

Standpoint Constitutional **Evaluation**

Public Entity Saba

11 December 2015

Executive Summary

On October 12th 2015, the established Evaluation Committee Spies publically released their findings in a report entitled “Vijf Jaar Verbonden; Bonaire, Sint Eustatius, Saba en Europees Nederland”.

This document is the official standpoint of the Island Government of the public entity of Saba in light of the evaluation report, and is supported by the Island Council. It will serve as a basis for all negotiations of the members of the Executive Council throughout the reaction process to the evaluation report and reflects the concerns and ideas of the Saban representatives. The document starts with an introduction of the history of the constitutional status, followed by a list of concerns per policy field, and it concludes with a general standpoint of the Island Government pertaining to the three fields the evaluation is focusing on: legislative framework, administrative framework and the consequences for the population.

The most important points are:

Consequences for the population:

- The level of provisions and the cost of living needs to be the number one priority for the coming years. In the past five years many improvements have been realized, but, as the evaluation reports conclude as well, poverty and the cost of living have increased.
- Targets have to be set for the level of AOV, minimum wage, onderstand, and other allowances. 'Het voor Nederland aanvaardbare voorzieningenniveau' and the poverty line need to be translated to numbers.
- The evaluation reports conclude that the new tax system has created a big burden on the Saban population. The evaluation reports describe many of the flaws in the system. An independent evaluation of the tax system is needed to come to a system that is more consumer friendly and fits the Saban situation.

Administrative framework:

- The Island Government agrees with the evaluation committee that the administrative framework that was created after 10-10-'10 has many flaws. The position of the National Representative does not work, the voice of the islands is not being heard in The Hague, and the Island Governments do not have the funds and autonomy to serve the population properly.
- The National Representative should be abolished; most of its tasks can be shifted to the Governor. The evaluation reports conclude that the position of Governor needs strengthening, and the extra responsibilities for good governance strengthen his position.
- A BES Advisory Council should be introduced to safeguard the interests of the islands in The Hague. The BES Advisory Council consists of authoritative individuals with an affinity for the islands.

- The capacity of the public entities has to be strengthened. The evaluation reports conclude that national government does not shift responsibilities to local government because of a lack of professional capacity. The reports also show that national government has limited knowledge of the islands. Local government is eager to take over responsibilities, but does not have the means.

Legislative framework

- The input of the islands on the legislation for the islands has been minimal, a conclusion that is shared by the evaluation committee. The mandatory consultations were disregarded and only via an intensive lobby it was possible for the islands to have a minimal input on new legislation.
- The BES Advisory Council needs to get an important role in advising on new legislation for Saba and the other BES-islands

1. Introduction

October 10th 2015 marked five years since the island of Saba became a part of the country of the Netherlands as a public entity. This relationship was made legally possible through article 134 of the Dutch constitution, and falls under article 1.2 of the Charter of the Kingdom of the Netherlands. Upon inception of Saba as a part of the Netherlands on October 10th 2010, it was agreed, and included in legislation, that after a five year period a General Evaluation would take place to assess the functioning and effect of the new status on the people and government of Saba.

In the years before the current status Saba was included in the country of the Netherlands Antilles since the signing of the original Kingdom Charter in 1954. The Kingdom Charter changed in 1975 with the independence of Suriname, and then again in 1986 with the departure of Aruba from the Netherlands Antilles, and its subsequent separate status as a country within the Kingdom. The departure of Aruba from the Netherlands Antilles left most of the other islands with the feeling that the country was dominated by the largest island of Curacao. This began an almost twenty five year period of movements of both unification and division ultimately leading to the dismantling of the Netherlands Antilles on the symbolic date of 10-10-'10.

The process and public mandate to remove Saba from the country of the Netherlands Antilles and begin negotiations toward becoming a part of the country of the Netherlands officially began after the constitutional referendum on the 5th of November 2004. During this referendum a total of 666 persons voted out of 856 registered voters, which amounted to a 77.8% turnout. Of this turnout, 555 voters or 86.04%, voted for "Direct constitutional ties with the Netherlands."

The ensuing process was a very busy period for the government of Saba as well as the government of the Netherlands and the other islands of the Netherlands Antilles. Many negotiations and agreements were made by all parties throughout the following six year process that led to a multitude of initiatives, laws,

projects and directions that have all had some impact on the current state of affairs on Saba, the structure and framework of government, the overall social economic development of the community and the livelihood of the people.

It is noteworthy that the measures and provisions agreed upon during that period, with respect to the government and representatives of the people of Saba, became the major agreements of the BES consultative weeks of 2008. During this period many discussions were tabled by all parties about what it meant to be part of one country within the confines of sometimes such vast differences between the European Netherlands and the Caribbean Netherlands. The core of the main discussion was the level of provisions which should be provided to inhabitants of the BES islands despite the differences between the islands and the Netherlands on the one hand and the differences between the islands themselves on the other. At this point it was agreed upon that even though the country partners differed greatly at times, all members should be able to receive levels that would be considered acceptable within the European Netherlands in the areas of Education, Healthcare, Social Services and Public Safety and Order. The agreement as it was written on the 31st of January 2008 is verbatim as follows: 'Uitgangspunt is dat normen worden opgesteld voor een binnen Nederland aanvaardbaar voorzieningenniveau op Bonaire, Sint Eustatius en Saba op met name de terreinen onderwijs, volksgezondheid, sociale zekerheid en veiligheid.'

