

17-20th of June 2012, Tallinn



29th IASP World Conference 2012

Soft Landing concepts and services in Southern Africa; How to land softly in emerging markets - Benchmarking Finnish Experiences

Parallel Session 3

Soft Landing and Internationalization Services

Author:

Dagmar Honsbein (<u>dhonsbein@polytechnic.edu.na</u>)

Namibia Business Innovation Centre (NBIC), Namibia

Co-Author:

Juha Miettinen, Southern Africa Innovation Support Programme (SAIS), Namibia

Soft Landing concepts and services in Southern Africa; How to land softly in emerging markets - Benchmarking Finnish Experiences

1. Introduction

Science and Technology Parks or Business Parks as they are often referred to are increasingly being established globally as economic drivers. These have become an integral part of economies' national systems of innovation¹. The concept of national innovation systems primarily distinguishes the most significant interactions from the less significant ones in relation to the actors, activities and institutional networks in the process of knowledge creation, diffusion and transfer. The soft landing concept has become synonymous with most Science and Technology Parks and is primarily used to attract Foreign Direct Investment (FDI) to cities, countries and regions. Soft landing refers to a process that foreign companies and organisations use to rapidly enter a new market mainly through Science Parks and Business Incubators. Soft landing can be associated with national trade policies, economic growth strategies, fiscal policies, labour laws and industrialisation strategies. Soft landing packages include among others advice on marketing, HR, legal, accounting and book keeping issues. Generally, STP's form partnerships that allow provision of soft landing services into their environments by national and regional organisations.

Generic Soft landing offerings in a number of STP's that promote New Technology Based Firms (NTBF) have been identified. These range from abstract professional services to basic office space and connectivity leasing. Research shows that countries that have established policies that allow facilitation through soft landing packages enhance their access to global trade. A classical case is China which has become a global manufacturing powerhouse². Although China has attracted multi-national corporations, especially those in ICT into doing business in China, most of these have been associated with availability of reasonably lower cost of labour compared to their countries of origins³. Recently China used tailor-made soft landing packages, including conducive fiscal policies, supportive Science Technology and Innovation Policies to attract firms into doing business in Chinese Cities. This has been coupled to funding of NTBFs which are currently one of China's biggest platforms for export production.

Developed countries such as Finland, have engaged soft landing concepts from inception of economic development in the 1960s. These were induced by the need to convert the economy from largely resource based to becoming competitive vis-à-vis other European countries.

The STP development paradigm - soft landing concept being integral part of that - has been one of the dominant trends in national, regional and larger city development schemes in Finland from the late 1980's as the country has been shifting it's economy's backbone rapidly from resource-based economy towards knowledge creation and information economy. Opposite for example to China and other Asian economic tigers, Finland is quite remote, small market with relatively high overall production cost level; attracting foreign companies has to rely on strong focus areas and other competitive factors. Finland has always

¹ Baskaran, A; Muchie, M. 2006. Bridging the Digital Divide, Innovation Systems for ICT in Brazil, China, Thailand and Southern Africa. Adonis and Abbey Publishers, New York.

² Parley, T I. 2006. External Contradictions of the Chinese Development Model: export-led growth and the dangers of global economic contraction, *Journal of Contemporary China*, <u>Volume 15</u>, <u>Issue 46</u>, pages 69-88.

³ Juma, C; Yee-Cheong, L. 2005. Innovation: applying Knowledge in Development. Earthscan, London.

been seen as an agile, easy to operate pilot laboratory and entry point before entering larger markets in Europe and Russia.

Hence, on the contrary to many of the widely applied soft landing concepts, Finnish soft landing instruments and mechanisms have heavily relied on 'content orientation' rather than e.g. trade or tax policy incentives. STP's have played a crucial role in this content orientation offering. Besides offering facilities and basic services, STP organisations with their service packages have been able create a wide range collaborative instruments and mechanisms creating favourable circumstances also for soft landing.

In many ways some of the Southern African countries resemble Finland when it comes to soft landing concepts. Their strengths rely heavily on entry, laboratory market nature and to smooth and agile collaboration between actors in relatively manageable innovation and STP environments.

