



## Seminar

# *Good Statistics for a Sustainable development of Suriname*

## Report



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Paramaribo



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## LIST of ABBREVIATIONS:

ABS	General Office for the Statistics
ATM	Ministry of Labour Technology and Environment
BBP	Gross Domestic Product
BNP	Gross National Product
BOG	Office Public Health
CBB	Central Citizen administration Office
CPI	Consumer Price Index
EU	European Union
GGDS	General Data Dissemination System
HDI	Human Development Index
IMF	International Monetary Fund
IE	Informal economy
JAP	Johan Adolf Pengel Airport
MICS	Multi Indicator Cluster Survey
NSDS	National Strategy for the Development of Statistics
PLOS	Ministry of Planning and Development Co-operation
SBC	Suriname Business Development Centre
SBF	Suriname Business Forum
SDDS	Specific Data Dissemination System
SRD	Surinaamse Dollar
STS	Foundation of Tourism Suriname
SME	Small and Medium Size Enterprises

## Foreword director SBC:

Policymakers need demographic statistics and other business indicators at detailed level, among others to understand the dynamics of SMEs and to monitor the performance and the competitiveness of the various sectors.

At the same time the private sector needs statistics to take trade- and investment decisions and to monitor market developments.

The lack of reliable statistical information to underpin policy preparation and to respond to the needs of the local private sector is an important constraint for the development of the domestic private sector. Also the informal economy to a large extent escapes the quantitative analyses and only relevant information from qualitative research can be obtained to complete the statistics.

The objective of the seminar is, in cooperation with the institutes involved in the collection and dissemination of statistics (including GBS), to create the awareness between the private sector and the public sector for the use, the availability and the value of statistics for a sustainable development of Suriname.

### ***For this 1-day seminar the following tangible Results are formulated:***

- ✚ an increased awareness in the public and the private sector, especially the SMEs, of the importance and the use of statistics as a planning tool;
- ✚ a larger willingness under SMEs to cooperate with the statistical institutes to supply the requested statistical information, which are relevant for a sustainable development of Suriname;
- ✚ the formulation of conclusions and recommendations over the expansion and improvement of the statistical data collection and how to disseminate the data, including the central role the SBF/SBC can play;

I wish you a fruitful seminar.

Ir. Ernie Isselt



## 1. Word of welcome Ing. R. Doekhie (Chairman SBF)

The chairman of the Suriname Business Forum (SBF), Mr. Rahid Doekhie wishes the participant a warm welcome. He stresses the importance of Good Statistics for an adequate planning of both the Business sector and for good Governance. For sustainable development planning is indispensable and therefore figures are needed. Measuring is Knowing and Guessing is Missing [Messing].

People do not sufficiently realize the importance of statistics. The Business sector frequently does not provide the necessary data, because the awareness is often lacking. We have to convince the Business sector to increase their response and also to give them the required guarantees on the handling of their information.



## 2. Opening speech Dr. R. van Ravenswaay (minister of Planning en Development Cooperation)

Ladies and Gentlemen, as minister of PLOS, responsible for the statistics in Suriname I am honoured to address you on this seminar organised by the Suriname Business Development Center under the title “*Good Statistics for a sustainable development in Suriname*”. In the world of today we cannot prosper or even not survive by basing our policy on simple superficial observations. We increasingly realize that for an effective and efficient implementation of our policy a planned approach is needed, based on statistical facts. The plans, the projections, the monitoring of policies as well as the modification of policies has proved to be more effective if availability and quality of the Statistics are better.

Against this background the production of both qualitative and quantitative better statistics is a priority. While we are aware that for an effective policy a good statistical basis is needed, we started yesterday with the development of the NSDS, the National Strategic Plan for the development of the Statistical Institutes in Suriname. With this plan we hope to lift the statistical institutes in Suriname to a higher level. An important component of this plan will be the capacity strengthening of the statistical institutes in general, and more specific the GBS. According to the agreement this strategic plan will be ready in November of this year.

Talking about Statistics brings immediately GBS in the picture. Over the years GBS not only provided services to the Surinamese society but the GBS as an institute was also able to present itself as an authority with respect and a positive image. Today the publications of the GBS on e.g. the inflation figures are used as reference. On the reporting on the developments related to the millennium goals the GBS plays a central role.



However, we often assume that the production of Statistics is one of the easiest tasks in the world, without any understanding of the huge amount of data which has to be collected or supplied by others to arrive at the production of reliable Statistics. As we know data for Statistics are obtained in 3 ways including: census, surveys and from administrative data.

For the availability of good and reliable Statistics, we need on top of a well functioning statistics bureau a whole network of institutes and companies which has to collect and deliver the necessary data properly and regularly in a certain format. Apart from Good

agreements for data collection and -delivery there should also be a relationship of trust between the key stakeholders in the network required, in order to guarantee that the correct, thus reliable, information is delivered on time.

Indeed, “Good Statistics are a blessing, but bad Statistics are a disaster”. The key is that for a well functioning statistical system trustworthy arrangements between the data processor and the source (data collector) are needed. These arrangements include the regular supply as well as the data collection methods (representative/ a-select).

Good Statistics can only be produced in a network where all network component stick to the arrangements. Within this statistical network the Business sector is an important player as data source. There are still too many obstacles in the data collection and -supply from the Business sector. While the statistics law is clear on the obligation to make data available and the confidentiality guarantee on supplied data, in practice too many companies are still not providing the right information. There is still some suspicion toward the information collector on the use and the destination of the data made available. The consequence is that instead of improving, the reliability of the Statistics are decreasing. We compliment the initiative of today even more, because the initiative comes from the Business sector itself under the umbrella of the “Suriname Business Development Centre”, to create the forum to discuss and solve the existing problems.

