European Research Studies Journal
Volume XXIX, Issue 1, 2026

pp. 356-377

Post-Colonial Legacy and the Convergence and Divergence of Pension Systems: A Comparative Analysis of Suriname and the Netherlands

Submitted 20/11/25, 1st revision 05/12/25, 2nd revision 20/12/25, accepted 05/02/26

Jaroslaw Poteraj[1]

Abstract:

Purpose: *The purpose of this paper is to examine the extent to which post-colonial institutional legacies shape patterns of convergence and divergence in pension systems. Using the comparative case of Suriname and the Netherlands, the study investigates whether shared historical foundations translate into similarities in contemporary pension arrangements, or whether structural divergence prevails as a result of differing economic, fiscal, and institutional capacities.*
Design/Methodology/Approach: *The paper adopts a qualitative comparative institutional approach grounded in pension economics and political economy. The analysis draws on secondary data from academic literature, international institutional reports, and country profiles published by organisations involved in social security and pension system monitoring. The two pension systems are examined using a consistent set of analytical criteria, including system architecture, statutory retirement age, key benefit parameters, coverage, financing mechanisms, and institutional capacity. This framework enables the identification of both functional convergence and structural divergence.*
Findings: *The results indicate that Suriname and the Netherlands display limited convergence at the level of basic social objectives, particularly with regard to the role of the state in providing minimum income protection in old age. Both systems incorporate universal or quasi-universal elements aimed at poverty prevention among older persons, and both apply a gender-neutral statutory retirement age. At the same time, substantial divergence persists in system architecture, financing structures, and effective coverage. The Dutch pension system is characterised by a mature multi-pillar model with a strong occupational and capital-funded component, high coverage, and dynamic parametric adjustment. In contrast, the Surinamese system relies predominantly on a universal flat-rate benefit financed from the state budget, complemented by a limited earnings-related scheme with restricted coverage. These differences reflect divergent fiscal capacities, labour-market structures, and levels of institutional development rather than policy choice alone.*
Practical Implications: *The findings suggest that direct institutional transfer of pension models from highly developed economies to post-colonial contexts is unlikely to be effective. Pension reforms in post-colonial states should prioritise gradual adaptation to local economic and institutional conditions, improvements in administrative capacity, and increased labour-market formalisation, rather than the replication of complex multi-pillar systems.*
Originality/Value: *The paper contributes to the literature by explicitly integrating a post-*

[1]*Assist. Prof., University of Lomza, Department of Economics and Finance, Poland,*
e-mail: poteraj@gmail.com; jpoteraj@al.edu.pl;

colonial institutional perspective into the analysis of pension system convergence and divergence. It offers a nuanced interpretation that combines functional similarity with persistent structural heterogeneity, highlighting the limits of convergence in the presence of deep-rooted historical and institutional constraints.

Keywords: *Pension systems, institutional convergence and divergence, post-colonial legacy, social security, comparative analysis.*

JEL Codes: *H55, J26, P51.*

Paper Type: *Research paper.*

1. Introduction

1.1 Post-Colonial Legacy as a Research Problem

Pension systems belong to the most persistent institutions of social policy, deeply embedded in the historical, demographic, and institutional contexts of individual countries. The literature in institutional economics emphasises that once adopted, social security arrangements exhibit substantial inertia, and their subsequent modifications tend to be evolutionary rather than revolutionary in nature (Pierson, 2000). This phenomenon becomes particularly significant in the case of post-colonial states, whose social institutions were to a considerable extent shaped by arrangements imported from the metropolitan centres.

Post-colonial institutional legacy does not imply a simple replication of solutions operating in the former colonial power. In practice, this process is subject to numerous constraints arising from differing economic conditions, labour market structures, fiscal capacity, and the level of administrative development.

As a consequence, pension systems in post-colonial countries often evolve in a selective manner, combining externally derived elements with arrangements adapted to local conditions (International Labour Organization [ILO], 2000).

From a comparative perspective, the relationship between Suriname and the Netherlands constitutes a particularly interesting case. Suriname, which remained a Dutch colony until 1975, inherited part of the institutional framework of social policy from the metropolitan centre; however, its subsequent development took place under conditions of a limited tax base, a high share of informal employment, and macroeconomic instability. By contrast, the Netherlands has developed one of the most comprehensive and stable pension systems in Europe, based on a combination of a universal public pillar and a strong occupational pillar (Barr and Diamond, 2008).

The juxtaposition of these two countries makes it possible to pose a question about the scope and limits of pension system convergence under conditions of a shared historical legacy but markedly divergent institutional capacities.

In particular, the issue arises as to whether similarities may be confined to selected system parameters, such as statutory retirement age or the design of basic benefits, while the overall structure of the system remains persistently differentiated. This formulation of the research problem constitutes the starting point for the subsequent comparative analysis of Suriname and the Netherlands.

1.2 Purpose of the Paper and Research Questions

The purpose of this paper is to conduct a comparative analysis of the pension systems of Suriname and the Netherlands from the perspective of post-colonial institutional legacy, with particular emphasis on the mechanisms of convergence and divergence in their key characteristics. The study focuses on assessing the extent to which shared historical conditions translate into similarities in contemporary pension arrangements, as well as identifying areas where persistent differences emerge as a result of divergent economic, fiscal, and institutional conditions.

The analysis is situated within the stream of research on institutional convergence, which indicates that globalisation, the influence of international organisations, and the diffusion of public policy ideas may lead to the alignment of selected parameters of pension systems, even in countries characterised by divergent development trajectories (Organisation for Economic Co-operation and Development [OECD], 2018).

At the same time, the literature emphasises that social security systems display considerable resistance to deep structural change, particularly under conditions of limited administrative and fiscal capacity, which are characteristic of many post-colonial states (International Monetary Fund [IMF], 2024).

