Iranian e-commerce challenge in global village

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Abstract: It seems that e-commerce is a powerful tool, regarding the development of human relationship and need to reach optimal maintaining of speed decision and it’s operating in economic activities and to improve working life in today’s global village. E-commerce could behind boundaries well and inter to whole levels of organization and resolve economic needs. Countries have found very well that e-commerce is a good way, to develop large and profitable economic fields commensurate with territory and requirements and their requires. This article is trying to express, with samples and trends in some countries, how and totality of e-commerce in Iran draw the view of it.

Keywords: e-commerce, globalization, Iran zone, developing countries, Information Technology

1) Introduction:

During the last two centuries, three massive industrial revolutions occurred in human life that deep and fundamental changes were originated in different sizes in the world. The first revolution based on the invention of the steam engine occurred in the eighteenth century and the second industrial revolution decades with new aircraft and related ... and use elements of organic chemistry, spent his steps in 1930 . The Industrial Revolution based on electronic, computer, IT, production networks, nanotechnology, and new method of knowledge occurred in 1950.

Globalization is a main factor that affects on today's human life in all dimensions. Globalization, in particular, means increase and intensify economic exchange between major economic poles like North America, Japan, Western Europe and the newly industrialized Asian countries like India, China and Indonesia. In fact, Formed unions modeled economic integration and convergence insist on participation of countries and expanding global markets. These developments created significant effect in most developing countries .also can be said, they aren’t separated from major technology innovation. So, as a result of, growing mutual interactions among different communities, the international area limited. When global processes become transparent, the competitive field improved from global spread. Successful countries have higher power than the other. Following the globalization’s e-commerce was introduced as a new source for global competitiveness as well as the economic product - commercial development of technologies. The e-commerce is factor for growth of development and its use. It ensures economic opportunities and increasing international competition and help to reduce the growing gap between developing countries and industrial countries in the world. According to the United Nations Declaration on the Right to Development, the developing is including; the political process, cultural, social and economic community which aim of it is improve the welfare of all people. They participate actively and freely in the development and fair distribution of profits from these activities. In fact UN declaration states that guarantee of sustainable development is a of public international law. In the other words, developing and developed countries should be having the same responsibility against it. The statement
argued that governments should make national development of policies that aim of them is improve the welfare of entire communities.\textsuperscript{1}

Characteristic of fifth development programs in Iran, they are included operational programs follow with economic and social justice. Alongside; goals such as expanding domestic production science and technology follow with commercialization of scientific products. Fifth program based on social justice, development concepts and examples that develop the elements and examples. (The elements and examples in the forth section).

The idea of a prosperous society powered in the course of the ideology of social justice is not a new concept, but this concept is moderated concept of traditional model of social partnership which opposed with inefficient and unfair allocation Resources.\textsuperscript{2}

E-commerce, like other cases has been on the agenda according to the principle of efficiency and social justice in Iran. But it has shortage that we should pay it from the global point of view in different sector. Decisions and activities of a country affect on decisions of other countries. The globalization tools are including international trade, foreign investment and expand technology production.

2) Definition of e-commerce and its benefits

E-commerce has various definitions that most of them based on past experience in the use of e-commerce. E-commerce is defined by European Commission in 1997.\textsuperscript{3} They said; e-commerce is based on processing and electronic transmission of data, including; text, sound and image. e-commerce include various activities such as electronic exchange of goods and services, immediate delivery of digital demands and electronic transfer (the Commission of Europe 1997). E-commerce part of e-business and business is done based on economics and programs and through the World Wide Web - Internet, Extranet, virtual network encryption and layer secure - information and etc. E-commerce is included buying and selling goods and services in an electronic market and also customer service, collaboration with business partners and conducting electronic transactions within the organization.

E-commerce may be occurs between two business (B2B) or between a business and customer (B2C). E-commerce in today's world has the following advantages in two areas of micro and macro that includes in proportion to each country are included changes and specific requirements:

Increase the scope and range of market; increasing volume of information and reducing access limitations; reduce transaction costs; increase social welfare; increased innovation and creativity; distribution of new products and services; increased economic growth and reduce inflation; accelerating globalization and integration economic in another.