Also discussed at length throughout the year of 2008 was how to change the Charter of the Kingdom to be able to include Saba, St Eustatius and Bonaire as a part of the country of the Netherlands, while still allowing the islands to keep their identities and not have Dutch or European legislation be applied to the Caribbean Netherlands exactly as it is in the European part of the Netherlands. The finalization of this process and discussion was concluded on November 20th 2008 with the agreed upon article 1.2 of the Charter. The agreement as it was written on the 20th of November 2008 and as it was included in the amended Kingdom Charter is verbatim as follows: 'Bonaire, Sint Eustatius en Saba maken deel uit van het staatsbestel van Nederland. Voor deze eilanden kunnen regels worden gesteld en andere specifieke maatregelen worden getroffen met het oog op de economische en sociale omstandigheden, de grote afstand tot het Europese deel van Nederland, hun insulaire karakter, kleine oppervlakte en bevolkingsomvang, geografische omstandigheden, het klimaat en andere factoren waardoor deze eilanden zich wezenlijk onderscheiden van het Europese deel van Nederland.'

The most important aspect of these two agreements in 2008 is the fact that at the time there was a clear understanding from both sides that the two discussions and agreements were separate. Also, from the point of view of the islands, agreeing to the changing of the Charter, which included allowances for differences in regulations based on the differences between country partners, was acceptable because of the levels of provisions agreement of January 20th 2008.

Current Situation

The current state of affairs is actually quite different in many areas than that outlined in the basic agreements and deliberations leading up to 10-10-10. For example, many of the commitments and

presentations on issues such as a new hospital for Saba and a new school complex for all students have not materialized as yet. Some of these projects, especially revised versions of the original plans and presentations, are in the pipeline and will still be executed, however no longer fully reflect the original intentions and agreements. Major issues, such as not increasing the tax burden and reducing administrative burden because of a simplified tax system, actually are very different in reality than the original projections.

In the area of governmental structure and legal basis of Saba's new constitutional arrangement as a part of the Netherlands, a framework is now in place that creates many complexities in the overall effectiveness, efficiency and operation of Saba in general. A heavily bureaucratic central government apparatus has been put in place to carry out sometimes simple tasks that were executed by the local government in the past. Furthermore, many policies continue to be executed through a regulatory framework that are needed and used in the European part of the Netherlands. For the most part this approach does not fit and does not function properly for an island in the Caribbean Netherlands with a population of only 1500 permanent residents.

Additionally, one of the most important overall issues facing the residents of Saba in this new constitutional status is the level of provisions which often falls into an unknown grey area of deliberation. Due to the lack of consistency in this field, and because there is no clear political declaration settling this issue that outlines a real basis for both sides to follow, many decisions are made ad-hoc and circumstantially with regards to the levels of provisions on the islands. In this situation levels are often set based on the entities dealing with the measure, the amount of commitment of the individual dealing with the issue and/or the specific ministry, and not a uniform clear basis for the islands and the inhabitants. This system leads to a situation where levels often vary greatly between the Caribbean Netherlands and European Netherlands, and, where levels can vary to even a greater degree between the ministries themselves depending on which ministry is the legal authority. At times measures are taken because of the fact that similar measures have been taken in the European Netherlands, and in many other instances benefits that are granted in the European Netherlands are not carried over to the Caribbean Netherlands. When it comes to, for example levels of allowances, the comparison is disregarded and Caribbean Netherlands is compared with the region, but when it comes to ethical laws or shipping inspections, the comparison with the European Netherlands is in place. Whether to compare with the European part of The Netherlands or not, is a unilateral decision made in The Hague.

2. Identifying the Problem Areas

In this section an overview is provided of the concrete issues and challenges Saba has encountered since 10-10-'10. The overview starts off with a list of realities we would like to see addressed as a follow up to the evaluation sorted by subject. The first section highlights general observations and concerns across a wide variety of issues. The second section contains an overview of problematic red tape and bureaucracy that need to be addressed. The third part contains issues and solutions with regards to the

organizational structure that has been put in place, the fourth part goes into the division of tasks between local and national government and the fifth part contains principal viewpoints, mainly on the level of provisions.

2.1 General Observations and Concerns

Tax Regime

The new tax system that was implemented after 10-10-'10 was one of the major changes, and also one that caused a lot of discontent. The idea behind the new tax system was that it would be a simplified system and that the tax burden would not exceed the levels from the former Netherlands Antilles system. Businesses and individuals on Saba will agree that these goals have not been achieved. Especially the ABB is labor intensive and bureaucratic. Businesses are obliged to use the bureaucratic Asycuda-program, and the implementation has to be done by customs officers from Bonaire. The property tax has proven to be far more complicated than expected as well. It has taken the Belastingdienst more than 4 years to value the property on the island, and implement this new tax, which had a negative impact on those who wish to buy and sell property as well, because of speculation and inaccurate valuations. The constantly changing height of the tax and the retroactive taxation has also had a negative impact.

The population as a whole and the business community have also noted that the overall tax burden has increased significantly since 10-10-'10. The new tax system was based on assumptions and projected revenues from the Netherlands Antilles tax system, which was never fully implemented. There has not been any research done to check if Saba could actually handle the tax burden. The high inflation after 10-10-'10 is a clear sign that Saba wasn't ready for the new system. With the combination of an increased tax burden and a decreased purchasing power, many people now struggle to meet their financial obligations from month to month. This has also led to many people having to live below the poverty line.

