

# Obstacles to 'Good Governance' in the Dutch Caribbean

Colonial- and Postcolonial Development in Aruba and Sint Maarten

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Master Thesis 2015

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# Introduction

In July 2014 the Aruban prime minister went into a hunger strike as a last resort act of protest against the Dutch Kingdom government's<sup>1</sup> (de facto the Dutch government) insistence that the governor of Aruba inquire the merit of the public budget plans for the upcoming years. The reason for this was that during the previous couple of years Aruba's public debt mushroomed and it has currently reached levels that the International Monetary Fund (IMF) suggests is unsustainable for small island economies.<sup>2</sup> But the Aruban prime minister asserted that such an inquiry is a serious breach of the island-country's autonomy because public finance is an internal affair.<sup>3</sup> Following his hunger strike an agreement was reached between the two governments at that time. But it did not last. One year later, under pressure from the Netherlands, Aruba's public financial management is facing the prospect of being placed under scrutiny of an independent board of experts (*College financieel toezicht*).<sup>4</sup> This measure is structural and supervisory, rather than short term and directly interventionist such as a royal notice of 'instruction' (*aanwijzing*) to the governor so that he may take immediate action on behalf of the Kingdom.

Independent and structural supervision on public financial management has in fact already been a reality for the government of St. Maarten (as well as for Curacao) since 2010. Being subjected to financial supervision was a condition coupled to the Dutch government's pledge to cancel about 70% of St. Maarten and Curacao's public debts in the light of the dismantling of the Netherlands Antilles as a multi-island country in October 2010. This 'deal' suggests that there was little trust in the island's own capabilities to manage the public finances responsibly and to prepare multi-year budgets according to set standards. Reports by the *College financieel toezicht* have indeed confirmed these worries.<sup>5</sup> The judicial basis<sup>6</sup> of supervision enables the board to inspect whether improvements

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<sup>1</sup> The council is the Kingdom government. It consists of all ministers of the Netherlands and the ministers plenipotentiary of Aruba, Curacao and St. Maarten. The Dutch government has a de facto power monopoly in this body and is therefore in a position to unilaterally push through policies within allowance of the Kingdom's Constitutional Charter specifications. See: Statuut voor het Koninkrijk der Nederlanden.

<sup>2</sup> IMF, Kingdom of the Netherlands – Aruba: Concluding Statement of the 2015 Article IV Mission (IMF-report 2015).

<sup>3</sup> See royal notice: "Besluit van 11 juli 2014, houdende de aanwijzing aan de Gouverneur van Aruba tot het aanhouden van de vaststelling van de landsverordening tot vaststelling van de begrotingen van de ministeries van het land voor het begrotingsjaar 2014 en het doen van onderzoek naar de realiteit van de ramingen in de begrotingen en de meerjarige ontwikkeling van de overheidsfinanciën van Aruba", *Staatscourant*, nr. 20467 (2014); "Plasterk blij met einde hongerstaking Eman", *Reformatoisch dagblad*, 17-07-2014.

<sup>4</sup> "Plasterk bereikt akkoord met Aruba over het begroting van het eiland", *NRC*, 05-05-2015.

<sup>5</sup> "Halfjaarrapportage College financieel toezicht Curaçao en Sint Maarten, januari 2013 – juni 2013"; "Halfjaarrapportage College financieel toezicht Curaçao en Sint Maarten, juli 2014 – december 2014".

in financial management is achieved in accordance with its advice. If improvement of financial-managerial practices is neglected by the island's government, the board signals the Kingdom-government, which in turn produces a royal notice to the governor. Such a notice has consequences for the concerned country in that it limits its independent financial maneuvering space (e.g. no loans can be made).<sup>7</sup>

Public finance is not the only concern. At the time of writing, St. Maarten is being heavily criticized for a severe lack of political integrity. If no agreement between the governments of the Netherlands and St. Maarten is reached about the contours and installment of an integrity-supervisory commission, the country might face an additional Kingdom law for that purpose – thereby further limiting its room of autonomous self-governance.<sup>8</sup>

Deficient political integrity and unviable public expenses in the Caribbean are by no means new sources of agitation for the Dutch government. The historian Gert Oostindie is probably the most authoritative scholar when it comes to the political process of Dutch West-Indian decolonization as well as the maintenance of the postcolonial relationships between the overseas entities thereafter. From his work one easily infers that political integrity and public finance have jointly been a major factor of strain on 'healthy' overseas relations since the mid-20<sup>th</sup> century. He notes that Dutch officials already expressed concerns about corruption, 'incompetence' and government inefficiency in relation to Antillean politics in the 1950s.<sup>9</sup> And indeed, the occasion behind the first Kingdom-law directed towards the Netherlands Antilles (Curacao specifically) in the year 1960 was excessive polarization among elected representatives. Antagonism made Curacao's island council ineffective and caused inertia in local decision making, while the island's public finances were supposedly deliberately mismanaged.<sup>10</sup>

The motive behind this paper is exactly that the aforementioned 'deficiencies' within the public sector have evidently transcended every instance of Kingdom restructuring up to this day. In other words, the Dutch Caribbean has historically displayed shortcomings in living up to an ideal

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<sup>6</sup> For the judicial specifications regarding the Kingdom-law, or the *Algemene Maatregel van Rijksbestuur* (AMvRB), see: Statuut voor het Koninkrijk der Nederlanden, article 14.

<sup>7</sup> M. H. Kempes, "Het fenomeen aanwijzing in de zin van de Rijkswet financieel toezicht Curaçao en Sint Maarten", *Caribisch Juristenblad*, 3, 4 (2014), 213-219; Rijkswet financieel toezicht Curaçao en Sint Maarten.

<sup>8</sup> See news articles: "Impasse Nederland en St. Maarten over Integriteitskamer", *Caribisch Netwerk*, 21-04-2015; "I deal with it", *Antiliaans Dagblad* (AD), 22-04-2015.

<sup>9</sup> G. Oostindie and I. Klinkers, *Knellende Koninkrijksbanden: het Nederlandse dekolonisatiebeleid in de Caraïben, 1940-2000* [Deel 1, 1940-1954] (Amsterdam 2001), 77-78, 122, 127, 153, 257-258; G. Oostindie and I. Klinkers, *Gedeeld Koninkrijk: De ontmanteling van de Nederlandse Antillen en de vernieuwing van de trans-Atlantische relaties* (Amsterdam 2012), 69-75.

<sup>10</sup> "Rijksvoorziening in het bestuur van Curaçao", *De Tijd de Maasbode*, 03-02-1960.

standard of 'good governance'.<sup>11</sup> The importance of promoting good governance, according to international proponents of such an agenda, lays not only in guaranteeing a well functioning democracy, but also in its positive impact on a country's economic development.<sup>12</sup> Good governance is therefore not only a moral norm as espoused in the Kingdom Charter (*Statuut*), but it is also a way of ensuring that the Caribbean parts of the Kingdom are able to sustain long term economic viability without being (too) financially dependent on the Netherlands. After all, article 36 in the Kingdom Charter does make clear that the countries have a duty to provide each other with (welfare) assistance. This duty in practice largely falls on the Netherlands because it is the largest and most resourceful country of the Kingdom.<sup>13</sup>

Why is the Dutch government agitated about the governmental shortcomings on the part of the islands? Simply put, they may lead to a situation where the Netherlands must reluctantly intervene. It is reluctant do so because the country may have to mobilize a disproportionate amount of economic and political resources, it runs the risk of being instrumentally involved in local political power plays and it is furthermore sensitive to accusations of neo-colonialism.<sup>14</sup> For instance, in the run up to the general election of 2014 in St. Maarten, Theo Heyliger of the United People's Party (UPP) was suspected of vote-buying. In his reactions to the Kingdom (Dutch) government's plans for installing a 'pre-screening' processes for public officials, he ultimately spearheaded all his critique under the category of a sentimental neo-colonial appeal to the people: "We are a four-year-old country battling against a bigger country with colonial views".<sup>15</sup>

Nonetheless the Charter designates the Kingdom as being the ultimate guarantor of good governance – the so-called *waarborgfunctie*. Being the largest and most resourceful country in the Kingdom, it is de facto the Netherlands that is expected to act in order to uphold a standard of governance and a level of public well-being.<sup>16</sup>

And considering that there are now three autonomous Caribbean countries in the Kingdom instead of two, improving the quality of local governance certainly has not diminished in importance. For one, it is already common knowledge that the vast majority of former colonial islands actively

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<sup>11</sup> P. C. Verton, "Deugdelijk bestuur: minder autonomie, meer Koninkrijk", in: A. G. Broek (ed.), *CDV Kwartaaltijdschrift van het Wetenschappelijk Instituut voor het CDA* (Boom Tijdschriften, Winter-2005), 91.

<sup>12</sup> R. M. Gisselquist, "Good governance as a concept, and why this matters for development policy", *WIDER working paper* (2012), No. 2012/30, 1.

<sup>13</sup> Charter of the Kingdom of the Netherlands, articles 36 and 43.

<sup>14</sup> O. Nauta, "Waarborging van goed bestuur in de West: Voorstel voor een werkbare invulling van de waarborgfunctie in de Caribische rijkdelen", *Nederlands Juristenblad*, 36 (2014), 2562.

<sup>15</sup> "Omstreden UP'er wint op St. Maarten", *NOS*, 30-08-2014; "Theo: Dutch want to prevent me from being prime minister", *The Daily Herald*, 20-10-2014.

<sup>16</sup> See the Dutch *Raad van State's* (Council of State) description of the *waarborgfunctie*, 05-09-2011.

refrain from becoming fully independent from their former colonizer. Recapping the benefits enjoyed by small postcolonial territories in remaining part of a larger state entity in the 21<sup>st</sup> century, Oostindie asserts that “alternative options [to full sovereignty] have gradually become both more acceptable and more likely”. In a similar vein Godfrey Baldacchino, an expert in the field of insular and island studies, draws on a body of empirical literature and stresses the negative impact of sovereignty on the welfare of island territories. This is the case for both the Pacific and the Caribbean region where the “winners”, in terms of wealth per capita and political stability, have generally been the dependent, non-sovereign island jurisdictions rather than the postcolonial entities that pursued independence.<sup>17</sup> In other words, for the time being the Kingdom partnership is here to stay. In a recent column, Oostindie emphasizes that the Netherlands has no constitutional means for unilaterally breaking this partnership.<sup>18</sup>

Second, while The Hague (naively) expected the Antillean dismantling to result in political distance and more tranquil relations between the trans-Atlantic partners, reality proved otherwise.<sup>19</sup> Apparently an additional autonomous Caribbean partner and the elimination of the Netherlands Antilles as an intermediary governmental layer between the islands and the Netherlands has compounded existing concerns about governance and economic viability. This may in turn demand more Dutch resources.

What’s more, the ambiguous character of the Kingdom’s constitutional embedding does not make interventionism any easier. The Charter stipulates that each country is itself primarily responsible for upholding values akin to good governance, while the Kingdom is only tasked with guaranteeing it when that country cannot independently fulfill its responsibility (*waarborgfunctie*).<sup>20</sup> In practice this often results in divergent interpretations by the Caribbean and the Netherlands on the appropriateness and legitimacy of interventions. Consequently, opportune timing and the effectiveness of such measures is undermined. All in all, Kingdom interventions and decades of intra-Kingdom cooperative endeavors so far have met with limited success in fundamentally improving the quality of governance on the islands.

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<sup>17</sup> G. Oostindie, "Dependence and autonomy in sub-national island jurisdictions: The case of the Kingdom of the Netherlands" *The Round Table* 95, 386 (2006), 609; G. Baldacchino, "Upside Down Decolonization" in *Subnational Island Jurisdictions: Questioning the "Post" in Postcolonialism*, *Space and Culture* 13, 2 (2010), 188-202.

<sup>18</sup> "Antillen op eigen benen, dat is echt te veel gevraagd" *NRC*, 26-06-2015.

<sup>19</sup> J. J. Van Galen, "Het Koninkrijk als opdracht", in: T. Kwakkelstein et al. (eds.), *Omslag: Perspectieven voor Goed Bestuur in 2020* (Den Haag 2013), 130; E. Arkenbout, *Samenvatting ambitiedocument: Een nieuwe KR* (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties/Directie Koninkrijksrelaties 2014), 2.

<sup>20</sup> Charter of the Kingdom of the Netherlands, article 43.

From what is said until now, the question arises as to what it is exactly about the Dutch Caribbean socio-political environment that has held back improvements in the quality of governance. So, the overarching research question is:

*Why have Aruba and Sint Maarten been unable to live up to the ideal of good governance in the postcolonial period?*

I have chosen Aruba and St. Maarten as case studies because these islands have had different historical experiences in relation to each other – more so than compared to other Dutch islands. In particular, St. Maarten experienced pronounced societal inequality due to the presence of a slave-based plantation economy. Conversely, Aruba's population was small before the 20<sup>th</sup> century and its economy was insignificant until then. As a result of less opportunity for commercial extraction, Aruba experienced relatively less inequality than St. Maarten.<sup>21</sup> This observation is relevant, because a higher or lower concentration of wealth and power is held to have divergent implications for institutional development.<sup>22</sup>

Admittedly, many studies on the link between colonialism, inequality and institutional development in general have primarily focused on formal institutions (e.g. property rights, rule of law, free and fair elections).<sup>23</sup> Aruba and St. Maarten may have had differing colonial experiences with inequality, but their formal institutional arrangement is more or less identical. They are also more or less identical, at least since the 1950s, to that of the Netherlands – their highly-developed institutional 'donor country'. That is why, if one wants to know why Aruba and St. Maarten have not been able to live up to ideal of good governance, attention needs to be directed towards the development of informal institutions. This thesis will emphasize this point. Both islands are characterized by patronage, an informal institution that undermines the optimal quality of

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<sup>21</sup> P. C. Emmer, "A. F. Paula, 'Vrije' Slaven; een sociaalhistorische studie over de dualistische slavenemancipatie op Nederlands Sint maarten 1816-1863" *BMGN-Low Countries Historical Review* (1995), 286-287; L. Dalhuisen et al. (eds.), *Geschiedenis van de Antillen: Aruba, Bonaire, Curacao, Saba Sint Eustatius, Sint Maarten* (Zutphen 1997), 75, 79-80.

<sup>22</sup> K. L. Sokoloff and S. L. Engerman, "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World", *American Economic Association*, 14, 3 (2000), 217-232.

<sup>23</sup> D. C. North and B. R. Weingast, "Constitutions and Commitment: The Evolution of Institutional Governing Public Choice in Seventeenth-Century England", *The Journal of Economic History*, 49, 4 (1989), 828-829; Sokoloff and Engerman, "History Lessons", 217-232; D. Acemoglu, S. Johnson and J. A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution", *The Quarterly Journal of Economics*, 117, 4 (2002), 1235; J. A. Robinson, R. Torvik and T. Verdier, "Political foundations of the resource curse", *Journal of Development Economics*, 79 (2006), 466.

governance because it distorts the adequate functioning of checks and balances (as is the case for most of the Caribbean).<sup>24</sup>

How is this distortion manifested? Briefly put, the executive branch of government dominates the legislative and renders other public watchdog institutions futile because the ‘captured’ parliament does not follow up on the latter’s advice.<sup>25</sup> Obviously controversies about corruption or defect political integrity more easily arise in such an environment. Crucially, democratic development is stunted by the prevalence of political patronage from the start.<sup>26</sup> This weakens the electorate’s inclination to hold public officials accountable and to demand transparency – which in turn sustains and makes executive dominance possible to begin with.

