

INTERNATIONAL PARTNERSHIPS

ECUADOR'S SHARED BRANCHING SYSTEM GROWS WITH COLORADO'S GUIDANCE

It was 2000, the year the Ecuadorian economy imploded, buckling under a 96% inflation rate that forced a number of state-run banks to fold, taking customers' deposits along with them. John Uchida, president of Space Age Federal Credit Union in Aurora, Colorado, arrived in Quito, Ecuador, that same year to see a line of angry customers stretched for blocks around a bank guarded by armed riot police. Uchida was visiting Ecuador on a mission to help build a stronger credit union movement and promote financial freedom on behalf of World Council of Credit Unions (WOCCU) International Partnership Program between Colorado and Ecuador credit unions.

Facing 70% poverty, civil unrest and inches away from bankruptcy, 2000

was also the year the Ecuadorian government converted its currency, devalued by 40%, to the U.S. dollar. In the two years that followed, the Ecuadorian economy grew by more than 5%, inflation dropped to 22%, and Ecuadorian credit unions—previously viewed as financial institutions to serve only the very poor—had a unique opportunity to change public perception and educate them on the credit union difference. Similar to the years following the Great Depression in the United States, people quickly recognized the value of democratic financial institutions owned and run by their members. Ecuador's credit unions were primed for growth and needed help doing it.

Uchida, along with Bill Sterner, president of Elevations Credit Union and Mark Lau, now president of Denver

Fire Department FCU, were among the first of several Colorado delegates to exchange visits with Ecuadorian credit unions through the World Council International Partnership Program. The program brings together credit union movements from around the world to exchange ideas and technical expertise to build stronger institutions for the benefit of members.

These principles are poignantly demonstrated in the nearly seven-year Colorado-Ecuador partnership. Credit unions from the two countries have been inspired by each other's ideas and initiatives across borders, language barriers and cultural differences. Ecuadorian credit unions have benefited from the partnership through the experience and expertise of Colorado credit unions, which have brought to the table insights and advice on infrastructure and technology. Colorado credit union people have been amazed by the Ecuadorians' enthusiasm and ability to mobilize their collective power in the true spirit of the credit union movement.

“As U.S. credit unions search for ways to make a positive social impact,



An Ecuadorian woman compares fruit that she is selling in the street market.



The Redcoop logo, shown on the exterior of CACPECO Credit Union, signals to members that a credit union is part of the shared branching network.



Representatives from Credit Union Association of Colorado (CUAC), Credit Union Service Network (CUSN) and Denver Community FCU staff members welcome the International Partnership delegation from World Council and Ecuador.



The International Partnership Delegation from CUSN and CUSC stand where the northern and southern hemispheres meet in Quito.

capture the entrepreneurial spirit for more local business and encourage a healthy economy, Ecuador's credit unions have already figured it out," Uchida observed. "They are micro-financing small businesses with as little as US\$7 and establishing medical and dental clinics simply because there is a need."

During his stay, Uchida and the Colorado delegation also visited several small businesses financed by credit union micro-loans, among them a bakery, trout farm and jeans factory.

Ecuador has approximately 300 credit unions with a total membership of 1.8 million people. World Council has worked to help improve the odds of success for the credit union movement in Ecuador in a Quito project since 1996,

funded by the United States Agency for International Development and the Consultative Group to Assist the Poorest.

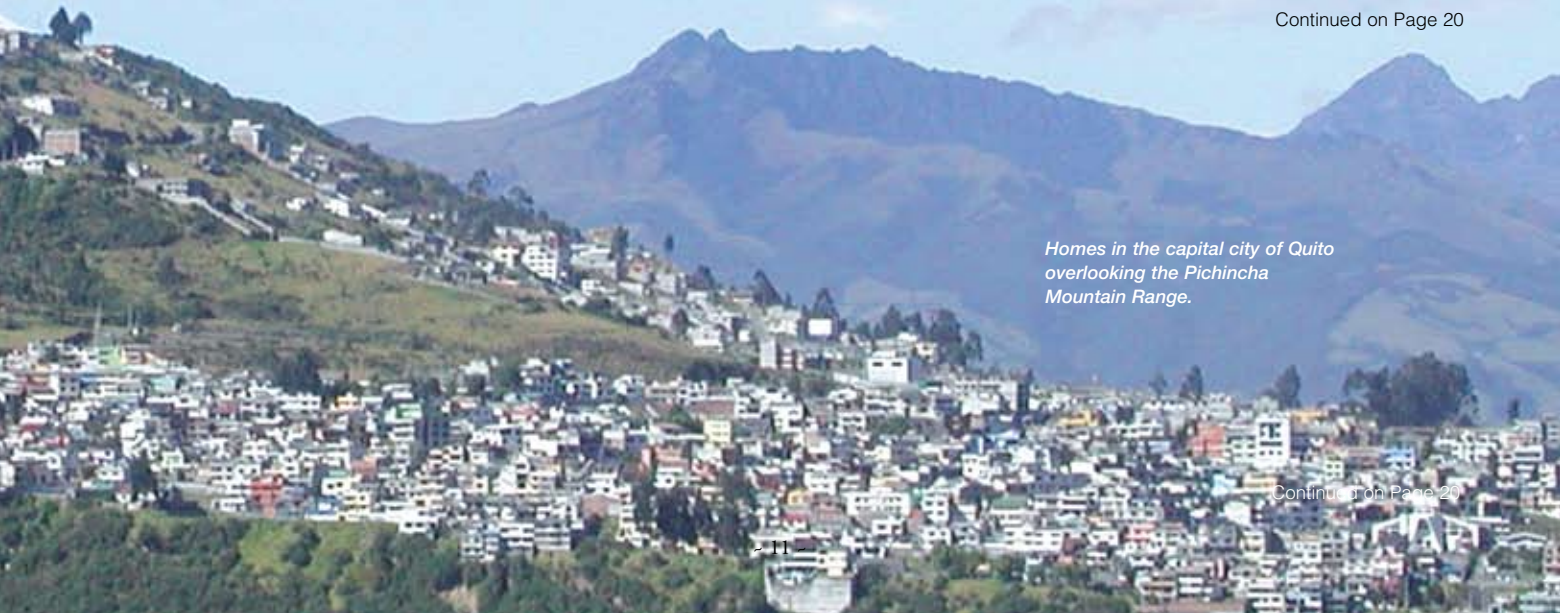
With 18% market penetration, the credit union movement in Ecuador is in full swing, and it is making all the difference in the world to a poverty-stricken population. Employing the credit union principle of "people helping people" and with an expanded social mission, credit unions in Ecuador are helping their members find paths to financial freedom and personal well-being by going above and beyond the typical directives of traditional financial services institutions.

Not only do credit unions support members in their entrepreneurial pursuits, provide financial educa-

tion and encourage them to build wealth through savings, they also underwrite much needed human services. One credit union's members voted to expense a large portion of their capital to a medical clinic that serves members. By providing these services, Ecuador's credit unions are not only improving the financial lives of their members, they are contributing to sustainable growth of the country's economy. It's no wonder that credit union members in Tulcan, a town in the Carchi province near the Colombian border, stopped the credit union managers the Colorado delegation was traveling with just to tell them how much they loved their credit union.

"World Council credit union partnerships are helping international communities learn to attain self-

Continued on Page 20



Homes in the capital city of Quito overlooking the Pichincha Mountain Range.

Continued on Page 20