The following is a list of concrete flaws of the current tax system:

- The idea of the introduced flat tax was to share the burden across the board and increase the purchasing power of the population. However, the actual increase in purchasing power does not cover the actual rise in the cost of living. The Evaluation Committee has concluded that purchasing power for the lower and middle incomes has decreased.
 - Sint Maarten continues to levy their Turnover Tax on goods for Saba after 10-10-'10, while goods for Saba should be exempted of this domestic tax. Despite numerous attempts by both Island and National Government, this situation continues to exist. The tax has even gone up from 3% to 5%.
- *Suggested action point: a practical agreement has to be made with Sint Maarten for Saban entrepreneurs to get reimbursement or exemption of Turnover Tax.*

- The various 'kinds' of ABB altogether are among the main causes of the high cost of living. The ABB on shipping (where applicable) has been added completely to the prices for shipping, while the costs for shipping were already extremely high because of the small scale and low volumes. The same applies for the ABB on services which has had a negative impact on this industry. Lastly, construction work is also severely impacted, because the ABB is applied to materials, which all have to be imported, and to the labor costs. These were new taxes, and businesses ultimately pass them on to the consumer.
- Property tax has to be paid over empty apartments and hotels as well. This is a big burden for owners of inactive property.
- Except for the exemptions in the property tax there are no real incentives for investors in the current tax system.
- The difference in ABB between Bonaire and Saba and Statia should stay in place because of the difference in historical build-up of taxes, and the different nature of the economy: the cost of living is already very high on Saba, and an increase in ABB would make the cost of living even higher. CBS statistics have proven this over the years, and the evaluation committee comes to the same conclusion.

Despite the fact that there are many complaints about the new tax system, as is reported by the Evaluation Committee as well, the Ministry of Finance has decided to conduct their own evaluation of the fiscal system. This is undesirable. The fiscal system should be evaluated by an independent party.

Health

Overall the healthcare has improved significantly over the past five years. The quality of the healthcare provided during referrals abroad is good, and Saba's infrastructure for healthcare has seen many improvements as well. There is, however, always room for improvement:

- We are in favour of more investments closer to home, especially on Dutch Sint Maarten (SMMC). This is cheaper because you save on travel costs, and it is more convenient for patients. For these same reasons more investments should be made in the A.M. Edwards Medical Center on Saba. Investing in Sint Maarten Medical Center would also improve the quality of care in the Kingdom at large and it would improve the relationships within the Kingdom.
- *Suggested action point: Invest in Sint Maarten Medical Center to reduce costs of referrals to Colombia and Guadeloupe. Saba also has local resources that should be utilised, like the doctors working at the medical school.*
- The execution of the health insurance has not proven to be very efficient. This is frustrating for patients (for example when they only receive their daily allowance after their medical referral), and costs the Dutch government a lot of money. Improving the efficiency of the execution

eliminates the need to make cuts in the insurance package. The budget and backlog were initially tremendously underestimated, which is the reason why there was such a sharp increase in the budget over the past years. Things have normalized and now there is more of a natural growth. Therefore, dental care and physiotherapy need to be reintroduced in the health insurance package. In Holland one can get a secondary insurance to cover dental care for example. On Saba this is not possible.

Public transportation

- In the Netherlands prices for public transportation are regulated by concessions in order to keep the cost of transportation from remote areas to service centres (cities) affordable. For almost all cultural and economic services, Saba and Statia rely on Sint Maarten, but unlike in the Netherlands, transport to and from Sint Maarten is not regulated, and prices are very high. This holds back the development of the island. The high price of transportation of both persons and freight is a major contributor to the high cost of living in general on the island. Tourists also refrain from visiting the island because of the high price of tickets.

➤ *Suggested action point: regulate traffic between Sint Maarten en Saba via concessions*

- It is also noteworthy here that there is no competition for transport to Saba. Although the price of oil has seen a drastic decrease over the last years, prices for shipping and flight tickets continue to increase. Regulating the prices for shipping would be a very efficient way to bring down the cost of living on Saba, since shipping prices are reflected in almost all prices on the island.

Social affairs

- Pensioners who collect only AOV live below the poverty line and often have to work well beyond retirement age just to make ends meet. Unlike in the European part of the Netherlands, Sabans don't always have a secondary pension beside their AOV. When AOV is the only income, it is very difficult for one to live an independent and dignified life.

➤ *Suggested action point: increase the level of AOV so that seniors without a pension can also live a life where their basic needs are covered, with an income that can cover their expenses.*

- The Executive Council agreed in 2013 with the employers on the island to increase the minimum wage with 20%. This would be a big first step towards getting the minimum wage on an acceptable level. However, the Ministry of Social Affairs refused to implement the increase even

though it was supported by the business community of Saba. An increase of 13.5% has been achieved so far, but this is not enough yet.

- *Suggested action point: further increase the minimum wage, and the allowances that are connected to the minimum wage*
- The social premiums are very high which has created a big burden for the businesses on the island. The level of social premiums came as a surprise, as these never came up in the discussions leading up to their implementation in January 2011. The Ministry of Finance has made comparisons between the tax revenues before and after 10-10-'10, but didn't take the social premiums into account. The social premiums are a big extra burden for the employers on the island.

