The Agency for the Promotion of e-Government, the Information and Knowledge Society in Uruguay

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1. Introduction

December 17th, 1999. The vice president of the United States of America, Mr. Al Gore was giving a speech to the nation, talking about the new aims of the government agencies regarding the better effort to use the new Information and Communication Technologies, in order to make online access for the citizens and to improve its services. This project was called the *Electronic Government Directive[2]*, and it was the first time, the phrase was mentioned in public.

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[2] http://www.useu.be/ISSUES/gore1217.html (visited 12-May-06)

This study will make develop a research into the new development of the Agency for the promotion of the electronic government in Uruguay. As some countries from the region (Brazil, Chile, Mexico) began to improve its bet on the Information Society at the beginnings of the new century, others like Uruguay didn't realize the importance of a new living era, and delayed their commitment with the new Information and Communication Technologies until they discovered that, waiting any longer could live the nation apart, including from its neighbors.

The work will describe the first steps regarding the Information Society, the beginnings of the Agency in Uruguay and the projections to the future.

1.1. *Uruguay. Statistics*

The original name for the country is *República Oriental del Uruguay,* situated in Latin America, between Argentina and Brazil. With coasts to River Plate and Atlantic Ocean.

Its currency is the *Peso*, with an equivalency of $ 35 per € 1. It is a Parliamentary Republic with its own Constitution since 1830, and a Mercosur member since 1995, from the beginnings.

With a population of 3 million people, its capital is Montevideo, where the community offices are also installed.

For the latest statistics studies, the Internet access per week is about 53% of the total population[3].

1.2. *Uruguay Previous Changes to the Next Information Society Steps*

Some actions are related to others, despite their different topics, and that's exactly what it is now happening with the new tax system development, and the new promotion for the Information Society inclusion.

When the new government authorities started their period (March 1st 2005), the President of Uruguay made two big announcements that were supposed to change the actual situation: The first one, is to restructure the tax system, in order to eliminate ones and to install a Rent Tax for all citizens. The second announcement was directly related with the inclusion of Uruguay into the Information Society; at least, at the same level of the others neighbor countries. Looking to both proposals at a first sight, people can say that one has nothing to do with the other, but that's not correct. To change the entire tax system, and to offer the new one, the implementation of technology is needed in order to obtain a complete success. Furthermore, the use of E – Gov services for treasure purposes will improve the citizenship interrelation with the State. And moreover, as it will be explained on the following

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[3]

http://www.gruporadar.com.uy/info/El%20perfil%20del%20Intern auta%20uruguayo-2006.pdf (visited 22-July-07).

phrases, the first stage for the development of a *One Stop* E – Gov Web page, is to work together, the Treasure site with the Social Security pair, and in relation, answer all requests made by citizens.

So, firstly, the two WebPages began to work related one with the other by the end of 2006, and afterwards, on July 1st, 2007, the new restructured tax system was launched.

Before the actual treasure tax system began to operate, the old one had the following characteristics:

- A central tax to be overcharged in any product, and to be paid by the final consumer. The percentage is the 23% of the final price. Name: IVA

- A camouflaged IVA with same characteristics to the first one, which amount is dumped to Social Security. Percentage 3%. Name: COFIS. IVA plus COFIS: 26% to be paid by every consumer, over a product, every time the buying operation is completed.

- A tax to be overcharged in any imported product, and also to a declared list of national products (cigars, alcohol, etc). Percentage: 50% of the original price or cost. Name: IMESI

- PAT. Tax applied to the owner's patrimony and to companies' in its commercial operations. The percentage depends on the product and the operation, and it is established every year by the Government.

- A tax overcharged to every commercial operation, called IRIC. Its percentage is applied every year by the Government.

The IVA is the only tax to be returned justifying receipts and bills that shows its payment.

On July 1st 2007, the new Tax system was launched with radical changes from its structure. This restructuration is part of the new developments for the citizens, which complied with the creation of the Agency for the Promotion of the Electronic Government, Information and Knowledge Society. The idea is that the user can request, access and pay the new taxes directly from the treasure Webpage and/or mobile access, being redirected from the One Stop E – Gov Site to be fully functional in future stages.

