

**CHAPTER IV**  
**SOCIAL PROTECTION PROGRAMS**  
**FOR CHILDREN IN THE AMERICAS**



## CHAPTER IV

# SOCIAL PROTECTION PROGRAMS FOR CHILDREN IN THE AMERICAS

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### IV. 1 Introduction

**L**abor legislation, social protection laws, international conventions (see Box IV.1) and, in particular, social security, have a long tradition in supporting children. In this chapter, we present the main features of the social security programs that benefit children directly, namely: maternity leave benefits, family allowances, survivors' pensions, childcare, and healthcare benefits. The description is based on the requirements for eligibility and the benefits granted. The analysis of the financing mechanism is not within the scope of this Report.

Social security benefits for children were implemented long before the recent literature on

human capacity formation was developed (see Chapter III), and programs were designed as part of the basic risk traditionally insured. In this context, there is a window of opportunity to enhance their design and functionality to achieve a higher level of child well-being. Society has changed, and more is known about the positive interventions that can support children, so it is fair to ask what social security can do to improve its insurance programs. One main issue is that when programs are designed to merely cover children of workers, not only many are left out, but fracturing may occur in the labor market and in the markets for provision of services for children.

#### Box IV.1

#### Convention 156 of the International Labor Organization (ILO)

The "Convention on Equal Opportunities and Treatment between Working Men and Women: Workers with Family Responsibilities" was adopted in 1981. It applies to workers with responsibilities towards children and other members of their direct family, when such responsibilities limit their possibilities to engage in the economic activity. One of the main goals is to preclude discrimination and conflict due to family and professional responsibilities. Members of the ILO that ratified the convention have to take the necessary measures to enable workers with family responsibilities to join and stay in the workforce and reintegrate after a family-related leave. Furthermore, family responsibilities cannot be a cause for dismissal from work. The countries in the Americas that have signed the Convention are Argentina, Belize, Bolivia, Chile, El Salvador, Guatemala, Paraguay, Peru, Uruguay, and Venezuela.

Source: <http://www.ilo.org/ilolex/spanish/convdisp1.htm>.

## IV.2 Social Protection Programs for Children

There are five general tools used by social security to channel support toward children: maternity leave and wage subsidy, family allowances, survivors' pensions, child care, and health insurance.

- Maternity leave and the wage subsidy usually originate in an obligation by employers to a labor code, which is transferred then to a social security plan. This can be managed as a family allowance, as part of health insurance, or even as a benefit of work risks insurance.
- Family allowances (FA) are tools that depend significantly on national institutions and policies. FA are a main program of social security, but in some cases they are managed as part of anti-poverty programs. FA are also defined as in-kind benefits, which makes it difficult to compare them internationally.
- Survivors' pensions are a basic mechanism in death, old age, and disability pension systems, and their structure is very similar in most countries.
- Childcare is sometimes a special program of social security, occasionally it is provided on the basis of other public program (not usually an anti-poverty scheme); it can also be a program of financial support, or include significant in-kind elements.
- Health insurance for children is also a social security program in most countries, although recently it has been provided to the uncovered population.

### IV.2.1 Maternity Leave and Subsidy Programs

Social insurance programs for maternity include a wage-subsidy (so the employer will not have to pay the wage for some time), and maternity leave (so the mother of a newborn, and sometimes the father, can enjoy a period of time away from work without penalization). Most countries of the world entitle

women to maternity leave periods. The original argument in favor of these benefits is that all employers must share the burden of paying the wages of a woman while she has a baby, and the woman shall not be discriminated against in the labor market because of her pregnancy.

More recently, many countries and sub-national territories have implemented reforms that extend the leave period or create new programs, such as Canada, California, and Germany (Statistics Canada 2010, Espinola-Arredondo and Mondal 2008, and European Industrial Relations Observatory On-line 2000). The argument supporting these reforms stresses the idea that the first months of the child's life are crucial for the overall health, cognitive and emotional development, and that the interaction of the mother and father with the child is fundamental to that development. Breastfeeding can be prolonged, good care and other investment decisions can be improved, and the contact between the child and the parents can lead to healthy emotional development (Center on the Developing Child 2009).

Maternity leave programs across the Americas vary significantly in terms of weeks of absence, monetary benefits, requirements, and special conditions. This lack of standardization reflects the scarcity of studies justifying the programs, labor market characteristics of each country and their national approach concerning the Welfare State.

There is not a simple standard of qualifying conditions. Some countries and programs do not require a minimum contribution period and others cover insured women or even the wives of insured men. Among the countries that establish qualifying conditions, broadly speaking, there are three different inclusive criteria. The first one relates to the number of weeks of contributions required, ranging from 10 to 54 weeks. The second one refers to the waiting period: benefits can be paid right after joining the system or after a waiting period that can last from

12 to 64 weeks. And, finally, the third condition establishes the end date for the qualifying period calculation: before the benefit is due, before the expected date of childbirth, or before a specified date of pregnancy progress. Examples of the variety of requirements are the following. In Brazil there is not a minimum contribution period required to qualify for maternity benefits in the case of salaried, domestic, and occasional workers, but it is required for self-employed and rural workers to have at least forty weeks of contributions. Trinidad and Tobago takes into account whether the mother is receiving sickness or employment injury benefits to establish the qualifying conditions. Uruguay only requires a medical prognosis of delivery and birth certificate, while in Venezuela and Chile the worker just has to be insured. Table IV.1 shows the conditions required to qualify for maternity benefits in each country.

Weeks of paid absence also vary between countries, from 9 to 18 weeks. The United States does not have a national program, but cash benefits are provided at the state level. The first state to introduce a paid maternity leave through Temporary Disability Insurance (TDI) was Rhode Island in 1942; today TDI is offered to all workers by state mandate. These programs provide temporary income to workers with non-work related, short-term disabilities, including pregnancy and childbirth (Espinola-Arredondo and Mondal 2008).

Figure IV.1 shows the different leave periods granted by each country. A few countries consider special conditions regarding the period granted (Figure IV.2) namely: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, and Peru. Some of the conditions taken into account are if the baby is born with Down's syndrome, if there has been a miscarriage, if parents are adopting, or if there have been multiple births.

In relation to monetary benefits, social security in every country pays cash benefits to pregnant women. Although several countries pay different amounts of cash maternity benefits, Argentina, Barbados, Brazil, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Jamaica, Mexico, Panama, Peru, Trinidad and Tobago, Uruguay, and Venezuela pay the total amount of the average insured earnings. In other countries, the cash maternity benefits range from 50 to 80% of the average salary, as is shown in Figure IV.3. When the social security system considers a salary cap for making contributions, this cap applies also for the calculation of maternity benefits. In the United States, there is a bill proposal being discussed in Congress that would entitle women to paid maternity leave periods at the federal level (Govtrack.us: a civic project to track Congress 2010).

There are several countries in the Americas that grant a paid paternity leave, in addition to the maternity leave (Figure IV.4). The days of paid leave conceded to fathers range from 2 to 21, but in Canada the grant is for a total of 35 weeks of parental leave, which can be split between the mother and the father. In Uruguay the benefit is granted only to fathers employed in the public sector. Furthermore, Ecuador and Venezuela differentiate the amount of days paid depending on simple or multiple births. Additionally, several countries concede a maternity grant, in the form of lump-sum payments made for the birth of a child; Figure IV.5 shows the amounts paid by different countries (this grant can be thought of as a FA too).

Table IV.1  
Qualifying Conditions for Maternity Benefits

Country	Type of worker	Weeks of contributions required since joining the system	Weeks of contributions required in the last --- weeks	Final date for period calculation		
				Before benefit is due	Before expected date of childbirth	Before date of pregnancy
Anguilla <sup>1/</sup>	All workers	25	20 / 39	✓	n.a.	n.a.
Antigua and Barbuda	All workers	n.a.	26 / 52	✓	n.a.	n.a.
Argentina	All workers	n.a.	12 / 12	✓	n.a.	n.a.
Bahamas	All workers	48	n.a.	✓	n.a.	n.a.
Barbados	Employed	26	16 / 24	✓	n.a.	n.a.
	Self-employed	n.a.	39 / 52	✓	n.a.	n.a.
Belize	All workers	50	20 / 39	✓	n.a.	n.a.
Bolivia	All workers	n.a.	24 / 52	n.a.	✓	n.a.
Brazil	Salaried, domestic, and occasional workers	n.a.	n.a.	n.a.	n.a.	n.a.
	Self-employed and rural workers	40	n.a.	n.a.	✓	n.a.
British Virgin Islands	All workers	26	20 / 39	n.a.	✓	n.a.
Canada <sup>2/</sup>	All workers	24	n.a.	n.a.	n.a.	n.a.
Chile	Worker with indefinite contract	24	12 / 24	✓	n.a.	n.a.
	Worker with temporary contract	24	4 / 24	✓	n.a.	n.a.
	Independent worker <sup>3/</sup>	48	24 / 48	✓	n.a.	n.a.
Colombia <sup>4/</sup>	All workers	n.a.	36 / 36	n.a.	✓	n.a.

