Goede, Miguel
The Dynamics of Organizational Change in Small Developing Islands: The Case of Curaçao
Caribbean Studies, vol. 39, núm. 1-2, enero-diciembre, 2011, pp. 139-167
Instituto de Estudios del Caribe
San Juan, Puerto Rico

Available in: http://www.redalyc.org/articulo.oa?id=39222778005
THE DYNAMICS OF ORGANIZATIONAL CHANGE IN SMALL DEVELOPING ISLANDS: THE CASE OF CURAÇAO

Miguel Goede

Abstract

The primary purpose of this article is to present a study of organizational change processes in Curaçao, to test a number of general change frameworks and to adapt these frameworks for application to small developing islands. The secondary purpose is to explore whether change models developed for organizational change can be applied to small islands. The article starts by creating a theoretical framework by synthesizing different models of organizational transformation and change. The empirical study reported in this paper builds on 39 conveniently selected case studies. The cases are analyzed qualitatively, based on previous publications, public records and participant observation by stakeholders, including directors, shareholders, members of supervisory boards, politicians, consultants and union leaders. As a last step the constitutional changes of Curaçao are analyzed as a case of island-wide changes.

Keywords: Curaçao, Netherlands Antilles, small developing islands, transformation, change management

Resumen

El propósito principal de este artículo es presentar un estudio sobre los procesos de cambio en las organizaciones de Curaçao, para probar los cambios en general en los marcos teóricos y adaptar estos marcos al desarrollo de las islas pequeñas. El segundo propósito es explorar si los modelos de cambio elaborados para el cambio en organizaciones se pueden aplicar a las islas pequeñas. Empezaremos por describir el marco teórico sintetizando diversos modelos de transformación y de cambio en organizaciones. El estudio empírico en este artículo es el resultado de 39 estudios de casos, los cuales fueron convenientemente seleccionados. Los casos son analizados cualitativamente, basados en publicaciones previas, archivos públicos y observaciones de participantes, incluyendo directores, accionistas, miembros del comité de supervisores, políticos, consultores y líderes de sindicatos. Finalmente se analizan los cambios constitucionales de Curaçao como un estudio de casos de cambios al nivel insular.

Palabras clave: Curaçao, Antillas Holandesas, islas pequeñas en desarrollo, transformación, cambio en la administración
RÉSUMÉ
Le but principal de cet article est de présenter une étude des processus de changements au niveau des organisations de Curaçao, en vue de considérer les changements en général d’un point de vue théorique et de les voir au regard du développement des petites îles. Le but secondaire est d’examiner si les modèles de changements dédiés aux problèmes d’ordre organisationnel peuvent être appliqués aux petites îles. L’article présente une description du contexte théorique tout en considérant une synthèse des différents modèles de transformation et changements d’organisation. L’étude empirique dont on prend en compte dans cet article se base sur 39 études de cas qui on été méticuleusement choisis. Les cas sont analysés qualitativement, basés sur des publications antérieures, des archives et commentaires d’intéressés, y compris des directeurs, des actionnaires, des membres du comité de surveillance, des politiciens, des spécialistes et des dirigeants syndicaux. Aussi les changements constitutionnels de Curaçao ont-ils été analysés comme un cas de changement qui touche toute l’île.

Mots-clés: Curaçao, Antilles néerlandaises, petites îles en voie de développement, transformation, gestion de changements

Introduction

For more than two decades Curaçao has struggled to adapt to a changing world (Goede 2008). During this period many change projects and processes were started. Many were completed but a good number were not implemented. This is not exceptional, 70% of change projects fail. In order to study and manage change, several complementary change models have been developed and applied by practitioners. In general terms, these are not situational theories but have pretensions to universal applicability. This raises the question of whether such models, the steps identified by Kotter for example, can be applied to islands. Increasingly it is being acknowledged that small island communities need a specific framework to understand change on a personal, organizational and island-wide level (Arthur Andersen 1997; van der Maas 2008). One of the objectives of this article is to explore a suitable framework.

The question addressed in this article is: Are change models universally applicable? What patterns can be discerned in Curaçao when dealing with organizational change?

Islands can be compared to corporations (Aubert and Chen 2008;
Haley and Low 1996). If islands are like corporations, it should be possible to apply corporate or business change management models when studying or implementing change on an island-wide level.

The paper is structured as follows: First a synthesis of frameworks for change management is presented, next the life cycles of Curacao are briefly described. The methodology of the study is described. Change projects and processes in Curacao are analyzed, ending with a description of the constitutional reform of Curacao. The framework is discussed in the light of experience from Curacao, based on the analysis. This is followed by concluding remarks.

A Theoretical Framework for Organizational Change Management

Change is defined as the movement of a person, group or organization from a current, not desired situation to a future, desired situation. One of the first models of organizational change was developed by Lewin (1946) and assumed that the change process has three stages: Unfreezing, Moving, and Re-freezing. But the new clichés of today are that Change has changed, and Change is the only constant. Authors relate the change of organizational change to the shift from the industrial age to the New Economy (Kotter 1996:19; Abraham and Knight 2001). There has been a lot of discussion about how to label the post-industrial age. The post-industrial society is associated with many concepts: Globalization, the New Economy, the Information Economy, the Knowledge Economy, the Weightless Economy (Coy 2000; Dean and Kretschmer 2007:573; Greenspan 2007:493), the Creative Economy (Florida 2002, 2007; Howkins 2001), and the Experience Economy (Pine and Gilmore 1999).

Globalization is the process of growing interconnectedness of national states, societies, organizations and corporations, households and individuals (Brinkman and Brinkman 2002; Greenspan, 2007:363-376). Globalization is an umbrella term referring to increasing interdependence in the economic, social, technological, cultural, political and ecological spheres of states.

The Information Economy (1970 to 1995) is characterized by high levels of investment in analytical power to process data and information more quickly. In the information age, jobs required more brain power than muscle power (Bolkin).

