Colombia

Social Programs for the Alleviation of Poverty
PREFACE

This report is based on the findings of two World Bank missions that visited Colombia in November 1987 and March 1988. The teams comprised the following members:

Kazuko Uchimura (mission leader, education)
Robert Buckley (housing)
Xavier Coll (health)
Nancy Gillespie (consultant, maternal health)
Fernando Vio (consultant, nutrition)
Anna Kathryn Webb (consultant, community participation)
Stuart Whitehead (low-income shelter)

Ms. Kathy Richman (consultant) carried out a survey of the existing literature on poverty and income distribution in Colombia. The report also benefited from the advice and guidance of Mr. Marcelo Selowsky who participated in the November 1987 mission.

The report was conceived of as a response to the Government's renewed focus on poverty alleviation. While successive administrations have actively implemented social programs aimed at the poor, poverty alleviation has been the single most important element on the policy agenda of the Barco administration. Its specific poverty intervention includes programs carried over from past administrations such as the National Rehabilitation Plan (PNR) and Integrated Rural Development Program (DRI), the ongoing agrarian land reforms and a large number of new initiatives (both short- and long-term) grouped under a national program called "War on Poverty." Out of many programs under implementation, the report focuses on selected quick-impact basic needs types of interventions that address the most urgent poverty problems such as poor health, malnutrition, unsanitary living conditions and illiteracy. The issues of employment generation and productivity improvements are outside the scope of this report, though it is worth noting that the Government seeks to address the income and productivity questions under its National Microenterprise Development Plan.

Since the missions visits, the Government has made significant progress in the design and implementation of poverty programs, especially in the areas of education and nutrition discussed in this report, and important policy initiatives have been introduced in low income urban housing. Significant improvements have also been made in establishing the statistical base and methodologies for measuring poverty.
CURRENCY EQUIVALENTS
(as used in this report)

Currency Unit = Colombian Pesos (Col$)
US$1 = Col$250

WEIGHTS AND MEASURES

Metric System

GOVERNMENT OF COLOMBIA FISCAL YEAR

January 1 - December 31
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>xi</td>
</tr>
<tr>
<td><strong>CHAPTER ONE: INTRODUCTION</strong></td>
<td>1</td>
</tr>
<tr>
<td>Transformation of the Colombian Economy</td>
<td>1</td>
</tr>
<tr>
<td>Persistence of Poverty</td>
<td>1</td>
</tr>
<tr>
<td>Government's Commitment to Social Programs</td>
<td>2</td>
</tr>
<tr>
<td>A Macroeconomic Framework for Poverty Alleviation</td>
<td>3</td>
</tr>
<tr>
<td>Priorities in Public Expenditures</td>
<td>4</td>
</tr>
<tr>
<td>Limited Absorptive Capacity in the Social Sectors</td>
<td>6</td>
</tr>
<tr>
<td><strong>CHAPTER TWO: THE DIMENSIONS OF POVERTY IN COLOMBIA</strong></td>
<td>7</td>
</tr>
<tr>
<td>A. Measurement of Poverty</td>
<td>7</td>
</tr>
<tr>
<td>Measures of Poverty Employed by the Government</td>
<td>7</td>
</tr>
<tr>
<td>Recommendations</td>
<td>9</td>
</tr>
<tr>
<td>B. Spatial Distribution of Poverty</td>
<td>10</td>
</tr>
<tr>
<td>Households &quot;In Misery&quot; as Defined by NBI</td>
<td>10</td>
</tr>
<tr>
<td>Access to Public Services</td>
<td>10</td>
</tr>
<tr>
<td>Economic Dependence Ratio</td>
<td>15</td>
</tr>
<tr>
<td>C. Characteristics of the Poor</td>
<td>15</td>
</tr>
<tr>
<td>Poverty and Malnutrition</td>
<td>15</td>
</tr>
<tr>
<td>Inadequate Housing and Services</td>
<td>20</td>
</tr>
<tr>
<td>Education and Literacy</td>
<td>20</td>
</tr>
<tr>
<td>Employment</td>
<td>20</td>
</tr>
<tr>
<td>D. Recent Changes in Income Distribution</td>
<td>20</td>
</tr>
<tr>
<td><strong>CHAPTER THREE: AN AGENDA FOR ACTION</strong></td>
<td>23</td>
</tr>
<tr>
<td>The Government's Action Program</td>
<td>23</td>
</tr>
<tr>
<td>General Comments on New Basic Needs Initiatives</td>
<td>24</td>
</tr>
<tr>
<td><strong>CHAPTER FOUR: A NEW APPROACH TO NUTRITION INTERVENTION</strong></td>
<td>29</td>
</tr>
<tr>
<td>A. Community-based Day-Care Centers</td>
<td>29</td>
</tr>
<tr>
<td>B. Financing of Nutrition Programs</td>
<td>31</td>
</tr>
<tr>
<td>C. Recommendations on Program Design</td>
<td>33</td>
</tr>
<tr>
<td>Coverage of Children Between 6 and 24 Months</td>
<td>34</td>
</tr>
<tr>
<td>Nutrition Interventions in Rural Areas</td>
<td>34</td>
</tr>
<tr>
<td>Treatment of Serious Malnutrition Cases</td>
<td>37</td>
</tr>
<tr>
<td>Role of Land Credit Institute (ICT)</td>
<td>37</td>
</tr>
<tr>
<td>Fostering Community Support</td>
<td>37</td>
</tr>
<tr>
<td>D. Policies on Bienestarina</td>
<td>38</td>
</tr>
<tr>
<td>Securing Adequate Supply</td>
<td>39</td>
</tr>
<tr>
<td>Distribution and Storage</td>
<td>41</td>
</tr>
<tr>
<td>E. Information System</td>
<td>41</td>
</tr>
<tr>
<td>Absence of Surveillance</td>
<td>41</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>41</td>
</tr>
<tr>
<td>Recommendations on Establishing a Surveillance System</td>
<td>42</td>
</tr>
<tr>
<td>CHAPTER FIVE: STRENGTHENING THE PRIMARY HEALTH CARE DELIVERY SYSTEM</td>
<td>43</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Coverage and Access</td>
<td>43</td>
</tr>
<tr>
<td>Weaknesses in Primary Health Delivery System</td>
<td>45</td>
</tr>
<tr>
<td>Government Proposals on Health and Bank Recommendations</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER SIX: MEETING THE SHELTER NEEDS OF THE POOR</th>
<th>48</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>48</td>
</tr>
<tr>
<td>Government's Policy on Low Income Housing</td>
<td>51</td>
</tr>
<tr>
<td>Main Issues</td>
<td>51</td>
</tr>
<tr>
<td>Size and Feasibility of Implementation</td>
<td>57</td>
</tr>
<tr>
<td>Role of Government in Low Income Shelter Provision</td>
<td>58</td>
</tr>
<tr>
<td>Agua Blanca-- a New Approach to Slum Upgrading</td>
<td>61</td>
</tr>
<tr>
<td>Use of Interest Subsidies</td>
<td>63</td>
</tr>
<tr>
<td>Priorities for Government in Low Income Shelter</td>
<td>63</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER SEVEN: BASIC EDUCATION FOR ALL</th>
<th>64</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Background</td>
<td>64</td>
</tr>
<tr>
<td>Prevalence of Illiteracy and Low Educational Attainment</td>
<td>64</td>
</tr>
<tr>
<td>Government's Response</td>
<td>67</td>
</tr>
<tr>
<td>B. Universal Primary Education</td>
<td>69</td>
</tr>
<tr>
<td>Dissemination of the &quot;Escuela Nueva&quot; Model</td>
<td>69</td>
</tr>
<tr>
<td>Assessment</td>
<td>70</td>
</tr>
<tr>
<td>Improving Access in Urban Areas</td>
<td>70</td>
</tr>
<tr>
<td>School Feeding Program</td>
<td>71</td>
</tr>
<tr>
<td>C. Continuing Basic Education</td>
<td>72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANNEX I: SOCIAL PROGRAMS OF PAST ADMINISTRATIONS</th>
<th>74</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Food and Nutrition Plan (PAN)</td>
<td>74</td>
</tr>
<tr>
<td>- Integrated Rural Development Program (DRI)</td>
<td>74</td>
</tr>
<tr>
<td>National Rehabilitation Plan (PNR)</td>
<td>75</td>
</tr>
<tr>
<td>Low Income Housing (&quot;Vivienda Popular&quot;)</td>
<td>76</td>
</tr>
<tr>
<td>National Child Survival and Development Plan (&quot;Supervivir&quot;)</td>
<td>78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANNEX II: THE EVOLUTION OF THE WAR ON POVERTY (PLPGE)</th>
<th>79</th>
</tr>
</thead>
<tbody>
<tr>
<td>Its Origin</td>
<td>79</td>
</tr>
<tr>
<td>Evolution of Program Content</td>
<td>79</td>
</tr>
</tbody>
</table>

| REFERENCES | 83 |
TEXT TABLES/CHARTS

Table I-1: Macroeconomic Framework 4
Table I-2: Public Investment Program 5
Table I-3: Public Expenditures on Principal Poverty Programs by Sector During 1987-1990 6
Table II-1: Distribution of Household Incomes and Expenditures on Food by Income Strata 15
Table II-2: Calorie and Protein Intake Per Adult Equivalent by Income Strata 16
Table II-3: Distribution of Household Incomes 1976-1985 21
Table IV-1: ICBF--Projected Revenues and Expenditures 1988-1990 32
Table IV-2: Assumptions Regarding Program Costs and Number of Beneficiaries 33
Table IV-3: A Comparison of Bienestarina with Other Foods in Terms of Nutrients and Calories 39
Table IV-4: Bienestarina Requirements through 1990 40
Table V-1: Patient Consultations by Distance to the Closest Health Post 44
Table V-2: Hospitalization Rates by Region, Income Levels and Degrees of Urbanization 1977-1980 45
Table VI-1: Relative Shares of Legal and Illegal Housing 49
Table VI-2: Low-Income Shelter Plan 52
Table VI-3: Anticipated Financing Sources for the Low-Income "Human Settlements" 1987-1990 56
Table VII-1: Changes in Illiteracy Rate among Population 10 Years and Older 64
Table VII-2: Illiterate Population 12 Years and Older by Age Group 67
Table VII-3: Share of "Educacion Basica para Todos" in Total Education Sector Expenditures 69
Table VII-4: School Feeding Programs 72

Chart I: New Initiatives in Poverty Alleviation-- A Summary of Recommendations 26
### MAPS

<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia: Households &quot;Con Miseria&quot;</td>
<td>11</td>
</tr>
<tr>
<td>Colombia: Households without Basic Services</td>
<td>12</td>
</tr>
<tr>
<td>Colombia: Death Due to Intestinal Infection</td>
<td>13</td>
</tr>
<tr>
<td>Colombia: Households with High Economic Dependence</td>
<td>14</td>
</tr>
<tr>
<td>Colombia: Physically Inadequate Shelter</td>
<td>50</td>
</tr>
<tr>
<td>Colombia: Level of Public Services -- Households with Sewers</td>
<td>53</td>
</tr>
<tr>
<td>Colombia: Level of Public Services -- Households with Electricity</td>
<td>54</td>
</tr>
<tr>
<td>Colombia: Level of Public Services -- Households with Piped Water</td>
<td>55</td>
</tr>
<tr>
<td>Colombia: Households with Children Not Attending School</td>
<td>65</td>
</tr>
<tr>
<td>Colombia: Illiteracy</td>
<td>66</td>
</tr>
<tr>
<td>Colombia: Multisectoral Development Programs in Rural Areas</td>
<td>86</td>
</tr>
<tr>
<td>Colombia: Spatial Distribution of Poverty by Jurisdiction</td>
<td>87</td>
</tr>
</tbody>
</table>

### FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>Characteristics of Low-Income Housing</td>
<td>17</td>
</tr>
<tr>
<td>Figure 2</td>
<td>Employment Among the Poor</td>
<td>18</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Employment of Low-Income Heads of Families</td>
<td>19</td>
</tr>
<tr>
<td>Figure 4</td>
<td>Coverage of Hogares de Bienestar Infantil Program</td>
<td>30</td>
</tr>
<tr>
<td>Figure 5</td>
<td>Primary School Enrollment Rate by Departments</td>
<td>68</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>BCH</td>
<td>Central Mortgage Bank (&quot;Banco Central Hipotecario&quot;)</td>
<td></td>
</tr>
<tr>
<td>CAVs</td>
<td>Housing and Loan Associations (&quot;Corporaciones de Ahorro y Vivienda&quot;)</td>
<td></td>
</tr>
<tr>
<td>CENAC</td>
<td>National Center for Construction Studies (&quot;Centro Nacional de Estudios de la Construccion&quot;)</td>
<td></td>
</tr>
<tr>
<td>DANE</td>
<td>National Statistical Department (&quot;Departamento Administrativo Nacional de Estadistica&quot;)</td>
<td></td>
</tr>
<tr>
<td>DNP</td>
<td>National Planning Department (&quot;Departamento Nacional de Planeacion&quot;)</td>
<td></td>
</tr>
<tr>
<td>DRI</td>
<td>Integrated Rural Development Program (&quot;Desarrollo Rural Integrado&quot;)</td>
<td></td>
</tr>
<tr>
<td>FFDU</td>
<td>Financial Fund for Urban Development (&quot;Fondo Financiero de Desarrollo Urbano&quot;)</td>
<td></td>
</tr>
<tr>
<td>FNA</td>
<td>National Savings Fund (&quot;Fondo Nacional de Ahorro&quot;)</td>
<td></td>
</tr>
<tr>
<td>HBI</td>
<td>Community-based Day Care Centers (&quot;Hogares de Bienestar Infantil&quot;)</td>
<td></td>
</tr>
<tr>
<td>ICBF</td>
<td>Colombian Institute of Family Wellbeing (&quot;Instituto Colombiano de Bienestar Familiar&quot;)</td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td>Land Credit Institute (&quot;Instituto de Credito Territorial&quot;)</td>
<td></td>
</tr>
<tr>
<td>ISS</td>
<td>Social Security Institute (&quot;Instituto de Seguros Sociales&quot;)</td>
<td></td>
</tr>
<tr>
<td>NBI</td>
<td>&quot;Basic-Needs-Not-Met&quot; Index (a Poverty Measure) (&quot;Necesidades Basicas Insatisfechas&quot;)</td>
<td></td>
</tr>
<tr>
<td>PAN</td>
<td>National Food and Nutrition Plan (&quot;Plan de Alimentacion y Nutricion&quot;)</td>
<td></td>
</tr>
<tr>
<td>PLPGE</td>
<td>&quot;War on Poverty&quot; (&quot;Plan de Lucha contra la Pobreza y para la Generacion de Empleo&quot;)</td>
<td></td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>PNR</td>
<td>National Rehabilitation Plan (&quot;Plan Nacional de Rehabilitacion&quot;)</td>
<td></td>
</tr>
<tr>
<td>SENA</td>
<td>National Vocational Training Institute (&quot;Servicio Nacional de Aprendizaje&quot;)</td>
<td></td>
</tr>
<tr>
<td>&quot;Supervivir&quot;</td>
<td>The National Child Survival and Development Plan</td>
<td></td>
</tr>
<tr>
<td>UPAC</td>
<td>Unit of Constant Purchasing Power (&quot;Unidad de Poder Adquisitivo Constante&quot;)</td>
<td></td>
</tr>
<tr>
<td>&quot;Vivienda Popular&quot;</td>
<td>A Low Income Housing Program under the Betancur Administration</td>
<td></td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Persistence of Poverty Amid Growth

1. Colombia has experienced dramatic changes in its economy and society since the 1960s. The economy has grown steadily and has become progressively diversified, helped in no small part by the country's rich natural resource base and the Government's sound economic management. Furthermore, Colombia, once a predominantly agrarian society, became highly urbanized as rural-urban migration proceeded at a rapid pace in the 1960s and 1970s. This process was accompanied by dramatic changes in the country's demographic characteristics—steady declines in fertility and population growth rates as well as in the incidence of infant and maternal mortality. On the educational front, primary school enrollment doubled during this period and the illiteracy rate among those 10 years and older dropped significantly.

2. Serious problems of poverty have persisted throughout this period of sustained economic growth and social change. Income distribution remains skewed with incomes of the top 20% of households six to seven times those of the bottom 20%. Moreover, impressive gains in the social indicators belied the sharp differences in health and educational status among socio-economic groups—fertility is estimated to be three times as high among the poor as the non-poor, and the higher fertility among poorer women is accompanied by shorter birth intervals and higher infant mortality. A high proportion of children from poor communities still have no access to any kind of schooling, and the incidence of illiteracy is concentrated among adults at the lower end of the income strata.

3. Poverty is as significant and complex a problem today as it was in 1949 when the Bank's first economic mission to Colombia emphasized the need for a coordinated strategy to deal with poverty. Available data suggest that approximately 20% of Colombians live below a conservatively defined poverty line. Nevertheless, as the Colombian economy and society have changed, so has the nature of poverty. The plight of landless peasants remains in many aspects unchanged still. Their situation is to some extent overshadowed by the miserable conditions of the urban and peri-urban poor found in growing numbers in city slums and squatter settlements. Of particular concern are the prevalence of malnutrition as well as the high incidence of infant and maternal mortality among these poor households. Inadequate access to sanitation and safe drinking water perpetuate health problems in poor communities.

The Government's Response

4. The Government, recognizing that poor people were not sharing equitably in the benefits of development, has over a period stretching back several decades tried to reduce income disparities. In particular, poverty alleviation has been set as the single most important item on the policy agenda of the Barco Government (1987-90).
5. The Government's anti-poverty strategy is based on three major elements. First, the strategy is explicitly set within the framework of overall macroeconomic policies. On the premise that the country can best eradicate poverty by sustaining high economic growth and thereby expanding the overall demand for labor, the Government seeks to achieve steady GDP growth (around 5% per annum during 1987-1990) combined with continued sound fiscal and external management. Secondly, beyond attaining the overall growth targets, the Government plans to expand specific programs designed to increase the productivity and employment opportunities of the poor, such as land reform, rural development projects and education and training. Thirdly, in order to directly tackle the worst aspects of poverty and to achieve a more immediate impact, the Government is stepping up the pace of basic needs programs specifically aimed at improving the access of the poor to key social services (i.e., health, education, nutrition, and basic utilities) and to adequate shelter.

6. The specific poverty alleviation interventions include (a) programs carried over from previous administrations such as the National Rehabilitation Plan (PNR) and Integrated Rural Development Program (DRI); (b) the ongoing agrarian land reforms; and (c) a large number of initiatives (both short- and long-term) that collectively fall under a new national program called the "War on Poverty." The financing of these poverty-oriented interventions involves shifts of public investments and expenditures away from large, capital-intensive infrastructure projects (e.g. power generation) toward the social sectors.

7. The Government's overall approach to poverty appears coherent and sensible. Nevertheless, many new initiatives under the "War on Poverty" have progressed little beyond the conceptual stage: substantial work needs to be done to translate the still general proposals into specific action programs. To do that, a two-pronged approach is required. The Government needs to implement quickly those programs that can have immediate impact on the most critical and urgent problems facing poor communities (health problems, malnutrition, unsanitary living conditions, illiteracy) while continuing to develop medium- and long-term action programs aimed at achieving productivity increases and job creation. Particular attention needs to be paid to institution building. Institutional weaknesses, particularly in the health sector, limit the pace of poverty program implementation.

Objectives of the Study

8. This study concentrates on the elements of the Government's poverty plan that can be implemented in the short term. Its objectives are to evaluate and make recommendations on the Government's new interventions that are intended to address the most urgent needs in nutrition and health, low income housing and primary education. Our assessments of four programs under the "War on Poverty" are summarized below in paras. 9 to 13. This study has intentionally left out discussion of what the Government needs to do in the medium to longer term for employment generation and productivity improvements. The study also focuses on the statistical work underlying
the Government's poverty interventions and emphasizes the need for developing and refining the statistical tools. The Government is in the process of developing more operational criteria for defining poverty, measuring its magnitude and targeting program beneficiaries selectively.

