

The Consequences of COVID-19 on Livelihoods in Suriname: Evidence from a Telephone Survey

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Caribbean Group

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The Consequences of COVID-19 on Livelihoods in Suriname: Evidence from a Telephone Survey

Maricruz Arteaga, Diether Beuermann and Jeetendra Khadan

Abstract

A nationally representative telephone survey on the consequences of the coronavirus pandemic in Suriname was conducted during the month of August in 2020. This paper presents a summary of the main findings of that survey and a review of the pandemic as of mid-April 2021. We found that household income was affected through employment losses, business closures and reduction of remittances. With data from the 2016/17 Suriname Survey of Living Conditions (SSLC) an additional level of analysis found that, although the shock to household income was widespread, pre-existing inequalities across income and gender groups were exacerbated.

JEL Codes: A1, D6, E6, H5, O54, R2

Key Words: Suriname, COVID-19, Unemployment, Financial Literacy.

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1. Introduction

The coronavirus pandemic is having severe consequences on the global economy and Suriname has not been exempt. Prior to the pandemic, the country's economic performance was already weak. Economic growth averaged -0.87 percent for the period 2015 and 2019 (Khadan, 2020a). Fiscal deficits were large, averaging 12.6 percent of GDP over the same period and central government debt had climbed to 81 percent of GDP at the end of 2019.¹ Poverty was estimated at 26.2 percent and inequality as measured by the Gini coefficient was 0.44 in 2017 (Khadan, 2020b). The ongoing pandemic is expected to further worsen macroeconomic conditions. Real GDP for 2020 was estimated to have contracted by 13.5 percent in 2020 and a modest recovery of 0.7 percent is forecasted for 2021.² Moreover, social conditions are being affected by the restrictive measures implemented to curb the spread of the virus. Indeed, these precautionary measures are impacting the livelihoods of Surinamese households, through a number of channels such as business closures, employment loss, increase of caregiving chores, among others.

To understand how Surinamese households have been affected by the coronavirus pandemic, the Inter-American Development Bank conducted a nationally representative telephone survey in Suriname. The survey was conducted during the month of August 2020 and a total of 1,016 households participated (see Table 1). The sample was drawn from the 2016/2017 Suriname Survey of Living Conditions (SSLC),³ allowing us to explore the effects across time and understand the early impacts of the pandemic across the pre-existing vulnerability spectrum of the population.⁴ Participants were asked to share their perceptions, experiences and knowledge on five main areas: (1) knowledge of COVID-19, (2) financial literacy, (3) employment, (4) business ownership, and (5) other sources of income and financial support. The data collected from the survey provide important information for policy makers to assess the consequences of the pandemic on household living standards, as well as to identify what mechanisms have aided their resilience during the pandemic.

This paper provides valuable insights on some of the challenges and disruptions Surinamese households faced during the pandemic. This study is structured as follows:

¹ See Khadan (2020a).

² See IMF (2021).

³ See Beuermann and Flores Cruz (2018).

⁴ Households who participated in the 2016/17 SSLC and provided consent to be included in future follow-up panel surveys were contacted. Then appropriate reweighting of the data was implemented to maintain its national representativeness.

Section 2 provides a summary of the evolution of coronavirus cases in Suriname and the measures implemented by the government to reduce the spread of the virus. Section 3 provides evidence on respondent’s knowledge of COVID-19 spreading mechanisms. Section 4 presents insights on the impact of the pandemic on livelihoods through the labor market, businesses and other sources of household income. Section 5 analyses existing conditions that led to increased vulnerability of certain groups within Suriname to the pandemic. Section 6 concludes the study.

Table 1. Demographics of the 2020 Telephone Survey

Household count		1,016
Overall mean age of respondents		51
Household respondent education level (18+)	No Education	19%
	Primary	27%
	General junior secondary education (VOJ)	25%
	General senior secondary education (VOS)	18%
	Tertiary (HBO/ University/ College)	11%
	Masters/PhD	1%
Household members	Women	49%
	Men	51%

Source: IDB Telephone Survey (2020).

2. COVID-19 in Suriname

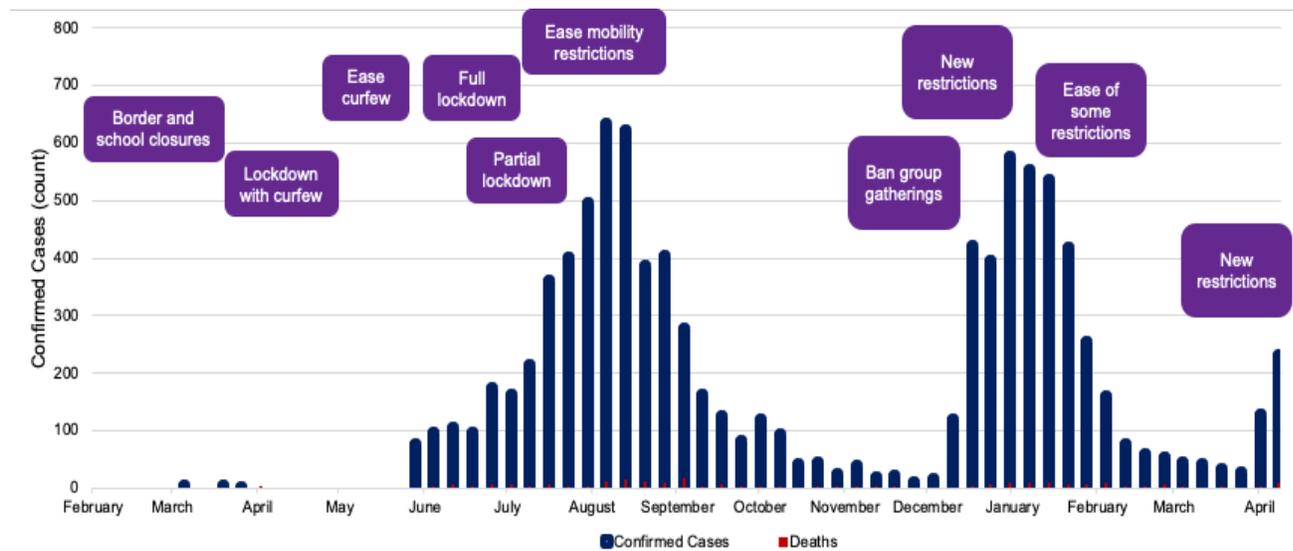
On March 13th, 2020, Suriname confirmed its first case of COVID-19. As of April 20, 2021, there were 9,687 confirmed COVID-19 cases and 188 deaths related to COVID-19.⁵ According to the World Health Organization, the transmission classification is currently “clusters of cases”, i.e., a concentration of confirmed cases in the same area.⁶ A number of restrictive measures were implemented in Suriname to curb the spread of the virus. In January 2020, the government formed a National Public Health Response team to prepare a response plan, and in March 2020 a COVID-19 Crisis Management Team was established. Shortly after the first case was

⁵ [World Health Organization COVID-19 Country Dashboard](#).

⁶ As of April 20, 2021.

confirmed, the government closed all borders followed by school closures to prevent the spread of the virus. By the end of March 2020, a partial lockdown with curfew was implemented (Figure 1).

Figure 1. COVID-19 Confirmed Cases and Deaths in Suriname



Source: World Health Organization

In early May 2020, Suriname did not have any reported positive COVID-19 cases.⁷ As a result, the curfew restrictions were reduced except for border areas which remained in full lockdown. On May 24, 2020, the lockdown was suspended to allow for political activities related to the May 25 general elections. After elections, there was a spike in coronavirus cases which led to a reinstatement of a partial lockdown with curfew and mobility restrictions. From June 4 to June 21, a full lockdown was in place, where only essential businesses could operate. The mobility restrictions were intensified, and public transportation was paused (resumed the first week of July). Individual shopping was limited by day according to an individual’s surname. There were also reported outbreaks of COVID-19 cases at gold mines which temporarily disrupted economic activity in the gold sector.

The new government that took office in July 2020 continued to introduce policies to curb the spread COVID-19. In August 2020, the curfew was reestablished, group gatherings were limited, and the use of face masks became mandatory. In October 2020, the school year started with safety measures. For the first time there was an initial decrease in the number of infections, but this did not last long. By mid-December, the government implemented an additional set of

⁷ <https://covid-19.sr/suriname-vrij-van-covid-19-positieven-grenssituatie-vereist-alertheid/>

restrictions, including curfews, a ban on group gatherings (20 people or more), intensified border control and restricted fireworks sales. The enforcement of these restrictions, particularly the group gatherings, was challenging during the end of the year holiday season.

A considerable increase in positive coronavirus cases was reported at the beginning of 2021. In response to the rapid increase in infections, the government applied stricter measures from early to mid-January. The measures included the prohibition of gatherings of groups larger than five people except for funerals and religious gatherings, borders open only to essential trips, domestic flights allowed only for cargo or medical emergencies, and non-essential business and school closures. Beginning February 11, some of the measures were relaxed, allowing small group gatherings (10 people or less), non-contact sports, and the opening of selected businesses in the entertainment and services sectors. Surveillance of borders continued due to the spike of new coronavirus variants in other countries. Nevertheless, the recent spike in cases led to a tightening of restrictions.⁸

Vaccinations are ongoing. As of 16 April 2021, a total of 34,129 vaccine doses have been administered.⁹ Suriname received a total of 84,000 doses of AstraZeneca vaccines from Barbados (1,000), India (50,000) and through the COVAX facility (24,000) during the months of the February and March 2021. The authorities are vaccinating those most at risk of becoming infected with the virus such as health workers, older adults, and persons with certain underlying medical conditions.

Suriname is the second country with most confirmed cases by population compared to other Caribbean countries.¹⁰ As shown in Table 2, Suriname has a high incidence of infections and confirmed deaths, notwithstanding the restrictive measures. The high mortality rate could be associated with pre-existing health conditions that place the population at a higher risk of developing serious reaction to the virus. The leading cause of mortality in the country were circulatory system diseases¹¹, which have been identified as increased risk factor of severe COVID-19 complications.

