

Tallinn - With a population of just 1.3 million, Estonia may be a geopolitical minnow, but in cyberspace it verges on superpower status. The latest example of the tiny Baltic state's obsession with all things online came Thursday when the country's president, Toomas Hendrik Ilves, took part in what was described as an online "Chautauqua" - a temporary assembly with an educational aim.

The event centred on a debate about innovation with Skype CEO Josh Silverman and was broadcast live on the internet with participants from around the world posing questions.

"Skype represents an ideal of what we think Estonia should be - a small group of people come together and come up with a really brilliant idea that becomes known all over," said Ilves.

Skype, the internet telephony service that now has more than 30 million daily users around the world, was created by Swede Niklas Zennstrom and Dane Janus Friis, backed by a team of four Estonian software engineers based in Tallinn. To this day, more than half of Skype's global workforce is in the Estonian capital.

Estonians remain proud of the role they played in developing Skype, which still accounts for around half the private sector research and development money spent in the country.

Its success proved that a small nation such as Estonia could have a major impact at the cutting edge of technology, and questions about the future for Estonia invariably turn towards the question of what will be "the new Skype."

"Our entire national mythology is based on the fact that while we are not large in number we have to be large with our ideas and Skype is a realization of that in the 21st century world," Ilves said.

"Not that many people know what Estonia is but a lot of people know what Skype is. In a sense we have got to the point where we promote Estonia by mentioning Skype to people that

otherwise have no idea," he added.

It's a situation analogous to how the Nokia brand came to somehow represent Finland, Ilves said.

Previous Estonian forays into cyberspace have included opening an online embassy in the interactive video game "Second Life" and last year an Estonian company organized the world's first virtual trade fair - for the travel industry.

President Ilves is no novice in cyberspace, either. He has previously delivered addresses to the nation via the public video website YouTube.

Ilves' presidential website bore the brunt of a cyber-attack launched from servers in Russia in April 2007. The Russian government denied any involvement, but Konstantin Goloskokov, an activist with Russia's pro-Kremlin "Nashi" youth movement claimed responsibility for the cyber-assault recently.

However, the attack backfired because the success of Estonia's information technology infrastructure in defending itself led to the establishment of a NATO cyber-defence centre in Tallinn.

"Skype has a very special relationship with Estonia, as this is where the product initially got started in 2003," according to Sten Tamkivi, head of Skype's Estonian operation.

"We certainly hope we have been able to contribute to Estonian identity and brand through our global success. Even though we are globally very diverse, one should never forget one's heritage and roots," he told Deutsche Presse-Agentur dpa.

As to what the "new Skype" will actually be, Tamkivi said the key was to create an open and friendly environment for innovation and new talent.

"When these things are in place, anyone's new ideas will spawn into new successful businesses," he said.

However, Skype's significance to Estonia may be double-edged. During Thursday's debate, which was watched by an invited audience as well as the online masses, President Ilves pondered a trait in the national character which can make people reticent about talking face to face.

"Why is it that we get questions from the computer rather than from people sitting here because they would rather not raise their hand? If that is the national character and there's nothing we can do to change that, we'd might as well just go to outsourcing," Ilves quipped.