

Innovation, Growth and the Media

Keynote speech at the CoMMPASS conference in Blantyre, Malawi, Aug. 2024

Innovation is the foundation of sustained economic growth and development. While early stages of economic development and take-off are associated with investment in physical capital – e.g. factories, housing, roads, bridges, railroads, sewer systems –, this only works up to a point. The reasoning behind this is straightforward: if we are simply reproducing existing products and processes over and over again – this is what mass-production is all about – eventually growth will peter out (US economist Robert Solow's standard growth model developed in the 1950s, nobel prize 1987). There is no need, and hence no demand, for ever more of the same. Therefore, in a market economy without innovation there is no money to be made in the long-run.

To keep the major forces of economic growth, development and human progress going, innovation is key. That is, the *invention, introduction and spread* of novel things – new ideas incorporated in new products and new processes.

Research and scholarship are a key element of this innovation process. Without the new ideas generated in research, there will be no progress. Academic exchange is the avenue to help these novel ideas from research to cross borders into other academic contexts, and to be adapted to different cultures and societies. We are grateful that institutions like the European Union, with its huge budget for international research cooperation, enables the academic exchange this week here at MUBAS, and thus helps to spread innovation in journalism research and trainings across countries and continents. We are extremely grateful to be guests of the MUBAS Media & Journalism Department this week, allowing us to share innovative ideas in journalism education. Our joint goal is bigger than our discipline: We want to make our countries more open places. We want to promote progress and connectivity in journalism education worldwide – this is why we also cooperate closely with UNESCO in this project. We want to learn from each other – and there are so many things we in Europe want to learn from you: How to cope with instability, for example. Together, we are about to develop new digital methods to teach growing cohorts of journalism students in demographically growing African countries – which are even more so in a need to create functional public spheres and critical societal discourse to foster innovation, and to avoid stagnation in existing structures and processes.

In earlier economic theories it was the role of the archetypical *entrepreneur* (coined as such by Austrian economist Joseph Schumpeter, first in his „theory of economic development“ 1911) to push progress forward by innovating. Why? Because doing new things – and marketing them – entails the chance to reap extra-profits, thereby enriching the entrepreneur himself and putting his or her company in a superior position. According to this line of reasoning, doing and selling the

same stuff as everybody else does – that is, the *absence* of innovation – will leave businesses at subsistence level. By pursuing a strategy of trial and error to differentiate themselves from competitors, „swarms“ of innovative entrepreneurs are trying to get ahead of their rivals. And this in turn is laying the groundwork for society to thrive as a whole: as other businesses are *imitating* the innovators they spread innovations throughout the economy, thereby ultimately lifting productivity and standards of living. So, it's the „dynamic entrepreneur“ (Schumpeter) who destructs more traditional business models (in the process of „creative destruction“) – but he (or she! of course) him/herself is constantly in danger of being rendered irrelevant by the imitators. To keep the process of progress and growth going, innovators need to come up with ever more new ideas. Hence, according to this view, the market economy is being pushed forward by self-interested entrepreneurs. It's their desire to become (and stay) rich that drives progress and overall welfare.

I would like to describe my wonderful academic colleagues here at MUBAS, Dr. Jolly Ntaba and Dr. Andrew Kaponya, as well as our whole international group of media scholars which is convening in Blantyre this week, as “academic entrepreneurs”. We are always looking out for new chances to pursue significant research, and bring progress to journalism education, and by this to our societies. By being granted with funds from the EU and the German Foreign Office which amount together to almost 1 million Euro, I think we can indeed say that our African research group is “far ahead of the crowd” at this moment, and it is our aim to inspire many more of such co-operations in the future. This is also why we actively try to connect our cherished African colleagues to our European networks of scholars. Collaboration fosters innovation.

Schumpeter's ideas have also been adopted for economic theories of development. Here, it's internationally innovative countries and companies who are driving technological progress, while others have the chance to participate in the resulting wealth: imitation spreads the benefits of innovation globally.

While this optimistic Schumpeterian story may sound compelling – and indeed versions of the heroic entrepreneur's tale is what we read in business newspapers over and over again – it certainly is overly simplistic. It was even overly simplistic at the time Schumpeter formulated it.

