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ERENET SPRING MESSAGE

Distinguished Readers and Friends,

This is the 16th Volume of our ERENET PROFILE and we are pleased to offer the first issue of our publication. 2021 – it is a New Year, and rages the pandemic, the Corona disaster. On 11 February according to the www.worldometers.info the Coronavirus cases worldwide are beyond the 108 million, while the number of deaths reached 2,4 million. In Hungary these figures are 381,000 and 13,444 respectively. The only promising good news is that we have at least five vaccines against this epidemic, the American and German Pfizer/BioNTech, the British Oxford/AstraZeneca, the Russian Sputnik V, the Chinese Sinopharm and the American Moderna.

The European Medicines Agency and the EU High-level administration are scandalously slow and uncertain in their decision making, this is why thousand of people are dying. According to the Communication from the Commission of the European Parliament as of Brussels, 19.1.2021 COM(2021) 35 final the EMA lately started assessment the third vaccine. While the US has already vaccinated 10 million citizens and UK after the Brexit is well beyond the 3 million. Although some Central-European countries have agreed to wait for further EU shipments of coronavirus vaccines, the progress is so painfully slow that we must keep negotiating with other potential sources, including Israel, China and Russia. In light of last week's news even the German Chancellor Angela Merkel offered to help produce Russia's Sputnik V vaccine in Germany. It is very sad, that in this world epidemic the politics play an important factor, like propaganda against the „Bolshevik vaccine”, Israel behaviour to held Palestinian, Ukraine boycott against the Russian vaccine. It is time to recognize that the pandemic has no political colouring. If the mankind did not unite against the Covid, this epidemic can't be defeated. Mankind, please weak up, it is no more free lunch!

In the world scene following the siege against the Capitolium on 6 January 2021 the liberal democrats instigate hatred and raised the revenge against the patriotic site. Joe Biden, the new American President is concreted the ground of global liberalism ordering to decorate the American embassies worldwide with LGBT flags and introducing warmongering rhetoric. Instead of starting a new friendship start the US President threated the President of Russia, Putin, and gave a warning sign to Xi Jinping, the General Secretary of the Chinese Communist Party. The main elements of this new policy are the transgender propaganda, marriage of the homosexuals, unrestricted migration and the total political censorship of the communal media. Biden already offered citizenship for 11 million undocumented residents. Trump, the outgoing President was deleted by Facebook and banned by Twitter. Who is Mark Zuckerberg, to do this? It is really the death of the democracy. All these cases show the direction of the new American establishment.

The Great Reset sets new task. We are witness of a formulation of new political map: the globalist ideological hurricane intends to wipe the national independence and independent way of thinking. The Great Reset declared an open attack against and mankind, and the Western policymakers openly propagated this at the recent Davos Forum. The essence of the Great Reset is moulding of our physical, digital and biological existence. Klaus Schwab announced that the Fourth Industrial Revolution will transform the mankind and will make it more formidable. It is shocking how once upon West, which was considered as the model of the democracy, today runs into a chasm.

It is remarkable how SMEs and microfirms operate in this hectic and uncertain political and social environment era. we wish them all the best and success also in the future.

Dr. Antal Szabó
Scientific Director of ERENET

PAPERS

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IMPLICATIONS OF GENERATIVITY FOR ENTREPRENEURSHIP AND STRATEGY

ABSTRACT

This article is based on episode 104 of the “Economics for Business” podcast by the Mises Institute (www.mises.org/E4BPod) featuring Mohammad Keyhani in conversation with host Hunter Hastings. This text is a slightly edited version of the interview transcript. The original audio can be found here: <https://mises.org/library/professor-mohammad-keyhani-generativity-new-digital-pathway-business-growth>

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JEL Classification: L26, B53, M21, O36, O31

Hunter Hastings

Entrepreneurial businesses employ creativity and ingenuity to serve customers in new and better ways in order to grow. They first choose a set of customers and invest in understanding those customers and their dissatisfactions. They then set in motion a development process to design, assemble, and deliver products and services to overcome those dissatisfactions. That’s the essence of the continuing process of generating value. Increasingly in the digital age, this process is being enhanced or even superseded. On the input side of the business, firms are foregoing the limitations of choosing and targeting customers, replacing that step with unlimited and unfiltered participation. Everyone is welcome. On the output side of the business, firms are aiming to unleash users to generate innovations and new ideas, and to share them, build on them, and improve them further. That’s open innovation. The Austrian underpinnings of this emerging business model lie in the knowledge process theory of entrepreneurship. Entrepreneurs require knowledge of customer dissatisfactions. They need to know what questions to ask, to ascertain these hidden or unarticulated needs. Entrepreneurs need to know the processes of product and service development, including digitization, app design, or hiring the right people, assembling the right resources, and getting the right financing. And when they’ve developed a product or service, they deploy it in the market they’ve previously identified, which by definition is knowledge constrained.

In summary, entrepreneurs don’t know all the questions to ask and problems to solve, only some of them. And they can’t assemble, examine, and test all ideas and solutions, only some of them. The new business model breakthroughs are aimed at *escaping* from knowledge constraints. What if the inputs from users were unconstrained and unfiltered? And what if the potential outputs of innovation could come from unlimited sources? And what if entrepreneurs could accurately match those unfiltered inputs and unconstrained outputs?

Answering that what-if question today is Professor Mohammad Keyhani, a professor in entrepreneurship and strategy at the Haskayne School of Business at the University of Calgary. Dr. Keyhani is also a great supporter

of practicing entrepreneurs by his Entrepreneur Tools website (<https://entrepreneur-tools.zeef.com/>) which we'll talk about today, and his Crowdfunding Tools page (<https://crowdfunding-tools.zeef.com/>) . Professor Keyhani, welcome to the Economics for Business podcast I'll ask you to introduce yourself to our listeners. They can find you on your website (<https://www.mohammadkeyhani.com/>). You have a deep research interest in entrepreneurship, you teach “Entrepreneurship: The State of the Art” and you teach another course called “Technology for Entrepreneurs.” So please tell us how you developed your expertise in entrepreneurship and some of your focus areas.

Mohammad Keyhani

Very well, thank you. So just some background on me: I'm an Iranian Canadian, I came to Canada to do a PhD in strategic management focusing on entrepreneurship in 2008. And the focus of my research during my PhD, was to try and build on my previous math background because I had an undergraduate degree in math, and I was somewhat familiar with modeling and simulation work. So I sort of leveraged that to look at the economic foundations of entrepreneurship. Interestingly, when I looked at what it is that the literature calls the economics of entrepreneurship, or economic foundations of entrepreneurship, I was pointed in the direction of Austrian economics as a school of thought. But surprisingly, there was very little modeling in that literature. And I later learned that it was sort of a conscious methodological decision by most Austrian economists to avoid mathematical modeling to the extent possible. Not that they don't do any of it, but it's just done very little in that field. So I attempted somewhat of a heretic move in that I said, OK, I'm going to engage Austrian economics, but I am going to model it mathematically with simulations, and that became my PhD dissertation.

I build on that work when I teach the PhD seminar at our school (Haskayne School of Business, University of Calgary). We have a PhD program in entrepreneurship, and I teach that course “Entrepreneurship: The State of the Art,” as sort of a review of the entrepreneurship literature to our PhD students. I have divided the course mainly based on various disciplinary perspectives, including economics of entrepreneurship, psychology of entrepreneurship, sociology of entrepreneurship. But of course, my own PhD research was very much the economics of entrepreneurship.

The other course that you mentioned, I'm teaching “Technology for Entrepreneurs.” It's an undergrad course, but it's more representative of the more recent research that I'm doing. I can't really describe it as the economics of entrepreneurship, but the work that I did on the economics of entrepreneurship is very much informing the work that I'm doing on the various technologies that entrepreneurs are using right now. It's been an insightful effort to link my previous work to this new line of work that has been interesting me. I'm generally very much a technology enthusiast and follow the all the latest developments in software technology, and that's sort of what's got me into this new line of work.

Hunter Hastings

Thanks for that background. Just as an aside on Austrian Economics, I'm not an academic so I'm no expert but I certainly get the impression that the school is coming around to modeling through complexity theory. That the kind of computational modeling—simulation as you referred to it—that you can do when you come through the lens of complexity theory opens up some modeling pathways for Austrians that maybe they didn't have before. I know that Todd Chiles said that Austrian Economics is a strand of complexity theory, and people are developing that theme I think. Does that sound right?

Mohammad Keyhani

That's certainly what I have argued and others as well. There's a famous paper called “Was Hayek an ACE?” with ACE meaning Agent-based Computational Economist. And I have a paper more recently in the Strategic Entrepreneurship Journal (<https://doi.org/10.1002/sej.1311>) arguing for why simulation methods are compatible with Austrian economics, and how they incorporate the various aspects of dynamism, subjectivism, uncertainty that the Austrian School prefers, and that were mainly the reasons for why the Austrian School rejected closed-form mathematical models. I argue that simulation methods open that up, as

others have argued, but I base my arguments mostly on what I was able to do with my own simulations. But yes, I think that is an opportunity. I'm not seeing that many Austrian papers being published with simulation methods yet, but I do sense a bit of a shift of thinking in the sense that there's more of an openness to it. And I think if that openness wasn't there, I wouldn't have been able to publish my simulation papers. I think the openness is increasingly there to explore how simulation methods can advance Austrian theory.

Hunter Hastings

Well that's a subject for a future conversation professor, but today we were going to talk about another area of business modeling that you have opened up and are a leading thinker on, and that's *generativity*. The generative product or generative service. That's going to be our theme today. It's got a lot of promising implications for entrepreneurs. Can you start by telling us what generativity is? Defining generative with regards to businesses and business models?

Mohammad Keyhani

I think one of the most common definitions of generativity comes from Jonathan Zittrain, who's the main person who has expanded and put forth this theory of technology generativity. His perspective of course was from a legal scholarship perspective because that's his field. But he defines a generative system or the generativity of a system as "a system's capacity to produce unanticipated change through unfiltered contributions from broad and varied audiences." This is a variation of his definition from a couple of years earlier which is "a technology's overall capacity to produce unprompted change driven by large varied and uncoordinated audiences." So that's typically taken as the definition. But there's other ways to approach the understanding of generativity and one is through the particular characteristics of generative technologies as Zittrain outlines. In his book "The Future of the Internet and How to Stop It," he outlines five different characteristics which were:

1. Leverage: how extensively the technology is able to put its various functions to different uses.
2. Adaptability: how much it can be adapted to different tasks.
3. Ease of mastery: how easily people can understand it and use it.
4. Accessibility: how easy it is for people to access it.
5. Transferability: how any changes to the technology can be transferred to someone else so that other people can build on what previous people have done with the technology.

Zittrain talks about these as characteristics of a *technology*. But I think from a business perspective, we very much can view these as characteristics of *products*. There can be products that are more or less generative compared to competitors or compared to other products. Zittrain doesn't have a very product-oriented view to this, but I think it's just a very natural step to think of products as being less or more generative.

Hunter Hastings

Maybe we can go to that product level and talk about the features and benefits. This is the language with which we think about products and services, and maybe you have some examples that could illustrate that.

Mohammad Keyhani

Zittrain mentions this in his book, that the main things that identify generativity are the increase of participation as an input, and the increase of innovation as an output. So participation as input, innovation as output. There's existing literature on how firms and companies can benefit from increased participation, because everyone recognizes that not all valuable knowledge is within the company. And so there's this whole literature on open innovation, methods like crowdsourcing, and that sort of thing. It's, it's long been recognized that there's benefits to increasing participation into the business of a company or the design of a product. And there's also recognition that this sort of increased participation can lead to a higher number of innovations, and more interesting innovative ideas. But I think what's new in the generativity theory and from the generativity lens, is that the *product itself* can have features or mechanisms that increases the participation

into its own development, evolution, design, use, and also helps increase the innovations that participation can engender. Importantly, while open innovation is an organizational technique, generativity is a product characteristic. The main contribution of generativity is to ask, how do you build a product that almost automatically does that main function of generativity to increase participation and increase innovation? A non-generative way to increase participation would be to organize a crowdsourcing competition, for example. You could do that, but that's an organizational tool. It's not a feature of the product. When the product itself has features that increase the participation of various users and various contributors to its evolution, that's what we call product generativity.

Hunter Hastings

So my mind leaps to the obvious, something like Amazon where people enter searches, and so the more people you get asking more questions like “where can I find this?” or “can you solve this problem for me?” you’re getting participation in generating problems and more suppliers come on the other side with more solutions. Is that a form of generativity?

Mohammad Keyhani

I would say that is a form of generativity, because I think generativity applies both to products and to marketplaces, or markets as mechanisms. So I think markets are very much generative systems, and they can be designed to be more generative or less generative depending on the type of market that you need. For example, I think Uber or even Airbnb are very much narrow scope markets, and not very generative. Airbnb is a bit more generative than Uber, but compared to Amazon, both of them are not very generative markets. Amazon is a hugely generative marketplace, and it's mostly benefited from the generativity of its marketplace as a business advantage. So that that's why I'm thinking that it's not necessarily that Amazon had a generative product, although I think, to some extent, they have tried to make their product more generative, but I think the main reason that Amazon has succeeded was the generativity of its marketplace. And I think markets are generative for different reasons than products are generative. But yeah, so if I wanted to give good examples of generative marketplaces, I would tell you about some of the tools that I found, while I've been curating a page for technological tools for entrepreneurs.

Hunter Hastings

Let me go back a bit and sorry I leaped ahead to markets and maybe I interrupted your flow on products. So what are some examples of generative products?

Mohammad Keyhani

Generative products are generally a bit hard to categorize. It's a bit hard to describe exactly what they do, because they can do so many different things. They're more like toolkits rather than products. They're more like general-purpose products rather than narrow scope, specific-use products. So as I was curating my Entrepreneur Tools page (<https://entrepreneur-tools.zeef.com/>) one of my major value adds in curating that page has been to categorize the various tools that I find. And I've increasingly noticed that there are tools in there that are just very hard to categorize, because they're general purpose tools. So examples that I could give are Zapier.com and other competitors to it like Integromat.com. These are tools that basically connect various other tools to each other through APIs (Application Programming Interfaces). They're kind of like the plumbing of the internet now, they're connecting various APIs to each other. And there's so many different things you can do with them. Just because there's so many different possible connections between the tools that link to Zapier or Integromat. Another type of tool that I would call generative is something like Google Sheets or its relational database counterpart, AirTable.com. They have allowed users to do so many things with them. In general spreadsheets and databases are very generative products, and they can do a lot but a regular database like MySQL or MongoDB, or things like that are not very accessible to the regular person. And spreadsheets make databases more accessible and easy to master, easy to understand to regular people. AirTable has basically taken the additional step of opening up relational databases to the regular user. Not just

a spreadsheet, but a kind of spreadsheet where its rows can be objects that have their own spreadsheets. And you could even say that because it's cloud based, it even increases generativity, because there's so many things you can do with software as a service or cloud software that you can't do with client based or desktop software. So AirTable is another example of generative software.

Another category that I would call generative these days are these dynamic document creation and note taking tools, for example, Coda.io and its main competitor, Notion.so. These two tools are very hard to describe exactly what they do, because they do so many things. But they are becoming increasingly popular, people are doing a lot with them. They're some people are creating blogs with them. Some people are creating websites with them. Some people are creating project management tools, or team collaboration tools with them, group note taking, knowledge base building, there's so many things that you can do with these tools that they're very clearly generative products.

And finally, another category that I would say are very generative products on the rise these days are no-code software development tools. Something like Adalo.com for building mobile apps VoiceFlow.com for building voice-based apps, Bubble.io for building web apps. These no-code software development tools are very much generative, because they're opening up the ability to create software to so many regular users or regular people, people who don't have computer science degrees or haven't built the expertise as like a back-end or front-end or full-stack developer. They're not really developers, but just playing around a few minutes with bubble, they can become developers. And it's just amazing how it's opening up participation into software development, and therefore increasing innovation, because now you have so many people who would otherwise not be building software, able to build software, and able to innovate using software. So that's why I would definitely put these no-code development tools as a category of generative software.

Hunter Hastings

That's really exciting. That's cutting edge kinds of opportunities for entrepreneurs. One of the elements of explanation or the theory behind these things that you put forward which is also exciting is that generativity overcomes knowledge constraints that all entrepreneurs face. You can't possibly know all the problems to solve and all the questions to ask. You can't possibly know how to fix every need that a customer has. We see entrepreneurs as orchestrators and orchestration is a really hard thing to do when you've got knowledge constraints. Expand on that a little bit. Filling knowledge constraints or softening knowledge constraints for entrepreneurs.

Mohammad Keyhani

The knowledge-based foundations of the theory of generative products and markets is something I've already begun to explore in a paper we published in Strategy Science (<https://pubsonline.informs.org/doi/10.1287/stsc.2019.0092>) on what we called "firm-designed markets." The idea is that the firm—and this is the main idea behind open innovation theory as well—the firm itself and its employees, no matter how big the firm is, even if you're Google and you have 100,000 of the smartest minds in the world working for you, you still don't have the majority of good ideas because you just don't have the majority of the people of the world in your company. So if you can find ways to open up the participation that goes into your products beyond the boundaries of your company, you are able to address your own knowledge constraints, including and especially your blind spots. Sometimes you have knowledge constraints where you know that you don't know something. Those are known unknowns. But sometimes you're dealing with unknown unknowns. They are very much your blind spots, you don't even know where to look, you don't even know that you should be looking for an answer or that if you look for an answer, there might be opportunities there.

So I think one of the main features of generativity, whether it's the generativity of products or the generativity of markets, a main feature, is that it sort of automates knowledge search. It is like detaching the search process from the searcher. The search process for knowledge is always constrained by the searcher, and that means that it's constrained by the blind spots of the searcher, because the searcher only knows to search in certain places. So if you can find a mechanism that detaches the search process from the searcher, it unchains the

search process in a way that potentially allows the search process to get into what otherwise would be blind spots for the searcher. So that's I think the key feature of generativity, whether it is the generativity of products or markets. With products, you have features in the product itself, that result in that knowledge search that gets different users to come and play with the product and learn to do things with the product that the product designer couldn't have even imagined. I don't think the creators of spreadsheets or PCs or even Zapier, AirTable, Bubble, all these tools that I mentioned, I don't think they could have fully imagined all the things that their users are building with their products. These products have features that allow them to unconstrain or unlink the search process from the knowledge constraints of the searcher. They don't need to be directed in a lot of ways, because they have the features built-in that allow them to elicit participation and create innovations out of that participation without a guided search process.

Same with generative markets. Generative marketplaces allow the incentives of the market to take control of the search process and in a way so that no one person has to define what is the problem area we should be searching for. You just let the demand side of the market define problem areas and the supply side define solution areas. Sometimes it is a bit switched up, where the demand side might not even realize that it has a problem or that it needs a product or wants a product until a supply side solution is provided. But the point is that the marketplace creator as the owner of the generative product—here being the generative marketplace—doesn't even have to know or define all the problems and solutions. They can just benefit from all the problem-solution matches that are created in the market. And that's a huge, huge source of profit potentially, and a huge source of competitive advantage. When you're able to automatically profit from problems-solution matches where neither the definition of problems nor the definition of solutions are constrained by your own internal knowledge as a company, it's like opening a door to a whole new level of potential opportunities and profits that was previously closed because you were constrained by your own knowledge of where to search for problems and solutions.

Hunter Hastings

I was very taken in one of the early Zittrain papers that you sent me about—at a very high level—the idea that if you attach a personal computer to a network like the internet, there's no telling what solutions that will generate. You couldn't possibly imagine where we are today when somebody first did that and connected a PC to the internet. That was a very stimulating idea. Obviously it's very high level but it kind of illustrates what you just said I think.

