



Social protection systems

in **Latin America
and the Caribbean**

Colombia

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Social protection systems in Latin America and the Caribbean: Colombia

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This document was prepared by Lucía Mina Rosero, consultant with the Social Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC), and is part of a series of studies on “Social protection systems in Latin America and the Caribbean”, edited by Simone Cecchini, Social Affairs Officer, and Claudia Robles, consultant, with the same Division. The authors wish to thank Francis Jones for his valuable comments.

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Foreword

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This report is part of a series of national case studies aimed at disseminating knowledge on the current status of social protection systems in Latin American and Caribbean countries, and at discussing their main challenges in terms of realizing of the economic and social rights of the population and achieving key development goals, such as combating poverty and hunger.

Given that, in 2011, 174 million Latin Americans were living in poverty —73 million of which in extreme poverty— and that the region continues being characterized by an extremely unequal income distribution (ECLAC, 2012), the case studies place particular emphasis on the inclusion of the poor and vulnerable population into social protection systems, as well as on the distributional impact of social protection policies.

Social protection has emerged in recent years as a key concept which seeks to integrate a variety of measures for building fairer and more inclusive societies, and guaranteeing a minimum standard of living for all. While social protection can be geared to meeting the specific needs of certain population groups —including people living in poverty or extreme poverty and highly vulnerable groups such as indigenous peoples—, it must be available to all citizens. In particular, social protection is seen a fundamental mechanism for contributing to the full realization of the economic and social rights of the population, which are laid out in a series of national and international legal instruments, such as the United Nations' 1948 Universal Declaration of Human Rights or the 1966 International Covenant on Economic, Social and Cultural Rights (ICESCR). These normative instruments recognize the rights to social security, labour, the protection of adequate standards of living for individuals and families, as well as the enjoyment of greater physical and mental health and education.

The responsibility of guaranteeing such rights lies primarily with the State, which has to play a leading role in social protection —for it to be seen as a right and not a privilege—, in collaboration with three other major stakeholders: families, the market and social and community organizations. Albeit with some differences due to their history and degree of economic development, many Latin American and Caribbean countries are at now the forefront of developing countries' efforts to establish these guarantees, by implementing various types of transfers, including conditional cash

transfer programmes and social pensions, and expanding health protection. One of the key challenges that the countries of the region face, however, is integrating the various initiatives within social protection systems capable of coordinating the different programmes and State institutions responsible for designing, financing, implementing, regulating, monitoring and evaluating programmes, with a view to achieving positive impacts on living conditions (Cecchini and Martínez, 2011).

Social protection is central to social policy but is distinctive in terms of the social problems it addresses. Consequently, it does not cover all the areas of social policy, but rather it is one of its components, together with sectoral policies —such as health, education or housing— and social promotion policies —such as training, labour intermediation, promotion of production, financing and technical assistance to micro— and small enterprises. While sectoral policies are concerned with the delivery of social services that aim at enhancing human development, and promotion policies with capacity building for the improvement of people’s autonomous income generation, social protection aims at providing a basic level of economic and social welfare to all members of society. In particular, social protection should ensure a level of welfare sufficient to maintain a minimum quality of life for people’s development; facilitate access to social services; and secure decent work (Cecchini and Martínez, 2011).

Accordingly, the national case studies characterize two major components of social protection systems –non-contributory (traditionally known as “social assistance”, which can include both universal and targeted measures) and contributory social protection (or “social security”). The case studies also discuss employment policies as well as social sectors such as education, health and housing, as their comprehension is needed to understand the challenges for people’s access to those sectors in each country.

Furthermore, the case studies include a brief overview of socio-economic and development trends, with a particular focus on poverty and inequality. At this regard, we wish to note that the statistics presented in the case studies —be they on poverty, inequality, employment or social expenditure— do not necessarily correspond to official data validated by the Economic Commission for Latin America and the Caribbean (ECLAC).

I. Introduction¹

The Law 789 of 2002 defined the Colombian social protection system as the set of public actions aimed at reducing vulnerability and improving the quality of life of the population. In particular, this law aims at realising the rights to health, to a pension and to work. Accordingly, the social protection system is structured around the following components: (i) the General System of Comprehensive Social Security (*Sistema General de Seguridad Social Integral*), which articulates actions in the areas of health, pensions and care of the elderly; (ii) the National System of Family Welfare (*Sistema Nacional de Bienestar Familiar*), coordinated by the Colombian Institute for Family Welfare (*Instituto Colombiano de Bienestar Familiar*, ICBF); (iii) the Labour Protection System (*Sistema de Protección Laboral*); (iv) the Professional Training System (*Sistema de Formación Profesional*) of the National Service of Apprenticeship (*Servicio Nacional de Aprendizaje*, SENA) and; (v) the Family Compensation System (*Sistema de Compensación Familiar*), which seeks to improve the living conditions of low-income affiliates to family benefit funds.

An additional system —the Social Risk Prevention System (*Sistema Social del Riesgo*)— has begun operating since 2001. This was initially planned as a transitory fund for financing social programmes implemented at times of low economic growth, although it has not worked yet as such. Furthermore, other components of the social protection system include: the National Preventive System against Disasters (*Sistema Nacional para la Prevención y Atención de Desastres*) and the National System for the Integral Attention to the Displaced Population (*Sistema Nacional de Atención Integral a la Población Desplazada*, SNAIPD),² created through the Law 387 of 1997.

SNAIPD was initially coordinated by the Social Solidarity Network (*Red de Solidaridad Social*) created by the Presidency through the Law 368 of 1997. The Social Solidarity Network was also commissioned to finance and co-finance projects for the most vulnerable and poorest groups in the population, promoting national solidarity, as well as intersectoral coordination in the planning, implementation and monitoring of targeted social protection systems. However, the crisis that occurred by the end of the 1990s and its impact on poverty, placed doubts on the efficacy of the social protection policies to protect the population before emerging risks. The operation of social programmes was also affected by financial and institutional constraints, as well as by targeting problems.

¹ This document is based on Rosero (2009), Colombia: Matriz de protección social, unpublished.

² The actions implemented by this system are financed through a fund included in the national general budget, plus donations, credits and contributions made by the international co-operation, among others.

Hence, in 2000, the Social Support Network (*Red de Apoyo Social*, RAS) was created with three aims: (i) to organise training opportunities for the youth; (ii) to provide conditional cash transfers; and, (iii) to foster community service. Accordingly, three programmes were defined as part of the RAS: Employment in Action (*Empleo en Acción*), Families in Action (*Familias en Acción*) and Youth in Action (*Jóvenes en Acción*). Finally, in 2005, the Presidential Office for Social Action and International Cooperation (*Agencia Presidencial para la Acción Social y la Cooperación Internacional*, *Acción Social*) was created through the Decree 2467, as part of the Investment Fund for Peace (*Fondo de Inversión para la Paz*, FIP). *Acción Social* became the articulator of the programmes for the population affected by the armed conflict in the country, previously implemented by the Solidarity Network or the RAS. These programmes include the Forest Ranger Families (*Familias Guardabosques*) and Families in Action programmes, plus projects to increase production, social infrastructure and employment reconversion.³

In 2007, the National Development Plan 2006-2010 was ratified through the Law 1151. This Plan structured the social protection system around four main components: (1) integral social security; (2) access to assets; (3) human capital formation and risk management; and, (4) social promotion. Although the system is directed to the whole of the population, the first pillar is exclusively focused on assuring access to social protection mechanisms to the poorest and most vulnerable population.

The integral social security component covers healthcare, risks at work and protection of the unemployed, including pensions and subsidies for old age adults. The component of human capital formation aims at generating capacities for adequate inclusion in the labour market, and entails both formal education (initial, primary, secondary and higher) and employment training (including formal bachelors, complementary and informal training). The component of access to assets refers to the tools that families need to produce income and improve their living conditions. Assets include access to housing and public services, as well as to financial assets and insurances, for which the creation of the Opportunities Bank (*Banca de las Oportunidades*) should play a crucial role.⁴

On the other hand, risk management can count on anti-cyclical funding, which was also available through the Social Risk Prevention System but never operated. Finally, the Social Promotion System comprises family compensation actions, programmes for family welfare and conditional subsidies. The Juntos Network (*Red Juntos*) is probably the most relevant strategy of the system to reduce extreme poverty (see section IV.A) (Arias, 2009).