On December 27th 2006, the Law number 18.083 was published on the Official Bulletin[4]. This rule contains the main changes to the old system and also all the new regulations to be applied from

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[4] http://www.dgi.gub.uy/6/12/632/643/index.html (visited 18-Agosto-07)

July 1st 2007. The same Law[5] makes express reference to the other rule number 17.930, which established the bases for the installation of the Agency for the Promotion of the Electronic Government, and further Administration Acts related to the topic.

This Law specifies the new Rent Tax to be charged to every citizen living in Uruguay and other taxes to non residents, deleting older ones and creating others. The following is a list of actual operational taxes regarding the new treasure system:

- IVA. This main tax is still available, but now, instead of being about the 23% of the final product price, its percentage overcharges on the 22% (1% is decreased from the old system)

- Rent Tax. Its code name is IRPF and is the new and most important change to this specter. It is applied to every person that has an income. There are two special characteristics to be applied with this new tax. The first one is that, returned amounts for this toll are not allowed; and on the other hand, also retired workers must pay the percentage every month, which is taken from their original incomes.

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[5] http://www.dgi.gub.uy/Detailed/4043.html (visited 18-Agosto-07)

- COFIS. This tax is not available anymore.

- IRIC and PAT are not available anymore, what is logical if the IRPF system is now being applied.

- IRAE. Also a new rent tax applied to commercial activities is applied since July 2007.

2. The Information Society First Steps

Since the overcrowding of the Internet, by middle of the 90's, the country showed a special interest in applying the Law to the new technologies, in order to be at the vanguard, but then, during the following years, this began to lose intensity till 2005, when the situation deserved a radical change (and point of view) for governance. In 1995, the first mass WebPages saw the lights. One year later, Uruguay was worried to develop real security communications between Public Administration Offices, regarding special attention on Digital Signatures to ensure that the electronic document was real. At that time, it really seemed to be standing at the edge of the vanguard. Information and Communication Technologies were common themes to be treated by jurists and developers. Two years later, Montevideo (Uruguay) was the headquarters of the International and Iberoamerican Informatics Laws Congress. And also, to celebrate the good "technological" moment to be breathed in the region, two developers from

Uruguay, created a revolutionary language called "GeneXus[6]", which later their rights were bought by an important computer company.

At that time, the next step seemed to be, the development of a specific Electronic Government Platform.

In 1996, the Law 16.736 about "Use of Electronic Document between Public Administrations" was published. From that moment, all digital documents, communications and requests between different state offices, had the same binding effects to the traditional and personal one. Moreover, these communications were presumed to be authentic and legal, if they were processed under a digital signature system. For Uruguay (and the region), this was a revolutionary change, taking in mind that, it was 1996, when the Internet began to be accessed by masses all around the world (1995 was the year for the overcrowding of World Wide Web).

Afterwards, by the year 2000, the Government published the 225/2000 Information Society Committee Act, which objective was to create an Institution to develop the best services on Electronic Governance for the people, knowing that the strong interest in ICT services, began slowly to lose power by the last and following years. In direct comparisons with the neighbor countries

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[6]

http://www2.gxtechnical.com/portal/hgxpp001.aspx?15,9,65,O, S,0 (visited 18-August-07)

like Argentina and Brazil, Uruguay denoted a progressive abandon in the area, from the government and also coming from the same people. With this Committee, the State tried to revert the situation, with specific aims like the modernization of Public Administrations and the promotion of Internet public activities in order to stop the increasing of the *Digital Divide*. Unfortunately, the country wasn't yet prepared, or the lack of interest was too big that, the institution never worked, taking the process to a failed operation.

Finally, 2004 was the time for the Data Protection and Habeas Data regulation. This became a reality with the publication of the Law number 17.838 on September[7]. With this law, Uruguay had at last, its own Data Protection regulation. This one didn't follow the specifications of the 95/46/CE Directive (as the 25.326 Argentinean Law does), and it's more focused on commercial activities or causes[8]. Since 2004, all the members of MERCOSUR had their own Data Protection regulations, but only the Argentinean Law complied almost in all the terms with Europe. This is important, because, the main Directive was taken as a base to develop Latin-American data laws, but for different reasons, neither Brazil, Paraguay nor Uruguay followed the same terms.