**Interventions in Nutrition**

9. The most innovative and promising among the Government's new basic needs initiatives is a program called "Hogares de Bienestar Infantil" (HBI) which combines the objectives of supplemental feeding of children in poor neighborhoods with community-based day care organized by volunteer mothers. A government agency, the Colombian Institute for Family Wellbeing (ICBF), provides the necessary food and the nutrition supplement called Bienestarina, trains the volunteer mothers, pays them nominal stipends, and helps them get home improvement loans. An important feature of this program is that the day-care facilities are located in poor neighborhoods so that the beneficiary families can have easy access. Moreover, in addition to dramatically improving the nutritional status of those children covered by the program, HBI frees up their mothers to seek employment outside their home or their older sisters to attend school. The program is targeted largely at single mothers with young children, the most vulnerable poverty group in Colombia. The program now serves nearly 400,000 children across the country. The study concludes that the Government should promote this program as a centerpiece for its short-term "basic needs" poverty programs.

10. Nevertheless, there are some areas for improvement in the program design. Firstly, the coverage of infants between the ages of 6 months and 2 years is low. Since the problem of malnutrition is generally most acute in this age group, the Government should quickly devise new modalities for ensuring adequate provision of Bienestarina for infants in poor communities. The Government might consider a system of home delivery of food and Bienestarina for targeted families or establish specialized day-care facilities for infants to operate under closer supervision than the regular HBI. Secondly, the design of HBI is not well suited to rural communities where settlements are dispersed. In such localities, the Government must develop other approaches including the use of rural school restaurants to feed preschool age children. Thirdly, as the coverage of HBI is extended, it would become necessary to mobilize the communities more forcefully to participate in the administration of the program. Fourthly, a much closer coordination with the country's primary health care delivery system is crucial to permit the screening and treatment of serious malnutrition cases. Finally, ICBF needs to incorporate an effective information system into the program, not only to monitor nutritional impact, but also to target beneficiaries more selectively and to help make adjustments in the design and administration of the program.

**Assessment of Government Proposals in Health**

11. The main thrust of the Government's poverty alleviation strategy in health is to achieve universal primary health care and to extend the
coverage of the social security system to reach low-income families. While the strategy to approach the poor through improvements in access to health care is well conceived, it will not be easy to achieve these objectives in the short term. Firstly, given the under-utilization of existing primary health care facilities, there is little point in creating new capacity. Secondly, the proposal with respect to social security is unrealistic; its implementation would require far-reaching reforms of the financially troubled and administratively weak Social Security Institute which are not likely to be achieved in the foreseeable future. What would benefit the poor is for the Government to try to make the public health system function effectively in its current capacity by shifting resources from hospital-based tertiary care to community-based primary health care. Over the medium term, the Government should make a concerted effort to undertake administrative reforms in the Ministry of Health to improve its implementation capacity and rationalize what has become a complex and unmanageable system of earmarked revenues.

A New Approach to Low-Income Shelter

12. The Government's approach to low-income shelter, which focuses on slum upgrading, represents a radical departure from the earlier policy on direct public sector development of heavily subsidized, low-cost housing. The present strategy is to improve the quality of housing in the unregulated housing subdivisions (unauthorized private developments and squatter settlements) through provision of basic services (water, sanitation and electricity) and the upgrading of housing largely with self-help construction to reduce costs. The approach is sensible. However, the "Human Settlements" plan as proposed is large in scale and its implementation will present a challenge both to the Government and local communities. The upgrading of homes in poor neighborhoods will be a complex process. It involves legalization of land tenure, coordination among numerous public agencies and municipal governments in planning, financing and managing infrastructure investments, and mobilization of beneficiaries to undertake self-help construction and to organize various community-based services. Since shelter upgrading has never been tried in Colombia on a large scale, public agencies and communities will need to proceed cautiously, making adjustments in project designs to suit local conditions. The Government should reduce the physical targets for the program and concentrate on formulating an integrated approach to community-based slum upgrading. Over the past few years, the Central Mortgage Bank, in collaboration with a number of public agencies and non-governmental organizations, has been involved in such an experiment in community building and housing improvement in Cali. While these pilot projects have not been implemented on a large enough scale to test their replicability, they merit a closer examination for their potential for reaching much poorer households than is normally possible under traditional housing programs.

Universal Primary Education

13. In the field of education, the Government's explicit priority is universalization of primary education, with emphasis on extending coverage
in rural areas using a system of multi-grade instruction and flexible grade promotion called the "escuela nueva" model. Little attention is given to poor urban neighborhoods where large numbers of school-age children do not have access to formal primary education. In many poor communities, the parents pool their resources to organize informal classes (the so-called "escuela de banco"), but the results are generally unsatisfactory. The teachers, poorly qualified to start with, must make do without the necessary teaching materials. Classes also take place in poor facilities without desks or blackboards. Moreover, since these schools are not officially accredited, those students completing an equivalent of primary education in an escuela de banco have no chance to advance to the formal secondary school system. The Government is moving towards standardizing the curricula and the quality of instruction in escuelas de banco by distributing free textbooks and offering periodic training for the teachers. Students from these schools might be integrated into the formal system upon passing a specified examination, and over time, the Ministry of Education might take steps to accredit those schools that meet the minimum necessary standards. Alternatively, the Ministry might authorize additional formal primary schools in poor urban neighborhoods. The Government does not accord high priority to adult education. We believe that this approach is sensible in the long run. It would be much more cost-effective to concentrate on the formal primary education system as the principal vehicle for disseminating literacy and for imparting basic communication and production skills to the poorer segments of the population. In addition to improving access, it is also important to enhance incentives for (or lower the cost of) school attendance for children from low income families. This can be achieved most effectively by expanding the existing school feeding program and implementing the free textbook program proposed under universal primary education.

A Summary of Recommendations

14. Statistical Database. The Government uses two measures of poverty -- the "Basic-Needs-Not-Met Index" (NBI) developed in 1987 utilizing the data from the 1985 Census of Population and Housing, and the "Poverty Line" measure developed in 1988 based on the information of the 1984/85 Household Incomes and Expenditures Survey covering 13 cities. NBI relies primarily on physical, housing-related indicators and is inappropriate for targeting beneficiaries of social programs. The Poverty Line methodology first establishes the monetary value of minimum income necessary to satisfy basic needs in any given location and defines as poor persons whose incomes fall below this level. While the introduction of this second measure represents substantial progress, the National Statistical Department (DANE) does not yet have in place a system for collecting and updating nation-wide household incomes and expenditure information in order to support this methodology. What Colombia needs is a system of periodic surveys to generate reliable and relevant data (including those of household incomes and expenditures, employment and nutritional status) in a form that permits a wide range of applications and analysis at a sufficiently disaggregated level. The Government might consider utilizing the "Living Standards Survey", a methodology for data collection and management developed by the World Bank. DANE should be able
15. **Nutrition.** Improvements need to be made in the design of "Hogares de Bienestar Infantil" program to permit greater coverage for infants between the ages of 0 and 2 years and to accommodate children in rural areas. The year-by-year targets of the program are ambitious. Care should be taken that the pace of implementation does not outstrip the administrative capacity of ICBF, the executing agency. In addition, a greater effort should be directed at mobilizing community support and participation to lessen ICBF's administrative burden. ICBF also needs to adopt a reliable information system that permits more selective targeting of beneficiaries and monitoring of program impact.

16. **Health.** Proposals for universal primary health and social security coverage will be difficult to implement in the short term because of institutional weaknesses in the sector. The Government needs to focus its efforts on making the existing primary health delivery system work well by shifting recurrent funding from hospital-based tertiary care to community-based primary care. Health sector finance is one of the key topics of the health sector study currently undertaken by the Ministry of Health. A concerted effort should be made to complete this study promptly and to undertake administrative and financial reforms of the health sector.

17. **Housing.** In the area of shelter, the re-orientation in Government policy from new construction to rehabilitation of existing housing in poor neighborhoods is sensible and commendable. Given that public agencies have had little experience in shelter upgrading programs, the Government ought to proceed cautiously with the implementation of the Human Settlements plan. Its ambitious targets for 1987-1990 ought to be scaled down. Interest subsidies must be phased out over time to reduce the burden on the financial sector. To make home upgrading affordable to the poorest families without interest subsidies, it is essential to rely on self-help construction; this in turn entails training, technical assistance and effective community organization. The most important first step should be to develop a new and inexpensive formula for slum upgrading and site servicing similar to the approach pioneered by the Central Mortgage Bank in Cali.

18. **Education.** In the field of education, the Government's basic strategy is universal primary education with emphasis on improving access to schools in rural areas. However, large numbers of school-age children in urban and peri-urban areas have no access to formal primary education. To remedy this situation, the Government might authorize formal primary schools in those poor urban neighborhoods where no public schools operate today. In communities where private, non-accredited community schools (escuelas de banco) operate, the Ministry of Education is trying to improve the level of instruction in these schools by distributing free textbooks or offering training to teachers. Furthermore, the existing school feeding program should be expanded to improve incentives for school attendance.
Chapter 1

Introduction

Transformation of the Colombian Economy

1.01 Over the past two to three decades, Colombia has made important economic gains. The country's wealth of resources has provided a solid base for development and growth. The Colombian economy has grown steadily, weathering cyclic swings and downturns that have accompanied fluctuations in coffee prices, due in large part to the Government's prudent economic management. During 1960-1985 the incomes grew at around 5% annually in real terms. Since the sixties, the country has also experienced a dramatic transformation. The economy has become increasingly broad-based as its reliance on coffee has been offset by the growing importance of the petroleum, mineral and industrial sectors. Sizeable investments have taken place in infrastructure, especially in power and roads, and social services have been developed throughout the country. Far more Colombians today attend schools and have access to health services, safe drinking water and other basic services than ever before.

1.02 During this period, the Colombian society changed profoundly as the rural urban migration which had started in the 1930s continued at a rapid pace and pushed the urban share of the population from less than 30% in the 1950s to 70% in 1985. Improvements in social indicators during this period have also been quite spectacular. Total fertility rate declined by about 45% from the early 1960s to the mid-1980s and is currently estimated at 3.5%. This sharp reduction in fertility, attributable to successful family planning campaigns as well as to the spread of education, urbanization, and greater female participation rates in the labor force, served to lower population growth rates from a high of 3.7% between 1964-1978 to less than 1.8% between 1978-1985. This fertility decline has been accompanied by a similarly rapid decline in rates of maternal mortality (from 254 per 100,000 live births in 1964 to 107 in 1984). Estimates for infant mortality (deaths per 1,000 births) went down from 81 to 61 during the same period. On the education front, primary school enrollment more than doubled, and secondary school enrollment increased six-fold.

Persistence of Poverty

1.03 Despite overall economic growth, benefits of development have not accrued to large groups of the poor in both rural areas and cities. Poverty is as intractable a problem in Colombia today as it was in 1949 when a Bank mission led by Lauchlin Currie proposed a "coordinated attack on poverty," mainly in the form of a public investment program. It is as critical an issue today as in 1972, when a report by the Bank's Operations Evaluations Division pointed out that 20 years of agricultural development had made no
significant direct impact in alleviating the poverty of the rural population. Income distribution also remains skewed today with incomes of the top 20% of households six to seven times those of the bottom 20%. It is worth noting that the focus of poverty programs has shifted over the years. In the fifties and sixties, the emphasis was on rural development. Since the seventies, as urbanization progressed and shantytowns and illegal squatter settlements proliferated on the outskirts of large cities, poverty alleviation came to be associated increasingly with the provision of low-income urban housing and related services. These shifts reflected the demographic changes and the increasing concern with urban poverty.

1.04 The impressive gains made in the social sectors also mask the sharp differences in health and educational status among socio-economic groups. For instance, fertility is estimated to be three times as high among the critically poor as among the non-poor, and the higher fertility among poorer women is accompanied by shorter birth intervals, higher infant mortality, and generally poorer health among both mothers and children. Moreover, a high proportion of children from poor communities still have no access to any kind of schooling, and the incidence of illiteracy is high among adults at the lower end of the income strata. (See Chapter 7.)

Government's Commitment to Social Programs

1.05 The Government has, for decades, tried to reduce the disparities in social indicators and income levels. Successive administrations since the sixties have actively implemented social programs, especially education and health. In the seventies, poverty alleviation became a more specific goal. The Lopez Michelsen administration (1975-1978), for instance, emphasized the importance of improving nutrition and incomes in rural areas and developed programs that came to be known as the Integrated Rural Development Program (DRI) and National Food and Nutrition (PAN). The Betancur administration (1983-1986) actively promoted a policy of national integration and peace and sought to achieve its goals by extending public services and productive opportunities to the more remote and underdeveloped regions of the country. This policy was translated into the National Rehabilitation Plan (PNR) in 1986. The Betancur government also implemented a low income housing program referred to as the "Vivienda Popular" program directed primarily at the urban poor.

1.06 Under the present Government, poverty alleviation is the single most important policy agenda and the central theme of its four-year Development Plan ("Plan de Economía Social"), covering the 1987-1990 period. The development plan builds on two related national programs: the PNR (a

---


2/ Brief descriptions of these poverty programs are provided in Annex I.
carry-over from the previous Government) and the new initiatives--"War on Poverty" or "Plan de Lucha contra la Pobreza Absoluta y para la Generación de Empleo" (PLPGE)--announced early in 1987. The importance attached to poverty alleviation clearly reflects a preoccupation with the growing violence and social unrest in the country which many be attributed to the persistent disparities in income distribution and poverty.

A Macroeconomic Framework for Poverty Alleviation

1.07 The Government's overall approach to poverty is coherent and sensible. In essence, the Government has adopted a strategy aimed at raising the productivity and income of the poor and improving the access of the poor to key social services. It proposes to do so by shifting public investments and current expenditures increasingly toward social sectors. The poverty alleviation goals are to be accomplished within the context of steady GDP and export growth and prudent demand management.

1.08 On the premise that sustained growth and sound economic management are among the most important pre-requisites for poverty alleviation the government has established the following macroeconomic targets:

- real GDP growth averaging 5% a year
- total investment as a percentage of GDP rising from 17% in 1986 to 20% in 1990
- current account deficits of the balance of payments maintained below 3% of GDP
- consolidated public sector deficits not exceeding 3% of GDP, and
- inflation rates stabilized at recent levels (22% a year)

The viability of the macroeconomic scenario, as summarized in Table I-1, depends crucially on the willingness of the private sector to maintain investment at around 11%-12% of GDP throughout this period. Given the declining trend for private investment in recent years, policy makers will need to focus on providing adequate incentives for private investors. In this context, the uncertain security situation presents an increasingly serious constraint. Furthermore, the Government needs to continue to exercise restraint on total public sector spending and step up resource mobilization efforts in order to keep the deficits within manageable magnitudes. Fiscal stability will be crucial, particularly because poverty-oriented programs have tended to be vulnerable to fiscal pressures in the past. A good example of this is PAN (para. 1.05), an innovative nutrition program which was launched in the mid-1970s and discontinued for fiscal reasons in the early 1980s when economic growth began to slow down (See Annex I for a brief description of the program.).

---

3/ Initiatives under PLPGE are described in Annex II.

Priorities in Public Expenditures

1.09 The 1987-1990 Development Plan outlines quite specific sectoral priorities that reflect ongoing sector programs. In social services (health and nutrition, education and water supply), the emphasis is on the expansion of basic services. Great importance is attached to the expansion of primary health care delivery and the extension of social security to poorer segments of society. Universal primary education is also an explicit goal. Investments in water and sewerage are likewise designed to support the Government's basic needs strategy. While agriculture is seen as a key sector, public investment levels remain low and sector policies are not sharply articulated. Priority goes to programs under the ongoing DRI and PNR (para.1.05) aimed at raising productivity and incomes of small farmers and ensuring food security. Significant investments in basic infrastructure (e.g., feeder roads) are envisaged under these rural development projects.

Table I-1: Macroeconomic Framework

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth (%)</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>As % of GDP:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Savings</td>
<td>18.8</td>
<td>15.6</td>
<td>16.6</td>
<td>17.9</td>
<td>17.2</td>
</tr>
<tr>
<td>Public Savings</td>
<td>5.0</td>
<td>4.3</td>
<td>4.2</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Private Savings</td>
<td>13.8</td>
<td>11.3</td>
<td>12.4</td>
<td>13.0</td>
<td>12.3</td>
</tr>
<tr>
<td>Total Investment</td>
<td>16.7</td>
<td>18.0</td>
<td>19.6</td>
<td>19.8</td>
<td>19.7</td>
</tr>
<tr>
<td>Public Investment</td>
<td>5.8</td>
<td>6.8</td>
<td>7.0</td>
<td>7.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Private Investment</td>
<td>10.9</td>
<td>11.2</td>
<td>12.6</td>
<td>12.4</td>
<td>12.3</td>
</tr>
<tr>
<td>Foreign Savings = Current Account Deficit</td>
<td>-2.1</td>
<td>2.4</td>
<td>3.0</td>
<td>1.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Public Sector Deficit</td>
<td>0.5</td>
<td>2.5</td>
<td>2.8</td>
<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Financed by:

- Net Ext. Borrowing | 3.6  | 0.8  | 0.8  | 1.0  | 1.3  |
- Net Dom. Borrowing | -3.1 | 1.7  | 2.0  | 1.5  | 1.2  |


1.10 To make room for increases in expenditures on poverty-oriented programs, the Development Plan aims explicitly to reduce the share of investments in the energy sector while maintaining a lid on overall spending. A particular importance is attached to rationalizing investments
and expenditures in the power sector where an adjustment program currently underway involves financial and institutional rehabilitation and a shift in investments from generation to transmission and distribution. In transport, in addition to directing road investments to rural areas under DRI and PNR, the Development Plan emphasizes improved utilization of existing infrastructure through maintenance and more effective coordination among and use of the various transportation modes.

Table I-2: Public Investment Program
(in Z Shares)

<table>
<thead>
<tr>
<th></th>
<th>1986 Actual</th>
<th>1987-1990 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Infrastructure</td>
<td>14.3</td>
<td>26.8</td>
</tr>
<tr>
<td>Water and Sewerage</td>
<td>5.3</td>
<td>9.9</td>
</tr>
<tr>
<td>Education</td>
<td>4.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Health and Nutrition</td>
<td>4.5</td>
<td>9.9</td>
</tr>
<tr>
<td>Energy</td>
<td>50.3</td>
<td>34.1</td>
</tr>
<tr>
<td>Power</td>
<td>25.7</td>
<td>17.6</td>
</tr>
<tr>
<td>Petroleum</td>
<td>20.0</td>
<td>14.6</td>
</tr>
<tr>
<td>Coal</td>
<td>4.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Physical Infrastructure</td>
<td>19.7</td>
<td>28.3</td>
</tr>
<tr>
<td>Transportation</td>
<td>16.3</td>
<td>19.7</td>
</tr>
<tr>
<td>Communication</td>
<td>3.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Others</td>
<td>14.7</td>
<td>0.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


1.11 The Government's efforts to change the focus of investments and ensure efficient resource use are rendered difficult by the rigidities in the budget process (e.g., complicated earmarking of revenues). Institutional weaknesses also limit the pace at which social sector investments can be accelerated in an efficient manner. This is true particularly in the health sector (see paras. 1.12, 3.06). Meanwhile, the momentum of programs in power and infrastructure is strong and thus could potentially undermine the effort to control expenditures.
Table I-3: Public Expenditures on Principal Poverty Programs by Sectors during 1987-1990 (in 1987 Col$ million)

<table>
<thead>
<tr>
<th>Expenditures on Poverty-Oriented Programs</th>
<th>Shares in Total Sectoral Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Nutrition</td>
<td>455,951</td>
</tr>
<tr>
<td>Education</td>
<td>458,000</td>
</tr>
<tr>
<td>Water and Sewerage *</td>
<td>230,000</td>
</tr>
<tr>
<td>Agriculture *</td>
<td>272,787**</td>
</tr>
</tbody>
</table>

* Limited to public investment figures
** DRI and PNR


**Limited Absorptive Capacity in the Social Sectors**

1.12 The Government has made considerable progress in re-orienting the focus of ongoing sectoral programs to fit its overall anti-poverty strategy. Table I-3 shows that the poverty-oriented programs account for relatively large shares of the sectoral totals. However, it is by no means certain that the Government would be able to achieve these planned expenditures. The cost of these programs and their financing arrangements are not likely to be the principal obstacles; what is more likely to constrain the implementation of these programs is the limited absorptive capacity in these concerned sectors. For example, the Government's new initiatives in the health sector (i.e., expansion of primary health care) are important from the standpoint of the basic needs of the poor but little thought has been given to the enormous institutional and financial management problems in the Ministry of Health and the Social Security Institute. Moreover, many programs under implementation or in advanced stages of preparation (e.g., nutrition, education) have physical targets that appear ambitious relative to the proven institutional capacity of the executing agencies. The issue of implementation is discussed further under individual programs in Chapters 4 through 7.

