



Parliament of Sint Maarten

Staten van Sint Maarten

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Temporary National Ordinance laying down rules regarding the remuneration maximum and the adjustment of the employment conditions at (semi) public sector entities (Temporary National Ordinance on the standardization of top incomes and adjustment of employment conditions at (semi) public sector entities)

**Report
No. 6**

Parliament, in its meeting of the Central Committee, has exchanged views with the Government on the Draft Temporary National Ordinance laying down rules regarding the remuneration maximum and the adjustment of the employment conditions at (semi) public sector entities (Temporary National Ordinance on the standardization of top incomes and adjustment of employment conditions at (semi) public sector entities).

Parliament considers the current draft to be adequately prepared when the questions below are answered in time for the public meeting so that the draft can be discussed in a public meeting.

The **National Alliance-faction** has taken note of the draft. The faction would like to know if civil servants, Members of Parliament, or ministers, all of us who depend on salaries this week, will get paid this week? Had the Prime Minister not signed the agreement, would all the abovementioned be paid this week? What is Government's alternative?

The **United Sint Maarten Party-faction** has taken note of the draft with interest and mentions that we even entertain the so-called solidarity and equality cry by our Kingdom partner, the Netherlands. At the same time, we are being forced not to treat our people equally, as some of the other partners in the Kingdom aren't a real choice.

The faction mentions that when it looks at the law regulating the semi-government companies and the subsidized entities and looks at the law for the civil servants, it is somewhat confused with regards to the teachers. In which law are the teachers taken up? In one law, we talk about "educators as stated in the education law," and in the other law, we talk about "a group of entities that are provided with a subsidy of more than 50% of their budget which also covers all teachers by all school boards that are subsidized". Are we talking about the same persons in two different laws? And if not, can this be clearly shown that they are different? Which union representatives were spoken to and negotiated with during coming to an agreement of the personnel involved? Are the CLA's presently in effect being respected, or did we use the overriding authority to discontinue such?

The faction mentions the government-owned companies and would like to know what added value there is for the salaries to be retroactively discounted by 12,5%. Why make people cut salaries if it means nothing to the Government coffers qua dividend, but yet Government must lose tax income from the wages in particular?

The faction would like to know if the Government believes that our minimum wage is livable here in St. Maarten. Why such a cumbersome law, while in Curaçao, the whole semi-public was taken up in one sentence?

What is the time frame for the duration of the law, and who decides that? The faction further mentions that it read in the papers that Government-owned company Winair imposed a 25% cut in salaries and asked where the Government to state that such isn't legally possible, seeing the agreements on the table for the law 12,5% was. Why did the Government allow the workers to be informed on April 29 that on April 30, their salary would be cut by 25%? Why did the Government allow the company to break the law and say nothing? The faction states that the CLA clearly states that only the months of September and October workhour cuts can be made, yet the opposite happens. How can it already be decided that cuts are for some 12-18 months, while the law states different?

Are we allowing cuts in workhours versus reductions in the personnel packages, even when we have a CLA or contracts? The faction indicates that it understands that airlines have it difficult. However, if we are in so-called solidarity, why a loan against land at our airport? Why did the Government not have one of its companies

grant that loan? Does the norm also apply to the CEO and CFO directly, and are they being also cut by 25%? Are all the benefits being added up as many of these types of companies have benefits not visible to the naked eye and not included as salary? The faction further mentions that we talk about the justification of the human rights infringement, yet we allow others to be destroyed with our eyes wide open because of money. Why is that?

The faction indicates that it would like to know when last the Government has injected one dollar into Winair. Why not sell or merge the company with a Kingdom partner or private company, but maintain the national carrier status?

Regarding respecting the CLA's of all the semi-government owned companies and the 50% or more subsidized entities, the faction would like to know the following. Are the CLA's being placed on hold? What labor laws are we using to justify these measures?

The faction would like to know if companies can't come to agreements on cuts how that will work with the CLA's. Regarding the time frame of the duration of the law, what happens when the Governor decides that he isn't signing the decree and sends it up to Holland for nullification? Who is deciding then? Is it the Government, or is it Holland?

The faction further mentions that when Telem was in Parliament, and the 12,5% cut was discussed, it was stated that it was not implemented because there was no instruction to do so. Did they receive this instruction?

The **United Democrats-faction** has taken note of the draft with interest. The faction inquires about what is on its way to the Governor as alluded to by the Prime Minister. The faction got the impression from the statement that it has to do with the financial information. The faction mentions the matter of confidentiality of documents. It is of the opinion that there must be a national dialogue on this approach on this trajectory of Government further than being public. How does the Government envision that?