3) E-readiness

In electronic readiness is defined ability organization, section or working group for the acceptance and benefit from technology information and communication technology of e-commerce.

In the national dimension, preparedness of electronic have been defined as a level of power and gaining access to internet and different using of them in various digital opportunities. From perspective of cultural infrastructure; e-readiness is defined community participation rate in global network, including its ability of that society to contribute to in the world network of the future.\textsuperscript{4}

One study on using e-readiness assessment model of Small and Medium companies in Bushehr and Arak showed that, the proposed assessment model can be used for e-readiness. Therefore; these model said that each company wanted to gain access to e-readiness must be prepared all parts like: management, personnel, technology and other e-readiness. The proposal model not only can be measured the overall e-readiness in small and medium-sized companies, but also; as a useful tool can

\textsuperscript{1} Oyunchimeg borduch, Choice of law in state contracts in economic development sector, 2008, p93.

\textsuperscript{2} Ibid, p200

\textsuperscript{3} Khakaram Salimi, Maryam Abbasi, survey the readiness of Small and Medium Company for electronic commerce 2007, p17.
periodically show the quality of progress in achieving e-readiness based on four key factors. This study showed that the manager’s readiness to embrace e-commerce is the highest and the preparation of technology of all other factors is less. Perhaps this topic implies this fact that despite of management’s request for e-commerce, yet necessary infrastructure is not complete in these companies and need more investment in this area.

4) Contact e-commerce with e-government

Electronic government is consisting of usage e-commerce technology in the public sector. Development of electronic government set a lot of potential opportunities to improve service to citizens, for governments around the world. Moving toward electronic government provides special benefits for developments countries that interact with citizens through the traditional channels of communication are difficult.

Electronic government consists of two abstract areas. First field engaged in changes at the internal operations with using much information technology to support collaboration among government organizations (state -state). Second area, usage of this technology to support government’s foreign operations. In particular focuses on the interaction between citizens and companies with public sector based on Self Service. Eric and Charles Hynant concluded that satisfaction of citizens from electronic government cause to increase their confidence in government.

France Linger and Lemoria Carter’s research also shows that greater confidence to government positively affects to decision to using of e-government services. For example, in Texas and Florida e-commerce has been positive impact on the ability of managers in cities in more effective management, increase of investment shareholders, cooperation among levels and well munitions and managers has optimistic attitude on use of electronic government.

Valntyna has expressed that the challenges and opportunities facing e-government. for developing countries and developed countries is similar and when the developing countries using of electronic services, also opportunities such as transparency, speed of service delivery, accountability, citizen participation come off for Citizens of these countries.

In Iran, e-government targets are as follows:
1. Improving the efficiency and effectiveness of the government by removing authority levels of government’s management.
2. To facilitate citizen access to information for replace citizen orientation to the bureaucratic orientation.
3. Reducing bureaucracy and give fast services and saves time.
5. Reducing time and sampling bureaucracy cycle.
6. Remove client congestion in the public system
7. Replace the organization-oriented government
to citizen-centered

With attention to this criteria, required activities is ongoing in this area the results of a study in Iran showed that factors influencing the establishment of electronic government with an appropriate model including: policy-induced factors, factors of implementation and the underlying factors and operational components related to each of the factors on the process of establishing e-government. Study of the relationship between electronic government and public confidence, results showed that e-government in presence distributive justice, procedural and information cause to increasing level of public trust.

