smaller improvements.



Thank you!

Further research on similar topics:

www.personalgovernment.com

