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Preface

The year 2012 was characterized by a number of notable changes around the Social Economic Council (SER).

As of March 2012, the Secretariat has been fully staffed and operational. During the year pending report, the Council had a full Secretariat comprising five staff members at its disposal.

During the year pending report, the “structural” phase still played a role for the SER, namely: building and maintaining new relations with social partners and other Social and Economic Councils within the Kingdom as well as elsewhere. In May 2012, a 5-member delegation paid a working visit to the National SER in The Hague and the kindred Social Economic Councils in Delft and the provinces of Zeeland and Noord-Brabant.

In June 2012, the SER joined the prestigious organization named: International Association of Social Economic Councils and Allied Institutions (AICESIS), an organization that represents the Social Economic Councils over the entire globe. SER Sint Maarten has signed up as candidate to occupy a seat on the AICESIS board. The board members will be elected during the general meeting scheduled for September 2013. In September 2012, we paid a visit to SER Aruba for the celebration of the 25th anniversary of their organization.

In 2012, the SER experienced some adversity with regard to its accommodation. The organization was told that it would have to find a new office. Meanwhile, the SER has found a suitable building that will be occupied by the Secretariat around the 1st of June 2013. The SER is happy with the new location, a comfortable office space with excellent conference facilities. This will enable the organization to execute its appointed tasks effectively and efficiently.

The number of solicited advices increased significantly in 2012; besides government, Parliament has also appealed to the SER for the first time in the annual report. The advice request from Parliament was related to the improper use of short-term labor agreements. The AOVV advice regarding the pension system and the advice regarding increase of criminality on the island have all contributed to the reputation of the Social Economic Council.

With a view of the future, the SER ought to occupy a prominent role in our society. The organization must stay abreast with the times; the complex issues that surface on our island must be tackled innovatively in conjunction with the social partners and government.

René A. Richardson
Chairman Social Economic Council
Chapter 1: Laws and regulations relating to the advisory task of the Social and Economic Council

The legal basis for the permanent advisory colleges is embedded in article 79 of the fifth chapter of the Constitution of Sint Maarten.

Article 79, first paragraph stipulates that: other permanent colleges of advice in matters regarding legislation and government are instituted by way of national ordinance.

The Social Economic Council is one of the permanent colleges of advice; the National ordinance Social Economic Council (GT no.9) is one of the organic National ordinances that stem from the Constitution of Sint Maarten.

On the grounds of Article 2, second paragraph of the national ordinance Social Economic Council, the Council issues its advices upon the request of one of the ministers. The Council may also forward unsolicited advice.

Article 11a stipulates that: the structure and organization of the Council’s secretariat is determined by way of national decree by order in council.

Article 19 stipulates that: the Council adopts rules regarding its working approach by way of Rules of Procedures.

Finally, article 22 rules that: the monetary provisions of the Council members, their substitutes and the secretary are determined by way of national decree by order in council.
Chapter 2: Structure and operation of the Social Economic Council

2.1 Structure of the Social Economic Council

Article 3, first and third paragraphs of the national ordinance of the Social Economic Council stipulate that the Council comprises nine members including six representatives of the employers and employees organizations and three independent members (experts). Each of the nine members has a substitute member.

During the year pending report, a number of mutations transpired in the structure of the Social Economic Council.

In the area of independent members Mr. Tadzio Bervoets was replaced by Ms. Claudette Forsyte-Labega; in the area of employers organization Sint Maarten Hotel & Trade Association (SHTA), Ms. Valya Pantophlet was replaced by Mr. Peter van Dort. In the Chamber of Commerce, Mr. Hubert Pantophlet was replaced by Mr. Ludwig Ouenniche.

In 2012, no changes transpired in the area of the employees organization.