1.13 In view of the institutional constraints, it is important that the Government first clarify the nature of the poverty problem, secondly, set explicit priorities, and thirdly, design a program of action to address a set of clearly defined issues, distinguishing between those initiatives that can have an immediate impact and those that take longer for their impact to be felt.
Chapter 2

The Dimensions of Poverty in Colombia

A. Measurement of Poverty

2.01 Poverty persists despite the 30 years of economic gains that have helped raise the living standards of Colombians. As mentioned in Chapter 1, poverty alleviation has been high on the policy agenda of successive administrations and the "War on Poverty" is the central theme of the development plan for 1987-1990. However, to support its initiatives, the Government must first define the concept of poverty more clearly and second refine its statistical tools for determining the magnitude and geographical distribution of poverty and for targeting beneficiaries for poverty programs. Using a measure of poverty called the Basic Needs Not Met Index (NBI) based primarily on housing-related criteria and national data obtained from the 1985 Population and Housing Census, the National Statistical Department (DANE) estimated in 1987 that 43% of Colombians nationwide lived in "absolute poverty". Then, in a 1988 publication, DANE came up with an alternative measure called the "Poverty Line". DANE estimated that 32% of people living in the 13 Colombian cities in 1984 had incomes below this poverty line, defined as the monetary value of minimum incomes necessary to satisfy basic needs.

Measures of Poverty Employed by the Government

2.02 In 1987, DANE developed a measure called the "Basic Needs Not Met" Index (NBI). Using the results of the 1985 Population and Housing Census, the NBI methodology defines poverty primarily in terms of three shelter-related indicators, namely, (a) the adequacy of housing judged on the basis of types of materials used for walls, roofs and floors; (b) the minimum occupation density, and (c) the access to public utilities such as electricity, potable water, sanitation. It furnishes two indicators that serve as proxy for income data; namely, (a) number of dependents per wage earner in the household and (b) number of school-age children in a household not attending school. A household is defined as living in absolute poverty ("pobreza absoluta") if it meets one of the five indicators mentioned above. Furthermore, a household is said to be in dire misery ("en la miseria") if it meets two or more of the five indicators of poverty. Using these criteria, 38.1% of households (or 43% of total population) are classified as living in absolute poverty, and 17.6% of households (or 21.4% of total population) in a state of misery. The Government uses the first definition in all its official documents.

2.03 The NBI index has a number of serious shortcomings. Firstly, it has a strong bias towards housing and housing-related public service

---

1/ This methodology is described fully in DANE: Boletín de Estadística (411/junio 1987).

indicators. The problem with using the availability of services as criteria is that, in rural areas where infrastructural investments tend to lag behind, the lack of access to electricity or sanitation does not necessarily in itself indicate poverty. Poverty is more aptly characterized by other conditions such as malnutrition, illiteracy and unemployment or underemployment. Secondly, NBI does not include data on household incomes and expenditures. In large part, the choice of indicators for NBI was dictated by the type of information available from the 1985 Population and Housing Census; questions on household incomes and expenditures were not included in the Census that year. There is no other recent source of information with a nationwide coverage that can be used to analyze the living standards of Colombians. One important outcome is that NBI is not sensitive to short-term changes in the size of poverty groups and conditions of poverty that accompany economic downturns or upswings.

2.04 Thirdly, and most importantly, NBI does not permit analysis at sufficiently disaggregated levels. The departmental or municipal averages of the various NBI indicators show in global terms the regional patterns and magnitudes (See maps, pages 11 - 14). Nonetheless, they fail to highlight what is probably the most important dimension of poverty in Colombia, i.e., the tremendous disparity in living standards that exists between communities within a single department or a municipio. Pockets of extreme poverty are observed alongside relative affluence in economically advanced departments such as Bogota, D.E., Antioquia or Valle. With this type of information base, it is impossible, for example, to compare the relative deprivation of people living in urban slums with that of landless peasants in a remote rural village, and to decide which group needs assistance more urgently.

2.05 In this context, the use by DANE of the "poverty line" measure to estimate urban poverty in its 1988 study represents substantial progress. In this study, the "poverty line" is defined as the minimum income necessary to satisfy a person's or a household's basic needs; the data used are from the 1984/1985 household incomes and expenditure survey. To arrive at the "poverty line", DANE first defined a normative basket of food items, the cost of which represented the "indigent line" for each of the 13 cities. From this, assuming a fixed share for food items in the total expenditures of poor households, DANE derived for the 13 cities the "poverty line", the income necessary to purchase goods and services for satisfying minimum basic needs. It was estimated that 32% of persons and 27% of households in these cities fell below the "poverty line" in 1984/85.

2.06 This measure is not without limitations, conceptually and statistically, as the 1988 DANE study points out. First, in estimating the "indigent line", it is difficult to factor in the dietary habits and preferences that have little to do with cost and nutrition. Moreover, in deriving the "poverty line" from the "indigent line", one needs to make implicit assumptions about income elasticities that may not be valid. Second, in household surveys, underestimation of incomes is common and quite significant. For the 1988 study, DANE used household expenditure figures as a proxy for household income figures. Thirdly, household surveys in Colombia are limited to cities, and expenditure surveys have not

been carried out at frequent intervals. In order to use the "poverty line" methodology effectively, DANE needs to establish a permanent system of data collection to update not only the cost of the normative food basket but also to maintain up-to-date information on household incomes (e.g., sources of income, number of earners, etc.) and household expenditure patterns by income levels (e.g., share of food in total household expenditures by income levels).

Recommendations

2.07 In sum, the Government urgently needs to further develop the statistical framework for supporting its poverty interventions. We recommend that DANE incorporate in the poverty index all the relevant information for measuring living standards (e.g., household incomes and expenditures, employment, and health and nutrition). What Colombia needs is a system of permanent household surveys to generate reliable and relevant data in a form that permits a wide range of applications (e.g., drawing poverty lines, targetting beneficiaries, monitoring programs, etc.) and analysis at sufficiently disaggregated levels.

2.08 DANE has a great deal of experience in collecting household survey data through periodic household surveys covering 13 cities but the design of their surveys needs to be modified. Firstly, modules on health, nutrition, expenditure, education, hours of work at home and labor market should be permanent features of DANE's household surveys. Secondly, the coverage of household surveys must be expanded from the current 13 cities to include additional urban areas and rural areas. Thirdly, in view of the additional demands that the inclusion of new modules and expanded coverage place on DANE, serious consideration should be given to reducing the sample size of household surveys from the current 30,000 households. It is not necessary to have a sample this large to obtain accurate results.

2.09 The Government might consider utilizing the Living Standards Survey (LSS), a system of data collection and data generation developed by the World Bank. The Bank established the Living Standards Measurement Study (LSMS) in 1980 to explore ways of improving the types and quality of household data collected by statistical offices in developing countries. The objectives are to develop methods, specifically tailored to the needs of each country, to monitor progress in raising levels of living and to identify the consequences for households of past and proposed government policies. The primary instrument for LSMS is the Living Standards Survey, designed to collect information on a whole range of indicators for economic wellbeing at the household and community level. The Living Standards Survey is ideally suited for building on and integrating existing household surveys and should serve DANE well in generating additional poverty data to complement the NBI indicator. The Bank's experience with LSS in countries like Peru and Ivory Coast indicates that the system is capable of generating high quality data very quickly and in a cost effective manner.
B. Spatial Distribution of Poverty

2.10 This section discusses the geographical distribution of NBI indicators by departments based on the 1985 Census data. The results indicate considerable regional differences.

Households "In Misery" as Defined by NBI

2.11 Reflecting the bias of the NBI measure towards physical indicators, the incidence of poverty indicators tends to be high in sparsely-populated and predominantly rural parts of the country where infrastructure is still relatively underdeveloped, namely, Sucre, Cordoba, Cesar, La Guajira, and Magdalena in the Atlantic Region, Choco, Cauca and Narino in the Pacific Region, Caquetá in the Central Region, North Santander and Boyacá in the Eastern Region as well as the whole of "Intendencias" and "Comisarías" with the sole exception of San Andrés, an island and a popular tourist resort (See the map on page 11). There are exceptions such as Bolívar where some 40% of households are classified as poor though nearly 70% of the department's 1.2 million population live in urban areas. On the other hand, poverty tends to be least widespread in departments that are highly urbanized, e.g., Bogotá, D.E.; or in those that have sizeable coffee production, e.g., Antioquia, Caldas, Risaralda, or in those that have both large urban centers and significant coffee production, e.g., Quindío and Valle.5

Access to Public Services

2.12 On the basis of the public services coverage indicator alone, the departments that lag significantly behind the rest of the country include Cordoba (54% of households without any public services), Sucre (51%), Bolivar (45%), Boyacá (44%), Choco (69%) as well as the "Intendencias" and "Comisarías" where more than 40% of households have no access to any kind of public services (See the map on page 12). This lack of access to public services (and in particular, the availability of sanitation) in less developed parts of the country is clearly reflected in the prevalence of water-borne diseases among young children. The map entitled "Death Due to Intestinal Infection" shows that the geographical differences in the incidence of death due to gastro-intestinal diseases among children of 0 - 4 years of age are closely correlated with the degrees of access to public services.

4/ The analysis in this section is based on DANE's poverty mapping exercise using NBI indicators at the level of departments. Spatial distribution of poverty by "municipios" is shown on page 87.

5/ Coffee production makes an important difference in these regions, not only because it ensures a steady source of income for the population, but also because the Coffee Federation, in agreement with the Government, sets aside a fixed proportion of its export earnings to support social services and to invest in social infrastructure in coffee growing areas.
**COLOMBIA**

**HOUSEHOLDS "CON MISERIA"**

- **PERCENTAGE OF HOUSEHOLDS "CON MISERIA"**
  - 40% - 50% (Highest value: Córdoba - 50.1%)
  - 30% - <40%
  - 20% - <30%
  - 10% - <20%
  - 0% - <10% (Lowest value: Bogotá - 4.4%)

All Intendencias averaged to one value: 33.8%
All Comisarias averaged to one value: 22.1%

- National Capital
- Department, Intendencia, and Comisaria Boundaries
- International Boundaries

* 1985 Census

[Map showing the distribution of households with misery across different regions of Colombia, with percentage ranges shaded accordingly.]

IBRD 21509
APRIL 1989
COLOMBIA
HOUSEHOLDS WITHOUT BASIC SERVICES

PERCENTAGE OF HOUSEHOLDS WITHOUT BASIC SERVICES*

- 56% - 70% (Highest value: Chocó - 69.4%)
- 42% - 56%
- 28% - 42%
- 14% - 28%
- 0% - <14% (Lowest value: Bogotá - 1.5%)

All Intendencias averaged to one value: 49.0%
All Comisarías averaged to one value: 38.4%

* National Capital

Department, Intendencia, and Comisaría Boundaries
International Boundaries

* 1985 Census

APRIL 1989
COLOMBIA
DEATH DUE TO INTESTINAL INFECTION

FREQUENCY OF DEATH DUE TO INTESTINAL INFECTION IN THE 0-4 YEAR AGE GROUP, 1981

- High
- Moderately high
- Moderately low
- Low

* National Capital
--- Department, Intendencia, and Comisaría Boundaries
- International Boundaries

APRIL 1989
HOUSEHOLDS WITH HIGH ECONOMIC DEPENDENCE

PERCENTAGE OF HOUSEHOLDS WITH HIGH ECONOMIC DEPENDENCE* (Defined as having more than 3 dependents per wage earner)

- 16% - 20% (Highest value: Sucre - 18.2%)
- 12% - <16%
- 8% - <12%
- 4% - <8%
- 0% - <4% (Lowest value: Bogota - 3.8%)

All Intendencias averaged to one value: 13.5%
All Comisarias averaged to one value: 10.6%

* National Capital
- Department, Intendencia, and Comisario Boundaries
- International Boundaries

* 1985 Census

July 1989
Economic Dependence Ratio

2.13 The geographical distribution of economic dependence ratios (defined as the number of dependents per wage earner and a proxy for household income information) shows a pattern distinct from what was described above. While it is not surprising that Bogota fared most favorably (with only 4% of households having high economic dependence), those reporting largest proportions of households with high economic dependence (15%-20%) were predominantly in the Atlantic Region. The departments in the Pacific Region did almost as well as the coffee growing areas of the Eastern and Central Regions (around 10%) and the "intendencias" and "comisarías" showed unexpectedly favorable results with fewer than 10% of households reporting high economic dependence (See the map on page 14).

C. Characteristics of the Poor

2.14 In this section, an attempt is made to present the characteristics of the poor in Colombia using the 1985 Census data as well as the 1981 Survey of Food, Nutrition and Housing conducted by DANE in collaboration with DNP and PAN-DRI. This latter survey represents the most recent published source of information on household income, diet and nutrition.6

Poverty and Malnutrition

2.15 The 1981 Survey results show that the poorest 20% of Colombian households spend most of their incomes on food and still fall significantly

<table>
<thead>
<tr>
<th>Table II-1: Distribution of Household Incomes and Expenditures on Food by Income Strata (in 1981 Colombian Pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Quintiles</td>
</tr>
<tr>
<td>Average Monthly Household Incomes</td>
</tr>
<tr>
<td>Average Monthly Household Food Expenditures</td>
</tr>
<tr>
<td>Share of Food Expenditures in Household Incomes (Percentage)</td>
</tr>
</tbody>
</table>


6/ A 1986 national survey "Situación Nutricional de Niños Colombianos entre 3 y 35 Meses" published in 1988 focuses more narrowly on the nutritional status of children three years old and on the status of family planning and maternal and child health in Colombia.
short of both caloric and protein requirements. Table II-1 shows the distribution of monthly household incomes and food expenditures by income strata for the whole country in 1981 based on the DANE-DNP-DRI-PAN survey. The first income quintile (or the poorest 20% of those surveyed) had an average monthly household income of Col$6,049 and spent 91% of that income on food; the second quintile had an average income of Col$9,485 and spent 89.7% of it on food expenditures. Judged against any criteria, households that spend close to 90% of their income on food must be considered very poor, and well below the poverty line. (In per capita terms, this distribution of incomes and expenditures would become even more skewed because the poor on the average have larger families than the non-poor.)

2.15 Not only did households in low income strata spend an inordinately high proportion of their incomes on food, but they also failed to meet the recommended levels for protein and energy intake. Table II-2 shows the calorie and protein intake per adult equivalent calculated by income strata and compares the results with daily requirements. Applying the generally accepted norm of 62g of protein per day per adult, the poorest 20% of households surveyed reported an average protein deficit of 35% while the next income quintile is barely meeting the protein requirement. With respect to calories, using the requirement, estimated by DRI-PAN, of 3,000 cals/day, only 50% of all households surveyed nationwide met the norm. Households in the first income quintile showed a calorie deficit of 36% while those in the second quintile were 15% below the recommended requirement. These findings indicate that the poorest 20% of households in Colombia run a clear risk of malnutrition, while those in the next income quintile barely meet the recommended nutritional norms.

Table II-2: Calorie and Protein Intake Per Adult Equivalent by Income Strata

<table>
<thead>
<tr>
<th>Income Quintiles</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protein (g/day)</td>
<td>40.3</td>
<td>60.0</td>
<td>74.3</td>
<td>82.8</td>
<td>84.9</td>
</tr>
<tr>
<td>% of Requirement</td>
<td>65.0</td>
<td>96.8</td>
<td>119.8</td>
<td>133.5</td>
<td>136.9</td>
</tr>
<tr>
<td>Energy (cals/day)</td>
<td>1904.5</td>
<td>2576.3</td>
<td>2961.1</td>
<td>3197.1</td>
<td>3118.8</td>
</tr>
<tr>
<td>% of Requirement</td>
<td>63.5</td>
<td>85.9</td>
<td>98.7</td>
<td>106.6</td>
<td>104.0</td>
</tr>
</tbody>
</table>

a/ 62 g of protein per day per adult
b/ 3,000 cals per day per adult

Figure 1: CHARACTERISTICS OF LOW INCOME HOUSING

Source: Census 1985, DANE.
Figure 2: EMPLOYMENT AMONG THE POOR
(PERCENTAGE)

Total Number of Employed Persons 10 Years and Older - 1,628,160.

Figure 3: EMPLOYMENT OF LOW INCOME HEADS OF FAMILIES (Percentage)

All Households

1) 16.1%
2) 7.6%
3) 25.5%
4) 28.7%
5) 13.9%
6) 7.2%
7) 1.0%

Households Headed by Women

1) 12.6%
2) 21.4%
3) 33.3%
4) 20.5%
5) 7.3%
6) 4.2%
7) 0.7%

Monthly Household Income (C$1981)

- 1) Without Information
- 2) Without Income
- 3) Up to 5,310
- 4) From 5,311 to 10,000
- 5) From 10,001 to 20,000
- 6) From 20,001 to 60,000
- 7) More than 60,000

All households samples 4,772,231.
All households headed by women samples 977,681.

1/ Monthly minimum wage for unskilled labor.

Inadequate Housing and Services

2.17 An analysis of the 1985 Census data shows that of the 5.7 million Colombians classified as poor (i.e., "con miseria"), 63% lived in houses with semi-permanent walls and 65% lived more than two persons to a room, that 88% of low income houses had no sewers, 77% had no piped water, and 39% were without electricity connections (legal or otherwise).

Education and Literacy

2.18 Lack of schooling and illiteracy are closely correlated with poverty. On the basis of the 1985 Census information, some 30% of those classified as poor (15 years and older) were illiterate. Moreover, 44% of children from poor households in the 7 to 11 age group did not attend school.

Employment

2.19 Economic activity among the poor tends to be concentrated in the lower paying occupational categories. The 1985 census data show that of some 920,000 heads of households classified as "con miseria", 73% (or 677,000) had jobs, although more than one-third of these people were underemployed, working less than six months out of a year. Some 25% of poor households were headed by women. Out of the employed heads of households, 43% worked as unskilled labor, 32% described themselves as independent workers, 10% held clerical jobs, 7% owned their own business, 3% engaged in family labor without remuneration, and 2% were domestic employees (See Fig.2.). Households headed by women make up the most disadvantaged groups among the poor. Fig.3, based on the 1981 DANE-DNP-PAN-DRI, survey shows that significantly larger shares of households headed by women reported no incomes (21%) and incomes below legal minimum wages (33%) compared to the respective shares (8% and 25%) for all households surveyed. These women are generally single parents with sole responsibilities for child raising, rendered difficult by having to work long hours in low paying jobs.

D. Recent Changes in Income Distribution

2.20 As pointed out in Chapter I, the problem of absolute poverty has persisted in Colombia despite impressive economic gains during the past two to three decades. In the country's development literature, there has been an active debate on how income distribution had changed or not changed over the years. There is a body of empirical data that implies that the poor have benefited very little from the country's economic growth. However, a general consensus among recent studies on this subject is that income distribution did indeed improve through the 1970s, the decade of the coffee boom and economic expansion. This was particularly true in the rural sector. Recent studies also show that the income shares of households in
the lower income deciles did not deteriorate noticeably in the 1980s even after the economy plunged into a recession. This can be attributed to the fact that expenditures of the poor, consisting of basic necessities of life, could not be cut back further, so that during the recession households were forced to maintain their real incomes by working longer hours in lower paying jobs.

