

# Stakeholder Survey CBCS 2020 RESEARCH REPORT



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## RESEARCH REPORT

## Colophon

Date:	February 5, 2021
	RE-Quest Research & Consultancy
Author:	Renske R. Pin, PhD.
Contact:	<a href="mailto:info@requestcaribbean.com">info@requestcaribbean.com</a>
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## Summary

The Centrale Bank van Curaçao en Sint Maarten (CBCS) aimed to gain more insight into the perceptions and experiences of various stakeholder groups of the CBCS. In the period of November - December 2020, we conducted an online stakeholder survey (in English and Dutch) among a broad spectrum of stakeholders. The survey focused on the experienced contact with CBCS, the image of CBCS, the perceived performance of CBCS, the evaluation of the core tasks of CBCS and the stakeholder's suggestions for focus and improvements. In total, 243 respondents participated in the survey.

Results show a response group of diverse stakeholders and a relatively high response to the survey indicating a substantial willingness to share insights and involvement. In general, the majority of the aspects measured in this survey show a tendency towards the middle: scores are not very high, but not very low either. Furthermore, in general, a pattern is visible where stakeholders who are supervised are slightly more positive than average and stakeholders who are not supervised slightly more negative than average. The responses to the open answers to the questions about what CBCS should focus on in the future and what improvements it can make, show that people are generally critical but hopeful for the future. Four main themes appear from the open responses on where the CBCS can improve and should focus on:

- a) fixing the "Giro and Ennia problem"
- b) restoring confidence of the community in the integrity of the CBCS
- c) improving the response time and communication
- d) focusing on innovation and improving payment systems

The results offer the CBCS starting points for improving their services and communication with various stakeholder groups. Based on the results, CBCS can:

- Improve the perceived contact by transforming from distanced supervisor to sparringpartner for stakeholder groups within the community
- Improve the image of the CBCS by showing transparency by communicating more about actions CBCS is taking internally and externally
- Improve perceived performance and core tasks in the departments Resolution, Payments, Supervision and Corporate Communication
- Have more attention for Sint Maarten / more balance between Curaçao and Sint Maarten

Periodic repetition of this survey offers opportunities to chart trends and can show whether efforts to improve services and communication also lead to better perceptions and experiences among stakeholders.

## 1. Introduction

The Centrale Bank van Curaçao en Sint Maarten (hereinafter CBCS) would like to gain more insight into the attitudes of various stakeholder groups about the CBCS. CBCS would like to gain insight into the general impression of the CBCS, but also wants to address more specific themes, such as the performance of the various core tasks, the approachability of CBCS, transparency, the professionalism of employees and the communication style of CBCS.

CBCS aims to improve its services and strengthen its supervision based on the feedback from the financial sector and other stakeholder groups, both local and international. The survey is conducted among 16 stakeholder groups, including: supervised institutions, fellow supervisors, interest groups, government organizations, international organizations, training institutes and the media.

## 2. Research method

### 2.1 Approach: a survey

In this research we applied an online survey approach. In the period of November-December 2020, we conducted a stakeholder survey (in English and Dutch) among a broad spectrum of stakeholders, to assess their perception and experiences with CBCS. Filling out the online survey took about 15-20 minutes.

### 2.2 Respondents: which stakeholder groups were assessed?

The CBCS made an inventory of its stakeholders and provided its contact details to RE-Quest. The survey was conducted at board level if the contact details of the board members were available. If not, the available contact details of the contact persons of the CBCS were used. In total around 500 individual respondents (with 603 email addresses) were sent the survey, with representatives of the following stakeholder groups:

Stakeholders (under supervision):

- Bank and credit provider (incl. mortgage loans)
- Pension fund/pension fund administrator
- Investment fund or investment firm
- Trust office
- Insurer
- Money transfer company



Stakeholders (not under supervision):

- Payment service provider, settlement agent or financial market infrastructure
- Special-interest organization/umbrella organization
- Government/ government agency (national)
- Multilateral organization
- Payment institution
- Consultancy
- Supervisor
- Media
- University, training institute
- National central bank

## 2.3 Scope: what aspects were assessed?

The survey was developed by the CBCS, based on the stakeholders survey of De Nederlandsche Bank (DNB) and measured the following aspects:

- Characteristics of the stakeholder
- Contact with CBCS
- Image of CBCS
- Performance of CBCS
- Tasks CBCS
  - Supervision
  - Activities in Monetary policy, Economic advice and research, and Financial stability
  - Payment systems and Market infrastructures activities
- Suggestions for Focus and Improvements CBCS

## 2.4 Procedure

On November 20<sup>th</sup> 2020 a press release was sent out announcing the stakeholders survey in the media. On November 23<sup>rd</sup> stakeholders received a letter from CBCS announcing the stakeholder survey and encouraging participation followed by an invitation email from RE-Quest with a link to the online survey. Two reminders were sent on November 27<sup>th</sup> and December 4<sup>th</sup>. On December 15<sup>th</sup> the first results were presented to the CBCS.



## 2.5 Confidentiality

Confidentiality in this research is of utmost importance. The survey is conducted by RE-Quest on behalf of the CBCS. The data is collected by RE-Quest and is not shared with the CBCS. Reporting takes place at group level, so individual responses cannot be recognized / traced.

## 2.6 Analysis

This report presents descriptive analysis of the results. Where relevant, the results of the total group are compared with the results for the stakeholders who are or are not supervised by the CBCS. In some cases results are presented for specific groups.



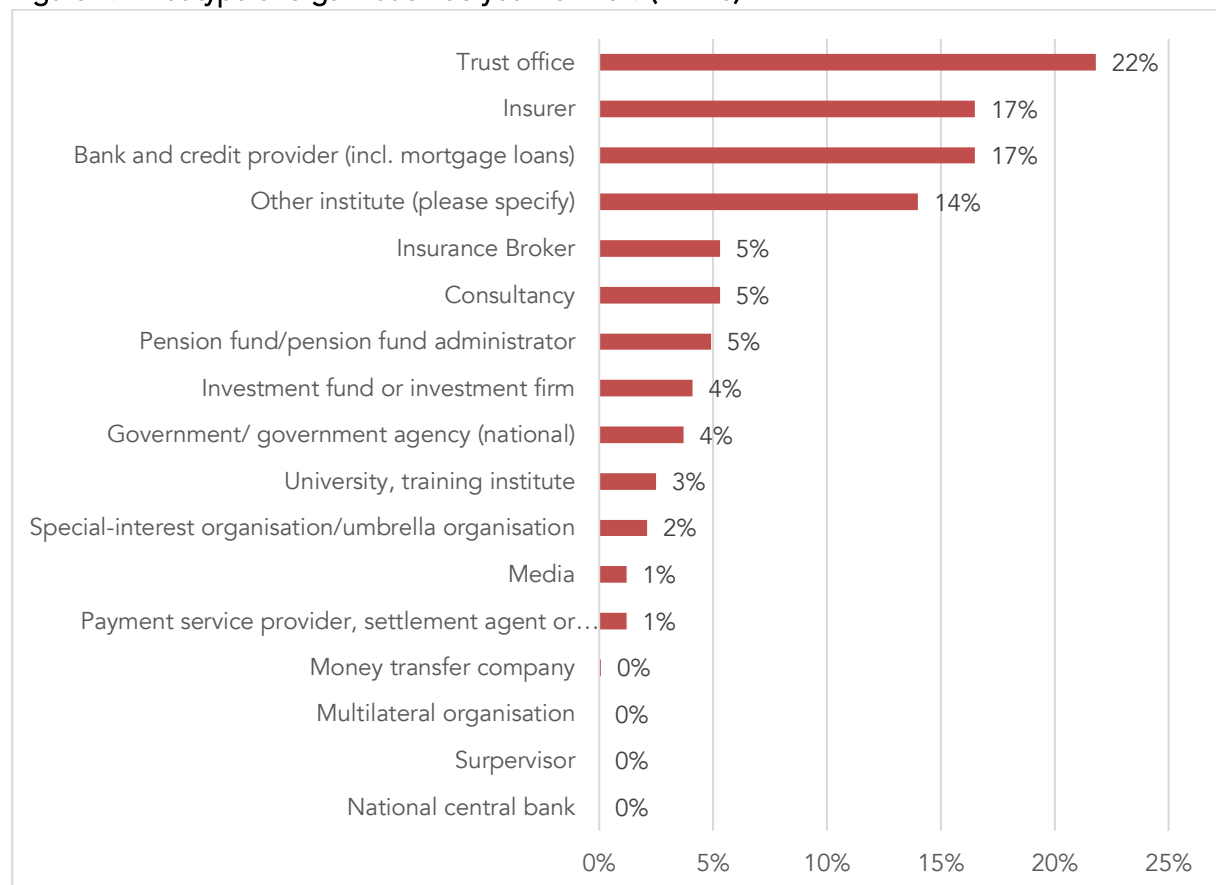
### 3. Results

#### 3.1 Who are the respondents?

In total, 243 respondents participated in the survey: 170 representatives of stakeholder groups under supervision and 73 not under supervision. Based on the estimated 500 individuals that received an invite, this implies an estimated response rate of 49%.

