

# JAMAICA SOCIAL PROTECTION STRATEGY



**Planning Institute of Jamaica**  
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# List of Abbreviations and Acronyms

|                       |  |
|-----------------------|--|
| ADR.....              | Age Dependency Ratio   |
| AFI.....              | Alliance for Financial Inclusion   |
| ALMP.....             | Active Labour Market Programme   |
| BIS.....              | Beneficiary Identification System  |
| CCT .....             | Conditional Cash Transfers   |
| CFI.....              | Centre for Financial Inclusion   |
| CHASE.....            | Culture, Health, Arts, Sports and Education Fund                           |
| CLASP .....           | Clarendon Association for Street People                                    |
| CUMI.....             | Committee for the Upliftment of the Mentally Ill                           |
| DCFS.....             | Department of Co-operatives and Friendly Societies                         |
| ECLAC .....           | Economic Commission for Latin America and the Caribbean                    |
| EDR.....              | Economic Dependency Ratio  |
| EPI.....              | Environmental Protection Index   |
| FBO .....             | Faith-Based Organisation   |
| FI.....               | Financial Inclusion  |
| FNSP .....            | Food and Nutrition Security Policy   |
| FSC .....             | Financial Services Commission  |
| FY .....              | Fiscal Year  |
| GDP.....              | Gross Domestic Product   |
| GTR.....              | General Tax Revenue  |
| HAJ.....              | Housing Agency of Jamaica  |
| HEART Trust /NTA..... | Human Employment and Resource Training Trust /<br>National Training Agency |
| HISEP .....           | High School Equivalency Programme  |
| HRC .....             | Human Resources Council (Committee)  |
| IADB or IDB.....      | Inter-American Development Bank  |
| IBRD .....            | International Bank for Reconstruction and Development<br>(World Bank)      |
| ILO .....             | International Labour Organization  |
| IMF.....              | International Monetary Fund  |

## List of Abbreviations and Acronyms

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|                   |  |
|-------------------|--|
| IPS.....          | Industrial and Provident Societies                       |
| JADEP.....        | Jamaica Drugs for the Elderly Programme                  |
| JCPD.....         | Jamaica Council for Persons with Disabilities            |
| JFLL.....         | Jamaican Foundation for Lifelong Learning                |
| JIIC.....         | Jamaica International Insurance Company                  |
| JSIF.....         | Jamaica Social Investment Fund                           |
| JSLC.....         | Jamaica Survey of Living Conditions                      |
| KMA.....          | Kingston Metropolitan Area                               |
| LA.....           | Local Authorities  |
| LAC.....          | Latin America and the Caribbean                          |
| LED.....          | Local Economic Development                               |
| M and E.....      | Monitoring and Evaluation                                |
| MDA.....          | Ministries, Departments and Agencies (of Government)     |
| MFI.....          | Micro Finance Institutions                               |
| MLGCD.....        | Ministry of Local Government and Community Development   |
| MLSS.....         | Ministry of Labour and Social Security                   |
| MOE.....          | Ministry of Education                                    |
| MOFP.....         | Ministry of Finance and Planning                         |
| MOH.....          | Ministry of Health                                       |
| MSME.....         | Micro, Small and Medium Enterprises                      |
| NCYD.....         | National Centre for Youth Development                    |
| NGO.....          | Non-governmental Organisation                            |
| NHF.....          | National Health Fund                                     |
| NI.....           | National Insurance                                       |
| NIS.....          | National Insurance Scheme                                |
| NPCB/PC Bank..... | National People's Cooperative Bank                       |
| NSPC.....         | National Social Protection Committee                     |
| NWC.....          | National Water Commission                                |
| NYS.....          | National Youth Service                                   |
| ODPEM.....        | Office of Disaster Preparedness and Emergency Management |

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| Operation PRIDE ..... | Programme for Re-settlement and Integrated Development Enterprise    |
| PATH .....            | Programme of Advancement through Health and Education                |
| PIOJ.....             | Planning Institute of Jamaica  |
| PSP .....             | Public Sector Pension  |
| PWD.....              | Persons with Disabilities  |
| SDC .....             | Social Development Commission  |
| SFP .....             | School Feeding Programme   |
| SIDS.....             | Small Island Developing States                                       |
| SMART Programming.... | Synchronized, Monitored, Affordable, Responsive, Transparent         |
| SP .....              | Social Protection  |
| SPF.....              | Social Protection Floor  |
| SRM.....              | Social Risk Management   |
| SSN.....              | Social Safety Net  |
| SSNPIC .....          | Social Safety Net Reform Programme Implementation Committee          |
| StW.....              | Steps to Work Programme  |
| SWVG.....             | Social Welfare and Vulnerable Groups                                 |
| SYEAT /SEAT .....     | Special Youth Employment and Apprenticeship Training Programme       |
| TSP .....             | Transformative Social Protection (Framework)                         |
| TVET.....             | Technical and Vocational Education and Training                      |
| UN.....               | United Nations   |
| UN/DESA.....          | United Nations Department of Economic and Social Affairs             |
| UNAIDS .....          | Joint United Nations Programme on HIV and AIDS                       |
| UNCRPD.....           | United Nations Convention on the Rights of Persons with Disabilities |
| UNICEF .....          | United Nations Children Fund   |
| UWI .....             | University of the West Indies  |
| VAT.....              | Value Added Tax  |
| WASP .....            | Westmoreland Association for Street People                           |
| WB .....              | World Bank   |
| WHO.....              | World Health Organization  |

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## FOREWORD

The debate on approaches to effective social protection has gathered momentum over the past decade, fuelled not only by the rich international discourse on various theories and principles, but also by the economic and social development challenges of the times. Certainly, the experiences of the global financial and economic crises, the food price crisis, and the impact of soaring oil prices in the years following 2008, have brought sharp focus to the issues. This is because social protection, embracing the right to social security and the provision of basic needs, impacts all citizens, and influences social stability. The most vulnerable citizens, such as those consuming below the poverty lines, and the labour force in general, have borne the brunt of the negative impact on consumption, savings and employment, as direct and indirect results of the waves of crisis. In the case of Jamaica, these experiences have served to underscore the need for viable and comprehensive social protection initiatives, and have impelled continued reforms to the social safety nets. The context is particularly disturbing, given increasing trends in poverty rates in the country since 2008.

The Social Safety Net Reform Programme initiated in 2000, saw concerted efforts being made by the government to effect a stronger and more coordinated package of services for the most vulnerable households. The safety net reform process sought to create new efficiencies in the use of resources, promote objectivity and equity in the distribution of benefits, create more meaningful benefit regimes, and improve institutional arrangements. Progress over the years since then has seen the consolidation of the major income transfer programmes, an objective Beneficiary Identification System through a proxy means test, and more structured service delivery.

This Social Protection Strategy document, developed as part of the ongoing focus on reform, now presents a framework that is broader than safety net considerations. It deepens the dialogue by focusing on prevention of some key risks that can lead to income insecurity and chronic poverty. The fundamentals of the Strategy embrace the possibilities that are part of the human existence, and seek to build on the formation of competitive human capital. The root causes of social insecurity are addressed, rather than merely dealing with the effects or impact of circumstances. This is the broader outlook of social protection, a model that links inclusion with social investments and economic growth.

The social policy horizon within which social development interventions are being framed and monitored is the country's most recent long-term development agenda. Vision 2030 Jamaica – National Development Plan, launched in 2009, envisages a strong framework for social protection, in keeping with the goal of empowering all Jamaicans to realize their fullest potential.

This means that for social protection, conceptual underpinnings must be explored and justified, existing initiatives enhanced, gaps examined, and legislative and institutional arrangements clarified. This is exactly what the work on the Social Protection Strategy, coordinated by the Planning Institute of Jamaica, and supported through the Social Protection Project (GOJ/World Bank), has set out to accomplish. Despite the long history that the country has had in welfare and poverty interventions, and in the establishment of social security provisions, there still needs to be a coalescing of thinking and practice that will create greater efficiencies in the overall approach. The linkages between the economic and social sectors, as well as the contribution of social protection to economic growth, should propel a common purpose among the various actors involved. This Social Protection Strategy seeks to establish the theoretical principles that should guide the conceptualization, design and implementation of actions to support aspects of social assistance, social security and labour market policies, within the timeframe of the national Vision.

Critical to the strategic extension of the coverage of social protection is the concept of the 'social protection floor', popularized through the work of the International Labour Organization and Recommendation 202, arising from the deliberations in the 2012 Conference (101st Session of the International Labour Conference: "Building a Future with Decent Work"). Within the resources available to it, the country will define for itself that set of provisions that protect certain minimum guarantees of basic income security and social services for the most vulnerable populations: children, workers, elderly and persons with disabilities. This is an important core element of the Strategy that assists in defining government priorities for expenditure. In any given fiscal year, some proportion of this expenditure budget would therefore be 'ring fenced' for sustainability. While there are aspects of social protection that will be market-based, such as responses of the private financial sector to the demand for retirement security, in general the social protection floor expenditure is largely for public goods and services, and safety nets.

Research and diagnostic work across several countries have shown evidence to support the feasibility and affordability of these floors, in terms of their percentage of GDP. The package of provisions within the floor is defined by the country-context, with the flexibility to change with changing dynamics across time, and accommodation of the incremental phasing in of ideal levels and scope of budgetary expenditure over time. Social protection floors offer a means of redress, solidarity and social justice to the most vulnerable among the citizenry, guaranteeing provision of certain basic social services that enhance the quality of life. These guarantees will need to be secured by appropriate social security legislation.

The Social Protection Strategy uses a life-cycle approach to examine the various issues that typically impact social security for each age group. It articulates position statements on what systems should be in place to address the various issues, and to treat with gaps, ad hoc situations, shocks, or emerging dynamics.

It reinforces the view that a strong and coordinated system of alliances and networks can achieve much of what is desired for development. The alliances are integral throughout the gamut of institutional arrangements, from the central to the local levels. The Strategy draws its strength from these alliances, whether between or among government, non-state actors, community organizations or development partners. The strength of the alliance lies in the commonality of purpose and vision, and is subsequently borne out through joined-up government interventions, integrated planning, coordinated systems, and a clear policy direction. An effective joined-up state machinery is the basic foundation for strategizing on programmes, and for creating and facilitating the framework in which NGOs should function.

Social policy is always judged by its outcomes; there is little public sympathy for perceived failure. Much is anticipated from a social protection system, since it touches the lives of every citizen, and has important ramifications for the society. The pillars that support social protection, such as health, food security and education, are pivotal to the complementarity of actions. Sustained public financing to the core sectors that influence effective outcomes is therefore a priority and a challenge.

The PIOJ applauds the efforts of its staff, Technical Consultant, and stakeholders, in particular the Social Protection Strategy Core Group, in conducting the research, diagnostic work and review that preceded this document. This is only the beginning. The challenges ahead include wide dissemination and public education, and the continuing task of building the systems and resources required for effective implementation of the strategies put forward for a comprehensive social protection framework.

Colin Bullock  
Director General, PIOJ  
December 2013

# EXECUTIVE SUMMARY

## INTRODUCTION

The relatively recent emergence of the concept of Social Protection has brought international focus on the complex elements of a society that together determine the well-being of its people. The need to deliberately address the various determinants of living standards is now well acknowledged after centuries of relying on individualism, trickle-down economics and welfare to correct the maladies that cause deprivation in societies. The new conceptualization has a broad strategic approach, places greater emphasis on prevention and emphasizes the role of Social Protection in national development, wherein its effective implementation has a major positive impact on economic growth.

The strategy is developed in response to the country's commitment to ensure the security of all its residents and citizens. In doing this it will target the attainment of agreed basic minimum standards of living and address the various threats to such attainment by confronting root causes, proximate causes and symptoms. This is guided by research findings and data, which indicated the main issues currently working against the attainment of these standards. These issues include:

1. persistent poverty, especially in the Rural Areas, with significant increases in urban areas in recent years
2. poor educational outcomes, hence inadequate preparation of youth for employment
3. insufficient social security coverage against various risks
4. inadequate discharge of parental responsibilities whereby the developmental needs (psycho-social and physical) of too many children are not being met
5. inadequate provisions for meeting the needs of low income households for shelter and related infrastructure
6. lack of provisions for increasing equity in the society for disadvantaged and vulnerable groups
7. insufficient institutional capacities, particularly in the public sector, to effectively deliver social protection interventions.

The new thrust brings together the various policy strands, directed at promoting individual well-being, into a single integrated approach that links the security, development and productive employment of human resources within a comprehensive schema.

This involves promotion of the human capital development and economic participation of the poor/vulnerable/need, the protection of the entire population from shocks that negatively affect their economic status and the smoothing of consumption patterns, thereby contributing to higher levels of and stabilization in, aggregate economic demand. Thus economic growth and poverty reduction are natural effects of the techniques employed. Embracing Social Protection as a feature of national social policy is, therefore, a key strategy for Jamaica as the country moves forward to attain the goals of the Vision 2030 Jamaica – National Development Plan.

## CONCEPTUAL FRAMEWORK

### Theoretical Constructs

The preventive approach that is a primary feature of Social Protection (SP) is guided primarily by constructs found in three theoretical paradigms that, respectively, highlight the following objectives for SP.

1. The **Rights Based Approach**: To ensure that the **basic needs of individuals in the society are provided for**, primarily by according such needs the status of rights.
2. **Social Risk Management**: To counter the impact of the wide array of **risks that threaten economic well-being** (these risks relate to the lifecycle, to social, economic and environmental conditions and to natural events such as disasters).
3. **Transformative Social Protection**: To alter the **social/cultural/political biases embedded in the society** that cause particular population groups to be inherently susceptible to economic risk and vulnerability.

These prescriptions do not contradict each other, but focus on different sets of causal factors underlying poverty and vulnerability. A comprehensive approach to SP should have an operational framework that aligns its interventions to all three constructs.

In relation to the Rights Based Approach, the establishment of a Social Protection Floor underscores the basic needs of the population that the country feels should be met, given its prevailing customs, norms, values and resources. Notably, these needs include the requirements for human development. In relation to the other two areas, provisions made must include interventions that will reduce economic vulnerabilities, on the one hand by tackling the direct risk factors and on the other hand by changing discriminatory beliefs and practices that have long-term structural impact.

Besides the above measures which work primarily on the preventive side of Social Protection, remedial interventions must continue through the traditional welfare and assistance measures that constitute the Safety Net. Finally, enhancing the utilization of human capacity via labour market related measures has utility for both preventive and remedial purposes. Measures instituted in relation to all of these areas will be considered as essential, integral features of the SP approach implemented in Jamaica.

### **Relationships with Other Sectors**

The Social Protection sector has the role of safeguarding the living standards of individuals. While this is measured in terms that are economic (that is, the goods and services that one consumes), it is determined by a range of social, economic, psychological, cultural and political variables.

The sector therefore depends on the input of a number of other sectors — such as Health, Education, Food Security, the Labour Market, Housing, and the Environment — to provide goods and services with the quality necessary to engender healthy development, remunerative employment and comfortable retirement. In this cooperation, SP interests must reciprocally influence the policies and operations of the support sectors to ensure that its principles and objectives are adequately served. Other critical elements of the society and economy include the macro and micro-economy, which impact income distribution, disposable incomes, availability of resources and so on, and thereby provide the context within which SP operates.

The inextricable interrelationships among the various sectors is emphasized in the overall national thrust elaborated on in Vision 2030 Jamaica, where the role of SP is combined with that of health, education and culture, towards achieving the goal of empowering Jamaicans “to achieve their fullest potential”. Due cognizance is given to the fact that all four goals are “mutually reinforcing and synergistic in design and their achievement cannot be realized in isolation from each other.”

## JAMAICA'S SOCIAL PROTECTION STRATEGY

Jamaica's Social Protection Strategy will therefore take a comprehensive approach in addressing the various obstacles that impede the enjoyment of adequate living standards. In the absence of a universally agreed definition, the Strategy distils and presents the following:

***Definition of Social Protection for Jamaica:***

***Social Protection is the set of provisions that employ public and private initiatives, guided by state policies, to prevent, address, and reduce the risks of poverty and vulnerability brought about by lack of, losses or interruptions to income. Its objective is to ensure living standards above specified levels, through effective social, economic and labour market policies that support income security across the life span.***

### Guiding Principles

The guiding principles define a system that: reflects the Vision 2030 Jamaica Goal of empowerment of Jamaicans, promotes independence rather than dependence, gives fair, equitable treatment to all, and has high standards in service provision. This is encapsulated in the slogan “**Self-Help Within a Supportive Framework**”, from which one may distil the following four guiding principles.

- √ PERSONAL RESPONSIBILITY
- √ INCLUSIVENESS
- √ EQUITY
- √ SMART<sup>1</sup> PROGRAMMING

### Goal of the Social Protection Strategy

The **Goal** of the Strategy is to engender Effective Social Protection – a major outcome of the Vision 2030 Jamaica — through a streamlined and collective interpretation of social protection, which will guide the approaches to be used, priorities for resource allocation, and practical interventions.

<sup>1</sup> This term utilizes the World Bank's acronym S.M.A.R.T., found in its strategy for 2012–22; that is: Synchronized across programs; Monitored, evaluated and adapted; Affordable - fiscally and in terms of cost-effectiveness; Responsive to crises and shocks; Transparent and accountable.

## Objectives of the Strategy

The objectives of the Strategy are the following:

1. To enhance the prospects for economic and social development of Jamaica through a structured approach to the provision of social protection interventions
2. To provide the conceptual underpinning that will guide legislative and policy frameworks, resource mobilization, programming and service delivery, for social protection in the country
3. To unite and orient the efforts of public and private actors and stakeholders in creating responsive programmes and initiatives for social protection, through the various types of interventions
4. To ensure that vulnerable or disadvantaged population groups or individuals have recourse to a safety net facilitating basic income security and social services.

## Fundamental Considerations and Requirements

The Strategy rests on some critical considerations and requirements, drawn from lessons pulled from research, diagnostic studies, and international experience. These include the following:

- a. Social protection is guaranteed for all citizens through an appropriate and dynamic legislative framework.
- b. A symbiotic relationship between economic growth and social protection is recognized.
- c. Each actor/stakeholder in the social protection system has clearly defined roles and responsibilities.
- d. Sufficient numbers of human resources, including health and education professionals, social workers and case management administrators exist in the sector.
- e. The promotion and utilization of modern technologies and approaches, including for the storage and sharing of information, is imperative.
- f. Appropriate information and data management systems support monitoring and evaluation of programmes.
- g. Joined-up government, and collaboration with non-state actors are effected through an integrated network approach to the social protection system.
- h. All efforts are made to ensure equity of opportunity, information and access to services for all citizens, and human rights enshrined in the country's Constitution are respected.
- i. Effective central and local governance structures, as well as appropriate legislation are in place to guarantee social protection.

## **Social Protection Floor**

The social protection floor concept popularized by the International Labour Organization, advances an approach that recognizes the provision of certain minimum levels of benefits and services, specifically to support vulnerable groups within the society.

Each country is encouraged to create country-specific standards in terms of policies and programmes that support social security rights for citizens, especially children in poor families, persons with disabilities, the elderly, and workers. This SP Floor will seek to guarantee a minimum provision of social protection, some of which will be public goods and services. In this Strategy, Jamaica has defined its initial SP floor to span two broad areas: Basic Income Security and Basic Social Services.

These include social transfers and safety net programmes, social insurance and employment services, access to health and education, and access to basic goods and services. The social protection floor is the core of the social protection system, since it not only provides universally for all citizens, but also gives special consideration to the provision of safety nets for the most vulnerable.

## **THE STRATEGY**

A life-cycle characterization has been employed to systematically address the needs of the population. This calls for a comprehensive approach: firstly, identification of the specific social protection issues relevant to each life-stage; secondly, identification of appropriate strategies towards effective responses; and finally, design of strategies to address the gaps where requirements have not been met by the state, the market or informal provisioning.

Interventions will utilize a combination of measures designed to achieve both immediate or short-term and long-term impact.

The types of interventions to be utilized through this Strategy may be categorized as follows.

- **Preventive** – seeks to avert the occurrence of a risk. For example, meeting basic needs can eliminate life-cycle risks.
- **Mitigative** – seeks to reduce the impact of a risk. Self-help through saving or market based insurance and disaster preparedness are prime instruments for this purpose.
- **Protective** – provides relief from the effect of a risk. It involves traditional welfare measures including income support via transfers in cash or kind, as well as supportive social services.

- **Promotive** – enhances human capacity and achievement. It also promotes: a smoothly functioning labour market to optimize job access; the existence of employment opportunities; and the enhancement of workers’ rights.
- **Transformative** – seeks to change behaviour patterns that are normative in the society but are judged to have undesirable effects on individual and national well-being.

### **The Strategy Statement and Synopsis for Each Life-Cycle Segment are as Follows:**

#### **Children (0- <18 years)<sup>2</sup>**

**Strategy Statement:** Promote optimal development of all children in all spheres necessary to ensure their well-being, and enhance the potential for their eventual productive engagement in the labour market.

For children, the strategy will focus on promoting survival and development, protection and well-being, and equitable opportunities for quality care, health and education. Support for parenting and the strengthening of linkages with child-related services, with appropriate state support from pregnancy onwards are deemed critical. Following careful identification, special attention will be given to households deemed to be in need of such (whether welfare beneficiaries or not), through the use of case-management techniques. Safety Nets will be integral to meeting the varying needs of this age cohort.

#### **Youth (15-24 years)**

**Strategy Statement:** Prepare young persons for adulthood by equipping them for employment and the attainment of income security, and the knowledge and attitudes necessary to lead responsible independent lives.

Emphasis will be placed on better preparing the youth for the ‘world of work’, by mainstreaming technical and vocational education and training, and better use of labour market signals for career guidance.

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<sup>2</sup> The age groupings reflect international (UN) standards in demographic classification, and are not intended to be prescriptive.

The emphasis of the Strategy is on labour force preparation and participation, as well as protective safety nets. The inclusion of persons with disabilities in the social and economic life of the country is an important element in this and all other age segments.

The Strategy will promote appropriate supply side imperatives including employment-rich economic growth, decent work and local economic development. Additionally, the workforce will be encouraged and facilitated to take preventive steps to protect themselves against income loss due to old age, interruptions in employment and business failures, through adequate social security coverage. Financial inclusiveness will be strengthened by working with the financial institutions as well as through establishing a more financially literate populace. In relation to the Safety Net, efforts will focus on scaling-up successful programmes, and addressing gaps in shelter and other basic needs. Synergies between safety nets and livelihood security will be sought through productive inclusion of small farmers, artisans and entrepreneurs. Distinct efforts to graduate welfare families to a position of adequate livelihoods will be undertaken. Lifelong learning and retooling especially of workers in welfare households will be strengthened to ensure employability and special attention will be placed on gender sensitive action.

### **The Elderly (65 years and over)**

**Strategy Statement:** Ensure access and opportunity for elderly persons to attain income security and an adequate living standard.

For the elderly, strategies also span transformative, promotive and protective interventions. The Strategy recognizes the ageing of the Jamaican population and the opportunities this will afford for social inclusion and economic growth. While promoting active ageing, the opportunities for improved social security must be grasped through an environment that facilitates both state support and market alternatives for social security.

### **Cross-cutting and Emerging Issues**

The SP Strategy mainstreams the consideration of disabilities, gender equity and other cross-cutting issues throughout each of the set of life-segment strategies. Emerging issues that impact SP, including climate change, migration and new vulnerable groups are also considered in the Strategy, since the intention is to create a responsive environment and machinery to all social security needs.

Environmental issues, particularly those influencing livelihoods and shelter, as well as food security are highlighted as imperative to social protection. Poverty reduction also cuts across all segments of the Strategy, focusing largely on human capital formation and the building of the assets of the poor.

### **Financing the Strategy**

The success of aspects of the Strategy will depend primarily on the sustainable financing of provisions or activities, even in times of economic shocks or fiscal constraints. This is in order to maintain social gains and positive economic impacts derived from social protection. Two broad approaches are posited in the Strategy: the first has to do with resource mobilization and prioritization at the government budget level, including improved tax collection systems and other efficiencies, while the second reinforces the role of public-private partnerships. Across countries, the main sources of funding for SP are general taxation revenue, payroll taxes, earmarked consumption taxes, cross-subsidization and loans/grants from international sources. The Strategy advocates for strengthened resourcing of social protection initiatives within a context of enhanced economic growth. Private sector financing, particularly at the higher levels of social security is also seen as a viable option for aspects of the social protection system.

The social protection floor is the focus of the financing strategies outlined in the document. Much of what is included in the floor are public goods and services, for example, safe water, health care and safety net programmes. Some provisions are solely the responsibility of the government, while others involve contributory approaches and private costs. Government budgets through general tax revenue are largely the source of financing for public goods and services. In relation to other specific elements of the proposed strategies, those that may require additional expenditure (other than currently provided for) include:

1. expansion of health and nutrition services and social transfers to pregnant and lactating women
2. instituting social pensions for a targeted segment of the elderly population
3. targeting social worker interventions to pertinent households
4. provision of shelter solutions for persons living in housing below acceptable standards
5. expanded public education programme.

Personal responsibility, as well as the forging of new partnerships with the private sector, will relieve the government of some of the financial burden of the social protection system. This will require improvement in the supply side of the financial sector via micro insurance, and user-friendly affordable services, along with innovativeness to ensure operational feasibility and viability. Joint programming and the streamlining of certain benefits will also serve to cut administrative and other costs, and release funds for social policy uses. Financing of the Strategy will, therefore, involve increased collaboration and integration between the government and private sector stakeholders, alongside the family, community structures and NGOs, with aligned support from international development partners. While allocations to social policy or social protection based on any savings or shifts in expenditure are not automatic, strong advocacy should be maintained for effective and sustainable delivery of social programmes. The need for government to create fiscal space, especially for the social protection floor expenditures, is critical. The floor can however be attained through phased targeting of initiatives over time.

### **Institutional Framework**

Institutional requirements of the SP System include the engagement and commitment of political leadership, the establishment of legislation and policies necessary to validate and guide the new paradigm and the development of the national capacity needed for efficient and effective implementation. The strategic approach embraces all three and will use appropriate measures to ensure that each one is put in place.

A National Social Protection Committee (NSPC) will be established towards this end. This will be operationalized through committees at the national and parish levels. The NSPC will be chaired at the central level by the PIOJ and at parish level by the Ministry of Labour and Social Security. The main NSPC will be supported by four sub-committees, each providing more detailed oversight to specific thematic areas. These are: Income Security; Social Transfers; Human Resource Development; and Social Services and Infrastructure. The NSPC will constitute key stakeholder government bodies, representative NGOs, and the private sector.

Education and sensitization of all the players will be a first step in generating consensus on system objectives, standards and entitlements, plus understanding of the obligations, roles and responsibilities of the various players. These players include the local governance structures, field and case workers, and the central overarching mechanisms. The Strategy outlines and discusses the various roles of government, the private sector, NGOs, communities and individuals in the pursuit of effective social protection.

In general, responsibility for social protection is the purview of a wide range of players besides the state. It includes formal market-based institutions and other private sector interests; as well as informal stakeholders such as families, communities, CBOs and NGOs. These will be brought together based on a clear, common understanding of relevant issues. A systems approach will also ensure that their respective policies will be interlocked into a cohesive, coherent whole with harmonization between the different parts of the system, and exploitation of synergies and complementarities so as to maximize benefits.

### **Monitoring and Evaluation**

The National Social Protection Committee (NSPC) will be the body responsible for development and coordination of the monitoring and evaluation plan and providing oversight for its implementation. The NSPC's secretariat, namely the Social Protection and Gender Unit of the PIOJ, will have the mandate to critically analyse information from all the stakeholders, consolidate that information into comprehensive, integrated reports and provide timely feedback from the Committee to the implementing agencies. Thus, the implementing agencies will be responsible for (a) incorporating indicators, where they do not already exist, into existing administrative reports or management information systems; (b) ensuring that information is produced on a timely basis and providing information to the NSPC through its sub-committees (c) using information to monitor implementation of their SP activities and taking corrective actions or modifying activities based on findings. By giving the NSPC ultimate responsibility for monitoring, objectivity is guaranteed and similar standards for evaluating progress will be applied.

At the field level, monitoring will take place in a manner similar to the national level. The parish-level secretariats, chaired by the Ministry of Labour and Social Security, will additionally be responsible to provide monitoring reports to the National body through the PIOJ. Reports from the parishes serve the critical function of identifying implementation issues from a geographic standpoint, thereby permitting spatial assessment of the effectiveness of the SP system. Thus a coordinated and comprehensive response from the SP system will be facilitated. With an effective monitoring system in place, evaluation can be selectively done of particularly critical areas of social protection.

## INTRODUCTION

Jamaica has a long history of implementing programmes designed to improve the welfare of those in need of state assistance. The first efforts date from the Poor Relief Act of 1886 by which the poor received an income supplement and assistance with health care and other basic needs, such as institutional shelter for the homeless. Subsequently, social insurance was introduced through the National Insurance Act (1965); this has been followed by a variety of programmes, added in an incremental fashion, generally in response to the need for more substantial assistance in various areas. The main provisions being made currently include: cash transfers such as pensions; food security assistance via meals and tax waivers; fee waivers for education and health services; health insurance and support for the purchase of pharmaceuticals; institutional care or shelter; and community infrastructure.

The 1970s saw the first major wave of poverty alleviation strategies in response to global economic challenges. The strategies included the introduction of generalized food subsidies and price controls and the approximate tripling of the School Feeding Programme. However, these were unsustainable and in the early 1980s they were considerably reduced or eliminated as part of structural adjustment measures. The Food Stamp Programme was introduced in 1984 to compensate for the loss of the food subsidies. In the 1990s there was a resurgence in anti-poverty efforts, with several new programmes being introduced. A National Poverty Eradication Programme was then introduced in 1995 to bring coherence to the thrust and a Poverty Coordination and Monitoring Unit established in the Office of the Prime Minister to monitor, oversee and coordinate activities.

By the end of the decade it became clear that there were many disparate elements in the sector even while there were serious gaps in coverage, thus rationalization was essential. A thorough review of the Safety Net was thus undertaken, and a set of reforms identified to streamline the net and improve its efficiency and effectiveness. A new programme was formulated to consolidate the three main elements of the net into one, and a transparent objective mechanism –Beneficiary Identification System (BIS)– was developed for screening applicants for social assistance.

The new programme — the Programme of Advancement through Health and Education (PATH) — was introduced in 2002. The changes instituted brought about better targeting, higher cost efficiencies and longer term benefits to poor families, but in general, the rationalization efforts towards having a more cohesive, integrated system have been weakened. This is largely attributed to the degree of institutional autonomy characterizing the sector, along with insufficient understanding and commitment to the objectives of the newly designed system.

The challenges to coordination have also been impacted by difficulties with legislative reform. Additionally, with the global economic crisis in recent years fuelling an increase in poverty, ad hoc state interventions have been relied on to counter the shocks. The need for a predetermined, more carefully constructed response to crises and for a comprehensive approach for reduction of poverty and vulnerabilities has thus been readily acknowledged.

However, in addition to this, work on the Strategy has recognized the immense contribution that a comprehensive approach to Social Protection can make to the economy. It is intended to utilize strategies that will rescue human capital from waste and harness it for high productivity and heightened consumption demand, plus facilitating management of risks such that shocks are mitigated and high risk investments can be readily made. The combination of strategies will, therefore, assist in generating national economic growth. A systems approach will be utilized that synchronizes the relevant policies and programmes to be proactive in addressing existing vulnerabilities while anticipating emerging vulnerabilities. This system will go beyond the incremental Safety Net approach to providing a broad-based paradigm that will cater to the overall security and well-being of the population.

It should be noted that the development of the Strategy for a comprehensive Social Protection System was undertaken within the framework of the implementation of Vision 2030 –National Development Plan, and the four Sector Plans which fall within the ambit of this comprehensive system.

These are:

1. Social Welfare and Vulnerable Groups
2. Poverty Reduction
3. Social Insurance and Pensions
4. Persons with Disabilities

In effect, this Strategy takes a step backward from the details of the actions recommended by stakeholders in the sector plans, and seeks to determine and solidify a common direction for all players involved. Although the Strategy is not an explicit requirement of the Sector Plans, it will contribute immensely towards meeting many of their stated objectives.

Indeed, these are integral features of the Strategy, which is being formulated with the overall goal of ensuring adequate and sustainable coverage for all members of the society, such that no resident of the country would be excluded from accessing the services or obtaining the benefits required for him/her to live at acceptable standards. The present document thus seeks to lay the groundwork for the construction of a comprehensive SP system, consistent with the goals and objectives of Vision 2030 Jamaica, and is to be used alongside the detailed Sector Plans. It makes recommendations to address critical shortcomings in the areas of coverage, equity, inclusion, prevention, funding and institutional arrangements.

This document will therefore recommend a schema and strategy for Social Protection in the country that will provide the following:

1. A common goal and point of focus for all players in the social protection system.
2. A well-crafted conceptual framework in relation to which there is understanding, buy-in and commitment of all relevant players.
3. Design for an administrative structure that will help to ensure a high level of institutional coordination.
4. A strategy for the phased implementation of the measures necessary to achieve the desired end-state of the proposed system in keeping with the relevant Sector Plans of Vision 2030.
5. Recommendations for a Monitoring and Evaluation System that takes into account existing related M&E Systems for example that for Vision 2030.
6. Recommendations for feasible financing strategies for the various components of the SP System.

The methodology used to develop and recommend this comprehensive Social Protection Strategy included the use of research findings and diagnostic studies completed under the Social Protection Project. Several of these studies are referenced within the document. The studies involved consultation with stakeholders and vulnerable population groups, as well as interaction with regional and international social protection practitioners. A core group of reviewers was also established by the PIOJ for the purpose of providing technical overview. Qualitative enquiries were strengthened with the use of expert interviews and focus group discussions. The prior and more recent work towards this Strategy therefore spans the length of the project, from November 2008 to June 2013.

The document is laid out as follows. The first chapter — the Overview — describes the main theoretical strands of the literature on SP, exploring the discussion on conceptual underpinnings. Chapter II further refines a country-specific framework, examining some critical approaches and dimensions that would define the parameters of SP for Jamaica.

