

# **Administration Sector Policies**

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## **Executive summary**

In 1954 The Netherlands Antilles became an autonomous country under the umbrella of the Royal Kingdom of the Netherlands (by the so called "Statute"). Bonaire became part of this country, counting about 3.500 citizens, most of them economically dependent on Curacao, Aruba and international shipping.

The Statute was signed for 50 years, so in 2004 it has to be revised. In the mean time a lot of changes took place on Bonaire, now counting almost 14.000 inhabitants and having developed a lot of products in tourism. The hotel- and dive industry were booming on the island and provided many jobs for local and non- local people.

A few larger companies can also be found on Bonaire such as Bopec (oil distribution), Antillean Rice Mill (rice treatment), Cargill (solar salt production).

The Central Government proved in this period of 50 years to be more interested in gambling on the big horses like Shell, Exxon, KLM and other big companies. Also the attention of the Central Government was mostly concentrated on the isle of Curacao, historically esteemed the main and most important island of the country.

The sector SME was neglected and almost forgotten for a long time. In the past micro businesses were widely spread over Bonaire. A few examples can be mentioned: Truck di pan, snacks, back yard farming (kunuku's with goats, funchi), small fishery business, charcoal production and more.

In most parts of the world SME has proven to be a huge employer and also to be a strong foundation for the economy in general.

To revive the SME sector on The Netherlands Antilles the SESNA initiative was born in 1998 as a partnership between The Central Government, the island councils, the private sector on all islands and the European Union (European Development Fund).

In short terms the SESNA initiative is objected to strengthen the contribution of SME on The Netherlands Antilles, focusing on development and growth of the sector and (thus) job creation by providing training, advice (non financial component) and funds (financial component).

For Bonaire's SME's it's the very first time in history, that funds are available to help this very important sector.

## **The island administration**

The Netherlands Antilles is governed by the democratic principle. As a part of the Netherlands Antilles, Bonaire is also part of this political and the constitutional system.

Although many laws, rules and regulations exist, the system is not clear and many SME, especially from outside the country have to deal with a lot of complications and unclearness while establishing a business on Bonaire.

Although obeying the law and following the many rules and guidelines in the time consuming process of gathering the required permits and licenses, there is still no guarantee that the final permission will be issued.

All governmental institutions like DEZA, DROB, the fire brigade, STINAPA, CMM, BNMP and many others, only have an advising function to the government. At the end of every request it is still the island government, who takes the decision. This means in theory that politics can make or break the appliance of the (future) SME.

*Basic in a democratic system is the separation of power. Also basic is that politics make rules and laws. Obeying laws, rules and regulations should directly lead to a yes or no to the request of the entrepreneur, without the intervention of politics in the final stadium of decision.*

*More clearance in the process of establishing a company is a requirement to promote doing business on or with Bonaire and make the island more accessible to prospective SME.*

*Two initiatives have been taken. The Department of Economic Affairs published "Bonaire Investment Guide 2003" and a consultancy bureau published the booklet "De Kleine Ondernemer" (The Small Entrepreneur), both very useful publications the create more clearness in this matter.*

*A professional Chamber of Commerce combined with a Business Center to supervise and escort the applier and the request can be of great help in developing a system, based on modern, simplified procedures.*

*In general streamlining and clearing the process is recommended to make Bonaire easier to be achieved by initiatives from outside the island, especially from the United States of America and Europe.*

## **INFORMATION ACCESS AND PROMOTIONAL INSTRUMENTS COMMENTS**

As stated in the EDIR there is a huge amount of information from various institutions for SME.

The coordination and the local knowledge where to find and how to interpret the information however is more than very poor.

The Chamber of Commerce on Bonaire, in fact the resource for information, is only an administration office where companies are registered. Neither an annual report nor a financial status is published and only very few persons on Bonaire have inside information about the Chamber and the opening hours are very restricted.

On Curacao the Chamber has a sound function in the market of SME and staff is well informed about all kinds of possibilities and services for assistance, financials, accounting and so on.

*Revising the Chamber of Commerce and, eventually in cooperation with CKB, developing an up to date library and (electronic) database is highly recommended.*

*For SME may not lack in the required revision of the Chamber of Commerce.*

*Training the Chamber of Commerce-staff will be necessary to implement the information in the SME-market and to bring the Chamber of Commerce closer to the entrepreneurs in general.*

*Good and professional Chamber of Commerce-staff gives a better guarantee to bring and keep the Chamber's standard to the level where it belongs.*

*The Chamber of Commerce Curacao can be used as an example how to do it and where to get the right and specific information.*

Other current tools for Small Enterprise Development are:

### Training Grant Scheme (TGS)

In the actual setting the service is not accessible for Bonaire.

CKB provides training in general and the service is accessible for every SME. An extension of the CKB service, focused on product innovation (agriculture?) and export stimulation (E-zone?) however could create better future developments for SME in specific branches.

*A review of this TGS service, eventually better fitted to the SME market on Bonaire is recommended.*

### Netherlands Management Cooperation Program (NMCP)

This service seems to concern “small business” in the sense of the Dutch interpretation of the word. It is thought that the service aims on small business on a larger scale than formatted in the definitions of SME on Bonaire. Therefore the service in general seems to be of low importance for Bonaire.

*Based on the philosophy to fit the service to the Bonairian SME a research is recommended.*

### Small Enterprise Stimulation Programmed in the Netherlands Antilles

*See paragraph SESNA (Small Enterprise Stimulation Programmed Netherlands Antilles).*

### Facility for Starting Entrepreneurs

This service is not accessible for Bonaire.

*Referring to the paragraph **Banking and Financing** this or an equal facility could be developed as an innovative product as meant in the second subsection of the recommendations.*

### Administrative Support Arrangement for Small Enterprises

This service is not accessible for Bonaire.

*As an extension of the SESNA programme, related to the support in business advice service, development of a facility to support sound bookkeeping, including*

*the keeping of the cash-, debtors-, creditors-book, et cetera, should be researched.*