In this context, the paper poses the following research questions:

First, can convergence be observed in the pension systems of Suriname and the Netherlands with regard to basic parameters such as the design of the basic benefit, statutory retirement age, or indexation mechanisms?

Second, does potential parametric convergence coexist with structural divergence concerning the role of individual pension pillars, the extent of population coverage, and the significance of labour market institutions?

Third, what role does post-colonial institutional legacy play in the persistence of these differences in the long term?

The paper is based on the hypothesis that, despite a shared historical legacy, the pension systems of Suriname and the Netherlands exhibit only limited convergence at the level of selected parameters, while their institutional structures remain fundamentally differentiated. It is expected that this divergence stems primarily from differences in fiscal capacity, the degree of labour market formalisation, and the role of occupational and capital-funded pension pillars, which have reached a high level of development in the Netherlands but play a marginal role in Suriname.

1.3 Structure of the Paper

The paper is organised in a manner that enables a systematic comparative analysis of the pension systems of Suriname and the Netherlands within the context of post-colonial institutional legacy. Following the introduction, which sets out the research objective, research questions, and working hypothesis, the second section presents a review of the literature on the convergence and divergence of pension systems, as well as the specific characteristics of social security in post-colonial states.

The third part of the paper is devoted to the research methodology and includes a description of the comparative approach applied, the analytical criteria, and the data sources used. The fourth and core part of the study presents the results of the empirical analysis, encompassing a characterisation of the Dutch pension system, the Surinamese pension system, and their comparison with respect to the degree of parametric convergence and structural divergence.

The paper concludes with the fifth section, in which the main research findings are formulated, implications for further research on pension systems in post-colonial states are identified, and potential directions for the development of pension policy under conditions of limited fiscal and institutional capacity are outlined.

2. Literature Review

2.1 Convergence and Divergence in Pension Systems

The concepts of institutional convergence and divergence play an important role in the comparative analysis of pension systems, particularly under conditions of intensifying globalisation and increasing demographic pressure on social security systems. In the economic literature, convergence is most commonly understood as a process of gradual alignment of selected institutional features or public policy parameters across countries, resulting from the diffusion of solutions, the influence of international organisations, or shared structural challenges (DiMaggio and Powell, 1983; Cristea and Thalassinos, 2016).

With regard to pension systems, convergence primarily concerns parameters such as statutory retirement age, contribution periods, benefit indexation mechanisms, and the introduction of minimum income guarantees for older persons. Research conducted in developed countries indicates that population ageing and rising fiscal costs compel similar reform directions, regardless of the original pension system model (OECD, 2018). In this sense, convergence is often functional rather than structural in nature.

At the same time, numerous analyses emphasise the persistence of distinct institutional development trajectories, which leads to the continued divergence of pension systems. This divergence primarily concerns system architecture, including the role of individual pillars, the degree of private sector involvement, the significance of occupational pension schemes, and the relationship between the pension system and the labour market (Barr and Diamond, 2008). From a political economy perspective, pension systems are deeply embedded in national social compromises, which limits the scope for their profound harmonisation.

An important explanation for the persistence of institutional divergence is the concept of path dependence, according to which early institutional choices exert a long-lasting influence on subsequent reforms, even in the face of changing economic conditions (Pierson, 2000). In the case of pension systems, this implies that countries with well-developed capital-funded or occupational pillars rarely depart from these arrangements, whereas countries with limited fiscal and administrative capacity tend to concentrate on maintaining simple, universal basic benefits.

In the comparative literature, it is increasingly emphasised that processes of convergence and divergence may coexist. Pension systems may display convergence at the level of selected parameters while simultaneously maintaining fundamental structural differences (International Monetary Fund [IMF], 2024). Such an approach allows for a more accurate capture of the complexity of pension reforms in countries with differing levels of economic and institutional development and provides a useful analytical framework for the study of pension systems in post-colonial states.

In the pension-specific literature, the issue of convergence and divergence is also analysed in relation to long-term reforms of old-age income security systems implemented in both highly developed countries and developing economies.

Comparative studies indicate that, despite facing similar demographic and fiscal challenges, countries differ fundamentally in the pace and scope of reforms, which leads to the persistence of diverse pension system models (Disney, 2004). In particular, it is emphasised that countries with strong labour market institutions and well-developed occupational pension schemes demonstrate a greater capacity to adjust system parameters without the need for structural overhaul.

An important contribution to the discussion on pension system convergence is provided by the World Bank literature, which analyses pension reforms in countries with varying levels of economic development. These studies indicate that pressure for fiscal sustainability promotes the diffusion of similar parametric solutions, such as increasing statutory retirement ages or reducing benefit generosity, but does not automatically lead to convergence in pension system architecture (Holzmann and Hinz, 2005). As a result, reforms often take the form of selective adjustments to existing institutions rather than the implementation of a uniform pension system model.

From a comparative perspective, increasing attention is paid to the role of political and social factors in sustaining divergence among pension systems. Analyses of pension reforms in Western Europe show that even within a common market and broadly similar regulatory frameworks, countries retain distinct institutional arrangements resulting from national social compromises and differences in the structure of social protection (Bonoli, 2012).

In this sense, pension system convergence is limited and fragmentary in nature, which reinforces the validity of a comparative analysis based on the coexistence of convergence and divergence processes.

An important institutional mechanism fostering selective convergence of pension systems within the European Union is the Open Method of Coordination (OMC). Introduced in the early 2000s, the OMC represents a form of soft governance based on common objectives, indicators, benchmarking, and peer review, rather than legally binding harmonisation. In the field of pensions, the OMC has focused primarily on three broad goals: adequacy of retirement income, financial sustainability of pension systems, and modernisation in response to demographic ageing.