The 2006-2010 development plan Communitarian State: Development for all (“*Estado comunitario: desarrollo para todos*”), recognized that health, pension and work are minimum rights to be guaranteed under the integral social security system. Issues related to health, are managed by the System of Social Security in Health (*Sistema de Seguridad Social en Salud*); those related to pensions, by the General Pension System (*Sistema General de Pensiones*) and the risks at work, by the General System of Occupational Risks (*Sistema General de Riesgos del Trabajo*). Also, housing and public services policies have been included as part of the social protection system.

³ Since 2011 *Acción Social* has been transformed into the Administrative Department for Social Prosperity (*Departamento Administrativo para la Prosperidad Social*).

⁴ The main objective of *Banca de las Oportunidades*, managed by the Bank for Foreign Trade (Bancoldex), is to promote access to credit and other financial services to the unbanked, especially to low-income families and micro and medium-sized enterprises. For more information, see [online] <http://www.bancadelasoportunidades.gov.co>.

II. Colombia: social spending indicators

After the ratification of the Constitution of 1991, social spending gained fiscal priority, both as a percentage of total public spending and of GDP. Social spending has represented around 13% of GDP between 2003 and 2008 (see table 1).⁵ As an indication, according to ECLAC's figures, in 1990, social spending was only 6% of GDP.

TABLE 1
SOCIAL SPENDING AS A PERCENTAGE OF GDP BY SECTORS, 2003-2008

Sector	2003	2004	2005	2006	2007	2008
Social	12.78	12.93	13.24	12.84	13.06	12.54
Employment and social security ^a	3.47	3.37	4.47	4.05	4.59	3.82
Education	3.72	3.75	3.74	3.47	3.40	3.48
Health and social security	3.67	3.92	3.10	3.29	2.56	2.52
Childhood (ICBF)	0.43	0.40	0.42	0.45	0.57	0.68
General purposes and special allowances	1.01	0.97	0.92	0.70	0.61	0.61
Other entities of the social sector	0.04	0.05	0.06	0.27	0.40	0.52
Social housing	0.38	0.36	0.36	0.28	0.51	0.40
Drinking water and basic sanitation	0.01	0.01	0.01	0.01	0.23	0.23
Culture, recreation and sports	0.03	0.05	0.05	0.05	0.06	0.08
Rural social spending	0.03	0.06	0.07	0.05	0.10	0.07
Additional resources due to economic growth above 4%	0.00	0.00	0.00	0.00	0.03	0.06

Source: DNP, DDE (2009), Current economic indicators.

^a It includes spending on pensions of the Social Insurance Institute (*Instituto de Seguros Sociales*, ISS), contributions made to pension funds by workers and the public sector.

⁵ According to the social expenditure database of the Economic Commission for Latin America and the Caribbean (ECLAC), social spending as a percentage of GDP represented 14.5% in 2009, to later decline slightly to 13.6% in 2010, see [online] <http://dds.cepal.org/gasto/indicadores>.

After spending on social security, spending on education and health are the most important sectors of social spending, although they both have declined since 2003. Spending on housing has been rather erratic, increasing considerably between 2006 and 2007 (from 0.28% to 0.51% of GDP), to later decline to 0.4% in 2008. On the contrary, spending on drinking water and sanitation has showed an important increase between 2003 and 2008, from 0.01% to 0.23% of GDP. The participation of social housing and basic services (drinking water and sanitation) in total social spending remains relatively low.

III. The General Pension System

The General Pension System was created in 1993 through the Law 100 in order to provide protection before contingencies as old age, disability and death. The system is regulated by the Ministry of Social Protection,⁶ under the inspection of the Bank Supervisor (*Superintendencia Financiera*). The system is comprised of two regimes: the Average Premium Solidarity Regime with Defined Contributions (*Régimen Solidario de Prima Media con Prestación Definida*) and the Regime of Individual Accounts with Solidarity (*Régimen de Ahorro Individual con Solidaridad*). Affiliation to the pension system is compulsory for both dependent and independent workers, although they might choose the regime of preference and change it once every five years.

The pension system is financed through contributions made by employees and employers, equivalent to 16% of monthly wages: the employer contributes by 12% and the employee, by 4%. Independent workers also contribute by 16%, although on only 40% of their monthly incomes. The minimum income received out of contributions is equal to the minimum wage in Colombia. The members of the regime of individual accounts may also make voluntary contributions. In the case of persons who cannot afford making contributions to the pension system due to their socioeconomic conditions, they might receive a pension subsidy. Law 797 created the Solidarity Pension Fund (*Fondo de Solidaridad Pensional*) in 2003, in order to make this possible.

A. Operation of the pension regimes

The affiliation and administration of the funds of the Average Premium Solidarity Regime with Defined Contributions is under the tutelage of the Social Insurance Institute (ISS),⁷ and in some cases, of funds or other private or public social security entities. Participating in this regime ensures access to various benefits, including an old age, disability and survival pension, or an indemnity of a previously defined contribution equivalent to neither more than 80% of the net base income, nor below the value of a minimum pension.

⁶ Since 2011, by the Labour Ministry (*Ministerio de Trabajo*). In that year, the Ministry of Social Protection was divided into the Labour Ministry and the Ministry of Health and Social Protection.

⁷ In 2012 *Colpensiones* succeeded the ISS.

Since 2003, entrance to this regime is open for all persons with a work contract, public employees, independent workers, groups of workers defined as beneficiary of subsidies by the Solidarity Pension Fund, and workers of Ecopetrol. In 2008, the affiliation target for this regime, established by the government, was 2,172,007 persons. Nevertheless, the registered coverage for that year was slightly less: 1,907,965 members.

In the case of the Regime of Individual Accounts with Solidarity, this is run by Private Pension Fund Managers (*Sociedades Administradoras de Fondos de Pensiones*, AFP). Members have control over their accounts, including their own contributions, those made by their employers, voluntary contributions, pension allowances, State's subsidies and —if applicable— any financial returns available. The final amount of the pension received by each worker varies according to these elements and the age at which the member retires. Members of this regime may become pensioners at a pre-defined age, as long as the amounts saved in their accounts guarantee a monthly pension greater than 110% of the legal minimum monthly wage.

In both types of regimes, workers are entitled to receive a pension when aged 55 for women and 60 for men. From 2014, the minimum age to receive a pension will increase to 57 for women and 62 for men. To become a pensioner, contributions must have been made to the system for at least 1,100 weeks for those who retired before 2008, increasing by 25 weeks up to a threshold of 1,300 weeks. In the case of the Regime of Individual Accounts with Solidarity, if contributions have been made for less than 1,150 weeks when aged 57, in the case of women, or 62, of men, the right to a minimum pension is obtained through a solidarity contribution made by the National Government. According to data from the System of Government Programming and Management of the Colombian Republic (*Sistema de Programación y Gestión de Gobierno, República de Colombia*, SIGOB), in 2008, 3,840,103 persons were members of this regime.

The pension system, similarly to the case of the health system (see section VI), has a special regime called exceptional saving (*Ahorro Exceptuado*). Before 2005, this regime covered the armed forces and the police, members of the Teachers' Social Allowances Fund (*Fondo de Prestaciones Sociales del Magisterio*), and public universities, among others. The regime had its own rules for accessing and calculating pension benefits, which differed from the two regimes described above. This regime was financed by both contributions made by the members and the national budget. The resources were managed by the Public Pensions Fund (*Fondo de Pensiones Públicas*, FOPEP), within the Ministry of Social Protection (*Ministerio de la Protección Social*). From 31st July, 2010 onwards, there are no exceptional regimes in Colombia.

Finally, the Solidarity Pension Fund allows access to an old age pension to informal, disabled and unemployed workers, as well as to women in charge of foster care children (*madres comunitarias*), with a low earning capacity to make total contributions. The beneficiaries of this subsidised regime are persons above 55 years of age who are members of the ISS or older than 58, if they are affiliated to a private pension fund, with incomes equal to or below the legal minimum wage and that before receiving the subsidy, contributed to the General Pension System for at least 650 weeks. Every person entitled to a pension subsidy must be also affiliated to the health system (see section V). The pension received is equivalent to 70% of the contribution given by a person earning the minimum wage, in the case of informal urban workers; in the case of informal rural workers, disabled workers and women with children, this percentage increases to 90%, 95% and 80%, respectively. In 2008, there were 214,752 beneficiaries of the subsidy (DNP, 2009b).