2.21 A leading proponent of the view that income distribution improved in favor of the poor in the 1970s is Miguel Urrutia. His 1985 study focusing on the decade of the 1970s concludes that household incomes improved at the lowest and highest ends of the distribution while the relative position of the middle class declined. Firstly, the real wages of the very poor—landless agricultural laborers—increased substantially during the 1970s, as the demand for agricultural labor rose to sustain the expanding exports of coffee and cut flowers. Furthermore, brisk economic activity in the urban centers helped absorb the rapidly increasing supply of urban unskilled labor and lowered the rates of unemployment and underemployment. This undoubtedly reduced the proportion of households living in conditions of poverty. But the most significant factor here was the increasing participation of women in the labor force as secondary wage

Table II-3: Distribution of Household Incomes
1976-1985
(Seven Cities)*

<table>
<thead>
<tr>
<th>Deciles</th>
<th>1976</th>
<th>1980</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1.23</td>
<td>1.45</td>
<td>1.41</td>
</tr>
<tr>
<td>II</td>
<td>3.71</td>
<td>4.49</td>
<td>4.44</td>
</tr>
<tr>
<td>III</td>
<td>7.03</td>
<td>8.17</td>
<td>8.14</td>
</tr>
<tr>
<td>IV</td>
<td>11.36</td>
<td>12.15</td>
<td>12.76</td>
</tr>
<tr>
<td>V</td>
<td>16.90</td>
<td>18.91</td>
<td>18.63</td>
</tr>
<tr>
<td>VI</td>
<td>23.71</td>
<td>26.15</td>
<td>25.89</td>
</tr>
<tr>
<td>VII</td>
<td>32.53</td>
<td>35.35</td>
<td>34.97</td>
</tr>
<tr>
<td>VIII</td>
<td>44.30</td>
<td>47.38</td>
<td>46.86</td>
</tr>
<tr>
<td>IX</td>
<td>61.38</td>
<td>64.62</td>
<td>63.93</td>
</tr>
<tr>
<td>X</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Gini</td>
<td>0.496</td>
<td>0.461</td>
<td>0.474</td>
</tr>
</tbody>
</table>

* Bogotá, Medellín, Cali, Barranquilla, Bucaramanga, Manizales and Pasto


supply of urban unskilled labor and lowered the rates of unemployment and underemployment. This undoubtedly reduced the proportion of households living in conditions of poverty. But the most significant factor here was the increasing participation of women in the labor force as secondary wage

earners. According to Urrutia, the economic improvement of households in the lowest decile of distribution was brought about by the expansion of employment opportunities and the higher earnings of secondary workers during this period of economic growth.

2.22 More recent studies by Ayala and Reyes support Urrutia's conclusions on trends in the 1970s, and furthermore demonstrate that, at least in the urban areas, the relative income shares of the poor remained virtually unchanged in the first half of the 1980s, a period of declining coffee prices and slow economic growth. Table II-3 shows the distribution of household incomes in 1976, 1980 and 1985 in seven cities, i.e., Bogotá, Medellín, Cali, Barranquilla, Bucaramanga, Manizales and Pasto. Whereas the poorest 20% of households received 3.7% of income in 1976, this group's relative share increased to 4.5% in 1980 and dropped only marginally to 4.4% in 1985. The changes between 1980 and 1985 are insignificant.

2.23 It is clear why poor households had maintained their relative income shares during 1981-1984. The poor could not cut back on household expenditures because their spending was largely on basic necessities. Even during this period of recession, unemployment among the poor did not increase noticeably because they took whatever jobs were available to maintain the real level of household incomes. While real wages in the informal sector dropped during 1981-1985, households at the lower end of the income strata compensated for this decline in wage levels by having their principal wage earners work longer hours or hold multiple jobs and relying more heavily on the contributions of secondary wage earners. All indications are that during a recession, the poorest households barely survive.

---

Chapter 3

An Agenda for Action

3.01 The analysis in Chapter 2 indicates that while the general economic prosperity during the 1970s undoubtedly helped to lessen income disparities in Colombia, those in the lowest quintile of income distribution have continued to live in conditions of critical poverty. Hence, in addition to promoting high economic growth, it is necessary to direct special social programs designed to alleviate the worst aspects of poverty. The Government must implement quickly those programs that could have immediate impact on the most urgent poverty problems, such as poor health, malnutrition, unsanitary living conditions and illiteracy, while continuing to develop medium- and long-term action programs aimed at income generation and productivity increases. On that premise, this study was designed to help the Government focus on putting in place short-term, quick impact, basic needs types of programs.

The Government's Action Program

3.02 The Government's poverty alleviation strategy is to satisfy the basic needs of the poor by providing essential social services and generating productive employment opportunities. It seeks to attain these goals by shifting public expenditures increasingly towards social sectors. The key components include the PNR and DRI programs which have been carried over from previous administrations; these national multi-sectoral programs remain the principal vehicles for addressing rural poverty. The newly promulgated Agrarian Reform Law, designed to strengthen and streamline procedures for land distribution and legalization of title, is also expected to play an important role in the eradication of rural poverty.

3.03 In addition, the Government has adopted a series of new initiatives grouped under the so-called "War on Poverty" (PLPGE) (See Annex II). The programs under PLPGE are numerous, diverse in scope and objectives, and at varying stages of preparedness, unified only by one common goal—alleviation of poverty. To implement those programs, DNP and line agencies must establish a clear agenda of action. Here a two-pronged approach is required. The Government needs to (a) quickly and selectively implement those basic needs programs (health, nutrition, education and shelter) that address the most critically urgent problems of poor communities while (b) continuing to develop medium- and long-term action programs aimed at achieving productivity increases, job creation and institution building. The remainder of this report will be devoted to evaluating and making recommendations on the essentially short-term and urgent measures designed to help the most critically affected groups. These consist of new interventions in the area of nutrition and health, primary education and low-income shelter.
3.04 While employment generation and productivity improvements are key components of any poverty alleviation plan, these topics are not covered in any depth in this report. The ongoing PNR and DRI programs address the issues of productivity and employment in rural areas. On the other hand, no cohesive strategy has yet emerged within the Government to address the basic employment and productivity issues underlying urban poverty. The Bank plans to work closely with the Government during the coming year in developing policies and programs designed to create jobs and improve productivity in the urban informal sector. The Bank also plans to undertake a survey on the role of non-governmental organizations in the provision of social services and the promotion of productive activities in poor communities.

General Comments on New Basic Needs Initiatives

3.05 The Government's new initiatives in the areas of nutrition, health, shelter (including housing-related services) and education are examined in Chapters 4 through 7. The objectives of these programs, the Bank's assessment, and the statement of issues and recommendations on these programs are summarized in Chart 1 at the end of this Chapter. The Chart also offers some recommendations on DANE's statistical methodology. In the area of nutrition, the Government has started implementing the "Programa de Hogares de Bienestar Infantil," an innovative program that combines supplemental feeding and day care for children in poor communities and the education and training of their mothers. This program, initiated early in 1987, has been extended with great success to about 400,000 children in poor communities across the country. While there are areas for improvement, the program has a great potential and should be given high priority and support (See Chapter 4).

3.06 In contrast, it will be much more difficult to undertake quick impact programs in the field of health. The poor communities have very limited access to health services and proposals are under review to extend the coverage of primary health care by building a large number of health posts and training additional paramedical staff. However, given the underutilization of existing health posts and health centers (resulting from underfunding of recurrent expenditures and inadequate management), it makes little sense to try to create new capacity. The emphasis should rather be on making the existing system function more efficiently. What is needed is a strong commitment to institutional reforms within the health system, with particular attention given to improving financial management. Another initiative now under study is to expand the social security system (from less than 20% to 80%) to include low-income households. While the reform of the social security system is important for Colombia's health sector as a whole, this goal is not attainable in the short-term. The coverage of Colombia's social security system is among the smallest and its cost is among the highest in Latin America (See Chapter 5).

3.07 There is a pressing need for adequate housing and basic services in poor communities across the country. The conditions are particularly critical in urban and peri-urban areas. As urbanization proceeded rapidly
during the last two decades, large shantytowns and squatter settlements have sprung up on the outskirts of cities. In the recent past, the Government had tried to meet the shelter needs of the poor through public sector construction of low cost housing and interest subsidies but failed to target the program on the poorest and neediest. The Government has since turned its attention to improving the quality of existing housing in poor neighborhoods through comprehensive upgrading. This is an area where the public housing sector in Colombia has had very limited experience. Upgrading will be a complex undertaking requiring time-consuming coordination among the concerned Government agencies and with the various community and civic groups involved in the projects. To make home upgrading affordable to the poorest households, it is essential to rely on self-help construction; this in turn entails training, technical assistance and effective community organization. Under these circumstances, a sensible approach should be to concentrate on developing a new formula for community based slum upgrading and site servicing suited to local conditions. The Government should also phase out the use of interest subsidies (See Chapter 6).

3.08 In the field of education, the Government's poverty alleviation effort is focused on a program to universalize primary education. In comparison, adult education receives relatively little emphasis. This approach is basically sound because formal primary education is a much more cost-effective vehicle for disseminating literacy and numeracy, and for imparting basic communication and production skills. The Government's basic strategy is to concentrate on improving access to primary education in rural areas by adopting a model of multi-grade instruction and flexible promotion. Nonetheless, to make this program truly responsive to the needs of the poor, greater attention should be given to improving coverage in poor urban neighborhoods where large numbers of school-age children do not have access to formal primary education (See Chapter 7).

3.09 One common characteristic among the programs mentioned above is the enhanced role given to community participation. As indicated in subsequent chapters, successful implementation of the "Hogares de Bienestar Infantil" program depends crucially on the participation of the entire community while the proposed shelter upgrading program is expected to rely heavily on self-help construction. Moreover, in building new primary schools, some poor communities are expected to organize themselves to contribute labor in lieu of financial cost sharing. In line with the new initiatives to decentralize basic social services to the municipalities, the present Government promotes "self-help" and "self determination" and attaches increasing importance to the role that poor communities can play in defining their problems, making their needs known to local authorities, and collaborating with public agencies in the design and management of basic needs services.
## Chart 1: New Initiatives in Poverty Alleviation--A Summary of Recommendations

<table>
<thead>
<tr>
<th>Programs</th>
<th>Objectives/Benefits</th>
<th>Status</th>
<th>Assessment</th>
<th>Issues</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Hogares de Bienestar Infantil&quot; (HBI)</td>
<td>- Supplemental feeding of children 0-6 years old</td>
<td>Under</td>
<td>Should receive high priority</td>
<td>Limited coverage of children between 6 and 24 months</td>
<td>- Establish specialized HBI for infants</td>
</tr>
<tr>
<td></td>
<td>- Day care and protection of children</td>
<td>implementation</td>
<td></td>
<td></td>
<td>- Distribute Bienestarina to households with infants not covered by HBI</td>
</tr>
<tr>
<td></td>
<td>- Training of volunteer mothers in nutrition and health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Substantial improvement in housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Concentration in urban areas</td>
<td>- Should develop modalities suited for rural areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Constraints in capacity of ICT to provide home improvement loans</td>
<td>- Seek alternative credit arrangements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lack of community support and involvement for program</td>
<td>- Spend more time educating communities at outset</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Progressive transfer of responsibilities to communities with provisions for training by ICBF</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Targetting communities with proven record of community organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Regularize production of Bienestarina at 3 existing plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Develop SISVAN to monitor nutrition status of general population</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Develop evaluation system specifically for HBI; might consider adapting the &quot;LSMS&quot; Living Standards Survey to complement and broaden existing rudimentary information system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Equip community mothers with scales and pedometers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs</td>
<td>Objectives/Benefits</td>
<td>Status</td>
<td>Assessment</td>
<td>Issues</td>
<td>Recommendations</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>&quot;Basic Health for All&quot;</td>
<td>- Expansion in coverage of primary health delivery system by building new health</td>
<td>Under preparation</td>
<td>- Implementation should be postponed pending financial reforms in the Health Ministry</td>
<td>- Chronic under-funding of recurrent expenditures in primary health delivery system undermining effectiveness of services</td>
<td>- Reallocation of recurrent funds within the health system in favor of primary health care delivery</td>
</tr>
<tr>
<td></td>
<td>posts/centers and training additional health promoters</td>
<td></td>
<td>- Expanding coverage of primary health system not meaningful without improving existing capacity utilization</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Human Settlements&quot;</td>
<td>- Expansion in coverage of Social Security Institute (ISS)</td>
<td></td>
<td>- Expanding coverage of ISS not achievable in near term</td>
<td>- Institutional weakness and poor financial management at ISS</td>
<td>- Reform of ISS to be undertaken over the longer haul</td>
</tr>
<tr>
<td></td>
<td>- Upgrading of houses in poor neighborhoods</td>
<td>Under preparation</td>
<td>- Implementable on more modest scale</td>
<td>- Unrealistic targets and financing plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Servicing of sites</td>
<td></td>
<td>- Active community participation crucial</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Rehabilitation of run-down inner city areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Use of interest subsidies by ICT

- Phase out of interest subsidies

- Role of Government should consist of legal and regulatory function, provision of serviced sites and promotion of self-help construction and community activities

- Role of Government not clearly defined
### Chart 1: New Initiatives in Poverty Alleviation--A Summary of Recommendations

<table>
<thead>
<tr>
<th>Programs</th>
<th>Objectives/Benefits</th>
<th>Status</th>
<th>Assessment</th>
<th>Issues</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Educación Básica para Todos&quot;</td>
<td>- Universal primary education</td>
<td>Advanced</td>
<td>On balance, well conceived</td>
<td>Lack of access to primary education in urban areas</td>
<td>- Establish schools in poor urban communities</td>
</tr>
<tr>
<td></td>
<td>- Improvements in internal efficiency</td>
<td>stage of</td>
<td>program and implementable</td>
<td></td>
<td>- Integrate informal community schools into formal education system by</td>
</tr>
<tr>
<td></td>
<td></td>
<td>preparation</td>
<td></td>
<td></td>
<td>distributing text books and offering periodic training of teachers</td>
</tr>
<tr>
<td>DANE's statistical work to</td>
<td>- Definition of Poverty Lines</td>
<td>Ongoing</td>
<td>DANE's NBI measure has serious</td>
<td>NBI measure not well-suited for targeting of beneficiaries or monitoring</td>
<td>- Incorporate household income, expenditure, employment, health and</td>
</tr>
<tr>
<td>support</td>
<td></td>
<td></td>
<td>shortcomings</td>
<td>of program results</td>
<td>nutrition data to complement NBI indicators</td>
</tr>
<tr>
<td>Poverty Alleviation Programs</td>
<td>- Targeting of Beneficiaries</td>
<td></td>
<td></td>
<td></td>
<td>- Use of permanent surveys to generate reliable and relevant data in a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>form that permits a wide range of applications and analysis at a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>disaggregated level</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Might consider adapting &quot;LSMS&quot; Living Standards Survey to integrate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>existing information systems</td>
</tr>
</tbody>
</table>
Chapter 4

A New Approach to Nutrition Intervention

A. Community-based Day-Care Centers

4.01 Among the Government's new poverty alleviation initiatives is an innovative program that combines the functions of supplemental feeding, day-care for poor children and community education and development. This program, called "programa de hogares de bienestar familiar" (HBI) was launched by the Colombian Institute of Family Wellbeing (ICBF) in February 1987 and now caters to nearly 400,000 children across the country. ICBF's goal is to extend its coverage to 1.5 million children by 1992. HBI seeks to establish community-based day-care centers in poor neighborhoods in cities and rural towns where children between the age of 0 and 7 can be supervised and given meals and Bienestarina (nutritional supplement).

4.02 Unlike the traditional day-care centers,¹ these facilities are run by volunteer mothers in their own homes or in community-owned buildings, so that poor families can have easy access. The targeting of beneficiaries is geographical, as well as by age-group. Each day-care center is expected to accommodate a maximum of 15 children, but in some communities where the demand exceeds supply, e.g., those in Ciudad Bolívar in Bogotá, the volunteer mothers are presently obliged to take care of larger numbers. These women who run the centers are called community mothers and are chosen from within the community by other parents. They must first undergo training in subjects related to childcare and basic needs, e.g., family and community relations, recreation, nutrition, hygiene and preventive health. ICBF helps the community mothers obtain loans to upgrade their homes—at the minimum, to put in a concrete or wooden floor, a kitchen and a toilet; this agency also provides community mothers with the necessary furniture and equipment and compensates the community mothers through a system of monthly stipends or "becas". More importantly, HBI helps meet 80% of each participating child's daily nutritional requirements by distributing Bienestarina (nutritional supplement) and helping procure foodstuffs at below-market prices by contracting with a network of community stores.

4.03 Parents of children participating in the program are expected to come in once in fifteen days to help the "community mothers" with the cooking and child care. HBI was functioning well in all the

---

¹ ICBF also manages a more traditional program of day-care and supplemental feeding for children under six years of age called Preschool Childcare Centers (CAIP). Children are fed and supervised in well-equipped day-care centers by trained personnel. While ICBF continues to administer CAIP, the program no longer ranks among the Institute's high priority activities because (a) it is costly and therefore it is not possible to extend coverage; (b) it is not targeted on the poorest children; and (c) it is generally not locationally accessible to poor communities.
Figure 4: COVERAGE OF HOGARES DE BIENESTAR INFANTIL PROGRAM
(As of January 20, 1988)
communities visited by the Bank mission. The "community mothers" appeared to be well-trained and highly-motivated, and the demand for the program was strong.

4.04 HBI is an effective vehicle for addressing local communities' key poverty problems. In addition to the care and feeding of children, it has great potential for preschool education and basic needs training of "community mothers" and other parents. The program brings about substantial housing improvements for "community mothers" and their families. HBI also affords community mothers an opportunity to receive remuneration ("becas") from ICBF and the parents of the children they supervise while freeing up other mothers to seek employment outside of their home. This child care aspect is particularly important because the poorest and most vulnerable groups in Colombia are households headed by women, usually single mothers with young children.

4.05 The program has given rise to income-generating activities in many poor communities. For example, the establishment of 130 day care centers in the district of La Candelaria (Cartagena) has created employment for 30 persons engaged in the production of bread, chairs and mattresses for the program. In the barrio Potosi in Ciudad Bolivar, the increasing demand for construction materials used in the upgrading of the homes of "community mothers" has led to the establishment of several businesses manufacturing concrete blocks. The employment and incomes impact of HBI in poor communities is expected to grow in importance as the program extends its coverage across the country.

B. Financing of Nutrition Programs

4.06 ICBF is a Government agency with responsibilities for all matters related to nutrition and family welfare in the country. While it is affiliated with the Ministry of Health, ICBF has its own source of funding and operates with a fair degree of independence. The agency is entitled by law to 2% of revenues from the national payroll tax and 12% of salt sales tax revenues. In 1987, its total current revenues were estimated at Col$23,325,000,000. A key question here is if ICBF could finance its planned expansion in the coverage of HBI from 120,000 beneficiaries in 1987 to 400,000 in 1988 and 1,000,000 in 1990 in addition to a slightly more modest increase in the coverage of school feeding programs from one million to two million children.

---

2/ ICBF pays "community mothers" an average of Col$650 per child per month and the participating parents contribute Col$200 per month per child.

3/ The National Congress in December 1988 authorized an increase in ICBF’s share of payroll tax from 2% to 3%.

4/ A DNP estimate. While ICBF is authorized to its share 2% of the payroll tax directly from enterprises in public and private sectors, it does not collect its full entitlement.

5/ School feeding programs are discussed under education initiatives in Chapter 7.
4.07 Table IV-1 shows ICBF's projected revenues and expenditures for the 1988-1990 period in 1987 prices. The revenues are Bank projections (assuming annual real growth of 6% over the DNP 1987 estimates) while expenditure figures are from DNP sources adjusted for the increases in the coverage of a school feeding program currently under consideration by ICBF.6 Table IV-2 containing projected costs and beneficiaries of various ICBF programs is based on information in "Plan de Economía Social, 1987-1990" with adjustments made for a possible expansion in a school feeding program.7

Table IV-1: ICBF--Projected Revenues and Expenditures 1988-1990 (millions of 1987 Pesos)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Revenues</td>
<td>22715</td>
<td>24075</td>
<td>25520</td>
</tr>
<tr>
<td>Other Current Revenues</td>
<td>1985</td>
<td>2075</td>
<td>2170</td>
</tr>
<tr>
<td>Capital Revenues</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24700</td>
<td>26150</td>
<td>27690</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Expenditures</td>
<td>16700</td>
<td>28650</td>
<td>30365</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>8000</td>
<td>12500</td>
<td>14150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24700</td>
<td>41150</td>
<td>55515</td>
</tr>
<tr>
<td><strong>Additional Revenue Requirement</strong></td>
<td>--</td>
<td>15000</td>
<td>20500</td>
</tr>
</tbody>
</table>

SOURCE: DNP (Unidad de Inversiones Públicas) and Bank mission estimates.

4.08 The unit cost of HBI is estimated between Col$26,000-27,000 per year. With its coverage projected to expand from 400,000 in 1988 to 1,000,000 in 1990, costs for HBI will increase from Col$10,290 million to Col$26,500 million during this period. Its share in total ICBF program costs is expected to rise from 45% in 1987 to 75% in 1988 and to approximately 85% in 1990. Meanwhile, the coverage of school feeding

6/ The revenue projections prepared in mid-1988 are based on ICBF receiving 2% of payroll tax.