On the 31st of December 2012, the structure of the Social Economic Council was as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Mr. René A. Richardson</td>
<td>Independent member</td>
</tr>
<tr>
<td>Vice-Chairman</td>
<td>Mr. Dwight Williams</td>
<td>Independent member</td>
</tr>
<tr>
<td>Expert</td>
<td>Ms. Elaine Gumbs-Vlaun</td>
<td>Independent member</td>
</tr>
<tr>
<td>Members</td>
<td>Mr. Arthur Bute</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td></td>
<td>Mr. Joseph H. Lake Jr.</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td></td>
<td>Mr. William Reed</td>
<td>WISCU/PSU trade union</td>
</tr>
<tr>
<td></td>
<td>Ms. Eveline Henriquez-Dijkhoffz</td>
<td>SHTA</td>
</tr>
<tr>
<td></td>
<td>Mr. Edwin Smith</td>
<td>UFA trade union</td>
</tr>
<tr>
<td></td>
<td>Mr. Theophilus Thompson</td>
<td>WIFOL trade union</td>
</tr>
<tr>
<td>Substitute members</td>
<td>Ms. Claudette Forsyte-Labega</td>
<td>Independent member</td>
</tr>
<tr>
<td></td>
<td>Ms. Shirley Pantophtet-Gregoria, MSc</td>
<td>WIFOL trade union</td>
</tr>
<tr>
<td></td>
<td>Mr. Aruillio Baly</td>
<td>WISCU/PSU trade union</td>
</tr>
<tr>
<td></td>
<td>Mr. Ludwig Ouenniche</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td></td>
<td>Mr. Marc van der Bilt</td>
<td>SHTA</td>
</tr>
<tr>
<td></td>
<td>Mr. Peter van Dort, LL.M</td>
<td>SHTA</td>
</tr>
<tr>
<td></td>
<td>Mr. Marcus Temmer</td>
<td>Independent member</td>
</tr>
<tr>
<td></td>
<td>Ms. Suzy Kartokromo</td>
<td>Independent member</td>
</tr>
<tr>
<td></td>
<td>Mr. Raphael Arrindell</td>
<td>UFA trade union</td>
</tr>
</tbody>
</table>
The following are photos of the members of the Social Economic Council.

Chairman
Mr. René A. Richardson

Vice-Chairman
Mr. Dwight Williams

Independent member
Mrs. Elaine Gumbs-Vlaun

Member
Mr. Arthur Bute

Member
Mr. Jose H. Lake Jr.

Member
Mr. William Reed

Member
Mrs. Eveline Henriquez-Dijkhoffz

Member
Mr. Edwin Smith

Member
Mr. Theophilus Thompson
The following are photos of the substitute members of the Social Economic Council.

Substitute member
Mrs. Claudette Forsythe-Labega

Substitute member
Mrs. Shirley Pantophlet-Gregoria, MSc

Substitute member
Mr. Aurillio Baly

Substitute member
Mr. Ludwig Ouenniche

Substitute member
Mr. Marc van der Bilt

Substitute member
Mr. Peter van Dort, LL.M

Substitute member
Mr. Marcus Temmer

Substitute member
Ms. Suzy Kartokromo

Substitute member
Mr. Raphael Arrindell
2.2 The Secretariat of the Social Economic Council

The national ordinance Social Economic Council stipulates in article 11a that: a secretariat, headed by the secretary, will be assigned to the Social Economic Council. Pursuant to Article 11, third paragraph, the secretariat staff is suspended or dismissed by way of national decree upon the Council’s recommendation.

On the 4th of May 2012, the national decree by order in council to regulate the structure and organization of the secretariat of the Social and Economic Council went into effect. Article 1 of the previously mentioned national decree stipulates that: the structure and organization of the secretariat of the Social and Economic Council are exercised in accordance with the functions as described in the approved staffing plan.

