

**Speech Delivered by**  
*The Honourable Winston Dookeran, Minister of Finance*  
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**Good Governance: Beyond Compliance**  
*Steering Organisations Safely Through Change and Creating Value*

I must say it's an honor for me to be here this morning. I decided that the venture that you are about to embark is one that requires complete support in our country at this point in time. When I heard Alex give the philosophical underpinnings of the name Syntegra, I was even more confirmed of that view as you try to bring about a new synthesis between change management and issues of ethics and integrity.

There is no doubt that this is a phenomenon that must be supported throughout the Caribbean region as we embark on another phase in the development of our state enterprise and our private enterprise sector. I would like to indicate to you as we start the year 2011, that we do so against a background in which we should feel a sense of satisfaction. Here, in Trinidad and Tobago, having come through some turbulent times in the economic agenda, and having tried to grasp some of the fundamental responses to such turbulent times, I can say to you with a certain sense of comfort that as we enter 2011, we are beginning to see the movement in change from an economy and a financial state of affairs that was indeed fragile, to one that has been recently described by the Standard and Poors' rating agency as stable.

We are beginning to see the turbulence of the last couple years, part of which influenced by the international development and part of it influenced by our own domestic policy performance system, moved from a period of turbulence to a period of being on a steady path. We have also started this year with a change in terms of our perspective from negative and flat economic growth, to the expectation that you would see a turnaround in 2011 of positive growth reflective not only by our own Central Bank statistics, but also by the International Monetary Fund who recently did an analysis of the prospects and outlook of Trinidad and Tobago economy and only on Friday reported to their Board on their perspectives.

I say this because we established the fundamentals at the economic level, we perhaps would find the challenge ahead of us, even greater and deeper. But it also adds new challenges, for we must now sustain this prospect of change of which you have established in this enterprise, in this company.

**The State Sector in Trinidad and Tobago**

Let me just briefly indicate what the state sector is in Trinidad and Tobago, and by the state sector, I mean the state enterprise sector. It has grown for some time and it has derived its very growth process from the view that the state must in fact intervene in the economy of a country, small as ours, in order to change the prospect of the future. Today, it represents something like 17,000 people employed in

that sector and it contributes to the extent of TT\$13 billion dollars to our GDP. Its own asset value is well beyond TT\$100 billion. Times however, are beginning to suggest that this contribution must now be redirected into a new synergy. A new synergy between the role of the state and the role of the private sector; though I would rather say the roles of the state and the role of the market economy. They are intertwined. Therefore the very theme on which you have started your seminar here today on change management is very relevant to us in the public sector.

The role of the State has been under challenge in many parts of the world. But still the state must remain a key and pivotal role in shaping economic destinies of particularly, small economies. And it is in that context that a new synergy is required as we move ahead to build upon the foundation that has been so carefully laid. That new synergy requires the state to play a catalytic role, a role that is now going to pursue conditions through economic development without becoming a burden to such development. That is our challenge ahead of us.

## **Governance**

To do so, there is need for us to look very carefully at the issue of governance. Not only governance in terms of the enterprise governance, but governance in terms of the country's social demands for governance. Such social demand requires us to have a new equilibrium, the most important word in that concept of equilibrium, is sustainability. Economic growth must be sustained but at the same time the issue of social support must be sustained as we create a society in which we provide opportunities for those who have, henceforth, passed such opportunities. So it is in that context that I reflected for a moment on your seminar that you are having today and thought, "*What can I really say to a group of professionals?*" And there is no doubt from what I have heard so far that in this audience there is a group of professionals who have come together with a clear objective of performing a social role in Trinidad and Tobago's development, and with the presence of the Jamaican organisation of private companies, I am sure this is going to be a Caribbean effort. I just want to share three basic thoughts with you in order to deal with the issue of governance.

The first thought has to do with '*how do we really measure good governance?*' Good governance is a phrase that would soon become of platitude if we do not give it meaning. And to give it meaning we must know how to measure it, and if we are to measure it, then we must know what we are measuring. It is in that context I want to suggest **three (3)** basic ideas for the measurement of good governance in the field of corporate and state enterprise development.

1. One is '*how do we measure economic performance?*' In the past and perhaps continuing today, we tend to measure economic performance with a relationship between our input and our output. Even when I taught economics at the University, I was caught in the trap of talking about input-output analysis, input-output matrices. It was the feeling that what you put in would eventually create what you want to get out of it. The evidence has been that it is not so. So often we put in things that are

not necessary and so often we get things out that are not socially acceptable. And I have suggested to my own state enterprise sector, and I spoke to them recently that they must now think, not about input and output but they must think about setting their targets and what are the outcomes of that target. So we should start with new matrices; targets and outcome matrices. For what we are concerned about is not what we intend to do but what we have actually done.

2. The second area of measurement has to do with the area of performance measurement. And performance measurement is indeed measurement that does reflect itself in how effective we are, as opposed to how we expect to be. But in the final analysis in today's world corporate governance will require us to measure ourselves against the level of position we give in our competitiveness. Competitiveness of our enterprise, not only in the context of the narrow confines of Trinidad and Tobago arena or indeed the Caribbean Market but beyond that; and therefore, one measure of performance measurement has to do with how competitive we are; and that to me is a critical aspect in determining whether or not we can be sustainable. It is not only competitiveness in a narrow enterprise way, but it is competitiveness in the broader macro areas of foreign exchange and in the areas of the value chain.

I have always lamented the fact that the private sector in Trinidad and Tobago has consistently and persistently become a user of foreign exchange. The time for it to become a net earner of foreign exchange will be one against which we might measure the performance of the private sector in the future. This will become even more pronounced as we look ahead and when I look ahead, I am not looking at tomorrow, I am looking at well beyond tomorrow to see what are the limitations to our growth. That would develop as a result of the energy sector not being as buoyant as it has been in the past. Even as I speak, the rise of the global economy in the gas sector is creating a situation of excess supply that would have an immense impact on our own, Trinidad and Tobago.

3. The third area of measurement is what I believe you are focused on in your brochure. This is what I call the process measurement. The measurement of how you can carry on the business. Whether you account to the shareholders, whether you account to your workers, whether you account to the community at large; that accountability requires a measurement in which you can feel a sense of satisfaction that you have in fact developed an account mechanism that would be acceptable by all. There are, of course, choices. Economics is about choices. Economics is about choosing one choice over another choice. And economics will create a situation where once you choose one choice, other choices become vocal. But nonetheless there must be the discharge of those who are responsible to at least ascertain what these choices are. Accountability is therefore, this part of the process that must in fact become part of the win-win syndrome and with that the issue of transparency, of which you are so well aware and in which you have found yourself. Transparency must not be a word. It must indeed be a reality.

It is against that background that I welcome the initiative, the establishment of this new enterprise, Syntegra and Change Architects. It could not have been a more creative link in a time in which there is a need for higher innovation and at a period in our country where in so doing we build on the past. Doing what we have done in the same way we have done it in the past, will not create a new outcome and therefore, this is the challenge. As professionals, you have your part to play. The environment in which you operate is important, the environment within enterprises is important, the environment outside the enterprise to the wider communities is important.

As a Minister in this new government, I have a responsibility of my own, which is to create the environment on the outside so that those within the enterprise can feel a greater sense of achievement. We shall have to work together to make this legacy happen and to ensure that we have added and not subtracted from our country's economic prospects.

I thank you so much for inviting me to be here. I regret that I would not be able to stay for your questions because of a matter that I have to deal with, but I do appreciate and I wish you the best in the seminar and I wish Syntegra a wonderful future.

Thank You.