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ROMANIA'S SMES ON THE WAY TO EU'S TWIN TRANSITION TO DIGITALIZATION AND SUSTAINABILITY

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Abstract:

European Commission's six priorities for 2019-2024 are all in line with and leverage each other to support Europe's twin transition to digitalization and sustainability; aiming to address the challenges posed by the COVID-19 pandemic, The Recovery Plan for Europe adds resilience as key dimension of EU's progress, while reinforcing its commitment to the green and digital transformation. Counting for more than 99% of the enterprises, employing about two of three people, and generating more than a half of the value added – with similar weights as concerns Romania – EU's SMEs are the engine of Europe's economy, therefore essential contributors to these transformative processes – as emphasized in the SME Strategy for a sustainable and digital Europe.

Against this background, the main questions the paper is addressing are: how ready the Romania's SMEs are for the twin (digital and sustainability) transition the EU has embarked on? What are RO's SMEs approaches to and performances on digitalization and sustainability against the EU27 SMEs' average benchmark? How can the RO's SMEs twin transition process may be speeded up? The analysis was mainly built on data provided by the Flash Eurobarometer 486: SMEs, start-ups, scale-ups and entrepreneurship (released in September 2020). The review of Eurobarometer 486 data on the two topics will then be examined and discussed, in order for the paper to eventually: identify the gaps between RO SMEs and EU27 SMEs in terms of perceptions, attitudes and behaviors related to the twin transition; explore the challenges (in terms of both opportunities and threats) RO's SMEs face as regards the twin transition; provide some guidelines able to speed up the twin transition of RO's SMEs.

Key words: digitalization; sustainability; twin transition; EU; Romania's SMEs

1. Introduction

European Commission's six priorities for 2019-2024 – "European Green Deal, A Europe fit for the digital age, An economy that works for people, A stronger Europe in the world, Promoting our European way of life, A new push for European democracy" (https://ec.europa.eu/info/strategy/priorities-2019-2024_en#priorities) – are all in line with

and leverage each other to support Europe's twin transition to digitalization and sustainability. Aiming to address the challenges posed by the COVID-19 pandemic, The Recovery Plan for Europe (https://ec.europa.eu/info/strategy/recovery-plan-europe_en) (NextGenerationEU) – adds resilience as key dimension of EU's progress, when arguing that “post-COVID-19 Europe will be greener, more digital, more resilient and better fit for the current and forthcoming challenges”.

Counting for more than 99% of the enterprises, employing about two of three people, and generating more than a half of the value added – with similar weights as concerns Romania (Table 1), EU's SMEs are “the backbone of Europe's economy, (...) therefore central to the EU's twin transitions to a sustainable and digital economy, (...while ...) essential to Europe's competitiveness and prosperity, economic and technological sovereignty, and resilience to external shocks” (https://ec.europa.eu/growth/smes_en). Within this framework, the SME Strategy for a sustainable and digital Europe (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0103>) “aims to considerably increase the number of SMEs engaging in sustainable business practices as well as the number of SMEs employing digital technologies.”

Table 1. SMEs in Europe – 2020

SMEs (0-249 persons employed)	Enterprises		Persons employed		Value added	
	Number	Share	Number	Share	€ billion	Share
EU27	22526457	99.8%	83397941	65.2%	3338	53.0%
RO	519203	99.7%	2690245	66.1%	44.4	55.9%

Source: https://ec.europa.eu/growth/smes/sme-strategy/performance-review_en

However, following the most recent Annual Report on European SMEs 2020/2021 (<https://ec.europa.eu/docsroom/documents/46062>), Intereg Europe concludes (<https://www.interregeurope.eu/policylearning/news/12597/>): “with respect to the transition towards a smart and green economy, the annual report identifies two major challenges: (1). Compared to 2015, the proportion of SMEs offering green products or services has not increased. About one third of EU Member States does not have dedicated schemes fostering the adaptation of SMEs to environmental and energy regulations. Green public procurement is also developing slowly; (2). Skills, training, innovation and digitalisation remain key challenges for SMEs in a large number of Member States. The lack of adequate access to technical skills or highly skilled workers is a commonly identified challenge. The share of people employed who have ICT specialist skills has even declined since 2015 and ICT skills training for employees is not progressing fast.”

Considering the above-mentioned, the main questions the paper is addressing are: how ready the Romania's SMEs are for the twin (digital and sustainability) transition the EU has embarked on? What are RO's SMEs approaches to and performances on digitalization and sustainability against the EU27 SMEs' average benchmark? How can the RO's SMEs transition process may be speeded up – considering also the new challenges brought by the COVID-19 pandemic?

