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ANNEX 1. SURINAME: POVERTY AND EQUITY DIAGNOSTIC





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KEY FINDINGS

- About 17.5 percent of Suriname's population could be classified as poor in 2022, meaning that their consumption was below the national poverty line and the World Bank's upper-middle-income poverty line.
- About 46 percent of Surinamese could be classified as multidimensionally poor. Significant contributors to multidimensional poverty include chronic illness, disability, lack of health insurance, low levels of education, and limited information and communications technology skills.
- The poverty rate is higher in the interior of Suriname than in the rest of the country. Poverty rates differ by ethnicity and are higher in households headed by a single parent, households with a less-educated head, and large households.
- A large share of the consumption of the poor goes to food and non-alcoholic beverages, housing, and transport. Accordingly, while food insecurity is common throughout the population, it is especially pressing in poorer households.
- Poorer households are deprived in terms of a broad array of income-generating assets. Heads of poor households generally have less education. Adults in poor households are less likely to be employed and more likely to work in the informal sector. Poor households have less access to physical assets and essential services, such as bank accounts, insurance, and the Internet.
- Tracking trends in poverty and wellbeing over time is challenging due to a paucity of comparable longitudinal data. However, there is evidence that Suriname experienced a spell of declining multidimensional poverty in the decades before the 2020 economic crisis. However, there is also evidence of a negative impact on wellbeing at the height of the crisis.

Preparation of this annex was led by Jacobus de Hoop, Laura Clavijo Torres, Mateo Uribe Castro, and Rosita Woodly-Sobhie. Diether W. Beuermann Mendoza and Gisele Teixeira Braun contributed with extensive feedback and input.

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1. INTRODUCTION

Accurate measurement of poverty is an urgent priority for Suriname. In the media and the public debate, much of the discussion about poverty centers on the impact of the macroeconomic crises that started in 2016 and worsened in 2020. Based on a phone survey administered in August 2020, Arteaga, Beuermann, and Khadan (2021) documented a deterioration in numerous outcomes at the peak of the recent crisis, including employment and business closures, which exacerbated prior inequalities. The National Annual Reports of 2022 and 2023 (Republic of Suriname 2022, 2024) documented a significant decline in purchasing power of 32 percent in 2022 compared to 2019. Accordingly, although not nationally representative, the World Food Programme's Caribbean Food Security and Livelihoods Survey indicated a deterioration in food security over this period.1 However, a detailed description of poverty and its characteristics after the macroeconomic crisis was not available until recently.

Building on a new household survey, this annex describes poverty and how it manifests in Suriname after the recent economic crisis. The IDB's Survey of Living Conditions (SLC), was administered in 2022 (Appendix A1.1). Drawing on this survey, the objective of the poverty and equity diagnostic is not only to document poverty numbers for Suriname, but also to provide a deeper insight into poverty by describing who the poor are, where they live, what characterizes them, and how they generate their income (Box A1.1 provides detail on how poverty was estimated based on the SLC). Understanding these aspects of poverty beyond the headline statistics is critical for the formulation of anti-poverty policy. Indeed, the other more policy-oriented components of the poverty assessment, including the labor market and social assistance analysis presented in Annexes 2 and 3, respectively, depart from the poverty diagnostic.

BOX A1.1. A NOTE ON ESTIMATING POVERTY IN SURINAME

Estimating poverty can be complex, and it requires a variety of methodological decisions. A core aspect of the estimation of poverty is to examine the distribution of the value of consumption. That value is not reported in a survey as one single number. Rather, poverty researchers need to piece together the value of consumption by drawing on reported consumption of food, frequently purchased non-food items, less-frequently purchased durable goods, and housing. The process of piecing together this information requires many steps, which are described in more detail in Appendix A1.2 of this annex.

When the calculated value of a person's consumption falls below a certain threshold (what is called a poverty line), this person is classified as poor. The estimated poverty rate depends on the poverty line applied; if the poverty line is ambitious (high), a larger share of the population will be classified as poor. This report shows results for poverty lines established by Suriname's Multidimensional Poverty Working Group, the World Bank's international poverty lines, and poverty lines for Suriname calculated by the IDB. More information on these poverty lines can be found in Appendix A1.3 of this annex.

¹ See the Caribbean Food Security and Livelihoods Survey dashboard at https://analytics.wfp.org/t/Public/views/ CaribbeanFoodSecurityLivelihoodsSurvey/Foodsecurity?%3Aembed=y&%3AisGuestRedirectFromVizportal=y&_ ga=2.134417140.486188591.1710731574-908087354.1710731574 (accessed on March 19, 2024).

The analysis complements a recent report on poverty in Suriname by Sobhie and Kisoensingh (2023) of Suriname's Multidimensional Poverty Working Group, which develops the approved national monetary and multidimensional poverty definitions and measurements and examines poverty rates based on the 2013 household budget survey and UNICEF's 2018 Multiple Indicator Cluster Survey.

The approach taken in this poverty diagnostic is in accordance with the Asset-based Framework, which forms the cornerstone of much of the poverty analysis carried out by the World Bank. The framework considers income-generating assets as an important aspect of poverty and prosperity. These can be physical assets, but also intangible assets such as education and access to services. Accordingly, this poverty diagnostic looks at the income-generating assets on which the poor rely and describes how these assets differ from those of the wealthier part of the population. Annex 2 complements this analysis by taking a detailed look at labor market outcomes. In addition, the Asset-based Framework considers three other aspects that matter for poverty and prosperity: the income transfers households receive, the prices of the goods and services households consume, and external shocks that generate variability in incomes. Annex 3 looks into income transfers by examining the functioning of Suriname's social assistance system.

Although not analyzed separately, prices are implicitly accounted for in the calculation of the poverty rates presented in this diagnostic (Appendix A1.2 of this Annex). And while it is challenging to analyze the impact of shocks due to limited availability of panel data, the poverty diagnostic reflects the situation in Suriname after it recently experienced a deep macroeconomic shock.

The analysis finds that poverty is common, with a little over one in six Surinamese (about 17.5 percent of the population) living below the national poverty line and the World Bank's upper-middle-income poverty line. Multidimensional poverty, measured in accordance with Suriname's national approach, is even more common. About 46 percent of Surinamese could be classified as multidimensionally poor. Chronic illness, disability, lack of health insurance, low levels of education, and limited information and communications technology (ICT) skills are significant factors contributing to multidimensional poverty. The poverty rate is higher in the interior than in the rest of the country. Poverty rates differ by ethnicity and are higher in households headed by a single parent, households with a less-educated head, and large households. A high share of the consumption of the poor goes to food and non-alcoholic beverages, housing, and transport. Accordingly, while food insecurity is common throughout the population, it is especially pressing in poorer households.

Poorer households are deprived in terms of a broad array of income-generating assets. Heads of poor households generally have less education. Adults in poor households are less likely to be employed and more likely to work in the informal sector. Poor households have less access to physical assets such as a car or their own dwelling. They also have less access to essential services such as bank accounts, insurance, and the Internet.

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Documenting trends in poverty is challenging for Suriname because there is a paucity of comparable data over time. UNICEF's Multiple Indicator Cluster Survey (MICS) indicates that Suriname experienced a spell of declining multidimensional poverty in the decades before the 2020 economic crisis. Surveys collected during the COVID-19 pandemic point to a significant decline in wellbeing at the height of the economic crisis. And although somewhat tentative, analysis based on the 2022 SLC suggests that 2022 poverty rates were comparable to those in 2016 at the time of Suriname's previous major macroeconomic crisis.

Section 2 of this annex describes headline 2022 poverty, inequality, and prosperity statistics. Section 3 provides a profile of the poor. Section 4 describes the income-generating assets of the poor, and Section 5 discusses poverty trends. The annex ends with detailed appendices that provide methodological background to the study, including the design of the 2022 SLC (Appendix A1.1), the construction of the consumption aggregate based on the 2022 SLC (Appendix A1.2), the poverty lines applied (Appendix A1.3), the approach to measuring multidimensional poverty (Appendix A1.4), a comparison of reported income to reported consumption (Appendix A1.5), the robustness of the trends analysis to using panel data (Appendix A1.6), and additional poverty profile tables (Appendix A1.7).

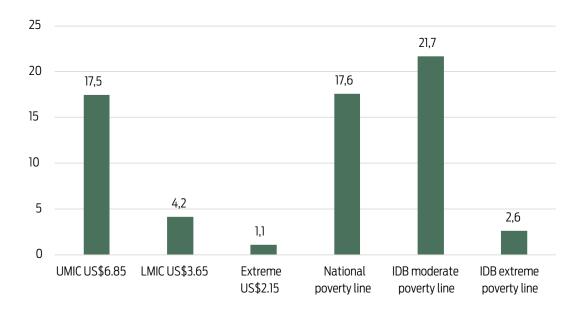
2. HEADLINE 2022 POVERTY AND INEQUALITY STATISTICS FOR SURINAME

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2.1. POVERTY, INEQUALITY, AND PROSPERITY

Based on the 2022 SLC data, about 17.5 percent of Surinamese can be classified as poor and about 1 to 2.5 percent can be classified as extreme poor. Figure Al.1 shows the three sets of poverty estimates mentioned above. The moderate poverty rate as measured by Suriname's national poverty line and the World Bank's upper-middle income line equal 17.6 and 17.5 percent. Applying the IDB's moderate poverty line, which is a bit more ambitious, results in a poverty rate of 21.7 percent. One percent of the population lives below the World Bank's lower-middle income poverty line and 2.6 percent of the population lives below the IDB's extreme poverty line.

FIGURE A1.1. ABOUT 17.5 PERCENT OF THE POPULATION LIVES BELOW SURINAME'S NATIONAL POVERTY LINE



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: National poverty line depends on household composition. World Bank international lines expressed in 2017 purchasing power parity U.S. dollars. The IDB poverty line is based on update of the IDB's 2017 minimum needs assessment.

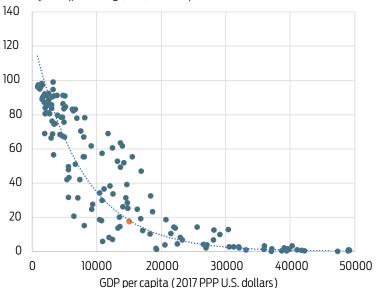
Average consumption would need to increase by a factor of 2.5 to equal the average poverty line applied by high-income countries. In addition to the poverty headcount, there is a wide range of additional metrics to monitor poverty, prosperity, and inequality. The World Bank recently adopted a new welfare measure called the Prosperity Gap that measures how far a country is from achieving a per capita income of US\$25 per day, the typical poverty line applied in high-income countries. In Suriname, the Prosperity Gap has a value of 2.5, meaning that the average factor by which individuals' consumption must be multiplied to attain a prosperity standard of US\$25 per day is 2.5.

