

EXPLORING THE IMPACT OF LIVING WAGES ON THE STANDARD OF LIVING AND POVERTY PROFILE OF HOUSEHOLDS IN SURINAME

Authors: dr. R. Sobhie, dr. Y. Grift, T. Ooft MSc.

Anton de Kom University of Suriname/ Utrecht University

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Agenda

Background and Context

Literature Review

Data and Methodology

Results

Concluding remarks



Background and Context

- Suriname: Estimated population of 579,000, living in ~160,000 households; classified as an Upper Middle-Income Country; GDP per capita of \$6,481 (2024).
- Despite legal minimum wage and social programs, 65% of households fall below the living wage threshold.
- Data from the WageIndicator shows that about 93% of households have a minimum wage below the living wage level.
- This study addresses income adequacy gaps using both poverty lines and living wage thresholds.



Literature Review



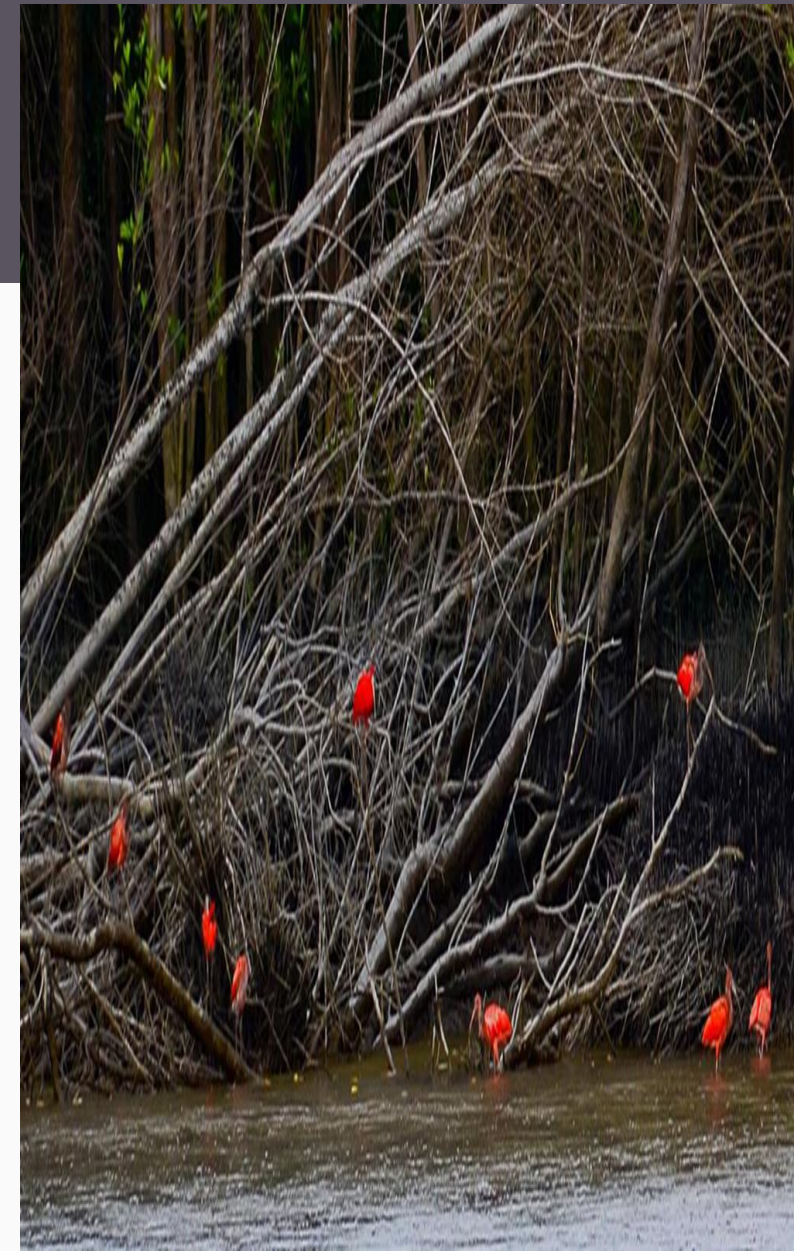
- ❑ Poverty measurement evolved from income-based (Rowntree, 1901) to multidimensional/standard of living of households (Townsend, 1979).
- ❑ Living Wage covers food, housing, clothing, health, education (Guzi & Kahanec, 2014, 2017, 2022).
- ❑ Living Wage goes beyond Minimum Wage (subsistence level).
- ❑ Living Wages support → ILO Convention 131; Article 23 UDHR; SDG 1 + 8

Definition Living Wage (ILO, 2024):

“The wage level necessary to afford a decent standard of living for workers and their families, taking into account the country's circumstances and calculated for the work performed during the regular hours.”

Data and Methodology

- SSLC 2022 (IDB) – 2,500 households, 7,500 individuals; WICLS (WageIndicator) – quarterly cost-of-living data in Suriname since 2023.
- **Poverty Lines:** \$6.85/day (WorldBank) and Suriname's National PL (FEI-method)/
- **Living Wage threshold (by WageIndicator):** \$37.5/day (2017\$PPP) → adjusted to \$18.75/day.
- Comparison of poverty and living wage thresholds to assess household consumption and welfare, using single-person households as unit of analysis.



Basket of necessities

- **Consumption expenditures** include food, beverages, clothing, and communication services; **non-consumption** items include taxes and investments.
- All expenditures categorized using the **13 COICOP main groups** based on purpose of consumption.
- **WICLS data** are collected across **10 key components**, capturing detailed prices and household spending patterns.

