SPEECH

BY

TOM ALWEENDO
DIRECTOR-GENERAL OF THE NATIONAL PLANNING COMMISSION

AT THE

15th GRADUATION CEREMONY (2010)

THEME: "RE-THINKING COMPETITIVENESS FOR SOCIO-ECONOMIC DEVELOPMENT"

SAFARI CONFERENCE CENTRE
WINDHOEK

17TH APRIL 2010
Let me start by saying that I am very proud to be addressing you this morning as graduates from the Polytechnic of Namibia. Without revealing too much about my age, where you are today is where I was over more than twenty five years ago. You are about to receive your diplomas and degrees and you should be proud of yourselves. We are also proud of you for what you have achieved. After the strains of the final examinations of last year, most of you were looking forward to this moment. This is the moment when the hard work is over and the degree is in your pocket. May be you should look around you and try to remember this moment because from this day on, life will scatter you around the country. It will be great if you can recall the best moments of studying that you have shared for the last three or four years.

You are now standing on the threshold of the real adult life. From now on no one will fail or pass you for having done poorly or good in a test or homework. You are free to go into the real world. Some of you may continue with further studies, while others will go and look for jobs. I wish you all successes on your life paths.

We should also thank the parents and the guardians who made sure that our young people received the education they need in order to guarantee their future and have a better chance to become the leaders of tomorrow. I know that education is no longer a cheap commodity and most of you had to make difficult financial sacrifices. You might have had to forego a lot of other necessary spending and rather spend your income on the education of your sons and daughters. The satisfaction you should have is that the best investment we can make is to invest in our children's education. I congratulate you.

Over the last twenty years, we have been the masters of our own destiny as a free nation. I believe that twenty years is an appropriate period to take stock of our achievements since independence and to reflect on the way forward. We are all aware of our long-term vision that promises that in the year 2030 Namibia will be a prosperous and industrialized nation that is characterised by peace, harmony and political stability.

There is no doubt that we have achieved a lot in the last twenty years and we have every reason to celebrate and congratulate ourselves. So far we have managed to have political stability that is an indispensable condition for sustainable economic development. We have also been able to maintain macroeconomic stability without which sustainable economic growth will be impossible.

While our achievements are impressive, our challenges are equally daunting. Unemployment and poverty are still at levels that are unacceptable. The risk now is that if we do not address the challenges facing us as a matter of priority and urgency, the gains we have achieved thus far might be eroded. We therefore need to re-think some of our strategies, especially economic development strategies that we have followed so far.

What is required of us is to ensure that we do what is necessary in order to unlock accelerated economic growth, characterised by employment creation. I am convinced that the only way we can do that is to ensure that we as an economy become more competitive. Competitiveness has been the engine for economic growth in many countries and it should become our watch word. We will become competitive only if we are willing to make a number of improvements in our
business environment and promote competition and true entrepreneurship in our private sector. To be competitive we need to be productive in our usage of our resources, being capital, human and natural resources. In the long-run, it is productivity that determines our competitiveness.

This morning I would like to talk about how education and innovation impact our economic development, and therefore our long-term vision.

Today it is widely recognised that education is a strong catalyst for economic growth. Not only is education important for economic growth, it is also the most basic necessity after those that are vital to life itself, such as food, clothing and shelter. It is education that lifts people out of poverty where they are not able to fulfil basic needs. The huge disparities in economic opportunities that we witness in our society, is mostly as a result of a lack of education.

We should therefore recognize that if we do not handle education correctly, we run the risk of condemning the future generation to poverty, and as a result perpetuate the inequality that is currently prevalent in our society. The disparities between the wealthy and the poor in Namibia still rank amongst the highest in the world.

Previously education was thought of as a social service that the Government was required to deliver. However, if we want to make sure that education is an effective catalyst for economic growth, we surely can no longer continue to regard education as a social service. Education should now be thought of as the clearest means of developing our greatest abilities that is in all of us. I believe that we all have hopes and dreams and it is those hopes and dreams that must be fulfilled through our education to the benefit of everyone and prosperity for our nation. In today’s highly globalised world economy, it is education that separates the winners from the losers. The world has changed so much over the last two decades, where international boarders are no longer recognisable. Nations have now to compete in the world market where competition is so fierce and only the fittest in terms of skills do survive. We can only hope to prosper as a nation if we equip ourselves with skills that will enable us to compete effectively with all the other nations.