Ultimately, prevalence of political patronage also adversely affects public financial and economic health. That is because public resources tend to be inefficiently managed as a result of excessive and unmerited public sector job allocations. After all, allotting jobs to political supporters is part of the bread and butter of the patronage system. This sort of politics leads to a mode of governance that is economically unsustainable due to inefficient public management and creeping public debt.<sup>27</sup>

Though despite a similar outcome (patronage) for Aruba and St. Maarten, the ‘colonial experiences’ precipitating the institutionalization of patronage has not necessarily been the same. Highlighting these differences, however slight they may be, adds to our understanding of what has driven the institutionalization of patronage on the islands respectively. And as I aim to show in chapter 3, differing levels of inequality between the two islands during the colonial period may be traceable in their contemporary politics.

So instead of merely probing the surface (i.e. analyzing political patronage), the answer to the main research question should inquire the root causes of governmental shortcomings on the islands. To that end I make a division of two sub-questions. Firstly, how can we explain the institutionalization of patronage on Aruba and St. Maarten by looking at their respective colonial experiences (1630s - 1954)? This sub-question will take up the bulk of the analysis in the present paper. It is my intention to explain the link that exists between (colonial) inequality and patronage. Secondly, how does the particular small-island context explain the persistence of that informal

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<sup>24</sup> W. C. Grenade, “Governance in the Caribbean: challenges and prospects”, *Commonwealth Governance Handbook* (2012/2013), 54-57.

<sup>25</sup> W. Weerink et al., *De staat van bestuur van Aruba: een onderzoek naar de deugdelijkheid van bestuur en de rechtshandhaving*, WODC-rapport (BJU 2011); Eindrapport van de commissie Integer openbaar bestuur, *Doing the right things right* (Philipsburg 2014).

<sup>26</sup> C. Tilly, *Democracy* (Cambridge 2007), 23.

<sup>27</sup> Weerink et al., *De staat van bestuur van Aruba*; Eindrapport, *Doing the right things right*.



political institution in the late 20th and early 21st centuries? A community 'constrained' by smallness is prone to operate politically through patron-client relations. I argue that smallness can therefore be regarded as a kind of 'magnifying effect' on the type of social behavior that constitutes patronage. At the same time, I argue that smallness provides an explanation as to why island-countries such as Aruba and St. Maarten have not been able to fundamentally change or break out of that behavioral pattern.

The structure of this thesis is as follows. Chapter 1 provides the reader with the necessary background information about Antillean history and an update of where current academic thinking on the islands' capacity for good governance stands. Chapter 2 discusses the murky concepts of good governance and patron-client politics in order to make them operational before we move forward. Chapter 3 and 4 then consecutively deal with the aforementioned sub-questions. The separate answers then come together in the conclusion to address the main research question.

# 1. Background

This chapter summarily sketches Dutch Antillean history only in so far as it traces the political incorporation of the islands into the Dutch Kingdom. In addition, the state of the literature which has dealt with the topic of good governance in the Dutch Caribbean deserves attention, because it will better clarify how this study fits within the ongoing discussion.

## 1.1 From Colony to Autonomy

The six islands Aruba, Curacao, Bonaire (Leeward Islands), Saba, Sint Eustatius and Sint Maarten (Windward Islands) were 'discovered' by the Spanish at the end of the 15<sup>th</sup> century. The Spanish were not interested in these smaller islands and even deported a number of natives to Hispaniola for their labor. About a century later other European powers entered the Caribbean arena. The Dutch West Indian Company (WIC) needed posts as support for their maritime trade and wars. To that end the six islands were each taken over by the WIC in the 1630s.<sup>28</sup>

The WIC was established in 1621 and administered the Dutch colonies in the western hemisphere until the company's dissolution in 1791. There is no single document which specifies the constitutional basis of this rule. Rather, the company administered and governed the West Indies on the basis of its exclusive patent from the Dutch Republic.<sup>29</sup> During this period a company director – already referred to as governor – was stationed in Curacao and represented the WIC on the islands. The other islands in turn had 'commanders' who were subordinate to the governor. The director was supported by a council mainly made up of appointed WIC-personnel.

The subsequent French occupation of the Netherlands (1795-1813) was accompanied by temporary French and British takeovers of the Dutch Antillean islands. The Leeward Islands changed hands more than once, as frequently happened with islands at the Caribbean 'border area' when European powers fought.<sup>30</sup>

After the Napoleonic wars the Netherlands were transformed from a republic to a monarchy. The Dutch constitution of 1815 specified that ultimate authority over the islands was now held by the

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<sup>28</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 44-46.

<sup>29</sup> H. Munneke, *Ambtsuitoefening en onafhankelijke controle in de Nederlandse Antillen en Aruba: Juridische en beheersmatige controle als waarborg voor deugdelijk bestuur* (Nijmegen 1994), 37.

<sup>30</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 89.

King, William I. By this time the remnants of the Dutch colonies in the 'west' were Surinam and the six islands. They were grouped differently several times in search of the best way of administering the colonies. By 1845 the Antilles were governed under the name of 'Curacao and subordinates' while Surinam was governed separately. The Antillean governor was seated at Curacao as a representative of the King, and his Colonial Council counted six members (two civil servants and four local inhabitants appointed by the King). The other islands had '*gezaghebbers*' or 'overseers', who answered to the governor in Curacao. The overseers also had two supporting advisors appointed by the governor himself. The function of the overseer was effectively a continuation of that of the WIC commander in terms of the manner in which authority was delegated to the subordinate islands.<sup>31</sup>

In 1848 the Netherlands became a constitutional monarchy, which meant that ultimate authority over the islands now rested with ministers and parliament instead of the King. After slavery was abolished in 1863, liberals in The Hague slightly enhanced the scope for self-governance by augmenting the influence of the Colonial Council. It received powers of initiative and amendment. However its members were not elected, while the governor continued to be invested with executive and legislative powers. And even when the islands got a parliament in 1936, five of the (now) fifteen seats were appointed by the governor while the remaining ten were elected on the basis of a very limited (male) census suffrage. Hence hierarchic colonial governance remained well in place until after the Second World War.<sup>32</sup>

Constitutional democracy based on a universal suffrage only made its entry in 1948, although the desire for democratic representation (and autonomy) was already present in the 1920s. One driver behind such a desire was the establishment of the oil-refineries on Curacao (1921) and Aruba (1924). They stimulated demographic growth and enhanced the level of prosperity. Increased income from the refineries temporarily enabled the islands to become financially independent from the Netherlands and it even enabled them to contribute to the postwar 'rebuilding' of that country. Between 1925 and 1955 there was almost no unemployment, as roughly 10% of the world's oil production was processed in Aruba and Curacao. Another important driver behind democratization was the prevailing international political atmosphere after the War. It placed a premium on

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<sup>31</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 92-93; G. Oostindie, "De gouverneurs van de Nederlandse Antillen: taken, omgeving en profiel sinds 1815", in: G. Oostindie (ed.), *De Gouverneurs van de Nederlandse Antillen sinds 1815* (Leiden KITLV 2011), 11-14.

<sup>32</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 92-97.

decolonization and the right to self-determination.<sup>33</sup> The postwar political sentiment naturally enhanced the legitimacy of Antillean desires and efforts towards autonomy.

It took years of political negotiation after the War before the contents of the Charter (*Statuut*) of the Kingdom of the Netherlands was finally agreed upon in 1954. As of then the Netherlands, the Netherlands Antilles (of six islands) and Suriname were regarded as three separate autonomous countries residing under the Dutch Crown with relationships to one another based on an 'equal footing'. Today, this Charter still embodies the formalization of a postcolonial relationship between the European and the Caribbean parts of the Kingdom. However, the structure of the Kingdom has not remained unchanged since then. The first instance of a restructuring occurred when Surinam opted for independence in 1975. The second instance occurred in 1986 when Aruba exited the Netherlands Antilles to become an autonomous island-country in the Kingdom. The third and most recent instance occurred in 2010, when the Netherlands Antilles was dismantled. Curacao and St. Maarten became autonomous countries like Aruba, while the least populated islands Bonaire, St. Eustatius and Saba were integrated into the Netherlands as '*openbare lichamen*' or public entities.<sup>34</sup> Since then, the countries in the Kingdom are the Netherlands, Aruba, Curacao and St. Maarten.

## 1.2 Status Quaestionis

Perceived shortcomings in the quality of governance in the Dutch Caribbean have been repeatedly studied. Although interrelated, I categorize these shortcomings under democratic development, accountability and transparency, and public-resource management. The next chapter discusses this categorization further. For now one only needs to know that these shortcomings are largely the result of the (negative) effects of a patron-clientelist model of politics. What then, has the literature said about what causes clientelist politics in the first place?

I would argue that the explanations for the prevalence of clientelist politics revolve around two explanatory themes. The first is colonial history, which stresses colonial inequality and the development of institutions in the long run. The second is smallness, which in this case stresses a particular type of socio-political development. Two recent studies are exemplary in highlighting the two themes respectively.

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<sup>33</sup> E. Haan, *Antilliaanse Instituties: De economische ontwikkeling van de Nederlandse Antillen en Aruba, 1969-1995* (Groningen 1998), 19; G. Oostindie and I. Klinkers, *Knellende Koninkrijksbanden* [Deel 1, 1940-1954], 17-20.

<sup>34</sup> A municipality or a province is an example of another public entity.

## **Colonial history**

Oberon Nauta's work can be placed in the first camp. He frames the lack of good governance in the Caribbean in terms of an incomplete "institutional transplantation". The formal political institutions are virtually identical with those that exist in the Netherlands. The constitution and relating institutions pertaining to parliamentary democracy, such as free elections and universal suffrage have been 'transplanted' with minor modifications when the Kingdom Charter took effect in 1954. So have watchdog institutions and the judicial system.<sup>35</sup>

But what have not been transplanted are the behavioral codes and conventions that constitute an informal institution (also often referred to as the 'political culture'), that is needed to make it all work. Referring to Robert Putnam, Nauta argues that Antillean societies have not internalized the basic values – e.g. civic engagement, equality, trust and tolerance – that are essential for a healthy democratic performance. Instead particularism (catering to narrow interests) and patronage underpin the functioning of democracy, which in turn leads to short term politics and unsustainable public financial practices.<sup>36</sup> In essence, the author blames the adverse degree of social stratification as being a breeding ground for patronage. The longstanding gaps between white and black, wealthy and poor, and educated and non-educated in Antillean societies are the products of colonial history.<sup>37</sup> In other words, centuries of colonial experience, hierarchical authority and inequality has resulted in the maintenance of political patronage and the abstention of Putnam's basic civic values.

Nauta's observation of how the formal institutional "hardware" transplanted from the Netherlands to the Caribbean is hampered in its adequate functioning by the "forgotten software" (informal), is not new. In fact scholars and commissioned research groups have directed their gaze to the islands' 'political culture' since the 1980s.<sup>38</sup> One could even go further and argue that the

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<sup>35</sup> O. Nauta, *Goed Bestuur in de West: Institutionele en maatschappelijke beperkingen voor goed bestuur in de Caribische rijkdelen* (dissertation Utrecht 2011), 146-157.

<sup>36</sup> R. D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton 1993), 88-89.

<sup>37</sup> Nauta, *Goed Bestuur in de West*, 146-157.

<sup>38</sup> P. C. Verton, "Het Curaçaose politieke bestel: de parlementaire democratie in een dekoloniserende samenleving", in: O. B. Linker (ed.), *Opstellen ter gelegenheid van het 100-jarig bestaan van de kamer van Koophandel en Nijverheid te Curaçao* (Curaçao 1984), 57-80; L. Alofs and L. Merkies, *Ken ta Arubiano?: sociale integratie en natievorming op Aruba* (Leiden 1990), 164, 178, 187; H. Munneke, *Ambtsuitoefening en onafhankelijke controle in de Nederlandse Antillen en Aruba: Juridische en beheersmatige controle als waarborg voor deugdelijk bestuur* (Nijmegen 1994), 209; Haan, *Antilliaanse Instituties* (Groningen 1998), 137, 143; E. Denters et al., *De relatie tussen goed bestuur en sociaal-economische ontwikkeling in het Caribisch gebied* (Amsterdam 2006), 28; W. Weerink et al., *De staat van bestuur van Aruba: een onderzoek naar de deugdelijkheid van bestuur en de rechtshandhaving*, WODC-rapport (BJU 2011), 39-41; M. S. De Vries, *Dagboek van de Gouverneursleerstoel* (Aruba 2014).

lingering and adverse political outcome (patronage) of colonial history on the functioning of Antillean institutions was already general public knowledge by the late 1960s. In 1969 a Dutch newspaper article wrote about the patronage “system” on the Dutch Antilles in the light of the elections that year. According to the view in that article the system was the source of many political injustices, particularly vote-buying. And in 1970 another article in the main Antillean newspaper describes how a younger generation of western educated political actors (in Curacao) expressed their concern and dissatisfaction about the dominant political culture in the Antilles. They argued that the paternalistic power relations of the 19<sup>th</sup> century were entrenched in the society and its political parties. They insisted that patron-client relationships were still the norm, that charisma was decisive for electoral support, and that the party structure was rigid and dominated by a small elite.<sup>39</sup>

Notwithstanding scholarly (and press) reiteration, Nauta does make an important contribution to the issue of good governance in the Caribbean by steering his research in a direction that explores potential solutions. He does this through a comparative study that analyses the extent to which the British Westminster islands have been more successful in their adherence to international standards of good governance. He argues that governmental checks and balances are better upheld in such a model. For instance, he points to the role of depoliticized governmental bodies that oversee legislation and job appointments (the Senate and Services Commissions respectively). In other words, he asserts that these formal institutions help mitigate the negative effects of patronage (informal) on the quality of governance. Contrastingly, in the Dutch Caribbean public sector job allocations do not fall under the aegis of an independent governmental body, nor is an official approval of the *Raad van Advies* (closest to being a counterpart of a Senate) necessary for enacting legislation.<sup>40</sup>

But further research is needed on what aspects of the Westminster model of governance can best be appropriated – though this question is outside the scope of this paper. More importantly here is the question as to whether the appropriation of some of its aspects would really make a difference for the quality of governance in the Dutch Caribbean. Because firstly, in terms of socio-economic development, the latter performs on par if not better than most of the Commonwealth Caribbean.

Secondly, looking at the widely used Worldwide Governance Indicators (WGI) project, Nauta’s formal institutional approach can also be turned against him. Table 1 contains the joint

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<sup>39</sup> “Vito-aanvallen bereikten ontoelaatbare agressiviteit”, *Amigoe di Curacao: weekblad voor de Curaçaose eilanden*, 03-09-1970; “Verkiezingen in de Nederlandse Antillen”, *De Tijd. Dagblad voor Nederland*, 14-08-1969.

<sup>40</sup> Nauta, *Goed Bestuur in de West*, 197-200.

average score of the six indicators<sup>41</sup> utilized by the project for a series of Caribbean countries and islands in the year 2009 and 2013. This is an average score measuring the quality of governance. Aruba scores highly while the Netherlands Antilles (apparently the project has not disaggregated this former country yet) scores mediocly. Between and beneath them are numerous Westminster islands. The ranking strongly suggests that a Westminster institutional arrangement is not necessarily more desirable for mitigating the lingering effects of colonial experience in these societies. Discernibly, the shortcomings in the quality of governance in the Caribbean are a matter of informal politics and therefore it is invisible to these kind of indicators. In other words, they are not reliable.

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<sup>41</sup> The World Bank's Worldwide Governance Indicators consist of the following: (1) voice and accountability; (2) political stability and absence of violence; (3) government effectiveness; (4) regulatory quality; (5) rule of law; and (6) control of corruption. I refer the reader to the project's website for further information about these indicators and the methodology behind them.

