

# SURINAME

Poverty and Equity assessment



Hosted by



**WORLD BANK GROUP**





# Macroeconomic Background

From Sluggish Growth,  
to Crisis, to Recovery

...to an Oil Boom?

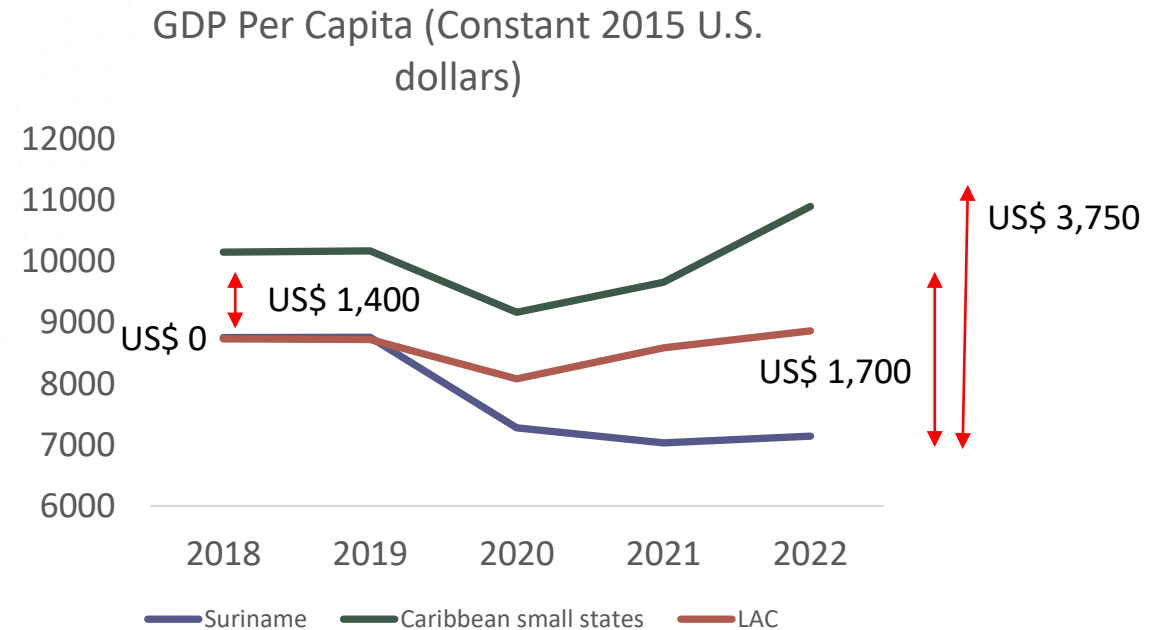
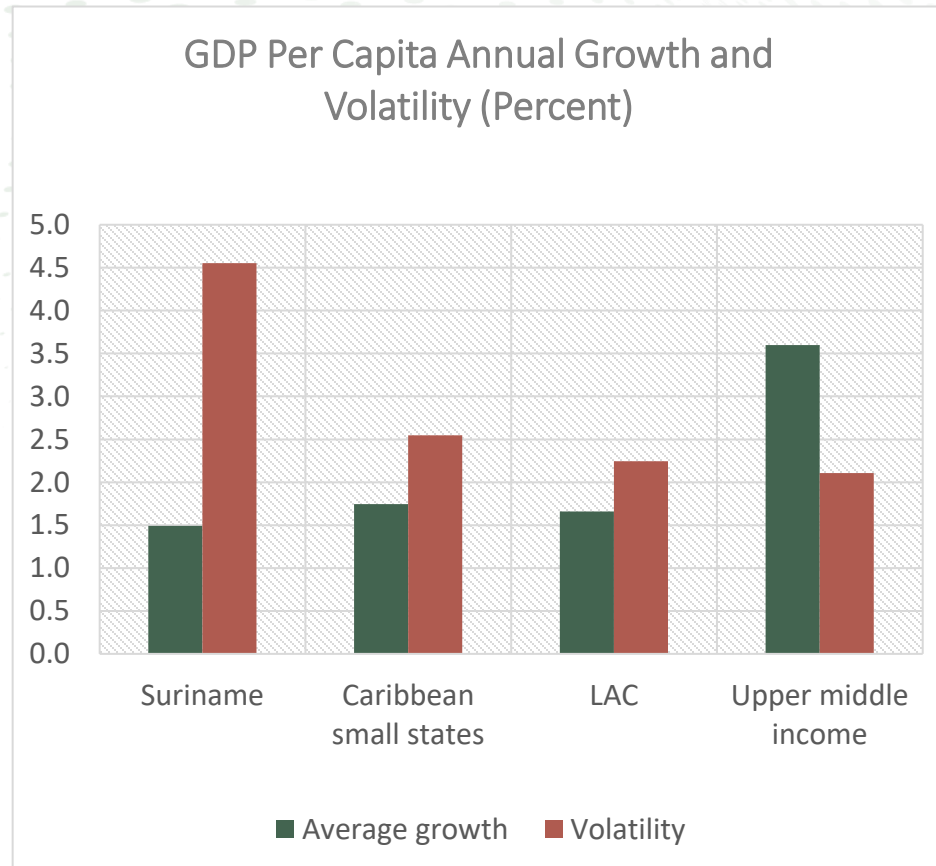


WORLD BANK GROUP



## History of low growth with high volatility (1960 – 2019).

Slow recovery after COVID-19: real gap in GDP per capita with respect to neighboring economies has been exacerbated

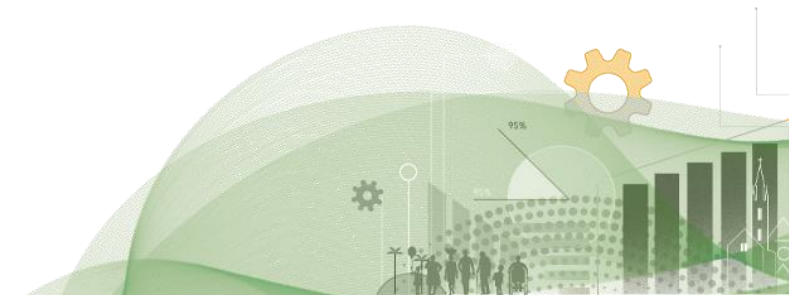


Source: World Development Indicators Databank. GDP per capita (constant 2015 US\$). Left-hand chart: annual growth and volatility (standard deviation) 1960-2019. Right-hand chart: levels, 2018-2022

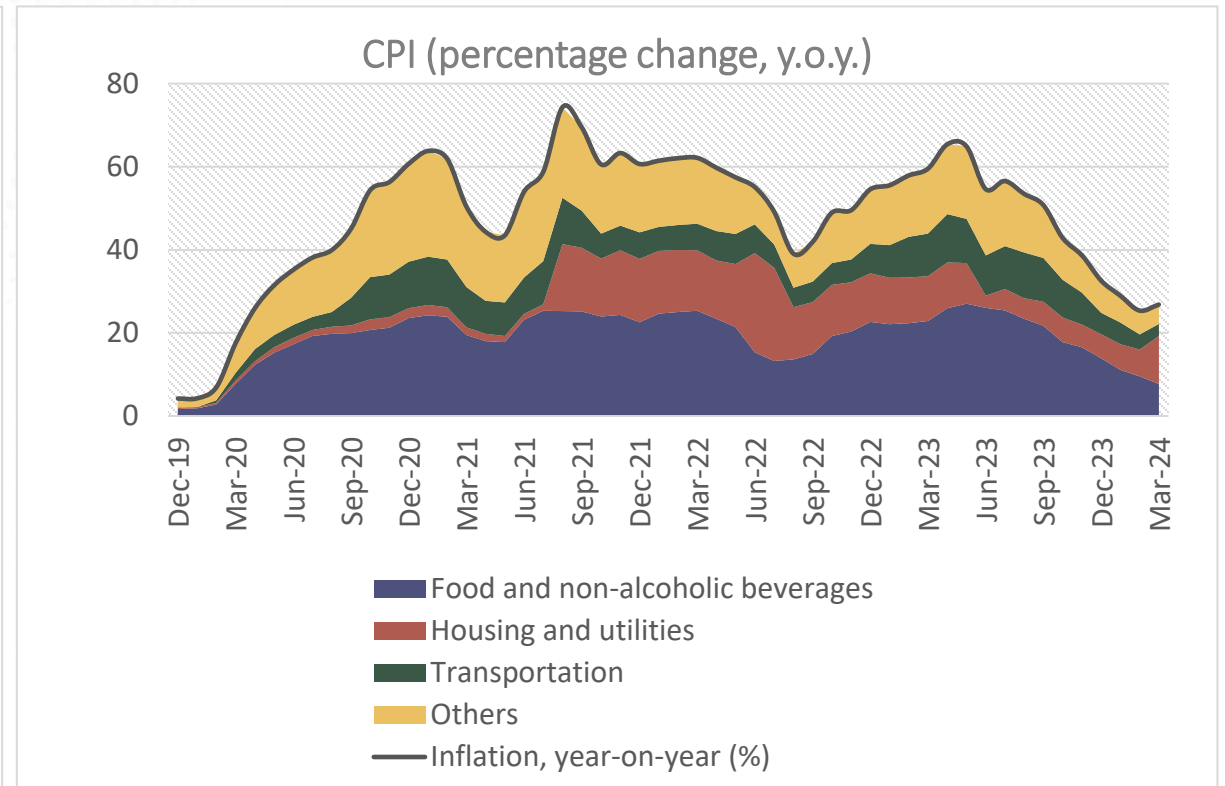
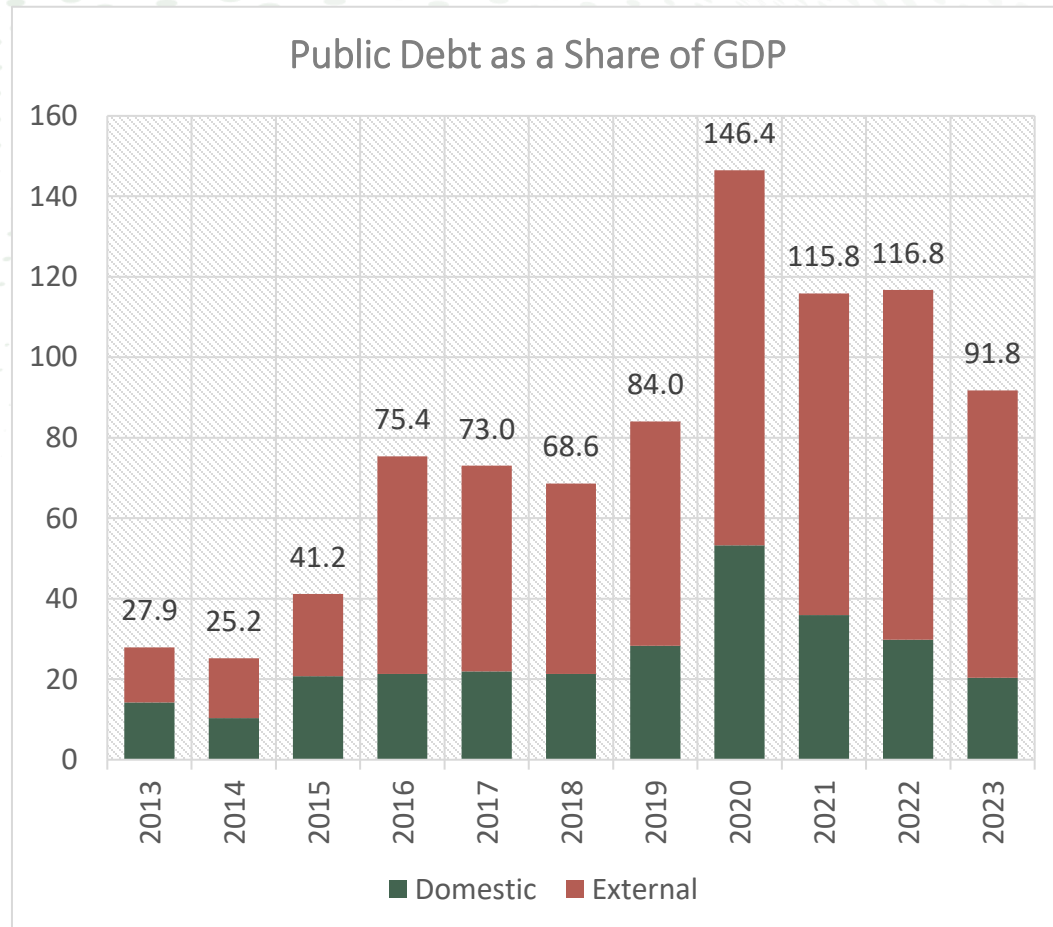
## Hard data on the impacts of the crisis on poverty and inequality is scarce. However, there are indications that the impact was profound

---

- **National accounts:** over 90 percent of the workforce was employed in sectors that would experience a (generally dramatic) decline in value added
- **IDB August, 2021, phone survey:** income losses driven by declining employment, business closures, and lower remittances
- **World Bank June, 2022, phone survey:** Share of households that would run out of food due to lack of money increased from 14 percent pre-pandemic to 25 pct



## Recovery signals are emerging: decreasing debt and inflation

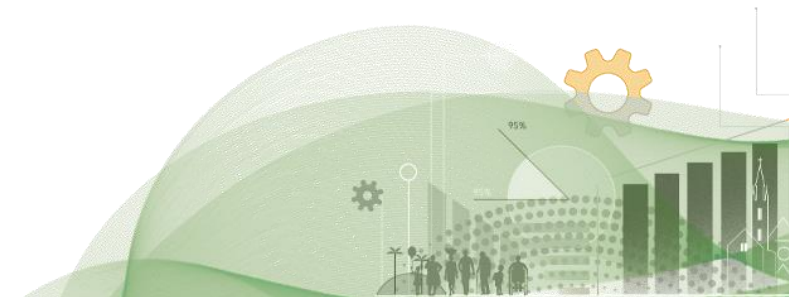


Source: Left-hand chart: World Economic Outlook, October 2023.  
Right-hand chart: General Bureau of Statistics, February 2024.

## High expectations on offshore oil exploitation

---

- **TotalEnergies** → Oil Project of 200,000 b/d → To be sanctioned by the end of 2024
- **Potential Investment** → US\$9 billion over 10 years (about 20% of GDP per year)
- **Expected Royalties** → US\$200 million / year (equivalent to 21% of 2023 total revenue)
- Revenues could promote higher growth and improve fiscal and external balances, but **urgent preparation is needed**



# This Poverty and Inequality Assessment Takes Stock of Poverty and Inequality in Suriname, as the first signs of Recovery became apparent



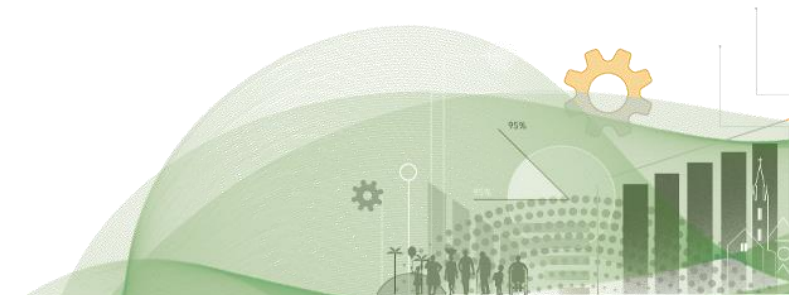
WORLD BANK GROUP



# This Poverty and Equity Assessment for Suriname...

---

- Is based on the **2022 IDB SLC**, a vital source of information in a 'data constrained' setting (nationally representative, based on interviews with ~2,500 households and ~7,500 individuals)
- Discusses the first **globally** comparable poverty measures for Suriname since **1999**
- Aligns with the approach of Suriname's **Poverty Committee** and is anchored in the **asset-based framework**
- **Examines who the poor are**, what characterizes the poor, and how these patterns compare internationally
- Takes an in-depth look at two fundamental determinants of poverty: **labor markets** and **social assistance**
- Drawing also on prior analytics and consultations, provides short and medium-term **policy recommendations**
- **FINAL PRODUCTS: CORE REPORT AND 3 ANNEXES ON POVERTY ESTIMATES, LABOR MARKETS, AND SOCIAL ASSISTANCE**