Suriname's Gini coefficient is about 39, while its Palma ratio is 1.7. The Gini coefficient is one of the most widely used indicators of inequality. A Gini coefficient of zero represents the scenario of complete equality, in which everyone's consumption is identical. A Gini coefficient of 100 represents the scenario of complete inequality, in which one person consumes everything. Generally, a Gini coefficient above 40 is considered to represent high inequality. At 39.2, Suriname's Gini coefficient lies a little below this threshold. On another frequently used measure of inequality, the Palma ratio, Suriname has a ratio of 1.7, meaning that the value of the consumption of the richest 10 percent of the population is 1.7 times that of the poorest 40 percent of the population.

2.2. INTERNATIONAL COMPARISONS

Poverty in Suriname is not out of line with its level of economic development. Is a moderate poverty rate of 17.5 percent high? To answer this question, Figure A1.2 compares poverty in Suriname to poverty in other countries. To make sure that the figure does not compare apples to oranges, countries are sorted by level of economic development (GDP per capita) on the horizontal axis. The vertical axis shows the share of people living below the World Bank's upper-middle-income line. A dotted regression line indicates the approximate level of poverty one would expect given a country's GDP per capita. Suriname's poverty level, displayed in orange to facilitate comparison, appears to compare somewhat favorably to that of other countries with similar levels of economic development.

FIGURE A1.2. COMPARISON OF POVERTY WITH OTHER COUNTRIES: SURINAME'S POVERTY RATE IS NOT OUT OF LINE WITH ITS LEVEL OF GDP PER CAPITA (PERCENT)

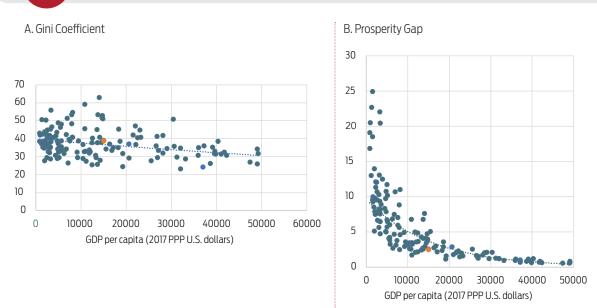


Poverty rate (percentage, US\$6.85 line)

Sources: 2022 Suriname Survey of Living Conditions (IDB 2022); and World Bank, Development Indicators. Note: Poverty measured against the World Bank poverty line of US\$6.85 line expressed in 2017 purchasing power parity (PPP) U.S. dollars. The orange dot represents Suriname.

Inequality and prosperity indicators for Suriname are also within the expected range. Figure A1.3 again examines how Suriname's Gini coefficient compares to that of other countries. The figure's setup is comparable to that of Figure A1.2, with GDP per capita on the horizontal axis and a dotted regression line showing the expected relationship between GDP per capita and inequality. At 38.89, Suriname's Gini coefficient is approximately where one would expect.

FIGURE A1.3. INEQUALITY AND PROSPERITY INDICATORS IN SURINAME ARE COMPARABLE TO THOSE OF COUNTRIES WITH SIMILAR LEVELS OF GDP PER CAPITA



Sources: 2022 Suriname Survey of Living Conditions (IDB 2022); and World Bank, Development Indicators. Notes: Gini Coefficient (left) and Prosperity Gap (right). The orange dot represents Suriname.

2.3. MULTIDIMENSIONAL POVERTY

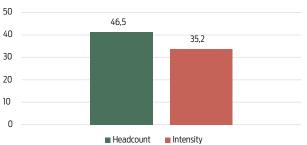
Of course, poverty is not purely a monetary phenomenon. People can be deprived in many other outcome areas even if they are not classified as poor by standard consumption metrics. Understanding these other deprivations is important to gain a holistic understanding of poverty and thus to guide policy. Multidimensional poverty indices are often used as a tool to gain insight into broader aspects of deprivation. Suriname's Multidimensional Poverty Working Group recently proposed a Multidimensional Poverty Index covering four domains: health, education, standard of living, and socioeconomic security. For this report, an effort was made to mimic the working group's index as closely as possible (see Appendix A1.4 for more detail). A total of 19 indicators were identified across the four domains.

In Suriname, roughly 46 percent of all people can be classified as multidimensionally poor and experiences substantial challenges in the four domains covered by the Multidimensional Poverty



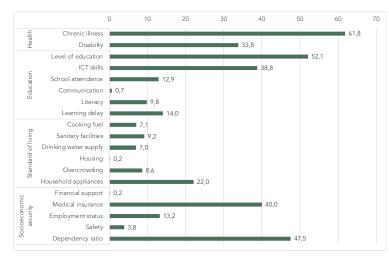
Index (Figure A1.4).² On average, those who are classified as multidimensionally poor are deprived in 35.2 percent of the indicators covered by the index (see the column entitled "Intensity" in Figure A1.4). Figure A1.5 shows the share of the population deprived according to each of the 19 indicators in the index. A few of these indicators stand out as particularly important drivers of multidimensional poverty. A high share of households has one or more members who are chronically ill (62 percent) or disabled (34 percent). It is common for household heads to have little education (52 percent) or to have limited ICT skills (39 percent). And a sizable share of households have insufficient health insurance (40 percent) and a high dependency ratio, i.e., a high number of members compared to the number of working household members (47.5 percent).





Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Multidimensional poverty measured in accordance with the methodology proposed by Sobhie and Kisoensingh (2023).

FIGURE A1.5. SURINAME: ILLNESS, LOW EDUCATION, LIMITED ICT SKILLS, AND LACK OF MEDICAL INSURANCE ARE IMPORTANT DETERMINANTS OF MULTIDIMENSIONAL POVERTY



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Each bar shows the share of the population considered deprived of each of the indicators. Elements of multidimensional poverty based on from Sobhie and Kisoensingh (2023) ICT: information and communications technology.

2 Note that the World Bank's Poverty and Inequality Platform also publishes multidimensional poverty estimates for Suriname. Those are based on a methodology developed for poorer countries and thus result in markedly lower poverty rates.

3. POVERTY PROFILE

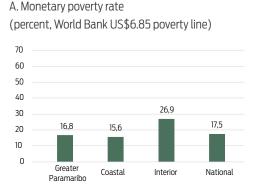
This section provides a description of who the poor are. It examines where the poor live, their sociodemographic profile, their consumption expenditures, and their food security. To simplify the presentation, most of the section focuses on two measures of poverty: the World Bank's uppermiddle income poverty line (US\$6.85, expressed in 2017 purchasing power parity - PPP) and the Multidimensional Poverty Index. Results are mostly qualitatively similar when other poverty metrics are applied. Tables A1.5 and A1.6 in Appendix A1.7 provide additional detail on the sociodemographic characteristics of the poor and poverty by household composition.



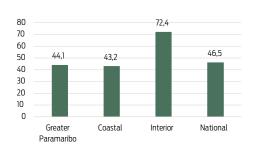
As shown in Figure A1.6, poverty rates tend to be markedly higher in the interior of Suriname. This holds both for monetary poverty (panel A) and multidimensional poverty (panel B). In the interior of the country, an estimated 27 percent of the population lives below the World Bank's upper-middle income poverty line of US\$6.85 (2017 PPP), while nearly 59 percent lives in multidimensional poverty. In contrast, monetary and multidimensional poverty rates are lower (and fairly similar) in the Greater Paramaribo region and the other coastal areas of the country (at about 16.5 and 40 percent, respectively).

Accordingly, a disproportionate share of the poor population lives in the interior of the country. This can be inferred from Figure A1.7, which shows that a little over 70 percent of the Surinamese population lives in the Greater Paramaribo region. Yet, only about 68 percent of the population living below the World Bank US\$6.85 poverty line lives in this part of the country. In contrast, only about 9 percent of the population lives in the interior of the country, but about 14 percent of the population living below the World Bank US\$6.85 poverty line lives in this part of the country. The share of the population living on less than US\$2.15 a day, the World Bank's poor country poverty line, is even higher at a little over 30 percent.

FIGURE A1.6. SURINAME: POVERTY RATES ARE HIGHER IN THE INTERIOR OF THE COUNTRY (PERCENT)



B. Multidimensional poverty rate (percent)



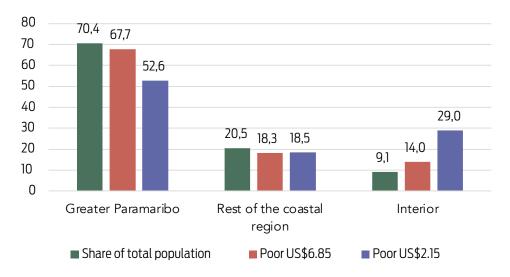
Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Monetary poverty is measured against the World Bank poverty line of US\$6.85 expressed in 2017 purchasing power parity (PPP) U.S. dollars. Multidimensional poverty is measured in accordance with the methodology proposed by Sobhie and Kisoensingh (2023).



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FIGURE A1.7. SURINAME: THE INTERIOR IS HOME TO A DISPROPORTIONATE SHARE OF THE POOR (PERCENT)



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: The bars show the fraction of three population groups by region. For instance, 70.4% of total population lives in Greater Paramaribo. The other bars show the share of poor populaton living in each region, using the World Bank poverty lines of US\$6.85 and US\$2.15 lines in 2017 purchasing power parity U.S. dollars.

3.2. SOCIODEMOGRAPHIC CHARACTERISTICS OF THE POOR

There is substantial variation in poverty rates across ethnic groups in Suriname. Figure A1.8 shows how monetary and multidimensional poverty (panels A and B, respectively) differ by ethnic group. In both cases, the three ethnic groups with the highest poverty rates are Surinamese of Maroon, indigenous, and Hindu ethnicity. There is overlap in the poverty rates by ethnic group and geographic region, as most of the Maroon live in the interior of the country.

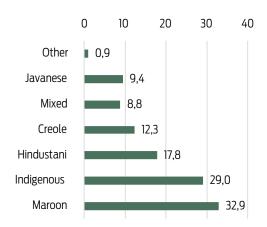
There is a clear correlation between poverty and the education level of the household head. Among the population living in a household with a head who did not complete any education, nearly 30 percent lives below the World Bank's upper-middle income poverty line (Figure A1.9, panel A). In households where the head completed primary education, the monetary poverty rate is about half as high at 16 percent. Among households with a head who completed higher education, the monetary poverty rate is close to zero. The multidimensional poverty rate also drops quickly with the level of education of the household head (Figure A1.9, panel B). In households with a head who did not complete education, the multidimensional poverty rate is about 62 percent. In households with a head who completed higher education, the multidimensional poverty rate is markedly lower (22 percent) but still not negligible.