In the late 19th and early 20th century, entire ecosystems of innovation were established. The story of the sole entrepreneur who's thinking up new stuff all by himself has always been a myth. Tellingly, companies and policymakers have been quite active ever since the heydays of capitalism: together businesses and states invested in education, not just in basic schooling, but also institutions of higher education (universities). Research and development became a structured process: by employing scientists, companies evolved as integral parts of the scientific ecosystem, while the state became a major player as well, by funding education and basic research institutions, and granting them scientific freedoms.

By doing so, occasional innovation was supposed to turn into a constant stream of newness, rather than hoping for the next accidental break-through. (This system has since then evolved quite a bit, with capital markets becoming more and more important, as innovative start-up companies funded by risk-taking venture capital firms are deemed to be key to innovation in the 21st century.)

What we know today is, that it's not the lonely entrepreneur experimenting all by him- or herself in the basement who is driving progress, but rather the entire cultural, scientific, educational set-up.

It's not just about „dynamism“, i.e., the basic values and mindsets that enable societies to get ahead (as another economics nobel laureate has argued, Edmund Phelps, 2020). But it's about institutions giving everybody an opportunity to participate in this process.

Schools and kindergardens, universities, vocational training, and research centers are prerequisites to drive innovation – but also to benefit from the innovative advances of others. In a global economic environment that's driven more and more by knowledge, education and science are becoming crucial inputs. Therefore, the *institutions* (public and private) that govern education and science are crucial to economic well-being on a broader scale. Certainly, investing in education is the key to innovation. Also we in Europe have to remind ourselves of this again and again, as schools remain underfunded, and kids were deprived of their education during the Corona years. Indeed, re-calibrating innovation systems time and again and adapting them to new challenges is an issue that high-income economies are facing as well. It's also true for Germany where GDP has stagnated for four and half years.

Well-governed institutions, in turn, do not exist in a vacuum, but are embedded in the social fabric. Freedom of speech and science, trust among citizens and trust in institutions are needed for ideas to circulate freely.

But trust is a scarce commodity: The Worlds of Journalism Study (WJS) has surveyed journalists' trust in political institutions, and finds lower trust in political institutions among journalists in less-established or hybrid democracies, which have experienced political ruptures in recent years or decades. The WJS authors emphasize the negative experiences these journalists have made concerning the reliability of political institutions before and during phases of political change, especially in the Post-Soviet space, MENA, Africa, and Asia, and refer to cultural and societal factors, which may encourage or discourage institutional trust.

In the light of notions such as trust, accountability, credibility and legitimacy, transparency is the keyword. The desire for more transparency – as a shield against abuse of power in almost any field of society - does not only spread to public institutions or private organizations. The cyberspace has clearly shifted boundaries between privacy and public sphere even for ordinary citizens. In the wake of transparency as a societal mega trend, public accessibility of information has become a pivotal expectation towards institutions and organizations.

Keane (2009) has coined the term “monitory democracy”. This term encapsulates the vast networks of organizations, agencies, groups, institutions, or social movements scrutinizing government, businesses, or civil society bodies in pluralist democratic societies, ranging from

human rights organizations to expert councils or consumer testing agencies. These actors are described as monitory mechanisms, “geared [...] to the definition, scrutiny and enforcement of public standards and ethical rules for preventing corruption or the improper behaviour of those responsible for making decisions, not only in the field of elected government but in a wide variety of power settings” (Keane, 2011, p. 216).

High levels of transparency are equated with high levels of democracy. Transparency is hence associated with high expectations and ‘often presented in public discourse as a one-way street – as though we were always destined to have more of it, and that this must always represent a good thing’.

Moreover, transparency is closely intertwined with information. To make something transparent implies the provision (and verification) of information. Hence, creating transparency, and ensuing trust via accountability, is a core business of the news media. News people commit themselves to the publication and visualization of otherwise undisclosed events or processes in politics, economy and society. This in turns allows a free flow of information - and drives innovation.