**Table 1.** Worldwide Governance Indicators

Values range from -2,5 (worst) to 2,5 (best)

2009		2013	
<b>Aruba</b>	<b>1,28</b>	Anguilla	1,35
Anguilla	1,27	<b>Aruba</b>	<b>1,25</b>
Barbados	1,1	Barbados	1,13
Bermuda	1,06	Bermuda	1,12
Cayman Islands	1,01	Cayman Islands	1,03
French Guiana	1	St. Lucia	0,9
Bahamas, The	0,96	Virgin Islands (U.S.)	0,9
St. Lucia	0,9	St. Kitts and Nevis	0,85
St. Kitts and Nevis	0,89	Bahamas, The	0,85
St. Vincent and the Grenadines	0,84	St. Vincent and the Grenadines	0,83
Antigua and Barbuda	0,8	Antigua and Barbuda	0,82
<b>Netherlands Antilles</b>	<b>0,77</b>	Dominica	0,75
Martinique	0,73	Martinique	0,75
Dominica	0,72	<b>Netherlands Antilles</b>	<b>0,72</b>
Virgin Islands (U.S.)	0,72	Puerto Rico	0,57
Puerto Rico	0,59	Grenada	0,42
Grenada	0,37	Jamaica	0,02
Trinidad and Tobago	0,13	Trinidad and Tobago	-0,07
Jamaica	-0,04	Dominican Republic	-0,27
Belize	-0,1	Cuba	-0,58
Dominican Republic	-0,37	Haiti	-1,07
Cuba	-0,61		
Haiti	-1,09		

Source: Worldwide Governance Indicators project (World Bank)

Third, one may ask how Nauta's esteem for the Caribbean Westminster model can be reconciled with studies that have signaled rather similar challenges and deficiencies in the quality of governance in Westminster islands as compared to the Dutch islands. This literature stresses the fact that informal politics in the Commonwealth – in spite of formal constitutionalism – is characterized by elite domination in all spheres of government, authoritarian party structures, democratic exclusion and political-tribal discrimination. This literature confirms that the Westminster islands are in the same 'bad governance-boat' as the Dutch islands are.<sup>42</sup> Considering that all of the Caribbean

<sup>42</sup> S. Ryan, "The Decline of Good Governance in the Anglophone Caribbean", *Koninkrijksymposium* (1995), 49-51; D. Hinds, "Beyond Formal Democracy: the discourse on democracy and governance in the Anglophone Caribbean", *Commonwealth and Comparative Politics*, 46, 3 (2008), 393-398; M. L. Bishop, "Slaying the 'Westminster' in the Caribbean? Constitutional Reform in St. Vincent and the Grenadines", *The British Journal*



has colonial legacies and that patronage is an informal behavioral mainstay, I endorse the latter view. In short, I agree with Nauta on the partiality of institutional transplantation and that colonial history can explain this, but I disagree with his view on the mitigating power of the Westminster model.

### **Smallness**

The similar political experience of the Westminster islands brings us to the second explanatory theme, namely, the manner in which smallness affects social relationships and democracy. The formal institutional arrangement that is in place plays a marginal role in this line of reasoning. Wouter Veenendaal, in a recent study on the effects of smallness on micro-state politics, concurs with this view. The author took on this theme by qualitatively comparing four cases that are very different in historical and cultural background in order to posit his findings as “universally valid and applicable” to micro-states.<sup>43</sup>

Veenendaal categorizes populations of no more than 250.000 as micro-states. That is a benchmark number that I follow and one that every Dutch Caribbean island falls under (as well as most British islands). The theme ‘smallness’<sup>44</sup> is particularly important for the socio-political implications it has for a society, and ultimately, the prospect for good governance. Below I highlight three aspects that are adversely affected: democratic contestation, democratic inclusiveness and public sector specialization.

Veenendaal’s research suggests that smallness – characterized on the ground by intensive face-to-face contact and multiple role relations – may hamper democratic development. Why is that the case? Firstly, such an environment undermines democratic contestation because it generates personalist competition rather than programmatic competition. In other words, the existence of multiple parties does not represent the existence of substantive political alternatives, because opposition in a micro-state is personality-based. A high degree of political polarization may be common in small societies, but again, it is largely based on personality. Contestation is further undermined because of executive dominance, meaning, a distortion of checks and balances. This

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*of Politics and International Relations*, 13 (2011), 424; G. Baldacchino, “Islands and despots”, *Commonwealth and Comparative Politics*, 50, 1 (2012), 108; Grenade, “Governance in the Caribbean”, 54-57; K. Quinn, “Introduction: Revisiting Westminster in the Caribbean”, *Commonwealth and Comparative Politics*, 53, 1 (2015), 3.

<sup>43</sup> W. Veenendaal, *Politics and Democracy in Microstates. A Comparative Analysis of the Effects of Size on Contestation and Inclusiveness* (Leiden University dissertation 2013), 272-274.

<sup>44</sup> Other scholars such as Charles Farrugia speak of a ‘small social ecology’ in the broader sense of its ‘social milieu’. This serves to show that smallness refers to more than a geographical-political delimitation of space. It implies a sort of social habitat: C. Farrugia, “The Special Working Environment of Senior Administrators in Small States”, *World Development*, 21, 2 (1993), 221.

entails a weak parliament, the ineffective functioning of independent ‘watch-dog institutions’, a ‘flexible’ judiciary and partisan media groups. This distortion generally works in the favor of the incumbent government. Thus while executive dominance may be argued to be the result of a political culture that lacks basic civic virtues, it may also be the result of a ‘compact’ social environment.

Secondly, smallness undermines democratic inclusiveness because close proximity between citizens and politicians stimulates patron-client relations. This becomes the prevalent mode of attaining political support. Veendendaal writes:

*The political effects of size can arguably be most closely observed when it comes to this particular aspect of democracy. [...] citizens and politicians were in constant direct contact and reciprocal communication, and encountered each other in numerous occasions and circumstances. Politicians [...] asserted that this not only generates increased pressures to comply with the expectations of voters, but they also indicate that a disproportionate amount of their time is spent on the maintenance of these contacts, which comes at the cost of the time they have to govern their country.<sup>45</sup>*

The electorate’s behavior is thus driven by personal and particularistic interests, which makes the need for meaningful public debates on political alternatives redundant. In other words, the pursuit of favors by ‘client-voters’ has priority over the pursuit of political programs that are directed to broader segments of society. This kind of political reciprocity, in turn, is fundamental for allowing the government to exert executive dominance after the winning party takes office.<sup>46</sup> Chapter 2 further discusses the principle of reciprocity as the central tenet of patronage.

It should be noted that Veendendaal’s work specifically covers microstates rather than sub-national island jurisdictions (SIJs). SIJs are non-sovereign but autonomous islands, like Aruba and St. Maarten. The degree to which sovereign status makes a difference with regard to stimulating patron-client politics is not clear.<sup>47</sup> But that has not withheld a number of publications in applying the smallness theme to the Dutch Antilles in order to posit it as an obstacle to good governance. This explanatory theme has been noted in every decade since the 1980s.<sup>48</sup> Many similar arguments were

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<sup>45</sup> Veendendaal, *Politics and Democracy in Microstates*, 269.

<sup>46</sup> Ibidem, 266-269.

<sup>47</sup> Ibidem, 277.

<sup>48</sup> R. A. Römer, “De ministaat”, in: W. A. Luiten et al (eds.), *Een decennium later* (Curacao 1982), 94; Munneke, *Ambtsuitoefening en onafhankelijke controle* (1994), 20-21; A. G. Croes, “Good Government, Bad Politics”?,

previously made, often even more explicit about the relationship between smallness and corruption. Veendendaal, however, now provides the most extensive analysis of the political consequences of smallness— particularly in relation to democratic development.

Lastly and also relating to smallness is the constraint that is placed on the scope for governmental specialization. The constraining factor, obviously, is the small scale at which organization takes place. The absence of a large pool of human expertise in a society that nevertheless needs to have a governmental and bureaucratic apparatus that is able to function more or less on par with a larger country's apparatus, will duly suffer from its disproportionate population. Operating expenses will be higher per capita and the overall level of skill and education will be sub-optimal due to limited recruitment choices. Consequently, a holder of one public office might in practice cater to multiple administrative competencies, which may in turn lead to a conflict of interest. This so called social 'multiplexity', extends to the political arena, watchdog institutions and the press – thereby contributing to the undermining of checks and balances.<sup>49</sup>

I have now provided an overview of the two themes that have been repeatedly put forward as obstacles to good governance in the literature about the Dutch Caribbean. But what is it exactly that is obstructed? What is good governance, why do we desire it and to what extent do we need to account for the particular small island context of Aruba and St. Maarten when discussing its definition? Besides dealing with these questions, the next chapter also explains what is meant by the term patronage.

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*Koninkrijksymposium* (1995), 25-36; A. G. Croes, "Het Rapport Calidad en de Discussie over Integriteit", in: H. G. Warmelink (ed.), *Aruba Iuridica* (Groningen 2003), 19; M. A. Verhoeven, et al, *Georganiseerde criminaliteit en rechtshandhaving op St. Maarten*, WODC-report (Boom Juridische Uitgevers 2007), 33-34; Weerink et al., *De staat van bestuur van Aruba* (2011), 39-42; Eindrapport, *Doing the right things right* (2014), 71.

<sup>49</sup> Weerink et al., *De staat van bestuur van Aruba*, 41; Farrugia, "The Special Working Environment of Senior Administrators in Small States", 224.

## 2. Adapting Concepts to Context

Clientelism is a concept that features prominently in the discussion of shortcomings in the quality of governance in Aruba and St. Maarten – as well as other small Caribbean islands, actually.<sup>50</sup> But the definition of ‘good governance’ and patronage (a form of clientelism) must be made clear before moving forward. This is because these concepts, and particularly the first, encompass more than one component that can each be addressed separately. In other words, our interpretations of these concepts may differ depending on what components are highlighted.<sup>51</sup> This chapter raises the issue of their conceptual ambiguity, but only in order to disaggregate the components that are relevant for this study. What does good governance and patronage entail? And what components are useful for a (historical) analysis of the quality of governance in Aruba and St. Maarten?

### 2.1 Good Governance

A minimal understanding of the term ‘governance’ by itself amounts to “the process (or manner) through which power (or authority) is exercised to manage the collective affairs of a community (or a country, society, or nation)”.<sup>52</sup> Whether we deem governance as ‘good’ or ‘bad’ is derived from the ‘established’ link between a certain quality of standard and procedure within governance on the one hand and development as an outcome on the other.

#### ***Development in a Small Island Context***

Before I explain what good governance is and which components are relevant for Aruba and St. Maarten, a brief remark on the meaning of development in that same context is in order. Amartya Sen’s widely cited work says that development, in a broad sense, is “a process of expanding the real freedoms that people enjoy”, which is in turn fundamentally dependent on political and socio-economic arrangements (e.g. education, health care, civil liberties and political participation).<sup>53</sup> With regards to social development, Aruba and St. Maarten’s contemporary performance – using secondary school enrolment ratios as a proxy – is below that of the Netherlands, although it is still high compared to international levels (appendix 1). Social development in terms of public health

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<sup>50</sup> O. Nauta, *Goed Bestuur in de West: Institutionele en maatschappelijke beperkingen voor goed bestuur in de Caribische rijkdelen* (dissertation Utrecht 2011), 154-155; Grenade, “Governance in the Caribbean”, 55.

<sup>51</sup> M. S. Grindle, “Good Enough Governance Revisited”, *Development Policy Review*, 25, 5 (2007), 561.

<sup>52</sup> Gisselquist, “Good governance as a concept”, 4.

<sup>53</sup> A. Sen, *Development as Freedom* (New York 1999), 3.

measured by infant mortality rates scores considerably worse compared to the Netherlands (appendix 2). At least, for St. Maarten that is – I could not find data for that indicator for Aruba. Nonetheless, St. Maarten still performs better than others in the region such as Argentina and the Bahamas. With regards to income one can note that the World Bank currently categorizes the two islands as high-income countries, which suggests a high standard of living enjoyed by their citizens.<sup>54</sup> Hence Aruba and St. Maarten seem to have reached a moderate-to-high level of development.

At the same time, however, ‘development’ on the two islands must be understood with a serious footnote. First and most importantly, economic growth has not been accompanied by an increase in their economy’s organizational and productive capabilities. In fact this is hardly possible because there is no economy of scale available for developing productive capabilities in the first place (more on that in chapter 4). And it is precisely the capacity for productive transformation that economists regard as a fundamental trait of economic development.<sup>55</sup> Instead, their high income economy is heavily dependent on tourism and the international economy – a feature that characterizes most small Caribbean countries.<sup>56</sup> Secondly, in 2008 the Netherlands commenced the process of taking over 70% of St. Maarten’s (and Curacao’s) public debt. This amounts to a form of financial aid, something that the Netherlands Antilles explicitly enjoyed during the 1970s-80s.<sup>57</sup> In addition, the mere fact that the Dutch Caribbean islands are part of the Dutch Kingdom enhances investor confidence and opens the door for borrowing money on the international market at lower costs compared to if they were not part of the Kingdom.<sup>58</sup>

The point is that prosperity on the two islands is fragile because it is driven by economic growth without economic development in the productive-economic sense. And although economic growth alone may also lead to broad human development (as defined by Sen), it makes maintaining a certain level of human development more vulnerable to external shocks. Little can be done to remove the periodic causes of external shocks when they occur. But in spite of these external challenges, improving the scope for long term economic viability in the Caribbean parts of the Kingdom has historically been a major Dutch policy aim. And endeavoring to improve the quality of

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<sup>54</sup> World Bank, Income data Aruba and St. Maarten.

<sup>55</sup> H. Chang, *Economics: The User’s Guide* (London 2014), 242-243.

<sup>56</sup> International Monetary Fund (IMF), *Caribbean Small States: Challenges of high debt and low growth* (IMF report 2013), 4; IMF, *Kingdom of the Netherlands – Aruba: Concluding Statement of the 2015 Article IV Mission* (IMF-report 2015); IMF, *Executive Board Concludes 2014 Article IV Consultation Discussions with the Kingdom of the Netherlands – Curacao and Sint Maarten* (IMF press-release 2014).

<sup>57</sup> G. Oostindie and I. Klinkers, *Gedeeld Koninkrijk*, 69-75.

<sup>58</sup> “Tweede Kamer kritisch op Cft”, *AD*, 30-04-2015; “Aruba to refinance using Dutch Credit Rating”, *The Economist Intelligence Unit* (2013).

governance has been one of the principle methods in pursuit of that aim. While external shocks cannot be removed, resilience to cope with such shocks can be strengthened.

### ***Good Governance in Aruba and St. Maarten***

According to Marilee Grindle, the idea of good governance owes its popularity to the resurrection of the state as a 'positive' player in political and socio-economic development. Academics in the 1950s-70s recognized that the state had an important role herein by making public investments and stimulating political modernization. Since the 1990s, 'new institutional economics' became dominant in theoretical thinking about the conditions that have shaped a country's development-trajectory, as well as what is needed for underdeveloped countries to do better. Among the new institutional economists, the works of Douglas C. North in particular has affected academic thinking considerably.<sup>59</sup>

In the 21<sup>st</sup> century good governance is (still) an international policy mantra because it is believed to have a positive impact on achieving and sustaining democracy and long term economic growth.<sup>60</sup> Thus good governance carries an intrinsic moral value and it is wielded as a tool for eradicating poverty in developing countries. At the same time it is maintained as an (institutional) standard to uphold in developed countries. A widely referred to paper by the United Nations Economic and Social Commission for Asia and the Pacific on the definition of good governance concludes by saying that "very few countries and societies have come close to achieving good governance in its totality, [but] to ensure sustainable human development, actions must be taken to work towards this ideal with the aim of making it a reality".<sup>61</sup>

What action to promote broad development has been specified in the Kingdom Charter? The Charter guarantees three core values that may be categorized under 'good governance': human rights, the rule of law and '*deugdelijk bestuur*' (translates to 'sound governance').<sup>62</sup> The meaning of that last Dutch term is not unrelated to what we nowadays understand as good governance. However, the fact that it is mentioned beside human rights and the rule of law, indicates that the notion of good governance around 1950 was not yet inflated by the many components for which the term functions as an umbrella-concept nowadays (box 1). As it happened, *deugdelijk bestuur* as

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<sup>59</sup> M. S. Grindle, "Good Governance: The Inflation of an Idea" HKS Faculty Research Working Paper Series, RWP10-23, JFK School of Government, Harvard University, 3-4; D. C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge 1990).