The Knowledge Economy (1995 to date) is characterized by connecting power to share data and information faster and further. Technology enables us to tap into each other’s creativity. The Knowledge Economy is the result of bringing together powerful computers and well-educated minds to create wealth. Technology enables people to work 24/7. Work
and personal lives merge. Work without being personally present is possible (Kamberg 2007). Kamberg states that we are moving to the Conceptual Age where employees are the source of creativity that will make the difference competing in the marketplace. This makes employees a major asset (Bolkin; Handy 1996:201). “But when the vital assets are people, there can be no true ownership by corporations. The best corporations can do is to create an environment that makes the best people want to stay... The 21st century may see the emergence of a kind of ‘welfare capitalism’ in which corporations try to recruit and retain employees by providing services that in another era were provided by government agencies or families…” (Coy 2000). “The time has come for a company to treat its employees as real assets. In the broadcasting industry they refer to their people as ‘the talent’” (Economist 2007).

Organizations can be categorized into three groups: governmental organizations, non-governmental organizations (NGOs) and profit organizations (Greene 2005:58). Budd uses the terms ‘Public Domain,’ ‘Civil Society’ and ‘Private Market’ (Budd 2007:532). Organizational change is contingent. Change processes are different for each category of organization.

<table>
<thead>
<tr>
<th>Public Domain</th>
<th>Civil Society</th>
<th>Private Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Government</td>
<td>Associations</td>
<td>Global</td>
</tr>
<tr>
<td>Semi Government</td>
<td>Foundations</td>
<td>Captive Market</td>
</tr>
</tbody>
</table>

**Figure 1.** Classification of organizations

Everett Rogers (1995) in his 1962 book, *Diffusion of Innovations*, theorized that technological innovations would spread through cultures following an S-curve, as the early adopters select the technology first, followed by the majority, until a technology or innovation is common. This curve can also be applied to the development of organizations.
The S-curve is related to the Boston Consultancy Group Matrix (BCGM). According to the BCGM, sectors, activities, projects, products or technologies can be categorized into four categories: cash cows, dogs, question marks or stars.

<table>
<thead>
<tr>
<th>Business growth rate</th>
<th>Star</th>
<th>Question mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash cow</td>
<td></td>
<td>Dog</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

Relative market share

Figure 2. The S-curve and the second curve (Abraham and Knight 2001; McNamee and McNamee 1995)

Figure 3. Boston Consultancy Group Matrix

Question marks are growing rapidly thanks to the application of innovations and thus consume large amounts of cash. They have the potential of gaining market share and to become a star if successful, or a dog if not. Stars have a high market share in a fast-growing market. To sustain this position extra cash may be required. When growth slows down they become cash cows or dogs. They avoid becoming a dog by starting new question marks and so start a new life-cycle. Cash cows
have high market share in a slow-growing, mature market and generate a cash surplus. Dogs have low market share in a mature, slow-growing market and break even. They are kept because of the social benefits of providing jobs and possible synergy with other activities.

The S-curve and the BCGM can also be related to the organizational types described by Mintzberg (1979). Organizations start as a question mark and as simple structures, develop into a star or cash cow, when they are structured as a machine or professional bureaucracy, depending on whether they are more production or service oriented, continue their development into a cash cow structured as a divisionalized form for further growth and adopt the form of an adhocracy to re-invent themselves and start a new life-cycle, in other words to become a question mark again. Organizational change is the transition from one organizational form to the next. This is triggered, among other things, by technological innovation.

Organizational change involves two dimensions: hardware (technical: structure, systems and processes) and software (people: transformation or acceptance) (Arthur Andersen 1997). The change of hardware alone does not determine the success of the organizational change but it is the transformation of people and their interface with the technology that determines success.

The scope of organizational change can also be categorized into three groups: small changes, or improvements; medium changes, or restructuring; and big changes, or re-engineering, start-overs or business process redesign (BPR). Abraham and Knight (2001) also describe three types of change: gradual change or gradual improvement; continuous change or continuous improvement; and discontinuous change, moving performance from one level to a radically different level.

\[ R = TA \]

\[ R = \text{result of change} \]
\[ T = \text{technology} \]
\[ A = \text{acceptance by people} \]

Acceptance is determined by the leadership provided. This is illustrated in Figure 4. Leadership is situational and is one of the four change agents. The four change agents are simultaneously involved in a change process: senior leadership, middle managers, external consultants, and teams. Each has a different perspective and role (Andrews et al. 2008).

Technical change (the change of the hardware) has three stages: leading, designing and realizing. Leading is the process of preparing the organization to design and begin formalizing outcomes specified in
the business vision. Designing is the process of creating and enacting a change plan to close the gap between the current state and the desired future, by defining the major tasks and activities for the transition period, and determining the structure and management mechanisms necessary to accomplish those tasks. Realizing is the process of enacting the desired changes, measuring results, and identifying required adjustments to the change plan.

People resist change. There are three levels of resistance: resisting the idea itself—a cognitive difference of opinion—; resistance due to deeper emotional issues; and deeply embedded resistance (Maurer 1996). During change people go through a personal transition (a change in the software). There are three interrelated levels that can be transformed: doing, thinking and believing (Yolles 2007:395). The first level transition is the easiest to achieve.
The personal transition consists of three phases: ending, neutral zone, and new beginnings. In the ending there is a process of understanding the personal impact of change, letting go of the past and dealing with potential losses. The neutral zone (or exploration) is the process of overcoming anxiety and resistance, experimenting with changes and defining new rules and roles. The new beginning is the process of adopting new values, attitudes and identities and seeing the tangible benefits (Bridges 2003).

Normally, during the transition period the performance of the organization decreases before it increases. Things get worse before they get better. The organization goes through the valley of despair. There are two types of change, those which the organisation faces with reluctance, and those it embraces with enthusiasm. Even in the latter case they also have to go through the valley of despair.

As already stated the transition is basically an individual experience. This is best illustrated in *Who moved my cheese?* In which the four characters illustrate different responses to change (Johnson 1998). According to Rogers (1995) there are five individual responses of group members to change: innovators, early adopters, early majority, late majority and laggards. These types are represented in all organizations going through change.
The implementation of organizational change is a dynamic, continuous, political process during which the innovators and laggards mobilize support for and against the change by influencing the late and early majority. The natural allies of the innovators are the early adopters.