Of all respondents, most indicated to be located on Curaçao (83%), 14% on Sint Maarten, 3% indicated to be located somewhere else. Most of the respondents indicated that they interact the most with the Curaçao office (93%), 8% indicated to interact the most with the Sint Maarten office. The role of most respondents was that of board members (CEO, CFO, etc.) (57%), Manager or head of department (20%), Compliance officer (4%) or Supervisory board members (4%). Trust offices (22%), insurers (17%) and bank and credit providers (17%) form the largest groups represented in the respondents' group (see figure 1). Of the respondents 34 (14%) indicated their type of organization as "other", all identified as stakeholders relevant for this research.

**Figure 1: What type of organization do you work for? (n=243)**

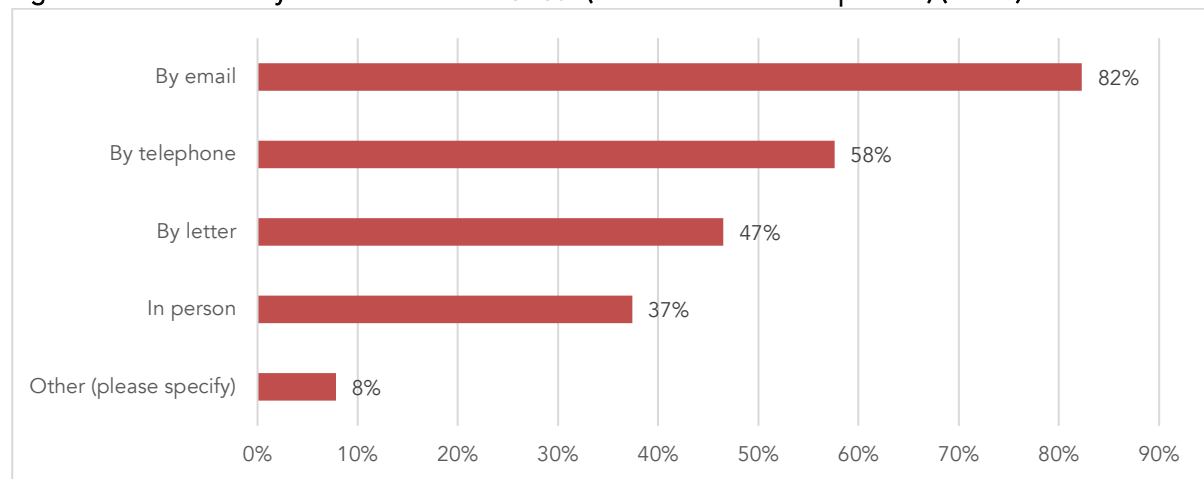


### 3.2 Contact with CBCS

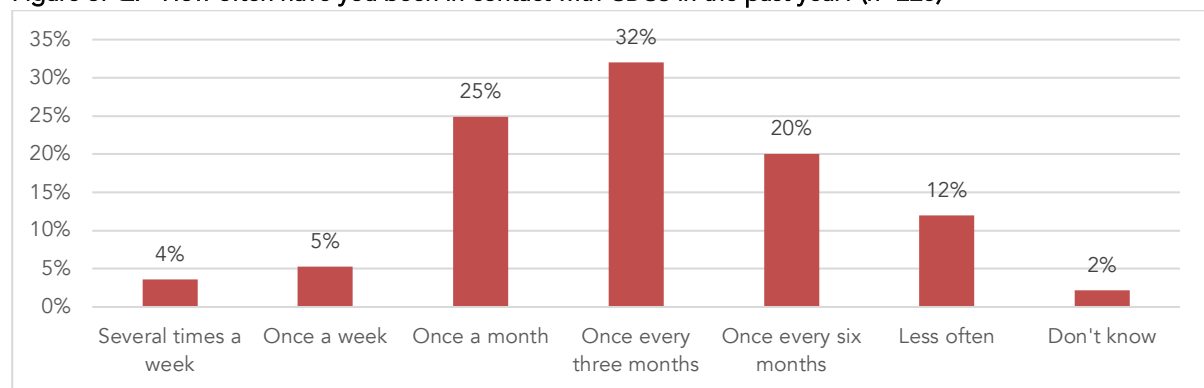
Of all respondents, 95% indicated that they have had contact with CBCS in the past year. Most of them via email (89%), followed by telephone (62%), letter (50%) and/or in person (40%). Most respondents who indicated "other" referred to contact via video conferencing. Most have contact with CBCS once every three months (32%).

The 5% of the respondents that indicated that they did not have contact in the last year were mostly representatives of stakeholders that are not under supervision, such as consultancies.

**Figure 2: Q6- How have you had contact with CBCS? (more than one answer possible) (n=225)**



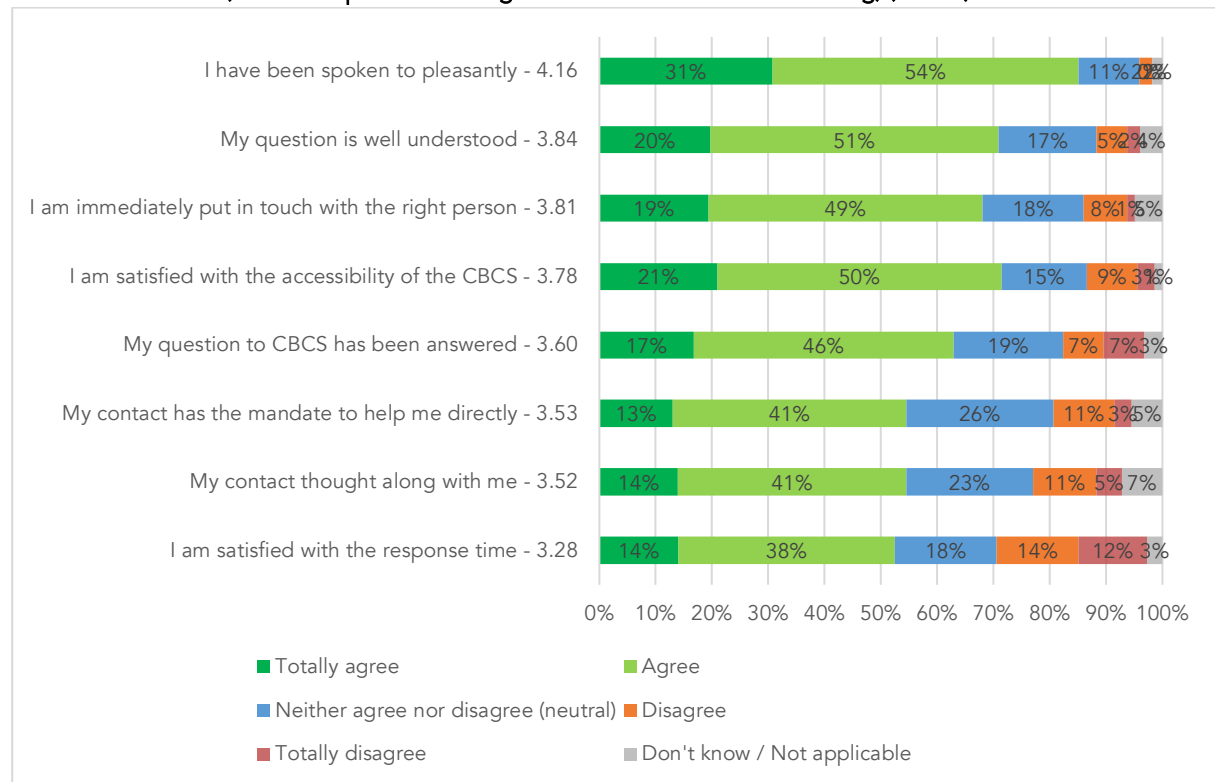
**Figure 3: Q7- How often have you been in contact with CBCS in the past year? (n=225)**



In addition to the means and frequency of the contact, respondents were asked about their satisfaction with the contact with CBCS and the way in which the CBCS answered the stakeholder's question. Eight statements were assessed on a 5-point scale. The respondents were most positive about the pleasant approach (mean score of 4.16), most negative about the response time (mean score of 3.28). An overview of all statements and their scores can be found in Figure 4a.