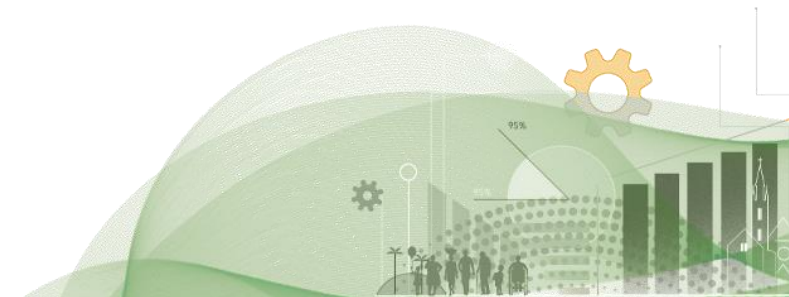




# Summary of narrative

---

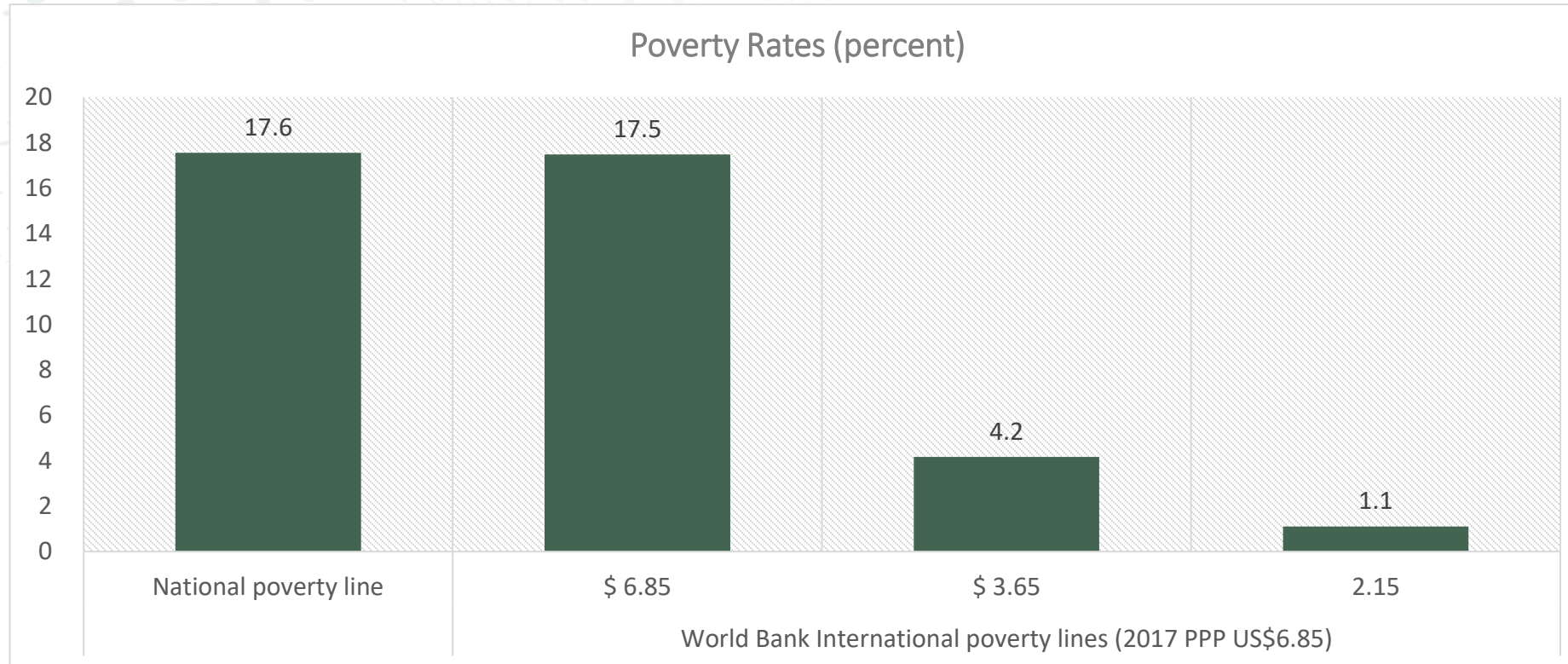
- **Human capital deficiencies**, especially in education, are at the heart of poverty and inequality in Suriname
- These human capital deficiencies intersect with historical **ethnic and geographic inequality**
- There is a **mismatch in labor supply and demand**, in no small part due to skill shortages in the workforce
- By not capitalizing on **women's stronger education performance**, Suriname is losing opportunities for growth and poverty reduction
- **Social assistance** programs do not adequately reach those who need it most
- Careful preparation is required for offshore **oil revenues** to contribute to reductions in poverty and inequality



# 2022 Headline Poverty and inequality statistics

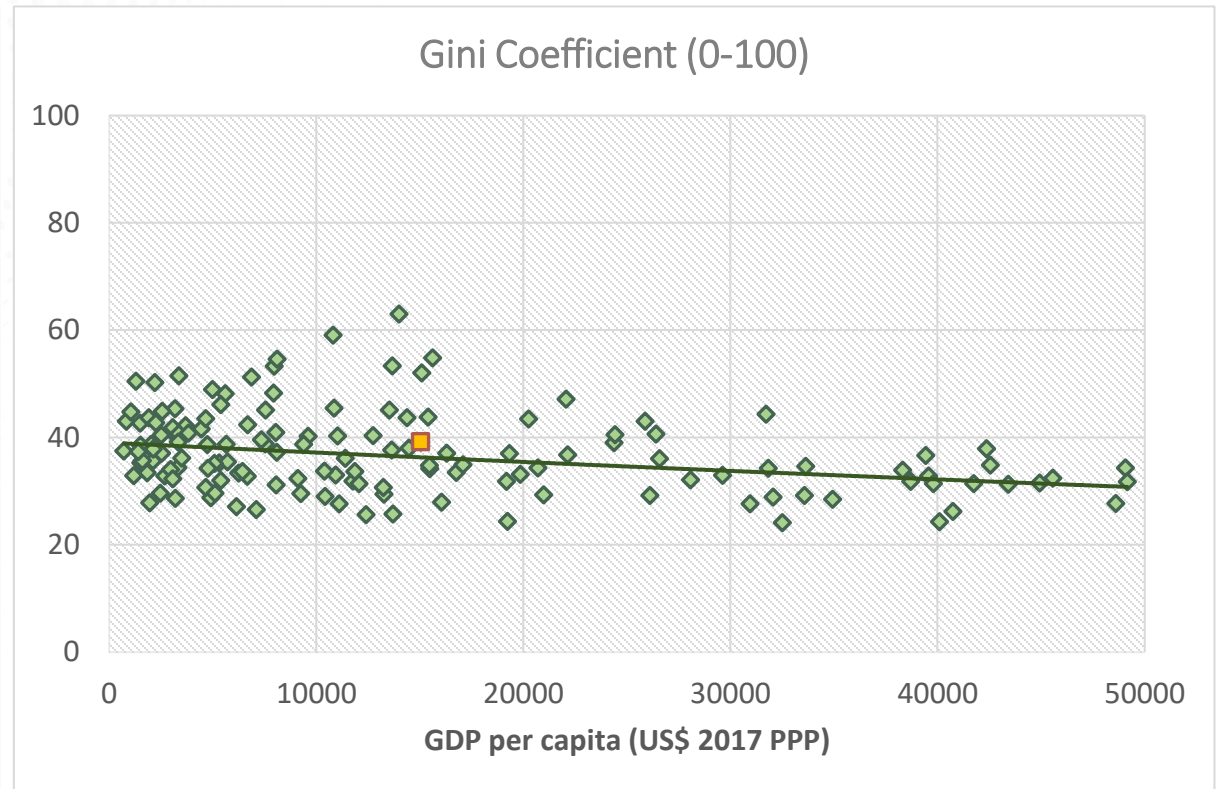
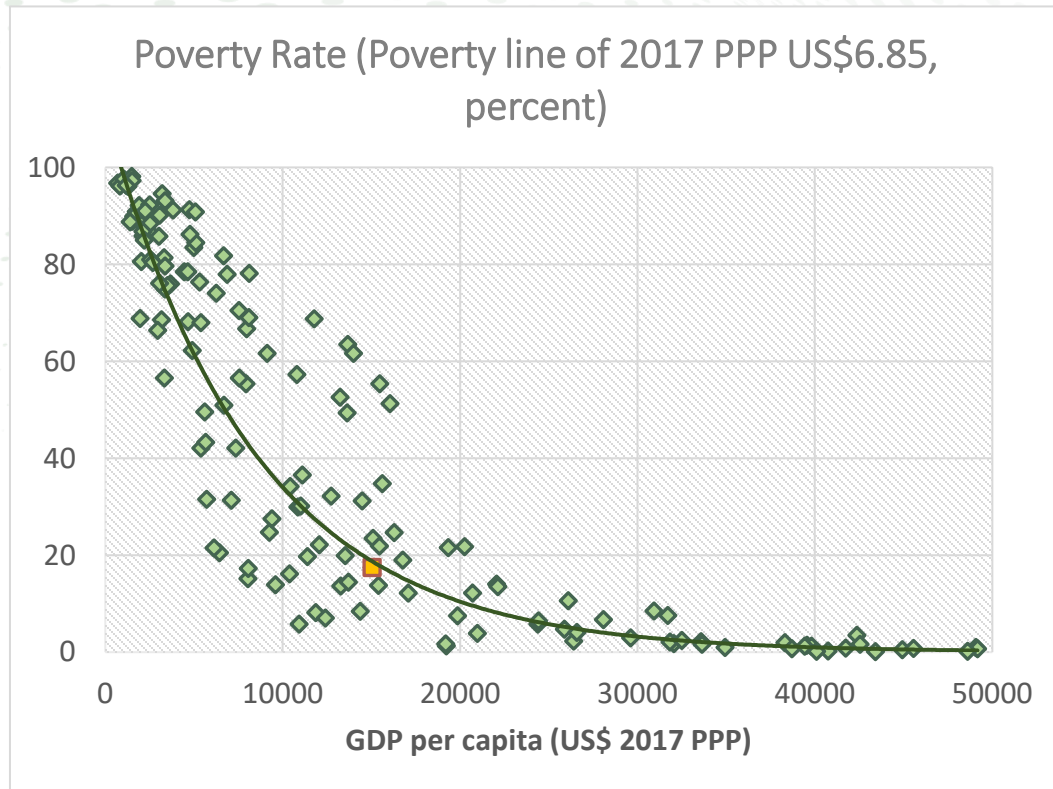


Suriname's 2022 poverty rate was about 17.5 percent (both according to Suriname's national definition and the World Bank's upper middle-income poverty line)



Source: Poverty assessment team, based on SLC 2022. Consumption aggregate for National and World Bank poverty numbers prepared by Trinidad Saavedra c.s. Consumption aggregate for IDB poverty numbers prepared by Carlos Sobrado.

## Suriname's 2022 poverty, inequality, and prosperity indicators are commensurate with its level of development

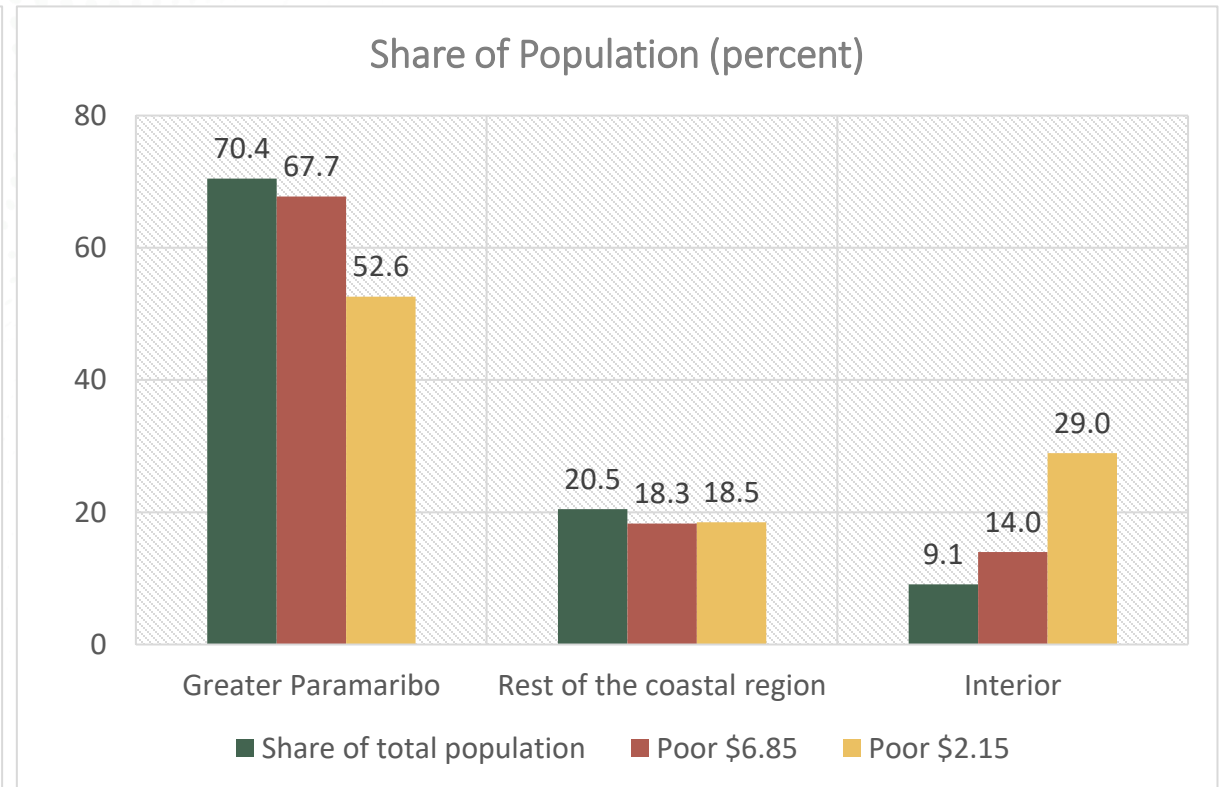
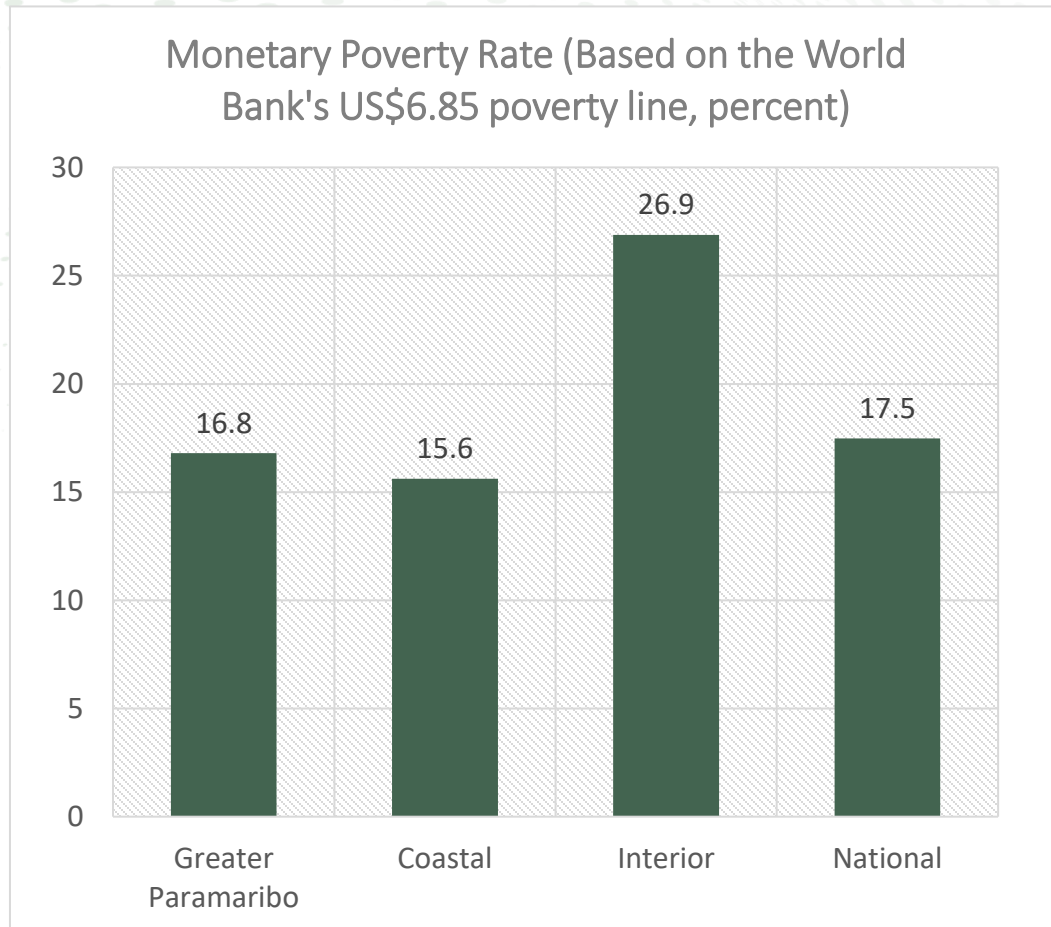


Source: Latest Poverty and Gini coefficients and corresponding PPP adjusted GDP per capita from the World Bank's WDI Databank. For Suriname: Poverty assessment team based on SLC 2022.



