

### Transparency, Institutional Strength and the Growth Accord

There seems to be agreement within the community that the state and its institutions are teetering on the brink of collapse. There is a growing consensus that the country is faced with numerous crises or fault lines, ranging from a crisis of the economy, budget and balance of payment crisis, to a crisis of governance. The general prognosis in economic circles seems to be that unless some action is taken in the immediate future, these fault lines will grow into gaping holes, into which this country and society will collapse. Indeed, there is no denying the fact that based on outcomes, that governance is a real problem.

None of the actors responsible for governance (the public sector, the market and civil society), nor are the many of the institutions of the state and of government delivering the basic goods and services for which these institutions were established in the first place.<sup>i</sup> There is very low social cohesion.<sup>ii</sup>

Individuals and groups from different social and economic backgrounds are now contemplating if their country is on the verge of large-scale institutional collapse. Due to the lack of transparency, stakeholder involvement, lack of continuous benchmarking and reporting, the community is losing both confidence in government and in the social cohesion necessary to determine institutional efficacy. The conclusion, in darkness, is that there will be an imminent institutional collapse.<sup>iii</sup>

Change is constant. External and internal change requires institutional reform and strengthening. In order to be able to change the existing world in which we live, one needs to understand it first.

The reasons for the institutional collapse are, at one level, fairly simple. Most of the state institutions of government, of governance, of administration, and of control, are obsolete, and consequently, ineffective in the present social and economic reality of Curaçao. This obsolescence is simply because these institutions have not been able (or allowed) to evolve in tune with the dramatic changes that have taken place over the last decades. They are becoming, or as most would suggest, are already, dysfunctional. The world we live in, today's society, today's citizen, today's consumer, today's business, the future economy, etc., etc., are simply different compared to the ones of past decades.

Some members of society, especially in the business community, are asking what are the indicators to measure institutional collapse? How is the fragility of governance measured?<sup>iv</sup> There are indicators of collapse. They have to do with social cohesion, public finance, economic climate, confidence in the political process and demographic pressures.<sup>v</sup>

Some of the most urgent issues that government has been continuously confronted with and needed to be addressed, were agreed upon jointly with the Netherlands. They form the elements of the "so called Growth Accord", a good first step as far as informing the community what government's intentions are to address the crisis.

There is a crisis. Under the current circumstances, but also as result of non-delivery on past promises, there is a high level of distrust of government and political institutions. It is, therefore, of utmost importance that all through the process of living up to the accord, that society is kept informed and is engaged. Transparency builds Accountability and Confidence in governance. And the reasons for this are:

- The community wants to see solutions and ultimately addresses their legitimate pains;
- The community wants to see solutions that lay a foundation for the future;
- The financial assistance that the Netherlands has agreed to in the "growth accord"

- The financial assistance that the Netherlands has agreed to in the “growth accord” is crucial for stopping the “current bleeding”, and creating a foundation for strong institutions for the future;<sup>vi</sup>
- The community must and should be involved in the process of creating their own future., in today’s world, their democracy;
- The community doesn’t deserve to be negatively surprised by cases of institutional failures in the tax system, the banking system, the government held companies, and even the status of progress related to the Sustainable Development Goals (SDGs).<sup>vii</sup>

Transparent and accountable behavior are imperatives for building and maintaining trust in times of crisis and sustaining trust going forward. The lack of confidence in this current government is largely caused by their own lack of commitment to transparent and accountable behavior. Some examples of the lack of open governance in the form of lack of transparency, lack of accountability, and institutional weakness by this government are:

1. A large part of the accord is too general in nature and can have multiple interpretations. In order to be able to monitor its execution, all intentions should be formulated as “smart” actions and elaborated in an implementation plan. The community has seen none of this thus far. Additionally, the stakeholders were not involved from the beginning, or during the process, let alone having been given the opportunity to comment on it. Where is the transparency? Where is the accountability? Where are the attempts to build common understanding, beliefs and social cohesion around this crisis plan?
2. The accord calls for the establishment of a monitoring team which is to report on the execution of the plan. Thus far nobody knows what this team’s exact mandate is, let alone what exactly are they to monitor, vet or both. Are they to monitor and vet just the processes, are they to monitor content (whether they comply with best practices), or both? Who exactly does the monitoring team report to? What are the consequences for lack of compliance to the agreement?
3. The accord establishes reporting frequencies and some deadlines. Some deadlines are already past due. How can society know what the outcomes of the first report and the others to follow, are? What are the consequences for not meeting the deadlines? Who is the independent institution to decide? What are the remedies that will be put into place? Who must authorize and approve them?

In the beginning of 2020, it is noted that the government submitted an interim report, but the public does not know what has been measured nor the progress that has supposedly been made and documented in that report.<sup>viii</sup>

The community must be assured that there is political commitment. The fact that members of government are not only voicing their own opinions, but also publicly taking stances on issues included in the accord without data to support their positions, is troubling. It is not acceptable that the community is expected to accept their publicity as government sees fit.

### Conclusions

There should be openness. The perceived lack of such provides fertile ground for questioning honesty. Sharing information must be done with reciprocity, and with the agreement that citizens can demand and receive information.

A high degree of openness by public officials and agencies regarding all the decisions and actions that they take in general and with respect to this accord in particular, is imperative if we are to reduce the information gaps between government and citizens, and to enhance the level of transparency in governance. Openness and transparency are important for restoration of the trust, accountability, institutional strengthening, and tranquility which is so important in times of multiple and complex crises.

With respect to openness and transparency, there is no need to wonder if we are either of these. There is no need to wonder if the institutions are strong or weak. There are international instruments to measure all of these.

In order to know how to reverse the downward trend, a globally accepted set of criteria should be used to benchmark the current reality against these standards for growth in social cohesion, public finance, economic climate, confidence in the political process and demographic pressures. According to these criteria and areas of institutional strength, the growth accord should be measured on a regular basis to determine the progress of the nation against these norms. And finally, these results should be reported to the community and the community should be given the opportunity to reflect, respond and collaborate. Through this process trust, respect and transparency of governance is restored.

### Endnotes:

<sup>i</sup> Dollars to Donuts Economics: Seven Ways to Think Like A 21<sup>st</sup> Century Economist, 2020

<sup>ii</sup> CBS Social Cohesion Report 2015, 2019

<sup>iii</sup> OECD: A Governance Practitioner's Notebook

<sup>iv</sup> Fragile State Index: Fund for Peace 2019

<sup>v</sup> Conceptualizing state collapse: an institutional approach. Third World Quarterly Vol 36 No 7

<sup>vi</sup> Dollars to Donuts Economics: Seven Ways to Think Like A 21<sup>st</sup> Century Economist, 2020

<sup>vii</sup> ARC report on SDG's

<sup>viii</sup> "Loan of 30 Million Approved", Antillian Dagblad(AD), January 18, 2020