Historically, transparency as a quality criterion of political decision-making has been more present in Anglo-Saxon tradition than in Continental Europe. A genuinely European approach on media transparency is grounded in public sphere theory, which has deliberately been shaped by Habermas (1989). In his concept, a well-informed public is crucial for the dialogue necessary to legitimize political decision-making. Within the public sphere, the media disseminate information, but also provide a forum for public discourse, thus contributing to the transparency constitutive for taking rational decisions and spread news about innovations. Plaisance (2007) traces transparency back to Enlightenment philosopher Immanuel Kant’s theory of human dignity: Transparency appears as an ethical imperative and a prerequisite of rational public discourse (see also Plaisance and Deppa, 2009).

This is why it is so important to promote professional journalism and independent media.

Virtually every country that has climbed the productivity ladder in the post-World War II era has adopted these traits to some extent. To get past the more basic stage of development of pure capital accumulation and to enter the next stage of the knowledge economy, ideas need to circulate freely. (China is often cited as the big exception from this rule. But China’s success, too, was driven by opening up and investing heavily in education and research. It’s true that China’s initial push towards liberalization has stalled, and that the re-introduction of more restrictive policies seems to be weighing on economic growth at the current juncture.)

Empirical evidence shows that freedom of thought and expression are key for economic development, the creation of wealth and general well-being.

And this is where the media and independent journalism come in. The World Bank has formulated in a widely cited publication in 2002 the expectation that more pluralistic media systems and more professional media actors are fundamental prerequisites for public accountability and deliberation,

promoting political transition and participation, and in turn, economic growth and welfare (World Bank, 2002; 2014).

The degree of corruption is another important indicator for the functioning of the political and socioeconomic system of a country. The Corruption Perceptions Index (CPI) of the NGO Transparency International poses an annual effort to map corruption worldwide. If understood as the “release of information by institutions that is relevant to evaluating these institutions” (Florini, 2000, p. 5), the transparency concept relates to a variety of institutions, from government departments to private companies (including media organizations) or NGOs. Yet, many countries do not have a strong tradition of making ‘internal’ information available to outsiders.

Practices of corruption may spill over to the journalistic sphere – not only in the obvious form of ‘brown envelope journalism’ and paid stories (e.g., Yin, 2011), but also in the sense of the broader ecosystem in which journalism operates. A meta-analysis of our MediaAcT journalists’ survey data and global corruption indices as provided by the World Bank and Transparency International indicates that “journalists who live and work in countries with a more widespread corruption” perceive media ethics and media self-regulation instruments as less effective. This is leading to a perception that journalists are structurally incapable of performing their traditional watchdog role (Pellegata & Splendore, 2018, pp. 15–18). Countries with high levels of corruption also tend to have a weaker flow and availability of information (DiRienzo, Das, Kort, & Burbridge, 2007). This influences the capacity of journalists to obtain information. Having to rely on anonymous or insecure sources most of the time impacts professional values and conduct of journalists and thus media accountability. Empirical evidence suggests that restrictions of freedom of the press and the subsequent hindrance of the media to monitor public entities adequately lead to higher levels of corruption (Brunetti & Weder, 2003; Chowdhury, 2004; Freille, Emranul Haque, & Kneller, 2007; Kalenborn & Lessmann, 2012).

In another study for the World Bank, economists Djankov, McLeish, Nenova, and Shleifer (2001) analyzed and compared the impact of media ownership (state versus private) across 97 countries. Certainly, we have to take into account that the media dataset is outdated by now, and political change has affected many of the study countries. However, the study is unique as it includes a large number of transformation countries, as well as authoritarian regimes, and countries from all continents. Based on regression analysis of comprehensive media ownership data in various media segments, data on press freedom, economic data, and data on regime type, Djankov et al. (2001, pp. 17–18) show that “[s]tate ownership of newspapers and television is significantly higher in African and Middle East and North African (MENA) countries. On average, governments in Africa control of 61% of the top 5 daily newspaper circulation and reach 85% of the audience for the top 5 television stations. Two-thirds of African countries have state monopolies on television broadcasting.”

