

# Surinam Country Study

A part of the report on Informal Remittance Systems in Africa, Caribbean and Pacific (ACP) countries (Ref: RO2CS008)

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## I. Introduction

This study presents an overview of the informal remittances of Surinamese immigrants in the Netherlands to their country of origin, Surinam, a former Dutch colony in the Caribbean. The data available on remittances are scarce and often fragmentary, which also sets the limits of this study. Nevertheless, the data used here have been selected so as to include the most important studies on the subject. In some sections the data from different sources or surveys are given separately – each presenting its own perspective. Before turning to a discussion of informal remittances, a short introduction is given on Surinam and the Surinamese community in The Netherlands.

### 2. Surinam and the Surinamese community in The Netherlands<sup>1</sup>

Migration from Surinam to The Netherlands has a long tradition from colonial times onwards, but it is only since the Second World War that migration has taken place on any significant scale. Especially in the 1970s, around Surinam's independence in 1975, more and more Surinamese left for The Netherlands. Two migration waves stand out: in the years 1974–1975, shortly before independence, more than 50,000 Surinamese left the country, and in the years 1979–80, just before The Netherlands introduced a visa requirement, a further 30,000 Surinamese moved there. For a small country like Surinam (with only around 400,000 inhabitants at the time) this meant a dramatic exodus.

Today nearly 325,000 people of Surinamese origin live in The Netherlands. Most of them still belong to the first generation (188,000), but the second generation (137,000) is growing fast. Although the Surinamese only constitute 2 per cent of the total Dutch population, they are one of the biggest immigrant groups, and are highly concentrated in the large cities of the urbanized western part of the county (*De Randstad*), where their share in the population is much higher.

The Surinamese population in The Netherlands reflects the ethnic and class composition of the population in Surinam. As the migration flow to The Netherlands increased, gradually all social classes and ethnic groups came to participate in the migration.<sup>2</sup> Whereas the early migration involved the elite and middle class, migration from the early 1970s onwards was mainly a lower-class phenomenon. The ethnic composition of Surinam's population is a product of the country's colonial history. The population consists of the Creoles or Afro-Surinamese people (descendants of slaves of African or mixed African-European origin), the South Asians (or Hindustanis as they are called in Dutch) and the Javanese. The latter two groups came to the country as indentured labourers after the abolition of slavery in 1863. In addition, the population consists of small groups of Maroons, Amer-Indians, Chinese, Lebanese and Europeans. The timing of migration to The Netherlands of these ethnic groups to The Netherlands largely followed the order of their earlier arrival in Surinam. The two largest ethnic populations are the Indo-Surinamese and Afro-Surinamese (see Van Niekerk 2002).

Statistics Netherlands I January 2004. First-generation immigrants are defined as persons who are foreign-born and have at least one foreign-born parent. The second generation consists of persons who were born in The Netherlands and have at least one foreign-born parent.

<sup>&</sup>lt;sup>2</sup> For longer descriptions see Van Niekerk 2000, 2002 and 2004.

Surinam is a small country with a current population of some 430,000 inhabitants. By far the largest population concentration is to be found in the small coastal strip with the urban area of Surinam's capital, Paramaribo, at its centre. By contrast, the vast jungle area of the country's interior is very thinly populated. Historically, the Afro-Surinamese have predominantly been an urban population, while the Indo-Surinamese and the Javanese continued to be occupied in agriculture for a long period of time. This changed gradually after World War Two and nowadays all ethnic groups are to be found in the urban centres and in all economic sectors. Nevertheless, the ethnic division of labour that existed for a long time is still in evidence in the current economic structure (Van Niekerk 2002).

Following its independence, Surinam's poor economic performance and political instability led to an economic crisis, especially from the early 1980s onwards, eventually triggering a period of crippling hyperinflation. Poverty became especially severe in the period 1985–1995 (Kruijt and Maks 2001: 11). As a result of the economic crisis in the country many Dutch-Surinamese supported their relatives and friends in Surinam by sending money and goods. As will be shown, the volume of remittances is relatively large and contributes substantially to the wellbeing of large sections of the Surinamese population.

