



**FEATURE ADDRESS
BY THE HONOURABLE
JENNIFER BAPTISTE-PRIMUS,
MINISTER OF LABOUR AND
SMALL ENTERPRISE DEVELOPMENT
AT THE
CO-OPERATIVE CONSULTATION
FRIDAY 29TH JANUARY, 2016
VICTOR E. BRUCE BUILDING
SCARBOROUGH, TOBAGO
9.00 A.M. – 4.30 P.M.**

SALUTATIONS:

THANK YOU MASTER OF CEREMONIES,

**MR. JOEL JACK, SECRETARY, DIVISION OF FINANCE AND
ENTERPRISE DEVELOPMENT, TOBAGO HOUSE OF ASSEMBLY**

MRS JENNIFER DANIEL, PERMANENT SECRETARY,

**MRS. MARCIA LONDON-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

A couple weeks ago we embarked on a very important journey for the co-operative credit union sector. On January 13 and 14, we started the consultative process towards the development of a Draft National Policy on Co-operatives and a revised Co-operative Societies Act. As a collective Co-operative sector, you control a critical part of this country's economy of Trinidad and it is imperative that we consult with you on the pertinent issues, which directly and indirectly impact your sector.

In these times, when global economies are crumbling under the pressures of falling oil and gas prices... we are not immune. The warnings for us to tighten our belts and watch our spending have been sounding like a clarion call. But history has shown us that even in challenging financial times there are success stories to share. I believe that in times such as these, when our economy is being rocked, we collaborate to proffer solutions on uniting the sector thereby safeguarding its collective interests. 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 have engaged you here today.

I am well aware that the Tobago Co-operative experience is unique. The idiosyncrasies of the Tobago co-operative sector have been well documented by authors such as Dr. Susan Craig-James and more recently in the research of Dr. Ralph Henry and Kairi Consultant. The evidence is clearly suggests that co-operatives have been used as a developmental tool by the people of Tobago.

In addition to its evident business characteristic, Tobago co-operatives possess an inimitable village and community trait. This unique feature has sustained the vibrancy of the sector and enhanced the development of other related sectors such as credit, agriculture, agro processing, taxi services, fishing, land development, hotel and guest house operations. In fact, unlike your Trinidadian counterparts, research by Kairi Consultants has illustrated that Tobago co-operatives have excelled in more sectors and are more

readily poised to move into value added activity, when compared to its Trinidadian counterparts.

With these findings, it was vital to engage you as critical stakeholders and I have to thank the Assemblyman Joel Jack, Secretary of Finance and Enterprise Development for collaborating with the Ministry of Labour and Small Enterprise Development on this initiative and taking the charge in the hosting of this consultation. We are indeed grateful.

I have no doubt, ladies and gentlemen that this Consultation would provide us with the building blocks to arrive at the solutions to the pertinent issues as we seek a way forward for the sector in Trinidad and Tobago.

This Consultation provides an ideal opportunity for sharing ideas and promoting information exchange on systems and structures that work 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.

While the challenges are great, this Government is confident that the Co-operative Movement will continue to thrive and as Minister with responsibility for Co-operative Development, I am indeed proud of the strides the sector continues to make in spite of prevalent challenges. Co-operatives have a remarkable history of success in the face of adversity and it is this Government's position to ensure this continued success through innovation and unwavering emphasis on safe and sound business practice.

The history of this Consultative initiative dates back to 2004 when a Task Force was selected with a mandate to conduct studies and consultations on the Co-operative 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 Organization (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, the Government of Trinidad and Tobago agreed that:

1. 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
2. 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 2013, new 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 suitable legislation is in place to advance the Co-operative movement in a fortified manner.

Legislation is essential to maintain prudent management, and also to enhance the fiduciary responsibilities of organizations operating in the financial sector. Even multilateral agencies such as the World Bank and the International Monetary Fund (IMF) are now putting significantly more pressure on government to improve its regulation and governance of both financial and non financial institutions. Your government is here to ensure that any new legislation will enable the continued growth and expansion of the co-operative sector, particularly for the Tobago economy.

Governance is an issue that faces co-operatives both locally and internationally. Since the late 1990's, the concept of Corporate Governance has been transformed to include "the processes, structure and information used for directing and overseeing the management of any entity". Some institutions even consider corporate governance to be a set of relationships between a company's management, its board, its shareholders and other stakeholders. It should be noted, however, that all financial institutions, regardless of size or structure, are expected to operate in a transparent manner, comply with the regulator and prudential standards and be held accountable to the public.

My fellow co-operators, a lapse in Corporate Culture and effective Governance can be quite devastating to any organization as reputation capital is not as easily repaired or regained and the financial cost to the economy may be detrimental. 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 co-operative sector are valued at over TT \$11.5 billion from 310 active co-operative societies with a membership of the sector stands at over 530,000 persons. Tobago's contribution to these overall figures - just over TT310 million in assets from 10 active credit unions, 17 non financial co-operatives and 7 junior co-operatives. These statistics show that even though the financial and ensuing economic challenges, which usually translate into negative consequences for the majority of enterprises in the financial sector, Co-operatives continue to grow.

To continue to be sustainable, the co-operative ethos and philosophy must be promoted and primarily directed towards training the membership on how to operative and run their cooperatives and ensuring that enabling legislation and a fair regulatory system are implemented.

In this respect, the government of Trinidad and Tobago will adopt a position 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 this type of activity is alive and well in Junior Co-operatives in Tobago and has become an active part of the annual school calendar. I applaud these efforts and encourage those with this responsibility to move vigorously toward advocating for its place in the school curriculum. I also encourage your Administrators to join with the efforts of your Trinidad counterparts who have successfully implemented the Junior Co-operative Entrepreneurship Program (JCEP). This Program 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 to even more districts 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, an issue which I know is close to the hearts of Tobago co-operators.

Ladies and gentlemen, through the strengthening of the cooperative element in existing ILO programmes, innovative approaches to addressing decent work through co-operatives have been developed including, but not limited to, addressing sustainable enterprise development, 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 locally 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 this 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 join with the efforts of the global agenda in achieving the United Nations' Sustainable Development Goals (SDGs) by 2030.

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 see us address innovation in the sector. 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 your 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 to this end 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.