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**39TH CONGRESS OF THE EUROPEAN REGIONAL SCIENCE
ASSOCIATION / REGIONAL SCIENCE ASSOCIATION INTERNATIONAL
(ERSA/RSAI)**

24 –27 AUGUST 1999 IN DUBLIN

**An Application of New technologies and management investment risks for the regional
cross-border operations.**

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ABSTRACT

The identifying, management and securitization of investment risks by applying new information technologies are a very important area for the global international financial management.

In the XXI century, as security markets grow new technologies are allowing managers today to sell securities within seconds of the decision to sell. For the Western European countries the regional risk's management and information technologies in Eastern Europe, especially in Russia are not known as well. . According to last research –forecast the Western Investment bankers and investment associations the risks management of financial instruments via Telecommunication cooperation Western and Eastern Europe will have lead to organization a new Virtual Euro-Asian financial marketplace. For the investors of XXI century it will mean better access to more kinds of risk financing at a much lower cost for treasurers and risk managers. A few concepts are now in the works in Europe.

One idea is that large investment banks and companies will be able to bundle their multiple analytic needs. The Web provides ways to utilize the new technology to get more information quicker for all investment participants than ever before. Large Investment data collection services are being challenged by new sites and products which provide similar information for country risk, investment banking and industry based assessments and financial Risks together -- such as product liability, country risk, interest rate and currency risks and securities

Other ideas have been focused on the development the international independent Internet Research -Electronic Media Networking intelligence System.

Eastern European financial services sector is still also one of the most weakly regulated sectors in the EU economy -- despite last decade of widespread deregulation.

Though technological improvements and innovations are almost always healthy and beneficial for an economy, they can place serious strains on the incumbents in a particular industry or sector on which they are focused, and they may create challenges for public policy, especially in a heavily regulated industry. This has certainly been true for financial services. Further, the heavy overlay of government regulation on the financial services sector has certainly influenced the course of financial innovation and, in turn, been influenced by it.

¹ Dr. Steve Mintz is President of International Development Professionals and Dr. Lapsina is a Professor at the Moscow State University, working in information technology.

This paper will provide an overview of these interactions between Internet – Telecommunication financial regional innovation and investment regulation. Regulation clearly can be a hinderance to innovation; sometimes it may be a spur to innovation and actual or prospective innovation may, in turn, be an important precursor . Also, because discussions of technology and of government regulation inevitably involve concepts and organizations that are identified through abbreviations, we also provide an appendix with a glossary of the abbreviations used in this paper.

European and Russian Techno-innovation and Technologies for the management risks for the European investments cross-border operations

The Eastern Europe financial services sector is still also one of the most weakly regulated sectors in the European economy – due to last decade of widespread deregulation.

Though technological improvements and innovations are almost always healthy and beneficial for an economy, they can place serious strains on the incumbents in a particular industry or sector on which they are focused, and they may create challenges for public policy, especially in a heavily regulated industry. This has certainly been true for financial services for the cross border- operations . Further, the heavy overlay of Eastern countries government regulation on the financial services sector has certainly influenced the course of financial innovation and, in turn, been influenced by it.

Because of its federal systems of investment and financial regulations are different from that of Central Europe and NBC and Russia ,this has led, in effect , to a sort contradictions and collisions in cross-border information exchange .

Despite the immensity of the European Commission documents (Agenda 2000 contained some radical proposals for the structural reforms of the central and Eastern Europe, DG CSX's and others did include cooperation initiatives in these areas with non-EU countries, notably East and Central Europe (TEMPUS , Phare, Socrates, ACE programs), and US), Balkan countries and Russia have been isolated of European regional cross-bordering integration process during 1996-1999 .

EU Commission and Russian government just only formally have launched several small regional programs intended to enhance the democracy and development of local and regional

self-government in cross border- zone in Russia². These efforts did not organize even small monitoring of the extra-volatility and turbulences of the Russian regional investment risks, and changes of regional tax –policy.

As a results, the EU Comission regional discrimination to the development of the regional inforamtion technologies programs of Russia and N IS regional development process, tech- information vacuum of regional vestment process in cross-bprder zones, Russian financial Crisis and Kosovo regional conflict have been prepared the negative surprise for the EU economy.

