

Having removed barriers to adoption of a digital system, citizens had access to many aspects of government online. This included tax records, identity cards and health records. Other processes were also digitalised, including voting and vehicle registration. If you called an emergency ambulance, they could check any medication you might be taking to ensure you had the right treatment at the right time. These online government services saved taxpayers both time and money as the administration was streamlined and centralised. A further benefit when dealing with government departments is that citizens need to provide their information only once, not constantly repeating the same details to several people. This also means when any forms have to be filled in, most of the data is already in place.

The government removed the structural barriers, enabling commercial organisations to offer digital services. This was led by banks and later legal services which traditionally had to take place face to face.

When the COVID-19 pandemic occurred, for Estonia it was business as usual. Many services were already online, internet access was stable and in the education sector many teachers were trained in digital education. The University of Tartu flipped to online teaching within a single day.

Although it is one of the smallest countries in Europe, it's considered as one of the most entrepreneurial countries in the world. Plus its strategic vision to build digital competence, capabilities and capacity places Estonia at the top of Europe's Digital Economy and Society Index.

### Case questions

- What do you notice about how the Estonian government approached their plans for accessing digital services? Do you feel this could work in your country – why is this?
- What might be done to remove barriers for citizens to adopt e-government processes?
- How much of your personal data is online? Who controls or manages this data? How do you feel about this?

### DISCOVER MORE ON BLOCKCHAIN

Read 'Blockchain Technology: Benefits, Challenges, Applications, and Integration of Blockchain Technology with Cloud Computing' by Habib et al. (2022). This article provides the background and explanations as to where and how blockchain is used.

## 1.5 DIGITAL BUSINESS AND SUSTAINABILITY

At the start of this chapter, we considered the United Nations' Global Goals for Sustainable Development (SDGs). Before the development of the SDGs, organisations considered corporate social responsibility (CSR). While this sounds like taking

a responsibility for the social space where they were operating, the economist Milton Friedman argued that corporations did not have responsibilities, only people had responsibilities. Friedman's perspective was that companies had a duty to 'make as much money as possible' (Friedman, 1970: 1). While organisations need to make profits to survive, this was a binary view that considered enterprises as money machines, without considering their wider environment – the people employed, their location and local legislation which may hold company directors responsible for certain actions.

Since this time the concept of CSR has evolved. Researchers have defined it as an 'umbrella term that encompasses policies, processes, and practices (including disclosures) that firms put in place to improve the social state and well-being of their stakeholders and society (including the environment) whether undertaken voluntarily or mandated by rules, norms, and/or customs' (Zaman et al., 2022: 692).

This is still a complex area and was fraught with difficulties. For example, the McDonald's restaurant chain claims to be socially responsible yet tempts children with free toys. Fast food is recognised as a contributor to obesity in children which results in poor health.

The German car manufacturer Volkswagen had CSR policies in place, but still covered up carbon emissions (Zaman et al., 2022). The Italian oil company Eni claimed its diesel was green and helped the environment! In these cases the directors were legally challenged, had to pay large fines and manage damage to the brand name.

These examples show that CSR lacked meaning and was difficult to measure. Companies could say one thing and make false claims through **colour washing** practices (see Key Term). To ensure organisations took responsibility more action was needed. The United Nations in partnership with financial institutions issued the ground-breaking 'Who Cares Wins' report, which aimed to develop 'guidelines and recommendations on how to better integrate environmental, social and corporate governance' when assessing a company's performance (The Global Compact, 2004: i). To further strengthen the concept of environmental, social and governance (ESG) issues, this report recommended that companies should share details on their ESG policies. Plus, the report was endorsed by most major banks, investors and investment managers – it carried more importance.

Researchers have provided some helpful definitions of the different factors and what these include (Li et al., 2021: 2):

- **Environmental factors** that negatively impact on energy consumption and efficiency, air pollutants, waste production and management, and their impact on biodiversity and ecosystems
- **Social factors** such as workforce freedom, child labour, health and safety at work, discrimination and diversity, poverty and community impact
- **Governance factors** such as business principles, accountability, transparency and disclosure, board diversity and structure, stakeholder engagement

All the ESG factors relate to digital business, from energy consumption and data storage, to keeping photos, contacts and posts safe, workforce freedom and the diversity of boards. ESG has had an impact on many organisations that include an ESG report in the investor relations area of their website.



## Smartphone Sixty Seconds® – Find the ESG reports

- To see who's reporting on ESG, take out your mobile phone and search for the name of your favourite company + ESG.
- Do they have an ESG report or ESG goals?
- How do you feel about their ESG goals? Are they credible?

### KEY TERM COLOUR WASHING

Washing cleans clothes and companies make claims to 'wash' their brand or products, signalling support for certain values. This is a deceptive practice that hides the reality, which may be the opposite.

Examples of colour washing include:

- Greenwashing – claim to be environmentally friendly. For example Drax, an energy company promoting itself as a renewable energy company, but burning wood pellets and releasing harmful chemicals outside factories in the USA
- Brownwashing – claim to support people of colour and combat racism. For example, New Balance footwear supporting the Black Lives Matter campaign while its CEO was funding a politician making racist statements
- Pinkwashing – claim to support women or breast cancer. For example, the manufacturer 3M (which is better known for their Post-it® notes) holds breast cancer awareness events. Yet in some of their manufacturing processes they still use toxic chemicals (PFAs) that can contribute to cancer

Digital business and sustainability are closely connected. At the same time, colour washing is growing as organisations try to improve their external appearance. The United Nations' SDGs provide a useful framework to assess sustainability within all organisations.

## JOURNAL OF NOTE

*Government Information Quarterly* looks at the connections between policies, information technology, government and the public across different countries. When new technologies are proposed, this journal explores the potential impact on the government, as well as the public served.