This is supported by an in-depth Situation Analysis which is carried as Appendix 1. Chapter III embodies the key Strategy statements, providing a purposive direction for policy and programmes within a comprehensive SP framework. Chapter IV suggests an institutional framework and supporting arrangements for effective delivery. Chapter V provides a discussion of broad financing strategies for the major aspects of SP, while Chapter VI outlines a Monitoring and Evaluation Framework.

# CHAPTER I: OVERVIEW OF THE CONCEPT OF SOCIAL PROTECTION

## PART A: LITERATURE REVIEW

### Historical Overview

Social Protection is about dealing with the complex elements of a society that together determine the well-being of its people. The need to deliberately address these various determinants to ensure that persons' living-standards meet established criteria is now globally acknowledged after centuries of relying on individualism, trickle-down economics and welfare to correct the maladies that cause deprivation in societies. How to do this most effectively has been the subject of debates in the literature between development institutions, lending agencies and academia etc.

This literature is invaluable in helping countries to better understand which of the array of tools at their disposal should be employed and when. The emergence of the new term Social Protection, following that of the Social Safety Net, to supplement other well established terms as social security and social welfare bespeaks recent developments in the social arena that spawned concern over people's well-being globally. But to what extent do the new terms differ from the old? Do they add a new dimension of meaning? And if so exactly what do they add?

Heightened concern of nation states over the well-being of their residents has been sparked by various circumstances over the history of mankind. These have included famine, war, pestilence, natural disasters and, in recent years, global economic conditions. But in addition to these 'abnormal' situations, there have always been population groups that require external assistance to maintain their living standards at desirable levels. Assuring the social security of residents, defined as the ability to maintain adequate living standards, was the response of governments to the deprivation or suffering being experienced by these groups.

This involved providing welfare or handouts (social assistance) and security benefits for the unemployed, including pensions for the elderly (social insurance). The exact nature of government response has varied over time and space because the policies and programmes introduced have reflected the prevailing philosophies, social conditions, political considerations and economic constraints of each situation.

Developed countries have nevertheless been characterized by some analysts as having three broad types of welfare systems<sup>3</sup>. There are the Scandinavian systems, which are oriented to universal protection and wide-ranging involvement in their citizens' well-being; the continental European model, by which benefits are primarily linked to conditions of employment; and the Anglo-Saxon model, which emphasizes targeting assistance to the neediest members of the society.

To these one could add the United States model where security is tied to insurance against loss of income while benefits in relation to health provisioning are minimal. The systems of the developed world have been built gradually over centuries, and although they differ fundamentally they are all fairly comprehensive. In developing countries efforts to have large-scale social security provisions are relatively new. However, progress has been extremely rapid since the 1990s to the extent that it has been termed a 'quiet revolution'<sup>4</sup>. The thrust in these countries is to move from a few scattered welfare programmes to a broad system of 'protection', from short-term to longer-term measures; from targeting individuals to working with families; and from addressing minimal causative factors to treating the widest range feasible. These developments have taken place with the assistance of international funding agencies, with the main funding agency — the International Bank for Reconstruction and Development (the World Bank) — playing a leading role in determining the pace and direction of change.

### **Social Safety Nets**

Prior to the 1990s, attempts at comprehensiveness in provisions for the needy were considered to be out of the reach of developing countries. The economic crises of the 1980s and the consequent structural adjustment of economies, led by the International Monetary Fund and the World Bank then, had such negative impact on people's well-being that there was a call for more socially sensitive adjustment measures, that is, for 'adjustment with a human face'<sup>5</sup>. The concept of "Social Safety Nets" (SSN) was then developed by the Bank and spread throughout the developing world. Emergency Social Funds to create temporary employment at the community level and Conditional Cash Transfers to support human capital development were introduced as a central feature of this thrust.

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<sup>3</sup> Conick-Smith and Sandin, "Social Welfare: Comparative Twentieth Century Developments" | <sup>4</sup> Barrientos and Hulme, "Social Protection for the Poor and Poorest in Developing Countries: Reflections on a Quiet Revolution", 2008 | <sup>5</sup> Cornia, Jolly and Stewart, *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*, 1987

There has been wide variation in the nature of SSNs, however, and much debate about their conceptual underpinnings. Nevertheless, a readily discernible common feature is that of delivering prompt and effective public sector programmes and services to give special support to the poor in the time of crisis, in other words the provision of immediate targeted assistance in response to dire need. However, as critical economic conditions become more widespread and there is deeper thinking on poverty reduction, the need to go beyond safety nets has become generally acknowledged. The conceptual framework guiding policymaking thus evolved with inputs from analysts and international development institutions. Accordingly, the more all-embracing term and concept 'Social Protection' (SP) gained currency in social development literature. Moreover, along with this new concept is greater prominence for such protection as an essential, irrefutable feature of development policies.

### **Social Risk Management**

The concept of Social Risk Management (SRM) was formulated in 2000 to provide a framework within which interventions for social well-being could be pursued<sup>6</sup>. It broadened the scope of possible interventions by adding two other dimensions of support to the existing 'risk coping' focus of Safety Nets; namely 'risk prevention' – to reduce the probability of risk, and 'risk mitigation' – to reduce the potential impact of risk. It also highlighted the fact that everyone, not only the poor, is subject to adverse economic impact from risks. The pervasiveness of risks is underscored:

*"all individuals, households and communities are vulnerable to multiple risks from different sources, whether they are natural (such as earthquakes, flooding and illness) or man-made (such as unemployment, environmental degradation and war)."*

Since such shocks necessarily deepen poverty, it is important to have appropriate risk management measures in place, but especially for those already poor. Within the framework of SRM, the definition of Social Protection is thus explicitly broadened from "public measures to provide income security for individuals" to "public interventions (i) to assist individuals, households, and communities better manage risk, and (ii) to provide support to the critically poor".

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<sup>6</sup> Holzmann and Jorgensen, "Social Risk Management: A New Conceptual Framework for Social Protection and Beyond", 2000.

It is important to note that while the concepts of SRM and Social Protection intersect, and the former enriches the latter, they do not coincide. The former is described as going 'well beyond Social Protection'; for example "sound macroeconomic policy, good governance and access to basic education and health care" (p. 4) are said to prevent or mitigate risk and vulnerability and are therefore part of the risk management framework, while they are not considered by its author to be part of Social Protection. On the other hand, Social Protection is said to go beyond SRM since it supports the critically poor in ways that fall outside of risk management.

In addition to advocating three types of strategies (i.e. coping, mitigation and prevention), different levels of formality are said to characterize risk management interventions. These range from informality (e.g. family and community support) through market based arrangements (e.g. bank savings, investments, insurance) to publicly mandated arrangements (e.g. social insurance, transfers and public works).

Among the benefits identified from utilizing the SRM conceptual framework are the following:

1. reduces vulnerability and transitory poverty and prevents the poor from falling deeper into poverty
2. smoothes income and consumption
3. improves equity
4. gives welfare a value as a contributor to economic growth
5. provides guidance for a strategic outlook on effective poverty reduction beyond simply catering to the poor.

The risk management framework was fully embraced for guiding World Bank policies in the sector strategy document, "Social Protection Sector Strategy: From Safety Net to Springboard" (2001). A chapter entitled "Putting social risk management to work in the social protection sector" sought to revamp the Bank's public sector programming within this new framework.

- Under the *prevention* rubric, emphasis was placed on labour market interventions, seeking to make them more equitable and inclusive via skill enhancement, eliminating child labour and ensuring access for persons with disabilities.
- Under *mitigation*, there were identified pensions and unemployment benefits.
- Under *coping*, there were a) needs-based cash transfers; (b) in-kind transfers, school subsidies, and fee waivers; and (c) public works.

The document also introduced a new policy approach of providing support for market-based and informal risk management activities, hence promoting microfinance for the poor and community-based development programmes.

### **Transformative Social Protection**

The SRM concept/framework has, therefore, gained wide currency, but was criticized in a Working Paper of the Institute of Development Studies<sup>7</sup> which put forward an alternative approach — Transformative Social Protection. The issues raised in that document are classified here as conceptual or operational, as follows:

#### Conceptual:

1. The risk management framework posits a narrow view of vulnerability as it primarily addresses economic risks and, very importantly, 'social risks' are excluded. The latter are categorized as 'structural' or 'contingent', with the structural risks occurring when persons are marginalized or discriminated against and contingent risks resulting from exogenous factors such as earthquakes or hyper-inflation. *Structural risks are, therefore, embedded in the society and have longer term implications for poverty and vulnerability than either contingent social risks or economic risks.*
2. It is further noted that 'social, political and economic structures and relationships, and processes of exclusion and adverse incorporation' (as identified by Barrientos and Shepherd, 2003) often prevent the chronically poor from accessing available benefits. These are structural risks and by ignoring them, *SRM remains rooted in a safety net agenda designed to "catch"/protect persons from shocks or livelihood risks, but not to address chronic poverty.*

#### Operational:

3. It is also argued that in developing countries due to constraints such as limited resources and scope for insurance (private or social), social protection by the state is heavily supplemented by informal mechanisms. Therefore the focus needs to be broadened to include these latter players in developing SP programmes. At the same time, it is stated that the World Bank has a limited view of the appropriate role for the state in social protection provisioning, in that it mainly highlights risk coping via social safety nets.

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<sup>7</sup> Devereux and Wheeler, "Transformative Social Protection", 2004.

The conceptual issues are of particular importance since they are fundamental to the determination of an appropriate way forward for SP.

The authors contend that SP should address the 'social vulnerability' identified above by using measures to modify or regulate discriminatory behaviour towards socially vulnerable groups. This calls for a 'transformative' element in the policies pursued. Such an approach is applicable wherever power imbalances "encourage, create, and sustain vulnerabilities". Legislation and education would be key actions in the transformative sphere of SP. This argument modifies the types of programming required to the four shown below:

Protective: ..... provides relief from deprivation (similar to risk coping)

Preventive: ..... averts deprivation (similar to risk prevention and mitigation)

Promotive: ..... enhances capabilities and incomes (one aspect of risk prevention)

Transformative:..... addresses exclusion and discrimination (no parallel in SRM)

UNICEF adopted this framework for its purposes in providing child and gender sensitive social protection<sup>8</sup>. It was pointed out in a policy statement that SP should address social vulnerability as well as income poverty and, as the former was especially important for children, the Transformative Social Protection (TSP) Framework was more appropriate for their work.

A schema consisting of concentric circles was used to represent the four components above, which are depicted as moving from the most specific in the centre to the most general at the periphery, or from sharply targeted protective interventions through less targeted preventive then promotive interventions, to upstream untargeted legislative and regulatory reforms that affect everyone including the poorest and most vulnerable. This schema brings together ideas from Devereux and Wheeler (2004) as well as from Guhan (1995). It is pointed out that transformative strategies are potentially the most powerful since they can be protective, preventive or promotive, but their effects typically take place in the long-term.

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<sup>8</sup> UNICEF, *Social Protection in Eastern and Southern Africa: A Framework and Strategy for UNICEF, 2008*.

## Rights Based Approach

In addition to competition from Transformative Social Protection, the “Risk Based” approach to social protection faces competition from the “Rights Based” approach. This approach differs from SRM with regards to the “why” of SP rather than the “how”, which is TSP’s concern. Rights based advocates of SP view it as essential to correct social injustice and structural inequities in the society, in contrast to the SRM advocates who champion the cause of social protection for its contribution to ‘efficient development’<sup>9</sup>.

The rightsbased approach gained prominence through the United Nations System and is grounded in the 1948 Universal Declaration on Human Rights. Among the critical implications of this approach are that states are obligated to guarantee SP since it is a right or entitlement and not charity; and secondly, that demand-side considerations are an important feature of SP. Rights are obligatory because they have a moral basis in human needs and also because many of them are either enshrined in international conventions or national laws<sup>10</sup>.

The International Labour Organization (ILO) is the lead agency in relation to using a rights-based approach for SP. Traditionally, their mandate has been linked primarily to employment and income security concerns, but of late their focus has been broadened to bring it more in line with the wider range of SP concerns.

It is important in a rights-based approach to bring demand-side considerations to the fore along with those on the supply-side which usually get all the attention<sup>11</sup>. This is because the former requires ensuring that rights holders know and claim their rights, hence public education and measures to build the capabilities of rights holders are called for.

On the other hand, the rightsbased approach stresses transparency, accessibility and accountability of duty-bearers. The capabilities of both the demand and supply sides to meet their duties and obligations according to agreed standards are thus highlighted in rights-based SP operations.

<sup>9</sup> Devereux and Wheeler, “Debating Social Protection”, 2007. | <sup>10</sup> Munro, “Risks, rights and needs: compatible or contradictory bases for social protection?”, 2007.

<sup>11</sup> Piron, “Rights-based approach to Social Protection”, 2004.

## Social Protection Floor

The notion of a social protection floor is grounded in the rights based framework. This approach was officially adopted by the international community in August 2010 when an Advisory Group was convened by the ILO with collaboration from the WHO, under the aegis of the United Nations Systems. The Report of the Advisory Group (*"Social Protection Floor: For a Fair and Inclusive Globalization"*, 2011) asserted that the concept of SP "has been clarified and extended, from a single focus on risk to a broader focus on a mechanism to help people meet basic needs and develop individual capabilities" (p.4). The SP Floor is thus espoused as being anchored in shared principles of social justice and universal human rights.

*The floor "includes guarantees of:*

- A. *basic income security, in the form of various social transfers (in cash or in kind), such as pensions for the elderly and persons with disabilities, child benefits, income support benefits and/or employment guarantees and services for the unemployed and working poor;*
- B. *universal access to essential and affordable social services in the areas of health, water and sanitation, education, food security, housing, and others defined according to national priorities".(p. 9)*

While the Advisory Group focused primarily on establishing a desirable end state for SP in its Report, the ILO published a separate document around the same time that dealt with broader concepts underlying its conceptual framework for social security<sup>12</sup>. In this document, a set of principles are proffered as the basis on which to pursue future policy and strategy for social security. These are **universality, progressiveness, pluralism and outcome focus**. The thinking behind these is firstly, that **universal access** is intrinsic to the rights based approach though this may need to be tempered by targeting in certain instances due to resource constraints. Secondly, universal access predicates access to a basic package or minimum set of social security guarantees (i.e. the SP Floor), but beyond this first step, countries may move **progressively up a Social Security Staircase** to provide higher levels of security to specific groups. Thirdly there are many combinations of policies for implementing programmes to meet the sets of guarantees recommended, hence **pluralism**, in SP strategies is recognised as essential. Finally, the critical concern is the SP **outcomes** that are achieved, not the means used to achieve them.

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<sup>12</sup> LO, *Extending Social Security to All*, 2010.

The issue of affordability of the set of social security guarantees which the ILO advocates may be challenging, but the organization asserts that the evidence shows that it is affordable, at both the early stages of national development as well as for mature economies with ageing populations.

The findings from cross-country cost analysis are presented in both the Bachelet and the ILO reports to show that the cost can be kept within a 'modest percentage of national income even within severely resource-constrained countries'<sup>13</sup> (p. xxv). Studies by the ILO, UN/DESA, UNICEF, WHO and ECLAC are said to attest to affordability of a minimum package of social security by even the poorest countries.

### World Bank Strategy

The successor document to the 2001 World Bank Strategy, that is, the World Bank Social Protection and Labour Strategy, 2012-2022, has continued to couch concepts in the risk management framework. It makes mention of the potential of social protection and labour policies to be "broadly transformative – by providing a foundation for inclusive growth and social stability". However, there is no commitment in the stated agenda to specifically implement transformative type programmes. The overarching goals of the strategy are to improve:

1. Resilience through insuring the vulnerable against shocks
2. Equity through protecting against destitution
3. Opportunity through promoting human capital development and more productive employment.

It is noted that these are consistent with the "3P" framework (of *Transformative Social Protection*) used in the literature — prevention, protection and promotion. The stated main objectives of the agenda over the period are for countries to move to:

- less fragmented and more harmonized systems; with
- greater inclusiveness of vulnerable groups,
- better use of people's productive potential, and
- more flexibility of the system to shocks and crises.

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<sup>13</sup> Bachelet, *Social Protection Floor: For a Fair and Inclusive Globalization*, 2011

It is also noted that countries should attain systematic approaches to SP that have five **SMART** characteristics, as follows:

- S**ynchronized across programmes
- M**onitored, evaluated and adapted
- A**ffordable – fiscally and in terms of cost-effectiveness
- R**esponsive to crises and shocks
- T**ransparent and accountable

Specifically in relation to the Latin American and Caribbean (LAC) region, a study conducted by the World Bank in 2009<sup>14</sup>, concluded that the reforms of the previous two decades have expanded SP coverage but the process has been uneven leading to a two-tier, fragmented system. A conceptual framework for the way forward is laid out in the associated publication subtitled *From Right to Reality*. This framework distinguishes three different levels of concepts, namely objectives, instruments and financing mechanisms.

The components of each are listed below.

Objectives: consumption smoothing; preventing poverty; and promoting human capital.

Instruments: savings or insurance; targeted transfers; health services, CCTs and ALMPs.

Financing Mechanisms: payroll taxes and social security contributions; general government revenues; earmarked taxes.

As was noted above for the overarching goals of the WB's global strategy document, the three objectives may be equated to the "3P" Framework. Hence, one may distil a consensual listing as shown in Table 1. Interestingly, there is direct equivalence between the newly introduced terminological variations and the traditional categories of 'social assistance', 'social insurance' and 'labour market programmes' as also shown in Table 1.

**Table 1: Equivalent Concepts in Social Protection Formulations**

| Three "P" Framework | WB Global Overarching Goals 2012-22 | WB LAC Objectives 2010  | Social Risk Management (SRM) | Traditional Terminology |
|---------------------|-------------------------------------|-------------------------|------------------------------|-------------------------|
| Protection          | Equity                              |                         | Risk Coping                  | Social Assistance       |
| Prevention          | Resilience                          | Consumption             | Risk Mitigation              | Social Insurance        |
| Promotion           | Opportunity                         | Promoting Human Capital | Risk Prevention              | Labour Market Programme |

<sup>14</sup> Ribe, Robalino and Walker, *Achieving Effective Social Protection for All in Latin America and the Caribbean: From Right to Reality*, 2010.

## Analysis and Conclusion

The concept of Social Protection has broadened the framework for addressing socio-economic well-being, from rescuing the poor and vulnerable to providing the wherewithal for their development. This places greater emphasis on the matter of prevention rather than amelioration and is captured in the World Bank expression "*From Safety Net to Springboard*". All of the newly introduced approaches, however, are in favour of this reorientation to measures that are preventive. Thus, while previously, prevention was focused almost exclusively on social security insurance against old age or disability, the entire SP system must now be seen as a preventive measure, with its various elements having diverse suppliers including the social sectors of health and education plus the market based sectors of private insurance and the informal sectors of families and communities.

Social Risk Management enhances the methodology used by Social Protection by bringing economic rigour and conciseness to the strategic approach. Depending on one's perspective, SRM may be seen as either going beyond SP (the viewpoint of its author), or as broadening the scope of SP, since it underscores the fact that everyone is vulnerable to risk from a variety of sources. Hence, risk needs to be managed for the entire society. However, vulnerability should not be tied solely to risk, as this leads to exclusively economic interventions. It must also be seen as 'emerging from and embedded in the socio-political context'. Transformative Social Protection addresses this concern. Thus, both SRM and TSP direct SP to fundamental issues affecting well-being; one highlights the importance of addressing economic vulnerabilities, while the other highlights the need to address causes related to social, cultural and political factors.

The rights based approach deals with a different aspect of SP through its focus on the end-state rather than the means, and its upholding of a justification for SP that is rooted in 'equal rights and justice'. On the basis of this approach, there is detailed specification of basic minima that countries should seek to guarantee for all residents (horizontal spread) — this is an invaluable contribution for operational purposes. Also, in addition to this SP Floor, countries should make provision for advancement to higher levels (vertical reach). Of vital importance too is the recognition of the need to ensure that the duties and obligations of rights-holders and duty bearers (i.e. beneficiaries and providers) are met, especially within the context of the state fulfilling SP as an obligation rather than a charitable option.

The three main international development agencies that work within the social protection sector, namely the ILO, the IBRD and UNICEF currently utilize different frameworks within which to advance their agendas.

UNICEF utilizes the TSP Framework as this aligns with their concern regarding social vulnerabilities, and provides a sound basis for interventions, such as legal reform and public education, necessary to change discriminatory practices that undermine the well-being of women and children. Indeed it was pointed out that “the bulk of UNICEF’s child protection work falls in the protective and transformative components of social protection”<sup>15</sup>. Additionally, TSP maps into the causality analysis and related results hierarchy used for the organization’s programming<sup>16</sup>.

The use of the rights based framework by the ILO emphasizes the goals rather than the means of SP and thereby provides an appropriate context within which protocols and conventions et cetera can be employed to bind governments to work towards the specified goals. In this framework, the right to a basic package of goods and services is enshrined in the social protection floor, and provision is also made to move in horizontal and vertical dimensions to respectively universalize access and attain higher levels of provisioning. In the case of the IBRD, the SRM framework enables SP to be more readily embraced as an integral feature of national economic development concerns. Notwithstanding the fact that the framework may basically be equated with the long established split into social assistance (risk coping), social insurance (risk prevention) and labour market policies (risk prevention), SRM has deepened how these are perceived, broadened their components and expanded the potential impact.

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<sup>15</sup> UNICEF, 2008. | <sup>16</sup> “Protective interventions typically address the problem manifestations or symptoms, preventive and promotive measures address immediate or underlying causes, while transformative measures address root causes.” (Ibid., p.4)

## PART B: BOUNDARIES, STRUCTURE, COMPONENTS AND FUNCTIONS

As noted above, the components of Social Protection have traditionally involved social insurance or security and social assistance or welfare. As now conceptualized, however, SP encompasses wider areas of concern requiring inputs that go well beyond the two traditional areas. In this section an overview of the broad conceptualization of social protection is presented with the aim being to delineate its main features and structural connections within the society and economy. First, it is necessary to establish what the boundaries of the sector may be.

### Boundaries

The objective of Social Protection is to ensure that members of the society live at or above agreed minimum standards. The achievement of this objective is measured by economic factors, that is the goods and services which an individual consumes. However these are determined by a range of social, economic, psychological, cultural and political variables — indeed, probably every facet of life. Nevertheless, in order to keep the sector within manageable limits, boundaries must be established.

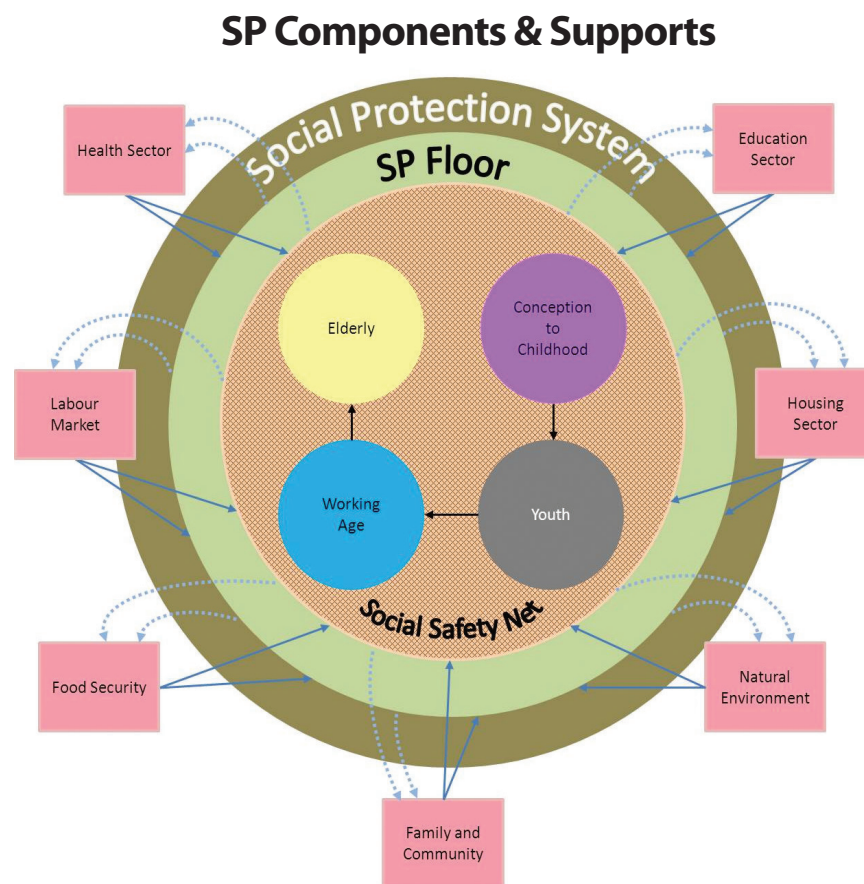


Chart I: SP Components and Supports

## **Social**

On the social side, SP must be concerned with everything that affects the development of human capacity. Contributing positively to this are the societal services of health including nutrition, plus education and training. SP relies on having an adequate supply of these services in place but its role here is one of advocacy. Contributing negatively to human resource development are barriers to equitable participation in these services, such as discrimination and lack of access due to physical, social or other factors. SP has a direct role in seeing to it that these barriers are removed. Finally, the labour market plays a vital role in facilitating the utilization of labour to generate income via employment or entrepreneurship, and the conditions under which such earning takes place and the social security provisions that are made for temporary or permanent future income loss are direct responsibilities of SP.

## **Economic**

On the economic side, SP does not embrace macroeconomic policies, but treats these as providing the general context within which SP operates and may be supportive or conflicting. They can have major impact on such SP concerns as income distribution and consumption patterns through labour market demand; wage levels; disposable incomes; resource availability for service provisions; and the cost of goods and services. Hence taxation, fiscal and monetary policies et cetera are issues that need to be influenced by SP players for SP purposes even though they are not part of the SP framework. On the micro-economic side, the policies and programmes of industries such as Agriculture, Forestry and Fishing are not a part of SP but are also of concern to the sector because of the linkage between the agricultural industry (e.g. returns to labour, productivity and marketing etc.) and rural development and poverty. Hence this is another area that lies outside of SP but has strong relevance to it as they need to be supportive of each other. Private financial institutions involved in the credit and insurance markets have important roles to play in making SP instruments available to the public and these are, therefore, integral to a strategy that employs SRM techniques.

## **Environmental**

On the environmental side, the built and natural environments are both central to one's quality of life. Access to adequate shelter, sanitation and geographic mobility are basic requirements for a decent standard of living. Environmental degradation threatens psycho-social well-being, physical health and productive assets such as land, crops and livestock. Poor environmental conditions stem from behavioural practices at three levels: the immediate environs; the country as a whole; and the entire globe. Concern with the protection of the environment at these levels, but particularly the first, must be seen as a vital feature of SP inputs to ensure an adequate quality of life for all residents.

## Structure, Components and Functions

Chart I depicts the structural conceptualization of SP. At the core is the population which is supported by the SP Floor over the life cycle, and includes the Safety Net. The concept of the SP Floor is further described in Chapter II, in the section on what is to be provided through social protection. The safety net is a more traditional concept, and refers to the programmes and services that provide immediate remedies for those unable to meet their basic needs. In keeping with the principles of an SRM framework, both the Floor and the Net also have market based interventions (insurance, investments etc.) plus informal arrangements (based on family, friends and community). The chart shows the sectors that are external to the core but are critical to its functioning due to their role in providing some of its components; this is indicated by the arrows from these sectors. The arrows going from the core to the sectors indicate that it is also incumbent on the SP system to influence how these sectors operate so as to ensure that the elements that they provide meet expectations. The discussion below highlights how important the interactions between SP and these sectors are to national socio-economic growth and development.

### Human Resource Development (Health, Education Food Security)

Human capital development is primarily reliant on access to services in health, education and food security. The need for joint action between social protection and these sectors to build human capital is now widely acknowledged<sup>17</sup>. SP's interventions help to ensure that larger proportions of the population can benefit from the developmental services available by promoting inclusiveness in policies as well as by raising the participation of the poor by increasing the resources available to them. The use of conditional cash transfers to promote behaviour change has further engendered a close relationship between SP and these sectors, with positive results in service usage in many countries including Jamaica<sup>18</sup>. The evidence is that the greatest developmental benefits are obtained by beginning from the very earliest stages - starting with ante-natal health care and progressing through cognitive stimulation in early childhood. Meeting needs at these stages build the foundation that is essential for having capable, skilled human resources later in life. However, the supply side must address the issue of quality to ensure that the desired benefits are obtained. Adequate nutrition is naturally an essential requirement for physical and cognitive development and the food security sector must see to nutrient availability through the production (primary and secondary), supply and distribution of nutritious foods, while working with the SP and health sectors to ensure access and utilization by all.

<sup>17</sup> World Bank, *Resilience, Equity and Opportunity: Social Protection and Labour Strategy*, 2011. | <sup>18</sup> Grosh et al., *For Protection and Promotion*, 2008.

## Productive Contribution to the Society

Beyond basic development, the education sector is also responsible to prepare individuals for civic, economic and social responsibilities. Such preparation is integral to being able to enjoy the living standards extolled by SP. In particular, fulfilment of economic responsibilities is dependent on education/training output (supply of labour) that is aligned with demand in the labour market, while conditions in the sectors of the economy determine that demand. SP is concerned about correcting factors that negatively affect individuals in the labour market such as misalignment between skill supply and demand and low education/skill levels.

Additionally, it helps to counter poor worker attitudes and poor health that affect performance on the job and depress productivity levels and wages. Moreover, the dysfunctionalities and rigidities that affect the equitable working of the market must be the primary concern of the SP sector, which must play a role in instituting regulations and statutes et cetera. to counteract their discriminatory effects, ensure decent working conditions and promote a smoothly functioning system. Finally, sustainable development depends on the responsible utilization of the available natural resources, and this will be better achieved through the reduction in poverty and improvement in human capacity that can be generated by effective social protection.

## Conclusion

In the context of the above, the role of SP in working in conjunction with relevant social and economic sectors to promote economic development by marshalling human and other resources towards equitable and productive ends can readily be appreciated. Moreover, with the adoption of a risk management approach SP may also stimulate growth by generating greater security in the society to engage in more economic investments. It is important, however, that in conceptualizing the new SP paradigm, note be taken of the following points made in connection with the incorporation of SRM techniques.

*“At the level of issues and options SRM requires moving away from strict categorization of traditional programs in cylinders (i.e. public pensions, labour market interventions, and social safety nets) and seeing the interrelation, interaction with informal and market-based arrangements, and the (partial) substitutability or complementarity of the main strategies”<sup>19</sup>. Emphases supplied).*

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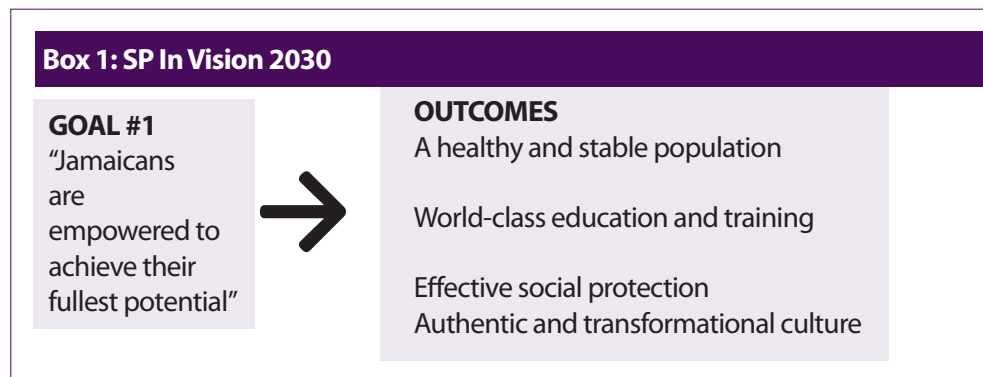
<sup>19</sup> Holzmann and Jorgensen, 2000, p.25.

## CHAPTER II: THE FRAMEWORK FOR SOCIAL PROTECTION IN JAMAICA

The framework for SP in Jamaica includes the prescriptions of the Vision 2030 Jamaica – National Development Plan, along with the conceptualization of the new comprehensive approach that is appropriate for the country. These are both examined in this chapter.

### Vision 2030 Jamaica - National Development Plan

Current priorities for addressing population needs are guided by the prescriptions of Vision 2030 Jamaica – National Development Plan with the vision “Jamaica the place of choice to live, work, raise families and do business”. Of the 15 National Outcomes identified as necessary to meet the four Goals, social protection is combined with health, education and culture as the prerequisites to achieve the goal of empowering Jamaicans, as shown in Box 1.



Six strategies<sup>20</sup> are identified to attain Effective Social Protection:

1. Infuse poverty and vulnerability issues in all public bodies
2. Expand opportunities for the poor to engage in sustainable livelihoods
3. Create and sustain an effective, efficient, transparent and objective system for delivering social assistance services and programmes
4. Promote greater participation in, and viability of social insurance and pension schemes
5. Promote family responsibility and community participation for the protection of vulnerable groups
6. Create an enabling environment for persons with disabilities

<sup>20</sup> See Vision 2030 Jamaica – National Development Plan, 2009, pp. 81–83.

In addition, the four sector plans that comprise SP each identify goals, outcomes and strategies for their area; of which the goals are listed below.

### **Social Welfare and Vulnerable Groups**

1. A society in which the vulnerable population is identified and included in the social support system (government, private sector, NGOs, FBOs, family support etc.)
2. A society that adequately meets the basic needs of vulnerable persons.
3. A social welfare programme which is delivered in a professional manner, ensuring that clients are valued and treated with dignity.

### **Social Insurance and Pensions**

1. Social Security coverage for all
2. Efficient and effective social security system
3. Sustainable system of financing for social security

### **Persons with Disabilities**

1. Persons with disabilities are guaranteed all human rights of the society
2. A society that fosters inclusion of PWD in all spheres of life
3. Disabilities are prevented

### **Poverty Reduction**

1. Incidence and manifestations of poverty reduced in line with established targets

Within the Vision 2030 Jamaica Plan, other sector plans related to health, education and the real economy are also relevant, and support the thrust for effective social protection.

The four national goals of the Plan (full potential, secure society, healthy environment, prosperous economy) are “mutually reinforcing and synergistic in design, and their achievement cannot be realized in isolation from each other”. The inextricable interrelationships among the various sectors is therefore fully acknowledged in the overall national thrust along with a commitment to a broad range of general and specific objectives and strategies for SP. The place of SP within the overall system is depicted in Chart II. Here, its critical role of pulling together the various strands that are contributory to the goals of social protection is also highlighted.