The analysis on Romania's SMEs approaches to and performances on the twin transition was mainly built on data provided by the *Flash Eurobarometer 486: SMEs, start-ups, scale-ups and entrepreneurship* released in September 2020 (Eurobarometer 486, 2020). Focusing "on the barriers and challenges that SMEs in Europe face when growing, transitioning to more sustainable business models and digitizing their operations" (Eurobarometer 486, 2020), the survey:

- covers all the 27 EU's countries (and 12 non-EU countries/territories); of interest for this paper have been the perspectives of Romania's SMEs on digitalization and sustainability – against the EU27 SMEs' average (the two units of analysis having 490 respondents to the survey – RO, and 12343 respondents – EU27 respectively);
- was conducted between 19.02.2020 and 05.05.2020 (mostly before the outbreak of the COVID-19 in the country of the participating SMEs); undoubtedly, the COVID-19 pandemic has brought significant challenges and major disruptions for SMEs and their path toward digitalization and sustainability, so "data primarily provides a benchmark for the pre-COVID-19 period".

Six issues have been comparatively (RO SMEs versus EU27 SMEs) explored based on *Eurobarometer 486* data: (a). as regards the transition to digitalization: Barriers to SMEs' digitalization; SMEs' approach to digital technologies; and Digital technologies adopted by SMEs; (b). as regards the transition to sustainability: Environmental and social sustainability actions adopted by SMEs; SME's approach on sustainability; and Barriers to SMEs' sustainability.

The review of *Eurobarometer 486* data on the two topics will then be examined and discussed, in order for the paper to eventually: identify the gaps between RO SMEs and EU27 SMEs in terms of perceptions, attitudes and behaviors related to the twin transition; explore the challenges (in terms of both opportunities and threats) RO's SMEs face as regards the twin transition; *provide some guidelines able to speed up the twin transition of RO's SMEs*.

1. Romania's SMEs Transition to Digitalization and Sustainability – findings based on Eurobarometer 486 data

The questions in the Eurobarometer 486 that most specifically address the digital and sustainability transition of EU27 SMEs, accompanied by their respective answers – reflecting RO's SMEs approach on digitalization versus EU27 SMEs' average – are:

"Q21 Which of the following, if any, is a barrier to digitalization in your enterprise? (multiple answers possible)"

While 62% of EU's SMEs report at least one barrier to digitalization, there are only 53% in Romania to admit a digitalization related challenge. Of them (Figure 1), *Lack of financial resources* is perceived as the main obstacle – by 30% of respondents (compared with the 23% average of EU's SMEs representatives), followed by *Regulatory obstacles* – considered by 20% of RO's SMEs (compared with the 23% average of EU's SMEs).

Lack of skills, including managerial skills, Lack of information technology infrastructure, such as high-speed internet connection, and Internal resistance to change are equally weighted, at 8%, by RO's SMEs, in high contrast with the EU's average (20%, 19%, and 17% respectively); the gaps are also higher if considering *Uncertainty about future digital standards* and *IT security issues* – perceived as barriers to digitalization by only 5% of RO's SMEs, while the EU's averages of 24% and 20% respectively place them among the most problematic issues. *No interest in digitalization* is declared by 8% of RO's SMEs, which is double compared with the EU's average (4%).

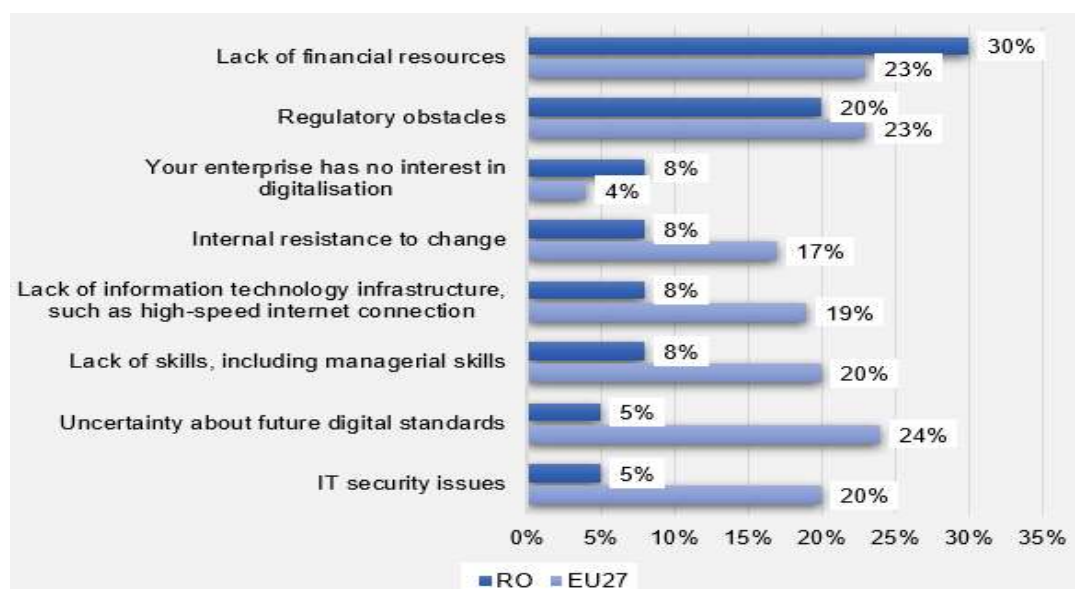


Figure 1. Barriers to SMEs' digitalization (RO vs EU)

Source: Eurobarometer 486, 2020

“Q22 Please indicate which of the following options best describes your enterprise's approach to digital technologies”

On average, more than three quarters (76%) of EU's SMEs recognize the need to introduce digital technologies or have already started introducing them – compared with less than a half (48%) of RO's SMEs. As regards the actual approach (Figure 2), 27% of RO's SMEs have *Adopted or are planning to adopt basic digital technologies such as email or a website but not advanced digital technologies* (compared with the 34% EU's average), while 19% of them consider they do *Not need to adopt any digital technologies* (the EU's SMEs average on this issue being 18%).