When we all agree that the private sector has to be the engine of the economy, than we need to realise that for a planned development of that economy good and reliable Statistics are a condition for effective development.

For the further development of the statistical institutes in Suriname the problems with data supply / collection from the Business sector has to be discussed and resolved. Today the setting is right. My advice is not to waste time and to seize the opportunity not only to establish mutual trust but also to raise the awareness that good Statistics are a condition for development. Therefore, I wish you fruitful discussions, leading to solutions and better understanding. Once more Congratulations Suriname Business Development Centre with this initiative. I thank you.

### 3. Presentations

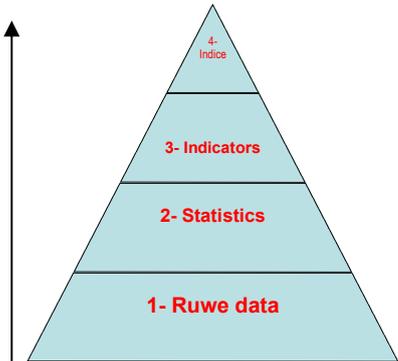
#### 3.1. Drs. I. Sno: “The Importance of Good Statistics”

Mr. Sno said that the seminar comes y at an appropriate time ..

Statistics is the science of the collection, processing, analyses, interpretation and presentation of data. Statistics are the Result of scientifically reliable research activities (data collection, data processing, data analyses, process evaluation and data dissemination).

#### THE INFORMATION PYRAMID

- ✚ Ad 1- Raw data which are at several sources (e.g. at households, companies, meteorological stations) in a form which are not useful.
- ✚ Ad 2- Statistics (e.g. processed in cross tables and graphs) of o.a. wages and prices and average incomes.
- ✚ Ad 3- The Gross Domestic Product (GDP) per capita is an indicator for welfare (not for well being).



The Consumer Price Index is an indicator for inflation. Indicators are Statistics specific or of importance for certain policy areas which indicates the success of the policies.

✚ Ad 4- The HDI (Human Development Index) of the UNDP includes:

- i. life expectancy at birth;
- ii. education level (measured with adult literacy and enrolment level), and;
- iii income level (measured with the real GDP per capita)

These 3 are combined in 1 figure. These Indices allow for comparisons in time and space.

Statistics must be in accordance with the laws in Suriname but also with the international fundamentals. This is the reason why the Business sector cannot obtain all information, e.g. in case of only 1 or 2 importers.

The presenter highlighted the characteristics of Good Statistics, including:

- ✚ relevancy; for the users, because we don't need Statistics nobody is interested in.
- ✚ accuracy; statistics must have a certain accuracy and reliability. They have to be tested a.o. on plausibility. The 'motto of GBS is: "No data is better than bad data", which is not (especially at IMF) appreciated by everybody.
- ✚ actual and punctual; to publish as soon as possible after the data collection and punctual at the time you promised to publish. We want Statistics and no history. The General Data Dissemination System (GDDS) prescribes for GDP and GNP estimates 6 to 9 months. Suriname is ready in 6½ to 7 months (ready mid or end of July). For CPI 4-8 weeks are prescribed and Suriname is ready in 3 weeks.
- ✚ accessible: statistics produced by a statistics producer (e.g. GBS, CBB, BOG, CBvS) – in accordance with the Fundamental Principles of Official Statistics – which are not accessible for the users are of no use.
- ✚ comparable: this is important for the use of international accepted principles, guidelines and standards. E.g. National Accounts.
- ✚ comprehensive: Figures should not be in conflict with each other. There may be differences, but "reconciliation" must be possible, in order to allow for a plausible and smooth switch from the one to the other set of data.
- ✚ complete: the set of statistics has to cover all variables one may wish to measure. For instance, the National Accounts should cover all accounts (which is not the case in Suriname), cover the whole economy.



## FUNDAMENTAL PRINCIPLES OF OFFICIAL STATISTICS

These are, according to the United Nations, no end products. They are intermediate products especially for decision making and research:

P-1: Relevance, Impartiality and Equal Access: "official statistics provide an indispensable element in the information system of a democratic society, serving Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information".

P-2 Professional Standards and Ethics: "to retain trust in Official Statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific

principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data”.

P-3 Accountability and Transparency: “to facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of statistics”.

P-4 Prevention of Misuse: “the statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics”. According to W. de Vries, former acting director of the Statistical Commission, the interpretation of the formulation “have the right”, must be “are obliged”.

P-6 Confidentiality: “individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes”.

P-8 National Coordination: “coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system”.

P-9 International Standards: “The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels”.

Statistics are of importance (are even indispensable):

