COME MEK WI
HOL’ YUH HAN’

The Components of an Effective
Social Safety Net for Jamaica
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The Components of an Effective Social Safety Net for Jamaica

Caribbean Policy Research Institute (CAPRI)
Kingston, Jamaica

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Lead Researcher: Monique Graham
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Executive Summary

The NIS pension recipients are from the richest quintile, and more than 80% of the poorest quintile is not receiving any pension at all, not even the PATH social pension.
inequitable growth, with high income inequality and low social mobility, forestalls countries’ ability to capitalize on their most prized asset – its people. Inclusive growth, on the other hand, maintains the economic foundations of a country. People living in poverty cannot afford crucial investments in the bases of human development, such as education or health. Consequently, productivity levels are sub-optimal, as is economic output. Furthermore, unaddressed poverty exacts a greater burden on public resources. Public resources that could and should be committed to preventative and proactive measures of reducing poverty are instead spent addressing the consequences of poverty. As a result, economic progress may be undone.

The absence of an effective social safety net undermines political consensus and contributes to social unrest. When there are no resources to support members of society who are unable to provide for themselves, and where emergency relief is absent, social stress is increased, as well as the potential for social deviance. Further, the very existence of marginalized and excluded groups forestalls full political support for growth-promoting economic programmes, as they are not likely to benefit or participate. Social protection interventions can address structural and underlying causes of economic and social vulnerability, which are drivers of discontent and conflict. Therefore, effective and equitable access to social safety nets are essential for social cohesion and optimal participation. By identifying specific groups and their vulnerabilities, and examining proofs of concept of social safety and inclusion policies in other countries, this report sought to elicit the elements of an efficient and effective socio-economic welfare architecture for Jamaica.

The research found that inclusive growth is attainable in Jamaica, but it requires the implementation of deliberate, purposeful, well-targeted programmes that comprise an efficient social safety net that effectively covers the poorest quintiles. Many relevant programmes are already in place in Jamaica, but must be optimized.

The PATH programme targets the most vulnerable groups, but suffers from targeting errors of inclusion and exclusion, and the conditionalities hurt more than they help. By removing or reducing conditionalities, better targeting, and expanded coverage, PATH can better contribute to breaking the intergenerational cycle of poverty.

The coverage of both the contributory and non-contributory pensions schemes is low. The NIS pension recipients are from the richest quintile, and more than 80 percent of the poorest quintile is not receiving any pension at all, not even the PATH social pension. There is a remaining gap of low- and some middle-income households who are not actively contributing to the NIS, and, at the same time, are not poor enough to be considered for the PATH programme.

The National Health Fund and Jamaica Drugs for the Elderly Programme are intended to increase access to healthcare for all citizens by reducing out-of-pocket expenditure through subsidies. In its current iteration, however, the NHF/JADEP is not sufficiently pro-poor to meaningfully promote inclusiveness. A
comprehensive national health insurance scheme would.

Three programmes targeted at poor youths and adults were examined. The HEART/NSTA programmes for at-risk and unattached youths had dismal results. The Abilities Foundation provides important training and services for youth with disabilities, but its reach is miniscule and its location in KSA prevents the majority of youths with disabilities, who are in rural areas, from accessing the programmes. The failure to enact the Disability Act (2014) contributes to weak presence of persons with disabilities in the work force. A sub-programme of PATH, the Steps-to-Work programme, seeks to create self-reliance for adults in poor families through education and training. The completion, graduation, and employment rates of its graduates is satisfactory, but only 10 percent of potential beneficiaries participate.

Value-added tax exemptions, based on the distribution of their consumption amongst households of different income levels, disproportionately benefit the wealthy. Similarly, despite the NHT’s mandate to serve low-income contributors, mortgage disbursement by the NHT is skewed toward higher income groups.

Recommendations

For Jamaica to have an effective social protection system that promotes economic inclusiveness, the following actions should be taken:

1. **Parliament should pass the National Assistance Bill to replace the Poor Relief Act (1886).** The absence of an overarching legislation for social protection impairs a coordinated approach to poverty reduction through an authoritative multi-sectoral institutional framework which effectively coordinates service delivery. This results in fragmentation, duplication, and limited collaborative responses to programmes. A new law, informed by evidence, should be created to strengthen and integrate poverty reduction efforts.

2. **The conditionalities from the PATH programme should be removed.** Conditionalities diminish the effectiveness of cash transfer programmes.

3. **The PATH programme social pension programme should be broadened to offer a universal pension and the means-test criteria should be removed.** This will result in a stronger pension architecture, comprising both a universal and contributory pension. Furthermore, **monetary incentives should be offered to persons to enroll in the contributory pension, the NIS**, while still being eligible for the universal pension. This incentive should be high enough to promote contributions but low enough to discourage avoiding enrolment.
A universal national health insurance plan, such as the one already designed and drafted by the Ministry of Health and Wellness, should be implemented. Medical expenses are the surest way for vulnerable households to fall into poverty and are the most difficult for an individual to mitigate against, a problem which universal, state-sponsored health insurance can alleviate.

HEART/NSTA skills training programmes for vulnerable at-risk youth must be evidence based and systematically monitored and evaluated. Otherwise, HEART/NSTA will remain an underutilized resource in preparing vulnerable populations of poor, unskilled youths and adults for the labour force.

The Steps-to-Work programme should devote more resources and effort to promotion, recruitment, and incentivization in order to increase its throughput. A constructive element of any social safety net is a path out of poverty and vulnerability. The Steps-to-Work programme fits that criterion, is effective with its graduates, but is underutilized.

Parliament should gazette the Disabilities Act (2014), which also commissions the Disabilities’ Rights Tribunal. Low participation of persons with disabilities in the labour market, and the perpetual discrimination by the society, is in part due to the Disability Act (2014) not being in effect.

The Abilities Foundation should be expanded and its facilities geographically dispersed. The Abilities Foundation is the only cross-disability entity working to promote the livelihoods of people with disabilities; it is situated in Kingston and St. Andrew. With more persons with disabilities located in rural areas, they are at strain to access the opportunities provided by the Foundation.

The Jamaica Council for Persons with Disabilities should have mandatory registration for persons with disabilities. Registration of persons with disabilities will better aid policy makers in planning and mobilizing resources for this vulnerable group. Also, benefits that are only accessible through registration can become widespread for this community, especially for persons who were not previously registered.
## List of Acronyms

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<th>Acronym</th>
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<tr>
<td>CAPRI</td>
<td>Caribbean Policy Research Institute</td>
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<tr>
<td>CCT</td>
<td>Conditional cash transfer</td>
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<tr>
<td>COVID-19</td>
<td>Coronavirus Disease 2019</td>
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<td>CARE</td>
<td>COVID-19 Allocation of Resources for Employees</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>ECI</td>
<td>Early Childhood Institution</td>
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<td>ESSJ</td>
<td>Economic and Social Survey Jamaica</td>
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<tr>
<td>GCT</td>
<td>General Consumption Tax</td>
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<td>GOJ</td>
<td>Government of Jamaica</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>HEART/NSTA</td>
<td>Human Employment and Resource Training/National Service Training Agency</td>
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<tr>
<td>IDB</td>
<td>Inter-American Development Bank</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<td>JADEP</td>
<td>Jamaica Drugs for the Elderly Programme</td>
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<td>JSJC</td>
<td>Jamaica Survey of Living Conditions</td>
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<td>KSA</td>
<td>Kingston and St Andrew</td>
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<tr>
<td>LAC</td>
<td>Latin America and the Caribbean</td>
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<tr>
<td>MGNREGA</td>
<td>Mahatma Gandhi National Rural Employment Guarantee Act</td>
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<tr>
<td>MEGJC</td>
<td>Ministry of Economic Growth and Job Creation</td>
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<td>MLSS</td>
<td>Ministry of Labour and Social Security</td>
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<td>NCTVET</td>
<td>National Council for Technical and Vocational Education and Training</td>
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<td>NHF</td>
<td>National Health Fund</td>
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<td>Acronym</td>
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<tr>
<td>NHIP</td>
<td>National Health Insurance Plan</td>
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<td>NUYP</td>
<td>National Unattached Youth Programme</td>
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<td>NCDs</td>
<td>Non-communicable Diseases</td>
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<td>OECD</td>
<td>Organization of Economic Development</td>
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<td>PWDs</td>
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<td>Programme of Advancement Through Health and Education</td>
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<td>PWP</td>
<td>Public works programme</td>
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<td>SFP</td>
<td>School Feeding Programme</td>
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<td>STATIN</td>
<td>Statistical Institute of Jamaica</td>
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<td>STW</td>
<td>Steps to Work</td>
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<td>TVET</td>
<td>Technical and vocational education and training</td>
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<td>PIOJ</td>
<td>The Planning Institute of Jamaica</td>
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<td>STATIN</td>
<td>The Statistical Institute of Jamaica</td>
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<td>UCT</td>
<td>Unconditional cash transfer</td>
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<td>UIS</td>
<td>Unemployment insurance schemes</td>
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<td>UNICEF</td>
<td>United Nations Children International Children's Emergency Fund</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>ECLAC</td>
<td>United Nations Economic Commission for Latin America and the Caribbean</td>
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<td>VAT</td>
<td>Value-Added Taxes</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Over the past 7 years, Jamaica has performed remarkably well in establishing the markers of ECONOMIC GROWTH.
Over the past seven years, Jamaica has performed remarkably well in establishing the markers of economic growth. Achieved through fiscal responsibility, inflation-targeting regimes, and employing policies that promote the ease of doing business, our macroeconomic indicators have improved: lower debt and interest payments, lower and steady annual inflation rate, and an increase in employment. Consequently, the government was able to increase its expenditure without risking debt sustainability with more investment in various sectors such as security, transport, health, and education.

However, no amount of economic growth guarantees equity in the distribution of economic gains. In 2018, Jamaica recorded its sixth consecutive year of relatively moderate growth, though it was the highest growth rate since 2006.\(^1\) Notwithstanding, the prevalence of poverty in Jamaica, over a ten-year period (2008 to 2017 inclusive), has increased, inferring that the poorest and most vulnerable people are not being adequately supported, or are not benefitting from national growth.\(^2\) Similarly, persons’ vulnerability, and the number of persons vulnerable to poverty, have also increased in Jamaica.\(^3\)

Vulnerability as it is here depicted is characterized by a set of inherent weaknesses and internal conditions that affect individuals and that then limit their resilience to shocks such as weather and geological events, illness, and economic crises.\(^4\) Individuals become vulnerable to poverty when they are either at risk of becoming poor or at risk of remaining poor. In Jamaica, the state of being poor is typically evidenced not only by an inability to procure the requisite means of subsistence, but by lack of access to a basic education, healthcare, housing, transportation, safe environments, and employment.\(^5\) Vulnerabilities such as old age, disability status, geographic location, and care burden, in addition to being poor, increase persons’ exposure to the risk of being poor, and the scale of their resilience.

In 2017, 23 percent of the Jamaican population faced the risk of becoming poor; that risk has increased because of the COVID-19 pandemic. More people have moved into poverty as pre-existing vulnerabilities have been worsened, and resilience has been diminished. It is well established that vulnerabilities among the poorest populations, particularly those with children, tend to manifest during economic crises; this has been borne out by the COVID-19 pandemic.\(^6\)

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3  PIOJ and STATIN, “JSLC 2017.”
For example, 80 percent of households in Jamaica experienced loss of income. However, while 46 percent of income was lost on average, poorer households experienced greater loss, averaging approximately 49 percent. Those households became predisposed to food insecurity as they were forced to reduce or forgo daily meals. Other aspects of their lives were disrupted, such as access to education and health services.

The unequal impact of the pandemic has made clear the need for a more robust and more effective social safety net. This is a collection of programmes that target the most vulnerable population, with the aim to protect them from reductions in their standard of living in the presence of an external shock, be it a personal crisis or a natural disaster. Such programmes include cash and in-kind transfers, pension schemes, health coverage, and public works programmes. Globally, these programmes have had positive impacts on beneficiaries’ education, health, and food security. Moreover, safety net beneficiaries’ ability to generate income is generally increased, which ultimately has positive effects on national economies. Globally, approximately 36 percent of the very poor, between 2008 and 2018, escaped extreme poverty because of social safety nets, resulting in lower inequality, and reducing the poverty gap by about 45 percent.

Inequitable growth, with high income inequality and low social mobility, forestalls countries’ ability to capitalize on their most prized asset – its people. Inclusive growth, on the other hand, maintains the economic foundations of a country. People living in poverty cannot afford crucial investments in the bases of human development, such as education or health. Consequently, productivity levels are sub-optimal, as is economic output. Furthermore, unaddressed poverty exacts a greater burden on public resources. Public resources that could and should be committed to preventative and proactive measures of reducing poverty are instead spent addressing the consequences of poverty. As a result, economic progress may be undone.

The absence of an effective social safety net also undermines political consensus and contributes to social unrest. When there are no resources to support members of society who are unable to provide for themselves, and where emergency relief is absent, social stress is increased, as well as the potential for social deviance. Further, the very existence of marginalized and excluded groups forestalls full political support for growth-promoting economic programmes, as they are not likely to benefit or participate. Social protection interventions can address structural and underlying causes of economic and social vulnerability, which are drivers of discontent and conflict. Therefore, effective and equitable access to social safety nets is essential for social cohesion and optimal participation.

While Jamaica’s existing socio-economic welfare architecture provides comparatively high coverage, there are gaps, particularly among the poorest quintiles. This report presents a proof of concept for an efficient and effective revised social protection framework for Jamaica. Theoretical and practical aspects of social policies and programmes that have been proven to deliver reduced vulnerability, greater equity, and increased inclusiveness were considered. Specific groups and their vulnerabilities in Jamaica were examined. The effectiveness and efficiency of each policy measure in the proposed revised framework was
measured against the extent to which intended and unintended beneficiaries are captured (by the policy measure). Therefore, this report will:

- Define and explain the importance of inclusive growth
- Provide a situational analysis of the current vulnerabilities to poverty in Jamaica
- Examine the current social protection system in Jamaica
- Highlight effective and efficient social protection policies, conceptually and as employed in other jurisdictions, and
- Given the Jamaican context, and the COVID-19 pandemic, propose a suitable revised architecture for an equitable social protection system that promotes inclusion and reduces vulnerability.

While Jamaica’s existing socio-economic welfare architecture provides comparatively high coverage, there are still significant coverage gaps, particularly among the poorest quintiles.
Economic growth is **INCLUSIVE** if it creates opportunities for all segments of the population, and when the growth dividend is shared equitably.
Since the beginning of the 21st century, policy-makers have recognized social protection as a core element of strategies aimed at reducing poverty and increasing vulnerability while strengthening inclusive social development and promoting equitable economic growth. Economic growth is considered to be inclusive if it creates opportunities for all segments of the population, and when the growth dividend is shared equitably. Also known as “disadvantage-reducing growth,” inclusiveness is further understood as the benefits of growth being experienced by everyone, while the poor accrue greater benefits, rather than having a single group – usually the richer portion of the population – accumulating all the benefits of growth.

Therefore, distribution of the gains from economic growth to whom and through what mechanisms are important policy considerations to demonstrate equitable access to opportunities (education, employment, and finance), or outcomes (income, wealth, and health).

Inclusive growth was once thought to take varying forms in different countries and circumstances. For example, social connections and the quality of institutions were thought to matter more in developing countries, whereas social protection – such as access to social services and unemployment insurance – was thought to be more relevant in advanced countries. In the late 1990s, however, there was a shift in thinking on inclusive growth where social protection was elevated to the level of a preferred instrument of development across all growth-seeking countries. This was driven by the disenchanted with the results of economic adjustment programmes, the 1997 Asian economic crisis, and a heightened awareness of the negative effects of global poverty.

Social protection, or a social safety net, is a set of policies and programmes designed to reduce poverty and vulnerability by diminishing people's exposure to risk, and enhancing their capacity to protect themselves against shocks, particularly those that interrupt or forestall income generation.