The economic deterioration led to an increasingly unstable monetary situation. For a long period of time the Surinamese guilder continued roughly to be on a par with the Dutch guilder, after having been worth more than the Dutch currency in colonial times. Particularly in the first half of the 1990s, the Surinamese guilder lost value rapidly, becoming worth only a fraction of its Dutch counterpart. The Dutch guilder became more in demand in Surinam, and a parallel market developed in which the hard Dutch currency could be exchanged for Surinamese guilders. In an attempt to cure the monetary crisis, Surinam introduced the Surinamese dollar in January 2004 to replace the Surinamese guilder.

The historically strong bonds between Surinam and The Netherlands have not diminished since the independence of Surinam, although they have changed in nature over the years and have become more strained (Kruijt and Maks 2001). One issue that still dominates relations between the two countries is the financial aid from The Netherlands to Surinam. The Treaty of Independence provided for a grant of 2.7 billion Dutch guilders in foreign aid for the development of the country. However, when the political crisis between the two countries was at its lowest point after the so-called December murders in 1982, Dutch financial support was suspended. After several government changes, the involvement of the IMF and several suspensions of formal relations between the two countries, part of these funds is still available. Before they were frozen, the treaty grants formed a relatively large share of the national income, which underlines the country's more general dependency on foreign, and especially Dutch, aid (Buddingh 2001: 86).

Although the formal governmental ties between Surinam and The Netherlands have become strained and will probably become weaker in the future, for the Surinamese population, The Netherlands still is an important frame of reference in many respects (e.g. language, travel, relatives overseas, support, development aid and so on; see De Bruijne and Schalkwijk 1994). The informal remittances are an important part of this ongoing transnational relationship.

### 3. Transnational family relations and informal remittances

Transnational relations with relatives are important for many Surinamese on both sides of the Atlantic. A survey in Paramaribo and its surroundings (Greater Paramaribo), conducted among 4,000 heads of households in 1992, demonstrated that the majority of the Surinamese population (75 per cent) have immediate relatives (parents, brothers and sisters, or children) in The Netherlands (De Bruijne and Schalkwijk 1994: 16). Having family abroad is not, however, evenly distributed among the Surinamese population. Generally speaking, the poorer one is, the fewer relatives one has in The Netherlands (see also Schalkwijk 1994: 38–39). This also varies according to ethnic group. The pattern here parallels the historical social stratification of Surinam. The vast majority (more than 80 per cent) of Europeans, Creoles and people of mixed ethnic origin have relatives in The Netherlands. This also holds for a majority – albeit smaller – of South Asians, Javanese and Chinese (between 60 and 80 per cent). The most marginalized groups in Paramaribo, the Maroons and Amer-Indians, have the least relatives abroad (35–50 per cent) (De Bruijne and Schalkwijk 1994: 17).

The strength of transnational family relations can be inferred, among other things, from passenger travel between Surinam and The Netherlands. On the basis of the issuance of visas in the last years, Kruijt and Maks (2001: 19) calculated that 4.7 per cent of the Surinamese population visit their relatives in The Netherlands at least once a year, and that 26 per cent of the Dutch-Surinamese population visit Surinam.

As is clear from travel across the ocean, transnational relations are asymmetrical, and this holds particularly for the material support of relatives and friends.<sup>3</sup> Dutch-Surinamese visitors to Surinam bring with them money and goods and thus directly contribute to the wellbeing of their relatives and friends in Surinam. More important perhaps is the flow of money and commodities from The Netherlands to Surinam.

We can divide this transnational support from immigrants in The Netherlands to their relatives abroad into cash and commodity remittances. The latter consists of food items, clothes and consumer durables. Foodstuffs and clothes are often sent in considerable quantities. Over time, there seems to have been a gradual change from consumer durables to foodstuffs, and from goods to cash (see below). Next to remittances of Dutch-Surinamese immigrants, some sources also mention another source of money-transfer to Surinam: tourism. Dutch-Surinamese visitors to Surinam not only bring with them money and commodities as gifts, but also account for "tourist" spending (Gowricharn 2004; Gowricharn and Schuster 2001).