Table IV.1 (continued)

Country	Type of worker	Weeks of contributions required since joining the system	Weeks of contributions required in the last ___ weeks	Final date for period calculation		
				Before benefit is due	Before expected date of childbirth	Before date of pregnancy
Costa Rica option A	All workers	n.a.	12 / 12	✓	✓	n.a.
Costa Rica option B	All workers	n.a.	24 / 52	✓	✓	n.a.
Cuba	All workers	n.a.	11 / 52	✓	n.a.	n.a.
Dominica	All workers	30	20 / 30	✓	n.a.	n.a.
Dominican Republic	All workers	n.a.	32 / 52	n.a.	✓	n.a.
Ecuador option A	All workers	n.a.	52 / 52	n.a.	✓	n.a.
Ecuador option B	All workers	n.a.	54 / 64	n.a.	✓	n.a.
El Salvador	All workers	n.a.	12 / 52	n.a.	✓	n.a.
Grenada <sup>5/</sup>	All workers	30	20/30	✓	n.a.	n.a.
Guatemala	All workers	n.a.	12 / 24	✓	n.a.	n.a.
Honduras	All workers	40	n.a.	✓	n.a.	n.a.
Mexico	All workers	n.a.	30 / 52	✓	n.a.	n.a.
Nicaragua	All workers	n.a.	16 / 39	n.a.	✓	n.a.
Panama	All workers	n.a.	36 / 52	n.a.	n.a.	7th month of pregnancy
Paraguay	All workers	16	6 / 16	Not defined		
Peru option A <sup>6/</sup>	All workers	n.a.	12 / 12	✓	n.a.	n.a.
Peru option B <sup>6/</sup>	All workers	n.a.	16 / 24	✓	n.a.	n.a.

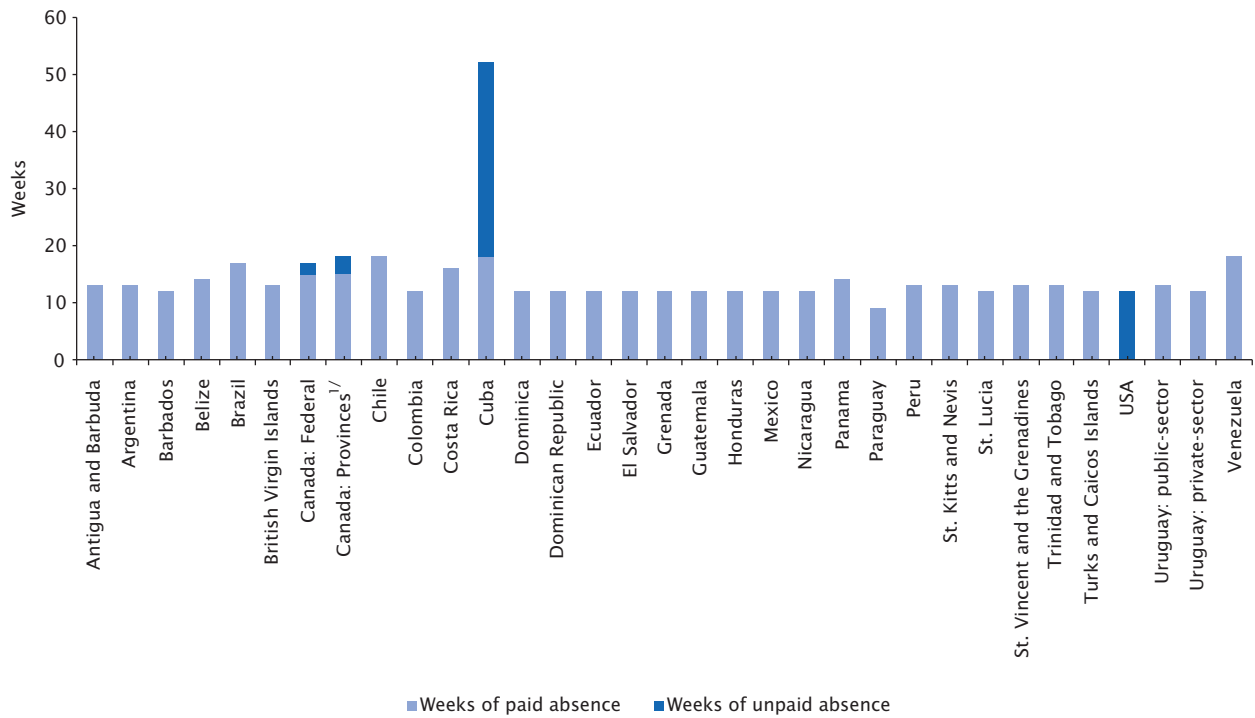
Table IV.1 (continued)

Country	Type of worker	Weeks of contributions required since joining the system	Weeks of contributions required in the last ___ weeks	Final date for period calculation		
				Before benefit is due	Before expected date of childbirth	Before date of pregnancy
St. Kitts and Nevis <sup>7/</sup>	All workers	39	20 / 39	√	n.a.	n.a.
St. Lucia	All workers	n.a.	28 / 40	n.a.	√	n.a.
St. Vincent and the Grenadines <sup>8/</sup>	All workers	30	20 / 30	√	n.a.	n.a.
Trinidad and Tobago <sup>9/</sup>	Employed Receiving sickness or work risk benefit	n.a.	10 / 13	√	n.a.	n.a.
United States of America	There is no national program, cash benefits may be provided at the state level.					
Uruguay	All workers	Medical prognosis of birth and birth certificate				
Venezuela	All workers	Currently insured				

Notes: n.a. - not applicable. √ - applicable condition. 1/ Give birth to a living child. 2/ Continuous employment with an employer. 3/ Have paid last month's contribution. 4/ Four months of contributions, out of the last six prior to the date in which the worker gets pregnant, must have been paid promptly. 5/ Aged 16 to 59 and employed on the day before incapacity began. 6/ Formal employment in the month of conception. 7/ Aged 16 to 62. 8/ Aged 16 to 60. 9/ Aged 16 to 65

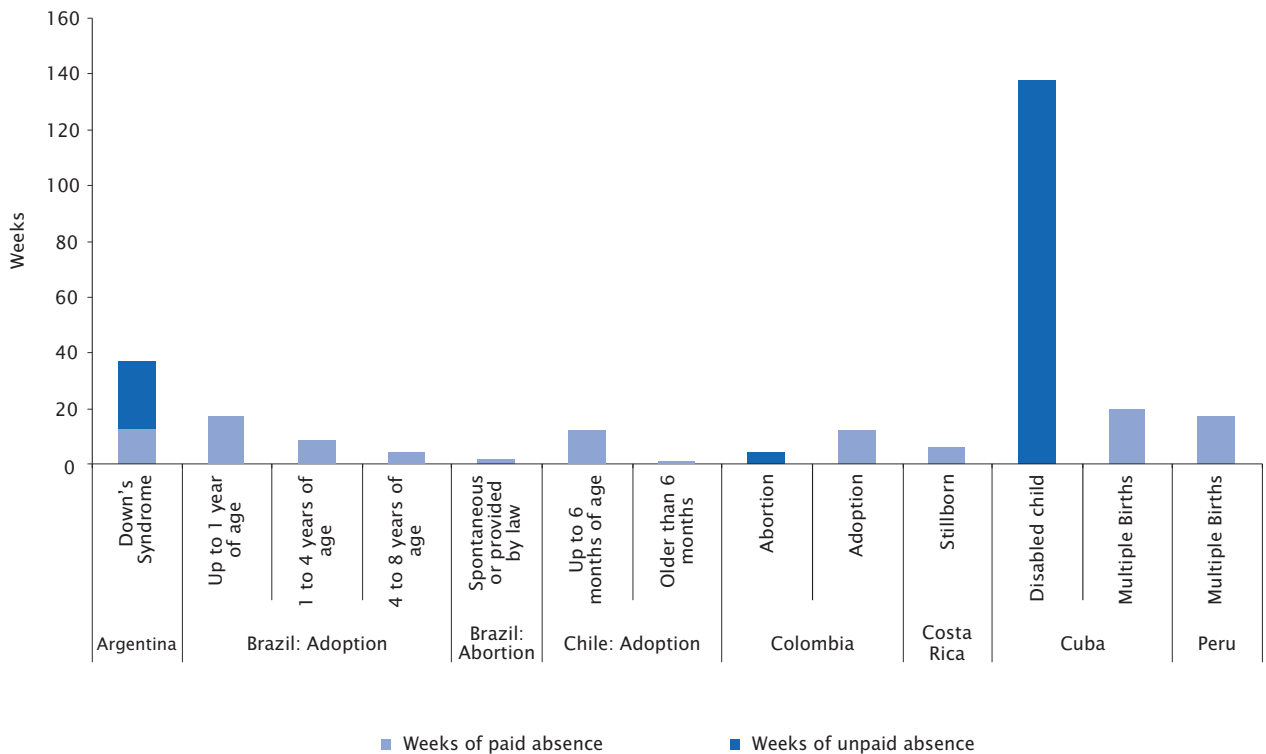
Source: Own elaboration using Labor Codes and social security laws of countries.