Social protection assumes greater importance in the Caribbean because of the proclivity to natural disasters and large informal sectors.
in the English-speaking Caribbean originated in the United Kingdom in the form of pension funds; national social protection schemes were implemented after independence, with Jamaica having the oldest.22

Social protection assumes greater importance in the Caribbean because of the proclivity to natural disasters, and the dependence on environmental and climate sensitive sectors.23 Across 17 English-speaking Caribbean islands, the levels of disaster risk generally range from very high to medium levels, with an average frequency of nine natural disasters, per year, between 2010 and 2016.24 Small, open economies dependent on sectors that are directly exposed to such risks face increased vulnerability to economic shocks. Consequently, the segments of the population that work in these sectors, segments which comprise lower-middle- and low-income households, also face this vulnerability.

The large informal economy is another area of vulnerability in the Caribbean. The informal sector contributes up to 57 percent of Caribbean countries’ Gross Domestic Product (GDP), and 53 percent of employment.25 Informal businesses offer workers little to no social protection or labour rights, whereas those are legally required in the formal sector.26 Most informal sector workers are from lower-middle- and low-income households. Adequate and comprehensive social protection systems are comprised of savings schemes, pension contributions, and unemployment and disability benefits, and these are generally and necessarily done through the formal sector.27 A large informal sector employing mainly poorer workers thus precludes effective social protection, and stymies efforts to reduce inequality and social exclusion.28

These external vulnerabilities – proclivity to natural disasters and large informal sector – present income risks that can rapidly relegate households into poverty or exacerbate the conditions of poverty-stricken households. In addition, there may also be internal socio-cultural and systemic weaknesses that further increase this likelihood. In arriving at a proposal for any specific country or population, the unique situation should be ascertained. Ascertaining this includes identifying the vulnerable groups, the specific vulnerabilities, the geography of the prevalence, and the existing framework. The following section thus presents a situation analysis for the Jamaican context. While effective and accessible family planning services and resources are crucial to improving women’s sexual and reproductive health, not all unintended pregnancies can be prevented as women are not always able to determine and control all circumstances of their lives. Constant and proper use of contraceptives is very effective at preventing pregnancy, but even then, contraceptive failures may occur. Women may also face other barriers to contraceptive access which includes financial difficulties and lack of female education and empowerment. In sum, even with access to contraception, women in the lower socioeconomic brackets are most at risk of unintended pregnancy, and they are also the ones who most lack access to safe abortion.

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23 Other factors that increase the region's vulnerability is its dependence on remittance income from overseas for economic livelihood and to changing global commodity prices.
26 ILO, “Informal Employment In Jamaica.”
The **INFORMAL SECTOR** contributes up to **57%** of Caribbean countries’ GDP and **53%** of employment.
19% of the population failed to meet the minimum level of expenditure (whether household or individual), with the extreme poor representing approximately 5% of the population.
Who, What, Where

Even though Jamaica has one of the lowest levels of inequality within the English-speaking Caribbean region, the incidence of poverty in the country has, on average, trended upwards since 2008, and is consistently highest in rural areas.29 Using a consumption-based methodology for a reference family of five to determine the adult equivalent consumption, the Jamaica Survey of Living Conditions (JSLC) defines the poverty line as the minimum level of expenditure necessary to meet basic consumption requirements.30 In 2017, 19 percent of the population failed to meet the minimum level of expenditure (whether household or individual), with the extreme poor representing approximately 5 percent of the population.31 The incidence of or vulnerability to poverty, in the Jamaican context, is prevalent among the elderly,32 households with significant care obligations, persons living with disabilities, the uneducated and unskilled (specifically youths), and persons facing geographical barriers.33

Globally, the average life expectancy at birth has increased by 20 years since 1950 to 66 years, and is expected to extend a further 10 years by 2050.34 For several years, the Jamaican population has displayed an age structure characteristic of population ageing,35 and is now characterized at the advanced stage of the demographic transition.36 (The phenomenon of population ageing describes a larger proportion of persons 60 years and older in the population, and implies longer life spans for both men and women after retirement.)37 This is exemplified by a declining share of the child population (0 to 14 years), and increasing shares of the working age (15 to 64 years) and dependent elderly (65+ years) populations.38 It is estimated that the elderly population, and consequently the dependent elderly, is projected to double by 2050, from 13 percent in 2018,

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30 PIOJ and STATIN, “JSLC, 2017.”
31 Unlike the overall level of poverty, food poverty has been downward trending from 10.4 percent in 2013 to 5.2 percent in 2017. PIOJ and STATIN, “JSLC, 2017.”
32 The elderly refers to those 60 years and over, while the dependent elderly refers to those 65 years and over.
33 Geographical barriers refers to rural or remote areas, where access to basic services are limited.
36 Where advanced implies that it is already happening, and is projected to continue increasingly. Ie. An evident decline in birth rates, increase in the age dependency ratio, and life expectancy).
37 PIOJ, “A Review of Current and Emerging Vulnerability In Jamaica.”

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The incidence of or vulnerability to poverty is prevalent among the elderly, households with significant care obligations, persons living with disabilities, the uneducated and unskilled, and persons facing geographical barriers.
as this is the fastest growing segment of the population.  

While there is longevity, this is often accompanied by a decline in physical functionality, and consequently, opportunities to generate income. This puts the elderly, and particularly the dependent elderly, at risk of falling, remaining in, or being pushed deeper into poverty. In 2017, 15 percent of Jamaica's elderly were living in poverty, 13 percent of households headed by a senior did not have sufficient food on a regular basis, and only 42 percent of the dependent elderly were in receipt of a pension. Pension receipt among the poorest quintile was 15 percent, compared to 33 percent in the richest.

In Jamaica, poor and/or vulnerable households are usually characterized by larger families and household sizes, in comparison to the national average; as such, there is a higher economic dependency ratio. Between 2008 and 2017, the average size of poor households was 4.4 compared to 3.1 for the typical Jamaican household. This suggests that working household heads support, on average, one more dependent in poor than non-poor households. Additionally, poor households have more children than well-off ones as the mean number of children occupying the poorest quintiles is almost five times greater than that of the wealthiest quintiles.

Households with children tend to have a higher rate of poverty than households without children, and the number of children in a household contributes to its rate of poverty. This is particularly apparent among households with adolescents (10 to 17 years old). In 2017, households with children had a poverty rate of 18 percent, while those without had rate of 8 percent. Children are more likely to be poor than adults, as they were either born into or reside in poor households, and depend on adults for financial and material support; they account for almost half of those living in poverty in Jamaica. As a result, compared to children from the wealthiest quintiles, those from the poorest quintiles are one and a half times more likely to access substandard water and sanitation facilities, three times more likely to be parents in their teenage years, and are less likely to have been consistently exposed to good quality health services immediately after birth.

Jamaican children's susceptibility to poverty is also exacerbated by specific societal inequities: significant care obligations, and higher unemployment, skewed against women, where women have traditionally borne greater responsibility for children's care and protection. As a result, children are affected by women's unequal economic power, and their resulting lack of access to material and financial resources. Given that 45 percent of Jamaican households are female-headed, have lower mean household consumption, and have a higher likelihood of being in poverty, gender-based economic inequality poses a significant problem to Jamaican children. Further, females have a higher unemployment rate (10 percent for females and 6 percent for males), and tend to be paid lower wages than males, thus children's vulnerability to poverty increases.
poverty is worsened.\textsuperscript{52}

Poverty exposes children to a myriad of adverse conditions that contribute to their downward developmental trajectory. Poor children are more likely to suffer from ill health, and depending on where they are located, respiratory illnesses specifically.\textsuperscript{53} At all levels of the educational system, poor children attend inferior schools and receive poorer quality instruction than their more advantaged peers.\textsuperscript{54} Accordingly, many do not matriculate from primary to secondary schooling.

These children then transition to becoming youths with low educational and skill attainment, which inherently limits employment opportunities and upward social mobility.\textsuperscript{55} Youths in Jamaica become unattached as early as 14 years old; that is, they are school dropouts, have no legitimate means of financial support, or are engaged in unlawful activities. Between 2009 and 2019, lower secondary completion rate declined by 14 percentage points, which would have led to a reduction in youth employment options.\textsuperscript{56} Historically, the youth unemployment rate is at least twice that of adults, and disadvantages young females more than males, and, notwithstanding the gains in employment, the 2019 youth unemployment rate (21 percent) remains more than twice the adult unemployment rate of 5 percent.\textsuperscript{57}

Moreover, youths seeking to enter the labour market for the first time often find the length of the transition from school to work difficult and demotivating. A 2013 survey revealed that youth from the poorest quintile took as long as 73 months to make the transition, while youth from wealthier quintiles took 50 months.\textsuperscript{58} The duration of the transition is long for both groups, but those from the poorest populations...

\textsuperscript{52} Female-headed households recorded a poverty rate of 14.8 percent in 2017, compared to 12 percent for male-headed households; PIOJ and STATIN, "JSLC, 2017."
\textsuperscript{53} CAPRI, "Situation Analysis."
\textsuperscript{54} CAPRI, "Situation Analysis."
\textsuperscript{56} UNDP, "Human Resilience Beyond Income."
\textsuperscript{57} PIOJ, "ESSJ, 2019."
\textsuperscript{58} UNDP, "Human Resilience Beyond Income."
Persons with disabilities in Jamaica experience discrimination, higher levels of unemployment, demonstrate higher levels of illiteracy, limited educational attainment, and often lack job skills and certification.

Persons with disabilities (PWDs) are also disadvantaged, and to a greater extent, due to their special needs. In general, persons with disabilities (children, youths, and adults) have a greater likelihood to live in poorer households than those without. Disabilities tend to occur amongst groups that are already at-risk or vulnerable, such as the elderly, young, unemployed, underemployed, or low-waged, amongst which women are disproportionately represented. Given Jamaica's demographic transition, the number of PWDs has trended upwards, and will continue to, as the ageing process and chronic illnesses, particularly non-communicable diseases (NCDs), contribute to the increased incidence of disability in the population.

Ascertaining the number of persons with disabilities in Jamaica is difficult because of inconsistent and unreliable data. Jamaica's population census in 2011 indicates that the proportion of the population five years and older with some form of disability may be as high as 13.6 percent, approximately 366,900 persons, most of whom had a physical disability. However, the Jamaica Council for Persons with Disabilities (the Council), the main organization responsible for identifying and registering persons with disabilities, only accounts for one-tenth of this total; however, Council enrolment is voluntary. The 2017 JSLC, on the other hand, estimates that 3.3 percent of the population has a disability, differing significantly from what is reported by the World Bank for developing countries, 10 percent. For the purposes of this study, the World Bank’s estimate of 10 percent of the population will be used.

In 2010, 23 percent of persons with disabilities in Jamaica were poor, 9 percentage points more than in 2008. Their poverty is largely attributable to their level of education. PWDs in Jamaica experience discrimination, higher levels of unemployment when compared to their able-bodied counterparts, demonstrate higher levels of illiteracy, limited educational attainment, and often lack job skills and certification. In fact, the highest level of education attained by the majority of PWDs was primary level education, which is in stark contrast to persons without disabilities, who mostly attain secondary level education. As such, in 2016, fewer than one percent were in paid employment.

As outlined in the National Poverty Reduction Policy (2016), there is limited pro-poor development in rural areas. Rural areas – defined as predominantly agricultural areas that do not have government institutions, such as post offices and police stations – consistently record the highest prevalence of poverty and food poverty, in comparison to the Kingston Metropolitan Area and other towns. People in rural areas also tend

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60 UNDP, “Human Resilience Beyond Income.”
61 The Population Census 2011 provides, by category, the number of persons who responded as having some level of difficulty in seven categories of physical and mental ability. The upper limit was calculated against the 2011 total population size of 2,697,983. ESSJ, 2019. In 2014, 30 percent of PWDs had a physical disability while 24 percent had multiple disabilities; multiple disabilities is a combination of more than one disability: sensory, physical, intellectual. Wilson-Scott, “Children with Disabilities in Jamaica.”
62 This is also recognized by the Jamaica Council for Persons with Disabilities.
63 UNDP, “Human Resilience Beyond Income.”
64 PIOJ, “A Review of Current and Emerging Vulnerability In Jamaica,” 2013, 45.
67 Other towns are major (urban) centres that have social amenities, such as piped water and electricity, and government institutions, such as post office and police station. PIOJ and STATIN, “JSLC, 2017.”
to have lower educational attainment with a higher ratio of individuals without any education.\textsuperscript{68} With the majority of poor children, persons with disabilities, and the dependent elderly living in rural areas, they are at a heightened risk for economic and social deprivation.\textsuperscript{69}

**COVID-19 Impact**

The COVID-19 pandemic has created and exacerbated vulnerabilities. Due to stringent measures to control the spread of the virus, many households were harmed and the ill-effects unevenly distributed. With more than two-thirds of households reporting income loss two months into the pandemic, the percentage of households reporting an income level below the minimum wage increased from 42 to 62.\textsuperscript{70} This was attributed to the 48 percent of households that declared to have lost at least one job, the 45 percent that owned businesses but had to close them, and the 13 percent of households that no longer received income from rent.\textsuperscript{71}

Low-income households and women were more adversely affected by the pandemic. Low-income families suffered the most from lost employment: 59 percent lost employment, compared to 48 percent middle-income families, and 25 percent high-income families.\textsuperscript{72} High-income households were more privileged to be able to work from home as low-income households typically occupy jobs that are less adaptable to working from home.\textsuperscript{73} Some 53 percent of women declared losing their jobs whilst only 39 percent of men indicated same.\textsuperscript{74} With almost half of Jamaican households headed by females, and more likely to report overcrowding (therefore, higher dependency ratios), this has implications for the quality of life of each dependent – most of whom tend to be children.\textsuperscript{75}

The most damaging and longest-lasting effects of the pandemic crisis will be on children. Between June and August 2020, a representative survey was conducted, assessing the impact of the pandemic on approximately 500 households with children in Jamaica.\textsuperscript{76} One of the main findings was that most households, approximately 80 percent, lost their financial safety nets. On average, 46 percent of income was lost; however, households of lower socio-economic status experienced a greater loss as 49 percent of income was lost due to the pandemic. As coping strategies, most households had relied on savings, remittances from overseas, and loans from families, while a few reported lacking any means of income substitution.\textsuperscript{77} Amongst the households that depended on savings, half of them stated that these savings were only able to last for at least two weeks, 30 percent stated that it could only last a week, and 18 percent, for the day.\textsuperscript{78}

As a consequence of having inadequate savings, almost half of households, and therefore of children, experienced food shortages. Forty-seven percent of them reside in rural areas, and 56 percent were of a lower socio-economic status, compared to the 33 percent who were of a higher socio-economic status.\textsuperscript{79} The impact on larger households – those with more than one child – was greater, as 57 percent had food shortages and reported having to resort to smaller or fewer meals, unhealthy foods, or farming.\textsuperscript{80} This, therefore, intensifies the situation of food

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\textsuperscript{69} In 2014, approximately 52 percent of the disabled population lived in rural areas. This finding was consistent to that of 2001, where 55 percent of persons with disabilities resided in rural areas. This has implications for the effective targeting of services and products to this community. Wilson-Scott, “Children with Disabilities in Jamaica”; PIOJ and STATIN, “JSLC, 2017.”


\textsuperscript{71} Arteaga-Garavito et al., “COVID-19: The Caribbean Crisis.”

\textsuperscript{72} Arteaga-Garavito et al., “COVID-19: The Caribbean Crisis.”

\textsuperscript{73} Jobs that are machine-enabled or require manual labour such as construction workers, farmers, or itinerant dealers or peddlers (higglers or hustlers); University College London, “Low-income Workers Disproportionally Affected by COVID-19,” Science Daily, May 1, 2020, www.sciencedaily.com/releases/2020/04/200430191258.htm.

\textsuperscript{74} Arteaga-Garavito et al., “COVID-19: The Caribbean Crisis.”

\textsuperscript{75} Female-headed households with children have been shown through the JSLC series to have more children, lower mean household consumption and higher likelihood of being in poverty than those headed by males. Also, the extent to which a dwelling is overcrowded is determined by the number of persons per habitable room. The JSLC uses the standard whereby a dwelling with 1.01 or less people per habitable room is considered adequate. PIOJ and STATIN, “JSLC, 2017.”