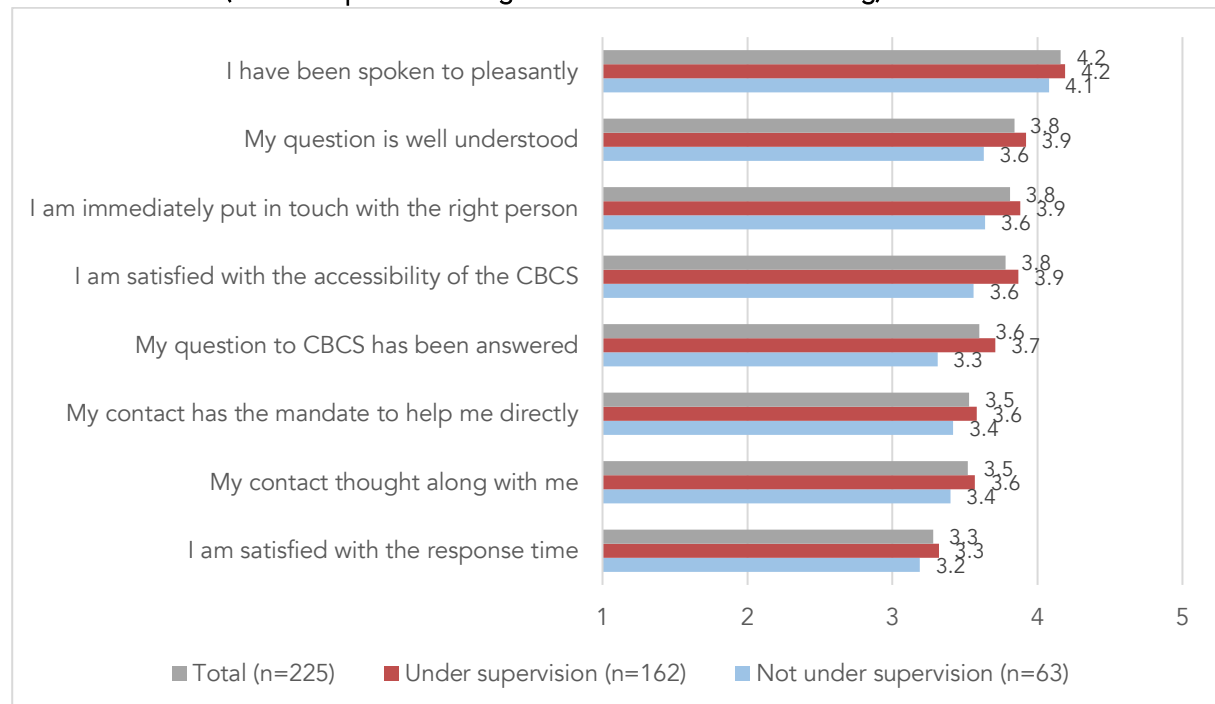
When comparing the stakeholder groups under supervision and not under supervision, only minor differences appear, but it is noticeable that stakeholder groups under supervision are structurally slightly more positive than stakeholder groups that are not supervised by CBCS. See Figure 4b for an overview.

**Figure 4a: Q8 - How satisfied are you about your contact with the CBCS/ about the way your question to the CBCS is answered? (Please keep the entire organization in mind when answering) (n=225).**



Note: Statements ordered by scale means, rated on a 5-point scale ranging from 1 (Totally disagree) to 5 (Totally agree). Scale mean is calculated excluding "Don't know / Not applicable".

**Figure 4b: Q8 - How satisfied are you about your contact with the CBCS/ about the way your question to the CBCS is answered? (Please keep the entire organization in mind when answering).**

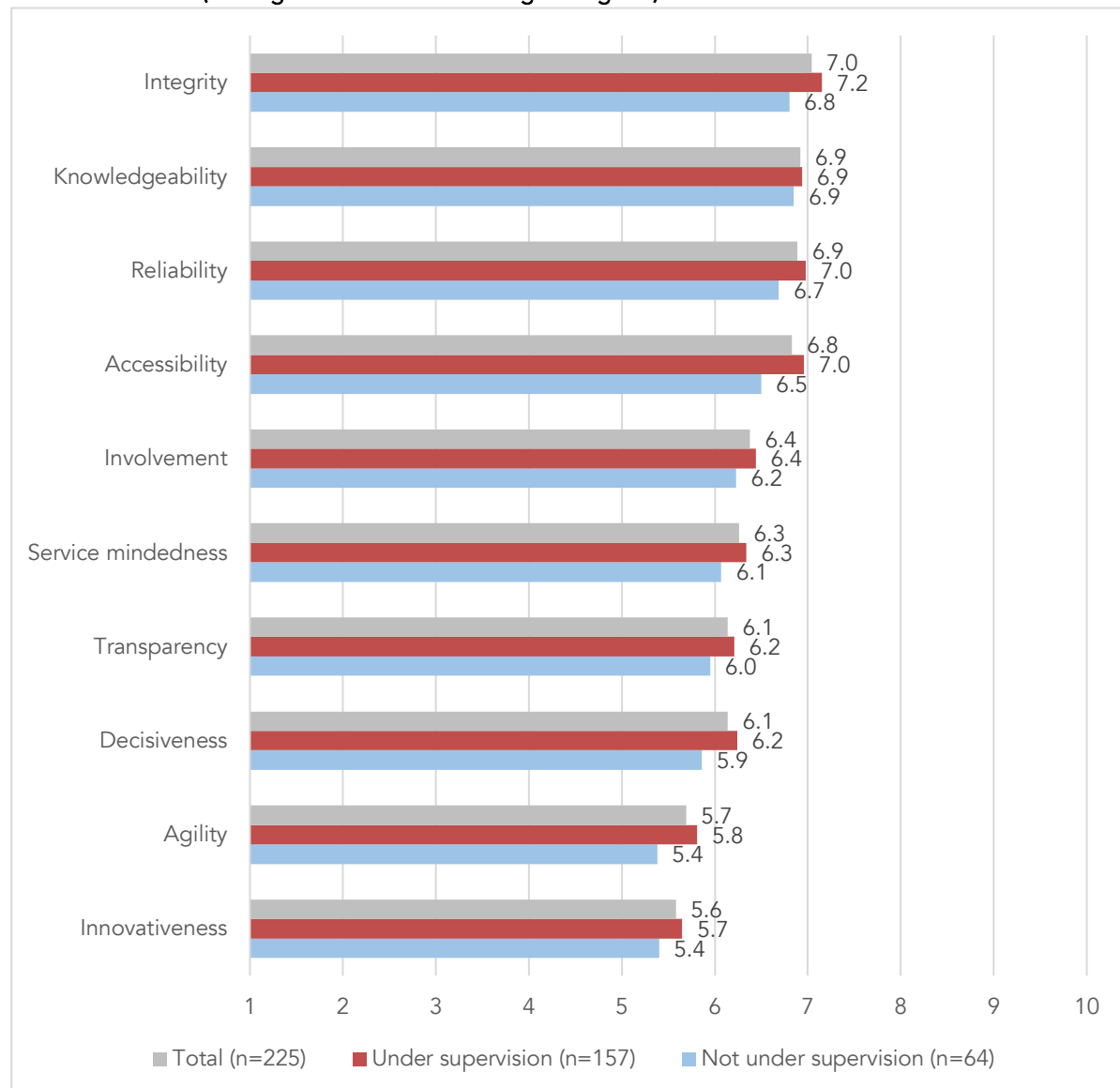


Note: Statements ordered by scale means, rated on a 5-point scale ranging from 1 (Totally disagree) to 5 (Totally agree). Scale mean is calculated excluding "Don't know / Not applicable".

### 3.3 Image of CBCS

A number of scales were used to measure the image of the CBCS. First, the respondents were asked to give the CBCS a report grade of 1-10 for 10 characteristics. Figure 5 provides an overview, in order from the best assessed characteristic (Integrity, with an average score of 7) to the least assessed characteristic (Innovativeness, with an average score of 5.6). For Agility too, CBCS scores just an "onvoldoende": on average a 5.7. Once again, it is striking that stakeholder groups under supervision are structurally slightly more positive than stakeholder groups that are not under supervision of CBCS.

