

AUGUST 2013

Staying Connected

For the Alumni of the ECCB
Savings and Investments Course

YOUR FINANCESYOUR FUTURE



Reshaping Our Future
STARTING NOW



FINANCIAL INFORMATION MONTH
OCTOBER 2013

October is Financial Information Month

We live in an ever changing world. In the book *Get There Early: Sensing the Future to Compete in the Present*, by Bob Johansen of the US-based Institute For The Future (IFF), it is a world characterised by Volatility, Uncertainty, Complexity and Ambiguity (VUCA world). In this type of world,

- how can we make better decisions today, that in turn will create the conditions for future success?
- how can we create a winning strategy in the face of uncertainty?
- how can we succeed when we are faced with unanticipated dilemmas?

Bob Johansen, reminds us that we succeed by responding with vision, understanding, clarity and agility.

That's the campaign message for Financial Information Month 2013 embodied in the theme **“Reshaping Our**

Contextual Shifts Influencing FUTURE SUCCESS	
FROM	TO
Logical Patterns based on prediction reasoning	Ever Changing Asymmetrical Permutations “where treating an uncertain world as if it were predictable only gets you into trouble...”
Seeing and understanding the past and the present	Sensing and Understanding The Future
Hindsight	Vision and Action based on future context and current data
Economies of Scale	Economies of Organization
Comparative Advantage	Competitive Advantage
Rote Actions and Skills	Knowledge Skills, Innovation and Networking IQ
Problem Solving	Addressing Unanticipated Dilemmas Though Creative Thinking
Control	Collaboration
Absolutes and Exclusion (Either/Or)	Relativity and Inclusion (Both/And)
Added Value	Sustainable Value
Private World	Open World
Culture	Consciousness
Information	Engagement
Hierarchy	Flexible and Agile Structures and Networks that Engage Learning, Exploration and Change

Future. Starting Now.” The stronger financial theme seeks to inspire and foundations, more challenge all citizens of the competitive business offerings Eastern Caribbean Currency and higher levels of economic Union (ECCU) to pursue the growth. right actions that will result in

The logo for Financial Information Month 2013 underscores the view that the task of “**Reshaping Our Future**” to ensure our long term success will require new understanding, new thinking, new strategies and new actions to forge ahead in an increasingly complex global economy. It will also require collaboration and strategic partnerships, a concept embodied in the two heads coming together to reflect on the past, gain deeper intuitive insights and understanding of the future and shape new perspectives and strategies on how to move forward.

Cognisant of the fact that the future is shaped by what we do now, the clock ⌚ that is embodied in the word now underscores the urgency in acting now. The hands of the clock, at 12 midnight, suggest the dawn of a new day, reshaped by new perspectives, new ideas, new strategies and new actions.

In his lecture, “**Size and Survival in the Era of Globalization**” Dr. Simon Jones-Hendrickson reminds us that we need to move away from dogma and get on the cutting edge of change and transformation. The time therefore for inertia and despondency is certainly not now.

The education campaign to re-shape our future being advanced by Financial Information Month October 2013 is just one of the many needed catalytic steps in our journey through the VUCA world and is based on the truism echoed by Nelson Mandela — **education is the most powerful weapon which we can use to change our world.** Join the campaign and be a catalyst for reshaping our future. starting now! [SLW](#)

RESHAPING TIPS

Say hello to I CAN and bid adios to I Can't.

BELIEVE.

When life takes a turn, ADAPT.

Stop daydreaming about your ideas.
EXECUTE!

Turn the conversation from your past to prepping for your future.

Try something new. Cast off your fears.

Make connections that count.

Celebrate small milestones.

HAVE A VISION.

Maximize Your Potential.



Development Options in the OECS:

We cannot avoid or get away from the fact that globalization is here to stay. It is an irreversible fact. In that regard we have to locate our small states in the globalization process and adopt, adapt, imitate and craft the features of the world economic systems that will enhance our life styles and preferred modes of development. No one philosophical thrust will fit all of us. No one shoe size will fit all. No one country need be our friend forever. There should be permanent interests, not permanent friends. The permanent interests of our leaders and the leadership in our countries should be enhancing the welfare of the people of the countries.

