

Den Haag, September 24th, 2022.

Dear Chairman and Members of the Committee on Kingdom Relations (TK and EK),

This time I would like to briefly bring three points to your attention:

- the AOW and AOV in the European and Caribbean Netherlands respectively;
- the increase of the tax free base ¹;
- the power of the Island Governor in closing drug premises ².

The AOW and AOV in European resp. the Dutch Caribbean

Obviously, I want to stay away from the idea of "now take my case" but based on my own data it may be illustrative of what I mean. In other words, this is how I make it a little less abstract.

I myself moved from the European Netherlands to the Caribbean Netherlands in 2014 (for reasons unclear to me, the government calls that an emigration; from one part of the Netherlands to another part of the Netherlands). There were then still six years to go before I would reach my AOW entitlement age. And so it came about that *for the rest of my life*, I would be cut from the maximum AOW benefit for six years times two percent per year, is twelve percent. *Because I would be living abroad*. Incidentally, this reduction is "approximately" negated because I receive AOV in the Dutch Caribbean (St. Eustatius).

For my spouse, this is slightly different. She lived in the Caribbean Netherlands for two years before reaching the AOW entitlement age applicable in the European Netherlands. She is reduced - *for the rest of her life* - for two years times two percent per year, is four percent on the maximum AOW benefit. Because she was already above the pension or AOW entitlement age applicable to the Dutch Caribbean when she went to live in the Dutch Caribbean (Sint Eustatius). So a reduction on the AOW in the European Netherlands but no "compensation" in the AOV in the Caribbean Netherlands. And that simply because she moved from the European Netherlands to the Caribbean Netherlands. For the executor of the law this is apparently, but unjustly, an emigration.

In my opinion, life becomes "fairer" when we have only one set of laws and regulations around AOW and AOV. In short, adopt for the Caribbean Netherlands the laws and regulations applicable in the European Netherlands!

¹ <https://dossierkoninkrijksrelaties.nl/2022/09/23/van-rij-belastingvrij-voet-in-caribisch-nederland-fors-omhoog/>

² <https://dossierkoninkrijksrelaties.nl/2022/09/23/gezaghebbbers-bes-eilanden-krijgen-de-bevoegdheid-drugspannen-te-sluiten/>

The increase of the tax free base

The State Secretary of Finance Van Rij has written a letter to the Government Commissioner of St. Eustatius to the effect that "the tax-free base is going to increase substantially." This is a measure with the effect that less tax is collected, or better: the tax burden goes down. This reduction in the tax burden applies to all residents/taxpayers. While the government is thus responding to the high tax burden, the measure is primarily generic and does not target the part of the population specifically and primarily affected by poverty. The really low incomes do not notice anything at all from this measure (because they are already - even without the increase - below the tax free allowance).

A measure that does have an effect is the introduction of a progressive increasing tax rate. In other words, the higher the income, the higher the percentage tax rate (in so-called brackets, as is common in the European Netherlands). In addition to poverty, there is also a group of Dutch people who (*also by European Dutch standards*) earn an outright lot (or more generally: enjoy a high income; i.e. also income from assets). The Gini coefficient ³ for the Netherlands is about 0.29 while on St. Eustatius it is about 0.43 (*i.e. almost one and a half times as skewed/inequal as in the European Netherlands*).

It is a mystery to me why the "rich" in the Caribbean Netherlands are kept so out of the wind by this Secretary of State (or if you prefer: by this Cabinet)! My vision or advice: implement in the Dutch Caribbean as soon as possible the tax system as applicable in the European Netherlands and at least replace the 'flat fee' for a progressive increasing rate.

Note: Stop the discussion about the social minimum in the Caribbean Netherlands! In my opinion everyone in the Caribbean Netherlands will be better off when we elevate the European Dutch standard to the *universal* Dutch laws and regulations with regard to the social minimum and the related benefits and minimum wage.

The power of the Island Governor in closing drug premises

And again we are going to introduce a power for the governor that in the European Netherlands has long been neatly vested in the mayor. True, there is an *Opium Act 1960 BES*, but there is also an *Opium Act* as it applies in the European Netherlands. And apparently in the latter in Section 13b there

³ The Gini coefficient has a value between 0 and 1 that represents the degree of income inequality. Zero means "everyone has equal income" while one means that income inequality is maximum (one household has all the income, the rest have nothing). See further [Trends in The Caribbean Netherlands 2021](#), pages 99-101.

is a power for the mayor that is now also deemed expedient for the heebber in the public entities of Saba, St. Eustatius and Bonaire.

Why is there an Opium Act for the European Netherlands and an Opium Act 1960 for the Caribbean Netherlands? What circumstances are different in the two Netherlands that justify a different law?

In my view, the Opium Act 1960 BES should be removed and - perhaps, if necessary - the Opium Act should be amended so that it applies in both the Netherlands. There are still over five hundred laws that - in my opinion - can be considered along the same filter so that the system of laws exclusively applicable to the mentioned public entities becomes a lot clearer (and where the circumstances different from European Netherlands that justify separate BES legislation are also clearly formulated).

Note: Admittedly - as you can read - I am a great advocate of a clean-up in the legislation resulting in a small amount of laws that apply specifically to the public entities. It is fair to say that this is not just an NL-centric view. I think that in this remediation the Island Council of the individual public entities of Bonaire, St. Eustatius and Saba should have an important voice.

Yours sincerely,

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cc: *National Ombudsman*