



**REPUBLIC OF NAMIBIA  
OFFICE OF THE PRESIDENT**

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**NEEEF  
AN OPPORTUNITY FOR YOUTH**

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The National Equitable Economic Empowerment Framework and its attendant Bill (NEEEF/NEEEB) have made headway. Public consultations have been concluded, and the Cabinet workshop has deliberated on issues arising from stakeholder engagements. Cabinet will in the coming months resolve all pending matters. Another opportunity for public feedback will be provided before the Bill is tabled in Parliament for further deliberation and adoption. At this stage, most stakeholders have accepted the need, in principle, for overarching empowerment framework to benefit previously disadvantaged members of our society. As a nation we have not yet attained the necessary levels of income and wealth equality that can assure the sustainability of our democracy.

It should be stated that the suppression and alienation of the large majority of human capital from the developmental process under apartheid, resulted in a skewed economic structure.

Namibia has a young demographic profile with a median age of 21 years. According to the Namibia Statistics Agency, the youth population segment between 15-34 years constitutes 36.8% of the total population. This segment is predominantly previously disadvantaged. The socio-economic difficulties facing the majority of young Namibians today cannot be separated from our history of restricted participation and underdevelopment of human capital. Two challenges face young people today. First, young people face the challenge of **high-income inequality**, attributable to the high level of unemployment (39% broad and 43% youth). Subdued economic performance, which hit an all-time low in 2016 at 1% growth, further exacerbated the problem. The economy requires at least 7% annual growth to absorb new, young entrants into the economy.

The second inequality challenge facing young Namibians today is the **Wealth Gap**. It results from restricted economic participation of their parents or themselves, prior to

independence. As a result, previously disadvantaged parents could not access opportunity to accumulate wealth to bequeath to their offsprings. We now have a generation of young Namibians, including those “Born Free” post-1990, who have to build from the ground up, with a zero asset-base. This lack of Capital has become an entry barrier for a large majority for enterprising youth and has long term potential to undermine MSME sector growth and job creation.

NEEEF is part of the solution to the complex issue of wealth redistribution. The Framework will align existing empowerment legislations and aims to increase access to capital, skills, education, employment and wealth in Namibia.

NEEEF offers a holistic empowerment package, including young people. The pillars on human capacity building, enterprise development and market access, community investments and research and innovation aim to stimulate the growth and expansion of local firms and boost productive capacities, leading to job creation and economic growth.

President Hage Geingob has expressed concern about Namibia’s triple challenge of income and wealth disparities, high unemployment and the existence of severe pockets of poverty. The emphasis on the type of empowerment model to be promoted by NEEEF; empowerment that is broad based and cascading downwards to empower communities and groups, rather than individuals, has young people and vulnerable groups, as the intended beneficiaries.

In the definition of a Previously Disadvantaged Person (PDP), youth are targeted empowerment beneficiaries. In fact youth are recognized as descendants of previously disadvantaged persons and would therefore form part of empowerment schemes. In order to benefit fully, young people should be better organized into groups, at community level. After all, central to the success of NEEEF will be, not only the provision of instruments to finance transformation through equity acquisition, but also financing Start-Ups and growth oriented MSMEs. By unlocking economic potential through NEEEF, new opportunities will be created for young people.

The developmental challenges affecting the youth also present significant opportunity to tap into their potential. Future economic growth will depend on the ability of stakeholders to harness this Demographic Dividend during the open window of opportunity. NEEEF has been constructed to create pathways, towards enhanced economic participation in the mainstream economy, for both the young and old. The legislation should receive the full collaboration and compliance of all public and private sector stakeholders. The framework is catalytic and poised to yield long-term transformational impact and young people will not be left out. (700 words)

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