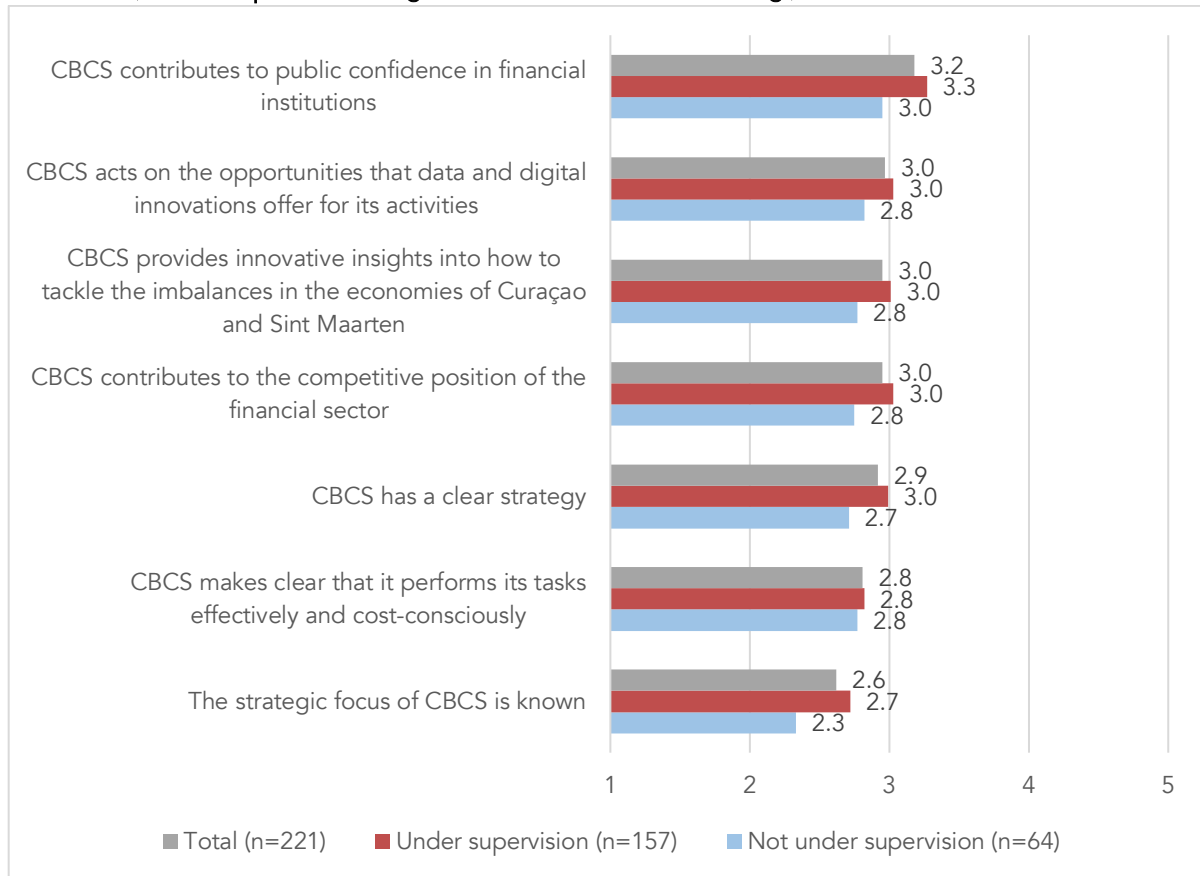
**Figure 5: Q9 - In your opinion, to what extent do the following characteristics apply to CBCS? You can give a score from 1 to 10 (1 being the lowest and 10 being the highest)**



Subsequently, the respondents were asked to rate a set of 7 statements on a 5-point scale, ranging from 1 (totally disagree) to 5 (totally agree). All average scores fall around the scale mean (3) and vary from 3.2 for "CBCS contributes to public confidence in financial institutions" to 2.6 for "The strategic focus of CBCS is known". See figure 6 for an overview. Here too stakeholder groups under

supervision are structurally slightly more positive than stakeholder groups that are not under the supervision of CBCS.

**Figure 6: Q10 - Below are statements about the CBCS. To what extent do you agree or disagree with these statements? (Please keep the entire organization in mind when answering.)**

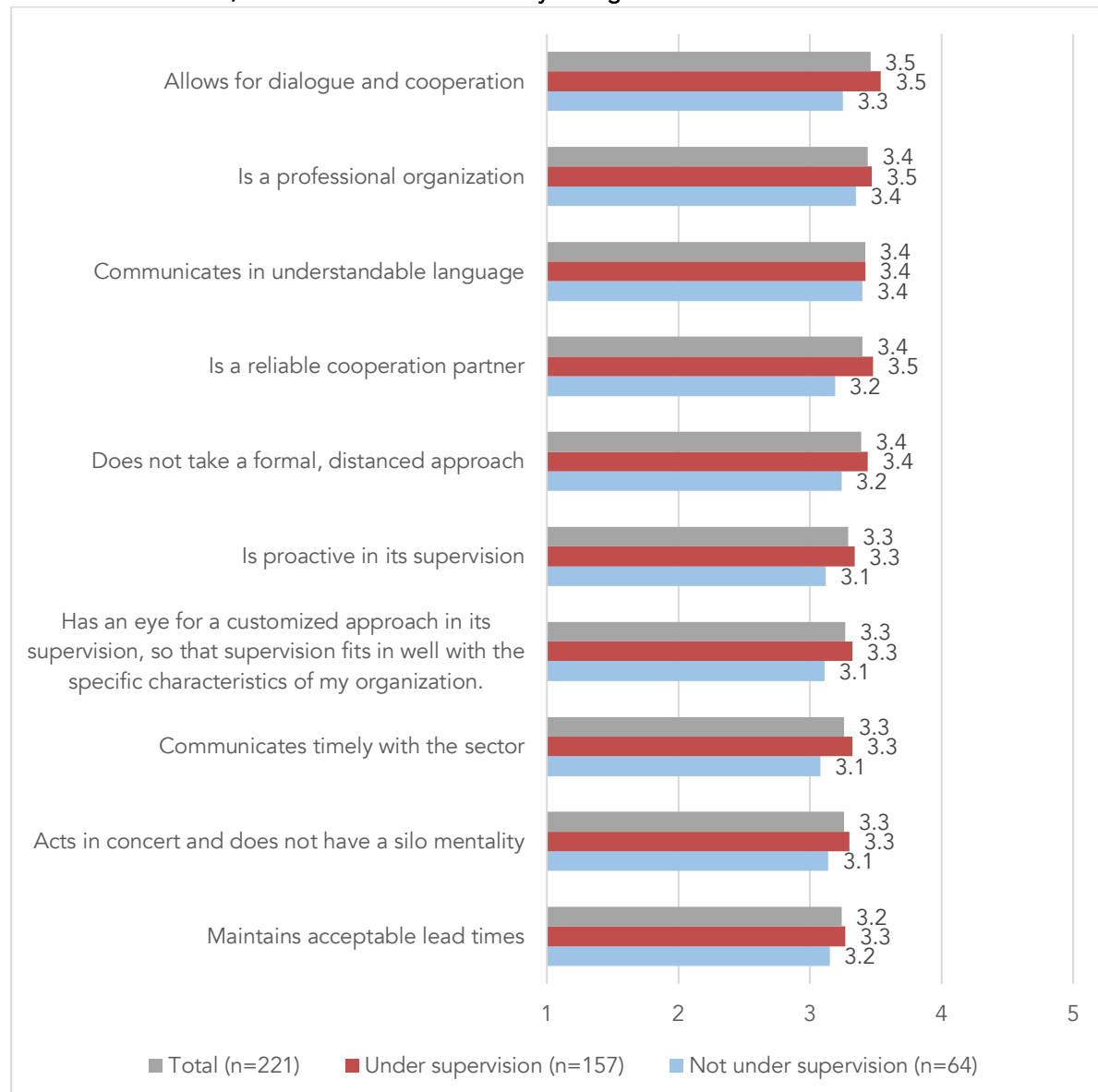


*Note: Statements ordered by scale means, rated on a 5-point scale ranging from 1 (Totally disagree) to 5 (Totally agree). Scale mean is calculated excluding "Don't know / Not applicable".*

In 2018, CBCS presented its strategy for the period 2018-2020. As part of its strategy, CBCS intends to focus on a few behaviors. To measure the perception of the stakeholders on the progress with regard to 10 aspects, the respondents were asked to indicate if they think CBCS functions better, as well or less well than three years ago. The results can be found in figure 7.

All aspects are on average rated just above scale average (3) and vary from a 3.5 for "Allows for dialogue and cooperation" to 3.2 for "Maintains acceptable lead times." Here too, stakeholder groups under supervision are structurally slightly more positive than stakeholder groups that are not under supervision of CBCS.

Figure 7: Q11 - In 2018, CBCS presented its strategy for the period 2018-2020. As part of its strategy, CBCS intends to focus on a few behaviors. With regard to the following aspects, we would like to know if you think CBCS functions better, as well or less well than three years ago.



Note: Statements ordered by scale means, rated on a 5-point scale ranging from 1 (Much worse than three years ago) to 5 (Better than three years ago). Scale mean is calculated excluding "Don't know / Not applicable".

Subsequently, the respondent was asked what the respondent estimated that people's general view is of CBCS (see figure 8) and, in an almost identical way, how positive or negative their own impression of CBCS is (see figure 9). What is striking is that the perceived general view is quite negative (42% of the respondents give the score "poor"), but their own impression is more positive (40% "fairly positive"). Finally, they were asked about long-term confidence in CBCS (see figure 10): 45% indicated that they had "some confidence", 33% "much confidence". Here too the stakeholders under supervision are somewhat more positive than those not under supervision.



Figure 8: Q12 - What do you think people's general view of CBCS is?