The **10 components** from the WageIndicator Cost-of-Living Survey (WICLS) include:

1. Food
2. Housing and utilities
3. Transport
4. Drinking water
5. Phone (calls and data)
6. Clothing
7. Health care
8. Education
9. Unexpected expenses
10. Mandatory contributions and taxes

Poverty lines

- **National Poverty Line (NPL) Suriname:** Basic Needs method, 2200 kcal, Engel coefficient (60% food, 40% non-food)
- **Living Wage threshold (by WageIndicator):** \$37.5/day (2017\$PPP) → adjusted to \$18.75/day.
- **SSLC 2022 Estimates:**
 - \$6.85/day (World Bank)

Expenditures by main group

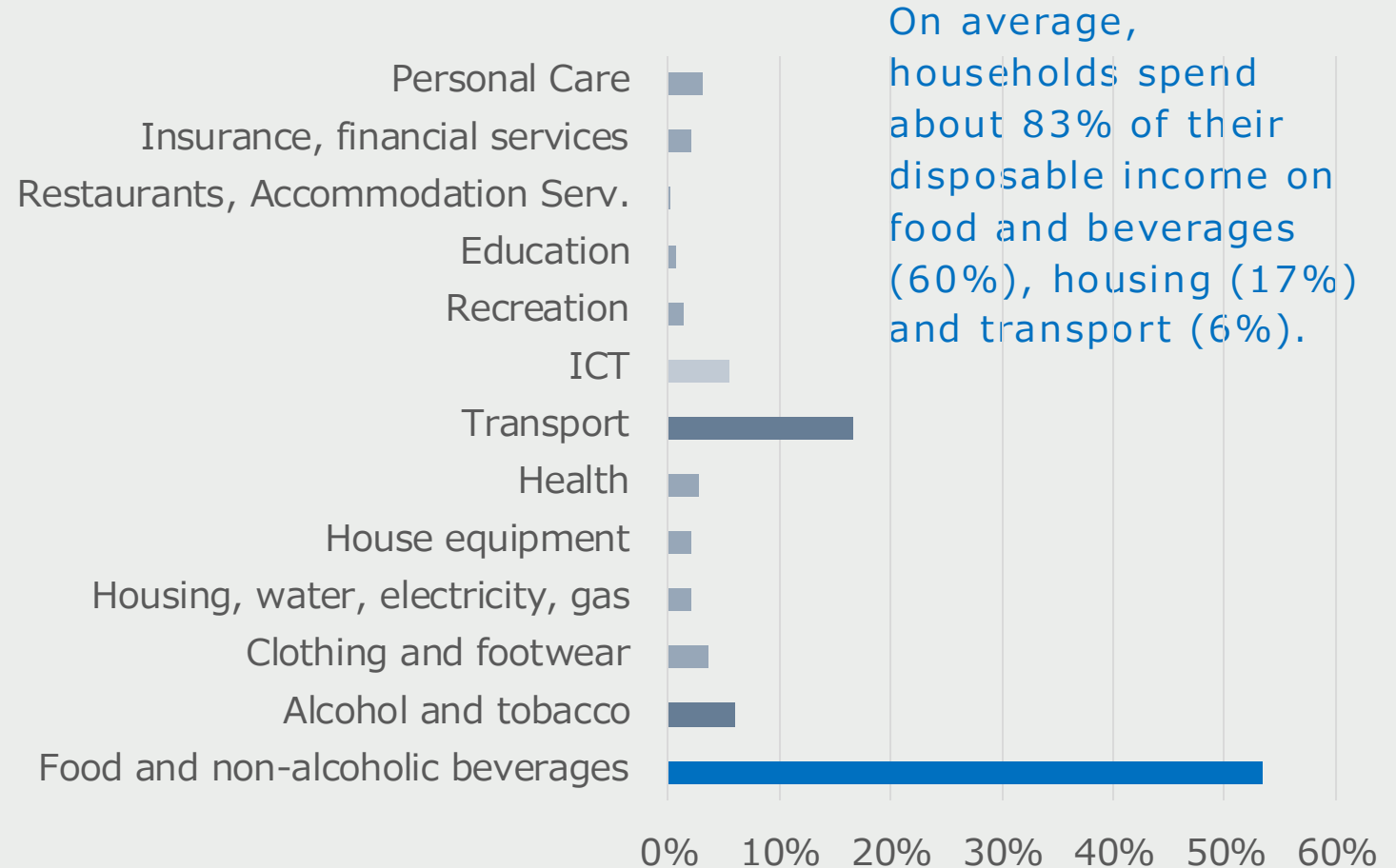


Fig 3. Expenditures by (COICOP) main group (%)

Headcount ratios

- Although poverty figures are around 20%, a massive gap exists for households to cover the expenses to live a decent life.
- Households in the lower deciles fall entirely under the LW-line.
- Less than 1% of the population lives in extreme poverty (\$2.15).

