

EUROPEAN AND ASIAN INNOVATION DEVELOPMENT

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Abstrak

This article briefly discusses innovation developments in Europe and Asia. The article discusses the subject by descriptive analysis approach based on the literature that discusses innovation. The conclusion obtained from this discussion is that Europe and Asia already have policies, organizational management, human resources, and other elements used as conditions to support innovative programs. Innovation even supports the progress of the economic sector, especially business and trade. The emergence of e-commerce encourages innovation to grow. The development of the BRI concept initiated by China is also a form of innovation in the scope of international trade.

Keyword: Innovation, Europe, Asia, and International Trade.

I. Introduction

The world's inhabitants already understand the meaning of innovation. They even try to develop innovative products as people know that various innovation creations appear in every existing generation. Even in the pre-historic era (at the stone age), the pre-historic humans' creativity also came up with their innovative works. The evolution of innovation then shifted when the steam engine was present as part of the beginning of the first industrial revolution. James Watt's steam engine (1763-1781) marked the birth of innovation in the history of human civilization, although James Watt was not the initial initiator of the steam engine he created.

The development of innovation is not limited to the invention of technological tools alone. Innovation can also develop creativity in the economic, social, cultural, and defense fields. With innovation, the process of activities and people's lives can run efficiently and effectively. However, the process of creating new findings cannot run only normatively. People will face obstacles and challenges. One example of a challenge is the challenge of innovation in international trade terminology. Exporters and importers had faced challenges when their products or services violated intellectual property regulations. Several countries have experienced this challenge, although World Trade Organization (WTO) can accomplish these trade disputes.

On the other side, the trend of globalization that has developed has changed the life of the world community. This condition, of course, affects the assessment of intellectual property for the products and services created. Intellectual property has even become an intangible asset that can be traded widely, both nationally and internationally. The complexity of the selling value of the intellectual property does not hinder the development of innovation in the field of international trade. However, the development of innovation is not only limited to international trade. The government and society are still developing

various innovations in various fields, such as social innovation in education which is more commonly found in developing countries. Even the international community, both those in Europe and Asia, have developed their innovations. They can open new economic transactions to increase national, regional, and world economic growth with innovation.

Innovation Development in Asia and Europe

The third paragraph mentions that the European and Asian communities had developed their innovation programs. Both have plans, targets, organizations, resources, and policies supporting their innovation program development process. The European Union has issued several policies related to developing innovative programs, e.g., initiation of the Innovation Union and policy labs. Meanwhile, the policy for forming an innovation union was to realize the European region with intelligent, inclusive, and sustainable economic growth.

The Innovation Union was initiated in 2010 and encourages research innovation in the European Union as an innovative region in 2020. The Covid-19 pandemic in 2020 has become a momentum for the European Union to realize their strategy of building an innovative region. The actual result of their innovation program is the emergence of treatment methods and vaccines used to overcome the Covid-19 pandemic. The European Union even sees this innovative product can be a practical solution in the long term. Not only innovation in the health sector, but the Innovation Union is also able to open innovation programs in the fields of energy, business, industry, financing, entrepreneurship, climate change, development of efficient and environmentally friendly public transportation models, education systems, Information and communication technology, defense and security, to innovation in transforming bureaucratic and government services.

The European Union's policy of advancing the European region as an innovative region has been prepared from the beginning. Human resources who are knowledgeable, creative, and full of ideas become the state's prioritized elements. These resources can create products, processes, and activities that are superior, strategic, practical, efficient, and impactful. Meanwhile, the expected economic impact is creating new business fields and employment, including increasing income and economies of scale. The problem is not only talented human resources.

Nevertheless, competition is also a challenge for these resources. In addition, the non-uniform level of readiness and activeness of EU member countries in developing innovation is also a problem in itself, including labor productivity and economic conditions after the financial crisis that occurred in Europe in 2008. However, this is part of the innovation process that must be faced and resolved by the European Union.

From the efforts to develop innovation in European countries, it is known that Asian countries are also doing the same thing. Policies, cooperation, human resources, and facilities are essential factors in developing innovative programs in Asian countries. Adequate budget allocation for research and

development (R&D) is also a factor in developing innovative programs. Moreover, added value, security, cost efficiency to increasing the capacity of human resources are also important conditions in supporting and cultivating the habit of developing an innovation program. Countries in Northeast Asia, such as Japan and South Korea, were the first to become innovative countries through the use of R&D. Meanwhile, China has only started to take advantage of R&D since the country's economy has grown and developed beyond the economic growth of other countries in the world. Governments and communities in Northeast Asian countries have also allocated massive budgets for the implementation of R&D activities.