## Framework For Social Protection

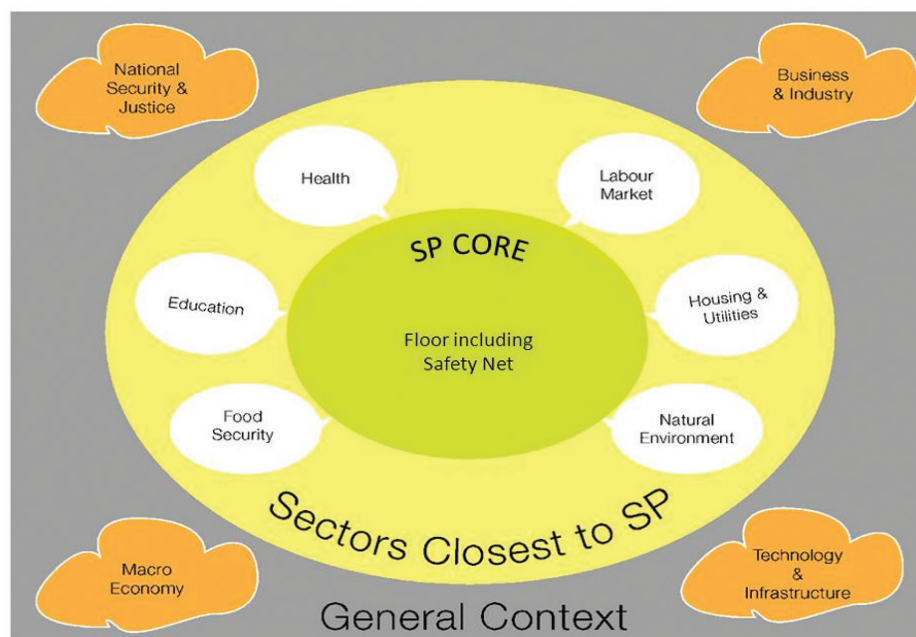


Chart II: Framework for Social Protection

### Conceptualization of the Comprehensive Approach for Jamaica

Broad principles that will guide the implementation of a comprehensive SP strategy for Jamaica will be identified here. Like all other countries, Jamaica's choices as regard the boundaries and components of its SP system are dependent on its cultural, social and political norms and values as well as its institutional and fiscal constraints. In seeking to formulate the broad undergirding principles, the answers to certain questions will be sought, namely:

- Is SP a right in Jamaica?
- How should SP be provided?
- Who should provide it?
- What is to be provided?

### Is Social Protection a Right in Jamaica?

A fundamental consideration is whether SP can be considered a right in Jamaica<sup>21</sup> — a question that is not to be taken lightly. The Jamaican Constitution provides the framework within which human rights are to be established.

<sup>21</sup> The question concerns the matter of legal entitlement, not the theoretical issue of whether it should be considered a right.

In relation to SP concerns, The Charter of Fundamental Rights and Freedoms (Constitutional Amendment) Act, 2011, guarantees rights, for all residents of Jamaica, through Section 2, to

- (a) *“life, liberty, and security of the person”;*
- (g) *“equality before the law”*
- (h) *“equitable and humane treatment by any public authority”*
- (i) *“freedom from discrimination on the ground of being male or female, or due to “race, place of origin, social class, colour, religion or political opinions”.*

*There is also in (k) “the right of every child . . ., to such measures of protection...” and to “enjoy a healthy and productive environment” and children who are citizens have a right to “publicly funded tuition in a public educational institution at pre-primary and primary levels”.*

The Constitution is not specific as to what entails “security of the person”, but this would most normally be interpreted to mean that one’s physical well-being is secured. To be so secured depends on not being subject to bodily harm as well as having one’s basic needs met such as food, shelter, clothing and so forth. The latter is dependent, in turn, on the availability of the relevant goods and services as well as the requisite income to purchase or otherwise avail oneself of these necessities. This is the overarching goal of SP.

Therefore, it may be concluded that having effective SP should be recognised as a Constitutional right of Jamaican residents and the Rights Based Approach is thereby appropriate for Jamaica. This point is further strengthened in relation to children who are given specific rights to protection, to a healthy and productive environment and (for citizens) to basic education. Notably, satisfactory environmental conditions are specified as *“free from the threat of injury or damage from environmental abuse and degradation of the ecological heritage”* and this is dependent on having an effective public health system as well as good environmental management practices at all levels and in all spheres of the society.

### **How should Social Protection be provided?**

Having established that SP should be treated as a guaranteed right under the Jamaican Constitution, it is necessary to identify the most appropriate and effective means of fulfilling that right. Historically, social welfare in particular has moved through a continuum of policy approaches, from alleviation and amelioration through to human capital development. This is in sync with SRM, which has underscored the wisdom of preventing and/or mitigating risks which can precipitate transitory poverty or exacerbate and perpetuate chronic poverty. Thus it is advisable to balance symptomatic interventions with preventive measures.

Moreover in doing the latter, it is not only shorter term, possibly transitory risks that should be addressed, but ‘upstream’ interventions should be in place aimed at fundamental, longer term changes in social structures and behaviour whether in institutional settings (e.g. schools, large employers etc.) or in the personal domain. Additionally, social and structural conditions predispose groups to becoming vulnerable or at risk of having their income security undermined. In many instances it is likely to be the violation of some of their other Constitutional rights that would make groups so predisposed. These rights include “*equality before the law*”; “*equitable and humane treatment by any public authority*” and “*freedom from discrimination on the ground of being male or female*”, or due to “*race, place of origin, social class, colour, religion or political opinions*”. With this understanding, the protection of constitutional rights and freedoms through Transformative Social Protection must be viewed as an integral feature of the objectives of SP in Jamaica.

It is evident, then, that, overall, SP in Jamaica must incorporate a comprehensive approach utilizing a balance of strategies that addresses short-term, long-term and symptomatic conditions to prevent and/or counteract the issues that negatively impact socio-economic well-being. In sum, SP interventions should ideally address three separate layers of problems associated with a lack of or inadequate protection of rights, as shown in Table 2.

**Table 2: How SP Should Be Provided**

| Problem Layers  | Strategic Interventions   |
|---|---|
| 1. <b>Root Causes</b> of socio-economic exclusion of deprivation including social or structural conditions                      | Transformative Social Protection involving sensitization, public education, regulation and legislation        |
| 2. <b>Proximate or Immediate Causes</b> involving loss of lack of income and assets (physical, social, economic, human capital) | Risk mitigation or prevention through insurance etc. and active labour market programmes including promotion. |
| 3. <b>Effects or Symptoms</b> of Deprivation  | Protection or risk coping strategies  |

### For whom should SP be provided?

The stance taken in this document is that Social Protection is required not only for the poor. Rather it is necessary to ensure that provisions are in place to protect all residents from threats that would prevent them from enjoying living standards that meet established criteria. Universal provisioning is also an important feature of the conceptualization of SP that recognizes its contribution to national development and economic well-being through smoothing of consumption and stabilization of aggregate demand.

This means that all persons should be provided for but not necessarily with the same types of assistance. Varying measures appropriate to the range, levels and types of needs in the society must be put in place using a menu of options that is designed to cater to every possible need.

### **Who should provide Social Protection?**

In keeping with the rights based approach, it is considered the state's obligation to ensure the provisioning necessary for all residents to either attain or not fall below minimum standards. Nevertheless, the range of provisions necessary to meet the rights of residents predicate that non-state actors have critical roles to play which are legitimate and essential aspects of the SP system. As noted earlier, SRM recognises three different types of SP providers, namely:

- Informal (from families, communities, etc.)
- Formal or Market based (including established NGOs)
- Government Agencies.

Hence the range of interventions that help to provide social protection may be provided publicly by either the state or the private sector or undertaken privately by individuals or groups. The role of the state, therefore, in addition to its own provisions, is to ensure that the market-based and private interventions considered necessary are in place. The approach to be used by the state should involve partnerships where feasible in keeping with the fact that Vision 2030 established a partnership approach as one of its seven Guiding Principles. "The success of the Plan is predicated on the conscious collaboration of the Government (central and local), citizens, and the private sector (local and external), and the pooling and use of their expertise and resources ..."<sup>22</sup>.

### **What is to be provided by Social Protection?**

Typically, the offerings of social protection have included non-contributory social assistance to poor households, social insurance provisions such as pensions and health insurance, and access to health and basic education. Active labour market interventions that support the income of workers have also been viewed as integral to social protection. What is to be provided within the social protection framework is dependent on how broadly the country specifies the boundaries of social protection, at a given period of time.

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<sup>22</sup> Vision 2030 Jamaica-National Development Plan, p. 13.

In Jamaica, the discourse has widened with the commensurate implementation of the long-term development plan, to include the broad areas of social security, social assistance, labour market interventions, food and nutrition security, health and education. All citizens should have access to pertinent social protection programmes.

The ILO has traditionally been the main global voice on the issues of social protection and the labour market. From its initial flagship Convention 102 of 1952, which expounded on the rights of all citizens to social security, inclusive of access to health care and income security, there have been eight specific Conventions and other Recommendations on the pertinent issues. The ILO instruments sought to establish standards for achieving universal access to social security, providing reference positions for global compliance.

The past decades have seen varying levels of achievement in terms of the extension of social security as envisaged by the ILO Conventions and Recommendations. Concern has arisen regarding the limitations that have affected the provision of defined levels of benefits and services to those susceptible to exclusion. The most recent dialogue has therefore embraced the concept of a 'social protection floor', which uses the rights-based ethos of the United Nations to suggest a minimum set of guarantees of income security and basic social services for all citizens, and particularly to the vulnerable. The floor approach specifically singles out children and poor families, workers, the elderly and persons with disabilities as target groups for consideration. This SP floor is country-specific in its programme choices, and endorses a dogma of progressive realization, where countries can address different priorities over time, based on their fiscal realities, political economy, and cultural contexts.

Given the strategies outlined in Vision 2030 Jamaica therefore, and in keeping with the discussion above, comprehensive social protection offerings would include:

#### **A. Guarantees of Basic Income Security**

- Social transfers, in cash or kind, to vulnerable persons (including cash transfers, school feeding, institutional care, medical subsidies).
- Income Guarantee (minimum wages, promotion of Decent Work).
- Provisions for income termination due to old age, disability, death of breadwinner etc. (social insurance and pension schemes)
- Provisions for temporary loss of income from interruptions in employment.
- Provisions for loss of income due to business failure, impact of natural disasters etc. (market-based insurance).
- Provisions for facilitating employment (Employment Services and Active Labour Market Programmes for the unemployed and working poor).

**B. Guaranteed Access to Affordable Social Services** (all to be provided according to established standards, thereby meeting criteria necessary to ensure adequate quality).

- Primary Health Care
- Education up to Secondary Level
- Potable Water
- Safe and Sanitary means of Waste Disposal
- Food and Nutrition Security (i.e. meeting standards of availability, access, stability, and utilization)
- Shelter
- Infrastructure necessary to have physical access to goods and services.

Within this overall characterization of the social protection system, a social protection floor is also identified, for priority resource allocation. This is presented in Chapter III (A Social Protection Strategy for Jamaica), and further examined in Chapter V (Financing the Social Protection Strategy).

### Definition of Social Protection

Taking into consideration the discussions above, the definition of SP formulated here seeks to capture the main policy elements determined to be appropriate for the country inter alia. Definitions used by other authorities such as the Asian Development Bank, the World Bank and social sector theorists were also distilled into the Jamaican perspective. In the definition, the state is given a guiding role in SP while working along with non-state players to address various risks through services and benefits to all citizens. Structural characteristics and factors that lead to social security risks are acknowledged as being inevitable over the life cycle, and the overarching objective is not to engender dependency but to develop people's potential and enhance their abilities to protect themselves against threats to their well-being.

#### Box 2: Definition of Social Protection for Jamaica

Social Protection is the set of provisions that employ public and private initiatives, guided by state policies, to prevent, address, and reduce the risks of poverty and vulnerability brought about by lack of, losses or interruptions to income. Its objective is to ensure living standards above specified levels, through effective social, economic and labour market policies that support income security across the life span.

## The Framework for SP

### Types of Interventions

Based on the analyses in Chapter I, five types of interventions are identified for use by providers in the SP system. In the interest of clarity, the terminological variations in the literature on Social Protection will be avoided by using one standard set of terms — “Prevention”, “Mitigation”, “Protection”, “Promotion” and “Transformation” — as defined in the next paragraph. Overarching these is a separation based on the fundamental distinction in SP interventions which is central to risk management considerations, namely that between *ex ante* and *ex post interventions*<sup>23</sup>. As noted earlier, social risk management stresses the need to identify and make counter provisions for risks PRIOR to the realization of negative outcomes. This involves both “prevention” (e.g. through social security interventions as well as the meeting of basic needs) and “mitigation” strategies (e.g. through disaster preparedness).

AFTER individuals have been impacted negatively by some risk, then ex post assistance becomes necessary — this involves “protection”, which is the social assistance/welfare type of interventions. Since “promotion” and “transformation” are not risk management concepts, conceptually they do not fit into this classification, but in practice they are applicable both before and after risks occur.

#### Ex Ante:

- **Preventive** – seeks to avert the occurrence of a risk. For example, meeting basic needs can eliminate life-cycle risks.
- **Mitigative** – seeks to reduce the impact of a risk. Self-help through saving or market based insurance and disaster preparedness are prime instruments for this purpose.

#### Ex Post:

- **Protective** – provides relief from the effect of a risk. It involves traditional welfare measures including income support via transfers in cash or kind, as well as supportive social services.

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<sup>23</sup> Hoogeveen et al., *A Guide to the Analysis of Risks, Vulnerability and Vulnerable Groups*, 2004.

**Promotive:**

Enhances human capacity development and achievement. This includes, inter alia, promotion of: a smoothly functioning labour market to optimize job access; the existence of employment opportunities; and the enhancement of workers' rights.

**Transformative:**

Seeks to change behaviour patterns that are normative in the society but are judged to have undesirable effects on individual and national well-being.

**Role of the State**

In relation to the state's interventions for SP, its choice of programmes must be determined by the extent of need on the one hand and costs of competing alternatives on the other, doing this within boundaries set by fiscal constraints, the political economy and cultural norms. In relation to the preventive and mitigative mechanisms of SRM, as stated by the framers of the concept, the most important roles of the government include<sup>24</sup>

- “(i) facilitating the establishment of market-based financial institutions, providing the enabling legal environment, ensuring their regulation and supervision, and helping facilitate the flow of information;*
- (ii) providing risk management instruments where the private sector fails (e.g. unemployment insurance) or individuals lack the information for self-provisions (myopia)”.*

The government is also the bastion of protective interventions where they must strive for equity and coverage of the most needy in the provision of transfers, fee waivers, feeding programmes and institutional care et cetera.

With regard to the SP Floor, the state is the main (though not sole) provider of goods and services in the Floor particularly in the areas of health, food security, education/training, housing and utilities, and is obliged to ensure that all residents are adequately provided for. This means ensuring access to the quality of service that will as far as possible optimize the development of the human capital of all, including and especially the poor, who may be unable to secure services for themselves from private providers.

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<sup>24</sup> Holzmann and Jorgensen, 2000, p. 18.

It is emphasized that the services made available must meet desirable standards for all recipients. It is a disservice to poorer residents for them to access health and education that fails to build their human capital thereby regenerating their capacities towards impoverishment.

Notably, the Floor proposed for Jamaica in health and education is set at the primary and secondary levels respectively, for which access would be required by practically everyone. Lesser proportions would be in need of access to the higher levels, namely post-secondary education and secondary health services. In relation to health, the primary health-care system (i.e. clinics, health centres and hospital outpatient care) is considered the first point of contact for the general public, with referrals being made from this level to the higher levels of care as necessary.

The prescriptions for health and education are thus in keeping with the existing policy objectives of these sectors. With regard to the Floor for the other sectors, the standards set within the respective sectors are being relied upon to meet the overarching quality requirements.

In relation to the income segment of the SP Floor, the state's roles are critical but less so than in relation to goods and services. Here it must operate in a regulatory manner, by using labour market legislation to promote decent work, adequate wages, pensions and occupational disability compensation *Et cetera*; moreover, most importantly, it must implement policies to redistribute incomes "if market outcomes are considered unacceptable from a societal point of view"<sup>25</sup>. An important source of income support for the needy are cash transfers provided by the state.

The current programme for cash transfers does not seek to guarantee any level of income, however, but merely provides income support. The prescriptions in the Floor envisage a major change to meet income security requirements, namely the institution of insurance provisions to cushion persons against temporary loss of income due to employment or livelihood issues.

Table 3 provides a listing to illustrate the wide range of SP strategies that may be used by the state. Since many interventions are multi-functional they may be placed in more than one category and, therefore, the labelling is somewhat flexible.

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<sup>25</sup> *Ibid.*

Table 3: SP State Interventions

| Prevention   | Promotion   | Mitigation   | Protection  | Transformation                                     |
|--|---|--|---|--|
| Education and training   | Job-linked skills training                                      | Pension systems                                      | Targeted unconditional cash transfers                   | Sensitization or public education exclusion norms  |
| Early childhood development including early stimulation                        | Youth development programmes                                    | Mandated unemployment insurance                      | Targeted feeding programmes                             | Regulation to prevent exclusion or discrimination  |
| Special education services   | Remedial education  | Mandated insurance for disability, old age etc.      | Targeted fee waivers                                    | Legislation to prevent exclusion or discrimination |
| Universal school fee waivers   | Micro-enterprise credit   | Protection of property rights (especially for women) | Drug subsidies for the poor, elderly or chronic illness | Access to legal system for vulnerable groups       |
| Health promotion & general health services                                     | Micro, Small and Medium Enterprises (MSME) development services | Facilitating asset transfers                         | Targeted social pensions                                | Conforming to Convention on Child Rights           |
| Universal health fee waivers   | Livelihood development  | Support for extending financial markets to the poor  | Transport vouchers                                      | Conforming to Convention on Women's Rights         |
| Universal health insurance   | Employment creation   |  | Public works employment schemes                         | Legislating or promoting good parenting practices  |
| Minimum wage legislation   | Rehabilitation grants   |  | Family support services                                 |  |
| Employment insurance legislation   | Employment services   |  | Child protective services                               |  |
| Universal social pensions  | Welfare to work programmes                                      |  | Institutional care                                      |  |
| Universal child allowances   | Conditional cash transfers                                      |  | Homeless facilities                                     |  |
| Preventing child labour  | Labour market policies  |  | Emergency/ disaster Relief                              |  |
| Affordable shelter shelter at basic standards of sanitation, access and safety |   |  | Compassionate grants                                    |  |
| General food subsidies   |   |  | Targeted food subsidies                                 |  |
| Universal feeding programmes   |   |  |   |  |
| Provisions for food security<br>Provisions for disaster management             |   |  |   |  |

Sources: Grosh, 2008, Holzmann, 2000 and others

## Policy Options

Certain policy options have to be confronted in determining how best to provide benefits efficiently and effectively. The main issues are discussed below.

### Universal vs. Targeted Benefits

The principal arguments used for targeting benefits include: the unaffordability of universal provisions; the ability to focus interventions on specific vulnerabilities and groups; the use and / or combination of various types of targeting, for example, demographic and geographic; and efficient use of scarce fiscal resources.

Among the arguments against targeting are<sup>26</sup>:

1. The inherent difficulties in administering a targeting instrument that minimizes errors of exclusion or inclusion.
2. The dynamic nature of poverty by which many persons fall in to and out of poverty from time to time.
3. Where a large portion of the population is in need, the cost of seeking to exclude any person is not justifiable.
4. The indirect costs for targeted participants to obtain benefits (including time and cost to collect, erosion of self-esteem etc.) are a negative factor.

Targeting has been most commonly used in Jamaica where cost limitations have dictated the need to limit benefits to those who are most in need. Various modalities have been used including, inter alia, geographic targeting, self-targeting and most recently proxy means testing.

The use of proxy means testing through the Beneficiary Identification System (BIS) has been evaluated as performing well, but has to undergo periodic updating of the screening variables so that it remains current. The flexibility of the BIS enables it to be used to target persons at different consumption levels and this must be exploited to modify eligibility for programmes in accordance with policy objectives. Geographic targeting has also been a critical tool for addressing poverty, social, environmental and economic problems within the spatial boundaries of communities. Use of a community based targeting model as is currently being pursued under the Community Renewal Programme is an important SP tool.

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<sup>26</sup> ILO, 2010, p. 39.

Additionally, programmes targeting communities with emphasis on remedying environmental conditions will become increasingly necessary over time, given the recent escalation in problems of this nature, as a result of climate change and the impact of urban development.

### **Conditional vs. Unconditional Benefits**

The arguments against the use of conditional benefits include:

- (i) that it represents a potential denial of human rights
- (ii) it may penalize the most vulnerable who have difficulty in meeting the conditions<sup>27</sup>.

The counterargument that weighs most heavily in the Jamaican case is that conditionalities help to build commitment to the human capital development of the poor on both the demand and supply sides. For example, the condition for receiving the Programme of Advancement through Health and Education (PATH) benefits of stipulated levels of school attendance has contributed to the desired behaviour change of improving school attendance for PATH recipients. However, it has also brought to the authorities' attention problems on the school side as well as other obstacles to school attendance such as transport costs. Moreover, a spin off has been the strengthening of links between home, school and the SP sector as the interaction levels have increased. It may therefore be argued that the positives gained from educational conditionalities for children appear to outweigh the negatives.

### **Benefit Levels vs. Benefit Coverage**

In most instances, the determination of benefit levels involves a trade-off between the degree of coverage and the degree to which benefits are meaningful. A guarantee of income security implies adequacy of benefits and this has been embraced in the SP Floor for Jamaica. But this invokes greater responsibilities than the notion of simply providing income support which is the principle currently guiding the level of PATH benefits. In this regard, note must be taken of the finding in the PIOJ study (Marques 2011) that the benefit levels of PATH and the NIS are "insufficient to meet their objectives". Therefore, notwithstanding the fact that fiscal constraints severely limit the scope for improvement, addressing the adequacy of benefits need to be given careful consideration within the proposed new paradigm for SP. Their real value should then be maintained thereafter in accordance with the current commitment of the government. Various benchmarks exist to guide practitioners in deciding on appropriate cash transfer levels for social assistance.

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<sup>27</sup> ILO, 2010, p. 40.

In this exercise, it is necessary to take into account not only the cost of living but the value of in-kind benefits that are available to recipients of these cash transfers. Hence there is room for a considerable degree of variability. A caveat in setting benefit levels relates to the avoidance of perverse effects which eventuate, for example, when social pensions need to be set at a lower level than contributory pensions so as not to discourage participation in the latter. The quality of the delivery of services is critical to successful policy choices. As noted earlier, providing access to inferior quality services in health and education defeats the overarching objective of SP to enhance people's capacity to protect themselves. This, because poor quality services in these areas undermine people's capacity and heighten their vulnerability to greater risks, a factor which is even more threatening for the poor who are already at risk of not having their basic needs met. For this reason, universal free public services may be a disguised inequity insofar as it has a detrimental effect on the service provided in the public sector, while only wealthier persons can afford to pay for better quality service in the private sector. Careful examination of alternative methods of financing service provisioning for the poor is thus called for, such as the use of insurance vs. cross subsidies vs. state financing.

### Role of Non-State Actors

Table 4 gives some examples of SP interventions that would be undertaken by non-state players. These include informal arrangements made by individuals, families and communities; and formal arrangements made by groups such as professional associations, employees, employers, NGOs and market based institutions et cetera. As evident from the table, market-based strategies are not usually preventive in orientation, while informal strategies can be categorized under all five types of interventions.

**Table 4: Social Protection Non-State Interventions**

| Type of Intervention     | Private or Informal Strategies   | Market-based Strategies   |
|--------------------------|--|---|
| Prevention               | Proper nutrition practices<br>Hygienic practices<br>Use of contraception<br>Responsible parenting  |   |
| Promotion and Mitigation | Investing in real assets<br>Investing in physical assets<br>Investing in human capital<br>Investing in social capital<br>Saving<br>Diversify assets and portfolios<br>Community risk pooling | On-the-job training<br>Micro-finance credit<br>Old age annuities<br>Personal insurance (health, life)<br><br>Disaster insurance<br>Crop insurance |

**Table 4: Social Protection Non-State Interventions cont'd**

| Type of Intervention    | Private or Informal Strategies   | Market-based Strategies                          |
|-------------------------|--|--|
| Promotion and Migration | Use of Individual Retirement Accounts  | Employer pension schemes                         |
| Protection              | Selling real assets<br>Borrowing from friends<br>Sending children to work<br>Spending less on food | Selling financial assets<br>Providing bank loans |
| Transformation          | Gender equity socialization<br>Responsible parenting   | Credit without collateral                        |

Source: Holzmann, 2000, with additions and modifications.

### Private or Informal Strategies

The strategies used by individuals and communities to deal with the five SP areas normally reveal innovativeness, resilience and survival instincts. These often reflect sound economic principles, such as 'portfolio diversification', that is, hustling in different types of livelihoods; and 'community risk pooling', that is, saving for a rainy day in a partnership scheme. Moreover, the social capital among friends, community members or work colleagues has provided the main safety net in times of need. In the preventive area, individual behavioural practices in areas such as those shown in the table are critical to socio-economic well-being. On the other hand, coping strategies reported in financial crises include reduction in food expenditure by 55.7 per cent of households, health expenditure by 28.3 per cent and education expenditure by 56.0 per cent<sup>28</sup>. These are causes for concern. Thus SP must see to the education of the population to utilize coping strategies that are not detrimental to well-being in the short or long-term (such as sending children to work) and to promote understanding of and commitment to desirable habits and practices in areas such as:

- (i) Good nutrition
- (ii) Preventive health care
- (iii) Transformation of prevailing gender ideologies
- (iv) Planned parenthood especially for target groups with high risk levels of child-bearing namely, low income and rural residents and adolescents.

<sup>28</sup> JSLC, 2009.

NGOs are also major players in providing social assistance or risk coping services as they tend to be closely attuned to the realities and challenges faced by people in communities, can be flexible and innovative in their responses and are strong in their command of social capital at grass roots levels. More partnership arrangements between the government and these agencies would be beneficial to both sides. Accountability, transparency and financial stability must be advocated for these agencies by the government, with support garnered also from local and international businesses and financial institutions.

Informal sources of support are valuable and cannot be replaced from a psychosocial standpoint, but it is considered unwise to have them as the sole or main security provider and greater reliance on more formalized arrangements is considered essential. The population, therefore, needs to be encouraged to be increasingly sophisticated in capitalizing on their normal innovativeness and use more formal social protection strategies in two ways:

1. To work together in groups to form formal alliances such as Co-operatives and Friendly Societies, in order to pool their assets and build their financial and physical resources, and utilize them to their best advantage.
2. To utilize existing financial institutions to reduce their vulnerability to risk through saving, making wise investments and insurance against business and crop failure and natural disasters etc.

Community based programmes are appropriate vehicles for promoting the desired mindset and for piloting new financial assertiveness among residents of disadvantaged communities.

### **Formal or Market-Based Strategies**

These strategies are the means by which financial institutions provide mechanisms for clients to engage in savings, investments, risk pooling through insurance, credit and other techniques to offset the range of risks that can threaten financial well-being. In order to utilize these techniques to the best advantage an adequate degree of financial literacy is required. In addition, the modalities and conditions of use including fees charged et cetera have not facilitated usage by persons of small means. The present global thrust for financial inclusion represents a concerted effort to change this paradigm and enable the client base to be broadened to the benefit of those hitherto excluded from these services.

Jamaican institutions will need to be convinced of the financial wisdom of participating in the global thrust and provide a more flexible and appropriate range of risk management instruments for the public. There are already encouraging signs, as experience in LAC to date has been adjudged promising by the IDB, and Jamaica is reported to be ahead of the region in financial inclusiveness, while one insurance agency in the country has begun to pioneer the new approach. Also, Credit Unions have been a mainstay for financial services across the socio-economic spectrum and as not-for-profit bodies more sensitive to the needs of the poor, they can be relied on for expansion in this new paradigm.

## CHAPTER III: THE SOCIAL PROTECTION STRATEGY FOR JAMAICA

### INTRODUCTION

The Strategy for instituting a comprehensive Social Protection system in Jamaica is a response to the country's commitment to ensuring the social security of all its residents and citizens. In doing this it will target the attainment of agreed basic minimum standards of living and address the various threats to such attainment by confronting root causes, proximate causes and symptoms. An immediate focus of the Strategy will have to be the reduction of poverty levels across the country, through a structured programme of intensive interventions. The Strategy as outlined is guided by the findings of the Situation Analysis (Appendix 1), which indicated the main issues currently working against the attainment of these standards. Including:

1. Persistent poverty, especially in the rural areas, with significant increases in urban areas in recent years.
2. Poor educational outcomes hence inadequate preparation of youth for employment.
3. Inadequate discharge of parental responsibilities whereby the developmental needs (psycho-social and physical) of many children are not being met, leading to weak social outcomes.
4. Insufficient planning for old age and retirement via insurance and other provisions.
5. Lack of provision for loss of income due to temporary unemployment.
6. Inadequate provisions for meeting the needs of low income households for shelter and related infrastructure.
7. Lack of provisions for increasing equity in the society for disadvantaged and vulnerable groups.
8. Insufficient institutional capacities, particularly in the public sector, to effectively deliver social protection interventions.

The successful implementation of the necessary strategies will result in the broad based empowerment of the nation's human resources and provide a major impetus to the national thrust for social and economic development. The Strategy seeks to institute a systems approach which relies heavily on collaboration and integration for harmonizing the set of programmes and processes that treat with the multi-dimensions of the human lifecycle<sup>29</sup>.

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<sup>29</sup> UNICEF, 2008

Human capital development, access to basic goods and services, asset formation, property rights, income flow, shelter provisions and availability of social capital must all be treated as interlocking priorities to be afforded their rightful place in the determination of measures used to protect individual well-being. As such the application of complementary instruments will be required from a variety of sectors including health, education, housing, agriculture, finance, and industry.

With respect to the linkage of social protection with economic growth, the Strategy aligns with the perspective outlined in the current World Bank Social Protection Strategy document which states “... there is growing evidence that SP contributes to economic growth by:

- Building and protecting human capital
- Providing the security to invest in higher-risk, higher-return activities
- Promoting greater labour market mobility
- Stabilizing aggregate demand, notably during recessions
- Enhancing productive assets and infrastructure (for example through public works)
- Reducing inequality in society
- Making growth enhancing reforms more politically feasible”<sup>30</sup>

In addition to the above, an important stimulus provided to the economy by a successful SP programme is the enlargement of local demand for goods and services due to the enhancement of incomes at the lower socio-economic levels, whereby ‘dormant’ needs can be translated into market demand.

The definition and broad components and supports of the social protection system have been presented in Chapters I and II. This chapter presents the core aspects of the Social Protection Strategy.

### Goal of the Social Protection Strategy

The **Goal** of the Strategy is to engender Effective Social Protection — a major Outcome of the Vision 2030 Jamaica — through a streamlined and collective interpretation of social protection, which will guide the approaches to be used, priorities for resource allocation, and practical interventions.

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<sup>30</sup> World Bank 2012, p. xiv

## Objectives of the Strategy

The following are the objectives of the Strategy:

1. To enhance the prospects for economic and social development of Jamaica through a structured approach to the provision of social protection interventions.
2. To provide the conceptual underpinning that will guide legislative and policy frameworks, resource mobilization, programming and service delivery, for social protection in the country.
3. To unite and orient the efforts of public and private actors and stakeholders in creating responsive programmes and initiatives for social protection, through the various types of interventions.
4. To ensure that vulnerable or disadvantaged population groups or individuals have recourse to a safety net, facilitating access to basic income security and social services.

## Guiding Principles

The guiding principles for the Strategy underpin the Vision 2030 Jamaica Goal of empowerment of all Jamaicans, promoting independence rather than dependence, giving fair, equitable treatment to all, and setting high standards in service provision. The slogan “Self-Help within a Supportive Framework” provides a statement that encapsulates this approach.

The Guiding Principles are described below.

1. For “self-help” to be successful, one must be equipped with the necessary information and capabilities that will enable **personal responsibility**.
2. The social protection framework will be “supportive” only in so far as it takes seriously the fundamental obligations to ensure that:
  - (i) the basic needs of the lifecycle are met for everyone; that is, **inclusiveness**
  - (ii) provisions are in place for reducing or mitigating social security risks faced by anyone in society; that is, **equity**
  - (iii) the social assistance and welfare provisions that are needed to provide social redress are available; through **SMART<sup>31</sup> programming**.

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<sup>31</sup> This term utilizes the World Bank’s acronym S.M.A.R.T., found in its strategy for 2012-22; i.e., Synchronized across programs; Monitored, evaluated and adapted; Affordable - fiscally and in terms of cost-effectiveness; Responsive to crises and shocks; Transparent and accountable.

## Fundamental Considerations and Requirements

The Strategy, as detailed below, rests on some critical considerations and requirements, drawn from lessons pulled from research, diagnostic studies, and international experience. These include the following:

1. Social protection is guaranteed for all citizens through an appropriate and dynamic legislative framework.
2. A symbiotic relationship between economic growth and social protection is recognized.
3. Each actor/stakeholder in the social protection system has clearly defined roles and responsibilities.
4. Sufficient numbers of human resources, including health and education professionals, social workers and case management administrators exist in the sector.
5. The promotion and utilization of modern technologies and approaches— including, for the storage and sharing of information— is imperative.
6. Appropriate information and data management systems support monitoring and evaluation of programmes.
7. Joined-up government, and collaboration with non-state actors are effected through an integrated network approach to the social protection system.
8. All efforts are made to ensure equity of opportunity, information and access to services for all citizens, and human rights enshrined in the country's Constitution are respected.
9. Effective central and local governance structures, as well as appropriate legislation are in place to guarantee the delivery of social protection.

## The Social Protection Floor

The Social Protection Strategy for Jamaica endorses the concept of the social protection floor. The floor seeks to guarantee the provision of basic income security and essential social services in a universal sense, given the acknowledgement within this Strategy of the right to social security. This social protection floor is integral to the comprehensiveness of the Strategy. Meeting the basic needs of individuals is the first order requirement placed on the SP system.