Moreover Russians regional reforms issues and cross-border developments projects still have been stay in non- transparency for the NBC, EU and Western countries despite the annual positive evaluations of bureaucratic EU experts reports³.

Due this, the coordination of the regional information exchange and investment technologies have been identified buy countries in transition towards market economies as an important element that transition.

The growing international needs for technical information related to regional planing and economics, currency issues, money market management, regulation and supervision has never been more important for Emerging Market Regional Scientists and Analysts and international development decision-makers. Internet can provide a low cost alternative to previously expensive information services related to regional decision-making and research are a major focus and expense. New information technologies allow for more effective, and inexpensive access to databases, regional GIS, and other information needed by economists. . Furthermore, since Regional planning organizations are critical to regional growth and development, the new tools of information technology are critical for growth.

A recent **Business Week** article highlighted the importance of these new tools as they outlined them as the “Builders of the New Economy”⁴ In International Regional Development these trends can be the difference between a country adjusting to the new global financial and trade opportunities and constraints or failing! Companies such as Bloomberg, IBM and

² The Thorny Road Towards Administrative Reform in Northwest Russia and the Baltic States. By Marten Johansson// North, Journal of Nordregio - -N 2-3 Dec, Volume 9, 1998, pp.8-9

³ According to the EU report Tacis Programme operates as one of the world's many Official Development Assistance (ODA) programmes. The figure below presents overall official aid flows to the NIS in the period 1990-1995, including official credits. Technical assistance, hereafter referred to as TA, represents only 4.9 per cent of these flows. The Tacis Programme is the largest provider of TA, nting 35 per cent of total TA or 1.7 per cent of total official aid to the NIS. Within the NIS, Russia is by far the largest recipient of both ODA and technical assistance, receiving 16.4 per cent of the total EU-ODA and 43.4 per cent of the EU's TA – internet Sources: <http://www.europe>.

⁴ **Business Week**, June 21st, 1999. Special Report on Information Technology, page 118.

Siemens have been able to take advantage of these needs and see an increase in sales and profits. The **Business Week's 1999 Annual Information Technology Report** suggests growth above 30 percent for Internet Access and Data Networking.⁵

With today's volatile currency, securities, commodity and money markets, decision-makers must have available data and analysis that will allow them to take advantage of the opportunities on a minute by minute basis. Internet can provide this assistance for under \$1,000 per year in most countries. Additionally, Internet can provide information technologies for a risk management system allowing one to assess markets, commodities and country risk on a continual basis. This can be at a low cost. In contrast, for some currency houses, information technology costs as late as 1997 exceeded \$20,000 per terminal per year for specialized financial and risks management services. Furthermore, working with the expanding Internet system in academics and private business, the cost per unit in central Regional planning organizations can be less than one tenth of specialized information service providers. The emerging Internet tools such as "PUSH" technology allow one to be updated constantly from a wide variety of sources. Smart Search Engines can also assist in a number of ways to uncover emerging challenges and issues. These services are available seven days a week, three hundred and sixty-five days a year. The Internet, a vast network of intra-linked computers that are able to communicate with one another, is revolutionizing the way individuals and institutions communicate, relate and work with one another. Introduced to the general public just five years ago, its pace of adoption has eclipsed all other technologies that preceded it. One hundred million computers should be wired into the global Internet by the year 2000. One billion people around the world may be using the Internet by the year 2005. In a recent article PC Computing's Mike Hogan suggested "E-Commerce is not a fad. By most conservative estimates peg online retailing at \$41 Billion in just two years and....Web commerce between businesses at \$1.3 Trillion"⁶

Keeping up with Financial, Economic and Policy Changes

Because the world of finance, banking international development and economic growth are inextricably linked with information technology, Regional Scientists and Analysts, clients and colleagues alike are more connected, better informed, and more demanding than ever before regarding new technologies. This article reviews the types of information which might prove helpful for policy analysts on the Internet and help decision making with more complete and

⁵ Business Week, June 21st, 1999. Special Report on Information Technology, page 122.

