

Want in a rich country



Suriname ranks seventeenth among the world's richest countries in development potential. At the same time, the vast majority of the population live under the poverty line, and economic inequality almost doubled over the last 30 years. Decades of ethnical divide and rule, political patronage, and a stifled civil society have left governance institutions open to both national and international destructive influences.

Stichting - Ultimate Purpose

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Suriname is blessed with natural resources, yet 80% of its population live under the poverty line. Economic inequality almost doubled over the last 30 years, leaving the lower 50% of the population with 20.2% of national expenditure and the top 20% of the population with 50.5% of national expenditure.¹ The worst threat to human security in Suriname is the governance crisis, which is becoming increasingly unbearable. Decades of ethnical divide and rule, political patronage, and civil society stifled by an omnipotent state apparatus, have left governance institutions open to both national and international destructive influences.

Politics and power, patronage and poverty

Since the late 1950s the mining and processing of bauxite has kept the economy afloat. It has also provided successive governments with the means to distribute wealth without the need to stimulate or develop other production sectors. The strong centralised government control that still reigns today is built on a political patronage system whereby political factions, followers and friends can be rewarded with civil service jobs, houses, and other scarce commodities.²

The political patronage system works both ways: it gives jobs and positions to people who are politically loyal but not necessarily qualified or competent, and in return it expects their collaboration in serving the interests of political friends.

In a total population of 481,146, with an unemployment rate ranging between 11% and 14%, a total of 36,151 civil servants make up 37% of the labour force.³ Furthermore, almost 25% of the

labour force is comprised of office-based civil servants (23,987), a figure ten times the number of army personnel (2,042), more than twenty times the police force (1,142) and almost twenty times the total number of nurses (1,235)!⁴

The majority of civil servants (middle and low ranking, mostly women) fall under the poverty line. In consequence many of them feel that they do not have to work for a salary that does not sustain them. It also makes the whole government apparatus even more vulnerable to corruption, since underpaid civil servants accept bribes more easily. Public Sector Reform has been on the agenda since 1995. Expectations are that it will still be on the agenda in 2005, the year of the next elections.

Data provided by civil servants show an interesting picture. Whereas non-response is 0 to 0.58% in harmless questions about age and gender, non-response jumps to 28% when it touches upon daily tasks, and to 43% with respect to level of education. Cross-reference of data, however, clearly shows the discrepancy between positions and qualifications.⁵

No pay, no cure

As the State can hardly maintain its enormous and inefficient bureaucracy, other sectors have to suffer. Health institutions such as hospitals, rural health services and the State Health Insurance Fund face government defaults time and again. Expenditure for basic social services (education and healthcare) averaged only 7.5% of total government expenditure over the period 1996-2000. Healthcare in particular was cut to a mere 3% between 1999 and 2000.⁶ Patients are thus confronted with the "no pay, no cure" treatment. Since private health insurance is only affordable to the happy few, most civil servants hold on to their job because at least it guarantees that they and their families are insured. The Health Sector Reform Plans suggest that the State Health Insurance Fund should cover all citizens, providing them with basic healthcare. Like many other government plans, it has been discussed for years but has never reached the implementation stage.

Total control, but no checks and balances

The extensive role assigned to the State impedes development in the private sector and increases the risk of the arbitrary use of power by the State.⁷ The Government's dominant position makes it profitable for individuals to invest in politics. Control over the apparatus means control over all public goods and services, including electricity, water, telephone, healthcare, access to land, tariffs, permits, etc.

The last budget account approved by Parliament dates to 1964. Since 1988 budget accounts are not even published by the Ministry of Finance, so control over expenditures is non-existent. Budgets for the following year are submitted without accounting for the expenditures of the previous year.⁸ Throughout the decade 1990-2000, utility companies did not submit a single annual report. The Central National Accountants Agency, which supposedly controls them, has only one qualified accountant on its staff.⁹

Economic and monetary insecurity

With imports far exceeding exports, huge government expenditure (45.5% of GDP) and stagnant production, it is not surprising that the economic situation is poor. The exchange rate for the US dollar has been artificially fixed at around USD 1 = SRG 2,700 since 2001. To rebuild trust in the country's own economy and monetary system, the Central Bank created a new national currency, the Surinamese Dollar (SRD). Without taking any other monetary or economic measures, three zeros were disposed of in order to raise the exchange rate to USD 1 = SRD 2.7. The promotional campaign to support the launch of the SRD on 1 January 2004 was hampered by the fact that the new banknotes had not been printed.

