

**AN ADDRESS DELIVERED BY MR. BRIAN MOORE -
PRESIDENT OF THE CO-OPERATIVE CREDIT UNION
LEAGUE OF TRINIDAD AND TOBAGO ON WEDNESDAY
APRIL 02, 2008 AT THE HYATT REGENCY HOTEL ,
PORT OF SPAIN**

***SUBJECT: INTERNATIONAL FINANCIAL CENTRE
SYMPOSIUM***

Mr. Chairman, Honourable Minister of Finance, Ms. Karen Nunez-Tesheira,
Ladies and Gentlemen.

We are happy for the opportunity to be here this afternoon to speak, though briefly, about the Credit Union Movement and System in relation to the objectives of establishing Trinidad and Tobago as an International Financial Centre.

For this purpose, we take the designation as an International Financial Centre to mean that Trinidad and Tobago would be a major player in international financial markets for trading in cross border assets and other related transactions. We visualize, for example, that as an International Financial Centre, Trinidad and Tobago's stock market infrastructure will be

significantly developed and we will host a growing number of international banks and other financial institutions. And we are witnessing the beginning of this as evidenced by the amalgamation of RBTT and the Royal Bank of Canada.

But the successful achievement of this International Financial Centre objective devolves on Trinidad and Tobago implementing some stringent, if not onerous, conditions on the people and Government of the country. Among these conditions are the absolute necessity for ongoing public sector rehabilitation to meet both internal and external expectations, comprehensive financial sector reform and most importantly in our view, local economic arrangements to ensure that all this activity and noble objective bring us closer to achieving a just society in which all citizens, especially the ordinary working person and the dispossessed, have a chance for economic and social well being.

The Credit Union Movement which has existed in this country since 1946, has and continues to be an institution dedicated to the economic and social empowerment of those alienated from the traditional formal banking system and for whom access to capital or credit has been usually difficult. And the

people involved in creating this enabling ‘Not for Profit’ institution have done so on the basis of self help underpinned by the principles of voluntary membership, democratic member control, equitable distribution of surpluses, co-operation among co-operatives, non-discrimination, community involvement and member education.

Our success over the years has resulted today in a situation where there are more than 100 operating credit unions serving the particular needs of their over 400,000 members with accumulated assets of over \$5B. And may I make the point here, that over our long history and notwithstanding the good or bad economic fortunes of the country over time, the Credit Union System has proved to be one of the most stable sub-sectors in the broad financial sector. The Credit Union Movement stands proudly, therefore, as a tested instrument for the positive economic and social transformation of many in the society.

We recognize, however, that while the Credit Union System has acted upon its responsibility for self regulation, the facts that:

1. credit unions now control significant assets in the billions of dollars.
2. these assets were contributed by a significant number of citizens (over 400,000)
3. the operations of credit unions have become more complex and sophisticated and perhaps riskier.
4. voluntarily or not, the Credit Union System is being drawn formally into the financial sector.
5. any untoward events in the sector could affect the integrity of the overall financial sector.

Necessitated a review and revision of the regime within which credit unions are empowered to operate and we accept, therefore, that the Financial Sector Reform in the context of establishing Trinidad and Tobago as an International Financial Centre will include the Credit Union System.

We in the Co-operative Credit Union Movement, however, wish to suggest a few cautions relative to the laudable, even necessary push to developed nation status and the establishment of Trinidad and Tobago as an International Financial Centre.

Credit Unions, since their establishment in Trinidad and Tobago have provided the means for many of the dispossessed and disadvantaged to improve their lot, both in the social and economic systems. In circumstances where the ordinary worker, the grass root entrepreneur, the ordinary hard-pressed citizen threatened by creeping inflation, food insecurity and the negatives of crime find themselves subject to renewed alienation from access to traditional financial institutions, credit unions continue to provide a credible challenge to the exclusionary hegemony of banks and other formal financial intermediaries in the areas of savings mobilization and credit for productive and provident purposes. And I make bold to say that either Government and its agencies or even the private sector, driven as it is by greed, in the absence of credit unions or with their demise, could not adequately provide this service and empowerment that credit unions provide.

That part of the financial sector reform which touches credit unions should, therefore, ensure as far as possible, that, in building the conditions necessary to establish Trinidad and Tobago as the Pan Caribbean Financial Centre, in achieving the objective we all want to see, i.e. Trinidad and Tobago taking

its proud place in the company of Singapore, Dubai, and other financial centers, the new legislative and supervisory regime for credit unions is appropriate, supportive and has little potential or likelihood for suppression or strangulation of the Movement.

It must take into serious account:

1. that credit unions are not banks and should not be treated as such.
2. the co-operative philosophy and principles that underpin credit union operations.
3. the self-regulatory and support mechanisms devised and implemented by the Credit Union System, and
4. the irreplaceable social and economic stabilizing role the Movement develops.

The Credit Union Movement, after all, endorses the International Financial Centre Concept and wishes to make its rightful contribution and derive, for its members, the expected benefits. But, for this, the environment must be enabling and the attitude embracing