Mohammad Keyhani

For Zittrain, that's when he's describing the two main examples of generative technologies that he talks about in his book. One is the PC and one is the internet. So when you talk about connecting the PC to the internet, it's like a doubling of generativity. I shouldn't call it doubling because it's not a linear addition process. It's a combinatorial, nonlinear or exponential process. It's a nonlinear, exponential synergy of generativity that happens when you connect multiple sources of generativity to each other. The theory that I'm working to build is, the next logical step for me now that I've sort of thought about how products can be generative, and how marketplaces can be generative, it to think about the combination of generative markets and generative products. Zittrain and the Information Systems literature have talked about how products can be generative. And then there's theory that I'm building around how markets can be generative. I'm talking about firm-designed markets, but I'm basically borrowing theory from all the people in the economics literature that have argued that economies are knowledge-generating systems. All the literature on endogenous growth theory, and the works of Edmund Phelps on dynamic economies (see for example his book “Mass Flourishing”). I'm building on them to theorize how firm-designed marketplaces can be generative. So the next step logically would be similar to what Zittrain has described as this combination of two generative technologies. I would say that those companies that have been able to benefit from generativity in their products in exponentially synergistic combination with generativity in a firm-designed marketplace that they operate and they profit from, those companies have the potential for huge success. And I think if you look at say the top 10 most valuable companies in the world today, you will be able to identify some mechanism like this. Some

mechanism involving the combination of a generative marketplace with a generative product. And I think that's kind of a generativity-based theory of competitive advantage that mostly explains the outliers of success in today's economy. It's not meant to generally explain performance heterogeneity or competitive advantage in general for all firms, but it is a tool that can explain why some of the outliers of performance today are outliers.

Hunter Hastings

Could it be more generally applied in the future do you think? You talked about “Mass Flourishing” and dynamism at the economy level, at the national level, but perhaps it’s the future of growth on a broader basis. Not just for outliers which is true today but more entrepreneurs might be able to harness generativity in the future do you think?

Mohammad Keyhani

It's very difficult to achieve the combination of generative products and generative marketplaces. In general, everybody out in the entrepreneurship world, in the Silicon Valley tech world, everyone knows that these marketplace businesses are very attractive, because the problems and the solutions are basically taken care of by the demand side and supply side and you basically just benefit as the orchestrator of the market or the governor of the market. So these business models are known to be very valuable, very lucrative. Although I would say maybe it's not as recognized that generative markets are have the potential to be much more lucrative than non-generative markets. So for example, the profits that Apple and Google make from the Apple Store or the Android Play Store as marketplaces, or the profits that Amazon makes from its generative marketplace. I don't think that a firm with non-generative marketplace, say like the Ubers of the world, I don't think they can easily reach that level of profitability.

Because in the end, the Ubers of the world are very much allocative marketplaces, their main goal is to increase the efficiency of resource allocation in the world. And they will profit for as long as there is inefficient allocation in the particular market that they're operating in. But generative markets are not just about resource allocation, so they're not limited by the extent of allocation inefficiency that's out there. They have unbounded potential for growth, because every time somebody comes up with an idea or innovation, they benefit from it. One of my favorite examples is that that game that came became popular on mobile devices a few years ago, it was called Flappy Bird. I think one student in Vietnam just sat down and wrote a fun mobile app game to play and the game went viral and got so many users to play and purchase that and it was making a lot of money. I think it was on the Android Market. Google was benefiting or if it was on iOS as well, then Apple was benefiting as well. Both benefiting without having to even think about or having to even be in the game business. They were benefiting from this idea for an innovative game that someone across the world had developed in their spare time.

Hunter Hastings

Would TikTok be an example of generativity? You’ve got an immense number of users creating all kinds of different ways to generate videos and animations and things on TikTok. Is that an example?

Mohammad Keyhani

To some extent. I wouldn't call TikTok a very generative tool. But on a spectrum of generativity, it is *relatively* generative. So the benchmark to test how much a product is generative or not, is to see how much it's able to be put to different uses that maybe it was not even intended to be in the first place. So for example, when Facebook creates a platform just for people to connect to their friends, and then it realizes that users are now using it to organize events or buy and sell used goods. It shows that the platform had generativity such that the users were able to adapt it to different uses. And then Facebook has often sort of caught up with these new uses by building specific functionality to address the ways that people are now using it. A benchmark to see to what extent a product is generative is to see if it's allowing users to do things with it that nobody had

expected or the initial product wasn't really made to do that. So I guess TikTok is an example of a company or a product that is to some extent generative.

Hunter Hastings

User-generated innovation?

Mohammad Keyhani

One level of generativity is the extent to which it allows users to innovate. But sometimes those innovations are cumulative, they change the product, or they do something with the product that allows others to improve their own innovation as well. So I think that cumulative nature is what Zittrain was trying to get at with his “transferability” characteristic. If for example, someone does something cool with a spreadsheet tool, that they then put the template out there for other people to use as well, that's an example of how these user innovations can be cumulative. If a market can incentivize those sorts of transferability, then that's again, another level of generativity. So, for example, AirTable or Bubble.io, they allow users to create templates with their product, and then sell those templates or components in a generative marketplace that arises around a product that is itself generative. That's a very powerful mechanism.

I've seen various companies that, for example, have generative products, but really don't try or fail to create generative markets around them. Examples could include some 3D printers, which are very generative products, they can do many different things, and people build things with them that are very innovative that is not necessarily imagined by the creator of 3D printers. But the extent to which you have marketplaces that incentivize people to buy and sell innovations by other users of 3D printers differs I think, across the industry. I think there's some websites that allow you to buy and sell and some are completely open source. There's variations.

And then there's also the issue of appropriation. As a company, how much are you appropriating or benefiting from the innovations that come out of the generativity of your products or your markets? An example of a generative product that also has a generative market around it, but is maybe not appropriated fully by any one company is the WordPress content management system. It's a huge product. According to Wikipedia, 60% of all the websites on the internet that use a content management system are built on WordPress. That's a huge amount. But WordPress is completely open source, not really owned by any one particular for-profit company, and there has been a generative marketplace around WordPress. So there's so many other companies now building themes and selling themes for WordPress components, widgets, add-ons for WordPress, and service companies helping you customize and install WordPress. There's so much of a market around it. But it's not the kind of market that's owned or appropriated by any one particular company. So that generativity is benefiting society in a way but there's no one company like the way that Google benefits from the Android Market, or Apple benefits from the iOS App Store, there's no equivalent of that for WordPress.

Hunter Hastings

You've given us an awful lot to think about, so thank you for that. You mentioned a paper that you're working on that will tell us a little bit more about managing generative products. When do you expect to publish?

Mohammad Keyhani

I'm hoping to publish that one as maybe a book chapter and I have another one that I'm working on theorizing the generativity of markets and calling it a theory of market generativity. And then I want to take the next logical step of hopefully publishing a paper that outlines the generativity theory of competitive advantage. So that generativity theory of competitive advantage would describe how certain companies that have been able to benefit from generative markets and generative products have become outliers, and the extent to which they've benefited.

Some of the ideas in that paper around generative products and what they mean for entrepreneurship and product management include first of all, some of the advantages and disadvantages of generative products. Not all products should be generative or need to be generative. For example, when you're trying to match the market of drivers and people who want to go from place A to place B, you don't necessarily want generativity, you don't want a lot of innovations to happen in this market. Because the product is very much well defined and narrow scope, and people need it. So you want to address the need for that product. You want to minimize the noise. So you actually don't want it to be too generative, because generative markets are noisy, they are full of innovations. And they're messy. And so sometimes you don't want the market to be messy. Another example of a market you don't want to be messy is the market for organ donations, for example, the matching of organ donors to organ recipients, which is a market design problem that Alvin Roth's has worked on. His work on that and similar types of matching markets has won him the Nobel Prize. Those are often types of markets that you don't want to be messy and noisy, you want them to be very efficient resource allocation mechanisms.

But sometimes you do want your product or your market to be generative, and there's ways to design them to be more generative. But if you are going that route, and you want a generative product, there's tricks to it, because you need, for example, to be more patient. And if you have venture capital backing, you need to have the type of investors that are more patient with their capital. Because generative products often are not narrowly defined or well-defined, and they sort of get their definitions and become co-created and co-defined by all the participants and all the users that use them and decide what they're good for, and come up with ideas for what they're good for. There's this example of this company called SparkFun that creates products around very generative platforms like the Raspberry Pi, or the Arduino board. These are very generative hardware products that basically allow people to build their own homemade computers. SparkFun is a company that makes products around these platforms, and I read in a paper that at some point, when they realized how people are using their products for things that they didn't think that they would be used for, they decided intentionally as a company to no longer label their products as having certain uses. Because what they would label as the uses would be limited by their own knowledge. Whereas when these products go out and get exposed to the innovations of a variety of users outside their company, they realize that it has uses that they never even thought of.

That becomes tricky for entrepreneurship, because a lot of the methodologies like the “lean startup” or the Value Proposition Canvas are the Business Model Canvas, the Hybrid warfare and disinformation in the post-truth era the get-go. They assume that the company knows what the uses are for the product from the get-go. And when you don't know those things, and you're creating them with your users, things are different. For example, with this whole emphasis on customer feedback in the Lean Startup approach, in the case of generative products, you would need to go from customer feedback to customer play. You need to allow customers to play around with the product and discover new uses. Rather than just show them a demo and get their feedback because that's the commonplace way to do it right now is to show someone a demo and get their feedback but it doesn't properly address the generativity mechanism. Generativity really needs the user and many users to play with a product to learn what it can do, rather than just show someone a demo. So just imagine Coda.io or Notion.so, the way that they've been growing, it takes a long time for all the different users that have played with these products to realize what they can do with it. But they have to have the patience to let the users play, let them learn and then capture the learning and convey it to other users. It takes a long time. It's a different process. But you just have to realize that if you're working on a product that is generative, some things about how you manage the entrepreneurship process might be different.

Hunter Hastings

It sounds a lot like emergence. In complex systems you can't predict what outcomes are going to emerge. You've just got to sit back and watch the emergence. As you say, that may take time.

Mohammad Keyhani

Exactly. That's a very good term for it: emergence.

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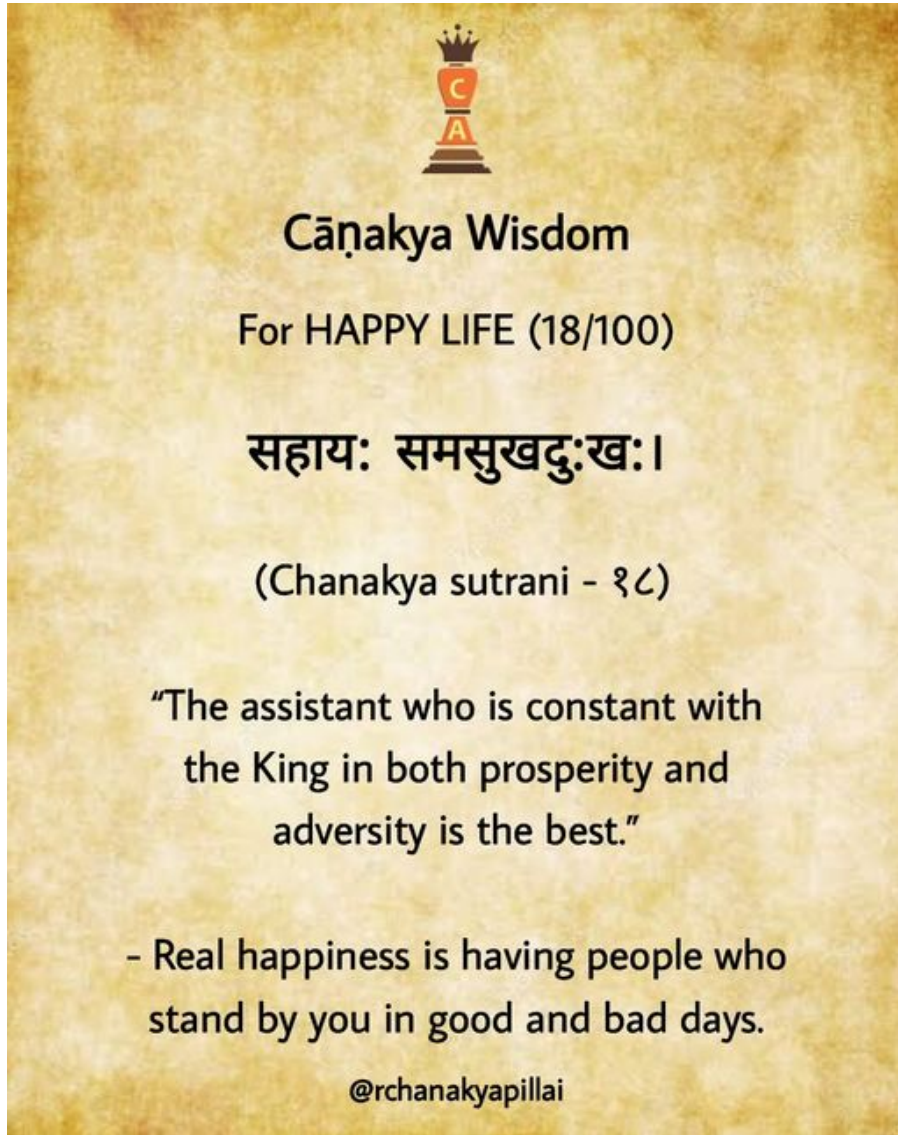
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DIGITIZATION AND E-COMMERCE IN INDIA

ABSTRACT

In the current inter-connected world, E-commerce emerged as an indispensable asset in catalyzing gains from the digitization in accelerating growth for developing countries. Adequate digital infrastructure is conducive in leveraging India's Small-scale industries (SMEs) by its incorporation into Global value chains (GVCs). In this context, the paper conceptually encapsulates India's digital preparedness internet network connectivity and growth of E-Commerce platforms by accessing data and reports World Economic Forum, KPMG, World Trade Organization (WTO), World Bank etc. for outlining India's global significance and the strength manifested in its expanding digital market. The study conceptually assesses underlying opportunities and challenges associated with the digital economy and E-commerce marketing in India through Strength, Weakness, Opportunity and Threat (SWOT) analysis. The paper could be instrumental in crafting digital policy for international trade along with tapping the potential of E-Commerce in India.

Keywords: Digital Infrastructure; Globalization; Conceptual Framework; E-commerce; GVCs; SWOT analysis

JEL Classification: F6, F43, L81

INTRODUCTION

E-commerce can become the catalyst for economic growth, digital trade and job-creation across the developing world by unlocking the power of Digitization. According to the definition provided by OECD (2011), 'an E-commerce transaction is the sale or buy of goods or services, conducted over computer networks by methods specifically designed for receiving or placing Globalization 4.0 or Fourth industrial revolution which epitomizes major shifts in business, international trade, technology, geopolitics, environment and society.

The basic question raised, Is India ready for E-Commerce and Why E-Commerce so important for India's current comparative advantage in business scenario?

The E-commerce industry has a direct impact on micro, small & medium enterprises (MSME) in India. It is medium of technology, financing, global market expansion and training of employees. Indian E-commerce industry has shown an upward growth trajectory and is expected to surpass the US by 2034, to become the second largest E-commerce market in the world (IBEF, 2020).

Digital applications have the capacity to proliferate across most sectors of India's economy. 'India could potentially overtake the US to become the world's second-largest economy (in PPP terms) by 2050 with the second-largest Internet base where internet penetration is expected to double to 60% by 2022 (Deloitte, 2019).' Sectors like agriculture, energy, financial services, education, healthcare, logistics, retail, government

services, and labour markets have been newly digitalized with a 'capacity to create \$10 billion to \$150 billion of incremental economic value in 2025' because digital applications can raise output by saving costs and time, reducing fraud and improving complementary synergy between demand and supply

If we talk about the participation in the global value chain (GVC), it can lead the Indian industries to become globally competitive. The GVC can lead to fragmentation of the production process and division of labour. So, suppose different parts of cars or production processes that are imported from various countries and assembled in India for manufacturing cars, the manufactured car will then be exported to the foreign market through online platforms. This will not only create jobs in different manufacturing units, but will also facilitate the trade, small scale industries and service sector in India. India, as a fast-emerging economy, can use the digital medium in its production and marketing process, thus, making use of its natural resources and cheap labour to access global markets through GVC participation.

Smartphone users in India are expected to increase from 260 million in 2016 to around 450 million by 2021 and Internet users to 647 million by 2021 (Deloitte, 2019).⁷ Technology enabled innovations like hyper-local logistics, digital payments, online surveys customer engagement and digital advertisements will surely support the growth of Online buying and selling and adopting digital technologies by the entrepreneurs.

OBJECTIVE

In this context, the main objective of this paper is to conceptually discuss the digital preparedness and role of E-Commerce in stimulating India's economic growth and SMEs (small scale industries) participation in GVC (Global value chains) via digital trade. Digital trade not only provides a comparative advantage to the country in export promotion, market expansion, but also enhances job creation and manufacturing activities which promotes efficiency and productivity in firms (OECD, 2019). The paper also gives an overview of India's development of e-commerce to have access to new sectors, new products and new business landscape.

METHODOLOGY

For the conceptual analysis, the textual content analysis and recontextualization of economic theories and various research papers have been considered. Finally, the SWOT analysis (Strength, Weakness, Opportunities and threats) have been conducted to understand the significance of E-Commerce in India's policy and business landscape. Further, the various government initiatives to facilitate small scale industries digitisation and E-Commerce sector has also been illustrated.

DIGITISATION AND E-COMMERCE INDUSTRY IN INDIA: A SNAPSHOT

The growth of E-Commerce has played a pivotal role in changing the business landscape in India. It has not only provided platforms for easy and quick accessibility of consumers and producers but have also helped in capturing the global market. The agro-based industries, jute industry, glass industry, flower industry, food industry, hospitality industry has flourished in India and have grown immensely over the past few years. The growth of online transactions from Indian E-Commerce platforms like food services provided by Swiggy or retail services by Snapdeal or hotel services by OYO rooms provided a different way of doing business and accessing goods and services.

The travel has become easy, convenient with good hands-on information about the destination according to one's budget through the company Make MyTrip. So, the digitisation has increased the importance of E-commerce platforms and made the entrepreneurs to think to shift to digitisation as soon as possible.

According to IBEF (2020), there has been a tremendous rise in Smartphone shipments in India to reach 152.5 million units in 2019, and further making India the fastest growing smartphone market among the top 20 economies in the world.

Moreover, Internet penetration in India also enhanced from 4% in 2007 to 52.08% in 2019. This data also reveals that the internet users in India is expected to grow from 687.62 million 2019 to 829 million by 2021.

Table 1. E-Commerce Services in India (Category wise Companies illustration)

Tourism	MakeMyTrip; IRCTC, Goibibo
Education	Byju's, Unacademy, EduKart,
Entertainment/ booking	Ticket Amazon Prime, Netflix, Bookmyshow, Hotstar, For music : Gaana.com, Wynk
Real Estate	MagicBricks;
Online Beauty	Nykaa, Purple
Digital wallets	Google Pay, Paytm, PhonePe
Popular E-Commerce websites	B2C: Myntra, Flipkart, Amazon, Shopclues B2B: Tolexo, amazon business

Source: Adapted from IBEF (2018); UNIDO (2017)

Table 2. Snapshot of Indian Telecom sector as per December, 2019**Telecom Subscribers (Wireless +Wireline)**

Total Subscribers	1,195.24 Million
Urban Subscribers	677.95 Million
Rural Subscribers	517.29 Million
Market share of Private Operators	88.97%
Market share of PSU Operators	11.19%
Teledensity	91.86
Overall Teledensity	88.56 %
Total telephone subscribers	1172.44 Million
Mobile subscribers	1.1514 Billion

Internet/Broadband Subscribers

Total Internet Subscribers	687.62Million
% Change over previous quarter	3.35%
Wired Internet Subscribers	22.26 Million
Wireless Internet Subscribers	665.37 Million
Total Internet Subscribers per 100 population	52.08
Share in World Internet Users	17%

Revenue & Usage Parameters

Monthly ARPU of Wireless Service (GSM+CDMA+LTE)	Rs.78.17
Average Data Usage per month–GSM (2G+3G+4G LTE+CDMA)	10.37GB

Source: Adapted from Telecom Regulatory Authority of India (TRAI), 2020

According to IBEF (2020) and (Ministry of Electronics and Information Technology, (MEITY, 2018), there are various initiatives taken by Indian government to facilitate digital trade and E-Commerce. These are:

- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- In February 2019, the Government of India proposed the Draft of National E-Commerce Policy. It encourages FDI (Foreign Direct Investment) in the marketplace model of E-commerce. A Major thrust is kept on the regulatory issues like taxation, policies for SMEs, FDI policy, anti – counterfeiting, anti- piracy and customer services.
- Indian Government also increased the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models) in order to increase the participation of foreign companies in India.
- Heavy investment is planned by the Government in rolling out fiber network for 5G and the JIO network and mobile penetration under 5G will help boost E-commerce in India.
- In Union Budget of 2018–19, Government allocated Rs 8,000 crore (US\$ 1.24 billion) to Bharat Net Project to provide broadband services to 150,000-gram panchayats.