**Figure IV.1**  
**Weeks of Absence under Normal Conditions**



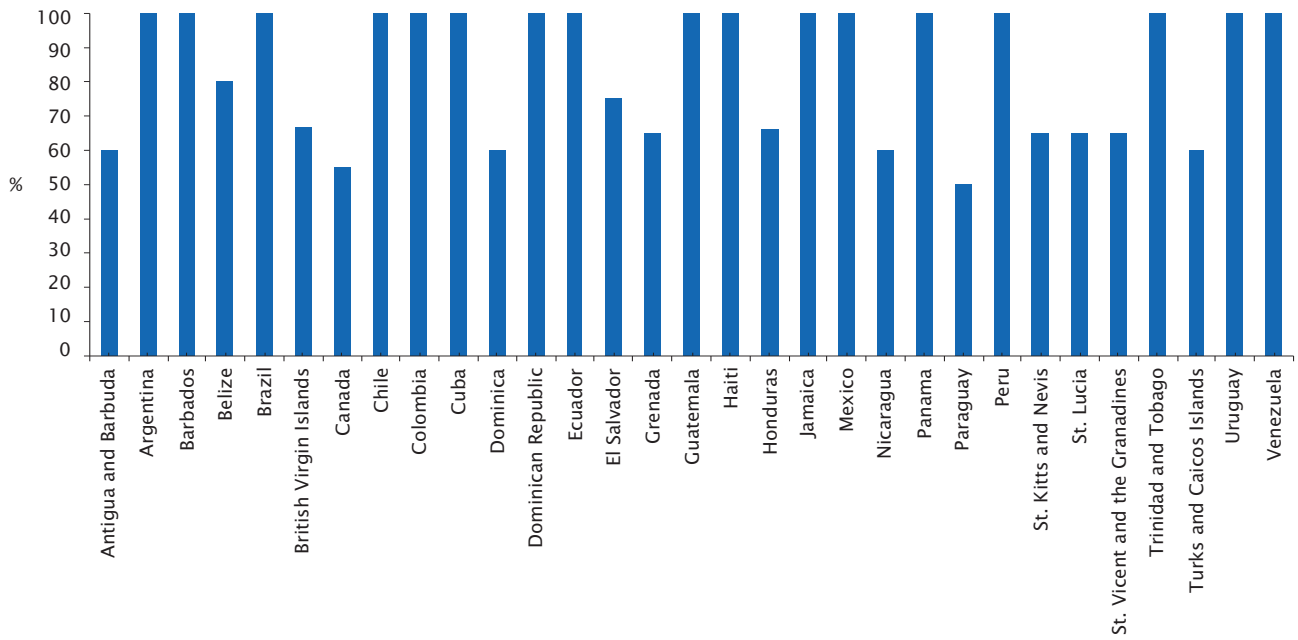
Note: 1/ Alberta, British Columbia, Quebec, and Saskatchewan.  
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.2**  
**Weeks of Absence under Special Conditions**



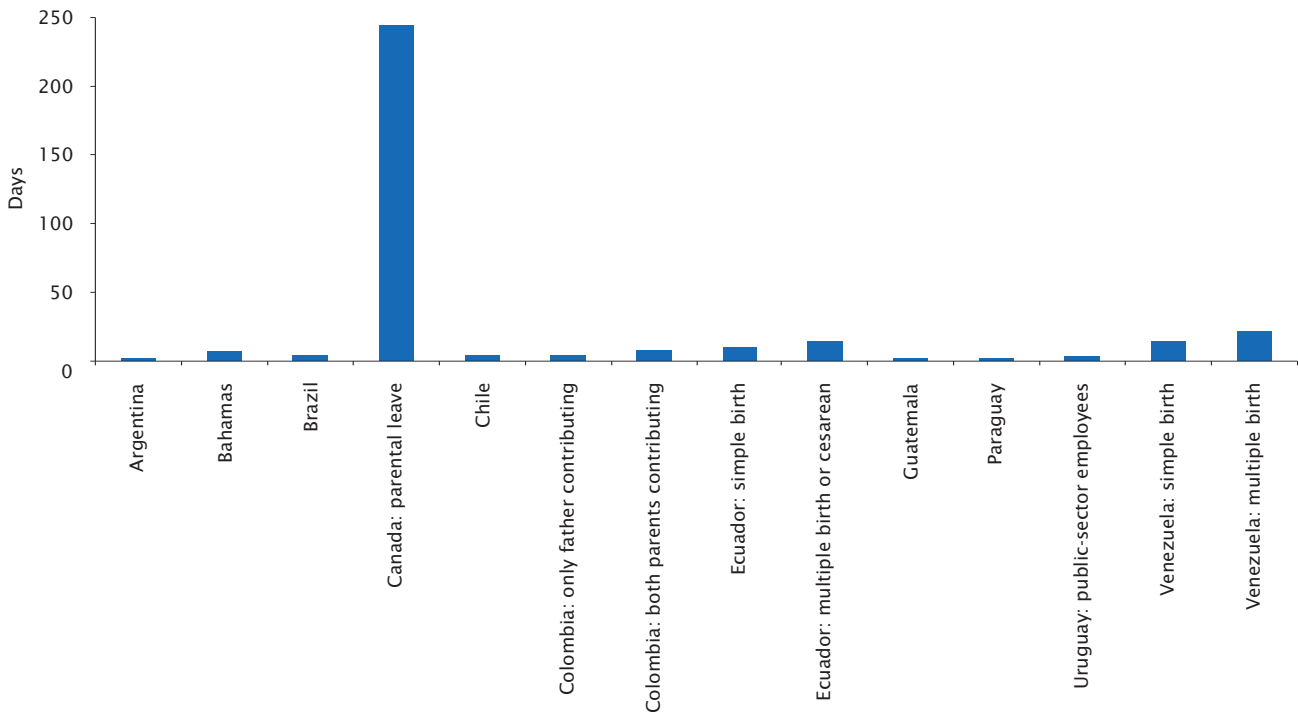
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.3**  
**Paid Maternity Leave**  
 (percentage of insured's average salary)



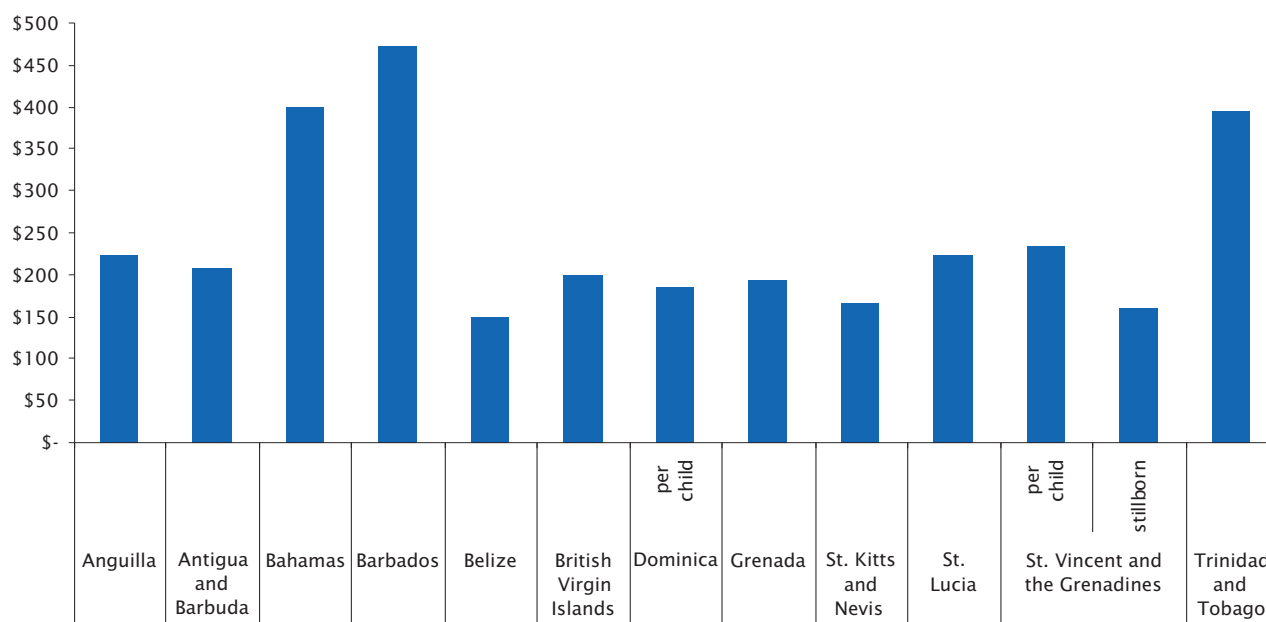
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.4**  
**Paid Paternity Leave**  
 (days granted)



Source: Own elaboration using labor and social security laws of countries.

