

Social Security Reform and Management: The Case of Three Member Territories of the Organisation of Eastern Caribbean States

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Abstract : It has been recognized that some social security and national insurance systems in the Eastern Caribbean are experiencing ageing populations and economic and other crises that will present a financial challenge of being unable to pay pension benefits in fifteen to twenty years. This has implications for the fiscal and economic positions of the countries themselves. Hence, organizations would need to address the issue urgently. The study adds to the body of knowledge on social security systems and social security reforms in small island developing states (SIDS). It also makes recommendations for the types of reforms that social security systems in other SIDS can implement given their special circumstances. Secondary research is used to gather financial and other related information on three social security schemes in the Eastern Caribbean. Actuarial and financial reports and other documents of the social security systems are analysed to obtain financial and static data on each of the schemes. The findings show that the three schemes studied are experiencing steady increases in benefit expenditure versus contributions and increasing pensioner to insured ratios. The schemes will deplete their reserves between 2038 and 2050. Two of the schemes have increased their retirement age while the other has not embarked on any reforms. One scheme has made changes to its contribution percentages. Due to their small size, small populations and other unique circumstances, the social security schemes in the identified territories are not likely to be able to take advantage of all of the reform initiatives that the developed world embarked on when faced with similar problems. These schemes will need to make incremental changes that align with the timeframes recommended by the actuarial studies.

Keywords : benefits, pension, small island developing states, social security reform

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