
World Investor Week 2017
FSC Youth Forum on Entrepreneurship and Personal Finance
“Financial Services for Youth: Prospects and Challenges”
Terra Nova All Suites Hotel
October 6, 2017

Welcome Remarks by
Mr. Everton McFarlane
Executive Director
Financial Services Commission

Salutations:

Specially Invited Guests

Students and teachers of the various institutions

Members of the Media

Good Afternoon All

On behalf of the Financial Services Commission (FSC), its Management and Staff, I welcome you to today's Youth Forum on Entrepreneurship and Personal Finance. I would like to express sincere appreciation to all our speakers for accepting the FSC's invitation to share their thoughts on their journey as entrepreneurs and their insight on personal finance. I am also pleased to see the enthusiastic and curious faces of our young people and I anticipate that this will be a very worthwhile and rewarding experience for them.

This Youth Forum is one of three strategic initiatives to commemorate World Investor Week (WIW), which runs from October 2 to 8, 2017. World Investor Week is a global campaign by the International Organisation of Securities Commissions (IOSCO) to raise awareness about the importance of investor education and protection and to highlight the various global initiatives in these two critical areas. The FSC is working alongside regulators in 80 other jurisdictions and

particularly our Caribbean counterparts, who are part of IOSCO's International Forum for Financial Education (IFIE) network. Since 2013, the FSC has been collaborating with IFIE to focus on developing programmes on Financial Capability/Investor Education (FC/IE) within the Caribbean context.

With currently 518,000 persons in Jamaica between the ages of 15 and 24, our focus on youth is no accident, and if I may say so myself, extremely relevant. According to the Organisation for Economic Co-operation and Development (OECD) Policy brief on Youth Entrepreneurship, in recent years there has been a growing recognition of the economic and social obstacles low-income young people face in making successful transitions to adulthood. As most of us in this room can attest, the transition from adolescence to adulthood involves significant changes, among them, finishing school, moving out of the parental home, earning a living and starting a family. Key habits, attitudes and resulting decisions at this stage can have a lasting consequence on life later on. Therefore, the ability to manage money, build assets safely and plan for the future, is a core component of a larger set of economic and social assets required to achieve more sustainable livelihoods.

A financially inclusive economy is pivotal to enabling people and organizations to perform transactions, save, borrow and invest across different platforms based on their needs and life stage. In recognition of this, the Government of Jamaica has committed to addressing gaps in financial literacy and has launched a national financial inclusion strategy that also aims to increase access to affordable, adequate and sustainable financial services for our underserved population, including youth.

Jamaica's youth unemployment rate remains unacceptably high fluctuating between 25 percent and 30 percent of the youth population (for example, 27.40 percent in the third quarter of 2016 and 29.20 percent in the second quarter of 2016). We recognize that much remains to be done to deal with this issue of unemployment which is merely symptomatic of a larger, multi-dimensional problem of unattached youths (which speaks to our able-bodied youths who are either not in school – whether primary, secondary, tertiary or vocational - not in paid employment or not engaged in productive self-employment). We recognize that building a capacity for entrepreneurial endeavour and at the same time providing opportunities for these endeavours to bear fruit – through competition policies, access to finance and business advisory services, and the protection of property rights through robust institutions to establish and protect property rights such as intellectual property – are important necessary, albeit not sufficient, conditions for addressing our problem of unattached youths. We could spend the entire day discussing the role of education from early childhood through to secondary and vocational in establishing the basic conditions for optimally utilize our most abundant and reproducible asset i.e. our people!

However, given that I have limited time and given that I have limited expertise to address these issues, I will be content to limit the rest of my remarks to a few cursory observations on the role of the financial sector of which I am now a part as a regulator. In this regard, it is irrefutable that much more can be done to encourage the appropriate use of financial services in the formal sector, by our young people as a way of promoting entrepreneurship but also facilitating the development of, and access to, sustainable saving opportunities over the life-cycle. It is as important to create conditions for income generation and growth and growth as it is to provide channels for productive deployment of income in asset accumulation and saving, for intergenerational equity.

This will involve breaking barriers by improving the level of awareness, changing the orientation of education and training, reversing a lack of experience, and building out limited financial resources and networks, for example as evidenced by the efforts of the Development Bank of Jamaica (DBJ) to build out the venture capital ecosystem, to provide dedicated financing for MSMEs and or to make MSME financing cheaper through partial credit guarantees, etc. More robust frameworks for the deployment of non-traditional collateral (such as movable property, receivables and intellectual property as some examples) are also important. Similarly, micro insurance provides an avenue for greater access to risk transfer opportunities for underserved segments of the population, which improve resiliency in the face of shocks. These are all areas of legitimate and urgent policy action and as a regulator the FSC has a role to play in ensuring that there is a level regulatory playing field, that participants (issuers, intermediaries and investors) in the market conduct themselves with integrity, that there is adequate disclosure for investors to understand the products and the risks attached thereto, and for financial institutions have the appropriate risk management policies systems and procedures support financial availability even as they engage in entrepreneurial risk-taking.

However, the responsibility lies not only with policy-makers, government technocrats and external donor partners. There is a responsibility on all of us to empower ourselves to take advantage of the opportunities created from deliberate policy action. I take your presence here today (and your anticipated robust participation in the proceedings to come) as a tangible sign of your desire for empowerment, and for that I salute all of our youths here today! It is our hope as the FSC that this event will be a critical platform that in some small measure helps to support emerging entrepreneurs by encouraging an entrepreneurial mind-set and laying the foundation for the skills, knowledge and motivation you will need to move your future forward. In closing, I encourage you to participate vibrantly by utilizing this forum to express your comments, questions and ideas

regarding entrepreneurship and personal finance. I know that you will find this forum enriching and I wish you a very productive afternoon. Thank you.