The government received support from multilateral organizations to assist in the response to the pandemic. With support from the Pan American Health Organization/World Health Organization (PAHO/WHO), Suriname was the first Caribbean country to use the Global Outbreak

⁸ The most recent measures can be found here: <https://covid-19.sr/covid-maatregelen-2-weekend-lockdowns/>

⁹ [World Health Organization COVID-19 Country Dashboard](#).

¹⁰ Other Caribbean countries refer to The Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago.

¹¹ [Pan American Health Organization – Country Report: Suriname](#)

Alert and Response Network (GOARN) Go.data software to assist with the tracking and reporting of suspected and confirmed COVID-19 cases and deaths. In addition to this support, the PAHO/WHO also facilitated the translation of COVID-19 online courses into Dutch and made them accessible to health workers in the country. Suriname has also received in-kind support. PAHO/WHO and other non-governmental organizations have donated hospital equipment, medicines and personal protective equipment (PPE) to assist with the COVID-19 surge.¹²

Table 2. COVID-19 Confirmed Cases and Deaths Per 1 Thousand Population by Caribbean Country¹³

Country	Total population	Confirmed Cases Per One Hundred Thousand Population	Confirmed Deaths Per One Hundred Thousand Population
The Bahamas	389,482	2,514	50
Guyana	782,766	1,520	35
Suriname	581,363	1,654	32
Jamaica	2,948,279	1,501	25
Barbados	287,025	1,318	15
Trinidad and Tobago	1,394,973	643	11

Source: World Bank and World Health Organization

3. Knowledge of COVID-19

Surinamese showed a good understanding about the symptoms of COVID-19, its transmission channels, and practices to avoid infection. Communicable and infectious disease education is an important element of the response strategy for handling the outbreaks, particularly the understanding of the spreading mechanisms and preventive actions.¹⁴ Appropriate health education helps reduce health disparities across the population and facilitates a more targeted healthcare expenditure.

The majority of the population is aware of the risks of coming into close contact with an infected person with COVID-19. Telephone survey respondents were asked six questions about

¹² [Stories from the field: Special series on the COVID-19 response – Suriname](#)

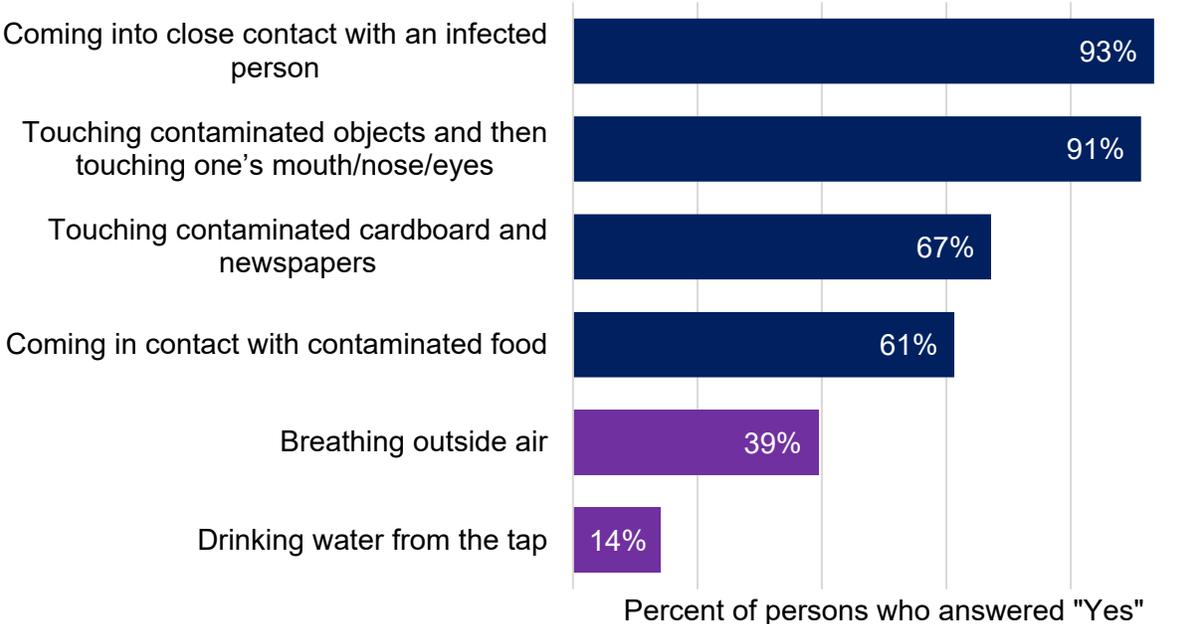
¹³ Results as of April 21, 2021.

¹⁴ [Use of illustrations to improve adherence of malaria treatment in Suriname, Suriname boosts risk communication for Zika and beyond,](#)

their knowledge of the COVID-19 spreading mechanisms. As shown in Figure 2, coming into close contact with an infected person, and touching contaminated objects and then touching one’s mouth, nose or eyes were the two spreading mechanisms recognized by the majority of the population, with 93 percent and 91 percent responding “yes” respectively. Touching contaminated cardboard or newspaper and coming into contact with contaminated food were also correctly identified as transmission mechanisms, although by a smaller share of the population. Some misinformation related to COVID-19 was observed, 39 percent incorrectly identified breathing outside air as a risk, and a smaller share (14 percent) considered drinking water from the tap as a contagion mechanism. When looking at cumulative responses (Figure 3), 82.6 percent of the population responded to 4 or more questions correctly, and only 4.9 percent of the population had 2 or less correct responses. University and college educated respondents had a higher knowledge score (4.64) than respondents who did not attend school (4.13). The difference in knowledge scores between men and women was not statistically significant.

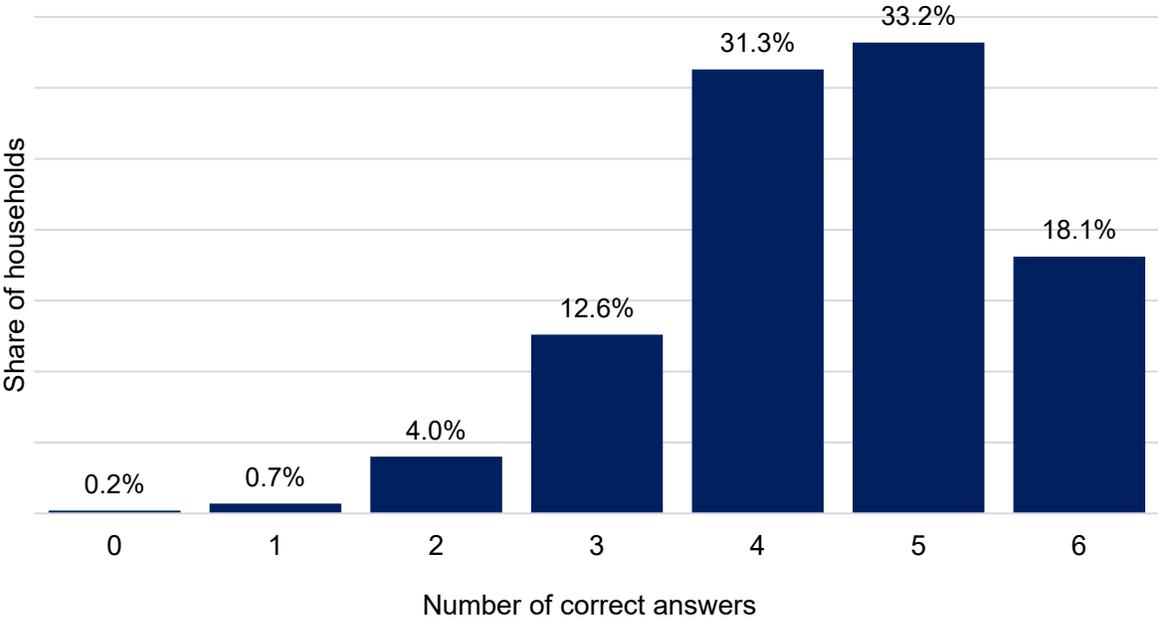
Figure 2. Knowledge of COVID-19 Spreading Mechanisms by Question

For dark blue lines the correct answer to be "Yes". For purple lines the correct answer to be "No"



Source: IDB Telephone Survey (2020).

Figure 3. Knowledge of COVID-19 Spreading Mechanisms by Number of Correct Answers



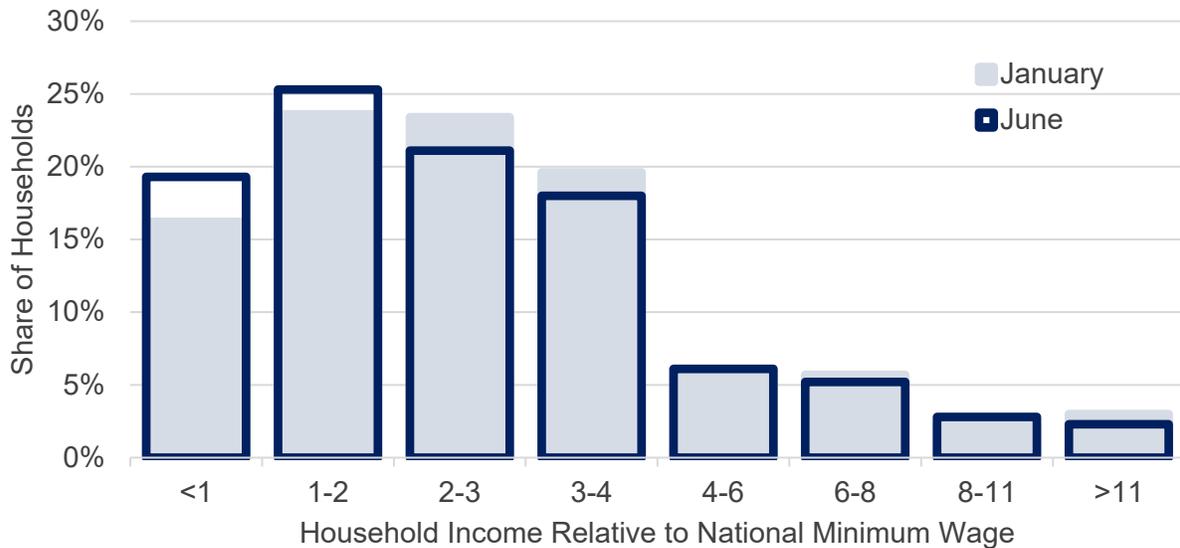
Source: IDB Telephone Survey (2020).

