

# TALLINN POSITIVELY SURPRISES

Estonia's capital has emerged from Soviet occupation as a world-leading digital powerhouse

Things happen quickly in Estonia. It takes 18 minutes to start a company online and three minutes to file a tax return. More to the point, it's taken this small north European country of just 1.3 million inhabitants less than three decades to emerge from Soviet occupation and establish itself as arguably the world's most advanced digital society. Its 'e-Estonia' project means that 99 per cent of government services are available digitally. Internet access has been declared a human right and you'll find 4G mobile connection just about anywhere you go, even on the most isolated of the more than 2,000 islands that lie off Estonia's coast. Its tech-savvy population are taught programming at school, with some nowadays even getting lessons on building bitcoin apps.

The result? A tech scene centred in the capital, Tallinn, that's making a mark on the world stage, leading Silicon Valley VC Marc Andreessen to tweet: "Few factors get us as excited as Estonian founders!"

"It all comes down to efficiency," says Siim Sikkut, the Estonian government's CIO (yes, the government has a CIO). "After independence was restored in 1991, we had to start from scratch with the economy. We're a country with a small population and not too many natural resources, so we decided that technology was the way to do it. It was really a bunch of experiments, moving service procedures online for citizens and companies. And one by one we found that, actually, hey, it works!"

In 2002, Estonia launched an electronic ID card that has been enthusiastically embraced by its population, who proudly describe to visitors the amount of time they save by not having to engage with government services in person. "Citizens like it when their life is more convenient and they can avoid silly encounters with the government," says Sikkut.

Estonia's first global tech success came with Skype. Although Sweden and the UK might also justifiably lay claim to the company's beginnings, it was Estonian engineers who made it possible. And the company has left a lasting legacy, according to Mari Vavulski, head of Startup Estonia, a government initiative aimed at helping local startups to flourish.

"In 2005, when Skype was exited, it had 400 people working here in Estonia – so you had 400 people who could potentially start their own new businesses," she says. "It's like serial entrepreneurs were born."

The so-called 'Skype mafia' has since founded more than 40 companies, the best known being money transfer service TransferWise,



which although headquartered in London still maintains a strong presence in Tallinn, with an office of nearly 400 people. Ahti Heinla, one of the original developers of Skype, has co-founded Starship Technologies, which plans to manufacture electronic delivery robots.

According to Startup Estonia's figures, there are currently around 550 startups in the country, although ten of them account for around half of all the jobs, with TransferWise, sales management tool provider Pipedrive, and transportation network company Taxify being the top three employers.

Estonia has also extended its digital identity scheme to make it available to anyone in the world. So-called 'e-residency' doesn't make you a citizen of Estonia but it allows you to set up an Estonian (and therefore EU) company online and to access Estonian banking and payment processing services. And next year, the government will launch a 'digital nomad visa', allowing young entrepreneurs and workers visiting the country to stay for a year and also visit countries in the Schengen Area for up to 90 days.

Estonia's official tagline is 'positively surprising'. Don't be surprised at what it does next. Or how quickly it does it.



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of Tallinn from  
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