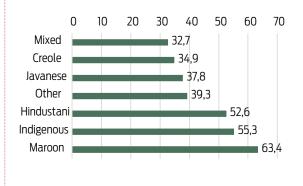
FIGURE A1.8. POVERTY IS HIGHEST AMONG SURINAMESE OF MAROON AND INDIGENOUS ETHNICITY (PERCENT)

A. Monetary poverty rate

(percent, World Bank \$6.85 poverty line)



B. Multidimensional poverty rate (percent)

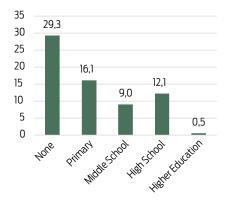


Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

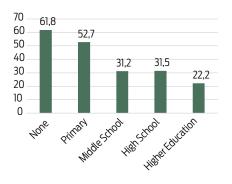
Note: Monetary poverty is measured against the World Bank US\$6.85 poverty line expressed in 2017 purchasing power parity (PPP) U.S. dollars. Multidimensional poverty is measured in accordance with the methodology proposed by Sobhie and Kisoensingh (2023).

FIGURE A1.9. SURINAME: A CLEAR CORRELATION BETWEEN POVERTY AND THE LEVEL OF EDUCATION OF THE HOUSEHOLD HEAD (PERCENT)

A. Monetary poverty rate (percent, World Bank \$6.85 poverty line)



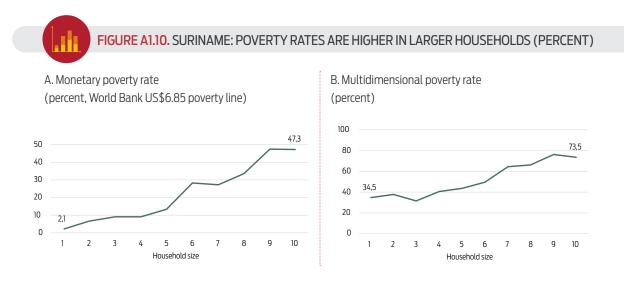
B. Multidimensional poverty rate (percent)



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Monetary poverty is measured against the World Bank US\$6.85 poverty line expressed in 2017 purchasing power parity (PPP) U.S. dollars. Multidimensional poverty is measured in accordance with the methodology proposed by Sobhie and Kisoensingh (2023). Primary education refers to the first six years of school, mandatory for all children between 6 and 12 years old. Middle school (VOJ) can be a four-year academic period, vocational training, or three-year technical school. High school (VOS) refers to secondary education and can last up to four years, depending on whether it is academic, vocational, or a teacher training path. Higher education refers to a college education, university, HBO, Master's, or PhD.

In larger households, the poverty rate tends to be higher. The monetary poverty rate in households with only one or two members is relatively low, as can be inferred from Figure A1.10. In these households the monetary poverty rate ranges from approximately 20 to 30 percent. In large households with 10 or more members, the monetary poverty rate is nearly 50 percent. Multidimensional poverty rates reach about 73 percent in large households.



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Monetary poverty is measured against the World Bank US\$6.85 poverty line expressed in 2017 purchasing power parity (PPP) U.S. dollars. Multidimensional poverty is measured in accordance with the methodology proposed by Sobhie and Kisoensingh (2023). Households with more than 10 members are included in the group of households with 10 members.

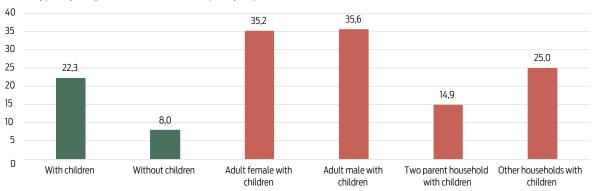
Households with children are poorer than households without children, especially when one parent raises the children alone. Figure A1.11 shows that the difference in monetary poverty rates between households with and without children is substantial. The poverty rate is about 22 percent in households with children and only about 8 percent in households without children. The poverty rate is especially high in households with one adult parent raising children alone (over 35 percent for both mothers and fathers). In two-parent households, the poverty rate is only 14.9 percent.

Poverty rates are not clearly different by gender, but there are some differences by age group.

Figure A1.12 shows poverty by age group separately for women and men. In much of Latin America and the Caribbean, there is a high poverty rate among children and then progressively lower poverty rates for older age groups. There is also a divergence in poverty rates of women and men around reproductive ages, with the poverty rate of women above that of men. Finally, the poverty rate in much of the region trends up again at the highest ages (Buitrago-Hernandez et al. 2024). In Suriname, the pattern is not as clear cut. Poverty rates fluctuate up and down throughout the life cycle, and the poverty rates of women and men are comparable and cross each other at numerous points. Poverty rates appear to be higher among children (roughly 0 to 20 years old) and in the age ranges when adults raise children (roughly 30 to 50 years old).

FIG (PI

FIGURE A1.11. SURINAME: POVERTY RATES ARE HIGHER IN HOUSEHOLDS WITH CHILDREN (PERCENT)

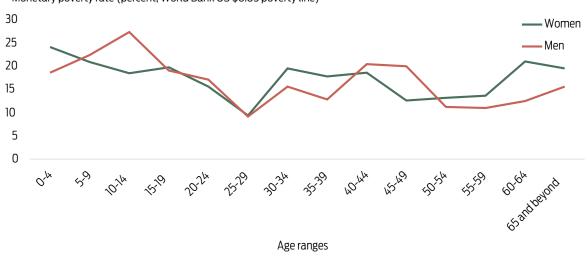


Monetary poverty rate (percent, World Bank US \$6.85 poverty line)

Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Monetary poverty is measured against the World Bank US\$6.85 poverty line expressed in 2017 purchasing power parity (PPP) U.S. dollars. Bars represent poverty rates for different groups of households according to their composition. The green bars are households with and without children <15 years old. Among households with children, there are four groups of households,

represented by the red bars: with one adult, female or male, with two parents, and all other households with children.

FIGURE A1.12. SURINAME: POVERTY RATES OF WOMEN AND MEN OVERLAP IN MOST AGE RANGES (PERCENT)



Monetary poverty rate (percent, World Bank US \$6.85 poverty line)

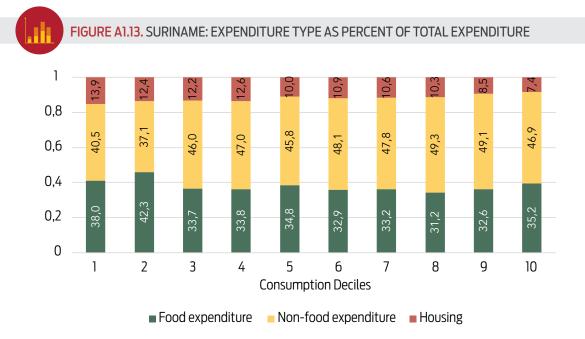
Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Monetary poverty is measured against the World Bank US\$6.85 poverty line expressed in 2017 purchasing power parity (PPP) U.S. dollars.





Food and housing are a prominent part of the consumption expenditure of the poor. Figure A1.13 examines how consumption is distributed across three broad categories: food, non-food, and housing. To understand whether the consumption patterns of the poor are different, the population is split into 10 consumption deciles. Decile 1 represents the poorest 10 percent of the population (the 10 percent with the lowest consumption per capita), while decile 10 represents the richest 10 percent of the population. As shown in Figure A1.13, non-food represents about 37 percent of the expenditure of those in the poorest deciles. In higher deciles, this share is closer to 50 percent. While food represents around 40 percent of consumption in the bottom two consumption deciles, it represents only about 30 percent in the top half of the consumption distribution.



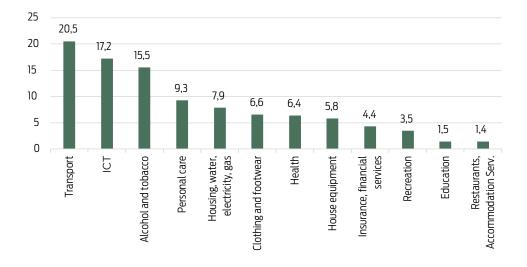
Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Distribution of consumption across food, non-food, and rent by consumption decile (1 is the poorest decile and 10 the wealthiest).

Transport, utilities, and housing equipment represent an important share of the non-food consumption of the poor. Figure A1.14 shows the components of non-food consumption based on the United Nations Statistics Division's Classification of Individual Consumption According to Purpose (COICOP) groups. The figure focuses on the bottom quintile, which is the poorest 20 percent of the population (and which roughly corresponds to the population living below the World Bank's upper-middle income line). Utilities and housing equipment represent 8 and 6 percent of non-food expenditure, respectively. Transport represents about 20 percent of non-food expenditure. What are called "temptation goods" (alcohol and tobacco) represent 15.5 percent of expenditure, while education and health represent a small share (8 percent combined).



FIGURE A1.14. SURINAME: EXPENDITURE TYPE AS A PERCENT OF NON-FOOD EXPENDITURE BASED ON THE CLASSIFICATION OF INDIVIDUAL CONSUMPTION ACCORDING TO PURPOSE (COICOP) GROUPS



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Notes: Distribution of non-food expenditure within the lowest consumption quintile by COICOP group. Acc. Services: accommodation services. ICT: information and communications technology. In accordance with COICOP definitions, expenditure related to the principal, or secondary dwellings is classified in Division 04 (Housing, water, electricity, gas and other fuels). Expenditure related to accommodation services away from the principle or secondary dwelling (excluding vacation homes), such as resorts, hotels, motels and vacation homes, is classified to Group 11.2 (Accommodation services).

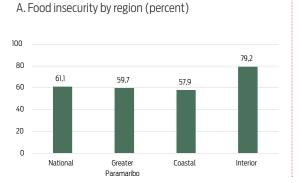


Food security is a substantial concern for a large part of the population, particularly the poor.

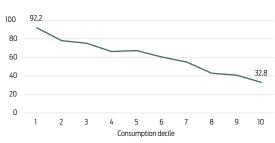
The 2022 SLC contains a separate survey module to measure food insecurity. This module is comprised of nine questions to measure whether households experience any form of food insecurity.³ For purposes of analysis, a household is classified as food insecure if it responds positively to any of these questions. It is common for households to be food insecure according to this measure. At the national level, 61 percent of the population is food insecure according to this definition. As can be inferred from Figure A1.15, food insecurity is even more common in the interior of the country. There, nearly 80 percent of the population can be classified as food insecure. As might be expected, food insecurity is even more pronounced in the poorest households. In the bottom consumption decile, nearly 90 percent of the population is classified as food insecure. Although food insecurity is markedly lower in the highest consumption deciles, even among this group, nearly a third answers positively to at least one of the food insecurity questions.