up to date information. This can only lead to better resolutions. For Western and Eastern Regional Scientists and Analysts and international development specialists, IT (Information Technology) can provide the competitive edge to make specialists and managers better decision-makers. This allows managers and specialists to make decisions quicker, more cost effectively and more profitably for many bankers and international organizations. Hardware advancements have also been important in the development of these new tools. The development of the sub-\$1000 PC market allows decision-makers to have dedicated machines to work with their various management and risk functions. These new decision tools need to be understood, tested and used by the Regional Scientists and Analysts and decision-makers so they can assess the financial and trade markets as investment bankers with multi-billion dollar system. International traders such as George Soros have shown that the ability to trade currencies, commodities, and securities has generally been a very profitable area. Keeping up with change has been difficult for Regional Scientists and Analysts and international development specialists who do not have vast budgets for IT. Mr. Steve Mintz, President of IDP (International Development Professionals) has done a survey that is posted on their website at www.intlpros.com. The survey and study concludes that most Regional Scientists and Analysts and professionals are not keeping up with the Internet changes or technologies. Internet provides an alternative. Several of the Internet Websites provide wide coverage of financial and development developments. This would include <http://www-cpr.maxwell.syr.edu/~jfollain/regional/datasets.htm>, [Yahoo.com](http://www.yahoo.com)(Regional), www.bis.org, www.cnnfn.com and www.ft.com offer complete research packages for no charge. Internet services such as www.aol.com and www.merrillynch.com all provide systems for policy changes. Professionals are just beginning to use the new technologies to aid their decision making. The objective of this ten-month study has been to develop new approaches to promote financial and economic policy reform in developing countries and transitional societies via use of the Internet. Now and in the future, financial and international development decision-makers will have to use information technologies incorporated in the Internet more efficiently to improve decision and policy making. The areas where the new Internet tools can strengthen economic and financial services growth and development organizations. . This study found several Internet applications that strengthen financial and economic policy programs for Regional Scientists and Analysts and Development Specialists. They include:

1. Improved Communication Tools

⁶ [PC Computing](#), July 1999, Page 146.

2. Economic Research and analysis
3. Financial Transactions and Price Discovery
4. Professional Networking
5. Public Transparency
6. Public Advocacy
7. Distance Learning, Education and Training
8. Institutional Building
9. Methods for Regionally Developing Policy and Financial Tools including Distance Technical Assistance
10. Providing a mechanism for implementing Change in Internet Services as a Tool for Policy Reform.
11. Access Knowledge and Mastery of the Internet in developing countries
12. Providing New Methods for Evaluation and Confirmation of Policy Decisions.

These are just a few of the most important ones today which will affect all Regional Scientists and Analysts and global development professionals. The advances in Internet and information technologies for Regional Scientists and Analysts and International Development specialists suggest there are several key new communication tools and uses for financial and policy decisions today. Each Web Site mentioned has a few examples of Web addresses that can be explored at one's leisure. The conclusion of this study shows virtual books of material on most subjects affecting International finance.

1. Improved Communications Tools. Use of the Internet for both intra organization and external international communications continues to expand. Some 15 million users now use E-mail on a global basis. At the heart of effective decisions are effective communications. There are several types of E-mail from corporate servers, which use the Internet to link offices to public companies that provide inexpensive E-mail services. This includes Customer relations management using the Internet tools. There are several excellent sites and systems for that including www.yahoo.com, www.aol.com, www.hotmail.com, www.looksmart.com, and www.cnnfn.com. These are just a few of the many sites available. The web site <http://www.fao.org/> provides an overview and links. These addresses provide analysis and research options on a global basis and allows rapid and effective communication on the Web. They allow rapid communication between non-technical users, technical analysts and their clients. Other options are outlined in Table A; each of these has applications and communications for the international development specialist and banker.