4. Impact on livelihoods ¹⁵

Livelihoods of the Surinamese households have been impacted by the COVID-19 pandemic. In just five months, the share of households receiving twice or less than the minimum wage¹⁶ (the first two columns of Figure 4) increased from 40 percent in January 2020 to 45 percent in June 2020. High-income households (earning more than four times the minimum wage), showed a smaller reduction compared to other income levels. In nominal terms, the average monthly wage decreased from SRD \$4,456 in January 2020 to SRD \$4,237 in June 2020 (or 4.9 percent).¹⁷ The observed income reduction was as a result of employment losses, business closures, and reduction in remittances.

¹⁵ Unless otherwise specified, all figures presented in this paper that express results in terms of an income category group make use of the January 2020 income category group as a reference.
¹⁶ One month of minimum wage \$1,400 Suriname Dollars.
¹⁷ Adjusting the average monthly nominal wage by the consumer price index shows a 28 percent decline in real wages over the same period.

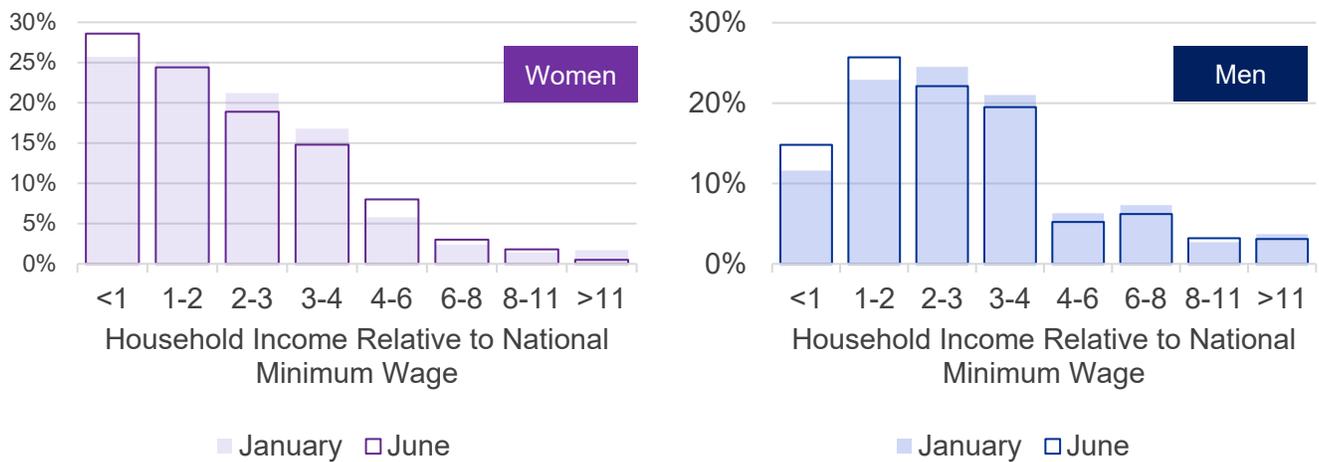
Figure 4. Share of Households per Income Bracket Relative to National Minimum Wage by Month, 2020



Source: IDB Telephone Survey (2020).

Female headed households had a relatively disadvantaged income distribution with respect to male headed households since before the pandemic. This disparity remained after the pandemic. As shown in Figure 5, the share of female headed households receiving twice or less the minimum wage (first two columns) increased from 51 percent to 53 percent. Male-headed households observed a more severe variation, with the share of households receiving twice or less the minimum wage increasing from 35 percent to 41 percent. Although the magnitude of the shock appears to be higher for male-headed households, female-headed households reported lower income levels. The following sections will provide further insights on the challenges Surinamese households have encountered since the beginning of the pandemic and the implications on their livelihoods.

Figure 5. Share of Households per Income Bracket Relative to National Minimum Wage by Gender of Head of Household and Month, 2020

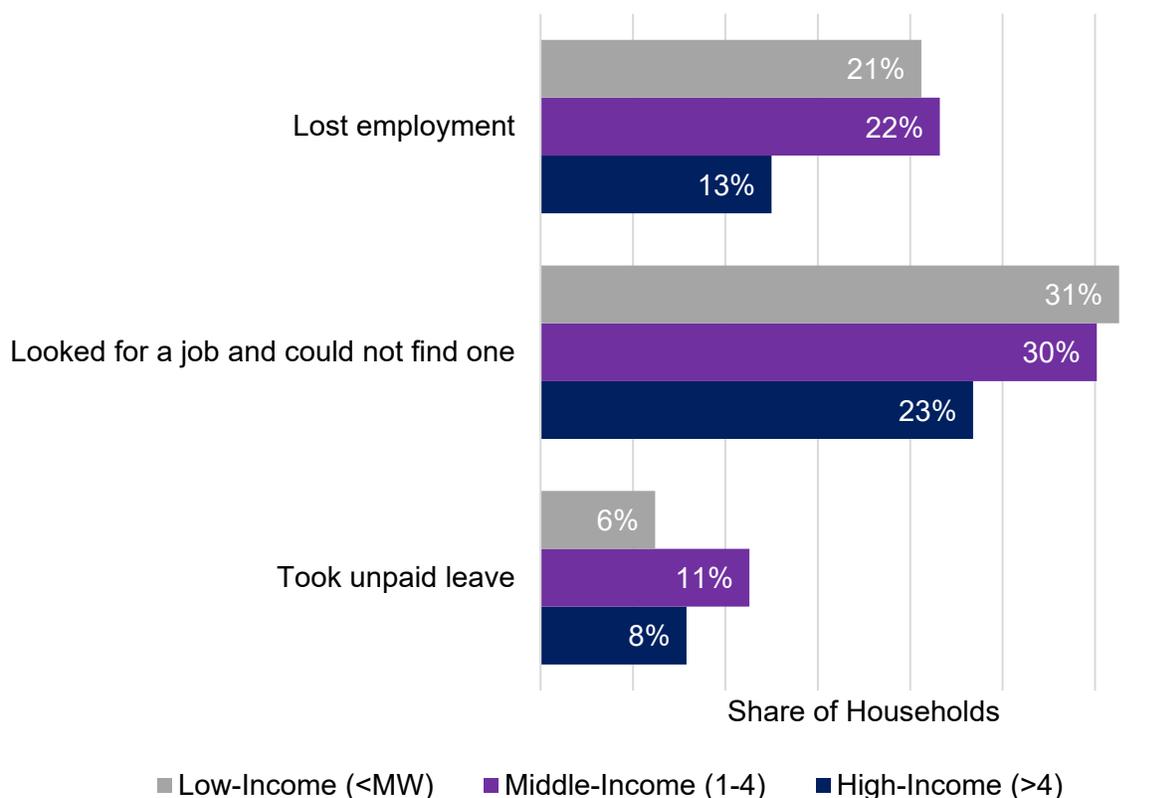


Source: IDB Telephone Survey (2020).

4.1. Impact on livelihoods: The Labor Market

Although households at all income levels were negatively impacted by the income shock, low- and middle-income households were more severely affected. In June 2020, more than 20 percent of low- and middle-income households reported having at least one house member losing employment since mid-March, compared to 13 percent of high-income households. Finding new employment has also been a challenge, 31 percent of low-income households indicated having a member looking for a job but unable to find one. Even though a household may not report an employment loss, they could have been affected by a negative income shock – a smaller but still meaningful share of households reported having a member taking unpaid leave (Figure 6).

Figure 6. Share of the Households by Income Level and Job Status¹⁸



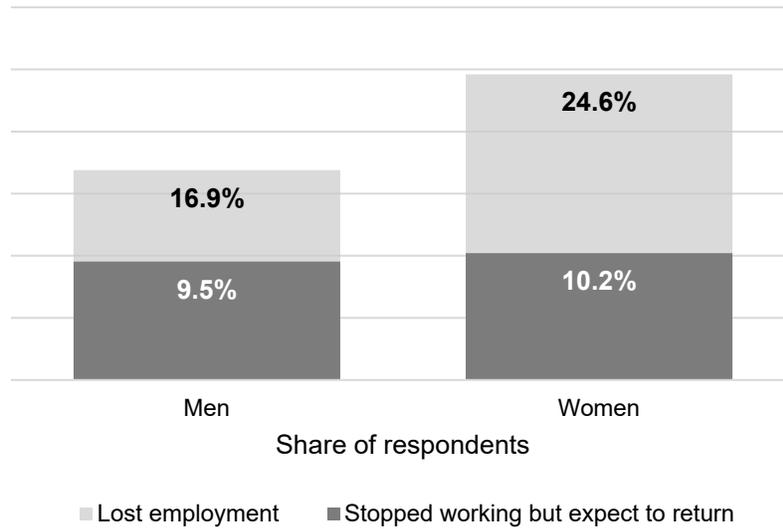
Source: IDB Telephone Survey (2020).