Moving to “the next level” – introducing advanced digital technologies – brings a consensus among SMEs (8% in both RO and the EU average) on the statement *There is a need to introduce advanced digital technologies but (the) enterprise does not have the knowledge or skills or financing to adopt them*; although, a big difference occurs if considering the SMEs' actual behavior, as only 7% of RO's SMEs (compared to the 24% EU's SMEs average) declare that *There is a need to introduce advanced digital*

technologies and (the) enterprise has already started to adopt them. Somewhere in between the two above mentioned approaches (acknowledge of need but lacking knowledge/money, on the one hand, and acknowledge of need while taking steps to fulfill them, on the other hand) is the situation where *There is a need to introduce advanced digital technologies and (the) enterprise is currently considering which of them to adopt* – as only 6% of RO's SMEs (compared with an EU average of 10%) have surpassed the knowledge/money related concerns and are (more) actively involved in the process of digitalization.

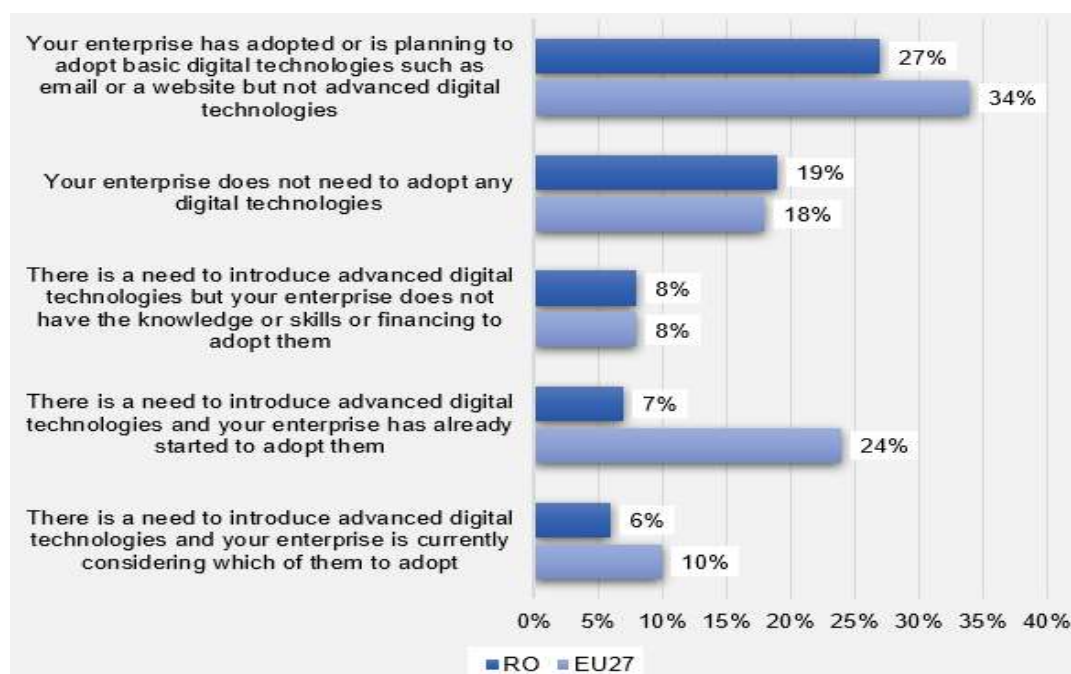


Figure 2. SMEs' approach to digital technologies (RO vs EU)

Source: Eurobarometer 486, 2020

“Q23 Which of the following digital technologies, if any, has your enterprise adopted to date? (multiple answers possible)”

At EU's level, an average of 62% SMEs declare to have adopted at least one digital technology (as many as those that have reported at least one barrier to digitalization), compared with only 41% of the RO's SMEs.

Of them (Figure 3), *High speed infrastructure* is the technology mostly adopted by the RO's SMEs – 20% (compared with 32% of the EU's SMEs), followed by *Cloud computing* – used by (only) 17% of the RO's SMEs (compared with 43% on average in EU's SMEs) – and *Smart devices* – adopted by 15% of RO's SMEs (compared with 21% of EU's SMEs). *Big data analytics* registers a 9% usage by RO's SME – quite similar to the EU's SMEs average of 10%. Lower scores get *Artificial intelligence* – technology integrated by 5% of RO's SMEs (and 6% of EU's SMEs) and *Robotics* – adopted by 5% of RO's SMEs (and

5% of EU's SMEs). *Blockchain* is the least adopted digital technology by RO's SMEs and EU SMEs as well (2% and 3% respectively). Beside these, 54% of RO's SMEs (compared with 37% of EU's SMEs) declare to not have implemented neither of the above-mentioned digital technologies.