On the 31st of December 2012, the composition of the secretariat was as follows:

Secretary-general
Mr. Gerard M.C. Richardson

Senior policy advisor
Mr. Arend J. Alberts, MSc

Legal advisor
Mrs. Daniëlle F. Choennie-Babel, LL.M

Policy worker
Mr. Bastiaan Peters, MSc

Administrative Assistant/office manager
Ms. Ursela B. Salomon
The secretariat supports the Council in the process of its advices and consultation activities:

1. Preparing and recording Council meetings.
2. Ensuring the implementation of decisions by the Council including conducting preliminary research, by collecting data for the meetings, by providing members with information, by preparing minutes and taking care of the final editing of the advices.
3. Maintaining a working relationship with, among others, government, the departments within government and Parliament, the Social Economic Councils all over the Kingdom including Curacao, Aruba and the National Social Economic Council in the Netherlands.
4. Preparing (draft) advices.

The secretariat of the Social Economic Council will be housed on the second floor at E.C. Richardson Street # 13 until the 1st of June 2013.
2.3 Method and objective of the Social Economic Council

The meetings of the Social Economic Council are held twice a month on the second and fourth Thursday of the month. Pursuant to Article 1, first paragraph of the Rules of Procedure, the Chairman chairs the meetings of the Social Economic Council.

Besides the Council members, substitute members and staff members, third parties (experts, civil servants, etc.) may be invited to participate in the meeting pursuant to Article 17, first paragraph of the National Ordinance Social Economic Council. The participants then have an advisory capacity. By virtue of Article 2, second and third paragraph, the Social Economic Council can give solicited and/or unsolicited advice.

The realization of a SER advice transpires in three phases. Each phase is explained stepwise in the following illustration. The following explanation is based on a solicited advice.

Through the intermediary of the Prime Minister/Minister of General Affairs, government submits an advice request to the chairman of the Social Economic Council. The consultants of the Social Economic Council do research on the advice request in question and formulate a plan of action. After the Council has agreed on the substance of the plan of action, it is adopted by the Council.

1. The next step us the: “Green Paper phase”. During the Green Paper phase, experts are interviewed, various organizations are approached for information and knowledge and upon the Council’s request experts are invited to further elucidate a given issue. After the research has been concluded, the Green Paper is briefly discussed among the staff members. Subsequently, the Green Paper is discussed in the SER meeting. The Council members are each given the opportunity to voice his or her opinion regarding the content of the Green Paper. If necessary, a vote is taken.

2. After the Council has come to an agreement on the text and conclusion of the advice (Green Paper phase) it is adopted. In the White Paper phase, no amendments are made to the text and conclusion. In this phase, changes if any are strictly editorial. The final advice is signed by the chairman and the secretary then, along with the original advice request, the documents are presented to the Prime Minister/Minister of General Affairs and in certain cases involving a draft initiative national ordinance, to the President of Parliament.
The SER is a tripartite advisory body that works meticulously on its advice process to give a realistic representation of its views on relevant subject matter within our society that has significant implications. The implications on legal, financial and social and economic terrain serve as guidelines.

The objective of the Social Economic Council is derived from its mission, namely:
- Balanced economic growth
- Sustainable development
- Promoting the highest possible level of employment
- Fair distribution of income
2.4 Training sessions and courses of the Social Economic Council

To ensure proper execution of its tasks and support of the Council members, the Social Economic Council relies on the extent to which knowledge is available. Availability of reliable and up-to-date sources of knowledge is crucial for the counseling process. In the year pending report, special attention was paid to this by, among other things, giving the secretariat staff the opportunity to do internship and attend training sessions and courses.

The following is a brief outline of the training sessions and courses attended by the staff of the secretariat in 2012.

Consultation between the secretariats of the Kingdom’s Social Economic Councils.

Upon the invitation of the Social Economic Council Curaçao, a training/secretariat exchange was conducted in Curaçao from the 16th of April through the 19th of April. Participants of the training were the SER secretaries and management consultants of Curaçao, Aruba, Sint Maarten and the Netherlands. The objective of the training was to exchange important experiences, information and knowledge. The training was informative and was conducive to a stronger international foundation for contacts maintained by the Social Economic Councils within the Kingdom.
Internship at the Social Economic Council in the Netherlands

In the period of the 6th through the 18th of November 2012, the management consultant and the principal assistant of the secretariat did two weeks of internship at the Dutch SER in the framework of establishing the Social Economic Council Sint Maarten. The Social Economic Council Sint Maarten is the youngest advisory SER body within the Kingdom. Some council members and the staff of the secretariat have little or no experience in the former Social Economic Council of the Netherlands Antilles. Sint Maarten still needs to build up the necessary network and experience. Exchanging information and knowledge during the internship is the ultimate purpose geared toward improving the expertise and functioning of the SER Sint Maarten.