<sup>60</sup> Gisselquist, "Good governance as a concept", 1.

<sup>61</sup> United Nations Economic and Social Commission for Asia and the Pacific, "What is Good Governance?" .

<sup>62</sup> Charter of the Kingdom of the Netherlands, article 43.

formulated at the time of decolonization<sup>63</sup> (1945-54) seemed to be primarily associated with political integrity. The Dutch at that time already expressed concerns about corruption, incompetence and government inefficiency in relation to Antillean politics. On the other hand, the Antilleans saw the insertion of *'deugdelijk bestuur'* in the Charter as an open door to Dutch interference and as a sign of distrust by Dutch officials.<sup>64</sup> Indeed, this is a tension that still strains relationships between the Netherlands and the Dutch Caribbean countries up to this day.<sup>65</sup>

A precise and concise definition of good governance is hardly possible. Below I name two reasons. Though along with each reason, I delimit a workable definition of good governance for the present case studies. This delimited definition below revolves around economic outcome on the one hand, and certain procedural criteria related to the concept of good governance that I regard as conditional for positive economic outcome on the other.

First, the ideal of good governance – and with that the boundaries of what constitutes corruption and political integrity – has differed depending on time and place. For instance, Ronald Kroeze has argued that the Netherlands experienced four consecutive and varying ideals of good governance from the mid-19<sup>th</sup> to mid-20<sup>th</sup> century.<sup>66</sup> In a similar vein, Antonito Croes, a former minister plenipotentiary of Aruba, stressed the fact that what the Dutch regarded as political malpractices (patron-client politics) during the 1990s, Arubans and Antilleans did not. He attributed the discrepancy in perception to the particular context for governance in a small community. Accordingly, the latter does not fit perfectly with the Dutch-European legal framework and moral standard. In the end, however, that standard nonetheless sets the tone for the political rules of the game in the Kingdom as a whole. Therefore “good governance is bad politics” on the islands, he says.<sup>67</sup>

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<sup>63</sup> *'Deugdelijk bestuur'* was formulated in the immediate postwar years when decolonization was on the international political agenda. In fact Indonesia, being much more significant in terms of size and population than the 'West', was initially the focal point of Dutch decolonization policy (1945-54) before its independence in late 1949. This also largely explains the particular institutional (Kingdom)-structure that has emerged with its emphasis on equality and autonomy.

<sup>64</sup> G. Oostindie and I. Klinkers, *Knellende Koninkrijksbanden* [Deel 1, 1940-1954], 77-78, 122, 127, 153, 257-258.

<sup>65</sup> Trouw, “Het is crisis tussen Aruba en Nederland”, 15-07-2014; Caribisch Netwerk, “Impasse Nederland en St. Maarten over Integriteitskamer”, 21-04-2015.

<sup>66</sup> The changing perceptions on integrity and corruption over time were related to the new or at least upcoming political-intellectual ideals in governance: doctrinal liberalism, social-liberalism, bureaucratization and the idea of a democratic state with respect for pluralism. R. Kroeze, *Een Kwestie van politieke moraliteit: politieke corruptieschandalen en goed bestuur in Nederland, 1848-1940* (Hilversum 2013), 18-21.

<sup>67</sup> A. G. Croes, “Good Government, Bad Politics?”, *Koninkrijkssymposium* (1995), 26-27, 31-32.

However, even Croes admits that patronage is too costly a political system in the long run because it is prone to result in an inefficient functioning of the bureaucratic apparatus.<sup>68</sup> In other words, then, only the outcome of governance counts rather than what it is as an ideal. In this paper I will indeed treat the negative economic effects as the crux that allows us to associate Caribbean politics with ‘bad governance’. After all, ‘sacrificing’ good governance for good (Caribbean) politics is simply not sustainable. And by focusing exclusively on the causes of patronage and the financial mismanagement that results from it, I avoid discussions about moral subjectivity – which is a separate terrain of research altogether.

Public financial mismanagement on the islands, and the causes that are usually linked to this mismanagement, has had an everlasting character. For example, a 1978 Antillean newspaper article reports the Dutch minister for Antillean affairs at the time complaining about the irresponsible growth of the public bureaucratic apparatus on Aruba and St. Maarten (and Curacao). Simply too many civil servants were employed. And too many occupied high positions and dealt with issues for which they had no appropriate credentials. According to the minister, the reason for this unacceptable situation (unacceptable because the Dutch would have to provide financial help in one form or another) is patron-client politics.<sup>69</sup> This statement, as I have explained in the previous chapter, is in line with academic research. One year later the Dutch and Antillean press follow up this sort of critique with articles about Antillean bankruptcy. In a disgruntled fashion, they point out that the fast growing Antillean public deficit is in fact financed by Dutch developmental aid – something for which the latter is not intended. At the same time, the amount of public sector employees is steadily increasing. This was not an economically sustainable situation.<sup>70</sup>

One can safely argue that the situation is not much different today. In a general report on the topic of Kingdom relations from the Dutch Ministry of Interior and Kingdom Affairs in 2014, they note that there is a continuous concern about Aruba’s public financial situation. Accordingly, a sound and realistic multi-year public budget has not been drawn up in years, while the deficit has been rising sharply and the public debt has reached levels that are nearly unsustainable.<sup>71</sup>

Despite the decisiveness of economic outcome for ascertaining what is bad and good governance, the connection between patronage and ‘bad governance’ still needs to be made clear. At this point, the second and more important reason why defining good governance is not always

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<sup>68</sup> Ibidem.

<sup>69</sup> “Ambtenarenapparaat overvoerd”, *Amigoe*, 19-09-1978.

<sup>70</sup> “Antillen zijn al failliet”, *Amigoe*, 22-03-1979.

<sup>71</sup> A letter to the Cabinet of the King: “Halfjaarlijkse rapportage Koninkrijksrelaties”, Ministry of Interior and Kingdom Relations, Directory Kingdom relations, *Digidoc*, 14-11-2014.



easy comes into play. It has to do with several definitional components that constitute the concept. International standards and criteria on the matter may have seen a measure of convergence, but Rachel Gisselquist nonetheless shows how policies for promoting the quality of governance are often vague because the concept is used rather incoherently.<sup>72</sup> She compares working definitions of good governance within and between various multilateral organizations (development banks, governmental organizations) and OECD-countries in order to show that differences in terminology and emphasis are very common.

In the end, however, the author identifies seven components that many working definitions share (box 1). What is important for the present study are merely those components (in bold) wherein shortcomings are perceived for Aruba and St. Maarten. Component (2) and (3) are not pertinent issues for improving the quality of governance in Aruba and St. Maarten if our focus is on patronage. Human rights are upheld to a respectable degree and the rule of law is in place. Where the rule of law is weak, this is rather a consequence of a lack of enforcing capacity due to small scale or a consequence of a lack of transparency and accountability. Component (6) merely refers to a broad strand of economic policy, while component (7) is redundant because it stresses the need to promote institutions that are already in place on the islands.

The remaining three components – (1), (4) and (5) – are relevant here. Components (4) and (5) – effective and efficient public management, and transparency and accountability – symptomatically bestows upon the islands a reputation for questionable political integrity and irresponsible public financial management. One widely referred to example of corruption in St. Maarten was a video recording which was publicized by the Dutch and St. Maarten press of a member of parliament who is seen accepting a bribe of \$150.000 from the owner of a local brothel in 2013.<sup>73</sup> The footage was regarded as evidence for a longstanding and deeply entrenched degree of corruption on the island, something that both locals and others within the Kingdom already knew or at least suspected. Alas, transparency and a persistent desire from the public to hold office holders accountable is wanting. There have been several research reports on the permeation of corruption in virtually all governmental sectors.<sup>74</sup> And as I write, parliamentary sessions in St. Maarten – urged by the Netherlands – are closing in on passing a law for calling into life an ‘integrity chamber’ for conducting supervisory tasks on civil servants.<sup>75</sup>

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<sup>72</sup> Gisselquist, “Good governance as a concept”, 2, 15.

<sup>73</sup> “Corruptie Sint Maarten door beelden bevestigd”, *De Telegraaf*, 13-02-2015.

<sup>74</sup> “Halfjaarlijkse rapportage Koninkrijksrelaties”; Eindrapport van de commissie Integer openbaar bestuur, *Doing the right things right* (Philipsburg 2014).

<sup>75</sup> “Coalitie draait bij tijdens vergadering integriteitskamer”, Caribisch Netwerk, 22-05-2015.

### Box 1. Good governance-components

**(1) democracy and representation**

(2) human rights

(3) the rule of law

**(4) effective and efficient public management**

**(5) transparency and accountability**

(6) developmentalist objectives

(7) a varying range of particular political and economic policies, programs and institutions (e.g., elections, a legislature, a free press, secure property rights).

Source: Gisselquist, "Good governance as a concept", 8.

Corruption and integrity has also been an issue on Aruba. In a 2011 research report, about 25 cases that suggest some degree of corruption or at least a conflict of interest in the public sector are summed up.<sup>76</sup> But while Dutch policy has in recent years focused on the installment of an 'integrity chamber' as a supervisory body for public officials in St. Maarten, Aruba's main terrain of scrutiny has been public finances. The latter's debt has mushroomed to almost 80% of the GDP – a figure that is regarded as just above the maximum acceptable for such a small economy. It cannot be sustained for long due to the crippling costs of financing that debt.<sup>77</sup> Arguably, one of the reasons behind Aruba's financial mismanagement is related to unaccountable public officials and a political environment wherein corruption arises too easily. The digital archive of the Ministry of Interior and Kingdom Affairs abound with examples of (non-disclosed) cases that suggest some degree of corruptive practices undertaken by government officials - usually in relation to inadequately processed tenders along with violations of the '*comptabiliteitswet*' over the years. The latter is an accountancy law that determines the upright manner in which public finances in the most general sense should be managed.

It is then no surprise that Dutch policy (and Dutch government budgets) towards the Caribbean in recent years has been one that has emphasized combating corruption (especially in St.

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<sup>76</sup> Weerink et al., *De staat van bestuur van Aruba*, 135.

<sup>77</sup> IMF report, "Kingdom of the Netherlands – Aruba: Concluding Statement".

Maarten) and tackling overall financial challenges. After all, when things do go sour beyond the capability of self-recuperation, the Kingdom (the Netherlands) has a duty to act.<sup>78</sup>

In short, the good governance-components (4) and (5) are weak and in turn hamper sustained economic growth. But why do Aruba and St. Maarten perform poorly on these components in the first place? As mentioned already, this study points to a patron-clientelist mode of politics as the culprit. This informal model of politics undermines proper democracy and representation, or component (1). This in turn lies at the root of why the two others, (4) and (5), cannot live up to the standards they should. I will explain why this informal institution – patronage – has developed on the islands during the colonial period (chapter 3), as well as why it has remained in place in the postcolonial period (chapter 4). But before I go there the next sub-chapter explains what patron-clientelism exactly is and what elements are relevant for the present study.

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<sup>78</sup> “Rijksbegroting 2015 IV Koninkrijksrelaties” *Rijksoverheid*, 5-7.

## 2.2 Patron-Client Politics

Clientelism is a concept that includes patronage. I will first elaborate on what clientelism is. After that I explain what makes patronage a distinguishable form of clientelism.

### ***What is Clientelism?***

As a political community, being characterized by clientelism often feels like an accusation of having some form of inferior or underdeveloped mode of governance. This is because clientelism implies that politicians and the electorate are motivated by short term gains that presuppose an exchange of political support for targeted benefits to individuals or groups. This contrasts to a more programmatic approach to democracy that indiscriminately may benefit broader segments of society. A programmatic political agenda is usually also more ideologically driven and long-term oriented. However, one cannot distinguish a democratic polity on the basis of being purely programmatic or purely clientelistic. There are differences in the extent to which clientelism may have institutionally permeated a society and politicians in general pursue a mixture of both political strategies.<sup>79</sup> Nicolas van de Walle writes that “clientelism exists in all polities” and “the form it takes, its extent, and its political functions vary enormously [...] across time and place”.<sup>80</sup>

While clientelism is regarded as programmatic democracy’s antipode, in strict terms, it also differs from other known types of political exchange such as populism, particularism and pork barrel politics. Allen Hicken offers a good descriptive-definition of what clientelism is and what it is not:

*It is not the distributive or targeted nature of clientelism that sets it apart. Rather, it is the criterion by which targeting decisions are made that distinguishes clientelism from other forms of distributive, redistributive or particularistic politics. [...] All of these types of appeals target certain groups over others, and all are carried out with electoral considerations in mind [...]. What is unique about clientelist exchange is that the chief criterion for receiving the targeted benefit is political support, typically voting. This is not true for other strategies, in which the chief criterion is membership in the targeted constituency.*<sup>81</sup>

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<sup>79</sup> A. Hicken, “Clientelism”, *Annual Review of Political Science*, 14 (2011), 296.

<sup>80</sup> N. van de Walle, “Meet the new boss, same as the old boss? The evolution of political clientelism in Africa”, in: H. Kitschelt and S. I. Wilkinson (eds.), *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge 2007), 50.

<sup>81</sup> Hicken, “Clientelism”, 294.

The 1950-60s regarded clientelism as a remnant from pre-modern political patterns, but it is nowadays recognized that it has remained resilient as a form of politics in both third-wave democracies (e.g. Latin-America, south-east Asia, post-communist Europe) as well as in advanced industrial democracies (e.g. Italy, Japan, Austria, Belgium).<sup>82</sup> Furthermore, some scholars have stressed the pragmatic and positive aspects of clientelism.<sup>83</sup> While the implications of clientelism generally run counter to democratic and economic development, they argue that clientelism may be important for solving local and existential problems such as providing political access to migrant populations. In a sense, it is then considered part of civil society's political strategy.

Notwithstanding these positive connotations, the principle issue is the extent to which clientelism leads to inefficient public management, deficient political integrity and ultimately, stagnant economic growth. And in that regard, Hicken asserts that the academic consensus on clientelism is rather profoundly negative because of the implications this form of politics usually carries with it.<sup>84</sup> Accordingly, democratic development is undermined because clientelism distorts the principles of political participation and inclusiveness (good governance component number 1). As a result, political institutions such as the bureaucratic apparatus are made ineffective because they are politicized (good governance component number 4). Also, the opportunities for corruption increase because transparency and accountability are enforced inadequately throughout the polity (good governance component number 5). The outcome that follows is that economic growth is hampered, or at least it becomes vulnerable, due to inefficient and costly public management and larger public deficits. These are developments that have repeatedly been observed in Aruba and St. Maarten since the mid-20<sup>th</sup> century.

But these observations are usually only discussed insofar as they present an obstacle to approaching the ideal of good governance. Research rarely probes into the initial conditions that caused the consolidation of clientelism in the first place. That is why, in the next chapter, I employ a historical-institutional perspective. Firstly though, clientelism must be conceptually narrowed down for analytical use in relation to Aruba and St. Maarten.

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<sup>82</sup> H. Kitschelt and S. I. Wilkinson, "Citizen-politician linkages: an introduction", in: H. Kitschelt and S. I. Wilkinson (eds.), *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge 2007), 2-3.

<sup>83</sup> L. Roniger, "Political Clientelism, Democracy and Market Economy", *Comparative Politics*, 36, 3 (2004), 355, 366-367.

<sup>84</sup> Hicken, "Clientelism", 302-303.