Women are more affected by employment loss than men and may also experience longer-term consequences. As shown in Figure 7, 24.6 percent of women aged between 25 and 60 years old indicated having lost their job compared to 16.9 percent of men in the same age range. The disproportionate difference may not only have immediate effects. The expectation to return to their employment found to be less likely for women than for men, which suggest women’s employment loss may have longer-term impacts, with 7.4 percent of men not expecting to return to their same job compared to 14.4 percent of women.¹⁹

¹⁸ Income level group, relative to the minimum wage (MW). Low-income households defined as those perceiving less than the MW, Middle-Income households perceiving between 1 and 4 times the MW, and High-Income with an income of more than 4 times the MW.

¹⁹ Gender estimates are calculated based on the individual question restricting by 25-60 age range, while Figure 6 is estimated based on household level question, thus the differences between estimates.

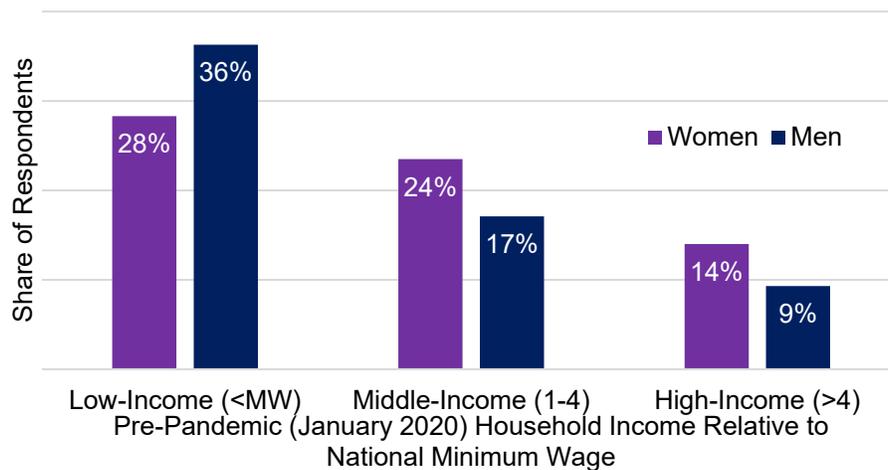
Figure 7. Employment Loss and Expectation to Return by Gender



Source: IDB Telephone Survey (2020).

Employment loss is negatively correlated to income level and gender disparities vary by income.²⁰ Although women experienced an overall higher employment loss rate, men in low-income households were the population group with the highest employment loss rate (36 percent). This could indicate certain economic sectors and activities with higher participation of men were more severely impacted by the COVID-19 pandemic. Employment loss was higher for women than for men in middle- and high-income households (Figure 8).

Figure 8. Employment Loss by Gender and Income Level



²⁰ See Giles and Khadan (2021) for a regional perspective on the gender impact of the pandemic.

Source: IDB Telephone Survey (2020).

Movement restrictions were cited as the main reason to stop working, followed by temporary business closures. When asking households, the reason why they stopped working, the vast majority across all income levels indicated movement restrictions as the main constraint. Movement restrictions were often introduced when a surge in COVID-19 cases was identified. Lower-income households were more severely impacted by these restrictions, with 46 percent indicating being affected compared to 25 percent of middle-income and 36 percent of high-income households. Temporary business closures were the second most common reason, closely followed by health and safety issues (Table 3).

Table 3. Share of Households by Reasons for Stop Working

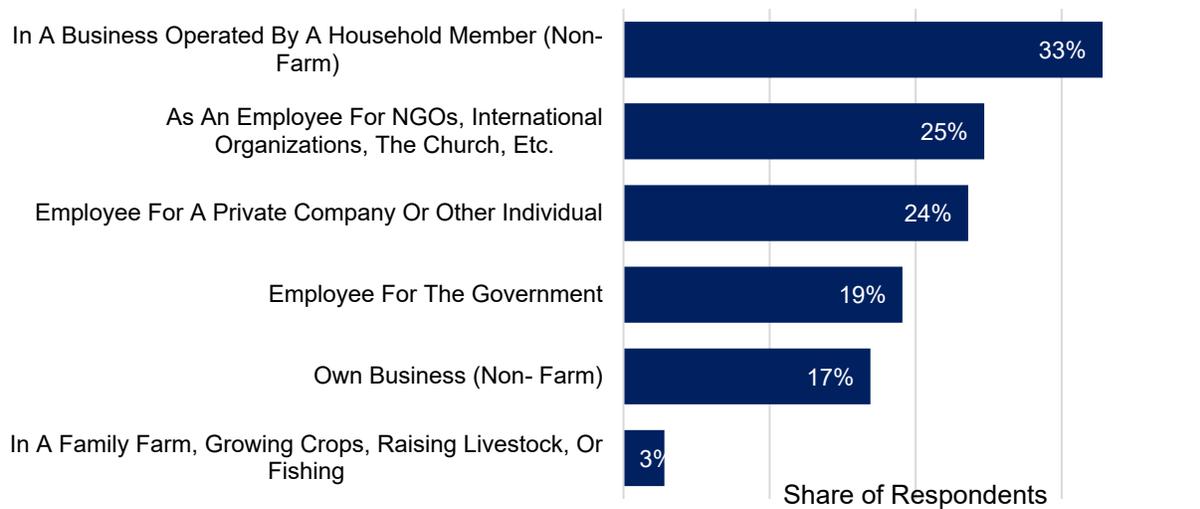
Reasons for stop working	Share of households
Not Able to Work due to Movement Restrictions	30%
Business / Office Temporary Closed	19%
Health and Safety	18%
Ill / Quarantined	10%
Vacation	8%
Laid Off While Business Continues	6%
Seasonal Worker	5%
Retired	2%
Unpaid Leave	2%
Business / Office Permanently Closed	1%

Source: IDB Telephone Survey (2020).

Employment losses were reported across most occupational categories. As shown in Figure 9, 33 percent of employees from family-owned businesses lost their job since the beginning of the pandemic. However, this employment type represents only 1 percent of the employment distribution (Figure 10). The largest share of employed population were employees of a private

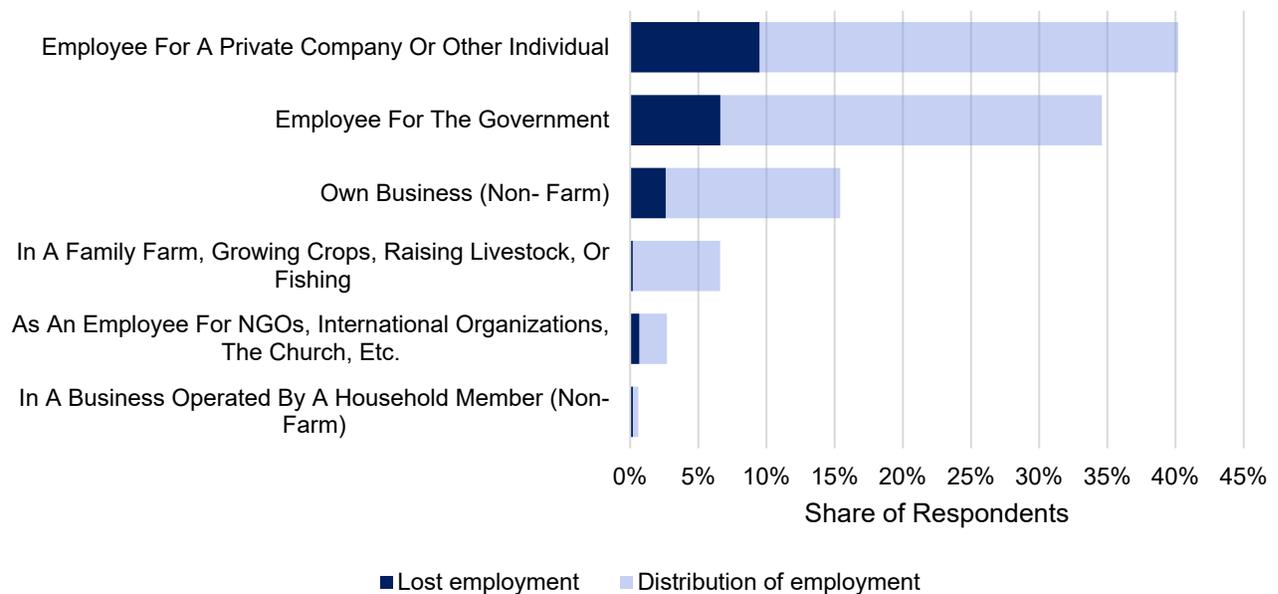
company or individual (40 percent), followed by government employees (35 percent), and these two groups had a 24 percent and 19 percent employment loss rate, respectively.

Figure 9. Share of Population that Lost Their Employment by Employment Type



Source: IDB Telephone Survey (2020).

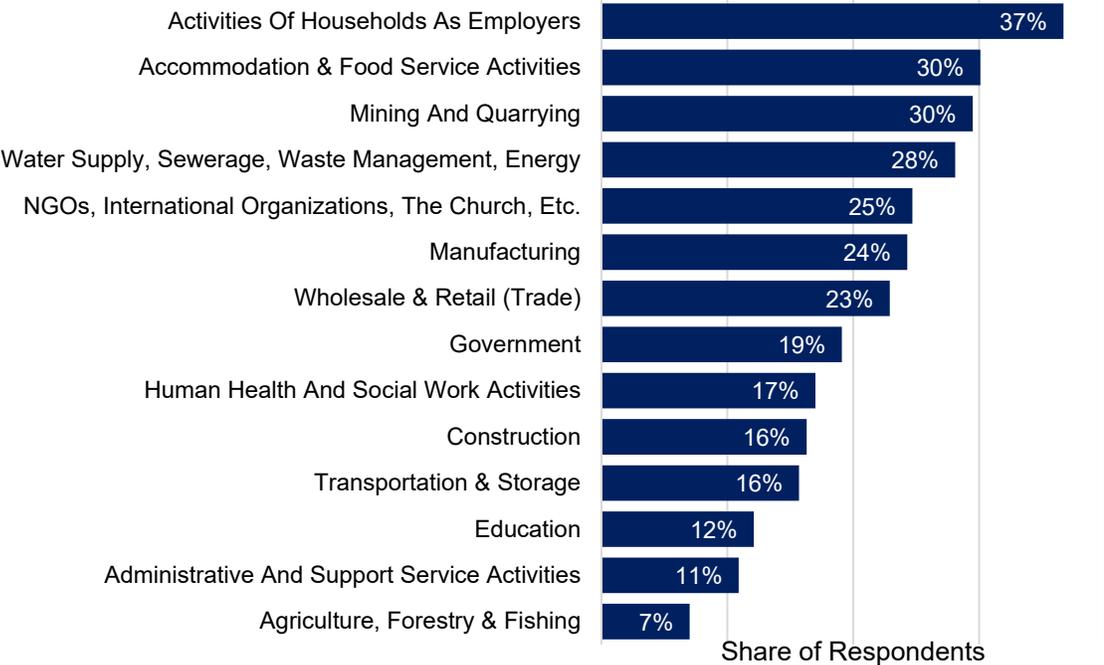
Figure 10. Distribution of Employed Population by Employment Type and Share of Population with Employment Loss



Source: IDB Telephone Survey (2020).