In that sense, the experience gained during the two weeks of internship at the Social Economic Council the Netherlands serves as an example for our institution, most in particular with regard to the role of the secretariat. The management consultant and principal assistant have learned, among other things, that when formulating advices the secretariat must proceed as analytically as possible and assume a neutral position. The final advice must stem from the delegates in the Social Economic Council who actually take the pulse of the rank and file of society. Through committee meetings recommendations are prepared. After all is said and done, the opinions reflected in the advice must be supported by the rank and file of the section of society that is represented by the council member in the SER.
2.5 The meetings of the Social Economic Council

Pursuant to Article 13 paragraph one of the national Ordinance Social Economic Council, the chairman of the Council convenes the Council with notification of the matters to be discussed.

In the year pending report the Council convened sixteen times. In addition, monthly consultation meetings were held in which the advice requests were the main topic of discussion. Lastly, the Council held an emergency meeting in December to discuss the advice regarding indexation of the minimum wage and to adopt an advice on the matter.

At this moment the SER does not have its own conference room; therefore the conference room of the Court of Audit and the Advisory Council is used for the meetings. For plenary meetings and reception of guest lecturers the A.C. Wathey Legislative Hall at the Administration Building is used.

In 2012 the average attendance of all meetings was at 80%. The separate plenary meetings averaged higher, namely 90%.¹

¹ Source: 2012 attendance list meeting dates Social Economic Council
2.6 The Service Level Agreement

In August of the year pending report, the chairman, the Minister of General Affairs and the Minister of Finance signed a service level agreement (SLA) with respect to the implementation of advices and providing services insofar as it concerns staff management, financial management and material management (operational management) of the Social Economic Council. The SLA entails that specific supporting government departments shall render services to the SER in terms of functions that the SER itself cannot perform efficiently due to its small-scale facility.

By virtue of the SLA, the Social Economic Council can appeal to the following departments:

- Personnel en Organization (P&O)
- Department of Information and Communications Technology (ICT)
- Department of Documentary Information Services (DIV)
- Department of General and Technical Services (FZ)
- Department of Finance and Accounting

The abovementioned departments fall under the responsibility of the Minister of General Affairs and the Minister of Finance.
Chapter 3: Financial management of the Social Economic Council

3.1 USONA budget 2012

In the year 2010, a total sum of NAf. 4,2 million was reserved for establishing the High Councils of State and the Social Economic Council in the so-called “Hoge Colleges van Staat” project. Management of the funds is executed by the entity “Uitvoeringsorganisatie Stichting Ontwikkeling Nederlandse Antillen” (USONA). USONA is responsible for an equitable and efficient management of the funds allocated to Sint Maarten for development projects.

When the project was launched, a sum of NAf.335,426.- was allotted to the Social Economic Council in 2011. Later it became evident that in practice the actual costs are much higher than budgeted by USONA initially.

In 2011, the Social Economic Council submitted a request to further supplement its budget. USONA endorsed the request of the Social Economic Council and reserved an additional sum of 468.000,- for the institution, to be paid in two installments. Of this amount, USONA allotted a sum of 234.000,- (first installment) to the Social Economic Council in December 2011.

In 2012 the Social Economic Council received the remaining sum of NAf. 234.000,- (second installment) to further develop the institution.