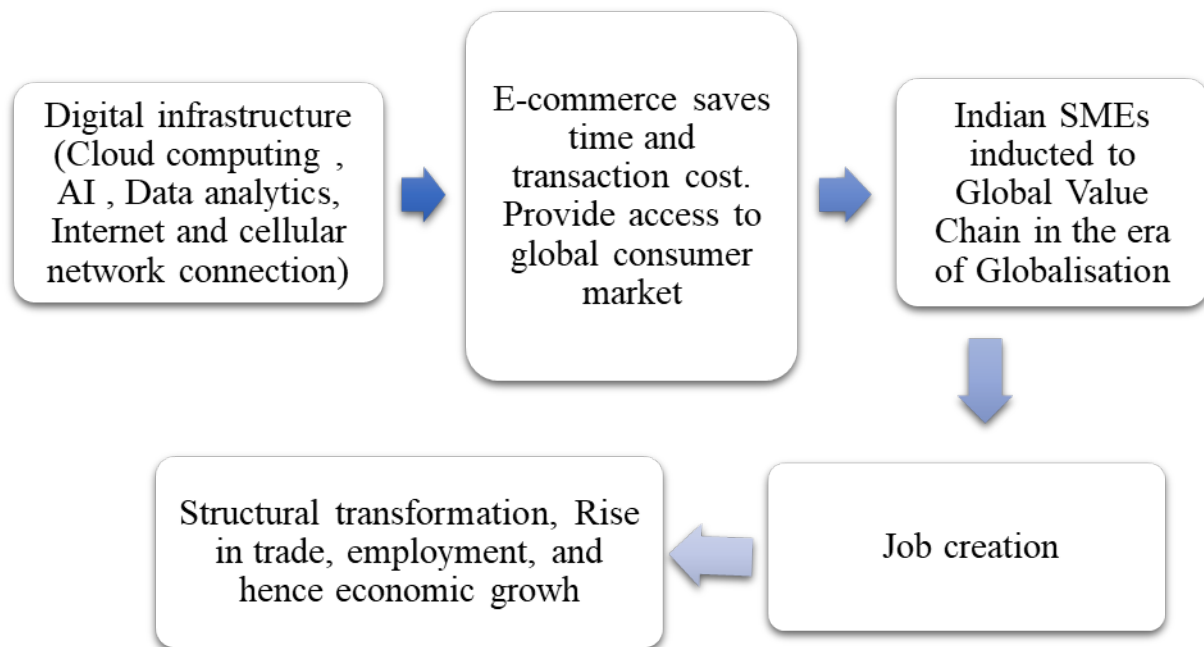
According to the Federation of Indian Chambers of Commerce and Industry (FICCI, 2017), especially those in isolated geographically regions, E-Commerce is crucial for these MSMEs and MNCs to adopt business strategies and perceive this opportunity as an unprecedented rise in technological innovations such as 'Hyper-local Logistics, Digital Payments, Analytics-driven Customer Engagement and Digital Advertisements' to capture the world market. Government initiatives like 'Digital India', 'Start-up India', 'Skill India' and 'Make in India' will also be contributing to expand the e-commerce industry in the future. MSMEs account for more than 98 percent of the total industrial units in India (FICCI, 2017) but only a few of the MSMEs have the potential for Cross-Border Trade (CBT). So, the growth of E-commerce is very important in India and how it's prevalence can impact socio- economic scenario in India is hence presented through the conceptualisation in the paper.

Theoretical Framework

- ***The Schumpeterian Theory*** which was first presented in 1911 has devised the concept of 'creative destruction' where the old economic structure through a cyclical process renewed and technology and **innovation further leads to new methods and forms of production**. This way new products and companies displace old ones and after readjustment a new wave of growth achieved.
- So, the digital technologies will help in enhancing productivity of Small-scale industries and other industries. It will save time and help in making quality products. It will also lead to better accessibility of customers and producers through online platforms.
- This will lead to innovative ways of doing business.
- **Flying Geese (FG) Theory**
- Comparative advantage derived from technological up-gradation, division of labor, and export promotion through **intra industry and inter-industry trade via supply chains is the key for**

economic growth, innovation, and structural change. They have pointed out East Asia's miraculous catch-up growth. The theory postulated that Asian economies will catch-up the advanced economies when the production of commodities would move to the less developed nations. The low labor cost, easy access to raw materials, and diffusion of technology contributes in prosperity of nation, where, industrialization plays an important role.

Figure 1. Conceptualisation: SMEs, GVC, E-commerce and economic growth



The above figure explains the nexus that digitization of economic transactions and GVC participation impact. According to World development report (2020), 'A global value chain (GVC) involves the fragmentation of production across the countries and involves backward participation by importing foreign inputs for processing and further exports and again through forwarding participation involves exporting inputs incorporated in the exports of the other countries.' Digital infrastructure helps in rise in E-commerce market. The E-commerce platforms provide important platforms to small scale industries to access markets and consumers which otherwise gets attracted to big businesses. Eventually, the growth of small-scale industries can provide jobs to people in India as it is labor abundant country. More jobs hence give more purchasing power to people and leads to development of industries as well. A structural shift is seen as more people get employment in manufacturing and service sector. This eventually leads to rise in economic growth. The digitization eventually opens new opportunities for SMEs to sell their products globally and not only remain geographically confined to domestic consumers. It conceptually illustrates the social and economic impact of ICT infrastructure. The success of E-commerce companies like Alibaba and Amazon are great examples that how online platforms helped in their popularity worldwide and eventually the success of these business models not only contributed in accelerating productivity of SMEs but also boosts international trade and export promotion. The GVCs participation enhances the economies of scale and division of labor which not only create new jobs but helps greatly in value addition of a particular sector in the GDP (Gross domestic product) of the nation through structural transformation. This chain of consumption and production through the interplay of demand and supply makes trade the engine of growth.

Table 2. Comparative Data (% Service Exports, BOP)

	Service Exports (%)						
Years	2012	2013	2014	2015	2016	2017	2018
COUNTRIES							
India	46.17	48.44	47.58	48.87	47.30	42.38	-
China	8.06	8.26	9.21	11.29	12.20	12.66	-
U.S. A	4.96	4.91	4.68	4.84	5.08	5.28	-
Singapore	5.19	5.41	5.24	6.04	7.50	6.59	-
Hong Kong	2.44	2.52	2.64	2.72	2.89	-	-
Brazil	1.89	1.86	3.62	4.65	5.42	6.34	-
South Africa	3.22	3.58	3.59	3.80	4.01	4.21	-
U. K	6.94	6.54	7.00	7.03	7.24	7.05	-
Japan	1.70	2.00	1.95	2.00	2.20	2.70	-
Bangladesh	15.29	12.73	13.77	14.90	17.61	13.59	-

Source: Adapted from World Bank (WITS, 2018), Trade indicators

Note: U.S.A, China, Singapore, Hong Kong are India's biggest trade partners. India's Trade in services (% of GDP) has reached to 12.11% in 2018 and has been continuously rising from 11.69% in 2014. Hong Kong data not available for 2017.

Table 2 shows the trends in ICT service exports (% of service exports, BOP) from 2014-2018. The trend explicitly reflects the growing use of digital technology for trade worldwide. The striking fact visible is the tremendous statistics and leapfrogging trend for India with very high percentage in ICT service exports, which was as high as 48.87 percent in 2015.

Digital technologies can facilitate GVC via digital trade in the future because of two reasons: firstly, it is particularly impeded by transportation, communication, logistics, verification costs, corruption and customs problems for which digital technologies could be the potential answer especially for India and secondly because digitization increase the availability and quality of services that serve as enablers of value chains or performs as inputs to the production of goods. So, digitization could be considered as an engine of trade promotion for the Indian manufacturing sector, and E-commerce can be a source of job creation in India (World Trade Report, 2018). Digital economy can facilitate Intra industry trade through the vertical and horizontal production process and can help with an export promotion strategy for India by incorporating it into GVC (Global Value Chain) and B2B (business to business) thus by transforming India into a manufacturing hub of the world.

Swot Analysis

Figure 1 Swot Analysis of E-Commerce in India

Strength

Access to Global Market
Saves time and trade cost
Market diversification
GVC participation by SMEs
Convenience- Home shopping

Weakness

Lack of IT and energy
infrastructure accessibility
and connectivity
Cybersecurity
Internet Accessibility

Opportunity

India's Population serve as both as
market and labor class
24 hour accessibility & online
payments
Global competitiveness
Gig economy & Digital trade

Threats

Fraud websites
Lack of data privacy law
Poor internet
Accessibility
Digital technology
connectivity uses are
less

Source: Authors own compilation

The Swot analysis help us to understand the advantages embedded in digital buying and selling of goods and services. The rise in middle class income, urbanisation and mobile penetration in India is making people to adopt digital payments and online shopping. This has led to increase in demand for goods and services worldwide. It provides producers to produce large number of goods and services and divide production units. The opportunity to induct India into GVCs via online trade will be the biggest opportunity as it will not only boost entrepreneurship in India but will also give the edge to India's indigenous goods and services like Ayurvedic medicines, handicraft items, electronic goods, etc. Easy access to market and rise in gig economy is better employment opportunities and manufacturing. This nexus of consumption, production and employment through easy access on digital platforms stimulates economic growth, trade and industrialisation in India.

Barriers to E- Commerce growth and digitisation in India

- 1. Digital security:** There is risk of hacking websites and cybercrimes. So, there could major threats to the customers to reveal their identity information to the companies. A more secure payment gateways and customer management is required to maintain a secure online transaction.
- 2. Infrastructure Problems:** The electricity infrastructure to provide electricity constantly is a prerequisite for either production of goods and services in industries or for digital buying and selling of goods and services. The deficit in energy generation and transmission capacity in India is one of the biggest problems to facilitate a digital Economy. The renewable energy can also be a good option to provide electricity even to the rural areas and help them to access goods and services at their doorstep. The other problem is poor

condition of roads and bridges and even not sufficient telecommunication infrastructure facilities evenly distributed regionally. The digital adoption of transactions is still more common in metropolitan areas.

3. High Competition: Major global brands like Amazon, Alibaba, eBay etc., have strong presence in Indian market. The small businesses in India has to face stiff competition from them in E-Commerce market place. The customers are more acquainted with the products on the E-Commerce sites like Amazon than Indian companies like Jabong or Snapdeal with more varieties of products from world market. So, to attract consumers towards their goods and services require huge marketing cost for these small firms.

4. Digital literacy: It is during the last 5 years that high rate of mobile penetration, that people are taking more interest in digital shopping and digital payments. The traditional way of shopping is still preferred due to certain trust and security issues. But, various government initiatives like discounts in online payment, introduction of government launched BHIM app (Bharat Interface for money) and installation of POS machines in small shops have made people more confident on cashless payments in India.

5. Taxation and Investment

The tax laws in India are quite old and rigid for establishing a firm. The compulsory VAT registration of E-retailers and high tax rates makes the business environment less flexible for the investors. Moreover, the interest rates is quite high for the investors who want to invest in Indian firms.

CONCLUSION

The E-commerce companies like Flipkart, Amazon, Makemytrip, Wal-Mart, Netflix, Byjus, OYO, Hotstar, Bigbasket, Swiggy etc has given a new paradigm to online trade. Social platforms like Facebook or Whatsapp also appeared as a boon for small businessmen or who work from home especially women. The important insights drawn from the study are-

- Trade and technology are closely linked in the contemporary world. The unprecedented rise in technology, the internet, Artificial intelligence, or cellular network has transformed trade costs and gave birth to E-Commerce.
- Smartphone penetration, digital literacy, affordable broadband services, cybercrime awareness, data privacy regulations, e-governance, logistics infrastructure, user-friendly applications (like Digilocker, free Wifi hotspots, e-sign or e-payment, E-education, etc.) will contribute in transforming e-commerce landscape in India
- Boon for small businessmen (SMEs) or who work from home especially women with the growing importance of the Fourth Industrial Revolution.
- E-Commerce has the potential to create jobs for people and will also lead to better trade facilitation with the accelerators being “Digital India” and “Make in India” governments programmes in India.
- COVID-19 has made it quite imperative that technology be connected with all forms of business for accessibility and sustainability of production and consumption globally
- The study will highlight the importance of Framing Digital trade Policy for export promotion in India.

Digitization of trade will not only create jobs for people, but will lead to trade diversification. It can boost manufacturing industries and will spur the Indian government programs of 'Make in India' and 'Start-up India'. So, for India, cross-border data flows, and GVC participation is the important missing link to keep up the comparative advantage in international trade and business landscape in the current globalised world.

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Pick Impact of Covid 19 on Key Macroeconomic Indicators: Seven Largest Economies

Economy	Annual GDP Growth		Unemployment	Business Confidence
	Q2-2020	Q3-2020	(percentage point change Q2-2020 vs Q1-2020)	(percent change first half of 2020)
China	3.2%	4.9%	+0.1	1.8%
France	-18.9%	-3.9%	-0.7	-3.3%
Germany	-11.2%	-4.0%	+0.8	-1.6%
India	-23.5%	-7.5%	N/A	1.2%
Japan	-10.3%	-5.7%	+0.4	-1.6%
United Kingdom	-21.5%	-9.6%	-0.1	-3.0%
United States	-9.0%	-2.9%	+9.2	-0.6%

Source:
OECD Data:
Business
Confidence
Index,
20.12.2020

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THE ALBANIAN ELECTRONIC MARKET IT'S CHARACTERISTICS AND DEVELOPMENT TRENDS**(The use of information and communication technology in Albanian economic enterprises)****ABSTRACT**

Electronic commerce offers economy-wide benefits to all countries. The gains are likely to be concentrated in developed countries in the short run but, developing countries will have more to benefit in the long run. The volume of international trade will increase via e-commerce. The countries open to import from high-income economies, will benefit from knowledge spillovers. The internet era has changed everything, even our way of doing shopping. In Albania, electronic commerce is booming. The official figures, and the market operator says that sales have been increased significantly compared with two years ago and the buyers are more flexible in Albania. They embrace the technological innovation and are not afraid to dare, influenced by the behaviors they encounter abroad. What remains problematic in Albania is the informality that often characterizes this market. More efforts and time is needed to enter to the global "flow", meanwhile currently is "enjoying" the benefits of the moment. There are still problems, such as access to Internet, or low number of credit cards holders. However, the trend is positive, the numbers are growing beyond the expectations and all actors talk about the development of this industry. The purpose of this paper is to examine the impact that e-commerce has on the Albanian market and companies as well as the correlation with international trade. Also, this papers aims to provide a set of recommendations on how this new method of purchasing can be widely implemented in Albania. By doing so the aim is to describe the current situation of this industry, explore the obstacles and benefits faced from the companies when starting the process of implementation. Also this article looks into the immediate and short term responses to the move by enterprises, particularly MSMEs and informal sector entrepreneurs during pandemic Corona 19 time

Keywords: e-commerce, statistics, custom office, buyers; international trade ; Albania e-commerce; b2c e-commerce

JEL Classification: L22, L63, L81, L84

1. INTRODUCTION

E-commerce was introduced 40 years ago and currently continues to grow with new technologies, innovations, and thousands of businesses entering the online market each year. The convenience, safety, and user experience of ecommerce has improved exponentially since it's inception in the 1970's. When the National Science Foundation lifted its restrictions on commercial use of the NET in 1991, the Internet and online shopping saw remarkable growth. By this time, NSF's role in the Internet came to an end and a lot of the oversight shifted to the commercial sector. As more and more people began doing business online, a need for secure communication and transactions became apparent. In 2004, the Payment Card Industry Security Standards Council (PCI) was formed to ensure businesses were meeting compliance with various

security requirements. The organization was created for the development, enhancement, storage, dissemination and implementation of security standards for account data protection.

The three biggest distance selling markets are the US, China and Japan. The global distance selling market is expected to see annual growth of 10.7% till 2020. The largest growth is expected in China (24.5%), Mexico (16.5%) and Australia (16.4%).

The top products offered via distance selling are fashion, consumer electronics, media products and food. Electronic commerce offers unprecedented opportunities to both developing and developed countries.

In the short run, the gains are likely to be concentrated in developed countries but, in the long run, developing countries have more to benefit. In the short run, developing countries lack the infrastructure necessary to take full advantage of Internet. Millions of people worldwide use the Internet to do everything from research to purchasing products online. The Internet has profoundly affecting almost all businesses. And the various uses of the Internet by business entities include the ability to advertise, generate, or otherwise perform regular business functions.

The electronic commerce in the B2B sector is part of the export infrastructure to promote national goods and services in foreign markets. On Electronic Trading Platforms (ETP), suppliers and buyers find each other. B2B marketplaces primarily provide marketing and information support, increasing the trust of foreign partners. More than 120 electronic B2B-sites operate in the EAEC area. However, the Member States do not have a common export policy, which makes it difficult to develop e-commerce, which is an important component of the export infrastructure.

1.1 What is electronic commerce?

Electronic commerce, also known as EC, e-commerce or ecommerce, consists primarily in distributing, buying, selling, marketing and servicing of products or services over electronic systems such as the Internet and other computer networks. The information technology industry might see it as an electronic business application aimed at commercial transactions. It can involve electronic funds transfer, supply chain management, e-marketing, online marketing, online transaction processing, Electronic Data Interchange (EDI), automated inventory management systems and automated data collection systems. It typically uses electronic communications technology such as the Internet, extranets, e-mail, e-books, databases, and mobile phones. E-commerce existed in many forms before the Internet went into wide use and some of these forms still exist.

A commercial transaction can be divided into three main stages: advertising and searching, ordering and payment, and delivery. Any or all of these stages can be carried out on the Internet and are covered by the concept of ecommerce. Electronic commerce may be categorized by the types of entities participating in the transactions or business processes. Some of the well-known electronic commerce categories are Business-to-Consumer (B2C), Business-to-Business (B2B), Consumer-to-Consumer (C2C) and Business-to-Government (B2G). The two categories that are most commonly used are: Businesses that sell directly to end-consumers can use online methods to take orders and get paid. This is known as B2C e-commerce. Payment in advance via a secure online system offers more security for the buyer, as a processing company, which agrees to refund the customer if the order is not fulfilled correctly, holds the funds. For larger transactions, the seller may ask for a partial payment in advance with the balance due on delivery. Amazon.com (www.amazon.com) or Walmart.com (www.walmart.com), which sell merchandise to consumers, are good examples of B2C e-commerce. B2B e-commerce is for businesses that sell primarily to other businesses. A growing number of trade-related transactions between businesses are taking place online. These systems are often set up between a large business and its suppliers.

The online services that FedEx (www.fedex.com) offers to small businesses are an example of a B2B e-commerce. Sites such as Alibaba (www.alibaba.com) provide an online trade platform for

businesses to run B2B. Online B2B transactions include order management, electronic invoicing and procurement. 'Going online' will allow a company to: process incoming purchase orders and charge orders, send advance shipping notices and invoices, manage buyers' accounts, adjust prices, set user interface preferences and update item availability.