Not only should our education be of high quality, but it must also be relevant and practical. When teaching, we must teach in such a manner that our students are able to use the knowledge they have acquired during their studies in a practical manner. It is one thing to obtain a degree, and certainly another to apply the knowledge acquired in the process. At times I sense that most of the time, especially in developing countries, we lack the necessary confidence to demonstrate our skills. We always want to think that we are less experienced than other people to be experts in certain subject matters. As a result, we continually believe that we need to be assisted to build more capacities. I believe that we have the necessary capacity and all what we need is to have the confidence in our capabilities to do what is necessary for us to progress. Expertise comes with practice and if we fail to practice what we have learned, we will never become experts in anything.

While education can play a role in fostering economic growth, we have also to be realistic about its potential. Education should not be seen as a silver bullet that will cure all economic ills. We know of countries where governments did spend a lot of financial resources on education except that their economies did not grow as expected. Therefore, the wider policy and investment environment is equally critical for sustained economic growth. We also have to be
realistic about the time required for the change in education policy to deliver the necessary gains. While education can influence growth, it will not do so in the short-run.

Our institutions of higher learning will continue to be challenged to be at the forefront of providing high quality and relevant education. Entrepreneurial education, more than any other discipline, that seeks to provide organisations and individuals with the knowledge and capabilities needed to manage economies must be our priority number one in our teaching process.

It is also now widely accepted that innovation is a key driver for economic growth and social development. Effective political and business leaders today understand that to continue to be successful, they need to continuously search for new and better ideas that lead to innovation.

Many countries, developing and industrialized, are experiencing growing pressure from globalization and technological change. Today we are witnessing an environment where new opportunities for prosperity are opening up and at the same time, it creates a number of challenges. Countries that are innovators will benefit from the global innovation economy process while those who are not will certainly stagnate.

The global innovation economy is driven by ideas and is therefore to a large extent different from the industrial economy of the past. For example, the industrial economy might have focused on large corporations in order to achieve economies of scale, whereas in the ideas economy, it is all about innovative entrepreneurs utilizing efficient distribution networks. The size of the corporation is no longer the most important factor. In the ideas economy innovation and flexibility is what matters. Successful companies are now focusing on gaining access to specialized workforces, research and development and unique business infrastructure.

What is clear, however, is that innovation cannot take place by chance. We need to agree that innovation can only come about if we are prepared to invest public funds in research and development (R&D). Currently public investment in research and development is non-existent. This is partly because in many developing countries R&D is being regarded as an expenditure rather than an investment. The truth, however, is that R&D is the key to innovation, new products, new technologies and new ways of doing business.

We need to have institutions of high learning and public or private research institutions where new ideas are born. We need to have the necessary buy-in and leadership from the Government and private sector business; we will need high quality infrastructure such as laboratories, transportation and information communications technology; we will need to have highly skilled workers; and we will need investment money and an entrepreneurial culture that will help to create new ideas. These are basic requirements that must be in place for R&D to yield meaningful benefits.

We also need to be clear as to who should drive the process of innovation. In this respect I would like to suggest that Government should provide the funding while a public-private enterprise is identified to drive the process. Public funding is crucial, especially in the beginning in order to achieve sustainability of funding. The inclusion of the private sector in the
implementation strategy is also important because when investing in R&D you need to pick the investments that have a better chance of yielding results. Given that the private business sector leaders are driven by excellence in order to succeed, they should therefore be part of the process when making judgments about the commercial applicability of specific R&D investments.

In conclusion, ladies and gentlemen, ultimately development and therefore prosperity starts with all of us. As individuals, we all have great potential that we might not be aware of. All what is necessary is that we start believing that it can be done. Let us be proud of our achievement and build on it by embracing values of hard work and sacrifice. What we cannot afford is to allow our destiny to be determined for us by events happening around us. We must be the architects of our destiny.