2. Rationale for a soft landing concept

The countries of the Southern African Development Community (SADC) have clearly identified in their Regional Indicative Strategic Development Plan (RISDP⁴, 2006) the need to enhance their systems of innovation, and to create mutual benefits by extending this to regional co-operation and regional innovation systems. The Southern Africa Innovation Support programme (SAIS) is been implemented to pilot innovation collaboration within five participating countries: Botswana, Mozambique, Namibia, South Africa and Zambia and is mainly funded by the Republic of Finland.

Although economic and social conditions vary considerably within and across SAIS participating countries, there are also significant commonalities and linkages between them - therefore the proposal to roll-out a SADC pilot programme, underwritten by the RISDP. In response to important challenges in the pursuit of economic growth and poverty reduction, each of these countries has embarked upon major innovation-related initiatives.

The countries Botswana, Namibia and South Africa share even greater commonalities due to their level of economic development, natural and human resource endowments and active participation in the global economy. South Africa is an emerging economy as internationally recognised by e.g. OECD, and a member of BRICS (Brazil, Russia, India, China, South Africa). Namibia and Botswana are classified at higher Middle Income Countries (hMIC) by the World Bank⁵. Botswana, Namibia and South Africa have a common border. The common economic development policies of these countries are well embedded to efficiently execute them through regional agreements, such as the Southern African Customs Union Agreement⁶, which even seeks for a common industrialisation, agricultural and transport policy.

Furthermore, Finland over the past century until today has played an active role in the socio-economic development of these countries. Especially the education sector and advancement of the innovation has a distinct Finnish note to it in the Southern African sub-region.

The focus of this paper is thus to shed light on concepts and services used in especially Botswana and Namibia, and benchmarking experiences with Finland, and South Africa as a knowledge sharing partner where applicable. Soft landing is thus to be understood in the context of strengthened regional and global,

⁴ Regional Indicative Strategic Development Plan. Southern African Development Community (SADC) Secretariat, Gaborone, Botswana, 2006.

⁵ http://data.worldbank.org/about/country-classifications

⁶ 2002 SACUA - Southern African Customs Union Agreement of 2002, entered into between the Governments of the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia, the Republic of South Africa and the Kingdom of Swaziland. Implemented as of 2004. <u>www.sacu.int</u>.

- partnerships and networks at all level of economic development,
- production systems,
- technologies and expertise
- competitiveness and
- integration,
- most importantly, providing content and purpose to science parks, rather than estate management in the innovation systems sphere.

There is a strong focus on inward landing into Botswana and Namibia of especially Finnish and South African know how and technology transfer. Lessons learned⁷ from prior cooperation between Finland and South Africa in the field of science, technology and innovation play a major role in bringing forward arguments for or against certain activities to be undertaken in socio-economic development built on innovation systems⁸ in Botswana and Namibia.

Botswana and Namibia are well known for their mineral wealth, biological diversity and natural beauty. As resource rich countries, these still rely much on natural endowments to build the economies. Foreign and international companies are still the crucial cornerstone in maintaining the connection to global economic participation. However, resources are by and large extracted without commensurate value addition in the local economies of Botswana and Namibia. Value addition⁹ ¹⁰ in this case does not only refer to physical raw material transformation into a finished product, but also to assist in the building of critical mass for

- knowledge infrastructure and competencies, especially research and development capacity;
- physical infrastructure, especially ICT capacity;
- goods, market and labour market efficiency;
- technological readiness; and
- business sophistication and innovation.

Nevertheless, foreign and international companies require that a critical mass of knowledge systems exist in Botswana and Namibia for them to engage and invest in downstream value addition activities. This specifically pertains to physical infrastructure and sufficient provision of skilled and knowledgeable workers to serve the national and international community interests in R&D and innovation fields.

⁷ Enhancing Innovation in South Africa - the COFISA Experience. The Cooperation Framework on Innovation Systems between Finland and South Africa. Department of Science and Technology. Pretoria, South Africa. 2010.

⁸ Southern Africa Innovation Support Programme (SAIS) in Botswana, Mozambique, Namibia and Zambia. A cooperation Framework on Innovation Systems between Finland and the 4 Southern African Countries. Ministry of Foreign Affairs and Governments of Botswana, Mozambique, Namibia and Zambia. Helsinki, Finland. 2011.

⁹ Namibia's Industrial Policy. Ministry of Trade and Industry. Government of the Republic of Namibia. Windhoek, Namibia. 2011.

¹⁰ TACHEBA, B. Research and Development strategies for promoting Technology and Innovation and Botswana - need for forecasting. Department of Science and Technology. Gaborone, Botswana. 2008.