The subsidies are administered by the *Prosperar* Consortium. These resources come from the solidarity account of the Solidarity Pension Fund. This Fund is financed by different sources, including the resources provided by territorial entities of Colombia, donations, fines, financial returns, and, particularly, the General Pension System.

B. Coverage of the pension system

The pension system in Colombia has become a heavy and persistent burden for the State, as a result of the difficulties to enforce employers to pay the contributions for their workers. Furthermore, access to pensions in Colombia is highly unequal, not only due to its coverage, but also for its amounts. In 2008, less than a third of the employed population belonged to a pension fund, with informal workers largely excluded from access to insurance. Independent workers represented 41.6% of the occupied population in 2008, although only 7.2% of them contributed to a pension fund. Something similar occurred among labourers, who represented 18% of the employed population, although only 40% was contributing to a pension fund (see table 2).

TABLE 2
MEMBERSHIP TO A PENSION FUND AMONG THE OCCUPIED POPULATION
OLDER THAN 12 YEARS OLD, 2008

Occupation	Affiliated members	Percentage	Non affiliated	Percentage	Receiving a pension	Percentage Total
Labourer	1 257 856	40.06	1 870 704	59.58	11 509	0.37
Wage-earner	3 326 210	68.69	1 464 450	30.24	52 034	1.07
Domestic employee	78 515	12.50	542 686	86.37	7 152	1.14
Independent worker	522 742	7.20	6 585 147	90.74	149 280	2.06
Employee	145 973	17.34	662 472	78.68	33 568	3.99
Non-remunerated family worker and others	11 782	1.62	704 493	96.85	11 166	1.53
Total	5 343 078	30.64	11 829 952	67.84	264 709	1.52

Source: National Administration Department of Colombia (*Departamento Administrativo Nacional de Colombia*, DANE), Household Integrated Survey (*Gran Encuesta Integrada de Hogares*, GEIH), national figures, 2008.

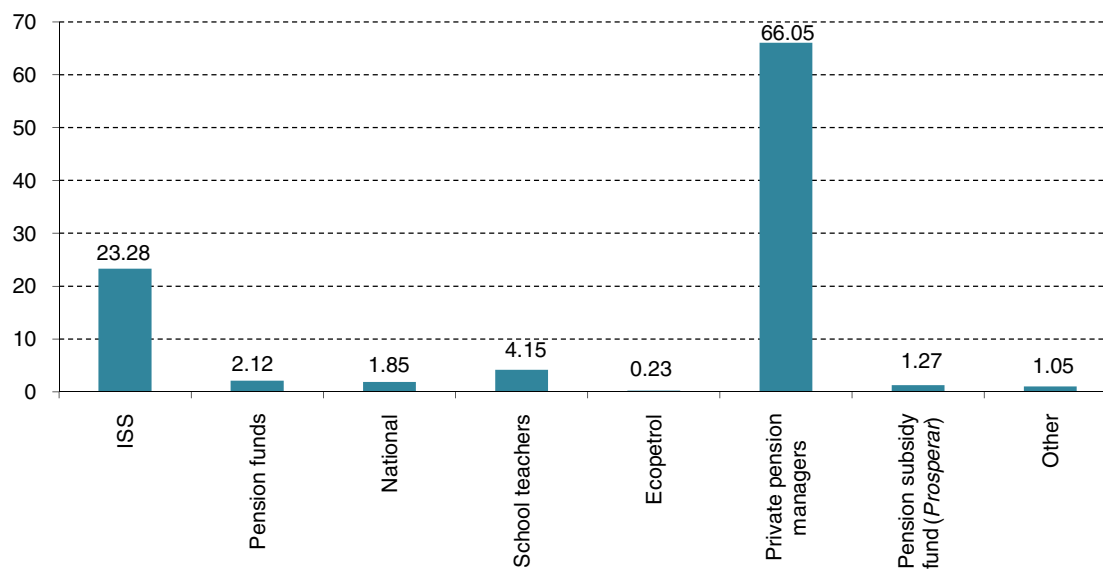
In the case of pension funds, as well as healthcare, the existence of a contract is a crucial condition to become affiliated. However, out of the total employed population, little more than a third has a written contract (37.2%), which explains the low percentage of workers who contribute to a pension fund. Furthermore, only 71% of those working with a contract contribute to a pension fund, less than 1% is currently receiving a pension, and the rest does not make contributions, according to data from DANE (2008b). Also, according to the same source, in 2008, for 85.1% of the affiliated members, both employers and employees shared the payment of the pension's contribution; however, in 12.2% of cases, payment was only made by the employers, while only 2.8% of the workers pay their contributions entirely.

In 2008, a quarter of the population contributing to the General Pension System belonged to the Average Premium Solidarity Regime with Defined Contributions, including both members of the ISS and the pension funds; two thirds were contributing to individual accounts, while the participation in the Exceptional Saving Regime was only 6.2% of all members (see figure 1). Although the latter has reduced its weight in the system between 2003 and 2008, it gives access to pensions with amounts quite above the average value.

In 2008, two out of ten persons aged 65 and older worked, four carried non-remunerated domestic tasks and one lived with a disability. Among the employed population in that age group, less than 4% declared being a member of a pension fund. In that year, the proportion of old age adults

receiving a pension was 22.8% and nine in ten pensioners lived in urban areas.⁸ The average value of the monthly pension due to retirement, disability, survival or old age was equivalent to two minimum wages.⁹ A reduced number of adults lacking access to a pension received a cash subsidy delivered through the National Programme of Protection to the Old Age Adult (*Programa Nacional de Protección al Adulto Mayor*).

FIGURE 1
AFFILIATION TO ENTITIES PROVIDING PENSIONS AMONG
THE EMPLOYED POPULATION, 2008
(Percentages)



Source: DANE, 2009 Life Quality Survey (*Encuesta de Calidad de Vida*, ECV).

⁸ According to data from DANE, 2008 GEIH. As a reference, in 2008, the population aged 65 and above represented 6.6% of the national population. Three out of four persons in that age group live in urban areas and 54% were women. Three in every five persons aged 65 or above were head of households.

⁹ According to data from DANE, 2008 ECV.

IV. Poverty-reduction policies

A. *Juntos* Network¹⁰

The *Juntos* Network (*Red Juntos*) evaluates the living conditions of Colombian families in order to determine what services may be provided by the State in order for them to overcome extreme poverty.

The network is composed of different institutions. *Acción Social* is the executing agency; the National Planning Department (*Departamento Nacional de Planeación*, DNP) leads the network; and the Ministry of Social Protection is the presiding entity of the Intersectoral Committee. This Committee is made up by the Ministry of Agriculture and Rural Development (*Ministerio de Agricultura y Desarrollo Rural*); SENA; Colombian Institute for Rural Development (*Instituto Colombiano para el Desarrollo Rural*, INCODER); National Institute for the Blind (*Instituto Nacional para Ciegos*, INCI); ICBF; Colombian Institute for Credit and Technical Studies Abroad (*Instituto Colombiano de Crédito y Estudios Técnicos en el Exterior*, ICETEX); National Ministry of Education (*Ministerio Nacional de Educación*, MEN); Ministry of Internal Affairs and Justice (*Ministerio del Interior y de Justicia*); Presidential Council for Women's Equity (*Consejería Presidencial para la Equidad de la Mujer*); BANCOLDEX, through the Investment Programme of the Opportunities Bank (*Programa de Inversión Banca de las Oportunidades*); National Registry of Civil State (*Registraduría Nacional del Estado Civil*); and the Ministry of Environment, Housing and Territorial Development (*Ministerio de Ambiente, Vivienda y Desarrollo Territorial*).