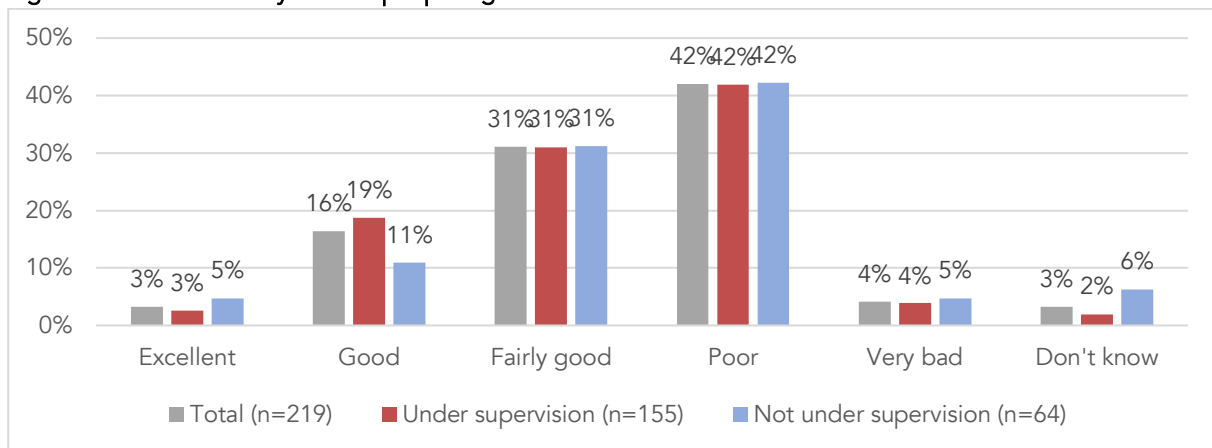


Figure 9: Q13 - How positive or negative is your own impression of CBCS?

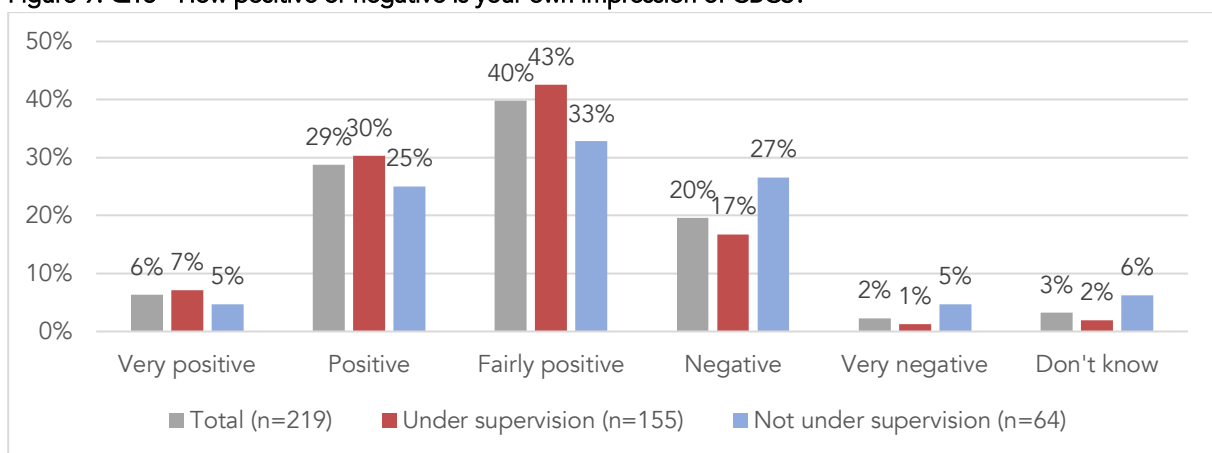
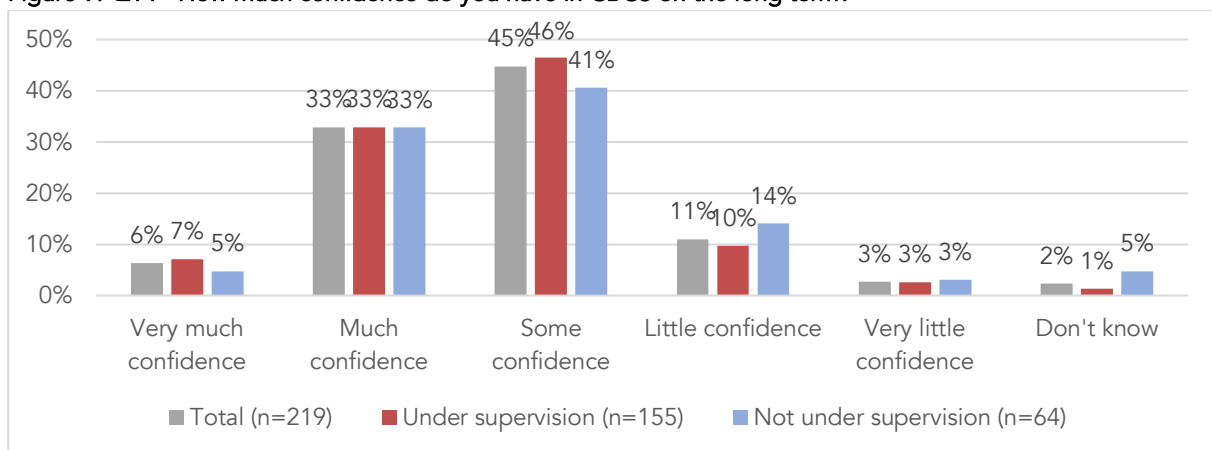


Figure 9: Q14 - How much confidence do you have in CBCS on the long term?



Respondents could explain their answer on Q14 in an open text field. Respondents who gave a positive score cite as reasons, among other things, the confidence in the new management and the reorganization, the knowledge available within the CBCS and the professionals who work there. One respondent states: "It looks like the central bank is transitioning from an old boys network to a professional supervisor".

Respondents who gave a negative score stated that they would like to see CBCS go from words to action and mention the developments with Giro and Ennia that are still fresh in their minds. A respondent states: "CBCS doesn't seem to practice what they preach. There has been so much going on which doesn't put CBCS in a favorable light or in a position to expect people to rely on them."

### 3.4 Performance of CBCS

To assess the perceived results, performance and effectiveness of CBCS three questions were used in the survey. On average most respondents rate the results as "fairly good" (32%), the performance "fairly good" (39%) and the effectiveness "reasonable" (42%). Stakeholders under supervision are somewhat more positive than those not under supervision.

Figure 10: Q15 - What is your opinion on the results achieved by CBCS?

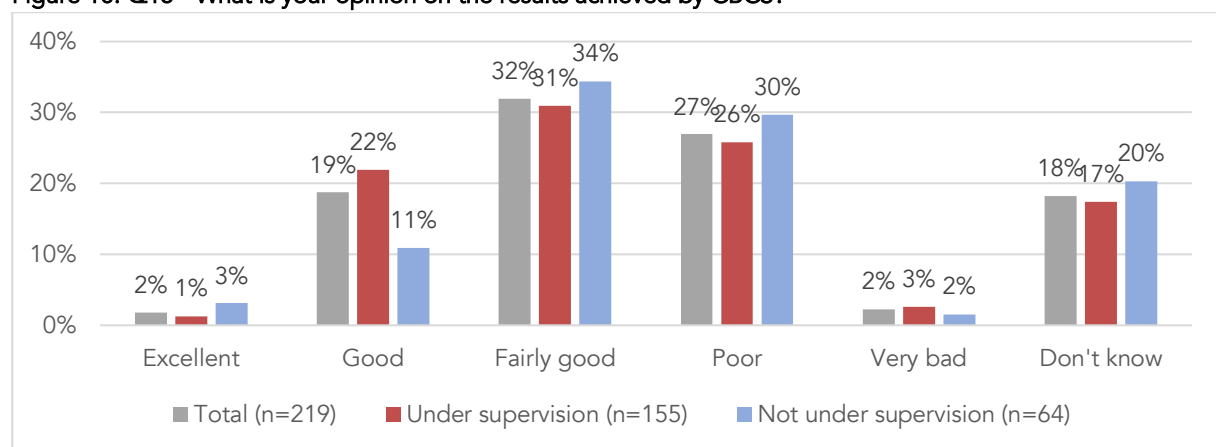


Figure 11: Q16 - What is your opinion on how CBCS performs its tasks and takes its responsibilities?