Many questions have been asked about deals made by the Government with several transnational corporations in 2003. Although there is public support for attracting foreign investment, there has also

1 General Bureau of Statistics in collaboration with the Inter-American Development Bank. *Household Budget Survey Suriname 1999-2000*, Paramaribo January 2001.

2 Dew, Edward. *The Difficult Flowering of Surinam*, Den Haag, Boston, London, 1978.

3 General Bureau of Statistics. *Households in Suriname 1993-1997*, Paramaribo, May 1998.

In 1996 total unemployed were 10,699, constituting 11% of the labour potential. From 1993 to 1995 the average percentage work seekers of the economically active population was 12.3%.

4 Ministry of Home Affairs. *Registration of Civil Servants*, Paramaribo, May 2003, Table 7.

5 *Ibid*, Tables 8, 10, and 11.

6 Ministry of Finance, Budget Office, 2001.

7 Inter-American Development Bank. *Economic and Sector Study Series, Governance in Suriname*, Washington, April 2001.

8 Tjong Ahin, S. "Conceptualizing of the term Good Governance" in *Good Governance, Condition for Economic Development*, Association of Economists, Paramaribo, 2003.

9 National Auditors Office of Suriname. *Annual Report 1999*, Paramaribo, 2000.

been a great deal of criticism over the conditions involved and queries as to the benefits the nation will derive from these deals. Over the last decades, agreements have been made that not only did not benefit the national economy,¹⁰ but damaged the environment¹¹ and uprooted local communities.¹² Unfortunately, negotiations are still dominated by short-term political and individual interests. For instance, two mining corporations - Billiton (Holland) and Alcoa (USA) - competing for a concession took advantage of the indecisiveness of their government counterpart by joining forces and presenting the Government with a joint agreement that was to their mutual benefit. Not a single deal so far has offered clear-cut guarantees regarding employment, transfer of skills and technology, or the use of local products.¹³

Crime, drugs and violence

"Nothing poses greater threats to civil society in Caricom countries than the drug problem; and nothing exemplifies the powerlessness of the regional governments more."¹⁴

Weak governance and weak institutions make it easier for criminal forces to penetrate government and financial and private institutions. The increase in institutionalised corruption goes hand in hand with an increase in drug consumption and drug-related crime. The actors are national and international criminal networks, whose crimes (money laundering, kidnappings, vendettas and extortion) are not only related to the drugs circuit, but also include fraud, gambling, prostitution, child pornography and child trafficking. The criminal networks are very well organised and have generated huge profits which they reinvest in both legal and illegal activities. Members of these groups protect themselves by infiltrating legitimate organisations, thus corrupting and compromising the legal order.

The effect on the social fabric is disastrous. Not only is the use of drugs increasing, but the consumption patterns and lifestyle of drug barons prove attractive to marginalised youth. Investment in law enforcement and security institutions is lacking, as well as adequate legislation to combat these new forms of crime.¹⁵

Crimes against property rose from 15,729 in 2000 to 19,071 in 2002. These crimes have also become more violent, and include grievous bodily harm, rape, arson and murder, and contribute largely to feelings of fear and frustration in society.¹⁶

Ordinary citizens are caught between a rock and a hard place; without the capital to invest in sophisticated security technology or professional neighbourhood watch,¹⁷ they are the first to be victimised by criminals who choose the least risky operation. They are also the victims of police brutality encouraged by understaffing, fear and frustration within the corps. Suspects taken into custody are detained for as long as three months due to understaffing at the Court of Justice.

Who to trust?

With corruption within the police force widely recognised, and even acknowledged by the Minister responsible,¹⁸ the average citizen thinks twice about reporting crime. Were that not enough, the average citizen is blamed for "not showing enough citizenship"¹⁹ to report crimes. The fact is that the tradition of punishing crime is not very strong in Suriname. A former military coup leader accused of drug trafficking and sought by Interpol is now member of the National Assembly for his party. A former guerrilla and bank robber, accused of drug trafficking, is now paid staff in the National Safety Service.

