



REMARKS

BY

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RECTOR: POLYTECHNIC OF NAMIBIA

AT THE

LAUNCH OF THE INNOVATION MARKETPLACE

(A BANK OF NAMIBIA SPONSORE PROJECT)

12 MAY 2009

at

10:00

WINDHOEK

Director of Ceremonies

Hon. Kaitjindire Muharukua, Deputy Minister, Ministry of Women's Affairs,
Gender and Child Welfare

Mr. Tom Alweendo, *Governor of the Bank of Namibia*

Business Icon Mr. Harold Pupkewitz

Distinguished Leaders, Innovators, Entrepreneurs

Members of the Media

Ladies and Gentlemen

Wealth Creation has always been a main pursuit of mankind in his/her evolution. This goal has been functionally related to the quest for the decent life, i.e. a free from suffering, hunger, disease, alien domination, and the vagaries of existence associated with these ills. Until recently, the rules for wealth creation seemed to prescribe a development path leading to industrialization and thus providing an industrial/manufacturing-based wealth production. Upon closer analysis, it is clear that those rules have changed dramatically because some central characteristics of the economy have changed, and we are now talking about the *New Economy*.

In recent years, the intuition of classical economists has been validated by analysis, i.e. that human capital and other intangibles play the major role in economic development. Today it is well-understood that, overall, the *intangible capital* (labour, human capital, social capital, and other important factors such as the quality of institutions and frameworks) constitute the largest share of wealth. In other words, knowledge, skills and competencies play the biggest role in the context of *entrepreneurship* and *innovation*, both driven by *innovation centres*, alternatively called *science parks* or *technology parks*. The latter are engines for economic growth.

Namibia is an emerging economy, or a new free market economy, which by definition must possess or have access to: a) competent labour markets, b) raw material markets, c) feeder-industry markets, d) consumer markets, and e) demonstrate an increase in overall national economic activity. Namibia faces many developmental challenges and its growth and competitiveness are compromised by many factors such as the following: i) a high unemployment rate (esp. amongst the youth); ii) crime, iii) corruption; iv) a weak governance and management system; iv) bureaucracy; v) inefficiency and ineffectiveness vi) shortage of well-qualified and trained human capital; vii) a weak knowledge system; and viii) lack of an innovation system or innovation drivers.

In terms of the **2004-2005** Global Competitiveness Indexⁱ, Namibia was ranked **52nd out of the 102 countries** which account for more than 95% of the world GNP, following Botswana at 36th place, Tunisia at 38th, South Africa at 42nd and Mauritius at 46th place. [By the way, out of the 102 countries, Namibia was ranked as 81st in tertiary enrolment, 71st in university/industry collaboration, and 93rd in the availability of scientists and engineers.] Our ranking in **2006-2007** dropped to **72 out of 122**; and in **2008-2009**, Namibia is ranked at **80th out of 134 countries**.ⁱⁱ This is surely a precipitous drop indicative of the challenges we continue to face.

Nations perform to sustain and increase their competitive edge or improve the standard of living of their citizens. Competitiveness is a measure of a country's performance, according to 'golden rules', on how a nation's environment creates and sustains the competitiveness of enterprises. In the past the measures of competitiveness have been the following: i) *economic performance*, ii) *government efficiency*, iii) *business efficiency*, and iv) *infrastructure*. However, *efficiency enhancers* - such as *higher education and training*, and *innovation and sophistication factors* have become pillars of development and assessment.

In response, we see the Polytechnic – as *Namibia's university of science and technology*, to be a key driver of technology, innovation and entrepreneurship in Namibia. A university is essentially a hub for knowledge creation and management, and thus a contributor to socio-economic development. Three years ago, we conceived the Innovation Centre as an important pillar in our institution and as a catalyst of social, economic, educational and technological transformation. This is a stretch of the imagination required in the Namibian economy, for it is a proven factor of economic success everywhere else. A university is traditionally concerned with *teaching and research*. The third element of *service* is critical for the new universities. Therefore, since 2006 we have dedicated more and refined thought and resources to developing the Namibia Business Innovation Centre. This project was realized with initial funding from the Embassy of Finland in Namibia to conduct the feasibility study in 2006, and subsequently a substantial amount of money Of N\$ 1 million to prepare the business plan. The latter will be completed by the end of this year and we are now at the initial stage of development.

The Innovation Centre will carry the vision *to offer a comprehensive platform for business innovation and development that positions Namibia as a knowledge or new economy*, through enhanced entrepreneurship, innovation, job creation, income generation. The factors are key ingredients in economic growth and competitiveness. The Innovation Centre will be an pioneering environment where new growth of ideas, theories, systems, goods and services will be facilitated through three main components:

- a) **business incubator:** to support start-up companies and facilitate business enhancement and development;
- b) **technology park:** to support technology transfer and innovation in the Namibian industry; and

- c) **science park:** to facilitate targeted applied research that will drive development projects and innovation.

The NBIC will also host dialogues and consultations, training programmes, as well as facilitate young talents programmes.

An innovation centre is the environment we need to focus on rethinking our value propositions, leveraging full commercial potential to achieve sustainable commercial markets, and enhancing our understanding of financial & non-financial metrics locally *and* globally [this entails preferences, technical, consumers, products, pricing (cost structures), human resources – globalizing governance, policies, R&D – globalizing, risks – political, intellectual property, taxes.]ⁱⁱⁱ We must realize that we live in a new economy that demands new thinking and solutions. Indeed, just as we became fixated with the information society driven by technology at the end of the last century, new solutions are emerging and we're now confronting new frontiers which require key *conceptual, technical and human skills*.

The NBIC will drive change in the economy and knowledge management systems in Namibia. And we should understand and measure change as it happens or as we drive it through the different stages:

- a) *consolidation:* this occurs when working on the fringe; key aspect is that you don't really change the system.
- b) *incremental:* this brings significant changes in the system
- c) *transformational:* this creates a completely **new** system, i.e. a system or product or service that did not exist before; often a profound change requires a name change or new terminology.

From the aforesaid, it is clear that our economy needs transformational or radical innovations. Innovation is considered the major driving force of economic and social development worldwide.

Through the funding from the Bank of Namibia, the following activities are proposed: initiating and establishing the *innovation marketplace*; public lectures or *guru* talks; innovation events, exhibitions, workshop, seminars, training and courses, and initiating and establishing the innovation mentor network. These activities are aimed at motivating and engaging all stakeholders to collaborate on innovation.

Honourable Minister

Honourable Governor

Ladies and Gentlemen,

The Bank of Namibia, as a representative of the Namibian people, and certainly its Governor, are demonstrating through this generous donation to a key activity of the Innovation Centre its thorough comprehension of the need for innovation in an ever changing and competitive environment. The Innovation Centre – as the *innovation marketplace* - will ensure the convergence of synergies amongst the many sectors and players: the public and private sectors, academe, NGOs, development agencies, civic society, scholars, etc.

I therefore urge all key players in the economy – indeed all of Namibia, to get to experiment with the idea and be engaged in this novel project. I look forward to many years of collaboration with the Bank of Namibia and thank you all for your kind attention.

i *The Africa Competitiveness Report 2004-5*, World Economic Forum, Geneva.

ii *The Africa Competitiveness Report 2008-9*, World Economic Forum, Geneva.

iii Deloitte, September 2006.