There are currently a number of initiatives in Science Parks and Business Incubator development in Africa¹¹. These are mostly being developed along the Special Economic Zones (SEZ) Concept initiatives. Low income countries especially those in Africa and Caribbean, looking for development models have turned to Asian countries especially China, which has a strong SEZ policy support driving its economic growth¹².

Namibia and Botswana have adopted long term visions^{13 14} and development plans which would build the necessary support structures and / or address the structural deficiencies, especially pertaining to governance and institutions, maintaining macro-economic stability and enhancing health and education, including higher education, research and development capacity. The latter visions aim to augment SEZ concepts, which already exist in Namibia to simply attract more foreign direct investment (FDI) and manufacturing capacity, towards establishing a competitive economy based on fundamentals of a knowledge and technology driven economy.

Commensurate to fulfilling national level objectives and providing a soft landing, it is considered of utmost importance to establish institutions which will assist local entrepreneurs and multi-nationals alike in generating and adopting new knowledge created by scientific research and technological advancement befitting the enhancement of their engagement and socio-economic development levels in Botswana and Namibia. This includes further investment in capacity building, adoption of best practice, and openness to social, economic and cultural innovations.

The Botswana Government is currently developing its Special Economic Zone Policy¹⁵. The Special Economic Zone Policy intends to designate different industrial and technology development areas throughout the Country to facilitate business development and promote FDI. This initiative shall be coupled to a number of soft landing initiatives currently being implemented under the Ministry of Trade and Industry including the "one stop shop" concept. The One Stop Shop concept was developed within the Botswana Export Development and Investment Authority (BEDIA) through a one stop service centre under the Business Facilitation department. This facilitates the effective registration and operationalisation of the new firms¹⁶.

To ascertain soft landing services in the science and technology arena and feed into existing economic development centres, like the SEZs, Botswana and Namibia have set up meso level institutions respectively, which would provide the required research, development and innovation (RDI) services to local and foreign companies, and induce policy adaptation where necessary to governance structures at national level.

¹¹ Tavares, R. 2009. Science and Technology Parks: An overview of the ongoing initiatives in Africa, African Journal of Political Science and International Relations, <u>Vol. 3 (5)</u>, p. 208 - 223.

¹² Farole, T. 2011. Special Economic Zones in Africa; Comparing Performance and Learning from Global Experience, The World Bank publication, Washington DC.

¹³ Namibia Vision 2030. Namibia Development Plans 1 to 7, which are the 5-yearly implementation frameworks for Vision 2030.

¹⁴ Botswana Vision 2016.

¹⁵ Sentsho, J. 2007. Special Economic Zone Policy of Botswana (Draft), Ministry of Trade and Industry, Government of Botswana.

¹⁶ Botswana Export Development and Investment Agency, <u>www.bedia.bw</u> , 2007

Lessons learnt from Finland and South Africa in the latter mentioned undertaking are playing a strong role in advancing socio-economic development from being largely resource based to knowledge based, innovation and technology driven. Equally important and as is the case in Finland, these meso level institutions¹⁷ are founded on strong partnerships (and financial support from) between and among government, private sector, civil society and academe. The SAIS programme complements the efforts with know-how and financial support.

3. Approach and Method

The Finnish experiences are especially relevant to Botswana and Namibia. Finland is comparatively remote, has a small market, and provides an entry point to bigger markets, like EU and Russia. Botswana and Namibia serve the larger market South Africa in many aspects, but are also an integral part of SADC (a comparison to the EU) where South Africa serves as point of entry to global markets. These latter geographic realities provide a competitive advantage in many cases, but also give rise to socio-economic drawbacks, especially for private sector development.

Although the SAIS cooperation framework has only commenced in April 2011, a thorough assessment study¹⁸ highlights the unique selling points which will be enhance soft landing services at the Botswana Innovation Hub and the Namibia Business Innovation Centre during the period 2011 to 2015 in Botswana and Namibia respectively. With aim to provide inward and outward soft landing, the innovation systems support programme SAIS will strengthen innovation capacity, build stronger networks among the multihelix players, adopt better and best practice, replicate regional and international innovation initiatives befitting the Botswana and Namibian situation.

This involves:

- promoting innovation in rural and remote areas;
- replicating indigenous knowledge systems,
- encouraging entrepreneurial thinking to embrace good business practice from and partner with regional, foreign and international companies,
- and establish open innovation platforms to the benefit of national and international companies.