³ To give one example of a survey question: "In the last 12 months, was there a time when you or others in your household worried about not having enough food to eat because of a lack of money or other resources?"

FIGURE A1.15. SURINAME: FOOD INSECURITY IS MORE COMMON IN THE INTERIOR (PERCENT)



B. Food insecurity by consumption decile (percent)



Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Food insecurity is determined on the basis of a separate module of the Survey of Living Conditions comprised of nine questions about different indicators of food insecurity, such as skipping meals for lack of resources. If the response is positive to any of the nine questions, a household is classified as food insecure.

4. INCOME-GENERATING ASSETS



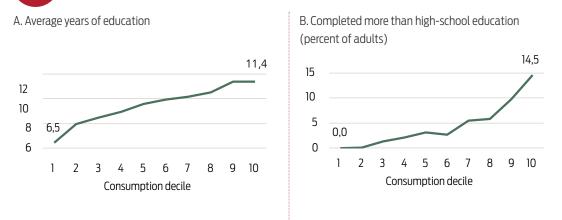
To better understand the poverty rates described above, this section examines the incomegenerating assets of the poor. This approach is in accordance with the Asset-based Framework as developed and described by Attanasio and Székely (1999), Bussolo and Lopez-Calva (2014), Carter and Barrett (2006), and Lopez-Calva and Rodríguez-Castelán (2016). The latter authors describe a household's market income potential "as a function of four main components: (i) the capacity of households to generate income based on the assets they own; (ii) the transfers they receive that are independent of household income-earning assets; (iii) the set of prices of the basket of goods and services that the household consumes; and, (iv) the realization of external shocks that generates variability of incomes" (Lopez-Calva and Rodríguez-Castelán 2016, p. 2).

Annexes 2 and 3 delve deeper and provide more insight into two components of the Assetbased Framework. Annex 2 focuses on the first component mentioned above and examines labor market outcomes in more detail. Annex 3 focuses on the second component and zeroes in on the transfers and social assistance benefits received by households.



The poor are more likely to live in a household with a less-educated head. This, of course, is a common phenomenon in many countries. In the poorest consumption decile, as shown in panel A of Figure A1.16, the average number of years of education of the household head in the poorest decile is approximately six. In the richest decile, the years of education of the household is roughly twice as high at 12. In the bottom half of the consumption distribution (Figure A1.16, panel B), virtually no household head has completed more than secondary education. Table A1.7 in Appendix A1.7 provides additional information on the association between education outcomes and poverty.





Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Years of education of adults (panel A) and share of adults who completed more than high school education (panel B) by consumption decile.

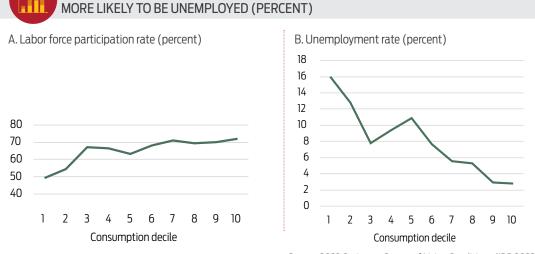




Labor market outcomes of the poorest households are markedly worse than those of richer households, starting with a lower labor force participation rate. As employment is a key source of income, it may be expected that employment outcomes and poverty are significantly related (Table A1.8 in Appendix A1.7). Indeed, core labor market indicators confirm this conjecture. Panel A of Figure A1.17 looks at the labor force participation rate by consumption decile.⁴ The labor force participation rate, which equals the share of adults who are either employed or looking for work, ranges from 49 percent in the bottom of the consumption distribution (the poorest 10 percent) to 71 percent in the top of the consumption distribution (the richest 10 percent).

Among the poorest households, a low labor force participation rate is compounded by a high unemployment and informality rate. The unemployment rate reflects the share of adults who are in the labor force, but not employed. The informality rate is the share of workers who are informal according to the productive informality classification of the World Bank's Socio-Economic Database for Latin America and the Caribbean (SEDLAC).⁵ As can be inferred from panel B of Figure A1.17, in the poorest households about 16 percent of adults in the labor force are not employed. In the richest half of the population, by contrast, the unemployment rate is below 10 percent. Moreover, in the poorest households it is common for those who do work to be employed in the informal sector. Figure A1.18 shows that in the bottom decile, more than 50 percent of employed adults work in the informal sector. This share drops rapidly as one moves up the consumption distribution.

FIGURE A1.17. SURINAME: THE POOR ARE LESS LIKELY TO BE IN THE LABOR FORCE AND



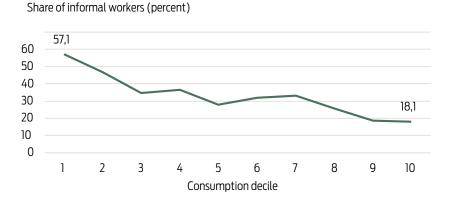
Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Labor force participation rate: employed plus unemployed population as a share of the working-age population (panel A). Unemployment rate: unemployed as a share of the labor force (panel B). Persons 15 years of age and older are unemployed if they did not work in the past seven days and were looking for a job.

- 4 The labor force participation rate is defined as the total employed and unemployed population as a share of the working-age population.
- 5 According to SEDLAC (2014), individuals are considered informal workers if they correspond to any of the following categories: (i) unskilled self-employed, (ii) salaried worker in a small private firm, (iii) zero-income worker.



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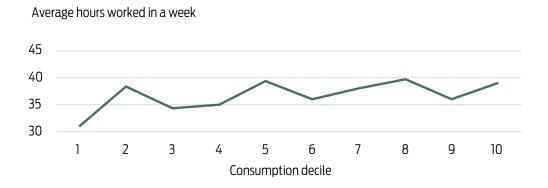
FIGURE A1.18. SURINAME'S INFORMALITY RATE: WORK IN THE INFORMAL SECTOR IS ESPE-CIALLY COMMON IN THE POOREST HOUSEHOLDS (PERCENT)



Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Share of the employed working in the informal sector, with the informal sector defined by occupation. Specifically, informal workers are unskilled self-employed workers, salaried workers in a small private firm, and zero-income workers.

Weekly working hours appear to be similar across the consumption distribution. According to Figure A1.19, workers in the bottom decile work nearly 35 hours a week. In the remainder of the consumption distribution, working hours are close to 40.

FIGURE A1.19. SURINAME: WEEKLY WORKING HOURS ARE SOMEWHAT LOWER IN THE BOTTOM DECILE (WEEKLY HOURS WORKED)



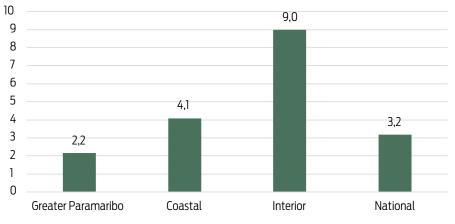
Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Weekly hours worked (conditional on being employed).





Own production is more important for those living in the interior of the country. Figure A1.20 examines the share of own production in total consumption. In the interior of the country, which is more reliant on agriculture, this share is 9 percent. Not surprisingly, in the mostly urban Greater Paramaribo area, the share of own production is consumption is low, at approximately 2 percent.⁶

FIGURE A1.20. SURINAME: SHARE OF CONSUMPTION DERIVED FROM OWN PRODUCTION IS HIGHER IN THE INTERIOR (PERCENT)



Own production (percent of total consumption)

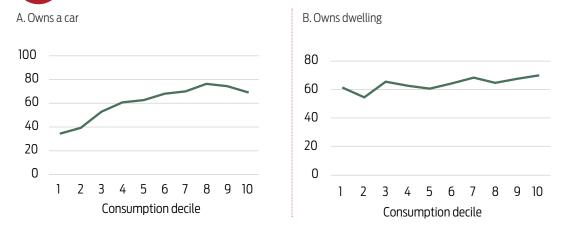
4.4. OWNERSHIP OF PHYSICAL ASSETS

There are substantial differences in ownership of physical assets and real estate between poorer and richer households. Figure A1.21 shows this for two important categories: cars (panel A) and dwellings (panel B). Ownership of a car can contribute to the ability to participate in society and the labor market, while ownership of a dwelling eliminates the need to pay rent and may offer opportunities to build up capital. Ownership of a car is relatively uncommon among poor households, though approximately a third of poor households own a car. In the top half of the consumption distribution, this share is above 60 percent. About 58 percent of the poorest households own their dwelling. Among the richest households, this share is approximately 70 percent. Table A1.19 in Appendix A1.7 examines additional housing characteristics and physical assets.

Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

⁶ The SLC does not contain sufficient information to further document physical assets and landholding associated with own production.





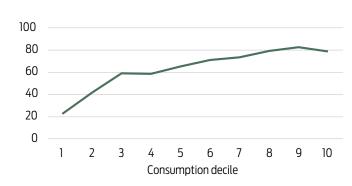
Source: 2022 Suriname Survey of Living Conditions (IDB 2022).



Finally, access of the poor to key services is restricted. Figure A1.22 examines access to three important services: private health insurance, a bank account, and the Internet. It is clear that richer households have better access to all three of these services than poorer households. In the bottom of the consumption distribution, only about one in five households has private health insurance. In the top, this share is close to 80 percent. The numbers are broadly comparable for access to a bank account, with approximately three in ten of the poorest and seven in ten of the richest households having a bank account. Access to the Internet ranges from approximately 65 percent in the poorest households to about 85 percent in the richest households. Table A1.10 in Appendix A1.7 provides additional detail.

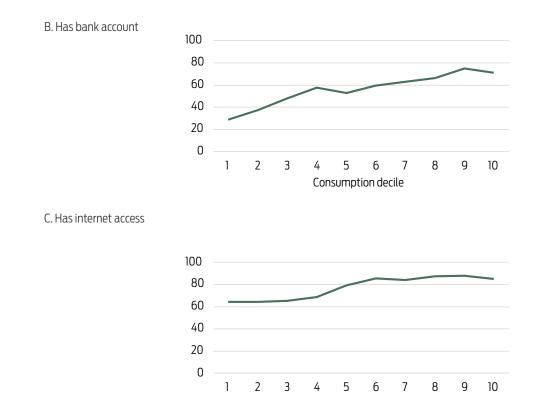


FIGURE A1.22. SURINAME: SHARE OF POPULATION WITH PRIVATE HEALTH INSURANCE, BANK ACCOUNT, OR INTERNET ACCESS, BY CONSUMPTION DECILE (PERCENT)



A. Has private health insurance





Source: 2022 Suriname Survey of Living Conditions (IDB 2022).