On the other hand, Indonesia has not fully allocated the budget for the implementation of R&D activities, although the tendency to support R&D empowerment has begun to increase since 2014. However, Indonesia once had a National Innovation Committee (2010-2014). Some of its human resources also have competence in developing technology, including policies that support environmental ecosystems and renewable energy improvement.

In addition to R&D, the birth of a start-up company is also a moment of innovation in the community. A company founded by entrepreneurs with knowledge and collaboration capital. The way these company works combines information technology and new business process models. Several start-up companies emerged as pioneer companies. At the same time, others appear as follower companies. Their presence became a new model of business and trade. They are well known as e-commerce companies, which is a progress from the current development of industry 4.0. Both Asia and Europe have their own companies, and Asia is the most developed place to give birth to companies like this. For example, India has Reliance Jio, Singapore with Grab, Indonesia with Gojek, Malaysia with Ifflix, Japan with Mobility Technologies, Vietnam with MoMo, Myanmar with Oway, and Thailand with its Flash Express company (cbinsights.com).

Meanwhile, in Europe, Germany has N26, Spain has Glovo, France has Deezer, the Netherlands has Picnic, Austria has BitPanda, Ireland has AMCS Group, Italy has Satispay, and Slovenia has Eligma company (cbinsigtys.com). The presence of this company cannot be separated from the development of knowledge and business models that adapt to the needs of the current generation, where they are present as a digitally native generation who grows and develops in the era of digital technology.

The emergence of e-commerce companies indicates the country's success in building innovation through science and technology. Even during the Covid-19 pandemic, the economic and government sectors have taken advantage of technological means and business processes as the start-up company did. The same applies to innovation programs in other sectors. The utilization of technology and changes in business processes are strategies carried out by the government and society during the incubation period of the innovation program. The emergence of the concept of a digital village in Indonesia is an example of implementing the use of technology and changing business processes outside of the mechanism for start-up companies. This concept builds village independence to be able to develop and

build effectively and efficiently. The concept of the digital village is also expected to manage their waste and their community's economy independently. In addition, the presence of the concept of a tourist village also creates regional economic development facilitated by digital technology. This idea appears to attract many tourists to come to the area. Those villages include Pemuteran Village and Penglipuran Village in Bali, Nglanggeran Village and Pentingsari Village in Yogyakarta, and Tamansari Village in Banyuwangi. Meanwhile, on the other side, Malaysia, the Philippines, Thailand, Vietnam, and Myanmar also create a tourist village. That way, every activity facilitated by digital technology (e-activity) turns out to make it easy for even remote areas to develop their economy so that e-commerce services can develop into the most remote areas for inclusive economic development.

International Trade Innovation in the Context of BRI

The scope of services of e-commerce companies is not only limited to the regional scope. The company's services have even penetrated the international market so that the innovations developed by a country will become increasingly complex. In international trade, China developed a new idea called the Belt and Road Initiative (BRI). This initiation rebuilt past Chinese civilization through the silk trade route carried out by Chinese merchants in the past. This idea essentially builds a link between cultural innovation and the economic sector. It can be said that China has reopened the old civilization of world trade innovation with a sociocultural and historical approach. However, the Chinese economic advantage approach is the most dominant factor. This idea at least opens up opportunities for economic cooperation by looking at the interdependence of China's trade with its trading partner countries.

China built the concept of BRI as the axis of world economic cooperation when trade conflicts occurred between China and the United States. However, China still views the United States as a partner even though they are in the middle of a conflict. BRI also carries out green development called Green BRI. In the Green BRI, 18 of its members are members of the European Union. Until January 2021, 140 countries have joined China in building the Green BRI concept. Countries in the Sub-Saharan Africa region have the most members. The number reaches 40 countries. Meanwhile, 24 countries came from East Asia and the Pacific, 17 from the Middle East and North Africa, 19 from Latin America and the Caribbean, and six from Southeast Asia. Others are countries from Central Asia and Europe that are not members of the European Union.

Green BRI can at least open up additional investment and financing opportunities for infrastructure development, which significantly impacts international trade performance.

II. Conclusion

From this perspective, Europe and Asia have already built innovation programs in their respective countries. With innovation, the state can provide efficient and effective service facilities for its people. Not only that, but innovation has also formed new business processes, giving birth to a company called

an e-commerce company. With e-commerce, governments and the world community can build other innovation programs. China is one of them because this country has built a new idea, namely BRI. This idea becomes China's strategic plan in building international trade innovation with its trading partner.

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