## ***Components of Clientelism***

Hicken highlights four components – or mechanisms – of clientelist relationships.<sup>85</sup> I summarize them below and I highlight which are particularly of importance for Aruba and St. Maarten. Scholars always point to patron-client relations when discussing the obstacles to good governance on these islands, but rarely do they then address the underlying mechanisms.

Firstly, contingency is one component that every definition and every instance of clientelism has in common. It points to the reciprocal nature, at the core of a mutually beneficial (patron-client) exchange. In the social sciences, the norm of reciprocity has been identified as one of the strongest and most pervasive social forces in all human societies. It fosters trust and builds lasting relationships. Robert B. Cialdini and Noah J. Goldstein note that “the rule [of reciprocation] tends to operate most reliably in public domains, but it is so deeply entrenched in most individuals via socialization that it powerfully directs behavior in private settings as well.” Reciprocal contingency is universal, and therefore important for understanding how clientelism operates everywhere.<sup>86</sup>

The second component is dyadic relationships. Going beyond direct face-to-face relations, dyadic relations emphasize the role of community brokers within local networks as intermediaries between patrons and clients. Arguably, the importance and number of brokers operating within patron-client networks is positively correlated to the size of a politician’s constituency. Although undoubtedly a used mechanism, attaining political support through dyadic relations is likely of marginal importance in Aruba and St. Maarten. After all, the small island-community literature stresses close politician-to-citizen proximity and intensive personal interaction.

The third component is iteration. It is considered a key mechanism through which trust between patron and client is established and enhanced. The idea is that promises become more credible as interactions are repeated. Repetition enables the patron to better predict and monitor voting behavior as well as to better assess how big an offer needs to be in order to wheel in potential voters. In other words, this mechanism has a kind of self-reinforcing effect on patron-client relations. It implies that clientelist politics that has seen continuity through time in a given community is more efficient than otherwise. Iteration as a mechanism, as well as the power of iteration on the persistence of clientelism, deserves to be taken into account in relation to Aruba and St. Maarten. Considering their colonial histories and smallness, clientelism has been an enduring feature of

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<sup>85</sup> Ibidem, 290.

<sup>86</sup> R.B. Cialdini and N. J. Goldstein, “Social Influence: Compliance and conformity”, *Annual Review of Psychology*, 55 (2004), 598-601.

politics. But to be sure, iteration remains a mechanism rather than a cause, because it is merely a cause insofar as it magnifies clientelism by increasing its efficiency.

The fourth and last component that Hicken mentions is hierarchy. Hierarchy between patrons and clients of lower socio-economic status is probably the oldest mechanism in facilitating relationships of exchange. And it might be the most appropriate mechanism for understanding clientelism in Aruba and St. Maarten. In chapter 1 I explained why colonial history is an explanatory theme behind clientelism and shortcomings in the quality of governance. The importance of hierarchy as one of the central mechanisms of clientelism in Aruba and St. Maarten is an extension of the colonial history theme. Michiel de Vries has produced the latest analysis about the institutional character of public administration on Aruba. After three years of research on the island, he concludes that he must concur with what previous scholars have already said about the matter. Namely, that while the Netherlands has retreated as a colonial power from the Caribbean, the local hierarchic power structures of the colonial era have certainly not. While hierarchy was judicially legitimate before the advent of democratization and the Kingdom Charter, after the middle of the 20<sup>th</sup> century the legitimacy of hierarchic relations was institutionally preserved because inequality in wealth and power (education, assets and elite-networks) continue to be the rule rather than the exception.<sup>87</sup>

In short, iteration and hierarchy are the most important components of clientelism in relation to Aruba and St. Maarten. These are mechanisms through which we understand how exchanges are realized. Dyadic relationships are less relevant for the present study due to the factor of smallness. The principle of reciprocity is universal and will therefore not be emphasized going further. Iteration and hierarchy, and especially the latter, are arguably the mechanisms that deserve to be kept in mind as chapter 3 discusses the islands' colonial experience and the institutionalization of patronage.

### ***A Type of Clientelism: Patronage***

I have often referred to the political model on the islands as 'clientelism', 'patron-client relations' or 'patronage'. And although many scholars use the terms clientelism and patronage interchangeably, a demarcation is useful for a more accurate analysis of democracy and politics in Aruba and St. Maarten.

This demarcation can be briefly explained. Clientelism covers all contingent exchanges while patronage is simply one form of clientelist exchange. Patronage entails the use of resources and

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<sup>87</sup> de Vries, *Dagboek van de Gouverneursleerstoel*, 85.

benefits that flow from public office – be it jobs, goods, services or decisions – to close ‘transactions’ that were promised in exchange for political support. The crucial difference between patronage and clientelism is that in the former case, the patron must be in public office or at least have access to state resources. While in the latter case the patron may or may not be in office and might therefore need to rely on alternative means of exchange such as private or party resources.<sup>88</sup>

In relation to Aruba and St. Maarten (as well as most other Caribbean communities) after the mid-20<sup>th</sup> century, authors have more often than not referred to patronage specifically. And rightly so, because post-hoc benefits flowing from office holding politicians to their electoral ‘clients’ has been repeatedly identified as a major cause of poor checks and balances and an unsustainable public financial modus operandi.<sup>89</sup> That is why I have opted to speak of the institutionalization of patronage in this paper.

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<sup>88</sup> Ibidem, 295.

<sup>89</sup> See footnote 36 and 37.



### 3. Factor Endowments, Inequality and the Institutionalization of Patronage

Now that background, literature and concepts have been reviewed, the two sub-questions as posed in the introduction can be tended to. The first sub-question asked how we can explain the institutionalization of patronage on Aruba and St. Maarten. Two aspects are important for such an analysis. Firstly, the available factor endowments broadly conceived (i.e. the initial conditions) during colonial rule. What makes a particular set of conditions – looking at those on Aruba and St. Maarten – conducive to inequality? The second aspect is the notion that the type of institutions that emerge are largely a reflection or product of those levels of inequality.

This chapter will focus on the first sub-question and its two relating aspects. The initial conditions on both islands needs to be ascertained and the link with subsequent levels of inequality needs to be made clear. Only then can the institutionalization of patronage be explained.

#### 3.1 Theoretical Framework

In establishing the link between the initial conditions in a colonized area, inequality and long term institutional development, I first draw on the work of Kenneth Sokoloff and Stanley Engerman. Initial conditions are defined as factor endowments (land, labor, and capital) broadly conceived (thus including soil type, climate and size or density of native population). According to the authors, there is much evidence that the differing environments in which Europeans established their colonies led to societies with differing degrees of inequality today. That is because inequality affected the course of long term development through its impact on the institutions that evolved over time. Ultimately Sokoloff and Engerman argue that in “those societies that begin with extreme inequality, elites were better able to establish a legal framework that insured them disproportionate shares of political power, [and used] that influence to establish rules, laws, and other government policies that advantaged members of the elite relative to nonmembers”. Conversely, in societies that begin with greater equality, elites were unsuccessful in that endeavor and therefore opportunities were and remained available to the broader population.<sup>90</sup>

Regarding the definition and role of institutions in society, I draw on the work by James Mahoney. He succinctly summarizes the existing consensus on the definition of what institutions are

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<sup>90</sup> Sokoloff and Engerman, “History Lessons”, 223.

as follows: “[...] minimally, institutions (1) consist of formal or informal rules, (2) offer a guide to behavior, and (3) are consciously or unconsciously known by individuals in a given population”. While there is consensus on the definition of institutions, there are two approaches when it comes to understanding the consequences of institutions. One sees them as coordinating devices that solve collective action problems, while another views institutions as distributional instruments that allocate resources unevenly and thereby help constitute asymmetrical collective actors. I take sides and opt for the latter. It fits with the present orientation on the institutionalization of patronage in Aruba and St. Maarten, an informal institution that, as I have explained throughout the paper, has roots in colonial hierarchy and underpins a postcolonial model of exclusionary politics based on asymmetries of wealth and power.<sup>91</sup>

## 3.2 Conditions and Outcome in Aruba and St. Maarten

### ***‘Relative’ Colonial Marginality***

Out of the six Dutch islands, it was Curacao and St. Eustatius that were of strategic and economic relevance thanks to their location and good natural harbors. These have traditionally been the most important islands for the Dutch during the 17<sup>th</sup> and 18<sup>th</sup> centuries because they served as free-trade hubs in connection to the Caribbean and mainland America. St. Eustatius experienced a great sugar (re-)export boom in the 18<sup>th</sup> century and is notorious for having facilitated illicit trade to the French islands and British colonial America on a grand scale. Curacao was important as a slave-trade nodal point, especially between the 1660s and 1730s. In the light of this commercial position Curacao attained the largest slave population of the Dutch Antilles and experienced a series of slave revolts in the 18<sup>th</sup> century, of which that of 1795 led by Tula is best known as a seminal event of that island’s history.<sup>92</sup>

In an absolute sense, Aruba and St. Maarten were economic subsidiaries to the aforementioned islands. And along with Saba and Bonaire, they were relatively less important for Dutch commerce at the time. That does not mean, however, that the colonial experiences of Aruba and St. Maarten were similar to each other. On the contrary, despite having the same colonizer (and

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<sup>91</sup> J. Mahoney, *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective* (Cambridge 2010), 15-20.

<sup>92</sup> G. Oostindie, “Slave resistance, colour lines and the impact of the Haitian and French revolutions in Curacao”, in: K. Davids et al. (eds.), *Curacao in the Age of Revolutions, 1795-1800* (Leiden 2011), 1-12; V. Enthoven, “‘That abominable nest of pirates’: St. Eustatius and the North Americans, 1680-1780”, *Early American Studies*, 10, 2 (2012), 245-252, 258-266.

with that, a similar type of formal institutional arrangement), differences in local conditions and a divergence in inequality of wealth and power is worth noting. No study to my knowledge has yet approached and compared Dutch Antillean colonial society from this perspective.

Though to be sure, both islands were brought under hierarchical colonial structures that promoted inequality in terms of local political authority and socio-economic status. In other words, differences in initial conditions and divergent levels of inequality needs to be viewed in relative terms as opposed to in absolute terms. With that in mind, I argue that Aruba and St. Maarten occupy opposite positions with regards to the relationship between initial conditions and inequality. The former's colonial experience (profound colonial and economic marginality) resulted in less inequality while the latter's (most plantations and largest proportion of slave labor of all the Dutch islands) resulted in more. The starting point of this development must inevitably be sought in their respective natural environments and its interaction with the colonial power's economic interests. And in order to understand why that interaction led to inequality, we must focus our attention on the use land, labor and human capital on the two islands respectively. Though before moving on to discussing the two islands, an outline of their respective population growth throughout the period under study is instructive.

### ***Some Population Numbers***

Graph 1 illustrates that St. Maarten's population was larger than that of Aruba up until the mid-19<sup>th</sup> century. This makes sense considering the fact that settlement on Aruba was initially restricted while the island did not offer any prospects for commercial activity, in contrast to St. Maarten during that time.

I have excluded the period 1870-1920 from the population graphs, because specific data is scarce for St. Maarten. Nevertheless, the literature does note that the period between 1870 and 1980 is characterized by a heavy population decline for the Leeward Islands taken together: from 76.168 in 1836 to 4.722 in 1960.<sup>93</sup> Clearly, the population was significantly reduced in the Leeward group after St. Eustatius had lost its early colonial trading pre-eminence and after slavery was abolished in 1863. In other words, the withering of a regional trade hub and undercutting the unfree basis of labor were serious blows to the viability of St. Maarten's plantation-based economy.

But as St. Maarten's population declined after the mid-19<sup>th</sup> century, graph 2 shows that Aruba's population grew steadily and at times explosively since the 1920s. The most noticeable

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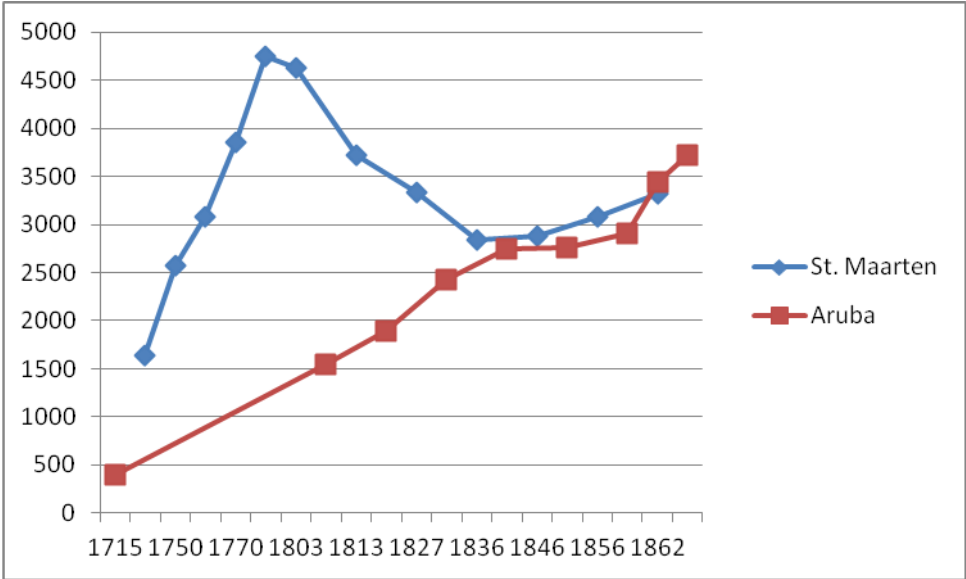
<sup>93</sup> J. P. H. de Palm, *Encyclopedie van de Nederlandse Antillen* (Walburg Pers 1985), 71; Alofs and Merkies, *Ken ta Arubiano?*, 44.

surges were due to the coming of the oil-refinery (1924) and the tourism boom of the 1980s. Aruba has retained the second largest population of the Dutch islands since the mid-19<sup>th</sup> century. St. Maarten's (belated) population growth in the 1960-70s can be completely attributed to the boom in the tourism industry. Immigration from the neighboring region, especially the British Caribbean islands, became so pronounced that roughly two-thirds of the inhabitants in 1992 were not born in St. Maarten.<sup>94</sup>

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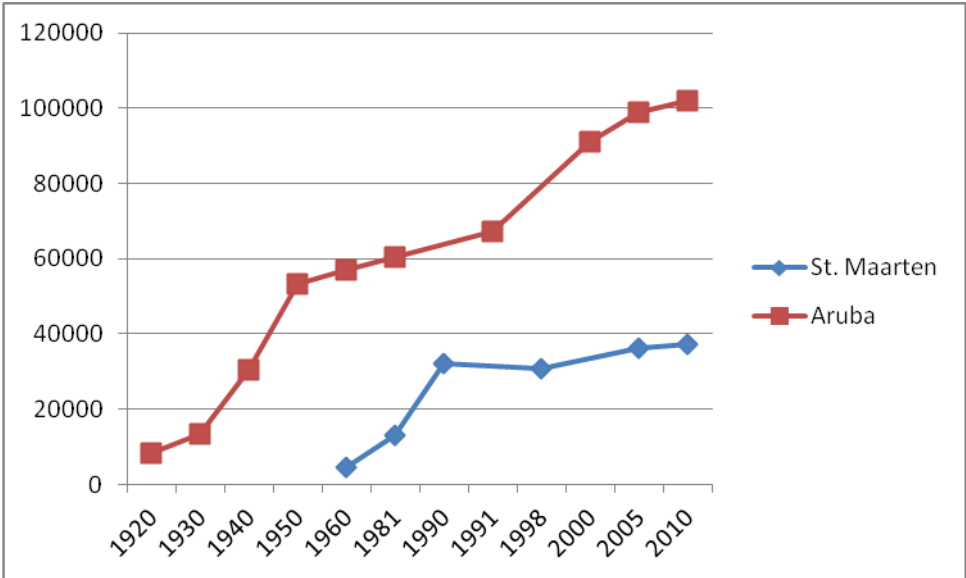
<sup>94</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 32.