5) Economic globalization and expansion of international transactions:

Can be said advancement in technology, with expertise and existence of international division of labor has caused gradually open closed economic structures and each country can share in global trade. Growth financial markets is one of the promoter factors in process of global integration and disintegration of the socialist system and the end of the Cold War have been very effective on the expansion of global markets and the strength of economic relations.

\[\text{Ibid, p25.}\]
\[\text{Ibid, p9.}\]
\[\text{UN Division for Public Economic and Public Administration(UNPEPA) and American Society for Public Administration (ASPA), “Benchmarking E-Government: A Global Perspective”, Available at: \"http://www.unpan.org \".}\]
\[\text{Manijeh haghighi nasab, evaluating the success electronic government services offices in Tehran, 2008, P. 3}\]
Growth and activities of multinational corporations and increasing foreign direct investment with complete freedom and mobility of production factors and abate of trade barriers and investment increase to advance this process and the incidence of IT revolution in the late 1990’s, created a new branch of growth theory and economic development so far as some analysts, resultant of IT revolution and economic globalization named “New Economy”, and many enterprises in the world, using this method could take precedence over its competitors. Researches of Cramer and his colleagues showed that e-commerce have direct effects and significant on globalization. This research was conducted on 2139 companies that companies studied in Brazil, China, Denmark, France, Germany, Japan, Mexico, Singapore, Taiwan and the United States and took from among various sectors. Ranson studies and his colleagues on small companies, in field of Internet and multinational, also showed that only having a Web site on the Internet isn’t means to enter world markets, but the most important issue is that companies can interest target customers to their websites everywhere and through it encourage people to buy. According Farstr report, the value of e-commerce world in 2004, about $7/6 trillion which are forecast increase to $8/12 trillion in 2006. The Progress of e-commerce is different in different areas of the world. North America is vanguard in e-commerce. According to the report of UN trade, in 2002, estimated trading volume e-commerce in the world 2300 billion dollars and in according to forecasts this rate in 2008 is to 12 800 billion dollars.

The statistics indicate that the Internet have been created a very wide market, with excellent facilities. Now companies and many businesses and manufacturers to gain more shares are in strong competition with each other. Therefore researcher staff of e-commerce have effective role in the development of foreign trade and growing of local industries. This special staff particularly in private form cause to provide information and proper environment with low cost to defeat the cycle of the monopoly of information and growth and development of small business and promoting competitive potential. According Farstr, North America, is the first rank with the volume of e-commerce 3/5 trillion dollars in 2004 and Asia - Pacific with 1/6 trillion dollars and Western Europe with a 1/5 trillion, are respectively second and third ranks. Latin America, with $81/8 billion dollars and other parts of the world with $68/8 billion are in the next ranks.

Studies show that the success of e-commerce in developed and vanguard developing countries for the sake of the fair condition electronic in states and include Internet-based opportunities, quality of ICT infrastructure, government activities and the degree of trade facilitation.  

6) Requirements of electronic commerce

Empirical researches show that successful e-commerce in developed countries and developing advanced for the sake of suitable electronic conditions in the countries. E beds, including Internet-based opportunities, quality of ICT infrastructure, government activities and degree of facilitate business. Access individuals and merchants to communications tools with high quality and low cost, is one of the important beds of e-commerce. Prospering to apply of the tools of communication in the economic area depends on the appropriate business environment, such as political stability, tax regulations, degree of openness of trade and investment.

Adapting merchants and consumers in besides social and cultural infrastructures such as e-literate and skilled manpower is from other precondition spreading of e-commerce. Legal and political environment, including Internet laws, easy to create new businesses, support from personal asserts and intellectual property and investment and government support of technology infrastructures for the development and promotion of e-commerce is critical. Thus, for the development of e-commerce to set the basic measures in the fields of technical infrastructure, legal and regulatory issues, notification and training, education, supporting the private sector and governmental support is needed to be provide for the activity of entrepreneurs including consumers and firms that have central role in applying the e-business.

In the field of requirements of Infrastructure, according to ANKTAD in 2002, technical infrastructure and access to information can be considered as strategies of developed countries. Important issue for developing countries, providing access to high speed Internet, safe and inexpensive. access to internet, enables companies that they gain information about market price goods and services or create new opportunities, also they will have facilitate access to education, science and health for people.

One of the common approaches to increase access to technology is establishment of communications centers. These centers can be handled by the state, national sponsor and NGO. (Note that the expansion of internet and telecommunications infrastructure is one of the five principles of e-commerce policy of Iran).