Kotter (1996) has become one of the leading authors on organizational change. He states that organizations go through eight steps to implement successful change. His eight steps cover both technical and personal change.

<table>
<thead>
<tr>
<th>The eight steps</th>
<th>Technical</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establishing a sense of urgency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Examining the market and competitive realities</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>• Identifying and discussing crises, potential crises, or major opportunities</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>2 Creating a guiding coalition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Putting together a group with enough power to lead the change</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>• Getting the group to work together as a team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Developing a vision and a strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Creating a vision to help direct the change effort</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>• Developing strategies for achieving the vision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Communicating the change vision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Using every vehicle possible to communicate the new vision and strategies constantly</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>• Having the guiding coalition role model the behaviour expected of employees</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Figure 7. Individual responses to change of people in organizations going through transition statistically represented (Roger 1995)
### The eight steps

<table>
<thead>
<tr>
<th>Stage</th>
<th>Empowering broad-based action</th>
<th>Technical</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>• Getting rid of obstacles</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td></td>
<td>• Changing systems or structures that undermine the change vision</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Encouraging risk taking and non-traditional ideas, activities, and action</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>6</td>
<td>Generating short-term wins*</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td></td>
<td>• Planning for visible improvements in performance, or ‘wins’</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td></td>
<td>• Creating those wins</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Visibly recognizing and rewarding people who made wins possible</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>7</td>
<td>Consolidating gains and producing more change</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Using increased credibility to change all systems, structures, and policies that do not fit together and do not fit the transformation vision</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Hiring, promoting, and developing people who can implement the change vision</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reinvigorating the process with new projects, themes, and change agents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Anchoring new approaches in the culture</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Creating better performance through customer- and productivity-oriented behaviour, more and better leadership, and more effective management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Articulating the connections between new behaviour and organizational success</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td></td>
<td>• Developing means to ensure leadership development and succession</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Figure 8. The eight-stage process of creating major change (Kotter 1996:21)*

Some authors describe the essential parts of the matrix in the following formula:

\[
\text{Change} = A < BCD
\]

Where

- \( A \) = benefits of maintaining status quo
- \( B \) = pain of maintaining status quo
- \( C \) = vision of a different world
- \( D \) = small steps to achieve the vision (O’Niel 2008)
Theories of organizational change and transition focus on organizational change and personal transition. The framework of change management presented above is mainly a Western (Anglo-American) model, which is propagated by its proponents as universally applicable. However, Weber indicated that not all societies are rational societies. Some are traditional and others are charismatic. Spiral Dynamics distinguishes six types of societies. These six types are presented in Figure 9.

<table>
<thead>
<tr>
<th>Colour</th>
<th>Description</th>
<th>Country example</th>
</tr>
</thead>
</table>
| Beige  | Archaic, instinctive, survivalistic, automatic, reflexological  
                   “Express instinctively and automatically for biological survival.” |                 |
| Purple | Animistic, tribalistic, magical, animistic tribal order  
                   “Sacrifice self to the wishes of the elders and the ways of the ancestors to placate the spirits.” |                 |
| Red    | Egocentric, exploitive power gods, dominionist  
                   “Express self impulsively and without guilt lest one suffers unbearable shame.” | Curaçao         |
| Blue   | Absolutistic, obedience, mythic order, purposeful, authoritarian  
                   “Sacrifice self now to the one true way and obey rightful authority so as to deserve rewards later.” | Singapore (Dinan, 1999) |
| Orange | Multiplistic, achievist, scientific, strategic  
                   “Express self calculatedly to achieve what self desires, but so as not arouse the ire of others.” | The Netherlands |
| Green  | Relativistic, personalistic, communitarian, egalitarian  
                   “Sacrifice self now, to obtain now, for self and others.” | Denmark         |

Figure 9. Spiral Dynamics (Cowan & Todorovic 2000; Dinan 1999)

The general framework of change management set out above is applicable in societies beyond the colour red, because it is only then that there is the ‘we’ factor. Before that stage of development, societies are too individualistic. Another issue that must be addressed is the dynamic that takes a society from one level of the spiral dynamics to the next level. Crisis, the need for change or a sense of urgency, according to Spiral Dynamics, are key factors in moving to the next level.

The Life Cycles of Curaçao

The purpose of this section is to illustrate the curves of innovations that Curaçao went through over time, concluding with the transition from the industrial age to the post industrial age.

Curaçao, with an area of 444 square kilometres, has been an
autonomous country within the Kingdom of the Netherlands since 10 October 2010 and it is inhabited by approximately 142,180 inhabitants of over forty nationalities. It has three official languages, Dutch, Papiamentu and English. The Dutch Kingdom is currently made up of the Netherlands, Aruba, Curaçao and St. Maarten. Aruba, Curaçao and St. Maarten are Dutch overseas, self-governing countries in the Caribbean. Defence and foreign affairs are Kingdom responsibilities, while the people hold Dutch nationality and citizenship and have full mobility to the Netherlands. Each of the islands of Bonaire, Saba and St. Eustatius is now a sort of Dutch municipality. Prior to 2010, the Kingdom of the Netherlands was made up of the Netherlands, the Netherlands Antilles and Aruba. The Netherlands Antilles and Aruba were Dutch overseas self-governing countries. The Netherlands Antilles was a federation of the five islands: Curaçao, Bonaire, Saba, St. Eustatius, and St. Maarten. The Netherlands Antilles went through a process of constitutional change. These changes took effect on 10 October 2010. After implementation, Curaçao was freed from a double bureaucratic layer. The federal government layer of the country of the Netherlands Antilles ceased to exist and the island government of Curaçao has become the only layer of government. The expectations are that this will not only lower the cost of government on Curaçao but will also lead to a more effective and decisive government that will be able to support the development of the island. These constitutional changes will be analyzed later in this article as an island-wide case of a change process.