**Figure IV.5**  
**Maternity Grant**  
(USD)



*Note:* Amounts were converted at the exchange rate published by each country's central bank in February 2010.

*Source:* Own elaboration using labor and social security laws of countries.

### IV.2.2 Family Allowances

FA are cash or in-kind benefits designed to facilitate the constitution and development of families. FA may have objectives beyond providing liquidity to families, such as promoting higher birth rates or supporting school attendance (Murro et al. 2007). The concept of FA includes a wide range of benefits, that broadly speaking can be divided in two: those that depend on the presence of children and those directed to other members of the families. We will focus our attention to the former. Within this category, a "pure social security" FA system exists in relatively few countries: Chile and Colombia, in Latin America and the Caribbean (LAC), Belgium, France, Germany, and a few others. More often, FA are mixed with pension or health insurance, as well as with special government

programs to provide cash and in-kind benefits, including tax-allowances, i.e. are an additional element of these benefits. This makes it difficult to compare benefits between countries.

Trinidad and Tobago and Chile were the first countries in the Americas to incorporate FA programs in 1933 and 1937, respectively. Subsequently, from 1941 to 1957 Brazil, Uruguay, Canada, Bolivia, Nicaragua, Argentina, and Colombia followed the trend (SSA 2007). In recent years, many governments have adopted the concept of the conditioned cash-transfer, which is a mix of traditional FA (e.g. an amount per child) with a behavioral requirement that has to be performed by the family, such as receiving inoculations or attending school.

The more common forms of FA are the following: i) cash allowance per child, often adjusted by the age and number of qualifying children; ii) other benefits in cash or in kind; and iii) tax credits or subsidies. Table IV.2 shows the general FA benefits provided. The column titled "Children Dependent Cash Allowances (CDCA)" refers to the traditional social security mechanisms for children, and the focus of the analysis that follows (see also Box IV.2).

Qualifying conditions for these social security mechanisms detailed on Table IV.3, vary greatly from country to country. Some countries set an income ceiling (or other "means test"), others require that children be of a certain age, while still other countries require that the parent be employed or insured, be receiving a pension, and reach a minimum contribution

period. The calculation of benefits is complicated because there are many intervening variables. Figures IV.6 and IV.7 show the exercise of calculation following the local legislations for healthy and disabled children, respectively.

Two instruments that have become well-established in countries where the income tax is a relevant policy tool are earned income tax credits or wage subsidies. These are very important for low income or middle class families and provide effective support without undue exorbitant administration costs. Increasingly, governments include these benefits as part of "fiscal expenses", namely, benefits that do not generate cash flow toward a national treasury, but are managed by firms and workers as part of their income tax returns.

#### Box IV.2

##### Family Compensation Funds: Chile and Colombia

In Colombia, Family Compensation Funds (FCF) are private entities that redistribute employers' contributions between low- and medium-income families (ASOCAJAS 2010). The FCF benefits are integrated by in-kind subsidies, health, education, housing, recreation, training, and child care services, as well as unemployment benefits, and credits, among others. Chile's FCF are also private social security corporations that administer benefits such as family allowances, unemployment, sickness and maternity leave benefits, among others, (Asociación Gremial de Cajas de Compensación Familiar 2010) on behalf of the state. Furthermore, they offer tourism, recreation, health and education services.

The family subsidy in Colombia is a benefit in cash or in-kind provided to workers, in relation to the number of dependent family members. One of the priorities is the housing allowance. Through this subsidy, needy families receive cash or in-kind contributions to complement their savings, credits, and other income or social security payments, enabling them to construct a new house or to make repairs. In 2009, 77% of the housing allowances were granted to families with income of less than two minimum wages; in 2001, only 60% of housing allowances were granted.

By contrast, FCF in Chile offer mortgage loans destined to finance or re-finance new or used dwellings. They can also be used to finance education at preschool, primary, secondary, technical, and university levels through their own centers or under agreements with third parties. These funds also provide school vouchers, scholarships for academic excellence, and workshops for families.

Colombian FCF have built a network of childcare facilities to serve children with high risk factors, at emotional, social, and economic levels. Nowadays, more than 50,000 children, between one and six years of age, are being taken care of on a monthly basis. Through this program, an improvement in children's nutritional, health, and cognitive status has been achieved. The civil registration of children has also increased. Additionally, there are several programs aimed to vulnerable populations that focus on the development, nutrition, health, and education of children, as well as on the pregnant mother's nutrition.

An important amount of the surplus generated by Chilean FCF is destined to grant free or non-returnable benefits for members. These include birth grants for each registered child, marriage and anniversary grants, survivors' allowances, and scholarships.

**Table IV.2**  
**Social Security Family Allowances Programs across the Americas**

Country	Benefits depending on the presence of children		
	CDCA for healthy and disabled children	Other benefits in cash or in-kind (not a comprehensive list)	Tax credits
Argentina	✓	Prenatal grant, school allowances, birth grant, adoption grant	X
Bolivia	X	Prenatal grant, nursing allowance (milk supply), birth grant, burial allowance	X
Brazil	✓	X	X
Canada	✓	Subsidies for child care	✓
Chile	✓	✓ <sup>1/</sup>	X
Colombia	✓	✓ <sup>1/</sup>	X
Dominican Republic	✓	X	X
Ecuador	✓	X	X
Mexico	✓	X	X
Nicaragua	✓	X	X
Paraguay	✓	X	X
Trinidad and Tobago	X	Various	X
United States of America	X	X	Federal tax credits
Uruguay	✓	Various	X
Venezuela	X	X	X

Note: 1/See Box IV.2.

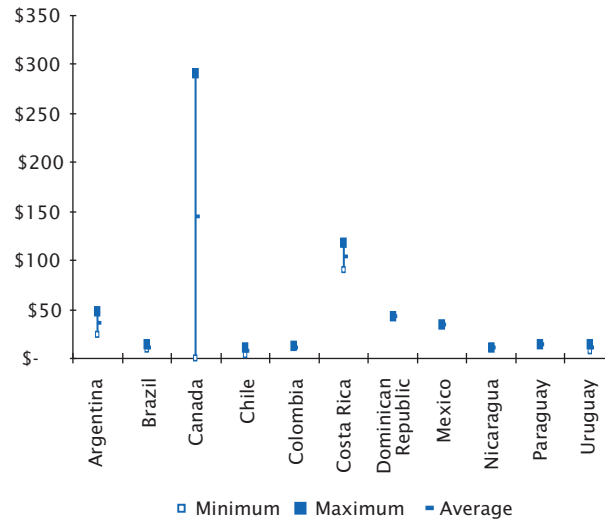
Source: Own elaboration using labor and social security laws of countries.

**Table IV.3**  
**Qualifying Conditions for Social Security Children Dependent Cash Allowances**

Country	Beneficiaries	Age limit of child (years)			Other characteristics of children	Other characteristics of beneficiary	Monthly income ceiling (USD)
		Healthy child	Disabled child	Student			
Argentina	Employees and beneficiaries of the work injury, unemployment, social insurance or social assistance programs	18	No limit	18	Unmarried	X	\$911.93
Brazil	Low-income insured employees with one or more children or receiving a sickness benefit	14	No limit	14	Proof of vaccinations and school attendance	X	\$373.38
Canada	Universal	18	18	18	X	Resident of Canada for tax purposes	X
Chile	Employees, pensioners, beneficiaries of work injury, temporary disability, or unemployment, and persons cared for in state institutions	18	No limit	24	X	X	X
Colombia	Employees	18	No limit	23	X	Sixty days of continuous employment with same employer	Four times minimum wage
Dominican Republic	Indigent, unemployed, or self-employed persons	18	No limit	21	X	X	Below the minimum wage
Mexico	Pensioner for disability	16	No limit	25	X	X	X
Nicaragua	Pensioners of disability or old age benefits	15	15	21	Not working	X	X
Paraguay	Employees	17	No limit	17	X	X	Two times minimum wage
Uruguay	Employees, beneficiaries of unemployment benefits, and pensioners	14	No limit	18	X	X	\$824.60

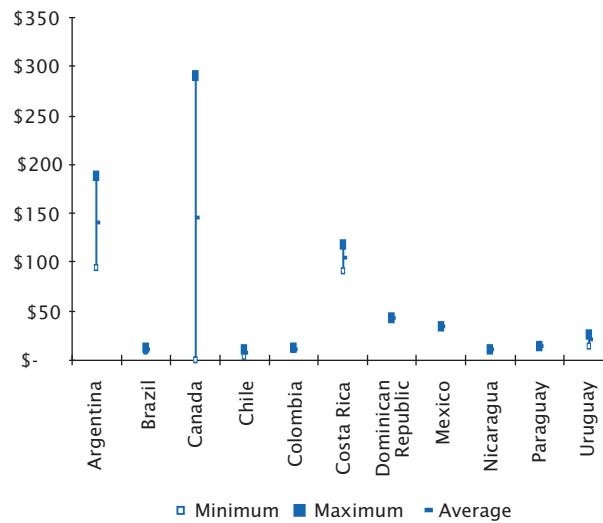
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.6**  
**Children Dependent Cash Allowances for Healthy Children**  
 (USD)



Source: Own elaboration using labor and social security laws of countries.