The components seek to guarantee that individuals have provisions to support a basic income or to access social services. The social protection floor gives priority to the most vulnerable population groups, including children, the elderly, low-income workers and persons with disabilities, who would typically be less likely to have the full benefits of social security rights without targeted actions.

For this reason, minimum targets for the floor will be identified progressively.

The recommended floor is described in Table 5.

**Table 5: Social Protection Floor**

| Element of SP Floor                                      | Description  |
|--|--|
| <b>Basic Income Security</b>                             |  |
| Social transfers in cash/kind to support incomes         | <ol style="list-style-type: none"> <li>1. Cash transfers for economic empowerment/income support</li> <li>2. Grants to assist persons with disabilities, e.g. Economic Empowerment Grant, assistive aids</li> <li>3. Social pensions to the needy elderly</li> </ol>   |
| Basic Income guarantees                                  | National Minimum Wage  |
| Social insurance provisions                              | National Insurance Scheme  |
| Protection against income loss through unemployment      | Unemployment Insurance Scheme for employed persons   |
| Employment services                                      | Active labour market projects, e.g. Steps-to -Work programme   |
| <b>Basic Social Services</b>                             |  |
| Primary health care                                      | Fee waivers for the poor<br>Quality health care in public health centres and /clinics  |
| Social welfare – cash/kind to vulnerable groups          | <ol style="list-style-type: none"> <li>1. Cash transfer programme for poor/vulnerable house holds, e.g. PATH</li> <li>2. Government residential /care facilities for the indigent, homeless and vulnerable children e.g. parish residential facilities</li> <li>3. Health-care/drug subsidies, e.g. Jamaica Drugs for the Elderly, National Health Fund</li> <li>4. School feeding programmes in public schools; feeding programmes for elderly, indigent</li> </ol> |
| Education up to secondary level                          | Tuition/other support in public early childhood, primary and secondary schools   |
| Potable water  | Safe water available   |
| Sanitary Waste disposal                                  | <ol style="list-style-type: none"> <li>1. Public Garbage Collection systems in place</li> <li>2. Sanitary toilet facilities available</li> </ol>   |
| Shelter  | Social housing programme   |
| Infrastructure for physical access to goods and services | Adequate urban and rural public transportation systems   |

The pensionable age for women is being shifted from 60 to 65 years in a graduated way, over five years beginning in 2010.

Each provision within the Floor, whether based on contributory or non-contributory access, will have its own set of qualifying conditions, in keeping with the recognition that social security rights are not unconditional. The provisions may therefore be based for example on proof of age, illness, disability, retirement, poverty or need, or other status/criteria.

Future deliberations on elements of the Floor will be guided by the need to maintain standards in the Floor such that the guaranteed levels of benefits and quality of services make a meaningful and positive difference in the lives of recipients.

The design and monitoring of policies or programmes that operate in these areas, and the periodic review of benefit levels, will ensure that this strategic approach is facilitated and maintained.

### **STRATEGY STATEMENTS**

A life-cycle analytical approach, supported by further qualitative work on identifying vulnerabilities, was used to develop the Strategy. This was supported by work conducted by the PIOJ<sup>32</sup>.

Using this approach, together with the consideration of the different types of interventions already discussed (Chapter II), the following is posited for each segment. Likely risks and vulnerabilities associated with each stage (described in the Situation Analysis – Appendix 1) have been taken into account.

The strategic interventions for each life segment give consideration to issues of gender, disability, and specific risks and vulnerabilities associated with each stage. Overlap of some strategies across the different age bands is expected; however, the attempt is made to position the strategies where they are most typically relevant.

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<sup>32</sup> Marques 2011, and PIOJ 2012.

## Life-Cycle Population Groups

### Children (0 – <18 years)<sup>33</sup>

**Strategy Statement:** Promote optimal development of all children in all spheres necessary to ensure their well-being, and enhance the potential for their eventual productive engagement in the labour market.

The first critical needs at this life stage are for health care, nutrition, development (physical, mental, social, psychological), education, and protection.

#### Strategies:

#### Transformative<sup>34</sup> Interventions

1. Establish formal channels to forge closer institutional working relationships between agencies directly responsible for SP and those that play complementary or supporting roles in health, education and nutrition; and advocate for appropriate policies and programmes in furtherance of SP objectives in these sectors
2. Promote the discharge of parental responsibilities through:
  - transformative action designed to ensure that parents know and discharge their obligations in relation to having and caring for children. Engender the necessary legislative and policy environment to enforce or facilitate such parental responsibility for the well-being of children<sup>35</sup>
  - having provisions in place to strengthen families' capacities for child care where necessary.
3. Protect the rights of children to identity, health care and education through appropriate legislation and policies, and the strengthening of protective institutions and networks
4. Ensure inclusion and opportunities for children with disabilities, through mainstreaming and socialization interventions, including public education.

<sup>33</sup> The age groupings reflect international (UN) standards in demographic classification, and are not intended to be prescriptive. | <sup>34</sup> Transformative is used to refer to strategies meant to influence change in behaviour, whether of systems or people, in a structured and long-term sense. | <sup>35</sup> Vision 2030 SWVG 2.4.2 "Strengthen the capacity of families to care for their vulnerable members"

**Preventive/Promotive Interventions**

1. Strengthen the government's SP outreach from the earliest life-stage by establishing strong ties between pregnant women and the SP system. Improved antenatal interaction, early screening, diagnostics, referrals and interventions at the early childhood level will be undertaken and expanded.
2. Facilitate utilization of the range of child-related services available by having multi-purpose service centres, whereby physical accessibility to these services will be enhanced for parents, caregivers and children.
3. Establish, promote and strengthen programmes and institutions to support sound parenting practices and standards.
4. Promote public-private partnerships to support the positive development and outcome of children in disadvantaged circumstances. These will include funding, sponsorship, mentorship and other interventions.
5. Strengthen and expand mechanisms to identify and reach children with emotional and behavioural problems such as through their schools where early detection and referral can be made.
6. Ensure the adequacy of treatment services such as through the availability of specialist clinics and other specialized facilities for accommodating children and adolescents with mental-health issues including those in conflict with the law.
7. Ensure adequate provision of, and access to essential specialized and inclusive services and facilities for children with disabilities.

**Protective Intervention**

1. Ensure children from households identified as needy have access to health and education services, food security, and income guarantees to their families for their care and subsistence.
2. Ensure quality care, health and education services are provided to children in the care of the state, including the facilitation of their entry into the labour market and independent living.
3. Ensure quality care and services for children with disabilities.
4. Provide for the protection of children from abuse and exploitation, including child labour.
5. Undertake case management in households identified as 'at-risk' by reliable authorities; using established criteria, this should be done regardless of whether such households are welfare beneficiaries or not.

## Youth (15-24 years)

**Strategy Statement:** Prepare young persons for adulthood by equipping them for employment and the attainment of income security, and the knowledge and attitudes necessary to lead responsible independent lives.

### Strategies:

#### Promotive Intervention

1. Advocate for greater focus in school on employment related hard and soft skills and capabilities for greater levels of labour productivity.
2. Redress inequities and gender biases in the education system so all schools can provide quality basic education and retain boys, especially in the rural areas.
3. Strengthen the use of labour market signalling to better guide the training system and integrate gender-astute career guidance throughout the school curriculum and the training system to promote better informed career choices.
4. Promote greater flexibility in provisioning in the training system to facilitate more responsiveness to the demands of the labour market.
5. Promote active labour market policies to stimulate employment of male and female youth, including youth with disabilities.
6. Place greater emphasis on developing personal responsibilities in all areas of life, infusing social protection principles for management of possible risks throughout the life cycle, towards ensuring economic well-being.

#### Protective Interventions

1. Provide appropriate social transfers to eligible youth in needy households, to protect and promote human capital formation.
2. Maximize efficiency in service delivery for young persons in state care, and create appropriate exit procedures to ensure readiness for social and economic livelihoods; ensure supportive transition arrangements for exit, dependent on readiness of the ward for independence and the availability of facilities for accommodation and opportunities for employment.

### The Working Age (15-64 years)<sup>36</sup>

**Strategy Statement:** Acknowledging that this population is the productive base of the economy, ensure that persons of working age have opportunities for adequate employment and income, with conditions of work that are satisfactory for health and general well-being, and that capacity exists for the attainment of their income security.

#### Strategies:

##### Promotive Interventions

1. Ensure appropriate labour market standards and regulations (including pertinent legislation) exist to protect workers and employers.
2. Maintain responsiveness, in the labour market and economy, to the needs of workers by ensuring focus on the principles supporting a decent work agenda including employment-rich economic growth, with special emphasis on local economic development (LED), youth and gender equity.
3. Focus efforts in Active Labour Market Programmes (ALMPs) and labour intermediation services, on improving work attitudes and capabilities for greater levels of worker productivity, with pertinent gender sensitivity.
4. Maximize the benefit-cost ratio of ALMPs by consolidating public programmes as much as possible and rationalizing programme implementation in order to maintain and/or expand those that show greatest success.
5. Ensure ready availability of and access to opportunities for lifelong learning and re-tooling whether in institutional or on-the-job settings.
6. Strengthen and facilitate micro-finance and insurance facilities to provide insurance against market-based losses such as crop failure.
7. Promote the use of appropriate strategies in the education/training system, and in the labour market, to maximize the development potential of persons with disabilities.
8. Promote labour market policies of inclusion and non-discrimination in the employment of workers, including workers with differing abilities.
9. Extend and strengthen social security arrangements that provide for migrant workers and their families.
10. Enable and facilitate appropriate pension policies, regulations and provisions to assure access to social security offerings.

<sup>36</sup> Some strategies in this section make the assumption that this age category includes household heads, parents and caregivers.

### Mitigative Interventions

1. Broaden the coverage of the National Insurance Scheme, through the strengthening of administrative and institutional arrangements, with a view to greater formality in the labour market.
2. Encourage participation of employed persons (including the self-employed) in social insurance and private pension schemes through public education. Special emphasis will be placed on promoting participation in the minimum guarantee National Insurance Scheme.
3. Facilitate and encourage market-based social insurance offerings.
4. Protect the income security of workers in both formal and informal economies through the institution or facilitation of (un)employment insurance schemes, appropriately funded as contributory schemes.
5. Promote wide-scale training in financial literacy, including the promotion of saving and investment to offset temporary or permanent reduction in or loss of income
6. Work with providers of risk sharing instruments such as insurance companies, credit unions and Friendly Societies to promote the utilization of these mechanisms for managing the risk of income reduction or loss.

### Protective Interventions

1. Use labour intensive projects in the short and medium term (e.g. public works programmes) to generate employment in response to crises or shocks.
2. Target working age persons in households receiving welfare support for ALMPs to enable them to provide economic support to their households.
3. Ensure reach of social transfers to eligible needy households, to support income and livelihood, for an identified period.
4. Promote the integration of social protection measures through the use of 'productive safety net' approaches that link income security to social transfers.
5. Through collaborative action, create mechanisms to support exit strategies for families and individuals on welfare, with a view to improving their capacity for labour market engagement.
6. Create or facilitate responsive options for social security (including identification documents, employment, social insurance and pension coverage) of disadvantaged and vulnerable groups.
7. Ensure care and provision for indigent and destitute persons incapable of labour market participation, strengthening formal linkages between NGOs and state agencies to facilitate better identification, treatment and care.
8. Put in place appropriate registration systems to identify all welfare clients of the state, including indigent or destitute persons, with a view to facilitating identification, monitoring and referrals.

9. Ensure that persons with severe conditions who are unable to work and need extraordinary levels of support, but are unable to be provided for by family members or other personal means, receive protective provisions from the state including income transfers, institutional care, assistive aids and medication, as required.

### **Transformative Interventions**

1. Use sensitization and appropriate incentives that promote gender equity in the labour market and the credit market.
2. Promote responsible parenting to balance child and employment responsibilities.
3. Review all relevant policies and legislation to ensure that there are no legal obstacles to equity and inclusiveness, in terms of access to social protection.
4. Use public education, sensitization and enactment of legislation to assist in overcoming discrimination, physical impediments and biases in the society that engender exclusion of persons with disabilities or chronic ailments from human capital development, employment, and inclusion in social security programmes.

### **The Elderly (65 years and over)**

**Strategy Statement:** Ensure access and opportunity for elderly persons to attain income security and an adequate living standard.

### **Strategies:**

#### **Transformative Strategies**

1. Ensure, through public education and other sensitization efforts, the recognition of ageing as a population dynamic, and the implications of demographic transition for the society.
2. Create and facilitate an enabling environment that supports credible investments in the development opportunities afforded by the ageing of the population.
3. Engender a policy environment that respects the rights of older citizens, and accommodates the enjoyment of those rights through appropriate legislative and policy provisions.
4. Promote community and family care and support for elderly persons using policy, legislation and socialization.

### Promotive Strategies

1. Promote active ageing and the full participation of older citizens in decisions affecting their quality of life.
2. Promote productive engagement of older persons, whether in paid or unpaid work.
3. Ensure effective delivery of health care and medical services to older persons.
4. Promote accessibility to public goods and services through use of appropriate infrastructure and accessibility options.
5. Facilitate the inclusion of the elderly in social security (social insurance and pension) systems that mitigate risks to their income security.
6. Facilitate appropriate pension reforms that support income security of the elderly.

### Protective Strategies

1. Extend social transfers to the eligible elderly, including cash transfers in the form of social pensions, and medical subsidies to support the chronically ill.
2. Ensure the streamlining and rationalization of public health insurance schemes and medical subsidies available, to simplify utilization, reduce overheads and increase benefit to cost ratios.
3. Utilize public-private partnerships of various forms to support the institutional care of the elderly wards of the state, providing quality, non-discriminatory care to all clients.

### Cross-Cutting Issues

The discussion that follows, although inevitably overlapping with some of the considerations noted above, serves to highlight several crucial cross-cutting dimensions to the strategies for a comprehensive social protection system. Among these are:

- Environmental Factors
- Food and Nutrition Security
- Poverty Reduction
- Response to Crises and Emerging Vulnerabilities

## Environmental Factors

**Strategy Statement:** Ensure that all residents have shelter, water, sanitation and physical access to goods and services that meet agreed standards of quality and security, in harmony with the natural environment.

### 1. Housing and Related Infrastructure

#### Strategies:

- a. Establish formal channels to forge closer institutional working relationships between government housing agencies and SP stakeholders and use advocacy to lobby for appropriate policies and plan implementation in housing in order to further SP interests.
- b. Establish agreement with relevant authorities on minimum tolerable housing standards for Jamaican households and the establishment of a database of households that fall below these standards.
- c. Implement affordable shelter solutions for households in housing below minimum tolerable standards, on a phased basis, supplementing current housing initiatives for the needy with solutions for those who cannot afford ready-made housing. Combine state support with partnerships with private sector agencies for the homeless programme with formal structures of cooperation established by the state.
- d. Target communities for interventions to address physical access, water and sanitation issues, using techniques such as the Poverty Map of Unsatisfied Basic Needs to identify and rank priority communities.

### 2. The Environment

The strong correlation between poverty and environmental degradation reflects the close relationship between and heavy reliance of the poor on natural resources for their survival. The SP system, therefore, has considerable leverage in this area through its ongoing relationship with needy persons.

**Strategies:**

1. Use the SP system as a vehicle for promoting environmentally sound and risk sensitive practices and avoiding negative environmental impacts, through:
  - a. the utilization of natural resources and the interaction with the environment, including responsible waste disposal, livelihood practices with negative environmental impact etc.
  - b. settlement choices which expose households to serious loss when they settle on living sites that are environmentally risky, e.g. unstable slopes or flood prone areas.

**Food and Nutrition Security**

**Strategy Statement:** Ensure that a sufficient quantity of nutritious food is available through increased domestic production and sustainable importation, and that all individuals have access to resources to acquire adequate and affordable food at all times.

**Strategies:**

1. Establishment of links between small farmers and relevant SP target groups, with the government purchasing in bulk from the farmers for its welfare programmes. The farmers will be encouraged to form co-operatives for this purpose.

Partnerships involving faith-based organizations, NGOs and the commercial sector will also be used to support this initiative.

2. Expansion of food production by schools, community groups and households, and the inclusion of low cost (vegetable) sources of protein in national food security plans<sup>37</sup>. Nutrition education programmes will also be greatly expanded towards enhancing healthy lifestyles for the entire population.

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<sup>37</sup> UWI Consulting, "Consultancy: To Conduct a Study on Consumption Patterns and Coping Strategies of PATH Households", 2012.

## Poverty Reduction

**Strategy Statement:** Promote the attainment of living standards of persons or households above levels that are considered as being in poverty based on accepted national criteria.

The reduction of poverty is an inherent feature of the strategies used for SP. This is in keeping with the goal of enabling all members of society to maintain adequate living standards. Hence, the common thread running through all strategies previously outlined is the interposition of interventions that will either foster individuals' ability to have a livelihood or income, prevent/mitigate loss of income or assets, or where necessary provide persons with ongoing support. Thus, in all cases there is either a direct or indirect contribution to poverty reduction.

Improvements in the economy should result from implementation of the Growth Inducement Strategy of the government, of which an integral feature is continued single-digit inflation and low interest rates, both of which have positive anti-poverty impacts. Additionally, the focus placed on social risk management to cushion the impact of shocks will "not only stabilize income and consumption but is an investment in poverty reduction"<sup>38</sup>; this may be expected to reduce poverty in three ways<sup>39</sup>:

- Reduce transitory poverty.
- Prevent the poor from falling deeper into poverty.
- Provide an avenue out of poverty.

It is also expected that as a result of greater information on and access to appropriate risk management instruments provided by both the government and the market, higher risk taking investments will be engaged in by the population, which should contribute to higher levels of economic growth.

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<sup>38</sup> Devereux and Wheeler, 2007. | <sup>39</sup> Holzmann and Jorgensen, 2000.

**Strategies:**

Close examination reveals that the range of SP strategies being used are perfectly aligned to positively impact the characteristics of poverty in Jamaica noted in the Situation Analysis.

1. Firstly, the strategies seek to improve access to quality goods and services for the poor, are designed to build human capital, reduce unemployment and finally through ALMPs, to increase productivity and income in the short term.
2. Secondly, through improved access to credit and financial services for asset formation et cetera, the measures promote inclusiveness and equity in the medium term.

The importance of these conditions to poverty reduction is highlighted by one analyst who states that pro-poor macroeconomic policies “cannot produce all of its beneficial effects if deep-seated inequalities in the distribution of asset, credit, opportunities and human capital are not removed”<sup>40</sup>.

There is also direct correspondence between the above measures and the prescriptions in the Poverty Reduction Sector Plan of Vision 2030, where the Outcomes and associated strategies are:

1. “Equitable access to basic goods and services” – that is, focus on access of the poor to quality services.
2. “Responsive public policy in place” – that is, sensitivity to the needs of the poor for example, minimum wage and asset formation.
3. “Economic opportunities for sustainable livelihoods created and/or expanded” – that is, focus on human capital development and decent employment for the poor.
4. “Social inclusion of the poor promoted” – for example in governance, justice and decision making.

Other factors expected to contribute to poverty reduction include measures to promote responsible parenting, with an anticipated impact on teenage pregnancies, which could reduce dependency burdens in households. An important strategic intervention in the poverty reduction dynamic will be the establishment of a National Poverty Reduction Coordinating Unit in the PIOJ, and the development of a new Poverty Programme in keeping with Vision 2030 Jamaica.

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<sup>40</sup> Cornia, *Pro-Poor Macroeconomics Potential and Limitations*, 2006.

## Response to Crises and Emerging Vulnerabilities

**Strategy Statement:** Protect residents from the worst effects of national or sub-national crises (originating from any source) that threaten their socio-economic well-being; engender proactive approaches to foreseeing emerging social security needs and facilitating appropriate responsive mechanisms.

The effects of sudden shocks, such as natural disasters, pandemics, economic crises and food price increases are generally widespread and diffused over large segments (if not all) of the society and economy. As such the national response must involve multiple sectors, with the SP system playing its own defined role that is complementary to the other sectors and designed for both preventive and ameliorative purposes. For the social protection sector to maintain effectiveness over time it must have the foresight and flexibility to accommodate any future demands within a reasonable planning horizon. These are inherent requirements that will enable the sector to generate demand specific responses.

### Strategies:

1. Prepare a forecasting report every five years to identify emerging vulnerabilities and likely impacts. This would be on the basis of a scan of relevant local and global factors.
2. Establish strong communication channels among stakeholder agencies, and with the public, to provide pertinent information on social protection issues.
3. Ensure inclusiveness in preparations for disaster, particularly in relation to the most vulnerable population members, who are least able to fend for themselves and may be most affected by the disaster. Special attention will be paid to using the types of communication that will enable all persons to be adequately informed including persons with disabilities, and the Deaf.
4. Establish contingency plans, involving all relevant stakeholders, to ensure rapid mobilization of human and other resource specific programme responses; identification of rapidly accessible financial resources if required; and ensuring food security.
5. Promote longer-term planning for a stronger economic base, including advances in local production of goods and services. This will strengthen the ability of the economy to withstand ad hoc shocks and crises.
6. Ensure mechanisms are in place to flexibly respond to the varied needs of expanding vulnerable groups, to prevent long-term undesirable outcomes. These include access to goods and services, appropriate housing and facilities to ensure physical access, health services, employment opportunities and other forms of income support, human capital development, and access to social security.

Closer working relationship between SP authorities and the providers of goods and services will facilitate sensitization and advocacy on behalf of these groups. Strategic actions may include:

- a. Ensure Emergency relief and rehabilitation measures are in place, especially for the elderly, persons with disabilities and ad hoc victims.
  - b. Scale up cash transfer programmes by adding temporary beneficiaries and/or increasing benefit levels for a specified period.
  - c. Institute or expand public works programmes to sustain or replace incomes in the short term.
7. Maintain targeting of public services in health, food security, shelter and education for needy population groups.
  8. Develop and/or strengthen bilateral social security agreements with other countries to facilitate the social protection of migrants and their families.
  9. With respect to the impact of climate change on social protection:
    - a. Design monitoring and evaluation systems to capture further evidence and feedback on the effectiveness of an adaptive social protection approach.
    - b. Combine the long-term study of poverty impacts and social responses to climate change with trends and projections of future climate hazards.
    - c. Develop climate risk assessments for use in conjunction with social protection programme design and implementation.
    - d. Develop early warning and response systems, especially in the areas of food security, livelihood protection and physical security.

### Discussion and Conclusion

The Social Protection Strategy uses a life-stage approach to embed different types of strategic interventions, thereby providing a focus to the efforts of all stakeholders concerned. Both government and NGOs can locate their initiatives along the continuum of social protection offerings. Most importantly, the Strategy identifies the parameters of a social protection floor that will ensure extension of social protection coverage to certain vulnerable populations. This is in keeping with the thrust for social inclusion articulated in Vision 2030 Jamaica, and will serve to maintain attention on the need for guaranteed resource allocation to several programmes. A comprehensive social protection system offers much more than the floor and safety nets however, through the building up of broader systems of coverage of social security, and supportive social and economic sectors. Following the life-cycle approach, the SP sector must establish a link with parents from the antenatal stage, with close interaction between mothers and the health system, allowing for the sharing of appropriate knowledge and services.

Parental responsibility for children must be an area of great emphasis, with both state and non-state involvement in parenting education and services. Partnership with the public to help children in need is required. The preparation of children and youth for engagement in the labour market is critical for social protection.

For the working age, existing programmes for the promotion of job skills, entrepreneurship and good work attitudes will be consolidated and brought to scale. At the same time, focus on the principles supporting a decent work agenda will be maintained. Preparation for retirement by all persons, both in formal and informal sectors, will be actively encouraged. For the elderly, targeted social pensions is necessary for those needing such assistance; rationalization of programmes for health insurance will need to be put in place eliminating duplication and ensuring full coverage. In general, family and community support will be fostered and relied upon as the main source of caregiving for the most vulnerable and needy. Interventions for vulnerable groups will reflect sensitivity to gender differences and seek the elimination of discriminatory attitudes against persons with special needs in all spheres of society.

Innovative measures to address shelter needs are required. The use of sweat equity that protects the environment and mitigates disasters in exchange for serviced lots and housing built in accordance with established standards can provide a 'win-win' solution. This would be directed at squatters, while other initiatives can continue to target those with land access, involving the Ministry of Housing and the NHT. Serious consideration will need to be given to housing and home-ownership solutions for low-income families, who have a limited income basis for accessing minimum shelter offerings. Improvement in food security will be based on local expansion in the production of nutritious foods strategically identified to maximize nutrition while minimizing cost. Mutually profitable relationships will be established between the SP and agriculture sectors whereby farmers are guaranteed a market and SP programmes have a reliable source of domestic foods. These and other types of interlocking programmes of assistance will be utilized to serve different but complementary objectives wherever feasible.

In order to address crises and emerging vulnerabilities, the SP sector will prepare to be flexible with predetermined modes of expansion (and contraction) as the situations dictate. Wherever mitigation of the risk is feasible, this will be identified and appropriate measures instituted in advance; this applies in the case of disasters, or growth in the elderly population, for example. In the case of climate change, close collaboration with the environmental sector to identify and plan for possible impacts is necessitated in this largely uncharted area. The general thrust of all the above SP provisions will, inter alia, help to unlock the potential earning capacity of the poor or disadvantaged and mitigate against risks that undermine economic prosperity, thereby facilitating reduction in poverty and improvement in the general well-being of the society. Gendered perspectives will be brought to bear on all these dimensions, as it is critical to acknowledge differences in the experience of both males and females in social protection.

## CHAPTER IV: INSTITUTIONAL FRAMEWORK AND SUPPORTS

An effective social protection framework must be supported by a strong network of agency collaboration. For Jamaica, this will involve synergies between government and non-government sectors, and significant roles for each. An institutional framework is therefore recommended in this chapter, with a view to engaging the necessary systemic considerations and approaches.

### Basic Requirements

Basic requirements of the institutional underpinnings of comprehensive SP include:

- i. Political commitment and leadership to advance the interests of the system
- ii. Legislative and policy prescriptions to validate and guide the interventions
- iii. National capacity to implement the processes efficiently and effectively.

The strategic approaches to each of these are, respectively:

1. The relevant leadership will be apprised fully of the benefits to be obtained from a comprehensive social protection system, and of the feasibility of the funding arrangements. The latter will be kept to a minimum through the use of innovative strategies that reduce wastage, maximize efficiencies, and share costs by having partnerships, as well as by promoting client responsibilities.
2. The legislative framework will be reformed in keeping with the modern conceptualization and aim of SP. It will provide legal support for operational imperatives such as providing the legislative framework for micro insurance, or securing the guarantees of the social protection floor. Clear assignment of institutional roles and responsibilities particularly between central and local government, and between public and private sector will also be made. If deemed necessary, legislative changes will be introduced on a phased basis in keeping with the roll-out of the comprehensive system over time.
3. National capacity relates to whether the necessary public and private sector institutions exist, whether the quantum and skills of human resources are in place, whether there is the necessary technological infrastructure to handle the processes envisaged and whether the programmes are feasible in view of the fiscal constraints and available financial resources.

4. Assessment of these capacities will be undertaken so that provisions can be made to fill any gaps that may exist in the institutional capacity required for the comprehensive approach to SP; in relation to human resources, this will take into account expansion of cadres, as well as training of existing staff.

### Building a National Committee

An essential ingredient of the institutional framework is the establishment of a committee of key stakeholders whereby coordination and synergies may be generated among the entire range of programmes, and complementarity and maximization of benefits are ensured. The committee will involve an institutional framework that:

- brings policy and programme formulators together on a regular basis for integrated planning
- brings fieldworkers together on a regular basis for coordinated well-structured field operations
- has clear open channels of communication between the two.

An integral feature of the committee also is

- ongoing education and consultation to obtain consensus on and commitment to rights and responsibilities, this being initiated even prior to the committee's establishment.

These are depicted in Chart III, and elaborated on the following pages.

### Sensitization and Consensus Building

A basic requirement to successfully achieve a 'committee' is that all persons and relevant agencies need to recognize their roles as practitioners of social protection with indispensable contributions to make, for their own benefit and that of the society as a whole. Hence, sensitization and public education regarding the obligations, roles and responsibilities specific to each group of stakeholders will need to be fully amplified. Effective communication strategies will also be used to ensure translation of this knowledge into the desired behavioural change.

For example, the people themselves will need to actively build their human capital, secure themselves against unplanned risks and smooth their consumption et cetera. Community based arrangements (formal and informal) will need to be treated as important sources of support that must be reliable. Market-based provisions, that is, microfinance institutions and insurance companies, will need to be broadened and geared to be more responsive to the needs of the poorest members of society without threatening financial viability.

Employers will have to become committed to labour market operations that are more accommodating of the needs of employees for flexibility, gender equity and security. NGOs need to become more capable in using and promoting astute risk management strategies for social protection purposes. The government itself has the responsibility to promote, facilitate, regulate or mandate all of the above. There must also be clarity in objectives and singularity in purpose. Accordingly, a prerequisite for success is consensus on and commitment to the fundamentals of the system such as the “entitlements and standards” which concretize the ideals being sought, “the levels of risk and deprivation that are unacceptable” within the society<sup>41</sup>; and the role of the state vis-à-vis the other players.

### **Policy and Programme Development**

In view of the large number of agencies that will contribute to the SP system, it is essential for policies to coalesce into a cohesive, coherent network. This is dependent on having institutional arrangements which bring together on a regular basis all stakeholders—public and private agencies and representatives of the people— that are involved in the system. Details on the institutional framework for policy and programme development are presented further in this chapter.

### **Field Operations**

Operations in the field represent the interface between the people and the SP system. Strengthening these operations to function in a less splintered, more informed, integrated and synergistic manner is essential to eliminating inefficiencies and maximizing benefits. Additional information on the field operations are presented further in the chapter.

### **Communication Channels**

Information flow between policymakers and fieldworkers is critical for providing feedback for policymaking and preventing misinformation in the field. It also facilitates appreciation of the performance of the SP system from a sector-wide perspective rather than from the perspective of individual programmes<sup>42</sup>, and enables the fieldworkers to act upon, and be a source of, accurate advice and information. With this and the strengthening of field operations mentioned above, fieldworkers will be enabled to be vigilant in their communities, proactive in identifying persons in need of assistance of any kind and prompt in making referrals for appropriate help.

<sup>41</sup> Norton, Conway and Foster, “Social Protection Concepts and Approaches: Implications for Policy and Practice in International Development”, p.8. 2001.

<sup>42</sup> Grosh, 2008, p. 396.

## Building the Committee



Chart III: Building the Committee

### Institutional Framework

The Brazilian Model for SP has been acknowledged for having dramatic success in reducing poverty and inequality over the last decade. Since 2004, one ministry — the Ministry of Social Development and Fight against Hunger — has been structured, resourced and charged to lead the country's social protection programme<sup>43</sup>. But this has been dependent on strong coordination both inter-sectorally and vertically, the latter involving three levels of government (federal, state and municipal). In Jamaica, the scope of SP conceptualized in this document is broader than that of Brazil, and its overarching responsibilities would not fit readily into the mandate of any single line ministry that currently exists<sup>44</sup>.

<sup>43</sup> PIOJ, "Brazil Study Tour Report", 2011. | <sup>44</sup> An appropriate Ministry that could accommodate this broad based thrust would be a Ministry with responsibility for Family and Social Services. Such a Ministry would also help to eliminate the splintering in treatment of population groups and facilitate consolidation of social workers under one umbrella with their geographically based deployment.

Moreover, the breadth of the subject matter is a deterrent to such an arrangement. International experience further instructs that:

*In most circumstances it is desirable that other units of government than specialist social welfare agencies (such as the Ministry of Finance, Planning Commission, Cabinet Office) become centrally involved in the development of public policy in this area. This will be helpful in brokering the considerable range of interests involved, and coming to an appropriate view on the state's role, resources and priorities.<sup>45</sup>*

The PIOJ has long had responsibility for poverty analysis and monitoring and in early 2012 was given the mandate by Cabinet to structure and coordinate a poverty reduction Programme. The agency is also the main advisory body of the government on social policy in general. It is therefore well placed to be the central coordinating arm of the government for SP and will chair a National Social Protection Committee (NSPC). This body will be responsible for advising the government on policy and programme development for SP, and for the coordination and monitoring of an effective social protection network, in order to ensure that close collaboration, cooperation and integration is maintained.

This body will replace the existing Social Safety Net Reform Programme Implementation Committee (SSNPIC) and will be chaired by the Director General with secretariat services provided by the Social Protection and Gender Unit. It will meet at least bi-annually and prepare Annual Reports for submission to Cabinet through the PIOJ's Portfolio Minister. In the initial stages of implementation of the comprehensive strategy, however, it will meet as frequently as necessary to propel the requisite changes.

### **National Social Protection Committee**

The NSPC's mandate will include ensuring coherency and consistency in the nation's SP policies and intervention. Significant changes to SP policies should be instituted with the benefit of consultation and advice from this body. Sub-committees will be convened to give specific focus to four thematic areas, in terms of policy, practice and resource mobilization.

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<sup>45</sup> Norton, Conway and Foster, 2001, p.41.

These are:

- Social Transfers Sub-Committee (cash transfers, grants, medical subsidies, school feeding, etc.)
- Income Security Sub-Committee (social security, pensions, minimum wage, ALMP, micro credits, etc.)
- Human Resource Development Sub-Committee (health, education, food security)
- Social Services and Infrastructure Sub-Committee (water, housing, sanitation, transportation, etc.).

These Sub-committees will be co-chaired by selected agencies, and would meet more frequently than the NSPC and submit regular reports to that body.

Membership on the NSPC should include representatives from key stakeholders, as well as ad hoc representation from other agencies as required from time to time.

