

February 2012

Staying Connected

For the Alumni of the ECCB
Savings and Investments Course

YOUR FINANCESYOUR FUTURE

YOUR FINANCIAL
NEWS

*“Education is the passport for the
future;*

Passport To The Future

*for tomorrow belongs to those who
prepare for it today”*

Junior Achievement Programme

EDUCATION FOR TOMORROW



Addressing the Debt Problem

*Whatever be the
necessary prescription, it
will be
a bitter pill to swallow in
the short term.*



The Right Education for Today's Challenges, Tomorrow's Demands

Today's challenges are, to state the obvious, challenging. Tomorrow promises to be even more demanding. With so many persons leaving school and college highly qualified, and yet unable to forge ahead on their own in the world of work, the question of what is the right education for today's challenges and tomorrow's demands cuts at the core of financial wellness—the ability to earn a good living.

Ask school children and they will tell you that they have so much school work that they can hardly find the time to let their minds wander and think about what is possible; let alone participate in youth entrepreneurial programmes like Junior Achievement or artistic and other non-academic educational activities. The saying, **“All work and no play makes Jack a dull boy”** might provide some insights as to why many of our graduates, notwithstanding their many qualifications, do not easily display the innovation, creativity, critical thinking and autonomy required to forge ahead in this increasingly complex world. They sometimes appear to be clueless about how to create viable business ideas that have the potential to be successful businesses. If only the fittest survive, we need an education that outfits us to be the fittest of the fit in this global workforce.

Hoping to inspire us to expand our concept of what is education and to arm ourselves and our young people with the fittest education to meet the challenges and demands of a global economy, we spotlight the Junior Achievement Programme in the Eastern Caribbean Currency Union.

Visit us at www.eccb-centralbank.org

Passport To The Future

ECCU Junior Achievement Seminar, 24 February 2012

Welcome Remarks by Sybil L. Welsh



It was Malcolm X who stated, **“Education is the passport to the future, for tomorrow belongs to those who prepare for it today”.**

When one thinks about a passport, one thinks about access; and, with access comes possibilities. Access can be limited or limitless depending on the level and scope of one’s education. I don’t think any young person aspires to have a limited education, hence our education system, teachers, parents, public and private sector leaders should build and support an educational architecture that provides limitless access to the future. Our young people should actively pursue such an

education. If it does not exist, we should be moving heaven and earth to mould and shape it in that direction.

It is for this reason why the Junior Achievement Programme and other similar programmes are critical parts of the education process for our youth. These programmes infuse an entrepreneurial spirit among the youth and promote business development and ownership. Therefore, they should not be seen as an addendum to our education system; something our young people can do if they get the time. Rather, they should be etched into the fabric of our education system.

All of us if we are to live our best

lives and reflect the greatness that God has created in us, must embody an entrepreneurial spirit. This applies whether we are working for ourselves or we are employed in the private and public sector. It is this spirit that will separate the fittest from the pack and lead our private and public sector forward. It is also this spirit that will ensure our relevance in this global economy. In short, it is this spirit that will secure our survival and our success.

The entrepreneurial spirit speaks to a **“Can Do It Attitude”**. We are all familiar with the Nike ad slogan; **“Just Do It”**. Too many times we can roll off a thousand reasons why something cannot be done or changed. This attitude creates stagnation and extinction and it has no place in the world of success. The attitude of success must be as one song says, **“There’s got to be a way”**.

The entrepreneurial spirit speaks to never giving up. It speaks to finding a way around challenges. It speaks to being passionate about what we do and how we do it. It speaks to innovation. It is interesting to note that many of the things which are common in our everyday existence that we



viewed only as the fall back plan. Unfortunately, we have the message backwards. The general thinking among most of us is that we should aspire to get a good job and if we fail at that, we can then consider trying our hands at owning a business. This message is the biggest obstacle to the growth and development of our people and our countries.

view with casual eyes, visitors to our islands apply a different set of lenses. They see opportunities and pursue them.

As we in this region grapple with our lack of commodities – *oil, minerals and our small size*, which we often say ‘makes us vulnerable’. We fail to realise that what really makes us vulnerable is our inability to recognise our true potential by being innovative. Innovation comes from curiosity; from investigating, from analysing, from dissecting and asking and answering the questions, “*What if I change this to get that? What if I invent this to solve that, or expand that or reshape that?*”

Observe for a moment a toddler with a toy or book. The toddler touches, smells, tastes, pulls apart that toy or book to answer his questions sparked by his limitless curiosity. Sadly, for most of us, this curiosity seems to grow dim

as we get older and we lose our innovative spirit.