7/ In addition to the nutrition-oriented interventions listed in Table IV-2, ICBF undertakes other programs including those for the prevention and treatment of drug addiction, promotion of recreational activities, and use of free time, care of the aged, and care of the physically and mentally handicapped.
Table IV-2: Assumptions Regarding Program Costs and Number of Beneficiaries

<table>
<thead>
<tr>
<th>Program</th>
<th>1988</th>
<th>1989</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HBI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost ($ColMil)</td>
<td>10290</td>
<td>17840</td>
<td>26500</td>
</tr>
<tr>
<td>Number ('000)</td>
<td>400</td>
<td>700</td>
<td>1000</td>
</tr>
<tr>
<td><strong>Educación Familiar para Desarrollo</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infantil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost ($ColMil)</td>
<td>350</td>
<td>485</td>
<td>695</td>
</tr>
<tr>
<td>Number ('000)</td>
<td>240</td>
<td>430</td>
<td>625</td>
</tr>
<tr>
<td><strong>Atención Nutric. Materno Infantil</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost ($ColMil)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Number ('000)</td>
<td>710</td>
<td>710</td>
<td>710</td>
</tr>
<tr>
<td><strong>Vigilancia del Desarrollo Físico y Atención Nutric. Escolar</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost ($ColMil)</td>
<td>1060</td>
<td>1540</td>
<td>1880</td>
</tr>
<tr>
<td>Number ('000)</td>
<td>1150</td>
<td>1420</td>
<td>2040</td>
</tr>
<tr>
<td><strong>Other Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost ($ColMil)</td>
<td>1810</td>
<td>1575</td>
<td>1440</td>
</tr>
</tbody>
</table>

**SOURCE:** Plan de Economía Social 1987-1990, DNP, and Bank mission estimates.

programs is assumed to double in three years, pushing up costs for this category from Col$1060 million in 1988 to Col$1880 million in 1990. Its share in total ICBF program costs is nonetheless relatively small and is projected to decline from 8% to 6% over the three year period.

4.09 With the current sources of funding, these projections show that ICBF would be able to finance all its programs through 1988. However, starting in 1989, the expansion in HBI coverage would result in significant deficits (Col$15,000 million in 1989 and Col$20,500 in 1990). Faced with this shortage of funds, ICBF submitted to Congress a bill to authorize an increase in its share of the payroll tax from 2% to 3%. The bill passed in December 1988.

C. Recommendations on Program Design

4.10 While HBI is an excellent program, there are a few aspects that cause concern. The following are some recommendations in areas of the program in which improvements could be made.
Coverage of Children Between 6 and 24 Months

4.11 The program coverage for the 6 to 24 month age category is extremely low. In the first evaluation of HBI undertaken by ICBF in November 1987, only 6% of the beneficiary children were under two years of age. This may be attributed to a general reluctance on the part of the community and parents to separate infants from their mothers during the first and second years. On the other hand, malnutrition is generally most severe during this early period of life, and something needs to be done quickly to remedy the situation.

4.12 One approach would be to establish a special HBI program targeted exclusively on children under two years of age with guidelines for training, supervision and nutrition standards specifically tailored to this age group. Alternatively, infants might remain with their mothers at home and ICBF could make arrangements with community organizations and businesses for special home delivery of food and Bienestarina with provisions for periodic supervision. A third option would be to continue with the present HBI system but to issue more rigorous guidelines for the care and nutrition of infants. We believe that ICBF should be flexible on this matter and decide on the arrangement that might best suit the local circumstances, in consultation with community leaders.

Nutrition Interventions in Rural Areas

4.13 While HBI is being tried out in rural parts of the country on a limited scale, the program is essentially tailored to urban areas and "cabeceras" with relatively high population concentration. ICBF will need to design modalities specially tailored to rural areas where the needs are different: protein deficiency among children is a critical problem in rural areas but there is little demand for day care. Since ICBF does not have adequate presence in rural areas, a practical approach may be to work through whichever institution or program that is most active in a given community, e.g., multisectoral rural development programs such as DRI and PNR, public agencies such as Caja Agraria and ICA, and non-governmental organizations undertaking social programs in rural areas. In view of the ongoing decentralization of administrative and political functions to local jurisdictions, local governments might also play a larger role in planning and administering nutrition programs. For example, the existing school restaurant programs, which now cover the 7 to 15 age group (see Chapter 7) could be extended to cater to pre-school age children, with Bienestarina supplied by ICBF, physical facilities and supervision provided by local governments and local communities participating in the procurement of food and management of the restaurants. Alternatively, communities might establish supplementary feeding centers staffed by volunteers where infants and preschool-age children could be given Bienestarina. If the primary health delivery system is functioning adequately in a particular locality, Bienestarina might be distributed through the health centers. The targeting of beneficiaries should be geographical and by age groups, as in the case of HBI.
Hogares de Bienestar Infantil, Cali
Hogares de Bienestar Infantil, Cali
Treatment of Serious Malnutrition Cases

4.14 HBI is a preventive program with no mechanism for screening out the seriously malnourished children who require special treatment. It is crucial that the primary health care delivery system be made more effective because the principal responsibility for screening serious malnutrition cases belongs to the paramedics in health posts and health centers. While there is agreement on the need to integrate HBI and primary health services, this has not been put into practice because in large areas of the country the primary health delivery system is not functioning effectively. In fact, the lack of logistical support from the public health system is preventing ICBF from incorporating into HBI those services that need to be integrated with nutritional interventions, e.g., immunization, psycho-affective development, pre-natal care, family planning, promotion of breastfeeding, etc. This issue will be discussed further in Chapter 5 below.

Role of Land Credit Institute (ICT)

4.15 In order to upgrade the homes of "community mothers," HBI relies heavily on loans from the Land Credit Institute (ICT), a financially troubled public housing agency which is now undergoing serious restructuring (See Annex 1). Other credit arrangements will need to be made quickly. Already, ICT's inability to respond to loan applications is becoming a major constraint. The Government might consider allowing ICBF to administer the loans funds, loans might also be channelled through non-governmental organizations active in a particular community, or through municipal governments which could on-lend to communities. The Government must also streamline and speed up the process for land tenure legalization.8 (See also paras. ---------- for a discussion on the role that Government needs to play in the low income shelter sector.)

Fostering Community Support

4.16 ICBF hopes to reach 1.5 million children by 1992, a very ambitious target, and is expanding the HBI coverage at a furious pace to meet this goal. It is crucial that, in expanding coverage, ICBF should not overlook the community development aspect of the program. Fostering community participation entails educating communities on the goals of HBI and obtaining the support and active collaboration of the entire community and particularly of all beneficiary families in its management.

4.17 At present, while the demand for HBI is strong, the necessary community support for the program is not always forthcoming. Community mothers in barrio Jerusalem (Ciudad Bolivar) reported to the Bank mission that none of them have had any help from participating mothers during the previous month. Some parents would move their children from one day care

8/ With the passage of the Urban Reform Law in December 1988 the procedures for legalization of tenure are expected to be simplified.
center to another without notice and others would leave their children at
the centers for days. A few parents had objected to the meals provided by
community mothers, alleging that their children are turning green or yellow
from eating too many vegetables. All these incidents point to the urgent
need to strengthen the community support for HBI.

4.18 The design of HBI is premised upon community participation. The
total community is expected to take part in the establishment and
administration of day-care centers from the selection of community mothers
and organization of community grocers to contracting of civil works for
house upgrading. Training and technical assistance is provided primarily
through community-based permanent study groups with which technical
advisors from ICBF and other Government agencies meet periodically to
review their experiences with HBI, and to study the program literature and
other educational materials.

4.19 Despite all this emphasis on community participation, ICBF, in its
1987 evaluation of the program, reported that it directly administered 97%
of the day care centers under HBI and other organizations administered the
remaining 3%. As the coverage increases, the primary responsibility for
administering HBI must shift to the local communities. No Government
agency can single-handedly manage 100,000 day care centers which the goal
of reaching 1.5 million children entails. Moreover, it is crucial for the
survival of this innovative program that the administration of HBI become
firmly established at the community level; once the program takes root in
poor communities, it will be more difficult for future administrations to
arbitrarily discontinue it, as another important nutrition program, PAN,
was discontinued in the early 1980s after a change of Government.

D. Policies on Bienestarina

4.20 An integral component of the Government’s intervention in
nutrition is a product called Bienestarina, a nutritional supplement made
of wheat, rice or maize flour (60%), soybean flour (30%), low-fat powdered
milk (8%) and minerals and vitamins (2%). The product is targeted at the
high risk population (infants, pre-school and school-age children, pregnant
and lactating women and the elderly) and enjoys widespread acceptance in
poor communities.

4.21 There has been a good deal of controversy surrounding the
production and use of Bienestarina in Colombia. Concerns are expressed
over the balance of payments impact of producing Bienestarina in the
country because most all of the ingredients need to be imported. Some
claim that the product is too costly, and others question the value of
Bienestarina as a nutritional supplement. The Bank mission’s assessment is
that this is a good product for supplementary feeding, easy to prepare,
palatable, and costs substantially less than milk, its closest substitute.
As indicated in Table IV-3, Bienestarina compares favorably with milk in
terms of caloric and nutrient values. Moreover, contrary to a widely-held
belief that its production cost is prohibitive, Bienestarina costs only
Col$180 per kilogram as compared with Col$800 per kilogram for milk (both
wholesale prices), an approximate ratio of one to four in favor of
Bienestarina.
Table IV-3: A Comparison of Bienestarina with Milk in Terms of Nutrients and Calories (per 100 g. of product)

<table>
<thead>
<tr>
<th>Nutrient/Calorie</th>
<th>Bienestarina</th>
<th>Milk (powdered) 26%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calorie</td>
<td>319.0 Cal.</td>
<td>490.0 Cal.</td>
</tr>
<tr>
<td>Protein</td>
<td>26.0 g.</td>
<td>26.4 g.</td>
</tr>
<tr>
<td>Fat</td>
<td>1.4 g.</td>
<td>26.0 g.</td>
</tr>
<tr>
<td>Sugar/Carbohydrates</td>
<td>52.2 g.</td>
<td>37.7 g.</td>
</tr>
<tr>
<td>Iron</td>
<td>14.1 mg.</td>
<td>0.7 mg.</td>
</tr>
<tr>
<td>Calcium</td>
<td>512.0 mg.</td>
<td>921.0 mg.</td>
</tr>
<tr>
<td>Vitamin A</td>
<td>2000.0 IU</td>
<td>598.0 IU</td>
</tr>
<tr>
<td>Vitamin C</td>
<td>27.0 mg</td>
<td>2.0 mg.</td>
</tr>
<tr>
<td>Thiamin</td>
<td>1.9 mg.</td>
<td>0.3 mg.</td>
</tr>
<tr>
<td>Niacin</td>
<td>9.7 mg.</td>
<td>0.7 mg.</td>
</tr>
<tr>
<td>Riboflavin</td>
<td>0.5 mg.</td>
<td>1.3 mg.</td>
</tr>
</tbody>
</table>

SOURCE: ICBF and Bank mission estimates.

Securing Adequate Supply

4.22 While Bienestarina has gained widespread acceptance across the country, the most common complaint among the poor about this product is that they do not get enough of it, and that the supply is erratic. Hence, it is essential to regularize production in the three plants in order to secure a constant supply of Bienestarina in sufficient amounts. In 1987, approximately 17,000 tons of Bienestarina were produced by ICBF in its two factories, one in Cartago, Valle, and the other in Paipa, Boyacá. With a third plant in Baranquilla coming on stream in May-June 1988, Bienestarina production for 1988 is estimated at 19,550 tons. This output is expected to
expand steadily, as capacity utilization at the Baranquilla plant increases, to estimated 27,500 tons per annum.\(^9\) On the demand side, based on the ICBF guideline for Bienestarina intake of 30g. per child per day and the projected increase in program coverage from 400,000 children in 1988 to 1,000,000 children in 1990 (an optimistic assumption), the requirement for this food supplement under HBI will rise from 2,532 tons to 6,330 tons during the three year period. Adding amounts needed for school feeding and other programs undertaken by ICBF, the total Bienestarina requirement will increase from 16,000 tons in 1988 to approximately 28,500 tons in 1990. Hence, by 1990, the demand is projected to exceed production by some 1,000 tons. However, ICBF should have no difficulties managing a deficit of this magnitude; there will be scope for increasing capacity utilization, particularly

### Table IV-4: Bienestarina Requirements through 1990

<table>
<thead>
<tr>
<th>Programs</th>
<th>Coverage</th>
<th>Bienestarina Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>HBI</td>
<td>400</td>
<td>700</td>
</tr>
<tr>
<td>School Feeding Programs</td>
<td>1150</td>
<td>1541</td>
</tr>
<tr>
<td>Other ICBF Programs*</td>
<td>1718</td>
<td>2343</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3268</td>
<td>4584</td>
</tr>
</tbody>
</table>

* Includes the maternal and child care program, program for the elderly, and program for the mentally and physically handicapped.

SOURCE: ICBF and Bank mission estimates.

in Baranquilla and Paipa. Beyond 1990, rather than make new investments in additional production capacity at its own factories, ICBF might consider new

\(^9\) Paipa and Baranquilla plants are expected to operate at 65\% of capacity while the capacity utilization rate at the Cartago factory is assumed to remain at around 85\%. 
modalities for expanding Bienestarina output, such as contracting production out to the private sector. At that point, ICBF might also arrange to have Bienestarina marketed through commercial channels.

Distribution and Storage

4.23 In the past, ICBF had sustained substantial losses due to inefficient distribution and storage of Bienestarina. However, in 1987 many of the bottlenecks in transportation (i.e., moving raw materials to the plants and Bienestarina to distribution centers) were removed when ICBF introduced a system called "Fiduciaria" through which a number of outside enterprises bid competitively for the opportunity to supply inputs or to transport inputs and finished products. However, ICBF is still experiencing difficulties with storage at regional and departmental levels. Currently, the agency is undertaking a study of storage requirements country-wide. Furthermore, a brochure containing guidelines on storage ("Manual de Almacenamiento") was recently issued by ICBF. With respect to packaging, Bienestarina has traditionally been distributed in 25 kg bags but ICBF is now starting to ship the product in more manageable 1 kg packages in order to reduce the risk of contamination and loss.

E. Information System

Absence of Surveillance

4.24 Despite considerable effort by Colombian Governments past and present to improve the nutritional status of the population, it is, unfortunately, not possible to evaluate the impact of these nutrition interventions because the country does not yet have an adequate surveillance system. This is a serious shortcoming, since an effective surveillance system is crucial for monitoring improvements in social indicators and identifying problem areas, for more accurate targeting of beneficiaries under health and nutrition programs on the basis of anthropometric data, as well as for providing input in the design of new interventions or making adjustments in program design as required during implementation.

Work in Progress

4.25 The Government is now in the process of establishing an information system called SISVAN ("Sistema de Vigilancia Epidemiológica, Alimentaria y Nutricional") for the whole country. This system originated as a research project of the University of Valle and is currently being implemented in seven departments, viz., Cauca, Valle, Antioquia, Nariño, Meta, Atlántico and Quindio. The Government plans to extend SISVAN progressively across the country to cover all children under 5 years of age under the care of the national health system. It utilizes information from various sources including surveys and other regular channels of data collection (e.g. information obtained from health clinics). Data are analyzed under three
headings, viz., nutritional status, health status, and food availability. A major obstacle to extending the coverage of SISVAN is that the national health system through which information must be channeled, effectively serves less than 50% of the population. Moreover, as mentioned repeatedly in this report, the health system reaches only a small proportion of the very poor, the group that needs to be monitored closely because they are at greater health and nutritional risk than the rest of the population.

4.25 ICBF is also beginning to develop its own information system designed to evaluate the management of HBI. This system essentially consists of a follow up of the nutritional and health status of children enrolled in HBI. Data on the children must be collected and recorded on a standard form by visiting paramedics from the closest health centers.

Recommendations on Establishing a Surveillance System

4.27 Both these systems are still rudimentary and much needs to be done to establish a reliable information system on which to base a surveillance system. Firstly, steps must be taken to validate information on vital statistics. Given the high level of under-reporting (28%), vital statistics are not sufficiently reliable for evaluating the global impact of health and nutrition programs. Secondly, the results of the most recent national nutrition survey (1986) should be compared with the findings of the previous survey (1977-1980) in order to establish a trend and a baseline for designing future interventions. Thirdly, work on SISVAN should continue even though progress might be very slow in the next few years due to constraints posed by the limited coverage of the national health system. Fourthly, the information system for measuring the impact of HBI must be developed as quickly as possible, and these data should be fed back into SISVAN. But, once again, the lack of integration between HBI and the national health system (and specifically, the primary health delivery system) is expected to seriously retard data collection. In the short-term, ICBF should be able to do a reasonably good job of data collection by equipping each day-care center with scales and pedometers and training "community mothers" to weigh and measure children under their care. Lastly, additional surveys need to be conducted periodically in the high risk areas not covered by regular channels of data collection (e.g., areas not served by either the health system or HBI). The introduction of the Living Standards Survey by DANE recommended in Chapter 2 would effectively address the information collection needs nationwide. Use of such a system is crucial for monitoring the nutritional and health status of the poorest segments of the population and for targetting beneficiaries for public programs.
5.01 A key ingredient in any successful nutritional intervention is its integration with health services. An administrator of a nutrition program targeted on pre-school children, pregnant women or nursing mothers would require support from the national health system to provide vaccinations, to treat diarrhoea and other common childhood diseases and to offer family planning, pre-natal care and maternal and child health care. Unfortunately, in Colombia, this integration has not developed fully because of the relative weakness of the primary health care delivery system.¹

Coverage and Access

5.02 Despite impressive mortality declines and increases in life expectancy in Colombia during the last two decades, the country’s poor continue to face pressing health problems, especially high infant and child mortality. The national health system covers about 50% of the population but there are major interregional disparities both in health conditions and the quality of services. Generally speaking, the primary health care facilities are not able to provide adequate services due to the chronic underfunding of recurrent expenditures. One quarter of the population effectively lack access to any type of health facilities. Hence the critical issue with respect to improving the health status of the poor is how to expand the coverage of primary health care while attempting to achieve more efficient utilization of existing capacity.

5.03 Studies in Colombia indicate that the frequency of medical consultations is determined largely by physical access to medical facilities and the level of incomes. A national health survey covering the 1977-1980 period found that 14% of the population lived at least three hours from the nearest health center, and 29% three hours away from the nearest hospital. The frequency of medical consultations decreased in inverse relations to the distance from the nearest health post, declining from an average of 4.8 consultations for patients living less than one hour from a health post to 3.2 consultations for those living more than three hours away. Similarly, the percentage share of population that had never consulted a doctor was more than twice as high in remote locations. The

¹/ There are exceptions. The national health system functions extremely well in coffee growing regions (especially in the departments of Antioquia, Risaralda, Valle, Caldas, Quindio). This is due in large part to the substantial financial and logistical support in the health sector provided by the National Coffee Growers Federation in areas of coffee production. For a discussion on the Federation's unique health program, please see "Revisión del Programa de Salud para Caficultores de la Federación Nacional de Cafeteros de Colombia, 1977-1985", August 1987.
proportion of pregnant women who had consulted a physician or had received medical attention during delivery was also inversely related to the distance from health posts (see Table V-1).

5.04 For the poorest segments of the population, the difficulty of access is compounded by their inability to pay for drugs and laboratory tests after consultations. The survey reported that for economic reasons, nearly 70% of households earning less than one minimum salary did not bother to seek medical attention when a family member became ill.

