



# Policy Brief 4

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**Inter-Regional Inequality Facility**  
sharing ideas and policies across Africa, Asia and Latin America

## The Programme for Advancement through Health and Education (PATH) | Jamaica

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### Objectives

The Programme of Advancement through Health and Education (PATH) is a conditional cash transfer (CCT) programme. It provides cash transfers to poor families, who are subject to comply with conditions that promote the development of the human capital of their members. It has four main objectives, as follows:

- to alleviate poverty by increasing the value of transfers to the poor;
- to increase educational attainment and improve health outcomes of the poor by breaking the intergenerational cycle of poverty;
- to reduce child labour, by requiring children to have minimum attendance in school;
- to prevent families from falling further into poverty in the event of an adverse shock.

PATH was created in 2001, as part of a wide-ranging reform of the welfare system carried out by the Government of Jamaica (GoJ) with support from multilateral institutions. The aim has been to replace the former system, consisting of food stamps, outdoor poor relief and limited public assistance, with a single CCT programme.

### Description

PATH is a nation-wide programme providing two types of grants. The first is a health grant, which is contingent on certain members of the household attending public health clinics at regularly scheduled intervals. The second is the education grant, which is contingent on children aged 6-17 attending school for at least 85% of the total number of school-days each month. In each case, the size of the grant is J\$600 per month – approximately US\$10 – per eligible beneficiary in the household. Eligibility for the programme is determined through the use of a 'proxy-means' test.

The total budget of the programme for the years between 2001 and 2005 was US\$ 78 million, of which approximately half was provided by the Government of Jamaica and the remaining proportion was provided by a loan from the World Bank. By 2005, the programme had reached 180,000 beneficiaries, amounting to 8% of the population.

### Lessons learned

Results from initial evaluations indicate that the programme has performed well in terms of targeting. In particular, a larger proportion of beneficiaries are drawn from the poorest quintile (i.e., the poorest 20%) of households than with similar CCT programmes in the region, including Mexico and Colombia. Initial impact assessments also suggest that levels of client satisfaction are high, and that the programme is an improvement on pre-existing welfare services, such as the Food Stamp programme.

Nevertheless, there remain certain important ways in which the operation of the programme could be improved, including a) establishing an independent beneficiary selection system; b) ensuring closer collaboration between PATH officials and service providers; and (c) putting more resources into the monitoring of programme eligibility and the meeting of compliance conditions. The experience also demonstrates the difficulty of replacing existing welfare programmes with new programmes. Although the previous Food Stamp programme has now ended, following one additional year in parallel to the PATH, other pre-existing programmes have not. To further the progress of reform, an important and decisive leadership is required on the part of Government authorities.

## Background

Towards the end of the 1990s, there was growing recognition within the Government of Jamaica (GoJ) that existing welfare programmes in the country were not having the desired impact. Some income support and targeted transfer programmes were in place and operating, including Food Stamps, Outdoor Poor Relief and Public Assistance. Although such programmes were designed to safeguard the vulnerable, their benefits were seen as inadequate in value and outreach, not necessarily reaching the neediest, and suffering from a lack of timeliness, difficulty of access, and high cost. Part of the problem was perceived to lie in the fragmentation of the administration of benefits across government agencies, and a lack of collaboration among them.

In 1999, the Human Resource Council – part of the Prime Minister’s Cabinet – took the decision that the administration of welfare services should be consolidated under one agency. The Cabinet asked the Planning Institute of Jamaica (PIOJ) and the Office of the Prime Minister (OPM) to take the lead in developing what would be a comprehensive reform of the existing social safety net. The objective was to “develop a well-crafted integrated safety net aimed at empowering the poor and vulnerable to achieve and maintain a satisfactory living standard”. It was hoped that this process would be achieved by the budget year 2000/2001.