\textsuperscript{77} Savings – 86 percent, remittances – 36 percent, loans from families – 30 percent, and no means of substitution – 11 percent. Other coping strategies included hustling, and loans from financial institutions. CAPRI and UNICEF, “COVID-19 Pandemic.”

\textsuperscript{78} CAPRI and UNICEF, “COVID-19 Pandemic.”

\textsuperscript{79} Socioeconomic status was determined based on the household head’s highest level of education and occupation. CAPRI and UNICEF, “COVID-19 Pandemic.”

\textsuperscript{80} Thirty-two percent of households with children experienced food shortages. Seventy-four percent coped by having smaller meals, 66 percent by fewer meals, 23
insecurity within poorer households, and corroborates the fact that households with a greater number of children are more prone to falling into poverty than households with less children.

The presence of persons with disabilities in some of these households compounds the pandemic’s negative impacts. Households whose members include a person with a disability normally incur higher expenses owing to the costs associated with specialized health (medicines and medical services), rehabilitation and education services, the purchase and maintenance of assistive devices, and transport, among other things. Considering that persons with disabilities constitute less than one percent of the labour market, most of whom occupy informal employment, this population was likely (and continue) to be particularly affected by the adverse labour market scenario during the crisis and the recovery period.

Because Jamaica’s social protection system was not able to adequately address the vulnerabilities that became exposed during the pandemic, the government had to invent an infrastructure and criteria that could deliver support payments. The COVID-19 Allocation of Resources for Employees (CARE) programme represents this response, issuing a JS$10 billion stimulus to the unemployed, informally employed, and poorest segment of the population. More than 400,000 Jamaicans benefited from the programme up to October 2020. There was an expansion of the initiative in October to facilitate members of the disabled community who had not benefitted. While the CARE programme has, for the most part, achieved its purpose in cushioning the economic impacts of the pandemic, its temporal effects have intensified the need for an effective, pandemic-proof social protection system in Jamaica.

The COVID-19 pandemic has had far-ranging impacts, and will continue to do so for years to come. Vulnerable groups have experienced more severe misfortunes, and continue to even in light of the policy responses. Having highlighted the need for social protection, the next section seeks to examine social protection policies that have proven effective in achieving their intended purposes. The objective of each policy, the intended beneficiaries (target population), and the consequent impact will be discussed.

During the pandemic, approximately 80% of households with children lost their financial safety nets.

percent planted crops, 3 percent turned to bad foods, and 4 percent did not have a coping strategy. CAPRI and UNICEF, “COVID-19 Pandemic.”

81 CAPRI and UNICEF, “COVID-19 Pandemic.”


83 ECLAC, “Persons with Disabilities and COVID-19.”


Globally, an increasing number of countries have formulated NATIONAL SOCIAL PROTECTION STRATEGIES which integrate life cycle programmes into comprehensive systems.
Based on a life cycle analysis, policymakers can design social protection systems in a holistic way to ensure that individual instruments are complementary to increase their effectiveness in alleviating poverty. A life cycle approach to poverty reflects that all individuals are vulnerable to different risks, predictable and unpredictable, at different stages in life. For example, it considers a continuum of age-stages and events of life—such as single parenthood or becoming a widow(er)—and the risks associated with each stage. In doing so, it reveals that exclusion from growth can be both multidimensional and intergenerational.

Therefore, utilizing this approach creates a direct link to the investment in the bases of human development necessary at each stage of the life cycle.

Globally, an increasing number of countries have formulated national social protection strategies which integrate life cycle programmes into comprehensive systems. Social protection systems usually consist of five major elements: labour markets, social insurance, social assistance, micro and area-based schemes to protect communities, and child protection. While it is that social protection systems seek to create opportunities for self-reliance, not all vulnerabilities are adequately addressed through these policies. This is because vulnerabilities present themselves in different forms. For example, the uneducated or unskilled are most effectively included by improving abilities and opportunities through access to quality education, training, and employment programmes. In contrast, those physically unable to work due to age will not benefit from such policies; instead, they require social insurance to keep them from falling into poverty. A single approach will not be adequate.

Mainstream policies are those typically found within a social protection strategy or framework such as social transfers which include social assistance, social insurance, employment programmes, and zero-rated taxes. To complement these policies are effective mediums that can be used to enforce access to, and deliver, benefits to the target groups. A discussion on the importance of legislation to enact policies that necessitate equity and non-discrimination in vulnerable groups’

Policies typically found within a social protection framework are social transfers which include social assistance and social insurance, employment programmes, and zero-rated taxes.

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87 The stages include chronological ageing such as infancy, childhood, adolescence, adulthood, and old age, and life events such as becoming a widow(er) or single parent. Cain, "Social Protection and Vulnerability, Risk and Exclusion Across the Life-Cycle."

88 Emphasis on intergenerational issues can lead to a greater recognition of the economy of care as it highlights reproductive activities necessary to support production, like the provision of care to children and other dependents. Cain, "Social Protection and Vulnerability, Risk and Exclusion Across the Life-Cycle."

89 Cain, "Social Protection and Vulnerability, Risk and Exclusion Across the Life-Cycle." 


access to basic services is outlined in the appendix. Also, a global review of the use of a national identification system (NIDS) to improve the efficacy of delivery of benefits from social safety nets is briefly reviewed.

Social transfers are predictable direct transfers to individuals or households, both in-kind and cash, that have the potential to protect individuals and households from shocks, while supporting the accumulation of human, financial, and productive assets. Modest, but regular, income from cash transfers helps households to regularize consumption and sustain spending on necessities such as food, school, and healthcare in periods of low income without having to sell assets or incur debts. Accordingly, it contributes to reducing beneficiaries’ economic and social vulnerabilities by improving the efficiency of household investments (in education and health), and empowering poor people and persons with disabilities, by providing greater security and stability. The spill-over effect should be that local economies are strengthened from the increase in the quality of human capital. For example, the Give Directly cash transfer programme in Kenya has been found to help stimulate local economic activity.

There are differences between types of social transfers, although they are similar in the forms of benefit, like cash. Social assistance – conditional or unconditional cash transfers, and cash for work (public works programmes) – can be distinguished from direct transfers originating in contributory social insurance schemes, or from labour market or employment programmes, as they usually consist of budget-financed programmes that provide direct transfers in cash (or kind), with the aim of addressing poverty and deprivation. Social insurance schemes, or labour market programmes, on the other hand, target a broader group, and focus on employment; more specifically, social insurance transfers address life-cycle or employment-related contingencies, and are usually financed from payroll contributions by workers and their employers.

### Social Assistance

#### CONDITIONAL AND UNCONDITIONAL CASH TRANSFER PROGRAMMES

Among developing countries, social assistance programmes have been identified as a preferred, or main, component for the delivery of social protection, conditional cash transfer (CCT) programmes in particular. CCT programmes, or co-responsibility transfer programmes, have been one of the main drivers of innovation in Latin American and Caribbean social policy over the past two decades. One of the reasons is that they seek to reduce poverty in the short term by making direct cash transfers that help sustain basic consumption levels, and in the long term by improving the health and education of children (and children with disabilities) in poor households. Within the region, most poverty-targeted...
government programmes have succeeded in reaching populations traditionally excluded from social protection services, taking a multidimensional approach to coordinate various inter-sectoral actions — particularly in the areas of education, health, and nutrition.\(^{100}\)

In the Latin America and Caribbean region, there are about 30 CCT programmes in 20 countries, indicating the pivotal role CCTs play in the region's goal of poverty reduction. The demographic coverage provided by CCT programmes increased from 4 percent of the population in 2000 to 21 percent by 2015, serving more than 29 million households with approximately 130 million individuals; the highest absolute level of coverage of households was in Argentina, Brazil, Mexico, and Colombia.\(^{101}\) Regionally, with a poverty rate of 29 percent, the average coverage by country of CCT programmes in the region was approximately 21 percent. Seventy-three percent of households living in poverty benefitted from CCTs and 82 percent of those in extreme poverty.

CCT programmes have spread because they are effective in reducing poverty and improving income distribution. CCT programmes work because they are rules-based and relatively incorruptible. Moreover, they are relatively cheap – Brazil’s, the biggest, costs 0.5 percent of GDP.\(^{102}\) Though the stipends are usually very small, they make a difference to the poorest because they are reliable, unlike the rest of the poor’s income. The importance of these programmes in poverty alleviation in the LAC region became more pronounced during 2014 when some countries downsized their programmes, and the poverty rate for the LAC region increased. Since 2014, the number of households protected by CCTs has declined, and the poverty rate has steadily increased, with extreme poverty increasing to its highest level since 2008 in 2017.\(^{103}\)

Outside of the region, CCTs have proven to be effective in increasing the quality of

The presence of cash transfers is likely to increase expenditures on necessities, with little effect on expenditure on luxuries.

\(^{100}\) All CCT programmes have inclusion and exclusion errors because of the targeting mechanism used. However, in the study conducted, more than half of the countries covered at least 50 percent of those in poverty and extreme poverty. Cecchini and Atuesta, "Conditional Cash Transfer Programmes."

\(^{101}\) These figures represent the region’s total population, including that of countries with no CCT programme. The disparity in the number of households and individuals is based on the fact that these programmes are distributed among households living in, or inclined to falling into, poverty, which, by distinction, is larger than the average household. Cecchini and Atuesta, "Conditional Cash Transfer Programmes."


CAPRI | Come Mek Wi Hol’ Yuh Han’
life for poor households, especially with children. Philippine’s CCT programme, Pantawid, which was first piloted in 2008, has helped millions of families break the intergenerational cycle of poverty. Poor households that enroll their children in school, and use maternal and child health services, receive payments equivalent to nearly a quarter of their household income. An evaluation in 2013 found that the programme boosted school enrollment and attendance, and improved the nutritional status of younger children among beneficiaries, leading to a 40 percent reduction in stunting.104

While conditional cash transfer programmes have achieved considerable success, it is not clear to what extent the conditionality itself contributes to that success.105 The conditionality imposed is intended to be an incentive to the poor to invest in their own human capital in order to break the inter-generational poverty cycle. These conditions are usually applied to the main objectives of the programme. For example, CCTs intended to reduce poverty through improved outcomes in education and health tie the receipt of cash transfers to school enrolment and health visits. Non-compliance of these conditions is often met with punitive actions (the withholding of transfers) or with non-punitive responses such as referral or coaching.106 As such, the actual beneficiaries of CCTs are those poor people who can meet the conditions.107

In contrast, unconditional cash transfers (UCTs) are cash benefits that are provided without incentivizing certain investments or behaviours.108 In the past, UCTs often have been disregarded due to the perception that they are handouts, and that they reduce the incentive to work; however, this claim is not validated by research. Instead, in the presence of cash transfers, specifically UCTs, expenditures on food consumption, health, and education are likely to increase, while there may be little to no effect on expenditure on luxuries such as alcohol or tobacco.109 Additionally, the absence of conditionalities did not create a dependency on social assistance, increase fertility among beneficiaries nor lead to negative community-level economic impacts (including price distortion and inflation).110

A study of the Kenya Cash Transfer Programme for Orphans and Vulnerable Children (CT-OVC) provides a good example. The evidence was that the receipt of UCTs led to a change in preferences of households based on their consumption behaviour.111 Beneficiaries were more responsive in increasing expenditures on food, health, and education, as opposed to alcohol and tobacco.112 Another study of the programme also found that unconditional cash transfers have strong effects on schooling rates as the transfers mitigate the negative effects of the costs of schooling – school fees, uniforms (including shoes) and traveling.113 Transfers even led to reductions in levels of the stress hormone cortisol, suggesting that they improved psychological well-

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112 Kenyan CT-OVC Evaluation Team, “The impact of the Kenya Cash Transfer Program for Orphans and Vulnerable Children on household spending.”
Additionally, the absence of conditionalities in cash transfer programmes does not create a dependency on social assistance (reduction in productive work) nor does it increase fertility among beneficiaries. An assessment of the change in labour supply among select countries showed that the effect of cash transfers on supply for wage work was mixed, albeit insignificant. Notwithstanding, in countries where the supply for wage labour declined, there was no indication of a reduction in work effort. Rather, it illustrated the flexibility afforded to beneficiaries over the allocation of time and an increase in autonomy over productive activities. Recipients were found to be switching from paid agricultural work to working on their own farms. Majority of these persons comprised adults who may have good reason to reduce labour such as the elderly, persons with disabilities, and women responsible for care-giving among whom, there was no positive impact of cash transfers on fertility.116

Cash programmes also cater to persons with disabilities, as they are usually overrepresented among the poor, unemployed, and uneducated. However, based on the limited studies conducted on the impact of CCTs on the disabled, this vulnerable group is usually not subject to the conditionalities.117 These studies suggest that, even where there are some conditionalities, no sanctions are enforced, and that sanctioning may have zero, or even negative, impacts on work-related outcomes for disabled people. An individual case study found that sanctioning can lead to destitution and affect mental health. This is because a child with a disability, or families living with one, may already be faced with barriers preventing them from fulfilling the requirements.

Further, CCTs are more costly than UCTs. The conditionalities of cash transfer programmes require monitoring by a state agency, incurring administrative costs. Also, in response to the COVID-19 protocols, governments would need to be proactive in simplifying the registration and compliance processes to continue to protect the income of existing beneficiaries, while making it feasible for the newly vulnerable. Accordingly, CCTs require effective, well-funded public services which can increase the supply of resources in response to a CCT-induced rise in demand for services. On the other side of the transaction, for recipients, demonstrating compliance may lead to unbearable costs for some beneficiaries, especially where benefits are not adequate, forcing them to be terminated from the programme.118 Moreover, any attempt to comply to the conditionalities inflicts time costs on beneficiaries, reducing the overall value of the transfers.

PUBLIC WORKS PROGRAMMES

Public works programmes (PWPs), in the context of cash transfer programmes, deliver a double benefit: reducing poverty both directly, through income for poor households, and indirectly, through the creation of infrastructure that improves access to markets – roads and utility structures for the welfare of the community.

provide cash payments in exchange for labour in public works projects with the aim of reducing seasonal or temporal vulnerability. PWPs are most successful when they not only provide an income cushion, but also create local goods. In doing so, they deliver a double benefit: reducing poverty both directly through income for poor households, and indirectly through the creation of infrastructure that improves basic aspects of daily life and the welfare of the community, such as increased access to markets via new roads and bridges.119 This social assistance targets the unskilled and uneducated—typically, the adult poor. However, elderly persons, those with disabilities or ill health, and women with mobility constraints (such as limited ability for physically demanding work), or whose care responsibilities are bound to restrict their participation in PWP schemes, are not suitable for this type of social protection.

The provision of wage transfers, assets produced, and skills training, are expected to have secondary employment and income benefits that can sometimes lead to achieving long-term developmental objectives. It is argued, however, that these programmes do not necessarily generate sustained benefits for individuals, and households, from either the physical assets created, or skills developed. This is because the skills developed are best suited for seasonal jobs, and not able to meet the current labour demands in the economy.120 Further, transfers from short-term schemes tend to be insufficient, and do not generally affect chronic poverty. Poorly designed PWPS, and weak or nonexistent monitoring and evaluation, produce unsustainable structures whose effects are not fully known.121

When they are well designed, PWPs can help boost public health, social protection, and macroeconomic responses, especially to crises.122 In the case of the COVID-19 pandemic, PWPs have either been created, or expanded, to respond to the need for manufacturing personal protective equipment, extra sanitization of spaces, and the construction of additional facilities to accommodate patients. These responses have been used to stabilize the incomes of redundant workers by partially compensating them for their loss of income. This ought to have the follow-on effect of ensuring consistent consumption for those most vulnerable. Done well, PWPs can stimulate demand for goods and services to sustain levels of economic activities, which accelerates transition to the recovery phase.