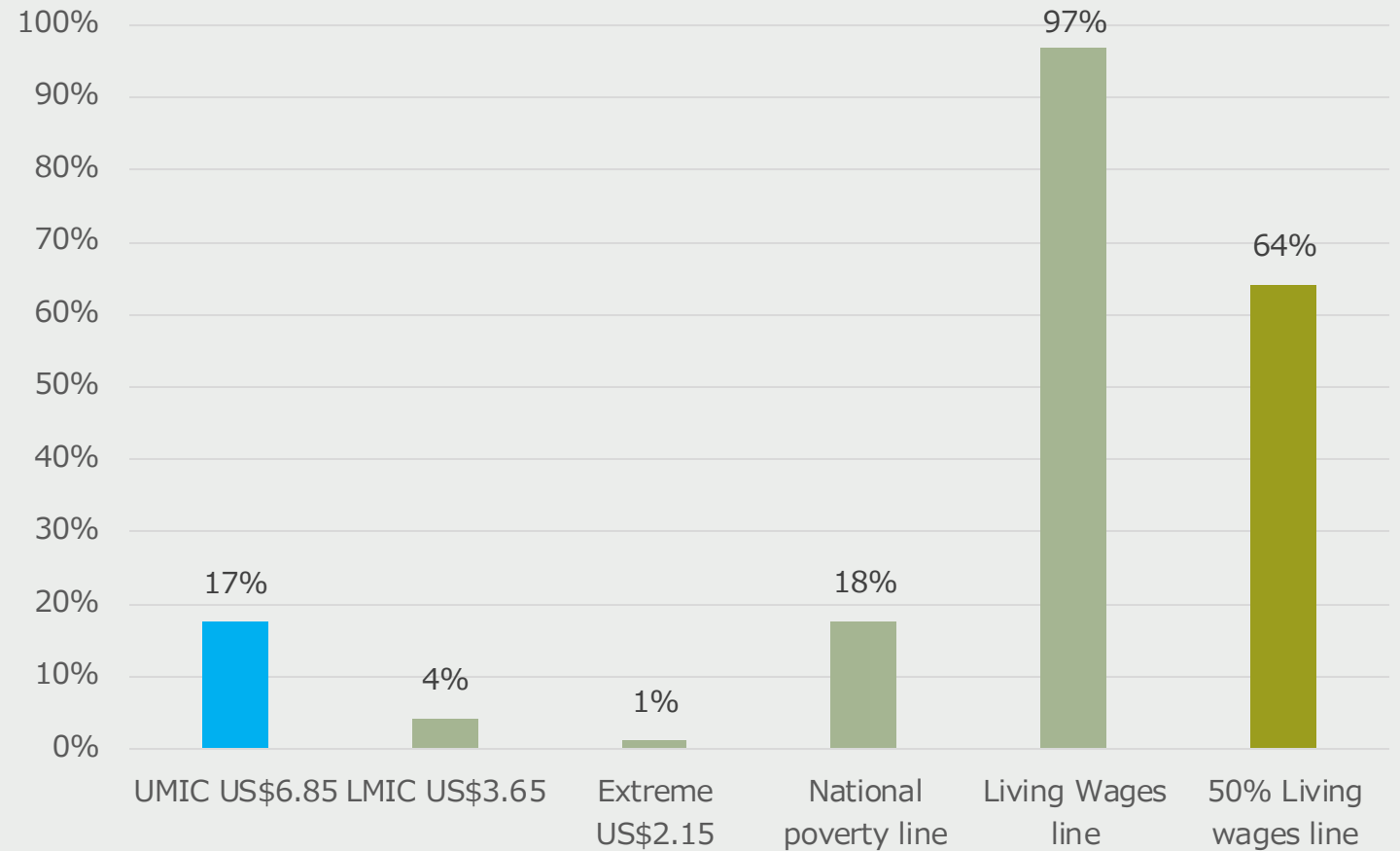


Fig 4. Headcount ratios using various poverty lines and living wage thresholds

Household and personal assets	Urban	Rural Coastal	Rural Interior
Television	87.1	84.4	52.3
Bathroom	99.0	97.9	68.9
Mobile phone	98.4	97.4	90.6
VCR/DVD	4.4	2.9	1.7
Stove	92.2	86.6	83.9
Water tank	56.6	54.8	53.8
Cable TV	9.3	6.7	1.8
Fixed line	42.0	31.0	5.4
Automobile	71.0	71.8	25.5
Smartphone	94.8	90.8	86.4
Smart TV	63.4	55.8	48.9
Generator	2.5	1.3	7.9
Fixed broadband connection	90.2	87.0	44.4
Mobile internet	14.9	15.7	56.9
Checking account	63.7	61.5	44.6
Saving account	44.4	27.8	33.7
Electricity directly from EBS	100.0	100.0	49.2
Generator/ fuel from the government (NH)	0.0	0.0	38.3
Gas (propane)	93.1	90.8	82.1
Piped water in the dwelling	85.3	81.7	30.4
Piped water outside the dwelling	7.0	4.4	19.1
<i>Good access</i>	>70%		
<i>Moderate access</i>	40-70%		
<i>Low access</i>	<40%		

Household and personal assets by region

Income

- Income from the main jobs in the interior are lower than the other regions.
- Interior households are most concentrated in the lowest income bracket (< SRD 1000/month)