The island of Curaçao was discovered in 1499 by the Spaniards and went through several life-cycles. The social and economic structure of Curaçao was formed over time, creating a complex, low trust, traditionally segregated and partially rational western society (Goede 2008). The main stages in the island’s development were:

- The slave trade from the seventeenth century until 1814 and in 1863 slavery was outlawed, the agricultural age combined with international trade.
- The oil era started in 1918 and went into decline in the 1960s, the industrial age.
- The financial services era started to grow in the 1960s and went into decline in the 1980s, the post industrial age.
- Tourism had a restart in the late 1980s and is currently in a phase of accelerated growth.

In the middle of the seventeenth century the Dutch West Indies Company (WIC) entered the very lucrative slave trade using Curaçao as a transhipment port. Slavery would continue for two hundred years until
1863. This phase laid the foundations for a segregated society based on ethnicity and culture that is still one of the origins of today’s social and economic problems.

After a period of economic stagnation, the arrival of the Royal Dutch Petroleum Company in 1918 started a second period of economic growth and the western, rational, Anglo-American system of management was introduced to the island.

In 1954, in the oil stage, and based on the prosperity brought by the oil trade, the Netherlands Antilles obtained internal self-government, as part of the global process of decolonization after the Second World War. A Dutch political and governmental structure was imported and based upon the characteristics of the society of Curaçao, it developed into a system of political patronage. In May 1969, as a consequence of the layoffs at the oil refinery, a revolt took place.

In the 1940s, the international financial sector of Curaçao started. It took off in the 1960s and flourished for twenty-five years, after an attractive fiscal regime was put in place. The sector declined as a consequence of measures taken by the governments of the United States and the Netherlands in the 1980s (Curiel 2005; Gibbes et al. 1999).

In the mid 1980s, the island entered a new stage of globalization by implementing a Structural Adjustment Program (SAP) or variations on such a program, containing liberalization and privatization.
The tourism phase started at the beginning of the twentieth century and took off in 1950s and 1960s, but was temporarily stopped after the revolt of 1969. In the mid 1980s, tourism was taken up again to mitigate the consequences of the economic crisis. It was difficult to stimulate the economy. In the last three years the tourism industry grew tremendously and broke all records and out performed other destinations even after the global recession became imminent in 2008. One of the causes was the fact that the local economic and financial system is not totally integrated in the global financial market.

If we examine key performance indicators of Curaçao, such as population growth, economic growth, the unemployment rate, the budget deficit and government debt, Curaçao has not done too well over the last twenty years. But the signs indicate that the economy has finally taken off in 2006 and 2007.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population in millions</th>
<th>Nominal GDP/capita (%)</th>
<th>Real GDP growth (%)</th>
<th>Unemployment rate (%)</th>
<th>Debt in millions Naf.</th>
<th>Budget deficit in millions Naf.</th>
<th>Inflation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>0.148</td>
<td>14.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>0.145</td>
<td>9,358</td>
<td>14.6</td>
<td></td>
<td>868.4</td>
<td>-82.6</td>
<td>4.0</td>
</tr>
<tr>
<td>1992</td>
<td>0.145</td>
<td>10,079</td>
<td>16.9</td>
<td></td>
<td>927.6</td>
<td>-154.4</td>
<td>1.4</td>
</tr>
<tr>
<td>1993</td>
<td>0.145</td>
<td>10,526</td>
<td>13.6</td>
<td></td>
<td>993.6</td>
<td>-108.3</td>
<td>2.1</td>
</tr>
<tr>
<td>1994</td>
<td>0.145</td>
<td>11,152</td>
<td>12.8</td>
<td></td>
<td>1615.0</td>
<td>-222.9</td>
<td>1.8</td>
</tr>
<tr>
<td>1995</td>
<td>0.145</td>
<td>11,536</td>
<td>13.1</td>
<td></td>
<td>1684.4</td>
<td>-125.8</td>
<td>2.8</td>
</tr>
<tr>
<td>1996</td>
<td>0.145</td>
<td>14,043</td>
<td>14.0</td>
<td></td>
<td>1646.8</td>
<td>-146.5</td>
<td>3.6</td>
</tr>
<tr>
<td>1997</td>
<td>0.147</td>
<td>14,256</td>
<td>-3.4</td>
<td>15.5</td>
<td>1691.5</td>
<td>-62.6</td>
<td>3.3</td>
</tr>
<tr>
<td>1998</td>
<td>0.147</td>
<td>14,251</td>
<td>0.0</td>
<td>16.8</td>
<td>1824.2</td>
<td>-70.6</td>
<td>1.1</td>
</tr>
</tbody>
</table>
One possible explanation for the poor performance over the recent past might be that Curaçao does not handle or manage change well, on an individual, organizational or island-wide level (Goede 2005).

### Methodology

In this paper we study discontinuous change in Curaçao in three categories of organizations. The empirical study presented in this paper builds on 39 case studies.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population in millions</th>
<th>Nominal GDP/capita (%)</th>
<th>Real GDP growth (%)</th>
<th>Unemployment rate (%)</th>
<th>Debt in millions Naf.</th>
<th>Budget deficit in millions Naf.</th>
<th>Inflation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>0.142</td>
<td>14,355</td>
<td>-2.3</td>
<td>14.8</td>
<td>1785.5</td>
<td>-15.5</td>
<td>0.4</td>
</tr>
<tr>
<td>2000</td>
<td>0.137</td>
<td>14,663</td>
<td>-2.3</td>
<td>14.2</td>
<td>2150.9</td>
<td>-29.7</td>
<td>5.8</td>
</tr>
<tr>
<td>2001</td>
<td>0.131</td>
<td>16,448</td>
<td>-0.7</td>
<td>15.8</td>
<td>2155.1</td>
<td>42.4</td>
<td>1.8</td>
</tr>
<tr>
<td>2002</td>
<td>0.127</td>
<td>17,193</td>
<td>0.4</td>
<td>15.6</td>
<td>2368.1</td>
<td>-89.8</td>
<td>0.4</td>
</tr>
<tr>
<td>2003</td>
<td>0.130</td>
<td>16,972</td>
<td>0.3</td>
<td>15.1</td>
<td>2447.3</td>
<td>-79.9</td>
<td>1.6</td>
</tr>
<tr>
<td>2004</td>
<td>0.133</td>
<td>16,974</td>
<td>0.2</td>
<td>16.1</td>
<td>2676.8</td>
<td>-134.9</td>
<td>1.4</td>
</tr>
<tr>
<td>2005</td>
<td>0.135</td>
<td>16,974</td>
<td>0.8</td>
<td>18.2</td>
<td>2492.4</td>
<td>-75.3</td>
<td>4.1</td>
</tr>
<tr>
<td>2006</td>
<td>0.136</td>
<td>17,000</td>
<td>1.5</td>
<td>14.7</td>
<td>2660.7</td>
<td>-101.6</td>
<td>3.1</td>
</tr>
<tr>
<td>2007</td>
<td>0.136</td>
<td>17,000</td>
<td>3.5</td>
<td>12.0</td>
<td></td>
<td></td>
<td>3.0</td>
</tr>
<tr>
<td>2008</td>
<td>0.138</td>
<td>17,000</td>
<td>2.2</td>
<td>10.3</td>
<td></td>
<td></td>
<td>6.9</td>
</tr>
<tr>
<td>2009</td>
<td>0.138</td>
<td></td>
<td>-0.2</td>
<td>9.7</td>
<td></td>
<td></td>
<td>1.6</td>
</tr>
</tbody>
</table>

