

General Impact Of A Single Market - Albania Goes Digital

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Abstract: Although Brexit did trigger some discussion about the European Single Market future, The Commission strategy for an area without internal frontiers, in which the free movement of goods, persons, services and capital is ensured, remains the same and increasingly attracts the attention and interest of policy makers and researchers. The digital single market, a recent concept developed in the context of the European Union, goes beyond the Cloud computing, IoT and Big Data, that are present-day words frequently mentioned in country strategies. The aim of coming together into a single market is to maximise the benefits of technology while simultaneously preserving values we hold timeless. Expanding this concept and considering the configuration of a digital market in Albania is the underpinning of this paper. Goods and services provided "on-line" will grant a better access and improved service to the benefit of customers under conditions of fair competition and a high level of consumer and personal data protection. A single platform, necessarily digital, can incorporate the banking, industrial, education, investment markets and contribute to their unification. This first step of placing the idea should be followed by considering components like digital infrastructure development, digitally educated people, collaborative economy and others. There is a vision for the country development with no timeline, yet, above and beyond the brainstorming approach.

Index Terms: digital technologies, market unification, innovative services on-line, growth potential, network security, e-skills, e-governance.

1 INTRODUCTION

The import of European DSM model to Albania, before country's accession to the European Union, might be one of the most ambitious and profitable projects of innovative entrepreneurship in Albania. The concept of a digital single market was born several years ago, trying to encourage use of fast developing internet and digital technologies to the advantage of peoples. Attempts to further develop this concept in the Albanian context are taking shape today, creating conditions not only to generate wealth, but also to gradually stimulate all elements necessary for its future development. The Albanian digital single market represents a new approach to boost growth and innovation. It brings to a new frame of reference the activities, ranging from sale of products and services to international financial transactions; from open and all-inclusive governance to the prediction of the evolution of particular parts of the market in the future. It is a digital single platform where products, services and the subjects that offer them are in continuous contact with the consumers at any time, any place and in any perceptible form. The main purpose of this paper is to promote the discussion of an Albanian digital single market, after having a first glance on some theoretical elements of the digital single market concept, and on their general impact to the country development. The starting point is technological advancement, without getting into details of information technology. The primary objective is to highlight some of the economic, social and regulatory approaches necessary to enable and stimulate the creation of such market, in any case keeping in mind the fact that Albania is not yet part of the European Union. This work intends to open up the debate and make some exploration about a recent concept slightly considered in the Albanian economic literature, with focus to future commitments.

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2 PURPOSE AND OBJECTIVES OF THE STUDY

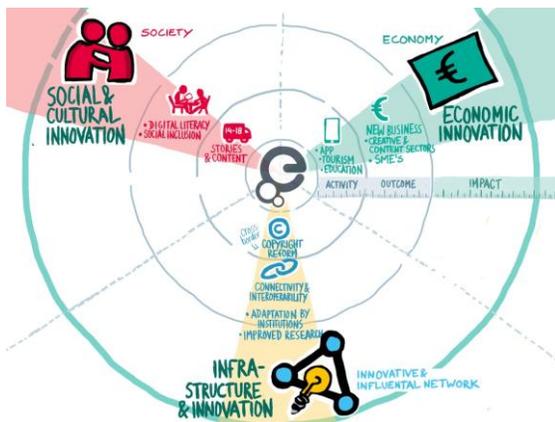
2.1. The future is digital - one market can use its full potential.

The Digital Single Market (DSM) is a term used by the European Commission to describe a wide-range group of initiatives. It "is one in which the free movement of persons, services and capital is ensured and where the individuals and businesses can seamlessly access and exercise online activities under conditions of fair competition, and a high level of consumer and personal data protection, irrespective of their nationality or place of residence" [1]. The motto "Bringing down barriers to unlock online opportunities" is at the focus of initiatives to make the Digital Single Market one of the ten EU priorities for 2016 [2]. Although the DSM is very diverse and wide ranging, three key elements make the core of it:

1. Free movement of goods and services, people and capital - it requires the improvement and simplification of communication between people, institutions and entrepreneurship relating to the services offered by the digital single market.
2. Fair competition - it presumes creating equal opportunities of development for all digital networks, and not only, without national, fiscal and legal limitation.
3. A high level of consumer and personal data protection – meaning generation and support of all factors that increase digital market potential improving legal aspects, infrastructure and digital culture.