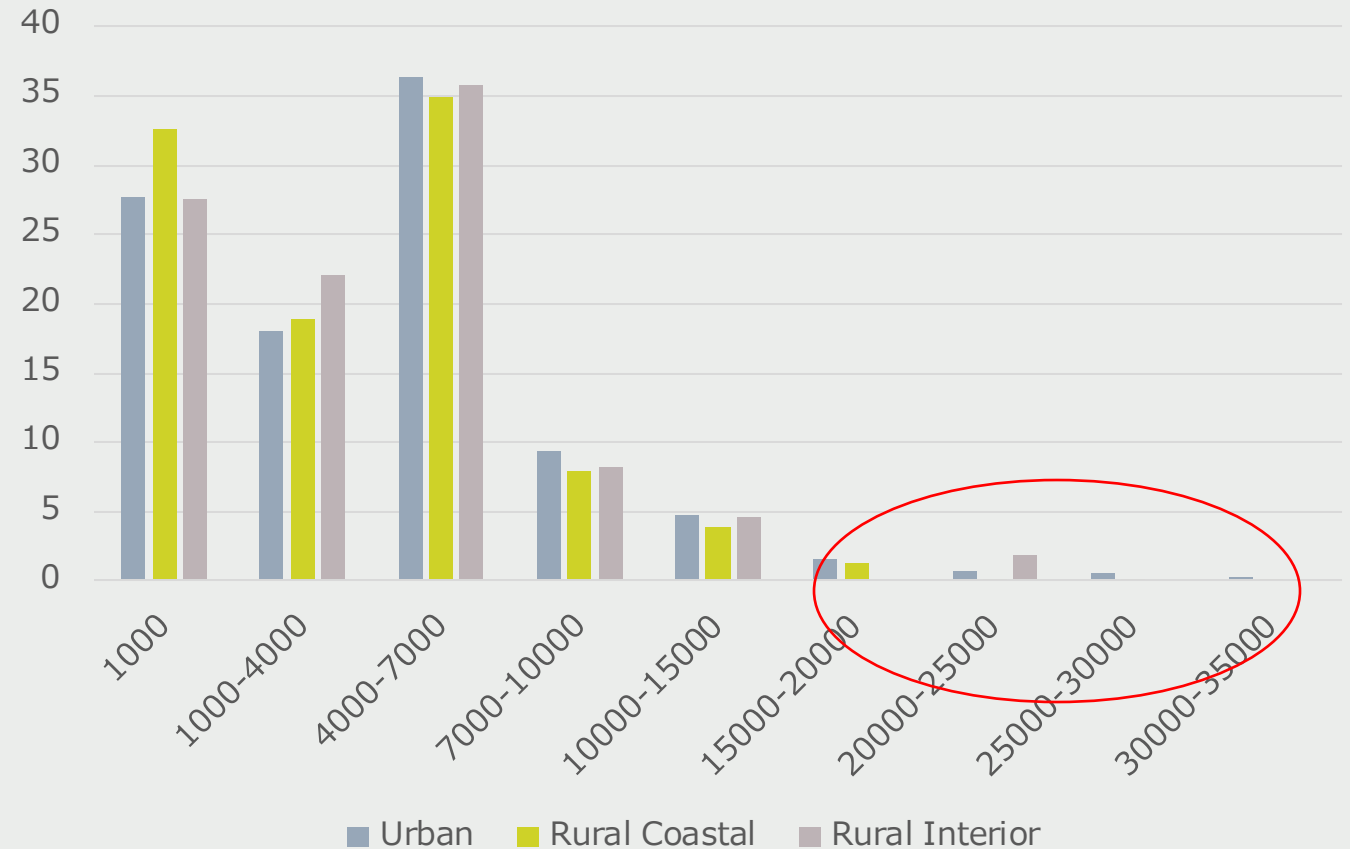


Fig 1. Total income from main job by region (in %)

Headcount by region

- Interior region shows highest poverty incidence: 27% (UMIC) and 87% (50% LW).
- Rural areas have the lowest poverty incidence, 16%, closely followed by the urban stratum Great Paramaribo (17 %); 26% for the interior.
- Huge discrepancy with the interior, irrespective of the threshold.