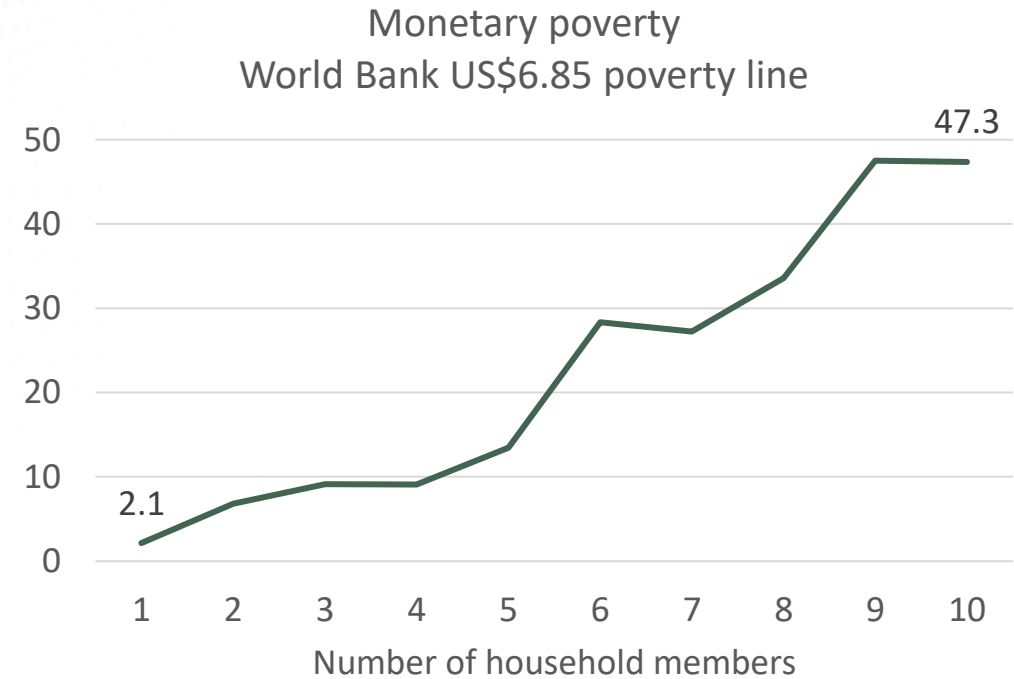
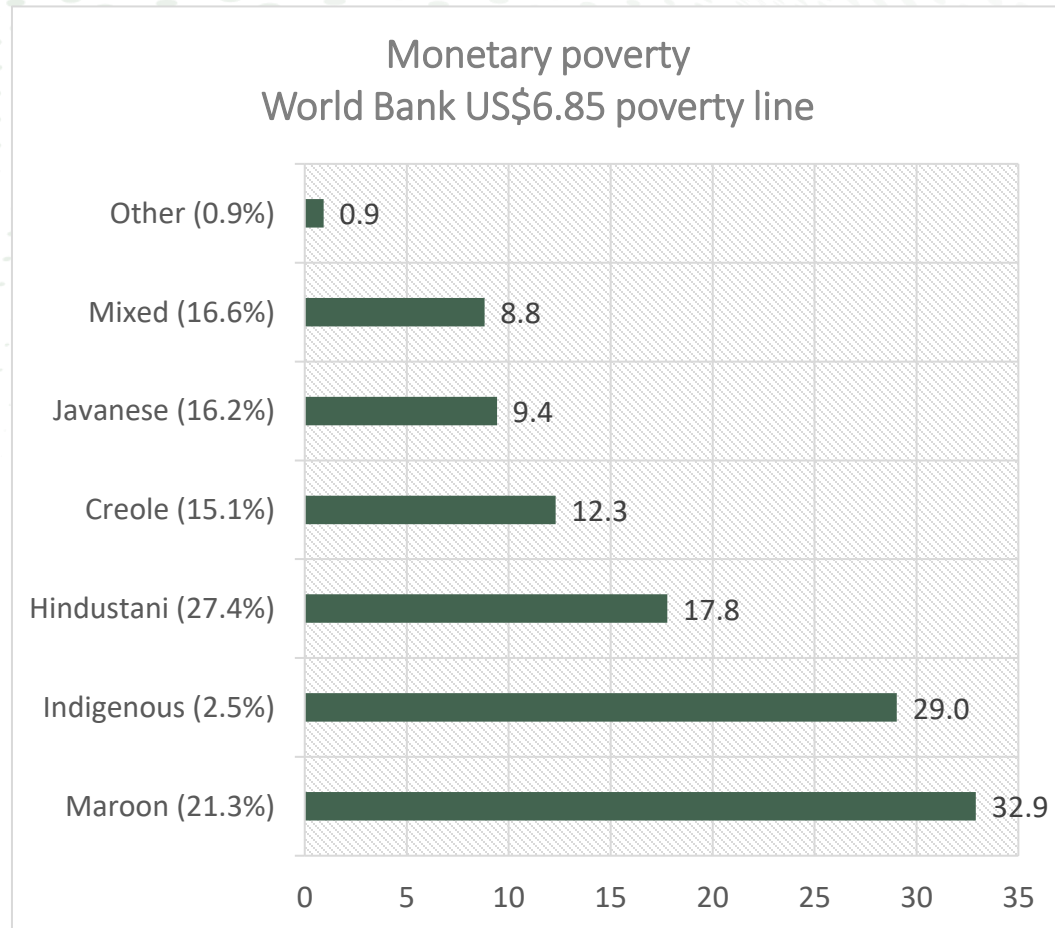
**The Interior,**  
a few ethnic groups, and  
households with (many)  
children are especially  
disadvantaged

**Poverty rates are markedly higher in the interior of the country.** The interior of the country represents less than 10 percent of the population, but 14 percent of the poor and 29 percent of the extreme poor.



Source: Poverty assessment team, based on SLC 2022.

## Poverty is markedly higher among Surinamese of Maroon and indigenous backgrounds



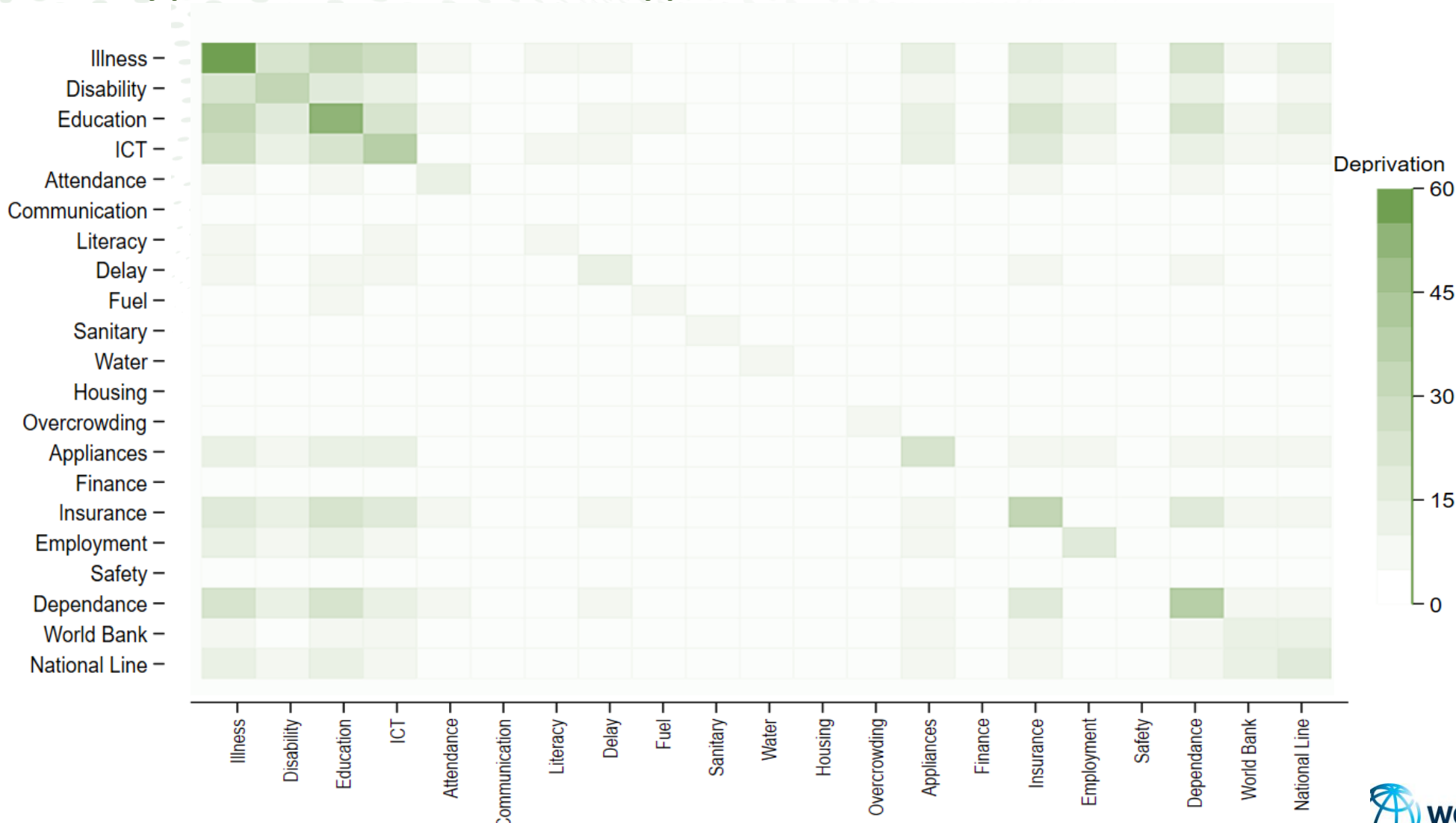
Source: Poverty assessment team, based on SLC 2022. Note: Left-hand chart shows share of the population of each ethnic group in parentheses.

# Overlapping Deprivations






**There is notable clustering and overlap between poor health, poor education, high dependency ratios, and monetary poverty. As a result, multidimensional and monetary poverty are linked. Over half of those who are monetary poor are also multidimensionally poor.**



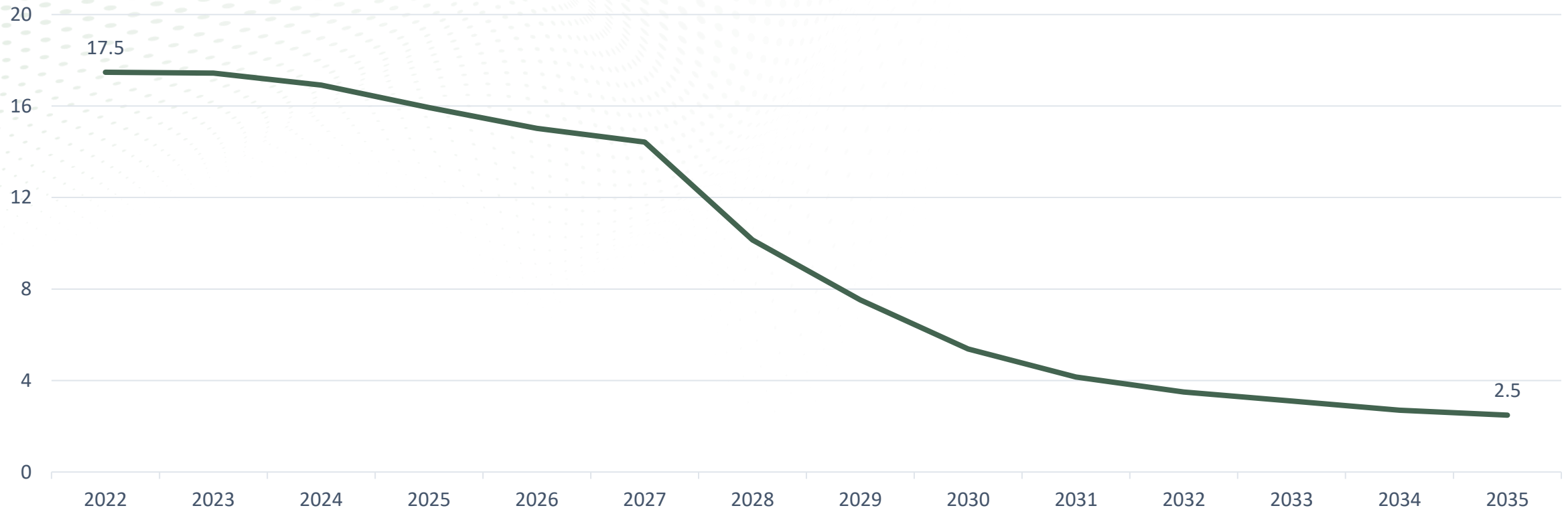
Source: Poverty assessment team, based on SLC 2022. Note: Left-hand chart shows share of the population of each ethnic group in parentheses.



**Although revenues from offshore oil exploitation** are awaited with much anticipation, Suriname will need to prepare rapidly

## In theory, the oil and gas boom could have a pronounced impact on poverty

Simulated Poverty Rate (based on World Bank's US\$6.85 poverty line, percent)

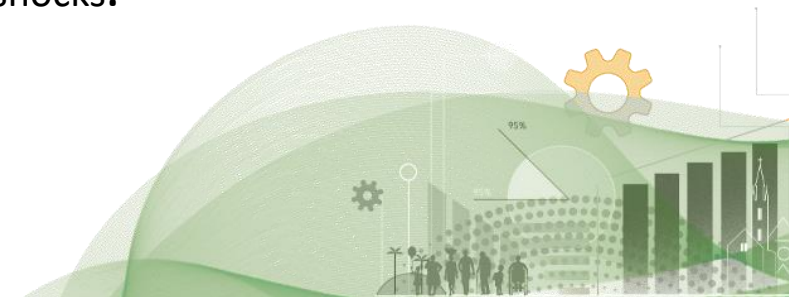


Source: Poverty assessment team, based on SLC 2022.

## However, in practice there is much uncertainty and the true trajectory of poverty may well look very different

---

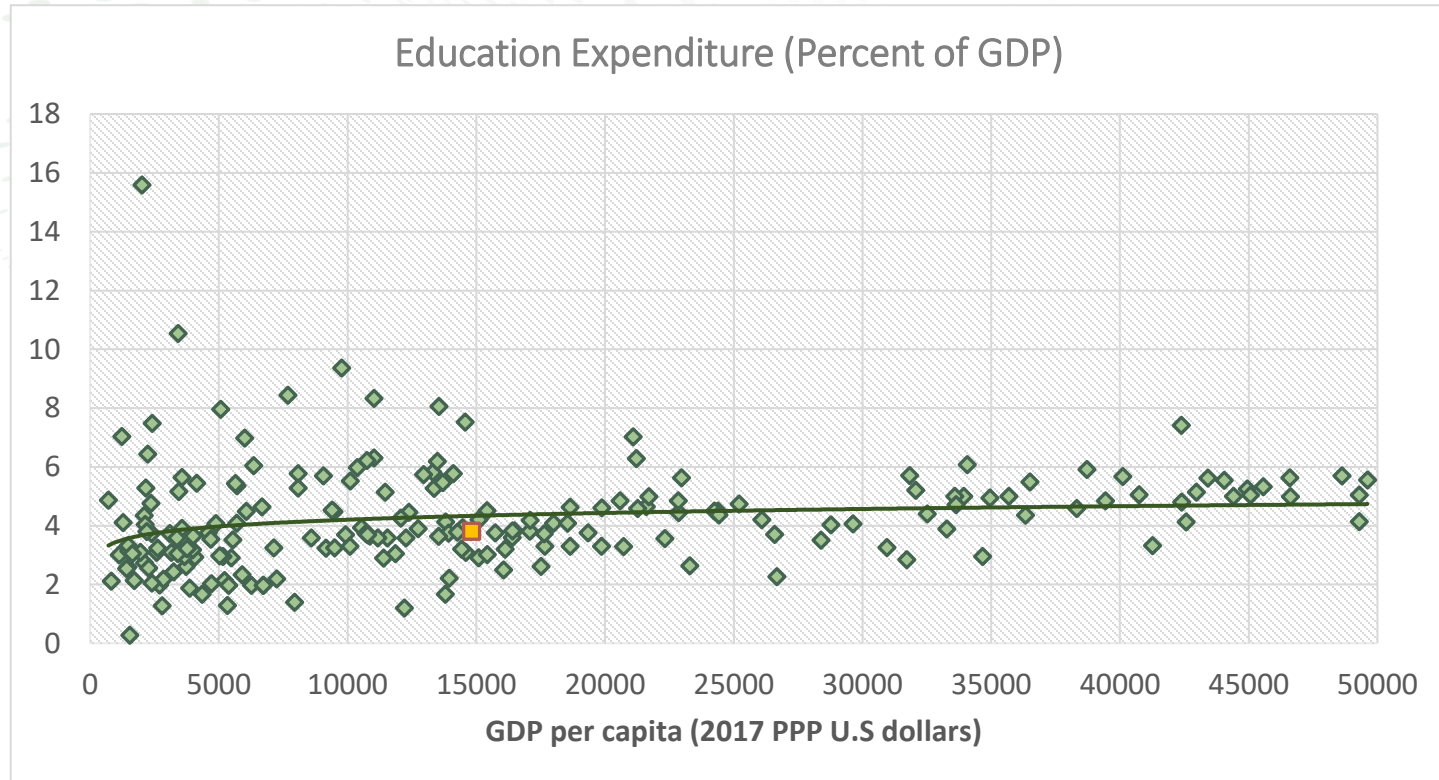
- Uncertainty about the broader **viability** of Suriname's offshore oil and gas fields
- The oil and gas industry itself demands only a limited number of highly skilled workers. The potential for **local content policies** to generate backward and forward linkages with the petroleum industry may be limited by **skill shortages**
- **Dutch disease** may jeopardize growth **potential of other sectors** and fuel **inflation**, which has been a scourge for Suriname in recent years.
- Prudent investment of oil revenues will demand much of Suriname's **governance and institutions** and may complicate Suriname's political landscape
- Finally, dependence on oil could potentially expose Suriname to significant economic shocks.