3.1. Botswana Innovation Hub (BIH)

There are currently a few case studies in Southern Africa that have adopted the Finnish Model of establishing Science and Technology Parks (STPs) for economic growth, Botswana being one. The Botswana Government is currently developing a Science and Technology Park in Gaborone, Botswana. The STP model is based on a Real Estate Park concept from Technopolis[™] in Finland¹⁹. The concept includes developing specialised facilities including laboratories and office space for accommodating foreign based research

¹⁷ In Botswana, it is the Botswana Innovation Hub. In Namibia, it is the Namibia Business Innovation Centre. Both established in 2009.

¹⁸ New Venture Solutions Consulting. Creating a starting point - assessment study on Innovation Systems in SAIS Countries. September 2011.

¹⁹ Technopolis, 2006, Botswana Innovation Hub Business Plan (Final Report), Ministry of Communications Science and Technology, Botswana.

organisations and institutes. The soft landing package of the BIH also includes initiatives such as tax breaks, labour dispensation, telecommunications subsidies, outsourced services like cleaning, mail distribution among others (Botswana Innovation Hub, 2008). The BIH²⁰ initiative is such that the Science Park real estate is run through a subsidiary Company called Botswana Innovation Hub Property Company. The property Company shall be looking at contract for tenancy, lease of plots, provision of services such as ICT, telecommunications, cafeteria, auditoriums and other shared services facilitation.

The Botswana Innovation Hub Company is currently driving the Innovation Agenda of the Science and Technology Park. To this end BIH is currently implementing two development programmes within the ICT and Energy /Environment sectors.

In order to foster innovation and the development of the ICT industry in Botswana, Botswana Innovation Hub has partnered with Microsoft CorporationTM in the USA to establish a Microsoft Innovation Centre²¹ (MIC). The Microsoft Innovation Centre shall foster software development capacity within the local setting. It will be used as a skills transfer platform to facilitate training on a wide range of Microsoft related programmes. This is the new point of contact for Microsoft in the country, following many years of not having a country office. This allows participation of students, developers, government officials, private sector companies. It is an essential nucleus for the ICT cluster initiative within the BIH. The MIC is affiliated to the Microsoft Academy training programme and shall be part of the Microsoft Partner Network²².

The BIH is also implementing within its Energy and Environment Programme a "Clean Tech" initiative towards a holistic model for clean technologies adoption and implementation in Botswana. This is done in partnership with the Lund University²³ and Krinova Science Park²⁴ in Sweden. The initiative is funded through a partner driven corporation model between BIH and Swedish SIDA. The initiative is meant to scope the Clean Tech sector in the context of Botswana and provide a holistic blueprint implementation plan stipulating funding models and proposals, stakeholder networks and government participation or involvement. It will also provide the Centre of Expertise's administrative structure model.

The Botswana Innovation Hub has registered ten entities including Microsoft to operate in teh STP. The other nine are two Academic/Research and Development Institutes, four ICT Companies, two mining technologies related companies and an ICT/education company. Companies are currently assessing some key incentives including a labour dispensation extended by government to BIH. The facilitation process for companies in the Hub is part of the soft landing initiatives.

3.1.1. Implementation - the Top-down Approach

As mentioned earlier, initiatives are under way in most Southern African countries to establish STPs and incubators. In most cases, the respective governments are either the driver or at least support the initiatives through funding of the key infrastructure and incentives for companies moving into the STPs.

²⁰ Botswana Innovation Hub, 2008, Revised Implementation Plan, Ministry of Communications, Science and Technology. Botswana.

²¹ Microsoft Innovation Centre, <u>http://www.microsoft.com/mic/MIC-Activities.aspx</u>

²² Microsoft Partner Network, <u>https://partner.microsoft.com/US/partner</u>

²³ Lund University, <u>http://www.lunduniversity.lu.se/</u>

²⁴ Krinova Science Park, <u>http://www.krinova.se/en</u>

Botswana is a good example for this top-down approach. Due to the fact that revenues from diamond mining will run out in the not too-distant future, the government has identified five key areas into which it invests to create future industries through vertical hubs25, namely

- Innovation Hub
- Transport Hub
- Agricultural Hub
- Education Hub
- Health Hub

The Botswana Innovation Hub²⁶ starts with building the STP facilities and offering incentives such as fast-tracked work permit, cheaper telecommunication rates, government co-funding for employee trainings and also R&D projects. A strong focus in finding tenants is on international companies.