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[7] http://www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=17838&AncAnc= (visited 17-August-07)

[8] Delpiazzo, Saravia and others, *Protección de Datos Personales en Uruguay y el Mercosur* (Fundación de Cultura Universitaria: Montevideo 2005)

By the end of 2004, the e – government situation in the region was improving for countries like Argentina, Brazil, Chile and Mexico, but not for others. As the first ones had its own e – government regulations, cases like Uruguay were particular incompetents. Each Administration Office had its own e – gov service, with its own criteria and without following a program or project. As a result, some Websites like the public telecommunications service[9], had more and better online services for the citizens, than others like the public Electric Company[10], for example.

A study in eight countries in Caribbean and in Latin America, revealed that Uruguay is not yet in the mood of giving real e – Gov services to its citizens. The experts Katherine Reilly and Raúl Echeberría, say that *"It was found that Brazil and Chile have advanced to the third stage. The agendas of these countries reflect the advanced state of their programs. The Brazilian program, for example, shows strong technical developments, while the Chilean program has advanced in concrete initiatives such as digital signature and online money transfer. Mexico and Venezuela are both in the second stage. In the case of Mexico, efforts are perhaps oriented more towards bending existing (human) networks to the agenda of the "transitional government" of President Fox. In the case of Venezuela, Chavez wiped the slate clean and started from scratch with a new constitution and the transformation of the structure of the government. This, along with his highly popular government (at the beginning of his administration) allowed e-government institutions to be rapidly established. But the radical*

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[9] http://www.antel.com.uy (visited 20-July-07)

[10] http://www.ute.com.uy (visited 20-July-07)

transformations experienced by the country may have undermined the rapid advances that they permitted.

Costa Rica, Peru and Uruguay have all attempted to establish e-government institutions but have encountered obstacles. In the case of Costa Rica, just before the recent Presidential elections, efforts were made to establish a National Digitalization Agency (Agencia de Digitalización Nacional (ADN)) but to no avail, and newly elected President Pacheco has not prioritized the theme. Peru is currently establishing a national coordination for its e-government program, but to date it has not been able to overcome a series of obstacles. With a new IDB project, efforts have been renewed. In the case of Uruguay, the program "Uruguay en Red" has not established an e-government agenda, nor has it promoted e-government sufficiently at the national level, a situation which has been aggravated by the current economic situation in the country. Finally, in the Dominican Republic, the Dominican Digital Unit (Unidad Dominicana Digital (UDD)) has chosen to work on isolated projects. It is felt that greater advances can be achieved through targeted initiatives than through the formation of larger institutions due to the highly politicized environment of the country."[11]

The history of the programs revealed that Chile and Brazil have the longest standing and most consolidated possibilities. Mexico and Venezuela have presented e-government strategies as part of their global information society strategies. Costa Rica, Peru, the

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[11] http://katherine.reilly.net/docs/EGOV&CSOSinLAC.pdf (visited 17-August-07)

Dominican Republic and Uruguay have not yet produced clear e-government strategies[12].

3. Creation of the Agency for the Promotion of the Electronic Government

As part of the new state restructuration, commented supra (in compliance with the new tax system), the Government announced in 2005, the creation of an Agency for the promotion of the Electronic Government and the Information Society. This was made official with the publication of the National Budget Law[13] for the Next Five Years governance (2005 – 2010), number 17.930. Indeed, the article 72 creates de AGDGE, the Agency for the Development of the Electronic Government. The main objective was to improve the e – Gov services for the citizens entirely based on ICT. But it wasn't until February 2006, when the regulation Act from the Government (225/2006), described the functions and changed the name of the new institution to *Agency for the Promotion*

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[12] http://katherine.reilly.net/docs/EGOV&CSOSinLAC.pdf (visited 10-August-07)

[13]

http://www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=17930&AncAnc= (visited 17-August-07)

of the Electronic Government, Information and Knowledge Society – AGESIC.

The following action was to create the AGESIC Website[14], done during 2006. The contents of this site, explain the main objectives, where the different steps are defined according to progressive deadlines, depending on each stage.