Consumption decile

5. EVOLUTION OF POVERTY

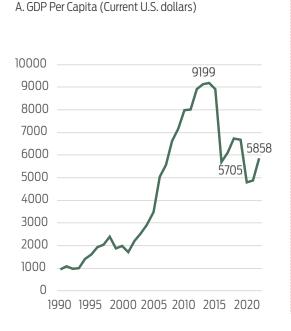




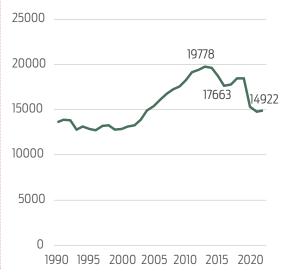
On the back of a global commodity price boom, Suriname's GDP per capita increased rapidly from the early 2000s to 2014, with 2004 as an exception due to an economic crisis. As described in the World Bank's recent 2023 Systematic Country Diagnostic, "The economic performance of the country has been volatile over the past two decades. The fluctuation in economic activity and incomes is closely related to the natural-resource-based nature of the economy. The commodity price boom, which started around 2000 (with high dependency on bauxite and oil), led to a significant increase in GDP per capita in U.S. dollar terms" (World Bank 2023, p. 15). In 2014, reflecting Suriname's engagement in oil and gold mining, GDP per capita peaked at over US\$9,000 in current U.S. dollars, or nearly US\$20,000 in 2017 PPP U.S. dollars (Figure A1.23).

The subsequent period from 2016 to 2022 was one of significant economic upheaval. As commodity prices slumped and the government began to implement an austerity program, the economy contracted quickly in 2016, with an unbalanced exchange rate, inflation, and debt ratio. Macroeconomic mismanagement compounded by the effects of the COVID-19 pandemic led to a further contraction of the economy in 2020. By 2022, GDP per capita was US\$14,922 in 2017 PPP U.S. dollars and the strong macroeconomic growth in the period since 2005 had effectively been undone.

FIGURE A1.23. SURINAME HAS CONTINUED TO EXPERIENCE A MACROECONOMIC SLUMP SINCE 2016

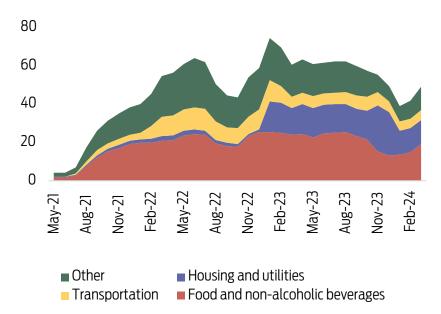


B. GDP Per Capita (Constant international 2017 PPP U.S. dollars)



Source: World Bank, Development Indicators. Note: Vertical red lines denote 2014, 2016, and 2022, respectively. **In addition to the macroeconomic downturn, Suriname has experienced rapid inflation since the start of 2020**. As part of broader macroeconomic reforms, Suriname transitioned to a floating exchange rate in mid- 2021. As discussed in the aforementioned 2023 Systematic Country Diagnostic , "Because Suriname is a small economy, with imports equaling about 50 percent of GDP, a significant pass-through from exchange rate depreciation to domestic prices led to a sharp rise in inflation. Annual inflation ran above 60 percent during both 2020 and 2021 and was well above 50 percent in 2022" (World Bank 2023, p. 18). Figure A1.24 shows the main components of inflation as documented in the Consumer Price Index. Inflation was pronounced in the most dominant categories of consumption for poor households (see Section 2.3): food and non-alcoholic beverages, housing, and transportation.

FIGURE A1.24. SURINAME: INFLATION HAS RECENTLY BEEN HIGH, ESPECIALLY FOR FOOD AND NON-ALCOHOLIC BEVERAGES, HOUSING, AND TRANSPORTATION (ANNUAL PERCENTAGE)



Source: World Bank Macro Poverty Outlook dashboard, available at https://www.worldbank.org/en/publication/macropoverty-outlook#sec1 (accessed on June 17, 2024), based on the Consumer Price Index published by Suriname's General Bureau of Statistics.

5.2. POVERTY TRENDS

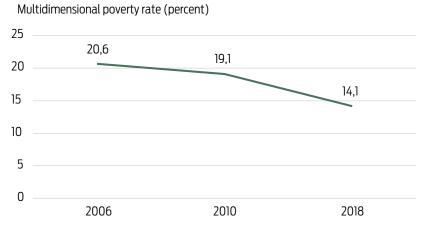
There is evidence that the population of Suriname was strongly affected at the peak of the macroeconomic crisis of 2020. Based on a phone survey administered in August 2020, Arteaga, Beuermann, and Khadan (2021) documented a deterioration in numerous outcomes, including employment, business closures, and remittances. The study concluded that, due to these deteriorations, "preexisting inequalities across income and gender groups were exacerbated" (Arteaga, Beuermann, and Khadan 2021, p. 1).



However, tracking longer-term, fundamental trends in poverty and the distribution of income and consumption in Suriname is challenging. It requires data on household consumption, income, or other poverty-related wellbeing indicators that can be compared over time. And for Suriname such data are generally not collected on a regular basis. For instance, the latest household budget survey was last collected in 2013/2014. And that survey is considered the formal source of information for the calculation of monetary poverty in Suriname.

There is evidence indicating that multidimensional poverty was declining in the period before the macroeconomic crisis. One source of information that provides insights into longer-run trends is UNICEF's MICS. Analysis of MICS data collected in 2006, 2010, and 2018 points to a structural decline in multidimensional poverty. This can be seen in Figure A1.25.⁷ According to further analysis (not displayed), over this period there were improvements in all domains of the Multidimensional Poverty Index, including education, health, living standards, and socioeconomic security.

FIGURE A1.25. SURINAME: A LONGER-TERM, DOWNWARD TREND IN MULTIDIMENSIONAL POVERTY (PERCENT)



Source: UNICEF, 2006, 2010, and 2018 Multiple Indicator Cluster Surveys.

Note: Multidimensional poverty is measured in accordance with the methodology proposed by Sobhie and Kisoensingh (2023). The numbers in this figure are not identical to those reported for 2018 by Sobhie and Kisoensingh (2023) because some of the indicators in the 2018 data are not available in the older Multiple Indicator Cluster Surveys. To facilitate comparisons over time, only those indicators available for all three years were used.

Inferences on the trends in poverty during the recent times of economic crisis need to be interpreted with caution. A previous round of SLC data collected in 2016 provides some insight into poverty trends in the subsequent period up to 2022. However, it is important to interpret these findings with care. First, both the 2016 and 2022 surveys took place during economically challenging and volatile times, which may influence the comparison. Second, the 2022 survey was conducted at a time of high

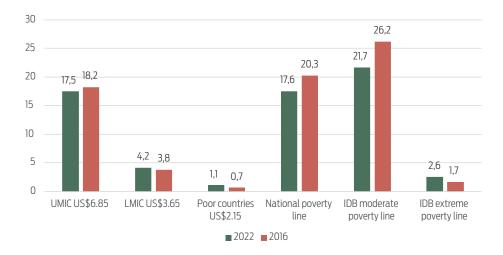
⁷ This finding contrasts with that of Suriname's Multidimensional Working Group (Sobhie and Kisoensingh 2023), which examined trends in multidimensional poverty based on the 2012 population census and the 2018 UNICEF MICS. Based on these two data sources, the group concluded that over this period there had been no noteworthy improvement in house-hold living conditions.

inflation and thus in a fundamentally different environment.⁸ Third, because the 2016 and 2022 SLC data cover only two points in time, they do not provide insight into poverty dynamics in the interim period and the height of the 2020 crisis, when households faced significant challenges.

The SLC data paint a mixed picture of trends since 2016 and depend on the poverty threshold considered. This can be inferred from Figure A1.26. The figure shows the same poverty rates discussed in Section 1.1 and displayed in Figure A1.1. But it also includes estimates for poverty in 2016. For the higher poverty lines, such as Suriname's national poverty line, the World Bank's upper-middle-income poverty line, and the IDB's moderate poverty line for Suriname, there appears to be a decline in poverty from 2016 to 2022. For the more extreme forms of poverty, in contrast, poverty appears to have increased. For instance, poverty measured against the World Bank's upper-middle-income line was 18.2 percent in 2016 and 17.5 percent in 2022, while poverty measured against the World Bank's upper-middle-income line was the statistically significant at conventional levels.⁹ In other words, one cannot conclude that poverty changed from 2016 to 2022 with a reasonable level of statistical certainty.



FIGURE A1.26. SURINAME: A MIXED PICTURE OF CHANGES IN POVERTY 2016 AND 2022 (PERCENT)



Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: The national poverty line depends on household composition. The World Bank's international lines are expressed in 2017 purchasing power parity U.S. dollars. The IDB poverty line is based on update of IDB 2017 minimum needs assessment. LMIC: lower-middle-income country; UMIC: upper-middle-income country.

8 To illustrate, the Consumer Price Index reported by Suriname's General Bureau of Statistics was 381.7 in January of 2022, 460.8 in July, and 572.5 in December.

9 The changes against the national and IDB poverty lines are statistically significant.



Why has there not been a clearer increase in poverty in recent years, considering the substantial macroeconomic challenges Suriname has had to confront? The research team looked into this issue in detail. While this question cannot be answered with certainty, a few factors are important to keep in mind. First, industry and mining represent about a third of Suriname's value added but employ only about a tenth of the labor force. Hence, while changing commodity prices have a significant effect on GDP, they affect only a minority of the labor force. A second factor to consider is that a large share of workers in the bottom of the consumption distribution are employed in the informal sector (see Section 3.2 of this Appendix)). Movements in the informal sector may not track movements in GDP per capita and may be less volatile. A third factor is that a large share of the poorest population lives in the interior of the country, which is relatively insulated from broader conjunctural movements in the economy. Finally, the government of Suriname made efforts to scale up social assistance programs during the COVID-19 crisis. While these efforts are unlikely to have been sufficient in and of themselves, they may have helped offset the impact of the economic crisis on poverty. Annex 2 returns to this issue.



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APPENDIX A1.1. THE SURINAME SURVEY OF LIVING CONDITIONS

The analysis presented in this annex draws heavily on the 2022 Survey of Living Conditions (SLC). This appendix summarizes some core elements to understand the methodological approach of the 2022 SLC, drawing on the Methodology Report accompanying the survey.¹⁰ The 2022 SLC is a multipurpose household survey initiated by the IDB. The survey was administered from January to December 2022, during which time approximately 2,500 households and 7,500 individuals were interviewed. The rationale for administering surveys over the period of 12 months was to ensure that cyclical changes (for instance, in expenditure) would not bias (poverty) measurement.