Inspectorates

Since 10-10-'10 we have had to deal with a wide variety of inspectorates that obtained jurisdiction over Saba after the constitutional change. With a few exceptions we can state that the inspectorates have a hard time relating to the Saban situation. Inspectorates check on standards and they compare with the situation in the European part of the Netherlands. Inspectorates are meant to have a positive influence on the quality of what they are inspecting, but in practice it turns out to have a negative impact in many cases. Some examples:

- *Shipping inspection.* The shipping inspection checks boats on global standards. Other harbors in the region do not adhere to these standards. The consequence is that Saba and Statia have a reputation in the region of having very strict inspections, and shipping companies therefore refuse to come to Saba and Statia. This damages Saba's economy as it causes higher prices for shipping. A good example is how difficult it is to find companies that are willing to pick up recyclable waste.
- *Suggested action point: transfer the shipping inspection to local government. With local accountability, the inspection is more inclined to take the negative effects to the economy into consideration.*
- *Labor inspection.* Labor inspectors from Bonaire or Holland with limited knowledge of the local situation have created a lot of confusion on Saba over the years. Inspections have to be done with a better understanding of the local situation in order to be effective.
- *Suggested action point: transfer the labor inspection to local government. With local accountability, the inspection is more inclined to take the negative effects to the community into consideration.*
- *AFM/DNB.* The regulations for banking have been changed to a large extent in accordance with the situation in the Netherlands. This has led to differences between regulation in Sint Maarten

and Saba, especially in areas where AFM is active. This caused difficulties for the banks on Saba, since they are all Sint Maarten based. It has become more challenging for the banks to do business on Saba since they are running the risk of not complying to the (for them) alien regulations, and are inclined to retract their business from the island. That would be disastrous for Saba's economy. This also resulted in making it much more difficult to acquire loans. Later on in this document, loans are covered more extensively. The same principle of compliance counts for money services like Moneygram and Western Union, and insurance companies.

Education

Education on Saba has seen a lot of investments, but, just like in health care, there is still room for improvement. The most important struggle for Saban students is furthering studies after high school. Studying in the United States is very expensive, and for studying in Holland, the level of Dutch of many students is not sufficient. Several solutions are possible, such as more focus on Dutch as a foreign language in primary school and high school, or the opportunity to follow an intensive Dutch course to get students ready for studying in the Netherlands. These solutions need to be looked in to. Other points are:

- The levels of study financing have not increased and have remained the same as what it was in the former Netherlands Antilles structure. These levels do not reflect the current situation as the average price of tuition, especially in the USA, has increased. This makes it very difficult for persons to pursue their tertiary studies as it is financially not possible.
- *Suggested action point: countries such as the UK should be added to the acceptable countries for study financing to increase the options for our English speaking students.*
- There is a lack of support, service and possibilities for children with special needs. The schools on Saba are doing all they can to offer tailor-made solutions to all children with special needs, but the small scale makes it hard to cater all those children. More attention is needed here.
- The evaluation reports state that it is important to work on capacity building within the community at large. That is an incentive to invest in the education system even more. It is also an incentive to work on a better connection between secondary and tertiary education, and between tertiary education and the labour market on Saba.
- *Suggested action points:*
 - *Look into what would be needed to set up exchange programs with Dutch (government) organisations, to strengthen local organisations, and create opportunities for Sabans studying abroad to gradually return back to Saba.*
 - *Create more opportunities for vocational students in the Caribbean region.*

Justice

- The general consensus on the island is that drug use and trafficking have increased since 10-10-10 and the police are not taking enough actions to prevent this from happening.
 - Hardly any officers patrol the streets when compared to before 10-10-10. People felt safer back then because the police force was much more visible.
 - Emergency contact numbers connect to Bonaire first. This should not be the case, as when an emergency is happening, the process takes longer. Another problem with this is that the officers in Bonaire do not know the streets on Saba, so it's much harder for Sabans to explain where an incident is happening.
- *Suggested action point: make one emergency number per island, combining fire department, police, hospital, and other emergency facilities.*

RCN

RCN has almost 700 employees, the vast majority of them being on Bonaire and very few of them are Saban. Many people in the community state that 'Kralendijk is the new Willemstad'. We see three main reasons:

- For many jobs within national government speaking Dutch and sometimes even Papiamentu is a requirement. This is discriminatory for Sabans compared to for example Bonairians, as Sabans normally don't speak Dutch neither Papiamentu. It is hard to believe that a qualified applicant for the position of policeman or customs officer cannot be hired because he does not speak Dutch. As a police officer or customs officer on Saba you won't have to speak or read Dutch on a regular basis. It is important for certain positions to have a basic understanding of the Dutch language though, so if qualified applicants don't speak Dutch they should have the opportunity to follow intensive Dutch courses as part of their job-specific education program.
- *Suggested action point: requirements should be less stringent which would allow for more opportunities for the Saban population for jobs within RCN departments.*
- The vast majority of RCN-offices are based on Bonaire. The consequence is that Bonaire-based policy advisors, department heads and liaisons have a much better understanding of the situation on Bonaire than they have of the situation on Saba, since they only travel to Saba a few times per year. This often results in solutions that do not fit the Saban situation. Another problem is that institutions like SZW, IND, ZVK and Belastingdienst only offer frontdesk-services on Saba. In case of complaints or complications, customers are directed to Bonaire. This causes misunderstandings and frustrations, also because of the language barrier.
- *Suggested action point: we pledge for more responsibilities in decision-making to the front-offices on Saba, and for a shift of responsibilities to the local government where possible.*