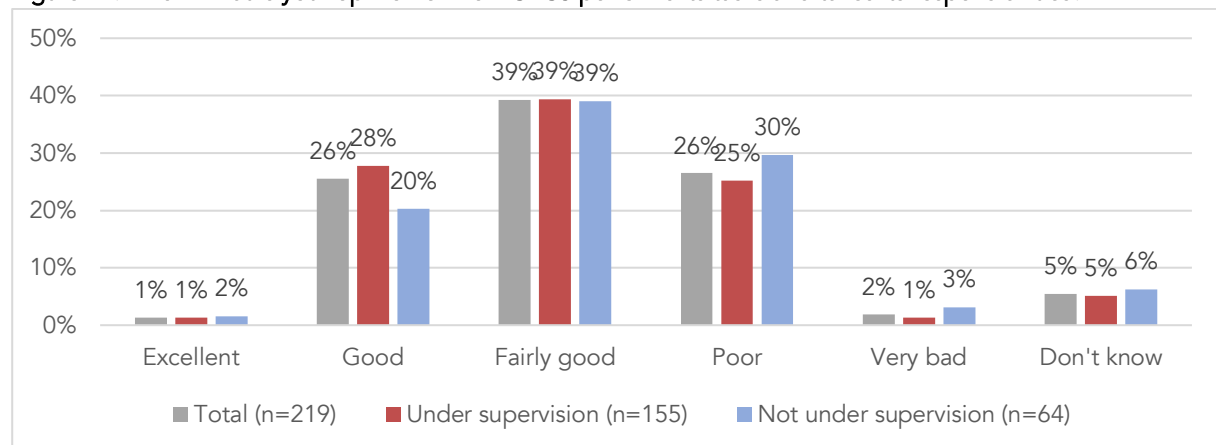
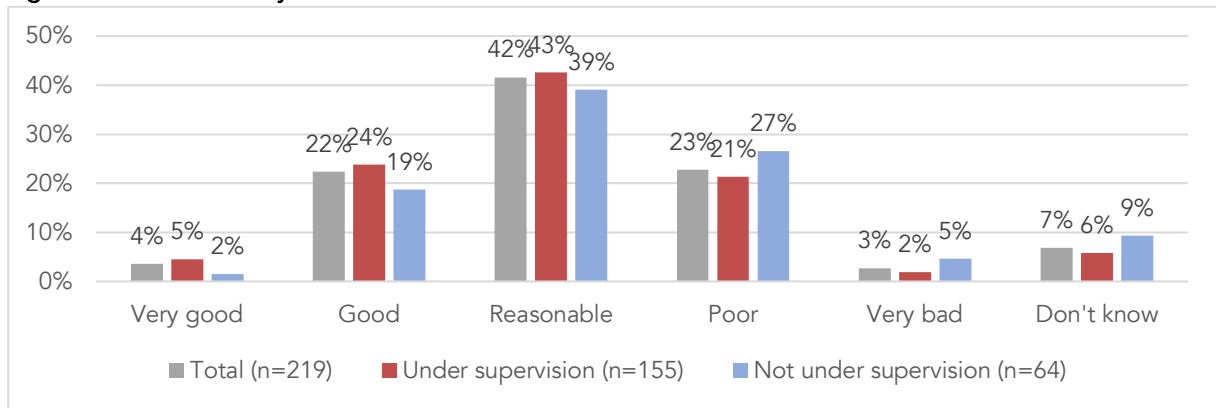


Figure 12: Q17 - What is your assessment of CBCS's effectiveness?



### 3.5 Tasks CBCS

For three core tasks of the CBCS, respondents were asked how often they encounter this in their daily work and how he / she assesses this by rating how CBCS addresses the several relevant subjects on a 4-point rating scale ranging from 1 (poor) to 4 (very good). Here too the stakeholders under supervision are (somewhat) more positive than those not under supervision.

#### 1. Supervision

Of all respondents, 36% sometimes and 34% regularly encounters CBCS's supervision in their daily work. On average, the highest assessed subject is CBCS's treatment of financial and economic crime (3.0), the lowest is CBCS's treatment of restoring confidence (2.5).

Figure 13: Q18 - How often do you encounter CBCS's supervision in your daily work? (n=215)

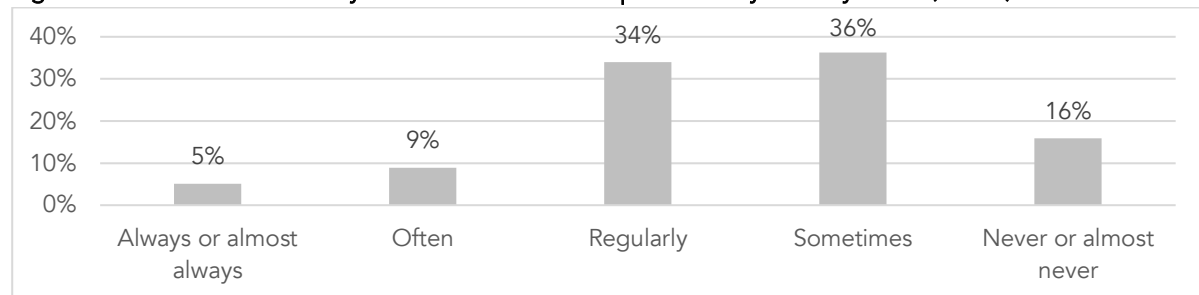
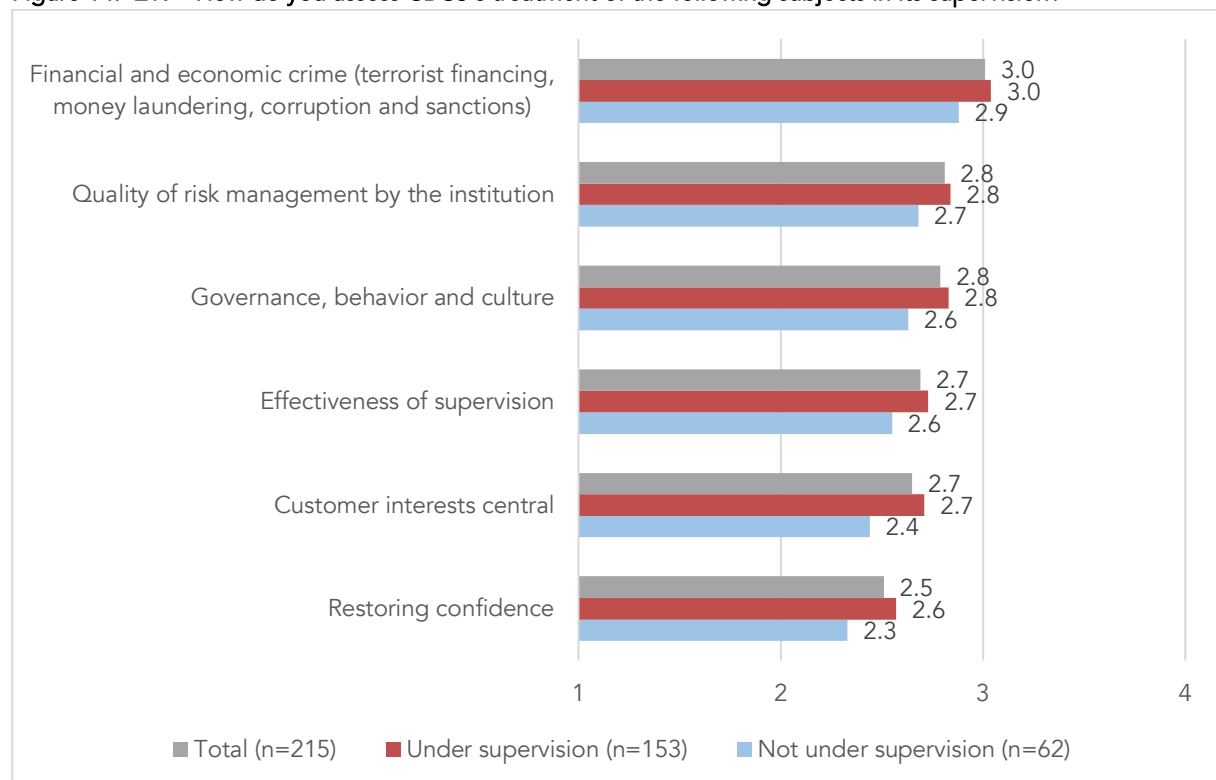


Figure 14: Q19 - How do you assess CBCS's treatment of the following subjects in its supervision?

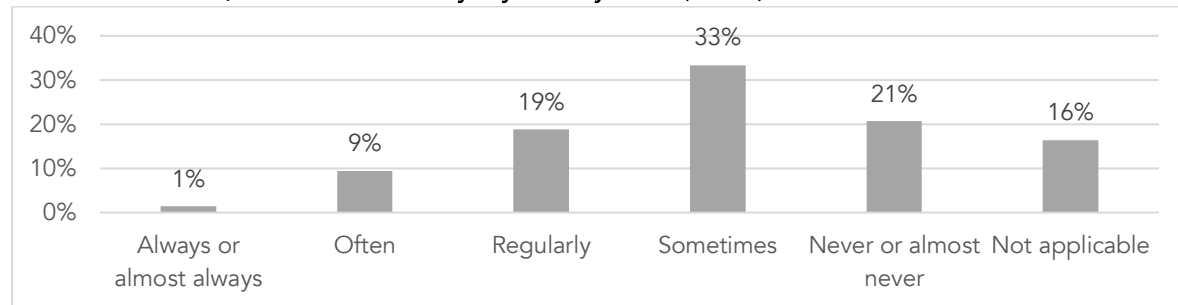


Note: Statements ordered by scale means, rated on a 4-point scale ranging from 1 (Poor) to 4 (Very good). Scale mean is calculated excluding "Don't know / Not applicable".