When we ask and answer our questions driven by the curiosity within us, we give ourselves access to a limitless future. There is no limit to the questions we can ask and there is no limit to the questions we can answer. Therefore there is no limit to the future that we can create for ourselves regardless of size or abundance of natural resources and other commodities. **When we understand that our innate curiosity is the greatest commodity gifted to us by our creator, we create a limitless future.**

An entrepreneurial spirit also sparks business development. We should be preparing our young people to focus on owning their own businesses; employment with someone else should be

Who holds the reigns of commerce, holds the power and who holds the power determines the future. Our education must give our youth the passport to own the power for their future and their country’s future rather than let someone else hold that power and they be satisfied with working for the ‘powers that be’.

Yes, Malcolm X is right, “*Education is the passport to the future, for tomorrow belongs to those who prepare for it today*”, so I say to us “*today belongs to those who understand that each step taken in today’s journey brings us closer to the tomorrow we are designing*”.

I challenge you, as young people, to go forth and own a future of limitless possibilities by considering carefully the educational choices you make today. ●

Junior Achievement -Education for Tomorrow

Words of Encouragement and Lessons Learnt by Dence Toussaint



I'm here basically to motivate and inspire you to play an active role and/ or not quit the Junior Achievement Programme by sharing my groups' experiences and giving you advice.

When I was asked to deliver this speech I thought, Me? Motivator? Hmm...let's see how this goes.

That was me underestimating myself, my first piece of advice to you is, **IN YOUR DARKEST SHADOWS NEVER DOUBT THE POWER OF A BRIGHT YOUNG MIND.** You are young entrepreneurs, fresh, innovative and full of self-motivation, even if you don't feel it, it's there... somewhere. I doubted myself because I didn't think I was competent, but after recollecting my experiences I think I'll be good enough.

I was the President of the St. Joseph's Convent Grenville J.A. group from 2008-2009. As President, I had to possess certain leadership qualities such as; boldness, respect, discipline, wit, motivation, problem solving, cooperation, charisma, an open mind, and even humour. I need not elucidate these characteristics and their importance because I'm sure students like yourselves possess them. Our group was called Bold & Roving Promotions and our business activities was surrounded by marketing sole trader businesses within our target Market; a nearby town.

I was terribly shy to people I didn't know, and agreeing to head a team of entrepreneurs who had to interact a lot with other people meant that I had to tear down this phobia immediately. And so I did, really fast too...see, with my team mates looking at me to hold the group, our teacher coordinator **intensely** looking at me to hold the group together; there was absolutely no room for disappointment!

We provided our self-designated service emphatically for eight *very* short months. We used strategies like, radio advertisements, magazines, flyers, posters, Facebook, and the famous word of mouth, among many others.

We wanted to practise so much more marketing activities for our clients, I mean a lot more. All twenty-one of us were bursting with creative ideas and ways of implementing them, however our eight-month span could not be extended. Our group was fun, we appreciated each other, understood and saw the strength of team work, got to know each other better than we expected, motivated each other a lot and did our respective jobs with the company's mission statement in mind; that is ***To provide quality services that will guarantee customers satisfaction!***

Don't think our group's path was embedded with roses! We had a rocky beginning, internally. Some of us entered Junior Achievement with thoughts like these; *'This would be easy'*, *'I don't need to do anything, there's enough people to cover the work load'*, *'Hope this thing ain't boring'*, *'I don't think I could get along with these people'*, *'If they think I am spending over time without pay, they better think again'*, and the infinite list goes on. With only some people thinking and reinforcing these thoughts you'd think that it wouldn't harm our business, but collectively implemented, we were heading nowhere and fast. However, I can assure you all that such thoughts were properly eradicated within the first month of operation. Bold and



Roving's executive members had a 'No-nonsense policy' and those that thought we were joking about that, they don't think like that anymore. To show leadership we took our by-laws seriously and adhered to every bullet point on that document. We thought that in order for this business to succeed it must be structured and rules provided such a structure along with active knowledge.

We faced other challenges internally, again. These were mostly produced from planning activities such as a fashion show - this event was held to promote clients who were boutique owners. We had disputes over simple things like ticket pricing, time and date arrangement, staff shifts, vending etc. This disagreement was feisty and could not be settled among ourselves so it was brought to our 'arbitrator' Ms. Lewis, who was also our teacher. At the end of the day the cloud with the silver lining revealed itself to us.

