



**FEATURE ADDRESS
BY THE HONOURABLE
JENNIFER BAPTISTE-PRIMUS,
MINISTER OF LABOUR AND
SMALL ENTERPRISE DEVELOPMENT
AT THE
CO-OPERATIVE CONSULTATION
WEDNESDAY 13TH JANUARY, 2016
NESC TRAINING CENTRE
9.00 A.M. – 3.30 P.M.**

SALUTATIONS:

THANK YOU MASTER OF CEREMONIES,

MRS JENNIFER DANIEL, PERMANENT SECRETARY,

**MRS. MARCIA MC KELLAR, DEPUTY PERMANENT
SECRETARY**

**MR. KARYL ADAMS, COMMISSIONER FOR CO-OPERATIVE
DEVELOPMENT**

**MR. JOSEPH REMY, PRESIDENT, CO-OPERATIVE CREDIT
UNION LEAGUE OF TRINIDAD & TOBAGO**

OTHER DISTINGUISHED GUESTS

REPRESENTATIVES OF THE MEDIA

FELLOW CO-OPERATORS

GOOD MORNING TO YOU ALL

It is indeed a pleasure to welcome you all as a critical sector in the economy of Trinidad and Tobago to consult on pertinent issues which impact directly and indirectly on your sector. And what better time than when the sector is faced with challenges both locally and internationally yet still on the cusp of resurgence to development and renewal. It is well documented by the ILO and other leading international agencies that the co-operative business model is the most resilient during times of crisis. It is no surprise that a sector which requires people uniting to safeguard their collective interests can survive periods of adversity. This is what we term as the “Co-operative Difference”...and preserving our legacy is one of the main reasons we have embarked upon this consultative process and are gathered here today

In light of this I thought it necessary to host this Co-operative Consultation to solicit the views and concerns of you the stakeholders as it relates to the Legislation, Development and Governance Issues. I have no doubt that

this Consultation would provide us with solutions to pertinent issues as together we seek to chart a way forward. This Consultation is for sharing solutions, encouraging information exchange on what works best. The emphasis is on innovation, problem solving and best practices. As we move forward we must continue to build on the strengths and the innovative thinking that has led to the calculated growth of the Co-operative sector in the first place.

While the challenges are great, the Government is confident that the Co-operative Movement will continue to thrive and I am indeed proud of the strides co-operatives continue to make in spite of all endemic challenges. This is also as a result of the forward thinking approach of this Government towards ensuring the continued success of all Co-operatives through innovation and unwavering emphasis on safety and soundness. Co-operatives have an incredible history of success in the face of adversity and it is this Government's position to ensure this continued success.

The history of this initiative dates back to 2004 at which time a Task Force was selected with a mandate to conduct studies and consultations on the Credit Union Movement. This resulted in the preparation of an Interim Report that was submitted to Cabinet in December 2005. Subsequently, a revised policy statement entitled “Policy for Co-operatives- Towards the 21st Century” was approved by Cabinet. This was fully anchored on the principles of International Labour Organisation (ILO) Recommendation 193 which endorsed the Promotion of Co-operatives and highlighted that Government should provide a supportive framework for Co-operative development.

Preceding this, in July 2005, via Cabinet Minute, the Government of Trinidad and Tobago agreed that:

- The supervision of the financial activities of all credit unions should be assumed by the Central Bank of Trinidad and Tobago, and integrated with the supervision of financial institutions under the Financial Institution Act, 1993; and that

- The Co-operative Societies Act, Chapter 81:03 should be amended to remove the supervision of the financial activities of credit unions from the mandate of the Commissioner for Co-operative Development while retaining supervision of governance issues and registration.

In March, 2007, The Attorney General initiated a review of the Co-operative Societies Bill, 2000 that was prepared to reflect the new thinking of the Co-operative Development Division. This Law had formerly entered Parliament for debate. This Bill was subsequently repealed to be replaced by a more up-to-date and appropriate instrument. In March 2011, fresh consultations were held toward the development of new and revised legislation for the sector which resulted in the development of the Credit Union Bill (2014) and the Co-operative Societies (Amendment) Bill (2014). These Bills were tabled in Parliament in November 2014. Fellow co-operators, as Minister with responsibility for Co-operatives I am here today to ensure that proper,

inclusive and appropriate legislation is in place to move the Co-operative movement forward.

Changes in the both aforementioned Bills are essential to maintain prudent management, and also to enhance the fiduciary responsibilities of organizations operating in the financial sector to prevent any crises. Even multilateral agencies such as the World Bank and the International Monetary Fund (IMF) are now putting a lot more pressure on government to better regulate and govern both financial and non financial institutions.

