



International
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Suriname's pathway to a double transition

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What is Just and Formal Transition?

Just and formal transition is:

- ▶ Working on a sustainable systems that is greener, cleaner, more economical, with good jobs and social justice.
- ▶ Ensuring that the burdens of the transition do not fall on the weakest shoulders.
- ▶ Active participation of all according to the principle of leaving no one behind.
- ▶ Promoting and developing strong formal enterprises with good access to training, finance and markets.
- ▶ Where informality and the environment are closely connected. Informality can exacerbate vulnerability to environmental changes and the informal economy can adversely affect the environment.
- ▶ An integral ecosystem approach that connects policy level interventions with tangible pilot initiatives to showcase its potential.

Suriname in a nutshell

Green country

Suriname is situated on the northeastern coast of South America, with 93 per cent forest coverage. It is classified as a High Forest cover Low Deforestation (HFLD) country

that is rich in natural resources and biodiversity. As a low-lying coastal country, it is acutely susceptible to a range of climate-related challenges, including rising sea levels, increased frequency and intensity of extreme weather events, changing rainfall patterns, and temperature fluctuations. These climatic changes pose a significant threat to key sectors of Suriname's economy, such as agriculture, forestry, fisheries, and infrastructure.

Suriname is increasingly experiencing the effects of climate change. Long-term drought, and less regular and sometimes very heavy rains, cause problems in agriculture, transport, infrastructure as well as in other



sectors. As a result, jobs and incomes in communities and villages are under pressure. In the long term, the sustainability of Decent Work at the local level is at risk.

Economy

The economy is driven by its abundant natural resources, with mining accounting for nearly half of public sector revenue and gold representing more than three quarters of total exports. This makes Suriname extremely vulnerable to external shocks. Strong economic growth, averaging 4.4 per cent, was recorded from 2001 to 2014. This was mainly due to favorable commodity prices which made the country one of the fastest-growing economies in Latin America and the Caribbean, with Gross Domestic Product (GDP) per capita rising to US\$9,850 in 2014 with a decline in poverty rates.

However, beginning in 2015, Suriname's economy contracted, and

the budget and balance of payments came under severe distress. Government's revenue from mining fell sharply, foreign reserves were drained, and GDP growth contracted. By 2020, a severe fiscal and balance of payments crisis began to unfold in Suriname, which continued into 2021. Domestic vulnerabilities were exacerbated by the COVID-19 pandemic, leading to a sharp GDP contraction (16.0 per cent in 2020, with increasing unemployment and poverty).

Beyond Suriname's huge potential based on its forested cover, recent sizeable offshore oil discovery offers the potential for strong GDP growth and economic development. However, Suriname also risks overdependence on oil which lowers continued diversification of the economy. Suriname counted approximately 31,000 registered companies in 2023 with 18,000 micro, small, and medium-sized enterprises (MSMEs) being

the engines of innovation, employment, and economic diversification, however, their potential is stifled by a severely underdeveloped business environment. The lack of a more robust business development and

financial services market keeps a large number of companies unregistered and hinders their growth and potential to contribute significantly to the nation's development.



Decent work

The ILO has been working with Suriname on its decent work environment, with its [Third Decent Work Country Programme \(DWCP\)](#) signed on 10 February 2023.

Despite the strong efforts, Suriname still faces decent work deficits, including:

- ▶ High informality (the informal economy constitutes 33 per cent of the total economy, and in the agricultural sector up to 51 per cent);
- ▶ Low productivity levels and strong presence of informal MSMEs;



Suriname stands at the crossroads with a sure future inflow of steady financial income based on the oil sector. It therefore has a strong potential to develop a sustainable economy, using its extensive natural resources to diversify the economy. In order to come to this sustainable development and the shift to environmental sustainability with decent work, a just and

formal transition is necessary based on [ILO guidelines for a Just Transition towards environmentally sustainable economies and societies for all](#) and ILO's Transition From the Informal to the Formal Economy Recommendation, 2015 (No. 204). The underlying principle is a strong, evidence based, social dialogue and ownership at all levels of society.