2. Economic Research and Analysis. Collection of current and reliable information is essential for sound financial and economic policy analysis and formulation. The Internet has a wealth of information and analytical tools for sound financial and economic research and analysis, ability for professionals to dialogue and conduct joint research, and emerging technologies that allow for interactive database management. Sites such as <http://www.helsinki.fi/WebEc/>, www.ft.com, www.mcb.co.uk/itr.htm, www.fame.com, www.nyt.com, www.wsj.com, www.cnnfn.com and www.washingtonpost.com allow analysts to get information quickly. Database services allow new options for analysts to make better decisions.

3. Financial Transaction Research and Price Discovery- the new communication tools allow one to follow up with new sites to update quickly and complete financial transactions. Thus, policy analysts, financial researchers and economists can assess quickly the recent trends in the market. Sites such as the Virtual Finance Library at <http://www.library.nijenrode.nl/nbr/200/200.html>. Other financial sites include www.quicken.com, www.money.com, www.cbot.com, www.schwab.com, www.motlyfool.com, www.street.com, www.wellsfargo.com, and www.agcanada.com allow for price and financial transactions to be developed. With as much as twenty percent of stock market transactions in the U.S. are now in day trading. All focused on the Internet.

4. Professional Networking. Financial and economic policy analysts and program managers need to exchange news and views rapidly, collaborate on joint projects, and stay current in the dynamic global and regional economy. The Internet by its very nature is ideally suited for professional networking. However, much of the professional networking today is among the donors. Broadening will occur as access and training expands. Virtual conferences and Internet newsgroups offer other opportunities for networking but work best when structured. For example, by using the Internet Yellow Pages one can find persons providing a wide variety of services. Net Meeting, specialized Chat Rooms and other options allow for groups of professionals to communicate and network. New Pagers and other options allow 24 communication. For example see Yahoo pager or AOL Pager on their sites for description. See www.Yahoo.com, or www.AOL.Com

5. Public Transparency - Transparency is important for an informed public and advocacy is important to lobby for change. The Internet may be an effective tool for transparency and

advocacy, depending on the audience given today's uneven Internet access. International financial, business and specialized non-governmental organizations have made very effective use of the Internet for transparency and advocacy. However, the Internet cannot reach large audiences in developing countries so other media may be more effective. The sites for the U.S. Congress are one site, which shows the power of the Internet and allows all constituencies to communicate their view on issues.

Multilateral organizations have gone into the internet in a big way. The World Bank's site – <http://www.worldbank.org> – map is exemplarily, providing access to all the various departments and activities, plus chapters for each of its main user categories – business, NGO/journalists and schools. The European Commission's DG1A – <http://europa.eu.int/comm/dg1a>, responsible for the Central and Eastern Europe, has just added a site map, which provides immediate access to all the important documents. The overall Europe website has links to all EU institutions and to statistics on the EU. The United Nations Economic Commission for Europe has a fabulous links section under “statistics” plus limited offerings on its sections devoted to economic analysis / The <http://europa.eu.int/>, or www.congress.com site is continuing to improve rapidly to aid the public. The power of Internet during the Impeachment Hearings of President Clinton is a new tool, which aids public transparency and advocacy by all Internet users. Another example is the European Central bank at <http://www.ecb.int/>, or in the U.S. the www.thomas.com site.

6. Public Advocacy- Today's advocates need to be able to quickly assess changes in public understanding and perceptions. For example, each of the Presidential Candidates in the U.S. election has Web Sites. Both NATO and the Serbs had Web Sites, to help advocate their positions in world opinion. The U.S. State Department has established a site for most major American Embassies to help influence the positions of all peoples in a country. Web Sites are an important new financial and economic tool. Today public advocates need to be able to make very effective arguments to an increasingly educated and skeptical population. This requires new tools to influence public opinion. International Donors have largely not embraced this new technology. Donors do not have a deliberate policy of incorporating Internet technologies as they formulate strategies and design and implement development projects. Some donors have recognized the pioneering nature of the Internet and established pilot projects to experiment with new development approaches. Others have not. For example the Kellogg Foundation has a site www.kellogg.com. Another one is the a regional European view at

emu.co.uk/ , www.nordregio.a.se , www.mcb.co.uk www.aima, www.fame.com . This sites outlines their research focus. However, the application of the Internet within development projects is still taking place largely through a “champion” approach, whereby individual project managers have knowledge and interest in the Internet and utilize those technologies to achieve development goals. Other key examples are at www.intlpros.com. The UNESCO and the UN will also provide background on the donors at <http://www.fordfound.org/>, .