# Human Capital Deficiencies are at the heart of Suriname's poverty and inequality

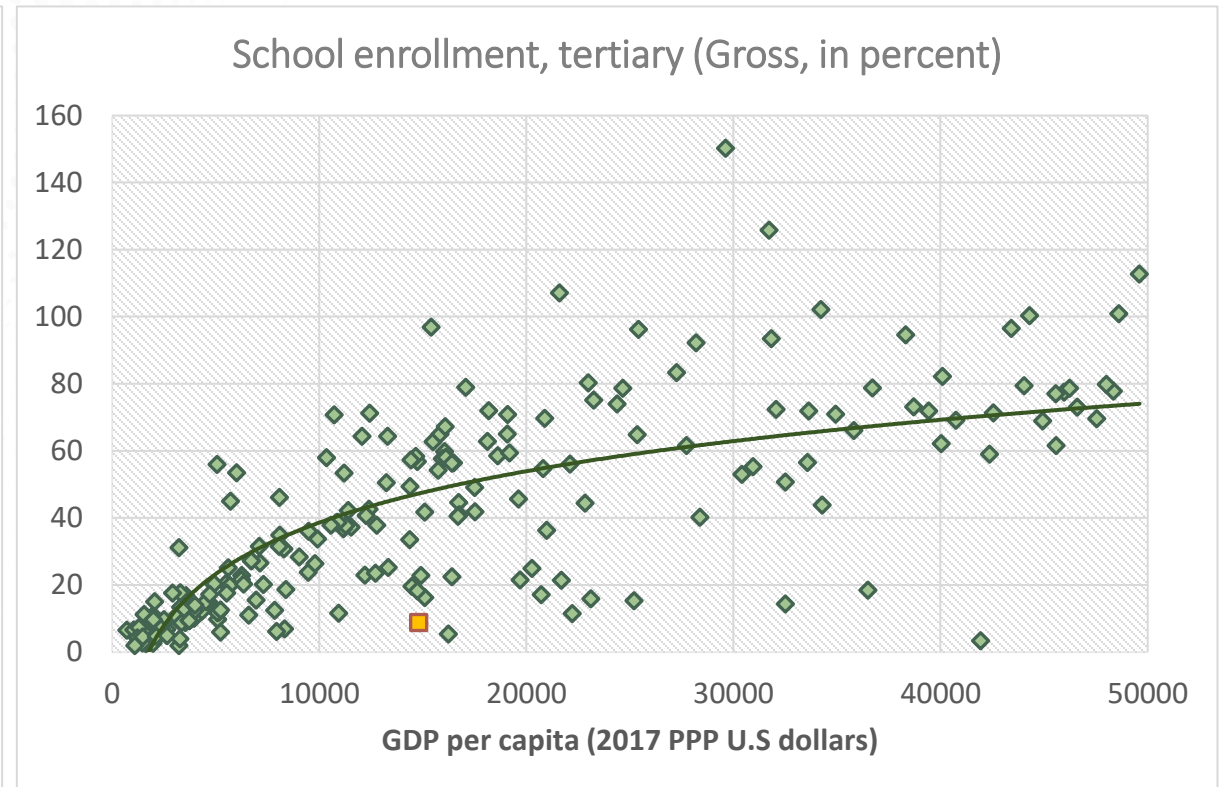
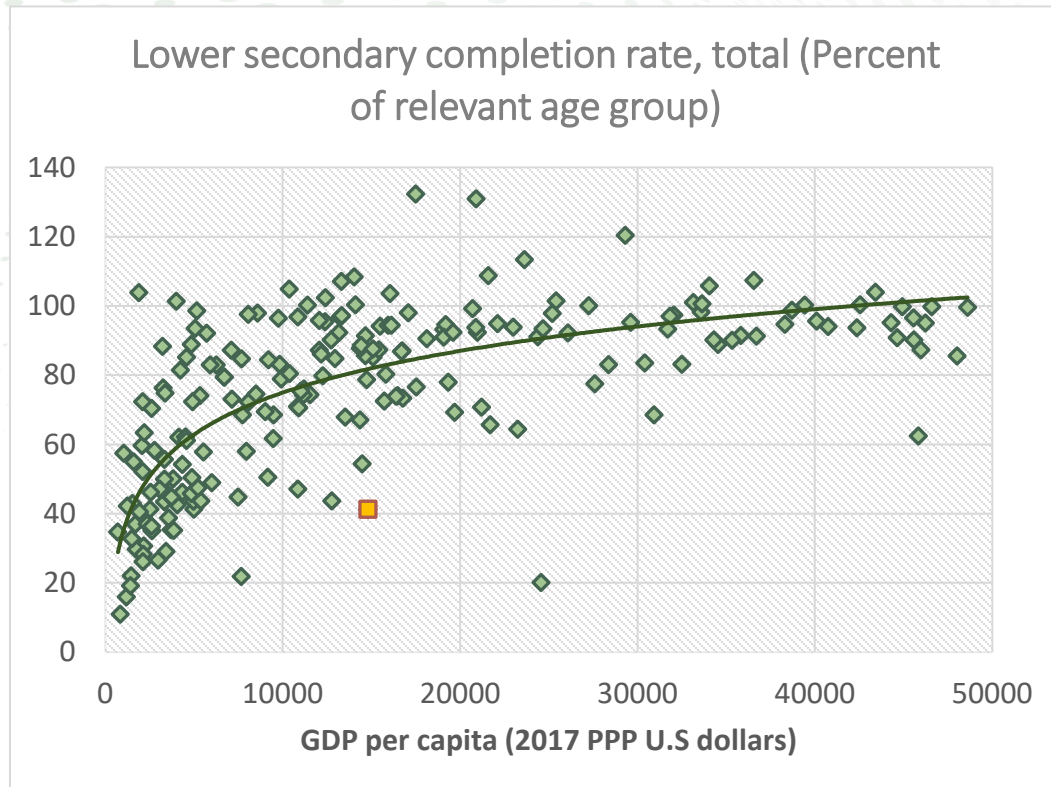


## Suriname's education expenditure is comparable to that of other countries



*Source:* Latest education outcomes from the World Bank's WDI Databank based on UNESCO Institute for Statistics. *Note:* Comparison restricted to countries with a GDP per capita of US\$50,000 or less.

## Significant disparities not only in tangible, but also in intangible assets hamper the participation of the poor in society and the economy



*Source:* Latest education outcomes from the World Bank's WDI Databank based on UNESCO Institute for Statistics. *Note:* Comparison restricted to countries with a GDP per capita of US\$50,000 or less.

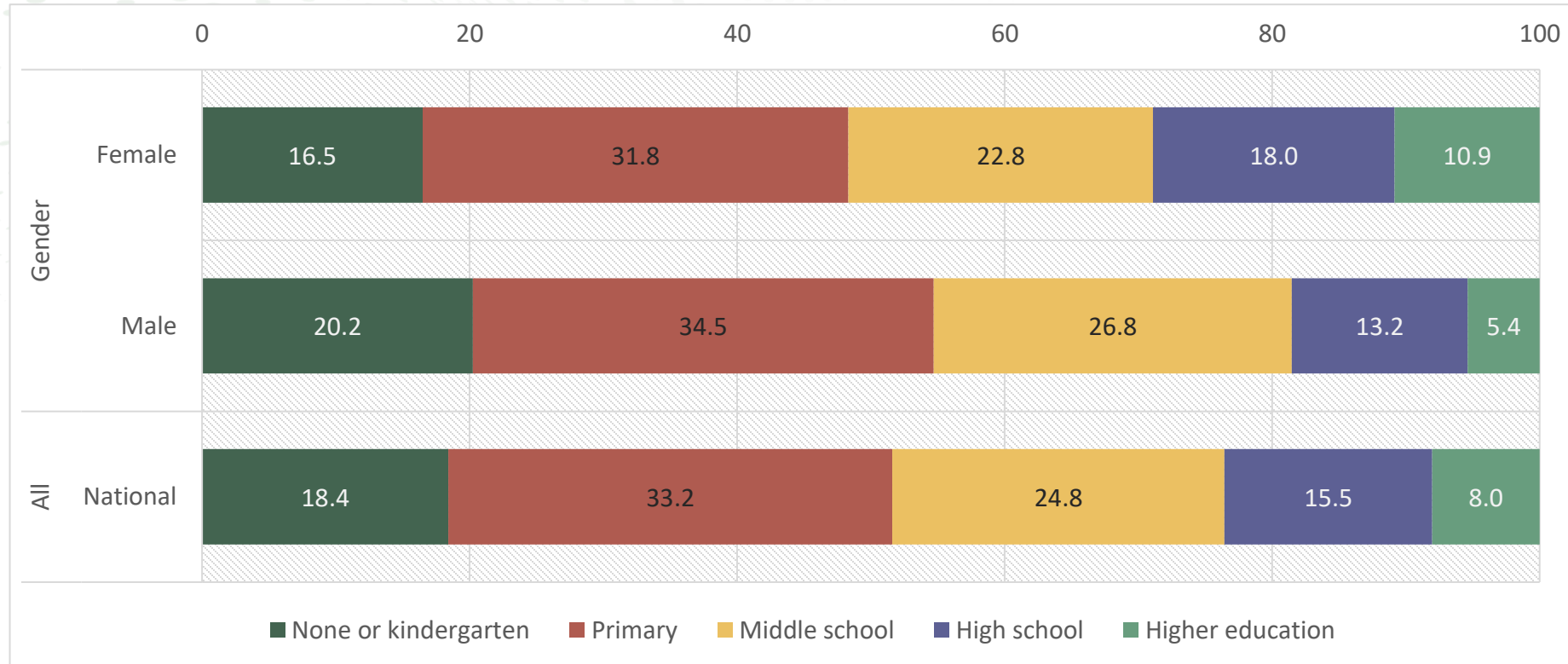
**Poverty and poor education outcomes are associated. Moreover, education appears to contribute to inter-generational transmission of poverty.**

	Poor (<\$6.85)	Vulnerable (\$6.85-14)	Middle Class and up (>\$14)	Total Population
Highest level of education completed by head of household				
<b>None</b>	<b>42.4</b>	<b>22.0</b>	<b>17.5</b>	<b>23.2</b>
Primary	34.6	42.4	27.5	34.4
Middle School	14.0	24.6	29.0	24.9
High School	8.8	8.6	15.3	11.6
<b>Higher Education</b>	<b>0.2</b>	<b>2.5</b>	<b>10.8</b>	<b>5.8</b>
School attendance by age group				
<b>0-5</b>	<b>28.5</b>	<b>31.3</b>	<b>33.3</b>	<b>31.2</b>
6-11	93.8	99.2	98.4	97.5
12-14	92.3	98.1	99.8	97.4
15-17	91.9	91.1	92.8	91.9
<b>18-24</b>	<b>33.4</b>	<b>48.2</b>	<b>55.9</b>	<b>48.8</b>

*Source:* Latest education outcomes from the World Bank's WDI Databank based on UNESCO Institute for Statistics. *Note:* Comparison restricted to countries with a GDP per capita of US\$50,000 or less.

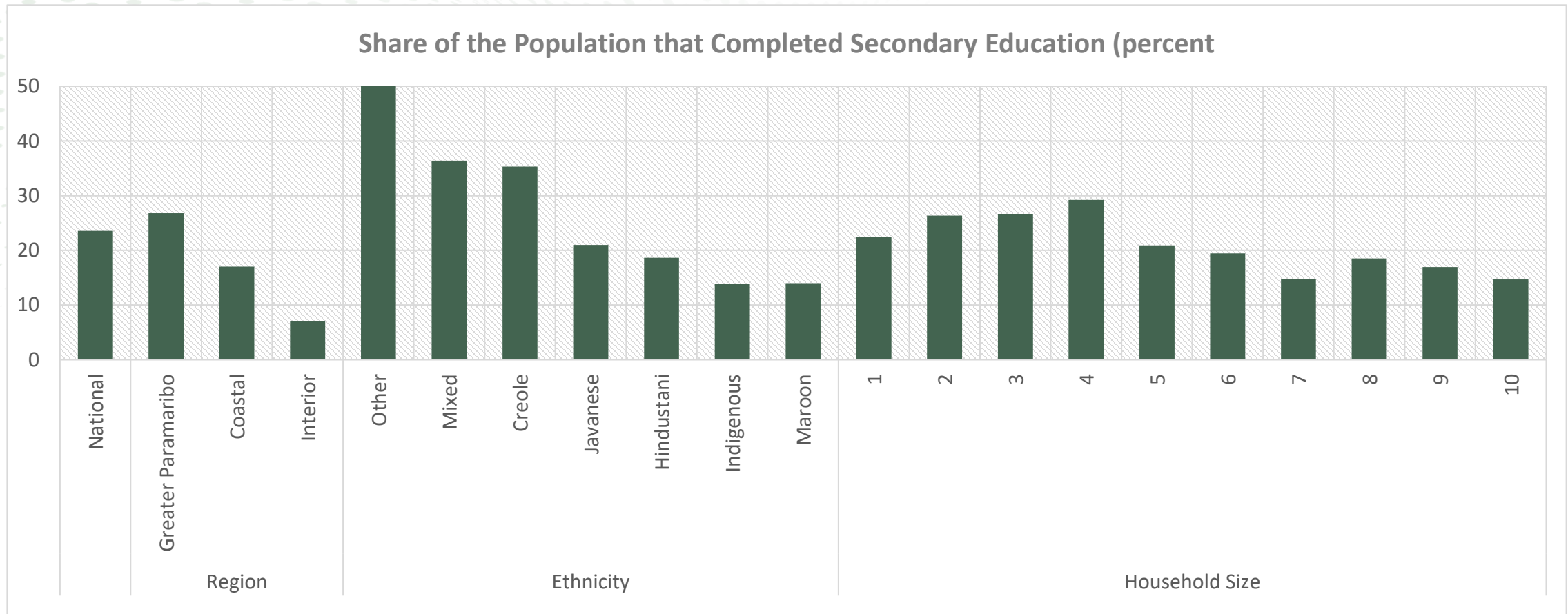


## As in much of the region, the education performance of women compares favorably to that of men



Source: Suriname 2022 Survey of Living Conditions.