If not in this Central Committee meeting, the faction would like the Prime Minister, indeed in the Public meeting, to explain the Government's overall vision for Sint Maarten; and specifics. Where

can the country package hang up on that vision? The faction would like the Prime Minister to expound on the overall bigger picture for Sint Maarten in which the country's reform package is to be executed.

The faction mentions the Jacobs-norm and that the Minister of finance explained the amount that the top of Government-owned companies cannot exceed. The faction would like to receive the presentations made by the Prime Minister and the Minister of Finance.

Throughout this particular draft law, as well as the draft law regarding public service employees, is the issue of consultants. In this case, you have where this norm also applies to consultants. Where, within the margin of a year, the Government, the Government-owned company, can play with that amount. What does the Government do presently? What are the present consultants' tariffs? Can the Government explain more about how they see this matter of consultants playing out?

The faction would like to know how far the Government implemented what they said in their reaction to the Council of Advice concerning compliance. What has happened in the other semi and government entities between July 2020 and now? Which companies and entities have already enforced this 12,5% cut? How many have not? What does it mean for those who did not yet do so? With this law going into effect retroactively that those companies are now to pick up the slack. The faction is concerned about the entities and the persons working for those entities. How was it applied? And if it didn't use, what will happen now to the workers of these different entities?

The faction further mentions that it was stated that these cuts are to take place for everyone unless with the amount you reach the minimum wage, but then we talk about solidarity. Isn't this in direct contravention of what this whole exercise should be? Maintain our economy in these trying times as best as can be.

Is the sentiment echoed here that these cuts are not bad because we are not going below minimum wage? What is the rationale, when you say the motivation, behind cutting salaries and incomes of Government and semi-government entities?

Are the salaries of the top earners in Government-owned companies out of proportion? Is that a fact? Has that been proven? Are there entities where the salaries are out of proportion?

The faction mentions the solidarity principle when it comes to our front liners. How come in the Country package certain services are selected by the Dutch Government that could be excluded from further measures but not our front liners? How did that slip through? Since in the Country package, several justice organizations are excluded from any additional cost-cutting operational measures. Why should our police be part of the cost-cutting measures that relate to the second tranche? So, since in the future, as per the Country package, police, coast guard, public prosecutor, and some of those services are excluded from; is it further operational measures? Why are the police taken up in the current cost-cutting measures, since the police are mentioned there?

The faction mentions its correspondence held with the Minister of Public Health, Social Development, and Labor as to the indexation of the minimum wage. The faction would like the Minister to respond to the questions regarding minimum wage in general.

How much leeway do government entities have for what approach they wish to employ with the 12,5% cut? How much space do they have to have this differentiated approach? How come we don't have it? How come we didn't have it? The faction would also like to know how come when the Minister of Finance made proposals, and the Cft said no, you couldn't do 4% there; do two point something percent. How does this apply?

The faction would like to see the bigger picture of the savings that are being envisaged by the Government. Give the bigger picture. The faction further states that the Government has not responded to several questions by the Council of Advice, including the one regarding the cumulative effect of this particular law. It would like the Government to do this still. They provided it to Parliament.

The faction would like the drafts to be sent to the SER for their input. Can the Government provide the most recent annual accounts of government-owned companies? The current consultants' tariffs/policy? Inform Parliament on the airport saga? Has the CBCS done any St. Maarten-specific (socio-economic) study?

The faction would like the Prime Minister to share the BAK-document referred to and that the formal decision regarding the SG-platform (role, responsibilities) be provided. The faction would further like to know what leeway we have to shift from cost-cutting measures to other measures? What percentage of top-income earners on St. Maarten will have to cut salaries. Due to the Jacobs-norm? How quickly can Government and Parliament meet on the Country package?

Is the Government in possession of the latest IMF report referred to by the Chairman of the Cft? Minister of Finance, please provide the SOAB report on consultants? Can the Government please clarify the answer regarding NRPB's inclusion in the measures or not?

The **Member of the Emmanuel-faction** has taken note of the draft with interest. The faction mentions that the Minister of Finance has never really told the people or Parliament how much money we have in the bank. The Government said a group of experts was brought together to put together an economic plan. What is that plan? What happened to the experts?

Can the Government explain what these semi-public sector entities are? Do the subsidized schools fall under these semi-public sector entities? Can Government list what is considered semi-public entities?