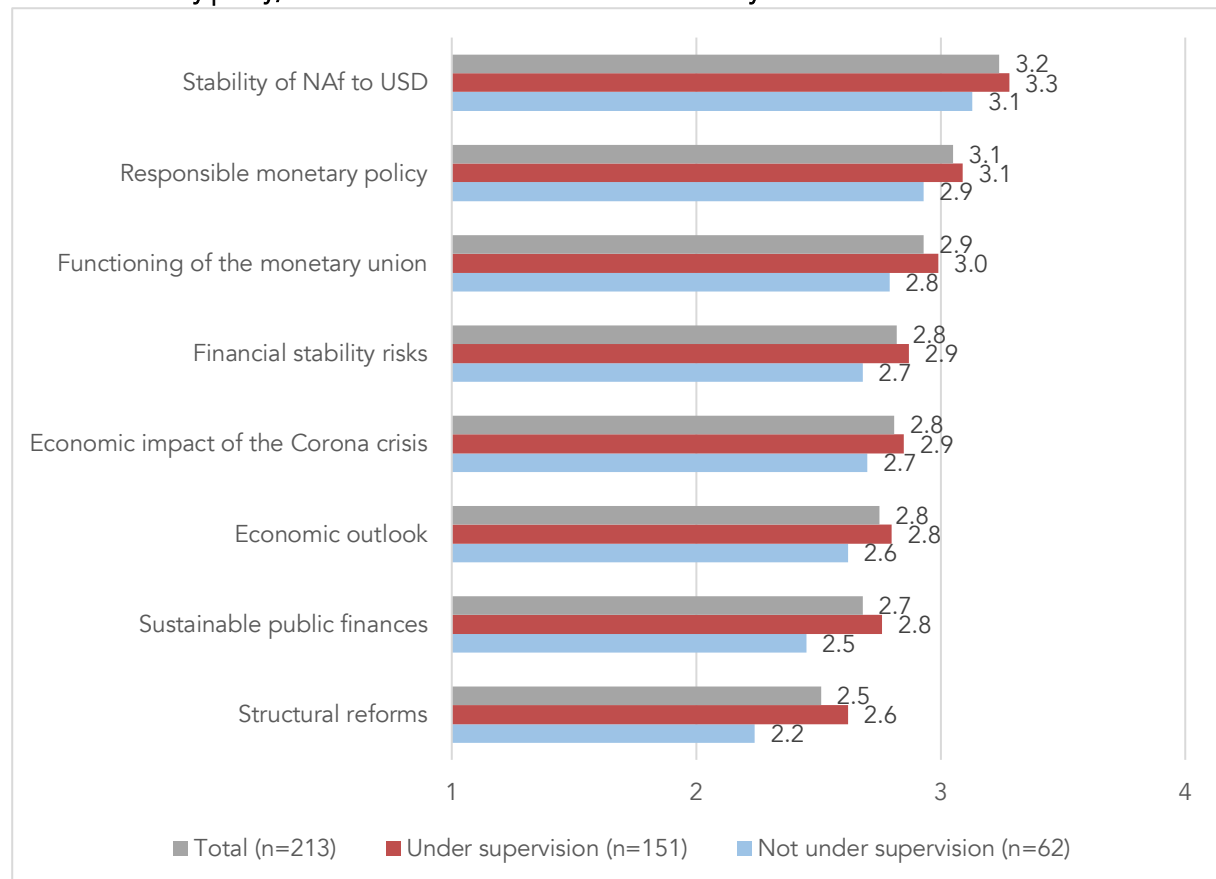
## 2. Activities in Monetary policy, Economic advice and research, and Financial stability

Of all respondents, 33% sometimes encounters CBCS's activities in the areas of Monetary policy, Economic advice and research, and Financial stability in their daily work. On average, the highest assessed subject is how CBCS addresses the Stability of Naf to USD (3.2), the lowest is how CBCS addresses Structural reforms (2.5).

**Figure 15: Q20 - How often do you encounter CBCS's activities in the areas of Monetary policy, Economic advice and research, and Financial stability in your daily work? (n=213)**



**Figure 16: Q21 - What is your assessment of how CBCS addresses the following subjects in its activities in the areas of monetary policy, macroeconomic issues and financial stability?**

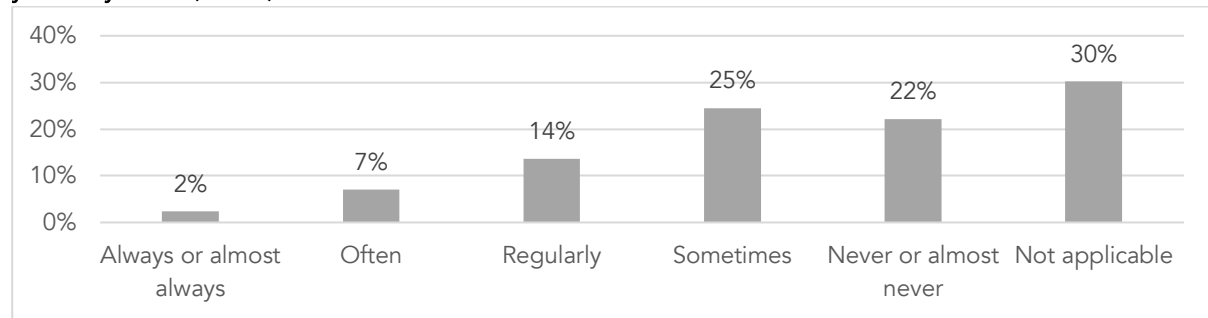


Note: Statements ordered by scale means, rated on a 4-point scale ranging from 1 (Poor) to 4 (Very good). Scale mean is calculated excluding "Don't know / Not applicable".

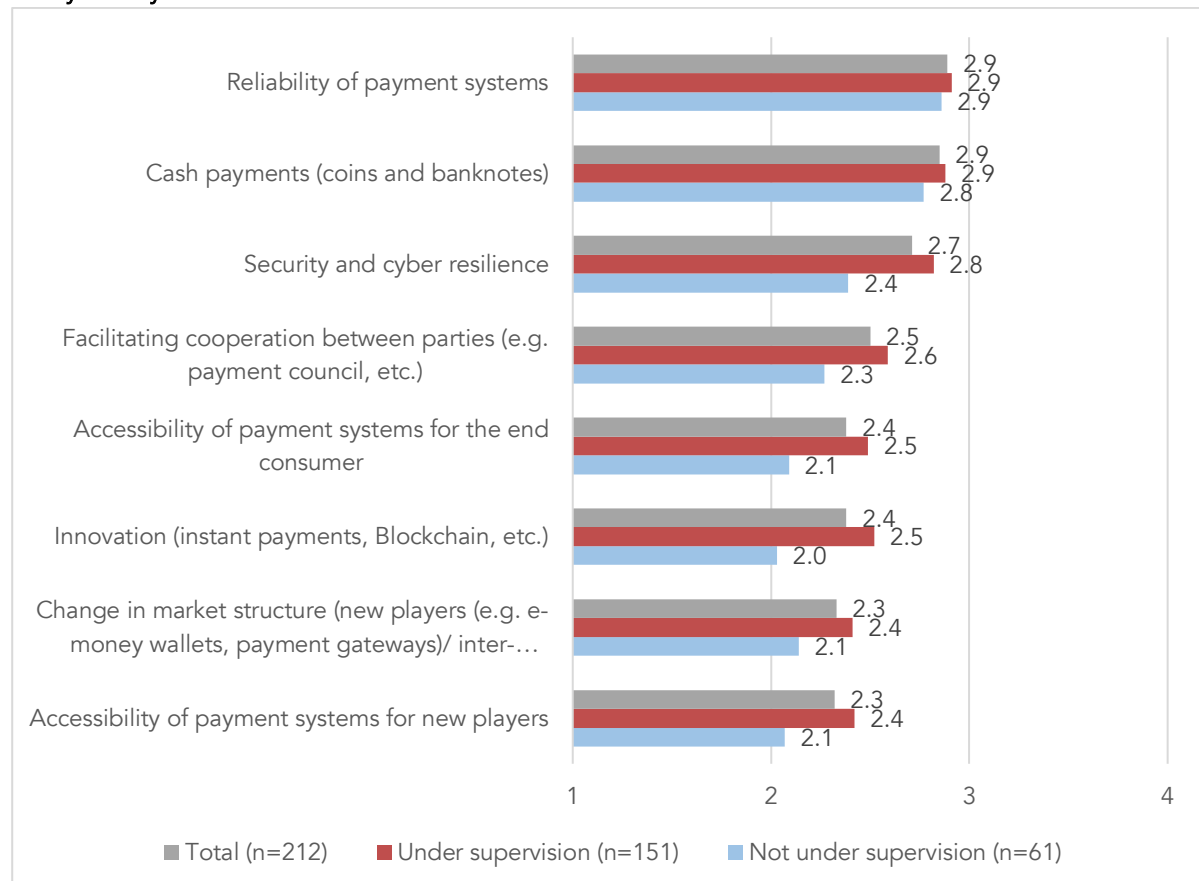
### 3. Payment systems and Market infrastructure activities

Of all respondents, 25% sometimes encounters CBCS's Payment systems and Market infrastructure activities in their daily work. On average, the highest assessed subject is how CBCS addresses the Reliability of payment systems (2.9), the lowest is how CBCS addresses the Accessibility of payment systems for new players (2.3).