Table V-1: Patient Consultations by Distance to the Closest Health Post

<table>
<thead>
<tr>
<th>Distance to the Closest Health Post</th>
<th>&lt; 1 Hour</th>
<th>2-3 Hours</th>
<th>&gt; 3 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Number of Consultations per Patient</td>
<td>4.8</td>
<td>4.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Percentage of Population that had Never Consulted a Doctor</td>
<td>20.7</td>
<td>29.4</td>
<td>51.2</td>
</tr>
<tr>
<td>Average Number of Consultations per Pregnancy</td>
<td>4.2</td>
<td>3.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Percentage of Deliveries Attended by a Doctor</td>
<td>52.4</td>
<td>43.8</td>
<td>17.5</td>
</tr>
</tbody>
</table>


5.05 Hospital utilization rates also differ substantially by regions and income groups (see Table V-2). The Atlantic and Pacific coasts showed the lowest hospitalization rates among the five regions during 1977-1980, and utilization in urbanized areas was twice as high as rural areas. The average hospitalization rate for low income families was only about two-thirds of that for the high income group. Poor households have the greatest difficulties gaining admission to hospitals and affording the time for hospitalization. Admission refusals in public sector hospitals are reported to account for as much as 58% of total refusals by all institutions providing health care (including private and social security hospitals) for out-patient care and 80% for hospitalization.
Weaknesses in the Primary Health Delivery System

5.06 On paper, the poor families' entry point into the national health system is at the lowest level of its integrated service pyramid, or at the primary health care level. This consists of (a) health posts staffed by auxiliary nurses and health promoters who provide basic preventive, curative and emergency care on an outpatient basis, and refer cases of increasing complexity to a health center, or a local hospital; and (b) health centers which have, in addition to auxiliary nurses and health promoters, the services of a full-time physician and offer facilities for minor surgery and delivery. In reality, the primary health care system does not function well because it is seriously underfunded. The facilities are understaffed and frequently lack drugs and other necessary supplies. Additional problems include inadequate training and supervision of paramedics and lack of logistical support from the Regional Health Services (SSS). Impatient with the low standards of service, even persons requiring the most basic medical treatment bypass local health posts and health centers and go directly to the emergency room of the nearest regional hospitals.

Table V-2: Hospitalization Rates by Region, Income Levels and Degrees of Urbanization
1977-1980

(per thousand population)

<table>
<thead>
<tr>
<th>Total Country</th>
<th>51.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regions</td>
<td></td>
</tr>
<tr>
<td>Atlántica</td>
<td>40.2</td>
</tr>
<tr>
<td>Oriental</td>
<td>44.8</td>
</tr>
<tr>
<td>Bogotá</td>
<td>65.0</td>
</tr>
<tr>
<td>Central</td>
<td>56.2</td>
</tr>
<tr>
<td>Pacifica</td>
<td>52.3</td>
</tr>
<tr>
<td>Rural</td>
<td>33.4</td>
</tr>
<tr>
<td>Urban</td>
<td>64.2</td>
</tr>
<tr>
<td>Income Levels</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>43.7</td>
</tr>
<tr>
<td>Middle</td>
<td>56.1</td>
</tr>
<tr>
<td>High</td>
<td>60.6</td>
</tr>
</tbody>
</table>


5.07 It is important to note that budgetary allocations to primary health care have been declining in recent years. While total financial resources available to the health sector varied little in real terms from
1980 to 1985, allocations to the social security system increased at 1.5% per annum while the resources for the Ministry of Health decreased yearly by 2.5%. Furthermore, in 1985, the average expenditure per patient under the social security system was eight times higher than for the population (including the poorest households) covered by the Ministry of Health. It is estimated that within the Ministry-administered national health service, primary health care receives less than 10% of total funding. These structural biases in the allocation of health sector resources stem from the traditional emphasis on hospital care. Efforts to effectively shift resources towards basic health will require improvements in the overall sector administration and more strategic sectoral planning over the medium to longer level. The ongoing decentralization reforms are designed to give local communities a much greater stake in the planning and management of basic social services including primary health services. To help finance these services, the central Government authorized additional transfers of IVA (value added tax) resources to local governments. Decentralization is expected to contribute significantly to improvements in basic health services at the local level. National value added tax revenues to local governments.

**Government Proposals on Health and Bank Recommendations**

5.08 The main thrust of the Government’s poverty alleviation proposals is to achieve universal primary health care in the health sector and to extend the coverage of social security from about 15% to 80% of the population to cater to the poorest groups. However, much work needs to be done by line agencies before the proposals can be translated into implementable action programs. For this reason, no attempt is made in this report to evaluate these proposals in terms of either implementation capacity or financing requirements. But some general comments are in order. First, given the poor utilization of existing primary health care capacity, there is little point in trying to expand coverage by building additional health posts or training more health promoters. Second, the proposal on social security is unrealistic. The expansion in coverage of the magnitude envisaged would require far-reaching reforms of the social security system which, given its many administrative and financial problems, is not attainable in the foreseeable future. Colombia’s social security system is one of the most fragmented and stratified in Latin America, has one of the lowest percentages of population coverage by social insurance, and is one of the most expensive and heavily subsidized by the Government.

5.09 What the Government needs to do is to make the existing health system work efficiently by shifting resources from the hospital-based tertiary care to the community-based primary health care. The focus should

---

2/ According to Decree 77 of 1987, local governments are required by January 1, 1990 to assume responsibilities for building and maintaining health posts, health centers and local hospitals and for keeping these facilities supplied with equipment, drugs and other inputs.

be on rationalizing what has become a complex and unmanageable system of
earmarked revenues rather than on increasing total resources available to
the health sector. Health sector finance is one of the key topics of the
health sector study currently undertaken by the Ministry of Health. The
Government should make a concerted effort to complete this study promptly
and to undertake an administrative and financial reform of the health
sector.

5.10 In the meantime, the Government might take a hard look at an
innovative and successful experiment in Cali with investment funds whose
interest earnings can be utilized to finance recurrent costs of basic health
services at the local level. The funds are set up and managed by public or
private institutions, depending on which entities are most active in a given
community, and to date, the organizations involved in this experiment have
included ICBF, the regional health services, and Fundación Carvajal. The
decentralized character of these funds, the potential for community
involvement and the flexibility offered by such a system would appear to
make it an attractive vehicle for financing primary health care at the local
level, particularly in poor communities where access is most difficult.
Chapter 6

Meeting the Shelter Needs of the Poor

Background

6.01 Over the past thirty years, Colombia has changed from a rural to predominantly urban society. Between 1964 and 1980, the urban population increased by 3.7% per annum and today accounts for 67% of total population. By comparison, the housing stock increased by only 3.2% per annum during the period, and the bulk of the new housing units went to the high- and middle-income groups. Because housing units produced in the formal sector were not affordable to households earning less than three minimum salaries, the poor sought their shelter in the informal and unregulated subdivisions. Illegal squatter and "pirata" settlements\(^1\) proliferated on the periphery of large and medium-size cities to which migrant workers had gravitated in search of jobs.

6.02 As shown in Table VI-1 below, between 1972 and 1981, 43% of housing construction in the Bogotá metropolitan area and 40% in metropolitan Medellín was unregulated. In the eleven intermediate cities, clandestine developments were even more widespread: unregulated construction averaged over 70% of total housing in these cities, ranging from over 80% in Villavicencio to slightly under 40% in Tulua. The map on page 49, based on the 1985 Census of Population and Housing, shows the national distribution of families living in inadequate housing by departments for that year. A large majority of houses in the unregulated sector, built on the self-help basis without adequate technical know-how, were in violation of municipal planning and construction ordinances. Furthermore, these illegal developments had poor access to public utilities including transportation. Slums and squatter settlements establish themselves on unserviced sites where services--piped water, sanitation, electricity--are not made available until a majority of residents obtain legal title to their properties. The maps on pages 50, 53, 54 and 55 indicate the level of public services in the country by departments in 1985.

---

\(^1\) The unregulated housing sector consists of two main types of developments, the "pirata" subdivisions and the areas of "invasion" or squatter settlements, frequently euphemistically referred to as "asentamientos." In the case of "pirata" subdivisions, an unlicensed developer purchases a piece of land from the owner and subdivides and sells the land as a number of very small housing lots without having obtained legal title or provided adequate infrastructure and services. Purchasers build their homes on this lot principally with the help of family labor and self-financing. On the other hand, squatter settlements are created when a group of people simply invade and build on vacant land belonging to the state or a private owner. Reportedly, "pirata" developments are restricted to the periphery of large cities, while invasions occur all over the country, and more frequently around smaller cities.
Table VI-1: Relative Shares of Legal and Illegal Housing (1972 - 1981)

<table>
<thead>
<tr>
<th>City</th>
<th>Increases in Housing Stock ('000s)</th>
<th>Building Permits Issued ('000s)</th>
<th>Relative Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3=2/1</td>
</tr>
</tbody>
</table>

**Large Cities**

<table>
<thead>
<tr>
<th>City</th>
<th>1</th>
<th>2</th>
<th>3=2/1</th>
<th>4=1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bogotá</td>
<td>215.2</td>
<td>123.7</td>
<td>57.5</td>
<td>42.5</td>
</tr>
<tr>
<td>Medellín</td>
<td>53.9</td>
<td>32.4</td>
<td>60.1</td>
<td>39.9</td>
</tr>
<tr>
<td>Cali</td>
<td>41.6</td>
<td>36.1</td>
<td>86.8</td>
<td>13.2</td>
</tr>
<tr>
<td>Barranquilla</td>
<td>34.4</td>
<td>30.2</td>
<td>87.8</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>345.0</td>
<td>222.4</td>
<td>64.5</td>
<td>35.5</td>
</tr>
</tbody>
</table>

**Secondary Cities**

<table>
<thead>
<tr>
<th>City</th>
<th>3=2/1</th>
<th>4=1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cartagena</td>
<td>21.6</td>
<td>78.4</td>
</tr>
<tr>
<td>Cúcuta</td>
<td>18.2</td>
<td>81.8</td>
</tr>
<tr>
<td>Pasto</td>
<td>22.5</td>
<td>77.5</td>
</tr>
<tr>
<td>Neiva</td>
<td>36.4</td>
<td>63.6</td>
</tr>
<tr>
<td>Ibague</td>
<td>55.6</td>
<td>44.4</td>
</tr>
<tr>
<td>Montería</td>
<td>26.7</td>
<td>73.3</td>
</tr>
<tr>
<td>Villavicencio</td>
<td>18.3</td>
<td>81.7</td>
</tr>
<tr>
<td>Buga</td>
<td>36.0</td>
<td>64.0</td>
</tr>
<tr>
<td>Tulua</td>
<td>63.2</td>
<td>36.8</td>
</tr>
<tr>
<td>Barrancabermeja</td>
<td>25.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Soledad</td>
<td>30.1</td>
<td>69.9</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>28.5</td>
<td>71.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>55.8</td>
<td>44.2</td>
</tr>
</tbody>
</table>

**SOURCE:** National Center for Construction Studies (CENAC).
PERCENTAGE OF HOUSEHOLDS WITH PHYSICALLY INADEQUATE SHELTER*

- 44% - 55% (Highest value: Córdoba - 52.5%)
- 33% < 44%
- 22% < 33%
- 11% < 22%
- 0% - 11% (Lowest value: Bogotá - 3.4%)

All Intendencias averaged to one value: 25.1%
All Comisorias averaged to one value: 19.0%

* 1985 Census

APRIL 1989
Government's Policy on Low Income Housing

6.03 In recent years, the focus of the Government's low income housing policies shifted from reliance on the public sector construction of new units, an approach that had failed to address the housing needs of the poorest groups (see Annex I), to improving the quality of the existing housing stock in the unregulated sector through comprehensive upgrading. To this end, and premised on the philosophy that access to adequate housing and related services constitute a basic right, the "human settlements" plan for 1987-1990 under the "War on Poverty" calls for 1.4 million solutions at a total investment cost of Col$817,600 (US$3,200 million equivalent). The plan comprises three subprograms, viz.: (i) upgrading of slums and squatter settlements at the periphery of cities; (ii) construction of new serviced sites; and (iii) rehabilitation of depressed inner-city areas with services infrastructure (see Table VI-2).

6.04 As shown in Table VI-3, funding sources amounting to Col$600,000 million were indentified at the outset when the plan was first proposed, leaving a financing gap of approximately Col$200,000 million. Under the ongoing decentralization process, local governments have taken over a host of new functions including the provision of basic social services and low-income housing. To finance these new services, there has been an increase in the transfer of national sales tax (IVA) revenues from the center to local jurisdictions. The local governments are counting on these IVA funds to finance housing-related services such as drinking water and sewerage and garbage disposal, as well as to give them greater borrowing capacity. In addition, the newly passed Urban Reform Law (Law 9 of 1989) identifies a number of revenue sources to be earmarked for low-income housing, including the imposition of a 10% sales tax on cement the proceeds of which are to be given over entirely to the Land Credit Institute (ICT) for financing "housing of social interest" and the newly created Socio-Economic Stratification Tax, earmarked for investments in drinking water and sewerage in low-income neighborhoods and in serviced sites. ICT has been assigned a central role in the implementation of the "human settlements" plan as a provider of subsidized housing or home improvement credit and a conduit of substantial forced investments from the financial sector. In fact, the Government hopes to obtain a substantial part of the required financing from the financial sector, including the housing and loan associations (CAVs) as well as commercial banks and insurance companies. The Urban Reform Law also requires that ICT and the Central Mortgage Bank (BCH) direct 80% and 50% of their resources to low income housing, respectively.

Main Issues

6.05 Four main issues emerge from our analysis of the Government's approach to low-income shelter policy under the "War on Poverty." First,
Table VI-2: Low Income Shelter Plan  
1987-1990

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Units</th>
<th>Unit Cost (Col$)</th>
<th>Investment Cost (Col$ Mil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrading</td>
<td>915,000</td>
<td>500,000</td>
<td>457,500</td>
</tr>
<tr>
<td>Serviced Sites</td>
<td>358,000</td>
<td>1,250,000</td>
<td>298,350</td>
</tr>
<tr>
<td>Inner City Rehabilitation</td>
<td>89,000</td>
<td>750,000</td>
<td>66,750</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,362,000</strong></td>
<td>---</td>
<td><strong>817,600</strong></td>
</tr>
</tbody>
</table>

SOURCE: National Planning Department.
COLOMBIA
LEVEL OF PUBLIC SERVICES
HOUSEHOLDS WITH SEWERS

PERCENTAGE OF HOUSEHOLDS WITH SEWERS*

- 80% - 100% (Highest value: Bogotá - 95.6%) -
- 60% - <80% -
- 40% - <60% -
- 20% - <40% -
- 0% - <20% (Lowest value: Chocó - 10.9%) -

All Intendencias averaged to one value: 16.7%
All Comisarios averaged to one value: 23.5%

* 1985 Census

APRIL 1989
COLOMBIA
LEVEL OF PUBLIC SERVICES
HOUSEHOLDS WITH ELECTRICITY

PERCENTAGE OF HOUSEHOLDS WITH ELECTRICITY *

80% - 100% (Highest value: Bogotá - 98.4%)
60% - 80%
40% - 60%
20% - 40% (Lowest value: Chocó - 30.9%)
0% - 20%

All Intendencias averaged to one value: 49.3%
All Comisarías averaged to one value: 44.7%

* 1985 Census
Table VI-3: Anticipated Financing Sources for the Low Income "Human Settlements" 1987-1990

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amounts (in 1987 Col$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Contribution Under the Water and Sanitation Adjustment Plan</td>
<td>230,000</td>
</tr>
<tr>
<td>Local Electricity Companies</td>
<td>50,000</td>
</tr>
<tr>
<td>Municipal Contribution Under Law 61 of 1936 (5% of Budget)</td>
<td>40,000</td>
</tr>
<tr>
<td>Housing and Loan Associations (CAVs) *</td>
<td>80,000</td>
</tr>
<tr>
<td>Bonds (Constant Value)</td>
<td>10,000</td>
</tr>
<tr>
<td>Land Credit Institute (ICT) **</td>
<td>80,000</td>
</tr>
<tr>
<td>National Vocational Training Institute (SENA)</td>
<td>10,000</td>
</tr>
<tr>
<td>Central Mortgage Bank (BCH) and Financial Fund for Urban Development (FFDU) ***</td>
<td>75,000</td>
</tr>
<tr>
<td>National Savings Fund (FNA) ****</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>600,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Includes direct financing to beneficiary families.
** Includes direct financing to beneficiary families. Also takes into account budgetary allocations of about Col$15,000 million and an external credit of US$75 million.
*** Includes existing low-income credit lines, FFDU financing for the water and sanitation sector adjustment plan and forced investments from the UPAC system.
**** Corresponds to the portion of FNA's resources oriented to lower-income families.

SOURCE: National Planning Department.

serious questions must be raised on the scale and the implementability of the component as initially defined, and especially on the choice of ICT as the main vehicle for overseeing its implementation. Second, there is a need to define the role of the public sector in meeting the shelter needs of the poorest groups. Third, in formulating the details of the low income housing policy, it is important to ask how the "human settlements" plan can be made affordable for the poorest households, specifically those earning less than two minimum salaries. Fourth, one should take a hard look at the Government's policy on interest rate subsidies for low income housing as defined under the "human settlements" plan and in the Urban Reform Law.
Size and Feasibility of Implementation

6.06 The enormous scale of the "human settlements" plan can be best appreciated when its targets are set against the sum total of investment programs that had been formulated independently by major institutions involved in housing during the 1987-1990 period. When individual programs of the main actors in Colombia's housing sector--ICT, the National Savings Fund (FNA) and CAVs--are aggregated, they add up to 500,000 solutions for all types of housing (as compared with the Government target of 1.4 million for just low income shelter). The four institutions' combined planned investments for the 1987-1990 period amount to Col$418,800 million (as compared with Col$818,000 million for the "human settlements"). Assuming that the individual programs for 1987-1990 were based on each agency's assessment of its own implementation capacity and its ability to raise financial resources, the quantitative targets of the "human settlements" component are totally unrealistic.

6.07 What is more, the successful implementation of the "human settlements" component will depend on effective coordination between a large number of organizations at the national, municipal and community levels. Specifically, it will require local communities to effectively organize themselves and initiate projects. These house upgrading projects will be complex, involving legalization of land tenure, planning and financing of infrastructural investment and organization and operation of community-based services. Since shelter upgrading has never been tried in Colombia on such a scale, Government agencies and communities will need to proceed slowly, making adjustments in project designs to suit local conditions as they go along.

6.08 Given that most low income housing are found in illegal settlements, an aggressive program is needed to regularize land tenure. With the recent passage of the Urban Reform Law, the regulations and procedures for land titling are expected to be significantly simplified. At the local level of municipal governments or autonomous municipal public enterprises are required to provide basic services such as water and sanitation. To fund housing-related services, local governments will be asked to contribute 5% of their annual budget; larger municipalities and departments will also be expected to levy betterment (valorization) taxes. National agencies such as ICT will also be called upon to participate in co-financing with local governments. The National Vocational Training Institute (SENA) will need to play a key role through training programs focused on increasing community capability for self-help housing improvements and on micro-industry development designed to generate incomes in poor communities to finance these projects. Moreover while much of the major upgrading effort is to be initiated by local communities and local governments and outside of larger cities, few jurisdictions outside of large and intermediate-size cities have the adequate technical and administrative experience needed to plan and put together upgrading projects.

6.09 In particular, the proposed scale of human settlements will present a major challenge to ICT, a financially-troubled public housing
agency currently undergoing major financial restructuring. ICT has had limited experience with housing improvement projects: during 1982-1986, it was able to achieve only 14,500 solutions in slum upgrading and 8,500 cases of title legalization. Furthermore, during the same four year period, ICT completed less than 15,000 new sites and services units, including 2,000 units under the Popayan earthquake reconstruction project.

6.10 ICT has completed a nationwide inventory of communities with substandard housing and services which will form the basis for site selection and prioritization. The United Nations Development Programme has provided technical assistance for coding and tabulating key indicators such as physical characteristics of the sites, environmental hazards, housing conditions, infrastructural and community service deficiencies, degrees of urbanization, and economic development potential in some 1,200 low income communities. Nonetheless, there remains a need for massive training within ICT. Recruitment of new staff and job training will be a monumental task. An estimated 3,600 technical staff would be required to plan, program and help supervise implementation in the 1,200 initially targetted sites. Work on these sites cannot start simultaneously since a considerable amount of community organization is needed before physical investments can be initiated.

Role of the Public Sector in Low Income Shelter Provision

6.11 The role of the public sector in meeting the shelter needs of low income households should consist of (a) the legal and regulatory functions, (b) provision of service sites and (c) promotion of self-help activities in poor communities. The initiative in all these areas now belongs to the local level of governments. Firstly, the Government must guide orderly urban development by setting and enforcing realistic minimum standards for private developers and simplifying the process for obtaining legal title. This will reduce the incidence of unauthorized subdivisions and invasions, and, in particular, prevent unregulated developments from taking place in ecologically precarious locations that are difficult and costly to service. The Urban Reform Law seeks to reduce the legal and procedural constraints to expanding the supply of land for low-income residential subdivisions and to the formation of housing cooperatives while attempting to eliminate the worst aspects of disorderly clandestine developments.