In order to describe the single market, it is considered as a system, which incorporates two main economic elements: the unlimited supply (global offer) and the geographically boundary-less demand (global demand). The other important element of our era is the information in real time which makes this market a digital one. In a broader view, we can notice the globalization, that is nothing more than a trend of unification of national markets into an international system where information, goods and money can move easily and without barriers. The globalization itself, at the starting point, was an enlargement of markets within national fiscal regulations with a higher independence to act and to make profit. Adding the third element – the information flow through internet, that goes beyond national barriers - still there are norms, procedures

and legal directives that prohibit the on-line unification of sales, investment, and services markets. The international use of digital platforms would require a qualitative unification of necessary services and infrastructure [3]. If not provided, this brings to decrease of investments and deformation of demand and supply. From this viewpoint, the digital single market becomes a necessity for the European integration and development. The biggest European project for 2014-2020 is that of functional digital single market, a huge European platform that will establish a boundary-less market and will seize an important part of global market [1]. Joining Europe, as Albania is gradually approaching, first of all means to become part of its market, whose important part is the digital one. The infographic below illustrates it.



2.2 DSM benefits for the country

The Digital Single Market is expected to create growth, to spur innovation and encourage competition. In order to achieve these, it should have competent market actors who can use digital resources to make purchases; to exchange information in due time; to find the way for collaboration, and do many other things of value to companies, consumers and society. Thus, when assessing the economic impact of the digital single market within Albania first, and as part of the big EU market afterwards, we include the impact from several activities, as the European Political Center describes [5]:

- Increased usage of ICT and online services in the private sector which leads to innovation and wide-spread productivity gains for firms in virtually all sectors.
- Increased usage of ICT and online services in the public sector which leads to wide-spread productivity gains in virtually all corners of the public sector.
- Increased cross-border online trade which leads to consumer gains in terms of lower prices and better choice.

Theoretically, the Single Market represents the premises for a bigger market for products, which in term, enables more and faster growth for companies. This is imperative for medium and small Albanian companies, up to now modestly exposed to the conditions that a single market could provide. Consequently, small and medium enterprises and especially start-ups can make better use of the possibility to expand cross-border, as it has not been the case up to now. We consider this as one of key points to make known for Albanian companies, as it would increase their chances of becoming sustainable or competitive at least, in the regional level. It is quite evident for small countries like Albania, with limited access in markets beyond their geographical frontiers [4].

Helping SMEs benefit from the Single Market is an important driver behind the Commission's Single Market policy [1] and an opportunity for Albanian economy as well.

3 DISCUSSION AND ANALYSIS - ECONOMIC, SOCIAL AND REGULATORY CONCERNS FOR ALBANIA TO SET DIGITAL SINGLE MARKET IN MOTION

The expected positive impact of an Albanian digital single market can be achieved by taking in consideration a comprehensive set of actions. However, the discussion starts from a 'country digital market' to end up with its inclusion into the European market. Following this approach, the set of actions below mentioned is mainly derived from the missing elements in the Albanian economic, social or policy context. Only after filling these gaps, the concept of a digital market might turn into an operative instrument to the benefit of Albanian economy as part of European one. From the other side, the fulfillment of such objectives would simultaneously contribute to the establishment of a digital market, without naming it any more as a local or continental one.

3.1. Further investments in functional elements of digital market.

If we would try to identify any field in which technological development in Albania used faster the contemporary methods and strategies, it would be the telecommunications industry. This market's liberalization policy prompted an increase of investments, which had the same effect on the development of the internet's infrastructure. Today, more than ever before, the government must encourage public and private investment in creating and expanding Ultra-Broadband so that new electronic devices can be widely used by Albanian businesses, within framework of European digital market. This is a field where there is room for improvement in the stimulation of foreign investments that agree with the European principle of "universal service", which guarantees a minimum fee for all individuals and subjects that utilize web services. From the other side, web use can be enlarged by increasing the number of services offered in it. This would undoubtedly lead to an increase in the number of users of digital platforms, overcoming all age restrictions commonly associated with the use of these instruments. The proportion of the Albanian population that currently makes use of the internet is approximately the same as that of some other European countries such as Italy and Greece (about 62,8% of the population) [6], however, the 2014-2020 objectives of the single digital market in these countries are much more ambitious, and mostly funded by the EU. Albania must seek new instruments and methods to increase the number of internet users, especially by restructuring teaching programs, mainly in vocational schools, where the numbers are lowest.

3.2. Reformatting "the digital manufacturing" focusing on research and innovation.

The fast technology development is changing the production and distribution models of economic actors. The production is becoming more 'customized' and the distribution 'shifted' to the websites. This pushes the businesses to thoroughly change the concept of their organization and functioning. Reformatting the "digital manufacturing" for companies means to invest not only on hardware, but also on systems that connect with markets previously invisible for them [2]. The EU strategy envisages measures to Digitize European Industry,

that in turn will permit organizations, as well as public authorities to make the most of new technologies. National and regional undertakings can be incited, ending up with increased investments and strategic partnerships. Albania can take advantage of the Commission proposals regarding concrete measures to speed up the standard setting process by focusing on some priority areas like: 5G, Cloud computing, internet of things (IoT), data technologies and cybersecurity [2]. The last but not the least in the context of innovation issues is the so-called 'sharing' or 'collaborative economy'. It is bringing closer the producer and consumer, providing important opportunities to raise growth and create jobs. The online platforms, as the core element of the collaborative economy, are augmenting the market for the temporary usage of services and assets on the side of both supply and demand. This still leads to another discussable issue: the fact that the majority of revenues and employment generated are going to the individual providers. Policy-makers can face with fiscal issues for future consideration, especially for the Albanian economy.