That this idea has been in the psyche of many leaders, scholars, and authors, over the years, goes without saying. For example, the late George L. Beckford, the renowned Jamaican economist,

articulated a view of what we needed to do in his famous work *Persistent Poverty* (1982). In that seminal work he noted that the Caribbean region was compartmentalized into zones: a periphery and a center. While GBeck's work focused on our region from an agricultural perspective, today we are still in a center-periphery code given our late development in exploiting and exploring the digital development, and given the wide digital divide that separates us from those countries that have made the digital platforms their developmental modes of operations.

So, what are the development options opened to us? First, the region has to raise their developmental trajectories that will enable them to be on the cutting edge of the change and transformation, while at the same time not being sucked into a kind

of development that comes with big buildings, and construction that may not be conducive to our part of the world. One thing is clear. We love big buildings in our Caribbean, especially the OECS region, but too often we fail to love the maintenance of these buildings. So, gifts of big buildings, stadiums, hospitals, community centers are fine. Do not get me wrong. But we should always be mindful of the inherent elements of the Trojan horse of the free buildings. The development options to us in our small states in the OECS have to be crafted such that the interactive commonalities of the region are our new geo-strategic thrust. In this regard, the first principles inherent in the common elements of our regional Supreme Court and judiciary; our regional Central Bank; our securities exchange; our regional efforts to understand the dynamics of revenues and expenditures and the

(EXTRACT)

SIZE AND SURVIVAL IN THE ERA OF GLOBALIZATION

S.B. JONES-HENDRICKSON Professor of Economics & Dean (Interim), University of the Virgin Islands

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minimization of debt; our thrust in understanding the intricacies of our social security's systems, and the attendant prerequisites of ensuring that these systems are viable, sustainable and solvent, are functional economics that must be practiced on an everyday basis, and must be maintained going forward.

Given the technological sophistication on the global arena, we cannot say stop the world, we want to get off. We have to move in concert with the international development objectives of the global systems, while bearing in mind that we may have to cut our proverbial garments according to our cloth. So, where there were no links before, we have to develop links. Where there are now links, we have to reassess and continue the linkages and make changes appropriate and relevant to the welfare of our people. Where multilateralism was the order of the day outside our arena, we may visit or revisit the concept of bilateralism. Where countries were off limits or misunderstood, we may want to explore the opportunities available in exploiting the niches in markets, education, technology, and the rest. Where competitive advantages were

monopolized by some in the areas of microelectronics, nanotechnologies, intellectual property rights, reprographic rights, biotechnologies, telecommunications, the publishing industries, cultural industries, outsourcing or insourcing, we may want to get into those mixes to benefit from the rates of returns linked to investment in those industries. Where we talked about our nationals in the diaspora in a romantic cadence, we may now have to seriously factor our nationals in our planning processes and tap into their reserved skills to boost the skills of our region.

As we noted (Jones-Hendrickson, 2006: 145):

- The development options now opened to the small states of the OECS in this era of increasing globalization requires...that there be concerted effort devoted to instituting new thinking about development. That new thinking has to stretch the boundaries of development to capture those pivotal moments in the development process that will enable the region to survive...the full dynamics of globalization...
- (Furthermore) ...The world,

in which we live, cast as it were in a globalization cauldron, is a world where today's innovations are, for practical purposes, tomorrow's antiques. To that end, if the regional thinking is not set in motion to capture the paradigmatic moments of change, we may be playing a desperate game of trying to catch-up with the rest of the world. We cannot afford to (continue to) play

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by linear rules of development when development and change are taking place in an exponential space.

Globalization, as we said earlier, is here to stay. It is irreversible. This feature of irreversibility means "that we have to change to accommodate to the wave of globalization. *We have to go with the flow or the flow will go with us.*" (Jones-Hendrickson, 2006:146). In a

nutshell, therefore, small

...Population size, and all of the other limitations noted earlier about the vulnerability of (our) small states in the (OECS) region, should merely be seen as nominal limiting problems and not as permanent impediments. The public sector, the private sector, all (of us) who make the (region) our homes, will have to move beyond problems to possibilities. This will call for unconventional thinking. Today, more so than ever, unconventional thinking is the norm (on the global stage). Conventional thinking which saddles us with linear, one-dimensional approaches to development possibilities must go the way of the dinosaur. How will this new approach (to development) be financed?...

...Surviving in the Era of Globalization even though we are small.

