

The Use of Digital Technologies under Pandemic Conditions as a Tool for Business and Economy Recovery

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Abstract

The paper focuses on the degree of use of digital products in many areas of the economy and the dynamics of their growth as a result of the pandemic and post pandemic times. By analyzing the permanent elements of the use of digital products in the global economy and especially in Albania, this study argues the fact that this phenomenon is most likely to occur in a large scale even after the pandemic.

In essence, the paper aims to analyze the factors, which influence the spread of the use of digital products, starting from: the level of trust in the digital market, the level of knowledge needed to use its products effectively, the evolution of the ratio of digital market actors, such as products, consumers and businesses, etc. In this menu, the authors analyze the enduring metamorphoses of the digital market, which emerged with the outbreak of the pandemic and continue to this day.

The analysis of these factors is carried out by identifying the economic causes, legal obligations, government employment policies and procedural innovations of the functioning of the state mechanism and private business under the conditions of the pandemic and beyond.

In methodological terms, the paper is built on the basis of an analysis involving logical deductions and inductions, real examples of market phenomena, and above all, the factor analysis of the impact, which innovation and other levers of digitalization have had on the world and Albanian economy.

Keywords: Key words: Digital Technology, Digital Products, Lockdown, "Recovery plan", Regional Digital Innovation Centers, etc.

Introduction

Digital technology and innovation have played and continue to play a tremendous role in enabling society and businesses to perform their functions, and this became more apparent during the Covid-19 pandemic period. Nowadays, the use of digital technology can also be seen as a tool for faster recovery of the world and Albanian economy after the "lockdown" imposed on it by the pandemic, which would pave the way towards the so-called smart economy and next normality. Digital technology is being seen as a tool for creating professions and jobs, thus forcing decision makers to adapt to these kinds of changes. Society has realized that digital technology is no longer an opinion, but an indisputable need.

Digital technology makes it possible for businesses to redesign business processes and models, better serve customers and have the highest possible efficiency. The use

of new digital technologies, such as blockchain, IoT, 5G communications, etc., have pushed businesses towards new innovations, revision of existing processes, planning and investments. Moving from the traditional form of a restaurant to a food delivery service provider based on online platforms also requires new digital skills. This model has created new opportunities for locating delivery of services nearer to the customer, as well as for further inventory reduction, namely, it has led to cost reduction and better resource planning.

Aim and purpose of the research study

According to **World Bank**, through social networks, mobile payments, e-commerce, and even e-government, digital technologies are transforming the way people interact, businesses conduct transactions and governments provide public services. Faced with the Covid-19 crisis, digital technologies have shown great potential for improving efficiency, planning and conducting economic activities. The object of this research is the digital market and all its elements, such as operators, products and consumers.

The use of digital platforms, cloud storage, videoconferencing, the need for high-speed and secure connectivity, smart devices, etc., are some of the most evident ones during this period, yet facing the challenges associated with them as well.

The World Bank Group is taking broad and rapid action to help developing countries strengthen their pandemic response, increase disease surveillance, improve public health interventions, support the most vulnerable citizens, and assist the private sector to carry on its function, as well as to support jobs.

The economic policies of the Albanian State, the evolution of the technology of private businesses, the expansion of the digital market and the changes they caused represent the purpose of the study of this research paper.

Literature review

World Economic Forum (July 2020), states that "*The word goes digitally*", focusing on the role and importance of digital technology in transforming businesses today. It has launched a framework of a multi-year program especially for decision-making executives, as well as defined actions to return to normal post-pandemic business activity. This framework provides for:

1. transformation into digital businesses through 7 dimensions, such as creating new values; digital business models; timely decision making; data-driven investment decisions; and skillful and agile talents;
2. empowerment of stakeholders: employees, customers, suppliers, partners. Government and society;
3. change to effective systems through models of digital cooperation against a failed market.

The Forum says that the result will be a digital, intelligent enterprise: revitalized, distributed and adaptable to changes.