- Communication of RCN-offices in official documents is most of the times in Dutch. This means that many Sabans, receiving information about for example taxes or residency issues, can't understand the letters they receive.
- *Suggested action point: RCN should strive to translate all communication for Saba and Statia to English.*

2.2 Bureaucracy/Red Tape

This paragraph contains an overview of red tape and bureaucracy that needs to be addressed. Several issues have already been mentioned above, among others about the tax structure. It is the annoyances described below that leave many Sabans with a negative feeling about the transition and the relationship with the Dutch:

- Since 10-10-'10 tourists and locals have to go through a lengthy immigration procedure, since all passports have to be scanned and registered. For passengers arriving by ferry this procedure can take up to half an hour.
- *Suggested action point: since all passengers are arriving from Sint Maarten, which is also part of the Kingdom of The Netherlands, a treaty should be considered to eliminate the passport checks on Saba. Only if passengers are arriving from a non-Dutch port, there should be an immigration check.*
- Since 10-10-'10 there is no reliable information available about tourist arrivals on Saba. Before 10-10-'10 the Immigration Department gathered this information and passed it on to the Island Government. This is not being done anymore by the Marechaussee.
- *Suggested action point: the Marechaussee should be able to provide statistical information about tourist arrivals. Having CBS do it is inefficient and costly. The Marechaussee can easily provide these figures, as the Immigration Department did before 10-10-'10. Before 10-10-'10 more was being done by this department with less personnel.*
- Customs only checks for ABB, and hardly for drugs. Goods coming in through local package services, international couriers and the Post Office receive 100% controls which one might even say is an invasion of privacy. However one can bring in drugs when arriving by plane or boat and there's a very slight chance of being caught as not even suspicious persons are checked. Collection of ABB could be done by an administrator as well.

- *Suggested action point: if customs does not do anything more than collecting ABB, the customs department on Saba could be brought down to a compact administrative department, which could be combined with the Immigration Department.*
- Due to stricter financial regulations from AFM and DNB it is now very difficult to get a loan, and if you get one, the interest is extremely high. This negatively impacts the Saban economy. We see the need to protect customers from getting loans they can't afford, but people should be able to get a loan with a reasonable interest rate if they can afford it. At this moment the regulations are too restrictive. The regulations should not only protect customers, but also take the practical effects on the economy into consideration.
- After the transition Asycuda has been implemented as the system to administer ABB. Invoices of over \$1500 now have to be handled by a broker, which means more administrative costs and more bureaucracy, with no visible advantage. This has also increased the cost of doing business.
- *Suggested action point: replace the Asycuda system with a more business-friendly system, or adjust the administrative system to the Saban situation, for example by exempting more orders from Asycuda. Presently all orders over \$1500 have to go through Asycuda, this amount should be raised.*
- Saba does not have a culture of electronic banking. The recent removal of the cashier at the tax department and the fact that daily allowance paid from the health insurance is transferred electronically is therefore seen as highly inconvenient.
- *Suggested action point: bring back the cashier at the tax department*

2.3 Organizational Structure

The structure that was set up after 10-10-'10, with three public entities with direct ties to the ministries in The Hague, with BZK as a coordinating ministry, and a National Representative in Bonaire was new to all. The evaluation committee has already concluded that there are a lot of flaws in the system that was set up. We see the following issues:

- In many situations The Hague feels the need to treat the three islands equally, for example when it comes to financial regulations. But there is no reason to treat the three islands equally. In its referendum, Saba chose for a direct tie with the Netherlands, not to form a new entity with Statia and Bonaire. All three islands have their own unique problems, and laws and regulations should reflect that situation.
- Saba should have a bigger say in how the money in the BES-fonds is being spent. Right now the majority of the BES-fonds is spent on priorities set by national government, without much consultation of the islands. Many of these investments have led to improvements for the island, but the Ministries don't always have a good understanding of what is good for our island.

Examples are the processes for the implementation of the Wet VROMBES, Bouwbesluit BES and the Wet Elektriciteit en Drinkwater BES. These processes have been long and labour intensive, and in the first two cases did not lead to any improvements for Saba at all.

- The Free Allowance for Saba is still on the minimal level set in the 'Referentiekaderonderzoek' and barely leaves any space for policy making, improvements, or backlogs. If national government wants to improve things on Saba, it has to invest in governing power (bestuurskracht) of the local government. A lot of incidental funds are made available for the islands via 'bijzondere uitkeringen', such as 'Integrale Middelen', the 'Nature Funds', funds for economic development, for agriculture, for disaster management, for domestic violence and for the Rights of the Child. To be able to properly manage these funds, investment in the local government apparatus are needed, as well as structural funding to cover operational costs such as maintenance and extra staff. It is hard to allocate structural funds for this, as was concluded by Ideeversa and the evaluation committee as well. The different Ideeversa reports, as well as the reports from the Evaluation Committee, conclude that the free allowance is not sufficient to cover costs for maintenance of facilities such as the harbor and airport.