India’s Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has experienced some success, attributed to the design of the programme.123 India’s approach to reducing the vulnerability of target groups is to guarantee each rural household up to 100 days of employment in public works per year, with equal wages for men and women.124 This guarantee serves as a form of unemployment insurance to poor households because it creates work and boosts incomes and consumption expenditure, especially during the lean season; it is the poorer

119 DFID, “Cash Transfers Evidence Paper.”
123 “Public Employment Programmes.”
among the poor that are attracted to this scheme. MGNREGA has enhanced health indicators, improved food and nutrient intake, reduced poverty in rural areas, and prevented many from falling into poverty.

In the COVID-19 pandemic, the programme has been challenged due to its labour-intensive nature, and the need to abide by necessary safety guidelines. As soon as the nationwide lockdown began, the programme saw an initial plunge in applicants due to concerns over personal safety. MGNREGA reacted immediately by distributing masks and imposing physical distance protocols in its project sites, raising the average daily wage rate by ten percent, and diversifying the types of work offered by the programme. MGNREGA also simplified the registration process for new applicants, allowing them to apply based on self-attestation, in a move intended to accommodate the growing demand for work. Having been plagued by late payments marring the effectiveness of the programme, heavy emphasis was placed on ensuring on-time payment of wages, which has increased rural households’ ability to buffer the impacts of the crisis.

Contrasting results were found in an evaluation of the Malawi Social Action Fund (MASAF) public works programme. The MASAF works programme is the largest social protection scheme in one of the world’s poorest countries. Its objectives are to improve food security among households and increase the use of fertilizers and other agricultural input which is intended to increase yield in the subsequent season. However, the programme achieved neither of its outcomes, and, instead, caused negative effects on households not benefitting from the programme. There was no evidence that the use of fertilizer nor ownership of durable goods increased among beneficiaries. More so, there were no improvement in food security among beneficiaries. A possible explanation for these undesirable outcomes is that the programme is rationed and not targeted towards those facing food insecurity. This mistargeting would allow persons with an adequate level of consumption, and therefore little room for improvement, to be enrolled in the programme. In addition to not achieving its objectives, the programme worsened food insecurity among households not benefitting from the MASAF PWP and are living in communities with PWP activities.

YOUTH EMPLOYMENT AND TRAINING PROGRAMMES

High unemployment, informality, and inactivity rates affect more than 60 million young people in Latin America and the Caribbean – that is, 9.4 million young people are unemployed, 23 million do not study or are not being trained, and more than 30 million are employed in the informal sector. The transition to adulthood can present opportunities, but also risks. Youths are

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125 Lean season is known as that dangerous period between planting and harvesting when job opportunities are scarce and incomes plummet.
126 D’Souza and Ratho, “Rethinking MGNREGA.”
127 “Public Employment Programmes.”
128 “Public Employment Programmes.”
130 Beegle et al., “Direct and Indirect Effects of Malawi’s Public Works Programme on Food Security.”
131 The reason for the negative spillover effects is unclear. Beegle et al., “Direct and Indirect Effects of Malawi’s Public Works Programme on Food Security.”
three times more likely than adults to be unemployed, and even if they do find a job, they are overrepresented in informal sector employment. In LAC, youth unemployment and under-employment incur high societal costs, in terms of lost human and productive potential, social cohesion and stability, and the propensity to engage in crime and violence.

While both developed and developing countries integrate the use of active labour market policies to address youth unemployment, such as targeted youth employment and training programmes, in developing countries, such policies more tend to target poor and vulnerable youths (including those with disabilities). These policies are broadly intended to increase the education and skills capacity of youths, with the goal of equipping them to becoming productive contributors to the economy. Further, such policies endeavour to mitigate the multi-dimensional risks that youths face, particularly those risks that increase their propensity to becoming unattached from formal social systems. In the LAC region, transition to work for young people focuses on two types of training programmes: technical and vocational education and training (TVET), and training for entrepreneurial skills; TVET programmes are the most common.

Technical and vocational education and training comprises “those aspects of the educational process involving, in addition to general education, the study of technologies, and related sciences, and the acquisition of practical skills, attitudes, understanding, and knowledge relating to occupation in various sectors of economic life.” There are strong rationales for investing in these programmes, as empirical evidence finds that TVET programmes increase formal employment, earnings, and human capital. To optimize these benefits, the design of the programme must target a specific group, provide valuable skills to the economy, and utilize the services of the private sector in providing training and work experience.

Investment in TVET can provide significant leverage towards reducing income and opportunity inequality and poverty by targeting programmes to improve access for youth. That is, those programmes that target poor youths are more likely to yield positive results. In India, a free stitching and tailoring course offered to young low-income women led to an increase in employment, self-employment, working hours, and earnings. Meanwhile, in Nepal — a poor country with high levels of informality, and underemployment — a TVET programme promoting self-employment activities to rural youth had significant positive impacts on employment and income, especially among women who started self-employment activities inside

136 Bird and Silva, “The Role of Social Protection.”
138 Bird and Silva, “The Role of Social Protection.”
139 These programmes can also be applied to other vulnerable populations such as women, senior citizens, or adult poor, in general. However, they are more effective for youth rather than prime-age workers. For women more than men, is inconclusive. Hanni, “Financing of Education.”
140 Bird and Silva, “The Role of Social Protection.”
141 This was a 150 percent increase when compared to the control group. The gains are more significant when the target group has a lower probability of working. Bird and Silva, “The Role of Social Protection.”
As it regards employment outcomes, especially in the long term, the impacts of TVET programmes depend on both the quality of training, and the demand for skills in the economy. The world of work is rapidly evolving, as productive structures adapt to the shifts induced by the emergence of new technologies and business models. Skills in this environment tend to depreciate quickly and must be continually modernized. TVET ought to provide opportunities to transition youths into this new world of work.

There is also some indication in the literature that training programmes that involve and build partnerships with private sector actors are more likely to lead to positive outcomes. This is because private investors who engage in impact investing seek to generate a measurable development impact, as well as a financial return. They are also able to mobilize resources in support of their investment, which will be beneficial to participants of the programme. An evaluation of a TVET programme in Turkey found that training had statistically significant effects on the quality of employment, and these positive impacts were stronger when training was offered by private providers.

Entrepreneurial training programmes for youths are, to a large extent, different from TVET programmes, as they seek to cultivate skills applicable to businesses in general, such as maintaining business records, accounting, financial planning, and pursuing innovative ideas. The data suggest that the impact of this type of programme on achieving increased employment, income earnings, and skills, was less obvious than that of TVET programmes. However positive it may be, the unpredictability of the firm’s survival weighs heavily. Further, the educational level of target groups, especially youths, presents challenges that forestall positive impacts. Even with the existence of entrepreneurial opportunities, and adequate involvement of youths in the requisite entrepreneurship training

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143 Hanni, “Financing of Education.”
144 Bird and Silva, “The Role of Social Protection.”
145 Bird and Silva, “The Role of Social Protection.”
146 Hanni, “Financing of Education.”
148 Bird and Silva, “The Role of Social Protection.”
programmes, their low educational attainment poses a challenge to effective training, and thereby positive outcomes.149

**ZERO-RATED VALUE-ADDED TAXES (VAT)**

Value-added tax is a consumption tax placed on a product once value is added, at each stage of the supply-chain, from production to point of sale.150 Zero-rated VAT refers to the preferential status the government gives for some goods and services, usually those that are deemed essential, so that their final product is not taxed. Producers of zero-rated goods are also able to reclaim for the taxes paid on inputs. This is a measure frequently used by low and middle-income countries’ governments to lower the tax burden on low-income households on items such as food, utilities, or prescription drugs, for whom such expenditures may take up a large proportion of their total budget.151 In this way, the relative burden of VAT on poorer households is reduced.

However, as it regards equity in outcomes, higher-income households enjoy greater benefits from zero-rated VAT, even where expenditure on these items consume up to 70 percent of the poor’s income. Given that richer households tend to spend more on food and other necessities in absolute terms, such redistribution is not well targeted. Moreover, the poorest households rarely benefit because they are not able to afford such items to begin with. In South Africa, for example, a zero-rated VAT was applied to sanitary items to increase access to, and usage, among poor women and girls. An evaluation found that women in 70 percent of the poorest households were only able to afford 8 percent of sanitary needs. As such, the imposition of zero-rated sanitary products, was still unaffordable.152 Therefore, zero-rated VAT is not effective in reducing the incidence and severity of poverty.

**Social Insurance**

Social insurance functions to reduce the pressure on social assistance systems by minimizing risks from income loss due to sickness, old age, unemployment, or loss of livelihood through compensation or partial replacement of income.153 Approximately 55 percent of the world’s population lack any form of social assistance, or social insurance, and only 20 percent are covered by unemployment benefits.154 In many low-income and lower-middle-income countries, social insurance coverage is either not available or is inadequate.155 As a result, segments of the population are vulnerable to poverty.

Social insurance encompasses contributory and non-contributory pillars. The contributory aspect relies on citizens’ regular monetary contributions to help guarantee the income security of individuals and households, as well as their access to essential social services.156 Such programmes include unemployment insurance and contributory (state) pension. On the other hand, non-contributory social insurance is typically fully funded by the state, and is either means-tested (targeting the poor directly) or is universal – such as health insurance and non-contributory pensions.

**NON-CONTRIBUTORY AND CONTRIBUTORY PENSION**

Pensions are one of the most important components of social insurance because they improve welfare by helping individuals to smooth out their consumption levels over their life cycle. By contributing to a pension, people consume less than they produce in the present so that they can consume more after they retire and are no longer earning an income. Pensions also allow people to withdraw from the labour market without fear of falling into poverty or impoverishing their relatives.157

In the World Bank’s proposed multi-pillar approach to age pensions, there are three pillars: social pensions, mandatory

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contributions to an earnings-related scheme, and voluntary savings.158 Social pensions deal explicitly with the poverty alleviation objective by providing all the elderly with a minimal level of protection. This ensures that people with low lifetime incomes are provided with basic protection in old age, including those who only participate marginally in the formal economy.159 In contrast, mandatory contributions and voluntary savings guarantee increased consumption at the expense of reduced consumption in pre-retirement years.160

In developed countries, the most common type of pension is a contributory scheme which is financed by taxing labour income. While these compulsory schemes exist in developing countries, the coverage is usually low as they exclude informal sector employment – the sector in which mostly the poor are employed. Further, lower per capita incomes translate to less participation in pension schemes, even where participation is mandatory.161 Most LAC countries have contributory pensions but only 45 percent of workers contribute to, or are affiliated with, a pension scheme.162 The low level of contributions to pension schemes reflects the dynamics of three main socioeconomic variables: education, gender, and income. Educational attainment has a significant impact on the likelihood of pension system contributions. More educated workers have a greater propensity to contribute than less educated workers. Similarly, gender is a determinant as the average labour force participation rate for women in LAC is 52 percent compared to 76 percent for men.163 The gender gap ranges from 20 percentage points in Bolivia, Chile, Jamaica, and Uruguay, to 40 in Guatemala, Honduras, and Mexico.164 Income differences between households also have an important impact. Workers in the richest quintile have relatively high rates of contribution, while low-income workers rarely contribute. Only two-fifths of middle-income workers contribute to pension schemes, making them particularly vulnerable to old age poverty risks, let alone low-income workers.165

Despite significant structural pension reforms in the LAC region, expanding coverage remains a challenge. Some countries have expanded the share of individuals aged 65 or older receiving pension benefits, mostly by means of non-contributory or social pensions, such as cash transfers targeted to the elderly.166 Besides being easier to administer, and having low administrative costs in comparison to other schemes, social pension schemes can be designed to target all citizens, regardless of income or occupation, once they have reached the required age. Such schemes would not only cater to informal sector workers by removing the link between contributions and retirement income, but they would also provide pensions for the poor and marginalized.167

Throughout the region, both universal and means-tested social pensions have been employed. Universal pensions target the entire elderly population while means-tested social pensions target the poorest elderly who do not qualify for contributory pension. Each of these social pensions denote an existing tradeoff between the ability to pay more to the poor and targeting errors of exclusion and inclusion.168 For instance, Guyana and Bolivia both pay a universal social pension. The value of the pension benefits in both countries is approximately 2.4 percent of GDP per capita. In contrast, Venezuela (pre-2014) and Brazil employ targeted social pensions, whose benefits are valued at 7 and 5 percent of GDP per capita, respectively.169 While universal

158 In the World Bank report, it is “basic pension”, not “social pension”. However, for consistency in this report, we will use social pension. Larry Willmore, "Universal Pensions for Developing Countries," World Development 35, no. 1 (January 2007), https://doi.org/10.1016/j.worlddev.2006.09.008.


160 Willmore, “Universal Pensions.”

161 Willmore, "Universal Pensions."


164 OECD, IDB and World Bank, "Pensions at a Glance."

165 OECD, IDB and World Bank, "Pensions at a Glance."

166 OECD, IDB and World Bank, "Pensions at a Glance."

167 Willmore, "Universal Pensions."


169 The ageing structure of these schemes is important because the larger the elderly population, the more costly the overall scheme will be. OECD, IDB, and World...
Universal health coverage contributes to:

**Reducing Poverty and Inequality**

- Pensions are administratively simpler, they pay less benefits because they reach more persons than targeted pensions, and, as such, universal pensions may cost more.

Universal social pensions provide more coverage, nearly 100 percent, than means-tested pensions, because they target all. For example, the coverage for Bolivia’s universal pensions is 97 percent. In contrast, the varying levels of errors of exclusion and inclusion in means-tested schemes usually result in lower coverage. For Venezuela (prior to 2014) and Mexico, coverage is 23 percent and 63 percent, respectively. Universal coverage ensures that a steady flow of income is provided to all households with an elderly person, and so the incidence of poverty among this population is likely to reduce.

**Universal Health Insurance**

There is broad recognition that a population’s health status is positively correlated with a country’s productivity, prospects for growth, and prosperity. As governments seek to expand priority health services and coverage, and strengthen their health systems, universal health coverage has become more common. While private health insurance provides some coverage, poorer households are usually excluded because of the cost. Like non-contributory pensions, universal health coverage targets all citizens, regardless of socioeconomic status, ensuring that access to quality health services is attainable by all.

At least half of the people in the world do not receive the health services they need. About five billion people cannot access basic surgery, 800 million spend more than 10 percent of their household budget on health care, and 100 million are pushed into extreme poverty each year because of out-of-pocket spending on health, or having to forgo treatment due to unaffordability. In developing countries, citizens spend half a trillion dollars annually — over USD$80 per person — from personal finances to access

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171 Enrolment in most of these countries use target mechanisms like means or poverty test, pension or benefit test, or is geographically targeted. OECD, IDB and World Bank, “Pensions at a Glance.”

172 It can be argued that the benefit adequacy is just as important as the coverage. Dorfman, “Social Assistance.”


health services, and such expenses hit the poor the hardest. Poorer households usually spend disproportionately more on medicines than richer households. In the South-East Asian region, the average difference in the share of out-of-pocket health spending on medicines between the richest and the poorest consumption quintiles exceeds 10 percentage points, and in Bangladesh the difference is closer to 20 percentage points.

Universal health coverage is an important pillar of inclusive growth. It contributes to reducing poverty and inequality, improving education, and developing human capital. When people do not have access to proper health coverage, they tend not to invest as much in their children's education, or in their own skills training, and are less likely to start businesses. The lack of universal access to quality, affordable health services also threatens decades-long progress on health, endangers countries' long-term economic prospects, and makes them more vulnerable to pandemic risks. A 2011 study of low and middle income countries found a close correlation between the expansion of health care, a fall in mortality rates, and growth in GDP per person. More than a tenth of the income gains in developing countries between 1970 and 2000 were attributable to lower adult-mortality rates.

Achieving universal health coverage is not expensive, and is attainable even in low-income countries, where the majority of the people either reside in rural areas, belong to the informal sector, or both. Some countries achieved near-universal coverage when they were still relatively poor. Japan reached 80 percent coverage when its GDP per person was around the level at which middle income countries such as Jamaica now are. More recently, several developing countries have shown that low income and universal health care are not mutually exclusive. Thailand, for instance, has a universal health-insurance programme, and a life expectancy close to that of high-income countries. In Rwanda, with income per person of only US$750, a tenth of Jamaica's, health coverage reached 91 percent in 2011, coming from 7 percent less than a decade before. This increased its life expectancy to 64 years, which is higher than the life expectancy of 57 years for the rest of sub-Saharan Africa, and reduced out-of-pocket health expenditure.