3.1. *The AGESIC Digital Agenda*

The AGESIC officially started its functions on July 24th 2007 establishing different deadlines for each step to be concreted every year. These are some of the first aims to be done at the end of the first Digital Agenda:

- To make a strict quality control of each public office e – Gov service. This includes a standard model as a reference to be followed by the different sectors.

- To create an unique Logo and Design for all the online services, in order to be easy and friendly for the citizen to identify and interact with them.

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[14] http://www.agesic.gub.uy (visited 22-July-07)

- The implementation of a *One Stop* E – Government Webpage. This will make easier ways of communications between the government and citizens. All main services can be visited from the same one stop site[15].

- More E – commerce controls. This actions are divided in two parts: One of them, to make public purchases, more transparent, publishing all the steps of each request and actions to be done. On the other hand, to control the b2b relations in order to avoid fraud.

- The implementation of biometric identification system in all the public offices to access and live the buildings and other areas.

- Installation of a larger number of computers per each Municipality, especially in local government offices. Uruguay is divided in 19 states. This means the same number of local state offices.

One of the main troubles to be solved at first time, (this is up to the time of develop the mentioned steps), is to respect in all terms, the data protection rights. For that, a new government Act is being done at this time, to regulate the actual Law, including special terms for the correct function of the Agency.

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[15] *Ibidem*

The situation for the other 18 states (different from the main state, Montevideo and its capital, Montevideo City) is a little bit more complicated. Indeed, there are some differences between central government developments on technology, and every local state and city council. Also, there are too many differences between each state. Some of them are richer than others, and that is reflexed in final services for the citizens. Places like Artigas (the most north state, near Brazil) have less or none computers or ICT structures to afford citizens' requests. Also their official Web pages are considered far away from a real e – Government standard service. So, the real challenge for the AGESIC, comes more in relation to installing hardware and equipment to fulfill the main online requests from each user.

3.2. *The AGESIC Agenda for the Citizens*

The main objective of an institution in charge of giving right e – gov services, is to do it in a friendly and simple way, to fight against the digital divide, and to increase the total percentage of citizen's requests. Conscious of that, the AGESIC, has elaborated a detailed plan to be accomplished in the following years, in order to increase the inclusion of Uruguay inside the Information Society era. The objective is that government offices serve citizens efficiently. For example, when Electronic Government in fully functional, contributors will be able to fill in their tax forms and pay taxes electronically, as well as any other government transactions, both requesting and sending of documents.

As follows, these are the main objectives to be done:

- Answering every citizen request, at least 48 hours after it has been processed. This means that, it's needed to develop the necessary technology for that, and to prepare the personnel in charge. 48 hours is the deadline for any public office to answer any request made by a citizen. Answering citizens' requests and questions within the next five or seven days after, is not bad at all for a Website that is intended to be the main entrance of all the online data traffic between government and users. Despite of that, the challenge is to bring excellence to the Uruguayan society, being friendly and effective with the solutions, answering at least, 48 hours later..

- To increase the public Internet services, to be available one per one hundred habitants. An example of this is the accessibility to public Internet services for the citizens, from public buildings, libraries and public booths. Public libraries are good examples of big access buildings where citizens concur daily to make their researches. In this case, offering free online services with efficient ICT equipment, especially for those who cannot access the Internet from their homes or works, is a goal against Digital Divide.

- *One Family One Pc* plan. This is a Personal Computer Distribution Plan for needed families, based on the famous

One Child One Laptop[16] policy. The intention is to bring one PC to each family, specially those who cannot afford one for themselves, in order to increase the inclusion of all the population inside the Information Society.

■ To increase the number of Data Centers per 100.000 habitants. The intention is to cover all the requests for all the people. A data center is more than just a call center, because includes other services and is controlled almost in total by a computer system. This can include also emergency calls, just as 911 and to be correctly solved by the organism.

■ E – Government sites to be prepared not only for online requests but also for online payments, just as cases of Treasure (Tax) Offices Websites.

From all the mentioned points supra, the most important for the agency to be developed as soon as possible, is the *One Stop* E – Government Website.

4. The One Stop Webpage by the AGESIC

The main idea from the AGESIC is that the same agency can bring all the public services for the citizens starting from only one Webpage. Only this site is needed to be connected with the user.