3.3. A Digital market needs Digital Skills - defeat illiteracy in web use and integrate the social business in it.

Three groups of the population should be considered for stimulating their education in web use and develop digital skills. They are young people, working age people, and older people. The digital market can provide vast opportunities for establishment of new social policies, such as "stimulate the active ageing", "convert the cultural diversity into national value", "volunteering as an existence motivation for the third-age persons" [6], as well as for the social re-evaluation of profitable businesses and the balancing of demand and supply in the labor market. These two last elements can bring together digital market with the entrepreneurship, but the worst enemy of them is the illiteracy of people and subjects that do not use internet. A substantial change of digital education is needed, for two extreme groups of population – the youngest and the third group age. Different programs in developed countries have shown that introduction of digital services has doubled the number of users in 2 years of their implementation. There are cities like Berlin, that has around 2000 courses for internet and digital platforms use for persons of age 70+ years. Such market is even bigger in Albania, considering the number of small and medium enterprises that should use the digital platforms for business declaration purposes, amongst others. This action would facilitate fiscal policy implementation and would stimulate participation of these actors in the digital market.

3.4. Obtaining consumers' confidence increasing the network security.

Network security is the principal element users value in utilizing various digital platforms. It is necessary that Albania becomes part of and develops increased cooperation with specialized structures such as "European Union Agency for Network and Information Security" in order to increase the security of both Albanian and foreign users [8]. This would allow for all operators of the Albanian market to be evidenced to CERT (Computer Emergency Readiness Team), whose operative elements allow them to evidence and display web abuse. Consumers' trust and security in getting involved in the digital market is guaranteed not only by its functional systems,

but should also be guaranteed by subjects offering products and services on said market. This would allow the users to adopt all necessary knowledge regarding the security of usage benefits. Ultimately, trust and security are guaranteed by three elements: technology, supplying subjects' systems, and consumers' education.

3.5. Approach consumers' confidence through the increase of digital governance.

The all-inclusive governance is one of most important elements of the single digital market. It brings to a real-time decision-making, actions and evaluations, allowing their continuous improvement in the process. As much as it is used in the Albanian environment, the digital governance has proved it brings a considerable increase in productivity and cost reduction. It has helped to avoid the bureaucratic barriers in licensing and evaluation procedures and reduce corruptive actions in central and local government. Digital governance permits the equal opportunity of information for all, full usage of all rights belonging from ones' nationality, as well as rights and privileges for every citizen. Digital governance would be the most helpful action from politics to the digital single market reality. We share the same general opinion about the economic effects of electronic tax declaration, electronic procurement, electronic court information, and other examples, and also the confidence that the governmental actions become more transparent and equitable.



The connection with the single European market would become easier in the coming future. According to the EC strategy for the single digital market a new e-government plan will also connect business registers across Europe, ensure different national systems can work together, and that businesses and citizens have to put their data "once only" to public administrations [1]. Living in a digital era, we face with a huge amount of information and an unlimited use of it, in a market where everyone has something to offer and / or to get. Frequently it is difficult for these actors to find each other due to their excessive number and the chaos. The digital market will enable matching of demand and supply, and establishing the equilibrium through market regulations. Big Data & Cloud Computing will help to achieve this, improving the supply and making more evident the demand. It is related to highly debatable issue of getting and protecting personal data, that entails legal, conceptual, education and technological changes, especially in Albanian market. Ignorance can be overcome through learning and acting.

4 CONCLUSION

The EU motto “The Digital Single Market strategy aims to open up digital opportunities for people and business and enhance Europe's position as a world leader in the digital economy.” [1] has been the inspiration for our survey here presented. Envisaged as an integral part of the European market, the Albanian Digital single market will unfold new perspectives from the goods and services selling up to international financial transactions, from the open and all-inclusive governance to forecast of future market developments. It is a single digital platform where goods, services and their providers can be continuously in contact with their consumer at any time, any place and in any noticeable form. In order to enable its development several components should be considered: digital infrastructure development, legislative changes to support and protect the electronic trade, e-governance and fiscal policy stimulating digital market. The opened discussion can stir a “national agenda for an open science” where all interested subjects may present digital policies and become actors in the digital market with unlimited opportunities and frontiers.

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