2. Distance Learning, Education and Training are often elements of successful financial and economic policy programs. The survey shows that approximately 28% of all Regional Scientists and Analysts and international development specialists’ training supports businesses and free market financial and economics. Distance education offers an alternative to traditional classrooms, and can be cost-effective, reach more students and be less disruptive to host country institutions. While Internet-based education is growing quickly in the United States, little has been focused for Regional Scientists and Analysts and international development specialists' training programs. In the U.S., Wharton is one university that now has a MBA Executive Program taught over the Internet. It is www.wharton.com. Microsoft offers courses in the basic spreadsheet and other key tools of analysis including templates to aid small to medium business at www.microsoft.com. While correspondence has become a bit of a dirty word in the education realm, distance learning with new technologies is gaining credibility. Distance Learning is now part of many sites such as www.Yahoo.com.

7. According to www.InterEd.com, a Phoenix-based company that researches educational quality, the percentage of regionally accredited universities that offer some technology-based distance education reached 55% in 1996, up from 30% in 1994. "The technology infrastructure is finally reaching a point where it is reasonable for a great number of people to learn wherever they can bring their computer," says Judith V. Boettcher, executive director of the Corporation for Research and Educational Networking. Most universities including www.asu.edu are now turning to the web to attract new students, assist in lectures and outline new programs. See www.intered.com for a more complete overview of the virtual teaching and training option. We must incorporate Web-Based Training for Bankers and International Development Personnel. One third of American colleges and universities offered distance education classes in 1995 and another quarter planned to offer courses in the next three years. Almost 26,000 distance education courses were available, more than 750,000 students participated, and 690 degrees and 170 certificates were awarded in 1995. It is

expected the Internet will become the preferred delivery mechanism for such training in 1998. Private corporations are also engaged in distance learning; in fact 30% of all distance learning in the U.S. is being provided by non-academic sources. One private training provider, for example, specializes in short courses on international financial markets and instruments to more than 500 organizations. Education in business and free market financial and economics was the single largest area of interest for Regional Scientists and Analysts and international development specialists training in 1995. This report analyzed Regional Scientists and Analysts and international development specialist's participant training database between 1994-1996. It found that the great preponderance of training is short-term and technical in nature. This is particularly suited for Internet based distance learning. Much of the training (two-thirds) relates to business administration, finance and management, areas where Internet based training programs have a dominant role. Also, the bulk of degree training is at the associate and masters levels. In this training, there are multiple options via Internet based distance learning. The options continue to expand in this area. At the same time, few examples of Regional Scientists and Analysts and international development specialists utilizing distance learning in these fields were found. A number of actions can be taken to better utilize Internet technologies to strengthen financial and economic policy training programs. They can be broken down into four approaches: These include utilization of existing Internet-based distance learning opportunities already available at American colleges, universities, and training institutions. This effort merely records existing opportunities and lets Regional Scientists and Analysts and international development specialists program managers know what is available so that informed choices might be made. It would create a Directory of on-line Financial and economics and Business Training, containing training opportunities from American colleges and universities, professional and trade associations, and other on-line training.

The Directory would also describe technological requirements for delivering all training, and successful examples of how on-line education has been incorporated into foreign aid programs. It would encourage American institutions to develop and market new on-line training programs customized to the needs of financial and economic policy reform efforts. The first alternative is passive. One would basically set up mechanisms whereby distance learning as practiced in the United States is reflected within Regional Scientists and Analysts and international development specialists financial and economic policy

programs. This alternative would play a more aggressive role in shaping how American educational institutions view and interact with emerging overseas markets. After analyzing Regional Scientists and Analysts and international development specialists need for policy-based training and comparing that with off-the-shelf opportunities, Regional Scientists and Analysts and international development specialists would approach educational institutions were a need for more on-line opportunities to become apparent. A variation on this theme would be to select a global financial and economic policy of particular importance and encourage appropriate American institutions to develop supportive Internet-based distance learning programs.