Can the Minister explain the reasoning given for this measure by the Dutch Government, especially as it relates to applying a 12.5% cut as one would expect that the Government of Sint Maarten would have questioned the motivation during their discussions on this topic? From where did this 12,5 % come? Was a study done? Are there reports on it? Who was the initiator? Did Government play a role? What did Sint Maarten have to do?

In the explanatory notes, the faction states that the financial situation of several of the entities is a point of concern. Can the Minister provide an explanation for each entity what the matter of concern is? Who determines that it is a concern?

The faction mentions that Parliament passed a motion on May 19, 2020, instructing the Government that no conditions should be accepted that are in violation of the local laws, Kingdom laws, or international treaties and protocols. The faction continues and states that contrary to the motion, the Minister Plenipotentiary, on behalf of the Council of Ministers, accepted the conditions unconditionally. Can the Minister indicate why these conditions were accepted unconditionally? Can the Minister indicate if the Council of Ministers is of the opinion that it has lived up to the motion passed by the Parliament on May 19, 2020, with the presentation of these three laws that they have submitted to Parliament for approval?

The faction mentions that attachments 1, 2, and 3 list the entities that fall under this proposed law's workings. Can the Government list the total labor benefits that employees in each entity enjoy? The faction continues and mentions that the Government states that persons should not receive exorbitant incomes in the explanatory notes. Can the Minister list which incomes are exorbitant within the entities listed and how it was objectively determined that they are exorbitant? Based on what study? Did the Government call in SOAB to do a study?

The faction would like the Government to indicate how each entity will be applying the proposed 12,5% cut. The Minister provides a list of what benefits will remain after implementing the 12,5 % cut per entity. Were the Cft and Dutch representatives informed that the implementation of these cuts would result in these entities possibly stripping their employees of some of their key benefits? Is it true that the Cft will decide how cuts are applied? And what gives the Cft this authority?

The faction mentions that article 6 indicates that the salary of personnel of these entities cannot be increased in any fashion as of 2020. This means that their incomes will be frozen, while the cost of living has been steadily growing. Can the Minister list what this means exactly? What types of entitlements increase will no longer be given?

The faction would also like the Government to explain what is stated in the explanatory notes as it relates to article 8. Can the Minister explain why this exemption is being proposed, whereas no such exemption has been made for the employees within these

entities, nor the civil servants who are proposed to receive cuts under the other draft law?

How does the 12,5% cut for government-owned companies and (semi) public entities translate to serving the public's interest in terms of solidarity? What will the savings be? How does the realization of the cuts, in terms of monetary value, contribute to the public's interest being served? Will the monies "saved" from the cuts somehow be siphoned to the people in the form of aid? How is it that solidarity seems only to be one-sided? Are we seeing cuts from anyone in the Second Chamber with their exorbitant salaries?

Suppose there is a fair balance as proposed by the Government to be able to enact this draft national ordinance. Why are vacation days and vacation allowance for the government-owned companies and (semi) public entities not affected/touched, as is civil servants' case? After all, they are all either paid by or subsidized through Government coffers. Please provide financial statements for the years 2016-2020 to substantiate the statement that several (semi) public sector entities pose a risk to public finances because of their financial situation.

The faction states that in all three draft national ordinances, special provision is made for consultants. Shouldn't consultants have to stand in solidarity with the citizens and accept a lower than usual remuneration till further notice? Primarily if they are employed at the airport or the harbor. What will a legal threat be posed if entities are instructed to change their regulations/articles of incorporation to accommodate the draft national ordinances?

The faction continues and mentions that article 9 of the draft ordinance regulates the adjusting of the terms of employment of the public or semi-public entities. The faction believes that the draft ordinance is supposed to be temporary. However, the article reads as if a permanent change will be made. Is it expected that the change to the terms of employment is permanent?

The faction would like to know why the SER was not asked for advice?

Why didn't the Government request these companies and entities to provide this information post-haste? They would surely understand the urgency in the matter should they want to continue

receiving Government's financial support. In any event, this documentation should already be in Government's hands or on its way to Government as this is one of the stipulations to receive a subsidy.

The faction would also like to know who and how the implementation of these measures will be monitored. If the Government-owned companies and (semi) public entities do not (fully) adhere to these measures, what are the consequences for Government and the companies in question?

This report is to be considered as Final Report.

It was stipulated in the meeting of the Central Committee on January 26, 2021.

The Reporter,

A handwritten signature in blue ink, consisting of a vertical oval shape with a horizontal line crossing it, and a long horizontal stroke extending to the right.

R. Brison