**Table 6: Recommended Key Stakeholders for the NSPC**

| Government Ministries                              | Other Agencies  |
|--|---|
| Labour and Social Security                         | Board of Supervision  |
| Local Government and Community Development         | Social Development Commission                               |
| Finance and Planning                               | Jamaica Council for Persons with Disabilities               |
| Office of the Prime Minister/Office of the Cabinet | National Council for Senior Citizens                        |
| Health   | Jamaica Social Investment Fund                              |
| Education  | Child Development Agency                                    |
| Agriculture  | HEART Trust NTA   |
| Planning Institute of Jamaica                      | Financial Sector representative(s)<br>NGO representative(s) |
| Transport and Works and Housing                    |   |
| Industry Investment and Commerce                   |   |
| Land, Water, Environ. & Climate Change             |   |

## National Social Protection Committee

Recommended Structure for Policy & Programme Development,  
Monitoring & Evaluation

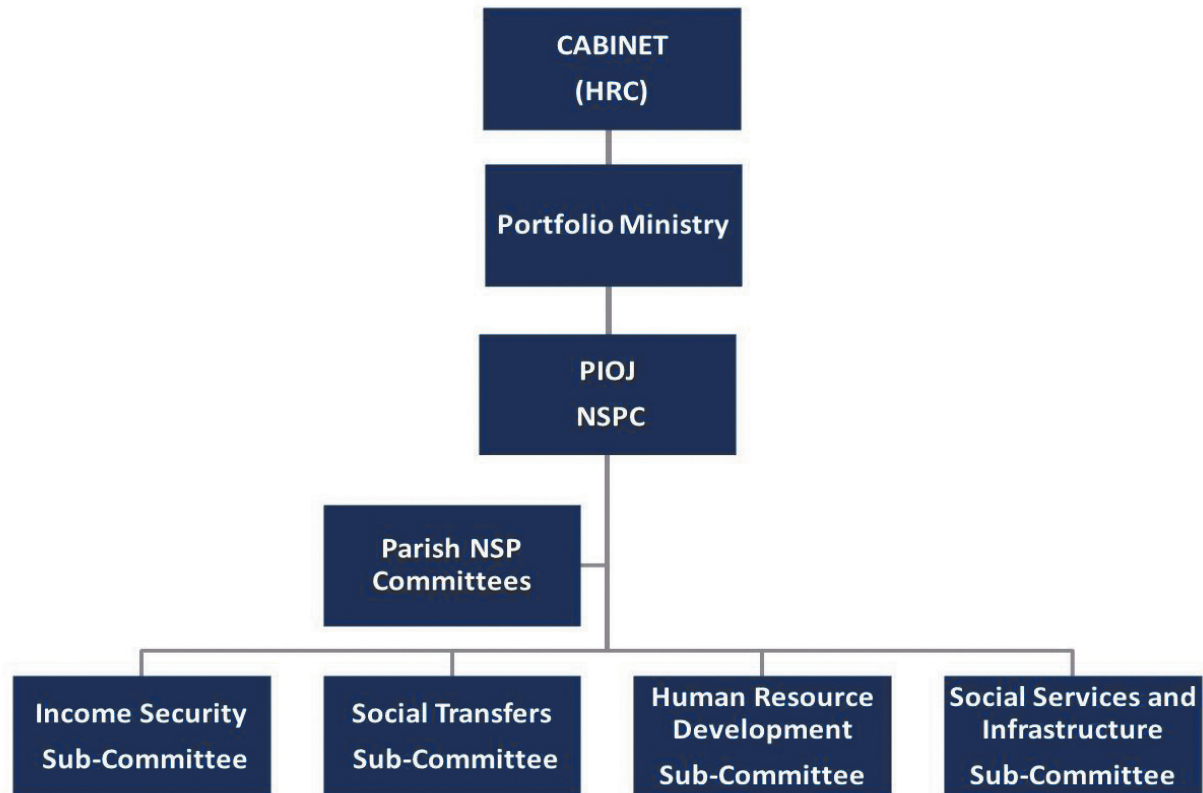


Chart IV: National Social Protection Committee

### Roles and Responsibilities

#### Roles of Central and Local Government:

In relation to the Social Safety Net, the draft National Assistance Bill assigns responsibility for managing all aspects of social assistance to a division within the Ministry with the mandate to handle these matters (currently the Ministry of Labour and Social Security). At the parish level, this Ministry is also to chair Appeals Committees (addressing eligibility issues) which are comprised of regional/local representatives of relevant central and local government bodies, NGOs and the community. Finally, responsibility for institutional care and homeless facilities are assigned to the Local Authorities (LAs).

Hence a two-tiered system is envisaged by this milestone legislation with the division of responsibility made between parish-based facilities to be handled locally and islandwide cash transfers to be handled centrally. A similar approach needs to be utilized in relation to the wider requirements of the comprehensive SP system. The Local Government Reform thrust in Jamaica strongly supports the principle of subsidiarity and it is clearly better for tasks that require detailed knowledge of local conditions and circumstances to be led by personnel at the local level. Brazil has successfully used this technique for the identification of households needing assistance and for linking them to appropriate sources of assistance at any level<sup>46</sup>.

Households at risk due to factors such as environmental conditions, poor/makeshift structures, land titling issues, and social conditions such as overcrowding et cetera, would therefore be a responsibility handled at the local level. Those households so identified will then be brought to the notice of the relevant agencies or programmes for appropriate remedial action to be taken. In general, interventions for housing and physical infrastructure programmes will be organized at the parish rather than national level; local level environmental conditions are currently the purview of the LAs and are proposed to remain so. Their responsibilities may thus be summarized as follows.

1. The destitute including institutional care and homeless facilities.
2. Identifying and maintaining a database of households living in risky or substandard shelter.
3. Environmental management.

Other social assistance interventions would be led from the central level. Networking and communication between central and local levels will be integral.

### **Field Operations**

Field operations will depend on the successful administration of the five pillars outlined below. These must all have the hallmark of optimal utilization of resources with the aim of maximizing output for every dollar spent.

1. Parish Level NSPC:  
There will need to be a body in place at the parish level which is similar to the national level NSPC in its agency representation. Chaired by the MLSS (or other designated agency), the role of this body will be to give general oversight to SP operations at the parish level and provide routine monitoring reports to the national level.

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<sup>46</sup> PIOJ, 2011.

Secretariat services will be provided by the MLSS (or other designated agency). Notably, in parishes that have Community Development Committees or Parish Development Committees in operation, these bodies should have representation on the Parish Level NSPC, as they were established expressly to represent the people's interests on an organized basis. Existing parish-level institutional arrangements can therefore be considered for the role of the Committee, to lessen duplication.

2. Social Workers:

Currently the field workers from state and non-state agencies (including volunteers) comprise an informal network of persons who are highly committed to assisting their clients, but need to be better empowered to carry out the mandate of the SP sector. Additionally, the government has a cadre of social workers employed to different agencies that overlap with each other in covering geographic areas.

Changes will be made to better pool resources and improve field operations, such as (i) measures to formalize and regularize networking and interrelationships; (ii) strengthening state operations by rationalizing the employment of social workers between central and local government and instituting a system across public sector agencies for systematic allocation of work designed to reduce duplication of effort in reaching clients; (iii) increasing the ratio of workers to clients by better deployment and utilization of related staff such as Community Health Aides, Mental Health Workers and National Youth Service (NYS) interns et cetera; and (iv) strengthening the operations of the voluntary sector by providing assistance in technical areas of need such as part-time trained psychologist and so forth. Along with good communication from the policy level, social workers will then be better equipped to ensure that their clients' needs are met.

3. Parish Committees (Social Assistance):

The Parish Committees proposed in the National Assistance legislation will need to have their functions enlarged to not only consider appeals but to identify persons or households who should be appropriately referred for state assistance of any kind. Membership on the committees will then need to be expanded to include a representative of the social workers. Having such responsibilities will also enhance the committees' sensitivity to vulnerabilities so that they can be promptly aware of the emergence of new vulnerable groups and be relied upon to help to provide early warning signals of same. Again, the parish structures recommended in the draft Bill will need to be aligned with the broader SP issues, and be linked with the parish NSPC to ensure policy coherence with the SPS.

#### 4. Local Authorities:

The role of the LAs was outlined above. In essence, their responsibility to the SP system will be to provide care and support to the destitute including institutional provisions. Also, the physical environment including housing and the natural environment will be under their supervision and control.

#### 5. One-Stop Centre:

An important feature of the field operations is the existence of **a single point of contact with the SP system in each parish** where information on and access to all programmes may be had in one location. It is of the utmost importance to have such a central reference point in place. This is a feature of the current Brazilian thrust in SP, which has a varied and multifaceted network of programmes that are being successfully accessed across both municipalities and rural areas<sup>47</sup>. Individuals should be able to register or apply for assistance at a central point in the parish, for any of the government's interventions, and should be directed to the appropriate place for non-government assistance. This One-Stop Centre approach is best operated by an agency of central government, and either the Social Development Commission or MLSS with their network of parish offices would be appropriate to undertake this role.

### Administration

In the Strategy, there is much greater emphasis on preventive or ex ante interventions, including the involvement of non-state operatives. These operations require less centralized administrative control than state operations. In the case of state programmes, screening and maintenance of client records and a central database are essential; this will be the responsibility of the Central Welfare Agency — the MLSS. Additionally, administration by the respective Ministries, Departments and Agencies of government (MDAs) must follow the principles necessary to attain high levels of efficiency, accountability and transparency in operations. These objectives are already a focus of the Public Sector Modernization Programme which is currently being pursued. In addition, emphasis must be placed on attaining the characteristics espoused in the Guiding Principles of the SP for programming, namely:

1. (S) synchronization of programmes
2. (M) monitoring and evaluation with adaptation in response to evidence

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<sup>47</sup>PIOJ, 2011.

3. (A) affordability via cost containment with elimination of all sources of wastage including duplication and poor coordination
4. (R) responsiveness to situations of need from crises and shocks
5. (T) transparency and accountability, whereby all providers, whether state or non-state actors, must be held accountable to provide unbiased quality service that will make a meaningful difference to the lives of recipients.

### **Interlocking Programmes of Assistance**

In order to maximize the impact of the assistance given to the different vulnerable groups, a high degree of coordination and interlocking arrangements are utilized in the Brazilian model. Three strategies are employed to achieve this<sup>48</sup>.

1. Through the case management approach, it is ensured that family members benefit from all the programmes of assistance for which they are eligible.
2. Programmes are designed to be mutually supportive wherever possible; for example, produce is purchased by the government<sup>49</sup> from poor farmers and donated to food insecure groups, charitable organizations or used for social assistance programmes including the School Feeding Programme.
3. There is a high degree of collaboration in programme development and operation among agencies both within and external to the government which facilitates the establishment of interrelationships.

Jamaica needs to embrace this strategy whereby benefits can be simultaneously secured for various SP target groups through well designed interlocking initiatives. Such an approach will be used to positively impact a number of problems currently being faced, including, inter alia, homelessness, food security, housing, disaster mitigation, environmental degradation and unemployment.

### **Phasing in and Timing of the Reformed System**

This systemic approach to social protection relies heavily on the transformation of attitudes in the country. It will be a process of change, not an event that will meet a deadline. An implementation plan will be made to target milestones for specific points in time.

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<sup>48</sup> PIOJ, 2011. | <sup>49</sup> There are limits to the amount purchased so as to discourage excessive dependency on the government.

In order to implement the new system successfully, the following sequencing of actions will be undertaken:

1. Dissemination and communication with key stakeholders to win political and institutional adherence to the broad based concept of SP. It is necessary to re-engineer social protection within the public policy landscape as well as within the non-state sector and this will require extensive sensitization and education. This will aim to generate holistic comprehension of the issues by the parties involved, build consensus about rights and entitlements and about what should be expected of the government and of the other partner agencies. Following this, the agencies should be brought together to work out the integrated set of strategies that will be used.
2. Next, will be the establishment of the Institutional Framework which should begin by FY 2014/15; it will begin with a small core and be expanded to its ideal size in a time to be determined.
3. Critically needed changes will be instituted in government SP provisions including field operations as described above and selected priority recommendations from the Marques Report (PIOJ 2011) as these are important to laying the groundwork of the new operations. In this regard note is taken of the comment by the World Bank quoted in Box 3 which is extremely relevant to Jamaica. Because of the fiscal limitations, bringing programmes to scale is a major challenge for Jamaica. Nevertheless, agreement will be reached with the highest levels of authority on the programme specific changes to be implemented and a time bound plan of action put in train. Finding innovative means for implementing SP that reduces the burden on the public purse is a prerequisite for having the improvements made, and the overall issue of funding is separately discussed in Chapter V.

### Box 3: Common Pitfalls in Reforming Safety Net Systems

Having too many programs. International experience is rife with countries that have too many programs each with low coverage, low benefits, inadequate administrative systems, and high overheads. Having fewer, larger programs would allow them to achieve economies of scale. In countries with too many programs, they often overlap and are not sufficiently coordinated to achieve the best possible synergies.

SOURCE: For Protection and Promotion, p. 397

The main elements of the Marques recommended strategic priorities that are endorsed are:

- (i) Immediate – enact outstanding Bills which are critical for implementing institutional and programme reforms
  - (ii) Short term – implement Public Sector Rationalization reforms for streamlining Social Protection but let the infirmaries be the responsibility of Local Authorities
  - (iii) Medium term – Move towards a more family-centred case management approach based on two pillars, that is, the system-wide use of the BIS for screening and systematically working with poor families to help them exit poverty permanently.
4. Finally, the foundation will be laid for evidence-based policy formation involving data collection, maintenance of up-to-date monitoring systems and scientific analyses. To begin, knowledge of “the needs, realities and priorities of the groups which are intended to benefit”<sup>50</sup> will be amassed and maintained by ongoing interaction with the target groups in order to foster mutual understanding, participation and trust.

Note is taken of a paper<sup>51</sup> that examines certain factors that are expected to determine the course of SP globally in the future, namely: the role of external actors for example, multilaterals, financing, and delivery capacity. Conditions for success are specified to be:

- i) Consolidating partnerships for external actors to support nationally led strategies
- ii) Using innovative techniques to reduce financing constraints
- iii) Strengthening demand for social protection.

Indeed all must be considered crucial for Jamaica, but strengthening demand for SP that is preventive rather than ameliorative requires transformation of fundamentals in the society and that may possibly be the most challenging.

## Conclusion

The comprehensive social protection strategy must be driven by a structure that brings together the entire range of interests guided by a coherent set of policies. Sensitization and education on the conceptual framework will support the inception of the NSPC, while consensus on principles, entitlements, standards and roles would be its first order of business.

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<sup>50</sup> Norton, Conway and Foster, 2001. | <sup>51</sup> Barrientos and Hulme, 2008.

Public education programmes will be important and should embrace several areas viz personal responsibility for one's protection against all forms of risk; community responsibility for the vulnerable members; agency responsibility for equity and inclusiveness in programmes; and state responsibility for SMART programming. The committee should involve all key players. Rationalization and strengthening of field operations are essential to ensure vigilance, proactivity, counselling and referrals to appropriate sources of assistance. The services to meet the entire range of needs for SP must give explicit recognition to the role of informal as well as formal sources. The spontaneity of the former should, however, be enhanced by efforts at greater organization guided by the ongoing counselling and advice of field workers to complement the public education thrusts.

The key requirements necessary for a comprehensive social protection strategy are distilled in Box 4. They are based on **closer relationships** between the SP and other sectors; **proactivity** in identifying and targeting clients; **facilitation** of user-friendly utilization of the various services offered; and general **public education** to stimulate demand for social protection that is preventive rather than ameliorative.

#### Box 4: Key General Strategies for SP

1. Establish a SP Committee to forge closer relationships between the SP sector and other relevant sectors, and use this means to engender understanding of SP requirements throughout the system, and to advocate for desired changes.
2. Clarify roles and responsibilities in the field, eliminating any inefficient bureaucratic arrangements and instituting formal structural relationships at the parish level, in order to facilitate rationalization and coordination of the operations of all public sector social workers, and also to strengthen relationships with the voluntary sector.
3. Establish strong communication flow between fieldwork and policymaking to ensure full information in the field and evidence based policy development.
4. Establish a One Stop Shop approach where access may be had to all the interventions or services available in the SP Sector.
5. Use a life-cycle approach in relating to social protection.
6. Use case management to provide psycho-social support and guidance for identified "at risk" or vulnerable households.
7. Use geographic targeting to address issues affecting physical infrastructure and environmental security of households.
8. Build citizens' awareness of personal responsibility by infusing into all mass media communication tools of stakeholder agencies, messages on:
  - a. the value of good parenting skills and practices
  - b. the importance of human capital development (health, education, nutrition)
  - c. recognition of personal responsibility for social security participation
  - d. the need for social risk management to protect against threats to well-being
  - e. the importance of environmental stewardship to the nation.

# CHAPTER V: FINANCING STRATEGIES

## INTRODUCTION

Vision 2030 Jamaica requires the implementation of Effective Social Protection in order to facilitate the empowerment and protection of each Jamaican citizen so that he/she can contribute to making “Jamaica, the place of choice to live, work, raise families, and, do business”. As defined in the foregoing chapters, developing a comprehensive social protection framework is a major undertaking. Specifically, this Comprehensive Social Protection Strategy consists of:

1. a Social Protection Floor which is intended to ensure that residents enjoy some minimum level of basic social services and income security
2. a Social Safety Net, incorporated within this floor, that provides support and protection for those who fall below the identified minimum living standards, for example, the poverty lines
3. additional social protection initiatives that build on the basic interventions, leading to enhanced forms of social security.

Financing of social protection measures involves a range of modalities, and includes government as well as private sector sources. The success of aspects of the Strategy will depend primarily on the sustainable financing of provisions or activities, even in times of economic shocks or fiscal constraints. This is in order to maintain social gains and positive economic impacts derived from social protection. Governments have sought innovative ways to buttress the traditional financing sources of general taxation revenues, including shifting the burden of non-contributory schemes to contributory or earmarked sources. In general, however, the principle of national solidarity reinforces the various approaches to be applied, ensuring that the ‘stronger’ supports the ‘weaker’ in the area of financing. While allocations to social policy or social protection based on any savings or shifts in expenditure are not automatic, strong advocacy should be maintained for effective and sustainable delivery of social programmes.

The need for government to create fiscal space, especially for the social protection floor expenditures, is critical. Innovative measures often have to be used in order to release resources for social spending. There is also a significant role for financing through private capital, particularly at the higher levels of social security offerings. In identifying the appropriate strategies to fund different elements of social protection, cognizance must be taken of its importance to national well-being through its central role in broad based social development and its concomitant contribution to social stability and economic growth.

Financing of the Strategy will, therefore, involve increased collaboration and integration between the government and private sector stakeholders, alongside the family, community structures and NGOs, with aligned support from international development partners.

### Expenditure and Financing Patterns

The PIOJ assessment provided a comparative review of Jamaica's expenditure<sup>52</sup> in the area of social protection vis-à-vis the expenditure in six countries in the Caribbean region for which relevant data were available (see Table 7). Overall, Jamaica's expenditure on the various components of social protection is similar to the regional average. Only in the area of health spending does Jamaica rank below average in relation to the other countries examined. Jamaica spends a substantial amount of resources on social protection mechanisms at approximately 4.4 per cent of the Gross Domestic Product (GDP) in comparison to the regional average of 4.0 per cent of GDP. In terms of overall expenditure on the social sectors, Jamaica's expenditure of 13.2 per cent of GDP is below the regional average of 14.5 per cent because of the lower rate of expenditure in the health sector, where it trails behind all of the other countries in the analysis.

**Table 7: Regional Comparison of Social Protection Spending as a Percentage of GDP, FY2009/10**

| Country         | Social Insurance | Social Assistance | Social Protection | Education | Health | Social Sectors | Year    |
|-----------------|------------------|-------------------|-------------------|-----------|--------|----------------|---------|
| Jamaica         | 2.6              | 1.8               | 4.4               | 6.3       | 2.5    | 13.2           | 2009/10 |
| Country Average | 2.2              | 1.8               | 4.0               | 6.3       | 4.1    | 14.5           |         |

Source: Marques (2011) Table 2, p.20. Countries included in the average are Antigua & Barbuda, Dominica, Grenada, Saint Kitts & Nevis, Saint Lucia and Saint Vincent & the Grenadines

At the programmatic level, the main sources of financing for government Social Protection are identified in Table 8; the Jamaican government currently avails itself of practically all these sources. A variety of methods have been used across the world, particularly in developing countries, to finance their social protection programme. This has included options such as increasing general taxation (as in Brazil, Costa Rica and Thailand).

<sup>52</sup> Data for this section are from Marques, 2011.

Budget reallocation through a comprehensive re-prioritization exercise has been used in countries such as Costa Rica, Lesotho and Thailand, where expenditures have been reduced in areas considered to be of low priority and channelled into the financing of social protection. Finally, many highly indebted countries have also used the amount saved, due to debt forgiveness and restructuring, to the financing of their social protection programmes.

**Table 8: Sources of Financing for Social Protection**

| Source   | Advantages   | Disadvantages  |
|--|--|--|
| <b>General taxation revenue</b>  | Large and stable tax base<br>Progressive incidence (income tax)<br>Sustainability and legitimacy   | Distortions of labour supply, saving & consumption behaviours<br>Regressive (VAT)<br>Procyclical (income tax)  |
| <b>Payroll taxes</b>   | Protected in the budget<br>Linked to benefits  | Regressive<br>Labour market segmentation<br>Procyclical  |
| <b>Earmarked consumption (sin) taxes</b>   | Politically viable<br>Tax may be desirable in its own right  | Usually yields limited revenues  |
| <b>Cross-subsidization (i.e. differential payment charges related to ability to pay)</b> | Redistributive effect within a programme   | Incentives for over consumption<br>Lack of fiscal transparency<br>Potential for contingent fiscal liabilities  |
| <b>Loan funds or grants from international sources</b>                                   | Increases availability of funds<br>Finances investment in productive activities in countries with low public savings<br><br>Finances temporary expansion of programmes during crises | Inflexibility in use of funds<br>Instability of funding<br>Donor coordination issues<br>Government autonomy issues<br>High debt service burden<br>Debt overhang impact on growth<br>Vulnerability to a solvency crisis |
| <b>Civil society partnerships and charities</b>  | Increases social cohesion<br>Reduces the burden on the state   | Potential lack of accountability<br>Potential lack of overall coordination   |

Source: Grosh et al., 2008 with adaptations.

### Financing Options for the Strategy

It is expected that the financing for social protection in Jamaica will be increasingly facilitated as the government's current continued efforts at economic policy reforms and growth yield fruit. With economic growth, if the current share of expenditure on Social Protection is maintained at 13.2 per cent of GDP, there would be an automatic expansion of the funds available to the sector.

It is anticipated, given the potential of social protection to positively impact economic growth, and its acknowledged influence on social stability and quality of life, that priority will continue to be given to the budgetary allocations required for the sector. Financing for major elements of the SP System in Jamaica is discussed below. Specifically, attention is given to the elements of the Social Protection Floor as defined in Chapter III, since within these lie a significant responsibility for the provision of public goods and services, safety nets and social security offerings by the government. As previously determined, additional social security measures that define the comprehensive social protection system tend to, in many instances, be market-based, and are largely provided through the private sector. Table 9 provides basic information on current funding sources and where it is considered necessary, alternative sources are also suggested in the last column of the Table. The discussion and the Table are structured in three parts as follows:

SP Floor:      1. Income Security      2. Basic Social Services      3. Social Transfers

**Table 9a: Funding the Social Protection Floor (Income Security)**

| Floor Description     | Current Funding Source   | Alternative Funding Proposals  |
|-----------------------|--|--|
| National Minimum Wage | Employers  | None   |
| National Insurance    | Employee and Employer Contributions, i.e. Earmarked Payroll Tax. | Improve NI Fund via: <ol style="list-style-type: none"> <li>a) Increased Contributions               <ul style="list-style-type: none"> <li>- increase in the Insurable Wage Ceiling.</li> <li>- larger Flat Rate Contributions for Domestic Workers, Voluntary Contributors and Self-Employed.</li> <li>- raise rates for a short period (temporary) to increase fund reserves.</li> </ul> </li> <li>b) Capital Injection into the Fund from profit making public sector entities.</li> <li>c) Diversified investment policy for Fund reserves to enhance return within the risk parameters.</li> </ol> |

**Table 9a: Funding the Social Protection Floor (Income Security) cont'd.**

| Floor Description                                | Current Funding Source   | Alternative Funding Proposals  |
|--|--|--|
| Employee Retirement Schemes<br>• Private Sector  | Employer and/or Employee Contributions   | None   |
| • Public Sector                                  | Mix of shared contributory and non-contributory; from General Tax Revenue (GTR). | Increase contributory schemes in the public sector.                                  |
| Unemployment Insurance                           | Not yet in existence   | Employer and Employee Contributions for employees.<br>Link to NIS for self-employed. |
| Employment Services<br>• Government<br>• Private | GTR<br>Service Charges   | None<br>None   |
| Active Labour Market Programmes                  | GTR  | None   |

The programmes for which major funding changes are envisaged are the National Insurance and Public Sector Pension (PSP) Schemes both of which are unsustainable under current conditions. Both schemes are under revision to make their funding sustainable, primarily by aligning contribution levels with benefits; this involves raising the contribution levels for the NIS while making the PSP contributory.

With regard to Unemployment Insurance, which is proposed for consideration, establishing a link to the NIS and NHT would make the scheme viable and attractive. NHT refunds for the formal, self-employed and informally employed workers could be transferred as a lump sum to individuals' NIS account which could be used to enhance the amount available in their Unemployment Insurance Account, or go towards pensionable funds. The government<sup>53</sup> could also provide a risk-pooling fund using funds sequestered from existing lottery flows.

<sup>53</sup> The financial and actuarial analysis relating to the programme will need to be completed with urgency in order to determine the contribution and replacement income parameters.

**Table 9b: Funding the Social Protection Floor (Basic Social Services)**

| Floor Description  | Current Funding Source  | Alternative Funding Proposals   |
|--|---|---|
| Primary Health Care  | GTR   | Enhance resource availability by:<br>- National Health Insurance Programme using NHF (with current funding – see below) as purchaser and financier for the most vulnerable population.<br>- Fee payment from those who have private insurance or can afford to pay. |
| Education to Secondary Level   | GTR   | General tax revenue. Assistance from International Development partners.<br><br>Reintroduce tuition fees at secondary level with fee waivers for those who cannot afford to pay.  |
| Potable Water and Sanitation   | Infrastructure financed from GTR with support from Multilateral Funding Agencies.<br><br>Water usage funded from customer user charges.   | Include Local Property Taxes for regular maintenance<br><br>None  |
| Waste Disposal<br>• Garbage Disposal                                 | Property Taxes  | None  |
| Shelter  | Employer and employee contributions i.e. Earmarked Payroll Taxes to NHT.<br><br>GTR to Ministry of Transport, Works and Housing<br><br>GTR for Indigent Housing.<br><br>Use of state owned lands.<br><br>Private sector inputs for Joint Venture Projects | Obtain labour inputs from able bodied beneficiaries to offset costs to the state.   |
| Physical Infrastructure<br>• Roads<br><br>• Public Transport (buses) | GTR; Earmarked levy (i.e. share of motor vehicle licence fees – Road Maintenance Fund); Local property taxes; Tolls.<br><br>Fare collection and GTR subsidy.  | Enhance resources with improved collection of local property taxes.   |

There is currently universal free access to primary and secondary tuition, and public health services. However, success in service provision remains a challenge. For example, in the area of health, examination of the impact of the policy of no user fees has revealed that it “did not guarantee universal access to care, particularly for the poor”<sup>54</sup>. Strategic financing of health services is needed to ensure that all including the poor have equal access to quality health care.

A best practice in this area is the model utilized by the Netherlands which legislates compulsory contributions by citizens to an insurance provider of their choice. In order to protect the interest of both the patients and the competing insurance companies, the government spreads risks between the funds by contributing to an ‘equalization pool’ as a subsidy to the programme<sup>55</sup>. The government also pays the premiums for children up to the age of 18 years. There are two other main health insurance models used globally: insurance payments by government out of general tax revenue as in Canada; and employer/employee contributions to ‘sickness funds’ as in Germany. Countries display varying degrees of reliance on these three sources of funding, that is, private payments, tax revenue and employment related contributions.

It has been recommended<sup>56</sup> that Jamaica move towards a national health insurance programme, starting with the NHF acting as a purchaser and financier of health care for the most vulnerable population, using tax revenue, that is, its present source of funding plus additional resources from the Consolidated Fund. This Strategy endorses such an approach.

Additionally, universal free tuition needs to be replaced by cross-subsidization to have a more equitable system for poorer children and for the schools that serve larger numbers of these children. The School Feeding Programme is currently under-resourced but is available to any student at a subsidized rate or at no charge. A targeting strategy should be introduced to align the lunch cost to the ability to pay.

It is proposed to use local property taxes for the maintenance of water supplies in addition to roads and garbage collection which is currently the case. Measures to improve collection of these taxes will be relied upon to make this a successful move.

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<sup>54</sup> *Ibid.* | <sup>55</sup> *Wikipedia, 2013.* | <sup>56</sup> *Shiyao Chao, Jamaica's Effort in Improving Universal Access within Fiscal Constraints, 2013.*

**Table 9c: Funding the Social Protection Floor (Social Transfers)**

| Floor Description   | Current Funding Source   | Alternative Funding Source   |
|---|--|--|
| Cash <ul style="list-style-type: none"> <li>• Monthly allocation to needy and vulnerable groups</li> <li>• One-off payments to needy and vulnerable groups</li> </ul> | GTR plus Loans from Multilaterals.<br><br>GTR  | GTR. With expansion based on tax reforms to improve intake from tax collection.      |
| Kind (Medical Subsidies) <ul style="list-style-type: none"> <li>• Specific ailments</li> <li>• For elderly</li> <li>• For target geographic areas</li> </ul>          | Consumption tax on alcohol, petroleum and motor vehicles; plus 1/5 of NIS payroll tax to NHF<br><br>As above.<br><br>GTR | Add levy on payments for gun licence.  |
| School Feeding Programme  | GTR  | Supplement GTR with cross-subsidies by targeting free lunches to poor/needy.         |
| Institutional Care <ul style="list-style-type: none"> <li>• Children</li> <li>• Elderly</li> <li>• Destitute and Indigent</li> </ul>                                  | GTR<br>GTR plus Private Sector support.  | Add pool of funds from CHASE, Casino industry and assets from Proceeds of Crime Act. |
| <ul style="list-style-type: none"> <li>• Economic empowerment and assistive aids for PWD</li> <li>• Facilities for the Homeless</li> </ul>                            | GTR plus<br>- non-state support from NGOs<br>- Bilateral Projects etc.   | As above   |
| Emergency Disaster Relief   | GTR  | Plus fines for breaches of environmental protection laws and regulations.            |

Recurrent welfare benefits in 2010/11 were funded from general revenue (67.0 per cent), with external support primarily from World Bank loans (30.0 per cent) and from IDB loans. The government is expected to eventually assume the full cost. Improvement in tax intake is essential to enhance the fiscal space required for this. The NHF/JADEP<sup>57</sup> was designed to be funded from three sources: consumption taxes on alcohol, petroleum and motor vehicles; excise taxes on tobacco; and one per cent of the five per cent payroll tax of the NIS.

<sup>57</sup> Shiyao Chao, 2013.

Due to the relocation of cigarette manufacturing from Jamaica, the excise tax disappeared and the payroll tax as a share of total revenue has increased from under 20.0 per cent at the inception of the Fund to approximately 50.0 per cent in FY 2012.

A replacement for the tobacco excise tax could be a levy on payments for gun licences. More stringent enforcement of environmental protection with heavy fines for breaches is also advocated with these fines being used for Emergency Disaster Relief.

Funding for Social Assistance Services including institutional care is almost totally dependent on general taxation. It is recommended that a pool of funds be established for these services utilizing a portion of CHASE Funds which is financed out of proceeds of the betting and gaming industry, plus also obtaining proceeds from the pending casino industry. Funds obtained from the seizure of assets under the Proceeds of Crime Act could also be directed to this area.

### **Approaches to Funding New Elements of the Strategy**

Funding options for the elements of Chapter III that may require major additional financing are outlined viz.:

1. Promoting greater access to, and assimilation of information and services in health and nutrition, for pregnant and lactating women who are clients of the public health sector.

This can be approached through the existing institutional arrangements for antenatal care and interaction within the Ministry of Health, as well as strengthening and expansion of the home visiting services to provide education, counselling and referrals as appropriate. The objective is to improve the life and survival chances of young children through improved health and nutrition in this period. Food security for the most vulnerable women should be a priority in the distribution and availability of basic food items, and referrals could serve to broaden the reach of social transfers and public services. Financing could come through the general tax revenue, as well as earmarked sources such as the National Health Fund.

2. Instituting social pensions for elderly in greatest need.

The elderly constitute a growing demographic group who require income from some source. It is estimated that 114 000 may be lacking pensions at this time but further investigation is necessary to determine the number actually needing support. A decision could be taken to target the 'old old' (for example, those 80 years and above), who may not have any alternative income support. The specific parameters of the targeted pension would need to be determined and established in policy. General tax revenue would be the likely source of such a pension.

3. Case management by targeting social worker interventions to pertinent households.

This strategy can be funded partially by the rationalized and integrated approach to social worker assignments discussed previously. Additional social workers would be needed but synergies should be obtained by integrating the present objectives with that of the Early Childhood Development (ECD) programme. It is also recommended that this programme be instituted on an **incremental basis** insofar as additional social workers can be trained and hired to cope with the number of households. Again, general tax revenue would support this strategy.

4. Provision of shelter solutions for persons living in housing below acceptable standards.

The lands used for this purpose would be government-owned. Using able-bodied beneficiaries to clean drains/gullies, river training and bushing lots et cetera will enable the parish councils to divert the funds currently being used to pay for these activities towards contributing to the infrastructure for the lots. Where feasible, the strategy of Lift-Up Jamaica could also be utilized where workers learned a skill while employed on public works, thus the beneficiaries could simultaneously be equipped for future income earning. Where government lands can be made available for housing, sweat equity can be garnered from communities and potential beneficiaries. However, the shelter needs of poor and low-income households will need to be addressed through public-private partnerships.

5. Expanded public education programme.

Public education and sensitization to SP principles and practices will need to be a consistent feature of Government Broadcasts in the radio and television media. All the relevant MDAs would be called upon to include the social protection messages in their routine mass media communications. This area of public engagement could also involve support from the private sector and other non-government organizations. The private sector firms involved in market-based SP, such as the insurance companies, would be promoting risk management as a part of their marketing and would also be expected to partner with the government in communicating with the public towards achieving the requisite mindset and behaviour changes. These private firms could also commit to recommending those who cannot afford private premiums to participate in the public programmes such as the NIS.