Facilitate European and American distance learning providers to actively target students in particular countries or regions for existing and/or customized courses associated with financial and economic growth and policy reform. By focusing on a country or region, one could better tailor financial and economic and business programs on: (a) the instructional needs of the country or region; (b) the language and cultural requirements of the area; and (c) technological solutions to overcome telecommunications barriers to delivery. This might be particularly appropriate in graduating Regional Scientists and Analysts and international development specialist's countries and regions, or in a region with compelling development problems, such as sub-Saharan Africa.

8. The International Institutional Building- Institutions need to remain as current on global financial and economic conditions and thinking as do individuals. International financial and economic policy institutions - business associations, think tanks or universities can grow stronger by having international partnerships. The international institutional networking works best when organizations have a common agenda and mutual interest. In such circumstances the Internet is a great tool. When mutual interest is present, the Internet is an effective tool any other. For example, the exchange between the European and NBC research Centers Nordregio(Sweden) , House of Monday Morgen Weekly –www.monday.dk (Denmark) , Russian Universities - www.mesi.ru, www.cedry.mesi (Russia) and American www.asu.edu (USA) , should represent a new telecommunication - bridge sites that will allow one to keep up with the changes at an independence international University and all its' research units. The Center for Agribusiness Policy Studies (CAPS) can be reached through this method. It is linked to ten other key agribusiness universities and twenty-two state programs and over 10 countries. Bankers and development specialists know that clients demand more services,

quicker assessments and more focus on their individual needs. To bring all facets of your business together, as well as successfully leverage your existing information technology investment, the growing Internet showcases enterprise integration applications. Regional Scientists and Analysts must deliver on powerful financial transaction servers that delivers critical business initiative for on-line banking and brokerage for check and account processing. Sites that show include www.money99.com, www.quicken99.com, www.cnnfn.com and www.inc.com.

9. Methods for Regionally Developing Policy and Financial Tools including Distance

Technical Assistance - Financial and economic policy reform programs often require expensive, short-term technical assistance for very defined periods of time. The Internet can be a tool to deliver these services; on-line and on time. The Internet can also provide greater access to leading luminaries who might otherwise decline assignments that require several weeks of undivided attention at relatively low pay expected by the donor agencies. Laying the groundwork and having local support is important to ensuring the effectiveness of this approach. Many Internet programs follow regional approaches to financial and economic growth. Some focus on extending Internet connectivity to the greatest degree possible in a region, others analyze financial and economic growth constraints and devise Internet and other solutions, and still others seek to maximize electronic linkages between regional financial and economic institutions, from business groups to universities. Regardless, regionally based Internet programs benefit from the ability to address common problems among professionals and institutions with common histories, culture and language. For example most states in the U.S. have their own Websites which allow one to assess the economic and financial conditions of the region. Examples of these are www.newyork.com. Regional scientists can keep up with Newsletters from the regions including the various regions they work in focusing on a multitude of specialties. Examples of these are www.sffed.com, <http://www.un.or.at/uncitral/en-index.htm> and <http://www.un.org/>

10. Providing a mechanism for implementing Change in Internet Services as a Tool for

Policy Reform-The number of independent attempts to use the Internet to facilitate international trade and investment is ample evidence of the importance of information in the emerging global economy. Thus Internet is providing a mechanism for implementing

change in Internet services as a tool for Policy Reform. Business groups are among the Internet's most enthusiastic supporters for this reason. These business-oriented Internet programs also offer opportunities to influence financial and economic policies, albeit indirectly. By permitting users to compare financial and economic policies across national boundaries, the Internet's transparency can work as an agent of policy change. For example, the www.cia.gov has a site, which allows comparison of policies of different countries. The Website www.ibm.com allows businesses to adjust to different countries' financial and information systems.