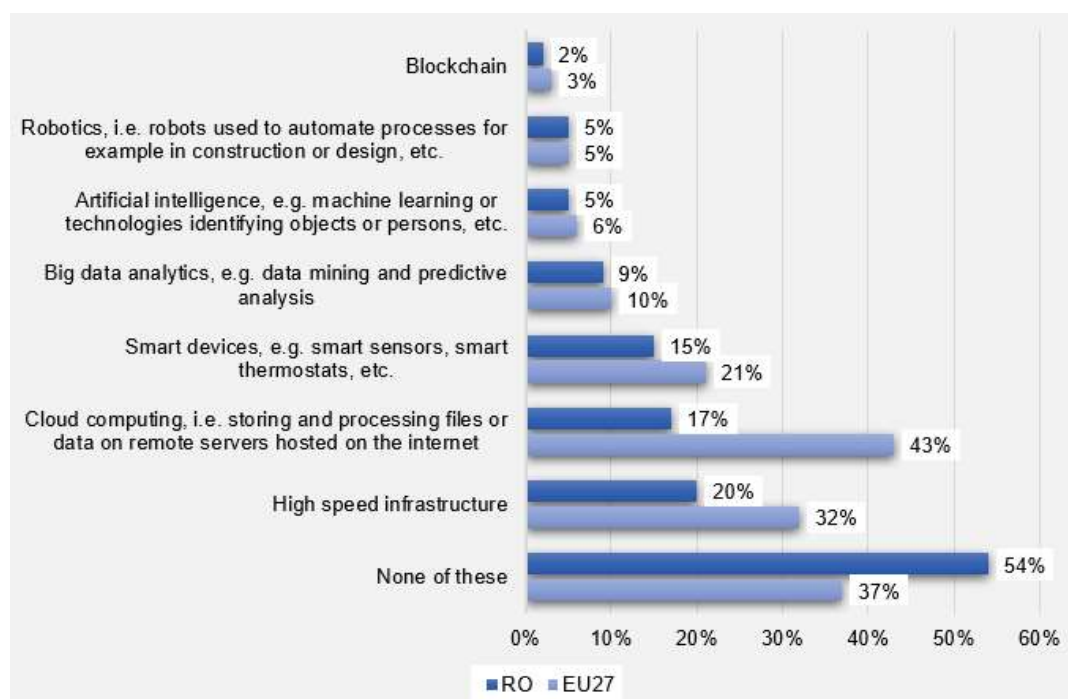


Figure 3. Digital technologies adopted by SMEs (RO vs EU)

Source: Eurobarometer 486, 2020

“Q24 In terms of environmental and social sustainability, which of the following actions, if any, is your enterprise actively taking? (multiple answers possible)”

Compared with 91% of the EU's SMEs reporting to have actively taken sustainable actions, there are 83% of the RO's SMEs doing that. In terms of specific actions SMEs are involved in (Figure 4), RO's SMEs seem to be above the EU's average (only) on *Developing sustainable products or services* – 33% compared with 30%; RO's SMEs are below the EU's average on all the other sustainability related measures.

While the environmental dimension is addressed by more than half of EU's SMEs – through *Recycling or reusing materials* (61%), *Saving energy or switching to sustainable energy sources* (52%), or *Reducing consumption of or impact on natural resources* (52%) – it is more modestly considered by RO's SMEs (by 42%, 28%, and 24% of them respectively). The social sustainability actions most adopted by RO's SMEs are: *Improving working conditions of (their) employees* – embraced by 49% (compared with 66% of the EU's SMEs) and *Promoting and improving diversity and equality in the workplace* – reported by 29% (compared with 52% of the EU's SMEs). Lesser scores (18%) get *Engaging employees in the governance of the enterprise* and *Evaluating the impact of*

(the) enterprise on society (which count for 49% and 24% of the EU's SMEs respectively). There are also 13% of the RO's SMEs (compared with 9% EU's SMEs average) not adopting any of the above actions on sustainability.