They also find state monopoly to be “considerably more common in the television than in the newspaper market”, and also to be “largely a feature of poor countries, and of autocratic governments” (Djankov et al., 2001, pp. 17–19). A correlation of ownership patterns with index data on media freedom shows that government ownership has a negative effect on media freedom, and “[m]edia tend to be more independent, and journalists arrested and jailed less frequently, when media are privately owned.” (Djankov et al., 2001, p. 21). This however prevents the free flow of information, and thus hinders innovative ideas getting ground. Independent media and independent access to information are prerequisites for innovation.

So is the free exchange of people. The CoMMPASS project we are discussing this week here at MUBAS is about media coverage of migration, in origin, transit and destination countries. A fine module prepared by our colleagues from Makerere University in Uganda addresses the benefits of international mobility, and the transfer of innovative ideas brought back by returning migrants, who have accumulated professional experience in other political, economic and social systems abroad. Origin countries should probably be more creative in luring their talents back home, as drivers of innovation. Some African countries have already developed such strategies, and our dear colleagues are certainly happy to share this information with you.

With digital warfare, a new wave of political pressure on news makers around the globe, and populist movements on the rise in many countries, it is high time to pay more attention to the study of transparency in journalism as well. A genuine interest in the credibility of the media is crucial for democratic societies. If news outlets are no longer considered trustworthy and thus as powerful sources of news, their impact on institutions will shrink, as will the media’s ability to hold institutions to account and serve as a “constraint on public officials” – but also their capacity to serve as a transmitter of innovation.

Journalists in transformation and less developed states often face a variety of factors limiting the development of a transparency infrastructure beyond the efforts of individual newsrooms, and transparency is likely low on the agenda, as news outlets struggle to stay afloat and the state consistently tightens its grip on journalists. Furthermore, a lack of professionalism, precarious working conditions for journalists, clientelism, as well as audiences with low literacy levels, and distorted media markets make it more difficult for the media to operate transparently. Another challenge is the specific structure and ideological segregation of local media markets, where government media (which in many cases has not yet been transformed into public broadcasting) continues to co-exist with privately owned commercial media. In the end, “the same formal rules and/or constitutions imposed on different societies” may “produce different outcomes”, not only in terms of practicing transparency but also in terms of its relevance.

Is the transparent behaviour of the media thus “largely irrelevant” in flawed democracies or non-democratic societies, as for instance Bertrand argues with regard to ethical conduct? Contrarily, we suggest that a certain commitment to transparency in reporting is of utmost importance even in conflict-shaken societies and countries in transition with vulnerable social frameworks. In media

markets with a record of state interference into news content, private news outlets may need to make even greater efforts at transparency to prove their trustworthiness and independence, and to counteract the use of the shaky term 'fake news' by authoritarian leaders to blame the media for all evil. In tightly regulated media markets with limited or non-existent media competition and dominant state media which reflects the will of the authoritarian government, news media might have to become accustomed to the idea of explaining itself and its practices.

This conference week will be the kick-off for innovation in journalism education in Africa – thus serving African societies. Our CoMMPASS research has shown that African students ask for digital avenues to pursue their studies. According to our research, young women will profit most from e-learning opportunities. Our CoMMPASS MOOC will be highly interactive, and thus elevate the perspectives of students to eye-level. We have to learn from our students if we want to remain innovative.

Prominent media scholars from more than a dozen African countries are gathering this week at MUBAS Blantyre, to exchange their concepts of and experiences in E-learning. This exchange across borders and regions in Africa itself will be an immense driver of innovation in journalism education. Best practices will become transparent, and can be shared among faster and more steadily developing countries. The exchange will facilitate transparency about teaching concepts – and thus will help drive accountability, since we as media scholars and journalism educators of course strive to provide our students with the best concepts known to us. Let us aim to do things differently, take risks, and thus achieve innovation in our field. Only professional media can fulfil the role as a motor of innovation and facilitator of transparency in politics, economy and society. Our conference goals thus serve our societies on a meta-level. We are grateful for our partnership with AJEN!

Let us also take the chance to connect our students with each other. The CoMMPASS platform will provide opportunities for African journalism students to collaborate in cyberspace. It will build cross-border African networks to investigate and report what is really relevant for Africans, at home and abroad, and thus help form the very modern, the very innovative Africa full of entrepreneurs we strive for.