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A full day of activities for Emancipation Day

PHILIPSBURG--A full day of activities has been organised for July 1 by the Ministry of Culture via the Emancipation Day Committee, starting with an ecumenical service at the Philipsburg Methodist Church on Front Street at 9:00am. The theme for the day is "150 Years: How free are we."

Emancipation Day Committee Chairwoman Arlena Sprott said on Thursday that the service

would be followed by a cultural parade starting at Cyrus Wathey Square.

The official speeches to mark the day, poetry and dances will take place at the Freedom Fighters Roundabout on W.J.A. Nisbeth Road at 3:00pm. Later, the focal points will be the Salt Pickers Roundabout and Cyrus Wathey Square.

The square will be main staging
Continued on page 8

Integral approach, cooperation vital to better children's rights

THE HAGUE--An integral approach and cooperation between the different governments and departments is crucial in order to improve the rights of children in the Dutch Caribbean.

Dutch Minister of Home Affairs and Kingdom Relations Ronald Plasterk made clear in a letter to Dutch Parliament on Wednesday that he shares this view in the reports of the United Nations Children's Fund UNICEF on children's rights in the Dutch Caribbean.

The Minister sent a policy reaction to the Second Chamber of the Dutch Parliament in which he elaborated on the projects and

programmes, the developments and improvements realised by the various Dutch Ministries and organisations in the area of children's rights.

These improvements are implemented in phases in Bonaire, St. Eustatius and Saba, under the responsibility of the individual Ministries. He mentioned, among others, the Centres for Youth and Family in Bonaire and St. Eustatius, the development of youth care and the improvement of the family custody and free time facilities for youngsters, as well as the investments in education and health care.

Plasterk made clear that the islands should not expect the same level of facilities as in The Netherlands. However, he noted, that does not take away from the mission of youth care in the Caribbean Netherlands: "Every child should grow up healthy and safe and be happy, develop its talents, prepare well for the future and learn to contribute to society."

According to Plasterk, the structural improvement of the position
Continued on page 9



Minister of Infrastructure Maurice Lake (third from right) has awarded a St. Peters family-owned company the contract to clean the trenches in the St. Peters area in preparation for the hurricane season. Also in photo are members of Lake's cabinet, St. Peters residents and Topxic Heavy Equipment Services personnel. See story on page 4.

Lee: Corruption hampers good governance

~ Says criminal allegations must be clarified ~

PHILIPSBURG--President of the St. Maarten Hospitality and Trade Association (SHTA) Emil Lee pressed home, on Thursday night, the dangers of corruption to good governance on St. Maarten, during his speech at the General Meeting of the SHTA. The topic of the night was good "Good Governance and Electoral Reform."

Though little was said by Lee or the other speakers about electoral reform, good governance re-

ceived all the attention with Lee targeting the effects of corruption in society and breaking it down using simple math: corruption = monopoly + discretion - accountability. In other words, to make corruption resistant structures, monopoly power and discretion must be reduced, which will lead to an increase in accountability.

"If elected officials focused on the development of specific and clear policies and delegated authorities to civil servants, monopoly and discretion would be greatly reduced. If clear guidelines are laid out and consequences for

corruption are swift and deliberate, accountability would increase," Lee said.

Lee said despite the fact that there are a number of ongoing investigations; it is hard to say justice is clear or swift. He mentioned a number of allegations that undermine good governance, which must be dealt with or concluded sooner rather than later.

These include, he said, allegations of money laundering related to the sale of government lease land, allegations of buying votes, blackmail, bribery, embezz-

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IN BRIEF

• Marigot TEACHING TOURISM

An agreement between the Collectivité, Academie de Guadeloupe and the St. Martin Tourism Office that will pave the way for tourism studies was signed Monday. Page 8.

• The Hague VOTING RULES

Minister of Home Affairs and Kingdom Relations Ronald Plasterk announced on Thursday a shakeup of the voting rules for Dutch nationals who live abroad, in an effort to simplify the system. Page 8.

• Philipsburg FIFTY YEARS

When Doulatram "Dada" Boolchand Nandwani opened his first store "Oriental Art Palace" in St. Maarten on March 30, 1963, his vision was clear: to help foster development. Page 10.