It should be mentioned that access to technical infrastructure based on studies ANKTAD is second subsidiary strategies in developing countries and countries are allowed for that specific role why that from 37 developing countries considered ANKTAD, 30 of them, have second priority.

Business Based knowledge and management of knowledge is the most compelling aspects of e-commerce. The 1980s and 1990s are seen as a period of advanced development. This period witnessed major processes of transition from industry-based to knowledge-based economies. There are a number of indicators, both quantitative and qualitative, that point to these transition processes – such as the increasing number of knowledge workers, the shifting of importance between human capital and fixed assets, the investment in information technology, the creation of new knowledge-based businesses, the creation of new professions, and the introduction of institutional changes at the macro level.

These changes are described as two interwoven society-wide development processes: (1) transformation of knowledge for economic and social development, and (2) the emergence of the Internet as the core of a world-wide digital information infrastructure. Yet, real-time information about consumers, easier outsourcing and the proliferation of producer-support services tend to favor locating production near to large markets and urban centers. Concerning services, the ICT revolution is likely to promote the dispersal of services that can be delivered remotely and effectively, even while inducing further concentration of others, such as activities that are driven by innovation, tacit knowledge, and face-to-face interactions Location-independent work or telecommuting is growing in industrial countries. One estimate suggests that about 5 percent of all service-sector jobs in industrial countries will be contestable by developing countries (ILO, 2001).1

Another important factor is the electronic capability assessment. One important aspect of the Internet and electronic resources is high accessing to them. In evaluation the quality of resources can be compared a particular source with others. Such cases for compared can be point to target, coverage, credibility and reputation, accuracy, being updated, accessibility, site structure, and ease of use.

On the other hand, demonstrate the phenomenon of wealth helps to understand how and why of e-commerce; however, its application to other subjects is limited. What is happening in one area of a country may not happen in another. Particular Processes in a financial industry or is different from other financial areas, lead to the differences in how of using the Internet and e-commerce. Also in this filed, organizations and academic institutions have suggested very profitability strategy that using of them is actually beneficial in any country with regard to culture and other specific requirements of each region in coordination and balance between sectors.

The Software & Information Industry Association about E-Government & Information Policy, states working trend and goals:

SIIA supports e-government policies that rely on commercial, off-the-shelf technologies and services, recognizing that governments should not compete with the private sector in the development of technology or the implementation of electronic commerce. SIIA is also committed to ensuring that e-government policies maintain a consistent, desirable approach to protecting personal privacy, security of information and transactions, maximizing public accessibility, and avoiding governments from adopting standards, unique requirements or protocols that limit choice and interoperability. Additionally, SIIA is the leading proponent of information policies that promote a diversity of sources for government information and embrace the critical role served by the digital content industry.

On the other hand, in the field of trade and the Cross-Border Services& e-Commerce is active in these areas2:

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2 Summary of SIIA government affairs priorities, soft ware &information industry association, 2009, p 5.
• Removal of barriers to e-commerce (including, for example, promoting a predictable legal framework for global electronic commerce; management of risk and costs associated with litigating in foreign courts; removal of barriers to electronic records, contracts and signatures; development of efficient, timely and cost-effective means of resolving disputes through alternative mechanisms that are practical for consumers and least burdensome for e-business; and other laws or regulations that impede digital commerce)

• Security and Trust, based on private sector leadership, focusing on implementation of a national cyber security strategy and monitoring and opposing as appropriate efforts to impose government-developed standards in this area

• The Internet and Taxes: implement a multi-prong strategy that is outlined in the section on Tax, Finance & Corporate Governance

• Trade Agenda:
  - Pass the Free Trade Agreements (FTAs) that have been negotiated and work toward additional market opening measures based on the highest standards possible.
  - Work toward an effective liberalization of services in the “Doha Round” of Multilateral Negotiations, and advocate strong Ministerial-level recognition of liberal treatment of “digital products” when downloaded, accessed or hosted across borders.
  - In the area of Exports, Customs and Global Logistics, build on the progress made in multilateral trade agreements to address reduction of tariffs and foster effective trade facilitation.
  - Monitor and seek reform of U.S. export control requirements consistent with a 21st economy and national security needs.