**Graph 1.** Total population, Aruba and St. Maarten, 1715-1870



Source: Alofs and Merkies, *Ken ta Arubiano?*, 21; Alofs, *Onderhorigheid en Seperatisme*, 34; Paula, *'Vrije Slaven'*, 50.

**Graph 2.** Total population, Aruba and St. Maarten\* 1920-2010



Source: Dalhuisen, *Geschiedenis van de Antillen*, 32; CBS Netherlands Antilles, *Statistical Yearbook 2009*, 15; CBS Aruba.

\* The value for St. Maarten in 1960 refers to the Leeward Islands as a whole. So the actual figure for St. Maarten in that year is even smaller.

## **Aruba**

While both islands are situated in the tropics, the Windward Islands (Aruba, Curacao, and Bonaire) receive roughly 50% less rainfall than the Leeward (Saba, St. Eustatius, and St. Maarten). Hence Aruba has a 'drier' climate than St. Maarten. Aruba is furthermore the island with the least amount of vegetation of the Dutch Antilles. Indeed the greatest portion of Aruba's surface consists of hard bedrock, which makes it unsuitable for agriculture. Admittedly St. Maarten's landscape was not ideal for agriculture either, but it certainly had more to offer to colonial settlers than Aruba did. I will explain this below, after discussing Aruba.<sup>95</sup>

The infeasibility for agriculture (poor soil and dry climate) and giving preference to Curacao as a trade hub precipitated Aruba's economic marginality during the 17<sup>th</sup>-19<sup>th</sup> centuries. And the fact that the island was restricted to European settlers until 1754 only reinforced this trend. Only WIC personnel and soldiers were allowed foot on the ground. The reason was that the company did not want Aruba (or Bonaire) to undermine Curacao's position as a trading hub. The effects of this policy were felt well into the early 19<sup>th</sup> century, as the vast majority of the rather small populous were either ethnic Amerindians or of mixed ethnicity. Indians from the mainland kept arriving throughout the 17<sup>th</sup> century and the number of African slaves there was fairly insignificant. The early colonial development of Aruba as an 'Indian reserve' indeed led to the Indian cultural elements that today still characterize the Aruban national self-image.<sup>96</sup>

The WIC tried to establish commercial plantations, but these endeavors hopelessly failed. Except for the cultivation of the aloe plant by the local inhabitants themselves, repeated efforts in the early 19<sup>th</sup> century by colonial 'overseers' would prove unsuccessful yet again. It is no wonder that livestock, rather than the plantation or the transit-trade, became the cornerstone of the economy. Between the early 17<sup>th</sup> and late 18<sup>th</sup> century Aruba was even known as 'Goat-island'. Goat meat was exported to Curacao or sold to buccaneers who landed on its shores. Horses were bred and exported to the larger Caribbean islands as draught animals for the sugar plantations. Aruba was in fact designated as a cattle ranch with the aim of making Curacao as independent as possible in its food provision. This economic policy led to a situation wherein Indians, who were formally free, were put to work mainly as colonial shepherds and occasionally as woodworkers on behalf of WIC

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<sup>95</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 22-29.

<sup>96</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 46.

commanders. As a result, and in contrast to St. Maarten, the character of the economy on Aruba made African slave laborers redundant.<sup>97</sup>

Indians performed their herding tasks in exchange for clothing and food. And although poverty was the general rule, the colonial authorities allowed them to work on tracks of land for agricultural self-provision. They did not own the land at their disposal, nor were they allowed to own livestock. In fact Luc Alofs and Leontine Merkies, who wrote an anthropological-historical study of Aruba, note that land on Aruba was exclusively owned by the WIC and then the Dutch state up until 1840. Accordingly, land concessions were feudal in character. When the restrictions on settlement were relaxed after the 1750s, lands were conceded to newly incoming European settlers as well as Indians. Both (and this was already the case for the Indians) needed to perform labor for the WIC in exchange for the right to cultivate the land and hold livestock. However, conceded lands were in practice heritable, which is why families and social status already clustered in certain districts. After the year 1840 the Dutch government changed its colonial policy and privatized the dominion lands against a fixed tax rate per hectare. In other words, landownership on Aruba became widespread at a time when St. Maarten's population still largely consisted of enslaved people working on plantations and salt ponds.<sup>98</sup>

Nevertheless, the traditional commercial and governmental elite on Aruba, who already had larger domains, subsequently became the largest landowners on the island. Alofs and Merkies draw a rough distinction between the white and predominantly Protestant urban "agro-mercantile elite" and the rural and predominantly Catholic "autarkic Indian-mestizo agriculturalists". The former group relied on large landownership, the possession of local stores and boats, and trade (however limited) as the basis of their socio-economic status. This power base remained unchallenged up until the early 20<sup>th</sup> century, when the oil-refineries and subsequent employment opportunities led to a strong immigration-driven population growth.<sup>99</sup>

Furthermore, the fact that reproduction occurred through endogamous marriage patterns well into the late 20<sup>th</sup> century made the concentration of wealth and power easier and enduring. The tendency of staying within one's 'social habitat' was also reflected in the formation of community clubs at the time. Like other ethnic groups that flocked to the island after the arrival of the oil-refinery in the 1920s, the 'old elite families' established sporting and social clubs where the

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<sup>97</sup> L. Alofs, *Onderhorigheid en Separatisme Koloniaal bestuur en lokale politiek op Aruba, 1816-1955* (UNOCA 2012), 33; Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 42-46, 53-64, 78; L. Alofs en L. Merkies, *Ken ta Arubiano? Sociale integratie en natievorming op Aruba* (Leiden 1990), 16-19.

<sup>98</sup> Alofs and Merkies, *Ken ta Arubiano?*, 18, 21-37, 44.

<sup>99</sup> Alofs and Merkies, *Ken ta Arubiano?*, 56, 59.

well-off could mingle. More so than other clubs, they had an exclusive character where the same family names kept circulating over time – effectively safeguarding the status that came with a shared socio-economic and cultural background.<sup>100</sup>

The influx of immigrants did present a challenge to the urban elite's power base, chiefly in commerce. British Caribbean immigrants did not present this challenge, because most came to become wage laborers in the refinery. Rather, other groups of diverse ethnic background such as Eastern European Jews, Syrians, Libyans, Chinese and Venezuelans were successful in breaking the old elite's monopoly in the commercial sector around the middle of the 20<sup>th</sup> century. On average, these foreigners had more commercial expertise and knowledge compared to the British Caribbean immigrants. Consequently, the traditional elite partly retreated from the commercial sector and sold their assets. Instead their orientation shifted, with success, towards working in the public sector and in governance more generally.<sup>101</sup>

It is against this backdrop – endogamous marriage patterns throughout the population and an exclusionist elite who lost their commercial monopoly but whose family (still) dominated the political sphere – that one should interpret the prominence of surnames such as Eman and Oduber in the political scene. The Eman family has had the most remarkable political career, tracing back at least to the late 19<sup>th</sup> century. Jan H. A. Eman was the founder of the Christian-democratic party (AVP) in 1942 and has been regarded as the pioneer of Aruban politics. Indeed, the initial political movement towards a separate status within the Dutch Kingdom started under his lead. In the beginning of the 20<sup>th</sup> century, he served as advisor to the overseer in Aruba and later as a member of the then still limited and census-suffrage based parliament in Curacao (this was before decolonization, general democratization and the creation of the Netherlands Antilles). His son, Cornelis. A. Eman also entered public office as a local colonial advisor and was delegated to the Netherlands in the 1940s in order to communicate the desire of attaining a separate status. Jan Eman passed away in 1957, while his son remained at the forefront of the party and a public office holder until his death in 1967. The next generation of the Eman family produced Aruba's first prime minister in 1986, namely Jan H. A. Eman (2<sup>nd</sup>), or Henny Eman. After being thrown back to the opposition benches by the social-democratic party led by Nelson Oduber, he again became prime minister twice

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<sup>100</sup> *Ibidem*, 46-47, 99-100.

<sup>101</sup> *Ibidem*, 94-95, 141-148.



(two terms) in the 1990s. And currently, Henny Eman's younger brother, Michiel (Mike) G. Eman is leader of the AVP and is fulfilling his second term as Prime Minister of Aruba.<sup>102</sup>

The Emans are an example of an old urban-protestant family whose members have consecutively held high public offices for over a century. Their impressive legacy can partly be attributed to the historical process that Sokoloff and Engerman put forward. To begin with, initial conditions determine the nature of interaction with the colonial authorities, which becomes visible in the subsequent distribution of land, labor and human capital. This in turn leads to a certain level of inequality, and the persistence thereof through the reproductive tendency of (formal and informal) institutions and elites who use their disproportionate political influence to establish or stimulate rules, norms, practices and exclusionary networks that are to the advantage of their members.<sup>103</sup> Inequality in colonial Aruba was particularly visible in terms of land distribution and human capital. Land, commercial know-how and education were the resources that formed the basis of the urban elite's wealth, power and status. In the case of Aruba (and St. Maarten), the lingering effects of inequality are not to be sought in formal institutions (these were copied from the Netherlands), rather it is to be sought in the informal (behavioral norms).

I argue that hierarchic social structures, the concentration of human capital in a limited amount of families, a measure of large landownership, as well as the tendency of families and ethnic groups to cluster in districts due to endogamy, facilitated the institutionalization of attaining political support in the form of patronage. It is especially apt to speak of patronage after the middle of the 20<sup>th</sup> century instead of clientelism. After all, it was around that time that the traditional elite turned their gaze towards governance. It was only then that general suffrage was installed. And it was only since that time that public offices or other public resources (e.g. subsidies) could become a source of reciprocal 'exchange' in attaining votes. Furthermore, continuous iteration of patronage throughout society up to this day has undoubtedly reinforced the institution – a conscious or unconscious guide for informal behavior – by enhancing trust and efficiency. Of course colonial history is not the only factor explanatory theme. Smallness, as discussed in chapter 1 also exerts its effects on politics.

In the final analysis I must again stress that the above sketch of Aruban inequality was relatively less sweeping than the level of inequality in St. Maarten. In anticipation of the subchapter on St. Maarten, we should note that Aruban soil and climate did not lend itself at all for a thriving plantation economy. The island's commercial significance was nihil. As a result, Indian (pastoral)

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<sup>102</sup> A. Reinders, *Politieke geschiedenis van de Nederlandse Antillen en Aruba 1950-1993* (Walburg Pers 1993), 24, 38, 59, 348, 410; A. F. Paula, *Hoofdmomenten uit de Staatkundige Ontwikkeling van de Nederlandse Antillen 1865-1986* (Curacao 1989).

<sup>103</sup> Sokoloff and Engerman, "History Lessons", 221, 223.

labor was extensive rather than intensive. There was therefore no need to bring in an African slave labor force. The more extreme disparities in human capital that emerge in societies with a large company of black slaves beneath a tiny layer of white elites did not take place on this island.<sup>104</sup> Furthermore, we have seen that feudal-like land tenure made place for landownership in the 1840s. It is reasonable to assume that Aruba then saw the emergence of small land owners besides the larger landowners. This experience contrasts to that of St. Maarten, as I intend to show below.

### ***Sint Maarten***

Colonial interaction in terms of the distribution of land, labor and human capital was shaped by the island's initial environment. St. Maarten enjoyed more rainfall and had more fertile soils than Aruba. It is no surprise that St. Maarten became the Dutch 'plantation-island'. St. Eustatius did not take on that role because trade was dominant there while Saba's landscape does not lend itself well for that purpose because that island is a steep volcano top.

In the early years of St. Maarten's colonization, tobacco, indigo and coffee were cultivated in modest amounts. But after the middle of the 18<sup>th</sup> century sugar soon drove out those products because it was more profitable. In 1789 Sint Maarten counted 92 plantations. 57 of these produced fruits and vegetables, while 35 were sugar plantations. In 1816 there were 29 sugar plantations (the decline is the result of mergers) in the hands of 25 planters. Sugar had become the cornerstone of the economy and labor was provided by African slaves.<sup>105</sup>

Climate and the ability to sustain a plantation economy, however, are only part of the story. The first Dutch colonialists on the island had their sights set on the salt ponds. Salt was extremely important for the international trade in meat and fish because it was used as a preservative. According to the traders at the time, St. Maarten's salt was of very high quality and greatly valued in the young United States and in Europe. Labor on the salt ponds was provided by both slaves and free men. According to A. F. Paula, slaves greatly preferred working on the salt pond over plantations because labor on the pond was milder and had a more social and 'festive' character.<sup>106</sup>

Paula's work has put forward the notion that plantation slavery in St. Maarten was mild compared to both Surinam and Curacao. Slavery in the Dutch Antilles in general has often been portrayed as mild because compared to the British West Indies or the Dutch possession in South America, the plantations here were not as large and not as strongly oriented on the international

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<sup>104</sup> Ibidem.

<sup>105</sup> A. F. Paula, *'Vrije Slaven': Een sociaal-historische studie over de dualistische slavenemancipatie op Nederlands Sint Maarten* (Zutphen 1993), 35.

<sup>106</sup> Paula, *'Vrije Slaven'*, 28-34, 43.

markets.<sup>107</sup> Nevertheless, at least one author has contested Paula's view. In a critical review, P. C. Emmer notes that there are a number of observations that might lead one to believe that St. Maarten was mild in its treatment of slaves, such as a natural growth of the slave population (in general a slave population was not self-sustaining and relied on a continuous import from Africa). In addition, the relatively small number of slaves per slave owner and the relatively peaceful process of judicial emancipation contributes to the notion of a relatively mild environment for slavery in St. Maarten. However, Emmer also stresses, for instance, that there was a continuous food shortage on the island and that many elderly and sick slaves were left to hopelessly fend for themselves, which meant that freedom actually entailed a worsening of their material existence.<sup>108</sup>

Despite the debate among historians regarding the severity of slavery, I would like to stress that the institution of slavery and a slave-based plantation economy nevertheless implied a legally codified framework for extreme discrepancies in the access and use of land, labor and human capital. Compared to Aruba, one expects a more far-reaching degree of inequality in wealth and political power in favor of a small elite – making it easier for the latter to maintain a privileged position in the long run.<sup>109</sup>

In the 17<sup>th</sup> and 18<sup>th</sup> centuries, Curacao and St. Eustatius may have received the bulk of the African slaves compared to the rest of the Dutch Antilles. However, during the first half of the 19<sup>th</sup> century, St. Maarten seems to have taken over St. Eustatius in that regard. More importantly, one needs to take into account that the majority of the slaves that landed at Curacao and St. Eustatius during the early colonial period were in turn sold and transported to plantations on mainland South America and French and British Caribbean islands. Meaning in contrast to the former two islands, the slaves brought to St. Maarten were for the most part there to stay.<sup>110</sup>

Data on the proportion of slaves to free men living on the six islands supports this notion. Table 1 shows the percentage of slaves on each island in the year 1857, about half a decade before the Dutch abolished slavery. While St. Eustatius and St. Maarten are equal in terms of that percentage in the year 1857, the share of permanent slaves on St. Eustatius during the previous century was probably lower because that island was especially focused on facilitating maritime trade. Indeed Johan Hartog, the author of the most detailed history of the Leeward Islands, notes that the

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<sup>107</sup> Paula, 'Vrije' Slaven, 77; Dalhuisen, *Geschiedenis van de Nederlandse Antillen*, 55.

<sup>108</sup> P. C. Emmer, "A. F. Paula, 'Vrije' Slaven; een sociaalhistorische studie over de dualistische slavenemancipatie op Nederlands Sint maarten 1816-1863" *BMGN-Low Countries Historical Review* (1995), 286-287.