➤ *Suggested action points:*

- *Implement the recommendations of the Ideeversa reports*
- *Unify and simplify the reporting on 'bijzondere uitkeringen' by for example shifting the responsibility for financial controlling to Cft. Or move certain 'bijzondere uitkeringen' to the free allowance, like for example Integrale Middelen*
- Ministries have the tendency to be too cautious and protective with spending their funds on our islands, which can result in not spending anything at all. A good example is the Nature Funds, which were promised by Second Chamber early 2012. Getting projects approved and executed has taken years of talking and negotiating, and hasn't proven to be very efficient. Rules and boundaries are too strict, and there is no flexibility at the Ministry to take the wishes of local government into account.
- The different ministries in The Hague have dozens of policy advisors and other employees working on the Caribbean Netherlands portfolio, part time or full time. Saba has two permanent policy advisors. Municipalities normally do not only have bigger staff but they also have the VNG to lobby for their interests. It would be beneficial to both national and local government if the ratio of policy capacity for national and local government would be more equal. With a stronger local government as a counterpart, the national government will be able to reach their goals more easily as well. Saba has proven to have a responsible government over the past years, so it can handle more responsibilities. Saba has proven to be able to maintain a responsible and accountable financial management, as is proven by the 'goedkeurende verklaringen' on the year report by the accountant. Saba has a history of stable government, and has a very good working relationship with the Ministries in general.

- *Suggested action point: invest in governing power of the local government on Saba, and shift responsibilities to the local level.*
- Considering the limited legal and policy capacity within the Public Entity Saba, it is also a big risk to abolish the 'legislatieve terughoudendheid'. It is already very hard for Saba to keep up with all the proposed changes in BES-laws, because of the limited legal and policy capacity within our organisation and because there is no overview of all the changes that are being made in The Hague. There are multiple examples of changes that were made without local government being involved at any point. Some of these changes do not fit the local Saban situation. The best solution to this problem from our perspective would be to invest in legal and policy capacity of the Public Entity. This would improve the overall quality of BES-legislation.
- The position of the National Government Representative (Rijksvertegenwoordiger) has been confusing. The National Government Representative is being seen as the most important representative of the national government, but hardly has any legal responsibilities and no power over the ministries. The National Government Representative in its current form has proven to be redundant. The tasks of the National Government Representative should be reconsidered. Later on in this document our proposed solution is introduced.
- There should be closer ties with policy makers in the Netherlands on tentative procedures and policies that will be applied to the BES islands prior to the decision being passed. The involvement of the local government will provide much insight about the implications of the decisions and its applicability.
- There should always be a form of supervision but as improvements are made in financial stability, the rules should also change. Saba has significantly improved its financial position and it would be appropriate to be rewarded for that, with less stringent controls by CFT for example. With Saba's financial track record, there is no need for prior approval of budget (amendments) and year reports anymore; this should be changed to retrospective control.
- Local Government should get a bigger say in the processing of work and residency permits. The process at this moment is very bureaucratic, it harms the economy and it is frustrating for the population to constantly have to deal with officials in Bonaire or Holland, who do not know the local situation, and do not seem to feel enough urgency to improve services on Saba. It can take six months for an employee from a "non-preferred country" to successfully pass through the IND-procedures. It is very hard for employers on the island to deal with this, especially if an employer needs an employee right away. We should not forget that Saba has a very small labor market, so the increased bureaucracy has a very big impact on most of the businesses on the island.
- *Suggested action point: shift the responsibility to issue work permits and residency permits to local government.*

- Some of the issues mentioned in this document originate in the deteriorated relationship between the Netherlands and Sint Maarten. It is in the interest of Saba and Statia that this relationship improves, since Saba and Statia depend on Sint Maarten for many services. In many cases, such as banking regulations, taxes, immigration and shipping inspections, it would be very beneficial for Saba and Statia if rules and regulations between Sint Maarten, Saba and Statia would be better adjusted to each other.
- By default, most of the subsidy programs and funds in the European part of The Netherlands are not open for Caribbean Netherlands. We do have access to funds like Samenwerkende Fondsen, but local government and NGO's often do not have the capacity and knowledge to successfully apply for these funds.
- *Suggested action point: since we are part of the Netherlands, we should also by default have access to subsidy programs available for governments, NGO's and businesses in European Netherlands.*
- The evaluation report is critical on the functioning of local government as well, and the Executive Council does not turn a blind eye on that. The committee criticizes the at times weak communication with Island Council and population. Improvements in these fields will be implemented where possible.

2.4 Division of tasks: local and national government

The constitutional evaluation is also the designated moment to evaluate the 'taakverdeling', the division of tasks between local and national government that was put in place at 10-10-'10. When the division of tasks was established, it was agreed that the division of tasks would be evaluated yearly, based on the principle of subsidiarity (WolBES article 212). It was also agreed that tasks and responsibilities can differ between the three public entities. These two principles should form the basis of the discussion about the division of tasks during the course of the evaluation. Saba has proven itself as a responsible and accountable local government over the past five years, with sound financial records and a stable and responsible government. Before 10-10-'10 it was agreed upon that the division of tasks would be evaluated yearly, but this has never been done. Saba has the ambition to take over tasks from national government where possible. We think local government is in many cases much better able to execute government tasks than national government in terms of efficiency and accountability. All tasks and responsibilities will have to be reconsidered in this light during the course of this evaluation. Tasks that local government will propose to transfer to the local level include issuing of work permits, execution of the social security system, labor inspection, shipping inspection and customs. When tasks are transferred to local government, they have to be accompanied by financial means (middelen volgen taak). To be able to execute extra tasks, it is also important that the conclusions from Ideeversa's last report 'Onderzoek onderhoud Bes-fonds 2015' will be implemented, and that the public entity receives more funds for capacity building on a policy level.