**Figure IV.7**  
**Children Dependent Cash Allowances for Disabled Children**  
 (USD)



Source: Own elaboration using labor and social security laws of countries.

### IV.2.3 Survivors' Pensions

Survivors' pensions are monthly cash transfers given to widows, orphans, and other dependents of social security workers or pensioners who have died. The main objective is to protect the widow and the orphans against excessive drops in consumption after the household head dies. Children are entitled to this benefit usually up to a certain age, and sometimes there are special provisions intended to protect children until they finish their studies.

The conditions to qualify for a survivor's pension cover both the deceased and the orphan. Usually, a minimum number of weeks of contributions before death are required, in most cases defined in similar ways as the weeks of contributions needed to be entitled to an old age or disability pension. Orphans of old age or disability pensioners receive the survivor pension automatically. Most countries make distinctions regarding the age when kids stop receiving the pension between healthy children, scholars, and disabled. Honduras, Panama, and Venezuela grant the orphan's pension until healthy children are 14 years old, while Brazil and Uruguay establish age 21 as the limit. The age limit for children attending school ranges from 15 to 25 years of age, which is the case of Barbados, Bolivia, Canada (Canada Pension Plan), Colombia, Costa Rica, and Mexico. Canada (Quebec Pension Plan), Dominica, and Trinidad and Tobago establish the same age limit regardless of the different characteristics of children. The majority of the countries, except for Antigua and Barbuda, British Virgin Islands, Canada (Canada Pension Plan), El Salvador, Mexico, and Turks and Caicos Islands, do not set an age limit for disabled children; this means children can receive the benefits for as long as the disability continues. Table IV.4 summarizes the qualifying conditions for an orphan's pension.

Since this benefit is granted according to the deceased's circumstances (active, disabled pensioner, old-age pensioner, and even work related risk pensioner), analysis can become somewhat long. Figures IV.8 through IV.10 show the benefits related to old-age pensions, but conclusions from the comparison between countries from old-age pensions apply to the other insurance types.

The base used for the calculation of benefits varies between countries. The amount may depend on the number of survivors and upon whether the children are healthy, disabled, or complete orphans. Every country has a common tendency towards limiting the total survivor pension (including the widow) granted to the deceased's family. This pension cannot exceed either the average income of the dead worker or the value of the pension received at the moment of death. Two countries establish a fixed amount paid to every orphan, without making allowances for each child's characteristics. Orphans in the Bahamas receive \$125 Bahamian dollars monthly (approximately \$125 US dollars). In Canada, the amount varies if the deceased was insured under the Canada Pension Plan in which case each orphan receives \$193 Canadian dollars monthly (approximately \$185 US dollars), or under the Quebec Pension Plan, receiving \$68 Canadian dollars monthly (approximately \$65 US dollars).

Figures IV.8-IV.10 present the different amounts paid to orphans as a percentage of the deceased's old-age pension in the case of one, two and three dependent children. When only one orphan is dependent (Figure IV.8), the minimum amount given to that child is 14%. The maximum amount differs according to the characteristics of the dependent child; if the child is healthy, Belize gives him or her 56% of the deceased's old-age pension, but 89% of the old-age pension when there is only one disabled dependent child. Furthermore, when the dependent child is a complete orphan, the maximum amount granted is 100% of the pension in Anguilla, Argentina, Barbados, Brazil, Dominica, St. Kitts and Nevis, and Uruguay.

As we can see in Figure IV.9, the lowest amount given when two healthy or disabled children qualify is 10% to each one (Mexico and Peru's National Pension System). In the same way as before, the maximum amount differs. When there are two healthy children present, Belize grants 38% per child. Similarly, if two disabled children qualify for an orphan's pension, each child receives 44% in Belize. Furthermore, Anguilla, Argentina, Barbados, Brazil, Dominica, Guatemala, St. Kitts and Nevis, and Uruguay grant to each complete orphan 50% of the deceased's old age pension. Finally, Figure IV.10 shows the amounts paid per child when three children qualify for the pension; following financial and actuarial criteria, programs break-up pension values per child even more, so large families losing the breadwinner end up receiving very low values per beneficiary.

We can see that no arrangements have been developed for the sensitive and critical periods as identified by the literature of human capital formation related in Chapter III. One exception is that in most countries the pension is increased when the orphan is under extreme stressful circumstances such as when both parents die. We also observe that the maximum age when the orphan stops receiving the benefit is, in some cases, below the normal age when a student usually finishes college or even upper school, backing down the support in periods when the student can invest in education with high payoff rates.

Table IV.4  
Qualifying Conditions for Orphan Pensions of Active Workers

Country	Deceased Person			Maximum Age of Deceased's Children		
	Weeks of Contributions	Other	Healthy	In School	Disabled	Other
Anguilla	150		16	18	No limit	Unmarried
Antigua and Barbuda	Weeks that entitle worker to disability or old age benefit		16	18	Not defined	Unmarried
Argentina	120 in the 3 years before, or 48 in 60 months		18	18	No limit	Unmarried son and widowed daughter not receiving a benefit
Bahamas	150		16	21	No limit	Unmarried
Barbados	Weeks that entitle worker to disability or old age benefit		16	25	No limit	Unmarried
Belize	Weeks that entitle worker to disability or old age benefit		16	21	No limit	
Bolivia	240		18	25	No limit	
Brazil	0		21	21	No limit	
British Virgin Islands	250		15	21	Not defined	
Canada: Canada Pension Plan	156	1/3 of the years in the person's contributory period or 3 years	18	25	Not defined	
Canada: Quebec Pension Plan	520	1/3 of the years in the person's contributory period plus 10 years	18	18	18	
Chile	0	Not defined	18	24	No limit	Unmarried
Colombia	50 weeks in the last 3 years	Have contributed 20% of the time between 20th birthday and death	18	25	No limit	

Table IV.4 (continued)

