Dear Chairman and Members of the Committees SZW and KR, Dear National Ombudsman,

## **CONTENTS OF THIS LETTER**

This letter begins with an introduction and a framework of the (income and benefits) issue. Points for attention already introduced earlier, such as the introduction of the BSN, the euro and NL banks, complete this framework. Then **the most important point of attention of this letter will be discussed**: the taxes and benefits, where my view boils down to the fact that there should be no difference between the Caribbean and the European Netherlands. Simply because we are one Netherlands, without second-class inhabitants! Then I will conclude.

## INTRODUCTION AND (LEGAL) FRAMEWORK

It seems like an open door when I say that the integration of the Caribbean Netherlands into the country of the Netherlands "has not yet been completed". Now I could make an attempt to give an exhaustive or non-exhaustive enumeration of points from which this appears but perhaps a simple reference to the book "Koninkrijk op Eieren" <sup>1</sup> will suffice in this context.

I would like to make a contribution in this way to eliminate the omissions - at least in the financial-economic and social domain - as much as possible. The Constitution lays the foundation for the existence of the Public Entities of Bonaire, Saba and St. Eustatius (collectively: Caribbean Netherlands) in Article 132a; paragraph 4 of this article says: "For these public entities rules can be established and other specific measures can be taken in view of special circumstances that make these public entities substantially different from the European part of the Netherlands".

Now I am not a lawyer and I do not want to measure up to that, but when I try to fathom the purport of this article, it is mainly the special circumstances that make these public entities substantially different from the European Netherlands that can be a reason for 'own' regulations. Without being exhaustive, I am thinking of the language (English for the Windward Islands of Saba and St. Eustatius, Papiamentu for Bonaire), the climate (tropical for the Caribbean), the geography (with an annually recurring hurricane season on the Windward Islands), the insularity (especially its isolated character) and the great distance between the three islands (which makes them three separate entities and by no means a unity). The culture is also an important point of difference, whereby I am referring in particular to the family composition (i.e. large, often broken families). Informal care takes place, by necessity, in mostly small housing with a lack of social facilities (think for example of the shortage of social housing and the (too) low flow).

<sup>&</sup>lt;sup>1</sup> If you don't know it (yet): it can be requested for free at <a href="https://koninkrijk.nu/koninkrijk-op-eieren/">https://koninkrijk.nu/koninkrijk-op-eieren/</a>

Abstracting from the purely financial-economic and social domain, it seems to me a good starting point when, in principle, the same legal frameworks apply to both the European and the European Netherlands. At the moment this is not the case. As an example I would mention the Civil Code for which the 'original' Antillean Civil Code has been defined in the Dutch Caribbean (dating from six years after the abolition of slavery: 1869) to which at the last moment (in 2010) gay marriage, euthanasia and abortion have been 'crammed' (*because of course these newfangled Dutch values could not be left out: after all, the islands are an integral part of the Netherlands...*). Why not just use the Civil Code that applies in the European Netherlands (and then actually in the broad sense: 'law books'). When exceptions have to be made, this can be decided on a case by case basis, if necessary by the courts <sup>2</sup>.

I would like to make a remark. On the one hand, my argument seems to me to be best for (all) Statians. At the same time, I can also see that I am (perhaps too?) easily adhering to the European Dutch model. Once again, it seems to me that in a rational sense it is best for the people of Statia, but in the emotional experience it may be that my argument is seen as (too?) radical. But yes, a jointly supported Statian idea is not easy to achieve as yet. Due to the decades-long, if not centuries-long unequal relationship between the former colonizer and the colonized, "cooperation" (among the Statilians) is a characteristic that has not yet reached maturity ("we'll wait and see what the Netherlands brings us..."). Here too, the necessary investments have to be made, with active input and ideas also from the Statian side. Until now I see (too) little getting off the ground. The European Netherlands has difficulty recognizing this point and easily builds on the unequal situation.

## THE FINANCIAL-ECONOMIC DOMAIN, INTRODUCTION OF BSN, EURO AND NL-BANKEN

Then slowly intruding into the financial-economic realm, there is at least the consideration, "why not just introduce the euro in the Dutch Caribbean?" The rationale that in the Caribbean environment the US dollar is prevalent is not true. Looking around St. Eustatius (where I live myself) I see the euro, the Eastern Caribbean dollar and the Antillean guilder. The euro also facilitates the presence of Dutch banks (whose infrastructure is now geared to the euro).