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In Albania, the Albanian Investment Development Agency (AIDA), in order to increase the competitiveness of the Albanian economy in the region and beyond, in cooperation with FIAA and RISI Albania, has taken the initiative to create an online B2B platform, introducing free "B2B online" service "This service is designed online by AIDA, especially helps SMEs and exporters to establish local partnerships and internationalize their products and services to facilitate access to European Union markets by offering give them information about legal fees, taxes and the market in Albania and the EC.

2. E – COMMERCE: AN OVERVIEW

E-commerce can be defined as the use of the Internet to conduct business transactions nationally or internationally. E-commerce has come to take on two important roles; first as a more effective and efficient conduit and aggregator of information, and second, as a potential mechanism for the replacement of many economic activities once performed within a business enterprise by those that can be done by outside suppliers that compete with each other to execute these activities. The Internet is dramatically expanding the opportunities for business-to-business and business-to consumer e-commerce transactions across borders. For business to consumer transactions especially, the internet sets up a potential revolution in global commerce: the individualization of trade. It gives consumers the ability to conduct a transaction directly with a foreign seller without traveling to the seller's country. The Internet allows sellers to put their storefronts, in the form of Web pages, in front of consumers all over the world. Technology has expanded the consumer marketplace to an unprecedented degree.

The Internet and e-commerce are transforming the way firms operate by redefining how back-end operations – product design and development, procurement, production, inventory, distribution, aftersales service support, and even marketing – are conducted. In this process, the Internet and e-commerce alter the roles and relationships of various parties, fostering new supply networks, services and business models. The end results are efficiency improvements, better asset utilization, faster time to market, reduction in total order fulfillment times, and enhanced customer service. Numbers can indicate the importance of the e-commerce growth. Global retail ecommerce sales will decelerate to a 16.5% growth rate in 2020 (down from 20.2% last year). For both retail and retail ecommerce, the story is the same: Sales in China and the US greatly impact overall global sales metrics. China's \$2.090 trillion in ecommerce means that Asia-Pacific will produce 62.6% of all digital sales (\$2.448 trillion for the region overall).

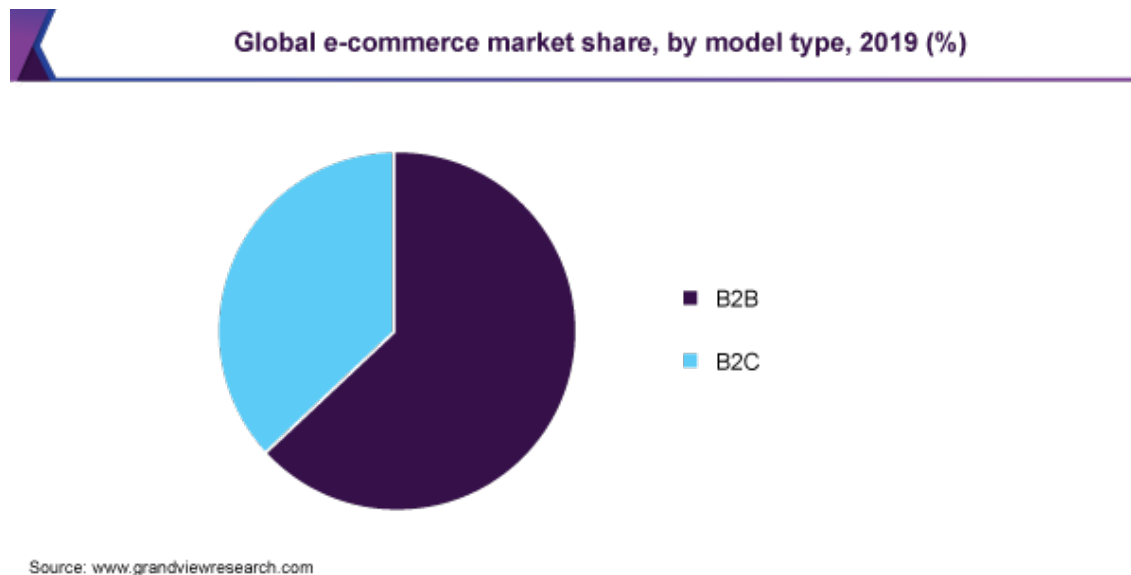
The number of Internet users also reached two billion worldwide and is growing. The influence of e-commerce stretches farther. It is used more as a trading system in which buyers, and sellers could establish a genuine market price. For example, with more than 90 million active users globally, eBay is the

world's largest online marketplace, (founded in 1995), where practically anyone can buy and sell practically anything.

2.1 E-COMMERCE IN WORLD

The global e-commerce market size was estimated at USD 9,093.6 billion in 2019 and is expected to reach USD 10,361.0 billion in 2020. The global e-commerce market is expected to grow at a compound annual growth rate of 14.7% from 2020 to 2027 to reach USD 27,147.9 billion by 2027.

Figure 1



In 2019, an estimated 1.92 billion people purchased goods or services online. Online shopping is one of the most popular online activities worldwide. While In 2019, B2C e-commerce sales were estimated at \$ 3.35 trillion in 2019 and are expected to grow at a compound annual growth rate (CAGR) of 7.9% from 2020 to 2027. According to new global estimates (Grand View Research).The B2C retailers segment accounted for the largest revenue share of 99.47% in 2019 and is expected to continue its dominance over the forecast period. Increase in the mobile transactions and internet banking is expected to drive retailers segment over the forecast period..

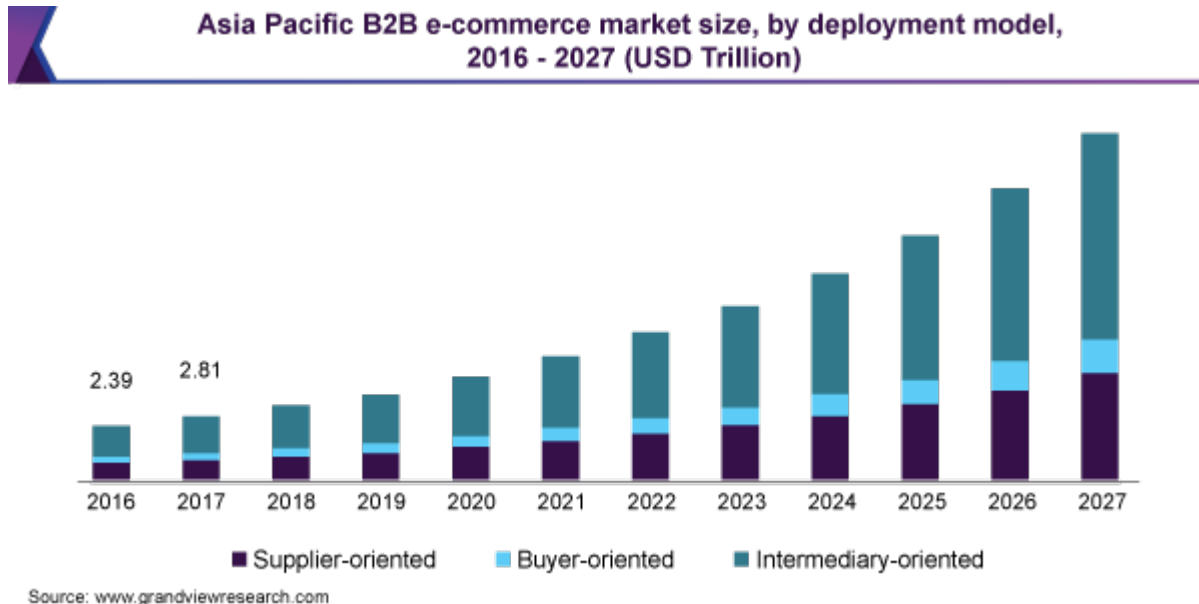
The increasing technological acquisition accompanied by the easy availability of smartphones has enabled the e-commerce sector to be more accessible and efficient. Sales in Asia and the Pacific dominated the e-commerce market with a 55.3% share in 2019 and are expected to see the fastest growth from 2020 to 2027. This is attributed to a growing preference among businesses to conduct B2B businesses e- trading platform. While North America and Europe are expected to show steady growth during the forecast period this is because American Consumers are open to foreign brands and products and very specific to the quality of the product, its composition and its price. North America has one of the highest levels of internet penetration. The Middle East and Africa and Latin America are expected to witness significant growth in the coming years due to the growth of the young population and the rapid evolution of the online shopping market. (**Fig.No 2**)

The B2C UNCTAD E- commerce Index - As per UNCTAD assessment Index, which be updated annually, Europe continues to dominate global e-commerce ranking European nations hold eight of the top 10 spots on UNCTAD's Business-to-Consumer (B2C) E-commerce Index 2019, which ranks

152 countries on their readiness to engage in online commerce.

In light of the recent coronavirus (COVID19) pandemic, B2C e-commerce platforms experienced a steep demand for essential goods products such as groceries, personal care products, and bathroom essentials. However, the rising severity of COVID-19 across the globe has forced governments across various countries for complete lockdown, thereby disrupting supply chains and impacting e-commerce sales in a negative way. Moreover, U.S. and China-leading contributors to e-commerce growth has been hit the hardest by the COVID-19 pandemic.

Figure 2.



3. E - COMMERCE IN ALBANIA

Legislative framework

In Albania, electronic commerce appears to have entered a "golden" phase. Businesses are seeing it as a way to "disconnect" consumers from the traditional ways of acquiring, to insert the virtual world, to offer everything in real time and quickly. It is seen as a response to the economic crisis to obtain products and services cost-free. Even legislation 1, which has recently undergone changes, has "opened" the gates to these services.

Goods of a personal nature (non-commercial), which purchased via the Internet, or sent to a person by a person resident outside the Republic of Albania, do not pay customs duties if their value (including the value of transportation costs) is less than the value equivalent to the amount in ALL of 150 Euro for each consignment.

The exemption does not apply to the following goods:

a) Alcoholic products; b) perfumes and toilet waters; c) tobacco or tobacco products Council of Ministers adopted on May 7, 2014, increased spending limit for online purchases, from 10,000 to 20,000 ALL. This means that for purchases worth up to 20 000 shall not apply to taxes, customs duties are (range 2-15% according to the goods) and VAT 20%.

This fiscal relief comes after the growing trend of online shopping and the need to revise the limit

set in 1999-and, where this phenomenon was almost unknown. This decision of the tax exemptions for online purchases up to 20,000 ALL brought to the state budget a negative effect for about 30 million ALL.

But since July 1, 2016 has entered into force a new fiscal package accordingly any purchases via the Internet worth over 22 euro will be charged. The government has reduced by 6times the monetary limit untaxed online purchases. For every purchase from the Internet that is above the threshold pay a tax rate of 22.4 percent as the value of the goods. This means that for a purchase worth 140 euro, which yesterday paid zero tax, with the recent fiscal change will be paid 31.6 euro as a tax to the state. This decision aims to avoid discrimination against importing traders, who pay taxes on their imports.

In an effort to boost the e-commerce market, Albanian authorities plan to increase the duty-free shipment value threshold from Euro 22 to a higher amount. The raising of the de Minimis exemption follows a report by the World Bank (WB) on the e-commerce market in Albania.

The recent initiative is part of a draft law 'On the adoption of the postal service policy in the Republic of Albania for 2021-2026'. This draft-bill can be important to micro, small, and medium-sized (MSME) businesses that want to expand their customer base, create added value.

3.1 ALBANIAN E - COMMERCE OVERVIEW

Internet access

As of December 2019, there were 2.9 million people in Albania, out of which 2.07 million were internet users, making the penetration rate 71.3 %. When it comes to how they access the internet, 48% of Albanians use computers (laptops and desktops), 49% use mobile phones, 3% use tablet devices and 0.03% use other devices. Compared to the previous year, there was a 13% drop in computer users. At the same time, there was an increase of 19% in mobile phone internet users, a 21% drop in people who access the internet through their desktops and a 200% increase in 'other devices' usage. (<https://datareportal.com/reports/digital-2020-albania>)

There are ongoing government efforts to improve broadband availability and access conditions throughout Albania. However, fixed line and broadband penetration remains very low by international standards. As mobile network infrastructure improves, consumers continue to prefer this platform for voice and data services, and as a result the mobile sector will be the focus for future growth in the overall market. In 2017, 69.3% of Albanians had mobile-broadband subscriptions, while 41% of households had internet access at home. As of September 2018, the most popular search engines in the country by market share were Google (96.27%), Yahoo! (2.38%), and Bing (1.15%). As for browsers, the most popular ones were Chrome (68.45%), Safari (18.43%), Firefox (4.25%), Samsung Internet (3.47%), Android (1.48%) and Opera (1.25%). Albania is still a cash based economy and credit cards are not commonly used outside of major hotels, restaurants and department stores.

To promote their use, local banks have started to introduce special discounts on various consumer goods in partnership with companies. Cross-border internet shopping is in its early stages, and it's still not disseminated, especially due to the low use of credit cards, low purchasing power and the high cost of shipping. Additionally, many online merchants do not ship to Albania. In 2016, the government reduced the duty free amount from EUR 150 to 22, which significantly reduced cross-border online shopping.

Even though e-commerce is still developing in the country, there are some popular e-commerce shops in Albania. Some of the most popular ones include Megatek, 123.al, and EBuy.al.

The most popular product categories bought online are electronic devices, followed by clothes and shoes, books and cosmetics. Albania's telecommunications infrastructure is perceived as an obstacle to expansion of the e-commerce market. According to the World Bank, a significant number of Albanian companies have reported that inadequate and costly telecommunications services hamper business.

3.2 E - COMMERCE REVENUE

Revenue in the ecommerce market is forecasted to reach US\$113m. In five years, it can reach

US\$192m thanks to an annual growth rate at the level of 11.2%. There are over 1 million ecommerce users, which mean that user penetration is 36.6%, and in five years, it can reach 40.8% in five years. There is rarely any data about ecommerce in Albania. This country is a cash economy. Still, cards are not a very popular solution. Only 8% of the population has credit cards. Banks are promoting this payment way through various promotions or discounts, but Albanians are still unconvinced to use the cards. Consumers in Albania pay attention to the **price, which determines purchasing choices to the greatest extent**. Albanians are actively looking for promotions and are willing to use them. They are very much influenced by advertising, especially TV ads. After-sales services, just like e-commerce, are just getting started.

Payment methods in Albania - As we mentioned above, cash is king in the Albanian market. However, despite their reluctance to deal with credit cards, mobile payments and prepaid payments are the most popular. The lowest popularity has payments via e-wallets. Source: <https://www.paymentwall.com/pl/payment-methods/albania> . Albanian consumers use such solutions as MINT – prepaid cards option, providing secure and fast payments. Also, Mobiano has fans across Albania. It is a mobile payment solution, which is available in over 60 countries.

Social media in Albania - There are about 1.40 million users of social media in Albania. This number has grown by about 3.6% percent, comparing 2019 and 2020. Almost 100% of users scroll down their social media on mobiles. Source: <https://datareportal.com/reports/digital-2020-albania>. When it comes to ad reach, the winner here is Facebook. Thanks to advertising via this platform, you can get to about 1 million people. The second place belongs to Instagram – 870 thousand users can be reached by ads here. The lowest reach has Twitter – 91 thousand users. Albanians prefer Android devices – **almost 70% of web traffic is generated via such appliances**. And the number of fans is still increasing. When it comes to Apple, about 30% of web traffic is generated by these devices, and this percentage is decreasing.

4. OPTIONS FOR MICRO AND SMALL ENTERPRISES TO ENGAGE IN E – COMMERCE

Between 2014 and 2019, global retail sales for e-commerce nearly tripled - reaching US\$ 3.5trillion by 2019. The COVID-19 crisis has further accelerated growth of the sector. In the second quarter of 2020, ecommerce sales in the US, by some estimates, increased to above 16 percent of all retail sales. Online market places such as Amazon and Alibaba have become among the most valuable companies in the world.

Taking into account online business-to-business (B2B) transactions – a market now estimated at US\$ 12.2 trillion – e-commerce is rapidly revolutionizing the way markets work. MSME face various barriers to the adoption of e-commerce, such as lack of skills in identifying their e-commerce needs and potential the adoption of e-commerce, such as lack of skills in identifying their e-commerce needs and potential expanding for them to gain an online presence that can be used to market their goods and services to potential buyers.

Traditional obstacles related to the need for having in-house resources, IT equipment and expertise to establish and maintain a web presence have been lowered with the introduction of new platforms and solutions.

In the following sections, different options for creating an online presence and for handling payments will be shown, in many developing countries small businesses still face barriers when wanting to leverage some international e-commerce platforms and solutions

Success Story

A Long-Term Solution for Agribusiness Growth.

Agrotrade is a digital platform (e-commerce) created in Albania by the consulting company, Creative Business Solutions. Agrotrade was launched on June 15th, 2019. It is the first e-commerce platform in Albania for online sale of agricultural products. Customers, sellers and buyers connect with each other through Agrotrade and easily do business by conducting successful transactions. This platform

is the best ways to help and created a long-term solution for the export of Albanian products. Aims is to facilitate the Way Of Doing Business.- Agro trade enable agribusinesses to use the power of digital technology to find new foreign markets. We are convinced that e commerce is the most successful way to reduce barriers and facilitate international trade. (<https://agrotrade.market>)

During the ongoing COVID-19 pandemic, e-commerce has also emerged as an important pillar in the fight against the virus. First, e-commerce reduces the risk of new infections by limiting the need for in-person transactions. Second, it preserves jobs despite social distancing requirements, allowing businesses to sell to their customers without meeting physically. Third, e-commerce increases the acceptance of prolonged physical distancing measures among the population. The continued availability of online shopping and online services, including video chats, movie streaming, and online classes, likely made the spring 2020 lockdown measures more bearable for Albanians.

5. CONCLUSIONS

Aspects in which Albanian businesses can profit from e-commerce application

Even if in year 2008 Albania adopt the law for electronic commerce; this is not sufficient for Albanian businesses to apply e-commerce with other European countries. EU directive for ecommerce and taxation of this business form is not valid for the countries outside EU. In this States that are part of EU manner these countries for conducting online sales in EU states need to choose an EU state and to be registered in this state to pay the taxes collected from sales realized through internet.

During these two years, the data from Business Registration Centre (QKR) indicates that the number of foreign companies that creates businesses in Albania is increased. In this manner, the foreigners in Albania can profit not only from Albanian market but also from European market through e-commerce realization. Studies done by researchers in countries that do apply ecommerce, indicates that businesses that realize online sales realize profits from these method of conducting trade. Not only the raise of incomes but also profits external aspects as creates to businesses the possibility to decrease the big expenses for inventory Reduce the investment in intangible assets and businesses will not have in their financial statements non-cash sales because in ecommerce sales are only cash.

Some Recommendations how to be successful in the E - Commerce market

Products – The list of products needs to be diversified and focused in households’ needs. According to the questionnaire; households’ requirements are oriented towards item related to fashion, electronics, various types of accessories, which represents the most purchased items via e-commerce.

Prices – The average prices of products will make any online platform competitive and visited. Prices should be below the average in relation with the living standards of Albanians, affordable and reasonable for everyone.

Delivery – The faster the delivery is done the more competitive the online store will be. Also, following the Chinese example, for transactions over a certain amount, it should be free. Since according to the questionnaire, the majority of people do not use this way of shopping because they do not trust the quality of the product, in the delivery procedure the company should also guarantee the return of the item without any penalty.

Payment method – Since the majority of Albanians have doubts about financial transactions in the country, if a certain company wants to enter in the market of electronic commerce it should also offer, a part of the credit and debit card method, also the cash payment as an alternative method when the delivery is done. This will make the customer feel safe and expand the number of users.

Some other recommendations identified to help Albania better leverage the opportunities associated with digital trade.

- Logistics and customs: postal services and other logistics companies need to develop tailored solutions to support e-commerce companies. In turn, e-commerce companies need to invest in their warehousing strategies, storing inventory close to the eventual customers
- Digital connectivity: public and private sector solutions are needed to expand access to high-speed broadband connectivity, which requires mobilizing financing for infrastructure investments as well as
- Online payments: On the one hand, broadening access to electronic means of payments among customers

is key. On the other hand, businesses need to invest in developing their capabilities to accept online payments.