2.5 Level of provisions

To a large extent because of many of the issues mentioned above, the level of provisions on Saba can't be considered to be on the agreed 'acceptable level', as is concluded by the Evaluation Committee as well. The cost of living is very high, while allowances such as AOV and minimum wage are not on an acceptable level. Many Sabans have to work multiple jobs to be able to make a living. This often leads to social problems in families as children aren't being watched and cared for as they should be, since parents are always working. UNICEF already wrote an alarming report on the status of the rights of the child. Unlike the Netherlands, Saba also has a lack of social institutions to cover these kinds of social problems. There is, for example, no 'safe house' or foster care and the foundation that organizes after school care does not have enough capacity to cover the need for after school care on the island. Furthermore we have a lack of facilities for people with disabilities to guarantee that they can live with dignity. We can't realize all facilities that are available in the European part of the Netherlands, but basic human rights have to be met. We need an in-depth analysis of the social security system, to make sure that we can help the people that deserve help.

Other problems related to the high cost of living and poverty are:

- Elderly have to work well beyond retirement because they cannot afford to live from their AOV alone. Many elderly don't have a pension at all.
 - *Suggested action point: increase the level of AOV.*
- As mentioned before, the minimum wage can and should be increased on Saba. The employers are in agreement with this, and increasing the minimum wage will also positively affect other connected allowances.
 - *Suggested action point: increase the minimum wage.*
- There is a shortage of social housing on the island. Building is very expensive on Saba, which means social housing has to be highly subsidized.
 - *Suggested action point: realize more social housing on the island.*
- Most people cannot afford to buy healthy food as fresh produce is among the most expensive items in the supermarket. Almost all fresh produce has to be imported.

In 2013 the employers on Saba agreed to raise the minimum wage on Saba in order to be able to raise the level of allowances like onderstand and AOV accordingly. The ministry of Social Affairs disappointingly chose not to agree with this raise. Therefore the social benefits are still very low. Disabled people sometimes have to live from less than \$200 every two weeks. It is needless to say that this is impossible. A 'bestaansminimum' has to be established and measures need to be taken to make sure as many Sabans as possible will be able to meet the 'bestaansminimum'. After establishing the

'bestaansminimum', targets have to be set to get to that level within an established timeframe. All opportunities need to be looked into to alleviate poverty, reduce the cost of living, increase purchasing power and improve the social security system.

3. Conclusions

Throughout the islands there is a resounding call for more autonomy. This call reflects the feeling of a system that does not truly fit the realities of the islands. The call for autonomy is also a call for a return of identity to these small islands each with their own unique culture and history. This call for autonomy, combined with the findings of the Evaluation committee, clearly demonstrates that the people and governments of the BES islands want to change the current system to one that is practical and logical based on the real needs and realities of the islands. In this overall standpoint there have been numerous issues highlighted that could be solved to “make sense” for the community of Saba. Many of the issues have been allocated by the community on Saba for years, and now most of them are acknowledged by the reports from the evaluation committee. We see the reports from the Evaluation Committee as the starting point of a process that has to lead to changes and improvements to fix the flaws in the system as described by the Committee. We invite both national government and the other public entities to commonly design a process that will help us define and implement these changes and improvements.

There is also a feeling and indication that the priority areas of the National government do not reflect the needs and wishes of the community of Saba. This is especially reflected in the issue of the level of provisions, which results in many Sabans living under the poverty line.

This standpoint would like to offer a way forward that could work to allow room for the differences between the islands, re-establish the priority areas per island and allow for a system that contains human logic and oversight in the working effects of legislation on the people of the islands and the system of government.

As it stands right now there is a feeling on each island of a divide between National civil servants and island civil servants. There is also a sentiment of a largely bureaucratic middle layer of government between the national and island levels which is a separate entity from either island government or national government. This is also the case when examining the role and position of the National Government Representative. The National Government Representative has no real authority to make changes to the system where they are needed. The position mainly contains a coordinating role for interactions between the islands and the national government.

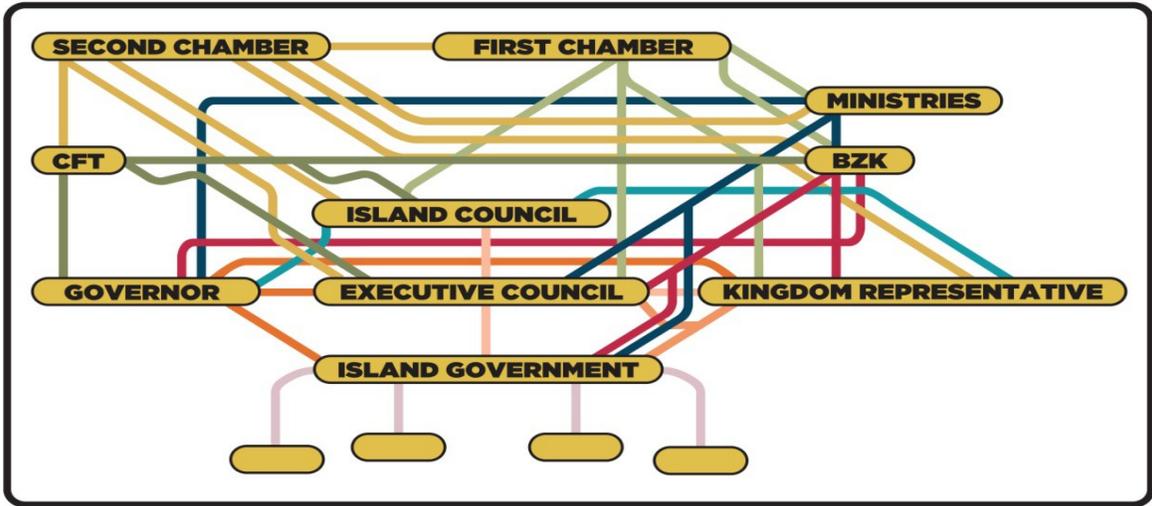
In this proposal the position of the National Representative would no longer be one central role, it would be decentralized to the three island governors respectively. The island governors would carry the position of governor of their respective islands, and of National Government Representative representing the Netherlands on their respective island. This would not only reduce the size of the middle government, but would also help recognize the differences between the three islands and uphold each island’s unique position. This could also add to more cohesion between national and island civil