Between 1999 and early 2000, several studies were ordered, financed by the World Bank and the Government of Jamaica, oriented toward developing an integrated welfare strategy. Following these discussions, the PIOJ submitted in 2001 a proposal to the Jamaican Cabinet to unify the three main existing income support programmes into a single conditional cash transfer (CCT) programme, to be called the Programme of Advancement through Health and Education (PATH). The Ministry of Labour and Social Security (MLSS) was to develop, design and implement the operating process of the CCT programme. The institutional arrangements for unifying the existing income support programmes were to be worked out by the OPM under the mandate of the Public Sector Modernization Programme. The Cabinet approved the proposal in May 2001.

## Details

PATH officially began in October 2001, with a pilot programme carried out in the administrative division of St Catherine. This programme lasted until December 2002. The national targeting process for PATH began in April 2002 and was completed by June 2002. The first payments under the nation-wide scheme were then made in January 2003.

PATH provides two types of grants. The first is a health grant, which is contingent on certain members of the household attending public health clinics at regularly scheduled intervals, as shown in Table 1. The second is the education grant, which is contingent on children aged 6-17 attending school for at least 85% of the total number of school-days each month.

The size of each grant is J\$600 per month – approximately US\$10 – per eligible beneficiary in the household. Thus if a household has 5 children aged less than 17, and complies with the necessary health

Table 1 Conditionalities for PATH beneficiaries

| Beneficiary                 | Conditionality                         |
|-----------------------------|--|
| <i>Health</i>               |  |
| Children, aged 0–12 months  | 1 health visit every two months        |
| Children, aged 12–71 months | 1 health visit every six months        |
| Elderly and disabled        | 1 health visit every six months        |
| <i>Education</i>            |  |
| Children, aged 6–17 years   | Attendance of at least 85% of classes. |

Source: MLSS (2004).

and education conditionalities, it receives J\$3,000 per month – approximately US\$50. In contrast to other CCT programmes in the region, the same payment is made for all beneficiaries, as opposed to incremental allowances according to the age and characteristics of the beneficiaries.

Eligibility for benefits under PATH is determined through the use of a ‘proxy means test’, designed by the PIOJ. The underlying idea is to base eligibility for the program on household income (or expenditure). However, rather than asking about income directly, the approach asks about indicators that are highly correlated with household income yet are easier to observe (and therefore check), such as household demographics, education attainment or dwelling characteristics. The specific variables used in building the PATH proxy means test were determined using econometric analysis of information contained in the Jamaican National Consumption Survey of 1998.

The PATH programme is financed by the GoJ and the World Bank. A World Bank loan for US\$ 40 million was signed in October 2001, which covers approximately half of the total projected cost of the programme over the four years to 2005 (US\$ 78 million). Resources have been being used for: (i) conditional grants to beneficiaries supported by World Bank and the GoJ (children): US\$ 48 million, or 62% of the total; (ii) conditional grants to beneficiaries supported by the GoJ only (the elderly, destitute, and disabled): US\$ 17 million, or 22% of the total; and (iii) institutional strengthening supported by the World Bank and the GoJ: US\$ 10 million or 13% of the total.

Some aspects of the programme have changed since it was introduced. Initial calculations of the number of elderly and disabled persons eligible for payments turned out to be much lower than the Government’s own targets. The PIOJ therefore adjusted the proxy means test to increase the number of eligible households, and in particular the number of elderly persons participating in the scheme. It was also decided after the first months that compliance of conditions should only be applied to children, the elderly and disabled, and not to pregnant and lactating mothers, nor to the destitute.

## Implementation

At the central level, PATH is managed by a division within the MLSS, the Public Assistance Division (PAD). This has an organizational structure comprising four units: operations, planning & monitoring, information, and training & accounting. Locally, the ministry has available a network of 13 parish offices

handling the programme at each parish. (A parish is an administrative division of the Government. There are 14 in total, with areas ranging from 22 to 1,213 km<sup>2</sup> and populations ranging from 67,000 to 555,000). In total, PATH has approximately 130 members of staff, 30 at the main office and 100 distributed among the parishes.