The countries of the Caribbean and the OECS in particular are small and will always be small in terms of physical size and population. That is a fact that is irreversible,

but what is irrefutable is that **the size of the countries need not be a constraint to survival and an unending impediment to viability.** We have to recognize our limitations and convert our limitations into opportunities. We have to develop new modalities and new imperatives to be part of the globalized process by putting in place procedures that will enhance the welfare of our people. It is vital that in all that we do, the policy makers should understand that they cannot let shortcuts and poorly conceived plans become the planks of operations. We have to learn the new lexicon of international relations, power structure, permanent interests, and locate ourselves in those strategic places that will aid us. If, as has been the case, our economic structures are handicapped by debt overhang, we must do all within our powers to make sure that we come to terms with the debtors that will be mutually beneficial to all concerned. Short term satisfactions should not blind us to long-term, positive realities.

In the world today, since the financial crisis of 2008, it is clear that inequality could be the breeding ground for instability. To avert instability in our part of the world, the OECS, there is a need to have more functional

cooperation. Sometimes the peculiarities of that cooperation may take different forms, but the underlying feature should be our goal of maximizing the welfare of our people subject to

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varying constraints that may be inherent in our systems and or which may be imposed upon us.

We have to begin seriously to engage in and to engage the many boundaries of technology and scientific development that are taking place all over the world. We cannot be left behind on this new digital frontier. Here greater collaboration among our states, as opposed to competition, may be the best marching orders. Along these same lines, we have to dig deep in our cultural reservoir, among the annals of the lives of our leaders, and other role models to determine if there are nuggets of how they managed that could be seminal in our path forward. Development in our part of world cannot continue to be as if it development by accident.

Anything worth doing requires planning. But we have to go back to the dreams and aspirations of our forefathers and mothers and be bolder as we go forward. Boldness has power. Boldness is not constrained by physical size.

Globalization has a tendency to hermeneutically seal some people and some ideas away from others. Today the globalized world is marching to a different drum beat. The philosopher William James is reputed to have said that “Human beings, by changing their inner attitudes of their minds, can change their outer aspects of their lives.”

We in the small societies and countries of the OECS are forever linked to our small island homes, but we should never let the size of islands dictate the size of our ideas and where we want to go in the continued era of globalization. It means, however, that as we approach our size and development in the globalized space, and see size as an asset and not an impediment, that we have to craft new modes of competitiveness in our region.

Times were when we talked about comparative advantage. Today, in this globalized space, we have to operate in a mode of competitive advantage. In this regard, we have to structure our

competitiveness such that it is a strategic approach where our businesses, our governments, our governments, tout le monde, seek to restructure the inherent limitations and challenges posed by the market and the global space. We have to craft synergies where our economies and our leaders use the benefits of our size and our markets to position our societies on favorable platforms as circumstances dictate. In all that we do, we have to develop a template of aggressiveness to protect ourselves in an era where big often times assumes a bulldozer-like mentality and small could be trampled in the process. But if we sincerely and genuinely believe that we have a right to exist and survive as others, then we have to marshal our inner resources and rise to the occasion to do so. These ideas may be dreams, but our dreams are uniquely ours. Your dreams are uniquely yours. We should use our dreams to inspire new solutions, resolve problems, minimize conflicts, and move our societies to higher heights in the pantheon of the global space. The philosopher, Epictetus, said “What concerns me is not the way things are, but rather the way people think things are.” We have to think how we want things to be in this new era. If we

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apply a greater intensity to survive and progress, in spite of all of the apparent limitations of our small size, we will survive. You see, intensity of purpose will triumph extensity of negatives and handicaps every time...



- ◆ “It always seems impossible until it’s done.”
- ◆ “Education is the most powerful weapon which you can use to change the world.”
- ◆ “One cannot be prepared for something while secretly believing it will not happen.”
- ◆ “After climbing a great hill, one only finds that there are many more hills to climb.”



Capacity building initiatives in the areas of finance, economics, business, and entrepreneurship designed to support and maximize the potential of students and teachers.

Entrepreneurship education to stimulate micro and small business formation and strengthen existing micro and small businesses.

Programmes designed to educate the public about how to become better stewards of their finances.

Programmes promoting business efficiency, productivity and price competitiveness at the local level.