In this context I would also like to argue for a *speedy* introduction of the BSN in the Dutch Caribbean (if necessary on a voluntary basis). The Ministry of the Interior and Kingdom Relations has informed us that this is also the intention *in due course*. Each time around the transition of school years, there is a cohort of departing students (in order to continue their studies in the European Netherlands) who experience problems with this. A BSN must always be created upon entry into the European

<sup>&</sup>lt;sup>2</sup> In principle, of course, as few exceptions as possible. But if there are any, then please also provide a clear overview of this legislation that applies specifically to the Caribbean Netherlands. That insight is currently as good as nil.

Netherlands (and registration with the municipality of residence), after which a bank account can only be opened and the application for study financing with DUO completed. Instead of 'work arounds' such as a special form when registering for a course or a start-up grant (to be applied for at the Rijksdienst Caribisch Nederland), one can simply work like the students in the European Netherlands, when the BSN can be created while the person concerned is still on one of the islands (and then it would be even nicer if before leaving for the European Netherlands, a NL bank account can be opened on which DUO deposits the study financing).

<u>Note</u>: I would also like to make a case for the 'regular' Dutch health insurance for students from the Dutch Caribbean (instead of the ZVK), but this point concerns a different policy area, namely that of VWS).

## MAIN POINT OF ATTENTION IN THIS LETTER: TAXES AND BENEFITS

But the (my) real breaking point - at least in this letter - is of course the different system of taxes and benefits. It is unclear to me (and not only to me) why this is not aligned with the prevailing regime in the European Netherlands.

With regard to taxes, I do hear the argument that the regime applicable in the Caribbean Netherlands would be simpler than the regime in the European Netherlands. What this is actually true, is unclear to me, but in any case I do see that the 'flat fee' (for the income tax) that is applicable in the Dutch Caribbean contributes to the fact that the gap between rich and poor is *not* shrinking, but in fact widening (just look at the Gini factor for the Dutch Caribbean and compare it to the European Netherlands: in the Dutch Caribbean this is approx. 30 percent higher than in the European Netherlands) <sup>3</sup>. The higher earning resident is taxed significantly lower in the Caribbean Netherlands than in the European Netherlands. Herewith a plea for jettisoning an 'own' (Caribbean) tax regime and 'simply' adhering to the regime prevailing in the Netherlands.

<u>Note</u>: Discussions about which part of the levies in the Dutch Caribbean (or even per island) contributes to the Dutch treasury in relation to what is received by the islands is thus also concluded, provided that sound agreements are made about the allocations per island, which are also observed.

An 'own' Caribbean regime with significantly lower amounts than those in the European Netherlands also applies to benefits. Discussions about the benchmark for the social minimum in the Dutch Caribbean have lasted for a long time and I sincerely wonder if it would not be so much more social when 'simply' adhering to the European Dutch level here as well. With regard to benefits for old age, unemployment, child benefits, etc. it also seems to me that it would be so much simpler and fairer if the European Dutch standards would be applied in the Dutch Caribbean. In that context I also note that - as far as I know - there is no unemployment benefit in the Dutch Caribbean at all. Without

<sup>&</sup>lt;sup>3</sup> To this end, see the annual CBS reports "Trends in The Caribbean Dutch.

income, one quickly ends up in 'onderstand' (compare the European Dutch social security system,

called 'bijstand') and that is certainly not a lot of money!

Considering that the Caribbean Netherlands (the three islands together) have approximately 25,000

inhabitants, slightly less than a not particularly large Dutch municipality such as Ermelo, for example, I

can hardly imagine that the equalization of said taxes, benchmarks and benefits will lead to a large

burden on the State treasury. I would like to ask you to have this investigated by a truly independent

party in order to make my argument viable with real arguments (for which I thank you in advance of

course!).

**CONCLUDING** 

I conclude by wishing you much wisdom in your activities.

Kind regards,

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Cc: Government commissioner on St. Eustatius