- Private sector capabilities and skills: online markets need a well-developed e-commerce private sector capabilities pyramid. Albanian e-entrepreneurs need to be supported, both through financing and training solutions, but also by developing an overall supportive business environment - for instance, creating a transparent and business-friendly tax and customs framework for e-commerce. Finally, Albanian customers need to be educated – making them confident online shoppers that know their rights and responsibilities, while avoiding scams. Developing gradual familiarity with online shopping - learning by doing – will be key.
- E-commerce regulatory framework: online transactions need to be underpinned by a strong regulatory framework. The law needs to provide protection for all parties involved, building trust in the digital economy.

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ENTREPRENEURSHIP IN THE COVID ERA ¹**ABSTRACT**

The author attempts to summarize the origin of the current pandemic highlighting the evoking reason in the light of the international conference of the Medical and Ethical Emergency Deliberation held in Amsterdam. The COVID-19 is not a pandemic but a planned world-scale operation. The Corona measures result in destructive economical, physical and psychological effects on society, which are strongly disproportional to the goal of controlling the proclaimed pandemic.

Sustainable Development is impossible. The current financial system based on interest is set to a forced growth. However, our Earth, how is a finite system where no subsystem can work infinitely. The mankind instead of living in harmony with the wonderful order of the nature, the 20th and 21st centuries show significant impact on the Earth's geology and **ecosystems**, including, but not limited to, **anthropogenic climate change**. The man with his civilization activity disturbs and overturns the equilibrium of the created world, the ecosystem.

The COVID/19 pandemic is a human tragedy effecting the life of billion people. It has negative impact of the global economy, agriculture, industries and micro, small and medium/sized enterprises (MSMEs). Consequently, the economic activity is slowing down without specific ending date.

According to the International Council for Small Business (ICSB), former and informal micro, small and medium sized enterprises (MSMEs) represent more than 90% of all firms, account, on average 70% of global employment and 50% of GDP. Unfortunately, small businesses are being hit hardest by the pandemic. Solutions are needed to give them the support they need to survive and continue to contribute to the global economy. In order to raise public awareness, the United Nations General Assembly declared June 27 MSME Day.

The author presents the findings and suggestions of the International Labour Organization SCORE - Sustaining Competitive and Responsible Enterprises – Global Covid-19 Enterprise Survey. MSME Day 2020 should focus on the needs of SMEs in order to support them to survive and contribute to global economy.

Keywords: ILO Score Program, Pandemic Testing Board, Action Plan of the Rockefeller Foundation Plan, Pandemia vs. Plandemia, Action Plan 2030, Factors for surviving the Covid pandemic,

JEL Classification: I12, I18, J24, L26, L53, P46

FOREWORD

The COVID-19 is an unprecedented global crises, affecting human health and economic welfare across the globe. It is first of all a health crises, but resulted in a global economic slowdown. The WTO estimates that the world merchandise trade could fall between 13-32 %, while the estimated global losses in GDP will be 5%, will in 2020 .

ILO Sustaining Competitive and Responsible Enterprises - SCORE Programme Survey indicates that formal and informal micro, small and medium sized enterprises (MSMEs) represent more than 90% of all

¹ © Szabo, A. (2020): Entrepreneurship in the Covid Era. In Kelemen-Erdos, A., Feher-Polgar, P., & Popovics A. (eds.): Proceedings of FIKUSZ 2020, Obuda University, Keleti Faculty of Business and Management, pp 24-35 <http://kgk.uni-obuda.hu/fikusz>

firms, account, on average 70% of global employment and 50% of GDP. Unfortunately, small businesses are being hit hardest by the pandemic. Solutions are needed to give them the support they need to survive and continue to contribute to the global economy. In order to raise public awareness, the United Nations General Assembly declared June 27 as MSME Day. [1]

According to ILO SCORE Survey SME responses to the survey are diverse, yet all small businesses are united in asking for support to ensure their sustainability through the pandemic. Their priorities are clear:

- 57% of companies would like advice on infection prevention; and
- 50% would like advice on business continuity.

The European Investment Bank summarizes the negative impact of the Coronavirus on the MSMEs and highlights the most important features as following:

First MSMEs are more labour-intensive than other companies and therefore more exposed to disruption, especially when workforces are in quarantine.

Second MSMEs have thinner liquidity reserves. They have limited financial alternatives. They lack assets that can be disposed of, or that can be used as collateral for new credit lines. All these factors make them more vulnerable and exposed to the so-called liquidity squeeze.

The SME United reported that 30% of total SMEs report that their turnover is suffering at least an 80% loss, with an EU average which is about 50% loss. In Belgium the decline in turnover for 72% of SMEs, Germany reports a decline of 50%, France and Spain a decline of 80% and 70% in sectors confined. [2]

The most vulnerable sectors hit by the COVID-19 are the following:

1. Tourism is one of the world's major economic sectors. It is the **third-largest export category** (after fuels and chemicals) and in 2019 accounted for **7% of global trade**. For some countries it represents nearly 20% of the GDP. In some Small Island Developing States it represents even 80% of the GDP. According to the World Tourism Organization 100 to 120 million jobs are in risk.
2. The **tourism industry** is one of the Siamese twins. In Q2 2020, 80-100% declines were reported across airlines, as many tourists group cancelled their hotel accommodations, did not visited museum, restaurants and catering facilities due to curfew.
3. The **leisure, hospitality, sports and recreation, personal services** and large parts of the **retailing sector** are among the sectors most affected by partial or full lockdowns.
4. The **manufacturing sector** suffers slowdowns or (partial) shutdowns during national lockdown periods with repercussions across borders.
5. A significant hit was in **service and manufacturing**. Alone in the US the national unemployment rate increased from 3.5% to 14.7%—the largest spike in the post-World War II era. [3] Out of the manufacturing sector the **automotive, apparel and footwear, and computer and electronics sectors** are among the sectors most exposed to indirect effects from lockdowns abroad because of negative repercussions along international value chains as the International Trade Center evaluated.

MEDITATION ON COVID – ORIGINE and ITS GOAL

MEDITATION ON COVID-19 AND THE WORLD POWER:

instead of *PANDEMIA*

the reality is:

PLANDEMIA

Numerous independent experts, medical and juridical professionals, policy makers and senior managers gathered on 11 September 2020 in Driebergen-Rijsenburg (Province of Utrecht), the Netherlands and discussed the narrative needs to discuss and investigate the Covid-19. The voices of these experts are ignored and even censored by the multimedia Governments. The Motto of this gathering was that “We the people have to take back the power and protect our children and all of humanity against genetic experiments”. An International convention was elaborate and accepted called **MEDICAL and ETHICAL EMERGENCY DELIBERATION**. [4] The Medical and Ethical Emergency Deliberation has layed the foundation for an international alliance between European doctors and lawyers. Experts law and medical science shared their views on surviving and striving for the restoration and recovery of science and moral values while facing misinformation and censorship.

From Hungary **Dr. János DRÁBIK**, Msc Law and Political Science, President of the Strategic Committee of the WORLD FEDERATION OF HUNGARIAN delivered remarkable presentation on **The supranational power's plan for the militarized control of the population**. In his presentation he pointed out that „The goal is to **create a worldwide chaos** so that after the global clean-up **the global elite can consolidate its rule over the threatened people**. The supranational power wants to stabilize a unipolar global order through a universal force-culture where the strong can do anything against the weak with impunity. Therefore, **nations holding on to their national culture and identity have to stand up** and refuse to put on this universal intellectual straitjacket.” [5]

Dr. Drábik drew attention of the participants to the **National Covid Testing Plan – Pragmatic Steps to reopen our workplaces and our communities** by the Rockefeller Foundation announced on 21 April 2020 In this document the Rockefeller Foundation defines the **strategy for the steps that need to be taken to open workplaces and restart community life**. However, contrary to what the plan’s name suggests, the authors outlined a hierarchical, highly militarized social model. [6]

- At the top of the hierarchy is the **Pandemic Testing Board**, PTB. the leading role would not be assigned to the constitutionally accountable representatives of the Government but to the confidants of the financial and economic sector. This high-level board would have authorizes acts by the president of the United States during war time.
- **The Action Plan** finds it important to establish an organization called the **Pandemic Control Council**, which would be entitled to create a Pandemic Response Corps, a special power-enforcement entity.
- **The Action Plan of The Rockefeller Foundation** was primarily made for the United States, but evidently it would be applied to other countries too.

Covid-19 IS NOT A SPONTANEOUS PHENOMENON! It is an attempt of the supranational power to introduce global Governance. It is a planned world-scale operation.

Mike Pompeo, Secretary of State of the United States put his foot in the pandemic matter when he said that COVID-19 is actually an operation carried out live. **It is the real-time testing of a carefully prepared strategy**. The leaders of the **PENTAGON** and the **NATO** took part in the preparation of the crisis together with the intelligence community. It is not only about weakening China, Russia and Iran, but it is about **destabilizing the economic situation** of the states quarrelling each another of the European Union, which is not willing to defeat Europe from the growing number of refugees.

The current world-wide pandemic has three phases:

1. The first phase of the pandemic was **a trade war against China**. This a certain extent it also halted the export-oriented industry sector.
2. In the second phase the danger of a **world economic collapse** was exceeded by fear and the manipulations of the financial market. The pandemic reached its peak in February 2020, which lead to partial collapse of the financial and stocks market.
3. The third phase saw the **introduction of restrictions**, the imposition of curfews and the paralysis of the global economy. This phase started in March 2020. **The aim of this phase was to halt the world economy and transform it in a predetermined way through mass restrictions.**

Unfortunately, the devilish scenario is highly seasoned with the issue of the migration. The leaders of the European Union commit suicide allowing accommodation of million illiterate and unskilled refugees without travel document and medical certification. The British *Douglas Murray* pointed out this situation in his book “The strange death of Europe”. [7] Brussels illicit punish those EU Members, who refused admission of the unwanted warriors. Brussels and the world liberal Power intend to create a mixed race without national identity, patriotism, religious identity, which can be easily manipulated. The majority of East-European countries had no earlier colonies, they preserved national identity and they do not need migrants. Unfortunately, majority of the top EU-leaders are leaving in single parent family. The loss of population can be compensated by healthy family planning, such policy, what e.g. Hungary does.

The world-scale pandemic we could call as the III. World War. While during the II. World War between 1939 and 1945 75 people lost their life. According to the Johns Hopkins University (JHU) Hospital Coronavirus Resource Center out of 191 countries 64 million people infected, the global death is 1 469 835 as of 1 December 2020. (See at <https://coronavirus.jhu.edu/map.html>). Unfortunately, so far we do not see the end of the pandemic tunnel, the number of cases are growing day by day.

Our meditation about the future we have to finish with the **AGENDA 2021**, which is a supplementary to **AGENDA 2030**, will officially be declared in Annual Meeting 2021 in Lucerne-Bürgenstock, (Switzerland) from 18 to 21 May. The **Agenda 2021** is not identical with the **Agenda 21** non-binding [action plan](#) of the [United Nations](#) with regard to [sustainable development](#) [8]. This time **World Economic Forum** will publish its manifesto, **THE GREAT RESET**. This event will be taken place in Lucerne-Bürgenstock instead of the well-known Davos. **Klaus Schwab**, founder and executive Chairman of the World Economic Forum, and **Thierry Malleret**, founder of the Monthly Barometer, explore what the root causes of these crisis were, and why they lead to a need for a Great Reset. [9] The World Economic Forum is aiming to be back in Davos for its Annual Meeting in 2022.

SUSTAINABLE DEVELOPMENT

Looking at the future we should raise the question whether the sustainable development if possible or not? My simple reply is that it is impossible.

No clear definition of sustainable development exists to guide politicians in solving challenges at the global or regional levels. However, unquestionably, sustainable development still is an important concept, which was clearly illustrated at the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro in June 2012. One of the conference's main outcomes was the agreement by member states to set up sustainable development goals, which could be useful tools in achieving sustainable development.

The term “sustainability” has its origin in ecological science. It was developed to express the conditions that must be present for the ecosystem to sustain itself over the long term. The International Institute for Sustainable Development defines that *Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*

The current world financial system based on interest is set to a forced growth. However, our Earth is a finite, limited system. The Ecological Footprint is the only metric that measures how much nature we have and how much nature we use. At time being the mankind uses 1.7 times more resources as compared with the regeneration capability of the Earth. This year the Earth overshoot day delayed three weeks accounting 22 August – due to effect of the pandemic.

According to the Stockholm International Peace Research Institute the biggest source of the environmental pollution is the military industry. In 2019 the total military expenses reached 1.91 billion USD! Experts are estimated that only 1 % of this amount could solve all the drinking water problems in Africa and Asia!

The United Nations Member States in 2015 adopted 17 Sustainable Development Goals – SDGs or Global Goals – which has 169 targets that countries attempting to reach by 2030. [10] At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The sustainable development is not possible because of the lack of mutual understanding of mankind. We are eyewitnesses of extraordinary catastrophes, hurricanes, cunamis, however the mankind behaves like a bad boy, ignore the warning signs. **The mankind shouldn't wait until it is too late.**

UN Secretary General *Antonio Guterres* issued a searing indictment of humanity's "war" on the environment on 2 December 2020 at the Columbia University in New York, in a speech on the State of the Planet, in which he urged everyone to prioritize "making peace with nature." "We are facing a [devastating pandemic](#), new heights of global heating, new lows of ecological degradation and new setbacks in our work towards global goals for more equitable, inclusive and sustainable development," Guterres said in the address. "To put it simply, the state of the planet is broken." "Humanity is waging war on nature. This is suicidal. Nature always strikes back – and it is already doing so with growing force and fury". Two new reports – from the [from the World Meteorological Organization](#) and the other from the United Nations Environment Programme - "spell out how close we are to climate catastrophe," [11], [12] However, the UN Secretary General sees hope. There is momentum toward carbon neutrality. Many cities are becoming greener. The circular economy is reducing waste. Environmental laws have growing reach.

MEASURES AND SCHEMES HELPING TO ASSIST MSMEs TO SURVIVE AND OVERCOME THE COVID-19 PANDEMIC

At time being there is no recipe how to survive the pandemic, how to preserve the market and keep the solvency. Each countries, Governments and business communities are searching to possibilities to survive. Those SMEs, which are rigid in business philosophy are dying. However, businesses, which offer some additional plus activities, getting to be flourished. Restaurants, which offer delivery of dishes and perhaps combine the delivery with individual taxi services, survives this difficult time.

SIX FACTORS OFFERED BY THE ICSB

Ahmed Osman, President of ICSB, offers **six critical factors for every MSME** and start-up to keep in mind as they move into the realm of post-COVID-19. His particular position within our current situation as an entrepreneur, centered in the realm of micro, small, and medium-sized enterprises (MSMEs), coupled with his leadership position as the head of a renowned international organization, [13]

First: MSMEs must be assess their current financial situation. they have to understand the deficits, future inflow of funds, potential expenses & liabilities of their current enterprise. from this, it is advisable to create a six-month action plan. As reality guide for financial health check companies can then decide whether they need to make potential pay cuts, pull back on investment and stop new recruitments.

Second: Businesses must re-valuate their business plans based on their financial assessment, the risk and the revival strategy. Within the uncertain times, the pre-COVID-19 business plan can not guide the business in the way the entrepreneurs need them. redefining business goals, and planning a more realistic growth plan, we can then integrate all involved stakeholders, including employees and external investors.

Third: The third method involve creation of a strong digital ecosystem. By becoming empowered digitally, business must transform the preconception that digital platform is luxury. the business's digital engagement will not only help „positive brand recall”, but also assist in generating businesses, especially in retail. an active social media presence can work as a magnet for consumer and stakeholder engagement. As impressive digital ecosystem supports also remote working, while upholding data protection, productivity and well-being of employment.

Fourth: The next way is adopting the Fourth Revolution for Business. By leveraging modern innovation and technologies, MSMEs can find simple ways in which they can incorporate these strategies for higher income of investment.

With a well-planned strategy, a technology-enabled, highly productive, next generation business can be created by mapping out a two-three years business plan, by implementing this urgently, a short term growth goals should be accomplished.

Fifth: It is essential to note, that businesses now can rely on less physical space and assets. remote working are real, effective and productive mode of operation. Physical meetings can be held much often which can reduce the office space, meeting room size, reduction of the overhead costs associated with security, utilities and insurance.

Sixth: MSMEs must put in place a crises management strategy, which will work to consider both immediate and long-term impact. Therefore, by creating a financial back-up plan, as emergency fund, in addition to a robust digitally enable ecosystem, we can ensure a maximization in productivity, even in the wake of a crisis. We need robust revival plans to support MSMEs during and following moment of uncertainty.

SUGGESTIONS OF THE ILO

The pandemic crises has had different impact of MSMEs, on employees, their families, Special attention should be given to the following groups:

- Employees working in the health care and social security sectors, often on the front line of the battle again this pandemic;
- Older workers and employees, who even in normal times face difficulties in finding decent work opportunities and now have to face with an additional health risk;
- Artists and performers who have no appearance due to cancel of public events;
- Unskilled workers in the grey economy, like carriers, transport workers, street cleaners;
- Young temporary workers, whose employment is subject of fluctuation of demand;
- Micro-entrepreneurs and the self-employed – particularly those operating in the informal economy, who may be disproportionately affected and are less resilient.

The ILO has structured its key policy messages for response to the crisis around four pillars. Like any solid foundation, each pillar complements the others in sharing the weight of the enormous load faced by countries. [14]

The *first pillar* is **Stimulating Economy and Employment**. This pillar includes:

- Active fiscal policy

- Accommodative monetary policy
- Lending and financial support to specific sectors, including the health sector

The *second pillar* highlights **Supporting Enterprises, Jobs and Income**. This pillar includes:

- Provide various types of relief, including financial and tax relief, for enterprises
- Implement employment retention measures
- Extend social protection to everyone

The *third pillar* orients on **Protecting Workers in Workplace**. This pillar includes:

- Strengthen occupational safety and health measures
- Adapt work arrangements (e.g. teleworking)
- Prevent discrimination and exclusion
- Provide access to health for all
- Expand access to paid leave

The *fourth pillar* points out that we should **Rely on Social Dialogue for Solution**. This pillar includes:

- Strengthen the capacity and resilience of employers' and workers' organizations
- Strengthen the capacity of governments
- Strengthen social dialogue, collective bargaining and labour relations institutions and processes

CONCLUSION

With the help of the planned pandemic the supranational financial power could paralyse global and multinational companies including the biggest aviation companies, hotel chains, high tech labs, global trade networks and import-export companies, and then thousand SMEs. These are now all on the verge of bankruptcy. At the peak of the pandemic the world is witness, that not only the economic life that got paralysed but the whole structure of social life, cultural institutions and educational state and private institutions, too.

The coronavirus pandemic continues to spread across the world following a route that is difficult to predict. Countries are adopting different measure trying to isolate the player in the world economy, health, humanitarian and socio-economic affairs. The policies adopted by countries will determine the speed and strength of the recovery. Unfortunately, so far we do not have reliable vaccine to fight of the pandemic. In July 2020 the U.S. Department of Health and Human Services and the Department of Defense (DoD) announced an agreement with U.S.-based Pfizer Inc. for large-scale production and nationwide delivery of 100 million doses of a COVID-19 vaccine. However, we have yet no enough practice and evidence on the long-term effect and impact of this vaccine. The other big pharmaceutical companies and factories, laboratories and agencies competing with each other, the mankind even in this dangerous situation is not holding together against this disease.

The countries are dancing on the razor edge. The primary aim of every Government is to minimize the loss of life but keep going the economy. There is a need that every citizen should be disciplined.

