

Innovation Journalism, Competitiveness and Economic Development

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Independent innovation journalism may spur economic development and focus national leadership. Innovation Journalism is a new area of economic development focus and can be an important driver for building national prosperity. Economic development professionals must become more aware of its importance.

Competitiveness is a key factor for sustainable economic growth in all countries, as well as for reducing poverty in emerging economies. The Competitiveness Institute and the Institute for Competitiveness and Strategy at Harvard Business School have mapped hundreds of ongoing national, regional and cluster competitiveness initiatives all over the world, both in highly developed regions and in developing regions¹.

USAID launched its first Competitiveness Initiative in 1998. The U.S. foreign assistance remains in the forefront of implementing competitiveness initiatives for economic development.

Michael Porter, the leading competitiveness expert, has shown that innovation is the key driver of competitiveness, not only in advanced industrial economies, but also in developing economies². Innovation – the introduction of a new concept – is not always based on advanced technologies or complicated business models, the ideas can be real simple as well. But innovation always depends on that the new concept is accepted. It takes a small amount of people with new ideas to propose a new solution, but it takes a large amount of people who are open to new ideas to implement a new solution on the market. Inventions can be made by individuals. Innovations must be done in communities.

Competitiveness projects will not give results without a change of mindset among the leaders making the decisions and the people that must support them. This change of mindset is key to achieving lasting change.

Independent journalism is a powerful actor in setting the public agenda. Journalism has the power to challenge or maintain the mindsets of leaders.

¹ Ö. Sölvell, K. Ketels, G. Lindqvist: “The Cluster Initiatives Greenbook”, Stockholm 2003. ISBN 91-974783-1-8. <http://www.cluster-research.org/greenbook.htm>

² Michael Porter: “Building the Microeconomic Foundations of Prosperity” from the Global Competitiveness Report 2002-2003.

Journalism as a business captures readership attention and sells it to advertisers. In order to stay in business, journalism must maintain readership attention. The job of the journalist is to produce stories that may catch the attention of the readership. The easiest way to do this is to follow up on stories that already got readership attention. Apart from providing the goods to sell to the advertisers, this will focus the collective attention of the readership on issues of collective interest. It may put these issues on the common agenda.

Independent journalism is essential for pluralist democracies. An innovation ecosystem of actors that turn ideas into new products and services on the market has similarities to a pluralist democracy³.

In both pluralist democracies and in innovation economies, competing actors with competing ideas form alliances, compromise, trigger conflicts and fight for attention. In democracies the winners get to implement their ideas in society. In innovation economies the winners get to implement their ideas on the market. In both cases, journalists have a role in covering the competition between the key actors, their main ideas, and their interaction. The general business of journalism – to capture readership attention and sell it to advertisers – is plausible in both cases.

The presence of independent journalism may spur the development of clusters and innovation ecosystems. Successful innovation journalism can prosper from focusing collective attention on issues of collective importance for clusters and innovation systems⁴. It may be a powerful actor in shifting mindsets of leaders and increasing the competitiveness of the entire cluster. In order to achieve this, journalists need to be able to identify clusters as readerships, identify the main actors and key issues, learn how to catch their attention and find advertisers to sell it to. These are skills that do not come by themselves. Journalism is a conservative industry with few R&D resources. A cluster initiative may address this issue, and may in parallel with facilitating the development of the cluster, support the development of the journalistic skills in covering it.

Therefore, innovation journalism (IJ) plays a key role in national competitiveness initiatives. IJ spurs further innovation by inspiring the broader public—especially the youth. IJ reinforces the success of those leading the way.

³ D. Nordfors, D. Kreiss, Jan Sandred, "Introducing an Innovation Journalism Index: Benchmarking the Swedish Market", *Innovation Journalism*, Vol. 2 No. 5, May 2005.
<http://www.innovationjournalism.org/archive/INJO-2-5.pdf>

⁴ D. Nordfors, "The Role of Journalism in Innovation Systems", *Innovation Journalism*, Vol 1. No. 7, December 2004. <http://www.innovationjournalism.org/archive/INJO-1-7.pdf> and J. Sandred, "A Business Model for Innovation Journalism: Biotech Sweden", *Innovation Journalism*, Vol. 2 No. 1, Jan. 2005. <http://www.innovationjournalism.org/archive/INJO-2-1.pdf>

We would like to issue a challenge to economic development professionals based on the above observations.

First, economic development professionals in the World Bank, regional multilateral banks, bi-lateral assistance agencies, contractors and non-profits who care about building prosperity in “tough neighborhoods” need to focus on mindset change. They need to recognize the key role of journalists and other thought leaders and address them in efforts to put countries on the path to prosperity. It is therefore important that competent innovation journalists are present in the system.

In this context, journalism must not be viewed as a channel for press releases but as *a key group of independent actors*, who enhance the dynamics leading to strategic changes and policy reforms that effect economic development and that are a part of the competitiveness. Journalism is an independent actors, which together with industry, government and academy, form the infrastructure of competitiveness. Economic development professionals need to develop innovation journalism competence, without compromising their journalistic integrity. The preservation of integrity must be absolute, and the development of competent innovation journalism needs to be separated from communication and public relations.

This will require rethinking “requests for proposals” and budgets well before the implementing parties begin work.

Kevin Murphy is president of J.E. Austin Associates. He has worked with senior private and public sector leaders on issues of legal and institutional reform, including current and former heads of state of Ireland, Costa Rica, Sri Lanka, Mongolia, Bolivia and the Dominican Republic. His expertise in legal and institutional reform includes formal training in economics, international law and public administration. He has served as policy and institutional reform advisor for the OECD in eight workshops related to SME policy, privatization and private sector development. Mr. Murphy is the author of USAID's Manual for Action in the Private Sector (MAPS), created for the Agency in 1987 and subsequently implemented in 15 countries. Mr. Murphy also led USAID's first Competitiveness Initiatives in Uganda, Sri Lanka, Mongolia and Croatia. Mr. Murphy's relevant formal training includes a Master Degree in public administration and an MBA from Harvard University, and a Bachelor's in Foreign Service from Georgetown with a concentration in International Law and Organization.

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