## Poor education outcomes intersect with historical **ethnic and geographic inequality**

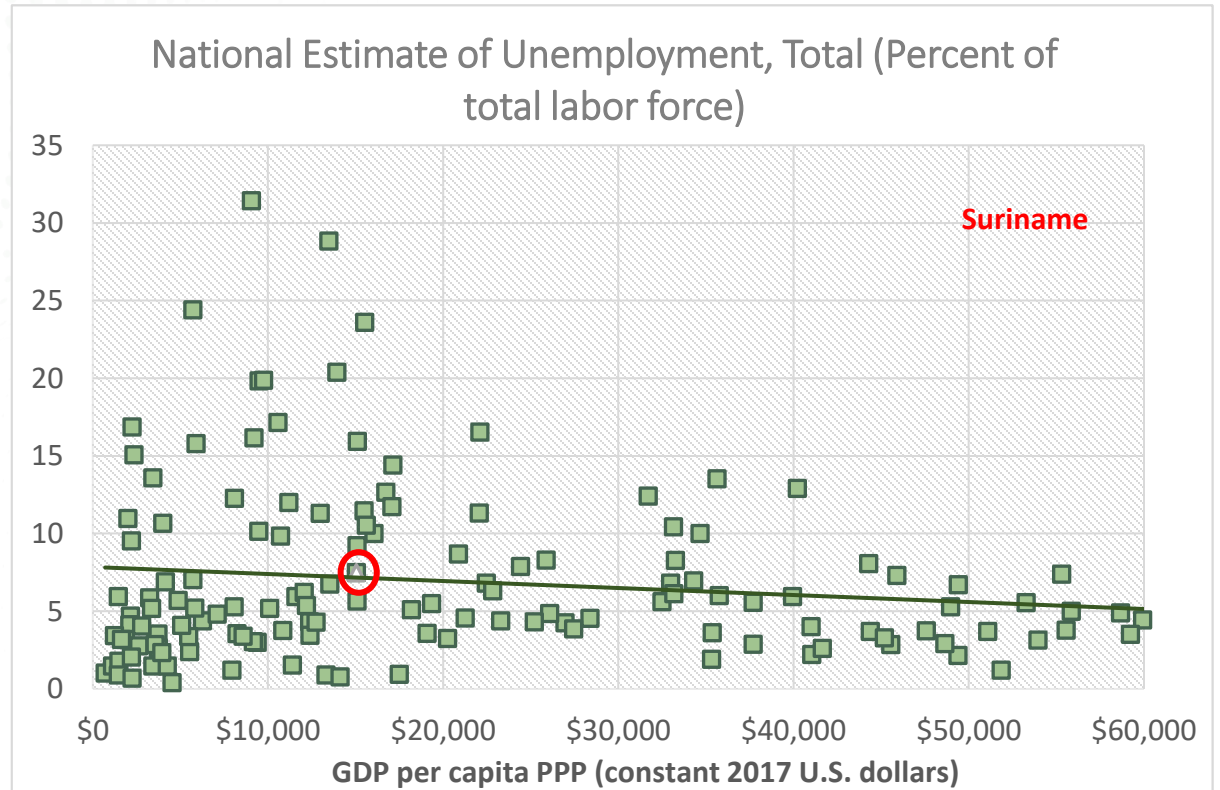
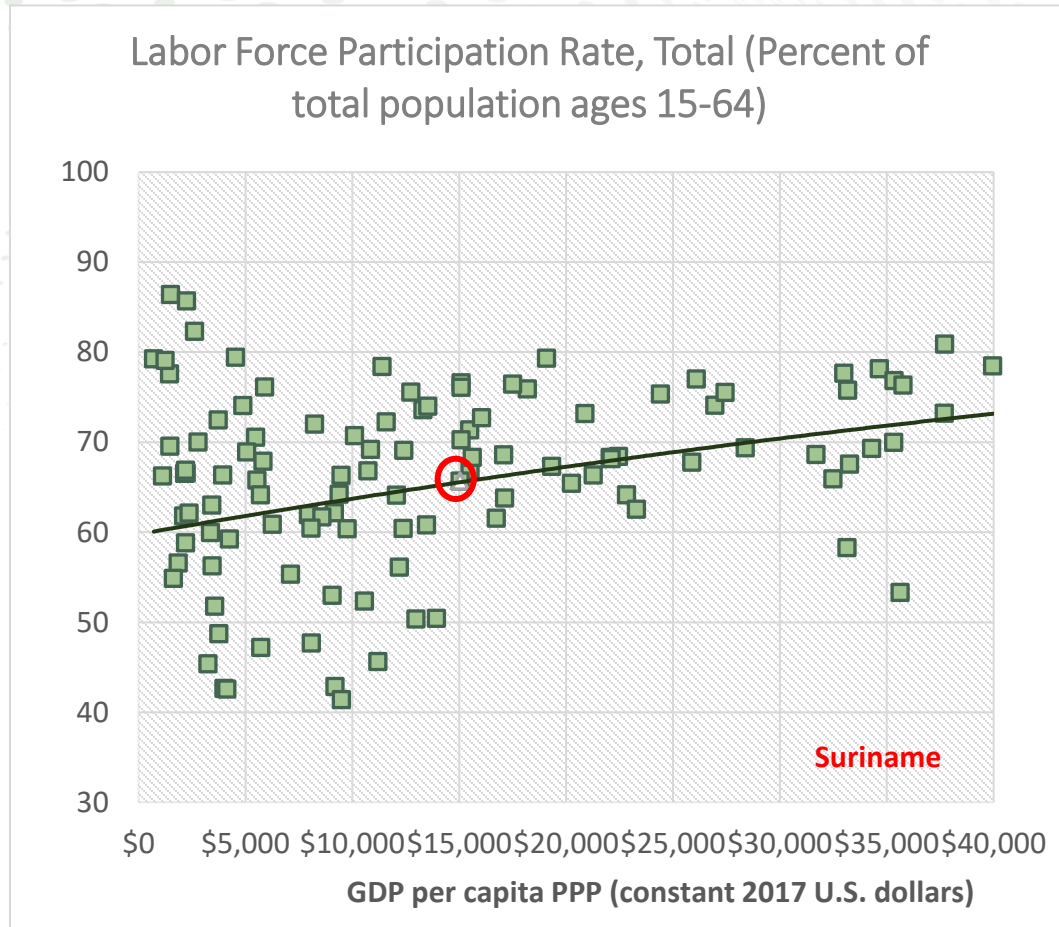


Source: Poverty assessment team, based on SLC 2022.



**Low Human Capital**  
contributes to worse labor  
market outcomes of the poor,  
skill shortage and a mismatch  
in labor demand and supply

By 2022, as Suriname was past the deepest part of the economic crisis, core labor market outcomes were in line with expectations.



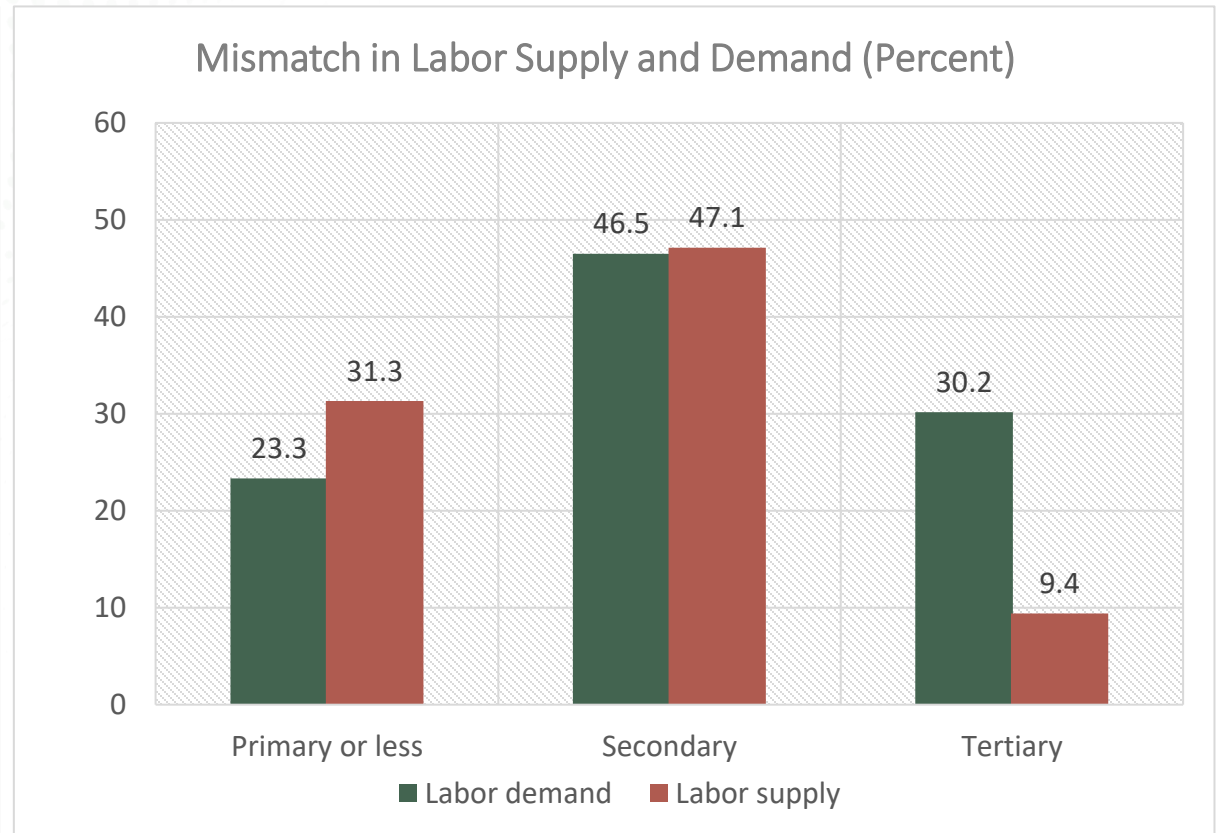
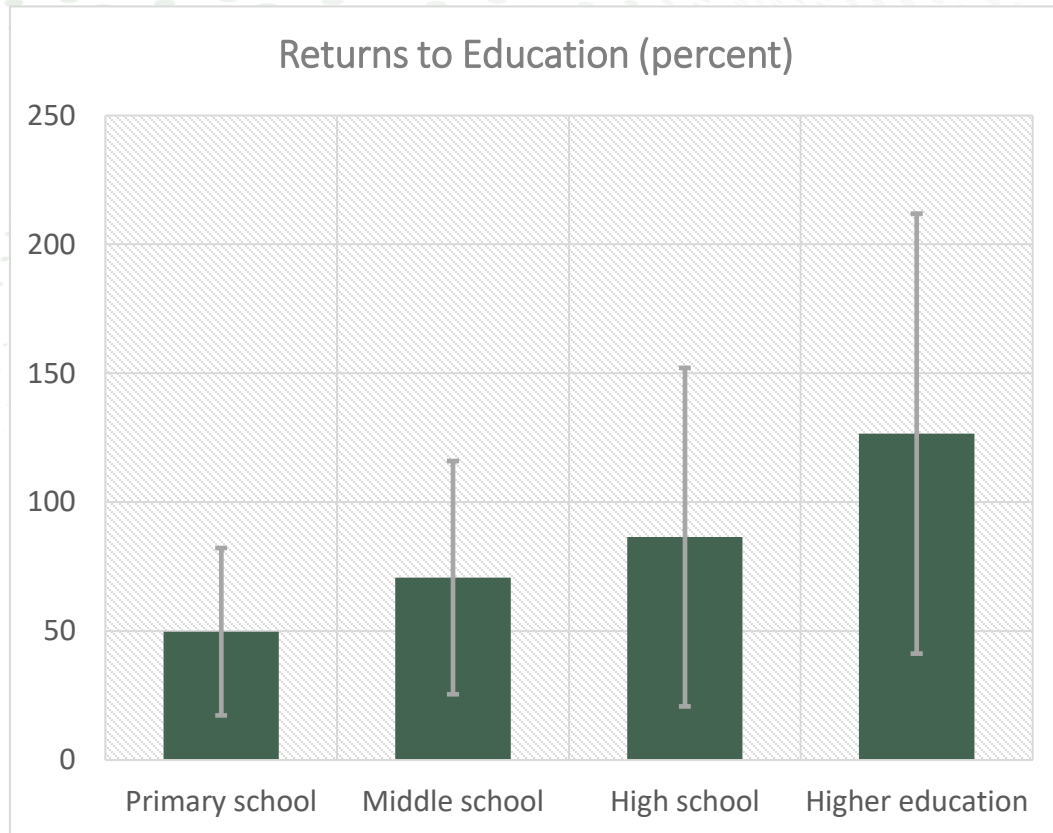
Source: LFP, unemployment, and corresponding PPP adjusted GDP per capita from the World Bank's WDI Databank. For Suriname: Poverty assessment team based on SLC 2022.

However, the labor market outcomes of the poor are significantly worse. The poor are less likely to be in the labor force, more likely to be unemployed, and over-represented in economic sectors that offer lower pay

	Poor (<\$6.85)	Vulnerable (\$6.85-14)	Middle Class and up (>\$14)	Total Population
Adult labor market outcomes				
Labor Force Participation	52.2	65.1	70.4	65.5
Unemployed	15.6	9.3	4.1	7.5
Sector (Employed)				
Construction	14.1	9.8	5.7	8.1
Agriculture	10.1	6.7	5.2	6.3
Manufacturing	8.5	7.7	6.2	7.0
Hospitality	7.0	4.6	5.6	5.4
Households as Employers	4.3	2.5	2.7	2.8

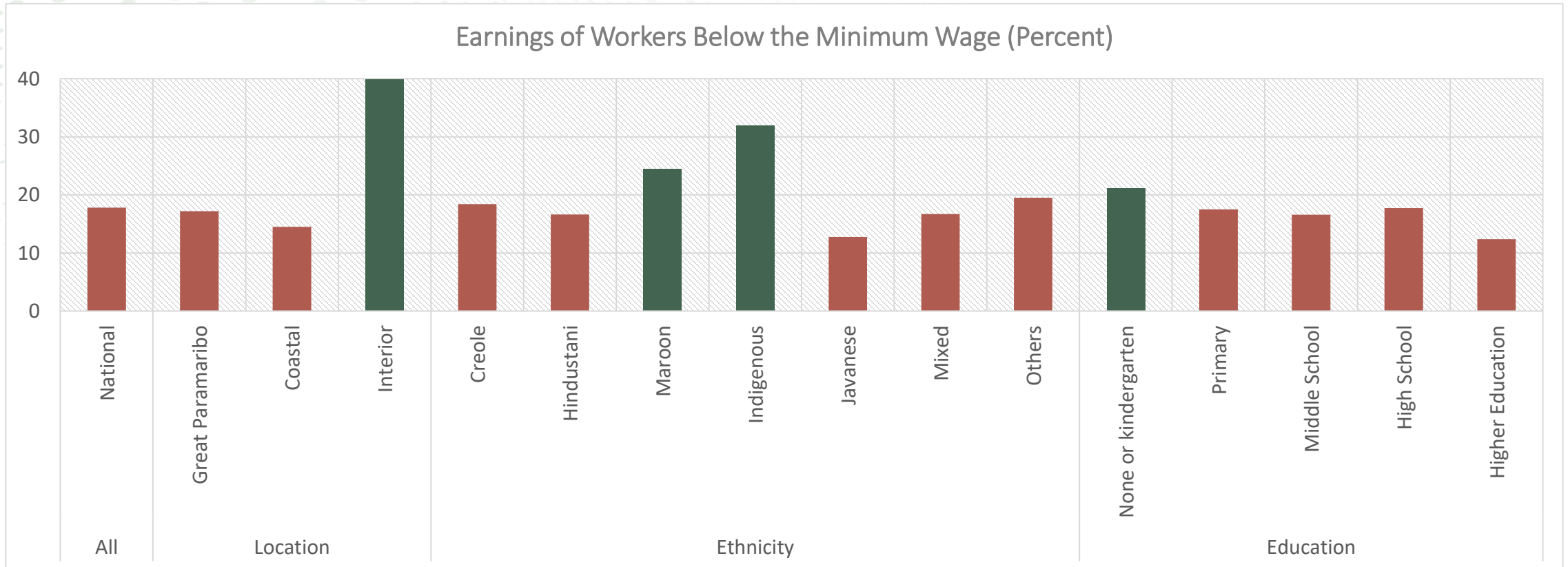
Source: Poverty assessment team, based on SLC 2022.