Another ordeal we experienced was finding clients to prove our value to. We were beginning a

business during a global and national critical economic period. We had competitors that were far more experienced in the field of advertising than ourselves. So, we did what every young business ought to do, we reinvestigated or researched the wants and needs of our market thoroughly. Things like their finances, sales trends, staff number, suppliers, products and services, etc and we occasionally interacted with management through interviews. We chiefly monitored our market's activities. In the end, we were able to surpass our sales goal and win the title of 2009 Company of the Year.

The workload our group carried was very heavy. Most times general meetings would go into sunset, sometimes into the night. Most times we had to continue meetings online, via Skype or Windows live messenger, (*not Facebook...there were too many distractions there*) and like most times while some of us tediously debated an issue, there would always be an individual who tirelessly debated with the midnight sleep, and would lose every time. But it was worth it.

Junior Achievement was a gateway to us; it offered irresistible opportunities, life lessons and friendships and we devoured it all. It also helped us greatly in developing our interpersonal skills.

The closing ceremony was both jovial and sad. We were ecstatic about the awards we had won, the journey we had experienced and the J.A. competition we would be

taking part in, held in Argentina (*which had also brought us a wealth of experiences*). But, we were not happy about the fact that the program holistically ended and that we couldn't extend our time. But we cherished the good times and those memories and lessons were enough to take us home.

Even today, we regularly look back at our past Junior Achievement life and compare it with our college experiences. I hope all of you would be able to do the same in the next few years. Junior Achievement taught us many lessons as I said before. Here are some I personally cherish:

- Believe in God, he is truly miraculous.
- Let determination be your motivation.
- See the strength and embrace the power of team work.
- Try to see your business through the eyes of the public especially your clients. In that way you'll truly understand how they feel about the services or goods you are providing.
- Respect and you shall be respected.
- Only an open mind sees a solution in a misty situation.
- Don't allow doubt to define your limitations and suppress your expectations.

Addressing The Debt Problem

Deficit Reduction



It is often said that a picture is worth a thousand words. So, given the visual above, there is no need to employ text to describe the unsustainable debt problems many countries face.

To start the discussion, let us first agree that in this climate of economic downturn, the possibility of reducing governments deficits by generating additional government revenues from increased productive activity is unlikely.

Let us also agree that unsustainable debt has adverse implications for long-term economic growth and stability and therefore deficit reduction has to be a priority.

Our discussion, therefore, must focus on the prescription to address the serious debt problems faced. The quandary, however, is that the prescription may be a bitter pill to swallow. Each possible option comes with its own fallouts and losses in the short term, albeit potential gains in the medium to long-term.

Imposing austerity measures designed to reduce government spending and increase government revenue usually results in higher taxes and reduced demand which do not favor economic growth.

Debt restructuring (**be it in the form of debt rescheduling, debt**

refinancing, debt swaps or debt write-offs) may not find favor with some existing creditors and may be viewed negatively by creditors in general. Instances of this nature make it difficult to raise capital in the short to medium-term or to obtain those funds at an acceptable interest rate.

So, in short, addressing a country's debt problems will not come cheap, but not doing what is needed to bring a heavily indebted country into a debt sustainable position will cost the country even more in the long run. **SLW**

NOTE: In the Eastern Caribbean Currency Union, a Debt-to-GDP (*Gross Domestic Product*) ratio of 60% is considered to be the prudential limit for debt sustainability.

COUNTRY	Debt/GDP (<i>Debt -to- GDP Ratio of ECCU Member Countries</i>)							
	2004	2005	2006	2007	2008	2009	2010 ^P	Jan-Sept 2011 ^P
Anguilla	16.4	17.7	15.5	14.6	17.7	24.0	31.8	29.4
Antigua and Barbuda	133.5	104.0	92.2	81.1	81.5	95.7	87.1	90.5
Commonwealth of Dominica	88.8	97.5	90.9	81.2	72.0	66.4	73.1	71.7
Grenada	93.2	83.5	87.0	82.9	79.1	90.0	91.8	89.8
Montserrat	10.9	9.5	8.5	7.6	7.1	5.7	5.6	4.9
St Kitts and Nevis	148.8	155.0	141.6	134.6	127.6	142.0	151.4	147.2
Saint Lucia	67.4	66.6	64.6	64.7	61.9	64.0	65.5	68.0
St Vincent and the Grenadines	65.4	65.9	62.2	55.5	58.4	64.7	66.7	66.5

Source: Ministry of Finance/ECCB