6.12 Secondly, the public sector will need to provide the poor communities with basic infrastructure and public utilities. A particular emphasis needs to be given to the provision of sanitation. While many poor communities are coping with the lack of access to piped water by obtaining their supply from "water trucks," the absence of sewers and garbage disposal is causing serious health problems and is likely to undermine the impact of Government interventions in nutrition and health.
Squatter Settlement, Popayan
Squatter Settlement, Buenaventura
January 1989 responsibilities for providing housing-related infrastructure and public utilities services have been transferred to local governments. The decentralization of these functions to local governments is expected to help improve the targeting of infrastructural investments to poor areas. Extension of credit for housing-related infrastructural investments, hitherto provided by ICT, should be consolidated into the operations of the Financial Fund for Urban Development (FFDU), the urban development arm of the BCH.

6.13 Thirdly, the Government can better serve the poor segments of the urban population by adopting more innovative approaches to technical assistance and credit financing for slum upgrading. The scale of equity investment mobilized to date in the unregulated housing sector constitutes a potential collateral base for increased housing credit for low income households. Over the past few years, BCH, in collaboration with a number of Government agencies and non-governmental organizations, has been involved in an interesting experiment in community building and housing improvements in Cali which will be described in the following section. While these projects have not been implemented on a large enough scale to test their replicability, they merit a closer examination for their potential for targeting much poorer households than is normally possible under traditional low-income housing programs and for the possibilities that such an approach will hold out for community development and participation.

**Agua Blanca--a New Approach to Slum Upgrading**

6.14 In 1982, the Office for Special Programs of BCH came up with a scheme called "Célula de Desarrollo Urbano en Asentamientos Populares," an integrated approach to home improvement and community development in poor neighborhoods. The sites chosen for its first two pilot projects were the communities of el Poblado and el Vallado in the district of Agua Blanca in Cali. In 1980, the municipality of Cali granted legal title to lots in these two "barrios" without providing basic services and infrastructure. In 1982, BCH embarked on an integrated pilot program that included provision of basic infrastructural and social services, production and distribution of building materials, development of other income generating activities, provision of home improvement loans and technical assistance to promote self-help construction. An important feature was the emphasis given to the process of education and community development in order that the beneficiaries could participate fully in the project.

6.15 Given the multisectoral nature of the undertaking, BCH signed an agreement with nine other institutions that included Government agencies and non-governmental organizations--Municipality of Cali, ICT, Fundación Carvajal, the National Center for Construction Studies (CENAC), the University of Valle, SENA, Corporación para la Recreación Popular de Cali, Instituto Colombiano de Normas Técnicas (ICONTEC)--each of which contributed to the project in its own area of expertise or specialization.

---

4/ Unregulated housing subdivisions had emerged in Cali in the 1950s and by the 1960s had occupied over 30% of the city's land area. Agua Blanca, consisting largely of communities that were originally established through invasions, had the highest concentration of illegal housing.
Community Center in Agua Blanca, Cali
6.16 BCH has provided some 500 loans in El Poblado and 2,500 loans in El Vallado that led to rehabilitation of some 5,500 residential units including servicing of lots. However, the most significant contribution of the pilot projects has been the marked improvement in the standard of living of the residents in these two communities, creation of jobs, transfer of skills, and in particular, the establishment of community "materials banks" that substantially reduced construction costs and brought housing improvements within the reach of the poorer households. With experience gained in Aguablanca, BCH also initiated similar projects in Manizales and Pereira.

Use of Interest Subsidies

6.17 For many years, subsidized financing through ICT has been the major policy instrument for reducing housing costs for low-income families. However, in practice these subsidies have primarily benefitted the middle class. Meanwhile programs have generally do not keep targeted on the poorest groups. The programs have not been effectively targeted on low income families, and the urban poor continued to live in slums without any access to formal financing. At the same time, ICT's heavy reliance on "forced investments" from the financial system and its poor cost recovery performance have obscured the true magnitude of subsidies to the "vivienda popular" program (see Annex I) and segmented ICT's operations from the rest of the housing financial sector.

6.18 Given the seriousness of ICT's financial and management problems, it is not clear if this agency can continue to play an active role as a provider of housing finance. Regardless of whether it is ICT or BCH that takes the lead in financing low income housing, the Government should avoid the use of interest subsidies to reduce the burden on the banking sector. In this context the Government should take another look at the provision of the Urban Reform Law that establishes upper limits on interest rates and monthly payments on loans for low income housing. It is preferable to adopt more transparent and efficient measures to reduce housing costs for low income groups. These might include providing cash grants to qualifying families, and/or matching grants to municipalities for investments in basic infrastructure and services in poor neighborhoods.

Priorities for Government in Low Income Shelter

6.19 To sum up, the Government should (i) significantly reduce the size of the "human settlements" ("asentamientos humanos") component by cutting back on the targeted number of "solutions" to a realistic level; (ii) take an integrated approach to shelter upgrading within the context of community building and community participation which, while it is complex and time consuming, ultimately offers better opportunities for designing projects that address the needs of the poor; (iii) phase out interest subsidies in order to reduce the strain on the financial system; (iv) offer more transparent forms of subsidies such as matching grants to local governments for the provision of basic services (local government in turn might, if it chooses, provide cash grants to qualifying families to help lower the cost of housing); and (v) strengthen and streamline the regulations and procedures for legalization of tenure as provided for under the Urban Reform Law.
Chapter 7
Basic Education for All

A. Background

Prevalence of Illiteracy and Low Educational Attainment

7.01 Studies on Colombia have demonstrated a close correlation between poverty and illiteracy, and between poverty and low educational attainment.\(^1\) Reflecting huge increases in primary school enrollment over the past two decades, the rate of illiteracy among the Colombian population aged 10 years and older dropped dramatically from 26.6\(^\%\) in 1964 to 12.2\(^\%\) in 1985. Nonetheless, there are still some 2.6 million people in the country who are functionally illiterate (See Table VII-1). What is more, over one-half of those who cannot read and write are found in the economically active population (in the 18 to 44 age group).

<table>
<thead>
<tr>
<th>Census</th>
<th>Population Ten Years and Older</th>
<th>Illiterate Ten Years and Older</th>
<th>Illiteracy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>11,598</td>
<td>3,086</td>
<td>26.6</td>
</tr>
<tr>
<td>1973</td>
<td>14,513</td>
<td>2,568</td>
<td>17.7</td>
</tr>
<tr>
<td>1985</td>
<td>21,151</td>
<td>2,580</td>
<td>12.2</td>
</tr>
</tbody>
</table>


7.02 Even among those that are classified as literate, a large number have had very little schooling. It is estimated that in the Colombian population 12 years and older, some eight million have not completed primary education; of this group of early school leavers, 24\(^\%\) belong to the 12-17 age group, and more than 50\(^\%\) are under 34 years old.

\(^1/\) Examples include studies by Kugler 1974, Fields 1977 and Mohan 1986. Also see Chapter 1 on the characteristics of the poor in Colombia.
COLOMBIA
HOUSEHOLDS WITH CHILDREN
NOT ATTENDING SCHOOL

PERCENTAGE OF HOUSEHOLDS OF WHICH CHILDREN DO NOT ATTEND SCHOOL*

- 16% - 20% (Highest value: Chocó - 16.9%)
- 12% - <16%
- 8% - <12%
- 4% - <8%
- 0% - <4% (Lowest value: Bogota - 2.6%)

All Intendencias averaged to one value: 13.5%
All Comisarias averaged to one value: 10.6%

* National Capital
- Department, Intendencia, and Comisaria Boundaries
- International Boundaries
- 1985 Census

APRIL 1989
COLOMBIA
PREVALENCE OF ILLITERACY

PERCENTAGE OF ILLITERATE POPULATION*

- 28% - 35% (Highest value: Chocó - 30.9%)
- 21% - <28%
- 14% - <21%
- 7% - <14%
- 0% - <7% (Lowest value: Bogotá - 3.7%)

All Intendencias averaged to one value: 13.5%
All Comisarias averaged to one value: 19.7%

* 1985 Census

National Capital

Department, Intendencia, and Comisaria Boundaries

International Boundaries

APRIL 1989
### Table VII-2: Illiterate Population 12 Years and Older by Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number '000</th>
<th>As % of Total Illiterates</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 - 17</td>
<td>253.8</td>
<td>11.2</td>
</tr>
<tr>
<td>18 - 24</td>
<td>255.8</td>
<td>11.3</td>
</tr>
<tr>
<td>25 - 34</td>
<td>342.1</td>
<td>15.2</td>
</tr>
<tr>
<td>35 - 44</td>
<td>370.7</td>
<td>16.4</td>
</tr>
<tr>
<td>44 - 59</td>
<td>534.7</td>
<td>23.7</td>
</tr>
<tr>
<td>60 and Older</td>
<td>502.6</td>
<td>22.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,259.7</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


7.03 A critical factor in school enrollment is access. The situation varies greatly from department to department, depending on the degree of urbanization and levels of economic development. While coverage of primary education is relatively high in urban areas, at about 90% of the age group, less than 70% of school-age children in rural areas are served by the formal primary school system. The map on page 65 shows a geographical distribution of households which had school-age children not attending school, and the map on page 66 shows the illiteracy rate in different parts of the country. Fig. 11 indicates the variations in primary school enrollment by departments.

7.04 Furthermore, as mentioned in para. 7.02, student retention rates are poor in primary education. Once enrolled, only about 60% of students in urban areas complete primary education due to high repetition and dropout rates. In rural areas, the situation is more critical with only 20% of students finishing primary school. As a result, the years of schooling for primary school children average 3.5 years in urban areas and 1.5 years in rural areas. The problem of early school leaving in rural areas is also aggravated by the fact that only 60% of rural schools offer a full five-grade primary school cycle. The high dropout and repeater rates are attributed in part to the poor quality of primary education across the country, constrained by outdated curriculum and lack of teaching aids. Moreover, though a 1983 law stipulates that 1% of the education budget must be allocated to the acquisition of textbooks, in practice, the cost of purchasing textbooks is borne by the students' families and local communities. As a result, children from low income families frequently need to make do without textbooks.

**Government's Response**

7.05 To break the vicious circle of poverty and low educational attainment, the Government has initiated a program called "educación básica para todos" which seeks to bring basic education (formal and non-formal)
Figure 5: PRIMARY SCHOOL ENROLLMENT RATE BY DEPARTMENTS

1/ Defined as percentage of children between 6 and 11 enrolled in primary education.
Source: DNP, Plan de Economia Social, 1987
within the reach of the poorest families. The main component of Government poverty alleviation interventions in education is universal primary education program which seeks to extend the coverage of formal primary education in rural areas and improve its quality and efficiency nationwide. The Ministry of Education is now working on a six-year (1989-1994) program to achieve universal education at total cost of Col$34,500 million (1987 prices). The second component, the continuing basic education program, is included in the current four-year development plan ("Plan de Economía Social") but has not yet been developed into concrete action programs. Designed to serve the needs of adults and children who are either illiterate or have had only rudimentary schooling, the component will include expansion of ongoing literacy campaigns as well as education in basic needs (shelter, health, sanitation and nutrition) and in basic communication and productive skills organized within the local communities and imparted through the mass media.

Table VII-3: Share of "Educación Básica Para Todos" in Total Education Sector Investment (millions of 1987 Pesos)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Primary Education</td>
<td>3,020</td>
<td>3,930</td>
<td>4,500</td>
<td>4,940</td>
</tr>
<tr>
<td>(% of Total)</td>
<td>(39.7)</td>
<td>(37.3)</td>
<td>(30.9)</td>
<td>(35.2)</td>
</tr>
<tr>
<td>Continuing Basic Education</td>
<td>510</td>
<td>700</td>
<td>725</td>
<td>725</td>
</tr>
<tr>
<td>(% of Total)</td>
<td>(4.8)</td>
<td>(6.6)</td>
<td>(4.9)</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Total Education Investment</td>
<td>10,632</td>
<td>10,536</td>
<td>14,746</td>
<td>14,041</td>
</tr>
</tbody>
</table>


B. Universal Primary Education

Dissemination of the "Escuela Nueva" Model

7.06 The Government's basic strategy for improving access to primary education in rural areas is to adapt and disseminate the "escuela nueva" program which has been utilized with success in some 8,000 rural schools. This program, based on the principle of multi-grade teaching and flexible promotion, has allowed small rural schools to offer the full primary education cycle which they would not have been able to do under a traditional system for lack of resources and sufficient size enrollment. Available studies also suggest that the program has enhance interest in primary education even in the poorest rural communities, thereby reducing dropout and repeater rates substantially.
7.07 The Government assesses that in urban areas the access to primary education is sufficiently good hence the priority should be on addressing qualitative issues, viz., low student achievement and high dropout and repeater rates. To remedy these deficiencies, the Government has introduced a policy of flexible grade promotion combined with systematic evaluation of achievement throughout the year (instead of the previous practice of basing promotion on a single exam given once a year). It has also put into place an expanded program of teacher training and a new system of distributing textbooks free of charge.

Assessment

7.08 The Government's strategy to address the issues of illiteracy and low educational attainment among the poor through universalization of primary education is sound and appropriate. In Colombia's context, the goals appear achievable within a reasonably short time, though the program may realistically require longer than six years. The estimated investment costs totalling some US$138 million are not prohibitive. Furthermore, incremental recurrent costs generated by the program (salaries for additional teachers, in-service training and textbook replacement), estimated at US$18 million should not be difficult to absorb if the Government is prepared to redirect budgetary resources away from higher education.

Improving Access in Urban Areas

7.09 An expansion in the coverage of the "escuela nueva" program should help meet the needs of poor rural communities. Moreover, improvements in the curricula and quality of instruction would definitely help make primary education more relevant for children in poor communities country-wide where there is sufficient access. Nonetheless, data from the 1985 census show that 6.8% of urban households in Colombia have school-age children not attending school. While the problem is not adequately documented, the Bank's Poverty Mission in March 1988 noted that this lack of schooling is causing serious concern in poor urban communities. Non-attendance for the most part, is attributed to the difficulty of access, compounded by the families' economic circumstances. While demand for primary education is high in poor urban communities, however, the nearest public schools are either too crowded to accommodate all the children, or too far away for poor households to afford the cost of the daily commute. In many parts of the country, poor communities pool their funds to hire teachers and establish their own schools, or "escuelas de banco." The Bank Mission observed many such schools in Cartagena and Cali. However, the results are generally unsatisfactory because classes generally take place in one of the parents' homes, lacking desks or blackboards. The instructors are not certified and do not have teaching materials. Moreover, since these schools are not officially accredited, those students completing an equivalent of primary education in "escuelas de banco" have no chance of advancing to the formal secondary school system.

7.10 The Government could approach this issue in one of two ways. First, the Ministry of Education could try to standardize the curricula and
the quality of instruction in "escuelas de banco" by distributing free textbooks and offering periodic training for instructors who teach in these classrooms. Students from these schools might be integrated into the formal system upon passing a specified examination, and over time, the Ministry might accredit those schools that meet the minimum necessary standards. Alternatively, the Ministry might authorize the establishment of formal primary schools in poor urban neighborhoods that now lack easy access. As a first step, the Government is planning to undertake a study in seven largest cities to compile information on "escuelas de banco." Furthermore, under the Bank-financed Second Primary School Sector Project, the Government is financing the provision of textbooks, furniture and teacher training for these non-formal schools in poor urban communities.

School Feeding Program

7.11 Enrolling children in school entails significant sacrifices for poor households. Even if tuition and textbooks were free, primary education requires out-of-pocket expenditures on food, clothes and transport. Where children work to augment the family income, education has an opportunity cost in terms of earnings foregone. An effective way to enhance incentives for school attendance by poor children and simultaneously help improve their nutritional and health status is to expand the existing school lunch program administered by ICBF.

---

2/ Since 1983, the Ministry of Education has had a policy of distributing free textbooks which was not implemented vigorously. However provision of free textbooks is a prominent feature of the "Educación Básica Para Todos" program.
Table VII-4: School Feeding Programs

<table>
<thead>
<tr>
<th>Programs</th>
<th>Number of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7 to 14 age group</td>
</tr>
<tr>
<td></td>
<td>(In Thousands)</td>
</tr>
<tr>
<td></td>
<td>--actual-- ---planned---</td>
</tr>
<tr>
<td>Lunch Program</td>
<td>109 109 500 1,000</td>
</tr>
<tr>
<td>Reinforced Refreshment</td>
<td>235 235 235 235</td>
</tr>
<tr>
<td>(Bienestarina with Light Snack)</td>
<td></td>
</tr>
<tr>
<td>Refreshment (Only Bienestarina)</td>
<td>806 806 806 806</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,150 1,150 1,541 2,041</td>
</tr>
</tbody>
</table>

SOURCE: ICBF

7.12 Out of 5.2 million children in the 7 to 14 age group enrolled in school, only 3% (109,000) are covered by ICBF's school lunch program. In addition, some 7% (235,000) are served "reinforced refreshments" (Bienestarina and snack) and 23% (807,000) given only Bienestarina. The Government is now considering expanding the school lunch program to cover 1 million children. The best approach is to gradually introduce school restaurants across the country with cost-sharing by local governments and communities. ICBF will provide the nutritional supplement, Bienestarina, and staples, such as powdered milk, pasta, flour, potatoes, sugar and vegetable oil. The local communities could contribute meat, eggs, vegetables and fruit, and local governments might make available facilities and personnel to operate the restaurants. This extended lunch program, expected to cover nearly 20% of school children in the 7-14 age group by 1990, should be targeted at the poorest communities and preferably implemented in close coordination with other nutrition programs to permit monitoring of nutritional impact.

G. Continuing Basic Education

7.13 The Government's continuing basic education initiative is targeted at adults and young people (12 and older) who either did not receive any formal education or had failed to finish primary school. It is essentially an extension of ongoing adult education programs such literacy training and non-formal primary and post-primary education. Currently, there are some
200,000 persons enrolled in various formal adult education programs, both in communities and through the mass media, and an additional 100,000 persons participate in non-formal basic education courses organized by the National Vocational Training Institute (SENA) and various non-governmental organizations. Programs of adult education have tended to be fragmented with little coordination among executing agencies. Moreover, there has not been an effort to evaluate their impact.

7.14 It should be noted that adult education does not rank among the Government's highest priorities. The Ministry allocates only 3% to 4% of total education expenditures to the continuing basic education component as compared with 33% to 37% for universal primary education. We strongly support this general approach. In the longer run, it would be much more cost-effective to concentrate on the formal primary education system as the principal vehicle for disseminating literacy, and for imparting basic communication and production skills to the poorer segments of the population. In the meantime, the Government should take a good look at the ongoing adult education programs, monitor their impact, evaluate costs and constraints, identify areas for expansion and find ways of strengthening the linkages between formal primary education and basic adult education. Furthermore, care should be taken to fully integrate the continuing basic education program with the community development and organization components of other "War on Poverty" interventions.
ANNEX I

Social Programs of Past Administrations

National Food and Nutrition Plan (PAN) - Integrated Rural Development Program (DRI)

1. The Government in 1975 introduced an innovative multi-sectoral strategy for combatting malnutrition consisting of a nutrition plan (PAN) and an integrated rural development program (DRI). The objectives were to raise the incomes and nutritional status of low income groups in the country, defined very broadly by the policy makers as "the poorest 50% of the population". The DRI component was essentially production-oriented although substantial amounts were spent on investments in social services to improve welfare in rural communities. Furthermore, DRI was not strictly poverty-oriented in so far as it was targeted at those "minifundista" farmers having the potential to develop into "agricultural entrepreneurs". It sought to increase production and incomes of some 240,000 beneficiaries in eight departments through the provision of agricultural support services (credit, inputs such as fertilizers and pesticides, extension, marketing) and investments in related infrastructure.

2. The PAN component was directed more narrowly at the "poorest 30%" of the rural and urban population including landless farm hands and small farmers whose circumstances could not qualify them as targets for DRI-related credits and investments. Its approach was to integrate into a single package, where feasible, community health services, provision of potable water and latrines, nutrition education, promotion of family gardens ("Pancoger") and distribution of subsidized processed food. Two special features were the use of the community health post as a delivery mechanism for nutrition services and the use of coupons to supply subsidized processed food to pregnant and nursing women, infants and malnourished pre-school children through commercial channels. As part of PAN, the Government began in 1976 to install a national system of primary health services. The food coupon system entitlement and distribution were to operate through the health post in low-income communities targeted for inclusion in the nutrition program. Community health workers ("promotoras") were to certify women and children for coupons to be issued at health posts where weight-height measurement were to be taken regularly for all infants and malnourished pre-school children.