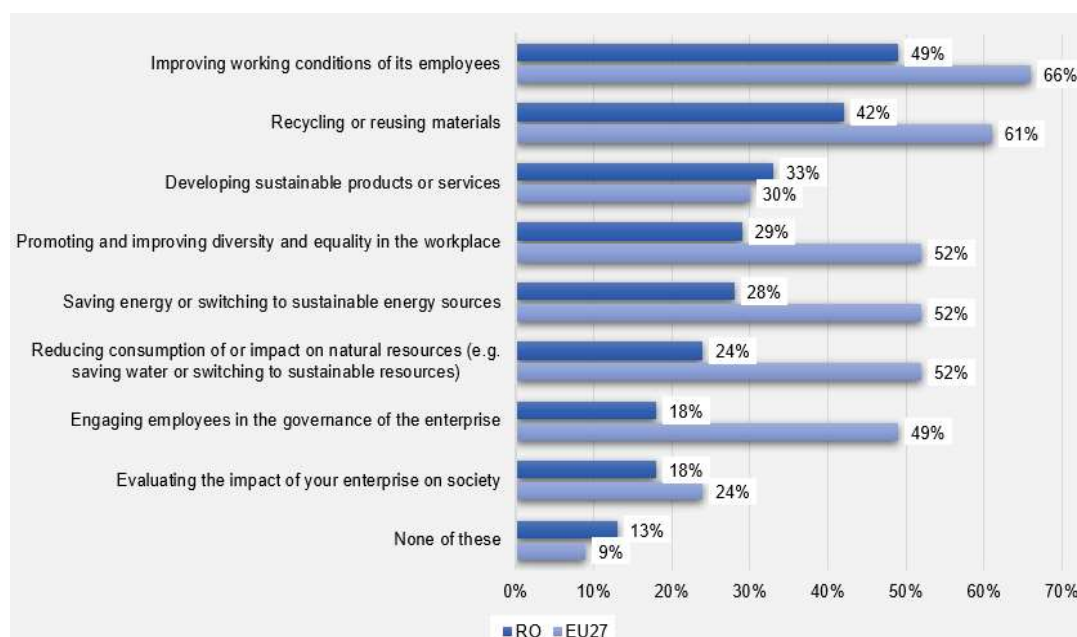


Figure 4. Environmental and social sustainability actions adopted by SMEs (RO vs EU)

Source: Eurobarometer 486, 2020

“Q25 Do you have a strategy or action plan to become a sustainable enterprise, i.e. combine long-term success and profitability with a positive impact on society and the environment?”

Overall, 34% of EU's SMEs report to have a strategy or action plan to become a sustainable enterprise – compared with 41% of the RO's SMEs (a “total no” defining 58% of the EU's SMEs and 43% of the RO's ones).

More specifically, the RO's SMEs approach on sustainability (Figure 5) varies from totally defensive – with *Not applicable* and *No, and it will not in the future* being choices embraced each by 10% of RO's SMEs (compared with 4% and 18% respectively by EU's SMEs) – to (pro)active (at different degrees) – *Yes, and it is in the process of being implemented* being reported by 23% of RO's SMEs (compared with 21% of EU's SMEs), while *Yes, and it has already been implemented* being reported by 18% RO's SMEs (compared with 13% of EU's SMEs). Somewhere in between them are the “undecided” – choosing *No, but it may be considered in the future* – 33% of RO's SMEs (compared with 40% of EU's SMEs).

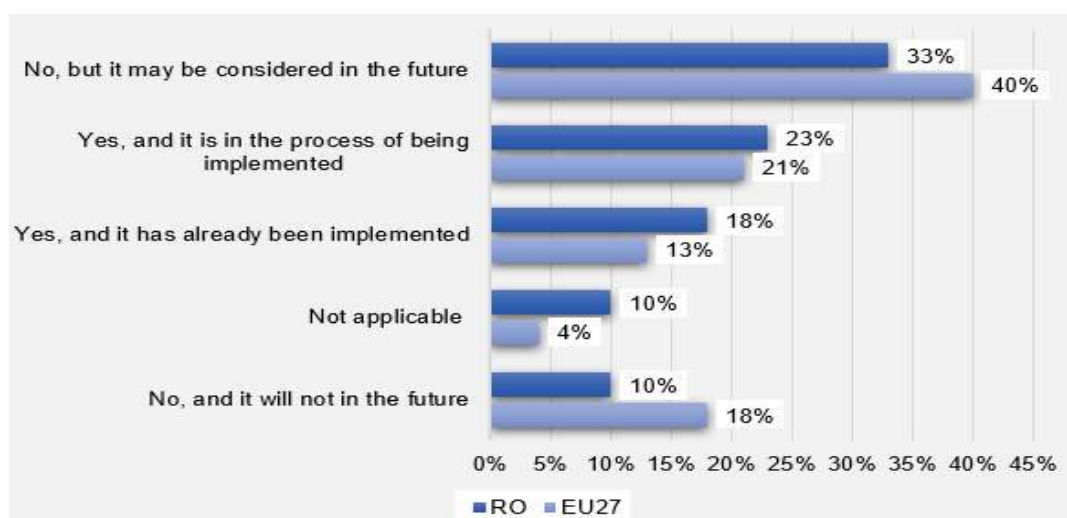


Figure 5. SME's approach on sustainability (RO vs EU)

Source: Eurobarometer 486, 2020

“Q26 Which of the following, if any, are currently preventing your enterprise from becoming sustainable, i.e. combining long-term success and profitability with a positive impact on society and the environment? (multiple answers possible)”

On average, 70% of UE's SMEs – while 56% of RO's SMEs – report at least one barrier to (their) sustainability. More specifically (Figure 6), *Lack of financial resources* is perceived as the main barrier to sustainability by RO's SMEs – 35% (compared with 27% of EU's SMEs) – followed by *Lack of consumer or customer demand* – reported by 17% of RO's SMEs (compared with 30% of EU's SMEs) and *Lack of skills, including managerial skills* – acknowledged by 11% of RO's SMEs (compared with 15% of EU's SMEs).