Various countries and governments are looking at opportunities to change strategies to move towards the "next normal." According to *Deloitte*, these strategies provide for:

- 1) Beginning the “recovery” in order to ensure the scalability / dexterity of systems and networks:
 - a) support and value the experience of employees for cooperation and co-creation;
 - b) provide technology that supports the new environment;
 - c) establish monitoring of “control centers” for strategic responses;
 - d) document the “lessons” learned, evaluate the risk, suggest for the future;
- 2) Stabilization of business operations, preparation for the next recovery phase:
 - a) emphasis on technological innovation;
 - b) building a reliable modern technological ecosystem;
 - c) automation piloting;
 - d) creating an IT recovery architecture;
 - e) use of new digital technologies (IA, etc.);
 - f) reallocation of funds for digital technologies;
 - g) recognition of human potentials;
- 3) Use of long-term terms for finding “thriving” means that enable the “next normal”:
 - a) customer focus;
 - b) creating new values through digital technologies;
 - c) determining key new business values, reliable values.

Joël Le Bon, a Full Professor of Marketing and Sales at the Johns Hopkins University Carey Business School, has paid particular attention to developments in digital technologies, including their use in sales, marketing and management. He notes that the impact of Covid-19 in the digital sphere has been tremendous. “I used to say that with modern digital sales capabilities, sales changed more in the past five years than in the past 50 years. I should say now that sales changed more in the past five months than in the past five years,” he said highlightening the fact that “Advancing the research, education, and practice of digital business development as organizations shift their strategic, marketing, and sales activities makes the Science of Digital Business Development Initiative even more critical for the future of sales, leadership, and work.”

According to **Harvard Business Review**, the number of robots in use has grown rapidly; at the end of 2020, it is predicted that up to 3 million new industrial robots will be used in business operations, namely, 7 times more than during the period 2014-2020.

Results and discussions

Many governments have realized that at the heart of the economic recovery during and after Covid-19 are the widespread use of these technologies. They have proposed and meanwhile begun to implement their strategic plans for how digital technologies can be used to recover their economies from the many consequences caused by Covid-19. Leading and local governments are at the forefront of dealing with the Covid-induced emergency to provide key public services. This was clearly seen in Albania where in the closing period many services or demands for vital activity were provided through the e-albania platform. Developed countries utilized technology

and platforms, as well as online applications, to have a better tracking / tracing of Covid-19. As the pandemic spreads, perhaps causing another wave, governments will have to deal with even more severe restrictions, with / or partial or total closures. In this sense, digital technologies can have a significant impact on the daily lives of citizens, in order to provide them with access to health services, access to information and communication with the competent decision-making authorities, as well as provide them with other facilities related to their daily lives.

Governments can also use digital technologies to monitor, predict and influence the spread or none-spread of the disease, especially in developing or transition countries, such as Albania. Digital technologies can be seen as a gateway to solve many of the problems arising from the pandemic crisis.

If, on one hand, the demands for the use of technology are constantly increasing by governments to improve the lives of citizens, on the other hand, they face the challenges and problems associated with the use of these technologies, especially the principles of privacy, data collection and use, communication speed and telecommunication possibilities, etc. (Case of Albanian in 2021 - publication of some personal data – it is a sample of running faster on giving services to improve peoples lives than having the same speed on securing the safety of the privacy).

The Covid-19 pandemic has forced millions of people to work from home, making employees and businesses equally dependent on digital technology as opposed to “standard” jobs. It is this technology that has enabled them to perform personal and professional tasks by using the capabilities of smartphones, laptops and personal computers.

On October 6, 2020, European Commission approved an investment and economic development plan for the Western Balkans. What stands out is that in this plan digitalization and digital infrastructure are seen as the main enablers for economic development and recovery.

In the main pillars of this investment plan in flagship 8, concrete projects are proposed for digitalization, particularly for:

- the development of fast and very fast broadband infrastructure;
- creation of data centers, secure cloud infrastructures, creation of the Balkan digital highway, creation of infrastructure for High Performance Computers;
- developments in the field of digital skills is also one of the main priorities of this plan.

As concerns the integration of the Western Balkans in the EU, this investment plan in the digital field leads to the promotion of processes related to the adoption of EU standards, provision of IT solutions, facilitation of e-commerce, undertaking measures for cross-border trade, implementation of standards for data protection, etc.

Investments in the digital future should support the development of infrastructure and set digitalization for business, in the field of education, health, in the fields of industry and energy, as one of the most important national priorities.