**Figure 17: Q22 - How often do you encounter CBCS's Payment systems and Market infrastructures activities in your daily work? (n=212)**



**Figure 18: Q23 - What is your assessment of how CBCS addresses the following subjects in its policy in the area of Payment systems and Market infrastructures?**



*Note: Statements ordered by scale means, rated on a 4-point scale ranging from 1 (Poor) to 4 (Very good). Scale mean is calculated excluding "Don't know / Not applicable".*



### 3.6 Suggestions for Focus and Improvements CBCS

In the last part of the questionnaire two open answer questions were included, asking the respondents to name their 3 suggestions for what CBCS should focus on in the coming period (Q24) and what CBCS could improve (Q25).

Many respondents filled out these questions (181 and 154 respectively). The respondents provided extensive responses (an indication of involvement), and gave many valuable responses. Four main themes appear from the responses:

- a) fixing the "Giro and Ennia problem"
- b) restoring confidence of the community in the integrity of the CBCS
- c) improving the response time and communication
- d) focusing on innovation and improving payment systems.

Below we provide a selection of illustrative quotes for each of the four themes:

**a) Fixing the "Giro and Ennia problem"**

- o "restoring the confidence and trust some people lost in (supervision of) CBCS due to Ennia and Girobank"
- o "Oplossen instellingen onder de noodregeling"
- o "Daadwerkelijk toezicht bij financiële instellingen. Niet alleen maar afvinken van formele zaken."
- o "Create solid & strong image as a truly independent supervisory institution with the aim to protect those under her supervision and the respective customers managed by those institutions."
- o "Their supervision must be better to avoid any miss-management in companies that are under their responsibility. So they can built up their full confidence back in the community."

**b) Restoring the confidence of the community in the integrity of the CBCS**

- o "Restore confidence of the community in the integrity of the Central Bank, focus on transparency"
- o "Change of image: we are Almighty"
- o "Improve damaged image of past couple of years."
- o "Improve image towards handling corruption"
- o "Restore confidence from the public. Never let the old boys network run the CBCS and think in what's best for the end client!"
- o "schoon schip maken met nieuwe frisse mensen en effectief toezicht geschikt voor Caribisch gebied uitvoeren"
- o "Practically everything one buys in Curaçao includes 1% for the Central Bank and approx. 1% for the commercial banks. That seems a very high amount for doing very little, especially in the very difficult times when most people are struggling. It seems way out of line. We also read of the very high salaries at CBCS which grate when most people are having to tighten their belt or worse."

- "CBCS has a very important role in the community. Engage more with the general public and get rid of the image of the last years."
- "We need to work together in order to strengthen the financial sector. The days of a dictatorial regulator ivory-tower should be behind us."
- "let people and companies see what you do and why is that important"
- "Improve your Integrity, because it gives a mixed feeling and distrust when CBCS supervises us and on the other side we hear in the news/read in newspapers that our Supervisor is involved/plays a role in questionable/suspicious cases or one or more of its board members. Make sure to hire board members with high moral values and do not hesitate to fire/dismiss those who are not. Your image towards the public must remain that of a trustworthy Supervisor that applies its measures equally to the ones it supervises but also to its own employees."
- "Let go of "heilige huisjes""

**c) Improving response time and communication**

- "Quicker response and delivery of requests / improve communication"
- "Become proactive, more flexible. Less bureaucratic"
- "More sense of urgency."
- "More open to stakeholders."
- "Personnel should be more effective when in direct contact with clients"
- "Assist clients with a more upfront approach"
- "Be accessible! Employees act very distant (as if they are better than you), don't respond to e-mails."
- "Minder arrogant (bedreigende taal) in communicatie met stakeholders."
- "Provide better information and transparent"
- "Tip: Work on your response time as this is key to addressing issues timely or finding solutions to the challenges affecting supervised institutions."
- "SNELLER OP VERZOEKEN REAGEREN EN MINDER AMBTELIJK HANDELEN. TERUGKOPPELEN WANNEER EEN VERZOEK, ONGEACHT DE REDEN, NIET BINNEN DE TERMIJN DIE DE WET STELT, KAN WORDEN AFGEHANDELD."
- "Try to be part of the community and the solutions while exercising their duty as supervisions entity"
- "Keep open and direct contact with the banks. Accessibility at any time is important. And have more frequent top level formal or informal meetings with each individual bank"
- "Lots come to mind - example - the word humbleness - sometimes we get the impression because it is CBCS - we have nothing to say"
- "Doorlooptijd ingediende verzoeken"
- "responsiveness and availability, especially when calling."

**d) Focusing on innovation and improve payment system**

- "Innovation and userfriendly digital platform"
- "Innovative regulations for banking services (payments)"

- "Bank to bank transactions within one day"
- "Development of more robust and innovative payment system"
- "stimulate innovation in payment system and push down the excessively high transaction cost and admin cost by local banks. Especially on card business."
- "Modernization of financial systems"
- "More innovation: digital innovation (block chain, digital contracts)"
- "Upgrade bank payment systems"
- "more focus on international developments in payment systems"
- "Improve local transaction cost, reliability, and swiftness, specifically on SXM. Example it cost \$3.50 to transfer to from RBC to WIB and can take as much as 5 days."

## 4. Conclusion

The Centrale Bank van Curaçao en Sint Maarten (CBCS) aimed to gain more insight into the perceptions and experiences of various stakeholder groups of the CBCS. In the period of November - December 2020, we conducted an online stakeholder survey (in English and Dutch) among a broad spectrum of stakeholders. The survey focused on the experienced contact with CBCS, the image of CBCS, the perceived performance of CBCS, the evaluation of the core tasks of CBCS and the stakeholder's suggestions for focus and improvements. In total, 243 respondents participated in the survey.

Results show a response group of diverse stakeholders and a relatively high response to the survey indicating a substantial willingness to share insights and involvement. In general, the majority of the aspects measured in this survey show a tendency towards the middle: scores are not very high, but not very low either.

Furthermore, in general, a pattern is visible where stakeholders who are supervised are slightly more positive than average and stakeholders who are not supervised slightly more negative than average. This may be a result of socially desirable responses, but it is not inconceivable that stakeholders under supervision have a more positive image because they are in closer contact with the CBCS and therefore have more insight into and more (positive) experiences with the work that the CBCS does.

The responses to the open answers to the questions about what the CBCS should focus on in the future and what improvements they can make, show that people are generally critical but hopeful for the future. The results offer the CBCS starting points for improving their services and communication with various stakeholder groups.

### What can CBCS do to improve the perceived contact?

*Transform from distanced supervisor to sparring partner for stakeholder groups within the community*

The CBCS could position itself more like a sparring partner when in contact with stakeholder groups. There might be a task here, specifically for Supervision. Responses from the respondents suggest that CBCS may need to make more frequent and proactive contact with stakeholders and enter in a conversation at regular time intervals. In the answers of the respondents, one can sense that there is a lack of this.

### What can CBCS do to improve their image?

*Show transparency by communicating more about actions CBCS is taking internally and externally*

The survey results show that there is a need for the CBCS to work more transparently by showing what it is doing. The CBCS is too quiet and can communicate more often about matters it is working on, both externally and internally.

### What can CBCS do to improve perceived performance and core tasks?

*Steps needed at the departments Resolution, Payments, Supervision and Corporate Communication*

The comments of the respondents show that there is a big task for Resolution (solving the current problems and better tackling the problem-institutions); Payments (improving payment options, introducing more innovative methods); Supervision (customer-friendliness and not being a distanced supervisor but a sparring partner) and Corporate Communication (need for more information about the bank's tasks, the working method, the products, training courses and webinars).

### **Other improvement possibilities for CBCS?**

#### *More attention for Sint Maarten*

The results of the survey show a need for more attention for Sint Maarten. The vast majority of the respondents who completed the survey are located in Curacao and indicate that they are mainly in contact with the Curacao office. The few responses of the Sint Maarten respondents show that an extension of focus to Sint Maarten is also desirable.

Periodic repetition of this survey offers opportunities to chart trends and can show whether efforts to improve services and communication also lead to better perceptions and experiences among stakeholders.