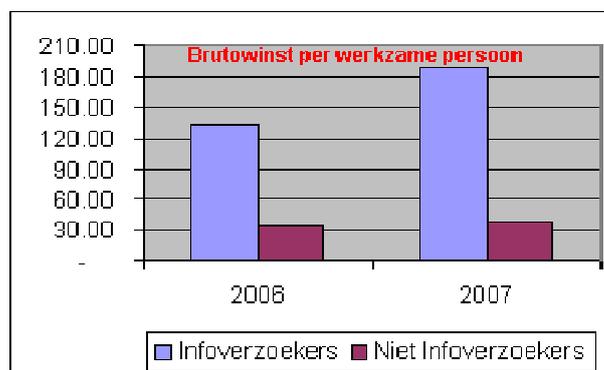
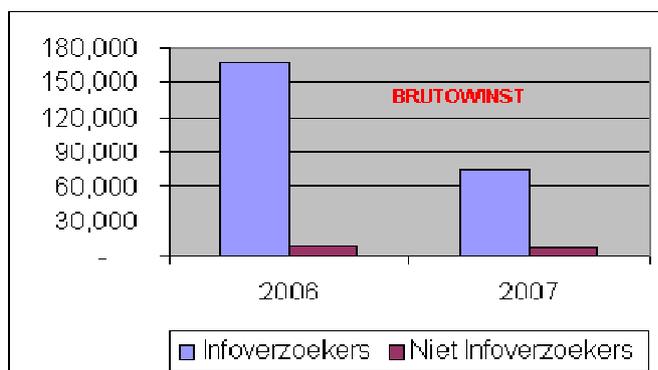
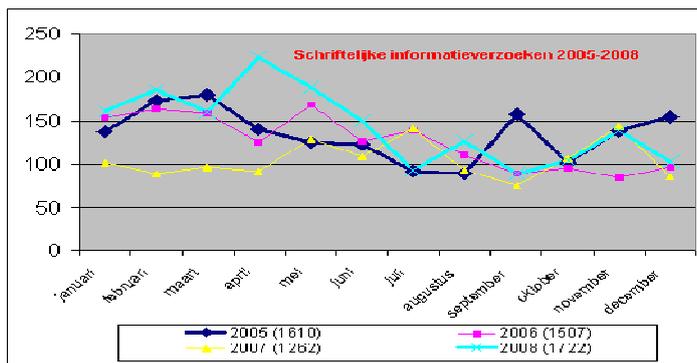
- ✚ for Policy preparation and planning (upstream use): without adequate Statistics it is impossible to plan, prepare policies and monitor policies. The aim to go for a lowest inflation possible as soon as possible has no meaning. One is transparent and accountable if this is quantified: e.g. year end inflation should not be higher than 8% within 2 years and average inflation less than 10%;
- ✚ for the monitoring and evaluation of policy and planning (downstream use);
- ✚ for scientific research;
- ✚ nowadays we have to add: participation in international initiatives like the GDDS of the IMF, as important input for the ratings by international rating Agencies (Moody’s, Standard & Poors, Fitch) and for concluding loans without collateral. The ratings are of importance to conclude international loans, including its conditions. The better the ratings the better the conditions. IMF is stimulating member states to grow from GDDS to SDDS.
- ✚ for regional integration. The focus is here on harmonisation of Statistics and convergence criteria in CARICOM and EU.

The latter 2 are possibly part of policy, but they deserve a separate treatment. Also: “Good Statistics are a core component of Good Governance” (PARIS-21).

## **THE SURINAME[SE] SITUATION: THE USE OF STATISTICS AND BUSINESS RESULTS**

The GBS receives between 80 and 220 (on average 130) formal requests for information monthly. Over the period 2005-2008 the amount of formal requests was between 1260 and 1725. The total amount of requests (in writing, by telephone, plus orally) per year was more than 2000.

There seems to be a link between the companies who request information at GBS and their gross profit. The companies who indicate that they make use of the official Statistics show a significant higher gross profit compared to those who do not make use of it. Information is predominantly requested by the larger companies. If we correct for the size of their business we still see a significantly higher profit for the user of Statistics. This is a clear message to the companies.



## THE S SURINAMESE SITUATION: RESPONSE (HOUSEHOLDS versus COMPANIES)

Estimates of aggregates for the National Accounts can be collected directly (survey, census data or from administrative accounts) or indirectly (extrapolation of basis data with indicators). The response of companies, however, is poor, much lower than in the developed countries (which are also low): in Canada around 40%, in the USA around 55%. For Suriname, with the exception of sector 4 (Electricity, Gas and Water), where all companies are responding (thus 100%), the response lie between 20% and 71%.

### Costs of selected research(face-to-face)

- ✚ The regular household research in Paramaribo and Wanica (1000-1500 households per quarter) costs about 100,000 USD annually (coverage 68%).
- ✚ An average country-wide household research (for example the Multiple Indicator Cluster Survey (MICS) under about 6,000 households, with a maximum of 2 repeat visits per household, cost about 250,000 USD in Suriname. For the additional 32% coverage an additional 150,000 USD has to be paid.
- ✚ The budget research in six districts (Paramaribo, Wanica, Nickerie, Coronie, Saramacca and Commewijne) costs about 260,000 USD. In case of a country-wide research these costs would be more than doubled (about 543,000 USD).

### Costs of selected research (mail surveys)

Mail out –Mail back surveys by companies are much cheaper, but the responses are too low. A predominantly written nation-wide survey would cost on average about 115,000 USD a year.

## CONCLUSIONS AND CLOSING REMARK

- ✚ Adequate Statistics are of importance for policy and planning in the broadest sense for research, but also for use by the average citizens who needs information.

- ✚ Without adequate Statistics one cannot prepare its policy and also not monitor the implementation.
- ✚ Without adequate Statistics one cannot plan and without planning one cannot design its future in a structured way.
- ✚ All stakeholders (statistics producers, government, Business sector, trade unions, and citizens in general) are responsible for the realization of Good Statistics.
- ✚ Companies who make use of Good Statistics are on average performing better than companies who don't.
- ✚ Good Statistics are not cheap and in many countries statistical systems are under-funded and under-performing. Unless the systems are improved, the lack of good quality statistics will constrain economic and social development.
- ✚ Evidence-based decision-making is a universally recognized paradigm of efficient management of economic and social affairs and of overall effective governing of societies today.
- ✚ In the future statistical thinking will be for all of us at least as important as the ability to read and write!

### 3.2. Prof. Dr. J. Menke: Conceptual and methodological problems at Surveys: the Informal economy“

The survey method contains data collection based on cases and variables at a certain point in time. The objective is to describe features and especially to establish relationships and to estimates.

This research method is very popular as a result of the enormous mechanical advancement and the usefulness for management, theory formulation and modern multiple-variable statistical analyses. Technological development with the computer provide unbelievable possibilities, that were not there in previous times. Still there are technological problems. Surveys bring along, especially in Third World societies, conceptual, measuring techniques and ideological complications.