servants all having the same contact person between the national and Island governments, and it would strengthen the position of governor as the guardian of good governance within the public entity, as is recommended by the evaluation committee. This would also create more opportunity to strengthen the governors with a qualified staff to support and advise them. All coordination would then fall to the governors and their cabinets for all formal visits and consultations.

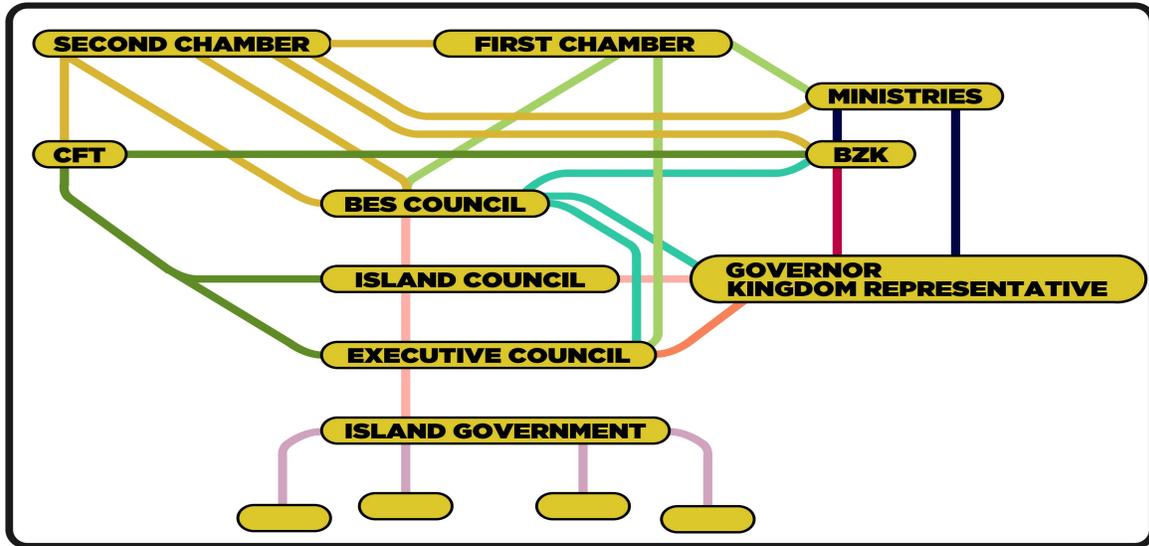
With regards to the legislative disconnect between the National laws, the implementation of these laws and the actual need and fit of many of the problem areas highlighted in this document, the proposal is to form a new entity known as the BES Advisory Council. This council could be affiliated with the Council of State as a Council of Advice and could fill the void of checks and balances when analysing the need and effect of implementing legislation. We already have a Council of State, with members from Sint Maarten, Aruba and Curacao. The BES Advisory Council could get a position within the Council of State. It could be given actual authority and have regular contact with the governments of the islands, the inhabitants of the island, the National Government and the respective ministries. This council could consist of persons who are knowledgeable of both sides of the ocean and could help lead the way forward to rework the system to one that is efficient and fills the needs of the islands, while respecting the political realities of the National government. This council could also identify the differences between the islands helping to tailor a system that takes into account the common needs of the people of the three islands while respecting the differences between them.

To illustrate the current situation and our proposal, the following graphs provide an oversight:

Before:



After:



Some may say that the idea of the BES Advisory Council will only add to the bureaucracy mentioned before, but one of the deficiencies of the current system is the lack of human oversight and reasoning. By this it is meant that many of the problems arrive on the BES by persons purely carrying out the current legislation by the strictest of definitions, regardless if the laws make logical sense or not. In other countries legislation was slowly introduced over decades and could be altered throughout time, depending on the effect and need of the law. In the BES islands many of the legal norms are expected to be adapted instantly, and haven't gone through the test of time to see if they work, or are even needed in the first place.

Finally, these islands need a founding principle establishing the basic human rights of the individuals living here. As a part of the Netherlands, a member state of the European Union, the United Nations and the home base of the World Court, current citizens and future generations need to once and for all have a basic agreement which defines what their rights are and what the basic provisions of this society should be. Almost all countries spent many decades through war and revolution establishing common goals and basic rights. We hope that this evaluation process will ultimately lead to an understanding of what it means to be part of the Netherlands, and what it is that the people of these islands can expect as basic rights and privileges for as long as we call ourselves citizens of the country of the Netherlands.