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[16] http://laptop.media.mit.edu/ (visited 17-August-07)

In any case, once made the request, the system can solve the problem by itself, or redirect the request to the specialized public office, depending on the difficulty of each request. The intention is to make a One Stop service, to be brought directly from the AGESIC Webpage or other.

For the case, as an example, citizens can access directly to the One Stop Webpage, and make requests for Presidency, Social Security, Taxes and others without having to access to these different pages. All is controlled and redirected by the same site.

The implementation of a One Stop Webpage, improves trust from the user to the Government and makes easy and friendly the intercommunication between each other.

To ensure the correct development of all services regarding the One Stop E – Gov Webpage, the process will be separated in two main stages. For the first one, and coinciding with the master plan of Tax restructuration, two sites had unified their access for the citizens. Indeed, the Treasure Office (Taxes) and the Social Security sites are working together, answering and redirecting the requests belonging to each other. To sum up, from each Webpage, any user can access and make the request, either regarding taxes issued or social security. To comply with this, each site is connected with the other and can share the requests in order to answer the questions and more. This combination is possible,

thanks to the Unified Contributor Number[17], being used from now own to identify in both cases, the same citizen: As a contributor, or as a beneficiary from treasure or social security. This is the first step, previously to the second one, to be completed on 2008, as it appears on the AGESIC Webpage, and means to bring all the government services under one Site.

5. First Report from the AGESIC Activities

By the way, and having in mind that the agency has at least one year fully operable, some early results can be picked from the first stage (making the AGESIC to work from cero). There are three challenges that have been started as part of the first Digital Agenda. On one side, the implementation of Biometric access for workers in all Public Administration buildings. This system is fully operable and the last office to close the project was developed at the beginnings of 2007. Secondly, the creation (as already mentioned) of a One Stop Webpage. And last, the implementation of a request/pay online system, working actually for citizens from the Treasure (Taxes) Webpage, as part of the restructuration and development of the new tax system, operable since July 1st 2007.

5.1. *Working in Cooperation with the Agency*

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[17] RUC, 'Registro Único de Contribuyentes.

In order to arrive to conclusions with consensus, the AGESIC receives the opinions of different specialized committees in the area of technology. Furthermore, the public and private sectors are cooperating doing briefs, depending on the area to be developed. It is important to emphasize that one cooperation side, directly involves the academic sector. Certainly, the Faculty of Laws, from the University of *La República*, is working together in the Electronic Government area, with the Agency. For the case, the institution in charge is the Legal Informatics Institute.

6. The Base Project for the AGESIC

The development of the E – Government Agency is not an invention made from cero. It is based in one of the most successful E – Gov programs of the region: Chile's Digital Agenda[18]. The actual E – Gov program raised this nation up to chart number 13 in all the world, and position number one in Latin America at the Electronic Government Ranking 2005, elaborated by the Brown University[19]. Conscious of this, the Agency is convinced that the key is to keep an eye on Chile's Digital Agenda. At the same time, this ranking puts Uruguay in position number 141 in all the world, and position number 12 for Latin America purposes. According to Brown, many different sites

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[18] Pryme, *Gobierno Electrónico en Chile. 2000-2005. Estado del Arte II* (Pryme: 2005)

[19] http://www.brown.edu/Administration/News_Bureau/2005-06/05-024.html (visited 22-July-2007)

from 198 countries were analyzed, including executive offices, legislative offices, judicial offices, cabinet office, and major agencies serving crucial functions of government, such as health, human services, taxation, education, interior, economic development, administration, natural resources, foreign affairs, foreign investment, transportation, military, tourism and business regulation.

The Chilean Electronic Government Program is divided in three main projects applied up to date, which will be briefly described on the following lines:

- The *Management Improvement Program.* This project defines a schedule and a minimum of objectives to be done by each public administration, every year. If this minus is not done, sanctions are been applied. On the opposite, if the minimum is raised, the office that makes the goal is awarded with an amount of money.

- The *Chile's Web Award[20]*. This is an annual competition between each Public Administration Office. Every year, the bases are described on the Official Website. The office that reaches all the regulations, is the winner and takes the annual award plus an amount of money.