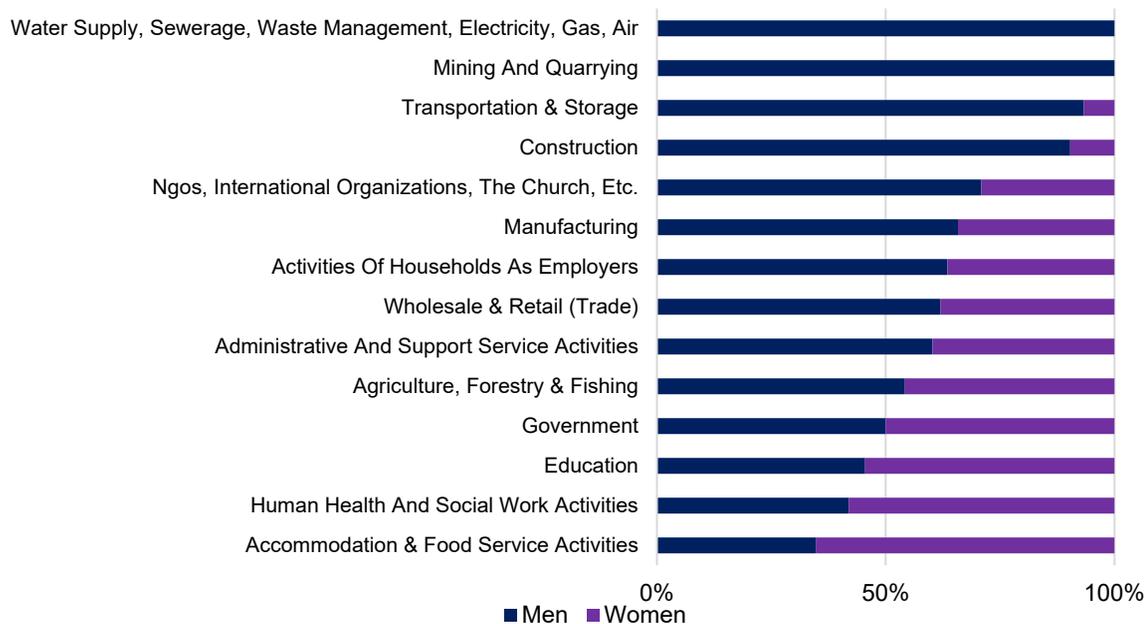
The group with the highest rate of employment loss was domestic personnel, at 37 percent. Employment in water supply, waste management, mining and transportation activities are dominated by men. While accommodation, health, social work, education and public administration activities are performed mostly by women. As shown in Figures 11 and 12, economic sectors with a high participation of women were more severely affected by employment loss. Figure 13 shows the share of the population by employment sector. The Government is the largest employer in the country, followed by Agriculture and Transportation.

Figure 11. Share of Population with Employment Loss by Employment Sector



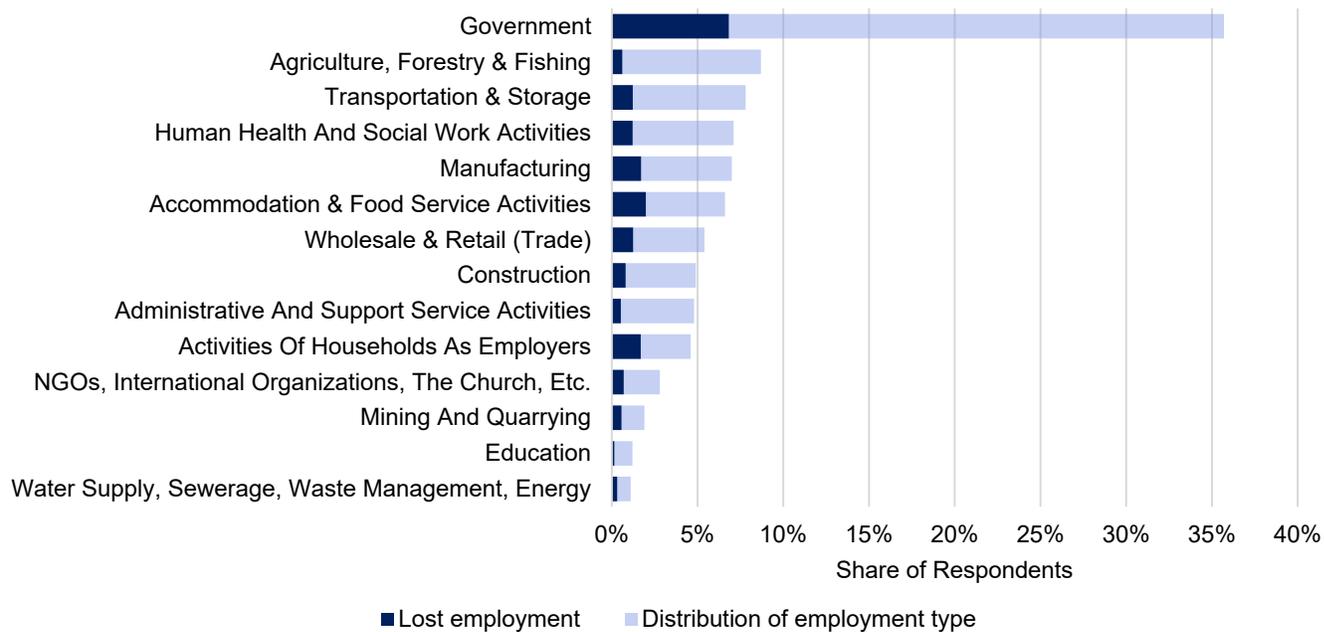
Source: IDB Telephone Survey (2020).

Figure 12. Share of Employed Population by Gender and Employment Sector, March 2020



Source: IDB Telephone Survey (2020).

Figure 13. Distribution of Employed Population by Employment Sector and Share of Population with Employment Loss



Source: IDB Telephone Survey (2020).

About half of the persons that were able to continue their employment had a reduction in their hours. As shown before, lower-income households were more severely impacted by employment loss compared to middle- and high-income households, but the income shock did not stop there – 50 percent of the high-income population that indicated having worked in the past week declared working reduced hours compared to mid-March (Figure 14).

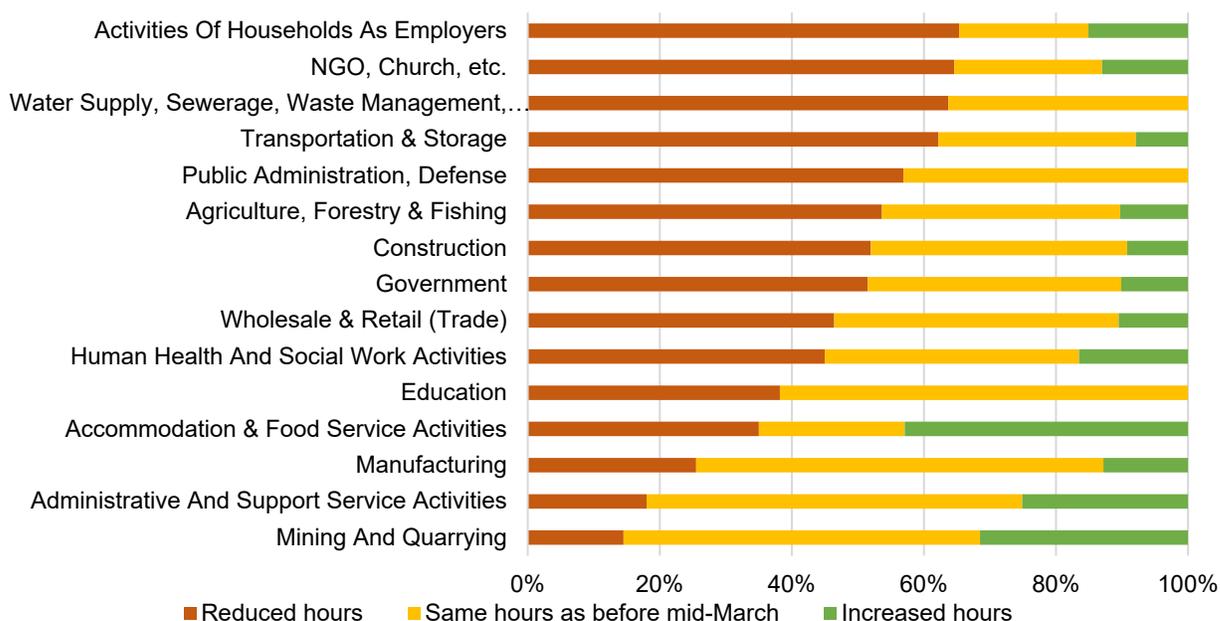
Figure 14. Variation in Employment Hours by Income Level



Source: IDB Telephone Survey (2020).