The network's actions are focused on the beneficiary families of Families in Action (see section IV.B) who entered this programme before 31st December, 2007, belong to the 20% poorest families ranked in the level 1 of the System of Identification of Potential Programme Beneficiaries (*Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales*, SISBEN),¹¹ and have been registered as displaced families. The beneficiary families must sign a co-responsibility agreement with *Juntos* stating their participation in the activities of the network and the

¹⁰ Now called *Red Unidos*.

¹¹ This is the main targeting instrument in Colombia. It ranks the population according to their living conditions, with an index ranging between 0 (lowest score) and 100 (highest). The score is obtained through principal component analysis.

accomplishment of conditions established by different services and programmes.¹² The network has social workers who accompany families in the process of defining priority access to these services.

The programme is financed by resources from the national budget granted to the institutions that form part of *Juntos*. In 2008, 329,387 families were beneficiaries of family support. The goal by 2010 was to have a total coverage for the programme of 1.5 million families.¹³

Furthermore, *Acción Social* with other public organisations, non-for-profit organisations and non-governmental organisations has formed the Food Solidarity Network (*Red de Solidaridad Alimentaria*, ReSA). ReSA develops productive projects aimed to foster food production for self-consumption, and leads actions to improve the housing conditions of its beneficiaries. The beneficiaries, who are small-scale agriculture producers, living in a situation of vulnerability or affected by violence, as well as the population in urban slums, may access the allowances granted by ReSA only once. They must have access to land plots with no illegal crops; and the participation of the family group must be active and must accomplish all criteria established by the Technical Operative Local Committees. According to the SIGOB, in 2008, 155,698 families signed contracts for housing projects under this scheme. ReSA is financed with resources from the national budget.

B. Non-contributory cash transfer programmes

Conditional cash transfer (CCT) programmes for children and youth form part of the Social Promotion System and are carried out by various institutions, including the ICBF, *Acción Social* and the Ministry of Social Protection. During 2008, 15.3% of Colombian households declared receiving cash subsidies and 2.6%, in-kind transfers.

Families in Action is the main non-contributory cash transfer programme in Colombia. This programme was first implemented in 2001, is led by *Acción Social* and territorial entities have a key part in its implementation. It is targeted to families with children under 18 years of age, who belong to the first level of SISBEN, are displaced or belong to indigenous peoples. The cash transfers aim to improve the nutrition of children under 7 years old and to foster school retention of those aged between 7 and 18. In 2011, families with children under 7 received a monthly cash subsidy of Col\$ 50,000 (US\$ 27) —representing almost 10% of the minimum wage—; in the case of families with children aged above 7 and under 18, this monthly subsidy ranged between Col\$ 20,000 (US\$ 11) and \$ 60,000 (US\$ 33) —between 4% and 12% of the minimum wage.

At the beginning, the programme was financed by the Inter-American Development Bank and the World Bank. The two further tranches were financed by the international co-operation and resources from the national budget. According to DANE (2008a, ECV), 13% of households declared being enrolled in the programme in 2008; this was one of the programmes with the largest coverage in the country.¹⁴

¹² The programmes that form part of *Juntos* are: Social Protection for the Elderly Programme (*Programa de Protección Social al Adulto Mayor*, PPSAM) and the National Food Programme for the Elderly (*Programa Nacional de Alimentación al Adulto Mayor*, PNAAM); Forest Ranger Families; Families in Action; Youth in Action and Rural Youth; Food Solidarity Network (*Red de Solidaridad Alimentaria*, ReSA), School Feeding Programme (*Alimentación escolar*), Infant Breakfast (*Desayunos Infantiles*), Maternal and Infant Health, Income Generation (*Generación de ingresos*) and Social Housing (*Vivienda de interés social*). Other actions that are covered include subsidies to school enrolment, training for unemployed persons, land certification, food subsidies and attention to the displaced population, among others.

¹³ According to ECLAC's Non-contributory social protection programmes in Latin America and the Caribbean database, as of September 2010, 1.3 million families were covered by the programme.

¹⁴ According to ECLAC's Non-contributory social protection programmes in Latin America and the Caribbean database, in 2011, 2,617,274 families were covered by Families in Action.

Cash or in kind transfers are also provided for the protection of elders. The former are transferred by the Social Protection for the Elderly Programme (*Programa de Protección Social al Adulto Mayor*, PPSAM) and the latter, by the National Food Programme for the Elderly (*Programa Nacional de Alimentación al Adulto Mayor*, PNAAM). Both programmes are financed by the additional contribution made by the members of the General Pension System, whose base for contribution is equivalent to more than four minimum wages, and by resources from the national budget. Funds are deposited on the solidarity account of the Solidarity Pension Fund. The programmes are implemented by: the Ministry of Social Protection, as the designing entity; the ICBF, in charge of the food component; the *Prosperar* Consortium, as the institution in charge of administering the resources of the Fund; and the territorial entities that act as co-financers, proponents and implementers.

The transfers granted by the PPSAM range between Col\$ 40,000 and Col\$ 75,000 per month. The food component consists of a prepared ration, a lunch during week-days and one kilo of *bienestarina*¹⁵ provided once a month. Alternatively, the programme might provide a monthly ration consisting of non-perishable food and a kilo of *bienestarina*. Beneficiaries' age must be at least three years under the official age to access a pension of the General Pension System (55 for women and 60 for men), have been classified in the level 1 or 2 of the SISBEN, have no further income to subsist, have the Colombian nationality and have lived in the country during the last three years.

According to data from the SIGOB, during 2008, 400,008 elders benefited from the food component and 486,211 from cash transfers. The beneficiaries of these programmes represent 44% of women aged 52 years or more and men aged 57 or more who belong to the first two levels of the SISBEN.

Since 2009, the Alternative Development Programme (*Programa de Desarrollo Alternativo*) implemented by *Acción Social* is composed by the Forest Ranger Families Programme and by productive projects. The Forest Ranger Families Programme provides a conditional cash transfer as well as integral social and environmental assistance to develop an environmentally and economically sustainable productive project. The beneficiaries of the fifth tranche of the programme that began in 2008 receive Col\$ 408,000 twice a month—equivalent to 41% of the monthly minimum wage—for 18 months, financed with resources of the national budget. Between 2006 and 2008, 52,581 families belonging to rural, indigenous and afro-Colombian families received these payments. These are families who are menaced or affected by the growth of illicit substances in their territories. In 2008, the coverage of the programme was equivalent to 0.5 percentage point of the national total households and to 6.5% of the households involved in coca growth.

C. Integral programmes for early childhood

The ICBF is the institution that coordinates most of the social assistance programmes for children, financed by the national budget and contributions made by employers, corresponding to 3% of monthly total wages. Besides the nurseries managed by territorial entities, the most important actions for children are the Community Homes for Family Welfare (*Hogares comunitarios de Bienestar Familiar*, HCBF), implemented since 1986 by the ICBF, the territorial entities, families and communities.

The HCBF covers the basic care necessities of children—including health, nutrition, affection, protection and psychosocial development—aged 6 months to 5 years old, who belong to families ranked in the level 1 and 2 of the SISBEN. This programme is financed by users, who pay a monthly contribution not exceeding 57.7% of the daily minimum wage. In 2008, this programme attended 935,286 children. Despite problems of quality in the attention, this institution is the largest providing care services for children in Colombia.

¹⁵ A nutritional supplement delivered as flour and produced as a mix of vegetables (cereals) and powder milk.

TABLE 3
ENROLMENT RATES AT CARE PROVIDER INSTITUTIONS FOR INFANTS, 2008
(Percentages)

Institution	Total children Percentage
Community homes (ICBF)	533 774 41.90
Nursery, crèche or playground of the ICBF	281 049 22.06
Crèche, community's home, social nursery of the Social Welfare Department of the District 37 748 2.96	
Other type of nursery, preschool or official crèche	141 082 11.07
Private nursery, preschool or crèche	280 323 22.00
Total	1 273 976 100.00

Source: Own estimations based on DANE, 2008 ECV.

The ICBF provides also emergency food rations composed by products high in proteins, carbohydrates, vitamins and minerals. These are targeted on persons affected by displacement—children aged 6 months to 5 years, pregnant and breastfeeding mothers. According to the SIGOB, in 2008, 36,645 children and women received these in kind transfers.