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[20] www.guiaweb.gov.cl (visited 22-July-2007)

- The *EasyProcedure Web*[21]. This is an effective One Stop Webpage. In fact, this is the main E – Government page from Chile. With more than three hundred online services, the site solves around 5.000 requests per month.

In conclusion to this part, the Agency for the Promotion of the Electronic Government, the Information and Knowledge Society in Uruguay, can base its structure and development on these three Chilean E – Gov programs already described.

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[21] www.tramitefacil.cl (visited 22-July-2007)

7. The Future of the Information Society in Uruguay

Making technology transfer successful between the Mercosur countries and other regions has become a crucial point. For this goal, the different agencies and ICT institutions have become a pivotal platform. The urgency of building good e-government solutions is obvious; it is a demand coming from the citizens, from businesses as well as from South America, where e-government is seen as a major vehicle for integration. Thus, a logical consequence is having a communication platform, where best practice is exchanged.

E-government is an important development for citizens and civil society organizations to consider because it is changing the form of government, and the way that citizens and civil society organizations relate to their governments. In many ways, the value of information technology to citizens is dependent on the type and quality of public information and communication mechanisms that can be accessed online. As such, the role of citizens and civil society organizations in e-government agendas and programs has strong implications for the social impact of the Internet.

With this main program to be accomplished by the government and the AGESIC, the insertion of the country definitely will be a success in the next years, respecting the digital agenda timetables and deadlines auto enforced to reach the level on digital inclusion for all the citizens. More things are needed to be done, and so is it,

that the Digital Agenda 2010 for the AGESIC has its aims already defined. For the case, the *One Stop* E – Gov Webpage must be fully operable at the end of this first period. Other objectives as giving an efficient feedback in G2C relations are part of this project.

Furthermore, as in other countries, the development of a *Mobile Government* platform is taken in mind as part of the following agenda, the main idea is to bring full e – Gov services, such as requests and online payments.

But one of the main problems to be solved in the future, has a strict relation with the Law. As it has been shown before, the E – Gov rules in Uruguay seem to be very general but no specific for each area. Those points must change if the AGESIC wants to offer real efficient ICT services for the citizens and reach down the *Digital Divide*, known as the big gap generated with the increase of use of technology, specially with that part from the society that does not access to it. As Kemly Kamacho[22] says, *"The digital divide is probably one of the first concepts considered when reflecting on the theme of the social impact caused by Information and Communication Technologies (ICTs). From there on, one perceives that these technologies are going to produce differences in the development opportunities of peoples, and that a distance will be established between those with access to these technologies and those without."*

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[22] http://www.vecam.org/article549.html (visited 17-August-07)

7. Conclusions

Our world is highly connected, but not nearly as interconnected as it will become in the next few years. There are vast numbers of separate networks today, using many types of technology and many types of access terminals. Still, these do not connect all the people or all the devices or even support all the systems and processes that would benefit mightily from connection. Connecting these networks will decrease the lines between them and between the technologies and the technological devices they use. The infrastructure that connects government to people, and people to devices, systems or processes will soon become almost invisible to the user; the networks of today will die as a worldwide seamless network comes of age. The new generation of networks, built upon the old, will not only be more intensely interconnected, it will also connect us at home and at work-in barely imaginable ways-to each other, to devices, to services and to processes.

After a good start in the middle of the 90's when the country seemed to begin into the development of the new technologies, with the right foot, the intensity decreased almost to cero by the initial stages of 2000. Despite some remote assets to the Information Society, nothing else was done to give citizens, efficient electronic government services, until 2005, when the new authorities announced two important changes for the next five years: The full tax system restructuration, and on the other hand (but in total relation with the first one), the creation of an agency

to promote the E – Gov and the digital inclusion for the Uruguayan society.

Starting its work in 2006, the objectives for the first Digital Agenda is are defined and some stages are in middle of its development. Taking a look on the neighbors like Chile, it is good to know that there is at last a strong interest in getting involved with the Information Society.

Some things to be done immediately are related with the development of the *One Stop E – Gov Webpage* to deliver the total amount of online services and to receive the citizen's requests and/or payments.

Basically, with the Agency for the promotion of the Electronic Government, the Information and Knowledge Society, the country will improve the services and digital inclusion, if the different challenges and stages for the first Digital Agenda, are completed into their original deadlines.