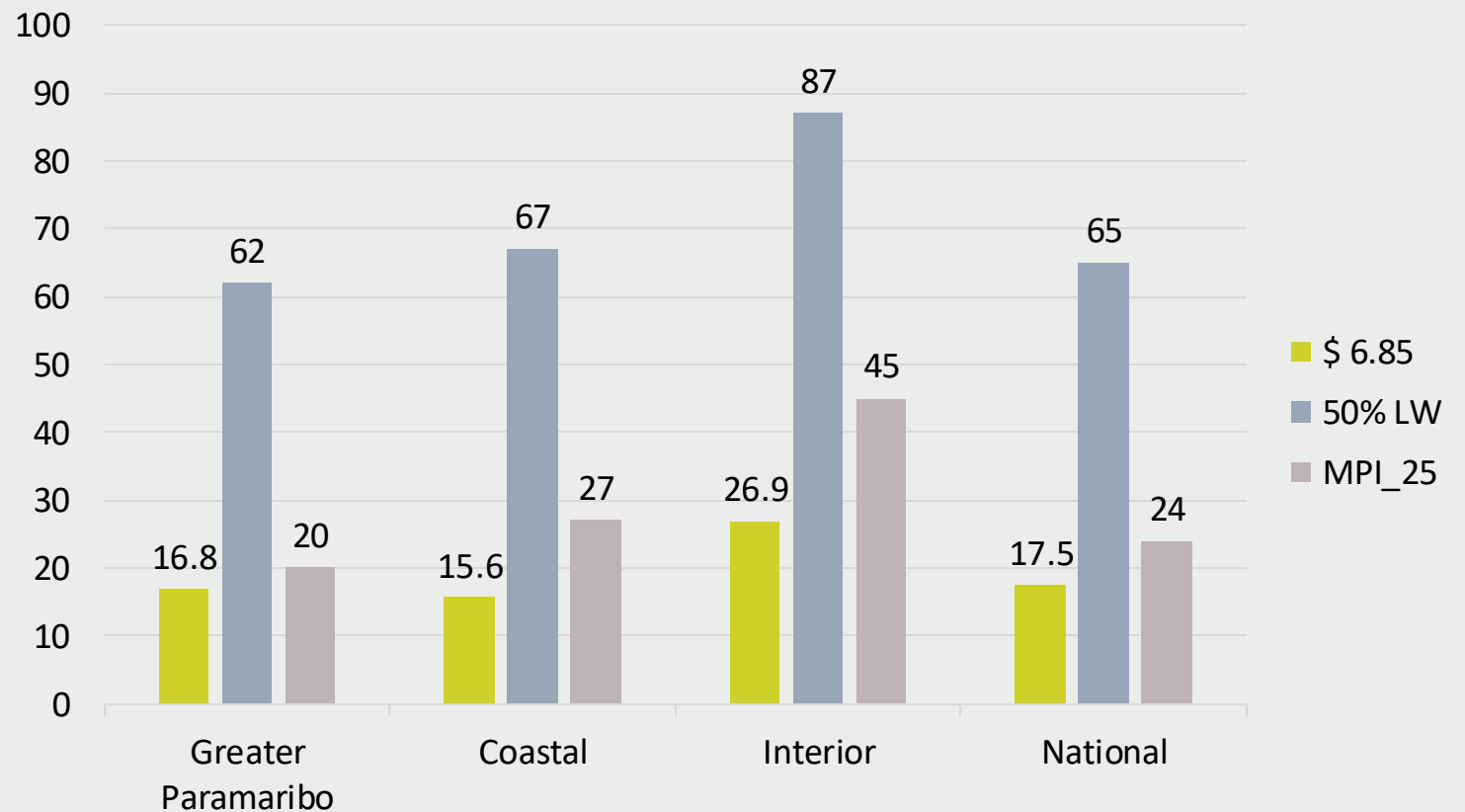


Fig 5. Headcount using UMIC \$6.85, 25_MPI and 50% LW-line by region

Headcount by ethnicity

- Maroon (81%) and Indigenous (78%) groups have highest incidence under 50% LW line.
- Creole, Hindustani and Javanese households have an almost 20% lower poverty incidence.
- Ethnic disparities in poverty have increased irrespective of which threshold is used.

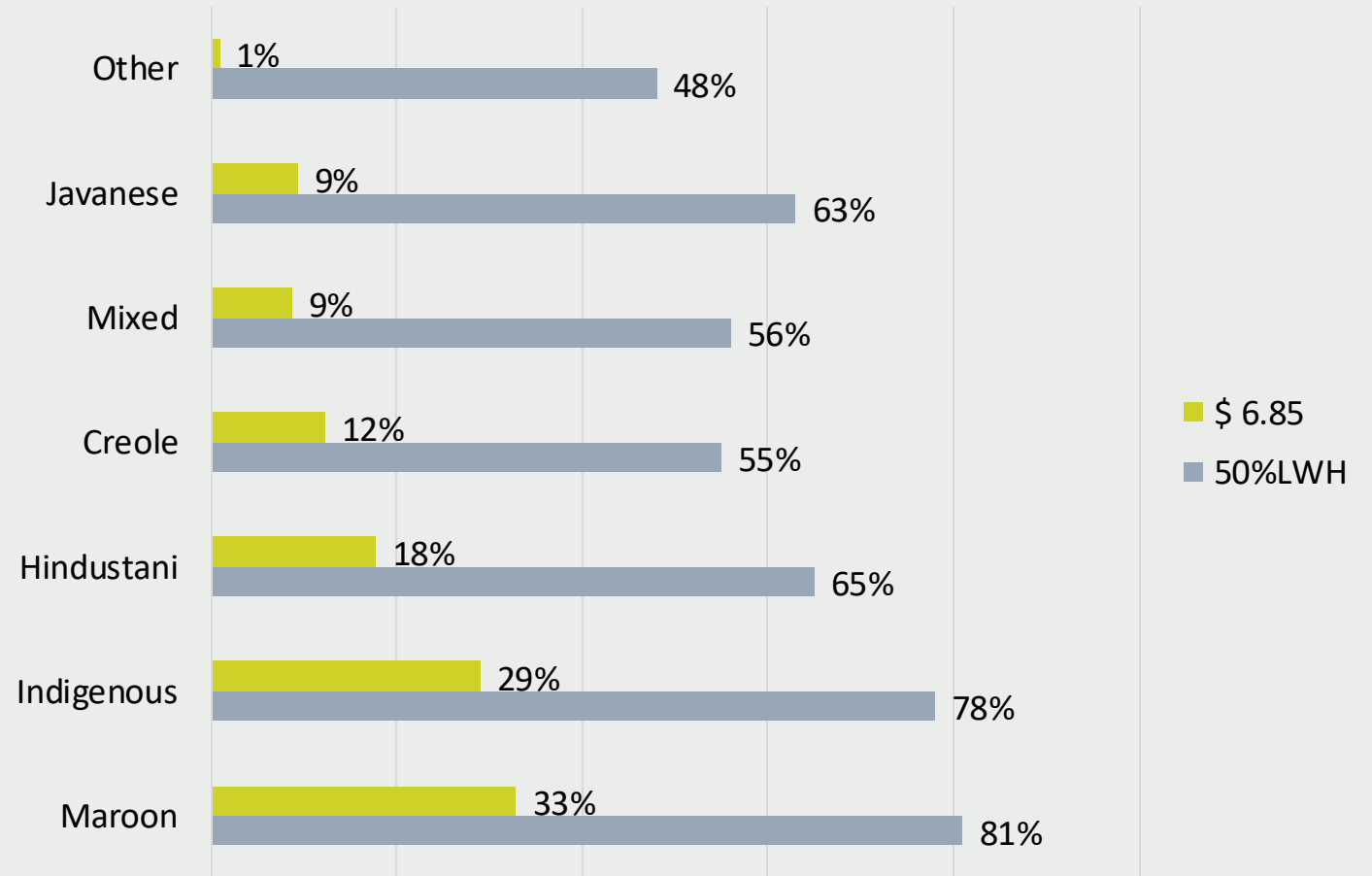


Fig 6. Headcount using UMIC \$6.85, 25_MPI and 50% LW-line by ethnicity

Headcount by education level

- Higher education correlates with lower poverty risk.
- Even tertiary-educated (higher education) heads show 1% poverty (UMIC) and 24% under 50% LW.

