

**REMARKS BY TOM K ALWEENDO (MP)**  
**DBN GOOD BUSINESS AND INNOVATION AWARDS**  
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I would like to thank Mr. Martin Inkumbi, the Chief Executive Officer of the Development Bank of Namibia, for inviting me to speak at this event. I am equally happy to be in the company of those Namibian men and women that are the real force behind our economic development – the entrepreneurs.

It is now a little more than 26 years ago since we became the masters of our own destiny. Some of us may still recall how, at the time of our independence, a number of people did not believe that we were capable of managing our own affairs. Our detractors then were convinced that it was a matter of time before disaster is upon us as a country. Today we can, with confidence, say that we have proven our detractors wrong. We, all of us, have demonstrated that this otherwise ordinary Nation is capable of extraordinary things.

To date, our development agenda can be classified into three main strategies. The first strategy was to invest in the people. Given our past history of segregated development, we had no choice but to invest in the education and health of the people. It is therefore not a coincidence that since independence our budgetary allocation to both education and health has been the highest in the SADC region.

The second strategy was to nurture a value of a caring society. This strategy was born out of a conviction that says that the best way for us to grow as a Nation is by uplifting others. A principle that says that we are only as strong as our weakest link. Through this strategy over the years the Government has been providing a social safety net to the most vulnerable members of our society. These include the elderly, the orphans and those living with disabilities.

The third strategy was that of investing in economic development. This strategy recognizes that economic development is a necessary condition for any nation's wellbeing. Without economic development, it will be impossible for us to do the rest. The result is that today our economic infrastructure compares relatively well in the SADC region and the economy has grown almost 17-fold since independence.

It is my strong view that the three strategies I just described have produced some tangible results. There is no doubt that many Namibians will agree that today Namibia is a better place to live in than it was before. I also need to point out that our achievements so far are not to say that we have reached the pinnacle of our development. It is not to say that we no longer have areas of our development where more need to be done. For example,

there is no denying the fact that our economy still need to grow at a higher level and be more inclusive; that we need to create more employment opportunities, especially for the young people; that the income generated from our economy needs to be shared on a more equitable basis among the members of our society; that we need to pay particular attention to the quality of our education system where innovation need to be our core focus.

However, I still believe that it is important to talk about our past achievements. Talking about our past achievements should serve to remind ourselves that we are capable of achieving great things. It should tell us that no challenge is too big to overcome. It is to say that we are capable of doing more, provided that we are prepared and committed to do what it takes to overcome the remaining challenges.

We therefore still have a journey ahead of us - a journey during which some of us might become apprehensive and fearful. We still have an expedition to undertake - an expedition where some will start to despair and become discouraged. Already there are some among us who have become rather cynical about our ability to achieve great things. Their starting point now is to always remind us of what has not happened and conveniently remain silent about what has happened. For them it is to emphasize failure and disregard success. Instead of recognizing the greatness in our ability to make things happen, they constantly remind us of what has not succeeded.

To those who doubt our resolve and competency to achieve great things, they must know that there was never ever great success without some setbacks. Most of the world successes and breakthroughs that we all take for granted today were only achieved through perseverance and determination. Think of successes such as the invention of an airplane or the internet that we all now believe that we cannot live without. These are all successes that were achieved by those who were not afraid to fail. These are accomplishments delivered by those who believed that what is more important is not the failure but the courage to keep trying. Their motto was that failure cannot be a reason not to try again. They lived by the watchword that says every failure is a lesson well-learned.

Today I would like to talk about the role of entrepreneurship in economic development. According to the traditional economic growth models, capital and labour or a mix thereof are the key ingredients to economic development. These models suggest that if you add more labour or more capital, economic growth will increase. However, if economic development was this simple, our economy would have grown much higher, given the capital and labour we have. It is in view of this that new growth theories correctly emphasize the importance of total factor productivity, including and especially the importance of entrepreneurship in sustainable economic development.

An entrepreneur can be defined as someone who exercises initiatives to organize and operate a business. He or she does so by taking on greater than normal financial risks. The entrepreneur is therefore a business leader who looks for ideas and puts them into effect and in the process fostering economic growth and development. Today entrepreneurship is recognized as one of the most important input in the economic development of any country. The entrepreneur acts as an important catalyst to give the necessary spark to economic activities by his entrepreneurial decisions. He plays a pivotal role in the economic transformation of any country.

As we all know, for any investment to take place, there has to be savings. It could be public savings or private savings. But for savings to be converted into investment in the economy, you need to have entrepreneurs to promote capital formation by mobilizing the idle savings. They employ their own as well as borrowed resources for setting up their enterprises. Such type of entrepreneurial activities lead to value addition and the creation of wealth, which is very essential for the industrial and economic development of the country.