#### **THE INFORMAL ECONOMY; CONCEPT AND METHOD**

Frequently there are divergent valuations in the same society (for example: Belgium 4%- 20 %). This must be attributed to the chosen concept (definition variation) and/ or sampling method.

#### **What is the Informal Economy?**

Economy where institutional regulations in the legal and social field are lacking or weak and official regulation are by-passed. The Informal economy is a result of the sort of intervention by the State: which determines the differences in time and space.

Good definitions are important. There are some misconceptions about the Informal economy, including:

- ✚ Exotic sector with survival activities or hustler/poor households.
- ✚ Tax evaders.

In order to understand the Informal economy better one must understand that it is not only about survival or hustler activities. Informality cuts through all types of businesses and size (also in large formal companies) with sliding [shifting] borders of informality.

**Types of economies:**

**INFORMAL ECONOMY VS INFORMAL SECTOR**

✚ Informal economy (IE) is broader than Informal sector.

<i>Production &amp; distribution process</i>	<i>End product</i>	<i>Type economy</i>
'Valid'	'Valid'	Formal
'Not valid'	'Valid'	Informal
'Not valid' or 'valid'	'Not valid'	Criminal

- ✚ IE includes the group of workers and companies (and their production and employment relations) who do not comply with the economic and/ or social laws and regulations.
- ✚ Informal economy **includes** both the Informal sector as well as the not-standard employment relations with insufficient employment conditions in the formal sector.

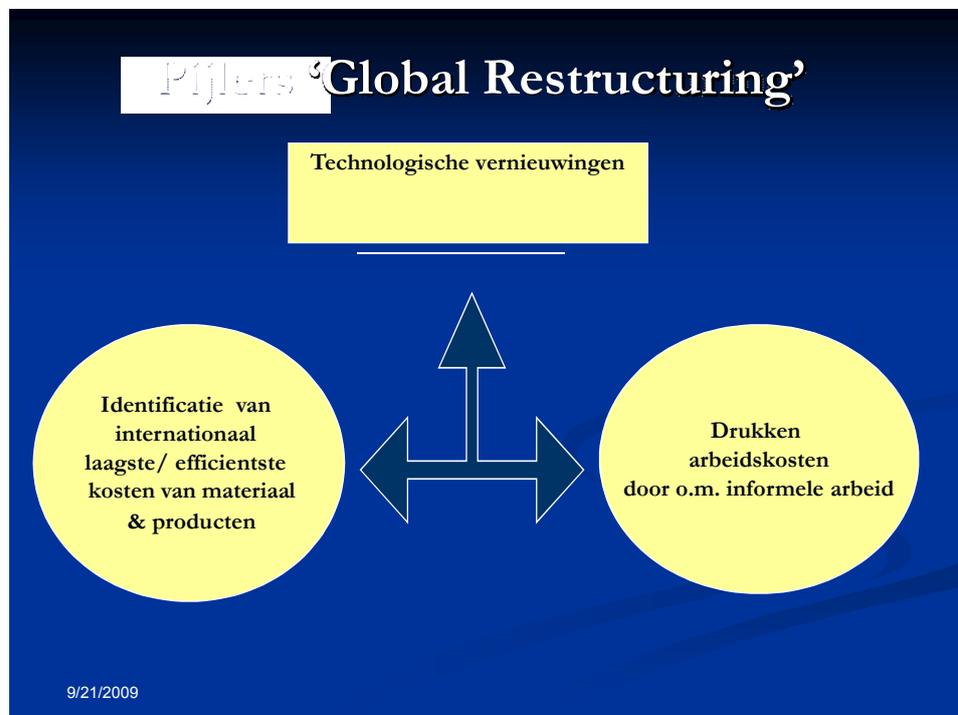
Menke emphasises the “global restructuring” of the world economy, where competitiveness is the dominant factor. Here subcontracting is a relatively new popular method to depress the cost of production, but also due to a larger flexibility.

**Subcontracting:**

- ✚ subcontracting: companies who are focusing on their “core business” leaving the other activities to contractors/ subcontractors.
- ✚ Generally they do not meet the requirements of the economic and/ or social laws.
- ✚ in Suriname this employment relation started in the 80-ies when the larger Business sector increasingly started working with contractors.

For example contractors in the mining industry.

- ✚ The multinational works always with contracting and subcontracting, while decreasing the number of fixed employees.
- ✚ The non-core business (transport of workers, cleaning, technical maintenance etc.) is subcontracted to an American main contractor X.
- ✚ The main contractor X does business with Surinamese sub-contractors who contract workers under less favorable terms.
- ✚ The multinational is utilizing about 1.000 workers under contract of about 6 subcontractor companies.



**METHODOLOGICAL PROBLEMS IN SURVEYS: INFORMAL EMPLOYMENT**

Menke presents the case of the ATM/ABS research 2006, with assistance of Mr. R. Simons of the ILO, with a sample in 6 districts in Suriname under 2467 households. Within the households heads of households and employed persons were identified. Some of the conclusions were that there was underreporting of the second job: only 2,7% of the employed confirmed to have a second job. Since this figure seems unrealistically low the analyses had to be restricted to the first job.

The core indicators for informality are:

- ✚ registration of the economic activity
- ✚ bookkeeping of the economic activity
- ✚ accident Insurance coverage.

Establish procedures for the informal and formal employment:

- a) summing up of selected indicators for each category of workers,
- b) all indicators are dichotomized,
- c) a job is formal if all indicators are positive,
- d) workers in the government sector (by definition formal) are included only in the general analyses to have a feeling of the size of the formal employment,
- e) workers in the agricultural sector are not included in the analyses.