## Conclusion

Two broad approaches form the basis of the financing strategy. Firstly, the Strategy advocates for greater prioritization to SP in allocation of state resources, particularly in respect of the social protection floor. Secondly, the strategy relies on building partnerships between the state and non-state sectors whereby commercial entities, NGOs, communities and households can play explicitly recognised roles in interventions for SP. In this regard, the Strategy encourages the promotion of higher forms of social security, through market-based involvement of the private sector.

The financing envisaged also relies partly on prospects for increased resource availability for the state, based on economic growth and improvement in tax intake in the short to medium term. In addition, there is sourcing of extra funds through efficiency enhancements and cost savings that include obtaining synergies and rationalizing certain activities and programmes. Budgetary allocation to social protection will necessitate active advocacy in this regard, in the context of fiscal discipline and prioritization. It is also anticipated that international development partners will facilitate access to grant funding, in support of specific social protection policies.

Finally, increased commitment to personal responsibility in social security, and economic self-reliance are central features of the strategy as well as of the funding base. These will be effected through taking greater personal responsibility for one's well-being via investments in insurance et cetera, as well as showing greater civic responsibility through meeting state requirements for payment of taxes.

# CHAPTER VI: MONITORING AND EVALUATION

## INTRODUCTION

Monitoring and evaluation (M and E) of implementation are essential components of any plan as they ensure compliance with programme design and determine the degree of success in relation to stated objectives and goals. Monitoring is the systematic collection and analysis of information about a project/programme to ensure that activities are being implemented accordingly, with efficiency and effectiveness. Evaluation, on the other hand, determines the extent to which goals of the programme/project are achieved. It is usually an external assessment which 'meets some standards, estimate(s) its net results or impact, and/or identify whether the benefits the program generates outweigh its costs to society'<sup>58</sup>.

M and E for the Social Protection Strategy will be a wide-ranging endeavour. As the document has shown, there are various levels and contributing sectors to SP, and it will be necessary to establish or strengthen the relevant monitoring mechanisms to capture the achievement of several categories of goals. Typically, however, the broad national outcome level is the most critical for determining how the overall SP Strategy is coalescing, and whether sustained strides are being made. In particular, the elements of the social protection floor identified previously – embracing a multiplicity of social and economic sectors and touching on the quality of life of households across the socio-economic range — would be an imperative to track. Under the direction of the NSPC, systems of data reporting and collation would therefore be developed, so that major indicators can be measured. The establishment of an M and E Plan will therefore be a key and immediate imperative for the NSPC. The Vision 2030 Jamaica sector plans will serve as a guide and direction for assigning outcome indicators to the Strategy.

Table 10 gives a synopsis of key issues and outcome indicators that are likely to be relevant to the social protection floor in particular. Indicators are presented as a guide, in a summary format that assumes further disaggregation by age and gender, and other specific characteristics as pertinent. These and other details would be further established in a separate M and E Plan.

The process of M and E over time will be dynamic and participatory, allowing for feedback from practitioners on the ground, and for inclusion of research findings or other new data. This is important specifically at the input and output levels.

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<sup>58</sup> *Grosh, et al., 2008.*

**Table 10: Summary Outcome Indicators for the Social Protection Strategy: Social Protection Floor**

| Element of SP Floor  | Summary Indicators   |
|--|--|
| <b>Basic Income Security</b><br>Social transfers in cash/kind to children and other vulnerable persons | <ul style="list-style-type: none"> <li>• Poverty prevalence rates</li> <li>• Targeting effectiveness of relevant social welfare programmes</li> </ul>  |
| Basic Income guarantees  | <ul style="list-style-type: none"> <li>• National Minimum Wage in effect</li> <li>• Percentage of working poor</li> <li>• Unemployment rates</li> <li>• Percentage of persons with disabilities employed</li> </ul>  |
| Social insurance provisions  | <ul style="list-style-type: none"> <li>• Pension and social insurance coverage rates</li> <li>• NIS coverage in the formal and informal sectors Percentage of persons sixty years and older receiving pensions</li> </ul>  |
| Protection against income loss through unemployment  | <ul style="list-style-type: none"> <li>• Unemployment Insurance coverage rates</li> </ul>  |
| Employment services  | <ul style="list-style-type: none"> <li>• Electronic Labour Exchange functional</li> <li>• Active labour market programmes in place</li> </ul>  |
| <b>Basic Social Services</b>   |  |
| Primary health care  | <ul style="list-style-type: none"> <li>• Immunization coverage</li> <li>• Low birth weight rates</li> <li>• Percentage of under-five years children who are of normal weight</li> <li>• Indicators of quality for public health sector</li> <li>• Targeted health support in place</li> <li>• Health insurance coverage</li> </ul> |
| Education up to secondary level  | <ul style="list-style-type: none"> <li>• Targeted education support in place</li> <li>• School completion rates at secondary level</li> <li>• School enrolment and attendance rates</li> <li>• Percentage of children who achieve Grade 1 readiness</li> <li>• Literacy and numeracy levels (Grade 4)</li> </ul>                   |
| Potable water  | <ul style="list-style-type: none"> <li>• Percentage of population with access to safe water</li> </ul>   |
| Sanitary Waste disposal  | <ul style="list-style-type: none"> <li>• Percentage of population with access to sanitary means of waste disposal</li> </ul>   |
| Shelter  | <ul style="list-style-type: none"> <li>• Proportion of population regarded as homeless</li> <li>• Percentage budgetary allocation to social housing</li> </ul>   |
| Infrastructure for physical access to goods and services   | <ul style="list-style-type: none"> <li>• Access to public infrastructure by persons with disabilities</li> <li>• Public transportation systems in place islandwide</li> </ul>  |

### Agency Responsibilities

Given the nature of social protection and the multiplicity of agencies and ministries involved, monitoring and evaluation of various aspects will fall within the portfolios of a number of different MDAs. Notwithstanding this, it will ultimately be the responsibility of a single agency to create a cohesive and coherent M and E document with all the necessary elements. The National Social Protection Committee (NSPC) will be the body responsible for development and coordination of the monitoring and evaluation plan and for providing oversight for implementation of the M and E. The NSPC secretariat, namely the Social Protection and Gender Unit of Planning Institute of Jamaica, will have the mandate to prepare the necessary documentation in this regard.

This secretariat will critically analyse information from all the stakeholders, consolidate that information into comprehensive, integrated reports and provide timely feedback from the Committee to the implementing agencies and the Government. Implementing agencies will be responsible for (a) incorporating indicators, where they do not already exist, into existing administrative reports or management information systems; (b) ensuring that information is produced on a timely basis and providing information to the secretariat (c) using information to monitor implementation of their SP activities and taking corrective actions or modifying activities based on findings. By giving the NSPC ultimate responsibility for monitoring, objectivity is guaranteed and similar standards for evaluating progress will be applied.

At the field level (the parishes), it is expected that there would be a parish level NSPC Committee with the MLSS Parish Office serving as the secretariat. At that level, monitoring should also take place in a similar manner to the national level. The parish level secretariat is similarly responsible to provide monitoring reports to the National body through the PIOJ. Reports from the parishes serve the critical function of identifying implementation issues from a geographic standpoint, thereby permitting spatial assessment of the effectiveness of the SP system. Monitoring would therefore be a tiered system. Additionally, there must be circularity in the flow, with information being fed up and down, as well as laterally between ministries and agencies. A coordinated and comprehensive response from the SP system would be facilitated.

### Conclusion

A Monitoring and Evaluation system will be developed for the broad Social Protection Strategy, with a focus on Output and Outcome indicators. The Strategy has outlined a multifaceted approach to the different elements of social protection, and from the strategies outlined in the document will flow several types of activities.

While the M and E Plan may not be exhaustive of and include all possible indicators, it will seek to establish certain critical ones that are aligned with effective social protection, and provide a basis for judging its achievement. The NSPC, chaired by the PIOJ, will have the responsibility to lead the process of further development of the indicator database, and of appropriate reporting systems within the network. A close alignment with the Vision 2030 Jamaica – National Development Plan outcome indicators will be maintained.

# APPENDIX I: SITUATION ANALYSIS<sup>59</sup>

## INTRODUCTION

Jamaica is a relatively small country with a stable democracy that is based on the Westminster Model. Being a part of the Latin American and Caribbean Region, it has a history of slavery and colonialism which is recognised as having an impact on such societal characteristics as the family structure, the class structure and gender roles and relationships. As a consequence it shares, with the rest of the region, a prevalence of female-headed households<sup>60</sup>, sharply defined socio-economic classes and inequality levels that are reputed to be among the highest in the world.

Jamaica is also the largest English-speaking country in the Caribbean, and while it was the economic leader of these countries up to the 1970s, this is not its position today. The most buoyant growth period (6.0 per cent p.a. in the Gross Domestic Product [GDP]) took place in the decade immediately following independence in 1962. Over the subsequent three decades, growth averaged under 1.0 per cent p.a. The combination of economic insufficiency and social inequality has resulted in low incomes and chronic poverty for a significant segment of the population. Further information on the characteristics of the population, the economy, socio-economic issues and the programmes and services to address the salient conditions are briefly outlined.

## PART A: SOCIO-ECONOMIC CHARACTERISTICS

### Macroeconomic Context

Since 2000, prior to the global economic and financial crisis, Jamaica's GDP growth ranged between 1.0 per cent and 4.0 per cent p.a. Following the crisis in 2008, Jamaica had three years of economic contraction, but was able to record real growth of 1.5 per cent in 2011<sup>61</sup>. The per capita output then was J\$272.3 thousand; this was just slightly above the per capita output ten years earlier (2002) of J\$270.8 thousand<sup>62</sup>. Therefore, over this period, the country's growth in GDP has just managed to keep ahead of population growth. Growth prospects for the present year have been further dampened by current economic conditions both locally and globally. At the sectoral level, Trade and Machinery Repairs and the Agricultural Industry were the two largest employers in 2011, having, respectively, 20.0 per cent and 17.6 per cent of the employed labour force<sup>63</sup>.

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<sup>59</sup> Situation Analysis conducted in December 2012. | <sup>60</sup> This is particularly true of the Caribbean which is more matrifocal than Latin America. | <sup>61</sup> Planning Institute of Jamaica, Economic and Social Survey Jamaica, various years. | <sup>62</sup> ESSJ 2006 and 2011. | <sup>63</sup> ESSJ, 2011

Following loss of preferential trade agreements in relation to sugar and bananas, agriculture is currently being reoriented to increase production and value added, through diversification of the product base into non-traditional areas for export. This is facilitated by government programmes to enhance technology and operations which have led to improved output, but the industry (which is the main economic base for the rural areas) still has relatively low labour productivity compared with other sectors. It is, therefore, a weak source of income for the rural population and holds little attraction for the youth, who leave the industry to older workers, and migrate to urban areas. Agro-parks are currently being established in nine locations across the country to deepen inter-industry linkages and stabilize the supply chain, inter alia. Tourism is an important economic mainstay for rural townships and has been exhibiting strong growth over the last decade, being the only industry to record growth during the recession of 2008. The informal sector plays an important role across the country accounting, for decades, for almost 40.0 per cent of the employed for decades<sup>64</sup>. However, information on the sector is only available from special studies which are dated.

On the global scene, Jamaica's economy is in the upper middle income bracket according to World Bank estimates and its GDP per capita was ranked 89th of 190 countries worldwide in 2011. Compared with other Caribbean countries, its economic output is above that of only Guyana and Haiti and is well below Trinidad and Tobago and Barbados which were ranked 45th and 52nd, respectively<sup>65</sup>.

Jamaica's chronic weak economic performance has been assessed<sup>66</sup> as emanating from "a complex set of structural and behavioural conditions". These include, inter alia, chronic fiscal imbalance; crime and violence; corruption; taxation; high energy costs and macroeconomic instability. Inadequacies in the pool of available human capital are also among the factors identified as contributory to the anaemic growth in the economy.

Among the problems being contended with in the present fiscal year are the national indebtedness at 140.0 per cent of GDP and fiscal deficit (6.2 per cent), resulting partly from low taxation compliance and a large public sector wage bill. On the positive side, inflation rates have been kept at single digits since 1997 and in 2011 stood at 6.0 per cent, the lowest since 2006.

A Growth Inducement Strategy was embarked on in 2011 designed to overcome the economic handicaps identified and attain sustainable economic growth in the medium term, with broad strategies including<sup>67</sup>:

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<sup>64</sup> IDB Study, "The Informal sector in Jamaica. Economic and Sector Study Series", 2007. | <sup>65</sup> World Bank Development Indicators, <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>. | <sup>66</sup> Gladstone Hutchinson and Donald Harris, editors, *A Growth Inducement Strategy for Jamaica in the Short and Medium Term*, 2012, p. v. | <sup>67</sup> PIOJ, *ESSJ 2011*.

1. **Macroeconomic Stability** involving, among other things, tax reform, pension reform and public sector rationalization.
2. **Competitiveness and Growth**, based on asset mobilization and MSME promotion and entrepreneurial development etc.
3. **Social Inclusion and National Security**, involving a multi-sector Community Renewal Programme.
4. **Climate Change**, involving disaster risk reduction and enhancing the resilience of the natural and built environment etc.
5. **Human Capital Development**, involving education reforms and a comprehensive social protection strategy.
6. **Energy**, involving diversification and use of renewable energy.

Staff negotiations were concluded with the International Monetary Fund (IMF) in January 2013, establishing agreement on an economic programme to be supported under an Extended Fund Facility Agreement over a four-year period. The programme includes fiscal and monetary reforms to correct economic imbalances, promote growth and attain macroeconomic and financial stability. Among the aims of the reforms is to:

*...protect the most vulnerable and promote economic self-reliance, including through the establishment of a floor on social spending, maintaining the real value of PATH (Programme of Advancement through Health and Education) benefits, and expanding re-certification and the Steps-to-Work program<sup>68</sup>.*

## Demographics

Jamaica recorded a population of 2 697 983 in the 2011 Population and Housing Census<sup>69</sup>. These persons are spatially distributed such that the highest densities are in the southern corridor extending westerly from the Capital, which is from St. Andrew, through St. Catherine to Clarendon. The parish of St. James, with Montego Bay, follows. As there is a mountain range running along the centre of the country from east to west, the majority of the population resides in the coastal areas, with 65.0 per cent living within 5km of the coast<sup>70</sup>, where the urban centres are also located. Rural–urban migration is a continuing trend, primarily involving young persons in search of employment. This has resulted in 54.0 per cent of the population living in urban centres in 2011, including 21.7 per cent residing in the Capital, the Kingston Metropolitan Area (KMA).

<sup>68</sup> IMF Press Release, No. 13/51, 15 February 2013. | <sup>69</sup> Population and Housing Census, 2011. All data on the population characteristics in 2011 are from this source. | <sup>70</sup> Vision 2030, Environment Sector Plan.

The characteristics of the migratory flow have left the rural areas with higher proportions of children and elderly persons than the urban areas, which concomitantly have larger shares of the working age.

With ongoing reduction in birth and death rates, the country is now at the intermediate stage of the demographic transition. Thus the inter-censal birth rate was its lowest ever at 17.4 per 1 000 between 2001 and 2011 (compared with 24.2 per 1 000 between 1991 and 2001). There was, however, a small increase in death rates, moving from 6.4 per 1 000 to 7.1 per 1 000 between the two inter-censal periods. This is attributed to the larger proportion of elderly persons in the population. Emigration rates, which averaged roughly 20 000 p.a. in the 1990s have showed a slight decline since then, but are still high enough to reduce the population increment due to natural increase, doing so by approximately 65.0 per cent between 2001 and 2011. In recent years also Jamaica's demographics has been impacted by return migration, involving roughly 10 000 persons p.a. over the decade to 2010; the majority of these were labour immigrants plus deportees from USA and the UK. The net effect was average annual growth of 0.36 per cent in the last decade compared with 0.87 per cent between 1991 and 2001. Thus, the growth rate of the population is on a declining trend and this is expected to continue.

The age structure of the population reflects the 'ageing' phenomenon that typifies the dynamics of the demographic transition, that is, declining child cohorts (0–14 years) and increasing proportions in the working age (15–64 years) and the elderly (65+ years). Accordingly, in 2011, the share of the population below 15 years stood at 26.0 per cent, while the working age amounted to 66.0 per cent and the elderly to 8.0 per cent. This ageing of the population has resulted in increases in the median ages for men and women to 27 years and 28 years, respectively. In addition, dependency ratios are on the decline, with the Child Dependency Ratio falling to 39.9 and the Elderly Dependency Ratio to 12.3, giving an overall Age Dependency Ratio of 52.2 in 2010. Demographic projections indicate that the observed declines in the younger age groups will continue until 2030, while the size of the working age group will increase up to 2020 followed by a decline thereafter, and the elderly will continue to have substantial increases up to 2050.<sup>71</sup>

Household composition and size reflect demographic trends associated with urbanization, namely marked increase in female headship (rising to 45.5 per cent in 2009), and declines in the proportion of children (to 31.3 per cent in 2009) and the total number of persons in the average household (to 3.2 persons in 2009).

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<sup>71</sup> ESSJ 2011, p. 20.3.

The poorest households deviate considerably from these national averages, however. Half of these households are headed by females, 39.1 per cent of members are children and the average household size is 4.6 persons. The disparities between the wealthiest and the poorest are also remarkable. In 2009, some 19.2 per cent of the poorest households had seven or more members as against 0.2 per cent of the wealthiest<sup>72</sup>.

### Human Capital Development

For the year 2011, the Human Development Index, which combines health and education status with economic performance, ranked Jamaica 79th of 187 countries. With an index of 0.727, Jamaica was below the average for LAC of 0.731; however, the index for the country was the third year of an upward trend.

### Health and Nutrition

The health status of Jamaica's population ranks high among developing countries. Life expectancy stands at 74.13<sup>73</sup>, which is equivalent to the average for LAC. The JSLC 2010 found that some "85.5 per cent of all respondents felt their health was generally good or very good and less than 4.0 per cent felt their health was poor or very poor."<sup>74</sup>

The country is at an advanced stage of epidemiological transition with chronic non-communicable diseases, malignant neoplasm, violence and injuries being responsible for most deaths<sup>75</sup>. Immunization coverage is also high, ranging between 86.5 per cent and 92.3 per cent for the standard areas of coverage for children under one year. HIV/AIDS remains an area of concern although it is estimated by UNAIDS that there was a 25.0 per cent reduction in the incidence of new cases over the last decade.

The estimated prevalence rate for the adult population was 1.7 per cent in 2011<sup>76</sup>. Indicators of the nutritional status of the population, as measured in relation to children under 5 years of age, show a decline since 2008. For instance, wasting (low weight for height) rose by 3.1 percentage points to 5.4 per cent. Notably, while increased under-nutrition was roughly equally evident across the entire socio-economic range, it was most pronounced in the KMA and for boys.

<sup>72</sup> Data in this paragraph is taken from the *Jamaica Survey of Living Conditions, 2009*. | <sup>73</sup> Data on health are from *ESSJ 2011*, unless otherwise stated. p.IV. | <sup>74</sup> *ESSJ 2011*, p. 23.1. | <sup>75</sup> *National Report of Jamaica on Millennium Development Goals, 2008*. | <sup>76</sup> *ESSJ 2011*, p. 23.4.

## Education

In relation to education, student achievement levels are not considered satisfactory. The latest literacy survey concluded that of the adult population 15 years and older, 91.7 per cent was literate. However, 78.3 per cent was functionally literate, and 13.4 per cent had only basic literacy. Enrolment in schools is considered universal at pre-primary and primary levels, but falls off from Grade 9 onwards. Attendance rates are below the target of 85.0 per cent set by the Ministry of Education, particularly in the rural areas and for boys<sup>77</sup>.

In 2011, 79.0 per cent of students in Grade 11 sat the Secondary Education Certificate Examination (CSEC), and 70.4 per cent attained satisfactory grades. This amounted to 55.6 per cent of the grade cohort being successful in their terminal examinations. In terms of continuing to tertiary level studies, approximately 28.5 per cent or less than one in three of the Grade 11 cohort met the matriculation requirements. At the tertiary level, gross enrolment amounted to 33.1 per cent. Performance throughout the system is differentiated along gender lines with females outperforming males, and at the culminating level, that is, tertiary institutions, the output in 2011 was 71.9 per cent female or a ratio of almost three females to one male. Post-secondary Technical and Vocational Education and Training (TVET) had output for the year 2011 of 48 550 persons, representing under 10.0 per cent of the 17–30 cohort.

The shortcomings in the education/training system are compounded by inequities in the society which together militate against equal opportunities for children from poorer households who have lower levels of enrolment, attendance and achievement. The data<sup>78</sup> show that in 2010, 42.0 per cent of the poorest one-fifth of youth 17–18 years of age were in school compared with 89.7 per cent of the wealthiest. Attendance stood at 59.6 per cent for the poorest and 92.8 per cent for the wealthiest; and of those over 14 years old not in school, 89.8 per cent of the poorest had not obtained any certification while 52.5 per cent of the wealthiest were in a similar position. These figures reveal the prevailing inequities, but they also speak to serious quality issues when over half of the wealthiest children leave school with no certification.

## The Labour Market

The output of the education/training system, therefore, compromises the quality of the labour force and according to the Labour Force Survey data, one in three members of the force has no certification and 60.0 per cent received no training.

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<sup>77</sup>JSLC 2010. | <sup>78</sup>JSLC 2010.

Data from the labour market also reveal that there is considerable misalignment between the skill profile of the output of the education/training system and that demanded by industry<sup>79</sup>. Disguised unemployment through underemployment in informal and low productive occupations thus characterizes the society and economy.

Unemployment rates have been declining steadily since the early 1980s, resulting from both net increases in employment and declines in the labour force participation rate as more persons have been seeking higher levels of education/training. Since the 2008 crisis, however, employment has declined, and the unemployment rate rose from 9.8 per cent in 2007 to 12.6 per cent in 2011<sup>80</sup>. As is customarily the case, the rate for females was close to double that for males, being 18.4 per cent and 10.8 per cent respectively. The youth (14–24 years) also have higher rates of unemployment, with females at 37.9 per cent and males at 23.9 per cent.

A useful statistic is the ratio of workers to total non-workers in the total population<sup>81</sup>.

This ratio—which can be identified as the Economic Dependency Ratio (EDR)—captures the extent to which the favourable declining trend in the Age Dependency Ratio (ADR) is being capitalized on through the employment of those of working age. The data show that while the ADR has been smoothly declining, the loss of jobs since 2008 has pushed up the economic dependency ratio above that of the age dependency, hence eroding the positive impact of the demographic bonus. This is graphically depicted in the accompanying chart.

### Trends in Age Dependency and Economic Dependency

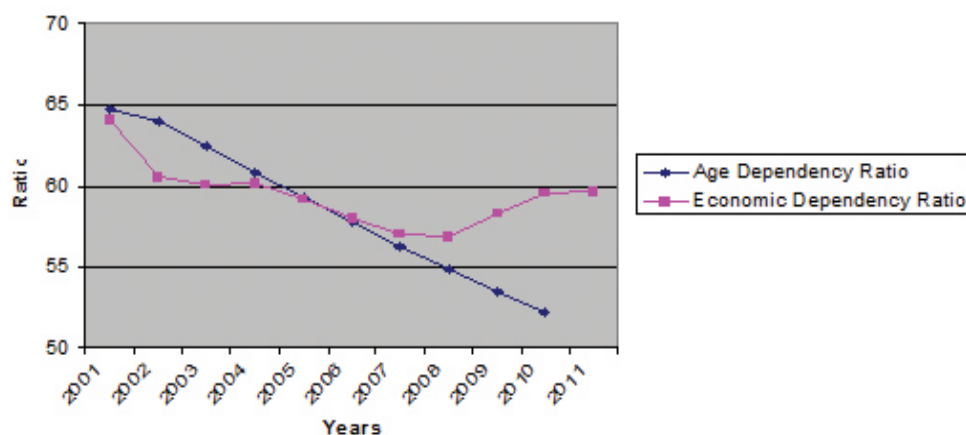


Chart V: Trends in Age Dependency and Economic Dependency

<sup>79</sup> HEART/NTA 2012. | <sup>80</sup> ESSJ 2011 and the Jamaica Labour Force Survey 2012. | <sup>81</sup> The Employment–Population Ratio is the numbers employed expressed as a percentage of persons of working age. The measure used here is the numbers employed expressed as a percentage of the total population of all ages. This should be considered as the true measure of economic dependency.

## Poverty

Given the increase in economic dependency since 2008, it is not surprising that poverty rates are also on the increase. Declines in poverty since the 1990s lowered the national rate from 44.1 per cent in 1991 to 9.9 per cent in 2007. However, this figure rose to 17.6 per cent in 2010<sup>82</sup>. In addition, the depth of poverty and the severity of poverty both increased. The former (also termed the poverty gap) indicates how far the average poor person is from the poverty line, while the latter shows the spread of the distribution of consumption among the poor. Geographically, on all these indicators, rural areas have traditionally exhibited the worst poverty conditions and the recent deterioration was also greatest for the rural poor. The poverty headcount for these areas stood at 23.2 per cent in 2010, the gap at 6.3 and severity at 2.5.

As a result of these characteristics, Rural Areas contained 60.0 per cent of the poor in 2009, although 45.0 per cent of the population lived there. Other Towns traditionally ranked second in poverty status, following the KMA which was usually best off. These positions were switched early in the present decade with Other Towns having the lowest poverty rates in the country since 2004, and standing at 11.6 per cent in 2010; moreover, these areas fared best in the recent down turn. In the KMA, the poverty rate stood at 14.4 per cent in 2009, the poverty gap stood at 3.9 per cent and the severity at 1.6 per cent. As a percentage of the total number of poor persons in the country, the KMA had 25.0 per cent and Other Towns 15.0 per cent.

The residents of rural areas are at great risk of being in poverty for several reasons including the age structure noted above, their dependence on agriculture which is not a lucrative economic base, and their high exposure to environmental risks. As noted by a recent study done by the PIOJ,

*The poor are often found in marginal areas that are more susceptible to environmental shocks and stresses, based on topography, and changes in the general landscape of the area (Barker 1998). These areas are generally at risk for seasonal weather hazards, often leading to slope failure, landslides, and flooding of low-lying plains, resulting in destruction of the assets of the poor and widespread displacement of agricultural dependent households.<sup>83</sup>*

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<sup>82</sup> Poverty related data are from the Jamaica Survey of Living Conditions 2010 unless otherwise stated. | <sup>83</sup> PIOJ, 2007b.

Information on the prevalence of poverty by region, sex, age group and household headship is provided in Table 11<sup>84</sup>. The table shows that the groups experiencing poverty rates that are above the average of 16.5 per cent are Rural Areas, Males, Children (0–18 years), and the Elderly (over 60 years). Since the rural parts of the country have the worst poverty indicators and have larger percentages of the dependent age groups (children and the elderly), the findings for these groups are not surprising. However, the situation of males is surprising because their employment rates are almost double that of females, although they are known to have lower levels of educational attainment.

In terms of households, those with female heads have higher poverty rates, and this is in keeping with other analyses from the JSLC which reveal that compared with male-headed households, female-headed households are larger, have more children and are less likely to have a partner present; meanwhile men are almost three times as likely to live alone. Hence, households headed by females have more dependents and probably less income. Female headship is, however, more characteristic of the KMA (50.4 per cent in 2009) than other parts of the country (45.1 per cent in Other Towns and 40.9 per cent in Rural Areas). Data on mean per capita consumption help to explain some of the poverty related gender differences. Male-headed households have consumption levels averaging 17.0 per cent more than females, but they also have larger proportions of low levels of consumption, while female-headed households have larger proportions at the higher levels.

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<sup>84</sup> *Ibid.*, p. 39.

**Table 11: Prevalence of Poverty, 2007–2009**

| Population Groups            | 2007       | 2008        | 2009        |
|------------------------------|------------|-------------|-------------|
| <b>By Region</b>             |            |             |             |
| KMA                          | 6.2        | 7.0         | 12.8        |
| Other Towns                  | 4.0        | 10.7        | 10.2        |
| Rural Areas                  | 15.3       | 17.0        | 22.5        |
| <b>By Sex</b>                |            |             |             |
| Male                         | 11.2       | 13.3        | 17.7        |
| Female                       | 8.8        | 11.3        | 15.4        |
| <b>By Age Group</b>          |            |             |             |
| 0-5                          | 11.2       | 15.7        | 19.3        |
| 6-18                         | 12.2       | 15.2        | 20.8        |
| 19-24                        | 10.2       | 13.9        | 16.7        |
| 25-59                        | 7.9        | 9.7         | 12.7        |
| 60+                          | 10.8       | 10.3        | 17.2        |
| <b>All Individuals</b>       | <b>9.9</b> | <b>12.3</b> | <b>16.5</b> |
| <b>By Household Headship</b> |            |             |             |
| Male                         | 7.2        | 7.9         | 11.4        |
| Female                       | 8.0        | 9.1         | 12.8        |
| <b>All Households</b>        | <b>7.6</b> | <b>8.5</b>  | <b>12.0</b> |

Source: Marques, 2011.

The degree to which persons are at risk of falling into poverty is indicated by their closeness to the poverty line. Analysis of this reveals that one in four Jamaicans was approximately 25.0 per cent above the poverty line in 2006 and 2009<sup>85</sup>. The situation for KMA residents showed marked deterioration over this period, rising from 17.5 per cent to 19.6 per cent.

There was little change for Other Towns, moving from 16.2 per cent to 17.0 per cent, and for Rural Areas the movement was in a positive direction, from 33.8 per cent to 33.3 per cent.

<sup>85</sup> Marques, 2011.

## Environmental Factors

### Housing

According to Census 2011, the number of dwelling units in Jamaica was 853 660, with an average of 3.16 persons per dwelling. The availability of units meeting standards of durability and security, et cetera, however, has not kept pace with demand. For example, an official housing needs assessment conducted in 2006 concluded that 15 000 new units p.a. plus 9 700 upgrades were required<sup>86</sup>. But, between 2001 and 2011 additions to housing stock averaged 13 062 p.a., leaving a deficit of approximately 2 000 new units annually<sup>87</sup>.

The rapid pace of urbanization over the decades means that the most intense housing pressure is found in urban areas, particularly on the fringes. In these areas, self-help housing, usually in the form of informal squatter settlements, has mushroomed and it is estimated that there were 635 squatter settlements in Jamaica in 2002–03, housing approximately 30.0 per cent of the population<sup>88</sup>. Of these, 10.0 per cent were in environmentally fragile areas and 76.0 per cent were on government lands<sup>89</sup>. These settlements generally lack basic amenities such as waste disposal and utilize substandard means of sanitation et cetera.

Where the sites are in unsafe areas such as gully sides and river banks and so forth, there is great risk to life and property, and this has been increasingly manifested in recent years when natural disasters (floods, hurricanes) occur. In rural areas, residents are often hampered from building solid structures on their land because large proportions do not own the title to their land and this debars them, for example, from obtaining Build on Own Land grants from the National Housing Trust. The parishes of Kingston, St. Andrew and St. Catherine are reported to have the largest number of squatter settlements.

Where new housing units are provided by the formal housing market, costs are said to exclude, from effective demand, households earning less than J\$48 000 monthly which amounts to approximately 32.0 per cent of the population<sup>90</sup>. There is, therefore, tremendous unmet need for low income housing solutions. In spite of the serious problems, trends in the quality of housing have shown improvement over the years.

<sup>86</sup> "Vision 2030 Jamaica - Housing Sector Plan". | <sup>87</sup> *Daily Gleaner*, Sunday Nov. 18, 2012. | <sup>89</sup> *Vision 2030, Housing Sector Plan*, p.25. | <sup>90</sup> "PIOJ, "A Review of Current and Emerging Vulnerability in Jamaica in the Context of Risks to Income, Poverty and Food Security", 2012.

The Housing Quality Index combines indicators of quality such as material of walls, density per room and availability of utilities, and this has risen from 65.0 per cent in 2000 to 71.5 per cent in 2010. However, there is persistent disparity between urban and rural households as revealed from the fact that the Index for the latter was 9.5 points below the national average<sup>91</sup>.

### **Water and Sanitation**

The Jamaica Survey of Living Conditions reports that the availability of potable water overall has not increased since 2000, with the main reason for this being a change in policy by government water providers involving a shift from the use of public standpipes to the provision of trucked or bottled water. The use of piped water increased by five percentage points to 72.5 per cent, while the use of standpipes declined by nine percentage points to 6.2 per cent and bottled or trucked water increased from a negligible amount to 2.6 per cent. Usage of untreated rainwater (in tanks) was second to pipe water, showing an increase by three percentage points to 13.7 per cent. Some 5.0 per cent of households use water from rivers/springs/ponds/wells/other sources.

The pattern of usage of safe water varies considerably by socio-economic status and geographic location. The distribution of water sources is almost exactly the same for rural areas and the poorest households, where both have less than half of households with piped water and just over a quarter use water tanks. Surprisingly, other sources including natural sources like rivers and springs are less popular for rural areas (8.4 per cent) than for the poor in general (12.2 per cent).

The availability of sanitation has shown slight improvement over the last decade. The two main types are water closets and pit latrines, which together are used by over 99.0 per cent of households. Usage of pit latrines declined by five percentage points to 32.3 per cent while water closets increased by the same amount to 67.6 per cent. Again, patterns of usage are worst for rural areas and the poor. In this instance, however, the poor are much worse off than the rural areas in general, as 60.7 per cent of the poorest households use pit latrines compared with 52.0 per cent of households in rural areas. This indicates that some urban poor dwellers are using pit latrines which is particularly undesirable in built up, high density locales. This is likely to be found in the informal settlements on the urban fringes or even in some pockets within the urban areas. Moreover, 0.4 per cent of the poor reported having no means of bodily waste disposal.

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<sup>91</sup> JSLC 2010.

## Physical Access (Road and Transportation Infrastructure)

Physical Access is determined by the quality of the road network and the availability of public transportation and private transportation via private road vehicles and private licensed carriers. Jamaica's road network density ranks among the top 15.0 per cent of countries in the world with 15 394 kilometres of road or 1 961.06 kilometres per thousand square kilometres of land<sup>92</sup>. This places great demand on resources for maintenance and because of the fiscal constraints many roads are in very poor physical condition, especially tertiary roads in remote rural and low ranked urban areas. Data are lacking on the specific geographic areas most affected by poor road conditions, but it is well known that among those suffering the greatest negative impact are small farmers who are impeded from marketing their produce and communities with the highest poverty levels whether urban or rural. Investigation of qualitative information from a Jamaican study reveals the following findings.

