

# My “whack a mole” questions on Innovation

*By Majlinda Bregu, Secretary General of the Regional Cooperation Council*

I enter my hotel room in Brussels and a whole set of app-s appears on TV screen. I try to find “TV app”, just to listen to some news, while I keep scrolling uninterruptedly through mails, messages, WhatsApp, Twitter, Instagram, on both my mobiles.

But the TV screen is like a digital room!

I just want some news in the background, not a connection to NASA! Then I realize I can share my CNN app with TV so all is fine. Or it's not. Once more I recall that unfortunately for me Yuval Harari is right: “Humans are on the verge of merging with machines”.

Ok. Maybe I have some simple biases on how technological revolution the world is going through is changing our lives. Sure I feel like a digital fumbling amateur compared with young people.

Maybe I am afraid some innovations might be disruptive. While the technological digital revolution is global, the pace of adaptation and policy reactions are still — rightly or wrongly — largely national or regional, reflecting different economic structures and social preferences.

*However, I am still wondering how good we , from this region are in finding the needle in the haystack of vast pools of innovation and technology?*

*The right needle I mean, the one that can help us spot anomalies in this global reshape of economies, called 4<sup>th</sup> industrial revolution?!*

*What novelty is fit for us to help our region change dramatically from a laggard in innovation into a competitive one and get more from these “game of zones” in technological upshift?*

*What does it take to get us moving from the state of slow motion to the run twice as fast as you are doing in transforming people's jobs, adapting education and competition policy so that schools and universities can provide coming generations with the skills they need to work in the emerging economy?!*

More than 300 years ago Sir Isaac Newton said: “Everybody continues in its state of rest, or of uniform motion in a right line, unless it is compelled to change that state by forces impressed upon it.”

*So, what ‘force’ would compel Western Balkans to break the spell and change the state of play?*

*What is that ‘something’ that would turn the tables to our advantage, accelerate the reforms and give a new impetus to the development of the region, and at the same time create good opportunities for citizens and stop the ever growing brain drain?!*

Bosnia and Herzegovina, North Macedonia and Serbia are among the top 10 countries in the world with the highest brain drain in 2018. 5.7 million people have migrated and left Western Balkans in the last 5 years – which equals 1/3 of the population.

Once upon a time, the main export categories of the region were steel, aluminium and textile products. Not anymore. Now the market turned to electrical equipment, machinery and transport vehicles, which are primarily foreign direct investment-driven products that require a greater degree of technology and advanced processing. Simply put, innovation – meaning application of better solutions that meet new requirements, unarticulated needs, or existing market needs.

*Well, is this all innovation requires? More investment in research and development budget?!*

Western Balkans invests less than 1% of GDP in innovation and research. Only 30-40% of businesses innovate and majority of them finance themselves with no public support.

Still, in reality innovation is much bigger. In the Western Balkans it is still a discovery process to check the capacity to incubate, accelerate new technologies, and make a U-turn of those above on investment.

Innovation spreads faster in a unified market, and makes it more competitive in the global arena. In baby steps during 2019, just 9% of companies in the Western Balkans said they had cooperated with universities on research and development or technology development projects, to help develop new products or services. (Balkan Barometer 2020 in process – data published for this article only)

In the past 3 years, 26% of them declare they made products new to our market, 4% made products first in Europe and 3% were first in the world innovations. An overwhelming majority or 79% said they developed these product innovations by themselves, and just 4% received public and/or donor's financial support.

Innovation drives economic growth by helping businesses produce more with less or generating greater output with the same input. It creates new businesses and is the fundamental source of growth in business and industry. The successful exploitation of new ideas is crucial to a business being able to improve its processes, bring new and improved products and services to market, increase its efficiency and, most importantly, improve its profitability. Innovation enhances society's capacity to act, to resolve collective problems in a sustainable and efficient way, usually with new technology.

Electricity changed warfare and society in the 19<sup>th</sup> century. Technology is shaping the global economy day by day. Product innovation, process innovation, marketing innovation, and managerial innovation form the basis of competitiveness.

*All new and innovative is driven by hope and fear, like mines, but if we don't jump on it will we have our fair share of its benefits that will once more change the lives we are living?!*

Surely for the better. As we are here to make sure that 'the worse' is remedied to serve our purpose.

*Time for innovative minds!*

The Regional Cooperation Council (RCC) and the World Economic Forum team up and are starting the competitiveness and innovation accelerator in the Western Balkans – first ever regional and of that kind in the world, which will be presented on 21 February in Tirana and hopefully successfully, with all region economies' governments on board, launched by the end of this year.

*Any risks?*

Oh, some like me maybe afraid of having a nightmare where obstacles are not philosophical anymore, not even monolithic, but algorithms that might prompt soul searching. But as someone said, for good ideas and true innovation you need human interaction, conflict, argument, debate.

Let's accelerate our innovation by taming our crocodiles!