For the project “Establishment of the High Councils of State” the Social Economic Council received a total sum of NAf. 803,426,-

<table>
<thead>
<tr>
<th>Allotted by USONA</th>
<th>NAf. 335,426,-</th>
</tr>
</thead>
<tbody>
<tr>
<td>First installment increase budget</td>
<td>NAf. 234,000,-</td>
</tr>
<tr>
<td>Second installment increase budget</td>
<td>NAf. 234,000,-</td>
</tr>
<tr>
<td>Total</td>
<td>NAf. 803,426,-</td>
</tr>
</tbody>
</table>

Due to unforeseen relocation and renovation costs that the SER encountered in 2012, an extra budget was released from USONA residue funds in addition to aforementioned total to cover those costs.
3.2. National budget 2012

The Social Economic Council determines its budget annually and subsequently submits it to the Minister of Finance for approval. This annual report contains a summary of the national budget 2012.

For the year 2012, government allocated a budget of NAf. 1,127,194 to the Social Economic Council. With respect to 2011, the difference amounts to NAf. 604,678, for at that time the Social Economic Council had at its disposal a sum of NAf. 522,516 for its financial, staff and material management.

3.3 Income and expense items

In this paragraph the graph below reflects the costs based on the national budget 2012.

For the year 2012, the total disbursements in remuneration costs were estimated at NAf 296.100,-. The actual remuneration costs in 2012 total NAf 291.500,-. The fact that the actual remuneration costs turn out to be lower is ascribed to the calculations of the Finance Department.

The under-spending of the national budget in 2012 with regard to staff costs in figure 1 is mainly due to the understaffing of the secretariat. In March 2012, three of the four vacant positions were filled; thus the unspent amount in the budget is to be ascribed the open vacancy.

Figure 1
In December 2012, the Netherlands extended the project “Establishment High Councils of State” through September 2013. This entails that after abovementioned commitment deadline, the Social Economic Council may make no more commitments to the project.

The illustration below reflects the spending of monies from USONA from the beginning of the development phase of the Social Economic Council in the year 2011, the expenditures in the year 2012 and the commitments for the year 2013.

**Figure 2**

<table>
<thead>
<tr>
<th>Besteding USONA gelden 2011 - 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dienstreizen</td>
</tr>
<tr>
<td>Verbouwing, bekabeling, beveiliging</td>
</tr>
<tr>
<td>Werk kapitaal</td>
</tr>
<tr>
<td>Computer en technische ondersteuning</td>
</tr>
<tr>
<td>Meubelen</td>
</tr>
<tr>
<td>Cursus en opleiding</td>
</tr>
<tr>
<td>Opbouw bibliotheek</td>
</tr>
<tr>
<td>Briefpapier</td>
</tr>
<tr>
<td>Dienstauto</td>
</tr>
<tr>
<td>Symposium</td>
</tr>
<tr>
<td>Website</td>
</tr>
</tbody>
</table>

The renovation, conference, organizing library, official trips and part of the courses and training are activities for which monies have been reserved in 2013.
Chapter 4: Advices rendered by the Social Economic Council

In this chapter you will find the summary of the solicited as well as the unsolicited advices rendered in the year 2012. The summaries give an outline of the content of the requests for advice and the Council’s advice.

4.1 Advice request regarding the National Ordinance improper exploitation of short-term labor agreements

According to the policy document of the Directorate of Labor 2007, the point in the draft national ordinance is that employers are driven by a number of motives of their choice to fill vacancies on a temporary basis. The first factor is the nature of the activities in question. A great part of the production is seasonal (e.g. tourism) or project-oriented (e.g. in the field of construction). Besides, products and markets change rapidly, so, continued production and hence employment can rarely be guaranteed. This factor is exacerbated by the fact that permanent contracts are unappealing and consequently they appear sporadically. This phenomenon could be due to the heavy requirements with regard to dismissal.

The second factor is the increased costs of doing business; this impels employers to shun risk and assume the stance of avoiding the obligation to pay permanent employees when there is lack of work.

The third factor is the feared deteriorating work ethics and insufficient training and/or competition. In other words, employers exercise caution and want to avail of an ample trial period before taking an employee into permanent service.