Finally, the ICBF also implements the Infant Breakfast (*Desayunos Infantiles*) programme. These are delivered in two ways: type I, granting a monthly kilo of *bienestarina* to children aged 6 to 11 months; and type II, for children aged 12 to 72 months that includes, further than a kilo of *bienestarina*, a portion of milk with iron, zinc and folic acid added, and a solid cereal of 30 grams with folic acid and iron added. This programme had 1,156,640 beneficiaries in 2008.

V. The labour protection system

Three are the main elements aimed at protecting workers: (i) actions to prevent and mitigate the effects of accidents at work; (ii) the provision of unemployment insurance; and (iii) severance payments.

The Law 100 of 1993 created the General System of Occupational Risks, which is coordinated by the Ministry of Social Protection, and created the Risk at Work Managers (*Administradoras de Riesgos Profesionales*, ARP) as the institutions in charge of affiliating workers. The coverage of these risks includes health expenses incurred due to accidents or illnesses at work and the payment of the non-worked days. All the expenses related to the affiliation to the ARP must be covered by the employers.

The only condition to become part of the system is having an employment contract. According to the information from SIGOB, there were 6,188,317 members in 2008. Also, according to the 2008 ECV, one in three employed people have become affiliated to the ARP.

In Colombia, the coverage and incidence of unemployment insurance is still incipient. This insurance is administered by family compensation funds and it is financed by the Fund for the Promotion of Employment and Protection to the Unemployed (*Fondo para el Fomento del Empleo y Protección al Desempleado*, Fonede), plus other contributions. The Family Subsidy Supervisor (*Superintendencia de Subsidio Familiar*) is the institution charged with the responsibility of monitoring and controlling the allocation of the unemployment insurance.

The unemployment insurance provides an in kind transitory allowance for up to six months, equivalent to 1.5 minimum wages divided in six parts that are delivered monthly to the workers so they can afford their food, education and health expenses. In order to have access to this insurance, the worker must have been previously registered at a family compensation fund for at least a year during the three years previous to obtaining the support. This condition explains why the subsidy has a limited coverage. Furthermore, the beneficiaries of unemployment insurance must have no further source of economic income, be willing to work immediately after finding a job, accredit an active search for employment, be enrolled as a job seeker at the National System for Labour Registry (*Sistema Nacional de Registro Laboral*) and be head of household. According to data from the SIGOB, during 2008, 87,055 workers received this subsidy, 80% of whom were enrolled at a family compensation fund.

Finally, severance payments consist in the payment at dismissal of one month per each worked year—calculated proportionally, for a fraction of a year. Informal workers do not have access to this benefit. Severance is financed by contributions paid by the employer and deposited in severance funds (*fondos de cesantía*) chosen by workers. The supervision of these payments is made by the Ministry of Social Protection. According to the information provided by the 2008 ECV, two out of three formal workers declared having this benefit.

VI. The health sector

A. Social Security Health System

In Colombia, access to health services is guaranteed through a contributory and a subsidised regime. Both are coordinated and regulated by the Ministry of Social Protection.

The contributory regime is available to persons with greater payment capacity, i.e. those with monthly incomes above the minimum wage—including formal and independent workers, employers and pensioners. The Health Promoting Entities (*Entidades Promotoras de Salud*, EPS) are the institutions in charge of managing the affiliations to the regime to later hire the health services to the Health Delivery Institutions (*Instituciones Prestadoras de Salud*, IPS). Healthcare benefits are also extensible to family dependents of the person contributing to the regime.

The subsidised regime, in turn, provides attention to persons lacking payment capacity, who belong to the first two levels of SISBEN or live in situation of vulnerability, such as persons and families affected by forced displacement or who are indigenous. The population ranked in the third level of the SISBEN might have access to a partial subsidy. This regime is managed similarly to the contributory one, with EPS that are specifically in charge of providing attention to the beneficiary population of the subsidised regime.

Insurance in either of the two regimes provides access to a medical services package or a Compulsory Health Plan (*Plan Obligatorio de Salud*, POS). The coverage of health services for the persons affiliated to the subsidised regime is more reduced than that for those in the contributory regime, although members of the contributory regime also face some limitations in accessing health services, if they require high-cost services and have contributed to the regime for less than 26 weeks. Furthermore, the value of the POS for the subsidised regime represents 58.7% of that of the contributory regime. However, a statement of the Constitutional Court through the sentence T-760 of 2008 mandated that the differences between the two plans should be eliminated for all children by 2010, and no later than one year after for adults.

The members of the contributory regime must incur in co-payments and “moderating” fees (*cuotas moderadoras*). The latter consist in payments for health services as a measure to moderate their demand and promote their good use, calculated according to the incomes of the affiliates. The beneficiaries of the subsidised regime are only charged with moderating fees, if they are ranked in the level 2 and 3 of the SISBEN. The resources collected through these instruments are used for financing both regimes.

The financing of the contributory regime is made through contributions charged to the employers by 8.5% of the workers' gross wages and to the employees by 4% of that wage. In the case of independent workers, the contribution of 12.5% is calculated upon the 40% of the accrued incomes. In 2008, the insurance expenses of two out of four workers aged 12 years or more, who were affiliated to the contributory regime, were shared among employers and employees.

The resources collected through the contribution of the affiliated members to the contributory regime nurtures the Solidarity and Guarantee Fund (*Fondo de Solidaridad y Garantía*, FOSYGA), an account registered at the Ministry of Social Protection. These resources finance health investments. Also, the fund accomplishes a role as stabilizer of the resources available for the system, since part of the resources gained at times of economic prosperity are saved for times of crisis. The fund has four accounts: (i) an account aimed to assure resources for the contributory regime, paying each EPS a premium by each affiliated member, also known as the Payment Unity for Training (*Unidad de Pago por Capacitación*, UPC), to finance the healthcare services defined by the POS; (ii) solidarity funds for the subsidised regime; (iii) an account for the promotion of healthcare; and (iv) an account providing insurance against catastrophic risks and traffic accidents.

Further to the resources managed through the FOSYGA, which are equivalent to 1.5% of the contributions made to the contributory regime, the subsidised regime also receives resources from various other sources. These include, among others, the General System of Shares (*Sistema General de Participaciones*, SGP),¹⁶ territorial resources, family compensation funds, unions, the National Government, the lottery, the Territorial Company for Health (*Empresa Territorial para la Salud*, Etesa), contributions made by the beneficiaries through partial subsidies, financial returns, and a sum equivalent to 15% of the participation and transfers due to rent taxes upon the oil industry that goes to municipal districts and departments. These resources are administered by Local Health Offices (*Direcciones Locales de Salud*).

The subsidised regime aims for universal coverage by 2010. According to the Ministry of Social Protection, in 2008, 22,485,211 people were fully subsidised, equivalent to nearly 51% of the Colombian population. In order to achieve universal coverage, the budget for the SGP was expected to increase, representing 61% of total resources in 2008 and 65% in 2009. Furthermore, it was established an increase of 0.5% in the percentage of the contributions made to the contributory and the exceptional regimes for two years. Also, according to SIGOB, in 2008, the contributory regime had 17,762,604 affiliated members.

The armed forces and the national police, school teachers, members of Ecopetrol and of seven public universities and their dependents, have access to healthcare services provided by Special Regimes (*Regímenes Especiales*). For these groups, differing from the case of members of the contributory regime, medical attention is free of co-payment, moderating fees and further restrictions in terms of the covered pathologies and minimum time of contribution to the regime. Besides the contributions of the members, the regime is financed by the national budget, transferring the resources directly to the healthcare entities. However, the coverage of this regime is considerably lower than other regimes, as it insured 170,000 persons in 2008.

The population that lacks affiliation to any regime, and is ranked in the first three levels of the SISBEN, is called “connected population” (*población vinculada*). This is the main target for universalising the subsidised regime of health. So far, this population has only access to primary healthcare at public institutions. This attention is financed by the SGP and out-of-pocket disbursement incurred by the beneficiaries. People ranked in higher levels of the SISBEN not contributing to any regime constitute the group of evaders of the system.

¹⁶ The resources of the SGP finance health and education, drinking water and basic sanitation services, school food programmes, among other issues.