In addition to the already-mentioned types of remittances, more specific forms exist. One of these is the provision of housing to relatives and friends in Surinam. For example, Dutch-Surinamese may give relatives the use of their house in Surinam. They may not necessarily be asked to pay rent, and instead keep the house in repair in exchange for living there for nothing. In other cases (as I noticed in Surinam), some people are paid by Dutch-Surinamese to keep an eye on their property in Surinam, to collect the rent, or to keep the house in repair.

<sup>&</sup>lt;sup>3</sup> Note, however, that there is some reciprocity. Sometimes small quantities of typical Surinam foods are given or sent to relatives who live in the Netherlands (De Bruijne and Schalkwijk 1994: 20).

Many other forms of mutual support across the ocean exist, sometimes taking the form of "barter trade": the care of a child that is going to study in The Netherlands; assistance with the payment for a plot of land or a house; the care for an old mother in Surinam who sometimes is sent a ticket to spend some time in The Netherlands and so on. There are plenty of such examples of mutual support, some of which cannot be expressed in monetary terms. These types of transnational material support may be viewed as a specific form of "remittances" – albeit not in the strict sense of the word.

## 4. Volume and value of informal remittances

Data on the volume and value of the transfers of money and commodities to Surinam are scarce and fragmentary. No calculations of the direct transfers – money taken by persons travelling to Surinam – are available, but some data on the formal and informal transnational money transfers can be found. Obviously, these are rough estimations that may vary by the methods used. Here, I will present the estimates of the flows of money and goods separately.

## Money transfers

Jacobs (2000: 303) presents data from the perspective of The Netherlands. Drawing on data of the Dutch Central Bank, he calculates that the total money transfer to Surinam rose from 7.9 million Dutch guilders<sup>4</sup> in 1990 to 24.7 million in 1998 after a peak of 38.7 million in 1997. A second source of information on money transfers is offered by Gowricharn (2004: 612–613), who argues that money transfers are frequently made through money change offices. He estimates that in the 1990s the annual amount of money transfers by private persons via these money change offices to be 100 million Dutch guilders. He assumes that half of this, or 50 million Dutch guilders, is meant for household support. The other half includes investments, expenditure for luxury items, savings and so on.

#### Commodities: parcels

Next to money, the transfer of commodities is an important part of the total value transfer from The Netherlands to Surinam. Apart from the goods Dutch-Surinamese visitors to Surinam bring with them, packages are sent by air and sea. Few packets are sent via official post; by far most is sent through specialized shipping companies. The figures below all draw on personal information from *Jos Steeman*, the largest of these companies.

According to De Bruijne and Schalkwijk (1994: 8) an estimated 100,000 packages were sent in 1987 and 60,000 in 1993, with an average value of 200 Dutch guilders. Broër (1997: 615) estimated that 88,000 packages were sent to Surinam in 1993 with a total value of 19 million Dutch guilders. Third, Jacobs (2000: 303) calculated the number of packages at 83,300 in 1990 to 43,200 in 1998, with a corresponding value of 16.7 and 8.6 million Dutch guilders respectively (based on an average estimation of 200 Dutch guilders per package).

Gowricharn's (2004) estimates are much higher, which may be because Gowricharn uses data from the Central Bank of Surinam. He mentions an annual average of 132,077 postal packages. Accordingly, he arrives at a higher annual value of packages (although he also

At the changeover to the euro in 2002 the value of the Dutch guilder stood at  $\in$ 0.45.

assumes a higher average value per package of 300 Dutch guilders), which amounts to an average of 39,6 million Dutch guilders (Gowricharn 2004: 613).

## Tourist expenditure

Gowricharn (2004: 612) also calculated the tourist expenditures. On the basis of passenger traffic during the 1990s and supposing that these passengers spend an average of 500 Dutch guilders in Surinam, he arrives at a yearly average of 46.5 million Dutch guilders that Surinam received during this decade, or 10 per cent of the national income. This estimation of tourist expenditures is lower than data obtained from the Central Bank of Surinam, according to Gowricharn, but comes close to it.