The obstacles referring to *Lack of awareness about how to integrate sustainability into the enterprise's business model* – reported by 9% of RO's SMEs (compared with 23% of EU's SMEs) – and *It is not compatible with (the enterprise) current business model* – reported by 8% of RO's SMEs (compared with 24% of EU's SMEs) – reflect the largest (relative) gaps between RO's SMEs perspectives and the EU's ones. The two remaining options: *It would not be profitable* – chosen by 8% of the RO respondents (compared with the EU average of 15%) and *Lack of willingness among the management* – considered by 2% of the RO respondents (compared with the EU average of 7%) – seem to confirm RO's SMEs propensity towards sustainability. Still, (a disturbing) *None of the above* (barriers) is the answer provided by 36% of the RO's SMEs representatives (compared with only 26% of the EU's SMEs ones).

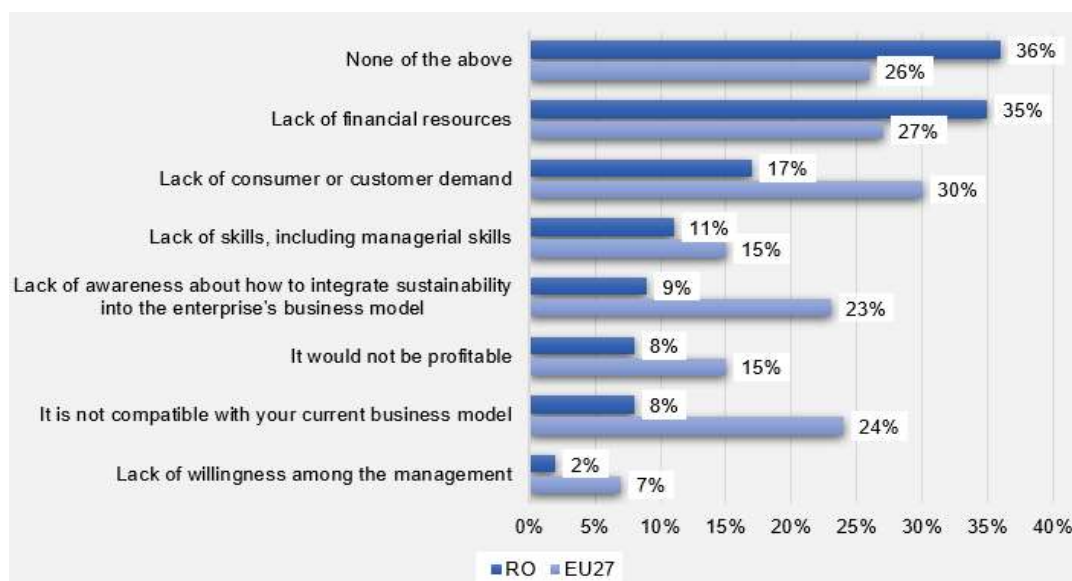


Figure 6. Barriers to SMEs' sustainability (RO vs EU)

Source: Eurobarometer 486, 2020

2. Discussion and Conclusions

Digitalization and sustainability are no longer arguable choices nowadays; they are (becoming) a must, an “industry standard” to meet for any industry (no longer “just” for competitive advantage, but in order for businesses to “simply” survive). And that’s something (especially) large companies have acknowledged and captured in their strategies, academics have debated and documented (Cobo-Benita, Amo, & Santiuste, 2020; Irimiás & Mitev, 2020; Isensee, Teuteberg, Griesse & Topi, 2020; Lange & Santarius, 2020), while EU have integrated in their paths of development.

With **sustainability** remaining a perpetual goal and an increasing concern for businesses – placed under the spotlights of intense scrutiny by a variety of stakeholders (concerned for either the environmental dimension of sustainability or the social one) (Ardia, Bluteau, Boudt & Inghelbrecht, 2020; Calderon-Monge, Pastor-Sanz & Garcia, 2020; Tapaninaho & Kujala, 2020), **digitalization** has recently got momentum – fuelled by the COVID-19 pandemic, that disrupted numerous industries and forced enterprises (no matter their scale) to rapidly reconsider, capitalizing on digitalization, their ways of doing businesses (from operations to products/services or business models) (Ivanov & Dolgui, 2020; Priyono, Moin & Putri, 2020; Savić, 2020).

