
Welcome message from the Rector of Polytechnic of Namibia: The role of academic institutions in entrepreneurship

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Prof. Reginald Ngcobo
Distinguished Guests
Staff Members of Pretoria Technikon
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Members of the Media
Ladies and Gentlemen,

I wish to extend my appreciation to the Rector of Pretoria Technikon, Prof. Ngcobo, for hosting this conference on the role of entrepreneurship in economic development. I also want to thank him and his institution for hosting the many delegates and participants from all over the SADC region.

I am proud that the Polytechnic of Namibia is the co-organizer of this event because of our commitment to education, training and economic development. Our partnership with Pretoria Technikon is a longstanding and rich one. As we have worked together successfully, I think this beautiful campus of Pretoria Technikon, with its bountiful bouquet of qualifications, programs and activities, and a history of achievements, offers a perfect setting for discussing a subject so central to economic liberalization of our continent – *Entrepreneurship in Africa: The Road to Freedom*. I would like focus on the role of *academic institutions in entrepreneurship*.

Africa's economies face serious political and social challenges and statistics hide the real story. Colonization is very much a contributing factor to our state of affairs: it has dispossessed and deprived indigenous people of resources and other means, and the rights to own and manage a business. It has also very strongly fostered passive customs and conformist practices which are contrary to creativity, innovation and risk-taking, and impede entrepreneurship.

It is in the midst of all these obstacles that we as Africans have to find a way to bring about economic growth and prosperity to our people. Africa needs to overcome the legacy of colonization and adopt an attitude and behavior that foster long-term, competitive entrepreneurship, based on initiative, innovation, knowledge and skills. This change needs to be inculcated at an early age of an individual in society. Therefore, entrepreneurial training is absolutely necessary at home, primary and secondary school levels, and in tertiary education.

The concept of entrepreneurship is generally inherent in human and in our societies. African governments have tried to support entrepreneurship in many ways. In Namibia indigenous entrepreneurship had been characterized by many problems: marginalization of entrepreneurs from mainstream commerce, lack of proficiency, competencies, expertise, training, lack of finance, and general support. These have resulted in badly costed goods and businesses, and survival strategies which tend to focus on limited sectors which require little capital investment. The example of the ubiquitous "cuca shops" or "shebeens" in our society cannot go unnoticed. They are nearly part of culture in some sections of our society, and their direct effects are disastrous to our families, health and the economy.

The Namibian Government has identified the development of the small and medium enterprise (SME) sector as a key feature in economic growth. The Government has been creating an environment conducive and supportive to entrepreneurship: it has created policies and facilitated the redistribution of certain natural resources by availing opportunities and capital, and to a limited extent, training. At the same time, infrastructural development has also supported economic growth. As a result, there has been significant growth in the number of entrepreneurs and indigenous businesses.

In spite of the enabling environment, there are still many limitations and barriers, impediments and failures. For example, big businesses, because of the historic advantage, have created unfavorable conditions for the micro and small businesses by trying to stifle emerging competition. On the other hand, lack of knowledge stifle the growth of entrepreneurs, who generally tend to focus more or solely on *business plans* than on *feasibility studies* with respect to old and new

businesses. As we all know, these two elements should not be separated in business, but in real life the connectivity is sorely missing.

Micro, small and medium size businesses (MSMEs) now realize that there are many limitations to growth such as: limited knowledge and human capacity, limited access to capital and barriers to markets. Entrepreneurs lack the knowledge and skills, thus they need mentorship and support mechanisms. As they face national and international competition, they realize that they cannot be productive without highly specialized knowledge and skills and support.

This is a daunting reality because economic development is the result of human capital put to use by innovators, investors, entrepreneurs – all who work alone as self-employed, or as employees in business and industry, in all sectors of society, and the local and national governments. Therefore, human resource development at all levels of society is necessary, and that is why the participation of higher educational institutions, especially in higher education, is imperative. But higher education can have a greater impact if it is decisively and directly coupled to entrepreneurship.

In Namibia there is realization that support is needed in training for the SME sector. The Namibian society now expects higher education institutions to provide training and services necessary to support SMEs. Since the establishment of the Polytechnic of Namibia seven years ago, there has been increasing pressure on the institution to provide education, training, and services to all sectors of society – from government, business, industry and individuals, SMEs. It is acknowledged that school education primarily increases one's capacity to do a basic job and to pursue entrepreneurial activities. But tertiary education increases the individual capacity and durability of entrepreneurial activity.