3.2. The Namibia Business Innovation Centre

3.2.1. Structure

The factors outlined in sections 2 and 3 have had a major role in defining the mission and structure of the Namibia Business Innovation Centre (NBIC):

- National scope Given a situation in which a framework and policies to promote entrepreneurship and innovation as drivers of employment creation and poverty reduction where missing on a national level. It was clear from the start that a STP in Windhoek alone would likely not be successful but would need to include promotion of innovation and entrepreneurship in policies and regulations on a national level.
- Motivation as very few young people consider entrepreneurship as a means out of the destitute, motivation is the starting point to drive SME creation.
- Entrepreneurship Focus is on those entrepreneurs that have innovative ideas with high growth potential.
- Innovation support for established organisations and companies in innovating their business processes, products and services. Here the aim is to also foster relations with international corporations which will partner with Namibian corporations, e.g. through sharing STP facilities which also have a stronghold on rapid prototyping²⁷.
- National and International Outreach nationally, most of the population resides outside of Windhoek, NBIC has to reach innovators, entrepreneurs and companies in smaller towns and rural areas. Internationally, the aim is to learn from better and/or best practice to e.g., fulfil economic competitiveness aims.
- University driven To secure the future of its graduates and lacking progress on a national level, the Polytechnic of Namibia took the initiative in establishing NBIC. However, this should be limited to operational issues of NBIC. NBIC works hand-in-hand with all Namibian higher education institutions, including vocational training and was able to establish partnerships, at least through academic and applied research projects, with a number of universities elsewhere.

²⁵ Botswana Government Hubs, <u>http://www.gov.bw/en/Tools--Services/Government-Hubs/</u>, as retrieved on 13 Feb 2011

²⁶ <u>http://www.bih.co.bw</u>

²⁷ The NBIC makes use of the FabLab™ concept. <u>http://fab.cba.mit.edu/about/labs/</u>

3.2.2. Implementation - the Bottom-up Approach

Namibia is an example for countries without comparable government initiatives. The National Development Plan III²⁸ outlines and indicates that there will be a "Namibia Business Innovation Centre (NBIC)". However, the main driver in establishing the Namibia Business Innovation Centre has been the Polytechnic of Namibia with the objective to secure and increase the future opportunities of its graduates in 2009/10. Today, NBIC does not draw on graduates from the Polytechnic of Namibia only, but truly serves a national interest as demanded in the NDP III.

The approach chosen is bottom up, i.e. starting with programmes for entrepreneurs to incubation to establishing a science park. This approach has been chosen for several reasons:

- A limited number of established companies that would fit within an STP, due to low population and consequential market density.
- Challenges in attracting international companies that typically choose a base in South Africa with its much larger market.
- No existing pipeline of innovative start-up companies that could move into an STP in the near future. Creating a critical mass by building a pipeline from the ground up is therefore a requirement.
- Limited funds and the need to create awareness nationally in order to obtain public support.

These confining elements have led to the development of an implementation concept that includes the following elements to be implemented in succession starting with programmes designed to on the one hand build the critical mass for the successful establishment of an STP as the ultimate step. On the other hand to create a conducive environment for true inward and outward structured soft landing:

3.2.3. Programmes

- The Innovation Marketplace[™] a programme targeted at the public to educate about entrepreneurship and innovation and motivate potential business and social entrepreneurs.
- Entrepreneurship Programmes are designed to support all entrepreneurs from the business idea, through market research, business planning, business setup and growth in the first three years with emphasis on training and mentorship.
- **RDI Programmes** support established companies and organisations to implement innovations in their internal processes and their products or services. A second objective is to identify potential STP tenants and involve them in the planning process at an early stage.
- Education and Training Programmes with focus on leadership and innovation management training. These target companies but also government, NGOs and other organisations many of which are also stakeholders and potential partners for an STP.

²⁸ National Development Plan III. 2008/09 to 2014/15. National Planning Commission, Namibia. 2009. <u>www.npc.gov.na</u>.



Figure 1: NBIC Core Pillar Structure

3.2.4. Available Infrastructure

- **Business Incubation** providing access to office space, IT infrastructure, conference rooms and business services to some of the entrepreneurs within the NBIC programme.
- Science & Technology Park with a central building housing the incubator and shared facilities such as conference rooms or cafeteria, buildings providing for rental offices and labs for smaller companies and space for larger companies to construct their own buildings.