Domestic employees were not only affected by employment loss – of those that continued employed, 65 percent faced a reduction in employment hours. Employees that continued their work in the mining and quarrying sector were not as severely impacted by reduced working hours. 32 percent even had an increase in employment hours. The Accommodation and Food Services Sector also reported an increase in employment hours, this could be related to the quick response by the food industry in Suriname to provide home delivery services (Figure 15).

Figure 15. Variation in Employment Hours by Sector

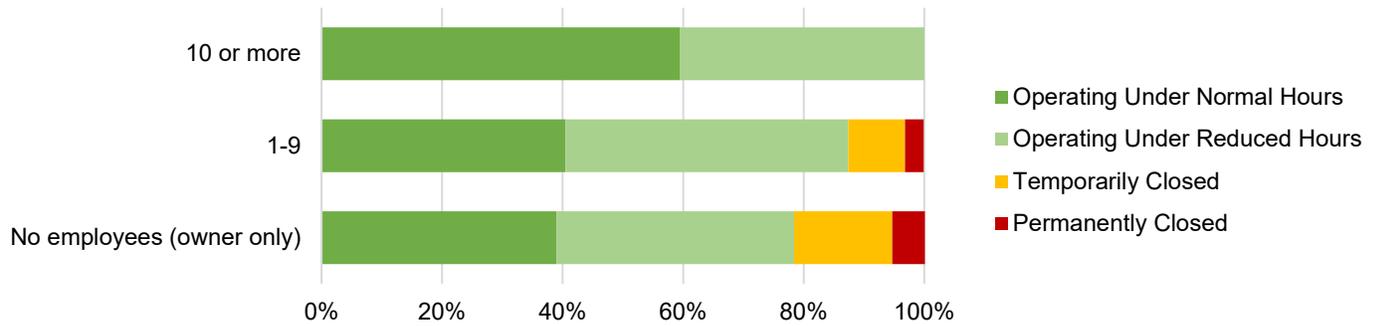


Source: IDB Telephone Survey (2020).

4.2. Impact on livelihoods: Businesses

Business closures contributed to the income shock Surinamese households have experienced during the pandemic. Prior to the pandemic, 24 percent of the population indicated having a household member running a business or working as self-employed or freelancer. 59 percent of those enterprises have had to adjust their hours of operation. Businesses with no employees were at a higher risk of closure, with 5 percent indicating permanent closure and 16 percent temporary closure. Businesses with 1 to 9 employees also indicated closures but in a smaller magnitude. Large businesses, with 10 or more employees, were not likely to close, but 41 percent operated under reduced hours (Figure 16).

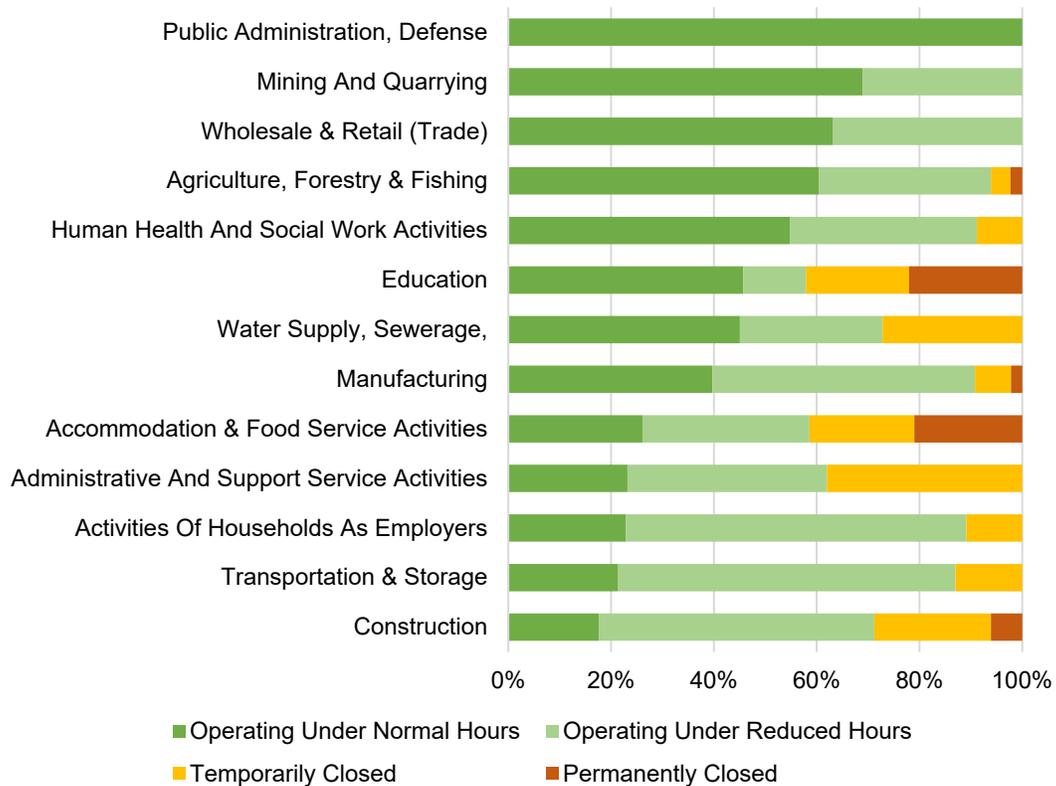
Figure 16. Impact in Business Hours of Operation by Business Size



Source: IDB Telephone Survey (2020).

The Education and Accommodation / Food Services sectors reported the highest closure rates. The permanent closures were concentrated in the accommodation, food services, education, construction, agriculture and manufacturing sectors. The least affected areas were public administration, mining and trade (Figure 17).

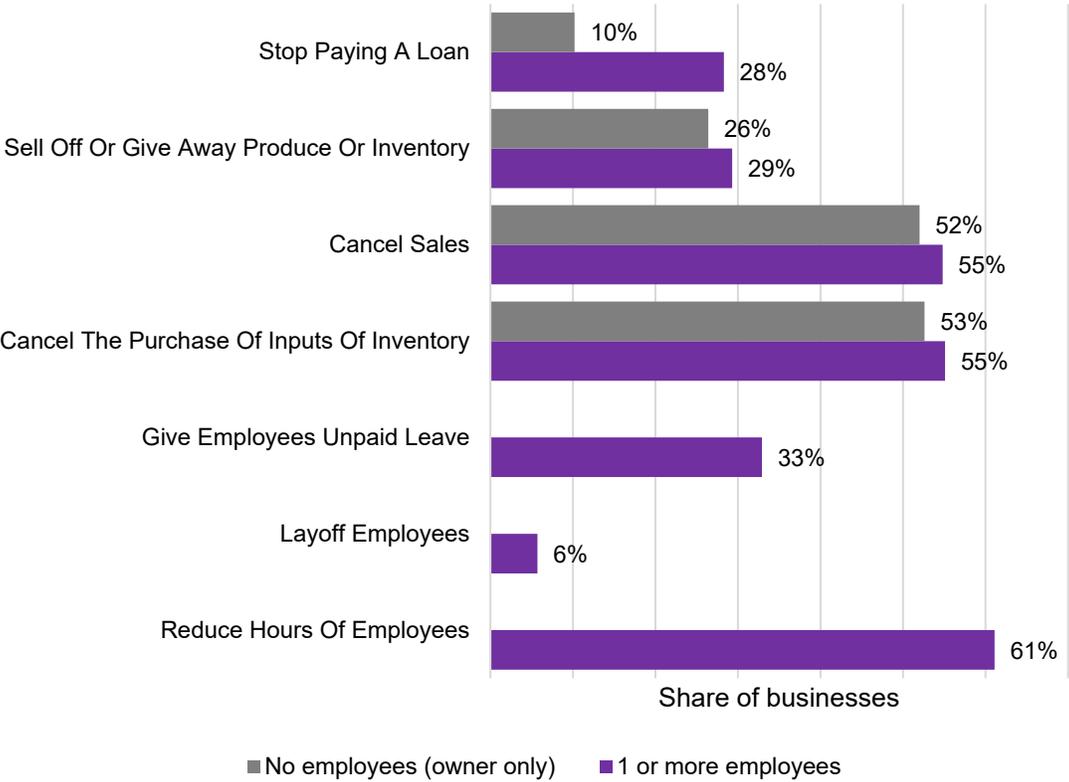
Figure 17. Impact in Business Hours of Operation by Business Sector



Source: IDB Telephone Survey (2020).

Businesses encountered challenges to maintain their financial commitments. As shown in Figure 18, 28 percent of businesses with at least one employee were unable to continue paying their loans compared to 10 percent of self-employed. This difference could be due to self-employed business owners being less likely to have access to a business loan. All businesses, regardless of size, reported having to sell off or give away their products. Only 6 percent of business owners indicated having to lay off employees. However, 33 percent indicated giving their employees unpaid leave and 61 percent reduced their employees' working hours. The challenging scenario also led to 54 percent of businesses cancelling sales, and a similar share cancelled the purchase of inputs for inventory.

Figure 18. Impact in Business Operations by Business Size

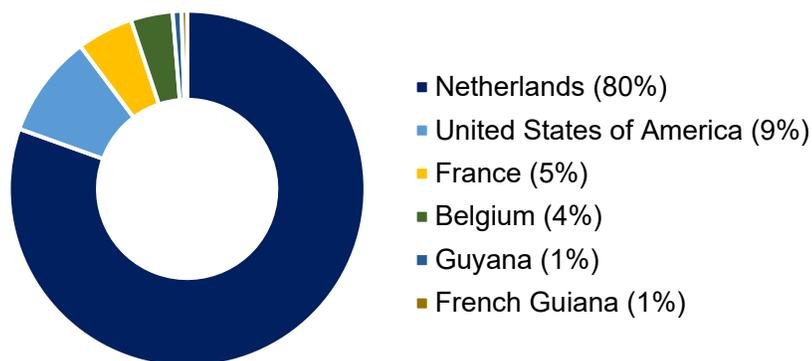


Source: IDB Telephone Survey (2020).