To conclude, Gowricharn (2004: 614) estimates the total value of remittances (including money, commodities and tourist expenditure) in the 1990s at an annual average of US\$ 68 million. Kruijt and Maks (2001: 19–20) summarize the findings of Jacobs (2000) and Gowricharn (2004)<sup>5</sup> and calculate the total value of tourist expenditures by Dutch-Surinamese family visits together with Dutch remittances to Surinam at some 95 million Dutch guilders annually. The exact total value of these informal remittances is, of course, not known, but Gowricharn (2004: 615) points to the magnitude of these transfers in relation to the national income of Surinam, which amounted to an annual average of US\$ 225.9 million in the 1990s.

## 5. Ways of sending remittances

Remittances to Surinam – in cash or commodities – are sent in several ways. Of course, one of the most common ways is for immigrants to bring along money and goods on their visits to Surinam. A second mode is the sending of packages by specialized transport companies. In many places in The Netherlands (mostly Surinamese businesses like groceries, travel agencies) these packages can be delivered for further transport to Surinam. These packets are sent for prices far below the postal tariffs. Once the packets arrive in Paramaribo, the relatives or friends who are to receive the goods are advised to collect them from the carrier company office in Paramaribo.

New means of communication facilitate the transfer of both money and goods. A fax to a foreign exchange bureau in Paramaribo arranges a money transfer, the purchase of groceries or a plane ticket to The Netherlands. Surinamese immigrants can even pay the bill in Amsterdam for family members in Paramaribo to go shopping (Van Niekerk 2000: 68–69).

Obviously, much of the money transfer takes place in informal ways. Money transfer via banks is widely viewed by immigrants as being too expensive and slow. According to Gowricharn (2004: 612), there is tendency to move from more formal to more informal methods of money transfer. He suggests that money transfers through the post office and banks were common in the 1970s and the first half of the 1980s, but that increasingly money transfers take place via money exchange offices.

However, other researchers mention a system of postal orders that was introduced in the 1990s – a formal system that resembles the informal ways of sending money currently in

<sup>&</sup>lt;sup>5</sup> Kruijt and Maks base these calculations on a conference paper by Gowricharn in 2001, which has the same title as Gowricharn 2004.

use. At a time when more Dutch Surinamese preferred to send money rather than goods, a system of postal orders was introduced by *Surpost*, the Surinamese Post Office. It is a system by which the receiver in Surinam is paid an amount in Dutch guilders that has been deposited by relatives in The Netherlands. Money is being delivered at the house of the recipient the same day or the day after it was deposited in The Netherlands. According to De Bruijne and Schalkwijk (1994: 8), this system turned out to be an appealing way of sending money – at least at the time.<sup>6</sup>

This formal system of postal orders works in much the same way as the informal systems, although the latter are cheaper. One of my informants in Surinam told me how most informal transactions take place.

"My sister in the Netherlands, for example, calls someone who is known as a money changer. She gives him the money cash or deposits it, and gives him my name, address and telephone number [in Paramaribo]. Then, this money changer calls his brother or another person in Surinam to indicate how much money should be given to me. Then, I will be called and the money will be delivered at my home. For security reasons, you can't go and collect it yourself. The money will always be given in Euros, because then you are able to do with it what you want: you may keep it, buy something in Euros, exchange it at a cheap rate, etcetera. These transactions may take place any time: during working days as well as in the weekend or in the evening."<sup>7</sup>

Of course, the advantage of this informal system above the formal postal system is that it is faster and cheaper.

From a recent study of telephone shops (*belhuizen*) in Amsterdam (Gemeente Amsterdam 2003) it transpires that through these shops also much informal money transfer takes place. The Surinamese are mentioned as one of the immigrant groups that frequently uses these telephone shops for money transfers to their relatives in their home country. This system of informal money transfers is an important means of sending money safely and rapidly. In this study, the Surinamese are also mentioned as one of the immigrant groups from which owners of telephone shops are to be found (although not as much as in some other groups like Pakistanis and Egyptians).