Procedures for determining eligibility for benefits are carried out at a system of centres – typically a public building, a church or a school – which had been used with earlier welfare programmes (e.g. distribution of Food Stamps). There are approximately 30 such centres per parish. To register for benefits under the PATH (referred to as ‘enrolment’), potential beneficiaries are required to submit the required information (as set out in the proxy means test) at one of these centres. Programme officials point out to applicants that another official may approach their home to verify the information, although in practice this has not happened. Initially, payment of benefits was also made at these centres, although more recently local post offices have been used for payment.

The verification of health compliance is carried out as follows. The Management Information System (MIS) Unit of the MLSS generates lists of registered PATH beneficiaries, which are then transmitted to public health representatives and/or nurses at local health clinics. Immediately following the enrolment process, relevant household members are required to visit their local clinic to establish their schedule for subsequent visits. The public health representatives then record the dates of beneficiaries’ visits and transmit the information, via social workers attached to each Parish Office, back to the MIS, where the system is updated. The MIS then generates a list of compliant beneficiaries which is used to authorize payments. At the beginning, the health centres were unwilling to cooperate with PATH officials, and a substantial amount of time had to be spent training and establishing operational alliances with the Ministry of Health authorities before the system was workable.

The verification of education compliance is similar. At the beginning of each school year, the MIS generates lists of children enrolled in each school with a section provided for verification. These lists are transmitted to school principals, who assign personnel the responsibility for maintaining the list and transmitting the information back to the MIS. This process turned out to be much simpler than that for health, and it was stabilized during the first year of operation. Currently, more than 95% of the schools provide compliance information. Cooperation by officials in the education sector has also been significantly higher than the levels elicited from the health sector.

Monitoring and evaluation of activities and operations of PATH is carried out in three ways: through the use of data collected and stored in MIS, community consultations and external impact evaluation. The planning and monitoring manager of PAD is responsible for coordinating and preparing reports on all aspects related to planning, monitoring and evaluation of PATH.

## Impact

Immediately prior to the beginning of PATH, it was estimated that payments would be made to 236,000 beneficiaries per year during

a continued period of four years. In the end, these assumptions were proven wrong. Disbursements were small in the first years and only reached the agreed levels two years after the programme had been running. By 2005, coverage had reached 180,000 beneficiaries, amounting to 8% of the population. The total budget of the programme in that year was US\$ 24 million. Of this total, US\$ 2 million (8% of the total) went towards operational costs, while the remainder consisted of transfers to households. However, certain other operational costs are covered in the regular MLSS budget.

Results from initial evaluations (as of March 2004) indicate that the programme has performed well in terms of targeting. In particular, a larger proportion of beneficiaries are drawn from the poorest quintile (i.e., the poorest 20%) of households than with similar CCT programmes in the region, including Mexico and Colombia. Nevertheless, approximately one fifth (20%) of beneficiaries are still drawn from the three richest quintiles (i.e., the richest 60%). As a result, the Government, through the PIOJ, is planning to carry out a re-certification process for beneficiaries, in order to reduce the percentage of beneficiaries drawn from upper income quintiles. There has also been a concern among members of staff in the PIOJ that the proxy means test used for determining PATH eligibility does not capture a sufficient number of beneficiaries from urban areas or from excluded groups.

Impact assessments of the benefits derived from PATH are as yet incomplete, but initial results are favourable. The first qualitative assessment, carried out in 2004 by the consultancy firm MATHEMATICA Policy Research Inc., indicated that: (i) overall, basic operations of PATH seem to have been implemented along the lines intended, even if unanticipated gaps exist; (ii) client satisfaction is high; and (iii) providers also appear to feel positively about the programme, despite various bottlenecks. However, the same study also concluded that a) there needs to be closer collaboration between PATH officials and service providers, in order to improve the quality of service to the client; (b) issues to be addressed should include information on the programme, services accessible through PATH, sanctions to be applied for non-compliance and the appeal system; and (c) many clients and service providers feel that the system for the selection of beneficiaries needs to be more transparent.