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Former Lt. Governor of the Island Territory of St. Maarten Franklyn Richards addresses the SHTA Annual General Membership Meeting on Thursday night.

Richards: 'We ain't goin' nowhere' if people not involved in country

PHILIPSBURG--Former Lt. Governor of the Island Territory of St. Maarten Franklyn Richards says, "We ain't goin' nowhere" if the people of St. Maarten are not involved in the process of building a strong country.

Richards was a guest speaker at the St. Maarten Hospitality and Trade Association (SHTA) Annual General Membership Meeting on Thursday night. He spoke about corporate governance in St. Maarten and focused on government-owned companies, the role they play and the role politics play in them. He dubbed the companies a window of opportunity.

His "We ain't goin' nowhere" reference, purposely phrased in St. Maarten slang, framed part of his address in which he explained that the stakeholders in government-owned companies were the people represented by the shareholder representative. "Don't let anybody fool you. It's your money," Richard said.

He said that while politics might use a government-owned company to execute a project, it should be reviewed and executed by everyone collectively, not by someone who wanted to be back in office. "That's short-term thinking," he said.

He said government-owned companies presented windows of opportunity, "because you can build a nation, but have to do it collectively." Fail to do so, he said, and an atmosphere of chaos and unrest will be created in the country if it is seen that projects executed or partly financed by these companies only benefit a few.

Richards said politics tended to look only at projects that addressed what he called the "hard sector," but he stressed that the "soft sector" such as education required a lot of attention.

Richards also spent time explaining how St. Maarten's corporate governance code had come about under the insistence of the Dutch government, the structure of government-owned companies, the difference in processes of government from Island Territory to country

and why transparency should be the order of the day in building a new country.

He said the institutions that should ensure corporate governance, such as the Corporate Governance Council (CGC), were of vital importance to St. Maarten's development. He used this opportunity to say "kudos" to the CGC for "holding on" despite the "bombardment" the institution faced in Parliament.

"I urge you to continue holding on," Richards said.

Lee bears down on effects of corruption in all sectors

PHILIPSBURG--The effects of corruption on St. Maarten has further reaching consequences than many people realize on a day-to-day basis. This was one of the messages relayed by President of the St. Maarten Hospitality and Trade Association Emil Lee on Thursday night during the association's Annual General-Membership meeting.

While expressing his thoughts about the effects of corruption on good governance, Lee pointed out corruption has a financial impact, an economic impact, an environmental impact, an impact on health and human safety, an impact on innovation, it facilitates erosion in values and in government trust, it inflicts damage to honest competitors and poses serious danger to economic development.

He said while there are many kinds of "corruption" legal and illegal, he preferred to focus on the "generally accepted definition of corruption" as the misuse of office for personal gain. Lee went on to point out that the impacts of corruption are far reaching.

The direct financial impact of corruption, he explained, is that it makes things more expensive. There are typically inflated costs for purchase, investments and services,

burdening government and taxpayers with financial obligations that are not needed, not economically justified or oversized.

He said government can also be burdened with operational, maintenance and debt servicing liability for investments/purchases, which do not contribute positively to the economy of the country. "Direct foreign investment decreases because of corruption cost, red tape, and threats to business operators, thus effecting economic growth and employment," Lee said.

He added that because the metrics used to make decisions is about personal benefits, bad choices are more likely to be made. "Corruption in procurement can engender bad choices, among them projects that have adverse environmental impact, implementing an investment project which does not comply with the country's (or international) environmental standards," he said.

"Because value for money or quality isn't the driving factor, substandard construction or products may generate safety risks. Because being efficient or innovative isn't the determining factor in winning contracts, companies are less likely to invest in innovation. Corruption induced lack of competition leads to the neglect of innovation. Companies relying on corruption will not spend resources on innovation, and even non-corrupt companies will feel less inclined to make the necessary investments in innovation if they cannot ac-

cess markets due to corruption."

Lee stressed that the lack of integrity among senior officials trickles down to the people and leads to an erosion of values. He said when people observe lack of concern for integrity and the common good among senior officials and private sector economic operators, and reckless and corrupt behaviour is not being sanctioned, they easily reduce their own integrity standards, out of need and often out of greed. This he said also applies also to other economic operators who realize that offering a competitive price and quality are not adequate requirements for obtaining contracts.