The addition of universal health coverage as a component of a social protection strategy can be far-reaching, especially for the most vulnerable. For example, where cash transfers to the poor are used to finance households health costs, the implementation of universal health coverage bolsters the income of these households, allowing them to redirect income to other necessities. This protects the poor from catastrophic health shocks which social transfers alone cannot adequately provide for. The combination of cash transfers and health insurance works more efficaciously to reduce poverty and vulnerability than the individual policy measures on their own.

### UNEMPLOYMENT INSURANCE SCHEMES

Unemployment insurance schemes (UIS) are the most common public income support programme for the unemployed in developed countries. In those countries, such schemes typically cover the majority of employed persons, regardless of occupation or industry, and provide adequate sustenance of consumption patterns. Their application in developing countries, since the 1990s, has been increasing, and is bolstered by the potential efficiency and distributive advantages of introducing social protection programmes for workers. Thus, it is unlikely that such a programme would significantly contribute to the reduction of poverty and income

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179 Target 3.8 specifies achieving universal health coverage by 2030.
180 The Economist, "Universal Health Care.
181 The Economist, "Universal Health Care,
183 The Economist, "Rich and Poor Countries."
187 Vodopivec, "Introducing Unemployment Insurance."
inequality among informal and low-income workers.\textsuperscript{188}

While the protection effects of unemployment insurance programmes in developing countries may differ from those in developed countries, the implementation of a UIS can be effective. For example, in countries undergoing substantial volatility of formal sector employment, where the informal sector is not large, and where administrative capabilities are sufficient to carry out the programme, the application of unemployment insurance is useful.\textsuperscript{189}

These benefits can also be advantageous to countries with high rates of seasonal unemployment, such as in Caribbean economies. An unemployment insurance scheme, as part of a social safety net, would be appropriate and relevant to address the region’s ongoing challenges with poverty and income inequality.

The challenges that UIS address have been intensified by the COVID-19 pandemic. Containment measures, such as community quarantines and curfews, have slowed the spread of the virus; they have also led to unprecedented job and income loss.\textsuperscript{190} In the LAC region, some 30 million people are unemployed, and 23 million are outside of the labour force due to the pandemic and response.\textsuperscript{191} Virtually all Caribbean countries are experiencing sharp economic contractions and increases in unemployment in both the formal and informal sectors.\textsuperscript{192}

Unemployment insurance is most relevant to the region, however, as a labour market transition tool for the formal sector, and least applicable as a broad social protection policy.\textsuperscript{193} Unemployment insurance does not serve the poor. Because the programme is limited to the formal sector, the beneficiaries are limited to a subset of workers who, broadly, belong to better-off, non-poor segments of the population.\textsuperscript{194} Eligibility for this insurance requires that potential beneficiaries be enrolled in contributory pension schemes. As discussed earlier, the poor or low-income workers, and those from the informal sector, rarely contribute to these programmes.\textsuperscript{195}

Barbados, the first Caribbean country with unemployment insurance, issues unemployment benefits to individuals insured for at least 52 weeks, and have contributed during the quarter in which the unemployment commenced.\textsuperscript{196} Less than 5 percent of recipients were low-income workers, while the majority (almost 70 percent) were from the

\textsuperscript{188} Unemployment insurance prevents those who actually benefit, such as middle-income workers, from falling into poverty.
\textsuperscript{193} Mazza, “Unemployment Insurance.”
\textsuperscript{194} Vodopivec, “Introducing Unemployment Insurance.”
\textsuperscript{195} Mazza, “Unemployment Insurance.”
middle-class.\textsuperscript{197} Thus, it is unlikely that such a programme would significantly contribute to the reduction of poverty and income inequality among informal and low-income workers.\textsuperscript{198}

Further, in developing countries, individuals enrolled in an unemployment insurance programme were between 12 and 19 percentage points less likely to exit unemployment, compared to non-participants of the programme (with those negative effects particularly strong for women). In Brazil, prolonging unemployment benefits was found to reduce the probability of formal re-employment. While effects on welfare during the period of benefits are mostly positive, there was a more pronounced reduction of the job-finding rate of formal than informal jobs.\textsuperscript{199} Additionally, the use of unemployment insurance to cover youth unemployment in the Caribbean region, where high youth unemployment persists, was found to be ineffective, and may end up serving the youth population by extending unemployment benefits to first-time job seekers, rather than encouraging employment.\textsuperscript{200} This is because unemployment insurance does not address the barriers to employment faced by unemployed youths.\textsuperscript{201} Countries considering unemployment insurance schemes should clarify specific national objectives of unemployment benefits within a national labour market system, rather than seeing it as a short-term response to an economic crisis or pandemic, as has been the case in some countries. Evidence in LAC and Eastern European states found that the presence of a large informal sector greatly weakens the ability of a UIS to serve as an effective social protection policy.\textsuperscript{202} Linking the issuance of unemployment benefits to employment and training programmes would increase the prospective benefits of a UIS, in which case it is better used as a labour market transition tool for the formal sector.

Having highlighted these policies, their purpose, and effectiveness as part of a social protection architecture, an examination of their applicability in Jamaica will be examined. In doing so, the purpose of each policy, the target population, prospective coverage, and the impact of the policies will be assessed. Thereby, the policies' efficacy will be elicited.

\textsuperscript{197} Mazza, "Unemployment Insurance."
\textsuperscript{198} Unemployment insurance prevents those who actually benefit, such as middle-income workers, from falling into poverty.
\textsuperscript{199} Bird and Silva, "The Role of Social Protection."
\textsuperscript{200} Mazza, "Unemployment Insurance."
\textsuperscript{201} Mazza, "Unemployment Insurance."
\textsuperscript{202} Mazza, "Unemployment Insurance."
The comprehensive legislation governing the effective social protection of the most vulnerable in Jamaica is an archaic legislation, the Poor Relief Act of 1886.
Effective social protection is one of the 15 National Outcomes of Vision 2030 Jamaica: National Development Plan, and addresses vulnerable groups. This outcome centres on mitigating vulnerabilities that leave persons at risk of poverty. Age, incapacity, and external shocks (pandemics or natural disasters), among other factors, may temporarily or permanently disrupt a person’s ability to provide for their own basic needs and those of their dependents.207 The Government of Jamaica has stated its commitment to integrate poverty and vulnerability issues in all public policies, expand opportunities for the poor to engage in sustainable livelihoods, promote greater participation in and viability of social insurance, and create an effective system for delivering social assistance services and programmes.208

The laws governing the effective social protection of the most vulnerable are contained in archaic legislation, the Poor Relief Act of 1886. Through this Act, poor people receive an income supplement, and assistance with health care and other basic needs, such as shelter for the homeless. The last amendment made to this Act was in 1973. During the social safety net reforms of 2000, the Government of Jamaica (GOJ) recognized the need “to ensure that all citizens, who fall within the poor and vulnerable categories, are adequately covered under the law.”209 In addition, the language of the Bill needed to be revised as it reflected the ideology of the colonial period in which the Poor Relief Act had been implemented. Words such as “almshouse” and “aged” needed to be substituted.210 The process of drafting a National Assistance Bill to modernize the legislative framework began in 2000, during the reformation of social protection policies.211 A first draft was circulated to stakeholders in 2003. Up to February 2021 it had not been submitted to Parliament.

Jamaica’s current social protection system mainly consists of mainstream policies such as social assistance, social insurance, youth and adult employment and training programmes, and zero-rated taxes. Social insurance is delivered through a contributory scheme, and a non-contributory means-tested scheme. The contributory aspect refers to the National Insurance Scheme (NIS), which provides pension to eligible workers. The Programme of Advancement Through Health and Education (PATH) is the main social assistance programme, administering cash transfers to the poor and social pensions to the elderly. The School Feeding Programme (SFP) and early childhood institutions (ECIs) support vulnerable children in providing them with nutritional meals and pre-primary education, respectively. The

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208 PIOJ, "A Review of Current and Emerging Vulnerability.”
210 Jamaica Information Service, "Poor Relief Law.”
National Health Fund (NHF), and the Jamaica Drugs for the Elderly Programme (JADEP) are the government funded (non-contributory) policies that provide a form of health insurance. There are several programmes that target vulnerable youths and adults in providing vocational training and employment; we will explore three: the Human Employment and Resource Training/National Service Training Agency (HEART/NSTA), the Steps to Work Programme, and for persons with disabilities, specifically youths, the Abilities Foundation provides skills and educational training. Housing programmes as social protection were not explored in depth, but a brief overview of the efficacy of the National Housing Trust (NHT) is provided, as is the role and efficacy of value added tax exemptions.

Programme of Advancement Through Health and Education

PATH is a targeted conditional cash transfer (CCT) programme designed to protect Jamaica’s poorest and most vulnerable. It subsumed the responsibilities of other existing poverty alleviation programmes such as the Food Stamp Programme, the Outdoor Poor Relief Programme, and the Old Age and Incapacity Programme. Its main objective is to serve as a safety net by preventing families from the two lowest consumption groups, as designated by the Beneficiary Identification System, from falling further into poverty in the event of adverse shocks. Its stated goals are to increase educational attainment, improve health outcomes, alleviate poverty by increasing the value of transfers to the poor, and reduce child labour by requiring children to have a minimum attendance in school. This programme provides social pensions to the elderly and transfers to poor pregnant and lactating women, persons with disabilities, households with children (up to completion of secondary school), and indigent adults 18 to 59 years of age, including poor adults identified through the Poor Relief programme. The conditionalities of the programme require children, as well as pregnant and lactating women, to satisfy school attendance and health clinic visits to maintain their benefits. Persons with disabilities and the elderly, although intended to receive benefits contingent on health visits, are exempt from conditionalities. Since its implementation in 2002, PATH has provided benefits to over 360,000 persons. As of October 2020, there were 328,482 beneficiaries of the programme. The majority of PATH beneficiaries are poor families with children, 75 percent of which are headed by females. This is a priority group for protection, particularly as households with children are more likely to be poor, and to fall deeper into poverty, than households without. About

There are 328,482 beneficiaries on PATH

212 Other programmes include the National Youth Service, the Youth Empowerment Strategy, and the Women’s Centre. For the purposes of this study, the HEART/NSTA was chosen because it is the main programme that provides vocational training to youths, which is through the National Council on Technical and Vocational Education Training. The Steps to Work programme is an arm of the PATH programme that provides vocational training to PATH beneficiaries.


16 percent of recipients are comprised of the elderly and persons with disabilities.\textsuperscript{218} Although the elderly constitute less than a tenth of the population, their inability to work requires that they be provided for, especially the poorest. Further, the prevalence of disabilities increases with age, intensifying the need for economic security. Although poor adults and pregnant and lactating women together constitute less than 10 percent of recipients, their inclusion in the social safety net is warranted as they are potential productive contributors to Jamaica’s labour force.

In general, the PATH is implemented as intended, and exhibits better targeting to the poor than other similar social assistance programmes in Jamaica.\textsuperscript{219} A concentration index assessing the targeting accuracy of social protection policies found that PATH is a pro-poor policy because it directly targets the poor.\textsuperscript{220} Between 2009 and 2017, the total number of PATH beneficiaries have increased by 17 percent.\textsuperscript{221} In 2017, 62 percent of new beneficiaries, meaning those benefitting for a year or less, were from quintiles 1 and 2, in comparison to the 66 percent share to quintiles 1 and 2 in 2009.\textsuperscript{222} So, while the number of persons covered by the programme has increased, the programme has included proportionately fewer poor people.\textsuperscript{223} This indicates that more persons in the wealthier quintiles are being included in the programme, while a significant number of deserving children (and their families) still fall outside of the programme’s coverage.\textsuperscript{224}

The Ministry of Labour and Social Security (MLSS), the state entity responsible for administering PATH, has reported that the programme is effective in that it has increased educational

\begin{quote}
Nearly 2/3 of PATH beneficiaries fall into the two poorest quintiles.
\end{quote}
attainment, reduced child labour, and improved overall health outcomes in children and women. This, according to MLSS, is demonstrated through children's consistent school attendance, and, along with lactating and pregnant mothers, regular visits to health clinics for preventative care. In general, among children, there have been positive, and statistically significant, impacts on school attendance and on several preventative health care visits for children. This was concluded based on an increase in children's overall educational trajectory and a 28 percent increase in public clinic visits by children aged 0-6.

However, whether this progress is due to the conditionalities of the programme is questionable. An IDB study sought to assess the impact of the PATH programme on educational aspirations, school performance, and high school placement among beneficiaries and non-beneficiaries. Although beneficiaries were obtaining minimum school attendance, there was no meaningful change in their educational aspirations. Participation in PATH did place urban boys on a higher educational trajectory by significantly increasing their high school placement scores, and, conversely, the quality of the high school in which they were placed. In contrast, there was no indication of impact on school performance for girls enrolled in the programme. The difference is explained by the fact that girls, who already had higher high school placement score, lower drop-out rates, and higher academic achievement, had less margin for improvement when exposed to PATH, than boys did. Consequently, it seems that it was the provision of a steady income flow that attributed to the positive impacts in terms of educational trajectory for the boys.

Indeed, conditionalities can be harmful, as failure to meet them can exacerbate the already vulnerable state of the beneficiaries. As a penalty for not meeting the requirements the benefit is subject to a reduction. For example, households with children receive (on average) approximately J$4,000, bimonthly. Should they fail to meet the requirements, they are paid less than half, J$1,600. Typically, the value of the transfer should be about 20 percent of the poor's pre-programme consumption to be considered adequate. This payout for non-compliance constitutes less than 10 percent of this consumption level. Where poor households such as these depend on a steady income to ensure food security, among other basic needs, such a large reduction can be deleterious. Further, while the reasons for inability to meet conditions vary, insufficient money seems to be the root problem in most cases – transportation, food, and clothes. The drastic reduction in the cash transfer amount thus does not solve the inherent problem.

A pre-pandemic report by the Auditor General found that of the beneficiary payments for pregnant and lactating women, and students up to Grade 13, approximately 72,457 individuals were non-compliant. As such, J$278 million was withheld, representing the cost of conditionalities among beneficiaries.

For non-compliance to conditionality, PATH households with children are paid J$1600 – less than half the grant – even though money seems to be the reason for their inability to meet requirements.

225 Education compliance: primary schools (boys 76 percent and girls 82 percent) and secondary schools (boys 81.5 percent and girls 87.5 percent). Health compliance: Pregnant women – visit health centres once every two months, lactating mothers – visit health centres, six weeks after giving birth and once every two months and after; children (0-1 year) – visit health centres once every two months; children (one to six months) – visit health centres once every six months. MLSS, “Annual Performance Report 2019/2020.”


228 PATH Office, telephone interview with researcher, March 2, 2021.

229 Using the JSLC 2017, the average monthly consumption of the poorest population (quintile 1) is J$8,434. Therefore, a monthly payout that constitutes 20 percent of this consumption would be J$1,686. However, the PATH programme pays J$800 every month for non-compliance – less than 10 percent.


The non-compliance rate was higher among Grades 9 to 11, and is likely to have increased since the pandemic, with the diversion to remote schooling, in a context where poor families are unlikely to have the necessary resources to facilitate this transition. Failure to be compliant can eventually lead to expulsion from the programme, making poor families more susceptible to undesirable outcomes, which undermines the effectiveness of the programme. Removing the conditionality requirement from PATH can redirect funds to the households themselves through an increase in the benefit.

The PATH programme can be considered well-targeted, despite changes in the distribution that signify a reduction in the share of benefits to the two poorest quintiles. Well-targeted in this context means that the majority of beneficiaries are as intended, from the two poorest quintiles. While the impact of the conditionalities on student outcomes is questionable, the negative effect on beneficiaries for non-compliance is certain. In the absence of conditions to comply with, the J$278 million could have been used to bolster income and food security within poor and vulnerable households. The conditionalities do not support effective delivery of a social safety net; instead, they increase the vulnerability of the already vulnerable.