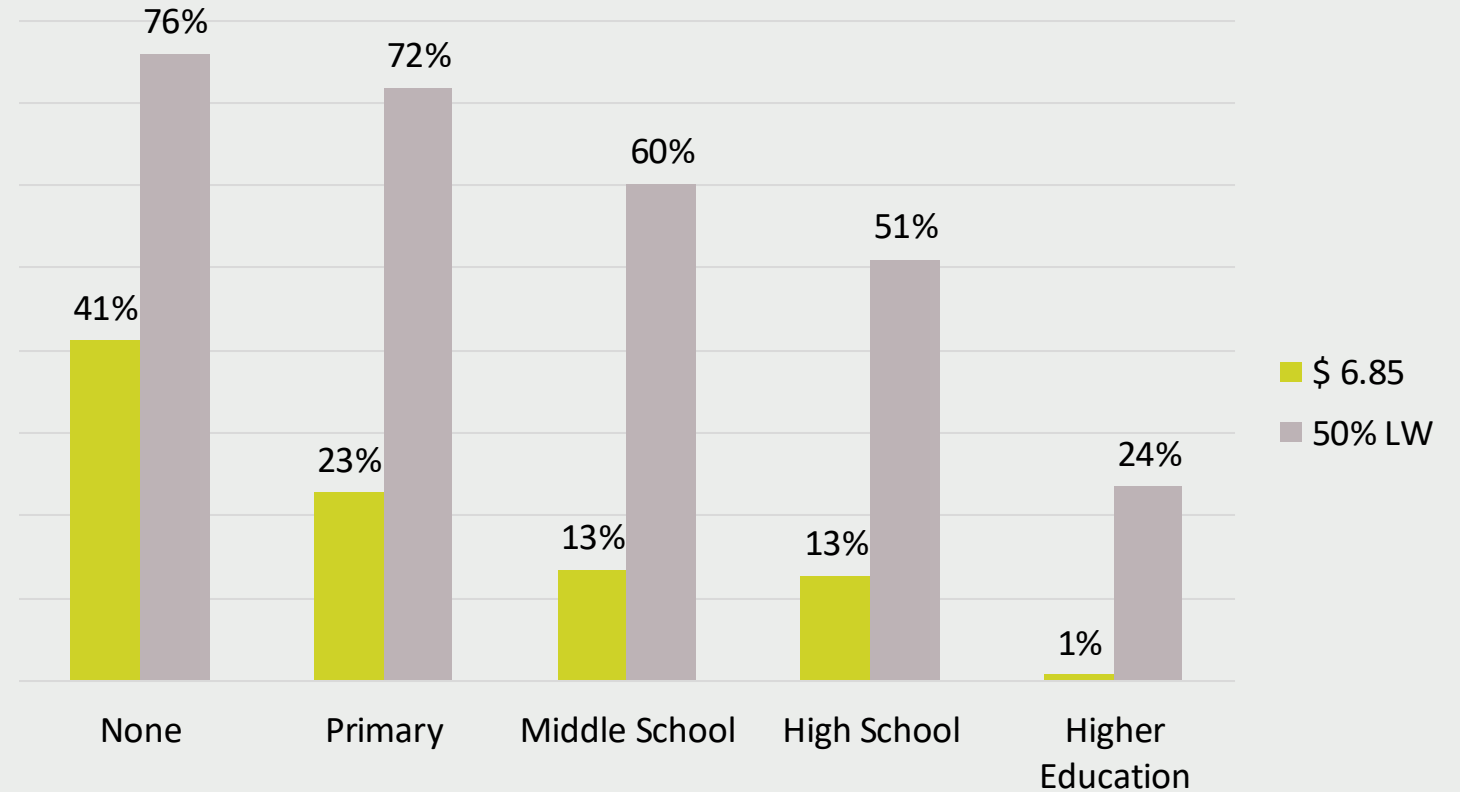


Fig 7. Headcount using UMIC \$6.85, 25_MPI and 50% LW-line by educational level

Headcount by household size

- Larger households face higher poverty: **10% (1-person)** vs **46% (8+ members)** using UMIC.
- Under 50% LW: **43% (1-person)** vs **80% (8+ members)**.