The content of the draft national ordinance and the measures embedded therein are elucidated in three articles from a social and economic perspective. The following is the advice of the Social Economic Council with regard to the abovementioned topic.

The Council advises as follows:

With regard to article I, all three sections are regarded as undesirable, for reasons of unnecessary increase of bureaucracy, counterproductive results and ineffectiveness in view of the problem with the short-term labor contracts.

With regard to article II, sections 1 and 2 (draft) National decrees entailing general measures are mentioned in the draft, yet they have not been included in the text. Without the first and second sections it is difficult to apply the draft national ordinance in a practical sense. Besides, in article II only sections and 2 are relevant to article I.
With regard to article II, the Council deems this type of penalty unnecessary for an economic violation. The Council advises to abandon this. It creates a legal and economic imbalance between dealing with this issue and other labor-related regulations.

In order to address the immediate problems in the draft national ordinance in a goal-oriented manner, the Council also advises to:

- Reinforce the implementation of the existing rules with regard to temporary contracts, reinforce and improve labor inspection in terms of manpower, means and organizational structure as well as reorientation of the labor inspection with regard to compliance with the temporary contract rules and making visible the informal economy.
- Increase the knowledge of and compliance with these rules among employers.
- Encourage employees to assert their rights under the existing rules, stimulate the dissemination of standardized information about their legal rights to be distributed in a language mastered by the worker. The responsibility to disseminate this information must be shared by employers, trade unions and government.

Figure 3 Temporary and permanent contracted labor 2003-2009
(Sources: 2005 and 2009 census)
4.2 Advice request regarding the Ordinance to amend the Motor Vehicles Tax Regulation and the General National Tax Ordinance in connection with introducing a new system for motor vehicles tax

This draft National ordinance aims at adjusting the tax system as embedded in the ordinance on motor vehicles tax as such that it becomes easier for the tax payer to comply with the existing obligations.

The current system of levying motor vehicles tax is generally regarded as awkward, having every motorist stand in line every year to purchase a new number plate by paying the applicable road tax.

Based on calculations done by the Social Economic Council, the advisory body warns that the possibility exists that government will incur financial loss as a result of non-compliance. The losses may exceed the total savings. In an illustration of the draft national ordinance, an estimate was made of NAF. 225,000.- annually.

For instance, assuming a yearly NAF. 7-million road tax/vehicle tax revenue (estimated around NAF. 8 million for 2012/2013), a 25% decrease in comparison would decrease government revenue with NAF. 1,75 million, multiple times the sum that would be saved on number plates.

The Council advises government to concentrate short-term on updating and merging government databases as such that the tax payers’ data is fed into the motor vehicles registration system and kept up to date.

The Council also advises to provide, based on the abovementioned, a system of administrative enforcement of the motor vehicles tax combined with the tax inspection that runs little risk of failure and makes compliance as inevitable as in the current system. After having realized the abovementioned, implement the new system as sketched in the legislative proposal; if possible by the 1st of January 2014.
4.3 Advice request regarding the need for and desirability of indexing the minimum wage as of the 1st of January 2013

According to the “position paper”, the advice request concerns the authority of the Minister of Public Health, Social Development and Labor (VSA) to index the minimum wages. The legal basis of this authority can be found in article 13, first paragraph, of the National ordinance minimum wages.

Government can adopt either of two approaches to amending the minimum wages:

1. Amend the minimum wage on an annual basis, taking into account the index.
2. Take the average wage increase of the entire population as base for increasing the minimum wage rather than the annual mutation of the consumer price index (CPI). The average wage increase would then be determined through a triple year average of the wage increase.

After having examined the position paper, the Council advised as follows:

Taking into account that the last amendment to the minimum wage dates back to September 2008, the Council concurs with the proposal to index the minimum wage.

To amend the National ordinance regulating the minimum wage to allow government’s intentions to have indexation transpire on a yearly basis to be reflected in the law. This intention by government has the Social Economic Council’s full support.