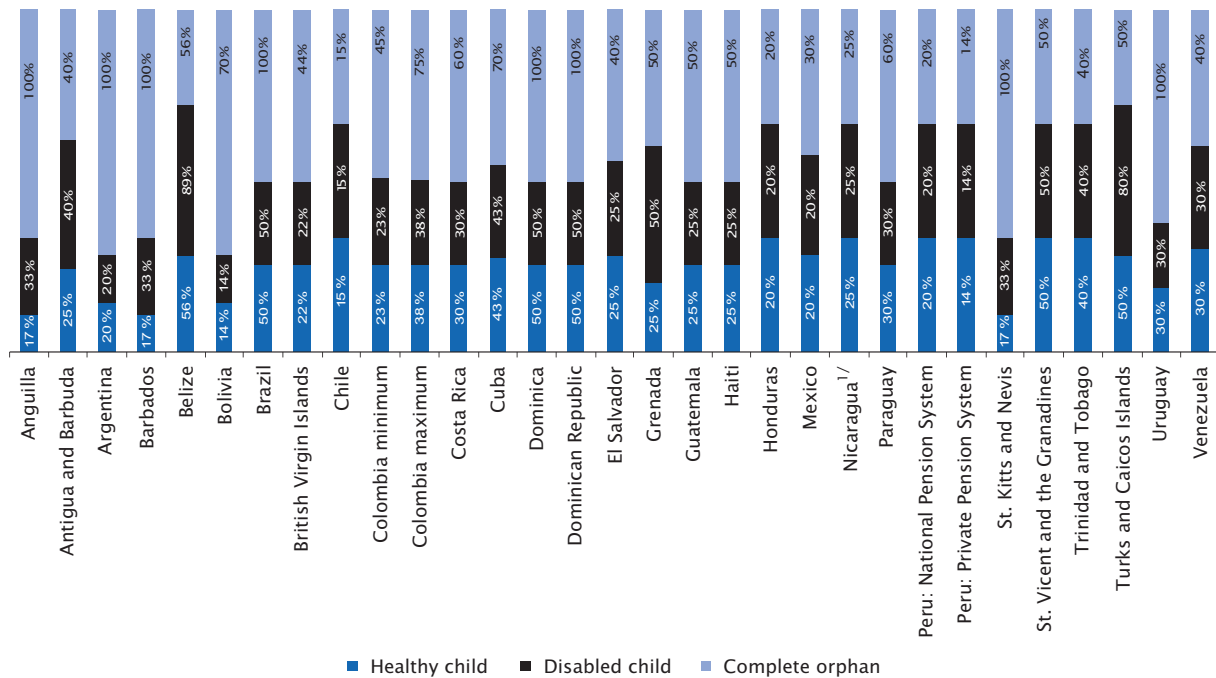
Country	Deceased Person			Maximum Age of Deceased's Children		
	Weeks of Contributions	Other	Healthy	In School	Disabled	Other
Costa Rica	180 or 48 in the last 24 months	Not defined	18	25	No limit	
Cuba	Weeks that entitle worker to old age benefit	Worker	17	17	No limit	
Dominica	150 or 500 including 150 paid contributions	Pensioner	18	21	No limit	Unemployed and unmarried
Dominican Republic	360	Not defined	18	21	No limit	Unmarried
Ecuador	60	Not defined	18	18	No limit if unmarried, widowed, or divorced	Unmarried and not receiving a pension
El Salvador	260	Not defined	18	24	Not defined	
Grenada	Eligible for old age or disability benefit		16	18	Not defined	
Guatemala	144 in the last 6 years	Not defined	18	18	No limit if unmarried and not receiving a pension	Unmarried and not receiving a pension
Haiti	Weeks that entitle worker to disability or old age benefit	Not defined	18	No limit	No limit	
Honduras	Weeks that entitle worker to disability or old age benefit	Not defined	14	18	No limit	
Mexico	150	Not defined	16	25	Not defined	
Nicaragua	Weeks that entitle worker to disability benefit	Not defined	15	15	No limit	
Panama	144 including 72 in the last 3 years	Not defined	14	18	No limit	
Paraguay	750	Not defined	18	18	No limit	

Table IV.4 (continued)

Country	Deceased Person			Maximum Age of Deceased's Children		
	Weeks of Contributions	Other	Healthy	In School	Disabled	Other
Peru: National Pension System	Weeks that entitle worker to disability or old age benefit	Not defined	18	21	No limit	
Peru: Private Pension System	Not defined	Not defined	18	18	No limit	
St. Kitts and Nevis	150	Not defined	16	18	No limit	Unmarried
St. Vincent and the Grenadines	Weeks that entitle worker to disability or old age benefit	Not defined	16	18	No limit	Death of both parents
Trinidad and Tobago	50	Not defined	19	19	19	Unmarried
Turks and Caicos Islands	Weeks that entitle worker to disability or old age benefit	Not defined	16	21	No limit if unmarried	
United States of America	Varies depending on the age, earnings, and retirement date	Not defined	18	19	No limit if disabled before 22	Unmarried
Uruguay	520	Receiving unemployment benefits	21 or 18 if working		No limit	Unmarried
Venezuela	750	Not defined	14	18	No limit	Unmarried

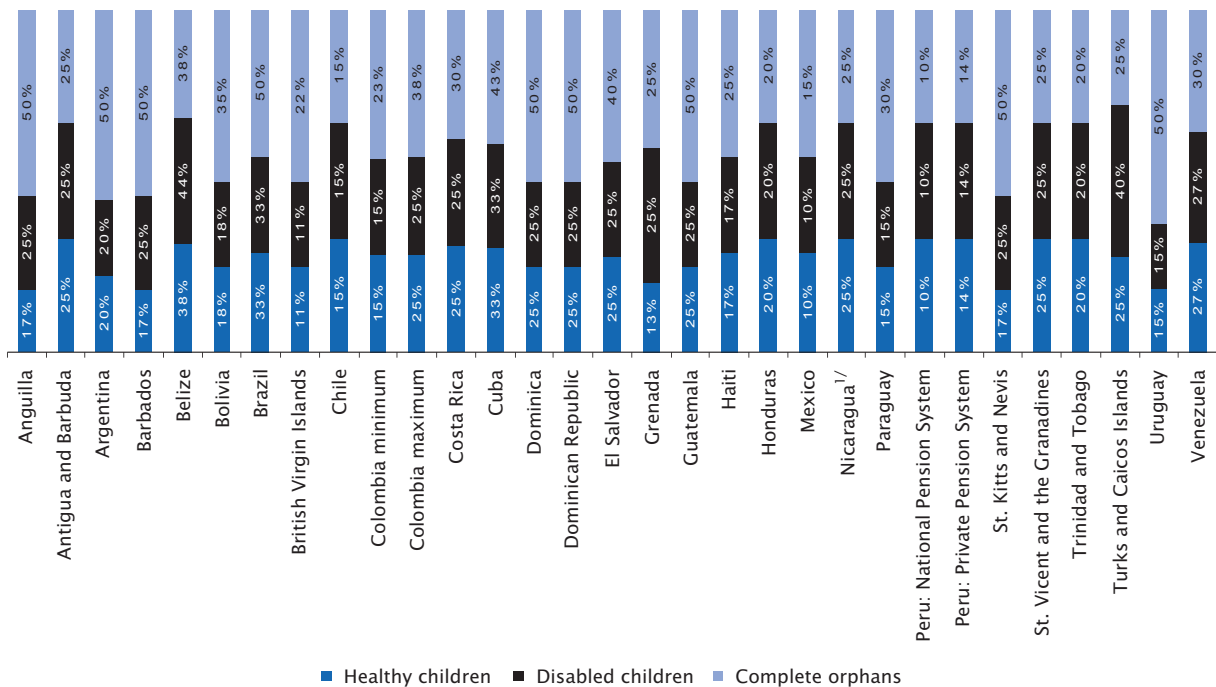
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.8**  
Orphan Pension to One Dependent Child  
(as percentage of old age pension)



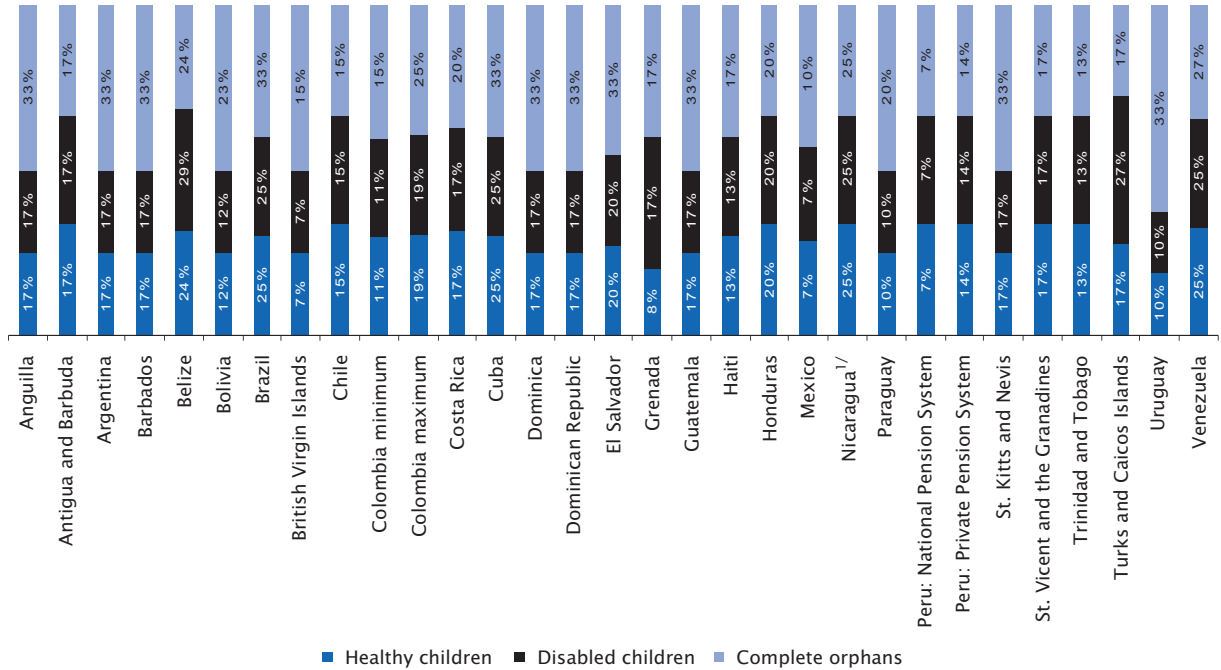
Note: 1/Nicaragua's survivors' pension is granted as a percentage of the complete disability pension.  
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.9**  
Orphan Pension per Child when Two Dependent Children are Present  
(as percentage of old age pension)



Note: 1/Nicaragua's survivors' pension is granted as a percentage of the complete disability pension.  
Source: Own elaboration using labor and social security laws of countries.