Unfortunately, the European Union has no clear policy in this issue. Instead of boosting the recovery and rebuild the post-COVID Europe, the long-term budget intent to deal with political condition call democracy. According to Brussels technocrats only those countries will allow to utilize this budget, who accept settle migrants destroying the country ethnic unity. The EU so far has no definition concerning democracy in the EU constitution, so it is a devilish plan.

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In this paper I explain hybrid warfare and its methods, focusing on disinformation as one of the most effective and actual way of weakening and destabilising one entity's adversary, mostly other states and belligerents. I give a quick overview of how this mean of warfare has been currently used by states, focusing on Russia, China, and Iran. I come up with the concept that this tool of warfare is significantly effective and its targets are particularly vulnerable these times, often labeled as the post-truth era.

Keywords: hybrid warfare, information warfare, disinformation, Gerasimov-doctrine, post-truth, fake news

JEL Classification: H56, F52, E66, P47, C12

1 Hybrid warfare

1.1. How the concept has evolved

Hybrid warfare is an emerging, but ill-defined notion in security studies. It refers to the use of unconventional methods as part of a multi-domain warfighting approach. These methods aim to disrupt and disable an opponent's actions without engaging in open hostilities, and by keeping the level of conflict under the threshold of war.

While the concept is fairly new, its effects and outcomes are often in the headlines today. Russia's approach to Ukraine is an example of this form of warfare. It has involved a combination of activities, including disinformation, economic manipulation, use of proxies and insurgencies, diplomatic pressure and military actions.

The term hybrid warfare originally referred to irregular non-state actors with advanced military capabilities. (For example, in the 2006 Israel-Lebanon War, Hezbollah employed a host of different tactics against Israel. They included guerilla warfare, innovative use of technology and effective information campaigning.)

First notion of the term was in the early 2000's, when William Nemeth observed the tactics of operations carried out by local warriors in the Chechnyan wars. He recognized that the archaic social order of Chechnya resulted in a way of waging war in which the modern military discipline and tactics (based on the Soviet training and education) assimilated with the forms of armed violence from the era before early statehood. Modern weaponry and technology was used by the Chechnyan rebels, blended with warfare without any legal or moral restrictions.³

In 2007, American defence researcher Frank Hoffman⁴ expanded on the terms "hybrid threat" and "hybrid warfare" to describe employing multiple, diverse tactics simultaneously against an opponent.

² . In Kelemen-Erdos, A., Feher-Polgar, P., & Popovics A. (eds.): Proceedings of FIKUSZ 2020, Obuda University, Keleti Faculty of Business and Management, pp 208-217 <http://kgk.uni-obuda.hu/fikusz>

³ Wiliam J. Nemeth: Future war and Chechnya: a case of hybrid warfare. Thesis,

⁴ Frank G. Hoffman: Hybrid warfare and Challenges. Joint Force Quarterly, Issue 52, 1st quarte 2009.

Hybrid warfare carried out by Russia or any other actors are different from that of Chechnyans, however, the mix of legal and illegal acts of violence plays a key role in all of them, in terms of both theory and practice.⁵

The meaning of the term was later expanded by John J. McCuen, who observed, based on the experience of the theaters of war in Vietnam, Iraq and Afghanistan, that the USA's strategic aim should be the victory in not only in the physical, but also in the mental dimension. To reach this aim to convince the local population in the war theater and also maintaining the moral support of the homeland's citizens are necessary.⁶

Istvan Resperger noted that hybrid warfare was a flexible use of conventional, linear methods along with unconventional and non-linear ones. The aim of this mixed usage is to destabilize the adversary's state, make its armed forces non-operational, along with keeping the level of violence under the threshold of war.⁷

A. Jacobs and G. Lasconjarias think that there is a wide range of various tools available apart from conventional military power to reach the strategic aim; these are economic pressure, humane and religious means, intelligence services, sabotage and disinformation. Combination of these forms up a highly effective, yet almost invisible ability to destabilize the opponent – and this powerful set of non-conventional weaponry does its damage operating mostly in the non-physical sphere.⁸ This paper focuses on the disinformational aspects of hybrid warfare, its methods and effects.

1.2. The Gerasimov doctrine

In February 2013, General Valery Gerasimov—Russia's chief of the General Staff, comparable to the U.S. chairman of the Joint Chiefs of Staff—published a 2,000-word article, “The Value of Science Is in the Foresight,” in the weekly Russian trade paper *Military-Industrial Kurier*. Gerasimov took tactics developed by the Soviets, blended them with strategic military thinking about total war, and laid out a new theory of modern warfare—one that looks more like hacking an enemy's society than attacking it head-on. He wrote: “The very ‘rules of war’ have changed. The role of nonmilitary means of achieving political and strategic goals has grown, and, in many cases, they have exceeded the power of force of weapons in their effectiveness. ... All this is supplemented by military means of a concealed character.”

The article is considered by many to be the most useful articulation of Russia's modern strategy, a vision of total warfare that places politics and war within the same spectrum of activities—philosophically, but also logistically. The approach is guerrilla, and waged on all fronts with a range of actors and tools—for example, hackers, media, businessmen, leaks and, yes, fake news, as well as conventional and asymmetric military means. Thanks to the internet and social media, the kinds of operations Soviet psy-ops teams once could only fantasize about—upending the domestic affairs of nations with information alone—are now plausible. The Gerasimov Doctrine builds a framework for these new tools, and declares that non-military tactics are not auxiliary to the use of force but the preferred way to win. That they are, in fact, the actual war. Chaos is the strategy the Kremlin pursues: Gerasimov specifies that the objective is to achieve an environment of permanent unrest and conflict within an enemy state.⁹

⁵ Jójárt, Krisztián: A hibrid hadviselés és a jövő háborúja, Haderőszervezés, -fejlesztés, Budapest, 2020/1., 5-19. p.

⁶ McCuen, John J.: Hybrid Wars. *Military Review*, Vol. 88., No. 2., 2008.

⁷ Resperger, István: A válságkezelés és hibrid hadviselés. Dialóg Campus Kiadó, Budapest, 2018, 21

⁸ Jacobs A., Lasconjarias G. (2015), NATO's Hybrid Flanks Handling Unconventional Warfare in the South and East, Research Paper, NDC Rome, No. 112, April

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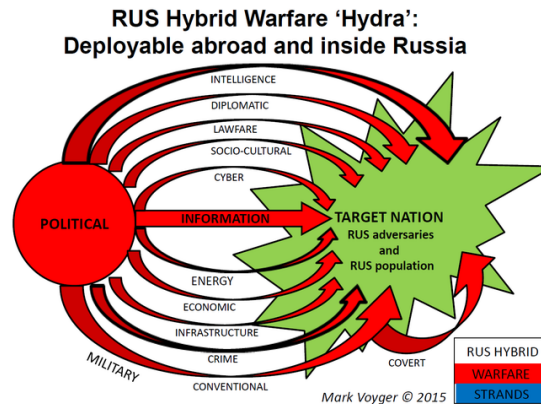


Figure 1
Various tools of hybrid warfare (Russia)

2 Disinformation and propaganda as a tool in interstate conflicts

2.2. Terminology

Much attention has been given recently to the Russian informational warfare activity since the beginning of the Ukrainian conflict, and especially since there were allegations that Russia interfered into the 2016 US elections. Since there is an increased media attention regarding the subject matter, I find it useful to give some thought to the terminology itself, and make an attempt to underline the differences between the terms information warfare and disinformation.

Information warfare: information warfare was originally an American military term. It got into wide use in the early 90's at the time of the Gulf war – it meant the struggle for the possession of information, informational systems and the use of info as a weapon. Now it is used to refer to the activity that includes battleground informational activity, cyber-warfare, propaganda, ideological warfare, also influencing through mass media and “big data” info collecting.

Disinformation: on the contrary, disinformation is a term originating in Soviet military language. Vasiliy Mitrohin, a dissident and a former KGB librarian explained that it meant deception through false information, and active intelligence measures too. General Mihail Pacepa, a dissident from Ceausescu's Romania noted that even the name is misleading: Stalin intentionally gave the activity a French-sounding name, thereby suggesting that it was a Western invention.¹⁰

2.3. Psychological factors

The success of psychological warfare lies in the way the recipient consumes and processes information. Christina Nemr and William Gangware made an excellent study what psychological characteristics, cognitive processes work in the background of disinformations significant effectivity:

- selective exposure leads the individual to prefer information that confirms their already existing perception;
- confirmation bias makes information consistent with the preexistent beliefs of one individual more credible;

¹⁰ “Dezinformáció, információs hadviselés, online propaganda: orosz műfaj?”https://politicalcapital.hu/russian_sharp_power_in_cee/publications.php?article_read=1&article_id=2423

- motivated reasoning works in the inverse way and initiates higher scrutiny to the information that is nonconsistent and with the individuals beliefs;
- naïve realism leads the recipients to believe that that their perception of the reality is the only accurate one, and those who disagree are irrational and disinformed.¹¹

2.4. Impact points of disinformation

False information can mostly recognized related those subjects, that are dividing, polarising, contradictory ones within the public opinion of a population. That means that the fake news industry very often disseminates information that flows along the dividing lines of societal cleavages. These typical dividing subjects are the following:

- national identities vs. cosmopolitan identities;
- EU sceptics vs. EU optimists;
- nostalgia towards communism vs. advocates of economic liberalism (especially in former Eastern bloc countries);
- non-educated segments of society vs. well educated elites;
- urban vs. rural population;
- anti-racist vs. strong right wing population;
- anti-migration vs. open society supporters.¹²

What is the exact purpose? As we can see the fake news industry – especially Russian fake news industry – is aimed to reshape social and identitarian groups, to strengthen polarisation and to raise the level of dividedness within a society, by emphasizing the already existing societal cleavages. Also, it can be a powerful tool to plant mistrust between friends and allies, thereby making common efforts and effective cooperation more difficult.

This activity typically leads to a goal: to delegitimize military, political and economical alliances (mostly the EU and NATO and the pro-Western elites), also, to undermine public trust in the institutions of a state: political, judicial system, law enforcement and healthcare.

This goal is even easier to reach in a society, where objective facts are less important and have lesser influence than emotions and beliefs.

2.5. Post-truth

What exactly is meant by the term post-truth? Paradoxically, post-truth is among the most-talked-about yet least-well-defined meme words of our time. Most observers in the English-speaking world cite the 2016 Word of the Year Oxford English Dictionaries entry: post-truth is the public burial of “objective facts” by an avalanche of media “appeals to emotion and personal belief”.

We can say that “post-truth” is not simply the opposite of truth, however that is defined; it is more complicated. It is better described as an omnibus term, a word for communication comprising a mixture or assemblage of different but interconnected phenomena.¹³ One major characteristic of the era is that “alternative facts”, emotions and beliefs play a bigger role in public discussions than actual facts. Actors in this kind environment try to compel the recipients to believe them, regardless of real evidence. Fake news, forged

¹¹ Christina Nemr and William Gangware: Weapons of Mass Distraction: foreign State – Sponsored Disinformation in the Digital Age, Park Advisors, London, March 2019

¹² The post-truth age, the fake news industry, the Russian Federation and the Central European area, December 2019 *Trendy V Podnikání* 9(3):46-53, DOI: 10.24132/jtb.2019.9.3.46_53

¹³ <https://theconversation.com/post-truth-politics-and-why-the-antidote-isnt-simply-fact-checking-and-truth-87364>

information from counterfeit sources, hoaxes dominate the cyberspace, and – due to the social media platforms – they reach their audiences in ever-growing quantity and can be spread by users very quickly. Among circumstances like these information warfare can be extremely effective.

3 Examples of disinformational acts

3.1. Russia

The level of public awareness of informational attacks has been raised when it came to light that there was an intentional and planned influence campaign, ordered by Vladimir Putin to undermine public trust in the US electoral process.

Russian efforts to influence the 2016 US presidential election represented the most recent expression of Moscow's longstanding desire to undermine the US-led liberal democratic order, but these activities demonstrated a significant escalation in directness, level of activity, and scope of effort compared to previous operations.

US Office of the Director of National Intelligence concluded in a report that Putin and the Russian Government developed a clear preference for President-elect Trump, helped the President-elect's election chances by discrediting his opponent Secretary Clinton, and publicly contrasting her unfavorably to him. Moscow's approach evolved over the course of the campaign based on Russia's understanding of the electoral prospects of the two main candidates.

When it appeared to Moscow that Secretary Clinton was likely to win the election, the Russian influence campaign began to focus more on undermining her future presidency. Moscow's influence campaign followed a Russian messaging strategy that blends covert intelligence operations—such as cyber activity—with overt efforts by Russian Government agencies, state-funded media, third-party intermediaries, and paid social media users or “trolls.” Russia has a history of conducting covert influence campaigns focused on US presidential elections that have used intelligence officers and agents and press placements to disparage candidates perceived as hostile to the Kremlin.

Russia's intelligence services conducted cyber operations against targets associated with the 2016 US presidential election, including targets associated with both major US political parties. The Office assessed with high confidence that Russian military intelligence (General Staff Main Intelligence Directorate or GRU) used the Guccifer 2.0 persona and DCLeaks.com.¹⁴

One example of earlier of Russian influence campaigns – in accordance with the Office's hint to earlier disinformational acts - can be the late 1980's media campaign related to the AIDS disease. During this campaign the Soviet Union tried to convince the world's public that the AIDS virus was created by the United States as a biological weapon. Aim of this campaign was to strengthen anti-American feelings in the third world countries that were heavily affected by the virus – so it made global cooperation more difficult. Also, it was an effective way to avert attention from the fact that the Soviet Union was itself developing biological weapons. The fake news first appeared in an Indian newspaper that was supported by the Soviets, and later on during the 80's it was published many times by Russian newspapers and by Radio Moscow, broadcasted in African countries.¹⁵

We can have a perception how nowadays the social media outlets can provide an opportunity to carry out these kind of operations in an increased volume and in a more sophisticated manner.

¹⁴ US Office of the Director of National Intelligence, „Background to „Assessing Russian Activities and Intentions in Recent US Elections”, The Analytic Process and Cyber Incident Attribution”, 06 January, 2017, https://www.dni.gov/files/documents/ICA_2017_01.pdf

¹⁵ US Department of State: “Soviet Influence Activities: a Report of Active Measures and Propaganda” <https://www.globalsecurity.org/intell/library/reports/1987/soviet-influence-activities-1987.pdf>

3.2. China

As we have seen in Russia's interference in the 2016's electoral campaign, its activity is mostly carried out in the cyber domain. China, also uses propaganda in reshaping the US political conversations, but in a slightly different manner.

Example for this is a case that happened in September, 2018 in the state of Iowa. The newspaper China Daily sponsored a four-page advertisement in the Des Moines register, that looked like an actual newspaper spread (two opposite pages facing each other), with journalistic articles. The articles highlighted the advantages of free trade with China, the risks of the increasing tensions of the US-Chinese trade conflict, and also, President Xi's long-time ties to the state of Iowa. That happened in the middle of President Trump's agricultural debate with China, and the midterm campaign. From this it is clear that China makes sophisticated efforts to shape political public opinion in the US.¹⁶



Figure 2
Chinese propaganda advertisement disguised as journalistic article

So slightly differently from Russia's activities, China's international influence campaigns are largely characterized by economic, political and personal relationship-building. Chinese campaigns have been widespread, they range from the global distribution of pro-Chinese media, to attempts to influence educational and policy institutions abroad, to the wielding of financial influence through aggressive loans and infrastructure investment.¹⁷

3.3. Iran

Iran also prefers using the techniques of hybrid warfare and propaganda in confronting its adversaries. In 2018 two separate Iranian propaganda campaigns were cracked down by Facebook. The propaganda activity was carried out by hundreds of Facebook and Instagram accounts, pages and groups, some of them had been active for than 7 years. The propaganda campaign was similar to Russian and Chinese ones. They used fake accounts to coordinate and disseminate disinformation during the 2018 midterm elections, very similarly to the Kremlin's efforts in influencing the 2016 presidential campaign. The Iranian propaganda largely focused on promoting the interests of the Iranian government – the fake accounts disseminated fake information in a

¹⁶ <https://eu.desmoinesregister.com/story/money/agriculture/2018/09/24/china-daily-watch-advertisement-tries-sway-iowa-farm-support-trump-trade-war-tariffs/1412954002/>

¹⁷ Samantha Custer et al, „Ties that bind: Quantifying China's public diplomacy and its „good neighbor effect”, Willamsburg, William & Mary, 2018

largely anti-Israeli, pro-Palestinian tone, and also included condemnations of Iran's main adversary, Saudi Arabia.

There was an investigation carried out by Reuters whose findings were that Iran maintained more than 70 disinformational websites that reached more than a million followers and etc. 500.000 monthly visits in 15 countries, including the US and the UK.¹⁸

AWDnews, which was one of these sites, forged a fake piece of information that Israel threatened Pakistan with the use of nuclear weapons once Pakistan sends troops to Syria – to this, the Minister of Defense in Pakistan answered with a real nuclear threat. Fortunately the hoax was quickly compromised and revealed, but for a period of time it significantly raised the tensions in the region.

As I mentioned before, a typical subject of disinformation can often a topic that is significantly polarises public opinion within a society. A good example of this is an Iranian generated meme, coming from the Iranian site called “No racism no war”, picturing the well-known actor Tom Hanks with a photoshopped slogan, that is one of the Black Lives Matter movement.¹⁹



Figure 3
Iranian photoshopped picture for disinformational purposes

The fake photo was later revealed. On the picture the forged and the original is clearly visible. Iranian disinformational activity is not only political, but also military: Iran's Ministry of Intelligence and National Security systematically releases reports that exaggerates its military strength and technological level. Most possibly, Iran hopes that by boasting with a –fakely - highly effective military power, it can deter any possible enemy actions. Some analysts say however, that Iran's efforts is doing so are of low expertise, and are too suspicious to result in real deterrence.²⁰

4. CONCLUSIONS

The concept of hybrid warfare evolved significantly during the last few decades. It was noted by many thinkers, but the concept got the most emphasis from the events of the 2000's. The widely known and cited article of Valery Gerasimov articulated and predicted what would be the characteristics of future warfare: in the variety of tools and methods information warfare would play a major role. His predictions were justified in the light of the events in the Crimean conflict and the war in Donbass.

¹⁸ Christina Nemr and William Gangware: Weapons of Mass Distraction: foreign State – Sponsored Disinformation in the Digital Age, Park Advisors, London, March 2019

¹⁹ <https://www.politifact.com/factchecks/2020/jan/03/facebook-posts/no-tom-hanks-did-not-wear-t-shirt-progressive-slog/>

²⁰ <https://www.washingtoninstitute.org/fikraforum/view/irans-military-propaganda-failures-and-successes>

The era in which we are living in is unique from many aspects, one aspect of great significance is our relationship with information. The methods of hybrid warfare that had been formed by the experiences of the last few decades can and will be more and more effective in the future, especially because of the role of info- and cyberspace, and this is a challenge that the world's powers responsible for security will have to face.

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DESIGNING THE FUTURE - INNOVATION THROUGH STRATEGIC PARTNERSHIPS ²¹

ABSTRACT

How can clusters innovate through various types of strategic partnerships, and this sub-categorized in six different conference tracks, my proposal will address or touch on 5 of the six tracks presented.

The purpose of my paper is to debate the traditional definition of Clusters in order to develop this approach. With the priority on, "The influence of new technology on cluster development"

Tracks which could also be covered:

- **Transnational cluster collaboration**
- **Ecosystems for clusters and regional smart specialization strategies**
- **Entrepreneurship in clusters**
- **Clusters to support growth in areas outside big cities**

Keywords: strategic partnership, clusters, geographical concentration

JEL Classification: C39, F60, L26, O32, R38

In essence, designing the future through strategic partnerships means to improve on the conditions which are presently at hand. A key element of innovation is the dialogue among concerned stakeholders. The influence and more affordable ICT has allowed us to integrate and bring new tools forward which can be applied to cluster development be it training, cross-sectoral / cross-border collaboration or setting a centralized framework and eliminating the geographical barrier "distance". When we think of an ecosystem we associate it with an environment or a place that is inter-linked. Entrepreneurship is about creating and capturing extraordinary value by offering a service or a product that is new to the market. Within the last decade and influenced by the evolving Internet economy Porters ideas have been put increasingly into question. The economic conditions have now changed fundamentally since this.