Since 2002, institutions that transfer money are required to register at the Nederlandsche Bank, on the basis of the new law on money transfer offices.<sup>8</sup> This law also applies to foreign exchange bureaux. Not unexpectedly, the number of registered offices is small (Gemeente Amsterdam 2003: 20–21). The degree to which money transfers are formal or informal is unknown, but we do know that the relative importance of formal and informal money transfers may change over time. As will be shown below, this seems to depend, in part, on the monetary situation in Surinam.<sup>9</sup>

<sup>&</sup>lt;sup>6</sup> It is not known whether this system still exists.

<sup>&</sup>lt;sup>7</sup> Personal communication by email, September 2004.

<sup>&</sup>lt;sup>8</sup> Wet inzake de geldtransactiekantoren (WGT).

<sup>&</sup>lt;sup>9</sup> In part, of course, this also depends on the costs related to formal money transfers. Formal money transfers take more time and cost more than informal ones. It would be relevant to know the difference in price between formal and informal money transfers, but these data are not available at present.

### 6. Economic crisis in Surinam and informal remittances

Since Surinam's independence in 1975, the economy has deteriorated. The transfer of money and goods from The Netherlands is related to the economic and monetary situation in Surinam. In times of economic crisis, relatives in The Netherlands are more inclined to support their family and friends in Surinam. The monetary situation in Surinam also influences whether this help is given in the form of money or goods. As Jacobs has shown (2000: 303–304) there is a relationship between money transfers, the sending of packages and the exchange rate: the higher the value of the Dutch guilder in relation to the Surinamese guilder, the more money and the less packages will be sent (assuming that the official exchange rate equals the parallel exchange rate). With the value of the Duch guilder going up in the 1990s, the annual value of packages sent to Surinam declined steadily, while the money transfers have been growing during the same period (Jacobs 2000: 303).

Jacobs' conclusions are based on data from the Dutch Central Bank that are limited to legal money transfers. Since 1980, increasing inflation and a growing discrepancy between official and parallel exchange rates have created a trend of a general increase in informal money transfers at the expense of formal transfers. The importance of the state of the economy and the difference between official and parallel market exchange rate in this is demonstrated by the fact that that formal money transfers rose again after 1995 when the official exchange rate and the parallel rate when the gap between the two rates was reduced in 1994. Conversely, the deterioration of the economy at the end of the 1990s seems to be reflected in a renewed decrease in formal money transfers (Jacobs 2000: 303).

The discrepancy between the official and parallel exchange rates also resulted in another form of value transfer to Surinam. Some Surinamese immigrants in The Netherlands, in view of the value of hard currency in the informal exchange market in Surinam, invested their earnings in The Netherlands into a plot of land or house in Surinam (Van Niekerk 1996). In the Surinam Weekly (*Suriname Weekkrant*), published in The Netherlands, advertisements appeared announcing the sale of real estate in Surinam. Since the mid-1990s, real estate prices have been given in foreign currency, a further indication that the Surinamese housing market is becoming more oriented towards the Surinamese in The Netherlands (Schalkwijk and De Bruijne 1995). This development was a direct consequence of the development of a parallel market.

In recent years, the economic situation in Surinam has stabilized and the recurrent shortages of the first half of the 1990s are over. Nearly everything can be bought in Surinam now, although imported goods, mainly from the United States or The Netherlands, are likely to be more expensive. With the recent "Chinese invasion" (as people say in Paramaribo) – many new Chinese-run supermarkets appeared in Paramaribo, which offer cheap Chinamade merchandise as an alternative for many goods imported from the West. According to one of my informants in Surinam,<sup>10</sup> relatives in The Netherlands may continue to send parcels, but they seldom contain food anymore. For some time now, people in Surinam have preferred to receive money – euros now – rather than commodities.

<sup>&</sup>lt;sup>10</sup> Personal email communication, September 2004.