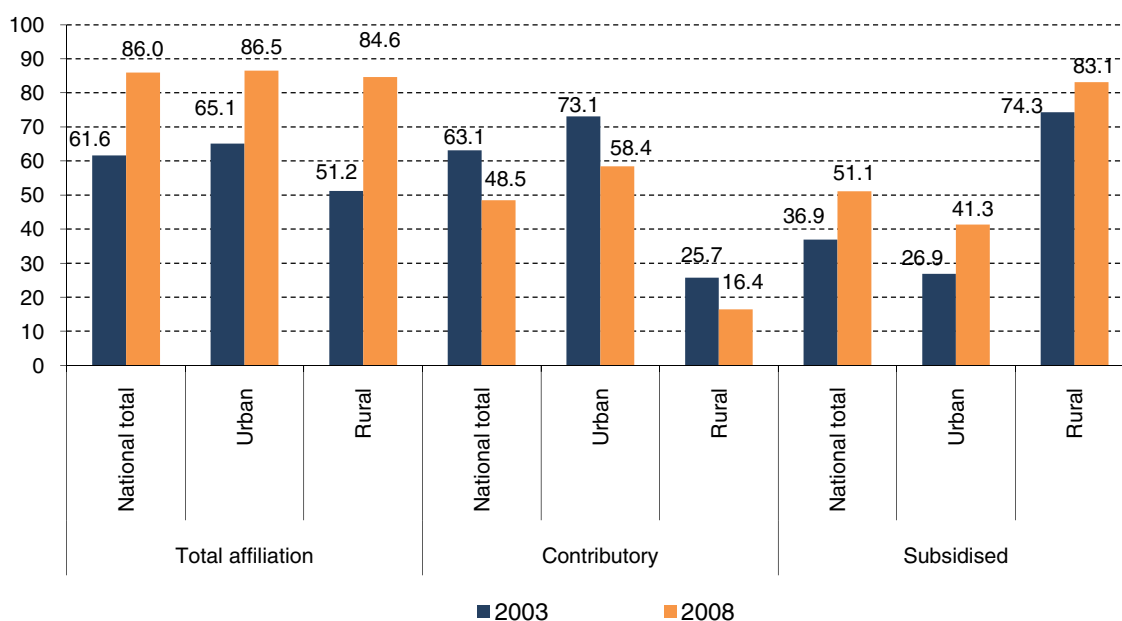
The Ministry of Social Protection also manages public healthcare programmes, implemented by territorial entities, the IPS and, in some cases, EPS. These include mental health programmes and collective actions aimed to improve, promote, protect and recover people's health as well as the environment. Although these actions in theory have a universal coverage, in practice they are often targeted based on categorical criteria (age, gender or area of residence).

Part of these actions have been integrated to the national goals adopted as part of the Millennium Development Goals (MDGs). Thus, by 2010, the expected coverage of the triple viral and pentavalent (DPT, HIB, HB) vaccines was 95% for children aged under 1. Furthermore, the goal for maternal deaths was 478 per year; for HIV transmission, 56 cases per year; and for deaths due to malaria in high-risk municipalities, 78. Results have been mixed: according to the SIGOB, in 2008, the triple viral coverage was 92.4%; of pentavalent, 92.2%; and, 59 cases of HIV transmission were registered. In 2007, deaths due to malaria in high risk municipalities were 65 and the maternal death toll was 576.

B. Coverage of health insurance

According to the 2008 ECV, 86.0% of the population was covered by health insurance, with slight differences by area of residence: 86.5% for urban areas and 84.6% for rural areas (see figure 2). These rates show an important progress compared to 2003, in spite of the economic downturns of 2008: in 2003, this coverage was only 61.6%. Furthermore, the relationship between contributors and dependents within the health system improved from a rate of 0.65 in 2003, to 0.83 in 2008.

FIGURE 2
COVERAGE OF HEALTH INSURANCES, 2003-2008
(Percentages)



Source: DANE, 2003 and 2008 ECV.

However, the achievements in coverage are overshadowed by the decline in the affiliation to the contributory regime (see figure 2), due to the worsening of the labour market, and the increasing relevance of informal labour and unemployment. In the long term, the changes occurred in the labour structure may have important effects on the financing of the health system, with less resources available for financing the solidarity account of the FOSYGA.

In 2008, 84.7% of the economically active population was affiliated to either of the two main health insurance regimes, with important differences among the employed (86.5%) and the unemployed (70.8%) population. However, as it may be expected, when unemployed, people withdraw from the contributory system, particularly considering that the unemployment subsidy has such a low coverage. Hence, they rely mostly on the subsidised regime, or, if possible, become a dependent of a first-degree relative. In 2008, among the employed population, 56.3% were affiliated to the contributory regime and 43.7% to the subsidised regime—a large proportion, indicating the weight that informality has in the labour structure—, while among the unemployed, the rate of affiliation to the former was 33.7%, i.e., one every three unemployed persons were affiliated to the subsidised regime (66.3%).¹⁷

As it may be expected, the demand for resources of the solidarity account of the FOSYGA has increased between 2007 and 2008, from Col\$ 2.1 billions to Col\$ 2.4 billions. This increase in FOSYGA's spending is also caused by the costs that have to be incurred due to the demand for medicines and interventions that have not been included in the POS, but that are mandated by the Scientific Technical Committee (*Comité Técnico Científico*)¹⁸ (28% of cases) or, more frequently, by judiciary sentences (55% of cases), in order to guarantee the right to health (Cocheteux, 2009). These problems arise when persons affiliated to the health system are denied medicines or attentions that were not included in the POS by the IPS; in the case of the connected population lacking affiliation to the health system and that are consequently denied attention by the IPS to avoid further charges; or in the case of users who have insufficient economic means to afford the co-payments that may be freely determined by the EPS, for instance, in the case of hospitalisation. In 2008, the costs incurred to repay initially denied services represented 0.25% of GDP and, according to the 2008 ECV, one out of five insured ill persons have experienced a denial.

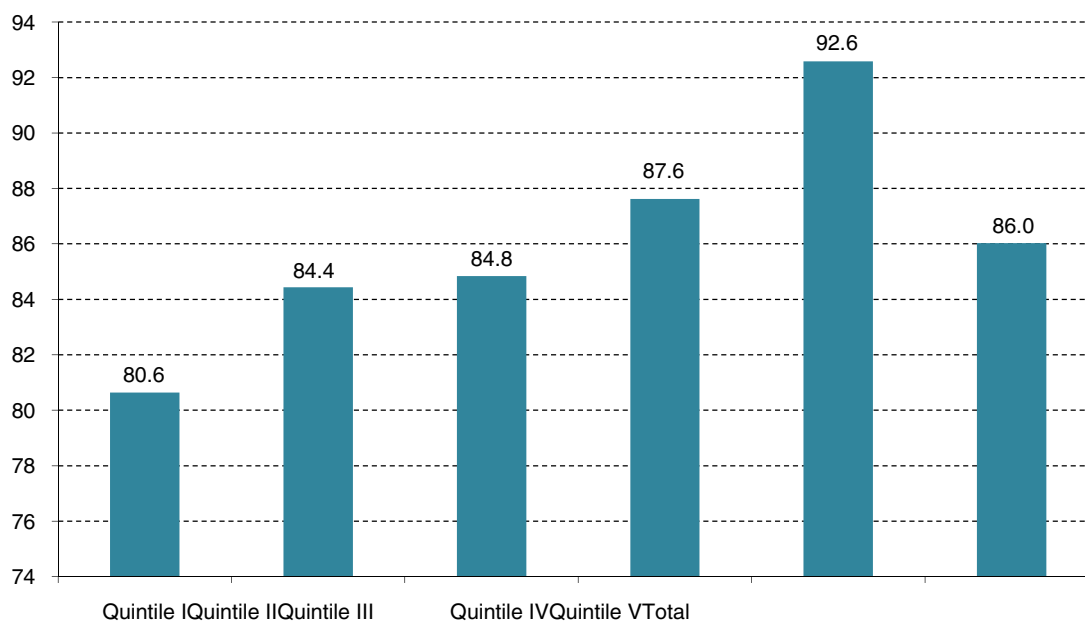
Affiliation to health insurance is highly unequal, as there is a difference of more than ten percentage points between the coverage of the population in the poorest and the richest income quintile (see figure 3). The gaps in access to the health system have to be added to those established by the coverage of the plans, as mentioned earlier in relation to the POS in the contributory and subsidised regimes.