*The inaccessibility of infrastructural services for a vast number of people living in poverty has continued to hinder their social development. Ingress and egress to the communities were mostly by unpaved roads; a few bearing resemblance to river beds.... The lack of proper road infrastructure affected the availability of transportation services and cost, as most transport service providers refused to access these communities, while for those offering their services, commuters had to pay as much as.... Road conditions were identified as the sole reason for such exorbitant prices.*<sup>93</sup>

An inter-country study involving Jamaica that was conducted by the World Bank (1999)<sup>94</sup> reported that:

*...people illustrate how the lack of roads and other means of communication can limit them, making it more difficult to find jobs, negotiate better prices for their produce, access services such as credit or social assistance, or shape events that affect them..."*  
*"Missing infrastructure makes many communities in the study more vulnerable to environmental shocks and seasonal weather hazards. Unfavorable geography adds to the risks.*

<sup>92</sup> World Bank Development Indicators. <http://data.worldbank.org/indicator/IS.ROD.DNST.K2> | <sup>93</sup> "PIOJ, "The Poverty-Environment Nexus", 2007b.

<sup>94</sup> Retrieved from <http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1124115102975/1555199-1124115201387/cry4.pdf>

Isolation and poor access can thus exert a heavy toll on the poor. The advantage of mobility through private ownership of vehicles was found in one-fifth of households islandwide in 2009, but this was enjoyed by only 4.3 per cent of the poorest quintile compared with 40.1 per cent of the wealthiest. Some 26.9 per cent of households in the KMA had vehicles, in Other Towns it was 23.4 per cent and Rural Areas 14.5 per cent.

### **The Natural Environment**

As a Small Island Developing State (SIDS), Jamaica's population places great demand on its natural environment. The Environmental Protection Index (EPI) is a measure of environmental performance that gauges a country's achievement in pursuing policy targets established globally. On this Index, Jamaica was ranked 63 out of 147 in 2012<sup>95</sup> and is considered to be a leader in environmental protection and sustainability in the Caribbean<sup>96</sup>. Among the challenges that are of greatest concern for social protection is population pressure on the land, which is greatest in the coastal and urban areas, but also involves encroachment in forestry reserves and protected areas.

Inadequate management of physical development is thus a major factor responsible for degradation of land and causing risks to life and property such as through flooding. Other land use pressures include poor agricultural and forestry practices which also undermine the environment resulting in land slippage and soil erosion. Jamaica's geographic factors makes it prone to natural disasters, and its vulnerability to such hazards and climate change is said to be increasing due to increased development in high risk areas and inadequate efforts to mitigate the effects of hazards. This is attested to by the escalation in the impact of natural disasters on property over the past two decades, resulting in losses of over J\$53 billion<sup>97</sup>.

### **Other Social Issues**

Outlined here are some major social issues which are selected for inclusion based on their relevance to social protection. These are the related issues of poor parenting, youth at risk, and crime and violence; plus persons with disabilities (PWD) and persons living on the streets.

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<sup>95</sup> EPI Report, [http://epi.yale.edu/about/faq#\\_Why\\_were\\_some](http://epi.yale.edu/about/faq#_Why_were_some). | <sup>96</sup> "Vision 2030 - Natural Resources & Environmental Management & Hazard Risk Reduction & Climate Change Sector Plan". *Trinidad Guardian*, January 30, 2008. | <sup>97</sup> Information in this section obtained from "Vision 2030 - Natural Resources & Environmental Management & Hazard Risk Reduction & Climate Change Sector Plan".

## Poor Parenting

With regard to poor parenting, the evidence is that neglect, abuse and inability to control children has escalated in recent years resulting in the near tripling of the number of children in state care from 2 118 in 2001 to 5 798 in 2011<sup>98</sup>. Of the total number of reports received by the Office of the Children's Registry since its opening in 2007, approximately half cited neglect and the need for care and protection<sup>99</sup>. Becoming a parent too early has been a major contributory factor to parental inadequacy, as adolescent fertility rates ranged between 100 and 130 births per 1 000 women in the 1990s; fortunately these fell steeply since 2000 to 72 in 2008<sup>100</sup>. Single parenting remains prevalent and the JSLC 2010 data show that over half of households with children have only one adult in the home, with four-fifths of these being women. Absentee fathers are an issue that particularly affects boys who grow up with anger and resentment, and poor social adjustment stemming from the lack of a father figure and role model. Studies have revealed the negative effects of children living in households lacking the main parental figure, as emotional deprivation and delinquency<sup>101</sup>, and affecting educational attainment and cognition<sup>102</sup>.

## Youth at Risk

A large proportion of the youth (15–24 years) is significantly at risk as they leave school without adequate qualification for employment, and are not pursuing further education nor training. These 'unattached youth' have been quantified as amounting to between one-quarter and one-third of the age cohort<sup>103</sup>.

Drug trafficking and abuse, crime, extortion, prostitution and trafficking in persons are some types of deviant behaviour engaged. The phenomenon of street children is a particular challenge. Estimates range from 2 000 to 6 000 children living and working on the streets in Jamaica with a male: female ratio of 70:30. On average they are 13 years of age, and from a household headed by a female who is in informal or domestic employment<sup>104</sup>. Focus Group Discussions<sup>105</sup> conducted for this exercise identified the main categories of persons on the streets and recent trends of increase. Groups showing the largest increase are primarily younger persons, namely young men who are drug addicts (and often go on to become mentally ill) and children discharged from state care on attaining 18 years of age.

<sup>98</sup> ESSJ 2001 and 2011. | <sup>99</sup> "Office of the Children's Registry. <http://www.ocr.gov.jm/Child%20abuse%20stats.html>. | <sup>100</sup> Reproductive Health Survey, Jamaica 2008. Prepared by Florriina Serrbanescu, Alicia Ruiz and Danielle Suchdev NFPB, STATIN. <http://stacks.cdc.gov/view/cdc/8254/> | <sup>101</sup> Crawford-Brown, "The impact of migration on the rights of children and families in the Caribbean", 2002. | <sup>102</sup> Samms-Vaughan, "The Jamaican Pre-School Child: The Status of Early Childhood Development in Jamaica", 2005. | <sup>103</sup> Fox, "Mapping Unattached Youth in Jamaica", 2003. | <sup>104</sup> Marques, 2011. | <sup>105</sup> Held with Administrators of Homeless Programmes and with street children in November, 2012 (see Appendix for details).

Other expanding groups include children of HIV parents. Younger children hustling on the streets but not necessarily living there are also reported to be on the rise. Of some importance is the fact that the street children all reported the common characteristic of having a large number of siblings. This is consistent with findings that the number of children in a household is strongly correlated with poverty status and is the greatest household based source of inequality in Jamaica<sup>106</sup>.

### **Crime and Violence**

The male youth especially are a prime target for involvement in criminal activities, which they engage in largely through membership in gangs. The statistics reveal that youth are both perpetrators and victims of crime. In 2011, 82.5 per cent of persons arrested for major crimes were 12–30 years old, while those 15–29 years amounted to one-third of victims<sup>107</sup>. Crime and violence are known to represent Jamaica's biggest social problem and are part of a vicious cycle involving social dysfunctionality and low economic growth. Gradual reduction in the rate of major crimes has been achieved since the turn of the century but the murder rate has been most intractable and has fluctuated over the period to stand at 42 per 100 000 in 2011, approximately the same level as in 2001. Powerful, notorious gangs involved in inter-country gun running and drug trafficking are largely responsible for crime and violence in Jamaica, and these are based in the KMA where there is the highest prevalence, followed by the second largest city, Montego Bay.

### **Persons with Disabilities (PWD)**

The latest available data on the number of PWD in Jamaica is the 2001 Census which reported 163 206 or 6.3 per cent of the population. This is on par with the other Caribbean countries which averaged 5.6 per cent<sup>108</sup>, but is considered low in comparison to international data which generally classify approximately 10.0 per cent of persons in this category. The Statistical Institute of Jamaica uses the following definition of disability for its data collection purposes

*In the context of the health experience, a disability is any restriction or lack of access (resulting from an impairment) of ability to perform an activity in the manner or within range considered normal for a human being<sup>109</sup>.*

<sup>106</sup> Knight, "Poverty Alleviation Strategies in Jamaica: Lessons Learned", 2007. | <sup>107</sup> ESSJ 2001 and 2011 | <sup>108</sup> ECLAC "Availability, Collection and Use of Data on Disability in the Caribbean Sub Region", 2011. <http://www.eclac.org/publicaciones/xml/3/42333/LCARL.283rev1.pdf> | <sup>109</sup> Ibid.

This differs from the definition used by the UNCRPD and indeed one of the problems with quantification in this area is the lack of compliance with international standards and lack of consistency across countries in the approaches used<sup>110</sup>. The local Census report found equal disability rates for males and females, while employment rates were higher for males than females, amounting to 14.0 per cent overall. The top three challenges faced by PWD are reported to be, in order, “Discrimination and lack of sensitization”, “Lack of physical access” and “Unemployment and challenges on the job”<sup>111</sup>.

### **Persons Living on the Streets**

In relation to this issue, it must be noted that some persons living on the streets have homes but are on the streets for various reasons, one of which is mental illness. The Board of Supervision reports that the number of persons living on the streets has been rapidly increasing over the last 25 years or so. Survey findings vary and range from 645 persons in 2006 to 835 persons in 2004.

The Board of Supervision also reports that in March 2012, the Poor Relief Departments islandwide reported a total of 1 097 persons receiving assistance as being homeless<sup>112</sup>. Census 2011 reports a total of 934 persons in this category, the majority of whom live in KMA, with large numbers also in St. Catherine, Clarendon, Manchester, St. James, and Westmoreland. The largest categories of those on the streets are the mentally ill and deportees from USA, UK and Canada (for both criminal and non-criminal offences) that end up on the streets because they lack local connections to reintegrate them into Jamaican society. Additional categories include the disabled and ex-convicts. As noted earlier, an increasing number of younger persons are being found living on the streets, which is a critical new trend.

### **Vulnerable Groups**

A study was conducted by the PIOJ for this project to document profiles of groups “that were likely to be typified as vulnerable to risks of poverty, income and food security”<sup>113</sup>. Table 12 lists the vulnerable groups investigated along with available quantification of each category.

In addition, the report identified a number of emerging vulnerabilities and these are also listed.

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<sup>110</sup> *Ibid.* | <sup>111</sup> PIOJ, “A Review of Current and Emerging Vulnerability in Jamaica in the Context of Risks to Income, Poverty and Food Security”, 2012.

<sup>112</sup> Verbal report. | <sup>113</sup> PIOJ, Social Protection and Gender Unit, 2012.

**Table 12: Population Groups likely to be Vulnerable**

| Groups                               | Quantification     |
|--------------------------------------|--------------------|
| <b>Poverty Risks</b>                 |                    |
| Persons in Poverty                   | 458 657            |
| Children in Poverty                  | 195 574            |
| Children in State Care               | 5 798              |
| Female-Headed Households             | 411 464            |
| Displaced Persons                    |                    |
| Squatters                            | 500 000            |
| Fire Victims                         | 2 153 p.a.         |
| Natural Disaster Victims             | N.A.               |
| Deportees                            | 2 941 p.a.         |
| Ex-Inmates                           | 1 691 p.a.         |
| Refugees                             | N.A.               |
| Persons With Disabilities            | 163 206            |
| The Indigent (On Poor Relief)        | 13 860 p.a.        |
| Homeless Persons                     | 934                |
| The Elderly (65 years +)             | 217 606            |
| <b>Income Risks</b>                  |                    |
| The Unemployed                       | 158 400            |
| Chronically Ill                      | 696 080            |
| HIV/AIDS                             | 45 800             |
| Small and Micro Business Persons     | 365 000 businesses |
| Informal Sector Workers              |                    |
| Persons with Low Levels of Education | 225 433            |
| <b>Food Security Risks</b>           |                    |
| Inner-city or Urban Poor             | N.A.               |
| Fisherfolk                           | 18 745 p.a.        |
| Agricultural Households              | 211 459 households |
| Students on School Feeding Programme | 385 000            |
| Other (In State Institutions)        | 6 142              |

Source: Social Protection and Gender Unit, PIOJ, 2012.

**Emerging Vulnerabilities:**

- Ageing of the Population
- Migration and Social Security
- Increases in Disability
- Impact of Global Recession on Fixed Incomes
- Impact of Climate Change
- Vulnerability to Unemployment

## PART B: INSTITUTIONAL FRAMEWORK, POLICIES AND PROGRAMMES

### State Sector

There are several Government Ministries, Departments and Agencies (MDAs) that contribute to Social Protection in Jamaica, and together implement a wide array of programmes. A summary of the main MDAs and their current responsibilities in SP is provided in Table 13, categorized into four groups for the purpose of this discussion. This is based on operational distinctions rather than on the objectives of the programmes or the services. As shown in the table, there are 11 Ministries of Central Government with various responsibilities in the four categories. Discussed below are the institutional arrangements, programmes and policy trends, while the Laws and Policies currently in place are listed in the Appendix.

**Table 13: Government Institutional Framework for Social Protection**

| Ministries, Departments and Agencies          | Social Insurance and pensions   | Social Assistance & Welfare  | Human Resource Development & The Labour Market  | Environmental Goods and Services |
|---|---|--|---|----------------------------------|
| <b>Ministry of Labour and Social Security</b> | <u>Subjects</u><br>-National Insurance Scheme<br><u>Departments</u><br>-NI Fund | <u>Subjects</u><br>-PATH<br>-Public Assistance /Rehabilitation<br>-Senior Citizens<br>- Persons with disabilities<br><u>Departments</u><br>-Jamaica Council for Persons with Disabilities<br>-National Council for Senior Citizens<br>-Golden Age Home (Kingston & St. Andrew) | <u>Subjects</u><br>-Workmen's Compensation<br>-Child labour<br>-Economic Empowerment Grant<br>-Early Stimulation programme<br>-Overseas Employment programme<br>Project<br>-SEAT<br>-Steps to Work<br>-LMIS<br>-Electronic Labour Exchange<br><u>Departments</u><br>Abilities Foundation<br>Jamaica Council for Persons with Disabilities |                                  |

Table 13: Government Institutional Framework for Social Protection cont'd.

| Ministries, Departments and Agencies                        | Social Insurance and pensions | Social Assistance & Welfare  | Human Resource Development & The Labour Market  | Environmental Goods and Services                |
|---|-------------------------------|--|---|---|
| <b>Ministry of Education</b>                                |                               | <u>Subjects</u><br>-School Feeding<br><u>Agencies etc.</u><br>-Nutrition Products Ltd  | <u>Subjects</u><br>-Early Child Development<br>-Primary Schools<br>-Secondary Schools<br>-Post-secondary Schools<br>-Tertiary Institutions<br><u>Agencies etc.</u><br>-Early Childhood Commission |   |
| <b>Ministry of Health</b>                                   |                               | <u>Subjects</u><br>- Subsidized drugs<br><u>Agencies etc.</u><br>- National Health Fund/ JADEP   | <u>Subjects</u><br>- Primary Health<br>- Secondary Health<br>- Tertiary Health  |   |
| <b>Ministry of Local Government &amp; Local Authorities</b> |                               | <u>Subjects</u><br>- Homelessness<br>- Institutional Care for Elderly & Destitute<br>- Other Poor Relief<br><u>Agencies, etc.</u><br>- Board of Supervision<br>- Nat. Disaster Committee |   | <u>Subjects</u><br>- Indigent Housing Programme |
| <b>Ministry of Youth and Culture</b>                        |                               | <u>Subjects</u><br>- Children & Youth Affairs<br>-Institutional Care for Children & Youth<br><u>Agencies etc.</u><br>- Child Development Agency<br>- Office of the Children's Registry   | <u>Subjects</u><br>- Youth Empower Project<br>- Youth Training<br>- Youth Development Programme<br>- Young Entrepreneurs Project<br><u>Agencies etc.</u><br>- NCYD National Youth Service         |   |

Table 13: Government Institutional Framework for Social Protection cont'd.

| Ministries, Departments and Agencies                | Social Insurance and pensions | Social Assistance & Welfare  | Human Resource Development & The Labour Market                                 | Environmental Goods and Services  |
|---|-------------------------------|--|--|---|
| <b>Ministry of Transport, Works &amp; Housing</b>   |                               |  |  | <u>Subjects</u><br>-Disaster Management<br>-Shelter Provisions<br>-Squatter Management<br>-Relocation<br><u>Agencies etc.</u><br>-ODPEM<br>-NHT<br>-HAJ |
| <b>Ministry of National Security</b>                |                               | <u>Subjects</u><br>-Deportees<br>-Ex Inmates   |  |   |
| <b>Office of the Prime Minister</b>                 |                               | <u>Subjects</u><br>-Gender Affairs<br><u>Agencies etc.</u><br>-Bureau of Women's Affairs | <u>Agencies etc.</u><br>-Women's Centre Foundation                             |   |
| <b>Ministry of Industry Investment and Commerce</b> |                               |  | Departments<br>-MIDA<br>-Self-start Fund<br>-Cooperatives & Friendly Societies |   |

**Table 13: Government Institutional Framework for Social Protection cont'd.**

| Ministries, Departments and Agencies                         | Social Insurance and pensions                                 | Social Assistance & Welfare | Human Resource Development & The Labour Market | Environmental Goods and Services   |
|--|---|-----------------------------|--|--|
| <b>Ministry of Land Water Environment and Climate Change</b> |   |                             |  | <u>Subjects</u><br>-Water<br>-Environmental Management<br><br><u>Agencies</u><br>National Water Commission |
| <b>Ministry of Finance &amp; Planning</b>                    | <u>Subjects</u><br>-Public Sector Pensions & Health Insurance |                             |  |  |

### Social Insurance and Pensions

Programmes and Policies:

Social insurance programmes are either contributory or non-contributory, with the earliest dating back to the National Insurance Scheme established in 1966.

Social insurance and pension benefits are provided by

- MLSS, through the National Insurance Scheme (contributory) and its associated health insurance NI Gold
- Ministry of Finance and Planning, through the Public Sector Pension Scheme, and Public Sector Health Insurance.

Institutional Arrangements:

- The National Insurance Scheme is administered by the MLSS through its management of the National Insurance Fund. Under the Scheme, there are a variety of benefits including old-age pensions, disability and employment injury, and other benefits. Contributors can be both formally and informally employed, living in the island or overseas. The MOFP administers the public service pension and insurance schemes.

## Social Assistance and Welfare Services

Programmes and Policies:

Social assistance transfers include benefits provided in cash or kind. Historically, the slate of transfers has evolved in response to perceived needs over approximately one century. This area contains the largest number of programmes along with the widest degree of institutional involvement within the sector. Programmes are geared for the most vulnerable in the society, namely children, the elderly, persons with disability, the indigent/ homeless and women. Social assistance transfers are largely through:

- MLSS, through PATH and the Rehabilitation Programme. The PATH grants are directed at eligible households, as income support to children, pregnant and lactating women, the elderly, and persons with disabilities. The Rehabilitation Programme offers grants to needy persons in the categories of rehabilitation, compassionate, emergency, and education and social intervention.
- MLGCD, through the Poor Relief Programme, which offers cash and in-kind transfers to Registered Poor persons. The needs of the homeless and other destitute persons are also dealt with under the programmes of this ministry.
- JCPD, through the Economic Empowerment Grant for persons with disabilities. This has both a human capital focus as well as the provision of support for assistive aids.

Other benefits in kind are provided under

- Ministry of Health (NHF and JADEP which subsidize drugs for chronic ailments and the elderly, respectively)
- Ministry of Education (School Feeding Programme)
- MOE, through fee waivers for public secondary school tuition
- MOH, through fee waivers for public sector health care.

The largest Social Assistance Programme, PATH, primarily targets children, with differentiated benefits that reflect the greater need to promote boys' educational achievements and retention in school at the higher grades for both genders. Provision is also in place to prevent the real value of benefits from being seriously eroded (the Benefit Review Mechanism). A transparent objective screening mechanism has been used by PATH since its inception in 2002/03. This resulted in considerable reduction in leakage thereby greatly enhancing targeting of the neediest persons.

School feeding has been traditionally regressive because it was not historically targeted, but recent policies have increased access for the poor, for example by automatic eligibility for PATH students. Thus it has become increasingly progressive, with 24.0 per cent of participants being from the poorest quintile compared with 13.2 per cent being from the wealthiest, in 2010<sup>114</sup>.

In recent years, there has been a thrust towards increased subsidization of health care, resulting in several insurance programmes being introduced, to total ten in all with considerable overlapping and duplication. A senior can now have five health cards<sup>115</sup>, in addition to universal free access to most services in public health facilities. The policy of universal free health care is, however, currently under review by the government. At the same time, pension coverage is quite low as only 28.7 per cent<sup>116</sup> of those 65 and over received NIS benefits in 2010. Since NIS is mandatory for employees in the formal sector, the low coverage derives from the large number of workers in the informal sector and self-employment. NIS benefits are also too low to be meaningful because the contributions are too low. Reform of the NIS is currently under way with a view to increasing its coverage and better aligning its contributions to benefit levels. The Public Sector Pension Scheme is a defined benefit scheme which is fiscally unsustainable and governed by over 30 pieces of legislation. An ongoing review is at the Green Paper stage where reforms contemplated cover legislative, administrative, systemic and parametric changes. Accompanying changes are also recommended for enhancing the NIS to provide more meaningful benefits and educating public sector workers to engage in retirement planning that supplements pensions through the use of other savings instruments.

Recent policy developments have directed efforts to addressing, in a comprehensive manner, children's developmental needs from early childhood; this involved establishing the Early Childhood Commission and implementing a comprehensive "National Strategic Plan for Early Childhood Development in Jamaica, 2008–13".

There has also been response to crises affecting children with provisions made since 2000, through enacting the Child Care and Protection Act, and establishing the Office of the Children's Advocate, Office of the Children's Registry and Specialist Committee on Child Abuse. However, children in state care<sup>117</sup> — whether for care and protection or detention— is an issue that has taken on increased concern.

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<sup>114</sup> JSLC 2010. | <sup>115</sup> Marques, 2011. | <sup>116</sup> Pensioners from the formal sector (public and private sector) would be a subset of this group. | <sup>117</sup> Currently, the policy recognises that care-giving in a home environment is preferable to care in an institutional environment and there has been a thrust towards reducing institutionalization and expanding home provisioning for children in state care through the LIFE programme of the Child Development Agency.

This relates to unsatisfactory conditions while in care as well as lack of any halfway house and preparedness for independent living, and of proper arrangements for exit from care<sup>118</sup>. In relation to service provision, steps are currently being taken to upgrade the skills of social workers through training at different levels offered by MLSS through the Social Protection Project<sup>119</sup>.

With regard to the persons living on the streets, in response to the escalation in numbers and an inappropriate response by one parish, there have been heightened efforts on the ground, with prominent leadership from NGOs, to provide needed support and care. A Five Year Strategic Plan prepared in 2006 however, has not been formally approved to date. The Plan points out that there are two basic aspects to the remedial work being undertaken, rehabilitation and housing, but that "Housing is the single most important strategy to end chronic homelessness".

Interventions<sup>120</sup> for persons with disabilities are couched within the National Policy on Disability which was endorsed by Parliament in 1999. This is implemented by a number of supportive bodies led by the Jamaica Council for Persons with Disabilities, and supported by NGOs such as the Combined Disabilities Association, Jamaica Association on Intellectual Disabilities, Jamaica Society for the Blind and Jamaica Association for the Deaf. The policy was to be followed by a National Disability Act but this is still waiting to be tabled. For the elderly, the National Policy for Senior Citizens was endorsed by Parliament in 1997, with implementation overseen by the National Council for Senior Citizens.

#### Institutional Arrangements:

Responsibilities for giving assistance to the poor are shared primarily between the Ministry of Labour and Social Security (MLSS) and the 13 Local Authorities (LAs). MLSS currently administers the main national income transfers while the LAs have responsibility for the homeless, the Indigent Housing Programme and the Poor Relief Programme including Outdoor and Indoor /Institutional Care. A statutory body, the Board of Supervision, in the Ministry of Local Government has national responsibility for all matters relating to the registered poor; the Poor Relief Departments of the Local Authorities report to this Board.

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<sup>118</sup> Rose Robinson-Hall, "A Review of State Capacity to Prepare Wards of the State for Independent Living", 2012. | <sup>119</sup> Marques, 2011.

<sup>120</sup> Information for this paragraph primarily gleaned from PIOJ, 2012.

Initially, registration of the poor was done by the Local Authorities, beginning in 1886 under the Poor Relief Act (see Introduction). The Ministry of Social Security then began to administer the Food Stamp Programme in 1984. As the sector grew by gradual accretion it became characterized by duplication of effort, inefficiencies, fragmentation and possible wastage. Hence it was reviewed in the late 1990s and a Reform and Modernization Programme was instituted.

The changes introduced were designed to accomplish the following:

- Greater cost-effectiveness
- Integrated/rationalized/streamlined programmes
- Objective/transparent/equitable system
- Modernized approach
- Supportive legislative base
- Appropriate institutional framework.

Achievements under the Reform Programme include the designation of MLSS as the Central Welfare Agency; the consolidation of three income transfer programmes into one – the Programme of Advancement through Health and Education (PATH); the introduction of a scientific objective screening system – the Beneficiary Identification system (BIS); institution of a mechanism to retain the real value of PATH benefits; maintenance of budgetary expenditure on pro-poor programmes in health and education; design of a revised institutional framework; and drafting of new legislation to underpin the new system. In time, the legislative and institutional reforms proved to be the most intractable and, along with inter-agency collaboration, were adjudged to be lagging behind the operational reforms.

To date, the legislative change has not taken place to repeal the Poor Relief Act of 1886 and enact the National Assistance Act in order to transfer responsibility for the poor from the Local Authorities to MLSS. This change has been stoutly resisted by the Local Authorities which have continued to administer the Poor Relief Programme while MLSS administers PATH, resulting in untidy field operations and budgetary arrangements.

As a part of the reform thrust, an inter-agency body, the Social Safety Net Programme Implementation Committee (SSNPIC), was mandated by Cabinet in 2000, to oversee the process which was being spearheaded by the PIOJ. It brought senior members of all the relevant agencies together on a quarterly basis under the chairmanship of the PIOJ. The Committee has provided a forum for monitoring, coordinating, and promoting implementation and information sharing among the agencies involved. It reports to a Cabinet body, the Human Resources Committee (HRC), which considers social development matters referred to it by the Cabinet.

Proposals on policy or programme development/changes are channelled from the agency involved directly to Cabinet, which may or may not pass the matter to the HRC for its consideration. It is also not obligatory for these to be brought first to the SSNPIC for its review and often they have not been. Hence only some policies and programmes that were introduced since 2000 have benefited from the overarching vision of the reform process that has guided the SSNPIC, thereby allowing for alignment to the strategic direction of that vision.

For example, the BIS was intended to be used by all major social assistance programmes, with central operation and database maintained by MLSS; by varying the eligibility cut-off score of the BIS as necessary, different levels of need would be accommodated. This central coordination and structured selection process has not taken place, as only the PATH and more recently the Students' Loan Bureau have used the BIS to date. In recent years, however, eligibility for targeted school lunches has been linked to PATH beneficiary status.

As a result of the continuation of an uncoordinated approach, since 2000, overlapping, duplication and fragmentation have actually increased<sup>121</sup>. At the basic level of rationalization of functions, it is well recognised that there are a number of areas needing improvement. These were largely addressed in the Public Sector Master Rationalization Plan (approved by Cabinet in May 2011) designed to restructure and streamline the public sector to make it more efficient, effective and economical. Implementation of the Plan was under way since 2011, but since the change of administration in December 2011, continued implementation is awaiting approval by the new Cabinet. It is already the case that some of the existing proposals have been changed, for example, Local Government which was previously designated as a department in the Office of the Prime Minister has reverted to being a ministry.

Care for the needy and vulnerable is shared between central and local government with MLSS having responsibility for persons with disabilities and the elderly, while the LAs have responsibility for the homeless and indigent. Since there is considerable overlapping between these groups of persons, it is evident that close collaboration is essential and some rationalization may be necessary.

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<sup>121</sup> Marques, 2011, p. 168-9.

Responsibilities for children are shared between several Ministries of Government: child labour is with Labour and Social Security; early childhood development is with Education; abuse with Health; trafficking and incarceration with National Security; and care and protection with Youth and Culture. Such splintering is not conducive to consistency in approach, synergies in implementation and minimization of overhead costs. The Public Sector Master Rationalization Plan has noted this issue and recommended appropriate changes.

### **Human Capital Development and the Labour Market**

Programmes and Policies:

The national health and education services are the main sources of human capital development. Universal access to these was sought in 2008 by providing full waiver of fees in all public health facilities and in secondary schools (fees are traditionally not charged in primary schools). Issues to be noted in relation to health include quality of care and availability of pharmaceuticals in the public facilities. Recent programmes and policies in health insurance have already been noted. In relation to education, at the primary level, there is a sharp distinction between public schools (attended by 88.0 per cent of the age cohort) and private schools which have better quality teachers and are better equipped and resourced, but are attended by the minority who can afford the fees. The quality of offerings is also uneven, with rural areas having the poorest quality schools.

In addition to the mainstream, there are several programmes to address the needs of those at risk, but these are all small-scale and limited in scope.

- Early Stimulation Programme – to provide developmental care and stimulation for the very young with disabilities
- JFLL and HISEP – to build literacy and raise the level of educational achievement
- Women’s Centre – to assist school age mothers (and fathers where feasible) to be able to complete their schooling (this is an internationally acclaimed best practice which unfortunately has been contracting in recent years)
- NYS – to bridge the transition from school to work through work experience, etc.
- SYEAT – to provide work skills and employment for underprivileged unemployed youth
- Steps to Work – to assist in acquisition of livelihoods for working age members of welfare households
- Youth Development Programme, Young Entrepreneurs Project, Youth Empowerment Strategy – to assist the youth by giving training and employment assistance.

Additionally, there are Youth Information Centres, a Labour Market Information System and Electronic Labour Exchange to provide information and assistance regarding careers, labour market requirements and employment services. The Jamaica Business Development Corporation provides technical and other support for micro, small and medium enterprises (MSME) and the government provides funds to creditors of such businesses, with an increase in these funds of 86.1 per cent in 2011.

A structured programme to obtain short-term employment overseas (the Overseas Employment Programme) is also in place. The National Minimum Wage is monitored and reviewed annually by MLSS, which oversees labour market relations and conditions of pay, employment and occupational health and safety. The Overseas Employment Programme, targeting largely farm workers and the hospitality industry, is also managed through the MLSS. There are other social transfer benefits that accrue to citizens under the prevailing labour laws, for example, the Workmen's Compensation benefit.

Institutional Arrangements:

Besides the Ministries of Health and Education, responsibilities for the supplementary range of programmes are shared between MLSS which caters particularly to the poor and needy, and the Ministry of Youth and Culture. Exceptions are business development and credit which are handled by the Ministry of Industry, Investment and Commerce, and the Women's Centre which is under the Office of the Prime Minister where the Gender portfolio resides.

### **Environmental Goods and Services**

Subject matters that concern SP include low income housing, water and sanitation, transport, roads and the environment.

### **Housing**

Programmes implemented by the government for low income housing include<sup>122</sup>:

- Joint Venture Facilitation i.e., partnerships with private firms to develop housing solutions at lower market costs; for example, two programmes are under way involving Food for the Poor (an NGO), to provide low income units for NHT contributors with secure access to land earning below J\$10 000 p.a. and for others with no funds but also with land access.

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<sup>122</sup> "Vision 2030 Housing Sector Plan". |

- Social Housing Programme i.e., through Operation PRIDE which upgrades squatter settlements including regularizing illegalities, and established new settlements for low income persons by providing serviced lots for supervised self-help housing.
- Improving Security of Tenure.
- Mortgage Financing Provision i.e., short-term financing for residential construction as well as the insuring of residential mortgage loans.

The ministry is also currently undertaking spatial and socio-economic assessments of squatter settlements to inform its interventions in this area and a comprehensive national squatter management policy framework is being developed<sup>123</sup>. Entities under its portfolio for housing are:

- Housing Agency of Jamaica, which has the responsibility to undertake real estate developments for the low income market and to implement the Operation PRIDE programme. It generates its own financing.
- National Housing Trust, a developer and financier of housing projects, providing low cost loans to home owners in its Schemes, Serviced Lots, Build-on-Own-Land, and for the Open Market. It is financed by salary deductions and employer contributions.

The Office of the Prime Minister oversees the work of the Urban Development Corporation which also engages in the initiation and management of housing construction.

### **Water and Sanitation**

Programmes being implemented in water, sanitation and the environment include — improvements in water supplies currently being pursued under the Water Supply Improvement Project for Kingston Metropolitan Area and Rural Towns. Projects to improve the availability of sewerage pipes in residential areas such as Portmore are also being implemented.

The Ministry of Water, Land, Environment and Climate Change oversees the work of the National Water Commission which operates islandwide to supply domestic water and sewage treatment. At the same time, the Local Authorities are responsible for domestic water supplies in the rural areas and ODPEM has the mandate to oversee water provision during national disasters. Rural Water Supply Ltd is a government company that does water infrastructure projects and hands them over to NWC and LAs. The Water Sector Policy targets 2015 for access of all residents to water supply and adequate sanitation.

<sup>123</sup> Press briefing reported in Ministry's website. <http://www.mtw.gov.jm/NewsPage/2013/Ministry%20holds%20press%20Conference%20focusing%20on%20the%20AAJ,%20HAJ,%20JEEP,%20NWA%20&%20JUTC.aspx>

## Transport and Roads

Ministry of Transport, Works and Housing oversees agencies discharging its mandate viz

- Jamaican Urban Transit Company (public passenger transport)
- National Works Agency (public works)
- Road Maintenance Fund Board (road maintenance).

## The Environment

The Land Administration and Management Project has established a framework for the efficient management and use of land, while the Policy on Environmental Management Systems establishes the roles of government, the private sector and communities in the responsible management of the environment<sup>124</sup>. The Ministry of Water, Land, Environment and Climate Change oversees the National Environment and Planning Agency, which is an Executive Agency established in 2001 to amalgamate the National Resources Conservation Authority with the Town and Country Planning Authority and the Land Development and Utilization Commission. The aim of the merger was to integrate environmental, planning and sustainable development policies and programmes.