In short, the much needed double transition approach is a comprehensive collaborative effort based on social dialogue and tripartism to improve formalization and environmental sustainability while generating decent work and livelihoods opportunities for all, including vulnerable groups.



Pathway to a double transition: 5 complementary steps

1 Set the stage with knowledge creation to enable evidence-based policy making, pilots and social dialogue.

2 Strengthen capacities to participate effectively in social dialogue for policy making on formalization and just transition.

3 Create institutional, tripartite mechanisms to enable effective social dialogue with a clear roadmap.

4 Develop or support policy solutions at macro, meso and micro levels:

- ▶ Macro: Improved national frameworks
- ▶ Meso: District frameworks and local frameworks
- ▶ Micro: Informed citizens

5 Evidence based pilots: bridging the gap between urban areas and hinterland with regards to knowledge access (opportunities, procedures) and business services (finance and non-finance).

Step 1:

Knowledge creation
and sharing

Value chain analysis of high potential sectors such as Suriname's wood-processing sector

The ILO, in partnership with the constituents and the ILO's DWCP Committee, conducted research using ILO's methodologies to identify high potential sectors for a formal and just transition. In this participative exercise the initial sectors of wood-processing and ecotourism were identified.

An innovative tool was developed to apply a formalization, just transition and gender lens to sector selection. A subsequent [*Value chain analysis of Suriname's wood-processing sector*](#) was undertaken in 2023 to identify the obstacles and opportunities to reduce the negative environmental impact

and explore ways to improve the efficiency of the forestry value chain.

Barriers and opportunities for enterprise formalization in Suriname - assessment of the wood and tourism sectors

Conducted from December 2023 to March 2024, a study on the *Barriers and opportunities for enterprise formalization in Suriname - assessment of the wood and tourism sectors*, brought together a team of both international and local consultants. It presents insights gathered from 50 stakeholders across Government, local enterprises, employers' and business membership organizations, workers' organizations, international organizations, and civil society. Through interviews, these stakeholders shared their perspectives on pervasive informality and contributed recommendations during a stakeholder workshop in Paramaribo in March 2024. These recommendations resulted in a roadmap for Suriname (shared

with the Formalization Committee) based on the report entitled [*Barriers and opportunities for enterprise formalization in Suriname - Assessment of the wood and tourism sectors.*](#)

These reports include recommendations for the MSMEs in wood-processing which are relatively concentrated, with 75 per cent of current roundwood production taking place in Sipaliwini and the majority of sawmills and secondary wood-processors located within 80-100 km of Paramaribo. There are an estimated 128 forestry companies, 83 sawmills, and 13 secondary wood-processing companies. About 4,000 people work in logging and log transportation and 3,000 in sawmills making it an important generator of work in Suriname. Around 30 per cent of roundwood was sold locally and 70 per cent exported. Suriname aims to reduce its roundwood export, which enables a roadmap for more added value production as foreseen in the value chain study. Clear added value options were identified based on wood waste that could enable

decent work generation and livelihood options for rural, tribal and indigenous communities.

Skills for green jobs in Suriname

The necessary [*Skills for green jobs in Suriname*](#) were identified as in the previously mentioned sectors of tourism and wood-processing. The report emphasizes the need for a green skills framework, strategic alignment between CBET-based TVET programming, economic priorities, the creation of decent jobs, and Suriname's work towards meeting the requirements of the Sustainable Development Goals (SDGs). Also examined, is the importance of supporting a transition to a green economy and the role of TVET in bridging the gap between traditional industries and emerging green job opportunities.

These three complementary studies have laid the foundation for ILO's work within these sectors and have provided information for more long-term initiatives, programmes and policies.