The 2022 SLC is representative at the national level and for three geographical regions: the Greater Paramaribo region, the other coastal areas of Suriname, and the interior. For the Greater Paramaribo region and the other coastal areas of Suriname, the sampling frame was constructed based on administrative information on customer connections to the electrical grid provided by Suriname's electricity company, the Energie Bedrijven Suriname (EBS). Efforts to construct a sampling frame in the interior of the country were more involved. As the EBS does not cover the interior of the country, a listing exercise had to be carried out in a selection of small villages. Survey weights were constructed to account for differences in the probability of inclusion by geographical domain and to correct for nonresponses.

As the 2022 SLC is a multipurpose survey, it covers a large range of outcomes. The survey contains 21 sections, some of which are critical for understanding household consumption and poverty. They include sections on personal expenses, education expenses, and household consumption of (or expenditure on) food and beverages, clothing and footwear, and frequently and less-frequently purchased non-food items. Appendix A1.2 returns to these sections. But the survey also covers a wide range of other domains, including sections on education, health, employment, food security, and housing. The Poverty and Equity Assessment as well as this and the other two annexes draw extensively on all these sections.

It is worth noting a few specific observations on the organization of the fieldwork and quality control procedures. Because of the length of the questionnaire, households were visited on multiple occasions. In principle, proxy responses were not allowed; each individual household member had to provide his or her relevant information. Extensive quality assurance protocols were in place to ensure the delivery of reliable results. These included checks built into the data processing software, daily review of completed surveys, randomized audio supervision, and audio supervision feedback to enumerators.

APPENDIX A1.2. CONSUMPTION AGGREGATES

The consumption aggregate was constructed based on the different survey modules **providing information on individual and household expenditure**. This appendix provides a summary description of how the construction of this aggregate was carried out. It is based on a forthcoming World Bank note entitled "Constructing Harmonized Consumption-based Welfare

Available at https://mydata.iadb.org/Social-Protection/2022-Suriname-Survey-of-Living-Conditions/prbn-x74x/about_ data (accessed June 16, 2024).

Aggregates for Poverty and Inequality Analysis in Caribbean Countries" by Saavedra and Sanchez (Forthcoming). That note compares efforts to harmonize household survey data in multiple countries in the Caribbean (including Grenada, Jamaica, and St. Lucia).ⁿ

The harmonization of the consumption aggregate was carried out in line with global best practices. To be precise, the harmonization of the consumption aggregate closely follows the guidelines of Mancini and Vecchi (2022). These guidelines, in turn, are an update to the seminal work of Deaton and Zaidi (2002) and are applied globally by the World Bank as the standard for constructing consumption aggregates. In accordance with these guidelines, the consumption aggregate measures the value of four types of consumption: food, non-food, durables, and housing. While this measurement at first may sound straightforward, the reality is complex. Many decisions need to be made along the way to construct a consumption aggregate. And some of these decisions can have significant implications for estimated consumption and poverty. Interestingly, for the case of Suriname, both the IDB and the World Bank independently generated a consumption aggregate.¹² These two aggregates, although not identical, lead to very similar results and thus give a sense of confidence in the accuracy of the findings.

There are a few respects in which the construction of the consumption aggregate in Suriname had to depart from that which is optimal. First, the food component of the consumption aggregate reflects expenditure on food rather than consumption of food. To the extent that the value of food consumed differs from the value of food purchased, this could lead to some distortions. Moreover, although the 2022 SLC does collect information about household ownership of durable goods, it does not collect the information needed to estimate what is called the "use value" of these goods, and hence this is not reflected in the consumption aggregate. Moreover, households that own their dwelling were not asked to estimate the rental value of their home. What are called "hedonic regressions" techniques were therefore applied to estimate the value of the housing component of the consumption aggregate for households that own their home.

APPENDIX A1.3. POVERTY LINES

This appendix shows results for three different poverty lines: Suriname's national poverty lines, the poverty lines for Suriname calculated by the IDB, and the World Bank's international poverty lines. The appendix summarizes how the three poverty lines were calculated and compares them.

A Multidimensional Poverty Working Group recently established and then updated Suriname's national poverty line (Sobhie and Kisoensingh 2023). The working group determined the national poverty line based on a basic needs approach. It relied on the 2013/2014 household budget survey and Consumer Price Index data. The national poverty line reflects the cost of acquiring a minimum food basket and basic non-food expenditure (at a 60/40 ratio). An equivalence scale was applied to determine the total national poverty line at the household level.

¹¹ This effort note was prepared by a team led by Trinidad Saavedra.

¹² For the IDB aggregate, see the Methodological Report on the Consumption Aggregate and Poverty Lines, available at https://mydata.iadb.org/Social-Protection/2022-Suriname-Survey-of-Living-Conditions/prbn-x74x/about_data (accessed June 16, 2024).



The IDB followed a comparable procedure to establish its own poverty line for Suriname. To establish an extreme poverty line, the IDB (Sobrado 2018) calculated the cost of purchasing a minimum caloric intake for the average person in Suriname. The moderate poverty line also includes the cost of basic non-food consumption. This cost was approximated by calculating the share of non-food consumption in the consumption aggregate of the poorest households. The poverty lines were adjusted for prices in each region (Greater Paramaribo, other coastal areas, and the interior).

The World Bank uses three poverty lines for international comparisons. The poverty lines approximate the average national poverty lines applied by poor countries, lower-middle-income countries, and upper-middle-income countries. For more discussion, see Jolliffe et al. (2022).

Table A1.1 shows the different poverty lines. For comparability, they are all expressed in daily 2017 purchasing power parity (PPP) U.S. dollars. The national poverty line differs substantially by household composition. For a one-person household, it is US\$13.38 2017 PPP daily. For a household comprised of four adults and four children, the poverty line is US\$5.91 2017 PPP daily per capita. The average IDB extreme and moderate poverty lines are US\$3.05 and US\$7.76 2017 PPP daily per capita, respectively, with modest variation by region. The World Bank's extreme poverty line (US\$2.15 2017 PPP daily per capita) and upper-middle- income line (US\$6.85) are each about US\$0.90 2017 PPP daily per capita lower than the IDB extreme and moderate poverty lines.



TABLE A1.1. POVERTY LINES EXPRESSED IN DAILY 2017 PURCHASING POWER PARITY 2017U.S. DOLLARS

A. World Bank Poverty Lines							
Extreme	US\$2.15						
LMIC	US\$3.65						
UMIC	US\$6.85						
B. IDB Poverty lines							
			Region				
	Greater Paramar- ibo	Coastal Other	Interior	Average			
Extreme	US\$3.15	US\$2.97	US\$2.45	US\$3.05			
Moderate	US\$8.28	US\$6.70	US\$6.04	US\$7.76			
C. National Poverty	Lines						
			Number of Childre	n			
Number of Adults	0	1	2	3	4+		
1	US\$13.38	US\$9.47	US\$7.91	US\$7.02	US\$6.42		
2	US\$10.58	US\$8.58	US\$7.48	US\$6.77	US\$6.25		
3	US\$9.22	US\$7.93	US\$7.10	US\$6.52	US\$6.08		
4	US\$8.36	US\$7.43	US\$6.78	US\$6.29	US\$5.91		

Sources: Jolliffe et al. (2022); Sobhie and Kisoensingh (2023); and Sobrado (2023). Note: LMIC: lower-middle-income country; UMIC: upper-middle-income country.

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APPENDIX A1.4. MULTIDIMENSIONAL POVERTY

The measures of multidimensional poverty presented follow the approach of Suriname's Multidisciplinary Poverty Working Group (Sobhie and Kisoensingh 2023). The working group established a Multidimensional Poverty Index (MPI) that can be applied to UNICEF's Multiple Indicator Cluster Survey (MICS). The index covers four domains – health, education, standard of living, and socioeconomic security – each covering a series of indicators. Examples of these indicators include that the head of the household did not complete at least junior high school, the household does not have access to quality cooking fuel, and others. Each domain carries an equal weight of one-fourth, which is then divided equally among the indicators in the domain. For instance, if a domain has four indicators, each indicator in the domain carries a weight of one-sixteenth. A household is classified as poor if the positive scores combine to a total weight of one-fourth or more.

The MPI had to be adjusted to the IDB's Survey of Living Conditions (SLC). Not all of the indicators available in the UNICEF MICS are available in the SLC. Therefore, an effort was made to approximate the domains and indicators in the MICS survey. Table A1.2 shows the indicators available for each round of the MICS (2006, 2010, and 2018) and each round of the SLC (2016 and 2022). The table provides a description of the MPI indicators. There is some overlap in the indicators between each domain in the MICS and the SLC. But the indicators included in each domain in the MICS and the SLC are never identical. For this reason (and because there are other methodological differences in the way the MICS and the SLC data were collected), it is not possible to generate a combined time series including both the MICS and the SLC data.

TABLE A1.2. MULTIDIMENSIONAL POVERTY INDEX INDICATORS AVAILABLE BY SURVEY

Dimension	Indicator	MICS 2006	MICS 2010	MICS 2018	SLC 2017	SLC 2022
	Mortality	Х	-	Х	-	-
$ _{aaltb} (1/())$	Chronic illness	-	-	-	Х	Х
Health (1/4)	Dysfunctionality	-	-	Х	Х	Х
	Nutrition	Х	Х	Х	Х	-
	Level of education	Х	Х	Х	Х	Х
	ICT skills	-	-	-	-	Х
Education (1///)	School attendance	Х	Х	Х	Х	Х
Education (1/4)	Communication	-	-	-	Х	Х
	Literacy	-	-	-	Х	Х
	Learning delay	Х	Х	Х	Х	Х

	Cooking fuel	Х	Х	Х	Х	Х
	Sanitary facilities	Х	Х	Х	Х	Х
	Residence or place of living	-	Х	Х	-	-
Standard of living	Drinking water supply	Х	Х	Х	Х	Х
(1/4)	Electricity	Х	Х	Х	Х	-
	Housing and living condi- tions	Х	Х	Х	Х	Х
	Overcrowding	Х	Х	Х	Х	Х
	Household appliances	Х	Х	Х	Х	Х
	Financial support	-	-	Х	Х	Х
	Medical insurance	-	-	Х	Х	Х
Socioeconomic security (1/4)	Employment status	-	-	-	Х	Х
	Safety	-	-	Х	Х	Х
	Dependency ratio	Х	Х	Х	Х	Х

Source: Prepared by the authors. Note: ICT: information and communications technology; MICS: Multiple Indicator Cluster Survey; SLC: Survey of Living Conditions;



TABLE A1.3. DESCRIPTION OF MULTIDIMENSIONAL POVERTY INDEX INDICATORS

Dimension	Indicator	Cut-off point: The household lacks/does not have (qualitative/optimal) access or experiences a disadvantaged or undesirable situation in relation to (indicator), if
	Mortality	There is at least one death before the average age of life expectancy is reported.
	Chronic illness	At least one member of the household has a chronic illness.
Health (1/4)	Dysfunctionality	At least one member of the household has a disability, dysfunctionality, or has been declared unfit for the job market.
	Nutrition	He/she lives in a household where there is at least one child under the age of 5 who is malnourished or severely overweight.
	Level of education	The head of the household has not completed at least junior high school education.
	ICT skills	There is no member in the household with a minimum level of ICT basic skills.
Education	School attendance	There is at least one member in the household in the 6-16 age group who is no longer attending school.
(1/4)	Communication	The household does not have access to any of the following communication/ information sources: newspaper, radio, television, Internet, mobile phone.
	Literacy	At least one person in the household is illiterate, unable to read and write, or has never attended school.
	Learning delay	At least one person in the 6-16 year old age group has a learning delay of two or more years compared to the required level.