Increase the general compliance of tax legislation; in either case better than the current 36%. This can lead to a lower tax burden for all citizens; this in turn will stimulate purchasing power and the economy.

The Council also advises that one of the main obstacles that contribute to cost-of-living inflation is the lack of implementation of price control in supermarkets and wholesale. The price increases have a direct effect on the purchasing power of not only the persons who earn a minimum wage, but the entire population as well.

Government ought to improve the purchasing power among all groups and not just the minimum wage earners. The Council advises as well to adjust the AOV premium downwards as of the 1st of January 2013, as recommended in the SER advice “Towards a sustainable, affordable and just AOV pension system”. This measure would have direct influence on the net expenditures and would eventually lead to an increase of purchasing power.
4.4. Advice request regarding an affordable, sustainable and equitable AOV pension system

The request for advice concerns the report that was compiled in the annual report by a steering committee comprising the secretaries-general of the ministries of Public Health, Social Development and Labor, Finance and Tourism, Economic Affairs, Traffic and Telecommunication, the director of SZV and the department heads of Social Development and Public Health.

The report focuses on the future of the AOV system and includes a number of recommendations to ensure the sustainable future of the general pension system. Moreover, the report touches upon a number of topics related to the general AOV system that seek to ensure and supplement a solid retirement income for the people of Sint Maarten. These topics include the recommendation to introduce a mandatory second pillar pension system for all employees and to expand the tax deductibility of the third pillar private pension schemes.

The AOV advice touches various topics and it is comprehensive; the following is a summary of the Council’s advice.

- Increase the premium income to NAF. 100.000;
- Eliminate the deduction for missing years for persons who have been active on SXM for more than 10 years;
- Gradually increase the retirement age to 65 years over a period of 10 years;
- Increase the monthly old-age pension to NAF. 1.000 a month;
- Reduce the premium rates by 1,5% for employers (from 7% to 5,5%) and employees (from 6% to 4,5%).

In this scenario a break-even would occur between annual costs and benefits of the AOV fund in 2027, equal to the scenario involving an unaltered policy.

The reserve standing of the AOV fund in 2030 (the reference year in the AOV report) would amount to NAF. 598 million, a decrease compared to the NAF. 930 million in the current situation. However, this is still a significantly large reserve fund, far more than the necessary financial cushion to absorb any adverse effects of the fund.
4.5. Unsolicited advice on establishing a national library for country Sint Maarten

Council member Mr. W. Reed van de Windward Island Civil Servant Union (WICSU) and Private Sector Union (PSU) forwarded the request to change the name Philipsburg Jubilee library and convert it to the “National Library of Sint Maarten”. The rationale behind the request is the protection of the library as well as the intention to turn the library into the national library of country Sint Maarten.

The Council agreed unanimously with Council member Reed’s proposal and advised government as follows:

Designate the current Philipsburg Jubilee Library as national library of Sint Maarten. Ensure that the annual subsidy is increased so that during the transition to a national library there is enough money to carry out the work. Finally, the Council advised to procure a new building for the library by way of policy.

4.6. Unsolicited advice on the need for community-based crime prevention

The Social economic Council elects to advise on the social and economic costs of criminality; if these costs are not addressed, they will be considerably graver in the future. This topic was deemed eligible for unsolicited advice because the social and economic costs of crime undermine the quality of life and put pressure on the costs of commerce and the investment climate. The advices and recommendations for the policy in this advice are supported unanimously by the Council.

Although the consequences of crime are central in the advice, the law enforcement policy is not discussed. From the perspective of law enforcement, intensive research has already taken place in terms of what must be done to protect society.

The report “Crime Image Analysis Sint Maarten” has prioritized four categories of petty crimes and violent crimes with “high priority” for law enforcement agencies. The new Penal Code is another step to protect society better.
With regard to tackling crime, the Council advises as follows:

Implement an all-encompassing crime prevention policy for Sint Maarten, with a pilot campaign in the districts with a Help Desk (St. Peters, Cole Bay and Dutch Quarter).