"As the feeling of lawlessness prevails, cheating government becomes a more justifiable activity. If they cheat, I may as well cheat too. Everyone is doing it. When people observe that reckless corrupt behaviour among government representatives is not being sanctioned, they conclude quickly that government in general is not to be trusted and that cheating government is morally acceptable and not against common values," he said.

Lee said corruption itself is a destruction since it distorts incentives and the decision making process. However, he continued, perhaps even more damaging is the environment in which corruption breeds: ambiguity, chaos, lack of transparency, lack of accountability.

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Lee: Corruption hampers good governance

Continued from page 1.

zement and allegations of violation of accountability law.

"While I respect that justice needs time to do a proper investigation, from a good governance/transparency perspective this is taking way too much time. This isn't fair to the people of St Maarten or the accused. It's time to poop or get off the pot," he said.

"The point of this analysis isn't to point fingers or anger anyone. The point of this analysis is to demonstrate that this isn't a theoretical exercise or academic gymnastics. Anyone that cares about the economy, environment and education should care about the structure in which decisions are made," Lee added.

"From all corners of society, everyone seems concerned and there seems to be a consensus on the need for reform or change. While I believe the governing accord is a step in the right direction, I believe that it still needs to be translated into a specific action plan with a focus on the core issues not the symptoms.

"While I understand that volatility and instability in government is bad for the country, the core issue is why our elected officials are so volatile. There is a risk that just treating the symptoms might actually make things worse, not politically but economically and socially. While it might mean that government wouldn't collapse on an annual basis, it might also mean that politicians might feel less vulnerable and more empowered to do as they please without fear of consequences.

"The good news is that St Maarten isn't the only



SHTA President Emil Lee addressing the association's general membership on Thursday night.

country in the world that needs to strengthen its administrative processes. This is a common problem with easily applicable and easily transferable solutions. There is no need to reinvent the wheel," he added.

Relaying a "formula for success" Lee explained that there are some very simple best practices concerning structures, leadership and incentives that have been developed and can be applied to St. Maarten's situation.

He mentioned among others: change the risk/reward

calculations for the giving and receiving of bribes (economic crime); raise the probability of bad behaviour and good behaviour being discovered (transparency); increase the rewards for good behaviour (incentivize good behaviour); reasonable public sector pay scales (80 private sectors); raise the penalties for bad behaviour (punish bad behaviour); and use of integrity pacts (self-policing private sector).

However, Lee said when

matching St. Maarten's objectives against the formula, "I understand the position we are in." He goes on to four glaring examples.

St. Maarten Tourism Authority

"We have managed to dismantle the Netherland Antilles, from county St Maarten in less time than the formation of a PPP structure to manage our main industry. While it is always almost there, it never arrives. Perhaps because

this would translate into reduced monopoly, reduced discretion and increased accountability this may never actually happen."

Tourism Statistical Information System (TSIS)

"Any business in today's economy needs to have statistics to measure the success of its marketing activities. The Tourist Statistical Information System (TSIS) would have allowed us to develop demographic information about our visitors. Besides being able to conduct more targeted marketing campaigns, it would allow the destination to gather visitor feedback from exit surveys and to calculate return on investment from a marketing perspective. In other words, it would improve accountability. Despite spending between two to three million guilders of SEI funds, we still don't have any useable data."

Overhauling of the tax code

"With the finance department's self-assessed compliance to be around 30 to 40 per cent, fixing the tax system should be a national priority. The Turnover Tax (ToT) is one of the most destructive taxes for St Maarten. This tax actively

discourages locals from buying locally. While things are not yet clear, it appears that the metrics for negotiations were not about what is most beneficial for the country, but what was most beneficial for the contractors."

New Administration Building

"Very few businesses or residents could afford to pay rent and mortgage on an unfinished construction project, but the government's administration building remains a white elephant. This is another glaring example that obviously someone had too much discretion with not enough accountability; but, in the end the tax payers are paying double.

"The fact that we can have this meeting, speak openly, have so many attendees from all sections of the community is proof that St Maarten is full of potential. I hope that I have been able to demonstrate that the choices St Maarten faces are not unique, and while the solutions might not be painless or effortless, they are clear. But, it begins with political will," Lee said.

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