The PATH was also used as a means of providing assistance to families following Hurricane Ivan. This occurrence, in September 2004, resulted in major damages to at least six parishes on the Island. In the relief initiative, the MLSS made a one time double payment to all PATH beneficiaries, in recognition of the fact that there had been significant price increases as a result of the hurricane, and that PATH beneficiaries were among the most vulnerable to its effects. This provided a clear example of the programme meeting one its key objectives, that of preventing families from falling further into poverty in the event of adverse shocks.

## Factors affecting success of the policy

An important decision affecting the success of PATH was that of institutionalising the programme, from its very inception, within the MLSS. The same division in government that was responsible for the Food Stamp programme assumed charge for the implementation of the PATH, and received instant recognition by other Government

authorities regarding the importance of the programme. Throughout implementation, authorities in the Division – including the Minister, vice-Minister and Directors – have dealt with the many problems which the programme has had to confront. The many problems associated with the delivery and effectiveness of the Food Stamp programme also contributed to the ready acceptance of PATH among the majority of beneficiaries. In combination with political support to see the programme implemented in full, this can help to guarantee long-term permanence of the programme.

The influence exerted by the multilateral banks was also important during implementation. It was not in fact a mainly government-driven initiative, but more a recommendation of the multilateral banks during discussions about the design of the social safety net strategy. Only through this effort and sustained support was it possible for the programme to be finally implemented after three long years since the original idea was conceived. The implementation and operation of a pilot project was also key to the process, even though the Office of the Prime Minister exerted pressure to accelerate the expansion of the programme without having completed or evaluated the pilot exercise.

## Lessons learned

1. In contrast to other countries in the region, Jamaica has not set up an independent unit within the MLSS to operate the beneficiary selection system. (In Colombia, Ecuador and the Dominican Republic, the systems are independent and have names of their own: SISBEN, SELBEN and SIUBEN respectively). This situation has posed problems, since the public believes that PATH constitutes the beneficiary selection system and not the transfer programme per se. This is true especially when the selection system is used in other programmes, and grievances regarding eligibility are directed to PATH, and not to the body responsible for the selection system (the PIOJ).
2. The closing of the three existing welfare programmes, supposedly to be replaced by PATH, has proved to be a difficult process. Although the Food Stamp programme has now ended, following one additional year in parallel to the PATH, other pre-existing programmes have not. This caused operational problems, since it was assumed officers from the other programmes would take charge of some of the operational duties relating to PATH. The greatest obstacle in replacing pre-existing programmes was the political cost involved for the GoJ, as a large number of people receiving benefits under the previous programmes, who were not necessarily below the poverty line, needed to have their benefits withdrawn. To further the progress of reform, an important and decisive leadership is required on the part of Government authorities. Joint implementation plans need to be agreed involving all programmes, and the results anticipated need to be clearly conveyed to politicians.
3. At the beginning, the health centres were unwilling to cooperate with PATH officials, and a large amount of time was required for training and establishing operational alliances with the Ministry of Health authorities before the system was workable. The PATH has also faced criticisms that compliance conditions are confusing and complicated for beneficiary households. It is generally accepted that a more dedicated effort is required at

training and informing beneficiaries who must attend the health centres, regarding the conditions they had to comply with.

4. Finally, setting up a complex programme such as PATH, involving different types of beneficiaries and compliance with a whole set of conditions, takes a long period of time. During the first years of the programme's implementation, targeting and enrolment procedures consumed all of the staff's operational capacity, leaving little time for verification of inclusion and exclusion errors, or of the compliance conditions. During the first year, for example, information on health compliance was collected for only 20% of beneficiaries. Currently, that percentage exceeds 70%, but still does not reach values that are comparable to those attained in other countries in the region. Arguably, it would have been better to start the programme with only one type of beneficiary and one compliance condition (e.g. children attending school), and to expand the operation to include other groups (e.g. the elderly) at later stages.

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