School Feeding Programme

The School Feeding Programme (SFP) is one of Jamaica’s oldest and largest social safety net components. This programme seeks to encourage greater and regularized school attendance, alleviate hunger, and enhance learning capacity through the provision of cooked meals, at least once per day, to the most vulnerable students – most of whom are beneficiaries of PATH. The SFP has reached more than 174,000 students in 2019, from infant to secondary education level. Given that about 230,000 PATH beneficiaries are children, the SFP programme covers more than 70 percent of Jamaica’s most vulnerable children, indicating that it adequately reaches its target and the neediest. This is important as better health and nutrition enhances children’s learning capacity and performance which can broaden their educational opportunities.

During the outbreak of the COVID-19 pandemic, school closures and increased unemployment have directly impacted Jamaican children’s access to safe and nutritious food. During the first stage of the lockdown, Nutrition Production Limited, the state-agency responsible for providing and distributing nutritious snacks to schools’ island-wide, under the SFP, distributed food packages for the children on the programme. These packages had to be collected from various points in local communities. Also, given the school closures, the Government of Jamaica provided an additional J$1.3 billion to PATH grants, in lieu of the school feeding programme.

To further support the GOJ’s efforts to provide and promote healthy choices among children and youths, the National School Nutrition Policy, is being drafted. This policy for schools will seek to improve the nutritional status of children through increased access to safe and nutritionally adequate food. It will also aim to support the long-term physical and psychosocial development of children and youths through increased physical activity and a health promotion curriculum. The policy is currently being finalized by the Ministry of Education, Youth, and Information for submission to cabinet.

Early Childhood Programme

Investment in the early years of the life of a child is crucial to their future development. Jamaica’s early childhood institutions (ECIs), such as pre-schools, basic schools, and daycares, are necessary to meet the health and developmental needs of children within the ages three to five years old. More so for poor families, ECIs reduce the time constraint faced and allows them job flexibility while catering to their child’s development. Low-income, single employed mothers,
There is a 51% pensions gap mainly consisting of LOW-INCOME WORKERS.
specifically, rely on these nonrelative arrangements to a greater extent than single fathers.\textsuperscript{242} This is because majority of the care burden is faced by women in the society, making it difficult for single mothers to engage in productive work.

Enrollment in the pre-primary level in Jamaica is near universal but there are challenges with affordability for the poor. The JSLC reports an enrollment rate of 98 percent among children three to five years old in ECIs with no notable difference among income groups; the poorest two quintiles had an enrollment rate of 94 percent.\textsuperscript{243} However, with majority of these institutions not entirely state-run, some parents often move children from institution to institution to avoid paying the fees.\textsuperscript{244} To ensure that no fees are charged to poor students in basic schools, it will require increasing GOJ support to these schools or directly to parents through the PATH programme or other social assistance.\textsuperscript{245}

Another challenge is the quality of ECIs which is illustrated by their inability to be certified by the Early Childhood Commission. Attaining a level of certification means that the institution has appropriate resources and facilities, and qualified, competent, and adequate staff members who will ensure that children enrolled will meet their full potential. Some early childhood institutions do not meet these guidelines. These include having an unacceptable ratio of children to teacher as well as insufficient number of trained teachers at the institution, affecting the quality of education afforded to children.\textsuperscript{246}

### National Insurance Scheme

The National Insurance Scheme (NIS) is the main contributory pension system that provides retirement, invalidity, orphans, widow/widower, employment injury, and maternity allowance.\textsuperscript{247} The purpose of the NIS is to cover all employed persons in Jamaica, by offering some form of financial protection to them, and their families, in the event of income loss. Below the Caribbean's average of 10 percent, the NIS requires 6 percent (of salary) in contributions from persons 18 to 65 years old, and their employers.\textsuperscript{248} The system is designed in line with the International Labour Organization's standards for social security. That is, it intends to provide a minimum guarantee of social security to all workers. As such, the target group for this policy is all members of the labour force, whether formal or informal.

Despite the aim of universality, the coverage of the NIS is low. In 2017, only 35 percent of the elderly population was receiving a pension, of which 25 percent was from the NIS.\textsuperscript{249} Coverage is also gendered: while the labour force participation rates show that where males and females account for 73 percent and 60 percent respectively, the gender distribution of the NIS is disproportionately female.\textsuperscript{250} In 2017, 60 percent of recipients were females.\textsuperscript{251} This can be attributed to the composition of the informal sector, where more males are employed and so they are less likely to contribute.\textsuperscript{252}

In general, the poor have less pension coverage. Eighty-three percent of the poorest are not covered by either the NIS or private insurance, in comparison to 49 percent of those more well-off. When disaggregated, only 14 percent of the poorest quintile contribute to the NIS compared to 32 percent of the richest. Most of these persons (in the poorest quintile) are either low-income workers who are not able to afford the NIS or are unable to work to contribute to the scheme. In fact, more than a third of the two poorest quintiles have never worked, or are not working (59 percent), precluding them qualifying. Therefore, the NIS is a not a pro-poor social protection policy.\textsuperscript{253}

Further, NIS has not been effective in


\textsuperscript{243} PIOJ and STATIN, "JSLC, 2017."


\textsuperscript{245} The School Feeding Programme has been delivered to basic schools to assist vulnerable children with nutritional meals and snacks.


\textsuperscript{247} The maternity allowance is provided only for domestic workers because other females are paid by employers.


\textsuperscript{249} PIOJ and STATIN, "JSLC, 2017."


\textsuperscript{251} ESSJ 2017; ESS 2019.


achieving its target as less than half of the population is registered and only 25 percent of the elderly is receiving a pension. Its low pension coverage leaves approximately three quarters of the elderly population more susceptible to, or falling deeper into, poverty as this fraction mostly constitutes those from the poorest quintile and those residing in low-income households.

To somewhat reduce the insurance gap coverage between the rich and the poor, the PATH programme provides social pensions. Of the entire elderly population, only 14 percent are on the PATH programme. These represent the most vulnerable of the elderly population as eligibility is contingent on means-testing. On average, every two months, these persons receive J$5,200, which is grossly below the international poverty line of J$8,500 per month.

However, there is still a significant gap in the coverage. With 14 percent coverage from PATH, and 35 percent from the NIS and occupational pension schemes, a 51 percent gap is substantial, especially in consideration of an ageing population. This gap consists mainly of low-income workers, and some lower-middle income, who have less access to social security, mainly because of their informal employment. These persons are not poor enough to be eligible for the PATH programme, and at the same, highly unlikely to be contributing to the NIS, or any other scheme. About two-thirds of elderly households in quintiles 3 and 4 are not receiving any form of pension.

During a cabinet briefing in February 2021, the government disclosed plans to implement Jamaica’s official Social Pension Programme in the 2021/2022 fiscal year. This programme will target elderly persons 75 years and older who are not in receipt of a pension or any other retirement income, whether old age or disability benefit. Also, the individual should not be a resident in a government institutionalized care facility nor be in receipt of social assistance through PATH or the Poor Relief programmes. While this new scheme will reduce Jamaica pension’s gap, the target group only constitutes a third of the entire elderly population.

Consequently, there needs to be an expansion of both the contributory and the non-contributory pillars of pensions. In several LAC countries, reforms to pension systems are evidenced by the introduction of universal (non-contributory with no means-test) pension plans to serve the entire elderly population, providing a basic pension to all. This is complemented by a “top-up” on the pension of those enrolled in the contributory scheme to incentivize increased contributions. On the other hand, the value of the universal pension is a fraction of the combination of both pillars of the pension scheme, which is high enough to incentivize enrolment in contributory systems.

For example, Bolivia having applied this approach, reduced old-age poverty by 14 percent and was able to increase per capita income and thus consumption in that group. The universal benefit is reduced by 20 percent for the elderly receiving a pension from contributory pillars. Also, the value is only 8 percent of the average contributory pension, for which reason it will most likely not create disincentives for enrolment in the contributory programme. They also implemented tougher sanctions to collect employers’ debt, and to reduce evasion of contributions and other violations.

Implemented in Jamaica, such a reform would be advantageous. Firstly, because it is universal, it would achieve 100 percent coverage to the elderly population. In so doing so, it would ensure income

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254 The number of PATH recipients and the elderly population is similar. “Situational Analysis of Children in Jamaica.”
255 This was calculated using the international poverty rate of US$1.90 per day and an exchange rate of US$1 = J$150.
256 PISJ and STATIN, “JSLC, 2017.”
258 Morris, “Cabinet Gives Approval For New Social Pension Programme.”
260 Mesa-Lago, “Reversing Pension Privatization.”
261 Mesa-Lago, “Reversing Pension Privatization.”
to all socioeconomic groups, while protecting the most vulnerable elderly. This implies that the social pensions aspect of the PATH programme would need to expand into the broader non-contributory aspect to facilitate inclusion of persons who would not have qualified for the programme. Secondly, there is the possibility of increased contributors based on the complementary “top-up” these persons are set to receive. It has been a consistent goal of the Ministry of Labour and Social Security to increase the base of contributors.

While advantageous, there are factors to consider, the main one being the size of the informal sector in Jamaica – a sector of 60 percent. Although Jamaica’s informal sector is not as high, it is still a significant share at nearly half of GDP. Therefore, to incentivize enrolment, a bonus on the contributed pension would need to be appealing while fiscally sustainable. Jamaica’s only compulsory contributory funded social security scheme is ineffective in achieving its target of protecting all workers against income loss. As observed in countries within the region, the implementation of universal (non means-tested) pensions, in conjunction with the NIS, can aid in further diminishing the extant gap. This approach expands coverage to the entire elderly population, and concurrently seeks to increase the contributions to

complementary bonus from the universal pillar.

**National Health Fund**

Jamaica’s primary healthcare system was a model for the Caribbean region during the 1990s. Because of this, Jamaicans were enjoying relatively better health status than other countries of similar income level within the region. For example, life expectancy in Jamaica was approximately 72 years, which was higher than that of the Bahamas, Grenada, and Belize.263

The system has since been challenged by new and more prevalent infectious diseases, and the increase of non-

The primary goal of the National Health Fund is to subsidize the cost of medication.

262 Mesa-Lago, “Reversing Pension Privatization.”


NCDs – cancer, diabetes, hypertension, and asthma. More than half of the dependent elderly are diagnosed with at least one chronic disease, with elderly women having higher proportions of all NCDs. With a greater quantum of health needs, there is a greater demand for public health services.

To sustain the gains in health outcomes, and increase access to health services, the government introduced the National Health Fund (NHF) in 2003, which subsumed the operations of Jamaica Drugs for the Elderly (JADEP). The NHF could be considered a component of universal health coverage, though this does not exist as such in Jamaica. The primary goal of the NHF is to assist citizens to access medication in both public and private spheres at a reduced cost. It targets people with NCDs and the elderly, and those diagnosed with specific illnesses with the aim of reducing out-of-pocket expenditure for pharmaceuticals.

The implementation of the NHF has increased access to health services, especially the population with non-communicable diseases. A 2011 evaluation found that the drug subsidy programme had reduced out-of-pocket spending on health services. This resulted in an increased usage of secondary prevention, which is health care (pharmaceutical or non-pharmaceutical interventions) to stop or slow the progression of NCDs to advanced stages. Individuals suffering from NCDs reduced their medicine and prescription drug expenditure by, on average, about 10 percent within three years of the programme’s existence. This would suggest that NCD patients benefit from increased access to care, given it becoming more affordable.

However, the distribution of benefits from the NHF and JADEP has been unequal among socio-economic groups. Approximately 48 percent of the population, at the end of the 2017/2018 fiscal year, was benefitting from the NHF programme, while 86 percent of the elderly benefitted from JADEP. More persons in the wealthier quintiles register for and benefit from the drug subsidy: less than 10 percent of the poorest quintile were enrolled in the NHF as opposed to almost 20 percent of the richest. The distribution for JADEP was similar as beneficiaries of the NHF programme automatically qualify when they reach 60 years. The majority of NHF’s beneficiaries are from wealthier households, while the poor, who should benefit, are barely captured. These programmes are not

266 PIOJ and STATIN, “JSLC, 2017.”
267 Bourne, “Population Ageing and the State of the Elderly.”
268 Chao, “Jamaica’s Effort in Improving Universal Access.”
270 Chao, “Jamaica’s Effort in Improving Universal Access.”
271 The total number of beneficiaries from the fund was 773,621. For the NHF only, there were 471,722 beneficiaries, and for JADEP, there were 302,089. National Health Fund, “Performance highlights 2017/2018,” undated, accessed February 27, 2021, www.nhf.org.jm/performance-highlights.
272 PIOJ and STATIN, “JSLC, 2017.”
universal, nor do they specifically target the poor; it is the richer quintiles that benefit more from the NHF and JADEP subsidies. The NHF and JADEP are not pro-poor programmes.\textsuperscript{273}

This mistargeting is largely attributable to the design of the programme. The NHF benefit only subsidizes the cost of pharmaceuticals with a relatively high copayment, and not medical expenses in general. Richer quintiles would thus benefit more because they have a higher income, and can afford to spend more. Poor people, thus, enjoy fewer benefits because of lower income. Comparing 2000 and 2007, the richest quintile’s expenditure on prescription drugs reduced by 36 percent, while the poor’s expenditure increased. Also, the rich reallocated the 36 percent in savings to facilitate additional spending on medical services, amounting to seven times more than that of the poorest.\textsuperscript{274} Because the poor’s expenditure on pharmaceuticals increased, there was a reduction in expenditure on medical services.\textsuperscript{275}

Further, despite the elimination of user fees in public health facilities, out-of-pocket health expenditures are high at 28 percent of personal income, and private insurance coverage rates are below 20 percent of the population.\textsuperscript{276} A 2020 survey found that 86 percent of the poor have no health insurance.\textsuperscript{277} Jamaica has both a large public health and private health sector. The Jamaican population’s expenditure as a share of total health expenditure continues to be slightly above the median when benchmarked against OECD countries where out-of-pocket expenditure is 20 percent. Also, international best practice advises that at any value greater than 20 percent of household income, families will be at a greater risk of catastrophic health spending and impoverishment because of illness.\textsuperscript{278}

A universal health insurance scheme can efficiently and adequately address the shortage of accessing affordable and quality health services for the poor. Universal health insurance facilitates equity in access to health services, enabling everyone who needs services to get them, not only those who can pay. This scheme underscores the principle that persons should be protected against financial risk, ensuring that the cost of using health services does not put people in financial harm. Additionally, the implementation of this policy allows beneficiaries to enjoy an acceptable quality of healthcare to improve outcomes.\textsuperscript{279}

There have been initiatives towards universal health insurance in Jamaica.

\textsuperscript{273} Marques, “Review of the Social Safety Net Provisions and Capacity.”
\textsuperscript{274} Chao et al, “Non-Communicable Diseases in Jamaica.”
\textsuperscript{275} Chao et al, “Non-Communicable Diseases in Jamaica.”
\textsuperscript{279}
In 2019, the Ministry of Health and Wellness put out a green paper outlining such a scheme, the Jamaica National Health Insurance Plan (NHIP). The scheme proposed a basic package focused on resources to specific groups, such as the most vulnerable, and would have guaranteed coverage of the target population, every Jamaican.\(^{280}\) The universality of the programme would be more beneficial to the poor than subsidies would, and would give them the opportunity to access better health services.

Such a scheme would also be valuable for persons with disabilities, or families living with persons with disabilities. While the NHF provides coverage for some pharmaceuticals for PWDs, not all pharmaceuticals are subsidized. As such, PWDs face substantial costs in obtaining medications. Health assessment and diagnostic services, which are vital in the lifecycle of persons with disabilities, especially children, are a challenge; a national health insurance plan would alleviate that difficulty.\(^{281}\) A NHIP, and the improvement and expansion of health services, would better serve this vulnerable group.