## Non-State Sector

The analysis of non-state involvement in SP in Jamaica will focus on the inputs of institutions, groups and individuals that help to avert or cope with the impact of risks against well-being through social risk management strategies. This includes the financial institutions involved in credit and insurance as well as family and friends and groupings of different kinds at the community level both formal and informal.

## Financial Institutions

Jamaican households show greater reliance on informal arrangements involving support from community members, relatives and friends than formal arrangements such as insurance or investments.

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<sup>124</sup> [http://www.nrca.org/legal/discussion\\_10Y\\_in\\_retro.htm](http://www.nrca.org/legal/discussion_10Y_in_retro.htm)

According to survey data, in times of financial crises, 37.0 per cent of households reported relying on informal help while 23.9 per cent relied on formal; for those below the poverty line, the respective proportions showed much greater disparity being, respectively, 44.0 per cent and 13.1 per cent<sup>125</sup>. The social capital which generates such support has thus been an important asset for and mainstay of social protection. The use of market-based instruments for protection is, however, being promoted globally as a more secure, reliable and effective means of protection for the poor. Use of the formal financial sector is related to one's income and education plus cultural factors and features of the sector itself. Increased Financial Inclusion (FI) is currently being promoted worldwide (see Box 5) and has been advocated by the United Nations for all countries.

In 2010, Jamaica (through the Ministry of Finance and the Public Service) joined the main government based grouping for FI, the Alliance for Financial Inclusion (AFI)<sup>126</sup>. Comparative data amassed by the World Bank reveal that Jamaica ranks well above the average for the LAC Region on the FI indicators assessed. Jamaica, in 2011, reports that 71.0 per cent of adults had an account at a formal financial institution compared with 39.0 per cent average for the Region. Nonetheless, the need for greater financial literacy in the country has been recognised; indeed, the Financial Services Commission expressed the view that Jamaica urgently needs a Financial Literacy Programme in light of socio-economic trends, and in 2011 they launched a programme Financial Education in Schools.

FI must also be facilitated on the supply side. There are approximately 19 institutions in Jamaica that provide non-deposit-taking financial services in connection with insurance — whether general, life or health. The Insurance Act and Regulations 2001 assigned responsibility to the Financial Services Commission (FSC) to regulate and supervise these institutions and their intermediaries. The interest of policyholders is protected by the FSC. Unfortunately, insurance statistics only quantify the number of insurances and are unable to state the number of persons insured. Available data for 2011 show that about half of the value of General Insurance is Motor Insurance followed by Commercial Risks with one-third, and Home Insurance with 8.7 per cent, leaving 10.0 per cent for all other areas<sup>127</sup>.

Moves are currently being made through micro insurance to bring the industry in line with the international thrust to make insurance more accessible and useful for the risk management purposes of the poor.

<sup>125</sup> JSLC 1999 (Special Module on Coping Strategies). | <sup>126</sup> AFI's members are central banks and other financial regulatory institutions from more than 80 developing countries, where the majority of the world's unbanked reside. <http://www.afi-global.org/>. | <sup>127</sup> Insurance Association of Jamaica, 2012. *Insurance Yearbook 2011*.

This protects low-income persons “against specific perils in exchange for regular premium payments”, thereby facilitating the availability of long-term growth opportunities. Jamaica International Insurance Co. (JIIC) launched the first micro insurance scheme in the country in early 2012, offering coverage for utility bills against disability, unemployment or death to users of its bill payment services<sup>128</sup>.

This is the first step towards initiating expansion into the micro insurance sector and is born out of a partnership JIIC has entered into with one of South Africa’s largest insurers. The government has a vital role in facilitating growth in micro insurance, for example providing a sound regulatory framework and lowering barriers such as high capital and licensing requirements. Currently, there is no legal framework for micro insurance schemes but the FSC is putting regulatory structures in place; Jamaica is thus leading the way in this area in the Caribbean. An examination of micro insurance was conducted in 20 countries in LAC (including Jamaica) by the IDB and concluded that over the previous five years, the sector was maturing and showed positive trends in offering greater value to the low income market<sup>129</sup>. The insurance industry reports that it maintains a good working relationship with the government as, through their umbrella agency (the Insurance Association of Jamaica), they meet twice per year with the Minister of Finance and Planning re policy matters and three times per year with the FSC concerning operations.

The credit unions and micro finance institutions (MFIs) are other important vehicles of financial assistance for the poor. Credit unions are not-for-profit financial institutions owned and controlled by members who share a common bond. Services provided include savings, loans for business, mortgage et cetera, loan insurance, credit and debit cards. Following a period of dormancy, the Credit Union Movement has experienced rapid growth in recent years, with increases in membership by 20.0 per cent from approximately 752 000 in 2004 to 900 000 in 2011, in savings by 128.0 per cent and in loans by 150.0 per cent<sup>130</sup>. The Jamaica Co-operative Credit Union League is the national association responsible for overall direction and coordination of approximately 50 credit unions, while the Jamaica Co-operatives Insurance Agency is the insurance arm of the movement. The National People’s Co-operative Bank (NPCB or PC Banks) is incorporated under the Industrial and Provident Societies Act and is the main community bank for the agricultural sector in Jamaica. It provides a wide range of services including loans to MSMEs through its 37 branches islandwide.

<sup>128</sup> *Wise Financial News*, Feb. 15, 2012, . accessed February 19, 2013. | <sup>129</sup> IDB, “*The Landscape of Microinsurance in Latin America and the Caribbean*” 2012

<sup>130</sup> JCCUL, 2004 and 2011.

The main source of funding for NPCB loans is the Development Bank of Jamaica whose policy is to channel loans to individuals and sectors not served by commercial banks because of the risk involved. New developments designed to make credit more accessible for MSMEs, including the relaxation of collateral requirements (enactment of the Secured Obligations Bill scheduled for 2013), should assist in shaping an environment that is more supportive in this area.

#### Box 5: Global Thrust for Financial Inclusion

Currently there is a thrust for full financial inclusion (FI) across the globe. This has been defined as *A state in which everyone who can use them has access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, with respect and dignity*<sup>131</sup>.

The principal aim is to reach those who have been underserved to date, namely disadvantaged and low income segments of society<sup>9</sup>. There are three global initiatives established to advance the cause of financial inclusion, namely

1. The Centre for Financial Inclusion (CFI) was launched in 2008 and brings together all types of stakeholders in regular fora to develop solutions and have consensus on a wide range of activities covering government policy, providers' operations and knowledge and attitudes of potential clients<sup>133</sup>.
2. The Alliance for Financial Inclusion (AFI) was founded in 2008 as a global financial network to assist countries in the formulation of policies to facilitate access to financial services for the poor. AFI members are central banks and other financial regulatory institutions from over 80 countries. Jamaica joined the AFI in October 2010 through the Ministry of Finance and the Public Service<sup>134</sup>.
3. The Global Financial Inclusion initiative at Innovations for Poverty Action manages research funds seeking to test, evaluate and replicate interventions to improve products, delivery channels, and tools to help users make the most of their financial portfolios<sup>135</sup>.

Among the strategies that further the aims of financial inclusion for the poor are microfinance, micro insurance, relaxation and simplification of banking practices and mobile financial services. Microinsurance, like regular insurance, may be offered for a wide variety of risks. These include health risks (illness, injury, or death) and property risks (damage or loss).

<sup>131</sup> Center for Financial Inclusion, accessed Feb. 18, 2013, [www.centerforfinancialinclusion.org/about](http://www.centerforfinancialinclusion.org/about) | <sup>132</sup> Wikipedia quoting the United Nations, accessed Feb. 18, 2013. | <sup>133</sup> CFI, op cit. | <sup>134</sup> Alliance for Financial Inclusion, <http://www.afi-global.org/> | <sup>135</sup> Global Financial Inclusion Initiative, accessed Feb. 13, 2013, <http://www.poverty-action.org/financialinclusion>

**Box 5: Global Thrust for Financial Inclusion cont'd.**

A wide variety of microinsurance products exist to address these risks, including crop insurance, livestock/cattle insurance, insurance for theft or fire, health insurance, term life insurance, death insurance, disability insurance, insurance for natural disasters, etc. This is a particularly valuable tool for protecting the poor. Its utilization is challenged by a number of operational issues including reaching its clientele in remote areas and engaging a large enough number of persons to make it profitable given the small margins per policy. Nevertheless, it is being pursued in several countries and has gained ground in developing countries such as Africa, India and Mali<sup>136</sup>.

**Formal Groups**

At another level of operation persons organize themselves into more or less formal groupings to further their economic interests in various ways. These include Friendly and Benevolent Societies, Industrial and Provident Societies (IPS) and Co-operatives. Since 2010, there has been rationalization of the registration and supervision of these groups and they are all now overseen by the Department of Co-operatives and Friendly Societies (DCFS) which is an Agency of the Ministry of Industry Investment and Commerce. The Department registers groups that meet the established criteria of sustainability et cetera, supervises their operations, provides technical support as necessary and ensures the security of their assets; protecting stakeholders' interests, and the savings and investments of members. The Registrar of Co-operatives also de-registers dormant or non-functional groups whenever warranted.

There are approximately 500 Friendly/Benevolent societies which operate under the Friendly Societies Act. Friendly Societies work at the grass-roots level, are funded through members' contributions, and seek to alleviate crises for its members. They provide access to Group Insurance and thereby to sick and death benefits inter alia. Recent trends show little increase in these groups. Benevolent Societies seek funding from external agencies such as JSIF and CHASE, and implement projects towards community improvement in physical infrastructure, education (e.g. homework centres), help for the elderly and so forth. These have showed steady increase over time.

<sup>136</sup> Wikipedia Accessed Feb. 19, 2013.

There are approximately 220 co-operatives that operate under the Co-operative Societies Act; they charge membership fees and implement business ventures of all types (agriculture, fishing, irrigation etc.) or provide services such as marketing, credit, housing et cetera. Housing co-operatives facilitate home ownership by purchasing 'Mother Titles' for their members and arranging individual mortgages at very low interest rates. Industry specific cooperatives such as coffee and cocoa have been closing, but over the past few years there has been some resurgence in the registration of co-operatives, presumably due to the challenging economic climate. Some 270 Industrial and Provident Societies function under the Provident Societies Act; these are organizations with large assets operating as credit unions, in housing and other large-scale programmes. In the past some of these have suffered from misuse and delinquency of members, resulting in failure and collapse.

### **Informal Arrangements**

These arrangements are heavily depended on by the poor and vulnerable in times of need. Community members, family and friends consider it almost obligatory to provide as much assistance as can be afforded to persons affected by crises brought on by illness, death in the family, natural disasters and other causes of income loss.

A major and growing source of support over the past two decades has been remittances from abroad from migrant family members. Larger percentages of female-headed households generally receive remittances than male-headed households, and in 2010<sup>137</sup> accounted for 51.2 per cent of recipient households. However, receipt of remittances is skewed against rural areas, of which 40.0 per cent of households received remittances compared with 47.0 per cent in urban areas. Similarly, 34.7 per cent of the poorest population quintiles received remittances, rising across socio-economic status to 50.9 per cent for the wealthiest. It is reported that remittances are used primarily for day-to-day household needs, followed by educational support<sup>138</sup>.

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<sup>137</sup> JSLC 2010. | <sup>138</sup> JSLC 2007.

## PART C: SUMMARY, ANALYSIS AND CONCLUSION

### Socio-economic Characteristics

General highlights of the socio-economic characteristics may be summarized as follows. The population demographics currently have the positive impact of a relatively low age dependency ratio, but the benefit of a fairly large working age group is eroded by two factors — weak labour market demand, from a sluggish economy plus the recent impact of the global financial crisis, and inadequate human capital development from a faulty education system. As a consequence, a large proportion of the youth is unattached, while poor parenting, poverty and other issues compound the matter by placing significant numbers of children at risk from an early age.

The combination of poor, unattached youth with international crime networks fuel high crime and homicide rates. Physical conditions are impacted by inadequate housing provisions for low income persons and rapid urbanization, resulting in excessive squatting in settlements across the country. The locations of many of these settlements are hazardous and sanitation is often seriously lacking. In addition, the country's vulnerability to natural disasters along with their increasing incidence exacerbates the threats to life and property in these settlements.

### Policies and Programmes

The analysis reveals a wide array of policies and programmes being implemented to address the impediments that militate against satisfactory living conditions for Jamaican residents. Indeed, the Marques study (PIOJ) of the Social Safety Net concluded that “within the scope of public policy the range of programmes adopted are appropriate for the country's needs as there are provisions for all the risks identified”<sup>139</sup>.

However, it was noted that while the country's ongoing efforts are ambitiously wide ranging, they are severely lacking the resources necessary to tackle the problems at the scale and with the intensity needed. A general problem, therefore, is that many programmes are too small to make a great impact on the problems addressed and where they are large the benefits are inadequate.

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<sup>139</sup> *Ibid.*, p. 180.

Moreover, there is evident need for strong control of policy and programme development to ensure efficiency, consistency and cohesiveness, for an integrated, cost-effective SP system to be put in place.

## Interpretive Analysis

### Children

A more granular examination reveals certain causative factors that need to be addressed. The obstacles to child development from the antenatal stage through early childhood are related to poverty and inequities in the society. The Early Childhood sector is beginning to come to grips with some of these needs. PATH supports some needy households with cash transfers for children, while the state covers other costs associated with their education. However, there is limited success in involving poor pregnant and lactating mothers, and low benefit levels affect the degree of impact. Hence, costs such as transport and lunch money for school remain challenging.

The lack of appropriate caregiving or parenting in the early years has serious adverse effects on practically all developmental fronts, and has been identified as a serious problem in Jamaica by analysts and fieldworkers alike<sup>140</sup>. The data reveal continued deterioration in this area with growing abrogation of parental responsibilities to the state, plus an added dimension of escalation in adolescent mental illness. Other sources of concern are children in conflict with the law and teenage pregnancies. Measures are thus needed to identify households lacking responsible adult supervision and caregiving, and to apply corrective interventions utilizing social case management along with referrals to appropriate agencies. Given the fact that children in state care are being inadequately prepared for their exit from care, it is not surprising that many of them are ending up in a state of disadvantage. Thus there is need to modify existing statutes and policies governing exit from state care to better align them with present realities, including the conditions that make it increasingly difficult for the society and economy to accommodate youth living on their own.

The inevitable risks faced by children in terms of social protection are largely those pertaining to the quality of their care and development, their education experience, and the potential impact of these on their future opportunities within the labour market.

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<sup>140</sup> Reid, Tyrone, "Nanny State: Take My Rude Child" and "Bad Parents=Bad Children" 2013.

## Working Age

For those of working age, major obstacles to adequate income include demand-side factors such as ill-preparedness for employment and the consequent inability to secure 'decent work'. There is also the mismatch between training and labour demand, and low productivity levels. This contributes to inadequate wages, and on the other hand, can undermine the viability of employment, where minimum wages are required to be paid. The focus of programmes for this age group has primarily been promotional, to build capacity for self-support rather than to provide income transfers or hand-outs. These ALMPs are too small-scale, however, and as a result have minor impact. Among the most vulnerable groups are females and youth.

With regard to the attainment of future income security, in view of the pervasive use of informal risk management mechanisms, the advantage of greater Financial Literacy for the Jamaican population cannot be overstressed. Market-based risk mitigation insurance mechanisms need to be fostered and facilitated by the government and embraced by the private sector. Also of critical importance is the fact that national Social Security benefits are currently too low and are subscribed to by a minority of workers; usually not the informal sector. At the same time both the National Scheme and the Public Sector Scheme are fiscally unsustainable. In relation to temporary loss of income, provisions for this are lacking, hence Unemployment Insurance coverage for all workers is warranted but is a challenge in Jamaica where the informal sector is estimated as accounting for close to half<sup>141</sup> of total employment.

There are also major risks of discrimination in education, training and employment for persons with disabilities, and other population groups, impacting their ability to earn adequate incomes or stave off poverty through social security participation.

## Elderly

The greatest threats faced by the elderly relate to adequacy of income and affordable health care. In relation to the first, low participation rates in social security schemes mean that few reap the benefits from risk management undertaken in the earlier years. Support for health care is available through fee waivers in the public system but service standards are often inadequate and the set of public schemes for health insurance and subsidized pharmaceuticals need rationalization.

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<sup>141</sup> IADB, 2007.

A large percentage of the elderly have unmet needs in the area of caregiving and family support to prevent social isolation; this percentage is similar to that of the very young. Recognising the impending demographic transition, where the proportion of the elderly in the population will increase even above the proportion of children, the need to promote active, healthy ageing and social security coverage becomes more imperative.

### **Gender**

With regard to gender issues, it may be argued that females should be treated as a vulnerable group. However, while this would be appropriate for societies in which females are severely disadvantaged compared with males, this is not the case for Jamaica.

Indeed it was noted in the situation analysis that male poverty rates are above average and higher than that of females and their educational achievement levels are well below that of females. On the other hand, female-headed households have higher poverty rates than male-headed households; female unemployment rates are double that of males, and females also suffer certain social disadvantages. The fact is that the two genders have different social and economic vulnerabilities due to socialization patterns, cultural norms and expectations, and stereotypical roles upheld in the society. These are manifested in the differential gender composition of the various vulnerable groups.

### **Physical Infrastructure**

Chief among the problems to be overcome in relation to housing and related infrastructure are: access to suitable land in urban and peri-urban areas; lack of affordable housing especially for low income persons; and lack of land titles especially in the rural areas. From a risk management standpoint, housing is perhaps the most important physical investment and asset of any household, and more so for the poor for whom its provision and replacement require greater sacrifice than for other households. Engaging in self-help housing that is precarious or on insecure sites is, therefore, an unwise, wasteful economic investment. SP therefore needs to intervene to prevent households from suffering such major economic loss whereby they are likely to require social assistance and other risk coping interventions from the state. In the rural areas, housing issues are compounded by poor infrastructure services. The rural poor are thus most adversely affected by poor roads and inadequate transportation, water and sanitation. This contributes to their deprivation and inability to access income earning opportunities, inter alia.

## Food Security

Access to nutritious food especially by those nutritionally at risk such as young children and the elderly must be considered critical. The solution prescribed by the current draft Food and Nutrition Security Policy (FNSP) document is to promote greater income security for the target groups. Programmes specifically directed at improving the food security of selected groups are also needed; the School Feeding Programme (SFP) and Meals on Wheels for the elderly are examples of ongoing initiatives of this nature. The coverage of these is inadequate, however, and there are concerns about the administration and quality of the SFP. The need has also been identified to reach other nutritionally at risk groups such as persons in public institutions<sup>142</sup>. At the same time FNSP identifies food distribution as one of the problems to be overcome, as small farmers are unable to satisfactorily market their products individually. The potential benefit of linking these two needs is readily apparent.

## Poverty

Poverty rates in Jamaica have been declining since the 1990s, varying more so with upward movement in real incomes and downward movement in prices (measured by inflation rates) than with economic growth which has been flat. The increases in poverty since 2008 are related to the fact that Jamaica is considered particularly vulnerable to global food price increases<sup>143</sup>, and also to the impact of the economic crisis which reduced employment and consequently increased economic dependency. Considerable bunching around the poverty line was also noted from the Situation Analysis and this would result in high levels of movement in and out of poverty<sup>144</sup>. Panel data of several countries further imply that up to one-half of persons in consumption poverty have been pushed there by life-cycle events<sup>145</sup>.

Finally, regression analyses, controlling for labour market factors of the household head and other household characteristics in Jamaica, have revealed that Child Dependency Ratios are the single largest household based factor responsible for differences in household per capita consumption levels<sup>146</sup>. These characteristics of poverty in Jamaica indicate the value of the impact on such variables as food security and life-cycle factors to reduce poverty levels, variables which are central to the concerns and interventions of this comprehensive social protection strategy.

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<sup>142</sup> PIOJ, 2012. | <sup>143</sup> Ibid. | <sup>144</sup> Handa, "Poverty Trends and Characteristics in Jamaica" 2008 | <sup>145</sup> Holzmann and Jorgensen, 2000. | <sup>146</sup> Knight, *Inequality and Stratification in Jamaica During Economic Adjustment, 1991-2000*, 2008.

## Emerging Vulnerabilities

Emerging vulnerabilities increase the quantum of demands placed on the SP system. They may also require changes in the profile of interventions in the sector. The emerging vulnerabilities identified by the PIOJ study may be classified into three groups, each requiring different types of responses from the SP sector.

1. Where the risks involved are related to the life cycle and other natural consequences of development, such as, population ageing and increase in disability, respectively.
2. Where the risks emanate from the impact of poor economic conditions, as in unemployment and reduced incomes.
3. Where the risks result from other factors which are complex and require study and analysis to determine the appropriate strategies that should be employed for SP purposes. Migration related social security and the impact of climate change fall into this category.

The following concerns re migration issues have been identified by some analysts:

*Social protection for international migrants consists of four components: (i) access to formal social protection—that is, social security and social services—in host and origin countries; (ii) portability of vested social security rights or rights in the process of being vested between host and origin countries; (iii) labor market conditions for migrants in host countries and the recruitment process for migrants in the origin country; and (iv) access to informal networks to support migrants and their family members<sup>147</sup>.*

These would all need to be addressed in separate bilateral agreements. With regard to the main flow of Jamaican migration, namely emigration to the United States of America, issues of concern include firstly, the fact that while there are agreements with the other main recipient countries, no inter-government agreement exists for portability of pension benefits with the US. However, that does not rule out the exportability of such benefits. Secondly, the recruitment process for Jamaican workers is undertaken primarily by the private sector which often fails to abide by local regulations<sup>148</sup>. With regard to climate change, Jamaica is especially vulnerable being a Small Island State where much of its economic infrastructure is on the coastline.

<sup>147</sup> Avato, Koettl and Sabates-Wheeler, "Definitions, Good Practices, and Global Estimates on the Status of Social Protection for International Migrants" 2009.

<sup>148</sup> IOM, 2012

In this regard, social protection, climate change and disaster risk reduction are closely interrelated but are judged to lack adequate evidence and experience in order to formulate the most effective response<sup>149</sup>. The term 'adaptive social protection' has been coined to refer to the role of social protection in strengthening adaptation of livelihoods to be more climate-resilient. It is of some importance that climate change is likely to undermine certain livelihoods more than others, threaten shelter related security and heighten health risks; hence it would have differentiated impacts on different vulnerable groups according to prevailing patterns in Jamaica.

### **Institutional Framework**

In terms of Jamaica's institutional characteristics, weaknesses include an outdated and inadequate legislative framework which must be reformed to reflect modern approaches and the overall intent of a comprehensive SP system. Among the strengths are a strong institutional base and successful experience of the public sector with the implementation of core SP programmes such as PATH, Poor Relief and NIS. For example, the sector already has a computerized central registry and management information system for the existing cash transfer programme, along with experience in targeting using proxy means testing and geographic targeting et cetera. Similarly, Private Financial Institutions comprise a well-developed sector which is already moving towards financial inclusiveness for the low income population. Nevertheless, there are areas of institutional weakness, and capacity building or strengthening would be required in certain areas such as for central coordination and management and for local level service delivery.

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<sup>149</sup> Davies et al. *Climate Change Adaptation, Disaster Risk Reduction and Social Protection*, 2008.

## Conclusion

It is necessary to underscore that despite the many challenges posed for social protection by Jamaica's socio-economic characteristics, the country has certain strengths which can form the basis of a comprehensive, more strategic approach in this area. The wide range of programmes and projects being implemented is an important and commendable feature, exhibiting the sensitivity and willingness of decision makers to tackle the problems, though the lack of available resources limits the success achieved. On the other hand there is overlapping and duplication between programmes, which speak to insufficient coordination and control in decision making.

Informal sources of support have been extremely valuable and reflect the strength of social capital among community residents, family and friends — a feature to be cherished. The non-state sector with its well-developed financial institutions and active voluntary organization at the community level is well poised to form the base for greater levels of formality, which is desirable for protecting the population against risks.

## **APPENDIX II: THE LEGISLATIVE AND POLICY FRAMEWORK FOR SOCIAL PROTECTION**

### **A. LEGISLATION**

#### **Social Insurance and Assistance (Income Transfers)**

National Insurance Act  
Pensions Act  
The New Pensions Act  
The National Health Fund Act  
Poor Relief Act 1886

#### **Social Assistance (Services)**

Child Care and Protection Act 2004  
The Children (Adoption of) Act  
The Status of Children Act

#### **Human Capital Development and Care**

Registration (Births and Deaths) Act  
Mental Health Act  
National Health Services Act  
Nursing Homes Registration Act  
Pharmacy Act  
Processed Food Act  
Public Health Act  
The Dangerous Drugs Act  
The Food Storage and Prevention of Infestation Act  
The Food and Drugs Act  
The National Health Fund Act  
The Education Act

#### **Labour Market Programmes**

Employment (Equal Pay for Men and Women) Act  
Employment (Termination and Redundancy Payments) Act and Regulations  
Maternity Leave Act  
Minimum Wage Act  
Women (Employment of) Act  
Apprenticeship Act  
Employment Agencies Regulation Act  
Factories Act  
Foreign Nationals and Commonwealth Citizens (Employment) Act

Holiday With Pay Act  
Labour Officers (Powers) Act  
Labour Relations and Industrial Disputes Act  
Pensions (Superannuation Funds and Retirement Schemes) Bill 2003  
Pensions Act  
Recruiting of Workers Act  
Trade Union Act  
Workmen's Compensation Act

**Physical Development**

Housing Act  
National Housing Trust Act  
Land Development and Utilization Act  
National Solid Waste Management Act (2002)  
Natural Resources Conservation Authority Act (1991)  
The Fishing Industry Act  
The Land Development and Utilization Act  
Town and Country Planning Act  
Water Resources Act  
Wild Life Protection Act

**Financial Services**

Friendly Societies Act  
Co-operative Societies Act  
Industrial and Provident Societies Act  
The Building Societies Act  
Insurance Act and Regulations  
Mortgage Insurance Act  
National Insurance Act  
The Deposit Insurance Act

**Overarching**

The Charter of Rights

**B. POLICIES****Social Insurance and Assistance (Income Transfers)**

National School Feeding Policy

**Social Assistance (Services)**

National Youth Policy

National Policy Statement on Women

National Policy for Gender Equality

National Policy for Senior Citizens

National Policy for Persons with Disabilities

**Human Capital Development and Care**

National Policy for HIV/AIDS Management in Schools

Drugs for the Elderly

National HIV/AIDS Policy

Reproductive Health Guidelines for Health Professionals

Mental Health Reform

Education Policy

Education: The Way Upward

Compulsory Education Policy

Special Education Policy

National Lifelong Learning Policy

Labour Market Reform

National Policy on Children

Labour Market Programmes

National Employment Policy

National HIV/AIDS Workplace Policy

Development of an Entrepreneurship Culture

**Physical Development**

Policy on Homelessness in Jamaica

Social Housing Policy

National Housing Policy

National Squatter Management Policy

Jamaica Water Sector Policy

Operation PRIDE Policy

Water Supply Policy

## APPENDIX III: INTERNATIONAL CONVENTIONS

Jamaica has signed and ratified seven (7) of the nine (9) UN Human Rights Treaties, and these are listed below. Note should be taken of the fact that “Rather than being separate, free-standing treaties, the treaties complement each other, with a number of principles binding them together. ... All of the treaties, based on these common principles, are interdependent, inter-related and mutually re-enforcing, with the result that no rights can be fully enjoyed in isolation, but depend on the enjoyment of all other rights”<sup>150</sup>

1. **Convention on the Rights of the Child**
2. **Convention on the Elimination of All Forms of Discrimination Against Women**
3. **Convention on the Rights of Persons With Disabilities**
4. **International Covenant on Economic, Social and Cultural Rights**
5. **United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of their Families**
6. **International Convention on the Elimination of all forms of Racial Discrimination**
7. **International Convention on Civil and Political Rights**

The **Universal Declaration on Human Rights** is a statement to which all nations subscribe by virtue of their membership in the United Nations.

In addition to the UN Conventions, the ILO has eight (8) Social Security Standards which are summarized below. None of these have been ratified by Jamaica.

### UP-TO-DATE<sup>151</sup> 1ILO SOCIAL SECURITY STANDARDS<sup>152</sup> (Classified Guide, 18.05.2009)

#### A. Comprehensive Standards

##### 1. **Social Security (Minimum Standards) Convention, 1952 (No. 102)**

Description:

Defines the nine branches in social security (medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, survivors' benefit) and sets minimum standards for these benefits concerning scope of coverage, kind of benefits, their duration and their qualifying conditions.

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<sup>150</sup> Office of the United Nations. “The United Nations Human Rights Treaty System”: Fact Sheet No. 30. High Commissioner for Human Rights. <http://www2.ohchr.org/english/bodies/docs/OHCHR-FactSheet30.pdf> | <sup>151</sup> Conventions, the ratification of which is encouraged and information on difficulties of ratification is requested; and Recommendations to which member states are invited to give effect. | <sup>152</sup> Accessed online.

**2. Equality of Treatment (Social Security) Convention, 1962 (No. 118)**

Description:

Equality of treatment between national and non-national workers with regard to the nine branches of social security, as well as provisions of benefits abroad and maintenance of rights in course of acquisition.

**3. Maintenance of Social Security Rights Convention, 1982 (No. 157)**

Description:

Contains the provision of benefits abroad as well as detailed rules on the maintenance of migrant workers' rights in course of acquisition, covers the nine branches of social security.

**B. Standards relating to the Various Branches of Social Security****1. Medical Care and Sickness Benefit Convention, 1969 (No. 130)**

Description:

Higher standards than Convention No. 102 with regard to medical care and sickness benefit.

**2. Employment Promotion and protection against Unemployment Convention, 1988 (No. 168)**

Description:

Provision for benefit or allowances to the voluntarily unemployed.

**3. Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)**

Description:

Higher Standards than Convention No. 102 with regard to invalidity, old-age and survivors' benefits.

**4. Employment Injury Benefits Convention, 1964 (No. 121)**

Description:

Higher standards than Convention No. 102 with regard to employment injury benefits.

**5. Maternity Protection Convention, 2000 (No. 183)**

Description:

Revision of Convention No. 103, stipulating minimum cash and medical care benefits and minimum leave periods in case of maternity.

## APPENDIX IV: STAKEHOLDER CONSULTATIONS

Representatives from the stakeholder groups and organizations listed below were directly consulted during the process of developing the Social Protection Strategy. The consultation process included key informant interviews, focus group discussions, and consensus-building fora and core group meetings/workshops. The development of the Strategy was also informed by reports from a number of knowledge-gathering activities including research and best-practice study tours. In particular, two key diagnostic studies were conducted under Component 4 of the Social Protection Project to feed into the Strategy development: 1) Review of the Social Safety Net Provision and Capacity, and 2) A Review of Current and Emerging Vulnerability in Jamaica in the Context of Risks to Income, Poverty and Food Security. These studies also included consultation with key government agencies, NGOs, other civil society organizations and representatives of specific vulnerable groups. The vulnerable groups consulted included persons with disabilities, involuntarily returned migrants (deportees) and small farmers. Consultations included gender dynamics, and rural and urban representation.

### **Social Protection Strategy Core Group members:**

- Planning Institute of Jamaica
- Ministry of Labour and Social Security
- Ministry of Health
- Ministry of Education
- Ministry of Local Government and Community Development
- Ministry of Agriculture and Fisheries
- Ministry of Finance and Planning
- Ministry of Youth and Culture
- Office of the Prime Minister
- Child Development Agency
- Board of Supervision
- Jamaica Council for Persons with Disabilities
- National Council for Senior Citizens
- University of the West Indies, Mona

### **Key Informant Interviews:**

- Ministry of Transport, Works and Housing – Minister
- Child Development Agency – Chief Executive Officer
- Board of Supervision – Coordinator for Homeless Programme
- Department of Cooperatives and Friendly Societies – Registrar
- Insurance Association of Jamaica – Executive Director
- Jamaica International Insurance Company - Manager Customer Experience and Innovation

**Focus Group Discussions:****Kingston:**

- Social Protection Strategy Core Group
- Street Boys
- Adults Living on the Streets
- The Salvation Army
- KSAC Poor Relief Department
- Good Samaritan Inn (Seventh Day Adventists)
- Open Arms Drop-In Centre
- Clarendon Poor Relief Department
- Clarendon Association for Street People (CLASP)
- Board of Supervision

**St. James:**

- Westmoreland Parish Council, Poor Relief Department
- Westmoreland Association for Street People (WASP)
- St. Ann Parish Council Poor Relief Department
- Friends in Need, Mandeville, Manchester
- Committee for the Upliftment of the Mentally III (CUMI)
- Night Shelter Manager, Open Heart Charitable Mission, c/o Refuge of Hope, Montego Bay, St. James
- Cornwall Regional Hospital, Mental Health Dept. St. James

**National Consensus Building Workshop 1 – St. Andrew:**

- Planning Institute of Jamaica
- Statistical Institute of Jamaica
- Ministry of Labour and Social Security
- Ministry of Health
- Ministry of Local Government and Community Development
- Ministry of Agriculture and Fisheries
- Ministry of Finance and Planning
- Ministry of Transport, Works and Housing
- Office of the Prime Minister
- Jamaica Social Investment Fund
- Board of Supervision
- Jamaica Council for Persons with Disabilities
- National Council for Senior Citizens

- St. Catherine Parish Council
- KSAC Poor Relief Department
- Clarendon Poor Relief Department
- National Health Fund
- Institute of Gender and Development Studies, UWI
- Department of Sociology, Psychology and Social Work, UWI
- Derek Gordon Data Bank, UWI, Mona
- Jamaica International Insurance Company
- Department of Co-operatives and Friendly Societies
- Independent Consultant

#### **National Consensus Building Workshop 2 – St. James:**

- Planning Institute of Jamaica
- Ministry of Labour and Social Security (regional offices: Hanover)
- Ministry of Local Government, Board of Supervision
- Poor Relief Department, Westmoreland
- Montego Bay Chamber of Commerce
- National Land Agency
- St. Ann Parish Council
- Trelawny Parish Council
- Hanover Parish Council
- Manchester Parish Council
- St. James Parish Council, Poor Relief Department
- National Council for Senior Citizens
- Jamaica Council for Persons with Disabilities
- Social Development Commission
- National Water Commission
- National Housing Trust
- University of the West Indies
- Committee for the Upliftment of the Mentally Ill
- Guardian Life
- Sagicor
- COK Sodality

*November 18, 2013*

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