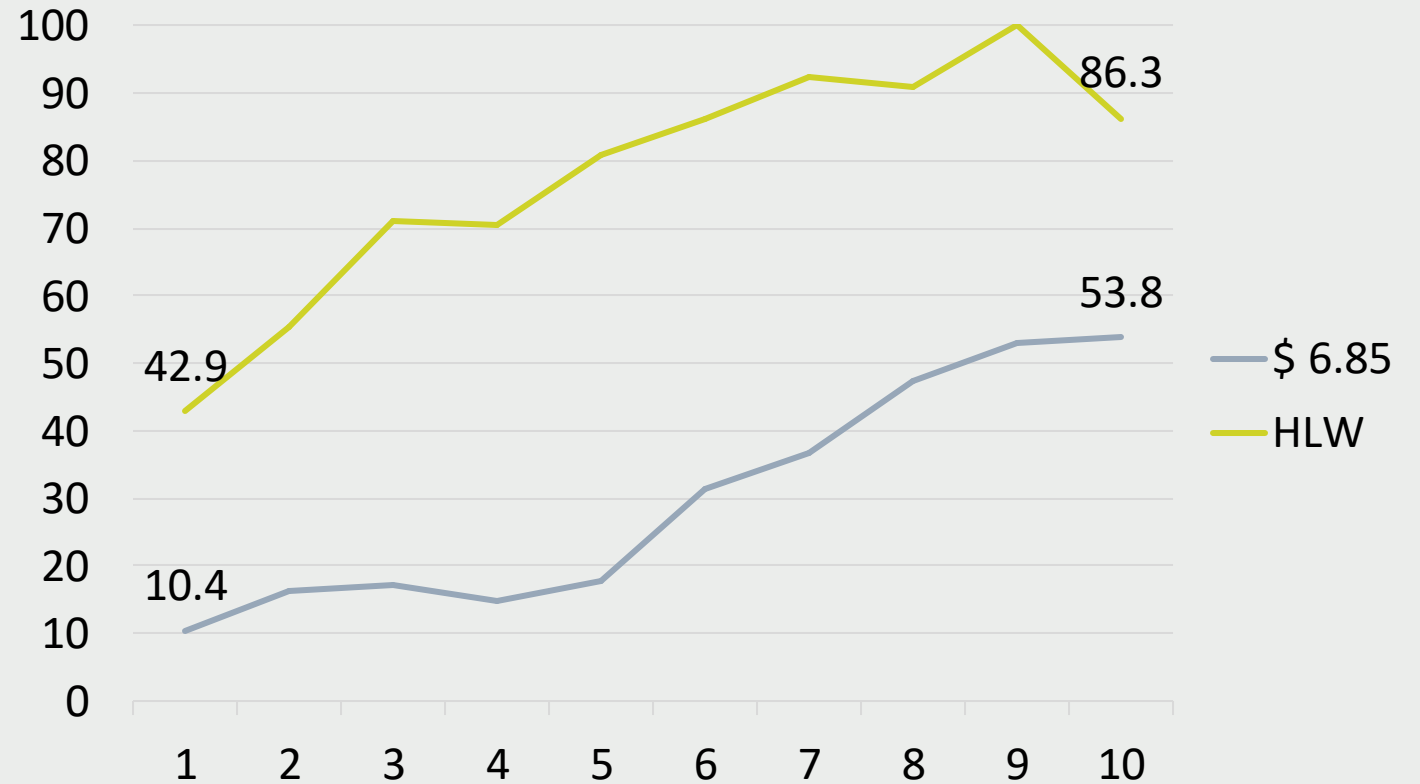


Fig 8. Headcount ratios using UMIC \$6.85 and 50% LW-line by household size

Headcount by HH composition

- About 28% of households with children are UMIC-poor, while this is 84% for 50%-LW.
- **Single-parent households with children** face the highest poverty risk: up to **91%** under 50% LW.
- Households **with children** overall are more vulnerable.
- The incidence of **single male-headed** households is slightly higher than that of their female peers