Seek cooperation between the Ministry of Education, Culture and Youth and Sports, the Minister of Health, Social development and Labor and the Minister of Justice for the benefit of a crime prevention program.

Put sufficient means at the disposal of said ministries for the entire program for a period of at least four years and, for the duration of the program, compensate the members of the community boards for their continued investment in time and cooperation with respect to implementing safety.

**Figure 4** Recorded crime

![Graph showing recorded crime from 2003 to 2006](image)

The report concludes that, based on the crime figures recorded with the police, criminality has increased by 27% between 2003 (2,191 recorded crimes) and 2006 (3,008 recorded crimes\(^2\))

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\(^2\) Plan safety Sint Maarten, pages 23, 24
Chapter 5: External contacts of the Social Economic Council

In the year pending report, the Social Economic Council has established external contacts with various institutions and Social Economic Councils within the Kingdom as well as abroad. In this regard, the following contacts may be considered the main contacts.

5.1. Working visits; The Netherlands, Aruba and Curaçao

The Netherlands

From Monday the 21\textsuperscript{st} through Thursday the 24\textsuperscript{th} of May, a delegation of the Social Economic Council Sint Maarten paid a working visit to a number of related organizations in the Netherlands.

At the introductory meeting between the heads of both councils, SER Nederland welcomes the ‘youngest branch’ of the family of Social Economic Councils and hands SER Sint Maarten a gavel that was used in the early years of SER Nederland. There is exchange of information regarding the specific social and economic situation and the developments since 10/10/10 as well as the uniqueness of the divided island Sint Maarten – Saint Martin. Discussed as well are the various ways in which SER Sint Maarten and SER Nederland could work together.

During the week of the 21\textsuperscript{st} to the 24\textsuperscript{th} of May, the delegation visited the Minister Plenipotentiary of Sint Maarten, Mr. M. Voges, the Social Economic Council Delft and the provincial Social Economic Councils of Noord-Brabant and Zeeland.
From Sunday the 23rd through Thursday the 27th of September 2012, a delegation of the Social Economic Council Sint Maarten paid a working visit to SER Aruba on the occasion of their 25th anniversary. During the sojourn, the delegation also made contact with the Central Bank and the Chamber of Commerce.

The celebration began with an introduction by the governor while the national anthem of Aruba was played. In his speech, the chairman of SER Aruba spoke of the need for cooperation between government, employers and employees in matters pertaining to the social and economic domain in Aruba. The Prime Minister of Aruba, Mr. Mike Eman, also stressed the need for a Social Economic Council in Aruba and explained the social and economic development in Aruba in the past 25 years.

The chairman of SER Sint Maarten, Mr. René Richardson, gave a speech and referred to the impressive economic development of Aruba, in particular attributable to the constitutional reform of Separate status. He also pointed out the central role that the SER played in ensuring social harmony and a balanced economic growth. He also referred to the social and economic challenges that rapid development entails, as well as to the parallels between Aruba and the social and economic conditions of Sint Maarten.
5.2. International Association of Social Economic Councils and Allied Institutions (AICESIS)

In June of 2012, the Social Economic Council reached a new milestone. At the general meeting of the International Association of Economic and Social Councils and Similar Institutions (AICESIS) held on the 14th and the 15th of June in Rio de Janeiro, Brazil, Sint Maarten acquired full membership in AICESIS.

During his presentation, SER chairman Mr. René Richardson provided more insight into the Social Economic Council and the island Sint Maarten. The speech and presentation of SER Sint Maarten was warmly received by the members. The board was very pleased, after a unanimous vote Sint Maarten was added to the membership of AICESIS.

AICESIS is a young fledgling association. Founded in 1999, it now counts almost sixty members from four continents (Africa, Latin America, Asia and Europe). The economic and social councils are advisory bodies, including organizations, social partners and other stakeholders.

From left to right SER chairman Mr. René Richardson, Mr. Jose H. Lake Jr., Mr. Dwight Williams and Mr. Edwin Smith.