<sup>109</sup> S. L. Sokoloff and S. L. Engerman, "Colonialism, Inequality and Long-Run Paths of Development", *NBER Working Paper Series* (2005), 3, 5-7.

<sup>110</sup> Dalhuisen et al. (eds.), *Geschiedenis van de Antillen*, 53-55.

proportion of African slaves to free whites was larger in St. Maarten than on St. Eustatius by the year 1740. Accordingly, since that period St. Eustatius specialized in trade while St. Maarten settled for the production of cash crops.<sup>111</sup> Moreover, a native St. Maarten historian (and the first minister plenipotentiary for that country in 2010) estimates that about 72% of the population was enslaved until about 1848.<sup>112</sup> In a same vein, Paula argues that the amount of slaves on St. Maarten declined in the 1840s due to the dissipation of slaves. A number fled to the French side of the island, where slavery was formally abolished at the earlier date of 1848.<sup>113</sup> This all suggests that St. Maarten's share of slaves was much higher during the previous century than the percentage that is given for the year 1857.

In comparative perspective, a stark contrast in the proportion of the slave population in St. Maarten and Aruba is seen for the year 1857: 56,6% against 17,3% respectively. And considering the above, the difference in the amount of slaves as a share of the population on the two islands was probably larger during the previous 100 years. This contrast reflects the different economic prospects signaled by the Dutch colonialists between Aruba and St. Maarten. It also explains the difference in the level of inequality throughout the two island-societies.

**Table 2.** Slaves as % of total population, 1857.

	Aruba	Bonaire	Curacao	Saba	St. Eustatius	St. Maarten
<b>free men</b>	2398	1828	14328	1105	864	1337
<b>slaves</b>	502	819	6985	666	1085	1741
<b>slaves as %</b>	17,3	30,9	32,8	37,6	55,7	56,6

Source: Dalhuisen et al (eds.), *Geschiedenis van de Antillen*, 60.

Because the majority of St. Maarten's population consisted of slaves, there was no way they could profit from the change in Dutch colonial land policy beginning in the year 1840. A more dense population and intensive labor on plantations imply that slaves received little land if the privatization of colonial domains was distributed in the same manner as it was done in Aruba (where a pastoral and small agricultural group were subsequently better off). Conversely, the plantation owning elites

<sup>111</sup> J. Hartog, *De Bovenwindse Eilanden* (Aruba 1964), 290.

<sup>112</sup> M. S. Voges, *Cul-de-Sac People* (Philipsburg, 2006), 8.

<sup>113</sup> Paula, *'Vrije' Slaven*, 69, 114.

in St. Maarten naturally had larger lands in concession and thus profited more compared to the agro-mercantile elite in Aruba.

In colonial St. Maarten labor was organized extremely hierarchical. Land was distributed highly unequally. Human capital was intensely concentrated in a tiny group of educated elite. It is not unmerited to assert that inequality was greater in St. Maarten compared to Aruba. Nor is it unmerited to assert that elites in St. Maarten could more easily safeguard their exclusionary socio-economic status and power base. Moreover and in contrast to Aruba, this power base was left unchallenged up until the late 20<sup>th</sup> century, when the island began to draw in waves of immigrants.

These assertions can be compared to the present by looking at the available Gini-index rates for both islands (table 3). In addition, I also compare them to the documented notoriety of elite-family dominance in St. Maarten’s political life during the late colonial and postcolonial period.

Although fragmentary, table 2 illustrates that St. Maarten had a higher rate of income inequality than Aruba since the year 1998 (this is the first instance of available data). Although the gap seems to be closing, St. Maarten still had a higher rate in 2007. As no other data is available, one can only speculate whether this discrepancy was the case in the previous decades. But probability is certainly on our side considering their divergent colonial histories. Indeed the extent of political influence that could be exerted by a close-knit family as well as an individual in St. Maarten is more striking than compared to Aruba.

**Table 3.** Gini-index

Year	Aruba	St. Maarten
1998	0,41	
2000	0,40	
2005		0,438
2006	0,40	
2007		0,418

Source: M. Victoria, “Income development in St. Maarten”, Modus Statistisch Magazine, 3, 8 (2008), 7-9; Central Bureau of Statistics Aruba.

An example of a family dynasty that was entrenched in the island’s commercial activities and governance during the 19<sup>th</sup> and early 20<sup>th</sup> century is the van Romondt family. As it happened, they owned the largest tracks of land on the island during this period. Diederik J. van Romondt first established himself as a trader on St. Maarten in 1801. He quickly became rich, not least thanks to a

marriage with a daughter of a wealthy colonial settler. He was appointed overseer of St. Maarten by the King in 1820 and was succeeded in public office by his son, Johannes W. van Romondt in 1839. During Johannes W. van Romondt's time in office, his direct family members Diederik Christiaan van Romondt and G. van Romondt (no first name given) served as the highest finance official and public prosecutor respectively. Further, D. A. du Cloux (no first name given) – family by marriage – served as the commander of the garrison. Diederik Christiaan van Romondt would continue to hold high public offices throughout the 19<sup>th</sup> century, while a Robert van Romondt has also briefly held the office of overseer in 1870.<sup>114</sup>

Of course the lack of skilled persons in the colonies inevitably made the pool of recruitment smaller – the same is true for Aruba. But the fact that three directly related members of the van Romondt family held such high public offices at the same time (overseer, financial advisor, public prosecutor) while another family member by marriage was the local military commander is remarkable. Such a situation has not been documented in relation to Aruba because the latter's colonial experience did not provide the distributional basis for the concentration of political influence in a similar magnitude. And given the above, I argue that the institutionalization of patronage in St. Maarten not only becomes visible in the manner in which political support is presently attained, like Aruba, but also in the uninterrupted length of period a resourceful and skilled political figure can stay in office.

A late 20<sup>th</sup> century example of such a figure is Claude Wathey of the Democratic Party (DP). He is a native politician that has managed to stay in elected public office for an astounding 35 years (1954-1998). Aruba might have seen various members of one family in power. However, there has always been frequent alternation between the ruling political parties. Claude, or the "Ol' Man" of St. Maarten as he was called, dominated the political arena in St. Maarten during the first four decades after the Antillean decolonization. His father was a successful businessman who held the franchise for Shell and the dealership for General Motors on the island. His father was also involved in shipping and insurance and operated a thriving grocery store.<sup>115</sup>

More importantly, Wathey made it no secret that patronage, personality and popularity were essential in local political practice. His biographer, Fabian Badejo, compares election campaigns to Carnival time: the electorate is wooed by calypso music and public picnics; it is entrenched in political colors and banners; and the occasion is generally drenched in the same hedonistic spirit as Carnival is. Badejo notes that vote-buying in St. Maarten is best viewed in this light. Gifts in the form

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<sup>114</sup> Hartog, *De Bovenwindse Eilanden*, 310, 332-333, 709-710.

<sup>115</sup> F. Badejo, *Claude: A portrait of Power* (Philipsburg 2008), X, 14, 33

of food and apparel are handed out, while direct requests for favors – ranging from tangible (luxury) items to services – find a welcome audience in political candidates.<sup>116</sup> It is important to remind the reader that, although there might be a fine line between patronage and populism, the feature that defines clientelism is that the chief criterion for a voter to receive a targeted benefit is political support (usually voting). Populism may be particularistic, but it does not imply reciprocal exchange from all the electoral beneficiaries.

Interestingly, Badejo notes that some critics see in these ‘electoral gifts’ a legacy of slavery, comparable to when the slaves were reduced to beggars to the better-off segments of the populous.<sup>117</sup> Indeed, is very much in line with the idea I am putting forward about how St. Maarten’s high level of (colonial) inequality strongly lingers in the informal behavioral code of the population today. And of course, the effects of smallness as independent variable, like in Aruba, only serves to compound the persistency of this informal institution.

Patronage, or the “chicken-leg strategy” as it is also called in St. Maarten because of the free BBQ picnics during election time, is a standard form of political campaigning. Wathey was highly successful in swaying the public through favors and in identifying himself in a non-elitist manner with the people. And as is the case for the nature of political competition in other small islands as well, no ideological gulf exists between local parties. Personality and charisma is decisive, something that Wathey wielded superiorly compared to his opponents. This form of political support, however, is maintained at the expense of an electorate that should be concerned with (long term) investments with regards to issues such as public infrastructure and social provisions.<sup>118</sup>

And because transparency and accountability are principles that become marginalized when patronage permeates politics, it is no surprise that political integrity is wanting. Indeed the quality of governance in St. Maarten as early as the 1970s was considered to be deplorable. There were always rumors about the extent of corruption under Wathey’s rein, and a series of commissioned research reports since that time have confirmed the suspicion. For instance, a 1992 report concludes that the governmental checks and balances do not function because democratic rules are ignored, a small group of self-interested politicians dominates decision making and they are able to stay in power for long periods of time due to patronage.<sup>119</sup>

One last and recent example of the concentration of political power in a limited number of families and patronage as the predominant mode of attaining political support can be seen in the

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<sup>116</sup> Badejo, *Claude: A portrait of Power*, 42-50.

<sup>117</sup> *Ibidem*.

<sup>118</sup> *Ibidem*.

<sup>119</sup> Oostindie and Klinkers, *Knellende Koninkrijksbanden* [Deel 3, 1975-2000], 188-190.

person of Theo Heyliger. He was already mentioned in the introduction for being accused of vote-buying and appealing to colonial sentiment as a political strategy. He allegedly injected 3 million dollars into the last campaign for vote buying. And more importantly, he is Wathey's grandson. He is presently a major political player in St. Maarten, having won the most votes in the last elections (2014). Moreover, many already had assumed him to be the behind the scenes strong-man in relation to the country's first cabinet in 2010. And slightly ironic, while Heyliger accused the Netherlands of "modern day slavery" as a response to (Dutch) governmental supervision, he himself is a descendent of a family (Heyliger) that was part of the slave owning elite of the Leeward Islands for more than a century.<sup>120</sup> Thus Theo Heyliger embodies the conjoining of an old and newer elite, as well as the persistence of small elite political dominance.

Considering the political arena in St. Maarten, it partly becomes clear why both the Netherlands as well as the other five islands had earnest doubts about the viability of St. Maarten in its existence as an autonomous country during the negotiations in the run up to 2010. One Dutch minister at the time expressed skepticism about whether St. Maarten would be able to adhere to a minimum level of good governance and the pursuit of a respectable social policy.<sup>121</sup>

This chapter was about Aruba and St. Maarten's respective colonial experiences, the subsequent degree of wealth and power inequalities on both islands, and the outcome in terms of the manner in which lingering informal behavioral codes still affect politics today. A historical comparison is useful because it highlights long term differences in their development and serves as a background when we consider the present shortcomings in the local quality of governance on both islands. In spite of the fact that complaints regarding governance are often directed to the Dutch Antilles as a whole (even the small-island Caribbean community as a whole), relative differences in colonial experience and inequality contributes to our understanding of subtle particularities in relation to the concentration of political influence and the institutionalization of patronage. It is with this distinction in mind that one needs to understand how a political figure such as Wathey was able to stay in power for such a long and uninterrupted period.

Nevertheless, in the recent past and at present Aruba and St. Maarten seem to display more or less equally disconcerting developments – public financial and integrity crises. These developments are symptomatic for a deficient quality of governance. In chapter 2 I argued that

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<sup>120</sup> Oostindie and Klinkers, *Gedeeld Koninkrijk*, 262; "UP biggest, but NA, US, DP sign accord" *The Daily Herald*, 30-08-2014.

<sup>121</sup> Oostindie and Klinkers, *Gedeeld Koninkrijk*, 260.



patronage is at the heart of why the two good governance-components 'effective and efficient public management' and 'transparency and accountability' are weak. The informal institution of patronage hampers a type of democratic development – inclusive and programmatic – that is needed for improving the quality of governance in the long run.

The second and compounding 'obstacle' to good governance, smallness, has already been noted. The next chapter briefly discusses why it is a force that further prevents efforts towards institutional change.

## 4. Blocking a ‘Developmentalist’ Break-out: Smallness

This chapter addresses the second sub-question: how does the particular small-island context explain, or add, to the persistence of political patronage in the late 20th and early 21st centuries? More specifically, why does this context prevent a ‘break-out’ from that informal institution?

In chapter 1 I recapped the effects of smallness on the manner in which politics is conducted from a sociological perspective (multiple roles relations and close proximity contact). For that purpose I drew mainly on the work of Veenendaal. He argues that democratic development is hampered because politics becomes less substantively contestable (e.g. due to personality-based polarization and executive dominance). It is further hampered because politics becomes less inclusive (e.g. patronage implies targeted benefits instead of collective benefits). These informal behavioral patterns in turn undermine effective and efficient public management and they remove public insistence and monitoring of standards of transparency and accountability.

Instead of a socio-political perspective, this chapter addresses the sub-question from an economic one. First, I note the constraints imposed by smallness for achieving economic development. It is difficult to develop a competitive and productive industrial infrastructure as a base for domestic revenue. That is why Aruba and St. Maarten experience economic growth without economic development (briefly referred to in chapter 2). Secondly, I explain why political patronage, as a model for attaining political support, has not subsided in these high income countries. I do so by placing these constraints within the ‘developmentalist’ economic tradition. I will elaborate further on developmentalist thought below.

To explain why smallness is a direct economic constraint, I draw on an article by Aubrey Silberston that mainly focuses on (the sources of) economies of scale. Though in addition to economies of scale, she discusses economies of overall size and economies of growth. The theories underpinning the three ‘economies’ have implications for the prospective competitiveness of islands the size of Aruba and St. Maarten. I will be brief and only define the three economies insofar as smallness is identified as a disadvantage.

Regarding economies of scale, one must imagine an L-shaped scale curve for a given product or a group of products. The point at which the curve becomes horizontal is called the minimum

efficient scale (MES), and represents the given rate of output per unit of time that is economically (and competitively) most desirable because average costs decline. But in order to approach the MES, one needs a market (ideally with low access and transport costs) that corresponds to that output. Small island-societies are disadvantaged in this regard due to a small internal market. And arguably, the overseas and scattered political-geography of the Caribbean does not make the establishment and access to a regionalized internal market easier.<sup>122</sup>

Economies of overall size refer to certain advantages for large firms in addition to those derived from economies of scale. For instance, it is easier and cheaper for a large firm to raise money because they are better known and they are able to spread their risks more widely. In other words, economies of overall size are also risk-bearing economies. Furthermore, one obvious advantage from overall size is derived from the market power at a company or an industry's disposal. Just like costs are cheaper when MES is attained, large markets may lead to savings in the buying costs of raw materials and components. Again, these are competitiveness-enhancing features that small islands must miss.<sup>123</sup>

Finally, economies of growth refer to the collection of productive services available to a particular firm and the exploitation of the opportunities open to that firm. It follows that an environment with limited possibilities for expansion through domestic activities limits a firm's growth potential.<sup>124</sup>

The absence of these three economic dimensions explains economic growth without economic development in Aruba and St. Maarten. Besides colonial legacy and small social context, political patronage persists in the face of high incomes due to the dependent and contingent nature of that income. Kitschelt and Wilkinson may argue that "affluent democracies and parties appealing to affluent citizens in a democracy tend to operate more through programmatic accountability, while parties in poor democracies and parties appealing to the poorest electoral segments tend to practice clientelism".<sup>125</sup> But the source of affluence is decisive for breaking with clientelism.

Kitschelt and Wilkinson highlight several factors that explain the link between economic development and the extent of patron-client relations in a given society. I will only discuss two factors, as they offer a powerful argument for why high income in Aruba and St. Maarten does not necessarily imply increased demand for programmatic politics.

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<sup>122</sup> A. Silberston, "Economies of Scale in Theory and Practice", *The Economic Journal*, 82, 325 (1972), 376-377.

<sup>123</sup> *Ibidem*, 387-388.

<sup>124</sup> *Ibidem*.