Table 1. Some economic indicators (Source: Bank van de Nederlandse Antillen). The population of Curaçao over time (Source: Central Bureau of Statistics)

Vol. 39, Nos. 1-2 (January - December 2011), 139-167  Caribbean Studies
Table 2. An overview of the cases studied

The cases were selected and analyzed qualitatively. The selection was based on the accessibility of detailed information from secondary sources, based on previous publications, public records and participant observation of stakeholders, including directors, shareholders, members of supervisory boards, politicians, consultants, journalists and union leaders.

In the next section the cases are presented, highlighting the most prominent features.

After this, the framework is applied to the case of constitutional changes in Curaçao.

Cases of Organizational Change in Curaçao

As can be concluded from the historical description of the island in the previous section, everything depends on the change associated with the entrance into the next life cycle. The analysis in this paper focuses on the last 25 years. The first big change that hit the island followed the decision of the multi-national corporation Shell to leave the island in mid 1985. The second major change was the decline of the financial sector at the end of the 1980s after the United States abandoned its tax treaties with the island. The devaluation of the Venezuelan Bolivar wiped out tourism from that neighboring country (Goede 2005; Tromp 2005). The result was that after the mid 1980s there was a need for change in all categories of organizations on the island and that this applied equally to micro, mezzo and macro events. The island government took the lead and formulated a Structural Adjustment Program (SAP), consisting of two tracks: the restructuring of government on the one hand and the restructuring of the economy on the other. At the end of the last century
a great number of State Owned Enterprises (SOEs) and foundations had been created. The SOEs were privatized as part of the SAP. Other measures that were implemented as part of the SAP were liberalization of the markets in telecommunications and aviation, as well as the labor market.

To understand change in Curaçao, a closer look at the vision, and at specific cases in each category of organization, is necessary. In this section previous research will be presented and new cases will be identified.

Vision

To deal with the crisis of the 1980s, the government of Curaçao formulated its Ekilibrio en Adelanto program in the mid 1980s. The essence of the program was the two tracks. Many other vision programs and projects followed: Nieuw Beleid, Vision Korsou, and 5 Stars Curaçao. To date, none of the vision programs has really worked. When they reached the implementation stage, they all crumbled.

Public Domain

As part of the SAP and the programs that followed from the mid 1980s, the government tried to implement a downsizing program: Ekilibrio – Adelanto, Ekilibrio – Progreso, Nieuw Beleid. But it was not until 1999 that the program was finally implemented, after deeply embedded resistance and pressure from the Netherlands and the International Monetary Fund (IMF).

According to the principles of New Public Management, the reduction of the core government did not bring about sufficient restructuring to interface with the semi-government organisations and the profit organizations. The changes were superficial and only operated at the level of action. This caused fragmentation of the public domain and lack of direction in semi-governmental organizations like Aqualectra, Post, and Selikor.

Part of the SAP was a privatization program. This resulted in the creation of numerous SOEs. Selikor, one of the first SOEs to be created in 1995, was created years after Professor Boorsma had first made the suggestion in his report in 1988. After Selikor, many SOEs where started in a short period of time (Goede 2005).

Civil Society

As Curaçao globalized, NGOs also went global. The government of Curaçao cut back on subsidizing NGOs and the Dutch government decided to establish more direct links with NGOs because they where
concerned about the influence of the local political elites. By doing this the Dutch government further weakened the position of the local government when dealing with NGOs. The NGOs started to look for alternative resources and approached the private sector and international donors. This situation created the conditions for outside donors to increase their influence with the NGOs. An examination of the progress of NGOs, however, indicates that change in the NGO category also takes a very long time or never takes place.

Private Market

The market organization was traditionally formed of family businesses and in the late 1960s the economic base was expanded through a process where local industries enjoyed market protection when they were producing goods to substitute imports. In the new millennium, as part of the SAP, market protection was abolished. This led to the closing of several inefficient businesses. Among them were the Amstel brewery and ADM Milling but also the state owned airline ALM/DCA.

Organizations in Curacao operating in the global market place implemented change according to the textbooks. Shell executed the change in 1985 swiftly and boldly. Similar bold strategies to implement change were adopted in the 1990s by corporations like ABN-Amro, Rabo, ING, ADM Milling and Amstel. These mainly Dutch companies abandoned the island and increased their direct presence in the Latin American market.

The Constitutional Changes of Curacao Analyzed Using the Framework for Organizational Change

In this section the framework is applied to the case of constitutional change in Curacao, focusing on the period from 2005 to 2010. For the purposes of discussion, the political party PAR is described as the “innovator” and the MAN and PS parties are described as the “laggards.”