Inequality also applies to age groups. As showed in table 4, the highest health insurance coverage is among persons aged 65 and above, whereas the lowest coverage is among young persons aged 18 to 25. This is caused by norms that established that young people can be incorporated into the system as dependents of a contributor only if studying full-time; otherwise, they must pay an additional UPC. It must be also considered that this is the group with the highest unemployment rate, 21.9% in 2008, compared to a national average rate of 11%. Furthermore, the coverage of children under 5 is also quite low, considering that this is a high priority group for the system.

¹⁷ According to DANE, 2008 GEIH.

¹⁸ This institution was created to sort differences concerning medical concepts defining entitlements to healthcare.

FIGURE 3
COVERAGE OF HEALTH INSURANCES, BY INCOME QUINTILE, 2003-2008
(Percentages)



Source: DANE, 2008 ECV.

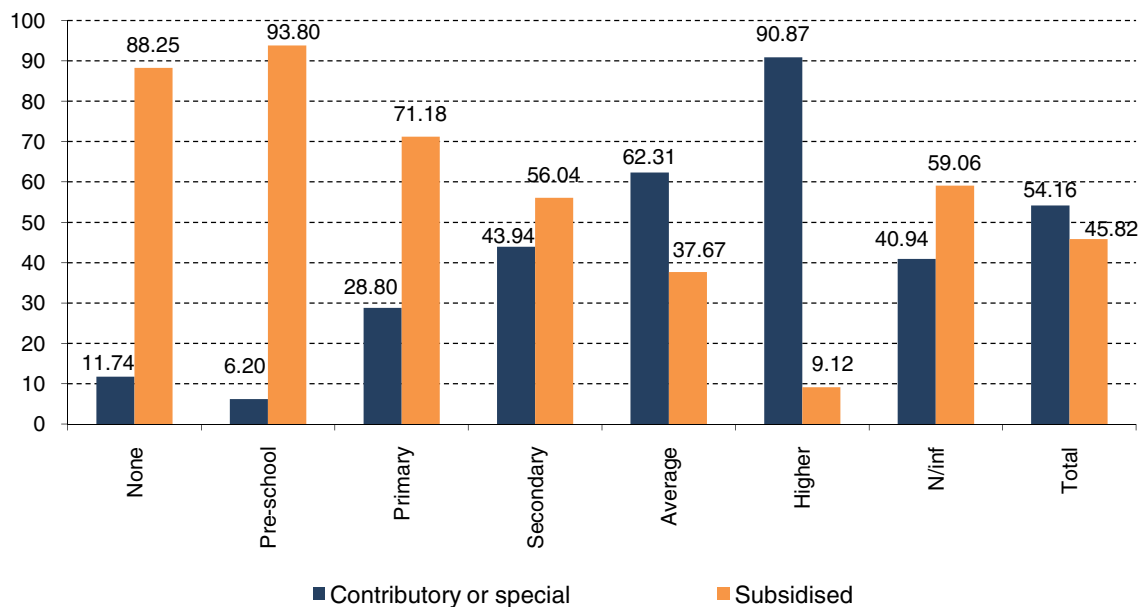
TABLE 4
AFFILIATION TO HEALTH INSURANCES BY AGE GROUPS, 2008

Age group	Affiliated members	Percentage	Non affiliated	Percentage	Does not know/ Does not answer	Percentage Total
0 to 5	4 027 488	83.34	803 955	16.64	1 361 003	4 832 804
6 to 17	9 190 385	86.21	1 466 404	13.76	3 775 004	10 660 564
18 to 25	4 689 167	79.97	1 169 729	19.95	4 485 008	5 863 381
26 to 45	10 239 798	85.42	1 744 176	14.55	4 026 003	11 988 000
46 to 64	6 185 332	89.25	742 657	10.72	2 172 003	6 930 161
65 years and more	2 707 194	92.78	209 075	7.17	1 485 005	2 917 754
Total	37 039 364	85.75	6 135 996	14.21	17 304 004	43 192 664

Source: Own estimations based on DANE, 2008 GEIH.

Finally, the affiliation of economically active persons to the health system increases along educational levels. The lowest affiliation rate corresponds to the population with no formal studies, and the highest, to the population with higher education. Accordingly, persons with higher human capital are also more affiliated to the contributory regime (see figure 4).

FIGURE 4
AFFILIATION TO HEALTH INSURANCES BY LEVEL OF EDUCATION, 2008
(Percentage)



Source: Own estimations based on DANE, 2008 GEIH.

C. Access and quality of the healthcare services

Access to healthcare services might be provided by either public or private institutions, depending on the health regime. While under the contributory regime, the EPS may freely hire medical providers among the two types of institutions, under the subsidised regime, the law mandates that at least 60% of the hired services must be part of the regional public IPS.

Due to the restrictions faced by the subsidised regime, it has a public health network composed by 1,006 institutions, 84.7% of which deliver primary health care attention; 12.7%, secondary care attention and only 2.6%, tertiary health care, with relevant differences among territories. Thus, four departments concentrated 43.3% of public primary care hospitals providing attention to only 24.2% of the Colombian population.

Furthermore, the likelihood of receiving attention at a healthcare service in case of illness is 12% for the members affiliated to the health system and only 7.2% in the case of the non-affiliated population. Among the affiliated population, healthcare is evaluated as positive by eight in every ten persons. Nevertheless, the waiting times to receive attention by a general doctor or a dentist have increased between 2003 and 2008, from 1.93 to 2.72 days, higher for the beneficiaries of the contributory regime.¹⁹

¹⁹ According to data from DANE, 2008 ECV.

VII. The education sector

A. Main features and recent transformations of the education system

Two are the main areas involved in human capital formation in Colombia: formal education and skills development for work. Formal education includes pre-school, primary, secondary and higher education and is led by the National Ministry of Education, whereas skills development is under the responsibility of the National Service of Apprenticeship (*Servicio Nacional de Aprendizaje*, SENA). Access to education is provided through public and private institutions.

The Constitution of 1991 declared primary education as a fundamental right in Colombia. All children may access this level of education, regardless of their age. Free of charge primary education is guaranteed by the article 67 of the Constitution and is provided by public institutions. A variable amount must be paid at basic secondary, secondary and higher education public institutions, depending on the socio-economic situation of the student's household. Those who attend private institutions must pay tuition fees.

B. Formal education

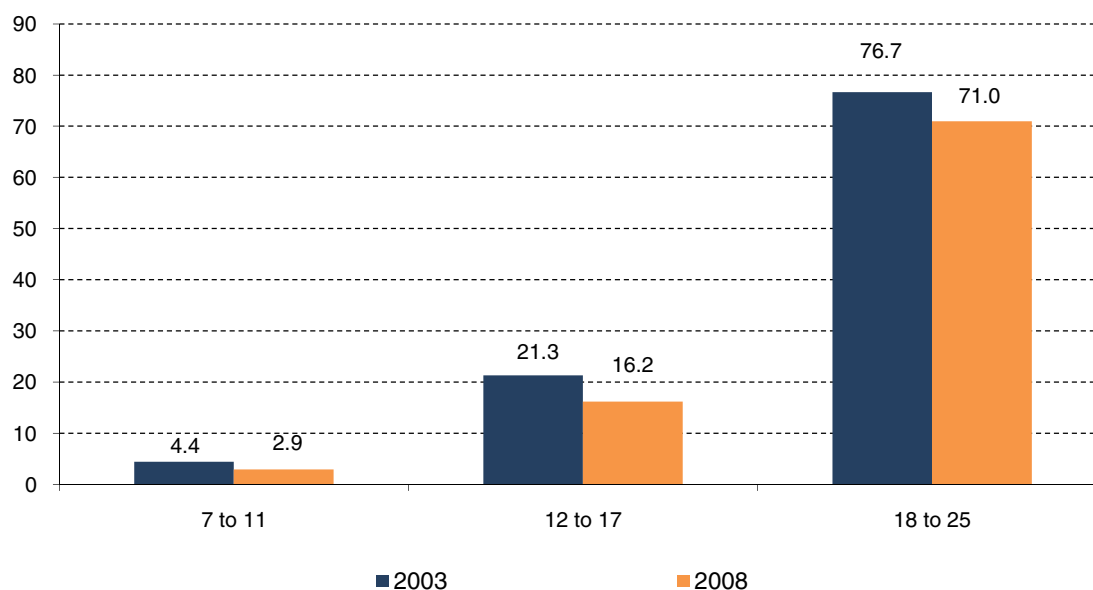
As an effort to realise the right to education, the Gratuity (*Gratuidad*) programme has been implemented to provide economic support to low-income families, covering school enrolment fees, providing a pension and covering the complementary education costs paid by students at official primary and secondary education institutions. It is focused on students aged 5 to 17, ranked in the level 1 and 2 of the SISBEN, who are in a situation of displacement or belong to indigenous peoples and who attend State's institutions. This programme is financed by the National Ministry of Education with resources from the SGP and the territorial entities in charge of its implementation.²⁰ In 2008, 4,958,071 students participated in this programme, representing 54% of the total population attending primary and secondary education at official institutions.