SIIA supports tax, finance and accounting policies that encourage strong growth of the software and digital content industries, and the digital economy. Such policies should promote a borderless electronic marketplace free from unfair and inconsistent taxation and provide an environment that encourages research and innovation critical to continued strong economic growth, such as the following:

- E-Commerce and Internet Taxation

Tax policies that enable IT to continue driving economic growth

7) E-commerce in developing countries

One of the main reasons for lack of development was dependent on two points. First as the ability a developing independent society to decision making in power structure of international authority, the second as social justice in developing country, by enabling the poor, by means of providing basic needs for human’s development.

These experiences are caused redefinition of development goals with much more emphasis on non-economic aspects. (UNDP1991). Most e-commerce in developing countries occurs among organizations. Trade between enterprises includes 95 percent of total e-commerce these countries that majority part of it can be done by multinational corporations. E-commerce between enterprises, in developing countries enables producers to gain better information from global markets.

Electronic markets with link producers and variety customers can be resources for finding new clients. But the main effect of e-commerce among enterprises was strengthen of existence relations between trading partners and have created very little business relationships with new companies.

Developing countries should be aware that might focus on electronic commerce between enterprises instead of local business enterprises lead to attention to multinational corporations. E-commerce enterprises – consumer usually in compared with trade between enterprises is small and buyers are often foreign customers of developed countries, especially in tourism markets, arts and crafts.

For apogee of can be through a credit card in developed countries customers in developing countries user smaller percentage of these possibility.

Even in cases where the population density is remarkable, the physical delivery of goods purchased from the online store can include payment on time delivery. Inside of demand or customer, is access growing through shared facilities such as cafes, and also shopping personal computers. Although these options in developing countries only provide people with higher income levels and urban residents, the number of online customers and companies are rapidly expanding.1 Nowadays,
there are electronics banks in many developing countries, and this bank provides the opportunity for customers; which pay their bill to through the Internet. Peruses their bank accounts, and transfer their cash. The existence of high flexibility is the most important factors of growth and success of companies in the field of e-commerce, that them to coordinate with different conditions.

Nowadays, regional companies, doing their policy in exclusive and parcel basis and practical them quickly. These companies have been set main focus developing market capacity of these markets is very high and yet large companies haven’t tracked them.

8) E-Commerce in Iran:

In Iran plans of e-commerce law, especially prepared by especial National Committee in order to accelerate its passage through the design of representatives was presented to Parliament in 2002. General draft, adapted from samples law of uncitrul in 1996 was approved and was referred to the sub-commissions of legal and economic and head of industries and Mines Commission passed in the first deliberation(2002/10/11) approval of these deliberation was included 17 chapters . during the past Changes in second committee, the number of chapters increased from 17 chapter to 27 and variety problems was not consider in the first committee was posed and Industries and Mines Commission was approved in (Sep 26,2003) and parliament ratified it in (May16,2004).

The following codes have been considered in the Department of Justice for development of e-commerce:

- Civil procedure law about e-commerce, including rules related to jurisdiction, the rules of conflict resolution and arbitration provisions of national level
- Criminal law about e-commerce
- Civil Responsibility law about natural and legal persons in e-commerce

In technical dimension pointing to indicators is useful.

Number of data communications centers has reached to 1329, center in the end of 2005. The capacity of data transmission network of whole country has increased to 106,140 megabits until the end of 2005. Total number of transactions was occurred under accelerated network more than 112/5 billion in 2005. According to existence statistics-commerce as a kind of B2C e-commerce has been 40 billion Rials in 2002, and 100 billion Rials in 2003, about 1,000 billion Rials in 2004. Of course, this is noteworthy that these figures include those who had been electronically financial transactions.

Number of bank cards issued for consumers has been more than 13 million cards in the end of 2004. Number of sales terminals installed in stores has been over than 68/5 thousand terminals.

In Iran, about e-commerce statistics, have been done efforts in some measure the firm of transactions with B2B, but still does not exist quite accurate statistics from the firm of this transactions.