4.3. Impact on Livelihoods: Other sources of income

Additional sources of income can provide a coping mechanism for households during the coronavirus pandemic. Remittances are an additional income source Surinamese households rely on. From January to March 2020, 15 percent of the population indicated they received money from relatives, friends or someone else from abroad. As shown in Figure 19, the majority of the remittances came from The Netherlands (80 percent).

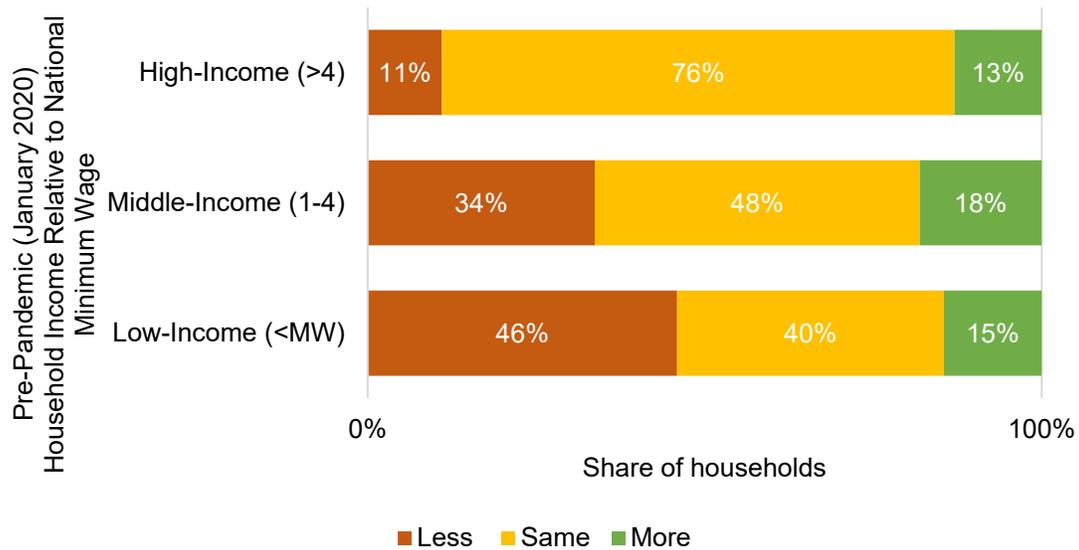
Figure 19. Remittances by Country of Origin



Source: IDB Telephone Survey (2020).

Due to the global extent of this crisis, 31 percent of households received less money from abroad. Low-income households were more severely affected, with 46 percent receiving less money in June 2020 compared to the amount they used to receive prior to the pandemic. High-income households received a similar amount in remittances, with 76 percent receiving the same sum and 13 percent receiving a higher support from abroad (Figure 20). The reported average monthly remittance amount per households in January 2020 was \$473 Surinamese dollars (SRD), compared to \$394 SRD in June 2020 – a 17 percent reduction.

Figure 20. Changes in Remittances from March 2020 by Income Level, June 2020

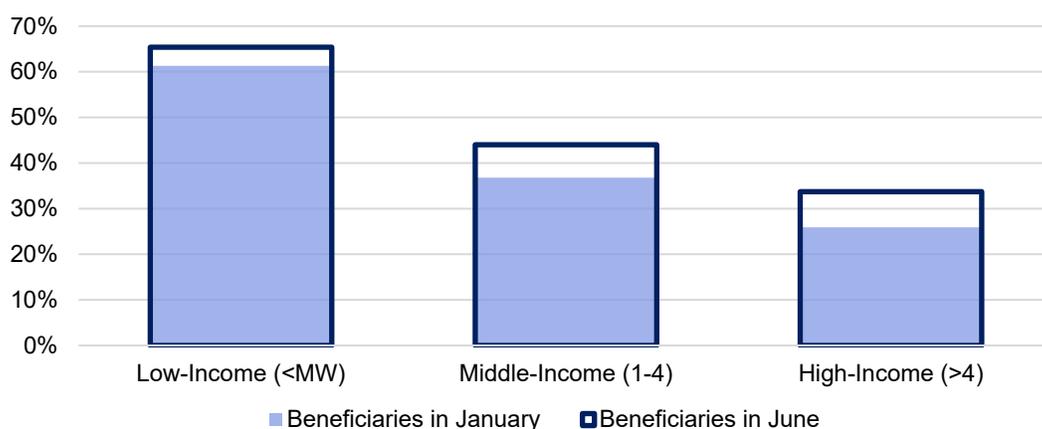


Source: IDB Telephone Survey (2020).

In May 2020, the government announced an economic relief support package with the aim to support households and businesses that were affected by the pandemic. As shown in Figure 21, social programs were targeted to vulnerable households since prior to the pandemic. Although the observed increase in beneficiaries has been moderate, this aligns with the economic relief strategy implemented. The support was directed mainly to beneficiaries of existing social programs by increasing their allowance. In September 2020, the government announced a series of measures to support socioeconomic recovery, including continuation of increased social benefits, food packages for vulnerable households, price control of goods and services, among others.²¹ As we discussed in section 4, the share of low-income households increased during the pandemic. This may indicate that some high/middle-income households in January moved into the low-income group, thus becoming eligible to receive social support programs.

²¹ The effect of the more recent measures (September 2020) is not captured in the results since they were implemented after the telephone survey was conducted (May/June 2020).

Figure 21. Beneficiaries of Social Programs in January and June, 2020



Source: IDB Telephone Survey (2020).

5. Vulnerability to shocks: Financial Literacy, Poverty and Health

The coronavirus pandemic has had a wide-reaching impact, but certain groups are at higher risk of being affected. Vulnerabilities in the form of low financial literacy, poverty and chronic health conditions increased the susceptibility of persons when facing a multifaceted shock. The following section will provide a snapshot of how pre-existing conditions of the Surinamese households could have led to increase disparities.

5.1 Financial literacy

Financial literacy is an important determinant of the household's financial resilience. Higher financial literacy enables individuals to make informed financial decisions that could smooth their consumption across time. It also enables business owners to have more tools to expand their business, earn higher returns, and provide more stable employment opportunities.²² Financial resilience becomes particularly relevant in scenarios with challenging economic conditions, like the one experienced during the coronavirus pandemic. In order to measure financial literacy and to compare between countries, respondents are asked questions on three fundamental financial concepts: 1) interest rates, 2) inflation, and 3) risk diversification.²³

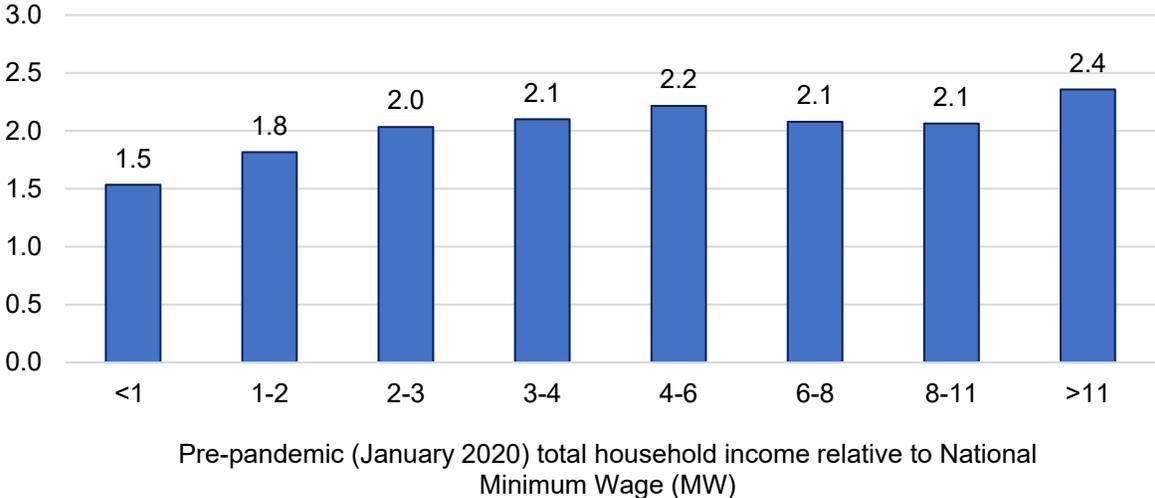
Suriname has relatively high levels of financial literacy by international standards, but there are considerable differences between population groups. The financial literacy index

²²See Lusardi and Olivia (2011).

²³ See Arteaga et al. (2021) for more details.

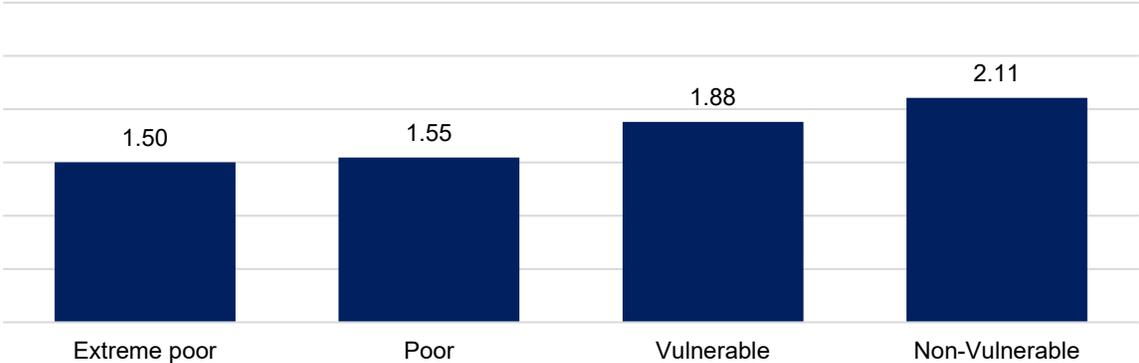
for Suriname is 1.92 compared to 1.65 for Barbados and 1.73 for the United States.²⁴ Although Suriname’s scores are high compared to other countries, there is a considerable variation by income level. Households earning less than the minimum wage have a score of 1.5 compared to the 2.4 performance score of the highest earning households (Figure 22). This difference has been consistent across time: households identified as extreme poor in 2016 had a 1.5 score in 2020, compared to non-vulnerable households in 2016 with a 2.11 score in 2020 (Figure 23).