#### Some suggestions:

- ✚ data collection problems need to be systematically inventoried and resolved.
- ✚ This especially goes for issues forthcoming from non-standard employment relations of the formal companies with contractors. Some (Informal) workers of contracted companies probably incorrectly indicate to be working in the contracting formal company.
- ✚ the high underreporting of the second job and a high non-response on the indicators (the basis for establishing informality) is a major problem.

#### Possible Solutions:

- a) the abolition of 'proxies'
- b) reduce the high non-response from private sector workers on the indicators (registration, bookkeeping) by obtaining required information about the companies via business registers of official institutions or directly at the companies.

These proposals will increase the research costs substantially, which have to be borne by all partners. Statistics of the Informal and formal employment must be published periodically by the GBS on the basis of the Results of the regular household surveys.

<b>Category</b>	<b>Informal</b>	<b>Formal</b>	<b>Total</b>
Workers excl. government	82,6%	17,4%	100%
Workers government	0,0%	100,0%	100%
Small entrepreneurs	83,4%	16,6%	100%
Employers	45,7%	54,3%	100%
<b>Total employment</b>	<b>50,7%</b>	<b>49,3%</b>	<b>100%</b>

The total Informal and formal employment in all labour categories, including the category 'unknown' is: 41% informal, 39% formal, and 20% is not clear whether this is formal or informal. In case 'unknown' would be excluded from the analyses **51% of the workers** would be informal and **49%** formal.

The conclusion is that the Informal economy is the most important creator of employment, with an estimated share of half of the total employment outside agriculture.

**3.3. Drs.A.Coffeng: “Measuring is knowing and guessing is missing”**

In the preparation of this presentation Coffeng requested by e-mail the following questions to the members of the Society of Economists (VES), including:

- # Which statistical data are needed?
- # Which are available?
- # Is the quality OK?
- # Which data are needed and not available?



Among others due to short response period the response was low. The responses came from: the food industry (1); shipping (1); mining (2) and the trade in transport means (1).

The responders indicate that the CPI figures and the demographic data are sufficiently available and of Good quality. Data which are not available or of insufficient quality are:

1. Labour productivity by sector
2. Expenditure pattern of consumers by region, by income class, age and ethnicity
3. Branch information: investments, turnovers and number of companies
4. Labour market Statistics: by branch, wage level by function, vacancies
5. Import Statistics.

Two respondents requested detailed information on sales of the competitors in the sector. Coffeng advised those persons to talk to their competitors, like in the hotel sector who hold monthly meetings.

He stressed the correct use of statistical data, like for instance in comparing the beer consumption per capita between countries. In the Netherlands the per capita beer consumption is 80 liters. Comparing this figure with the consumption in Suriname does not work. It is important to take into account the population pyramid. The population of 20 year and older is:

- # in the Netherlands: 75% and
- # in Suriname: 60%.

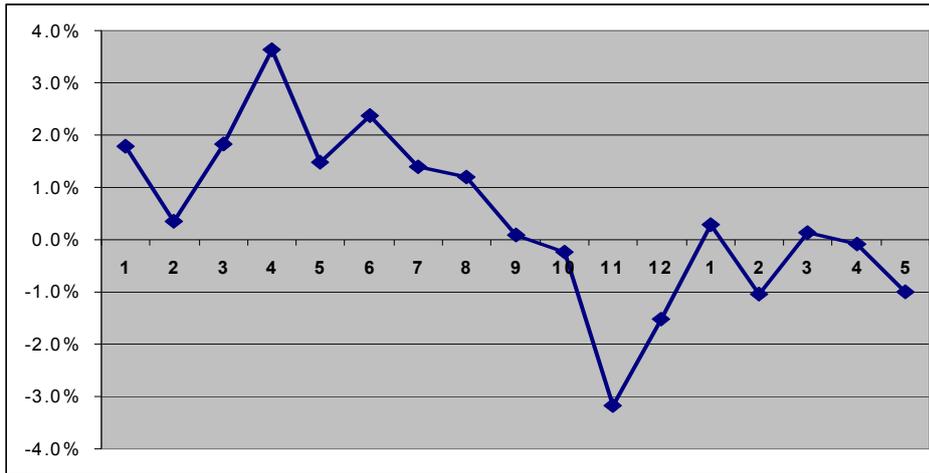
The consumption must be related to the population size of 20 years and older.

**ARE CONSUMER PRICES STILL OUT OF CONTROL ?**

Statistics which are for many years already up to date include the Consumer Price Index (CPI). Each 3rd week of the month the new figures over the previous month are published. But are these well reported in the media. The monthly changes in the CPI for the period January 2008-May 2009 are presented here:

year	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
2008	1.8%	0.4%	1.8%	3.6%	1.5%	2.4%	1.4%	1.2%	0.1%	-0.2%	-3.2%	-1.5%
2009	0.3%	-1.0%	0.1%	-0.1%	-1.0%							

These figures are presented in the next Graph:



Since October 2008 there is an almost constant deflation. But what do you read in the newspaper ?

## Inflatiespoek blijft rond dwalen

21/04/2009

In April 2009 the prices were 0,8% higher than last year. In May they were even 1,7% lower than last year. Since 1980 only 16 times it happened that in a month the price level was lower than the year before. The last time was in November 1992.