However, many transactions carried out through cash payments in Iran, therefore bulk of transactions of B2C are far above available statistics. (Ministry of Commerce of the Islamic Republic of Iran's E-Commerce Development Centre).

Here we specify some results of studies about e-Commerce that the results represent the main component, needs, requirements, successes and failures, conscious and unconscious behaviors and ....

1 - In the Cases Study in Iranian’s Automotive Industry in the chain of electronic supplement, this study concluded that:"However, designing and building relationships with logistics service providers is problematic in the Internet and some of these problems include lack of understanding supply Chain needs, the customer organization, lack of sufficient expertise in the field of information technology, unsuitable definition of processes and inadequate services and lack of innovation systems of information logistics service providers and supply chain, but it seems that problems of information systems isn’t just because of its technical nature, but also lace of transparency and participatory communication between different parts of the supply chain and logistics service providers.

Based on the proposed model, existence of integrated logistics network is necessary with top decision-making power. The most important networking skills, is ability to integrate and coordinate strong partners in the supply chain, control and management, the obviation of problems and standardization of documents and information and another important doing is that each member need to fulfilled their obligation regarding the use of resources in bilateral trade relations.

Endnotes:

2. Presenting model for the integration of logistics information systems in the electrical supply chain (automotive industry).
In other searches, in response to that question what is appropriate criteria to evaluate ease of use of useful Internet sites that are fit to the global trade? They consider these factors: proper design, learning ability, performance, efficacy, safety, satisfaction and scanning and results of research showed that criteria have been done appropriate scales with regard to the features introduced in each case, and so this hypothesis is confirmed.1

On the other hand, the different factors that influence on trust in different groups of study determine the relationship of education level with awareness toward security procedures and confidence in the on the website.

Whatsoever a person has more education, such cognize that the security agents and application of new methods of security and confidence site by center and lack of Web abuse from personal information knows more than important than other factors and in compared to those who have lower education, another factors other than Web sites’ security take important and valuable such as convenience, price and service. 2

9) E-commerce in developed countries and its effects:

Here in this article point to such Cases about e-commerce in some developed countries. The mention of these cases helps the reader to familiar briefly with the reasons and procedures in each country.

What so from following example, we conclusion that national and international policies, thinking and innovation methods and their prospects, traditional business methods, technology type, the type of organizations and people's acceptance are important factors and play essential role. Category of domestic factors in addition norms and rules due to globalization imposed on the country are also added to these factors and will affect e-commerce oriented.

The view of scientists, global democratic revolution, is the most important development in the end of the twentieth century. Development of e-commerce with preserving of the necessity and requirement of democracy can be present in the economy range and will achieve the ultimate desired results. Only by understanding precisely about the historical background of information technology applications such as commercial hegemony and cultural conditions, the use of e-commerce can be successful.

10) Conclusion:

E-business benefits and significant economic consequences, such as market expansion, cost reduction sources of production, improve productivity, reduce transaction costs, creating jobs, reducing inflation and have a central role in economical endogenous growth. E-commerce offers the possibility of providing information and widespread access to business information has increased producers maneuver and effectively competitive producers from one hand (even micro and small investors) on the other hand has increased choice of consumers sharply; something that can be considered as a access for expanding the economic justice. Providing necessary infrastructure and culture of e-commerce application in large-scale and understanding of patterns e-commerce in economy and industry in order to the possibility of e-commerce evaluation and knowledge the amount of actual superiority and hegemony United States and other countries and their areas of reduce powers by globalization, forms of local economies, the level of local and regional culture, unification of laws, rules and regulations in areas or set of countries which have economic cooperation, better and more accurate understanding of the programs and prospects as well as other countries, understand and recognize method of thought and how of decision making and their quickly in futurism issues, will help to making the carefully plat and e-commerce growth and prosperity. So; understand how of differences in national conditions and affective policies to diffusion and effects of e-commerce is focused in the global scope that affected by other countries economy and amount of their development and legal requirements.

References:


[2] AliReza Ghanadan & Bахare Ghafari, Ease of application of evaluation criteria framework designed Web sites, as one requirements and