Since the proposal for a Jamaican plan for universal health coverage was made public, no further progress has been made due to financial, capacity, human resource, and technical constraints. These impediments are demonstrated through the country’s inability to adequately subsidize healthcare, and to establish and properly maintain institutions capable of managing a national health insurance scheme. Competition with other budgetary priorities such as debt reduction has forestalled progress.

Further, with a large informal economy, imposing a compulsory tax to fund a national healthcare insurance system is likely to be difficult.\(^{282}\)

### Youth Employment and Training Programmes

Poor, unskilled, and uneducated youths are prevalent in Jamaica. The youth unemployment rate is higher than for older cohorts, while their prospects for decent work are lower. This has been exacerbated by the pandemic, particularly for households situated in low-income communities where opportunities for advancement are limited by multiple socioeconomic factors. Consequently, youth employment and training programmes that address job preparedness by providing technical and interpersonal skills ought to be impactful, if they are effective.

Jamaica has several state-sponsored and NGO-led youth programmes, out of which two were selected for analysis based on their provision of technical and vocational skills and training in education for vulnerable youths. They are the Human Education and Resource Training/National Service Training Agency (HEART/NSTA), Jamaica’s main human capital development agency, and the Abilities Foundation, the only cross disability institute that provides specialized training on the island. These programmes optimize their objectives when, embedded in the programme’s design, they target a specific group, provide identifiably needed skills to the economy, and involve the private sector in providing training and work experience.\(^{283}\) Proof of achieving intended outcomes can be evidenced by improved and sustained labour market outcomes of participants, as revealed by effective monitoring and evaluation frameworks.

### Human Education and Resource Training/National Service Training Agency

The Human Education and Resource Training/National Service Training Agency (HEART/NSTA) was established to address youth unemployment through training aimed at enhancing employment opportunities. In 2019 the original training entity subsumed the National Youth Service and the Jamaica Foundation for Lifelong Learning. HEART also comprises the National Council for Technical and Vocational Education and Training (NCTVET).

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281 Bird and Silva, “The Role of Social Protection.”
The institution delivers programmes aimed at-risk and unattached youths to address the problem of high youth unemployment that results from youths’ disengagement from formal educational and training systems, especially among youths residing in “crime hot spots,” which are characteristic of the situation of vulnerable youths. The flagship initiative in this regard has been the National Unattached Youth Programme (NUYP). The Auditor General (AG) conducted a performance review of HEART that was published in 2020. The conclusions were troubling. Over a five period (2014-15 to 2018-19), there was a low certification rate of 45 percent; the AG concluded that the J$30.5 billion spent on training on all its several programmes did not deliver optimal value.

The report singled out the National Unattached Youth Programme, which had dismal results given the poor attendance, high rate of dropouts, low certification outputs, and other unfulfilled objectives. The lack of effective monitoring and evaluation of external training providers and community training interventions yielded minimal entrepreneurial and employment opportunities for vulnerable youths. Further, HEART was not able to indicate how many NUYP trainees had progressed whether through job placement, self-employment, or further training, despite setting these as project targets. This particular failure does not mean that such programmes do not work. In this case, the programme design and the lack of monitoring and evaluating undermined its transformational potential.

The Abilities Foundation

The Abilities Foundation was established in 1992 as an outcome of the lobbying effort of members of the disabled community in Jamaica who recognized the need for a specialized vocational education and training programme to serve people with disabilities. In 2021 its website says it is a voluntary organization that is “a collaborative effort of the Ministry of Labour and Social Security, Heart Trust NTA, and a number of agencies of and for persons with disabilities.”

The Foundation is the only institution which caters specifically to young adults with disabilities in Jamaica. This vulnerable population is assumed to be more disadvantaged due to the absence of programmes that effectively link them to post-secondary opportunities including life skills, vocational training, and transition into employment. The Foundation’s objectives are to increase employability, teach good work ethics, and facilitate social and emotional readjustment to ensure effective integration into the wider society. It aims to equip young PWDs with knowledge and marketable skills that allow them to become productive members of the society. The Foundation provides basic life skills and vocational courses in partnership with HEART.

Enrolment in this institution since its inception, averages 93 youths with disabilities per year, or 0.3 percent of all PWDs between the ages of 15 and 24. Most of its beneficiaries come from feeder secondary institutions that cater to persons with disabilities, PATH households, and state care. However, the majority are from the Kingston Metropolitan Area, which only contains one-third of persons living with disabilities. More than half of the PWDs population reside in rural areas, where PWD youths are deemed to be even more vulnerable because of the limited availability of resources there. As such, a large and crucial portion of the Foundation’s intended beneficiaries are outside of the organization’s reach, and the organization and its programmes are out of the reach of young PWDs.

The Ministry of Labour and Social Security reports on the Foundation, and has recorded various markers of achievement: in 2017, 29 trainees completed assessments in their qualification path. In 2019, 37 beneficiaries were on target to achieve full National Vocational Qualification of Jamaica certification and unit competencies in Housekeeping from Heart/NSTA. Twenty-seven trainees in Data Operations were on schedule to complete training and assessment (however, this was upended by the COVID-19 pandemic which resulted in


290 Ms. Susan Hamilton, Director of the Abilities Foundation, email to researcher, March 8, 2021.


school closure). Twenty-one trainees who were assessed as “non-readers” were able to acquire skills needed for the apparel industry. In 2017, 60 graduates were placed in six months’ work solutions. In 2019, 46 trainees graduated but only 16 were placed in employment programmes; in that year only one graduate in the year under review was able to attain permanent employment. These numbers are unimpressive. Further, the extent to which they point to a material change in the situation of PWD youths would have to be measured against the quantum of PWD youths in the island, and their training needs. At a rate of reaching less than 1 percent of these youths, these achievements have little meaning beyond the individual benefits that would have accrued to the few participants. Further, this evidence suggests that the attainment of skills mostly results in only short-term employment, and only for some of these youths.

These unimpressive outcomes in increasing the employability of PWD may in part be due to the absence of laws that fully enact the principles of the Disabilities Act (2014). The Disabilities Act makes provisions to safeguard and enhance the welfare of persons with disabilities across Jamaica. The legislation is designed to protect and promote the equal rights of the disabled and prohibit discrimination against them. A component of this Act is the Codes of Practice, which outlines the minimum standards by which the public will be guided on how to interact with and allow for the participation of persons with disabilities, especially within the workforce. The time lapse between passing or approving policy and legal instruments, and their full implementation and enforcement, has allowed the culture that stereotypes the abilities and potential of PWDs to be perpetuated. The Governor General, during his delivery of the Throne Speech on February 11, 2020, announced that this Act, and the Disability Rights Tribunal, would have come into full effect in the forthcoming fiscal year, 2020/2021. This was also a priority for the 2019/2020 fiscal year. Yet, it remains unga zetted.

Notwithstanding these drawbacks, the Foundation is the only cross-disability institution that caters to the skills training and personal development needs of youths with disabilities, and as such is vital to increasing economic inclusiveness among this vulnerable group. But its potential to reach and adequately serve this population is minimal, as not only is it the sole institution but it is located in Kingston and St Andrew (KSA), whereas most PWDs are in rural areas. The Foundation’s services should be broadened to cover more of the island, particularly those areas with high concentrations of young PWDs. In November 2020 the Ministry of Labour and Social Security announced that consideration for the implementation of the foundation outside of KSA is ongoing.

The Steps to Work Programme

PATH’s Steps To Work (STW) programme seeks to economically engage active PATH beneficiaries, ages 15 to 64, who are not attending school. STW seeks to get the chronically poor off welfare by focusing on remedial education and training to improve their employment prospects, and promote job readiness and matching; there is also an entrepreneur training component. The job matching component matches beneficiaries with job vacancies in a partnering company, through a labour pool within the Ministry of Labour and Social Security’s Electronic Labour Exchange of the Labour Market Information System, for a three-month period. After this period, trainees are

assessed for permanent employment.

Because the majority of the PATH beneficiaries are families from the two poorest quintiles, the Steps to Work programme has accurately targeted those who are in need of these skills. Equipping the most vulnerable with the necessary skillset to transition into the labour force reduces their dependence on social assistance and bolsters self-reliance. As a result, the STW programme is identified as the main skills-training and employment strategy of the PATH programme. Enrolment in STW is voluntary.

Interventions under the STW programme include on-the-job training, business development, and entrepreneurial support. On-the-job training is one of the most effective methods of equipping individuals with skills and experience to optimize employability and work performance.304 Over a three-year period, 2015 to 2017, approximately 430 participants were placed for on-the-job training. Of these, 206 beneficiaries gained permanent employment, almost half of the participants.305 In 2017, 154 persons benefitted from skills training, and employment, under the Social and Economic Inclusion of Persons with Disabilities Project. In collaboration with HEART/NSTA, 559 PATH clients were enrolled in HEART institutions island wide, engaging in a wide array of skill areas, from cosmetology to general construction to practical nursing.306 As of 2019, more than 1,800 PATH graduates have benefitted from at least one of the interventions under Steps to Work.307 Across parishes, Kingston and St. Andrew (141), St. Catherine (99) and Clarendon (98) had the largest proportions of its beneficiaries participate. Entrepreneurial support was provided to assist clients in the Steps-to-Work Programme to operate businesses, primarily in the areas of agriculture and trading; in 2019, a total of 600 grants valued at J$64.6 million were awarded.

Notwithstanding this record of achievements, the coverage is poor. There are 328,482 beneficiaries of PATH (as of October 2020), about 10 percent of whom are adults. With approximately 2,000 beneficiaries of the STW programme in 2019, it is reaching less than 10 percent of potential beneficiaries. That is, there are more than 30,000 potential beneficiaries who might benefit from this programme, but who are not participating. While some of the potential beneficiaries may not be able to participate in the programme for various reasons, less than 10 percent is inadequate. This programme could help to elevate the poor who are willing and able to work, by providing the necessary skills that are demanded in the labour force. If only a small fraction is receiving these skills, it implies that the bulk of beneficiaries will remain dependent on the government’s assistance.

The Steps to Work programme is the main skills training and employment programme for a vulnerable group, the unemployed and unskilled poor. It is accurate in identifying its targets, because its beneficiaries are directly from the PATH programme, most of whom are from the two poorest quintiles. Only 10 percent of eligible beneficiaries benefit from the educational and vocational training, whether because of the voluntary nature of the programme, or because it is not well promoted or resourced. As such, this programme is not effective in achieving its goal of graduating PATH beneficiaries to financial self-reliance.

**Tax Exemptions**

One of the main components of Jamaica’s tax system is the General Consumption Tax (GCT), which is a typical value-added tax that is applied through all stages of the production and distribution process. Included in this regime is an extensive list of “zero-rated” and exempt items which the GOJ has used as a form of social policy.308 Many of these

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items are exempted on the basis of their relative weight in the budgets of low-income households, and are therefore concentrated in food, education, and health. As such, these zero-rated items are intended to benefit the poor by subsidizing their expenditure on consumption.

Value-added tax exemptions however, based on the distribution of their consumption amongst households of different income levels, disproportionately benefit the wealthy. Data from the annual Survey of Living Conditions shows that, by far, poor people spend almost half of their income on food (45 percent), more than any other commodity. However, the wealthy, while using a smaller share of their budgets on food, spend a larger absolute amount. In this way, the greater part of the tax expenditure (the tax forgone by virtue of the exemption) accrues to those who are not poor.

The absorption of the bulk of the tax expenditure by the non-poor can be illustrated by the example of canned food, which is included in the zero-rated list. In 2017, the poorest 20 percent of the population consumed J$46,000 worth (per household). At the same time, the wealthiest 20 percent spent almost J$200,000 on these items.309 Put simply, for each can consumed by the poor, the wealthy consumes approximately four. Therefore, the wealthiest quintile benefits from the forgone taxes four times as much as the poorest. A 2012 tax reform proposal came to the same conclusion, that the poor (the intended beneficiaries) benefit the least from the policy of GCT exemptions.310 There was a subsequent reduction on the number of zero-rated items, and the tax base was expanded.311 An expanded tax base has a more equitable effect as, while additional taxes increase the amount paid by the poor, the substantial burden falls on the wealthy because they consume more.312

A precondition for an expansion of the indirect tax base is the establishment of adequate mechanisms to compensate the poor for the additional tax burden.313 For example, increasing the efficacy of the social protection programmes, such as PATH, and investing in public goods heavily consumed by the poor, such as public health, education, and public transportation, are efficient channels for ensuring redistribution to the poor. Exempting items from value-added tax is a fiscally inefficient way to promote economic inclusion among the poor and the vulnerable.

### National Housing Trust

The National Housing Trust (NHT) states that its mission is to “provide financial assistance to the neediest of our contributors wanting to build, buy, or repair their homes.”314 According to this statement, the NHT subsidizes housing solutions for low-income households who may not otherwise have been able to afford home ownership. While this is the intention, the programme’s legislation makes it obligatory that all contributors, including the higher income contributors, are allowed to access the facility.315 The NHT is funded by a compulsory, refundable contribution that, adding both the employees’ and employers’ shares, comes to 5 percent of the wage bill.

An analysis of the distribution of benefits across income levels shows that the NHT has inadvertently subverted its mission. Mortgage disbursement data indicates that NHT mortgages are skewed toward higher income groups. Middle and upper-income contributors have received more mortgages than those in the lower income groups. Between 2009 and 2014, contributors earning more J$20,000 weekly, which is the highest income group served by the NHT, were twice as likely to gain mortgages as contributors earning less than J$10,000, the lowest income group.316 Contributors in the lowest income group received only 23 percent of the mortgages disbursed during the said period, revealing that most mortgages went to households that were well above the poverty line. On average, the poorest

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309 PIOJ and STATIN, “JSLC 2017.”
312 This was evidenced during the 2009 global economic crisis reform. Increasing GCT affected the rich more than the poor. The poor’s expenditure increased by 0.5 percentage points as opposed to 1 percentage point for the rich. World Bank, Jamaica: Poverty and Impacts of Social Reform, (Washington DC: World Bank, 2012), http://documents1.worldbank.org/curated/en/843141468283765062/pdf/678090ESW0P130000Jamaica0PSIA0FINAL.pdf.
316 CAPRI, “An Assessment of the NHT.”
income group has never received more than 19 percent of the value of mortgages distributed. For example, in 2014, of the J$21 billion disbursed, the poorest group of contributors received only J$4 billion in mortgages, while the middle and upper income groups received disproportionately more mortgages.\textsuperscript{317}

Few low-income households access mortgage financing because the loan prerequisites are unsuitable to their circumstances. Mortgages require regular payments over long time periods, while many of the poor do not have the steady, reliable income stream that comes from a formal sector, career-oriented job. The long-term debt obligation therefore creates a financial risk for poor contributors. Like any other loan institution, the unstable financial situation of the lower-economic contributors usually disqualifies them from approval for benefits. Accordingly, the NHT is a non-pro-poor policy as, despite its mandate of providing affordable housing for low-income contributors, wealthier income groups experience more benefits. The NHT is therefore not an effective part of the country’s safety net.

\textsuperscript{317} CAPRI, “An Assessment of the NHT.”
Inclusive growth is **ATTAINABLE** but it requires the implementation of **deliberate, purposeful, well-targeted programmes**.

Such programmes not only exist, but they are already in place in Jamaica.
Over the past seven years, Jamaica has performed remarkably well in establishing the markers of economic growth. However, no amount of economic growth guarantees equity in the distribution of economic gains. This state of potential marginalization is characterized by the presence of certain characteristics, some inherent and some transitional, that limit the resilience of some households to disruptive economic events such as natural disasters, illnesses, and job losses.318 Vulnerable groups include poor households with significant care obligations (more often women-headed), the elderly, poor youths and adults, and persons with disabilities. The COVID-19 pandemic has worsened vulnerabilities, making even stronger the need for a robust, effective social safety net.

In examining specific groups and their vulnerabilities, this report sought to elicit the elements of an efficient and effective socio-economic welfare architecture that would suit Jamaica. This proposed new architecture includes maintaining but reformulating the existing conditional cash transfer programme PATH, modifying the universal and contributory pension schemes, building on the National Health Fund to create a national health insurance plan, and restructuring and expanding youth and adult employment and training programmes that specifically target vulnerable groups, especially people with disabilities. Other measures include removing tax exemptions and restructuring the NHT so that both are more inclusive of the poorest and most vulnerable.