11. Access Knowledge and Mastery of the Internet in developing countries. Access to the Internet is uneven today. 85% of all Internet use is now within North America. Africa has only 1% of the phone line density of industrial countries and therefore little access to Internet. With the new cellular technology this may change, as satellite technology allows distant analysts to use Internet. Surprisingly, 82% of Regional Scientists and Analysts and international development specialist countries have full Internet connectivity. However, all too frequently, poor service and high prices due to government controls on the telecommunication industry limit Internet use. Even in those countries, which have a fairly competitively priced service, financial and economic policy makers and leaders often have limited knowledge and mastery of this new technology. A number of regions, cities and other emerging market locations have set up their own Internet servers to take advantage of the exploding databases. See U.S. Census Website www.deptcom.gov.

12. Providing New Methods for Evaluation and Confirmation of Policy Decisions

The Internet provides new methods of Evaluation and confirmation of policy and project management decisions, which can help Regional Scientists and Analysts and international development personnel evaluate projects and improve project plans. The essential steps in project management including planning the work, tracking and maintaining the plan, dividing the working into effective components, understanding and controlling the financing of each project.

Project plans can be enhanced by team involvement in the inputs and decision-making, work implementation procedures, and more effective interaction with external organizations.

For the Future of Central and Eastern Europe Global Tele- intergration

The study developed virtual approaches to liberalize trade and investment, improve business environments, balance financial and economic growth and global climate change, deregulate

infrastructure markets, and address financial and economic policy constraints in the emerging financial world. Below are the main features of an Internet solution to general financial and economic policy programs.

- a. Encourage policy institutions to become virtual. A third approach would build on the first but also encourage other organizations, which could contribute to policy strengthening to become virtual. These could include European , Russian and American training groups with important content; consultant groups willing to offer on-line advice; think-tanks not yet on-line but willing to share research findings; professional and industrial associations; European , Russian and U.S. universities to join in collaborative research, offer distance learning, and mentor alumni of past Regional Scientists and Analysts and international development specialists training programs; EU , Russian and U.S. federal and local governments; U.S. and EU voluntary organizations.
- b. Because of the modest costs involved, it should be possible to persuade many of the above groups to establish their own web presence. However, some organizations might encounter additional costs, for example if they were to convert classroom instruction into a virtual education. Small grants might be considered to encourage the creation of more distance learning content. The above approach would increase the supply of relevant American content, expertise and learning opportunities available on the World Wide Web to support Regional Scientists and Analysts and international development specialist's financial and economic policy solutions.
- c. Identify and conduct work on specific financial and economic policies. The fourth approach would be to prioritize among financial and economic policies and carry out the first three approaches, but more focused on specific subjects (such as intellectual property rights), rather than on broad policies like trade and investment or improved business environments. Virtual support might entail: financial and economic research via the Internet, distance technical assistance, distance education, networking among professionals and institutions, and supporting non-governmental organizations for international advocacy.
- d. Carry out regional and pilot Internet activities. The case for regional approaches to Internet use was made earlier. Regional Scientists and Analysts and international development specialists might wish to follow the above approaches regionally, as opposed to globally. Issues such as financial and economic and commercial law for the former Soviet Union and Eastern Europe, liberalized trade and investment in sub-Saharan Africa, and private infrastructure development in Asia illustrate how an Internet-based program can focus on a regional financial and economic policy issue.
- e. Develop a virtual financial and economic growth university centers for Regional Scientists and Analysts and international development specialists and its contractors, grantees, and host country partners. This would allow Regional Scientists and Analysts and international development specialists to capture, disseminate and cross-fertilize in-country training programs presently developed and conducted in isolation by Regional Scientists and Analysts and international development specialists contractors and grantees. Digital and interactive technologies allow one to begin archiving and networking among training programs. Over time, Regional Scientists

and Analysts and international development specialists could develop a series of short-term training programs which could be utilized when and where appropriate; creating a catalogue of in-country training in business and free market financial and economics. A virtual library could also be established with important research results available to all partners. A virtual learning community would thereby evolve in the professional ranks of the agencies, donors and precipitants of international development.

f. Individuals need to help organize, manage, and implement on the Web. There are several important considerations in the implementation of Internet in the workforce. These include:

- 1) Choosing a Partner. For a virtual program to be successful, it must have an institutional home. Examinations made of various financial and economic policies (from trade and investment to deregulating infrastructure markets) revealed dozens of potential partners.
- 2) This article outlines several criteria that Regional Scientists and Analysts and international development specialists might wish to utilize to select the most appropriate partners, as well as the responsibilities of such a group.