## Poor education outcomes of the poor appear to play an important role. Indeed, there appears to be a mismatch in Suriname's labor market, with excess supply at lower levels of education and excess demand at higher levels



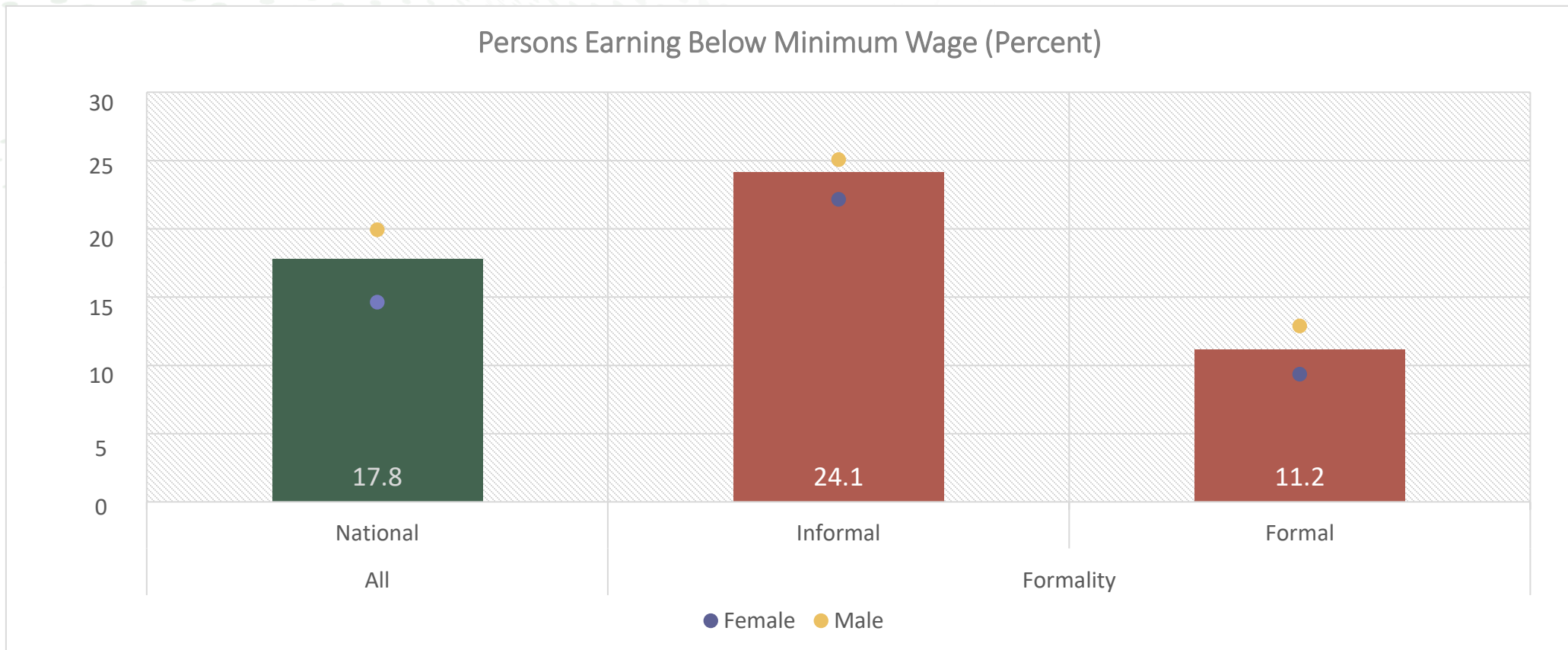
Source: Left-hand chart: Poverty assessment team, based on SLC 2022. Skill shortages and labor demand: 2014 Caribbean Enterprise Surveys. Labor supply: Suriname 2022 Survey of Living Conditions.

## Hourly wages differ by region and earnings of workers from disadvantaged groups are more likely to be below the minimum wage



Source: Suriname 2022 Survey of Living Conditions.

## There is a clear association between informality and earnings



Source: Suriname 2022 Survey of Living Conditions. Note: Informality is represented by individuals who have no access to employment benefits, including a pension or retirement fund, medical insurance, and maternity and paid sick leave.





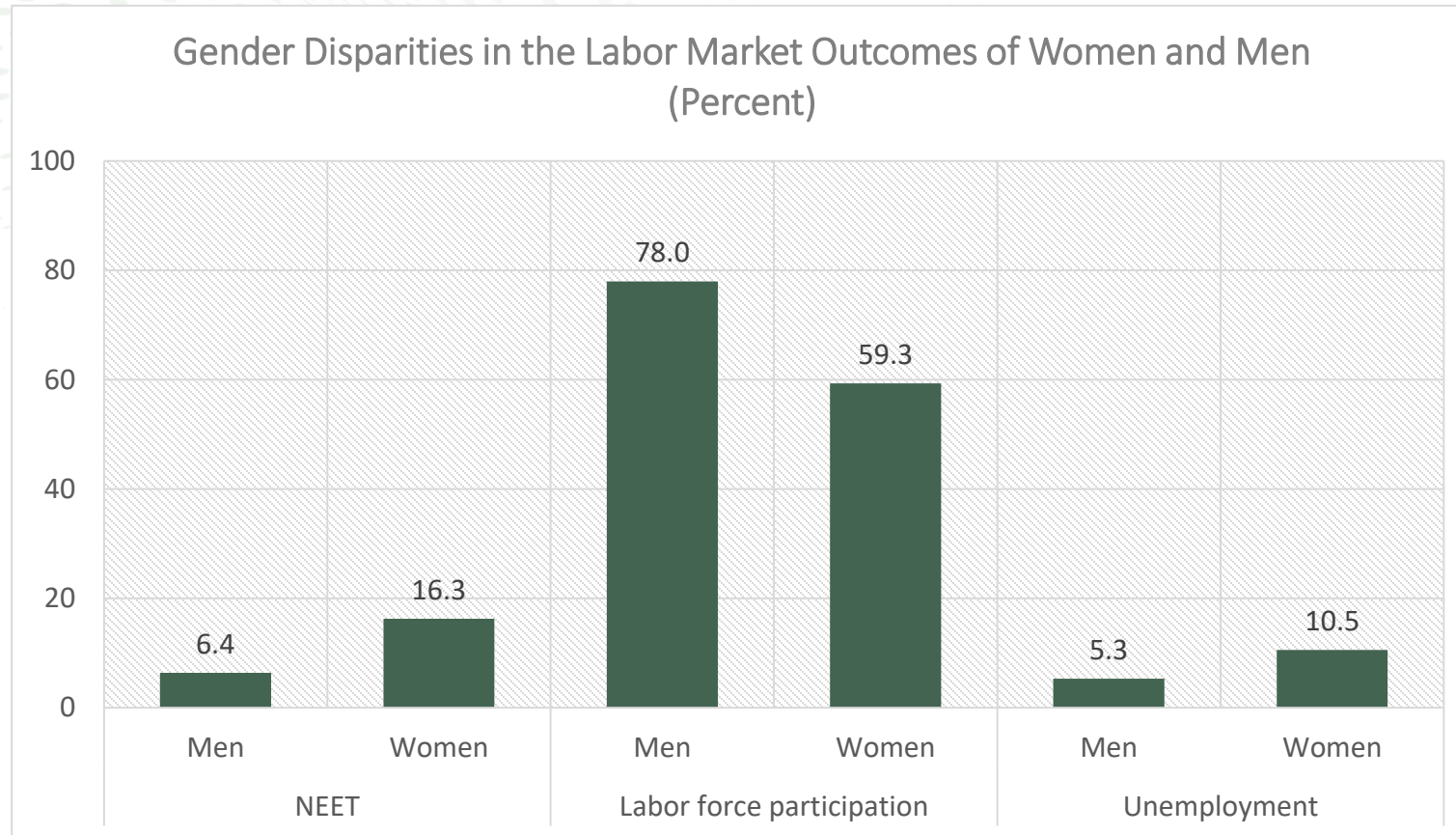
**By Not Capitalizing on Women's Strong Education Performance, Suriname is missing opportunities for economic growth and poverty reduction**



WORLD BANK GROUP

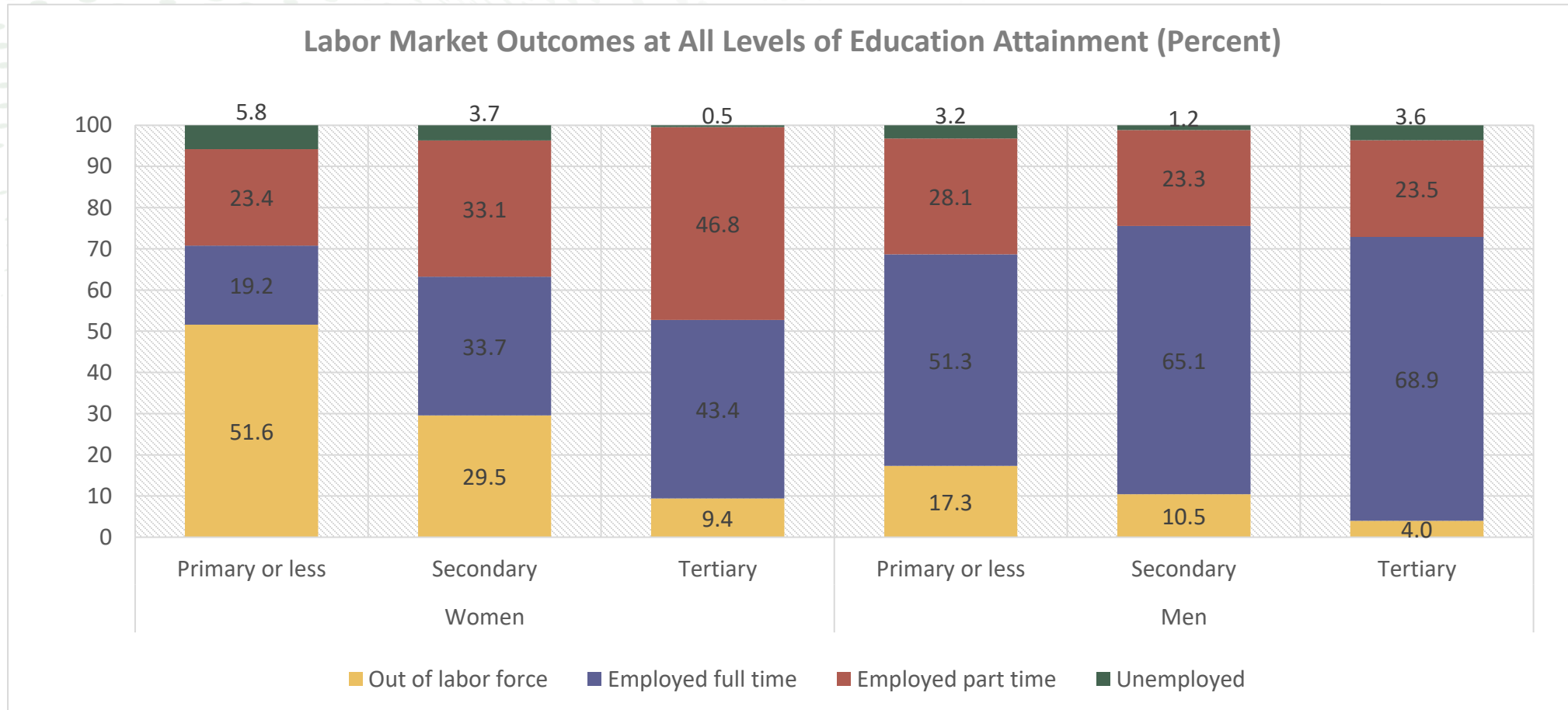


## By not capitalizing on women's strong education performance, Suriname is missing opportunities to address skill shortages, foster growth and reduce poverty



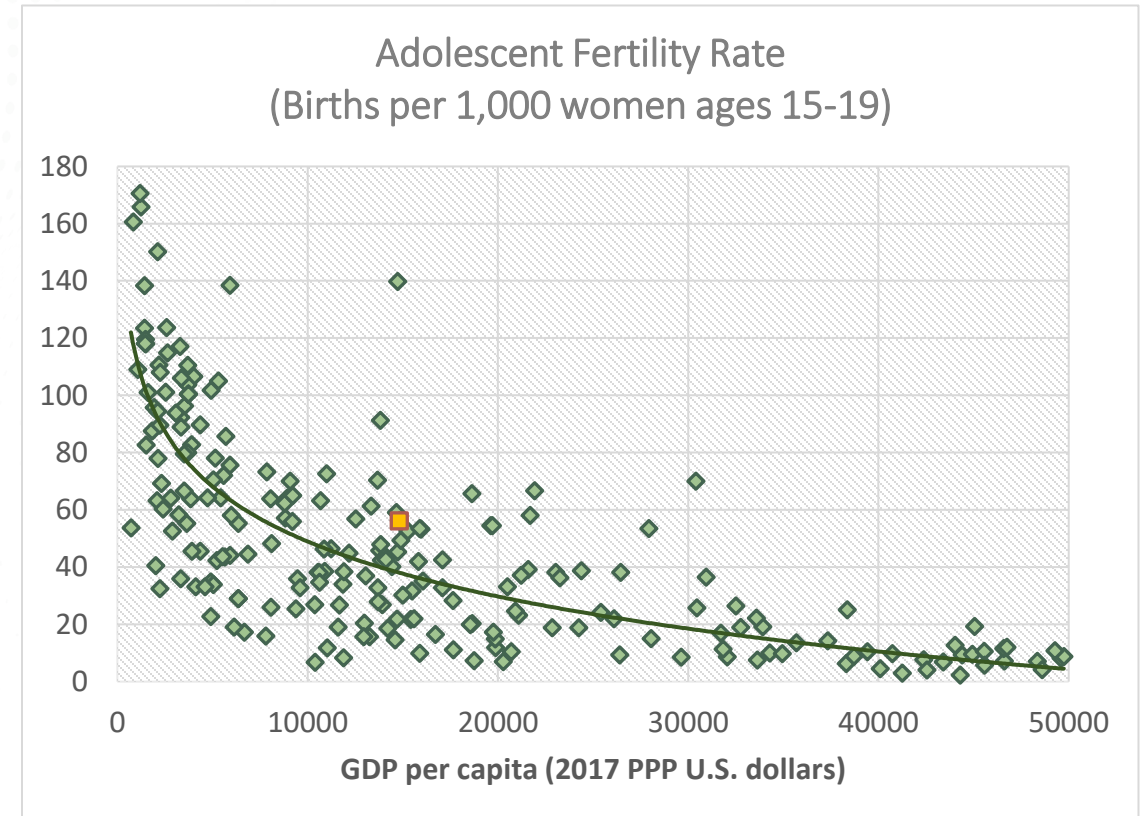
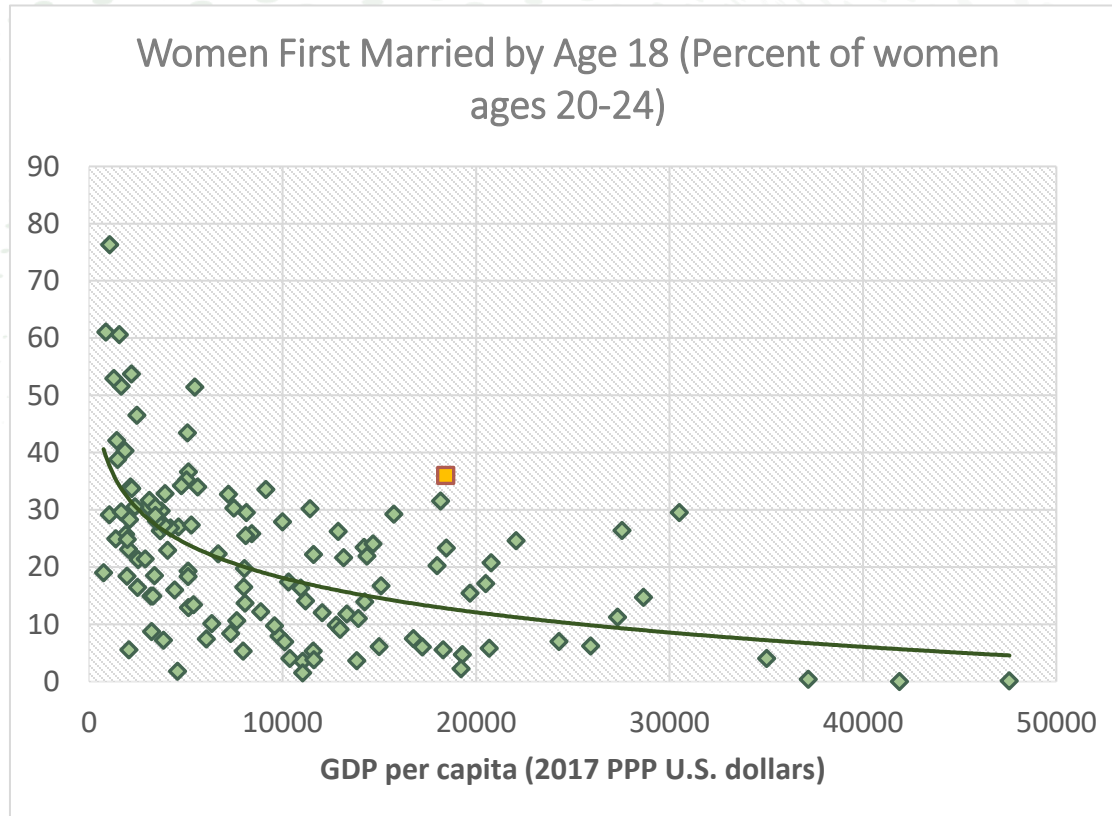
Source: Suriname 2022 Survey of Living Conditions.

## Relatively low labor market attachment of women can be observed across all educational levels, but is more pronounced at lower levels of education



Source: Suriname 2022 Survey of Living Conditions.