**Paramaribo - Het lukt de monetaire autoriteiten maar niet om het inflatiespoek in de fles te krijgen. Opnieuw blijken kosten voor levensonderhoud omhoog te zijn geschoten. Zo is het Consumenten Prijsindexcijfer (CPI) voor maart met 4,5 procent gestegen ten opzichte van maart 2008, heeft het Algemeen Bureau voor de Statistiek (ABS) uitgerekend.**

**Conclusion: Good Statistics deserve good comments.**

## RESEARCH ON THE DEVELOPMENT OF THE TOURISM SECTOR

He addressed 2 quotations [quotes] from the MOP 2006-2011: "Tourism is a priority sector" and "The growth of the amount of tourists in the first half year of 2005 was 22%". This growth figure is used as basis for the planning of the future, and they formulated as target: an annual growth of 25%. This implies an increase with 95% in 3 years. Very ambitious. But: ...more in-depth analyses learns that the growth in the period before 2004 was only 7%. The recorded growth in the first half of 2005 (22%) was exceptional. Not a good base for extrapolation. This target of +25%/year proved to be unfeasible. Targets may be ambitious, but should still be realistic.

The research on tourist arrivals was a 'nani' [painstaking]. Before 2004 only the arrival figures via the J.A.Pengel Luchthaven (JAP) and Nieuw Nickerie came from the GBS. After that more extensive Statistics came from the Stichting Tourism Suriname (STS). But: ..... the end of March 2009 was the last publication over month November 2007. That of December 2007 is published in April 2009. This backlog is unacceptable !

Tourism is mentioned in the MOP as priority sector. But: ... during large parts of 2009 no embarkation cards were supplied at the J.A. Pengel Airport, both on arrival and departure. Result: over 2009 there will not be a complete data set available. This will make a good evaluation of the sector contribution for 2009 impossible. We will not be able to measure the impact of the world economic crisis on the tourism sector.

**Conclusion:** The GBS is doing a good job. They have much more than one may think, but they must give more publicity to the availability of Statistics. The information on their website is also insufficient.

### 3.4. Ing. O. dos Ramos (VSB/SBF): “Statistics, Important for Business sector?”

Despite the fact that the speaker had very limited preparation time he could consult some people on the importance of Statistics for the Business sector and the usefulness of Statistics as tool in the management of companies.

He concludes that no single private business can prosper:

- ✚ without planning – which product/service to supply?
- ✚ without marketing – what do the client wants, how much – volume of the demand;
- ✚ without evaluation of the economic situation.



Dos Ramos emphasizes the importance of good market research but also of the economic situation. Some things one cannot hear, smell or feel but you have to measure it. “Measuring is Knowing”. We need the right measuring instruments.

One can more specific anticipate on the segments in the market and anticipate on fast changes. What do the market wants? – What is the size of the market? - Which groups are relevant and how big is each group? - How big was the import in the recent past?

For the Business sector planning is important: historic data, the movement of the prices and the trends in the behavior of the market. The data needs to be studied/ evaluated to develop specific solutions for specific groups. The challenge is to find answers in statistical data and to draw conclusions.

Statistics for the Business sector are frequently lacking and also not up to date. The fast changes (dynamics of the market) are often not included. The publications are not accessible (e.g. via internet). As a result there is no wide-spread use of Statistics. Some individuals are questioning the usefulness of the instrument.

Companies are frequently not supplying or sometimes even incorrect figures. There is a lack of trust because it is not clear what is done with the information. One has no guarantee for confidentiality.

The speaker poses the following proposals:

- ✚ Formulate a confidentiality protocol to become a law
- ✚ More dialogue with the Business sector/-organisations.
- ✚ Determine the statistical needs.
- ✚ Make Statistics more Internet friendly.
- ✚ Introduce subscriptions for Statistics.
- ✚ Start awareness campagne.
- ✚ Include commercial services.

## 4. Plenary discussion

1. The question of Mr. Akiemboto of Rosebel Goldmines was answered by Mr. Sno. He concludes that even though Statistics and historic data are both based on the truth and must be substantiated, there are clear differences. Statistics must be timely and punctual. Some Statistics are short term indicators. History comes later and is **possibly** less objective.



2. On the cooperation of the GBS with other education institutes and students Mr. Sno admits that with students and consultants there is no structural cooperation. There is a cooperation with other institutes, especially for the MDG reporting.

3. Mr. Menke proposes to improve the quality of the surveys. Additional research is needed, and a definitive cost estimate for research without proxies. The key question is “are we willing to pay for it”?

4. Mr. Man A Hing concludes that according to the Menke research about 50% of the respondents works informal/ hustle and evades taxes. These people are consuming the services from the government on the account of the taxpayers. Mr. Menke reacts by saying that the Informal sector is close to all of us. Most of us employ maids and/or gardeners. We pay them a low salary and no taxes are paid. Some things are allowed because of political reasons.

5. Mr. Man A Hing postulates that the registration is important, not so much the payment of taxes. Mr. Menke responds that formalization goes with the same kind of problems (e.g. organization of taxi). But that is not the core of the problem. Today the Informal activities are in the context of the larger companies. On the question on what the government has done against subcontracting in Suriname Mr. Menke responds that the labour unions have not responded adequately.

6. The suggestion of Mr. Man A Hing to provide every citizen with a fiscal number (SOFI) from the 16th year is supported by Mr. Sno, but that the GBS has not much to do with, except for the reporting on aggregated information.

7. Mr. Ameerli responds to the statement “a mountain of money” which the SBF would have gives a wrong signal. Money is not always the problem. The Business sector is not cooperative in providing information that is no money problem. The non-respondents frequently do not come to seminars. He suggests to explain to the warung holders what tangible benefits they can obtain from Statistics. Mr. Sno insists that also warung holders have a policy. They also have an interest in specific data. Apart from supplier they are also user of data. Also the government will than realize the importance of that subsector, which is not in the formal figures. The law makes the response mandatory, but it is better to let him see his own interest as well as the general interest.

8. Mr. Menke indicates that the research method is: stimulus–response. The surveyor is seen as “lanti”[ government], which in most cases has a negative association, especially due to the fear for the tax office. As an example he refers to the MICS 2000 research, where initially they had a

major problem because the surveyors were wearing a government shirt. This was resolved by putting a big Smile on the shirt. Mr. Sno adds that not all “lanti” is negatively associated. The logo on the pick-ups of GBS frequently works positive. Only with the companies this is a problem.