## 7. Remittances and the mitigation of poverty in Surinam

Accordong to many observers, poverty in Surinam is less harsh than would be expected on the basis of official statistics. Kruijt and Maks (2001: 18–20) argue that poverty in Surinam is mitigated by the interaction of four interrelated phenomena: (1) the urban informal sector of microeconomic activity; (2) the informal mining economy, in particular gold mining; (3) drugs money; (4) remittances from the Surinamese community in The Netherlands.<sup>11</sup> The importance of these remittances is generally acknowledged, and some even state that they have become "indispensable for the majority of the country's inhabitants" (Buddingh 2001: 86).

Some data exist as to the extent to which remittances contribute to mitigate poverty at the household level. They refer to the situation in the only urban centre of the country, Paramaribo, and its immediate environment. Almost nothing is known about the countryside. From the earlier-mentioned survey among 4,000 heads of household in Greater Paramaribo, we know that 35 per cent of the households receive more or less regular assistance from relatives in The Netherlands (De Bruijne and Schalkwijk 1994: 19–20). The non-receiving households either do not have relatives abroad (25 per cent) or have relatives who seldom if ever send anything (40 per cent). The well-to-do and middle class not only have more relatives in The Netherlands than the lower classes, but these relatives abroad also send remittances more often. Only 20 per cent of the poor households could count on the support of relatives abroad and receive less support from them is supported by another study on Paramaribo's poor (Schalkwijk 1994: 37–39).

Drawing on a survey among 400 households conducted in the urban area of Paramaribo in 1993, Menke (2000) calculates that remittances have a greater effect on poverty than informal labour income and welfare benefits from the Surinamese government. Far more households would be below the poverty line without remittances. Of the households with a local income and remittances, 42 per cent live below the poverty line, but if – hypothetically – there were no income from remittances, 81 per cent of these households would be below the poverty line (see also Kruijt and Maks 2001: 20).

An important question is to what extent remittances have any structural effect and contribute to development. It is often suggested that the remittances of immigrants hardly have had any such "structural" effects for Surinam. The support from relatives in The Netherlands has meant for many Surinamese a great relief of poverty, but has not generated any developmental effects. Some even believe that the money received from abroad is viewed as a substitute rather than a contribution to the household income (De Bruijne and Schalkwijk 1994: 8). This is indeed also what could be heard in Surinam in the mid-1990s.

what could be heard in Surinam in the mid-1990s.

"Sometimes, it is said that the support from relatives in the Netherlands makes the Surinamese dependent or – even worse – "passive." When I first heard this from an

As is well known, much of the cocaine trade between Latin American countries (Colombia) and Europe takes place via Surinam. Surinamese in The Netherlands might also be involved in this trade, as occasionally becomes evident in the media. It is not known whether money laundering by Dutch-Surinamese takes place in Surinam. In Surinam it is a public secret, though, that much of the visible richness (houses and cars) comes from drugs money.

informant in the Netherlands, it seemed blown up out of proportion to me. But in Surinam, I believed this to be less exaggerated than I thought at the time. The majority of the Surinamese has relatives abroad and even when relatives in the Netherlands are dependent on social benefits they may send money. Even small amounts of money in Dutch guilders are worth a lot in Surinam. For example, 25 Dutch guilders were worth 6,000 Surinamese guilders, which is quite a sum for someone who has to live on an old age pension of 4,500 Surinamese guilders. Judging from the family where I lived: the lady of the house told me that she seldom bought clothes herself, because most came from the Netherlands. When another package with clothes arrived, she was very fastidious just because she had already that much" (Van Niekerk 1996).

The idea that the material support from relatives in The Netherlands makes people passive, taking away the incentive to contribute to the country's development is shared by several observers. A similar statement even appeared in *Span'noe*, the journal of the National Federation of Surinamese Welfare Organizations (Landelijke Federatie van Surinaamse Welzijnsstichtingen).<sup>12</sup>

However, not all support from the Netherlands is used consumptively. Sometimes remittances are meant as support for investments in the small businesses of relatives. Remittances in the form of goods are also send for business; second-hand car tyres from The Netherlands, for example, are being sold in Surinam. Second-hand clothes that have been send to relatives are also being sold as merchandise.