	Cooking fuel	The household does not have access to quality cooking fuel sources.
	Sanitary facilities	The household does not have access to quality sanitation facilities and/or shares these facilities with other households.
	Drinking water supply	The household does not have access to quality drinking water facilities located within a range of 200 meters. Drinking water defined as in SGD.
	Electricity	The household does not have access to quality electricity supply.
Standard of living (1/4)	Housing and living conditions	The material of the residential dwelling such as the roof, walls, and floor is inferior, or the household does not have its own residential dwelling.
	Overcrowding	The household has more than three people per sleeping area.
	Household appliances	The household has access to less than half of the following household appliances and possessions (or similar items): radio, television, telephone, computer, means of transportation, washing machine, microwave oven, air conditioner/fan, water pump, gas stove with or without oven, and refrigerator.
	Residence	The residence where the members of the family live is not their own.
	Financial support	At least one household member receives financial support other than old age allowance (<i>Algemene Ouderdomsvoorziening</i> - AOV) from the government as the main income to cover living expenses.
Socioeco-	Medical insurance	At least one member of the household does not have health insurance or is covered by basic healthcare insurance (<i>Basiszorgverzekering</i> - BAZO).
nomic security (1/4)	Employment status	No member of the household has a job.
	Safety	At least one member of the household was a victim of a crime in the past year.
	Dependency ratio	The dependency ratio (number of household members/number of workers) is more than 2.

Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: ICT: information and communications technology.

APPENDIX A1.5. COMPARISON OF REPORTED INCOME AND CONSUMPTION

This report primarily focuses on consumption-based measures of poverty. One reason is that there appears to be underreporting of income in the 2022 Suriname Survey of Living Conditions data (a phenomenon that is not uncommon for household surveys).¹³ As can be seen in panel A of Figure A1.27, there is a fairly strong correlation between reported income and consumption. However, panel B shows that reported income is below reported consumption throughout the entire distribution. In the bottom decile, reported consumption (US\$3.77) exceeds reported income (US\$2.84) by a factor of 1.3. In higher deciles the discrepancy increases. In the top decile, reported consumption exceeds reported income by a factor of 2.2.

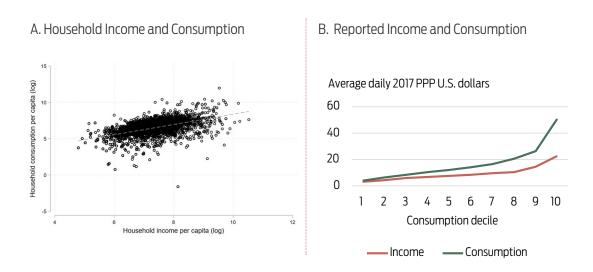
¹³ Another reason is that income data are missing for a share (approximately 5 percent) of households.



As a result, the estimated poverty rate for Suriname would be markedly higher when relying on reported income. Poverty as measured in accordance with the World Bank's upper-middleincome line of US\$6.85 (2017 purchasing power parity) would be 52.5 percent. Poverty as measured in accordance with the national poverty line would be 54.3 percent.



FIGURE A1.27. APPARENT UNDERREPORTING OF INCOME DATA IN THE 2022 SURINAME SURVEY OF LIVING CONDITIONS



Source: 2022 Suriname Survey of Living Conditions (IDB 2022). Note: (A) Correlation between household reported income and consumption (in logs). (B) Average per capita daily reported income and consumption by consumption decile (in 2017 PPP US dollars). Daily income and consumption per capita in 2017 purchasing power parity U.S. dollars.

APPENDIX A1.6. RESULTS BASED ON PANEL DATA

As part of the 2022 Survey of Living Conditions (SLC), an attempt was made to re-interview households that had also participated in the 2016 SLC. In total, about 39.6 percent of the households included in the 2022 SLC had also been covered in the 2016 SLC. These households can be used to generate a panel dataset to examine changes over time. Analysis suggests that the households covered in both rounds of the SLC are not a random sample of the households in the 2022 data. This can be seen in Table A1.4. For instance, these households tend to be smaller, with an older head, and with fewer working-age adults. However, the differences tend to be small and there is value in looking at trends over time in panel households.

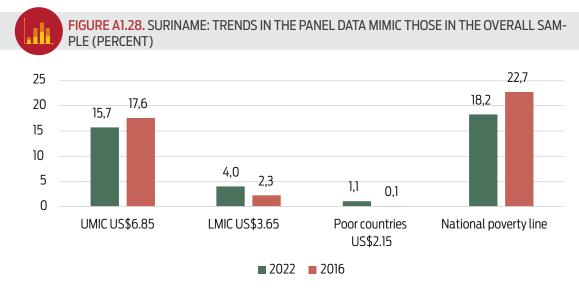
TABLE A1.4. CHARACTERISTICS OF PANEL HOUSEHOLDS DIFFER FROM THOSE OF THEAVERAGE HOUSEHOLD

	(1)	(2)	(3)	(4)
Characteristic	All	Only SLC 2022	SLC 2017 and 2022	t-Stat Means Test ((3) – (2))
Total number of persons	3.78	3.95	3.64	-3.63
Head of household's age	38.11	37.20	38.87	1.82
Number of children	0.99	1.08	0.92	-3.02
Number of elderly (65+)	0.28	0.26	0.30	1.94
Number of adults (15 to 64)	2.50	2.61	2.42	-3.12
Number of employed	1.55	1.66	1.46	-4.21
Number of self-employed	0.21	0.19	0.22	1.10
Number of members working i	n			
Agriculture	0.15	0.15	0.16	0.32
Manufacturing	0.23	0.26	0.21	-2.46
Services	1.16	1.24	1.10	-3.43
Public administration	0.64	0.72	0.57	-4.34
Education and health	0.25	0.25	0.25	0.36

Source: 2016/2017 and 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: The table compares average characteristics of households on the 2022 Survey of Living Conditions (SLC) according to whether or not they were also interviewed for the 2016/2017 SLC. Column (1) shows average characteristics for all households in the 2022 SLC. Column (2) presents average characteristics for households interviewed only in the 2022 SLC. Column (3) is for households present in both survey waves. Column (4) shows t-statistics for hypothesis tests where the null hypothesis is that the average of column (3) minus the average on column (2) equals zero.

The panel data poverty trends mimic those observed in the overall sample. Figure A1.28 replicates the results on changes in poverty from 2017 to 2022 discussed in Section 4.2 and displayed in Figure A1.26. However, this time the sample is restricted to households in the panel data (i.e., the subset of households observed both in 2016 and 2022). It is relevant to note that the overall 2022 poverty levels are quite comparable for the full sample and the panel sample. And the trends are also qualitatively similar in the full sample and the panel sample. In both cases, there appears to be a decline in poverty when the higher poverty lines are considered, while there may have been an increase in more extreme forms of poverty.



Sources: 2016/2017 and 2022 Suriname Survey of Living Conditions (IDB 2022). Note: The national poverty line depends on household composition. The World Bank international poverty lines are expressed in 2017 purchasing power parity U.S. dollars. Sample restricted to panel households. LMIC: lower-middle-income country; UMIC: upper-middle-income country.

APPENDIX A1.7. ADDITIONAL POVERTY PROFILE TABLES

-					
	Poverty Rate (US\$6.85 PPP daily)	Poor (<us\$6.85)< td=""><td>Vulnerable (US\$6.85-US\$14)</td><td>Middle Class and Up (>US\$14)</td><td>Total Population</td></us\$6.85)<>	Vulnerable (US\$6.85-US\$14)	Middle Class and Up (>US\$14)	Total Population
	(1)	(2)	(3)	(4)	(5)
Region					
Greater Paramaribo	16.8	67.7	68.5	73.2	70.4
Rest of the coastal region	15.6	18.3	20.2	21.5	20.5
Interior	26.9	14.0	11.3	5.2	9.1
Ethnicity					
Creole/Afro-Surinamese	12.3	10.6	13.5	18.3	15.1
Hindustani	17.8	27.9	27.2	27.4	27.4
Maroon	32.9	40.2	22.2	13.1	21.3
Amerindian/Indigenous	29.0	4.2	2.5	1.9	2.5
Javanese	9.4	8.7	16.1	19.2	16.2
Mixed	8.8	8.4	17.9	18.7	16.6
Other	0.9	0.0	0.6	1.4	0.9
Gender					
Female	18.3	52.5	50.2	49.3	50.2
Male	16.7	47.5	49.8	50.7	49.8

 TABLE A1.5. POVERTY PROFILE: SOCIODEMOGRAPHIC CHARACTERISTICS (PERCENT)

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Age					
0-5	28.3	15.6	9.1	7.7	9.6
6-11	25.4	16.0	12.5	7.7	11.0
12-14	24.0	7.8	6.2	4.4	5.7
15-17	22.0	7.1	6.2	4.5	5.6
18-24	17.6	11.7	12.9	10.4	11.6
25-60	13.5	34.3	42.9	49.5	44.3
60+	10.7	7.4	10.2	15.7	12.1
Missing age	44.3	0.2	0.1	0.0	0.1

Source: Poverty assessment team based on the 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Column (1) shows the poverty group by category in the stub column. Columns (2) – (4) show the share of the population by each group listed in the column headings. Greater Paramaribo consists of the capital Paramaribo and some urban parts of the Wanica district. The rest of the coastal region consists of the districts of Wanica (remaining part), Para, Saramacca, Commewijne, Nickerie, and Coroni. The interior consists of the districts of Marowijne, Brokopondo, and Sipaliwini.