This latter digitalization related leap will probably be used now as catalyst for future (digitalization and sustainability related) developments, leading the “smart” businesses to significantly progress on their learning and experience curves, while leaving the others behind. That’s why the digitalization of businesses is (becoming) crucial – and it must be supported and enhanced by the digital transformation of the entire (nationwide) society.

As regards Romania, according to the most recent Digital Economy and Society Index (DESI) 2020 Report (<https://innogrowth.org/wp-content/uploads/2020/07/DESI-2020.pdf>; <https://digital-strategy.ec.europa.eu/en/policies/desi-romania>), which represents the European benchmark in terms of digitalization (and digital progress):

- it ranked the 25th (overall DESI score) out of the EU27 Member States in 2020; despite a slight increase in its DESI score (from 35.1 in 2018 to 40.0 in 2020 – compared with an increase from 46.5 to 52.6 of the EU's average DESI score), Romania takes the same antepenultimate position (as in the previous two years) in the EU ranking, due to a slower than other European countries' pace of digitalization;
- its relative DESI performance is well below the EU average – especially if considering Digital Public Services and the Use of Internet Services (where Romania ranks the last), followed by Human Capital and Integration of digital technology (where Romania is the penultimate in EU's ranking); Connectivity is the only dimension where Romania scores higher than the EU average (56.2 compared with 50.1);
- by DESI components, if considering the two most relevant dimensions for the digital transformation of businesses (Human Capital and Integration of digital technology, together with their respective indicators), Romania registers significant gaps compared with the EU average (Table 2), although the respective dimensions have manifested an increasing trend during the last five years.

Table 2. Human Capital and Integration of digital technology – RO vs EU (DESI 2020)

DESI 2020	RO	EU
Human capital	Score: 33.2	Score: 49.3
At least basic digital skills (% individuals, 2019)	31%	58%
Above basic digital skills (% individuals, 2019)	10%	33%
At least basic software skills (% individuals, 2019)	35%	61%
ICT specialists (% total employment, 2018)	2.20%	3.90%
Female ICT specialists (% female employment, 2018)	1.20%	1.40%
ICT graduates (% graduates, 2017)	5.60%	3.60%
Integration of digital technology	Score: 24.9	Score: 41.4
Electronic information sharing (% enterprises, 2019)	23%	34%
Social media (% enterprises, 2019)	8%	25%
Big data (% enterprises, 2018)	11%	12%
Cloud (% enterprises, 2018)	7%	18%
SMEs selling online (%SMEs, 2019)	11%	18%
e-Commerce turnover (%SMEs, 2019)	5%	11%
Selling online cross-border (%SMEs, 2019)	6%	8%

Source: <https://digital-strategy.ec.europa.eu/en/policies/desi-romania>

- it ranked the 24th out of the EU27 Member States in terms of Digital Intensity in 2020, being among the countries with a very low Digital Intensity – based on its Digital Intensity Index (DII), which measures the use of different digital technologies at enterprise level. The majority of RO's businesses (more than

60%) have made only a small investment in digital technologies (using only 0 to 3 of the 12 digital technologies considered by the index); therefore, Romania is far from having reached the basic level of digital intensity (a majority of enterprises using at least 4 of the 12 digital technologies).

This broader view, when juxtaposed with the Eurobarometer 486 results, is likely to reveal a series of (other) issues/challenges – connected to the mechanisms of beliefs-perceptions-attitudes leading to decisions-and-behaviors – RO's SMEs are facing (and sometimes are not even aware of and/or are not willing to accept and deal with). Thus: As concern digitalization: some of them may not be aware of and/or admit the (magnitude of) *lack of skills, including managerial skills*, or the *internal resistance to change* (reported as issues by less than one of ten RO's SMEs). This premise may also (at least partially) explain why the share of enterprises declaring/having *no interest in digitalization* is double, compared with EU's average, while *uncertainty about future digital standards* and the *IT security issues* are disregarded by most of the RO's SMEs. Under these circumstances, the *lack of financial resources* (ranked the first as barrier to digitalization) may seem like the perfect excuse for them. But, if the premise above is true, RO's SMEs may have bigger problems than they acknowledge, and not considering and/or acting now on speeding the digitalization process may be quite expensive on the long run. And it seems to be the case, if considering that less than a half of RO's SMEs is admitting the *need to introduce digital technologies or have already adopted some of them* (compared with three quarters of EU's SMEs), one of five is reporting that their *enterprise does not need to adopt any digital technologies*, and about a quarter of them seems not to "find" their approach (compared with only 4% of EU's SMEs); unfortunately, the small share RO's SMEs in different phases of considering and/or introducing *advanced digital technologies* is only confirming this presumption.