The application of the OMC in pension policy has contributed to the gradual alignment of reform agendas across EU member states, particularly with respect to parametric adjustments such as retirement age, incentives for longer working lives, and gender equality in pension entitlements.

At the same time, the OMC has preserved national autonomy over institutional design, allowing member states to pursue diverse pension models consistent with their historical and socio-economic contexts. As a result, the OMC has been associated with functional convergence rather than structural uniformity, reinforcing common reform narratives without eliminating cross-country diversity in pension system architecture (European Commission, 2003; Zeitlin, Pochet and Magnusson, 2005; Natali, 2010).

2.2 Pension Systems in a Post-Colonial Context

The analysis of pension systems in post-colonial states requires consideration of specific institutional conditions that distinguish them both from highly developed countries and from other emerging economies. The literature indicates that social security arrangements were often introduced during the colonial period as part of the metropolitan public administration and, following independence, were only partially adapted to local conditions (International Labour Organization [ILO], 2000). As a result, many post-colonial states inherited formal pension system frameworks that did not always correspond to the structure of their labour markets or their fiscal capacity.

One of the key issues analysed in the literature is the limited coverage of pension systems in post-colonial countries, resulting from the high share of employment in the informal sector and unstable career trajectories. Under such conditions, contribution-based systems often fail to provide universal population coverage, leading to the development of simple basic benefits financed from the state budget (ILO, 2000). These arrangements serve as a form of minimum social protection but are simultaneously characterised by low benefit adequacy and high sensitivity to fluctuations in the fiscal situation.

Comparative studies also emphasise the importance of macroeconomic and institutional factors in shaping pension systems in post-colonial states. A limited tax base, high levels of public debt, and economic instability constrain the development of multi-pillar pension systems, particularly capital-funded pillars that require well-developed financial markets and effective supervision (International Monetary Fund [IMF], 2024). As a result, pension reforms in these countries are often selective in nature and focus on parametric adjustments rather than on a thorough restructuring of the system’s architecture.

The literature also highlights the role of international organisations in shaping the pension policies of post-colonial states. Recommendations issued by the OECD, the IMF, or the World Bank promote the diffusion of specific reform directions, such as increasing statutory retirement ages, limiting benefit indexation, or strengthening savings-based components (OECD, 2018; IMF, 2024). At the same time, numerous studies indicate that the transfer of these solutions is often incomplete and results in the emergence of hybrid pension models, combining elements derived from metropolitan systems with local redistribution mechanisms.

From a post-colonial perspective, it is also important to note that the relationship between a former colonial power and its former colony does not necessarily lead to long-term institutional convergence. On the contrary, over time differences in levels of economic development, demographic structures, and administrative capacity may deepen, resulting in persistent divergence of pension systems (Pierson, 2000).

In this sense, a shared historical legacy constitutes rather a starting point for comparative analysis than a determinant of contemporary similarity in policy arrangements.

The review of the literature on pension systems in a post-colonial context therefore indicates that convergence and divergence are not mutually exclusive processes. The coexistence of these phenomena provides a useful analytical framework for the subsequent part of the paper, in which the pension systems of Suriname and the Netherlands are compared as an example of countries linked by a shared history but operating under markedly different institutional and fiscal conditions.

In the literature devoted to pension systems in Latin American and Caribbean countries, it is emphasised that post-colonial institutional legacy exerts a lasting influence on the design of social security, although its role is not deterministic in nature. Comparative analyses show that these countries have often adapted institutional arrangements borrowed from Europe in a selective manner, modifying them in response to fiscal constraints, demographic structures, and labour market specificities (Mesa-Lago, 1989). As a result, pension systems in the region are characterised by considerable diversity despite shared historical points of reference.

Particular attention in research on pension systems in post-colonial countries is devoted to the issue of benefit adequacy and their capacity to reduce poverty in old age. Studies indicate that in countries with limited coverage of contributory schemes, a key role is played by universal or quasi-universal benefits financed from the state budget, which serve as a form of minimum social protection (Grech, 2013).

At the same time, these mechanisms rarely provide income levels comparable to those offered by systems operating in highly developed countries, thereby perpetuating differences in the level of pension protection.

The literature devoted to pension reforms in developing countries also points to the limited effectiveness of transferring institutional models developed in European states. Reports by the World Bank and the International Organisation of Pension Supervisors (IOPS) emphasise that the implementation of capital-funded pillars under conditions of underdeveloped financial markets and limited institutional supervision is associated with elevated systemic risk and low levels of public trust (World Bank, 2019a; International Organisation of Pension Supervisors [IOPS], 2023). For this reason, many post-colonial states maintain simplified pension security models, prioritising fiscal stability at the expense of long-term benefit adequacy.

From a comparative perspective, it is also important to note that historical relations between a metropolitan centre and a former colony do not necessarily lead to lasting convergence of pension arrangements.

Over time, differences in levels of economic development and administrative capacity may deepen, resulting in further divergence of pension systems, even if their original institutional frameworks were similar (Mesa-Lago, 2008). Such an approach provides an important analytical background for comparing the pension systems of Suriname and the Netherlands, allowing the observed similarities and differences to be interpreted within a broader post-colonial context.

3. Research Methodology

3.1 Research Approach and Scope of Analysis

The paper is based on a qualitative comparative approach rooted in the institutional analysis of pension systems. This method is widely applied in research on social policy and social security, as it allows for the identification of both formal legal arrangements and their functioning within specific economic and institutional contexts. In contrast to analyses based exclusively on quantitative data, the institutional-comparative approach makes it possible to capture the durability of pension arrangements and the mechanisms of their adaptation over the long term (Lijphart, 1999).