## High early marriage (and other partnership) rates and adolescent fertility contribute to poor school to work transitions for women



Source: World Bank Gender Data Portal, based on 2018 UNICEF MICS for Suriname (left-hand chart) and UN Population Division (right-hand chart)

# Suriname's Social Assistance Outlays Are Large

Yet, there are opportunities  
for poverty reduction through  
improved social assistance



WORLD BANK GROUP



## About half of the population receives at least one of Suriname's main social assistance programs

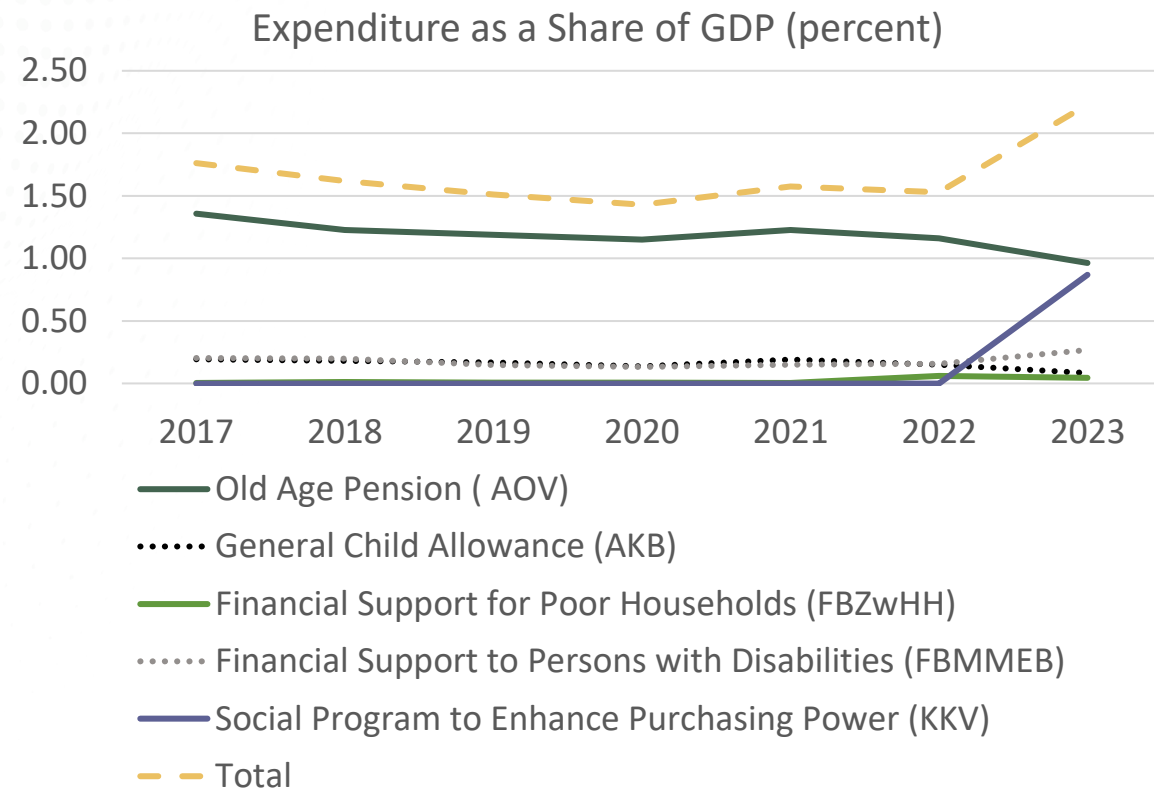
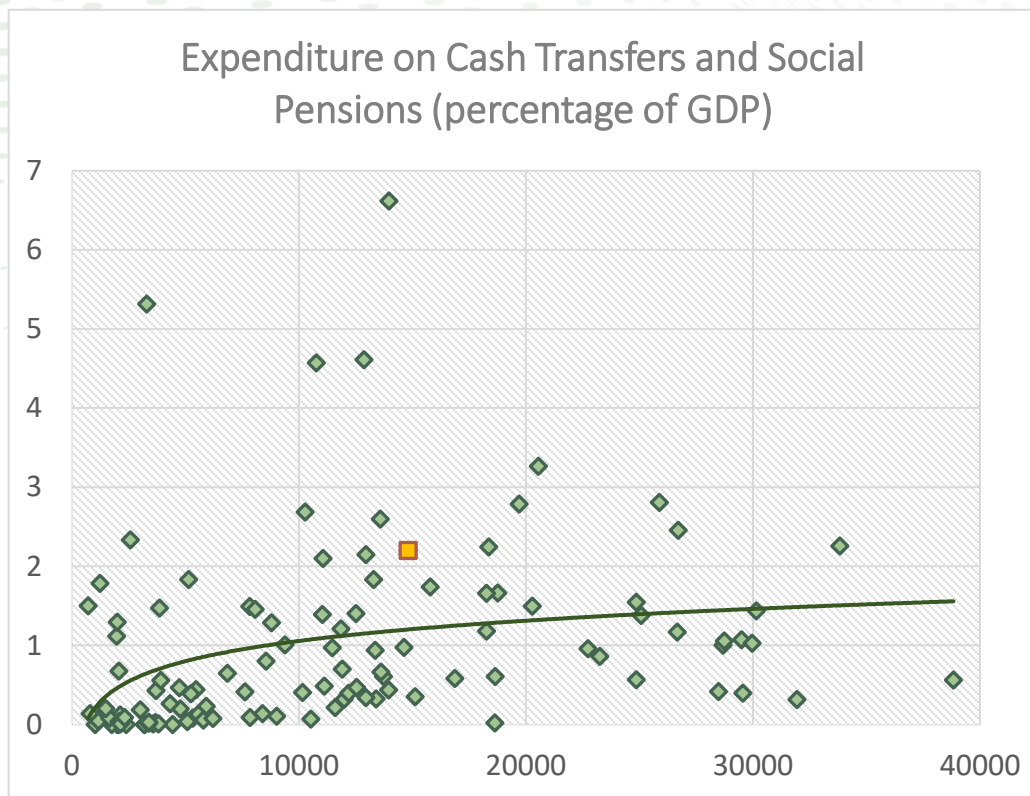
---

	<u>Total Population</u>
Lives in household with at least one member receiving:	
<b>Any of the four main programs</b>	<b>49.5%</b>
Old age pension (AOV)	30.6%
Child allowance (AKB)	19.7%
Financial support for poor households (FBZWHH)	1.2%
Persons with disabilities benefits (FBMMEB)	4.5%

---

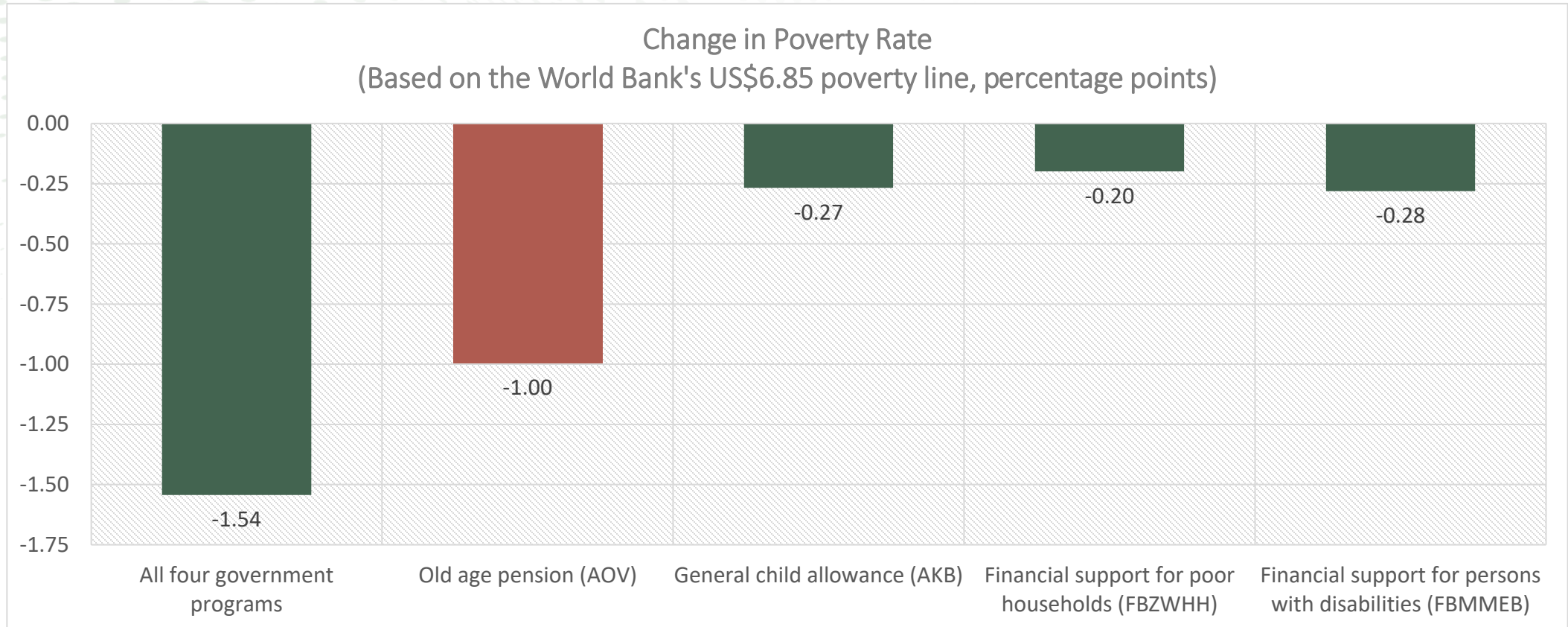
Source: Poverty assessment team, based on SLC 2022.

The budget of Suriname's main social assistance transfers equaled about 2.2 percent of GDP in 2023 (which is relatively generous). The old age pension is the most important program, now combined with a temporary program to support household purchasing power.



Source: International expenditure data from the World Bank's ASPIRE database. Expenditure data for Suriname kindly provided by the Ministry of Social Affairs.

Indeed, the AOV elderly allowance is Suriname's most impactful social assistance program. In 2022, Suriname's four main social assistance programs reduced poverty by an estimated 1.5 percentage points. Recent increases in transfer amounts reduce poverty by an additional 0.2 percentage points.



Source: Microsimulations by poverty assessment team, based on SLC 2022

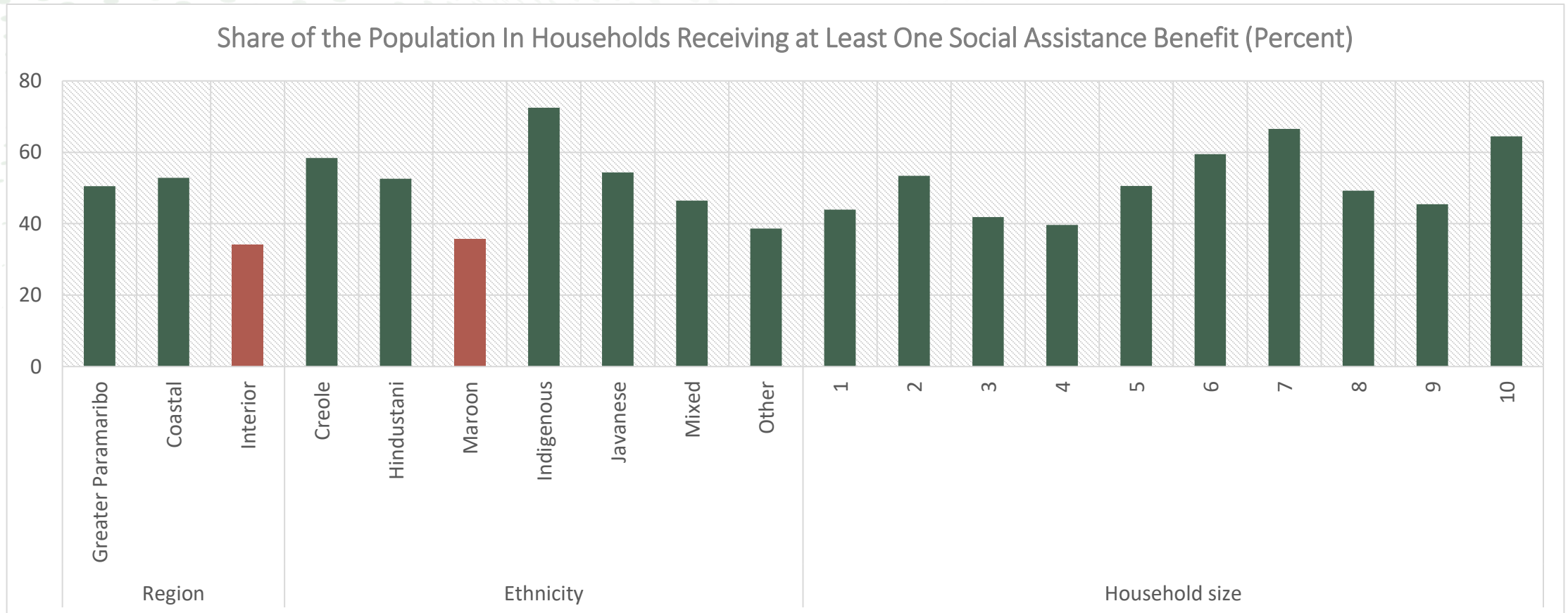


**Poverty reduction impacts could be higher; the main social assistance programs exclude over 40 percent of the poor and, vice versa, support over 40 percent of those in the middle class and up**

	Poor (<\$6.85)	Vulnerable (\$6.85-14)	Middle Class and up (>\$14)	Total Population
Lives in household with at least one member receiving:				
<b>Any of the four main programs</b>	<b>55.0%</b>	<b>53.1%</b>	<b>44.2%</b>	<b>49.5%</b>
Old age pension (AOV)	26.7%	28.5%	34.0%	30.6%
Child allowance (AKB)	31.2%	24.6%	10.9%	19.7%
Financial support for poor households (FBZWHH)	3.2%	0.9%	0.7%	1.2%
Persons with disabilities benefits (FBMMEB)	9.1%	4.2%	3.0%	4.5%

Source: Poverty assessment team, based on SLC 2022.

## Historically disadvantaged groups are not especially well covered by the main social assistance programs



Note: average for individuals in households with at least one member enrolled in one of the four main government programs.

Source: Poverty assessment team, based on SLC 2022.

# POLICY RECOMMENDATIONS



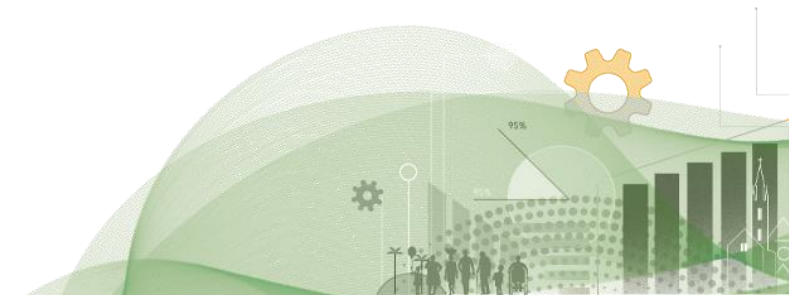
WORLD BANK GROUP



## Policy recommendations require a different approach in the short and medium term

---

- Macro-fiscal stability is a key priority to maintain the economic recovery in the **short term** (current target: 2.7 percent primary surplus). Hence fiscal space is constrained.
- In the **medium term**, economic growth and revenues of offshore oil exploration are expected to improve Suriname's fiscal position.
- Drawing also on prior analytical work and policy dialogue of IDB and WB sector colleagues, this final section provides short and medium-term policy recommendations reflecting this reality
  - Education and skills
  - Gender
  - Social assistance
  - Data and evidence



## Policy recommendations: Make education and skill development a high priority

Short Term	Medium Term
<b>Education System Management:</b> Carry out consultations to garner recommendations to improve the management of schools and enhance the existing education strategy.	Establish an Education Management Information System to consolidate school-level data, including but not limited to enrollment, attendance, completion rates, and academic performance.
<b>School dropout:</b> Carry out a dedicated study to better understand the core drivers of early school dropout issues and under-performance of boys in school.	<b>Implement an early warning system and other interventions to identify and address school dropout issues.</b>
<b>Teachers:</b> Develop a teacher mapping and accounting system to elucidate the number of teachers, where they work, etc.	Develop a National Teacher Policy to promote the efficient and equitable deployment of qualified teachers across the country, including (i) selection and certification of teachers, and (ii) incentive structures to encourage deployment in hard-to-reach areas (OECD 2006, Chapter 2).
<b>Disabilities:</b> Commit to considering the needs of students with physical and intellectual disabilities and include mitigating measures in school construction/rehabilitation activities.	Develop and revise a School Facilities Policy that considers the needs of students with disabilities and includes key standards for inclusion in school rehabilitation/ construction activities.
<b>Tertiary education:</b> Identify the supply- and demand-side barriers that limit people from starting and completing tertiary education.	Review the tertiary education curriculum, with a focus on ensuring the inclusion of skills required by employers.