Figure 2: NBIC Rollout Plan

3.2.5. Key Challenges NBIC faces and key recommendations presented with a focus on RDI

Commensurate to fulfilling national level objectives and providing a soft landing, it is considered of utmost importance to establish institutions which will assist local entrepreneurs and multi-nationals alike in generating and adopting new knowledge created by scientific research and technological advancement befitting the enhancement of their engagement and socio-economic development levels in Namibia. This includes further investment in capacity building, adoption of best practice, and openness to social, economic and cultural innovations.

The aim is to see the NBIC as a true meso level institution to serve national aims under given limited skilled human and financial resources, and offering incubation and science park services to the targeted stakeholders nationally and internationally. NIBC, still in its infancy to fully provide all envisioned soft landing services, there is a drive in Namibian higher education institutions to come up with 'university owned' similar RDI centres and obtain quasi-exclusive user rights to NBIC services. This will definitely not serve national interests and may fragment already scarce resources.

The latter aspect makes it extremely difficult for the NBIC to truly serve national interest as per NDP III.

Therefore, it is recommended²⁹ that the following issues need to be addressed in Namibia, not only to move NBIC and the full roll out of its services ahead, but make Namibia a preferred investment and RDI destination offering competitive inward and outward soft landing.

- Many companies are 'behind the curve' in innovation and lack international competitiveness and therefore growth potential. Namibian private sector in most cases is happy to limit their product / service range to, e.g., one village or town. Here mainly personality inhibitors are the origin of the problem but underpinned by national systemic and structural deficiencies.
- Good ideas exist, but those who have them lack capacity to execute partially due to the education system as students finish school with gaps in skills, especially mathematics, science and internet user skills and also lack in problem solving skills (not enough project work).
- Industrialisation simply does not take place except for very few large scale projects such as Ohorongo Cement³⁰ driven by foreign companies which mainly make use of SEZ. Again this matter is possibly further undermined by no provision of rapid proto-typing facilities.
- Only a few start-up companies in manufacturing exist due to skills deficiencies (see above), lack of expertise, lack of capital and lack of exposure.
- Those that do start often fail, mostly because of The Law of Diminishing Returns³¹, i.e. as soon as the optimal combination is met, growth stops and the start ups do not have the skills to overcome barriers to business growth.
- Tax code has very few incentives e.g., it is more profitable to export raw materials than to process them in Namibia and export processed good, especially mining products, though some processing exists in the fishing industry. And, the tax code incentives are geared towards existing or new production process. The RDI prior to processing stages is not incentivised.
- Tax code allows transfer pricing e.g., in the mining sector exploration is largely capital intensive, often producing accounting losses in Namibia. Once mining extraction starts, no further processing takes place in Namibia, but extracts are exported raw or with minimal value added incentivised by VAT zero rating, and due to transfer pricing no profits are on the Namibian operations' books because overall accounting takes place at the head office, mostly

²⁹ Honsbein, D. 2011. Applied Research & Development and Innovation - a quest for teamwork, and soft-landing concepts to fast track socio-economic development in Namibia during the NDP°IV period. Paper presented to National Planning Commission Secretariat, in the author's capacity as Commissioner to the National Planning Commission, 2011 - 2014. <u>www.npc.gov.na</u>.

³⁰ Ohorongo Cement is an investment partnership between Schwenk Zement, Germany and the Development Bank of Namibia. Cement manufacture became operational in 2009. <u>http://www.ohorongo-cement.com/</u>

³¹ The Law of diminishing returns is based on the classical <u>factors of production</u>, labour, capital and land. If the optimal combination of these is reached, companies/start ups are easily out-competed.

located outside Namibia. Again this sector e.g. is largely driven by foreign companies with limited capacity for Namibian ownership to penetrate shareholding structures in Namibian registration of the companies.

4. Expected main results and Finnish perspectives

It goes without saying that SAIS and innovation systems in Botswana and Namibia are in their infancy phase. However, fundamentals are in place to address challenges, short comings and to fully embrace the concept of soft landing services. There is sufficiently understanding that soft landing needs to be an integral part for offering economic unique selling points to regional, foreign and international companies to invest there. However, what is needed is specialisation, a targeted approach and resourcing to optimise the unique selling points of the soft landing services.