On 8 December 1982, fifteen opponents of the military regime (journalists, lawyers, academics and trade union leaders) were murdered by the military authorities. *Decembermoorden* (*December murders*), as it is known, is an issue in every election campaign of the ruling party, but the victims' relatives have still had to press the Government into continuing to investigate this atrocity regardless of the 18-year statute which would have proscribed the crimes in 2000.

Environmental crime

National and international environmental organisations have expressed alarm about the huge ground and river water pollution produced by the large quantities of mercury used in small-scale gold winning in the interior of the country. Gold diggers are usually foreigners, mostly from Brazil, or inhabitants of villages near gold winning areas. The 150 registered gold diggers are a small minority compared to the estimated 15,000 to 30,000 illegal gold diggers who operate without a permit. They use the cheapest method of gold winning, which causes 40% to 50% of the mercury to go straight into the soil and river. The rest of it ends in the atmosphere in the form of mercury vapour. Mercury intoxication affects local inhabitants who eat fish, use river

water for drinking and inhale mercury vapour on a daily basis.²⁰

Although not many cases of mercury intoxication have been reported in Suriname, on the Brazilian side of the border there is a growing number of cases in indigenous communities, where children are born with birth defects directly related to mercury intoxication of the mother during pregnancy.²¹

To date no legislation has been passed prohibiting the sale or use of mercury.

The environment and public health are also threatened by the generous use of pesticides in agriculture. Farmers associations acknowledge the use of heavy pesticides on vegetables up to the day before the harvest: "if you do not spray, you do not reap. And if you do not reap, you do not sell and you do not eat".²² In 2002 exported vegetables were sent back to Suriname from the Netherlands because of the unacceptable high level of *monochrotophos* found in them. This pesticide, meant for rice farming and not vegetables, causes premature death, birth defects and brain damage, and affects bone marrow and DNA structure. The Ministry of Agriculture does not, however, consider it necessary to monitor vegetables for the national market because "as far as we know, all importers of pesticides comply with the rules and regulations".²³

The challenge for civil society

The good news is that today there is widespread agreement in all sectors of civil society that governance reform is urgent. It will take courage and perseverance from civil society to take a stand and demand reforms before the next elections. Later could be too late.

Otherwise, human security will be nothing but a fleeting illusion, to be pursued but never attained.²⁴ ■

10 For example, the Bauxiet Akkoord, that had taxes fixed at an exchange rate of USD 1 = SRG 6.

11 Wood logging transnationals like Berjaya and Musa (Indonesia).

12 Concession given to gold mining multinational Golden Star (Canada) in the economic zone of the community of Nieuw Koffiekamp, a village whose inhabitants had already migrated once against their will to make way for a hydro-electric dam built in the late 1950s/early 1960s.

13 On the contrary, Cambior (Canada), a gold mining transnational informed local bakeries in the district of Brokopondo that they would not need their services any more because they would open their own bakery. Protests to the Ministry of Trade and Industry and the Ministry of Regional Development were of no avail.

14 Caribbean Community (Caricom). *Crime and Security Report*, 2002.

15 Santokhi, Ch. "Threats to Good Governance" in *Good Governance, Condition for Economic Development*, Association of Economists, Paramaribo, 2003.

16 *Ibid.*

17 Paid service offered by security officers and companies.

18 Minister of Justice and Police, New Year's speech, 2003.

19 Minister of Justice and Police in a radio-interview, Radio 10, January 2004.

20 Lie A Kwie, K. *Mercury intoxication as a result of small scale gold mining in Suriname*, 1997.

21 Lafaix, Philippe. *The Law of the Jungle*, Documentary, 2003.

22 Crab, J. "Poison on our Plate" in *Paramaribo Post*, 13 February 2003.

23 Acting Director of Ministry for Agriculture, Husbandry and Fishery in an interview for *Paramaribo Post*, February 2003.

24 Paraphrased from the lyrics of "War" by the late Bob Marley.