9. On the question of Mr. Man A Hing which sanction possibilities the GBS has Mr. Sno responds that the GBS sanctions are in the Staatsbesluit 2002/97. Article 8 protects the respondent and article 11 sanctions both, those who refuse to respond and those who breach the confidentiality clauses.

10. According to Mr. Bradley of STS Mr. Coffeng touched upon a weak spot. STS is working on it but they are depending on other institutes, which have logistic and financial problems (including data–entry and analysis problems). Policymakers are not providing those institutes with the tools (“open hands which are never filled”). Mr. Coffeng states that it is GBS who is the only official responsible organization for the data. Thus GBS should be addressed on the absence of the Statistics on tourist arrivals. It is not to point fingers, but the problem has to be resolved. Too many urgent letters have already been sent.

11. On the question of Mr. Refos what happened with the Tourism study Mr. Coffeng replied that for the finalization of the report he is awaiting the report of the seminar where he presented the tourist unfriendly visa-procedure. After that the report goes to the owner.

12. Mr. Refos is of the opinion that the institutes that do not function could better be closed. People complain about the Business sector, but the forms are lengthy and complex which discourage the response. Mr. Sno reacts by stressing that the smaller companies may have problems with certain forms, but not the larger ones. GBS is publishing aggregated data, which makes it impossible to trace individual persons or companies.

## 5. Results Workinggroups discussions

The 4 topics for the working groups were formulated as follows :

1. What are the concrete macro-data needs of the Business sector?
2. Which methods and techniques can be applied to increase and improve the response?
3. Which measures should be taken to quantify the Informal sector better?
4. Which methods and techniques can be applied to improve the availability of Statistics?

### 5.1. Working group 1: What are the concrete macro-data needs of the Business sector?

#### 1. Analyses/Constraints:

- ✚ Insufficient information and data available: among other things on the number and composition of workers in a company, the turnover, the wage development, the contribution of the bauxite sector to GDP.
- ✚ Statistics on worked hours by business and of the total economy are not available.
- ✚ All economic data must be provided by sector.
- ✚ There must be a two-way direction communication between institutes who provide macro-economic data.
- ✚ Support to obtain information on the number of small entrepreneurs in Brokopondo.

- # What is the available labour potential in the various districts, for example in Brokopondo.
- # GBS has some data only of Paramaribo and Nickerie.

## 2. Recommendations for change:

- # To make a sector scan.
- # To put a centralized databank with for example, figures about working population, numbers of students graduated, etc.
- # The Ministry of ATM is working on a Labour Market Information databank: vacancies, education levels.
- # Formulate a general definition for the middle-sized and small companies.
- # Make a subdivision of middle-sized companies by sector.
- # Set up a working group responsible for the establishment of a Meta databank (where is the information available).
- # Regular dialogue between the Business sector and GBS to exchange the needs.
- # GBS must be keen to handle information confidentially.
- # Formulate media awareness programmes by GBS.
- # Formulate awareness programmes also by other statistics providing institutes.

**In the question round** it is concluded that there is not enough information available, not only by the GBS but also by the various providers of data. Recommended is an awareness campaign in the field. Beside the legal obligation, the GBS should convince the companies that their need for confidentiality is guaranteed, to increase their willingness to cooperate.

## 5.2. Working group 2: Which method and techniques can be applied to increase and improve the response?

### 1. Analyses/ Constraints:

- # Limited information provision on various levels for use of data by GBS.
- # Lack of Trust by the respondent.
- # Limited feedback.
- # Knowledge of the target group.
- # Insufficient coordination and institutional cooperation.
- # Insufficient integration in the primary education.
- # Respondent does not feel obliged to provide data.
- # Internal weaknesses in the follow-up of the questionnaire.
- # Timing of the research.
- # Response burden.
- # Limited resources.



### 2. Recommendations for improvement:

- # Both data collectors and data suppliers must make use of communication techniques (internet).
- # Better feedback.
- # Methods and techniques must be adjusted to the target groups.
- # Strengthening coordination and institutional cooperation.
- # Provide assistance to research, attach accountant statement to report (Statistics).

- ✚ Convince respondents of their own interests. Win-Win situation.
- ✚ Create an interactive relation with the various target groups.

**In the question round** the question whether to start already at the primary education, is answered positively.

### **5.3. Working group 3: Which measures should be taken to quantify the Informal sector better?**

#### **1. Analyses/ constraints**

The proxy method is not adequate for the Informal sector; this must be abandoned. The consequence will be a higher research budget, which means that we must make more money available.

#### **2. Recommendations for improvement:**

- ✚ Introduce a fiscal number by the Tax Department of the Ministry of Finance.
- ✚ Modify the law on GBS; introduce sanctions for respondents who refuse to provide information, possibly via Special courts. Shortening the bureaucratic lines.
- ✚ Take the second job out of the taboo/illegal sphere, but attach restrictions and sanctions.
- ✚ Structure a better cooperation between the most important institutes (GBS, Visserijdienst, ATM, etc).
- ✚ Improve the exchange of available information between the various institutes with the GBS in the lead (Protocol for the collection and disclosure of information).

**In the Question round** there are some doubts on the feasibility of introducing a fiscal number in the interior. It is recommended to start with raising the awareness first.

In the discussion the “double job” is questioned. Do we mean the informal and not registered second job?. In response it was stated that some people have 3 jobs but all registered and often taxes are paid. Ms. Y. Gorisson (trade unions) indicates that the people should be better paid in their normal (first) job. The low wages create the market for the second job.