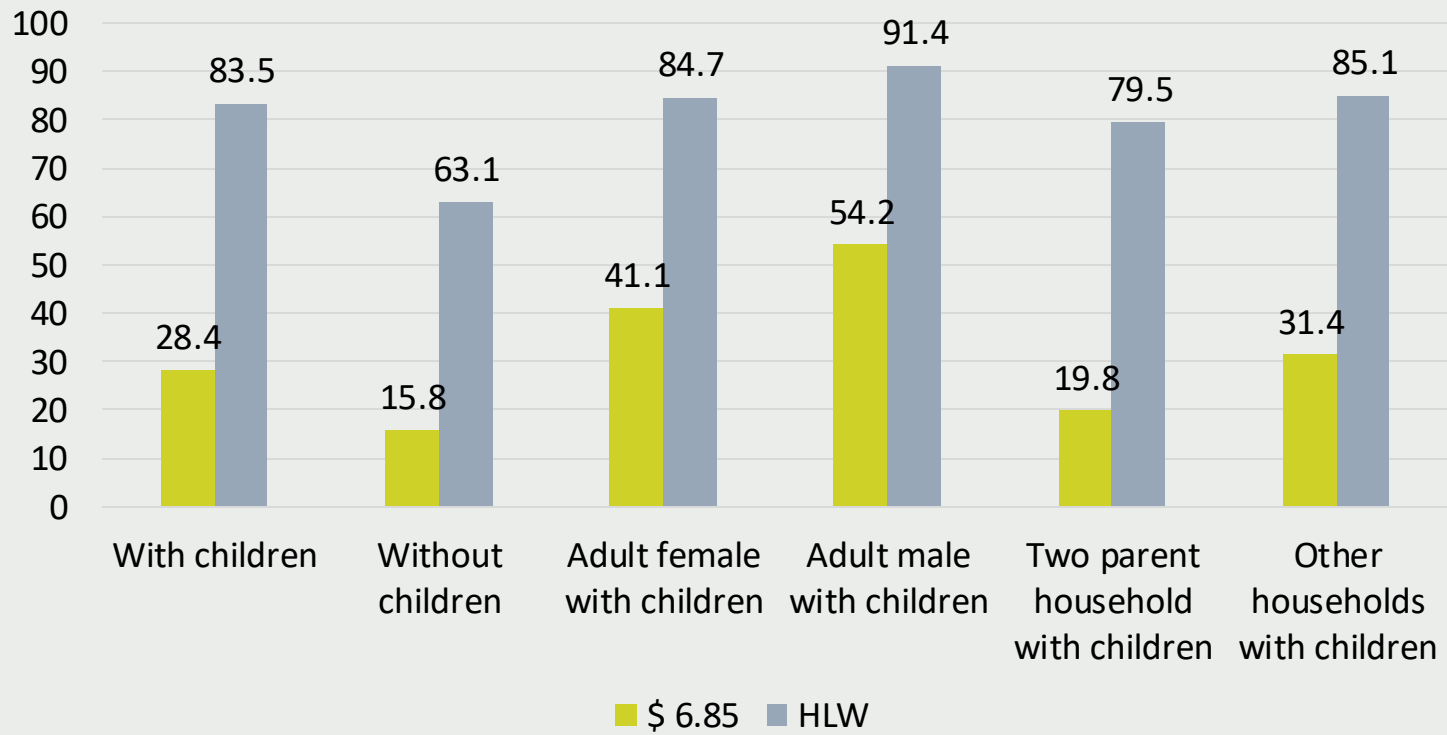


Fig 9. Headcount using \$6.85 and 50% LW by household composition

Headcount by Age and Gender

- **Women under 30 and over 64** show higher poverty incidence than men.
- Gender disparities are more visible under the 50% LW line compared to the \$6.85 line.

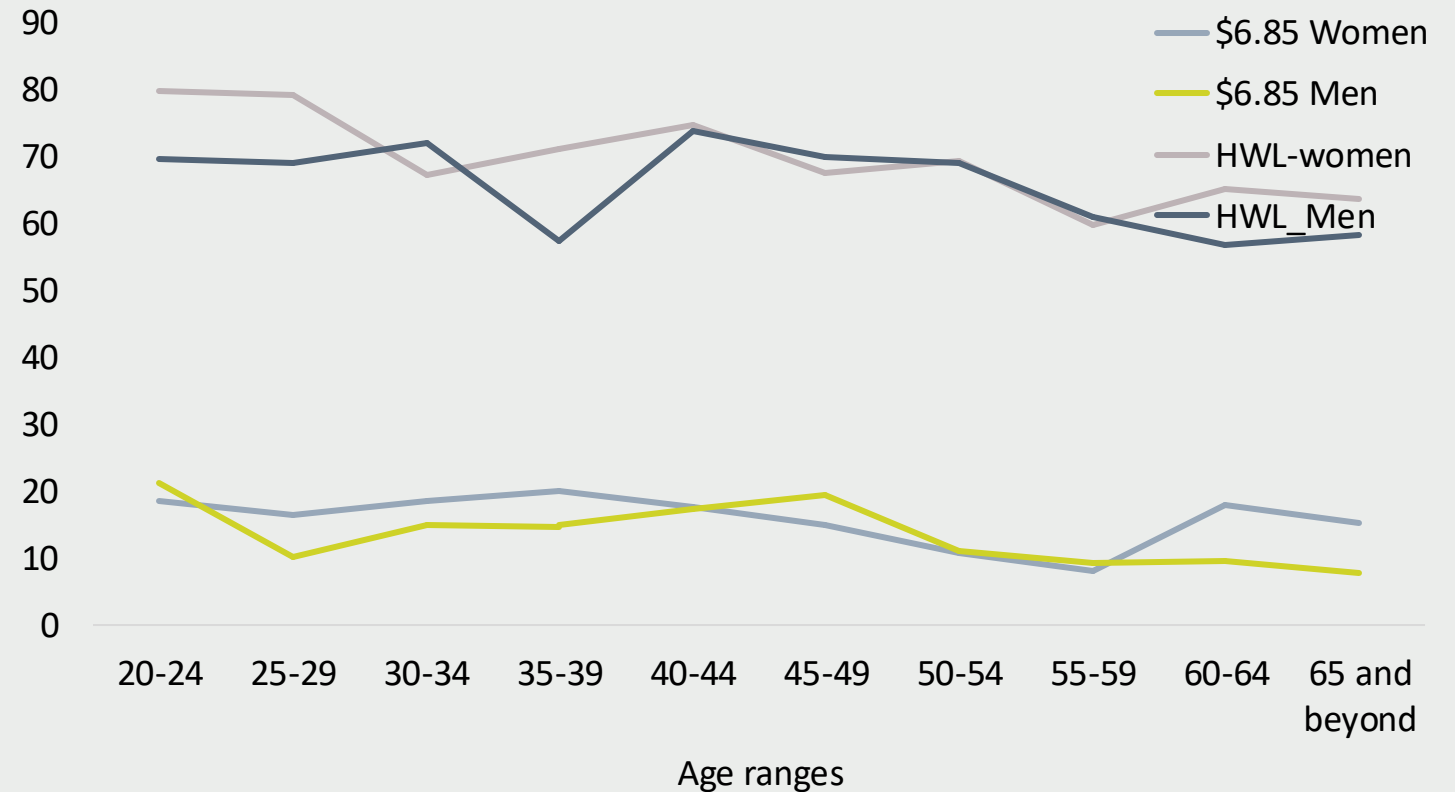


Fig 10. Headcount using UMIC \$6.85, and 50% LW-line by age group and gender

Concluding remarks

1. Around 20% of households live below the poverty line, and 65% do not earn enough to meet half the living wage threshold.
2. Poverty is significantly higher in interior and rural areas, especially among larger households, single-parent families, and those led by individuals with lower education levels.
3. Maroon, Amerindian, and Hindustani households face greater poverty risks.
4. Low education, large household size, and informal jobs increase poverty risk.

A group of approximately 20 children are seated in a long wooden boat on a river. They are wearing yellow and green life jackets. Many of the children are waving their hands towards the camera. The background shows a lush green forest and large rocks along the riverbank.

THANK YOU

dr. Rosita Sobhie
(rositasobhie@gmail.com)

- Tesora Ooft MSc
(tesoraooft@hotmail.com)

- dr. Yolanda Grift
(y.grift@uu.nl)