The research approach adopted in the paper focuses on the comparison of two countries linked by a shared historical legacy but operating under fundamentally different developmental conditions. The Netherlands represents a group of highly developed countries characterised by stable institutions, a well-developed labour market, and an extensive social security system.

Suriname, by contrast, constitutes an example of a post-colonial state with limited fiscal and administrative capacity, in which the pension system primarily fulfils the function of basic social protection. Such a case selection makes it possible to analyse the mechanisms of convergence and divergence of pension systems under conditions of an asymmetric institutional relationship.

The analysis is descriptive-analytical in nature and encompasses both the structural elements of pension systems and their key operational parameters. The study focuses on identifying similarities and differences in pension system architecture and on assessing the extent to which a shared historical legacy translates into contemporary institutional arrangements. Particular attention is paid to the durability of pension solutions and to the factors constraining the possibility of their profound harmonisation.

The temporal scope of the analysis covers the period from the second half of the twentieth century to the present, with particular emphasis on pension reforms introduced in response to demographic and fiscal changes.

Such a defined research horizon allows for the capture of both long-term development trajectories of pension systems and short-term parametric adjustments. The adopted research approach provides the basis for the more detailed comparative analysis presented in the subsequent sections of the paper.

3.2 Criteria for Comparing Pension Systems

The comparative analysis of the pension systems of Suriname and the Netherlands is based on a set of criteria that make it possible to capture two processes simultaneously: the convergence of parametric solutions and the divergence of structural arrangements. The selection of criteria derives from the institutional approach to the study of pension systems and from analytical practice in comparative studies, which emphasise the simultaneous assessment of system architecture, parameters, coverage, and fiscal resilience (Barr and Diamond, 2008; OECD, 2023).

The first group of criteria comprises the structural elements of the pension system. These include the number and nature of pension pillars, the division of roles between the state and the private sector, and the significance of occupational and capital-funded mechanisms.

Within this group, the analysis covers, inter alia, the scope of mandatory participation, the degree to which benefits are linked to labour market activity, and the institutional organisation of entities managing pension schemes. These criteria make it possible to assess whether the systems under study display similarities in their institutional architecture or differ in a persistent and fundamental manner.

The second group of criteria consists of the operational parameters of the pension system. The analysis focuses primarily on statutory retirement age, eligibility conditions for benefits, and mechanisms of valorisation and indexation. These parameters are particularly important from the perspective of convergence processes, as in many countries they are subject to gradual adjustments resulting from demographic pressure, labour market changes, and budgetary constraints.

Comparing these elements makes it possible to assess whether Suriname and the Netherlands respond to similar challenges in comparable ways despite their differing institutional contexts.

Another criterion of comparison concerns the extent of pension system coverage and benefit adequacy. The analysis includes the degree of population coverage by the pension system, the relationship between benefits and previous earnings, the role of minimum benefits, and the importance of old-age income protection instruments in reducing poverty. These criteria are of particular relevance in the case of post-colonial states, where a high share of informal employment may limit the effectiveness of contribution-based systems, leading to the predominance of basic benefits financed from the state budget (ILO, 2000; World Bank, 2019b).

The final group of criteria concerns the fiscal and institutional conditions underpinning the functioning of the pension system. These include the stability of benefit financing, the system's resilience to macroeconomic shocks, its capacity to sustain long-term obligations, and the quality of supervision over pension institutions. Taking these elements into account makes it possible to better understand the extent to which the observed differences between the pension systems of Suriname and the Netherlands stem from divergent fiscal and administrative capacities rather than solely from policy choices.

The defined set of comparative criteria provides the foundation for the subsequent empirical analysis. It enables a systematic assessment of the degree of convergence and divergence of the pension systems of the countries under study and allows the results to be interpreted within the context of post-colonial institutional legacy.

3.3 Data Sources

The comparative analysis of the pension systems of Suriname and the Netherlands is based on a qualitative analysis of secondary data drawn from academic literature, institutional documents, and reports produced by international organisations concerned with social security and pension systems. The use of diverse sources allows for the triangulation of information and enhances the credibility of the conclusions formulated in the subsequent parts of the paper.

With regard to the Netherlands, the analysis draws on academic studies and expert reports concerning the structure and functioning of the pension system, including analyses describing the role of the public pillar and the significance of occupational pension schemes. This category of sources also includes comparative overviews and institutional descriptions published by the Social Security Administration (SSA), which make it possible to reconstruct the system's architecture and to identify the main directions of its reform over the long term.

In the case of Suriname, the primary source material consists of reports and country profiles prepared by international organisations, which provide systematised information on the scope of pension coverage, system parameters, and its fiscal and institutional conditions. A particularly important role is played by documents presenting the current state of the pension system and its position within the broader framework of social protection.

Supplementary data sources include ongoing reviews of legislative changes and pension reforms published by institutions monitoring social security systems worldwide. These materials make it possible to identify the most recent parametric adjustments and to assess the directions of pension policy in the countries under study.

The collected data were analysed using a uniform set of comparative criteria, which allows for a coherent comparison of the pension systems of Suriname and the Netherlands and for the interpretation of the results in terms of convergence and divergence of institutional arrangements.

4. Research Results and Discussion

4.1 The Pension System of the Netherlands – Structure, Functioning, and Institutional Adjustments

The pension system of the Netherlands is among the most comprehensive and stable old-age income security systems in Europe, as confirmed by both academic literature and reports issued by international institutions. Its fundamental characteristic is a multi-pillar architecture, based on a combination of a universal basic benefit and a well-developed pillar of occupational pension schemes, supplemented to a limited extent by voluntary individual savings (Poteraj, 2008a; Poteraj, 2008b; OECD, 2023).

