

Sixth Eastern Caribbean Securities Market Certification Programme
Held at the Eastern Caribbean Central Bank Headquarters
During the Period 7 to 11 June 2004

Mr Chairman, Course Participants, Management and Staff of the Bank, I welcome you all on the occasion of this sixth East Caribbean Securities Market Certification Programme which is targeted to both Principals of Financial Services Firms, as well as their representatives. I am pleased to be afforded the opportunity to make a brief presentation in which I will provide some random thoughts on globalization and human capital. But first, let us note the changed environment in which we once operated.

The basic structure underpinning much of our financial system was designed by and large for a world of closed economies and limited capital mobility. Today, however, international finance is being revolutionized. The formerly closed economies have cast off their controls and are more receptive to the inflows of foreign capital. Moreover, improved technology and financial innovation have made it easier for funds to move quite rapidly. In today's liberalized markets, individuals and firms are allowed the freedom to shift money from one country to another with little or no impediments. It is also possible for large amounts of money to move freely and rapidly across frontiers in search of the most desirable economic habitat and the highest rate of return. In our increasingly interconnected world, we in the OECS cannot expect to escape globalisation, neither should we want to. While globalisation may have its deleterious effects, we should at the same time search diligently for opportunities which invariably present themselves and which may be lurking close at hand for out of evil often cometh good. Since our vision is for an integrated CARICOM Securities Market, the establishment of our own Eastern Caribbean Securities Exchange must be viewed as one step in a process that would have us identify suitable pathways which can then lead to our ultimate objective.

The establishment of the Securities Exchange is further evidence of our commitment to growth of the service sector in our region, and the certification programme which embraces participants from the wider CARICOM region emphasizes our support for an integrated CARICOM securities Market.

Those participants who have joined us from other jurisdictions will be obliged to familiarize themselves with the way we do business in this jurisdiction. Trades executed on the ECSE will be processed at the Eastern Caribbean Central Securities Depository (ECSD). The depository will move securities as instructed by participants in support of their settlement obligations and other securities related activities. In addition, those entities that wish to hold securities for a safe keeping on behalf of their clients are facilitated to do so in the process. The depository is an affiliate institution of the exchange. Another affiliate institution supporting the Exchange is the Eastern Caribbean Securities Registry (ECCSR). Its responsibilities include maintaining the records of the owners of Securities on behalf of the issuers, recording the issuance of shares and facilitating their transfer, so that up-to-date information on the ownership of securities is always available. And information is a key element in influencing market activity. All of these activities are undertaken in a dematerialized environment, and settlement is completed in a $t + 1$ timeframe.

The expansion of services across the globe has been hailed as the most important business trend of the past two decades. In December 2003, the U.S. economy added 13000 new jobs in services, but shed jobs in manufacturing for the 41st consecutive month. The five-year sales growth rate for services nearly doubles that of products, and earnings are more than double. Many business leaders know the anecdotal evidence as well. There is something for everyone in services, they are a great way to get out of unprofitable products business into profitable activity.

While many of the existing firms which are represented here this morning may be large enough to provide efficient service on a regional basis, this may not necessarily be the case on a global basis if we are to compete on an equal footing in the new globalized environment. Some of us may need to reconstruct ourselves into larger units.

Recently I came across a story recounted by Billy Graham, the evangelist. He was reflecting on more than half a century of his work, acknowledging that it had been a team effort. One of the key people in his ministry was his friend, W. T. Wilson. As a youth, Graham knew Wilson whom he described as a big fellow and a bit of a rough customer, someone who could have been a bouncer. But, as a grown man, Wilson became a Christian, trained for the ministry and became an effective evangelist. Then in 1948, as Graham's ministry and responsibilities were expanding rapidly, he asked Wilson to work with him. At first his boyhood friend resisted, but Graham persisted. Eventually Wilson set aside his own dreams of ministering to help Graham build a successful one until his death three years ago.

Sometimes you have to sacrifice a small dream of your own to accomplish a bigger dream with someone else. It takes a courageous and humble person to make such a decision. It will make a big step in your development when you come to realize that other people can help you do a better job than you could do alone. Alone we can do so little, but together we can do so much. No single individual can whistle a symphony, it takes an orchestra to play it.

In the industrial world of the past, and to some extent it happens today, industry managers traditionally valued people for their skills as part of machines. In today's connected economy which can be defined as a process of hooking everybody and everything electronically, we value people for their knowledge and their talent. Their value represents the sum total of scarcity of their talent and the demands for them.

You too, have the capacity to develop your human capital. All you know, all you have done, all your contacts and relationships and intelligence, you will bring to your future work, will give you a value in the market place, albeit not yet an efficient one. In a globalised economy not all human capital will have to relocate to find the market come to you. Indian and Welsh software writers are thriving due to global demand for their skills and the readily available activity. Today people with good track records can even collect money up front. A skillful soccer player, an American footballer or basketball player gets a signing-on bonus before he plays a game. The big switch today is to see human capital as a kind of private property. We own it, we can improve it, we can let it be rundown, and when properly harnessed it can be traded on stock exchanges.

The training you will receive during this workshop will serve to enhance your human capital going forward. The Roman God Janus is said to have had two sets of eyes, one pair focusing on what lay behind, the other on what lay ahead, the other on what lay ahead. I make reference to this because in the corporate world we need constantly to look backwards, attending to the products and processes of the past, while also gazing forward preparing for the innovations that will define the future. This mental balancing act can be one of the toughest of all managerial challenges – it requires you to explore new opportunities even as you work diligently to exploit existing capabilities.

Mr Chairman these are the thoughts I would like to leave with our audience this morning as you set the stage for the commencement of your workshop in earnest. And to the participants, I trust that you will find the workshop to be a fulfilling experience.