**Figure IV.10**  
**Orphan Pension per Child when Three Dependent Children are Present**  
 (as percentage of old age pension)



Note: 1/Nicaragua's survivors' pension is granted as a percentage of the complete disability pension.  
 Source: Own elaboration using labor and social security laws of countries.

**IV.2.4 Childcare**

Childcare programs focus particularly on children of working mothers below school age. Within formal childcare programs, many arrangements can be found. Some are more inclined towards providing financing to families, while others include substantial provision and regulation. It seems that a successful program is defined basically by its ability to relate every family's needs with a heterogeneous supply of childcare services (CCS), facilitating this match with the financial flows available for the social security program (CISS 2007 and Encina and Martínez 2009).

The growing demand on CCS is mainly derived from the increasing participation of women in the labor market, smaller families, increasingly separated families, and changes in household composition; as

well as the increased awareness about the importance of early socialization and educational services of good quality in the development of infants. Also, CCS may be offered as governments try to facilitate women's participation in the labor market, increase fertility rates, and address the social exclusion problem of kids in disadvantaged families. There is also a growing demand for CCS for children with special needs, due to physical, mental or sensitive disabilities, as well as for children with additional learning needs because of dysfunctional families, socio-economic disadvantages, or ethnic, cultural or language factors for whom early education and rehabilitation are essential, and informal care is often not an option (CISS 2007).

According to the Center on the Developing Child (2009), children learn how to share, interact, take into account the needs of others, and deal with their impulses from each other. Children, then, develop secure relationships and benefit from the stimulating activities and support provided by their caregivers. Empirical evidence of whether this is true is unfortunately scarce and indicates mixed results regarding the attainment of cognitive abilities (Bernal and Keane 2009).

However, research also points out to the risk that out-of-home care during infancy may be associated with greater disobedience and aggression by the time children enter school. Poor quality of care provided in some childcare arrangements—high caregiver turnover, poorly designed programs, or inadequate preparation of staff—are blamed for these outcomes (Center on the Developing Child 2009). Several studies mentioned in the publication "From Early Child Development to Human Development" (World Bank 2002) have shown the negative results that a low-quality childcare center can generate. Such children tend toward solitary play and aimless wandering, low participation in classroom activities, and less verbal interaction. By contrast, children in higher-quality childcare centers are not distracted as easily, are more task-oriented, have less behavioral problems, and are more talkative and less shy. For these reasons, the study suggests that each childcare program should include two main concepts: basic structure and dynamics (Love, Schochet, and Meckstroth 2002). Basic structure refers to a suitable and efficient group size, child-staff ratios that allow staff to interact suitably with children, safe facilities, and ease of access by parents. Dynamics refers to teachers' behavior: they must be attentive, encouraging, sensitive to children's needs, and responsive. It is also important for the children to have stability, continuity, and consistency of the caregivers.

Some of these services are partially or fully paid by the government or social security agencies and, in some cases, by employers directly (who establish these services to counteract some of the negative effects of having inadequate or insufficient CCS, such as increased absenteeism, higher rates of staff turnover, and stress). Some others are regulated but not subsidized, and many others are completely out of control.

Some countries include disabled children as a special group to which CCS should be directed (Canada and the United States have some of the largest programs that assist this segment of the population). The *Instituto Mexicano del Seguro Social* (IMSS) in Mexico pays higher fees when providers offer CCS for disabled children. Government intervention, provision, and qualifying conditions to have access to these services also vary between countries (see CISS 2007 and CISS 2008 for a detailed analysis of regulations and organization practices worldwide). If we focus our attention on services provided, financed, or sanctioned by the government, especially social security, we find three interesting cases in the continent: the United States, Mexico, and the English Speaking Caribbean. We would have liked to include all existing programs from every country, but limited space directs us to these relevant cases.

### **United States: Head Start**

Since its beginning in 1965, Head Start has been the premier early childhood education program to enhance children's school readiness, providing support to more than 900,000 children (Head Start Data 2008). The program's main objective is to promote the social competence (meaning a child's efficiency at dealing with his or her surroundings and responsibilities in school and their lives in general) and the connection between the provision of quality services and

improvements in child development. The Head Start Program seeks to improve children's healthy growth and development, reinforce families as the main caregivers of their children, provide educational, health and nutritional services, connect children and families to needed community services, and guarantee parents' involvement in the decision-making process (Tarullo 2002).

Head Start focuses on poor children aged three to five, although within Head Start there are other programs for other groups such as Early Head Start. Eligibility for Head Start services is largely income-based, though each locally-operated program includes other eligibility criteria. Children with disabilities are also served by the program.

A national randomized impact evaluation of the program was performed over a four-year period from 2002-2006, and analyzed four outcomes: cognitive development, social-emotional development, health status and services, and parenting practices. It concluded that: i) for the whole group of children studied, access to Head Start resulted in positive preschool experiences, as well as positive impacts on several aspects of children's school readiness, although few benefits gained lasted until the end of 1st grade; and, ii) for some subgroups there were positive and lasting effects (at least until the 1st grade) in the cognitive, social-emotional, or health domains, and for some subgroups effects were negative (U.S. Department of Health and Human Services 2010).

### **Mexico: Childcare Services**

For more than thirty years, the IMSS has provided day-care services to insured working mothers and widowed or divorced fathers who keep legal custody of their children. All employers pay 1% of payroll tax to finance the benefits, regardless of whether they have workers that qualify or not. The Social Services

and Security for State Workers Institute (ISSSTE) also provides CCS. The IMSS program serves children until age 4, while the ISSSTE program extends care to age 6.

Some ISSSTE regulations focus solely on children with disabilities including congenital diseases that endanger the child's integrity, gastric reflux, blindness, controlled epilepsy, nephropathies that require dialysis, hemophilia, deafness, mental retardation, autism, psychiatric disorders, some genetic syndromes, neurological problems, and other diseases or treatments that endanger the child's and his or her classmates integrity, incapacitate the child's integration to the center, or compromise the child's immune system.

The number of children attending childcare centers in Mexico is relatively low. Reasons for this low coverage are low social security coverage, which in Mexico is a little over 35 percent of the economic active population (IMSS 2006), and a misalignment between supply and demand (Martinez 2006). However, around the mid-nineties the program moved from a model of provision by IMSS to a more decentralized model with private providers, which allowed an increase in the number of children served. IMSS' CCS have served an average of 175,000 children in recent years (although registration can be around 220,000).

Recently the Federal government implemented the program of day-care centers for children whose parents are not affiliated to any social security institution. This program provides subsidies for the care of healthy children over one and less than four years of age, and up to six years old in the case of disabled children living in families earning less than six minimum wages. As of September 2009, less than 250,000 children were participating in the program (Mexico: Ministry of Social Development 2010).

### **English Speaking Caribbean: Caribbean Child Support Initiative**

The Caribbean Child Support Initiative (CCSI) is an early childhood development and family support program aimed at strengthening the care environment for young children. The CCSI aims to persuade parents to adopt a more interactive style of care which leads to improved cognitive and social development among young children growing up in disadvantaged situations (CCSI 2010). The CCSI has several initiatives, but the core one is the Roving Caregivers Program (RCP), which was implemented initially in Jamaica and has shown good results in rigorous evaluations.

The RCP's main goal is to guarantee the expansion of low-cost early childhood services to meet the needs of children from birth until age three. The RCP is a home visiting model offering basic components related to psychosocial motivation, counseling, education, skills training, and parental support.

Besides Jamaica, the RCP is being implemented in five countries in the English Speaking Caribbean: Dominica, St. Lucia, St. Vincent and the Grenadines, Grenada, and Belize. The program implemented in the aforementioned countries has various common elements (related to poverty and environment characteristics). The RCP may have several components depending on the country. For example in Jamaica it includes the Teenage Mothers Project, the Male Adolescent Program, the Uplifting Adolescents Program, and the Home-Based Nursery Program. The RCP teaches parents to offer emotional, educational, and physical stimulation to their children to improve their health and nutrition; it also develops young caregivers from within the communities (known as Rovers). Training is a basic principle of the RCP, since children, parents, and Rovers receive training. Rovers pay weekly visits to families for up to an hour each

visit to perform stimulation activities with both parents and children. One of the most important aspects of the RCP is that families do not have to spend money on transportation to get to a daycare center.

The home-visiting concept has been rigorously evaluated in its country of origin (Jamaica) and through the Longitudinal Impact Study being conducted in St. Lucia. The findings of these studies reveal changes in parental knowledge, parent/child interaction, and developmental outcomes for children. In Jamaica, for example, according to a publication of United Nations International Children's Emergency Fund (UNICEF 2004), child beneficiaries of the RCP have experienced improved development. It is also important to notice that the program has had a major impact on mothers' knowledge. Furthermore, a cost benefit analysis established that the RCP is a good investment and that it is worth to replicate it on a larger scale. The RCP faces the challenge, though, of lowering caregiver turnover and identifying possible funding sources for the program (UNICEF 2004).