The first pillar of the Dutch pension system has a universal character and fulfils the function of providing a minimum level of income security in old age. It is based on the general old-age pension scheme (*Algemene Ouderdomswet*, AOW) and operates according to the principle of intergenerational solidarity and pay-as-you-go financing, which makes this pillar a key instrument in reducing the risk of poverty among older persons.

At the same time, as comparative analyses indicate, the level of the basic benefit is not designed to ensure a high replacement rate of income from the period of economic activity, but rather to guarantee a socially defined minimum standard of living (Poteraj, 2008b; Barr and Diamond, 2008).

An important element of the Dutch pension system that illustrates both parametric adjustment and long-term sustainability considerations is the statutory retirement age. Historically, the retirement age in the Netherlands was set at 65 years for both men and women. Since 2013, however, a gradual increase in the statutory retirement age has been implemented, linked to changes in life expectancy.

As a result, the retirement age reached 67 years in 2024 and is expected to remain indexed to demographic developments. Importantly, the Netherlands applies a uniform retirement age for both sexes, reflecting a broader trend towards gender equalisation in pension entitlements across European Union member states (Social Security Administration [SSA], 2018; OECD, 2023).

A key component of the Dutch pension model is the second pillar, which is based on capital-funded occupational pension schemes. These schemes operate primarily within sectoral and industry-wide collective agreements and are typically organised through industry-wide occupational pension funds (*bedrijfstakpensioenfondsen*) as well as company-level pension funds (*ondernemingspensioenfondsen*). Quasi-mandatory participation mechanisms result in very high coverage among employed persons. The literature emphasises that the strong position of this pillar is the outcome of long-standing social dialogue and a high degree of labour market formalisation, which distinguishes the Netherlands from many other European countries (Poteraj, 2008a; Ebbinghaus, 2011).

The Dutch pension system simultaneously demonstrates considerable adaptive capacity, manifested in gradual adjustments to its operational parameters. These changes include, inter alia, modifications to the statutory retirement age, benefit indexation rules, and the regulatory framework governing pension funds.

The directions of these adjustments can be traced through periodic reviews of changes in social security systems published by the Social Security Administration in the International Update series (SSA, n.d.). The reforms are evolutionary in nature and do not alter the fundamental architecture of the system, which reinforces an interpretation based on the coexistence of parametric convergence and structural divergence.

From a comparative perspective, the Dutch pension system combines features typical of highly developed countries—such as responsiveness to demographic and fiscal pressures—with institutional arrangements of a distinctly national character.

On the one hand, there is convergence in reform directions with other European Union countries; on the other hand, the exceptionally strong role of the occupational pillar and a highly developed system of institutional supervision over pension funds are maintained (OECD, 2013; OECD, 2023). This combination of stability and flexibility constitutes an important reference point for the subsequent comparative analysis with the pension system of Suriname.

Table 1. *Main Structural Elements of the Dutch Pension System*

Dimension	**Key Characteristics**
Pillar I	Universal basic benefit; pay-as-you-go financing
Pillar II	Occupational pensions; funded schemes; broad coverage
Statutory retirement age	67; indexed to life expectancy; uniform across genders
Coverage	High participation through quasi-mandatory arrangements
Labour-market link	Strong connection to collective agreements and formal employment
Governance and supervision	Developed supervisory framework for pension funds

Source: *Poteraj (2008a, 2008b), SSA (2018), OECD (2023).*

4.2 The Pension System of Suriname – Architecture, Parameters, and Institutional Conditions

The pension system of Suriname has a mixed character and combines elements of universal social protection with arrangements based on social insurance. From a functional perspective, the system primarily serves as an instrument for alleviating poverty in old age and, to a much lesser extent, as a mechanism for replacing income earned during the period of economic activity. Such a design is typical of countries with limited fiscal capacity and a high share of informal employment, which is confirmed by analyses of social security systems in developing and post-colonial states (Apolitical, 2021; Organisation for Economic Co-operation and Development / International Organisation of Pension Supervisors [OECD/IOPS], 2021).

The core component of the Surinamese pension system is the universal flat-rate old-age pension (*Algemene Oudedagsvoorziening*, AOV), which constitutes the first pillar of old-age income protection. This benefit is generally granted upon reaching the statutory retirement age of 60 and has a universal character for residents of Suriname. The objective of the AOV is to provide a minimum level of income to older persons, irrespective of their employment history or contribution record.

According to information contained in Social Security Programs Throughout the World: The Americas, 2019, prepared by the Social Security Administration, entitlement to the benefit may be conditional upon meeting specific residency requirements, particularly in the case of individuals who do not hold Surinamese citizenship (SSA, 2020).

In contrast to the Dutch system, the statutory retirement age in Suriname remains significantly lower and less dynamic. Under the universal flat-rate old-age pension scheme (AOV), the normal retirement age is set at 60 years. This retirement age applies uniformly to men and women and has not been subject to systematic adjustment in response to demographic ageing or changes in life expectancy. This static parameter reflects both fiscal constraints and the limited institutional capacity for introducing automatic adjustment mechanisms within the Surinamese pension system (SSA, 2020; IOPS, 2023).

The universal flat-rate old-age pension is complemented by an insurance-based scheme administered by the general pension fund (*Algemeen Pensioenfonds*, APF), which covers employed persons as well as the self-employed. Benefits under this pillar are earnings-related and depend on the length of the contribution period, and their design follows a defined-benefit formula.

According to data provided by the Social Security Administration, the level of the contributory pension is calculated as a specified percentage of average earnings in the final years of economic activity, multiplied by the number of contribution years, while statutory minimum and maximum thresholds are applied (SSA, 2020).

From a financing perspective, the Surinamese pension system is based on mixed arrangements. The universal flat-rate old-age pension is largely financed from the state budget, while the insurance-based pillar relies on contributions paid by employees and employers. Institutional analyses indicate that contribution rates and the financial parameters of the system have been subject to gradual adjustments over time, aimed at improving the system's financial balance under conditions of a limited contribution base (International Social Security Association [ISSA], 2023; IOPS, 2023).

