

Innovations and firm performance in sub-Saharan Africa

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VALORISATION ADDENDUM

In accordance with article 23.5 of the 'Regulation governing the attainment of doctoral degrees at Maastricht University' decreed by resolution of the Board of Deans, dated 3 July 2013, this chapter on addendum discusses the valorization opportunities of this doctoral thesis.

Recent decades have seen a rise in optimism with regards to the sustainable economic prospects of sub-Saharan Africa through innovation. This thesis primarily focuses on the empirical analyses of innovation activities of firms in sub-Saharan Africa, with specific emphasis on the innovation process, the market performance of new products and the labour market impact of new products. The novelty of this thesis comes from the duality perspective, where it departs from mainstream views of development economics by considering innovations in both formal and informal firms.

The thesis provides new insights for governments, continental and regional organisations, stakeholders as well as researchers. The results (Chapters 2, 3, 4 and 5) indicate the need for holistic rather than partial innovation policy perspective. Chapter 2 highlights the need for governments to understand the direct and indirect mechanisms through which innovations can affect total employment. As the creation of quality employment avenues, particularly for the youth, gain policy concern in sub-Saharan Africa, the evidence presented in this chapter indicates to governments the need for complementary labour market policies, for example, in addition to innovation policies. Chapter 3 brings to fore the critical importance of informal enterprises in product markets for registered firms. Chapters 4 and 5 further highlight the innovation activities of informal enterprises, using survey data from urban Ghana. Survey activities undertaken and the data collected for Chapters 4 and 5 add to this field of research. Meeting owners and caretakers of informal enterprises and interacting with them about their economic and innovation activities provided the research team deeper insight and understanding of the informal economy. Background information about the objectives of the survey provided an atmosphere of learning, interest and knowledge exchange. This thesis therefore helps to correct the prejudice that informal activities are hidden and that informal enterprises are not innovative.

This thesis will be available to governments, researchers and policymakers. The findings, related knowledge and justifications from this thesis have already been presented at conferences and workshops during the course of this research. For instance, Chapter 2 was presented at the 19th Annual Conference on Global Economic Analysis, World Bank Group (2016, Washington D.C, USA); HESPI Conference on IGAD Economies (2016, Addis Ababa, Ethiopia). A draft of this chapter has been cited by the International Labour Office (ILO) in the World Employment Social Outlook 2017, on 'Sustainable enterprises and jobs: Formal enterprises and decent work.' Chapter 3 was presented at the Informality and Development conference in Honour of Elinor Ostrom, Indiana University (2016, Bloomington-Indiana, USA); UNU-MERIT Research Theme 1 Meeting on Economics of Knowledge and Innovation (2016, Maastricht, The Netherlands). Findings from the research in Chapters 4 and 5 were also presented to both academic and non-academic audiences at the 12th Globelics International Ph.D. Academy on Innovation and Economic Development, Research Center for Knowledge, Science, Technology and Innovation Studies (TaSTI), University of Tampere (2017, Tampere, Finland); 3rd Africalics International Conference on Emerging Innovation Systems for Sustainable Industrial Development in Africa (2017, Oran, Algeria). Discussions and debates of results, in these conferences and workshops were positive indicating the growing research and policy attention, and relevance of the issues examined in this thesis.

Some evidence in the literature indicates the informal economy in sub-Saharan Africa is here to stay and suppressing informal activities through laws and 'formalisation' policies in general do not work. Overall, this thesis contributes to the debate on formalisation, and our results indicate the need for novel policy redirection from African governments to promote and enhance the vibrant entrepreneurial spirit and environment in which learning processes incubate knowledge for innovation in their respective economies, particularly in informal enterprises. Participatory and open-minded policies aimed at understanding and promoting co-creation and interactions between formal and informal enterprises, for example, may help to nurture and capture fully the value of learning processes for innovation. In this vein, one practical policy action will be to expand the African Science Technology and Innovation Indicators (ASTII) initiative to include informal enterprises. Data sampling and analysis procedures employed in this thesis are available and could be adopted in this process. Researchers must make further effort to observe, understand and promote informal enterprises and their 'hidden' innovation activities without prejudice. Given the current realities of persistent poverty and rising demographic pressure in sub-Saharan Africa, informal enterprises and their activities may provide the best chance to drive, and achieve sustainable and inclusive development.

One way forward, in my view, is for African countries to undertake a major, national-level research project addressing questions raised in this thesis.