Netherlands Antilles obtained internal self rule within the Kingdom of the NA in 1954. From the start Aruba was not satisfied with the new constitutional structure and started a struggle for self-government. In 1986 Aruba obtained their Status Aparte after the people expressed their wishes in a referendum in 1977, and the remaining five islands started a process of restructuring the Netherlands Antilles. In the 1990s the politicians of Curacao concluded that the restructuring of the Netherlands Antilles had failed. In 1993 a referendum was held on Curacao in which the people were asked to opt for a Status Aparte for Curacao as well. The people resisted the change by voting to continue the restructuring of the
Netherlands Antilles (74%). In the new millennium the politicians came
to the conclusion that the restructuring was impossible and on 8 April
2005 a new referendum was organized. This time 68% of the people
decided that Curaçao should obtain a Status Aparte, calling Autonomo
den Reino. The month of July 2007 was set for the constitutional changes
to go into effect. This date was postponed to 15 December 2008. In
March of 2008 this date was again postponed to 2010.

The elections held on 20 April 2007 were the fifteenth Island Council
elections in Curaçao. These elections must be understood in the context
of the constitutional reform in the Netherlands Antilles. On 2 November
2006 in the Netherlands an agreement was signed by delegations from
the Netherlands, the Netherlands Antilles and the islands of Curaçao
and St. Maarten. The agreement dealt with cooperation of the parties
in the areas of justice and finance in the new constitutional framework.
The Netherlands agreed to take over a substantial part of the debts of
the islands and for their part the islands would improve their public
finances and agree to supervision by the Netherlands in financial and
judicial matters.

After the return of the delegation of Curaçao from the Netherlands,
the biggest party, PAR (who won the parliamentary elections in January
2006) and to a lesser extent the PNP, claimed responsibility for the results
of the negotiations. This broke the agreement between the political
parties not to let party politics intervene in the process of constitutional
reform and to present a united front against the Netherlands. After that
the MAN and other political parties had second thoughts about the
agreement and opposition emerged from some parts of civil society on
the issue of supervision by the Netherlands. This was described as giving
away some of the autonomy of the island. This led to the rejection of
the agreement by the Island Council of Curaçao at the end of November
2006 by a majority of 13 of the 21 members. The reaction of a significant
part of the community was one of disbelief. Immediately groups started
to demand a referendum on the agreement. This petition was not con-
sidered. This set the stage for the election campaign.

The election campaign started in January 2007, when the leader of
the PAR announced at a party fundraising gathering that her party would
resubmit the agreement on constitutional reform with the Netherlands
to the newly elected Island Council, and that a vote for her party was
a vote in favour of the agreement with the Netherlands. Initially the
MAN party stated that the election was not a referendum, but that it
was about election programs and issues. But soon the political spectrum
was divided into parties which favoured the agreement (PAR, PNP), and
parties against (MAN, PLKP, FOL, MSL, PS, NPA, Forsa), with the DP
taking no stand on this issue of the agreement with the Netherlands. This
made the election a pseudo-referendum on the issue of the agreement on constitutional reform with the Netherlands. Newspaper advertisements and radio and television spots were used intensively.

These elections brought to the surface the cleavages in the society of Curaçao. There emerged two camps: ‘Yes’ and ‘No’. The society was not only divided on the issue of the agreement with the Netherlands, but also along the lines of social and economic classes, and even ethnicity appeared to be a factor.

<table>
<thead>
<tr>
<th>Votes</th>
<th>Seats</th>
<th>Votes</th>
<th>Seats</th>
<th>Votes</th>
<th>Seats</th>
<th>Votes</th>
<th>Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 06</td>
<td>Jan 06 (%)</td>
<td>April 07</td>
<td>April 07 (%)</td>
<td>Jan 10</td>
<td>Jan 10 (%)</td>
<td>Aug 10</td>
<td>Aug 10 %</td>
</tr>
<tr>
<td>Ban Vota</td>
<td>484</td>
<td>0.7</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DP</td>
<td>2638</td>
<td>3.7</td>
<td>0</td>
<td>3813</td>
<td>5.1</td>
<td>1</td>
<td>1823</td>
</tr>
<tr>
<td>E Mayoría</td>
<td>41</td>
<td>0.1</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOL</td>
<td>9582</td>
<td>13.6</td>
<td>2</td>
<td>7648</td>
<td>10.3</td>
<td>2</td>
<td>4354</td>
</tr>
<tr>
<td>Forsa</td>
<td>6658</td>
<td>9.4</td>
<td>2</td>
<td>4932</td>
<td>6.6</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>MAN*</td>
<td>13123</td>
<td>18.6</td>
<td>3</td>
<td>13923</td>
<td>18.8</td>
<td>5</td>
<td>23569</td>
</tr>
<tr>
<td>MFK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15949</td>
</tr>
<tr>
<td>MODPOR</td>
<td>242</td>
<td>0.3</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSI</td>
<td></td>
<td></td>
<td>195</td>
<td>0.3</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSL</td>
<td>1032</td>
<td>1.4</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPA</td>
<td>3851</td>
<td>5.5</td>
<td>0</td>
<td>6304</td>
<td>8.5</td>
<td>2</td>
<td>336</td>
</tr>
<tr>
<td>PAIS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2198</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>PAPPS</td>
<td>185</td>
<td>0.3</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAR</td>
<td>18187</td>
<td>25.8</td>
<td>5</td>
<td>20862</td>
<td>28</td>
<td>7</td>
<td>26662</td>
</tr>
<tr>
<td>PLKP</td>
<td>4293</td>
<td>6.1</td>
<td>0</td>
<td>1227</td>
<td>1.6</td>
<td>0</td>
<td>509</td>
</tr>
<tr>
<td>PNP</td>
<td>7768</td>
<td>11</td>
<td>2</td>
<td>7558</td>
<td>10.2</td>
<td>2</td>
<td>6506</td>
</tr>
<tr>
<td>PPE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>309</td>
<td>0.4</td>
<td>0</td>
</tr>
<tr>
<td>PS</td>
<td>3357</td>
<td>4.8</td>
<td>0</td>
<td>5494</td>
<td>7.4</td>
<td>1</td>
<td>10785</td>
</tr>
<tr>
<td>UPN</td>
<td>1651</td>
<td>2.2</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* MAN, NPA and FK combined their efforts and presented a joined list in January 2010.