Figure 22. Financial Literacy Index Score by Pre-pandemic Income Distribution



Source: IDB Telephone Survey (2020).

Figure 23. Financial Literacy Index Score by 2016 Vulnerability Group



Source: IDB Telephone Survey (2020).

²⁴ The financial literacy score is defined as the sum of correct answers (out of 3 questions). Then, individual-level scores are averaged to obtain the financial literacy index which ranges between 0 and 3.

Increasing the use of alternative payment methods could enable households to avoid interruptions of basic services and essential money flows.²⁵ Households and business with access to digital financial services would be able continue sending and receiving money (for example, wages, sales, remittances, loan payments, government aid) despite mobility restrictions. As shown in Table 4, the share of the population relying on cash as their sole form of payment in the urban area of Paramaribo is substantial (45.5 percent). The population in the rural areas of the country relies even more heavily on a cash to carry out day-to-day transactions (59.4 percent).²⁶

Table 4. Share of the Population by Use of Alternative Payment Methods

	Share of population	
	Great Paramaribo	Non-Great Paramaribo
Haven't used alternative payment methods	45.5%	59.4%
Continued to use alternative payment methods after curfew	44.1%	23.2%
Began using alternative payment methods after curfew	5.6%	9.7%
Stopped using alternative payment methods after curfew	4.8%	7.7%

Source: IDB Telephone Survey (2020).

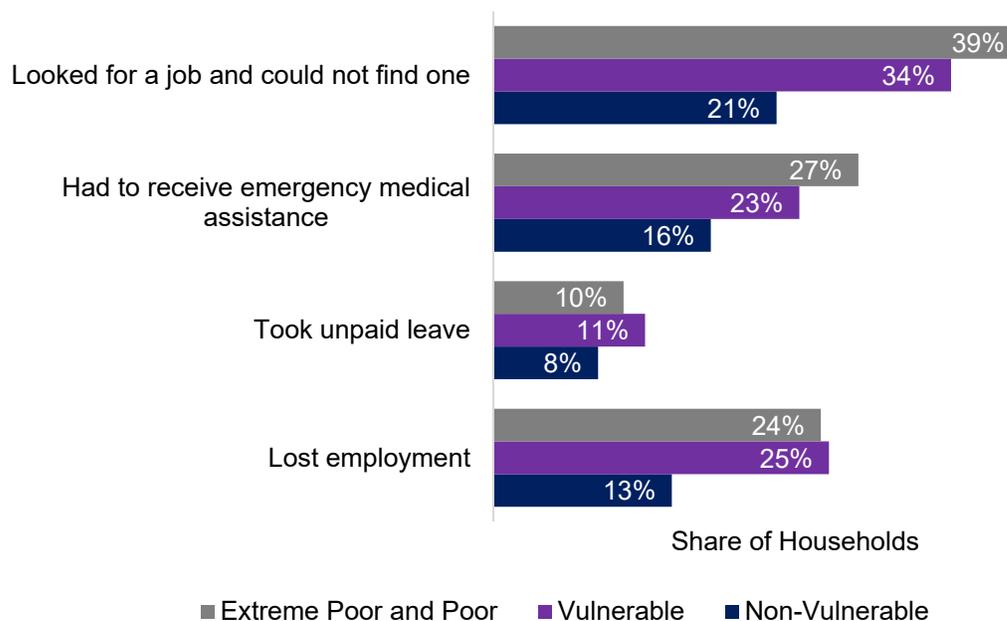
5.2 Poverty

Extreme poor and poor households were more likely to lose their employment and receive medical assistance compared to non-vulnerable households. Based on their vulnerability category in the 2016/17 SSLC, households with pre-existing income vulnerabilities experienced a more severe income shock. In addition, poor and extreme-poor households were more likely to face challenges when trying to re-enter the employed workforce with 39 percent of extreme poor and poor households having a member look for employment and not succeed in finding one. Extreme vulnerable and vulnerable households were also more likely to receive medical assistance since mid-March 2020.

²⁵ "Alternative payment methods" refers to the use of cards, transfers, checks, apps, online tools, internet banking, etc.

²⁶ blog

Figure 24. Employment impact by 2016/17 Vulnerability



Source: IDB Telephone Survey (2020).

5.3 Health Conditions

Health vulnerabilities are also present in the Surinamese population. Cardiovascular Disease (CVD) is one of the main causes of mortality and morbidity in Suriname. The risk factors related to CVD are unhealthy diet, obesity, physical inactivity, tobacco and alcohol abuse. People with heart disease are considered to be at increased risk of more severe complications of Covid-19 coronavirus. 10 percent of patients with pre-existing CVD who contract coronavirus will perish compared to 1 percent of COVID-19 patients with no CVD conditions.²⁷ Other risk conditions are cancer (or receiving cancer treatment), diabetes, obesity (BMI of 40 or above), lung conditions, among others. According to the 2016/17 SSLC survey, 34 percent of the population indicated having a condition that increases their vulnerability to COVID-19.^{28,29} As shown in Figure 25, Extreme poor and poor households had a higher incidence of health conditions that increase the risk of coronavirus and were more likely to receive emergency medical assistance. These

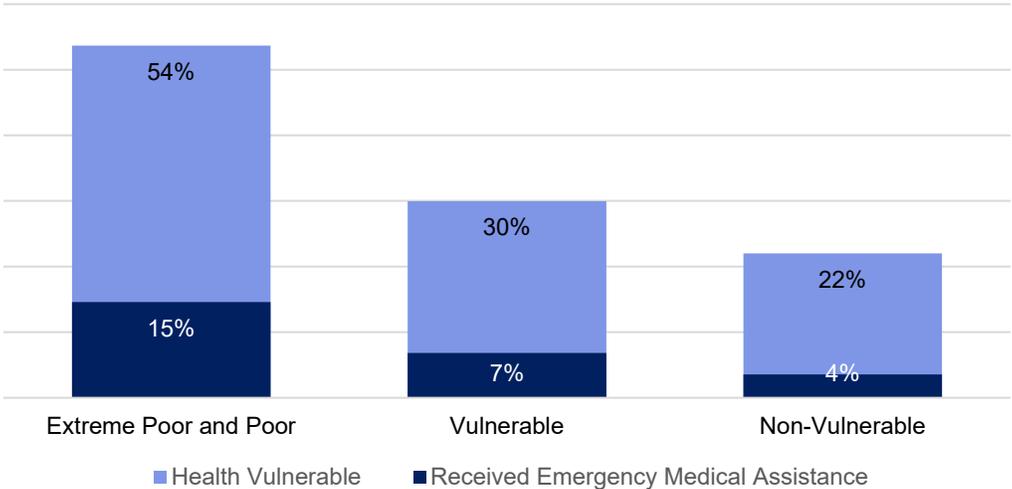
²⁷ [How does cardiovascular disease increase the risk of severe illness and death from COVID-19?](#)

²⁸ Health vulnerable: Obesity (BMI greater or equal to 40), Diabetes, High Blood Pressure, Heart Condition, Asthma or Cancer (cervical, breast, prostate or other).

²⁹ See also Khadan, 2018.

preexisting vulnerabilities, in tandem with a weak health care system, results in high health risk for the population.

Figure 25. Share of the Population with Pre-existing Higher Risk – Health Conditions to Coronavirus by 2016/17 Vulnerability



Source: IDB Telephone Survey (2020).

6. Conclusion

This study is based on the results of the 2020 IDB telephone survey and examines the impact on the COVID-19 pandemic on the quality of life for Surinamese households. The Inter-American Development Bank conducted a nationally representative telephone survey in August 2020 to assess the early impacts of the pandemic on households. The survey covered a total of 1,016 households which was drawn from the 2016/2017 SSLC. In this paper, we focused on the main findings related to respondents’ knowledge of COVID-19, financial literacy, employment, business ownership, and other sources of income and financial support. We found that while the pandemic affected the livelihoods of all households, some vulnerable groups experienced a disproportionate impact.

Low- and middle-income households reported the highest employment loss rate: 21 and 22 percent, respectively. Finding employment was also a challenge with 31 percent of low-income households reporting that a household member could not find employment. Also, movement restrictions were one of the main reasons for loss of employment. Those who were able to maintain their employment were not exempt: about half of the persons had a reduction in

their employment hours. Households also reported an average monthly reduction (17 percent) in remittances from family or friends in June 2020 compared to January 2020.

Small businesses were more severely impacted by the pandemic, having to adjust their hours of operation, and facing temporary or permanent closures. Larger businesses were less affected by closures but continued to operate under reduced hours and faced challenges maintaining their financial commitments (paying loans, managing inventory).

The increasing share of affected households can exacerbate pre-existing inequalities across income and gender groups. Before the pandemic, female headed households had a lower incomes than men. This disadvantage was aggravated by higher employment loss for women and a less optimistic outlook for returning to their same job. Moreover, previously vulnerable population groups are at a higher risk of the effects of the pandemic. Although Suriname has relatively high levels of financial literacy by international standards, there are considerable differences between population groups leading to less preparedness for income shocks. When comparing to the households' vulnerability category in the 2016/17 SLC, households with pre-existing income vulnerabilities experienced a more severe income shock (employment loss, unable to find employment, took unpaid leave and received medical assistance). Health vulnerabilities were also present. Extreme poor and poor households had a higher incidence of health conditions that increase the risk of coronavirus mortality and were more likely to receive emergency medical assistance.

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