<sup>125</sup> Kitschelt and Wilkinson, "Citizen-politician linkages", 24.

The first is “scale upgrading”, or people’s involvement in markets beyond the local level. The idea is that clientelistic linkages diminish as societal scale upgrading proceeds. That is because the provision of private and local goods (targeted benefits) become too narrow and give way to class-, sectoral- and professional linkages in the formation of national and global markets. With scale upgrading people start demanding goods from politicians who serve larger clubs and for whose constituency clientelistic linkages becomes too costly in terms of transactional arrangement.<sup>126</sup> This point strongly relates to the absence of the three ‘economies’ (scale, overall size and growth) mentioned above. In other words, limited room for economic development also implies that there is limited room for inclusive and participatory democracy in the informal sense. Patron-client relations remain salient.

The instrumental importance of attaining scale upgrading fits well within the ‘developmentalist tradition’ of economic thought, a perspective that argues that economic development is not simply a matter of increasing one’s income. Rather it is a matter of acquiring more “sophisticated productive capabilities”, usually with some form of state-regulatory help (e.g. infant industry protection).<sup>127</sup> Kitschelt and Wilkinson adhere to this perspective in their book about patron-client relationships.<sup>128</sup> However, their analysis is of course limited to large(r) countries instead of micro-states or small island jurisdictions. And the point I am making is that the ‘traditional’ paths of development such as those relating to scale upgrading are, due to geography, not options that are easily available to small islands.

Regarding the second factor, Kitschelt and Wilkinson refer to the work of Mona Lyne.<sup>129</sup> She argues that the link between high income and programmatic-democratic development is far from robust. She is effectively underlining the importance of economic development in the sense of enhancing a polity’s productive-capacity as a condition for breaking with clientelist linkages. The argument is made by applying game theory (more specifically, the concept of prisoner’s dilemma) to electoral choice-making.<sup>130</sup>

She describes the emergence of what one might call a ‘clientelist equilibrium’ due to a situation where the electorate is stuck in a “voter’s dilemma”. This is because a voter that chooses for a candidate that promotes collective goods receives neither collective nor clientelist goods if the

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<sup>126</sup> Ibidem, 25.

<sup>127</sup> Chang, *Economics*, 134.

<sup>128</sup> Kitschelt and Wilkinson, “Citizen-politician linkages”, 6.

<sup>129</sup> Ibidem.

<sup>130</sup> M. M. Lyne, “Rethinking economics and institutions: the voter’s dilemma and democratic accountability”, in: H. Kitschelt and S. I. Wilkinson (eds.), *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge 2007), 162-168.

winning party or coalition (hence the incumbent government) is made up of clientelist candidates. On the other hand, a voter that has secured a place in exclusionary politics (opting for clientelist goods) benefits if the voter's candidate wins as well as if a programmatic candidate (collective goods) wins.<sup>131</sup>

The crucial bit here is that even a middle class voter (let alone a lower class voter) will only be able to ignore the economic benefit of clientelist trade-offs if her income and standard of living is not dependent on that trade-off. Kitschelt and Wilkinson summarize this point well in writing that "programmatic parties are attractive only to voters that have enough assets [...] to become entirely indifferent to clientelistic-targeted goods and therefore incur zero opportunity costs when their favorite programmatic party loses to a clientelist contender".<sup>132</sup>

Islands like Aruba and St. Maarten have a disproportionately large civil service. This observation, along with complaints about its inefficiency, goes back to the 1970s (see chapter 2). On the one hand a large civil service is almost inevitable due to the organizational scale of the population. And in chapter 1 I explained that the quality of governance – in terms of expertise and integrity – suffers from limited recruitment options, close citizen-politician proximity and 'multiplex' relations. On the other hand, a bloated civil service is also the result of the institutionalization of political patronage as a lingering set of behavioral practices from the colonial era.

Following Lyne, I additionally argue that Aruba and St. Maarten's large civil service is also indicative for the reliance by a large group of people on employment in the public sector because of the absence of economic development. Smallness implies constraints on economic development, which in turn limits alternative employment opportunities in the private sector. As a result many voters, despite reasonable levels of income, are too dependent on political patronage for maintaining their income levels and can therefore not afford to ignore clientelist goods. This further makes bleak the prospect for living up the ideal of good governance when one considers the components emphasized in the present study.

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<sup>131</sup> Ibidem.

<sup>132</sup> Kitschelt and Wilkinson, "Citizen-politician linkages", 25.

# Conclusion

The main research question posed in the introduction was:

*Why have Aruba and Sint Maarten been unable to live up to the ideal of good governance in the postcolonial period?*

A straightforward answer to this question points to the presence and persistence of patronage. It is a strong informal institution that permeates socio-political behavior and ultimately affects the quality of governance adversely. This informal institution, rather than any other formal institutional deficiency, lies at the core of why Aruba and St. Maarten have not been able to live up to the ideal of good governance since decolonization in 1954. Indeed the type of formal institutions that are in place are not decisive for this outcome. The Netherlands has similar formal institutional rules as the Dutch Caribbean and arguably performs better. The British Commonwealth islands have a formal institutional arrangement based on the Westminster model, but nevertheless display the same governmental shortcomings as Aruba and St. Maarten.

Whether as part of the Netherlands Antilles as an autonomous multi-island country or as a single autonomous island-country within the Dutch Kingdom, political patronage has stubbornly remained a prevalent manner in which politicians attain political support and voters attain favors on both islands. Attaining political support occurs in the form of exchange relationships and is enforced through mechanisms of iteration and hierarchic power structures.

Patronage, by definition, hampers democratic development because political contestation and inclusiveness is undermined (good governance component 1). Democracy becomes personalist and short-term oriented rather than programmatic. As a result, the bureaucratic apparatus is made ineffective and inefficient because it is too politicized (good governance component number 4). Another result of widespread patronage is that it weakens the electorate's inclination to hold public officials accountable for their actions and it makes demand for public sector transparency less pertinent (good governance component 5).

This combination of weak good governance-components manifests itself through the distortion of checks and balances. The executive branch of government may continue to dominate the legislative and render other public watchdog institutions futile because parliament consists of an

incumbent government's majority while the bureaucratic apparatus is filled with winning-party 'clients'. There is no substantial public dialogue on political alternatives and the parliament is less quick to make use of advisory reports from independent watchdog institutions. Party solidarity prevails. Consequently, political patronage and under-functioning checks and balances allow the perpetuation of corruptive practices by public officials (integrity crises) and the recurrent neglect or inadequate management of public finances (budget crises). This is a source of agitation for the Kingdom (Dutch) government, because the Charter stipulates that the Kingdom must stand-by as a guarantor of good governance when a member country cannot offer internal redress.

I initially divided the main question into two sub-questions and addressed each separately in chapters 3 and 4. I did this not only to make the main question more graspable, but also for the purpose of putting forward an analysis that investigates the root causes of the presence and the persistence of patronage.

The first sub-question asked how we can explain the institutionalization of patronage on Aruba and St. Maarten by looking at their respective colonial experiences and subsequent levels of inequality. And we see that despite a similar outcome (patronage), colonial experiences precipitating the institutionalization of patronage have not wholly been the same. What's more, the differing levels of inequality between the two islands during the colonial period may be traceable in their contemporary politics.

St. Maarten experienced more societal inequality than Aruba because a large(r) share of the population were slaves while the presence of plantations implied a greater degree of large landownership. Favorable climate and soil prompted land, labor and human capital to be distributed highly unequally, which in turn formed the basis of the colonial elite's wealth and power. The entrenched informal institution of patronage during the postcolonial era has not only enabled a limited number of families to dominate the political arena (like Aruba), but an individual such as Wathey has also managed to stay in power for a remarkably long period of time. Skilled politician nonetheless, this also reflects the magnitude of past inequalities and its ripples in the present.

Aruba's population was very small before the 20<sup>th</sup> century and its economy was insignificant until that time. As a result of less favorable climate and soil endowments, there was less opportunity for commercial extraction. Inequality in Aruba during colonialism was particularly visible in terms of land distribution and human capital. Land, commercial know-how and education were the resources that formed the basis of the urban elite's wealth, power and status. However, the extensive type of labor on the island (pastoralism), the tiny population and the formally free status of Indians who were already in the habit of inheriting the lands they worked on, facilitated a greater degree of small

landownership in the mid-19<sup>th</sup> century compared to St. Maarten. Moreover, the fact that the traditional elite lost their commercial monopoly to newcomers in the early 20<sup>th</sup> century suggests that their power monopoly had limits. So despite hierarchic colonial structures, an exclusionist elite and the institutionalization of patronage, inequality in Aruba was less sweeping compared to St. Maarten. That is why alternation between ruling parties has been the rule rather than the exception on this island.

The second sub-question asked how the particular small-island context explains the persistence of patronage in the late 20<sup>th</sup> and early 21<sup>st</sup> centuries. I recapped the effects of smallness on the manner in which politics is conducted from a sociological perspective in chapter 1. But that is not the whole part of the story in considering smallness as a ‘magnifying effect’ on patronage. In chapter 4 I offered a ‘developmentalist’ economic perspective as to why islands such as Aruba and St. Maarten can hardly break out of that behavioral pattern.

The reason is that these islands cannot easily achieve ‘economies’ of scale, overall size and growth. They experience economic growth (e.g. through tourism) without economic development and are therefore vulnerable to external economic shocks when it comes to maintaining a reasonable level of human development. Due to a small geography, there is limited scope for conventional industries to achieve cost-efficiency and to mature and expand.

From this point it follows that a developmentalist perspective explains why high income would not necessarily cause the informal institution of patronage to break down. The lack of economic scale translates into a lack of ‘socio-political scale’. Because politicians do not get to deal with larger clubs of people with more complex social linkages within a more productive-industrial infrastructure. Clientelistic exchanges remain affordable and can thus continue to be politically pursued. Furthermore, I have explained that the electorate is stuck in a voter’s dilemma. The large public sector in Aruba and St. Maarten is due to the disproportionately small populous and political patronage. In the absence of economic development a large amount of voters are thus dependent on public resources for their income, which means that they cannot ignore clientelist goods because their loss would likely be another’s gain.

In short, smallness provides a socio-political and economic dynamic that magnifies and preserves patronage as an informal institution that has been inherited from a colonial past.

This thesis has discussed the obstacles to good governance in the two postcolonial small islands of Aruba and St. Maarten. As such this study has focused on inhibitions with regards to good governance rather than the potential avenues for innovation and informal institutional change. There



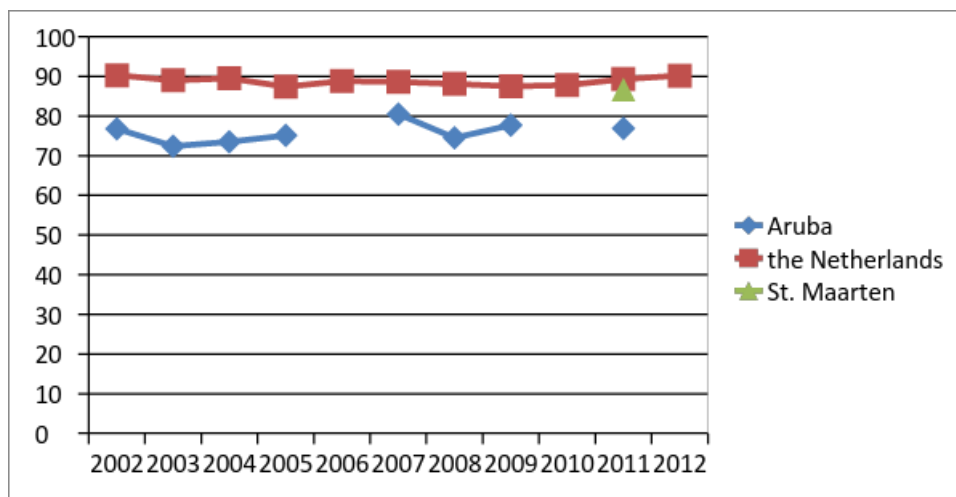
is literature in the field of organizational science that deals with institutional change and how individuals or groups of people might kindle such change.<sup>133</sup> Needless to say, exploring these potential avenues in a small island context and how they might alter the status quo of political patronage is a challenge – but therefore all the more reason to provoke scholarly debate about the matter. How can sustained public dialogue about political alternatives be promoted and sustained? How might these islands overcome the constraints of economic smallness and what type of economic activity can partly mitigate excess vulnerability to external shocks? These are just some questions of which the answers might contribute to the quality of governance, economic viability and human development in small islands such as Aruba and St. Maarten.

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<sup>133</sup> P. Di Maggio, “Interest and agency in institutional theory”, In: L. Zucker (ed.), *Institutional patterns and culture* (Cambridge 1988), 3-22; J. Battilana, et al., “How actors change institutions: Towards a theory of institutional entrepreneurship”, *The Academy of Management Annals*, 3, 1 (2009), 65-107.

# Appendix

**Appendix 1.** Net secondary school enrolment ratio (%), both sexes<sup>134</sup>

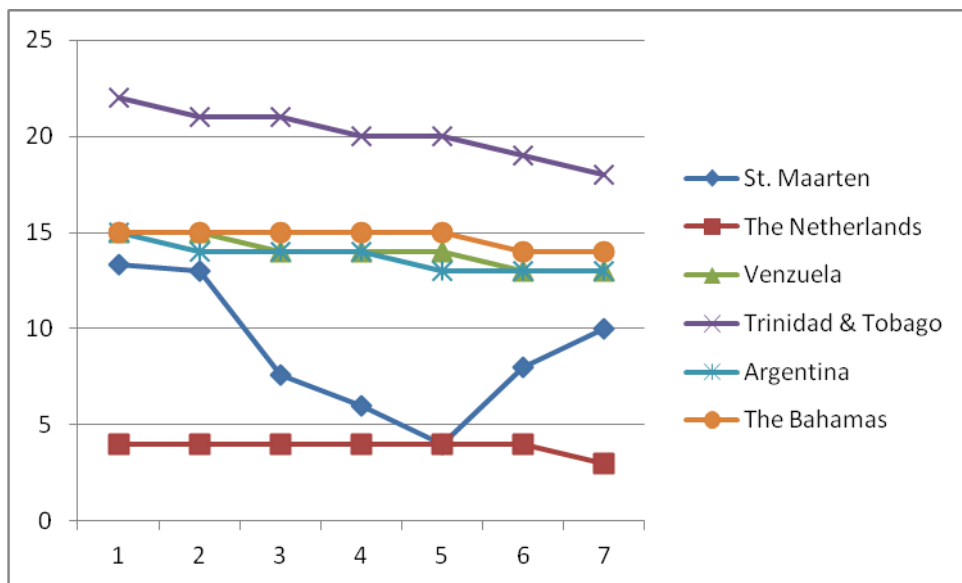


Source: UNESCO Institute for Statistics; Department of Statistics St. Maarten

<sup>134</sup> Definition of indicator: The number of children enrolled in secondary school who belong to the age group (12-18) that officially corresponds to secondary schooling, divided by the total population of the same age group.

Data for St. Maarten is scarce, especially before 2010 when its statistics were simply absorbed in the country of the Netherlands Antilles. Furthermore its data is not wholly reliable because that country has a large body of illegal inhabitants which distorts the net enrolment ratio. Therefore, its ratio is probably not higher than that of Aruba. The information accompanying this data on the website <http://stat.gov.sx/> (26-04-2015) also states that 2011 represents a significant increase of the school participation rate in general (ages 1-18) compared to 1992 and 2001. This suggests that St. Maarten only recently reached its present levels of secondary school rate enrolment.

**Appendix 2. Infant mortality rate (< 1)**



Source: UNESCO Institute for Statistics; Netherlands Antilles Statistical Yearbook 2009, 20; Sint Maarten Statistical Yearbook 2014, 18.

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