If referring to sustainability, the situation may be (even) "more complicated", because: sustainability is not something that businesses, and especially SMEs, traditionally considered to define and/or serve them (in terms of the bottom line) – compared with digitalization, a need fully acknowledged (at personal/individual level); although quite numerous and increasing, the actual choices for SMEs (targeting either the environmental or the social dimension of sustainability) are likely to be perceived as expensive and/or not worthy; the benefits are not (so) obvious, particularly on the short term. On the other hand, the superficial approach that "sustainability" is something that makes/helps businesses to look good could lead to a boomerang effect canceling further real efforts and outcomes, while reinforcing the lack of confidence on this endeavor. These (general) premises, coupled with RO's SMEs (recent) background and (latent) idiosyncrasies may suggest the need for a more complex reading key for the Eurobarometer 486 results, in order to fully capture both the visible highlights and the subtle nuances that define RO's SMEs approach on sustainability. Thus, slightly more than a half of the RO respondents admitting at least one barrier to sustainability sounds rather encouraging (compared with the EU's average of 70%). But, while RO's SMEs put the *lack of financial resources* (mentioned by more than a third of the respondents) at the top of the reported barriers to sustainability, EU's SMEs put the *lack of consumer or customer demand* at the top; compared to the financial resources issue, all the other obstacles to

sustainability admitted by RO's SMEs seem quite irrelevant – *lack of skills, including managerial skills, it would not be profitable, and lack of willingness among the management* included. Moreover, the large discrepancies between RO's SMEs and EU's SMEs perceptions on the obstacles to sustainability related to the *enterprises' business model* (compatibility with current business model and awareness about how to integrate sustainability into the enterprise's business model – both in RO's SMEs favor) raise some questions on both the “clarity” and consistency of RO's SMEs business models and their endeavors towards sustainability – that the environmental and social sustainability actions adopted by RO's SMEs unfortunately are not able to (clearly) answer to. On average, RO's SMEs strategic approach on sustainability is in line with these inconsistencies; perhaps more surprising is that they seem to be more interested towards or involved in the strategic approach on sustainability than in the strategic approach on digitalization – although it wouldn't be a bad choice *per se*, if considering digitalization (just a) mean to achieve an end (economic, social and environmental sustainability).

Given the above, a full and objective self-analysis on both digitalization and sustainability (performed against industry/national peers) would be the logical first step any Romanian SME should perform in order to design its future competitive approach. This analysis – based on a real understanding of the digital technologies and the sustainability related endeavors that may help a particular business improve their performances, how can it capitalize on them, and what will be the consequences of not adopting/implementing those technologies/measures – will allow the SME to identify its strengths and its weaknesses, as well as the opportunities and threats it faces and to further design its competitive strategy – considering its digitalization and sustainability profile.

Of help in this process might be the portraits sketched (by corroborating the survey's data set) on the Eurobarometer 486 Report (2020) for the EU's SMEs that have a strategic approach on digitalization and sustainability respectively; as expected, the two profiles (Figure 3) are quite similar, tending to overlap, while suggesting the following aspects – of high interest for the RO's SMEs twin transition:

Table 3. Profile of EU SMEs with a strategic approach on digitalization/sustainability

SMEs with a strategic approach on Digitalization are more likely to:	SMEs with a strategic approach on Sustainability are more likely to:
<ul style="list-style-type: none"> - be medium-size; - be in a sector other than industry; - have high turnover (more than 2 million €); - exporters; - be part of a group or owned jointly by members; - be members of an industry cluster or another SME business support organization in the region; - be part of a global value chain; - have patents or patent applications; 	<ul style="list-style-type: none"> - be larger SMEs, in particular medium-sized; - be younger – established in 2019 or later; - have high turnover (more than 500000 €); - have past growth or plans to grow in the future; - be co-owned by a public entity, particularly compared to those solely owned by one person; - be members of an industry cluster or another SME business support organization in the region or part of a

<ul style="list-style-type: none"> - have innovated in the last 12 months; - recognize a need to digitalize and/or have started to digitalize; - have already adopted advanced digital technologies; - have taken sustainability actions. 	<ul style="list-style-type: none"> global value chain; - be not-for-profit SMEs; - have a patent or patent application; - recognize the need to digitalize or have started this process, have a digitalization plan, or have adopted advanced digital technology; - have already taken actions to be more sustainable.
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Source: Eurobarometer 486 Report (2020)

- the two transitions have the capacity to leverage on one another – which suggest the need for an integrated approach, able to capitalize on both the “sustainable digitalization” and the “digital sustainability” of products/services, processes, or business models – kind of approach that may further lead to innovations;
- placed at the heart of development/progress, innovations are likely to increase a SME’s size and revenues, while bringing it on the (industry) spotlight – closer to future partners with similar approaches;
- being “part of something bigger” – an ecosystem fostering innovation, digitalization, and sustainability – is likely to generate network effects that ripple as the ecosystem is gaining new members (with different capabilities and competencies to be valorized) and stakeholders (with different needs and expectations to be fulfilled).

RO’s SMEs endeavors aiming for the twin (digital and green) transition could/should also consider and benefit from the full range of support provided by the European Commission – including access to finance, networks and information (https://ec.europa.eu/growth/smes_en; https://ec.europa.eu/info/funding-tenders/how-apply/eligibility-who-can-get-funding/funding-opportunities-small-businesses_en).

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