Albania, like all the Western Balkan countries, should focus on accelerating rapprochement with the EU, which aims at:

- creating an investment-friendly environment (including data protection); and full implementation of the Regional Roaming Agreement;

- integrating digitalisation into national policy with a focus on enterprise, education, health, energy, research and innovation, smart growth;
- enhancing innovative digital transformation by encouraging the establishment of platforms and policies, such as e.g. eGov, eHealth, e-commerce, digital access to culture and cultural heritage, digital skills in education, open access to data and research results;
- promoting the development of Regional Digital Innovation Centers;
- increasing and strengthening cyber security capacity and the fight against cybercrime, in particular by implementing EU recommendations regarding cyber security risks for 5G networks;
- ethical use of technologies, including artificial intelligence for surveillance purposes, in line with the EU Charter of Fundamental Rights and for enabling dynamic harmonization with future EU legislation in this field;
- implementing the Declaration on e-Government, adopted in Belgrade in 2019, to further accelerate work in line with the EU e-Government Action Plan, in support of Public Administration Reform.

The main areas of digitalization in Albania

Changes in the global market could not leave untouched the Albanian economy as part of this market. For this reason, it is important that in Albania, too, private initiatives and state policies are taken to serve the expansion and evolution of the digital market. Some of the possible trends are:

- investing in digital connectivity, providing fast and ultra-fast internet connection (ultra-fast broadband) throughout the country;
- investing in Internet coverage of white areas (where there is no coverage), investing in digital skills development: at a basic level for any citizen using online public services, at an advanced level for IT professionals to respond to the labor market development of digital Economy, and “digital skills” for the SME workforce (adaptation of staff to technological changes, Digital transformation);
- development of online platforms for e-business, e-commerce;
- cyber security;
- taking industrial policy measures: use of artificial intelligence, IoT, cloud computing, applications and use case over 5G, or networks of the future;
- development of “digital literature” as part of digital skills.

According to the **Investment Council of Albania**, our country is still ranked lower in terms of innovation indicators, respectively in the 110th place out of 141 countries. But Covid-19 will give a boost to consumers’ use of digital technology and push companies to invest in online technologies and services. 75% of companies state that they have used the online services and 81% of them agree to re-use these services. Meanwhile, only 38% intend to change their investment plan towards on-line services. Investments mainly target new technologies (51%) and Risk Management (s9%). The pandemic forced new ways of working, interacting and living for everyone. In this regard, the EU has issued several initiatives and directives, aimed at coordinating work and taking measures to deal with every aspect of the coronavirus pandemic, focusing on the vital role of digital, media and telecommunications technologies.

Some of these aspects relate to digital infrastructure, connectivity and regulation to respond to the situation created and define it as its mission – people protected and active from staying online.

With regard to broadband infrastructure, the Investment and Economic Development Plan for the Western Balkans, approved by the European Commission, underlines that the need for investment in the region is at an amount of 3.7 billion Euros to reach the gigabit society.

In Albania, the need for investment in fixed broadband networks is very high – this has been provided by the feasibility study on broadband development, which was conducted with EU assistance. With regard to digital skills, the EU's recent report on Albania recommends the development of a digital skills strategy.

As concerns the development of e-commerce, the Ministry of Finance and Economy is working together with the World Bank on a project, addressing several issues, such as the connection and access to high speed internet (broadband), the regulatory and logistical framework for customs, postal service, consumer protection, etc.

Welcome to the "next normal" – the new reality emerging from the ongoing COVID-19 pandemic. What will life and public health be like? How will business and economy continue to change? This remains to be seen...!

Conclusions

Information and communication technology is an industry of general interest that has a horizontal impact on all sectors of the economy with an impact on everyone's life.

The massive spread of the use of this technology has caused society and business to change the way they act and do business. The pandemic forced new "non-standard" ways of working, interaction and living for everyone. In this view, society has realized that digital technologies are no longer an opinion but an indisputable need.

Pandemic and COVID-19 highlight the vital importance of digital technology: digital connectivity – fast and secure Internet connection, the urgent need to develop digital skills for all levels, the need to use / develop online platforms to adapt to the new reality.

Albania, like all the Western Balkan countries, should focus on accelerating its rapprochement with the EU countries by coordinating work and taking measures to deal with every aspect of the Corona-virus pandemic, as well as by becoming fully aware of the vital role that digital technologies play in the speedy recovery of the Albanian economy.

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