TABLE A1.6. POVERTY PROFILE: HOUSEHOLD COMPOSITION (PERCENT)

	Poverty Rate (US\$6.85 PPP daily)	Poor (<us\$6.85)< th=""><th>Vulnerable (US\$6.85- US\$14)</th><th>Middle Class and Up (>US\$14)</th><th>Total Population</th></us\$6.85)<>	Vulnerable (US\$6.85- US\$14)	Middle Class and Up (>US\$14)	Total Population
	(1)	(2)	(3)	(4)	(5)
Children in household					
No children	8.0	15.5	27.7	46.5	33.8
Any children	22.3	84.5	72.3	53.5	66.2
1-3 children	17.3	55.9	63.1	50.8	56.4
3+ children	51.3	28.6	9.2	2.7	9.7
Strict dependents (<6 and >80)					
No	12.3	37.0	48.4	62.8	52.7
Yes	23.3	63.0	51.6	37.2	47.3
Number of household members					
1	2.1	0.5	1.5	6.9	3.7
2	6.8	3.5	5.7	14.1	9.0
3	9.1	7.0	10.9	18.0	13.3
4	9.1	11.0	20.6	25.8	21.2
5	13.5	16.0	24.0	19.9	20.8
б	28.4	17.9	11.9	7.5	11.0
7	27.2	10.3	8.1	3.8	6.6
8	33.6	12.4	8.6	2.2	6.5
9	47.5	9.3	4.2	0.4	3.4
10+	47.3	12.2	4.5	1.4	4.5

Household composition					
Single	2.1	0.5	1.5	6.9	3.7
Couple without children	2.8	0.7	2.6	7.7	4.5
Couple with children	17.0	34.3	34.8	36.1	35.3
Single parent with children	20.0	11.3	9.0	10.2	9.9
Multigenerational household	21.8	38.5	34.5	24.8	30.9
Other	16.3	14.7	17.7	14.4	15.7

Source: Poverty assessment team based on the 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Column (1) shows the poverty group by category in the stub column. Columns (2) – (4) show the share of the population by each group listed in the column headings. PPP: purchasing power parity.

TABLE A1.7. POVERTY PROFILE: EDUCATION (PERCENT)

	Poverty Rate (US\$6.85 PPP daily)	Poor (<us\$6.85)< th=""><th>Vulnerable (US\$6.85- US\$14)</th><th>Middle Class and Up (>US\$14)</th><th>Total Population</th></us\$6.85)<>	Vulnerable (US\$6.85- US\$14)	Middle Class and Up (>US\$14)	Total Population
	(1)	(2)	(3)	(4)	(5)
Household head's education status					
None	29.3	42.4	22.0	17.5	23.2
Primary	16.1	34.6	42.4	27.5	34.4
Middle school	9.0	14.0	24.6	29.0	24.9
High school	12.1	8.8	8.6	15.3	11.6
Higher education	0.5	0.2	2.5	10.8	5.8
Women's education status (15+)					
None	26.9	32.2	18.3	10.7	16.4
Primary	17.2	39.8	35.0	27.1	31.8
Middle school	9.2	15.3	23.9	24.0	22.8
High school	9.4	12.4	17.3	20.3	18.1
Higher education	0.4	0.3	5.5	17.9	10.9
Men's education status (15+)					
None	23.8	39.8	19.7	15.3	19.9
Primary	11.9	34.4	39.7	30.4	34.4
Middle school	7.6	17.3	26.5	29.7	27.0
High school	7.6	8.5	11.6	15.7	13.3
Higher education	0.0	0.0	2.5	8.9	5.4
School attendance by age					
0-5	28.52	31.26	33.30	31.23	28.52
6-11	93.81	99.17	98.45	97.54	93.81
12-14	92.26	98.09	99.77	97.37	92.26

15-17	91.89	91.06	92.77	91.90	91.89
18-24	33.45	48.21	55.90	48.81	33.45

Source: Poverty assessment team based on the 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Column (1) shows the poverty group by category in the stub column. Columns (2) – (4) show the share of the population by each group listed in the column headings. PPP: purchasing power parity.

TABLE A1.8. POVERTY PROFILE: LABOR MARKET CHARACTERISTICS (PERCENT)

	Poverty Rate (US\$6.85 PPP daily)	Poor (<us\$6.85)< th=""><th>Vulnerable (US\$6.85- US\$14)</th><th>Middle Class and Up (>US\$14)</th><th>Total Population</th></us\$6.85)<>	Vulnerable (US\$6.85- US\$14)	Middle Class and Up (>US\$14)	Total Population
	(1)	(2)	(3)	(4)	(5)
In the labor force					
No	21.4	47.8	34.9	29.6	34.5
Yes	12.1	52.2	65.1	70.4	65.5
Unemployed					
No	17.2	84.4	90.7	95.9	92.5
Yes	25.4	15.6	9.3	4.1	7.5
Informal employment					
No	7.7	47.7	66.8	69.1	66.0
Yes	16.3	52.3	33.2	30.9	34.0
Sector (of employed)					
Agriculture	17.1	10.1	6.7	5.2	6.3
Mining	4.9	1.7	5.0	3.2	3.7
Manufacturing	12.9	8.5	7.7	6.2	7.0
Construction	18.5	14.1	9.8	5.7	8.1
Retail	7.0	4.0	6.7	6.1	6.1
Hospitality	13.9	7.0	4.б	5.6	5.4
Public administration	4.5	2.6	5.6	7.4	6.2
Education and heath	6.1	9.3	15.0	18.3	16.1
Household as employers	16.2	4.3	2.5	2.7	2.8
Administrative services	6.6	9.2	12.5	17.4	14.7
Transportation	6.9	4.3	5.8	7.7	6.6
Utilities	6.6	1.9	4.3	2.4	3.0
Other	17.4	23.0	13.9	12.3	14.0

Source: Poverty assessment team based on the 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Column (1) shows the poverty group by category in the stub column. Columns (2) – (4) show the share of the population by each group listed in the column headings. Labor force equals the employed and unemployed population. Informal worker status is defined by occupation. Specifically, informal workers are unskilled self-employed workers, salaried workers in a small private firm, and zero-income workers. PPP: purchasing power parity.

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BLE A1.9. POVERTY PROFILE: HOUSING CHARACTERISTICS AND PHYSICAL ASSETS (PERCENT)

	Poverty Rate (US\$6.85 PPP daily)	Poor (<us\$6.85)< th=""><th>Vulnerable (US\$6.85-US\$14)</th><th>Middle Class and Up (>US\$14)</th><th>Total Population</th></us\$6.85)<>	Vulnerable (US\$6.85-US\$14)	Middle Class and Up (>US\$14)	Total Population
	(1)	(2)	(3)	(4)	(5)
Housing					
Homeowner					
No	14.7	42.1	38.2	31.9	35.3
Yes	11.0	57.9	61.8	68.1	64.7
Housing material					
Good quality	12.1	94.5	95.5	96.1	95.7
Low-quality	15.7	5.5	4.5	3.9	4.3
Access to water					
No	20.4	31.8	20.7	15.2	19.1
Yes	10.4	68.2	79.3	84.8	80.9
Access to bathroom					
No	36.2	18.7	4.7	4.б	6.3
Yes	10.7	81.3	95.3	95.4	93.7
Access to electricity					
No	50.0	1.1	0.1	0.2	0.3
Yes	12.2	98.9	99.9	99.8	99.7
Physical Assets					
Owns more than half of lis	st of appliances				
No	8.1	49.9	25.9	16.5	23.8
Yes	25.8	50.1	74.1	83.5	76.2
Owns TV					
No	21.2	30.1	19.4	13.4	17.4
Yes	10.4	69.9	80.6	86.6	82.6
Has cable TV					
No	13.1	99.8	97.3	90.2	93.8
Yes	0.4	0.2	2.7	9.8	6.2
Has video device					
No	12.5	97.5	96.5	94.4	95.5
Yes	7.0	2.5	3.5	5.6	4.5
Has car					
No	21.8	65.0	40.5	27.9	36.7
Yes	6.8	35.0	59.5	72.1	63.3

Source: Poverty assessment team based on the 2022 Suriname Survey of Living Conditions (IDB 2022). Note: Column (1) shows the poverty group by category in the stub column. Columns (2) – (4) show the share of the population by each group listed in the column headings. PPP: purchasing power parity.

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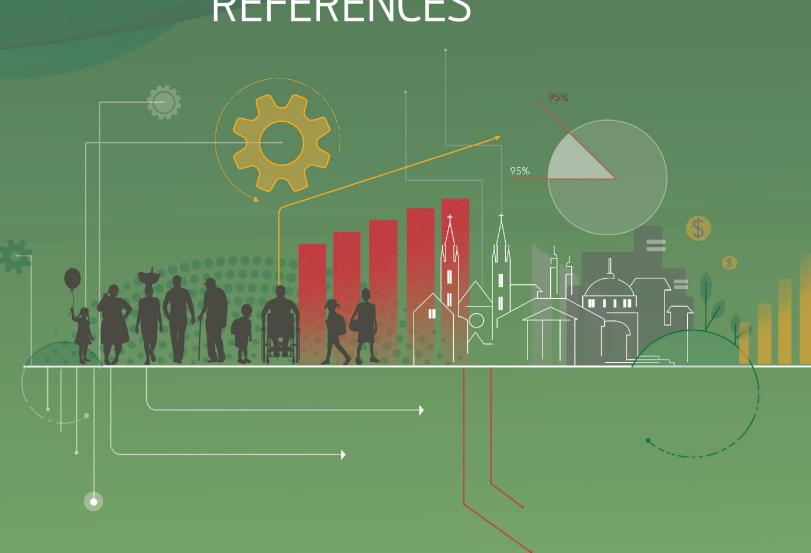
TABLE A1.10. POVERTY PROFILE: ACCESS TO MARKETS (PERCENT)

	Poverty Rate (US\$6.85 PPP daily)	Poor (<us\$6.85)< th=""><th>Vulnerable (US\$6.85- US\$14)</th><th>Middle Class and Up (>US\$14)</th><th>Total Popula- tion</th></us\$6.85)<>	Vulnerable (US\$6.85- US\$14)	Middle Class and Up (>US\$14)	Total Popula- tion
	(1)	(2)	(3)	(4)	(5)
Phone					
No	16.6	3.2	3.0	1.8	2.4
Yes	12.2	96.8	97.0	98.2	97.6
Landline					
No	17.6	90.8	68.8	53.6	63.3
Yes	3.1	9.2	31.2	46.4	36.7
Cellphone					
No	13.0	3.3	3.7	2.8	3.1
Yes	12.3	96.7	96.3	97.2	96.9
Bank account					
No	23.4	46.9	29.7	19.1	26.1
Yes	8.1	53.1	70.3	80.9	73.9
Internet					
No	19.5	42.2	30.7	20.5	26.6
Yes	9.7	57.8	69.3	79.5	73.4

Source: Poverty assessment team based on the 2022 Suriname Survey of Living Conditions (IDB 2022).

Note: Column (1) shows the poverty group by category in the stub column. Columns (2) – (4) show the share of the population by each group listed in the column headings. PPP: purchasing power parity.





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