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Social Protection Systems in Latin America and the Caribbean: **Colombia**

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Social protection tends to revolve around the labour market, social security and social welfare. In Colombia, these issues are characterised by social disarticulation, both at the level of institutional capacity, as well as between supply and demand. In the early 21st century, the social protection system began to adopt a social risk management approach, understood as a *set of public policies to reduce vulnerability and improve the quality of life of Colombians, especially among the most unprotected population*. Since then, universal social protection has been associated with the notion of vulnerability, with a marked emphasis on social welfare.

With the exception of health insurance, social protection in Colombia has not reached full coverage. In 1993, less than one quarter of the population was enrolled in the health sub-system, a figure that grew to 91.3 per cent by 2013. Two areas in which social protection reflects inequalities in Colombia are early childhood care and access to pensions. At the end of the 1990s, two thirds of children under the age of six did not have access to a care centre, and in 2011 the situation remained unchanged. By 2013, coverage had improved to 37.7 per cent.

Only half of the employed population in Colombia works in a formal job, which is reflected in the number of people with access to pensions. At the beginning of the 1990s, pension coverage measured as a proportion of the economically active population was barely over 21 per cent, far below the Latin American average, which hovered around 40 to 50 per cent. In 2011, members of the pension sub-system accounted for 27.3 per cent of the economically active population. In other words, only one in every three people older than 65 received an old-age pension. To help solve this problem, the *Beneficios Económicos Periódicos* (BEP — Periodic Economic Benefits) programme was designed to encourage saving by providing additional government subsidies that increase proportionally to contributions made by low-income workers.

The 2006–2010 National Development Plan added two components to social protection: social promotion and human capital formation. Social promotion refers to programmes previously managed within the scope of social welfare. These measures aim to break the cycle of poverty and dependency that has emerged from protection network programmes. Human capital formation is a mechanism to generate income and improve living conditions.

Over the past two decades, social welfare has mainly consisted of conditional cash transfer programmes, formerly known as *Famílias en Acción* and now renamed *Más Famílias en Acción* (More Families in Action). Between 2002 and 2013, programme coverage rose from 320,716 families to 2,681,552, reaching every municipality in the country. The programme offers health incentives ranging from USD33 to USD39 a month per family, and education incentives of between USD6 and USD30 a month per child. The list of cash or in-kind subsidies is long: *Jóvenes en Acción* (Youth in Action), BEP, aid for displaced or demobilised persons and free food and housing. In other words, social welfare has grown disproportionately, distorting the meaning of social protection.

In this environment, Colombia must target its efforts to achieve long-term results, by reducing the predominance of social welfare in favour of the other two areas that comprise social protection: the labour market and social security. To do so, the country will have to make strong investments in education, not only in terms of increasing coverage but also in improving quality. Currently, the educational system is rather precarious, as evidenced by PISA test results in recent years, measured by the Organisation for Economic Co-operation and Development (OECD).

In 2013, Colombia was ranked 62nd out of 65 countries in an OECD test measuring knowledge of language, mathematics and science among teenagers aged 15 and 16 years old. Results from 2014 were even more devastating. A test administered to 15-years-olds to measure their daily problem-solving skills ranked Colombia last among 44 countries. On average, Colombian teenagers scored 399 points, compared to the first-place country, Singapore, at 562 points.

In summary, investing in the quality of education would spur the development of real opportunities for a large proportion of the population that is currently marginalised by being confined to the informal economy. This group mainly attends public schools, which face the most critical challenges in terms of quality. Allocating a larger portion of the General Royalties System to education could be an alternative source of financing. Better educational quality, along with reduced economic informality, would mean a greater number of people contributing to the financing of social protection.

Reference:

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