There are three universal pillars to economic development :

1. **capital:** this commodity is necessary for generating employment, purchasing goods and services.
2. **human resources:** this is the key factor in generating and sustaining development, the job market, goods and services.
3. **infrastructure:** this factor is important in providing the facilities, and networks necessary to service the economy.

Amongst these factors, human capacity to me is the most important link in making the right capital investment and business management that lead to business development and success, and growth in the individual and national income, and infrastructure. However, the existing educational systems and economic structures in most of our countries do not inculcate business initiatives and activities. The absence of relevant educational system and a legal and regulatory framework, and financial buttress are often the serious constraints to the development of the entrepreneur and business. Governments have a crucial role to play: first and foremost they must ensure that a stable macro- and micro-economic environments exist with appropriate education and technology. Secondly, they must develop liberal legal and regulatory framework, and financial structures. These factors inspire confidence among innovators and entrepreneurs and promote areas most vital to the growth of SMEs, and between SMEs and large businesses.

To this end, educational institutions such as vocational schools, colleges, technikons, universities and research institutions can and must play the central role in providing specific training and support in an environment that nurtures entrepreneurship. This necessitates traditional liberal arts institutions to change focus from *theory only* to *theory and practice*. It also requires vocational schools and colleges to acquire appropriate advanced technologies. This can happen through education and training at different levels:

1. Personal development in employment (on-the-job training) – imparting competencies.
2. Personal development at institutions through tailor-made courses – imparting competencies.
3. Training and mentorship programs targeting emerging and practicing entrepreneurs - who might have the right vision but lack the managerial and technological skills.
4. Professional development in employment (job market) or at institutions – providing competencies and certification in business management and entrepreneurship.
5. Formal academic qualifications in any discipline with specific training and emphasis on entrepreneurship.
6. Formal academic qualifications in any discipline with practical or in-service training to supplement the theory – to impart employable skills.
7. Research and development of products and markets in institutions to support SMEs – through public/private partnerships.
8. Technology transfer from institutions to SMEs, and vice versa - through public/private partnerships.

It pleases me to exclaim that the **Polytechnic of Namibia**, with its limited resources, is addressing all these aspects with success through the **core curricula**, and through **activities** and **services** offered in the **Center for Entrepreneurial Development (CED)**, established in 2000. *Albeit* success is on a small scale due to the Polytechnic's short life of seven years, we are reaching out to the Namibian market and specifically to the SMEs and achieving success through the following:

- a. diverse curricula (from soft studies to hard sciences) with elements of entrepreneurship;
- b. elements of in-service (practical) training across the curricula;
- c. student research projects with exposure and emphasis on new technologies;
- d. a posy of short courses focused on market needs;
- e. consultations between Polytechnic and the public and private sectors in formulating and reviewing the curricula;
- f. direct training, consulting, services, mentoring and support to SMEs;
- g. active support for business and technology training and promotion.

We have learned through our experience that everyone is not or will not be an innovator or entrepreneur. An innovator and entrepreneur need to have certain characteristics. They excel in what they do and must: see opportunity; have drive and confidence, motivation, capital, market. They also need strong partnerships between academic institutions, government, business, industry and civic society.

In any economic system, growth should take into account the implications of globalisation and the digital revolution. It is, therefore, important that African countries develop adequate information and communication technologies, diversify our economies by placing more emphasis on manufactured and value-added goods and reduce export of primary commodities, and develop management and technological skills. Therefore without compromising national markets, regional integration should be actively promoted in order to facilitate the envisaged entrepreneurial climate.

Despite the complex picture of challenges and successes on the Continent, all is not lost to history. Indeed, history is our lesson. African governments, the private sector and other stakeholders are recognizing the need to cooperate and to address the state of entrepreneurship in our countries and our continent – with a focus on success and prosperity. Legal and regulatory framework, training networks, and financial systems are being put in place. Public and private partnerships are undertaken by stakeholders to address issues of access to finance, markets, skills and technology. There is also an increasing willingness, especially among the youth, to accept on new challenges and go beyond cultural and social barriers. And let it be said that educational institutions have more to offer than certificates and degrees.

Your presence here today is a testimony to that openness, willingness, commitment and the realization that our collective responsibility is required to make entrepreneurship education and training the key to economic empowerment. Let us not only dream of prosperity; let us all hold hands across local and national boundaries, support each other and develop through entrepreneurship.

I thank you.