## 8. NGO assistance and collective remittances

In addition to the private transfers of money and goods, there is a steadily growing flow of NGO-based assistance from The Netherlands to Surinam (De Bruijne, Runs and Verrest 2001). Although generally not viewed as a form of remittances, in the case of Surinam it is important to point to this form of transnational support. In addition, some of this flow of material and social support has been initiated by the Surinamese community in The Netherlands and in this sense may be viewed as a form of collectively organized remittances. In a study on these NGO sources, De Bruijne et al. (2001) show that in The Netherlands a wide variety of NGOs exist that maintain relations with NGOs in Surinam. The NGOs in The Netherlands include organizations for developing cooperation, specialized organizations that operate, among other countries as well as in Surinam and organizations that are only oriented towards Surinam. Some of these organizations have been founded by Surinamese immigrants in The Netherlands. De Bruijne et al. (2001: 41) calculate that the total amount of money sent by all these organizations in The Netherlands to Surinam amounts to seven million Dutch guilders a year (excluding goods and personnel). These organizations give much charitable help (like clothes and medicines), for example to children's homes or hospitals.

## 9. Conclusion

Given the state of the research, a genuinely exhaustive overview and reliable data on the informal remittances from Surinamese immigrants in the Netherlands to Surinam are impossible to give. It is clear, though, that the volume and value of remittances (both formal

<sup>&</sup>lt;sup>12</sup> Span'noe (1995 3/4: 39).

and informal) have grown in importance as the economic crisis and poverty in Surinam have increased. Only the form in which they are sent – in cash or goods – has changed over the years, following the ups and downs of the monetary situation and periodic shortages in Surinam. In this sense, remittances seem to be a direct response to the circumstances in the country of origin. This also holds for the collectively sent money or remittances by Surinamese associations in The Netherlands.

The ways in which these transmittances are transferred to Surinam vary. The two most common ways are that migrants can carry the money themselves or send it with relatives or friends; or they send money via informal channels. These informal systems often operate as a side business of retail shops, import-export businesses, travel agencies and telephone shops. These informal money transfer systems are also used for purchases in Surinam (for relatives and friends to go shopping or for example to buy a plane ticket). In addition to money, goods are sent to Surinam in packages.

Although the volume and value of the remittances to Surinam are sizeable (in relation to the national income) the support mainly seems to have contributed to the mitigation of poverty. Most researchers mention the poverty-relief impact of remittances and even suggest that remittances have had an adverse effect on development. However, whether or not remittances contribute to structurally better living conditions of the people in Surinam should be demonstrated by empirical research. As far as I know, no such research has been done on this aspect of remittances to Surinam. Of course, remittances will have a stimulating effect on trade and commercial transactions. It would be interesting to consider this effect on a macro-level. It would be equally interesting to compare the total value of remittances to Surinam with the total value of developing aid.

As for many developing countries, the debate about the relative importance of migrants' remittances versus developing aid is also a current topic for Surinam. Because of the so-called "treaty money" – the money promised by the Dutch government at Surinam's Independence in 1975 – relatively large amounts of money have been spend on Surinam and part of it ( $\leq 110$  million)<sup>13</sup> is still available. However, this is a time-limited affair, the more so since the Dutch and Surinamese governments decided to end the existing development support relationship between the two countries in the short term. This implies that, in the future, the non-governmental and private money flows to Surinam might become relatively more important.

At this point it should be noted that remittances seem to have been sent predominantly by first generation immigrants. The Surinamese population in The Netherlands still largely consists of first-generation immigrants and although the second generation is growing rapidly, this generation is still relatively young. The question is whether the second generation will continue sending remittances to the same extent as their parents did. Their bonds with the country of origin might change over time, the more so because a relatively large part of this second generation is of mixed Surinamese-Dutch origin.

<sup>&</sup>lt;sup>13</sup> NRC Handelsblad, August 31, 2004.

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