## Policy recommendations: Support vocational training and broader active labor market policies

Short Term	Medium Term
<p><b>Monitoring:</b> Implement a registry and monitoring system to track attendance, graduation, and labor market outcomes throughout the training process.</p>	<p>Establish a Technical and Vocational Education and Training (TVET) Management Information System (MIS) and a digital platform linked to the MIS to provide information on training opportunities and policy dialogue and communication campaigns to promote a favorable view of TVET and its importance in promulgating relevant skills (World Bank 2023b).</p> <p>Build on monitoring and evaluation systems to assess the effectiveness of each training program measured by indicators of employability, and make necessary adjustments.</p>
<p><b>Entry barriers:</b> Reduce entry barriers to training such as opportunity costs (e.g., loss of wages), financial constraints for course fees and materials, transportation expenses, childcare, and domestic obligations.</p>	<p>Enhance targeting mechanisms to boost participation in training programs among groups that stand to benefit the most, including women not in the workforce and Maroon and indigenous populations (World Bank 2023b).</p>
<p><b>Link training with demand:</b> Generate a system in which potential employers and training institutions collaborate to increase productive employment.</p>	<p>Analyze barriers to higher educational attainment and review tertiary education curricula and apprenticeship opportunities to benefit both employers and job seekers.</p>

## Policy recommendations: Make a deliberate effort to address poor labor market outcomes of women

Short Term	Medium Term
<p><b>Female labor force participation:</b> Enhance laws affecting women’s decisions to work, laws affecting women’s pay, constraints related to marriage, laws affecting women’s work after having children, and constraints on women starting and running a business.</p>	<p>Adopt family-friendly policies and enhance access to affordable care services to support the transition from school to work, especially for females (ILO 2018).</p>
	<p>Prioritize efforts that address the multiple and complex constraints (including social norms) that contribute to child marriage and teenage pregnancy.</p>
	<p>Although beyond the remit of this assessment, there is evidence that gender-based violence stifles women’s participation in society and productive activities and requires urgent short and medium-term action (Joseph, Pemberton, and Phillip 2019).</p>

## Policy recommendations: Improve the delivery systems of Suriname’s social assistance programs and linkages between these programs in order to help reduce poverty (including among households with children)

Short Term	Medium Term
<b>Delivery:</b> Develop and implement an adequate and predictable approach to determine transfer amounts of individual programs and correct for inflation.	Modernize social protection delivery systems, with a focus on inclusion of vulnerable groups and the interior.
<b>Rules:</b> Begin formulating and drafting operational rules and procedures for all social protection programs.	Define and enforce exit procedures.
<b>Linkages:</b> Identify linkages between social protection measures and complementary interventions to support households suffering multiple deprivations.	Integrate the monitoring and evaluation (M&E) systems of all programs into one central system to monitor and coordinate the targeting of all programs.
	Building on the integrated M&E system, create a social registry.
<b>Coverage and adequacy:</b> Assess the coverage of social support to households with children in order to reduce child poverty and poverty among vulnerable groups. Consider a substantial increase in transfer amounts provided through the Child Allowance Program (AKB).	Update the social protection policy framework and draw on the social registry to complement current programs targeted to key vulnerable groups.
<b>Sustainability:</b> Provide clarity on the envisioned evolution of the Social Program to Enhance Purchasing Power (KKV) to avoid both risks associated with continuing and discontinuing the program.	Assess the sustainability of the General Old Age Provision Fund (AOV) under an aging population profile.



## Policy recommendations: Improve Data Availability, Enhance Poverty Monitoring

Short Term	Medium Term
<b>Data quality:</b> Adopt best practices related to data documentation, data anonymization, and sampling frameworks. Promote the use of administrative data.	Develop a quality framework for data production and dissemination. Pilot new approaches to enhance survey reliability. Adopt the Data Documentation Initiative Standard and a Microdata Documentation Plan, and develop a National Data Archive Catalogue.
<b>Poverty authority:</b> Draft a structure and legislation for a national body to monitor poverty and provide policy recommendations to address poverty.	Establish the poverty authority as an independent technical and policy agency and enhance to collaboration between national and international stakeholders in the poverty dialogue.

# THANK YOU



WORLD BANK GROUP



**Download the report:**



**Download the data:**



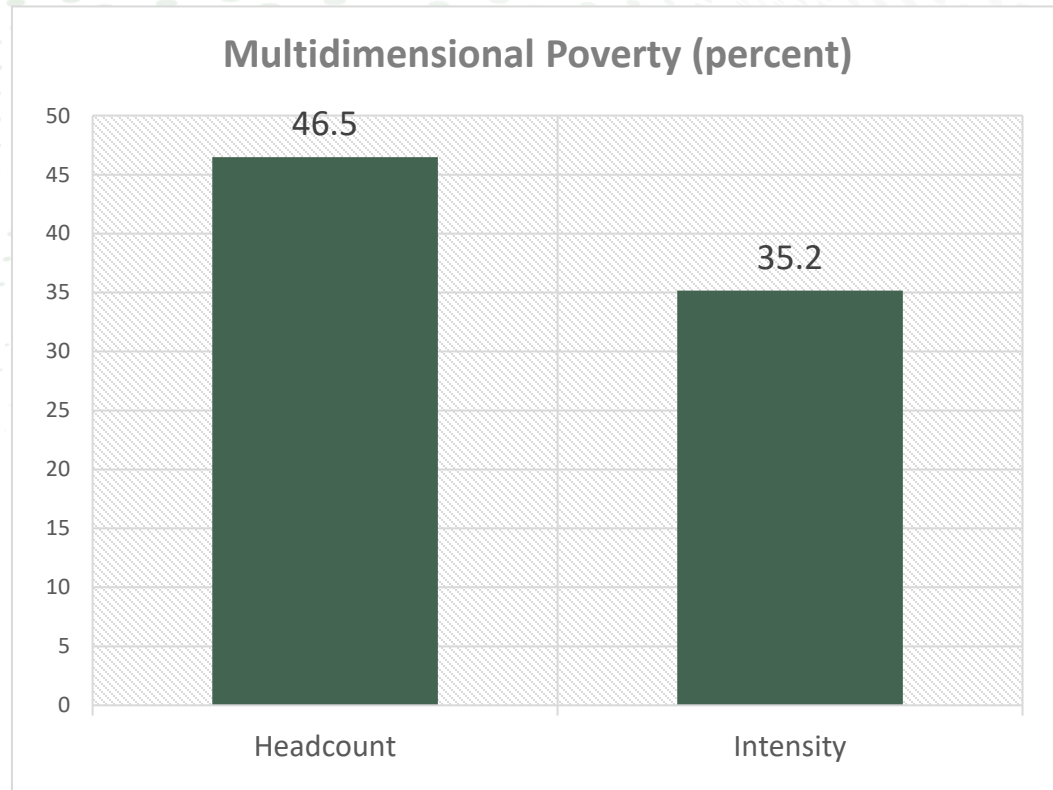
# APPENDIX SLIDES



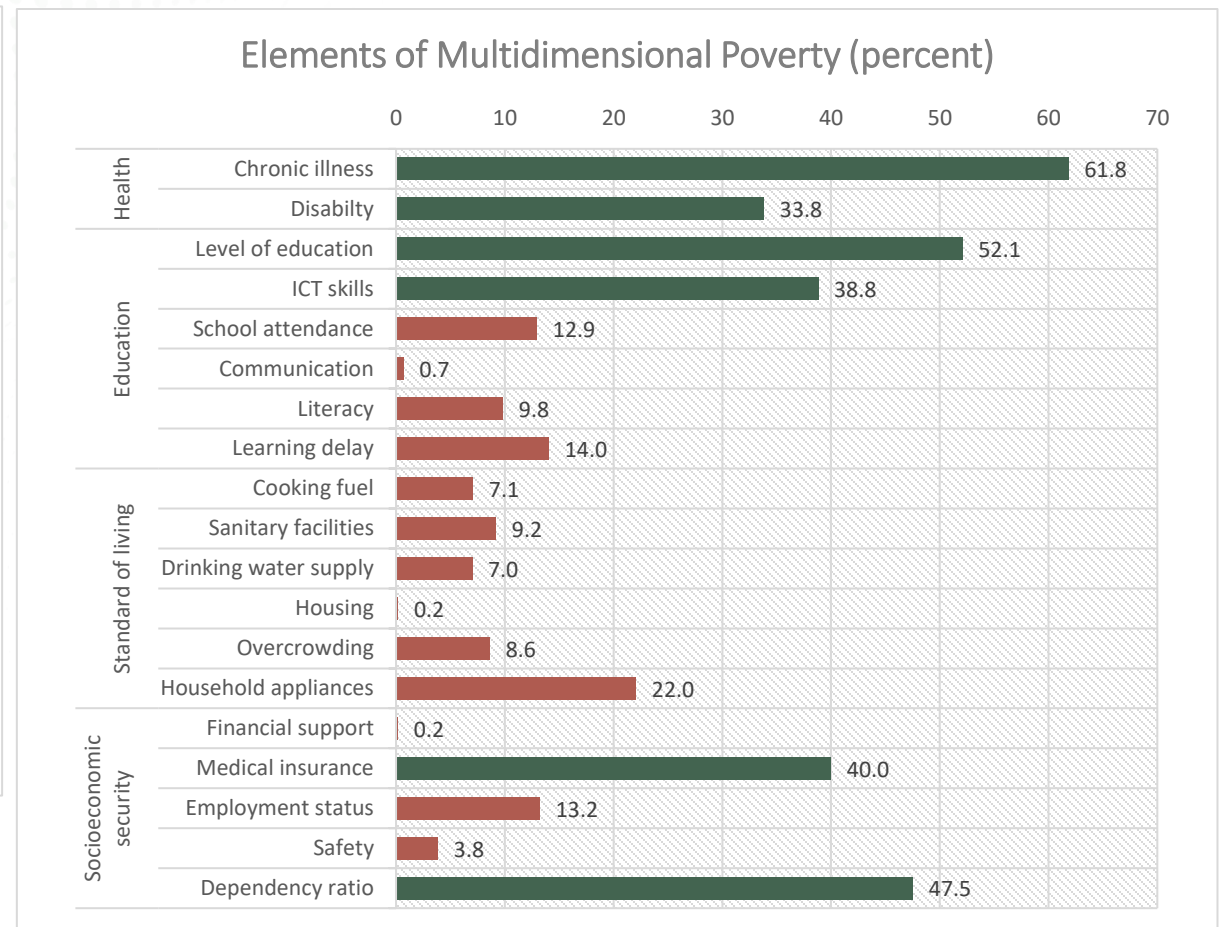
WORLD BANK GROUP



## Poor health and education outcomes, together with high dependency ratios, are key drivers of multidimensional poverty

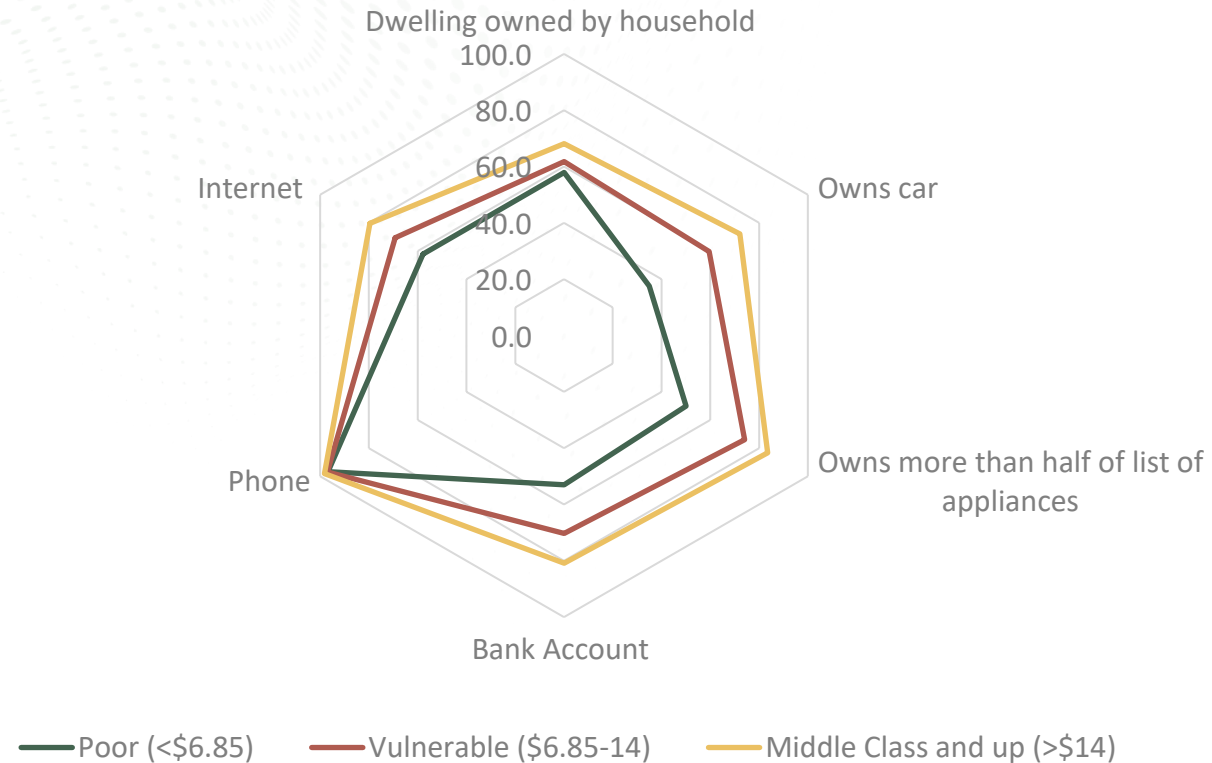


Source: Poverty assessment team, based on SLC 2022. Following the approach of [Sobhie and Kisoensingh, 2023](#).



## Significant disparities not only in tangible, but also in intangible assets hamper the participation of the poor in society and the economy

Tangible and intangible assets by poverty group (percent)



Source: Poverty assessment team, based on SLC 2022.

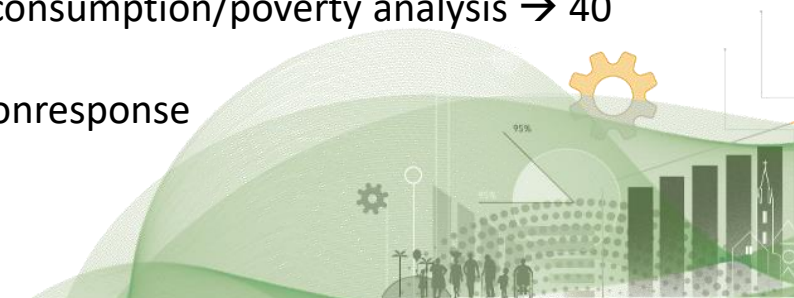
# 2022 Suriname Survey of Living Conditions – Design and Execution

## Nationally representative sample – 3 Geographic Estimation Domains

- Great Paramaribo: Frame → Customer Database of the Energie Bedrijven Suriname (EBS) → 13 Connection Areas (CAs) covering Paramaribo district and its peripheries (bordering population in Wanica, Saramacca, and Commewijne) → Streets served as PSUs: 308 selected according to Probability Proportional to Size (PPS) → 15 randomly selected HHs/PSU (12 targeted + 3 oversampled for eventual nonresponse/rejection)
- Rest of Coastal Region: Frame → EBS database → 14 CAs → 85 PSUs selected according to PPS → 15 randomly selected HHs/PSU (12 targeted + 3 oversampled for eventual nonresponse/rejection)
- Interior: Frame → Ministry of Natural Resources → 137 villages located in southern half of Brokopondo and Sipaliwini → 23 villages randomly selected → 15 randomly selected HHs/Village (12 targeted + 3 oversampled for eventual nonresponse/rejection)

## Fieldwork Operation

- Representative of an **entire calendar year** (national sample divided into 12 random monthly sub-samples) → January – December 2022 → **account for seasonal intra-year variation**
- **Overall nonresponse rate** (all rejections / attempted households) → 29.7% → Below LAC average (XX)
- **Effective Sample size**: 2,540 households and 7,713 individuals
- **Negligible Item nonresponse** → interviewed HHs with incomplete information for consumption/poverty analysis → 40 HHs
- **Sampling weights appropriately adjusted** for both overall nonresponse and item nonresponse



# 2022 Suriname Survey of Living Conditions – Coverage and Quality Control

---

Survey encompasses both a **Household Budget Survey** and additional modules covering a **wide array of living conditions**

- Detailed Consumption/Expenditure Modules; plus
- Migration, Housing, Education, ICT, Government Programmes, Mental and Physical Health, Fertility, Early Childhood Development, Crime and Safety, Employment, Income and Financial Inclusion,
- Agriculture and Animal Breeding, Food Insecurity, Resilience to weather and financial shocks

## Application of questionnaire

- **No proxy respondents:** each adult was interviewed face to face
- Length + personal interviews: demanded an **average of 3 visits per HH**
- All implemented in **CAPI**
- Comprehensive **Real Time Quality Control:** Intra-questionnaire checks, Daily batch-process reports, GPS tracking of enumerators, Daily monitoring of aggregate quality indicators, Randomized audio supervision.