The Virtual Cluster Initiative is a bottom-up approach and one example of this proposed idea that entrepreneurship to explore different tools and methods for giving support at the cluster level. In doing this the Virtual Cluster Initiative is providing an environment for all entities to interact.

The traditional Cluster approach by definition is Porter (1998:3) describes clusters as "**geographical concentrations** of interconnected companies and institutions in a particular field". The benefits generated in Porter's clusters stem from the external division of labour across firms. Clusters ought to be seen as a pool of inter-dependent and complementary competences associated with related manufacturing and service activities rather than simply as a "sector".

²¹ With the "International Cooperation: Innovation as a tool for social and economic changes." Conference addressing the critical question:

The traditional Cluster approach or configuration requires a new evaluation given the global economic circumstances. It is required that we are innovative in this aspect in order to prosper, evolve and develop new approaches and technologies.

An innovative milieu is characterised by **geographical proximity**, informal relationships between firms and collective learning processes (Camagni, 1995). In this innovative milieu the structure and the dynamics of inter-firm linkages are purpose fully aimed at generating innovation, more specifically systemic innovation. The VCI is offering a centralized framework where the geographical proximity is non-existent.

Finally, the Scandinavian School has developed a stream of research focused on networks (Håkansson, 1987; Bjorgand Isaksen, 1997), these being systems formed by hubs connected via linkages which **do not have to be necessarily co-located**. In fact, clusters comprise several networks, including: (a) A network of social linkages that leads to the development of social capital (Putnam 1993); (b) Networks of input-output linkages/exchanges; horizontal networks of joint activities, e.g. innovation, marketing; (c) Networks of policy support across firms and institutions. Such networks do not have by definition spatial borders, but can have a local, national or global dimension according to the location of the hubs and the linkages connecting them. A good example is the automotive network in the UK, which is at least part of the global auto industry.

Research has identified several potential sources of faster productivity growth for firms operating within clusters. These include:

- The existence of increasing efficiencies for firms that arise from co-location, for example from knowledge transfer
- this allows the companies to have access to a common pool of resources and to a dedicated network of suppliers and customers which minimises search costs.
- High rates of innovation and creativity, due to the existence of knowledge spillovers as well as shared sets of values and often unwritten norms that generate trust and a sense of embeddedness.

Due to globalization it is argued that, firms benefit from urbanisation economies, in terms of faster productivity growth, when they are located in highly diversified clusters. Finally, the third type of dynamic externality is associated with Porter (1990). As in the case of MAR externalities, it is argued that industrial concentration stimulates productivity growth and that **local competition fosters innovation and the dissemination of information**.

The Virtual Cluster Initiative is offering an infrastructure to assist in overcoming some drawbacks associated with Clusters.

- ❖ power asymmetries in supply chains with larger firms often dictating terms of collaboration
- ❖ key constraints infrastructure
- ❖ shift in global economic conditions
- ❖ governments allocating funds for emerging economies to assist SMEs and Clusters = motivation is lacking
- ❖ lack of discipline
- ❖ lack of motivation,
- ❖ expensive maintenance,
- ❖ high start-up costs

Support

The main objective is to support all entities to adapt and change their infrastructures to unlock the potential of clusters, entrepreneurship and for addressing competitiveness; societal challenges such, improving resource efficiency and environmental protection such as reducing CO2 emissions. The aim is in particular to better capitalise on all forms of creativity, new technologies and the transformative power of innovation to shape new globally competitive value chains that may help to foster the development of all participants in the global economy. By supporting the development of more fertile environments in which small and medium-sized

enterprises (SMEs) can combine creativity with the use of new technologies and more resource efficient solutions, new business opportunities may arise that result in smarter and more sustainable growth.

- In reference to the objectives listed, the Virtuelle Cluster Initiative has developed a tool, Framework and approach which will satisfy:
 - to support regions to adapt and change in their industrial structures
 - to unlock the potential of clusters and entrepreneurship for competitiveness and economic development
 - for addressing societal challenges such as reducing CO2 emissions, improving resource efficiency and environmental protection.

With the development of the VCI we have created an environment for small and medium-sized enterprises (SMEs) to collaborate, build business networks, combine creativity with the use of new technologies allowing them to be more resource efficient, open new business opportunities and insure sustainable growth, eliminating the geographical barrier and enhancing knowledge transfer.

By targeting a diverse consortium from different locations around the world we are promoting cross-sectoral collaboration and combining cultural aspects. With this approach sectoral boundaries are overcome and within the VCI non-existent. Our intent is with the implementation of such an innovative framework it will have an impact on the way the economy is organised and resources are allocated.

It is a systemic approach that strives for putting in place a favourable environment for developing and testing our new business model targeting those who need it the most – **SMEs**. The integration of this information and technology, social media, Infrastructure as a service (IaaS), Platform as a service (PaaS), Software as a service (SaaS), Network as a service (NaaS), Storage as a service (STaaS), Database as a service (DBaaS), Test environment as a service (TEaaS), Integrated development environment as a service (IDEaaS) is the application of an innovative initiative under real-life conditions into existing value chains or successfully shape new ones.

Background

The continuing global economic crisis and the industrial transformations has signalled the need to modernise regional industrial structures and build new industrial competences in order to respond to global competitive and societal challenges. The question that regional policy makers are faced with is how to best develop regional industrial and SME policies and smart specialisation strategies in order to build a more robust and resilient industrial base within their region.

- The VCI has seen the need to assist and provide support as a bottom-up initiative because this type of infrastructure is not being made available to SMEs at a price that can be afforded.
- With the need of cross-fertilisation within manufacturing, within service industries and, in particular, between traditional manufacturing industries and service industries becoming ever more important is another reason for the building of our consortium.

Innovation is most likely to happen at the borderlines between different industries, and this suggests that industrial policy should not be based on a strictly sectoral approach that looks at economic activities within narrowly defined borders but, instead, on a more thematic, cross-sectoral approach that looks at linkages within and across industrial value chains.

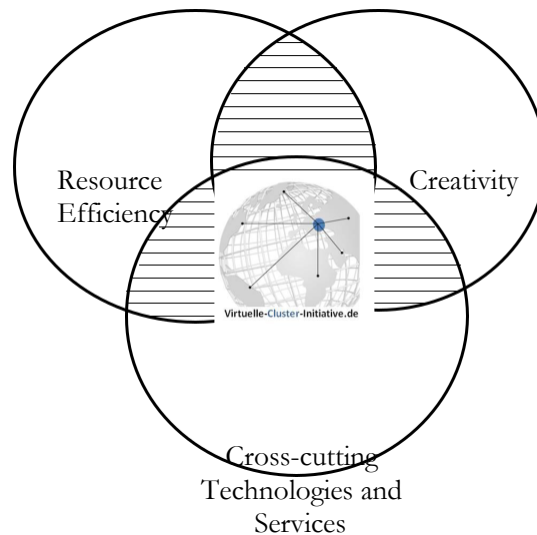
The European Union outlines proposals, creates policies and gives insight with "*A stronger European Industry for Growth and Economic Recovery*" of 10 October 2012, *Integrated Industrial Policy for the Globalisation Era*, and the [Europe 2020 Strategy](#).

Where the VCI has reflected and presented solutions to as well. Across Europe, we are witnessing the formation of new strategic partnerships between clusters across countries and sectors.

These transnational- and sectoral partnerships offer great potential for the cluster companies as they can promote access to new markets, new partners and new knowledge.

A SYSTEMIC APPROACH

The VCI has created a framework / tool allowing Clusters, Organisations and all types of entities to apply thus enhancing competitiveness and sustainability.



The **first "ingredient"** is a strong regional political commitment by regional public authorities to set up and implement an agenda for industrial structural change that mobilises all relevant regional actors. The **second "ingredient"** consists of creating a **favourable environment for clusters²² and entrepreneurship**. Clusters also play a key role in facilitating cross-sectoral networking and activities. However, this transformative potential is not yet sufficiently recognised by policy makers and the ‘toolbox’ for cluster organisations to nurture such changes is not sufficiently developed. The VCI intends to upgrade this toolbox with an innovative and new application of Information and communication Technology.

The **third "ingredient"** is **cross-sectoral spillovers** that foster the development of emerging industries, i.e. the process by which industries mutate through their entrepreneurial and technological convergence with other related industries. These linkages across sectors, industries and markets shall be driven by three key transversal drivers, namely **creativity, resource efficiency, and cross-cutting technologies and services, which the VCI has integrated**. By combining at least two of these three key drivers, new entrepreneurial opportunities may be created that change existing value chains or create new ones. It should be underlined that the emphasis is on the search for new business solutions that impact on value chains rather than on technological innovations that result in new product or services.

We have touched on 5 of the 6 topics and have outlined the influence of new technology on cluster development, using ICT to enhance Transnational cluster collaboration, setting a framework / Ecosystems for clusters and regional smart specialization strategies, the VCI is an example of Entrepreneurship in / (for) clusters and with the application of the VCI to support Cluster growth in areas outside big cities to promote collaboration and connect to other Clusters in a virtual environment.

²² Clusters are generally described as group of specialized enterprises, often SMEs, and other supporting actors in a particular location that cooperate closely together.

With the use of 3-D visualizing and inter-connecting all Clusters around the world, the geographical proximity is non-existent, knowledge spill-overs take place on a global scale, the CO2 would be reduced, it would be easier for Clusters outside big cities to build strategic alliances, fostering transnational collaboration and the VCI has made an innovative attempt to create an ecosystem in which the future can be designed.

INSTITUTIONAL PROFILE

30TH ANNIVERSARY OF THE VISEGRAD GROUP

After a meeting of V4 leaders in Krakow, Prime Minister Viktor Orbán said that if the Visegrad Group wants to remain successful over the next 30 years, sticking together will be the secret to the group's success.

The prime ministers of the Czech Republic, Hungary, Poland and Slovakia met European Council President Charles Michel on the occasion of the 30th anniversary of the Visegrad Group. PM Orbán said loyalty and solidarity would be the key to the central European group's ability to continue fulfilling its duty in the future.

PM Orbán said he believed Slovakia had a strategic role in the alliance, not just because of its geographical position, but also because it is Hungary's only V4 neighbour. Slovakia is the country that links the northern and southern parts of central Europe, he said.

The prime minister also emphasized the importance of preserving the unity among the four countries. Though the Visegrad Group may be marking 30 years of cooperation, he said, they were looking back hundreds of years to the first form of cooperation between the leaders of the central European countries. PM Orbán said it was this historical perspective that made the Visegrad cooperation as serious as it was.



Photo

credit: MTI

Source: <http://abouthungary.hu/news-in-brief/pm-orban-loyalty-and-solidarity-key-to-v4s-success/>

WISEGRAD GROUP JOINT DECLARATION ON MUTUAL COOPERATION IN DIGITAL PROJECTS

Krakow, February 17, 2021

We, the Prime Ministers of the Visegrad Group (V4) countries - the Czech Republic, Hungary, the Republic of Poland, and the Slovak Republic,

- ♣ RECOGNISING the strong ties between our countries and societies,
- ♣ ACKNOWLEDGING the progress in the digital area, made over the recent years due to joint actions taken within the V4 cooperation,
- ♣ RECOGNISING the need to further strengthen the V4 cooperation in the area of digital affairs by creating a new regional leadership framework in order to facilitate sustainable digital transformation of the region by effective use of EU resources available under the Multiannual Financial Framework 2021-2027 and NextGenerationEU,
- ♣ REITERATING the commitments made in the V4 Prime Ministers' Joint Declaration of Intent on Mutual Cooperation in Innovation and Digital Affairs (referred to as the Warsaw Declaration), signed at the CEE Innovators Summit in Warsaw on 28th March 2017,
- ♣ RECALLING the conclusions of the Economic Forum in Krynica held on 4th September 2019, concerning the importance of cybersecurity and digital technologies in ensuring the economic growth in the V4 countries,
- ♣ RECOGNISING the European Council conclusions of 1 October 2020 as the basis for cooperation on shaping Europe's digital future, in particular the recommendation to allocate at least 20% of the funds under RRF will be made available for the digital transition, including for SMEs. RECOGNISING the need for cooperation on developing trustworthy digital projects to identify and overcome social, economic and political aspects of the global COVID-19 pandemic,
- ♣ UNDERLINING the necessity to work on joint positions and statements regarding digital issues, representing the mutual interests of the signatories on EU and other international fora; ♣ ACKNOWLEDGING building the digital infrastructure, in particular 5G networks, is the key element for innovations and functioning digital economy;
- ♣ RECOGNIZING the need to tackle the spread of disinformation disseminated online in order to protect the security of citizens and businesses alike; and
- ♣ ACKNOWLEDGING that close cooperation through cross-border European projects and joint actions are essential to achieve a safe and secure digital environment;

Hereby declare the mutual goodwill to build, enhance and strengthen the bilateral and multilateral cooperation within the V4 group in the following fields:

- 1) Building a joint cooperation framework in digital affairs by, inter alia, establishing a mechanism of consultations on digital affairs to be held on working level and designating an entity/contact point for regional digital cooperation from each of the V4 countries (in order to indicate opportunities for undertaking joint V4 digital projects in various fields (developing new products, business models, investments or research in the field of digital transformation));
- 2) Working together to secure EU funds for digital transformation, in particular for joint V4 digital projects;
- 3) Establishing sustainable R&D&I cooperation between excellent science and research centres in the field of digitalisation (inter alia: computing and data infrastructure, Big Data, Industry 4.0, cloud and edge networks, high performance computing (HPC), quantum computing, artificial intelligence (AI), robotics, machine learning, blockchain, Internet of Things (IoT), cybersecurity, smart and digital skills and competences, telecommunication, etc.) to ensure strong connections between excellent scientific and research centres in order to build strong ties with business and promote technology transfer, creating innovative product range and reinforcing civil society.
- 4) Raising awareness among businesses (especially innovative SMEs and start-ups) of the V4 countries to the effect of creating incentives for establishing cross-border cooperation (including investments and financial opportunities),
- 5) Coordinating actions aimed at improving competitiveness and innovation potential of the V4 countries in digital affairs, as well as reinforcing digital transition and accelerating the adoption of key digital technologies by V4 administration and businesses;
- 6) Building knowledge resources, supporting joint international events' organization by delegating experts and high level representatives (i.e. for UN Internet Governance Forum to be held in 2021 in Poland);
- 7) Exchanging best practices and mutually promoting V4 achievements in the field of digitalisation, including the results of cross-border projects (especially in regard to innovative products and services);
- 8) Cooperation in the preparation of relevant legislation at the EU level, which contributes to the creation and successful functioning of cross-border digital projects.
- 9) Identifying global challenges demanding for urgent actions (i.e. serious pandemic, natural disasters, etc.), where immediate and joint actions of the IT experts and digital businesses in V4 countries may successfully contribute to the timely solutions;
- 10) Undertaking other actions jointly decided upon by the signatories, concerning new and emerging telecommunication and digital IT technologies and their innovative applications for sustainable development, resilient economy and society that meet the goals of above mentioned initiatives.

This declaration does not create any rights or obligations under international law and is not legally enforceable.

For the Czech Republic:

For Hungary:

For the Republic of Poland:

For the Slovak Republic:

Source: <https://berlin.mfa.gov.hu/assets/27/13/61/65711b3788a530d8ad273941a71eb8d06beaf2f3.pdf>



Mesopotamia

Beyt Nahrin Mesopotamian
Academy of Arts and Sciences



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BEYT NAHRIN MESOPOTAMIAN ACADEMY OF ARTS AND SCIENCES - BEN-MAAS - aims to play a central role in Mesopotamian region 's scientific life, similar to that played by national academies of sciences in many countries. The ultimate goals of the BEN-MAAS are to contribute directly to the growth, invigoration, and dissemination of the sciences in Mesopotamian Educational institutions, and to help in growing a world- class scientific culture that is both universal in its aspirations and responsive to the particular needs of the

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Vision Statement

Mesopotamian Academy of sciences and Arts is prominent in the community for its unique culture of moral and academic excellence. The Academy's challenging classical curriculum results in competent and compassionate students with the ability to reason and articulate.

Mesopotamian Academy of Arts and Sciences welcomes Scholars whose research fall within Mesopotamian region as full Think tank Research members to cooperate in maintaining the Academy's commitment to high moral, behavioral, and academic standards.

Mission of Mesopotamian Academy of Sciences and Arts (BEN-MAAS)

We develop well educated intellectual Scientists in Arts and different fields of science Programs on ancient and Modern Mesopotamian cultures and civilizations

To promote the study, extension, and dissemination of knowledge of the ancient and Modern arts and sciences. In ancient and Modern Mesopotamian region and to encourage the creation, acquisition, dissemination and utilization of knowledge for national development through the promotion of learning.

To establish and maintain proper standards of endeavor in all fields of the arts and sciences.

- To recognize outstanding contributions to the advancement of the arts and sciences in Mesopotamia
- To contribute actively to the development of Mesopotamian region and Middle East generally by examining and addressing crucial issues of development.
- To do such other things as are conducive or incidental to the attainment of all or any of the foregoing objects

Providing independent advice and guidance to governmental and private institutions on matters of scientific research and education.

Encouraging, initiating and aiding research and educational programs in the sciences.

Helping the dissemination and promulgation of the results of scientific research.

Facilitating the exchange of ideas and results with similar institutions around the world.

Exhorting young Mesopotamian region men and women to consider careers in the sciences.

Strengthening the links between the sciences and society by addressing the needs of the population, public health, the economy and the environment

Bestowing awards and honors on distinguished scientists.

Goals:

- Create an Academy dedicated to the development of science and advising public authorities in this area.
- To be the benchmark institution and the privileged intermediary between the world of research and socio-economic actors on Mesopotamian issues.
- To be a place of expertise and interdisciplinary reflection on technological upheavals and the major

challenges facing society.

- Contribute to building a nation of knowledge and competitive innovation.
- “Collective scientific expertise, anchored in society”
- The Academy brings together the industry sector, scientific research circles, the political and social world and socio-economic actors in its reflections.
- It participates in the development of discussions conducted at the international level and constitutes a forum for scientists dealing with Mesopotamian arts and sciences.
- It disseminates its expertise to a wide audience through the publication of opinions, reports, etc., and the organization of conferences-debates and seminars.

Specific Objectives

The main goal of the Academy is to promote the progress of science, technology, and innovation for the economic, social, and cultural development of Mesopotamian region in arts and science

Specific objectives to achieve this goal include the following:

- Promoting research and technological training at the highest level
- Advising the national government and other national and international policy makers on issues related to science and technology in the service of humanity
- Popularizing science and technology in culture
- Contributing to the defence of science and the franchise of scientists
- Developing scientific and technological relations with the private and public sectors of the national economy
- Promoting scientific and technological cooperation at the international level

Core Values

Our values create the sense of purpose to ensure that we succeed as a world leading Research Academy in ancient and modern Arts and Sciences of Mesopotamian region .We take immense pride in our values which are critical to Aspire's long term success.

1. Quality of fellowship and Academy products.
2. Objectivity of documents, reports, and opinions
3. Integrity of documents, reports, and opinions supported by evidence
4. Independence from pressure groups — public or private
5. Relevance to the problems of the society

Principle goals and activities of the Academy are:

1. Promotion of academic and intellectual activities in ancient and modern Mesopotamian cultures and civilizations ;

2. Elaboration of intellectual Ideas, Cultural, Social programs and Project for sustainable development of Mesopotamian region;
3. Promoting and enhancing of relations with international research Institutes, development and Planning centers of excellence (Public and private) for increasing the Mesopotamian Area scientific potential's activity;
4. Elaboration of Cultural and Social programs and projects in various scientific and Social and Cultural fields;
5. Research review and dissemination of New Technological models and strategies of The Mesopotamian Academy of Arts and Sciences (BEN-MAAS)
6. Conducting research on Cultural, Social, Environmental and other vital problems and elaboration of relevant scientific programs and projects in arts and sciences;
7. Promotion of scientific-models in shaping of new innovation activities;
8. Conducting of scientific research on Arts and sciences for integration processes and strengthening of Mesopotamian Research Area (MRA);
9. Providing research facilities to preparation of skilled Professional and scholars in Mesopotamian Sciences and Arts
10. Promotion of Cultural Heritage and Antique Treasure in Ancient and Modern Mesopotamian civilizations;
11. Advancement of intercultural dialogue. Among World scholars for research on ancient and Modern Mesopotamian civilizations and cultures.