The PAR became the biggest party with 28% of the votes, obtaining 7 seats in the Island Council. The result of the election made a coalition between parties forming part of opposing blocks necessary. There were three theoretical options: a coalition between the big parties of the opposing blocks (the PAR and the MAN, the innovators and the laggards), a coalition of the PAR and PNP with one or more parties from the opposing block, or a coalition of the block against the agreement with the Netherlands.

The PAR and the MAN simultaneously assumed different initiatives to form a coalition to support an Executive Board before the 1 July 2007, as prescribed by law. The PAR aimed for a coalition with one party from the opposing block to form a majority supporting the agreement with the Netherlands. The MAN was hoping to commit the group of 10 seats and lay a foundation for a coalition against the agreement with the Netherlands.

Very soon the PAR reached an agreement with the PNP and the FOL, forming an Executive Board supported by a minimum majority of 11 seats in the Island Council. This was a big surprise to many, because for many years the PAR ruled out the FOL as a coalition partner, because the political leader and other officials of the FOL had been convicted for corruption. Another issue was that the FOL campaigned against the agreement with the Netherlands, and that the FOL had been rejected by the voters, losing more than 23% of their vote compared to the Island Council Elections of 2003. The cooperation between the two parties was explained by their political leaders in terms of the long relationship between the two families of the leaders and that this provided a basis of trust to work together. This led to disappointment in the ‘No’ camp.

As a consequence of this, the start date for any constitutional reforms was postponed from July 2007 to December 2008, by which time it was hoped that the results of the continued negotiations with the Netherlands would be approved in a referendum by the people. The big issue for the politicians of Curacao at that time was who would be the first Prime Minister of Curacao after the first elections of the parliament of Curacao after 2008. This date was later postponed again from April 2008 to 10 October 2010.

In its meeting on Thursday June 26 2008, the Island Council passed the law formalizing the supervision of the budget by a committee including Dutch experts among others. This was considered a step in the direction of re-colonisation by the opposition. At this stage the opposition (‘No’ grouping) was operating under the umbrella of the Patriotic Alliance (Aliansa Patriótiko) consisting of PS, MAN, Forsa, NPA and PLKP. After this meeting, protestors against the law entered cafes visited by Dutch people and harassed white people indiscriminately. These events
where instigated by, among other things, a full-page advertisement placed by the Alliance in several local newspapers.

The Referendum in Curaçao held on 15 May 2009

This referendum was to ratify the package of agreements with the Netherlands. The possible answers were: ‘Yes’ or ‘No.’ ‘Yes’ won, obtaining 52% (41,398 votes), while ‘No’ obtained 48% (38,363) votes.

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41,433</td>
<td>52</td>
</tr>
<tr>
<td>No</td>
<td>38,261</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>79,694</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Referendumcommssie, 2009b

On television, Mr. Cooper (MAN) of the ‘No’ campaign, warned the government not to neglect the 48%. The Prime Minister of PAR stated that she would reach out to the opposition. Prime Minister Balkenende of the Netherlands and Junior Minister of Antillean Affairs Mrs. Bijleveld gave their reactions. They stated that the opposition needed to rejoin the process, now that ‘Yes’ had won the referendum.

In a way, this result of the referendum was a reflection of the 11–10 division in the distribution of seats on the Island Council. If the votes of the parties endorsing ‘Yes’ and ‘No’ are counted, it reflects the split along political lines. But it was simplistic to believe that voters voted strictly according to party lines. Both blocks considered themselves winners of the referendum, although ‘Yes’ has a more justifiable claim. Both blocks stated that the gap must be bridged between the two camps, but on their own terms. All parties were looking forward to the next elections. Some said that the elections would be in September 2009 and others state that the elections would be held in January 2010. In any case, they were expected before the end of March 2010. Then the government announced that the elections would be canceled.

Aliansa Patriótiko (‘No’) still claimed victory. They argue that Dutch people on the island and other voters, like Latinos, are not part of “the people” who have the right of self-determination, according to the UN ruling. The two camps kept arguing about the result through their allies in the media. On 20 May 2009 the activist group Kousa Komun stated that ‘No’ is putting a bomb under democracy by questioning the referendum results. On Monday 1 June 2009 the Island Council debated on the result on the referendum. They could not agree on the wording of
the resolution and the meeting was adjourned. But later in the evening
the referendum results were approved by eleven of the 21 members of
the Island Council.

In the meantime, the three ‘No’ parties (Aliansa or LdK) were
preparing for the next elections. They appointed Mr. Cooper (of the
MAN) to head the electoral list. PS was now clear that it opted for real
independence. But the Prime Minister (PAR) stated that it did not make
sense to hold elections for the State of the Netherlands Antilles. Finally,
based on legal advice of the State Council of the Kingdom of the Neth-
erlands and the State Council of the Netherlands Antilles, the elections
were called for January 2010.

The State Election in Curaçao held on 22 January 2010

The Aliansa Patrióitiko (AP) stated that the upcoming elections
were to be a referendum and that the opposition parties must unite to
stop the constitutional reforms.

The consequences of the elections were as follows. The PAR became
the biggest political party with 6 seats. The LdK did not win the election
as expected but obtained 4 seats. If the election is considered a refer-
endum, ‘Yes’ parties obtained 50.7% of the votes and ‘No’ 49.3%. But
it is too simplistic to state that PAR won the election. The coalition lost
three seats (PNP lost one of its two seats and FOL lost both its seats).

At first glance everything remained the same. The FOL disappeared.
They were punished for working with PAR and punished for betraying
the ‘No’ group in the referendum.

There was a lot of analysis of the result in the days after the elections.
The governor of the Netherlands Antilles even explored the possibility
of professional government. Mr. Atacho, a senior PAR politician, was
appointed by the Governor to form a government.

On 13 February 2010 it became apparent that he was aiming for a
coalition of 14 seats with only PAR representing Curaçao in the federal
government of the Netherlands Antilles.

The three parties (LdK) announced that they would be separate par-
ties in parliament. A few days later, on 5 February 2010, they changed
their position, again stating that they would remain as one party. But
later on they split definitively.