²⁰ Students that belong to families ranked in the level 3 of the SISBEN might incur in some costs.

According to information from DANE (2008b), considering all levels of education, four in every five students attended official institutions (78.8% of the total attendance rate) in 2008. On the contrary, the highest proportion of students attending private institutions is in higher education. Furthermore, one in every ten students attending a public institution declares having received an education subsidy *vis-à-vis* one in forty students attending private institutions. Thus, in 2008, the government, either at the national, regional or local level, was the main source of the subsidies received by students.

The net coverage rate for primary education in 2008 was 85.8%; 70.7% for secondary education and 20.9% for technical and higher education, showing an improvement from 2003, when these values were 84.3%, 65.6% and 16.2%, respectively.²¹ This improvement is also the reflection of an increase in the levels of efficiency of the education system. These are also expressed in the reduction of the proportion of the population in school age that is not attending any education institution, and therefore, excluded from the education system: this proportion declined by six percentage points between 2003 and 2008 (see figure 5). Yet, the education system faces various challenges in terms of assuring quality education to increase the population's productivity, obtaining higher incomes and breaking the intergenerational reproduction of poverty affecting a large part of the population attending public institutions of education.²²

FIGURE 5
PROPORTION OF CHILDREN AND YOUTH EXCLUDED FROM
THE EDUCATION SYSTEM, 2003-2008
(Percentages)



Source: Own estimations based on DANE, 2008 ECV.

²¹ Considering a school age between 7 and 11 years of age for primary education; 12 to 17 for secondary education; and 18 to 25 for technical and higher education and calculated based on the information provided by DANE (2008 ECV).

²² Based on an interview with Gabriel Piraquive of the DNP.

To foster school retention, the National Ministry of Education, in coordination with the ICBF and territorial entities, have implemented the Nutritional Assistance to the Young Student (*Asistencia nutricional al escolar adolescente*) programme. This programme provides hot meals and snacks for students, including either a breakfast or lunch. The programme is financed by the SGP, the ICBF and territorial entities. It is focused on children aged 5 to 17, belonging to families ranked in the level 1 and 2 of the SISBEN, attending official institutions. In 2008, 3,879,744 students participated in this programme, which covers half of the total of students attending official institutions at pre-school, primary and secondary education.

Finally, the programme Access with Quality to Higher Education (*Acceso con Calidad a la Educación Superior, Acces*), implemented by the National Ministry of Education, ICETEX, private education institutions and territorial entities, provides a subsidy for low-income students (belonging to the levels 1 and 2 of the SISBEN), who are enrolled or have been admitted at technical and technological institutions and universities of the country. This subsidy is financed by the ICETEX and the national budget. The programme delivered 17,102 subsidies in 2008.

C. Professional development system

The skills development policy in Colombia is designed and coordinated by SENA, with the participation of in the implementation of the programmes. These actions aim to foster human capital accumulation, increasing the participation in the labour market and employment rates, especially among youth. Hence, besides the regular programmes led by SENA, the programmes that stand out are: Rural Youth (*Jóvenes Rurales*), Youth in Action (*Jóvenes en Acción*) and those aimed to provide training for the displaced population. In the case of the latter, 343,901 persons affected by forced displacement participated in 2008, accessing skills development formation, entrepreneurship and economic support to implement productive projects.

In the case of Rural Youth, training is provided in agriculture, agro-industrial, breeding and fishing activities, so as to increase the youth's chances to enter the labour market. This programme is focused on the displaced population aged 17 to 35, who belong to the levels 1 and 2 of the SISBEN. In 2008, 211,680 students were registered in the programme, quite far from the original target planned by the government, which may be explained by the lack of pertinence of the training courses offered to this population and the scarce possibilities to enter the labour market as a result of enrolling in the programme.

Finally, Youth in Action was created in the context of the economic crisis that hit the country during the 1990s. The beneficiaries of the programme undergo training aimed to foster social and labour inclusion. Unemployed beneficiaries aged 18 to 25 who are in a situation of forced displacement and who belong to the level 1 and 2 of the SISBEN receive a daily allowance of Col\$ 5,000 (US\$ 2, approximately) that aims to reduce desertion during the teaching period of the programme. The programme has reduced its coverage over the years; in 2008, the beneficiaries were 39,987.

The main financing source for SENA's programmes is semi-public. These resources are collected from 2% of the monthly total wages paid by employers, a measure that is often criticised due to the heavy burden it represents for the latter and its negative effects on employment. National budget's resources are also used to finance training programmes.

VIII. Social housing subsidies and credits

Households with monthly earnings below four minimum wages, who have a total score in the SISBEN lower than 34.5 points and work in the informal labour market, are entitled to receive a housing subsidy under the Social Interest Housing Programme (*Programa de vivienda de interés social*, VIS). This subsidy may be used by beneficiaries to buy new or used properties or improving their property, in case they already have one. The subsidy ranges between Col\$ 1.85 million and Col\$ 10.15 million and the beneficiaries may also opt for a credit or an unemployment subsidy. In order to apply for the subsidy, households must have previous savings

The programme is coordinated and regulated by the Ministry of Environment, Housing and Territorial Development. Territorial entities are in charge of implementing the programme, which is financed by own resources, the National Saving Fund (*Fondo Nacional del Ahorro*), Fonvivienda, the CCFs (*Cajas de Compensación Familiar*) in charge of assigning the subsidies, the Agriculture Bank (*Banco Agrario*)—financing housing projects in rural areas—, the finance sector that operates in urban areas, the Military and Police Housing Fund (*Caja Promotora de Vivienda Militar y Policía*), and private building companies in charge of designing and building housing projects.

In 2008, 228,880 housing benefits were financed and subsidised by the VIS. These were financed by the National Budget and semi-public resources covered by family funds. However, according to the ECV, only 1.3% of households declared having received cash or in-kind housing subsidies. It is often argued that the main problem to widen the coverage of this programme is the insufficiency of declared areas of interest for building social housing projects and the lack of interest on the part of building companies to build houses for the poorest groups in society.

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This report is part of a series of national case studies aimed at disseminating knowledge on the current status of social protection systems in Latin American and Caribbean countries, and at discussing their main challenges in terms of realizing the economic and social rights of the population and achieving key development goals, such as combating poverty and hunger.

Social protection has emerged in recent years as a key concept which seeks to integrate a variety of measures for building fairer and more inclusive societies, and guaranteeing a minimum standard of living for all. In particular, social protection is seen a fundamental mechanism for contributing to the full realization of the economic and social rights of the population—to social security, labour, the protection of adequate standards of living for individuals and families, as well as the enjoyment of greater physical and mental health and education.

Albeit with some differences due to their history and degree of economic development, many Latin American and Caribbean countries are at now the forefront of efforts to establish these guarantees by implementing various types of transfers, including conditional cash transfer programmes and social pensions, and expanding health protection. One of the key challenges that the countries of the region face, however, is integrating the various initiatives within social protection systems capable of coordinating the different programmes and State institutions responsible for designing, financing, implementing, regulating, monitoring and evaluating programmes, with a view to achieving positive impacts on living conditions.



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