In many of the developing countries, Namibia included, unemployment is one of the biggest economic development challenges. We have too many people, especially the young people, looking for jobs they cannot find. Here again it is the entrepreneurs who could provide a sustainable solution to unemployment. When more and more entrepreneurs emerge, more job opportunities are created for the unemployed. As time passes, these enterprises grow, providing direct and indirect employment opportunities to many more people. In this way, entrepreneurs play an effective role in reducing the problem of unemployment which in turn enhances the economic development of the nation.

Entrepreneurs are people that are always on the look-out for opportunities. They explore and exploit opportunities; they encourage effective resource mobilization of capital and skill; they bring in new products and services and develop markets for the growth of the economy. In this way, they help to increase the country's GDP as well as per capita income of the people in a country.

To be a successful entrepreneur you need to have certain qualities; you need to possess certain characteristics. One of those qualities is the ability to identify business opportunities and also to act quickly. I have often heard the argument that there are no business opportunities in Namibia. I do not believe that the argument of no business opportunities holds, because if it was true, how come it is that foreign direct investors are able to find business opportunities in Namibia. Entrepreneurs, whether domestic or foreign, are supposed to identify business opportunities; that is the essence of entrepreneurship. And closely related to the ability to identify business opportunities is

the importance to act quickly and with determination to get ideas identified turned into real business opportunities. Because in real life it is one thing to have a business idea, and certainly another to be able to translate that idea into a viable business opportunity.

It is also the case that to be a successful entrepreneur you must be prepared to work hard and also to do so in a disciplined way. While there is merit in the principle of smart work, running and maintaining a business is hard-work, especially during the start-up phase. In fact this is a general truth in life that applies not only to entrepreneurship but to anything else in life. The bottom line is that there is no substitute for hard work. If you want to succeed as an entrepreneur, you simply have to be willing to work hard.

There are a number of people who dream to be successful entrepreneurs. For many people entrepreneurship looks cosy from a distance. The unfortunate thing is, however, that half of those dreaming to become entrepreneurs are not always prepared to do what it takes to be a successful entrepreneur. They are not always willing to risk their earthly possessions in order to succeed. They are not always prepared to work extraordinarily hard and to spend long hours perfecting their business ideas. It is therefore appropriate that true entrepreneurs deserve the financial benefits accruing to them because of their preparedness to take the risks.

Let me now say a few words on SME development in the context of Namibia. It is my experience that there is still a lingering perception that starting an SME is some sort of an act of desperation. And that is probably the reason why more often than not you have most university graduates that are only interested in securing a job – be it in the public or private sector. Their first option is never to think of establishing a business. One reason for this is that we think of SMEs in a wrong way. We think of SMEs as informal businesses that are carried out by people who failed to obtain employment or by people that are less educated. This is an unfortunate view that in a way negatively influences our thinking about the importance of SMEs. In other countries SMEs include professional services such as medical, legal, accounting and ICT.

We therefore need to emulate countries such as Israel. In Israel the situation regarding SMEs is the exact opposite. Young graduates, even before they graduate, use their academic research to start successful companies. This is particularly true for the ICT sector. In part this phenomenon can be explained by the fact that Israeli universities do closely collaborate with local and international industries, and their curricula are deliberately designed to provide real solutions to practical problems that companies experience on a daily basis. As a result of this strong desire to innovate, Israel has become the country in the world with the most listing on the NASDAQ stock exchange after the United States. However, most of these companies started off as SMEs and were later bought up by international large companies. In the process, the founders of these companies, in some cases have become billionaires.

The link between academia and industry is only part of the reason why Israeli start-up entrepreneurs is so successful. I believe another part of the explanation can be found in the Israeli culture of “never give up”. When the biblical David had to fight the giant Goliath, his attitude was that there was no way how he could miss such a big person. He could well have thought to himself and said that there was no way how he could defeat such a giant.

A number of people, young and old, are wary of starting their own businesses for various reasons. Some are afraid that they will not have the necessary capital, while some believe that they do not have the necessary experience to run a business. These could be real hurdles that must be overcome. What we, however, must not do is to regard such hurdles as permanent. Not to look at them as obstacles that cannot be resolved – but to look at them as temporary setbacks for which solutions can be found.

Capital can always be secured when the entrepreneur behind the idea is determined and is convinced that his or her idea is financially viable. When it comes to experience, not all experience in life is good experience. At times experience can become a deterrent to innovation when you are not willing to try anything outside your prior experience. Often people do not like to think outside the box, because of entrenched experiences and bad habits. And in order to succeed there are times when it is necessary to unlearn the bad experiences and habits of the past.

In conclusion, I would like to thank the Development Bank of Namibia for their role in our economic development. If you continue to play the role of assisting entrepreneurs to fulfil their business dreams, Namibia will continue to be a better place to live for all of us. The vision of a Namibian House where no one feels left out will be realized sooner than later. I would also like to congratulate all the entrepreneurs who are receiving awards this evening. It is my hope that this will be a visible incentive for others to follow your examples.

I thank you.