• **Council**

Prof Dr Kemal Yildirim – President

Prof Dr Gabriel Lopez – Health policies and Religion in Mesopotamia

Prof Dr. Bashiru Aremu UNESCO Laureate– Cultural studies

Dr Asif Iqbal – Economic affairs unit – Ancient modern Mesopotamian Economy

Dr Kota Atul – Architectural unit – Ancient and Modern Architecture in Mesopotamia

Dr Sefik Gorging – Arabic and related dialects and Semitic Culture (Secretary General)

• **Committees**

Ancient Mesopotamian cultures and Languages committee

Arab studies Committee

Jewish studies committee

Kurdish studies committee

Assyrian and Chaldean and Aramean studies committee

Health Ethics and Architecture & semiotics, senior scientific research of Bio photonics committee

Modern Turkish and Ottoman studies committee

Persian studies Committee

Modern Mesopotamian studies committee

Source: <https://mesopotamianacademy.org/kurumsal/about-us>

NEWS



BEYT NAHRIN MESOPOTAMIAN ACADEMY OF ARTS AND SCIENCES

<http://www.mesopotamianacademy.org/>

We are honoured to have a new Member with Mesopotamian academy of Arts and Sciences. Prof. Dr Mirjana Radovic-Markovic from Serbia Academician prof.dr Mirjana Radovic-Markovic

Dr Mirjana Radovic-Markovic is a full professor of Entrepreneurship. She holds B. Sc, M. Sc. and PhD Degrees in Economics, as well as Post Doctoral Studies in Multidisciplinary Studies in Lomonosow (Russia). She has served as professor at a number of international universities, foundations and institutes. In addition, she is a Member of Scientific Council, National Ministry of Science, Serbia (2016-) ,head of the Scientific Centre for Economic Researches, Institute of



Economic Sciences, Belgrade, Serbia (2008-), Member of Management Board of Institute of Institute of Economic Sciences (2008-) executive of Research Centre of Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia (2017-) and so forth. Professor is a founder and editor in chief of three Peer Journals as follow: The Journal of Women's Entrepreneurship and Education (JWE), International Review (IR) and Journal of Entrepreneurship and Business Resilience (JEBR).

She has written more than thirty books and more than hundred peers' journal articles. Her publications are published by top world publishing companies as Routledge, Francis Taylor, Springer, Palgrave Macmillan, Emerald, Sage and IAP Publisher, IGI Global.

Her article 'Acceptance and use of lecture capture system (LCS) in executive business studies' published in Interactive Technology and Smart Education has been selected by the editorial team of Emeralds as an Outstanding Paper in the 2018 Emerald Literati Awards. Namely, her article was chosen as a winner as it is one of the most exceptional pieces of work the team has seen throughout 2017.



CII supports the SDGs

**CII/IIC XI INTERNATIONAL CONFERENCE «INTERNATIONAL COOPERATION:
INNOVATIONS AS A TOOL OF SOCIAL AND ECONOMIC CHANGES»**

22.23 December 2020

Organized by: Centre International d'Investissement/International Investment Center, NGO in special consultative status with ECOSOC UN, associated with UN Department of Global Communications

Program

Plenary session in English language: **December 22, 2020** Tuesday 13.00-16.00 (MSK) or 11am - 2pm (Geneva) "**COVID-19 and international cooperation to overcome its consequences**"

In memoriam of Professor Riccardo Crestani, Padova University (1969-2020)

Moderator - Olga Generalova-Kutuzova, Secretary General, International Investment Center

Reports:

13.00 - 13.15 Andrey Generalov, President, International Investment Center (Switzerland): Welcome remarks

13.15 -13.35 Mikhail Volik, WHO consultant (RF) "COVID and Tuberculosis: Reality and Prospects"

13.35 - 13.50 Dr. Zsuzsanna Szabo, Petru Mayor University (Romania): "Sustainable Development"

13.50 - 14.10 Massimiliano Panero, President, "Qualitaly" Association (Italy) "Association Activities and New Project"

14.10 - 14.25 Jeffrey Kleinpeter (Germany): "Designing the Future - Innovations Through Strategic Partnerships"

14.25 - 14.40 Dr. Joyce Misoi, Director of WHISFA (Kenya): "COVID19 Mobile Solution Towards Empowering Citizens Health Services"

14.40 - 15.00 Toya Bhattarai (Nepal): "Effect of Covid-19 Pandemic on Education in Nepal with Special Reference to Rural Community Colleges"

15.00 - 15.15 Ph.D. Amiran Zamilov (RF): "Innovation technology in recycling a poultry waste into fertilizers"

15.15 - 15.30 David Davidov, PhD student of SOGU (RF): "Neural Networks in Education to Overcome COVID19"

Panelists:

Johanna Mitchell (UK), Maria-Paola Lia (Italy), Dr. Lichia Saner-Yiu (Taiwan), Dr. Raymond Saner (Switzerland), Sandra Feliciano (Portugal), Gilbert Chopard (Switzerland), Nana Baramidze (Kyrgyzstan), Sofiya Perelygina (RF), Tatiana Sisey (RF), Stephanie Tsomakaeva (Germany), Ph.D. Alexander Aulov (RF), Sven Römling (Germany), Olga Kononenko (RF), Dina Novak (RF), Kirill Garipov (RF), D.Sc. Kakha Nadiradze (Georgia)

Plenary session in Russian language: **December 23, 2020** Wednesday 14.00 - 17.00 (MSK)
"COVID-19 and international cooperation to overcome its consequences"

Moderator - Andrey Generalov, President, International Investment Center

Speakers:

Mikhail Volik, WHO consultant (RF): "COVID and Tuberculosis: Reality and Prospects"

D.Sc. Vladimir Tetelmin, professor at RUDN (RF): "Why Russia's Commitments to Decarbonize the Economy are "Critically Insufficient".

Ph.D. Amiran Zamilov (RF): "Organic Land Use System and Greenhouse Gas Emissions"

Ph.D. Khmayra Zagladina (RF): "Youth volunteer practices in an epidemiological situation: how not to lose achievements?"

Elvira Umanskaya (RF): "Chess in Social Inclusion Projects"

Yanina Urusova (Germany): «People with disabilities as experts in crisis management and change management»

Sabina Usoltseva, student of the RGPU (RF): “Quantorium” - the Industrial Future of Russia”

Andrey Kuznetsov, head of AI laboratory: “Intellectual Property Protection in the “VR Gallery Project”

David Davidov, PhD student of SOGU (RF): "Neural Networks in Education to Overcome COVID19""

Tanzila Dzaurova, head of the “IstIng” Association (RF): "Revival of traditional felt art using modern technology."

Vadim Massalsky (USA): “ Family project for Global Goals”

Panelists:

D.Sc. Nina Smirnova (RF), Ph.D. Yuri Buinov (RF), Ph.D. Tatiana Arsenyeva (RF), Ph.D. Alexander Aulov (RF), Ph.D. Irina Usoltseva (RF), Stefanie Tsomakaeva (Germany), Sven Römmling (Germany), Svetlana Davydova (RF), Olga Kononenko (RF), Mikhail Ermakov (RF), Konstantin Neuymin(RF), Sergey Lesin (RF), Irina Yavkina (RF), Alexander Repin (RF), Ekaterina Druzhinina (RF), D.Sc. Kakha Nadiradze (Georgia)



LAUNCH OF “HORIZON EUROPE” REINFORCES GOALS FOR MORE INNOVATION AND RESEARCH IN EUROPE

2021PORTUGAL.EU

The “Horizon Europe” programme, which was launched this Tuesday, 2 February, has a budget of around €95 billion for research and innovation all over Europe from 2021-2027.

“Horizon Europe” is the ninth European framework programme for research and innovation, following on from the “Horizon 2020” programme (2014-2020), and will be the biggest programme ever undertaken in Europe. Its launch by the Portuguese Presidency of the Council of the EU is being promoted along with a mobilisation process for all of Europe, in conjunction with structural funds and, particularly, with the national recovery and resilience plans of each member state in preparation for the “Next Generation EU, 2021-26” programme.

The aim is for the European Union to lead the twin green and digital transition in association with a resilient recovery through a renewed European Research Area (ERA) and through an effective increase in public and private investment in R&D, particularly in the context of the recent reaffirmation by the European Commission of the goal of 3% of public and private investment in R&D in terms of gross domestic product by 2030.

"Horizon Europe" is thus based on three terms of reference:

1. Scientific excellence: development of quality skills and expertise in order to reinforce the scientific leadership of the European Union, with the involvement of all the regions and all European citizens;

creation of new markets, working conditions and skills, particularly in the sectors most severely affected by the negative impacts of the pandemic.

2. Global challenges and European industrial competitiveness: natural resources, mobility, food, digital media and energy are just some of the areas that can count on additional support for research into the challenges they face, as well as for the associated industrial technology; it is in this area that partnerships are expected to be created with the aim of achieving carbon neutrality by 2050.

The “Horizon Europe” programme includes four implementation pillars:

Pillar 1: “Science of Excellence”, supporting scientific excellence in terms of human resources and infrastructure, particularly through the European Research Council (ERC), the Marie Skłodowska-Curie Actions (MSCA), as well as research infrastructures (ESFRI).

Pillar 2: “Global Challenges and European Industrial Competitiveness”, which will support research and development activities in six areas (or clusters): Health; Culture, Creativity and Inclusive Society; Civil Security for Society; Digital, Industry and Space; Climate, Energy and Mobility; Food, Bioeconomy, Natural Resources, Agriculture and Environment. Under the scope of these six areas, Pillar 2 also includes:

Research Missions, in five areas:

1. Cancer;
2. Adaptation to climate change including societal transformation;
3. Climate-neutral and smart cities;
4. Soil health and food;
5. Healthy oceans, seas, coastal and inland waters.

Institutional Partnerships: aimed at mobilising public and private sectors in areas such as energy, transport, biodiversity, health, food and the circular economy.

Pillar 3: “Innovative Europe”, supporting the creation of new markets and SMEs, including new supports to be granted under the scope of the new European Innovation Council (EIC), the support for European Innovation Ecosystems (EIE) and for the European Institute of Innovation and Technology (EIT). The EIT legislation was recently revised, on 29 January, already during the Portuguese Presidency, in order to encompass more inclusive action open to all of Europe and two new areas of intervention, through Knowledge and Innovative Communities (KIC) (namely, oceans and creative industries, in addition to the initial areas of health, digital, energy, materials and climate).

Pillar 4: “Extending participation in and reinforcement of the European Research Area”, including support for the extension of participation in and the reinforcement of the European Research Area, through a set of different funding instruments aimed at establishing networks for human resources and at institutional level.

3. Innovative and inclusive Europe: there will be stimuli for the creation of professional careers linked to research, both in the public and private sectors, making them more inclusive, particularly for women and minorities; it is also intended to foster research and recruitment ecosystems in order to train and retain talents in Europe. Other goals include cooperation between national funding agencies and the European Commission, while also contributing to promoting the creation of “European university” networks.

Implementation of "Horizon Europe"

The implementation of the “Horizon Europe” programme will be coordinated by the European Commission's Directorate-General for Research (DG RTD), following on from the previous European research and innovation framework programmes. Further details at https://ec.europa.eu/info/horizon-europe_en

In the case of Portugal, the coordination and dissemination of the strategy for reinforcing national participation in the “Horizon Europe, 2021-27” programme is carried out through PERIN - "Portugal in Europe Research and Innovation Network", which includes the main funding agencies and promoters, namely FCT, ANI, AICIB, PT Space, the ERASMUS Agency and DGES, working closely with the promotion offices for European programmes in academic and research institutes, as well as in companies, business associations and company incubation centres and interface institutions.

Portugal's aim is to double national participation in the “Horizon Europe, 2021-27” programme compared to participation in the Horizon 2020 (2014-2020) programme and attract around two billion euros for research and innovation activities on a competitive basis by the public and private sectors, including SMEs (in comparison to the approximately 1.1 billion attracted between 2014 and 2020 through supports granted by the H2020 programme, also in competitive terms).

P/21/261

European Commission - Press release



State aid: Commission prolongs and further expands Temporary Framework to support economy in context of coronavirus outbreak

Brussels, 28 January 2021

The European Commission has decided to prolong until 31 December 2021 the State aid Temporary Framework adopted on 19 March 2020 to support the economy in the context of the coronavirus outbreak. The Commission has also decided to expand the scope of the Temporary Framework by increasing the ceilings set out in it and by allowing the conversion of certain repayable instruments into direct grants until the end of next year.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said “*As the coronavirus outbreak persists longer than we were all hoping for, we need to keep making sure that Member States can provide businesses with the necessary support to see it through. Today,*

we have prolonged the application of the Temporary Framework until the end of the year. We have also increased the ceilings of certain measures set out in the Temporary Framework and provided incentives to use repayable instruments, by enabling the conversion of certain loans and other repayable instruments into direct grants later on. In this way, we enable Member States to make full use of the flexibility of State aid rules to support their economies, while limiting distortions to competition.”

Prolongation of the Temporary Framework

The Commission is continuously examining the need to further adapt the Temporary Framework. The Temporary Framework was set to expire on 30 June 2021, except for recapitalisation measures that could be granted until 30 September 2021. In view of the persistence and evolution of the coronavirus outbreak, today's amendment prolongs all measures set out in the Temporary Framework, including recapitalisation measures, until 31 December 2021.

Increased aid ceilings

Taking into account the continued economic uncertainty and prolonged government measures to limit economic activity in order to stop the spread of the virus, today's amendment also increases the ceilings set out in the Temporary Framework for certain support measures:

- With regard to **limited amounts of aid** granted under the Temporary Framework, the previous ceilings per company are now effectively **doubled** (taking into account the availability of *de minimis* support). The new ceilings are €225,000 per company active in the primary production of agricultural products (previously €100,000), €270,000 per company active in the fishery and aquaculture sector (previously €120,000), and €1.8 million per company active in all other sectors (previously €800,000). As before, these can be combined with *de minimis* aid of up to €200,000 per company (up to €30,000 per company operating in the fishery and aquaculture sector and up to €25,000 per company operating in the agriculture sector) over a period of three financial years, subject to complying with the requirements of the relevant *de minimis*
- For companies especially hit by the coronavirus crisis, with turnover losses of at least 30% during the eligible period compared to the same period of 2019, the State can contribute to the part of the **fixed costs of companies that are not covered by their revenues**, in an amount up to **€10 million per company** (previously €3 million).

Conversion of repayable instruments into direct grants

The Commission will also enable Member States to convert until 31 December 2022 repayable instruments (e.g. guarantees, loans, repayable advances) granted under the Temporary Framework into other forms of aid, such as direct grants, provided the conditions of the Temporary Framework are met. In principle, such conversion may not exceed the new ceilings for limited amounts of aid (€225,000 per company active in the primary production of agricultural products, €270,000 per company active in the fishery and aquaculture sector, and €1.8 million per company active in all other sectors). This aims to provide incentives for Member States to choose, in the first place, repayable instruments as a form of aid.

Extension of the temporary removal of all countries from the list of “marketable risk” countries under the Short-term export-credit insurance Communication

Finally, taking into account the continued general lack of sufficient private capacity to cover all economically justifiable risks for exports to countries from the list of marketable risk countries, the amendment provides for an extension until 31 December 2021 (currently until 30 June 2021) of the temporary removal of all countries from the list of “marketable risk” countries under the Short-term export-credit insurance Communication.

Background on Temporary Framework and ongoing work to support the Recovery and Resilience Facility

On 19 March 2020, the Commission adopted a new State aid [Temporary Framework](#) to support the economy in the context of the coronavirus outbreak, based on Article 107(3)(b) of the Treaty on the Functioning of the European Union. The Temporary framework was first [amended on 3 April 2020](#) to increase possibilities for public support to research, testing and production of products relevant to fight the coronavirus outbreak, to protect jobs and to further support the economy. It was further amended on [8 May 2020](#) to enable recapitalisation and subordinated debt measures, and on [29 June 2020](#) to further support micro, small and start-up companies and to incentivise private investments. On [13 October 2020](#), the Commission adopted a fourth amendment to prolong the Temporary Framework and to enable aid covering part of the uncovered fixed costs of companies affected by the crisis.

The Temporary Framework recognises that the entire EU economy is experiencing a serious disturbance. It enables Member States to use the full flexibility foreseen under State aid rules to support the economy, while limiting negative consequences to the level playing field in the Single Market.

Furthermore, as Europe moves from crisis management to economic recovery, State aid control will also accompany and facilitate the implementation of the Recovery and Resilience Facility. In this context, on [21 December 2020](#), the Commission published a number of State aid guiding templates covering several types of investments projects in line with the “European flagships” of the Commission's Annual Sustainable Growth Strategy 2021. Those templates are intended to assist Member States in the design of their national recovery plans, in line with EU State aid rules. The Commission will assess all State aid notifications received from Member States in the context of the Recovery and Resilience Facility as a matter of priority.

In addition, Member States intending to modify existing aid measures in order to prolong their duration until 31 December 2021, increase their budget or align them with the Temporary Framework, as amended today (including higher aid ceilings per company), may notify such amendments in a block notification. This will minimise the administrative burden for Member States.

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Photo © by Dr. Antal Szabó



*Cristo Rei Christ Statue
in Lisbon
at the southern banka of
the Tejo Estuary*

CALL FOR PAPER, EVENTS

EU INDUSTRY DAYS 2021

Published on: 01/02/2021

EU Industry Days is Europe's flagship annual event on industry. It serves as the main platform to discuss industrial challenges and co-develop opportunities and policy responses in an inclusive dialogue with a wide range of partners.



EU Industry Days helps to ensure that our policy at European, national, regional and local levels works together to enable European industry to deliver jobs, growth, and innovation in Europe.

For 2021 we go fully digital... and bigger! This edition will encompass even more views and opinions in panel discussions, keynote speeches, networking opportunities, podcasts and many exciting announcements concerning various opportunities offered by the industrial transition.

EU Industry Days will be opened by Ursula von der Leyen, President of the European Commission. Other high profile speakers include European Commission Executive Vice-Presidents Margrethe Vestager, Frans Timmermans and Valdis Dombrovskis. Commissioner for Internal Market, Thierry Breton, will welcome participants and close the event, as well as moderating an incisive debate on industry's essential contribution to reach our ambitious climate targets and stop climate change.

There will also be a [virtual exhibition where EASME](https://ec.europa.eu/easme/en/news/eu-industry-days-2021-join-easme-projects-virtual-exhibition-and-vote-best) (the Executive Agency for Small and Medium-sized Enterprises) will showcase 37 EU projects managed or supported by the European Commission. See at <https://ec.europa.eu/easme/en/news/eu-industry-days-2021-join-easme-projects-virtual-exhibition-and-vote-best>

Since the first edition in 2017, EU Industry Days has established itself as the European Commission's main platform for an open stakeholder dialogue and discussion on industry.

The online event aims to help ensuring that EU policies at European, national, regional and local levels work together to enable European industry to deliver jobs, growth and innovation in Europe.

The conference will focus on three main topics:

1. **Shaping Europe's digital future;**
2. **Making Europe's industry climate-neutral by 2050;**

3. **EU competitiveness** in the changing global competitive landscape.

For Registration see <https://www.euindustrydays.eu/register>



The address of the ERENET Secretary sees below:

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