# ABSTRACT

A Review of the Evolution and Performance of Social Security Schemes in the English-speaking Caribbean

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The general trend seems to be that social security schemes are facing a crisis in which their future is threatened by actual or potential actuarial imbalances. The schemes in the English-speaking Caribbean have not been spared such crises.

It is within this context that a framework is established for the evaluation of the evolution and performance of social security schemes in general. Five major indicators for measuring and monitoring performance are employed: the width and composition of the base; the cost of administering the system; the diversification of the investment portfolio; the degree of actuarial robustness and; the social relevance of the schemes.

When the criteria are tested within the English-speaking Caribbean it is found that the performance of the schemes has been largely influenced by the manner in which they were established and have since evolved.

The width and depth of population and benefit coverage is affected, among other things, by the degree of homogeneity of the population to be covered, and the strength of the formally employed within the labour market. Moreover, the expansion of converge and the distribution of investments have been informed by a need for safety on the part of "risk averse" administrators.

The empirical evidence suggests that the real value of benefits have not been maintained and as a result, the relevance of the social security schemes have become questionable.

In addition, actuarial imbalances have become a reality in the more matured schemes; Barbados, Guyana, Jamaica and Trinidad and Tobago. The less matured schemes are being faced with potential imbalances as unemployment rates increases and their pension schemes mature.