A significant limitation of the Surinamese pension system remains the low level of effective pension coverage, resulting from the high share of employment in the informal sector and the state's limited administrative capacity to enforce contribution obligations. As a consequence, a substantial proportion of the working-age population does not accumulate entitlements to earnings-related benefits, and their old-age income security relies almost exclusively on the universal benefit, which has a relatively low real value (ISSA, 2023; OECD/IOPS, 2021).

From an institutional perspective, the Surinamese pension system is characterised by a division of responsibilities among several public bodies and funds, which increases the complexity of system governance and complicates the coordination of supervisory activities.

The universal flat-rate old-age pension is administered by the AOV Fund, operating under the supervision of the competent ministry, while the insurance-based component of the system remains under the responsibility of the general pension fund (APF). From an international perspective, this model is assessed as functional but vulnerable to risks associated with the state's limited institutional and fiscal resources (IOPS, 2023).

Despite the existence of a universal old-age benefit, effective pension coverage in Suriname remains limited, particularly with respect to earnings-related pensions. While the universal flat-rate old-age pension scheme (AOV) provides a basic benefit to the majority of individuals above the statutory retirement age, participation in contributory pension arrangements is largely confined to formal-sector workers.

Available institutional evidence indicates that a significant share of the labour force operates outside formal employment relationships, which substantially restricts contribution-based coverage and weakens the income-replacement function of the pension system (SSA, 2020; ISSA, 2023).

As a result, a large proportion of the working-age population does not accumulate pension rights linked to previous earnings, relying instead on flat-rate benefits financed from the state budget. This structural feature differentiates Suriname from pension systems with broad contributory coverage and represents a key constraint on the adequacy of retirement income beyond basic old-age protection (OECD/IOPS, 2021).

As a result, the pension system of Suriname should be viewed primarily as an element of social policy aimed at providing minimum income protection in old age, rather than as an extensive mechanism for diversifying income sources after the end of working life. This characteristic constitutes a key reference point for the subsequent comparative analysis with the Dutch pension system, in which capital-funded and occupational arrangements with very high coverage levels play a dominant role.

Table 2. *Main Structural Characteristics of the Pension System in Suriname*

Dimension	**Key Characteristics**
System architecture	Universal flat-rate pension (AOV) plus earnings-related social insurance
Statutory retirement age	60; fixed; same for men and women
Universal flat-rate old-age pension (AOV)	Flat-rate benefit primarily linked to residence
Earnings-related pension	Defined-benefit formula based on reference earnings and contribution years
Coverage	Limited; earnings-related coverage largely restricted to formal-sector employment
Financing	Mixed: budget financing and payroll contributions
Institutional framework	Multiple public bodies and pension funds
Dominant function	Old-age poverty alleviation

Source: *SSA (2020); ISSA (2023); OECD/IOPS (2021); IOPS (2023); Apolitical (2021).*

4.3 Convergence and Divergence of Pension Systems: Suriname and the Netherlands

The comparison of the pension systems of Suriname and the Netherlands reveals the simultaneous presence of processes of convergence and divergence, which should be analysed at different levels of the functioning of social security systems. While certain convergent elements can be identified at the level of declared pension policy objectives and responses to demographic pressure, the institutional architecture, coverage, and financing mechanisms remain fundamentally different. This coexistence of convergence and divergence confirms the relevance of adopting an institutional perspective and a post-colonial context in comparative analysis (Poteraj, 2008a; OECD, 2023).

At the level of systemic objectives, both countries formally aim to ensure minimum income security in old age and to reduce the risk of poverty among older persons. In this sense, the universal flat-rate old-age pension operating in Suriname and the basic pillar of the Dutch pension system perform a similar social function. This can be interpreted as an expression of functional convergence, reflecting the recognition of the state's role in providing a minimum income guarantee irrespective of employment history (Barr and Diamond, 2008; SSA, 2020).

At the same time, fundamental differences emerge at the level of institutional architecture and financing mechanisms. The Dutch pension system is based on a highly developed occupational pension pillar of a capital-funded nature, which ensures very high coverage among employed persons and a relatively high income replacement rate.

In Suriname, by contrast, benefits of a universal and budget-financed character play the dominant role, while the earnings-related pillar covers only a part of the economically active population, primarily within the formal sector. This difference points to structural divergence rooted in the differing fiscal capacities, levels of labour market development, and institutional traditions of the two countries (Poteraj, 2008b; OECD/IOPS, 2021).

Differences in statutory retirement ages further illustrate structural divergence between the two systems. The Netherlands applies a higher retirement age that is dynamically indexed to life expectancy, whereas Suriname maintains a lower and fixed statutory threshold.

At the same time, an additional point of functional similarity between the two systems concerns the absence of gender differentiation in the statutory retirement age. In both the Netherlands and Suriname, the legal retirement age applies equally to men and women. In the Dutch case, gender-neutral retirement age provisions have been in place since the establishment of the public pension system and have been consistently maintained throughout subsequent parametric reforms.

In Suriname, the application of a uniform retirement age for both sexes may be interpreted as an element of institutional continuity, potentially rooted in the legal and administrative framework inherited from the colonial period. While this continuity does not imply convergence in the level or dynamics of the retirement age, it highlights a shared normative principle of gender equality in access to old-age benefits (SSA, 2018; SSA, 2020; OECD, 2023).

An important area of divergence also concerns the role of capital-funded mechanisms. In the Netherlands, the capital-funded pillar constitutes a core component of the pension system and is subject to well-developed institutional supervision, which enables the diversification of demographic and fiscal risks.