Step 2:

Strengthening of capacities to participate effectively in social dialogue for policy making on formalization and just transition

Both areas of formalization and just transition are new in many contexts in Suriname. Extensive training was provided to the constituents on the thematic areas of Just Transition and Formalization, and on Social Dialogue for Just Transition and Formalization. Social dialogue is the key vehicle for change towards the generation of decent work.

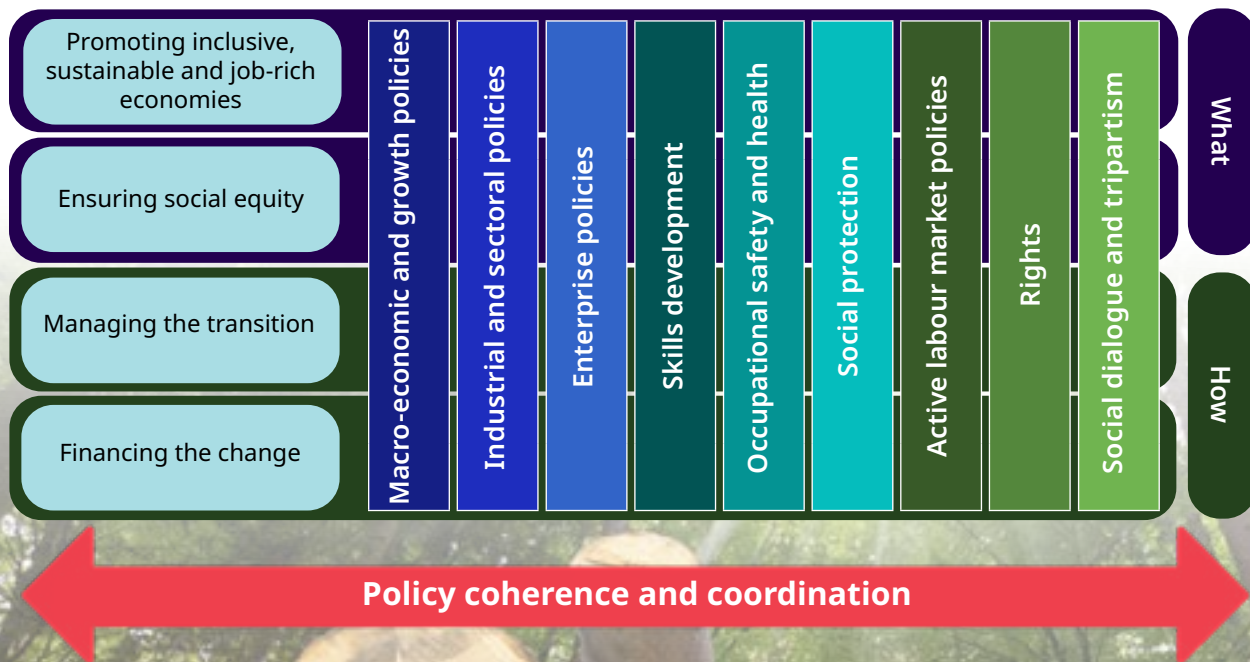
Step 3:

Establish productive Social Dialogue in Just Transition and Formalization

Strengthened by the training received, the constituents established both a Formalization and Just Transition Committee based on the initiative of the Minister of Labour. The ILO supported the Committee in the development of an initial roadmap which includes the review of existing initiatives and development of new ILO studies, policies and programmes.