First State Elections in Curaçao

On 27 August 2010 the first elections without voting machine in years
were held to elect the last Island Council that would become the first
parliament of Curacao after 10 October 2010. The PAR lost over 4000
votes. There was a need for an explanation. Attempts to form coalitions were taking place in parallel with campaigning for the election, and it seemed that PAR would be left out. On 31 August 2010 it became more apparent that MFK, PS and MAN had formed a coalition supported by 11 seats. MFK was the new party of Mr. Schotte who months before left the MAN. The only thing binding these parties was their hatred of PAR. In other words ‘No’ was in charge and ‘Yes’ was in opposition by 1 seat.

On 4 September 2010, after a delayed meeting, the new Island Council approved a new constitution. On 8 September 2010 the new government attended the Roundtable Conference in the Netherlands.

On 15 September 2010, Mr Schotte was appointed to form the new government for the new country Curaçao. On 10 October 2010 Mr. Schotte became the first Prime Minister of Curaçao.

Remarks on the Island-wide Case

The process of constitutional change was an island-wide change process mainly approached on the level of Doing. To illustrate this point, after 10 October 2010, the apparatus of the civil service was not in place. The PAR can be seen to be operating in the role of the innovators and the MAN and PS perform the role of the laggards. The resistance is deeply embedded. The process has been prolonged and there is self destructive behaviour. Just as Curaçao comes out of a long recession (International Monetary Fund 2008) protest actions are undertaken that might hurt the tourist sector, especially the Dutch market that has contributed substantially to the recovery of the economy. The changes never had significant support, with only slightly over 50% of the population ever voting for them. The roles of change are played by networks and even ethnicity plays a role.

Discussion

Based on the analysis presented in the previous section, a number of necessary adjustments to the framework for managing change can be identified.

Curaçao is a small developing island. One of the consequences of this is that most of the organizations are small and have triads of the simple structure. Because of the small scale of the community there is no distinction between small organizational changes and big changes. Any organizational change affects large numbers of stakeholders. Because of the small scale, social relations are very close, leading to close informal relations and making a rational, business-like approach more difficult; there is no distinction between business matters and personal matters.
In addition to the small scale, the society is multicultural, segmented and fragmented. This leads to rivalry between social networks (clans, often organized around political parties), and this limits the independence of actors and makes creating a shared vision very difficult and increases transaction costs.

In Curaçao, like the rest of the world, organizational change has become constant. These changes are the consequence of the external factors identified by Kotter (1996) and geopolitical developments like the constitutional change, together with developments in Venezuela, Colombia, Europe and the United States of America.

Change is best dealt with in the private sector, especially in global organizations, because the factors have direct impact on these organizations, particularly following the abolition of market protection. Resistance to change is often deeply embedded. Organizational change is most strongly resisted in the governmental organizations, because of the lack of market mechanisms and because of patronage and the coalition system. Outside pressure, for example from the Dutch government and IMF, are essential for implementing change. In NGOs there is no real drive for organizational change because of the lack of market forces and the lack of resources and this results in an absence of any strong impetus to innovate.

Curaçao and organizations in Curaçao also develop according to the S-curve. In general it can be stated that in Curaçao there is a problem with starting a new life cycle, because signs of the need for change are ignored and much time is wasted in debate. Because of the resistance to change many successful or promising ventures fail.

Organizational change is mainly handled as a technical issue. Curaçao is stuck in the industrial age model of blueprint followed by implementation. Much time is spent in the planning phase.

The biggest adjustment that must be made to the framework is at the transition level. Few organizations and experts know how to align hardware and software change. This is a consequence of following the Western model of organizational change and the lack of research into local organizational change and management. Resistance to change is deeply embedded; there is real fear of change (Marcha 2003; Broek 2006). As a consequence many projects are not realized. If transformation takes place it is only on the level of Doing.

Ending (letting go of the past and dealing with potential losses) is very hard because is it is often associated with the fear of losing one’s job. A job is an essential element in the strategy to survive in a society where jobs are scarce.

From these cases we learn that change is fiercely resisted, and that when implementation is under way and performance decreases, it is
interpreted by the laggards as meaning that the change is not working, that the change has not been properly prepared, that the pace of change is too high and that reversing the change is justified. Ending is a problem and in the neutral zone (the process of overcoming anxiety and resistance, experimenting with changes and defining new rules and roles) there is a tendency to reverse the change. If change is implemented, it takes a very long time.

In Curaçao, the roles of innovators and laggards coincide with existing social networks. This implies that change often results in battles between networks. The laggards’ networks resist fiercely. The laggards are likely to be fully committed and willing to go to any lengths to make the innovators retreat. This is because the losses for the laggards seem to be greater than the gains for the innovators. In this clash, media and political parties are involved as part of the networks (Goede 2006) and even ethnicity is a factor that is put into play.

When applying the scale of Spiral Dynamics, Curaçao is predominantly a red society, characterized by egocentrism, exploitative power, domination, and impulsiveness directed towards selfish desires without guilt and to avoid shame. This also explains why the adjustments to the framework are necessary.

Concluding Remarks

The universal frameworks provide a good starting point and basic framework to study and facilitate change in small developing islands. Adjustments are necessary due to the small scale of island society and the diversity of that society. A consequence of the small scale of society on an island is that every change is seen as a big change, in which many are affected and social networks get involved. Put in other terms, change has a simultaneous impact at the micro, mezzo and macro levels. Change is fiercely resisted.

Notes


2  In Caribbean societies citizens leave the islands when the economies go down and establish themselves abroad, often in the former mother country.

3  The first elections for the Island Council of Curaçao were held in
1951.

4 Slotverklaring van het bestuurlijk overleg over de toekomstige positie van Sint Maarten en Curaçao, 2 November 2006, Den Haag.

5 According to the President of the Central Bank this debt is close to Naf 5 billion. This is approximately $2.8 billion (Tromp 2005).

6 Kousa Komun is an NGO operating in the area of Good Public Governance.

7 It is unclear which parties formed the AP.

8 LdK (Lista di Kambio) was the combined list of MAN, Forsa and NPA. PS did not join because they were in favour of full independence for the island.

References

Amigoe. 2007a. “Mogelijk kan arbitrage voorkomen worden.” Amigoe, 1 Augustus.