As we enter a fundamentally new global information economy, traditional approaches to financial and economic and social development need rethinking. Thus, a case can be made for pilot projects to test new approaches out. Several donors have launched programs, which provide venture capital/pilot project funds to innovate on application of Internet technologies to development. Methodological problems arise, however, in measuring the impact of the Internet on development. The proposed program can pioneer new ways for the Internet to strengthen financial and economic policies. For example, an innovative web site could compare financial and economic and telecommunications' competitiveness for the global information age of one country against sets of competitor economies in a region and the rest of the world. A second group might want to establish a web based advocacy forum surrounding a series of issues, such as further deregulation of power industries and its impact on both financial and economic growth and environmental improvements. A third group might experiment with distance learning associated with managing private municipal water supply systems. Once the Internet is meeting specific needs, expand it out, offering different kinds of information and services. The web presence and Internet technology applications should follow the perceived needs of viewers. It should evolve over time, becoming more sophisticated as time goes by. Chat rooms and opportunities for feedback on the virtual workspace itself can help raise the expectations and improve the performance of the Internet

web site. Time should be scheduled at least annually to improve the services and capabilities available from the Internet web site.

Efforts would be made to expand Internet access and mastery in developing countries, industries, and financial institutions, as discussed earlier. Increased awareness and mastery over the Internet can be achieved through basic and specialized training. Regional Scientists and Analysts and international development specialists, the United States Government more broadly, and other donors should address telecommunication policy constraints where they exist. Negotiations for more open information and communications policies will likely persist for a number of years.

Another important step will be to facilitate a virtual entrance for organizations which can make substantive contributions towards strengthening financial and economic policies, but which presently do not have an Internet presence or capability. These organizations and programs will be identified over time, and attempts should be made to convince them to develop a virtual capability. Small grants might be useful in some instances to gain an Internet presence, say in developing on-line training from an educational institution. Pilot projects might begin once the basic virtual system is in place. A process to encourage innovation would need to be worked out. A small grant activity might be considered to begin some of these efforts. Careful attention needs to be paid so that the virtual organization created can indeed be sustained. Suggestions for sustaining this program include membership fees, paid advertisements, teaming agreements, commissions from web-based trainers, partnerships with Internet Service Providers, and subscriber fees for basic Internet services. In any case, one should grow such a network organically; start small with modest outreach and goals; and build on successes, adding new services, as clients are willing to pay.

Appendix A: INTERNET AND FINANCE SITES

<http://www.prime-tass.ru> - Russian Economic financial Services

www.bloomberg.com - List of the World Markets, Bloomberg News, Financial Analysis, Energy Stocks, Media Stocks

www.cnnfn.com - List of CNN Financial News Network Update, Hot Stories, Your Money, Digital Jam, cnnfn on-air, briefing,

www.news.com - List of major Technology Finance News

www.fastcompany.com - Personnel Issues related to finance and marketing carriers

www.ft.com - London Financial Times.

www.pathfinder.com - Fortune Magazine

www.webcom/darrel/ - Asian Business Update

www.bis.org - Bank for International Settlements

www.rbc.ru - Russian Business Consulting , Financial Analysis, Russian Equity Market

www.cbr.ru – Russian Central Bank

www.fame.ch - Switzerland International Center for Financial Asset Management Engineering

www.rbc.ru Russian Business Consulting Co.

www.rinaco.ru – Russian Investment Consulting Agency

www.cbr.ru - Russian Central Bank

<http://www.cbr.ru/eng/-English> site of Russian Central Bank

<http://www.mdmbank.com/fininfo/fininfo.htm> - Russian Inter-banks financial info

www.nordregio.a.se - Nordic Center for Spatial Development

www.monday.dk - Danish House of Monday Morgen

www.aima.com - Alternative Investment Association

http://europa.eu.int/comm/dg1a/site/contacts/phare_tacis_info_centre.htm - European Commission for the Central and eastern Europe .