ILO just transition guidelines



Step 4:

Develop or support
policy solutions at
macro, meso
and micro levels

National level

Constituents supported by the training worked with Ministry of Environment to integrate DWCP priorities into the National Green Development Strategy. This is a considerable milestone in line with the Nationally Determined Contribution (NDC) development

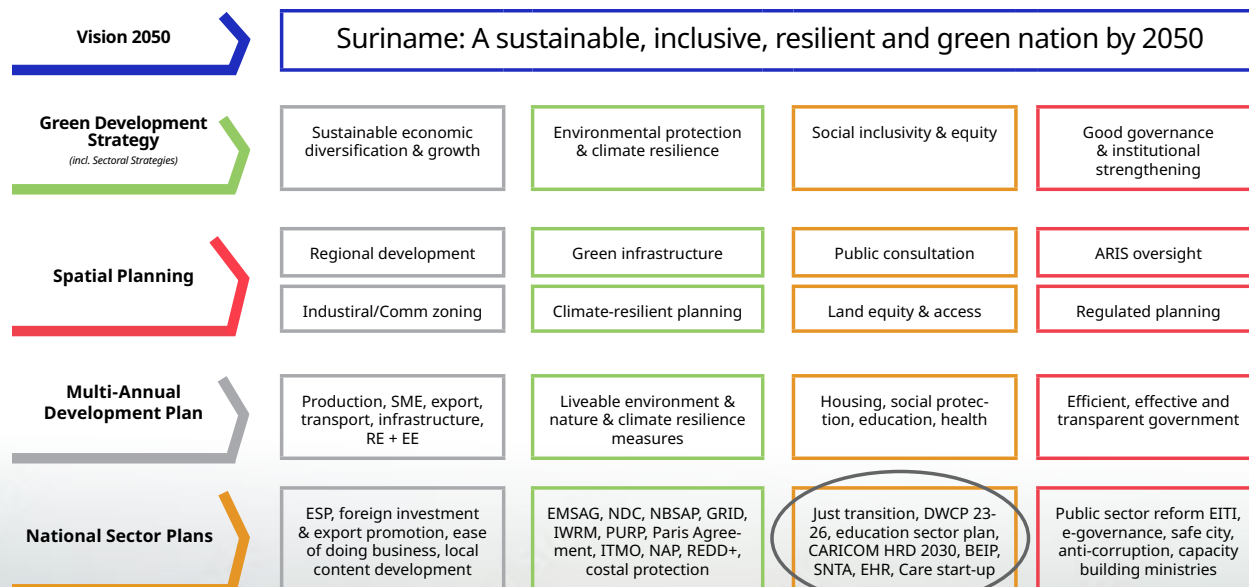
and particularly its Long-Term Low-Emission Development Strategy (LT-LEDS) which is a national climate action plan that outlines a country's vision and pathways for achieving net-zero emissions by mid-century or beyond.

These strategies provide a long-term horizon to the NDCs, which are shorter-term national climate action plans submitted under the Paris Agreement.

Beyond this, the Just Transition Committee has taken on the task to develop a Just Transition Policy.



Green development strategy (GDS) framework



District and local levels

The ILO trained both district officials and local officials in preparation of public hearing. These public hearings take place annually according to the Law Regional Organs. The resort (municipality) councils of Suriname organize these hearings to obtain the input of the inhabitants for their annual planning. The aggregated input is then taken to the higher district level where priorities are included in the district plan. This district plan is then offered to the Minister of Regional

Development and Sports (ROS) for its potential inclusion in their budget.

Therefore, the training at different levels on issues such as formalization and just transition is the key mechanism to influence national planning and budgeting.

The hearings are an important place to give voice to those with less influence on national policy making. It is important for women and young people to also share in the improvement of prosperity and well-being.

With regards to care for the natural environment, women are often more aware and communicative. Sometimes they are the ones who are the driving force behind pragmatic and positive initiatives. The hearings are the ideal place for everyone to voice their concerns and suggestions to secure a sustainable future. It is important to have a good ear for issues of inequality and justice.