The PATH programme targets the most vulnerable groups. The majority of the beneficiaries are poor households with children as they are more likely to remain in or to fall into poverty than households without children; targeting such a group also contributes to breaking the intergenerational cycle of poverty. However, despite an increase in the number of beneficiaries over recent years, the share accruing to the poorest quintiles has been constant. Between 2009 and 2017, 79 percent of the recipients were from the poorest quintiles (1 and 2), while 81 percent of new beneficiaries were from quintiles 1, 2 and 3, respectively. Also, the positive outcomes from the PATH programme seem to be attributable to more of them receiving the consistent and reliable cash transfer rather than to the conditionalities. Further, these poor households lose J$277 million due to lack of compliance, exacerbating their already vulnerable circumstances.

The School Feeding Programme and early childhood institutions are integral to the development of vulnerable children in Jamaica. Majority of the beneficiaries of the SFP constitute PATH recipients, providing them with nutritional food to stimulate them and increase their learning capacity. While 98 percent of children aged three to five years are enrolled in ECIs island-wide, the affordability and quality of institutions remain a challenge. Most institutions are not entirely state-run, imposing fees that vulnerable families are unable to afford. Further, some of these institutions have an unacceptable teacher to student ratio and inadequate number of trained staff, crucial indicators that impact the quality of the learning environment and


Public resources need to be shifted from the inefficacious programmes and instead concentrated on those that meet the criteria established for an effective social safety net.
children's learning ability.

The coverage of both the contributory and non-contributory pensions schemes is low. The NIS only covers 25 percent of the population (with private insurance, this marginally increases). Most of the recipients of the pension are from the richest quintile. More than 80 percent of the poorest quintile is not receiving any pension. The PATH programme covers this gap to an extent as approximately 14 percent of beneficiaries are older persons who receive the social pension. The remaining gap comprises low- and some middle-income households who are not actively contributing to the NIS, and, at the same time, are not poor enough to be considered for the PATH programme.

The introduction of the NHF and JADEP was to sustain the gains in health outcomes and increase access to healthcare for all beneficiaries, by reducing out-of-pocket expenditure through subsidies. However, only 17 percent of the population are registered to the NHF, most of whom are from the wealthier quintiles. These persons also experience greater benefits because they have higher incomes, and can afford to spend more. With these health subsidies, richer quintiles spend at least sevenfold more times than poorer quintiles. As it now exists, the NHF/JADEP is not sufficiently pro-poor to meaningfully promote inclusiveness. A national health insurance plan, which already exists in proposal form, would.

Three programmes targeted at poor youths and adults were examined. The Auditor General’s analysis of the HEART/NSTA programmes for at-risk and unattached youths had dismal results, yielding minimal entrepreneurial and employment opportunities for vulnerable youths, and suffered from a lack of effective monitoring and evaluation of external training providers and community training interventions. For the few youths with disabilities that are able to access the programmes, the Abilities Foundation has garnered success in equipping these youths with skills training and personal development. However, because of its location, youths with disabilities living in rural areas are disadvantaged as almost all enrollees are from Kingston and St. Andrew. Further, the lack of enactment of the Disability Act (2014) contributes to weak presence of persons with disabilities in the work force.

A sub-programme of PATH, the Steps-to-Work programme, seeks to create self-reliance for adults in poor families through education and training through the HEART/NSTA, and other institutions. While the programme accurately targets its beneficiaries, voluntary enrolment hinders its coverage. Less than 10 percent of beneficiaries gain meaningful training, some of whom matriculate to permanent employment. The majority of potential beneficiaries (approximately 90 percent), however, do not, implying that the programme is not effective in achieving its goal of graduating PATH beneficiaries to financial self-reliance.

Value-added tax exemptions, based on the distribution of their consumption amongst households of different income levels, disproportionately benefit the wealthy. Similarly, despite the NHT’s mandate to serve low-income contributors, mortgage disbursement by the NHT is skewed toward higher income groups. Further, the unstable financial situation of the lower-quintile contributors usually disqualifies them from approval for benefits.
The recommendations to follow build upon these findings and are focused around an expanded PATH, universal health insurance, and a universal pension. This will incur a fiscal cost, which is a constraint at the best of times, and the middle of a pandemic is not the best of times. However, approximately 60 percent of the estimated fiscal cost can be reallocated from the programmes and initiatives that will be de-emphasized, reduced, and eliminated in order to concentrate resources on the more effective efforts built around cash transfers, health insurance, and pensions. That will leave a net fiscal cost of approximately $20 billion. That’s a small price to pay for an effective social safety net that will ultimately earn it’s keep in a stronger social capital.

Inclusive growth is attainable in Jamaica, but it requires the implementation of deliberate, purposeful, well-targeted programmes that effectively cover the poorest quintiles. Many relevant programmes are already in place in Jamaica, but must be optimized. Resources should be shifted from the inefficacious programmes and instead concentrated on those that meet the criteria established in this report for an effective social safety net. The next step is reform and redeployment.

**Recommendations**

For Jamaica to have an effective social protection system that promotes economic inclusiveness, the following actions should be taken:

1. **Parliament should pass the National Assistance Bill to replace the Poor Relief Act (1886).** The absence of an overarching legislation for social protection impairs a coordinated approach to poverty reduction through an authoritative multi-sectoral institutional framework which effectively coordinates service delivery. This results in fragmentation, duplication, and limited collaborative responses to programmes. A new law, informed by evidence, should be created to strengthen and integrate poverty reduction efforts.

2. **The conditionalities from the PATH programme should be removed.** Conditionalities diminish the effectiveness of cash transfer programmes.

3. **The PATH programme social pension programme should be broadened to offer a universal pension and the means-test criteria should be removed.** This will result in a stronger pension architecture, comprising both a universal and contributory pension. Furthermore, monetary incentives should be
offered to persons to enroll in the contributory pension, the NIS, while still being eligible for the universal pension. This incentive should be high enough to promote contributions but low enough to discourage avoiding enrolment.

4. A universal national health insurance plan, such as the one already designed and drafted by the Ministry of Health and Wellness, should be implemented. Medical expenses are the surest way for vulnerable households to fall into poverty and are the most difficult for an individual to mitigate against, a problem which universal, state-sponsored health insurance can alleviate.

5. HEART/NSTA skills training programmes for vulnerable at-risk youth must be evidence based and systematically monitored and evaluated. Otherwise, HEART/NSTA will remain an underutilized resource in preparing vulnerable populations of poor, unskilled youths and adults for the labour force.

6. The Steps-to-Work programme should devote more resources and effort to promotion, recruitment, and incentivization in order to increase its throughput. A constructive element of any social safety net is a path out of poverty and vulnerability. The Steps-to-Work programme fits that criterion, is effective with its graduates, but is underutilized.

7. Parliament should gazette the Disabilities Act (2014), which also commissions the Disabilities’ Rights Tribunal. Low participation of persons with disabilities in the labour market, and the perpetual discrimination by the society, is in part due to the Disability Act (2014) not being in effect.

8. The Abilities Foundation should be expanded and its facilities geographically dispersed. The Abilities Foundation is the only cross-disability entity working to promote the livelihoods of people with disabilities; it is situated in Kingston and St. Andrew. With more persons with disabilities located in rural areas, they are at strain to access the opportunities provided by the Foundation.

9. The Jamaica Council for Persons with Disabilities should have mandatory registration for persons with disabilities. Registration of persons with disabilities will better aid policy makers in planning and mobilizing resources for this vulnerable group. Also, benefits that are only accessible through registration can become widespread for this community, especially for persons who were not previously registered.
Appendix 1: Ethiopia’s Productive Safety Net Programme

The essence of an effective social protection policy is captured in this headline: “Social protection lowers COVID-19’s impact on hunger in Ethiopia.” The COVID-19 pandemic has undermined food and nutrition security on a global scale. The pandemic's impacts – stemming from lost incomes due to lockdown, fear of exposure, and medical expenses, as well as disruptions in food markets, value chains, and economic activity in general – are severely testing social protection systems in many countries.

In Ethiopia, the Productive Safety Net Programme (PSNP) has been yielding positive results in addressing household poverty and food insecurity in the low-income districts it targets over its decade-plus existence. Households benefiting from this programme were less likely to reduce expenditures on health and education and on agricultural inputs by 8 and 13 percentage points, respectively. The likelihood of experiencing food insecurity in non-beneficiary households increased by 12 percentage points, compared to 2 percentage points in PSNP households. Additionally, the duration of the food gap in non-beneficiary households was 0.34 months longer than that of beneficiaries. One of the components of this programme is focused on the delivery of predictable, and timely transfers – both regular transfers to core clients, and transfers to households in response to shocks. Additional COVID-19 related impacts on food security and poverty can be mitigated quickly by existing social protection programmes, like the PSNP, which can be considered a model of the utility of leveraging existing programmes to address the pandemic.

321 Abay et al., “Ethiopia’s Social Safety Net.”
## Appendix 2: Changing risks and vulnerabilities across the life cycle

<table>
<thead>
<tr>
<th>AGE STAGE</th>
<th>EXAMPLE OF RISKS AND VULNERABILITIES</th>
</tr>
</thead>
</table>
| Early childhood (birth to 4 years) | • Poor maternal and early nutrition which leads to stunted growth  
  • Poor cognitive development if early care and stimulation is inadequate  
  • Acute vulnerability to disease and infection  
  • Exposure to hazardous environments related to poor housing and parents’ occupation  
  • High dependency on parent or caregiver  
  • Disability through lack of early intervention |
| Children (5 to 11 years)       | • Risk of not attending school because of domestic or income-earning responsibilities or the lack of household income to fund school related costs  
  • Inability to reap the benefits of schooling because of added burden of domestic or income-earning responsibilities  
  • Particular issues for girls: not being prioritized for investment in education, facing domestic responsibilities, or are vulnerable to sexual exploitation  
  • Insufficient food or poor diets which increases the likelihood of illness  
  • Dependency on parent or caregiver |
| Adolescents (12 to 24 years)   | • Vulnerability to early withdrawal from school due to lack of parents or insufficient family income  
  • Impact of triple burden of work, unpaid care, and schooling  
  • Risks from early marriage and childbearing  
  • Lack of access to vocational education and training, and formal employment leading to engagement in informal employment  
  • Increased risk of HIV/AIDS as individuals become sexually active  
  • Increasing vulnerability of girls to gender-based violence |
| Adults (36 to 59 years)        | • Employment insecurity because of care for younger and older family members (particularly women)  
  • Loss of partner’s support through temporary or cyclical migration as well as death, illness, and abandonment which increases the responsibility for dependents  
  • Disability through hazardous employment or other events |
### AGE STAGE

| Elderly                      | • Loss of income due to age discrimination, frailty, or illness  
|                             | • Retired worker from the informal sector, indicating that there is no provision of contributory pension  
|                             | • Increased likelihood of age-related disability and chronic illness  
|                             | • Poor health due to no income or health insurance, childrearing responsibilities, poor living conditions  
|                             | • Continuing to engage in low-income earning and often physically disabling work to support self and dependents  
|                             | • Discrimination against widows and lack of inheritance rights for women |

**Source:** Social Protection and Vulnerability, Risk and Exclusion Across the Life-Cycle

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324 Cain, "Social Protection and Vulnerability, Risk and Exclusion Across the Life-Cycle,"
National Identification Systems

National ID systems (NIDS), in alignment with SDG 16.9, have been adopted in countries over the world to address the needs of the most vulnerable citizens by increasing the efficiency and effectiveness of the delivery of public and private services. Their benefits are evident in, but not limited to, the financial, social, and health sectors. Governments, in creating a citizen-centric system, experience cost savings; equally important, they facilitate an increase in citizen satisfaction and convenience. In implementing these systems, some countries, such as India, Pakistan, and Thailand, have deployed digital IDs to increase the efficacy of various social protection policies. The identification of beneficiaries is crucial because existing registries often have low coverage, and do not necessarily have relevant information to support meaningful targeting.

India’s digital ID, the Aadhar, was linked to bank accounts, which increased the effectiveness of social protection programmes by reducing errors of inclusion and exclusion. These errors, largely attributed to the presence of ghost and duplicate beneficiaries, plagued various social assistance programmes, and incurred costs to the government; as such, the intended beneficiaries were not reached. This digital ID also allowed the government to replace subsidies with direct benefit transfers. By doing this, subsidy programmes, such as the liquified petroleum gas subsidy that provides India’s poor and rural households with clean cooking gas, were able to expand access to clean gas by 25 percent.

Similarly, Pakistan’s flagship national social protection programme, the Benazir Income Support Programme used the National Database and Registration Authority (NADRA) as the key component to enroll and verify beneficiaries. Using NADRA to deliver social welfare payments, Pakistan was able to provide direct cash transfers to women for the first time, resulting in an increase in expenditure on nutrition and children’s education. Currently, approximately 5.4 million beneficiaries receive cash transfers, and almost 93 percent of these payments are made using delivery channels driven by branchless banking.

The use of a universal, digital ID in the health sector to leverage Universal Health Insurance can be transformative. The government of Thailand has used the national population registry as the baseline list of beneficiaries for its universal healthcare scheme. With a fully computerized population database, universal health coverage and social health protection schemes have covered all Thai citizens since 2002. Beneficiaries, with their unique national number generated at birth, were enrolled in various social health protection schemes, and so the database was able to identify those who did not have insurance. Those uninsured persons were then covered by the universal health insurance that was introduced in 2002. Thailand has since issued health smart cards to reduce fraud and to further buttress the effectiveness of the system.

The ability to access basic services and entitlements, from healthcare to pensions and agricultural subsidies, and participate fully in society and the economy, stems from the ability to prove one’s identity. Leveraging a NIDS can leap-frog traditional identification programmes in achieving widespread adoption to the unregistered population, the majority of whom form a part of the vulnerable population.

Legislation

Addressing social and economic vulnerabilities requires an explicit effort to tackle power and inequality within a programme’s objectives and design. This includes removing legal and policy barriers to change the wider societal perspective, and proactively ensure equity through protection against exclusion and discrimination. UNICEF identifies...
effective legislation as one of the core components of social protection strategies as legislative reforms ensure equity and non-discrimination in children’s and families’ access to income security, and livelihood opportunities.325

In the absence of these reforms, archaic legislation prohibits access to and thereby limits the coverage of social protection systems, and contributes to poor coordination and fragmentation of resources.326 Specifically for persons with disabilities, there remains a gap in social protection coverage, attributable to the lack of comprehensive legislative framework. Social protection schemes can contribute to their income security but are no substitute for employment. Consequently, a wide range of additional support services are needed, such as assistive devices, access to education, health services, accommodation in physical infrastructure, and help to enter the labour market. This support is best provided and enforced through a legislative framework, prohibiting all forms of discrimination against persons with disabilities.327

327 Also, schemes and programmes that support the (re)integration of persons with disabilities into the labour market, and facilitate their participation in decent work where feasible and appropriate—including measures to address discrimination—play a key role in advancing the social inclusion of persons with disabilities.
## Appendix 4: Multiple Pension Taxonomy

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>TARGET GROUPS</th>
<th>MAIN CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pillar</td>
<td>Lifetime poor</td>
</tr>
<tr>
<td>Elderly poverty protection</td>
<td>0</td>
<td>X</td>
</tr>
<tr>
<td>Elderly poverty protection and consumption smoothing</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Consumption smoothing and elderly poverty protection through minimum pension</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Consumption smoothing</td>
<td>3</td>
<td>x</td>
</tr>
<tr>
<td>Elderly poverty protection and consumption smoothing</td>
<td>4</td>
<td>X</td>
</tr>
</tbody>
</table>

**Note:** The size of x or X, normal or bold, characterizes the importance of each pillar for each target group.

**Source:** World Bank: Illustrates a multi-pillar pension that aids countries in determining how to structure their pension architecture. 328

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Come Mek Wi Hol’ Yuh Han’
The Components of an Effective Social Safety Net for Jamaica

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