In addition to the RCP in Jamaica, there are other home visitation programs, the Community-Based Rehabilitation Program dedicated to the rehabilitation and integration of disabled persons, and the Malnourished Children's Program with the objective to detect potentially harming factors, monitor children's nutritional status, and provide psychosocial stimulation to children younger than age three. The CCSI is also implementing other initiatives besides the RCP, such as the Regional Family Learning Programme and the Early Childhood Health Outreach Program (CCSI 2010).

#### IV.2.5 Social Health Insurance for Children

In recent times, states around the world and especially in the American continent have made deliberate efforts to assure that every pregnant woman and every child has social health insurance. Social security has provided health insurance for affiliates and their children in many countries since it was established. The focus of the latest reforms is to provide health insurance to persons not already covered by social security. The reform in the United States is the most recent experience, but across the continent, many countries are implementing health insurance programs catering to persons not covered by social security.

As we can see in Table IV.5, Antigua and Barbuda, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Peru, United States and Uruguay, all have implemented health insurance programs, associated to programs with well defined entitlements, publicly financed by the states, while in Ecuador and El Salvador, plans to implement them are currently in place. Some of these countries have also developed a specific insurance program focused on children. The Bolivian Universal Maternal-Infant Insurance (*Seguro Universal Materno Infantil, SUMI*), and the Mexican New Generation Health Insurance (*Seguro Médico para una Nueva Generación*) are two examples.

What does the implementation of health insurance programs for children mean? It is true that in all countries health interventions in children are one of the top priorities. Immunization campaigns is probably the prime example. The difference lies in that, under health insurance programs, an entitlement concept is introduced, and it includes interventions not limited to the public health field.

Social security schemes that provide health care benefits to affiliated workers typically include worker's children as beneficiaries. Moreover, it is also usual that all care is covered and there is not a defined package of interventions guaranteed. Figure IV.11 shows the limit age at which workers' children lose their entitlements to social security based healthcare benefits. As we can see, countries limit the age around 16 in general, the age limit is extended if children are students, and can be extended indefinitely if children are disabled.

Has the change in the approach to provide health services for children resulted in a change in their health? This is an empirical question that has spurred an important number of studies. Yet, there is not a consensus on the impact of health insurance programs on children's health, although the most recent studies have found no effects or very small and statistically insignificant ones (see for example Dhaval, Decker, Kaestner, and Kosali 2008 and Barros 2009). Why is it then that countries are expanding health insurance programs? One policy argument is that given that these programs guarantee a certain number of interventions, the budget to finance them should be also guaranteed, which implies less uncertainty and some times more resources to health. More generally, health status is a main component of human capital, and improvements result in social benefits over the long-run, and most gains are not health related: improved work abilities, improved mental skills and improved family environment. A main economic argument is that families that are unable to leave bequests are families that are cash-constrained to finance human capital. Thus, public interventions that reduce the restrictions on families to invest in human capital have a very high social return.

Table IV.5  
 Description of Health Systems

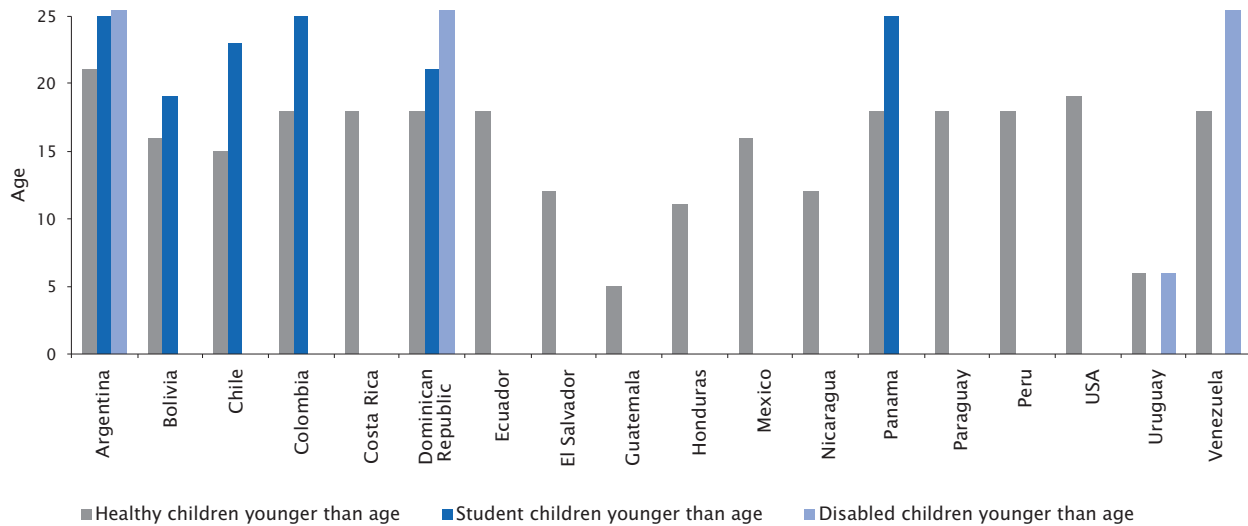
Country	System without entitlements	System with entitlements		Name of insurance program for uncovered children
		Social security	Publicly financed insurance programs	
Anguilla	Yes			n.a.
Antigua and Barbuda	Yes	Yes	Yes	n.a.
Argentina	Yes	Yes		<i>Plan Nacer</i>
Bahamas	Yes			n.a.
Barbados	Yes			n.a.
Belize	Yes			n.a.
Bolivia	Yes	Yes		<i>Seguro Universal Materno Infantil (SUMI)</i>
Brazil	Yes			n.a.
British Virgin Islands	Yes			n.a.
Canada	Yes			n.a.
Chile	Yes	Yes	Yes	n.a.
Colombia	Yes	Yes	Yes	n.a.
Costa Rica		Yes	Yes	n.a.
Cuba	Yes			n.a.
Dominica	Yes			n.a.
Dominican Republic	Yes	Yes	Yes	n.a.
Ecuador	Yes	Yes		n.a.
El Salvador	Yes	Yes		n.a.
Grenada	Yes			
Guatemala	Yes	Yes		n.a.
Haiti	Yes	Yes		n.a.
Honduras	Yes	Yes		n.a.
Jamaica	Yes			

Table IV.5 (continued)

Country	System without entitlements	System with entitlements		Name of insurance program for uncovered children
		Social security	Publicly financed insurance programs	
Mexico	Yes	Yes	Yes	<i>Seguro Médico para una Nueva Generación</i>
Nicaragua	Yes	Yes		n.a.
Panama	Yes	Yes		n.a.
Paraguay	Yes	Yes		n.a.
Peru	Yes	Yes	Yes	n.a.
St. Kitts and Nevis	Yes			n.a.
St. Lucia	Yes			n.a.
St. Vincent and the Grenadines	Yes			n.a.
Trinidad and Tobago	Yes			n.a.
Turks and Caicos Islands	Yes			
United States of America	Yes	Yes	Yes	Medicaid
Uruguay	Yes	Yes	Yes	n.a.
Venezuela	Yes	Yes		n.a.

Notes: In Anguilla, Bahamas, Belize, Dominica, Jamaica and Turks and Caicos a National Health Insurance is being implemented with different degrees of progress.  
Source: Own elaboration using ECLAC (2006) and information from the Ministries of Health or Social Insurance Agencies of countries.

**Figure IV.11**  
**Eligibility Age for Children of Workers with Social Security**



Source: Own elaboration using ECLAC (2006) and information from the social security agencies.

### IV.3 Conclusions

Programs to support children have existed for a long time. Nevertheless, when analyzing the provision of programs across the continent we observe that: i) programs vary significantly between countries; ii) only recently, programs especially focused on fostering early childhood development are being implemented, and only in a minority of countries; iii) most of the programs are not flexible enough to adapt to the different conditions of different groups of the population or to different stages of a child's life cycle; and, iv) not enough consideration is given to going beyond the delivery of benefits, such as the support to disadvantaged families.

What can explain these phenomena? First of all, historically social security has looked at children as dependents, and benefits for them have been contingent upon an accident. The exception is the FA programs, which are not operated in many countries. Second, it was not until recently that literature on early

childhood development provided solid evidence of the importance of early childcare in the well-being of persons. Third, there are still open questions regarding the impact of the design of these programs on the well-being of children. For example, what is the effect of longer maternity leave periods on children's capacities formation? In the absence of consistent evidence, the design of programs follows more the intuition of policy makers and is the response to different pressure groups rather than the answer to reliable, fact-based recommendations.