In Suriname, by contrast, private and occupational pension schemes play a marginal role, while the limited development of capital markets and the low income levels of the population hinder their wider diffusion. In this respect, no processes of convergence can be observed; instead, existing developmental differences are being reinforced (IOPS, 2023; ISSA, 2023).

A notable feature distinguishing Suriname from most Latin American countries is the absence of a systemic pension reform based on mandatory individual capitalisation, such as those inspired by the Chilean model. While capital-funded pension schemes were introduced in the majority of Spanish-speaking Latin American countries from the 1980s onwards, Suriname did not follow a comparable reform trajectory. Instead, its pension system retained a predominantly public and budget-financed structure, with only limited earnings-related components.

This pattern of divergence may reflect not only economic and institutional constraints but also broader historical and cultural factors. In contrast to countries embedded in Spanish-speaking policy and academic networks that facilitated the diffusion of the Chilean pension reform paradigm, Suriname remained relatively insulated from these reform dynamics.

The absence of a capitalisation-based reform can therefore be interpreted as an element of institutional continuity, potentially linked to the country's colonial legacy and its closer historical alignment with European models of social protection rather than with Latin American pension reform trajectories (Mesa-Lago, 2008; Holzmann and Hinz, 2005; OECD/IOPS, 2021).

From an institutional perspective, the post-colonial context of Suriname is of particular importance. Administrative legacy, labour market structure, and the state's limited capacity to enforce contribution obligations shape the development trajectory of the pension system and constrain the implementation of solutions characteristic of Western European countries.

As a result, attempts at the direct transfer of Dutch institutional arrangements to Surinamese conditions would be not only ineffective but also potentially destabilising. This implies that divergence between pension systems is not solely the outcome of differing policy choices, but also a consequence of more deeply rooted structural conditions (Apolitical, 2021; OECD/IOPS, 2021).

In summary, the comparative analysis indicates the coexistence of convergence at the level of policy objectives and social functions, alongside divergence at the institutional and financial levels. This pattern of development confirms the thesis of a post-colonial dilemma, in which pressure to emulate solutions applied in highly developed countries confronts constraints arising from the local economic and institutional context.

These conclusions provide a point of departure for further reflection on the possibility of adapting selected elements of pension systems in a manner that takes into account the specific conditions of post-colonial states.

Table 3. *Convergence and Divergence of Pension Systems: The Netherlands and Suriname*

Dimension	**The Netherlands**	**Suriname**
Dominant system objective	Income replacement and old-age security	Old-age poverty alleviation
System architecture	Multi-pillar system with strong occupational pensions	Universal flat-rate pension plus limited earnings-related scheme
Statutory retirement age	67; indexed to life expectancy; same for men and women	60; fixed; same for men and women
Coverage	Very high coverage of employed	Limited; earnings-related

	population	coverage largely restricted to formal-sector employment
Role of capital-funded schemes	Central role	Marginal role
Financing structure	Contributions and funded schemes	Budget financing and limited contributions
Institutional capacity	High; developed regulatory and supervisory framework	Constrained; fragmented administrative structure
Convergence/divergence assessment	Functional convergence with EU pension reform trends; structurally distinct multi-pillar system	Functional convergence at the level of basic protection; structural divergence reflecting fiscal and institutional constraints

Source: *Poteraj (2008a, 2008b); SSA (2018, 2020); OECD (2023); OECD/IOPS (2021); ISSA (2023); IOPS (2023).*

5. Conclusions, Proposals, Recommendations

The conducted comparative analysis of the pension systems of Suriname and the Netherlands indicates that the post-colonial dilemma between convergence and divergence cannot be resolved in an unambiguous manner. The findings confirm that processes of convergence and divergence coexist, but they operate at different levels of the functioning of pension systems. While convergence can be identified with respect to the basic social functions of pension systems, their institutional architecture, financing mechanisms, and the extent of effective coverage remain fundamentally different.

At the level of systemic objectives, both analysed countries recognise the role of the state in ensuring minimum income security in old age. In both Suriname and the Netherlands, universal or quasi-universal arrangements operate whose primary purpose is to protect older persons against poverty. In this sense, it is possible to speak of functional convergence, reflecting a similar understanding of the social role of pension systems, regardless of the degree of their institutional development.

At the same time, the analysis reveals clear divergence at the structural level. The Dutch pension system is based on a mature multi-pillar model in which capital-funded occupational pension schemes play a central role, ensuring high coverage and significant risk diversification. By contrast, the pension system of Suriname is far more limited in scope and concentrated on flat-rate benefits financed from the state budget, with a relatively narrow reach of the earnings-related pillar.

These differences are largely a consequence of divergent fiscal capacities, labour market structures, and levels of institutional development in the two countries. Limited contributory coverage in Suriname, driven by the prevalence of informal employment, further reinforces the structural divergence between the two pension systems and constrains the income-replacement capacity of the Surinamese model.

The findings also allow for a direct reference to the research questions formulated at the beginning of the paper. First, the analysis confirmed that convergence between the pension systems of Suriname and the Netherlands is limited in scope and relates primarily to social functions rather than institutional arrangements.

Second, it demonstrated that historical and institutional conditions, in particular the post-colonial context of Suriname, play a crucial role in shaping the development trajectory of the pension system and significantly differentiate it from the systems of highly developed countries. Third, the analysis indicates that the possibilities for transferring institutional arrangements between the analysed systems are very limited and require far-reaching adaptation to local conditions.

The analysis of statutory retirement ages further reinforces the conclusion that convergence between the two pension systems is limited to functional objectives rather than core parametric features. While the Netherlands has implemented a dynamically indexed retirement age reflecting demographic ageing, Suriname continues to apply a significantly lower and fixed retirement age, thereby highlighting persistent structural divergence in pension system design.

