

Remarks by Senator the Honourable Larry Howai
Minister of Finance and the Economy

First Meeting of the Social Dialogue Task Force
Ministry of Labour and Small and Micro Enterprise Development
Hyatt Regency, Port of Spain
6th January, 2014

Thank you Mr. Chairman.

The Honourable Errol Mc Leod, Minister of Labour and Small and Micro Enterprise Development;

Other fellow Cabinet colleagues – Senator the Honourable Vasant Bharath, Minister of Trade, Industry and Investment; and Senator The Honourable Dr. Bhoendradatt Tewarie, Minister of Planning and Sustainable Development;

Mr. Jwala Rambarran, Governor of the Central Bank;

Distinguished members of the Social Dialogue Task Force, and members of staff of the Ministry of Labour & Small and Micro Enterprise Development;

Specially invited guests;

Members of the media;

Good morning.

The pleasure is mine to share a few remarks at today's First Meeting of the Social Dialogue Task Force. I am quite certain that I echo the sentiments of my colleagues here this morning when I convey my gratitude for opportunities like these to contribute to initiatives that promote consultation, inclusiveness and participatory governance to fulfill key national objectives and prosperity for all.

I am particularly pleased by the participation of our labour movement in this, the first multi-sectoral dialogue for the year 2014.

As you may recall, an important pillar in Government's strategic plan towards *Prosperity for All* is the focus on *Good Governance*, with specific focus on *People Participation*. As Minister responsible for the economy and the financial sector, I want to emphasize that social dialogue is a vital ingredient towards a more diversified, knowledge intensive economy, and to overall economic transformation.

Social dialogue creates the opportunity for the exchange of information and points of view relating to pertinent issues of social and economic policy among key stakeholders. Social dialogue therefore provides great potential to create an inclusive national community, and promote national, social and political stability, important ingredients for economic transformation and sustainable growth.

Ladies and gentlemen, we are all too familiar with the current challenges in the global economy. The United Nations reports that the global economy is improving but remains vulnerable to new and old headwinds. Global economic growth is forecast to improve over the next two years but this remains susceptible to the risks associated with the upcoming unwinding of quantitative easing programs in major developed economies. The current pace of growth of the global economy is therefore insufficient to meaningfully address fiscal imbalances, debt challenges, and the jobs crisis facing many economies. Co-ordinated policy action is therefore urgently required.

Today's First Meeting of the Social Dialogue Task Force is a unique opportunity to critically look at using social dialogue as a potentially useful instrument to foster cooperation and economic performance in spite of these uncertain economic conditions. Despite our expectation that the rate of growth of our economy will improve this year, there remains several risks to this outlook, which include the overall performance of the global economy as well as those facing our Caricom neighbours, the challenges of our labour market in the broadest possible sense, the fiscal objective of achieving a balanced budget and the challenges of building a competitive economy capable of sustaining our living standards independently of the energy sector.

Government is committed to an equitable sharing of the outcome of the results of the growth which we envision over the coming years, but in a manner which also recognizes the challenges which we face as a nation. It is important that the several wage negotiations that come up this year are settled in a manner which recognizes the

validity of the claims made by all sides and the need to arrive at optimal solutions which provide long term sustainable benefit for all.

Government cannot, and will not have all the policy solutions and relies heavily on the cooperation and inputs of management, employers' organizations, trade unions and other vital stakeholder groups. Social dialogue therefore enables synergistic action to move our economy forward so that the interaction of multiple elements in the system can produce an effect greater than the sum of their individual effects.

Historically, tripartite dialogue has proven to be an effective mechanism in coping with challenging circumstances countries may face from time to time. Several Caribbean countries have used the mechanism to develop strategies as wide ranging as protecting exchange rates, preserving jobs, moderating the rate of inflation and the development of human resource strategies to facilitate the diversification of economies. Barbados has been a leader in this

regard and, there experience which goes back two decades is something from which we should all seek to learn.

The institutionalization of this process of dialogue could serve to build consensus around strategic objectives, and build resilience that would be key to navigate difficult circumstances. The tripartite approach will also serve to mitigate suspicion and mistrust among economic partners by continuously keeping all economic actors aware of the concerns and interests of each other.

In closing, let me take this opportunity to commend the Ministry of Labour and Small and Micro Enterprise Development for its work thus far in strengthening and institutionalizing the social dialogue process in Trinidad and Tobago, as part of a broader strategy of promoting decent work and effective governance. Going forward, let us challenge ourselves to continue improving the tripartite social

dialogue process for good governance and participatory decision making.

I wish the Ministry and the Task Force every measure of success in your efforts, and we eagerly anticipate your meaningful contributions during the course of this year.

Let me also extend best wishes to all of you for 2014 and beyond.

Ladies and gentlemen, I thank you.