Step 5:

Bridging the gap between access to finance for the interior with regards to knowledge of opportunities, procedures and existing funds

“Encouraging sustainable entrepreneurship in rural areas is a powerful way to create decent work jobs, break the cycle of poverty, promote a green economy and make communities resilient and self-sufficient, *Joni Musabayana, The Director of the ILO DWT and Office for the Caribbean*”. In Suriname MSMEs often lack access to finance, markets and information, even more so in the interior of the country. To enable linkage, several activities were undertaken, including:

1. Access to information

Community awareness and sensitization campaigns on sustainable business development to build greater understanding of the process to

formalization. Formalization is often a requirement for access to funding, but information does not reach the interior of Suriname.

2. Access to finance

Assistance for aspiring entrepreneurs in rural communities to develop business plan proposals for funding from the National Development Bank (NOB), in collaboration Ministry of Regional Development and the Ministry of Economic Affairs. Businesses were prepared through training and coaching using methodologies such as MyGreenEnterprise.

3. Access to markets

Identification of national and international market demand for products created by local green enterprises. Particular attention was given to the design of a value chain logic, which enabled connecting local communities and their woodwaste to processing companies.



Case of Pikin Slee

Pikin Slee is a Saramaccan village located on the West Bank of the Suriname River with approximately 3,000 inhabitants.

The Saramaccans are descendants of African slaves who escaped into the rainforest in the 17th and 18th centuries. Their society is matrilineal, and the village is known for its strong community ties, strong traditions and unique cultural practices, including crafts like woodcarving. The woodcarvers of Pikin Slee, as Toya Saaki and Edje Doekoe, grew up together in the forest, and have founded the Totomboti collective to preserve the tradition of Saamaka woodcarving. Totomboti is now known for their massive sculptures made from Surinamese rainforest wood, showcased internationally. They contribute to sustainable development by replanting cedar

trees that were used for carving. The cedar tree is valued for its termite-resistant wood, used for various purposes. Totomboti encourages the youth to learn the Saamaka culture and pass down the knowledge to future generations. They believe in the purity of the Saamaka language, used in poetry, songs, and stories. The collective's name originates from a Saamaka folktale about the Totomboti woodpecker, symbolizing determination and resilience.

Totomboti aims to inspire the construction and development of Pikin Slee, offering a studio for children to learn woodcarving. They emphasize the importance of continuing the knowledge of ancestors and maintaining a strong connection to nature while also developing entrepreneurial activities that can generate an income.

The ILO supported Pikin Slee

(as other villages like Matta)

- ▶ **Access to information** which is limited and the capital is far away, while transportation is expensive. ILO organized several field trips to the villages which presented a unique opportunity to become acquainted. Indigenous entrepreneurs learn about business registration, finance, and taxation from the Chamber of Commerce and Factories (KKF), the National Development Bank (NOB), the Labour Inspection and the Tax Service to ensure practical, accessible learning on how to set up a business.
- ▶ **Training and coaching for businesses on green and formal entrepreneurship** using parts of ILO's tools such as MyGreenEnterprise and FormalizeYourBusiness.
- ▶ **Training and coaching for businesses to access finance** through national funding lines.
- ▶ **Village analysis** and recommendations for village planning, including economic diversification, just transition and formalization strategies.
- ▶ **Training of local leaders on Just Transition and Formalization** to influence district and national planning.

The financing applications submitted by the foundation Totomboti, with the National Development Bank, have shown a shared commitment to sustainable development and livelihoods. Totomboti focuses on cultural preservation and tourism. Each applicant presents a distinct initiative that contributes meaningfully to the local economy.

Conclusion

ILO's integral approach to Double Transition has been very well received, leading to initial changes on national, district and local levels and showcasing concrete potential for green and formal livelihoods and Decent Work.

Suriname has clearly shown that there is a clear connection between both formality and just transition. The constituents have shown a strong desire and practical willingness to support the double transition. Suriname now stands at the crossroads but with the support of actors like the ILO, the country can become an example for many in enabling a just and formal transition, generating Decent Work for generations. It's a long and complex road, but the foundation has been laid through the 5 complementary steps approach (*see page 8*) that can hopefully inspire other countries as well.