It is stated that multiple jobs is no problem as long as people pay their taxes. SOFI can solve this. Ms. S. Burluson indicates that the problem is the progressive tax system and she proposes to change the Tax laws. The shortage of skilled workers necessitates a “double” job. Moreover the Government also stimulates the hiding of the 2<sup>nd</sup> job. For example: For the financing of the low Income shelter programme the maximum income levels to qualify stimulate the hiding of the additional incomes.

### **5.4. Working group 4: Which methods and techniques can be applied to improve the availability of Statistics?**

#### **1. Analyses/Constraints:**

- ✚ Limited information on the internet.
- ✚ Low awareness (ignorance on statistics).
- ✚ Limited expertise at front desk GBS.
- ✚ Issue of confidentiality.
- ✚ The skills of the journalists to translate the Statistics for the larger public are deficient.
- ✚ the hierarchic structure is too complex to find the information.
- ✚ the speed at which information becomes available.
- ✚ Laws and regulations on Statistics.

- ✚ registration of statistical 'bodies'.

## 2. Recommendations:

- ✚ Regularly updating of website, list the sources and applied techniques in information gathering and clearly indicate which data are readily available. It is important to highlight that the supply of information to GBS is based on existing legislation.
- ✚ Start awareness campaign, explain clearly what Statistics are and what GBS does. Include also short articles in the newspapers as well as information dissemination via the schools.
- ✚ Training of front desk personnel and stricter selection procedures for front desk personnel at GBS, including sympathetic/ client friendly/ knowledgeable persons.
- ✚ Apply the existing legislation, and monitor its adherence. The availability of data and its reliability are warranted in the law. To apply the law the bureaucratic hurdles has to be resolved.
- ✚ SBC must work in cooperation with GBS on capacity building of journalists and sanction those who are publishing wrong data.
- ✚ Search for more channels to obtain information.
- ✚ Place statistics on the website of the GBS with links to commercialize the website, by introducing a subscription.

**In the Question round** the lack of expertise to translate/popularize Statistics and make it understandable is highlighted. There is need for fast information. They support the proposal to start a subscription for regular users.

## 6. Evaluation by the participants

At the end of the Seminar the participants are asked to fill in the Evaluation form. This is of importance to provide the organisation the necessary feed-back on the appreciation of the various aspects of this Seminar. Furthermore the ideas of the participants on the need for eventual follow-up activities were requested. A summary of the responses is presented in Annex 3.

## 7. Summary and Conclusions chairman

The chairman memorizes that after the introduction by director Isselt, who a.o. presented the objectives SBC formulated for this seminar, SBF Chairman Doekhie concludes that the awareness in the Business sector of the importance of Good Statistics is low. We have to convince our companies of the importance to cooperate in the data gathering. He introduces the slogan "guessing is **missing**".

Minister van Ravenswaay who is responsible for Statistics, also stresses the importance of Good statistics and reminded the audience that they started with a national strategic plan for the development of the Statistics institutes in Suriname, including the capacity strengthening of the GBS.

Director Sno indicates his happiness with the excellent timing of the seminar. His approach is that statistics should not only be in line with the Surinamese laws but also with the international standards (including discretion etc.). He informs the audience that Statistical bureaus are internationally obliged the inappropriate use of Statistics. He also stresses that people are making use of the GBS information and that the response from the public in data collection is reasonable. He concludes that there is a positive correlation between the companies who make use of statistics and their gross profit.

Prof. Menke positions the Informal sector in the frame of the global restructuring, whereby the competitiveness is becoming more important. He addresses the phenomena of subcontracting especially in the larger (transnational) companies a.o. to depress labour costs. He also discussed the survey method and its limitations, but immediately highlights what the additional costs are for a more reliable figure.

Consultant Coffeng added to his original title “measuring is knowing” on the suggestion of Mr. Doekhie “Guessing is **missing**”. He stresses that apart from the importance of Good Statistics, these also deserve good comments. He compliments the GBS with the Good work, unfortunately this is not always covered adequately by the media. As an example he mentioned the Headlines on the latest CPI release. He also addressed the problems with tourism data, which triggers a heated discussion. In any case the STS must be allowed to produce timely and reliable tourism data. He also memorises to which errors a wrong interpretation of figures can lead, with the example of the MOP leading to dream ?? annual growth figures of 25%, due to incorrect premises.

Despite the short preparation time Board member dos Ramos managed to organize a quick consultation with members of the private sector. He arrived at the conclusion that the Business sector has to formulate better what statistics they exactly expect. He stresses the importance of good market research but also of the economic situation. Some trends you cannot feel, these have to be measured. One can cater more specific to the specific needs of segments in the market and respond to the fast changes. The GBS must do its utmost to create more trust with the Business sector.

In 2 rounds a lively plenary discussion was allowed. This was followed up by an in-depth working group discussion in 4 working groups which were assigned to 4 specifically selected topics. These 4 groups reported their findings to the plenary, which triggered a set of questions and comments.

The chairman concludes that we have completed a fruitful discussion day. He thanks the participants for the several points for improvement that have been identified. There is a lot of work to do. The Report will be available within 2 weeks.

## **8. Follow-Up**

Mr. E. Isselt is pleased that we started on time and we could also finish on time. He thanks the participants for their lively and supportive contribution as well as the good spirit they have showed. He also thanks the Presenters and the chairman. With regards to the follow-up he

confirmed that there will be a complete report of this seminar, which will be made available to all participants at no cost.

With the full cooperation of the GBS and the presenters we have presented today a clear example of the Public- Private dialogue. This example will be continued by the partners in the interest of the sustainable development of Suriname.

**Annexes:**

**ANNEX 1: Seminar Agenda**

**ANNEX 2: Power-point Presentations**

**ANNEX 3: Responses Satisfactory survey**

**ANNEX 4: List of participants**