SAIS has the aim to address the main draw backs where quick wins can be achieved with sufficient high impact.

In the Namibian case, establishing a true meso level institution is a key and strongly builds on Finnish benchmarking, with also lessons learnt from New Zealand (which also has strong similarities to the Finnish and Namibian situation).

The SAIS interventions are expected to produce outcomes that equally address lessons learnt or achievements, need for planning, improved competitiveness, building productive capacity, economic infrastructures - both hard and soft / physical and knowledge, and most importantly social / economic gains for each citizen which will in turn contribute to a win-win situation for the state, private sector at large and civil society.



Figure 3. The proposed institutional structure framework to fully embrace inward and outward soft landing in Namibia. $^{\rm 32\ 33\ 34}$

³² To establish this framework, lessons learnt from Finland and New Zealand have been considered.

The proposed meso level structural framework for optimised inward and outward soft landing in the Namibian context as per Figure 3 exemplifies what is in place already and what needs to be put in place over the medium term. The structures highlighted in red denote structures to be set up over the medium term. Furthermore, the structure suggests that Polytechnic of Namibia would be a stakeholder in NBIC operations, and not state the operations henceforth. The NBIC is suggested to directly report to the National Research & Innovation Council (NRIC), providing it with a true meso level responsibility, as NBIC would directly function as secretariat to the NRIC, possibly attached at arm's-length to the National Planning Commission (which is already the highest body empowered to implement national socio-economic development and enacted by Parliament in 1990, such as Vision 2030 and National Development Plans) as well as execute programmes conducive to offering inward and outward soft landing services.

SAIS would play a fundamental role in achieving this aim for Namibia while piloting an innovation support programme which could be implemented elsewhere in the Southern African Development Community member countries.

In SAIS context and with reference to Finnish experiences soft landing should be understood and practiced as a wide, augmented concept and approach; besides the traditional location, set-up services and SEZ-arrangements, special attention should be put in creating focused critical mass of expertise in attracting companies to STPs and to the local innovation community. This content orientation means e.g.:

- selecting a limited number key focus areas like in Botswana case ICT and Clean Tech;
- building research and development capacity and initiatives around chosen themes via fostering multi-partner collaboration and clustering activities (SAIS networking component);
- enhancing international innovation and R&D connections and bridging competencies through adapting and localising good international collaboration and project practices (SAIS networking and best-practice adaptation components);
- strengthening the STP development and specially capacitating the meso-level catalysing organisations/companies like BIH and NBIC (SAIS capacity-building component) to become the acknowledged nodes of innovation and soft-landing collaboration (SAIS capacity-building component).

This content-oriented approach is carried with a strong belief that the knowledge and innovation capacity and well networked critical mass of skills will by the end of the determine the preferred location of knowledge-intensive business - definitely supported by and accompanied with the more conventional softlanding instruments.

5. Discussion and Conclusions

³³ Distinctive Values in African exports - how Intellectual Property can raise export income and alleviate poverty. DFID. London, UK. 2011. www.dfid.gov.uk.

³⁴ Review of the New Zealand Intellectual Property System. Report published by Auckland Uniservices Ltd., a wholly owned company of The University of Auckland, New Zealand. ISBN 978-0-473-16936-7.

SAIS is a vehicle to learn and implement. In its conceptualisation it targets Botswana, Mozambique, Namibia, and Zambia. In this paper focus is on Botswana and Namibia. Notwithstanding SAIS, also with knowledge sharing from Finland and South Africa, offers a regional perspective for other SADC countries to follow suite in providing services which will not only develop national economies, but provide foreign and international companies an opportunity to broaden their operational base and deepen their competitiveness.

It is necessary that

- localised soft landing concepts need to be developed,
- •lessons learnt so far must be embraced to improve the national innovation systems at all operational levels to achieve macro-economic and social prosperity in the SAIS member countries, and
- co-operation in the region to get attention in the first place from foreign and international companies is a pre-requisite for a win-win situation.

It is therefore necessary to recognise and harvest low hanging fruits, and use these to

- adopt dynamic organisational structures,
- create a critical mass of knowledgeable, skilled and competent people,
- commercialise knowledge,
- acquire global knowledge,
- diffuse knowledge and most importantly,
- SUPPORT RESEARCH, DEVELOPMENT AND INNOVATION, for inward and outward going business.