At the same time, the absence of gender differentiation in statutory retirement age in both systems represents a limited but meaningful area of functional similarity. This similarity may reflect the persistence of institutional norms originating in the colonial legal framework rather than the outcome of recent policy convergence.

The formulated research hypothesis, which assumed the coexistence of functional convergence and structural divergence of pension systems under post-colonial conditions, has been confirmed. The study demonstrates that pressure towards the alignment of pension arrangements, arising from global trends and international reform paradigms, does not lead to the homogenisation of systems, but rather coexists with persistent diversity in models of old-age income protection.

From a cognitive perspective, the findings of the paper contribute to the strand of research on the comparative analysis of pension systems by emphasising the importance of institutional and historical context in assessing processes of convergence.

From a public policy perspective, they suggest that pension reforms in post-colonial states should focus on the gradual strengthening of existing arrangements—particularly through improving administrative effectiveness and increasing labour market formalisation—rather than on the direct imitation of models operating in highly developed countries.

The study has its limitations, resulting from the focus on two case studies and the use of predominantly secondary data. This opens avenues for further research that could encompass a broader group of post-colonial countries or adopt a dynamic approach enabling the analysis of pension system changes over a longer time horizon. Despite these limitations, the findings enhance the understanding of the mechanisms shaping the development of pension systems in diverse institutional contexts and constitute a valuable contribution to the academic debate on convergence and divergence in social policy.

References:

Apolitical. 2021. A Guide To Suriname's Social Protection System. Available at: https://apolitical.co/solution-articles/en/a-guide-to-surinames-social-protection-system.
Barr, N., Diamond, P. 2008. Reforming Pensions: Principles And Policy Choices. Oxford: Oxford University Press.
Bonoli, G. 2012. The Politics Of Pension Reform In Western Europe. Cambridge: Cambridge University Press.
Cristea, M., Thalassinos, E. 2016. Private pension plans : an important component of the financial market. International Journal of Economics & Business Administration, 4(1), 110-115.
DiMaggio, P.J., Powell, W.W. 1983. The Iron Cage Revisited: Institutional Isomorphism And Collective Rationality In Organizational Fields. American Sociological Review, 48(2), 147-160.
Disney, R. 2004. Are Contributions-Based Social Security Pensions Sustainable? Oxford Review Of Economic Policy, 20(3), 338-352.
Ebbinghaus, B. 2011. The Varieties Of Pension Governance: Pension Privatization in Europe. Oxford: Oxford University Press.
European Commission. 2003. Strengthening The Social Dimension of the Lisbon Strategy: Streamlining Open Coordination In The Field Of Social Protection. Brussels: European Commission.
Grech, A.G. 2013. Assessing The Sustainability of Pension Reforms in Europe. Journal of International and Comparative Social Policy, 29(2), 143-162. doi:10.1080/21699763.2013.836980.
Holzmann, R., Hinz, R. 2005. Old-Age Income Support In The 21st Century: An International Perspective On Pension Systems and Reform. Washington, DC: World Bank.
International Labour Organization. 2000. World Labour Report 2000: Income Security And Social Protection In A Changing World. Geneva: ILO.
International Monetary Fund. 2024. Social Protection And Pension Reforms In Emerging And Developing Economies. Washington, DC: IMF.
International Organisation of Pension Supervisors. 2023. Country Profile: Suriname. Paris: IOPS.
International Social Security Association. 2023. ISSA Country Profiles: Suriname (Policies as of 1 January 2023). Available at: https://www.issa.int/databases/country-profiles.
Lijphart, A. 1999. Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries. New Haven, CT: Yale University Press.
Mesa-Lago, C. 1989. Ascent To Bankruptcy: Financing Social Security in Latin America. Pittsburgh: University of Pittsburgh Press.
Mesa-Lago, C. 2008. Reassembling Social Security: A Survey of Pension and Health Care Reforms in Latin America. Oxford: Oxford University Press.
Natali, D. 2010. Pensions in Europe: European Pensions - The Evolution of Pension Policy at

National And Supranational Level. Brussels: Peter Lang.
Organisation for Economic Co-operation and Development. 2013. Pensions at a Glance 2013: OECD and G20 Indicators. Paris: OECD Publishing.
Organisation for Economic Co-operation and Development. 2018. Pensions at a Glance. Paris: OECD Publishing.
Organisation for Economic Co-operation and Development. 2023. Pensions at a Glance 2023: OECD and G20 Indicators. Paris: OECD Publishing.
Organisation for Economic Co-operation and Development / International Organisation of Pension Supervisors. 2021. Suriname Country Profile. Paris: OECD/IOPS.
Poteraj, J. 2008a. Pension Systems In 27 EU Countries. Vilnius: The Association of Polish Scientists of Lithuania.
Poteraj, J. 2008b. System emerytalny w Holandii. Polityka Społeczna, 4, 18-22.
Social Security Administration. 2018. Social Security Programs Throughout The World: Europe. Washington, DC: SSA. Available at: https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/europe/index.html.
Social Security Administration. 2020. Social Security Programs Throughout The World: The Americas, 2019. Washington, DC: SSA. Available at: https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/americas/index.html.
Social Security Administration. n.d. International Update. Washington, DC: SSA. Available at: https://www.ssa.gov/policy/docs/progdesc/intl_update/.
World Bank. 2019a. Social Protection And Jobs: Toward Better Jobs And Security For All. Washington, DC: World Bank.
World Bank. 2019b. World Development Report 2019: The Changing Nature of Work. Washington, DC: World Bank.
Zeitlin, J., Pochet, P., Magnusson, L. (eds.). 2005. The Open Method of Coordination in Action: The European Employment And Social Inclusion Strategies. Brussels: Peter Lang.