A significant issue that faces credit unions locally and internationally is that of governance. In the past Corporate Governance used to be a loosely defined subject with elements scattered in Company law, Accounting standards, the fit and proper internal controls and licensing guidelines of various financial sector regulators. However since the late 1990's, the concept of Corporate Governance has been transformed to encapsulate "the processes, structure and

information used for directing and overseeing the management of any entity”.

Others consider corporate governance to a set of relationships between a company’s management, its board, its shareholders and other stakeholders. It is noted that all financial institutions, regardless of structure, are expected to operate in a transparent manner, comply with the regulator and prudential standards and be held accountable to the public.

A lapse in Corporate Culture can be more devastating as reputation capital is not as easily or quickly repaired and replaced and as the financial cost to the economy cannot be as easily absorbed. Therefore, the maintenance of sound corporate governance processes and structure at every level of our society is imperative for the continued well being of our economy.

The Co-operative Development Division records show the total assets of the local Credit Union sector are valued at

TT \$11.5 billion and the membership of the sector stands at over 530,000 persons. These statistics show that even though the financial and ensuing economic crisis have usually translated into negative consequences for the majority of enterprises in the financial sector, Co-operatives around the world have shown resilience to the crisis presenting evidence for the importance of such enterprises during times of economic recession.

To continue to be sustainable, the co-operative idea and philosophy must be promoted and primarily directed to educating people to run their cooperatives, and ensuring that enabling legislation and a fair regulatory system are implemented.

Thus, in this respect a central role of the government is also to ensure that cooperatives are included in school curricula at every level to enable youth to explore the co-operative option for entrepreneurial activities. This has been initiated by the introduction of the Junior Co-operative Entrepreneurship Program (JCEP) which was piloted with

great success in 10 Secondary schools during 2015 and generated in excess of TT\$100,000 through youth co-operative entrepreneurial ventures. The Program is earmarked to be expanded in 2016 to expand the experience of youth co-operators being actively engaged in business venture. This, fellow co-operators, will not only assist in the growth and development of the small enterprise sector but also contribute to the sustainability of our beloved Co-operative sector.

Ladies and gentlemen, through the strengthening of the cooperative element in existing ILO programmes, innovative approaches to addressing decent work through the organization have been developed including, but not limited to, addressing sustainable enterprise, poverty alleviation, social protection, the informal economy, child labour, gender, corporate social responsibility and a range of other issues that are critical to promoting the Decent Work Agenda. Fellow co-operators, provided that co-operatives have provided employment for thousands of our citizens and over 100 million jobs worldwide according to

the International Co-operative Alliance, it is indeed heartening that compliance to these established international standards remain paramount in the execution of the sector's duties. Further, this adherence to the Decent Work Agenda also allows the sector to remain true to its underlying co-operative philosophy and permit the sector to transcend issues which concretize the performance of any sector.

Ladies and Gentlemen, today's process can only serve to further inform any additional work to be completed to develop the sector. As we chart the way forward, this Government will ensure that member rights are protected, that the needs of communities are addressed and that the creativity of local citizens are harnessed, thus, encouraging diversity and innovation. Let the process here today serve as an indication that the Government is taking all the issues into consideration and is also exploring all avenues to ensure that proposed legislation and policy does not bring

undue hardship to the Sector or put the Sector in a disadvantageous position.

I will also like to address possible solutions for the sector to become more innovative. As our co-operative movement continues to evolve and look for new ways to improve the lives of the over Five Hundred Thousand citizens that make up its membership it has been noted that Co-operative Entrepreneurship has been the tool used for raising the standard of living, creating value and building the competencies of superior leadership.

With entrepreneurship training and support, co-operatives can continue to overcome market imperfections that perpetuate poverty by expanding and deepening access to both financial and technical assistance. It is with this in mind that I implore each co-operative to continue to promote and support programmes for their members to foster micro and small enterprise development, improve productivity and build managerial capacity.

Ladies and gentlemen, the Co-operative Sector continues to exist as a valuable vehicle for employment generation, poverty alleviation, and social integration. The Government in pursuit of these goals continues to promote the co-operative ethos in its development strategies and remains dedicated to the development of strong and viable co-operatives.

It is with this in mind that I encourage the Sector to continue to create paths for groups and individuals in the society to improve their standards of living and foster the philosophy of co-operatives within their business ventures.

So in conclusion ladies and gentlemen, this consultation is seeking to effectively address your needs as a sector and the many issues which you have divulged in the period before this consultation and those which have been captured in this session. Consensus building is now the key to unlocking the vast potential of the sector as we move forward. I continue to emphasize the need for your valuable

contributions and look forward to a productive session at the end of the discussions.

May God Bless you.