3. The impact of the PAN-DRI program was significant particularly on the production side. Over the 1975-1979 period, activities in DRI areas resulted in some 100,000 tons of food production and sizeable productivity improvements in a variety of crops ranging from a 50% increase for wheat to

a 300% increase for cassava. Furthermore, the use of food coupons led to a three-fold increase in the production of five basic processed food items.\(^2\) Outside of food production and supply, the most notable achievement of the program was the impetus it provided to the development of a nascent primary health care system through the construction and upgrading of community health posts and training of health promoters. While the effectiveness of primary health care came to be seriously hampered by the chronic shortage of recurrent funding, some 420,000 beneficiaries targeted by newly trained promotoras received food coupons through the health system. Another notable accomplishment of PAN was the successful campaign it ran to promote breast feeding. However, these positive results notwithstanding, it has proven impossible to quantify the impact of PAN-DRI on the nutritional status of the target population. This is attributable to the absence of an adequate information management and evaluation system. The Government did not show much commitment to monitoring and evaluation under the program nor did it pay much attention to the development of a system of nutrition surveillance.

4. In retrospect, if an effective surveillance system had been put in place to quantify the nutritional impact of PAN, the policymakers could have decided whether or not to continue with the program strictly on its technical merits. However, this did not happen. The political support for PAN (and particularly for its subsidized sub-components) began to wane in the early eighties as Colombia's economic environment deteriorated, and the program came to an abrupt end in 1983 when the Betancur administration came into power. The new Government took the view that the nation's malnutrition problems could be more effectively addressed by expanding food production through rural development programs and rapidly phased out the food coupon and Pancoger components.

5. The DRI component subsequently developed into an independent and separate rural development program which today serves small farmers in some 360 municipalities across the country. While it is the single most important program in agricultural development (essentially, it is a multi-sectoral rural development program involving credit, inputs, extension and marketing components as well as provision of social infrastructure), its focus today, as in the earlier years, is not on the poorest of the rural poor. The beneficiaries of DRI continue to be selected from among the relatively better off smallholders.

**National Rehabilitation Plan (PNR)**

6. Launched in the last year of the Betancur administration with the aim of bringing about economic progress and security to the underdeveloped and remote parts of the country dominated by guerilla groups, PNR has been carried over into the present administration. In fact, this program is an integral part of this Government's poverty alleviation strategy, and a major vehicle for addressing rural poverty. It seeks to improve incomes and welfare of poor and largely landless tenant farmers through the

\(^2\) These items included soya flour, corn flour, texturized vegetable protein, vegetable mixes, and noodles.
creation of economic and social infrastructure (e.g., roads, small-scale irrigation, sanitation, educational and health facilities); provision of credit and agricultural support services; and redistribution and titling of land. PNR now covers approximately 250 municipalities in 13 departments and two intendencias. It is extremely well funded; during 1987-1990, it is expected to account for 17% of total investments in agriculture (or Col$46,630 million in 1987 prices).

Low Income Housing ("Vivienda Popular")

7. The development plan of the Betancur administration identified construction as the lead sector for reactivating the nation's sagging economy, and in keeping with its overall strategy of achieving growth with equity, gave high priority to expanding housing sector activity, and more importantly, to reorienting housing production toward lower income groups. The plan called for construction of 400,000 new urban housing units during 1983-1986—an unprecedented level of output almost double that of the previous four year period. Of this total, almost two-thirds were to be low-cost "viviendas populares" affordable for households earning about two minimum salaries. The plan also promoted self-help construction as a way of reducing production cost by maximizing the labor inputs of the low-income beneficiary families.

8. A Government housing agency, Land Credit Institute (ICT), was given principal responsibility for producing low income housing units, though other institutions in the housing sector, namely, Central Mortgage Bank (BCH), National Savings Fund (FNA), Housing and Loan Associations (CAVs) and "Cajas" were also expected to participate in financing low cost housing. A financial strategy to support the low-income orientation of the housing plan required that the CAVs direct 25% of their resources to lower cost housing with loans of less than 2500 UPACs, and lend 3% of their assets to ICT at below-market interest rates—a significant allocation given that CAV deposits had grown to 10% of GDP. Direct budgetary support was limited to about 8% of overall investments by ICT.

9. The Government also adopted credit policies designed to make housing more affordable to low income groups. Firstly, the down payment on a house—often amounting to 30% of total purchase price—was thought to represent a serious obstacle to access. To address this issue, the Betancur administration eliminated the down payment requirement on houses costing less than 1300 UPACs. Secondly, high interest rates were perceived to make housing unaffordable to many low income groups. To address this issue, the Betancur administration reduced the interest rates on home loans to below-market levels. These policies helped to make housing more affordable to low income groups.

---

3/ These houses were the so-called "low income solutions" that cost up to 1300 UPACs (See footnote 4 below). Other categories consisted of "lower income solutions" costing between 1300-2800 UPACs (25% of total planned housing output); "middle income solutions" costing between 2800-5000 UPACs (9% of output) and "high income solutions" costing over 5000 UPACs (3% of output).

4/ UPAC is an abbreviation for "Unidad de Poder Adquisitivo Constante", or a unit of constant purchasing power. The term also refers to a system of indexed savings used in housing finance by CAVs.
as limiting the effective demand for financing of housing from lower income groups. The Government sought to subsidize low income groups with a system of interest rates that differed by types of housing as well as by agencies. This arrangement led to segmentation in the provision of formal sector low-income housing between Government and the private sector by creating two product lines that are equal in type and cost but charging very different prices to beneficiaries. In fact, four distinct low income housing markets emerged during this period, consisting of (a) the public sector (ICT) with a subsidized 20% interest financing; (b) the formal private sector with commercial financing at 31% interest; (c) informal self-help construction which catered to a significantly poorer population than the ICT's client group but received relatively little formal sector financing during 1983-1986; and (d) the "pirata" development, which like other informal sector operations, constituted a large pool of family savings in the form of housing investment.

10. From a production standpoint, plan targets were fully achieved. Of the total output of about 400,000 new units produced during the 1983-1986 period, about 63% or 250,000 had a unit cost of less than 1,300 UPACs and well over half of these were produced by ICT. At the same time, a critically important lesson derived from the "vivienda popular" experience is that it is very difficult to meet the shelter needs of the poorest segments of the urban population through public housing programs in the formal sector. ICT's design standards were too high to qualify their construction as "low income." The "vivienida popular" units were sold typically to households earning more than two minimum salaries, a "lower middle income" group belonging to the second and third quintiles of income distribution. On the other hand, the poorest 20% of Colombia's households earn less than one minimum salary. Many, moreover, do not have fixed monthly incomes that would allow them to maintain regular mortgage payments.

11. Not only was this program inefficiently targeted, the credit policies adopted to support "vivienda popular" caused widespread negative repercussions in the financial sector. Differential interest subsidies, applied rather randomly, helped to reinforce market segmentation without helping the truly needy. Similarly, the policy of exempting down payment on a house exposed lenders to the risk of default by borrowers without significantly improving the beneficiaries' access to housing. The CAVs and BCH have both experienced repayment problems on 20% to 30% of their "vivienda popular" loans. Above all, the impact of a heavy dependence on borrowing, subsidized interest rates and poor cost recovery has been most devastating on the finances of ICT. Arrears affect 50% of ICT's loan portfolio and more than one-half of its annual budget must now be allocated to debt servicing cost. Its financial position has been weakened to such an extent that even under the most optimistic assumptions portfolio revenues will not be able to meet debt service obligations on existing

---

5/ A 1982 study by the National Center for Construction Studies (CENAC) demonstrated that families which could afford monthly payments on a "vivienda popular" unit would have little problem mobilizing a substantial down payment.
indebtedness for many years to come. The policy of "no down payment" has since been rescinded, but the damage that has been done to ICT finances is serious. A major financial restructuring of this agency—including substantial injections of additional Government capital—will be necessary before ICT is able to undertake low-income housing programs in the future.

**National Child Survival and Development Plan ("Supervivir")**

12. The National Child Survival and Development Plan, more commonly known as "Supervivir", is a vertical health awareness campaign designed to reduce morbidity and mortality in children under five years from common childhood diseases and complications. It was started jointly by the Ministries of Health and Education as a pilot program in four departments in August 1984 but has now been extended to cover the entire country. The Plan in essence consists of the training of volunteers drawn from among students (eighth to tenth grade) and community leaders (e.g., "madres comunitarias"6) and from the Red Cross, the National Police, the Scouts, and the Catholic Church to serve as health monitors ("vigias de salud"), who in turn visit families in poor communities to offer instruction designed to promote health awareness and prevention of common diseases. This instruction centers on seven topics, namely, perinatal mortality, acute diarrhoeic diseases, acute respiratory infections, immune-preventive diseases, malnutrition, psycho-affective development and accidents.

13. The Supervivir Plan has been highly successful in mobilizing local resources and organizing community-level training in the basics of nutrition and disease prevention. It is estimated that some 1.5 million families are covered by Supervivir. Unfortunately, however, the expansion of this Plan has not been accompanied by commensurate growth in the primary health infrastructure. The very success of the health awareness campaign has led to a growing demand for health services in poor communities, which cannot be met by the country's inadequately financed and poorly staffed primary health care system. (See discussions on problems facing Colombia's primary health care in Chapter 5.)

6/ Volunteer mothers who participate in the "hogares de bienestar infantil" program under the supervision of ICBF. (See Chapter 4).
ANNEX II

The Evolution of the "War on Poverty" (PLPGE)

Its Origin

1. The "War on Poverty" (PLPGE) was an outcome of President Barco's 1986 electoral platform that gave top priority to the eradication of poverty within the context of sound macroeconomic and external debt management. This Government has explicitly made poverty alleviation the main theme of its four-year development plan, emphasizing the importance of the social development as an integral component of Colombia's sustained longer-term economic growth.

2. The PLPGE defines as "the absolute poor" some 40% of the country's population whose household incomes do not allow them to enjoy life's basic necessities. The President's Office was charged with the task of formulating the plan. The basic policy framework was approved by the National Planning Council (CONPES) in December 1986. Six months later, the presidential advisors came up with a recommendation for a multi-sectoral plan that included the following components:

(a) Primary Health for All ("Salud Básica para Todos")
(b) Improvement of Family Welfare ("Mejoramiento del Hogar")
(c) Basic Education for All ("Educación Básica Para Todos")
(d) Low Income Housing ("Asentamientos Humanos")
(e) Provision of Basic Goods ("Suministro de Bienes Básicos")
(f) Small-farmer Development ("Desarrollo Integral Campesino")
(g) Employment Generation ("Generación de Empleo")

In its original proposal, the PLPGE was no more than a very general statement of policies and a listing of a large number of programs and sub-programs without any ranking of priorities among them. There was no clear strategy for translating its policy framework into a concrete program of action. The targeting of the beneficiaries (i.e., 40% of the population) was too broad and general, and the proposal did not define any logical relationship between the individual program components and the target groups that they were intended to serve.

Evolution of Program Content

3. Subsequently, the National Planning Department and line ministries and agencies took over the responsibility for detailed work on program formulation. Despite the multi-sectoral nature of the original proposal, PLPGE components are now beginning to take on the characteristics of

independent and separate sectoral programs to be prepared and implemented as part of each ministry/agency's regular development programs. Comments on the content and the status of preparation of PLPGE components follow.

4. **Health.** In Colombia, health services are provided by the national public health system, the Social Security Institute and other social security agencies and the private sector. Given that the financially troubled social security system serves only a small group of middle-class salaried workers in the formal sector, and the private sector is designed for the relatively wealthy, public health represents the only system of health care available to low income groups. Furthermore, some 25% to 30% of Colombians (including most of the poor) have no access to health services whatsoever. The objective of the "salud básica para todos" component is to extend health care to the poorest segment of the population. It proposes to universalize primary health services by (a) strengthening and expanding the scope of the public health system and (b) extending the coverage of social security from the present 16% to some 80% of the population. The plan component also guarantees free primary health care for the poorest and most vulnerable groups that cannot obtain health insurance. This component is long on policy and short on specific action. It has not progressed much beyond the discussion stage largely because, while the goals are desirable, the enormous institutional and financial management problems in the health sector impede action. Many in the Government agree that its objectives are not within reach in the near future.

5. **Nutrition and Family Welfare.** The "mejoramiento del hogar" component seeks to meet the basic needs of the most vulnerable groups through activities designed to improve the nutritional status of children, to take care of the aged, to treat drug addiction and to organize recreational activities for youngsters. It is worth pointing out that all these comprise ongoing programs of the Colombian Institute of Family Wellbeing (ICBF), an agency affiliated with the Ministry of Health that has primary responsibility for nutrition and family welfare programs in the country. The main focus, however, will be on expanding the coverage of "Hogares de Bienestar Infantil", an ongoing program of day-care centers based in poor communities for supplementary feeding of children in the 0 to 6 years age group. This program now covers nearly 400,000 children, primarily in urban centers.

6. **Education.** Presently, in Colombia, some 30% of school-age children in rural and 10% in urban areas do not have access to primary education. Studies have demonstrated close correlation between poverty and illiteracy, and between poverty and lack of schooling. Moreover, repeater and drop-out ratios are shown to be particularly high among children from poor families. To remedy this situation, the component "educación básica para todos" seeks to bring basic educational opportunities within the reach of the poorest families through universal formal education by extending its coverage in rural areas, and improving its quality and efficiency nationwide. The preparation of this component is now under implementation, and the new policy of automatic promotion (to reduce repeater rates) is already in place. The Government's main focus will be on increasing coverage in
rural areas through adaptation and dissemination of the "Escuela Nueva" model.  

7. **Shelter.** Within the context of guiding urban growth and ensuring efficient and intensive use of urban space, the "asentamientos humanos" component proposes to improve the housing conditions of the urban poor primarily through the (a) upgrading of substandard housing and provision of basic services (water, sanitation, etc.), and to a lesser extent through the (b) construction of new low-income housing in urban areas with adequate infrastructure and (c) renovation of urban areas that are already built up but under-utilized. It also involves credit schemes, legalization of titles for property in areas of invasion and in "pirata" developments, and organization and training of local self-help groups to undertake much of the upgrading and construction. Progress on this component has been slow, probably due to the absence of a "parent ministry" to undertake detailed planning and programming, and the lack of agreement on which Government institution should have the primary responsibility for overseeing the implementation of this component. The PLPGE proposal of the President's Office assigned primary responsibility to the financially troubled ICT which must first undergo major restructuring before it can assume responsibilities for a program of this scale.

8. **Increased Agricultural Production and Food Security.** The PLPGE approaches the issue of food security for low income groups from both the supply and demand context. Firstly, on the supply side, the components "suministro de bienes básicos" and "desarrollo integral campesino" seek to ensure low income households' access to essential foodstuffs by expanding agricultural production, promoting rural agro-processing and microenterprises. On the demand side, both components aim at lowering the price of foodstuffs and other essential consumer goods by rationalizing marketing arrangements (e.g., reducing monopolistic and oligopolistic practices in order to lower middlemen profits). The "desarrollo integral campesino" component which involves agricultural extension, rural credit and small irrigation schemes is being prepared by the Ministry of Agriculture and in principle will be located in impoverished rural areas not included under PNR projects. The "suministro de bienes básicos" component is no more than a listing of very general proposals and the Government has made little progress beyond establishing an inter-agency committee on food security.

9. **Employment Generation.** This component seeks to increase the productivity and income of unskilled and semi-skilled workers in the urban informal and traditional agriculture sector through job creation, skill training, and extending the coverage of unemployment insurance to independent workers in the informal sector. It also proposes introduction of a unified regulatory framework to protect the welfare of workers both in the modern and informal sectors. This component appeared in the original PLPGE document but very little work has been done to operationalize the

2/ The "escuela nueva" program is based on the principle of multi-grade instruction and has been introduced to some 8,000 schools in rural areas with great success.
proposals that are still very vague and unfocused. No cohesive strategy has yet emerged to address the basic employment and labor issues underlying poverty.

10. Community Participation. One unifying theme that emerges clearly in the document of the President's Office is community participation. In line with the initiatives currently underway on decentralization, PLPGE emphasizes the role that communities need to play in defining their problems, making their needs known to local authorities, and collaborating with public agencies to design and to manage basic needs services. This is an important consideration, particularly because there exists in poor neighborhoods across the country a strong tradition of self-help and organized community action. However, with the sole exception of "mejoramiento del hogar", a mechanism for tapping community resources has not been clearly spelled out in program design. It is critical that in the process of formulating individual components, Government agencies do not lose sight of the contributions that community groups can make at each step of the way from planning to implementation.
References


Corporación Centro Regional de Población et al: Encuesta de Prevalencia Demografía y Salud, 1986.


DANE: Boletín de Estadística 411 (Especial: Magnitud de la Pobreza en Colombia), junio 1987.


Distributors of World Bank Publications

ARGENTINA
Carlos Hirsh, SRL
Curacalla 1495
Santo Domingo
1060 Buenos Aires

AUSTRALIA, PAPUA NEW GUINEA, FILIPINOS, VATICAN, AND WESTERN SAMOA
D.A. Books Distributors
649 Whitehouse Road
Mitcham 312
Victoria

AUSTRIA
Gerold and Co.
Gartenstr. 31
A-101 Vienna

BAHRAIN
Bahrain Research and Consultancy
Assosociated Ltd.
P.O. Box 2124
Manama Town 217

BANGLADESH
Micro Industries Development Assistance Society (MIDAS)
House 5, Road 14
Dhanmondi 9/5 Area
Dhaka 1000

BANGLADESH
Pakistan Times International Ltd.
R. P. 54, 13th Floor
Amstelveen Centre
Amsterdam

BELGIUM
Publications des Nations Unies
Av. du Roi Baudouin 2
B-1050 Brussels

BRAZIL
Praca Ipiranga 804
Sao Paulo 01311-150

CANADA
Le Dillier
C.P. 88, 1501 Rue Amherst
Quebec City
Q.B. S5E

CHINA
China Economic & Economic Publishing House
Beijing

COLOMBIA
Enlace Ltda.
Apartado Aereo 34270
Bogota D.E.

COTE D’IVOIRE
Centre d’Edition et de Diffusion Africaines (CEDA)
94 P.P. 541
Abidjan 04 Plateau

CYPRUS
MEMIR Information Services
P.O. Box 2069
Nicosia

DENMARK
Samsundater, 2.
Rosesgade All 11
DK-1950 Frederiksberg C

DOMINICAN REPUBLIC
Distributes Telec. por A.
Restaurante e Hotel la Catalina 300
Apartado Postal 2100
San Cristobal

EL SALVADOR
Francisco
Avenda Manual Enrique Arzago #300
Edificio SSA, 1st. Piso
San Salvador

EGYPT, ARAB REPUBLIC OF
Al Alam
Al Giza Street
Cairo

The Middle East Observer
8 Charvet Street
Cairo

FINLAND
Ahvenanmaa Kirjakappu
P.O. Box 128
00380 Helsinki

FRANCE
World Bank Publications
46, avenue d’Italie
75114 Paris

GERMANY, FEDERAL REPUBLIC OF
LIND-Verlag
Pappelallee Allee 35
3-5000 Bonn 1

GREECE
KJMS
34, Ippokoliou Street Plaka Plastira
Athens 11425

GUATEMALA
Libreria Poesia Santa
Centro Cultural Pedro Santa
11 calle 6-50 zona 1
Guatemala City

HONG KONG, MACAO
Aero 2021 Ltd.
Mongkok Post Office
29 Street Room No. F
Mongkok, Kowloon
Hong Kong

HUNGARY
Kuttal
P.O. Box 139
1386 Budapest 62

INDIA
Allied Publishers Private Ltd.
751 Mount Road
Madras - 600 002

INDIAN
Branch office
15 J.N. Hersel Marg
Ballard Estate
Bombay - 400 038

NEW DELHI - 110 002

17 Chitramam Avenue
Culcutta - 700 003

35-60-129 Kariguda Cross Road
Hyderabad - 500 077

13/14 Aam Aal Road
New Delhi - 110 002

27 Chittaram Avenue
Culcutta - 700 003

2nd Floor
Near Khairpur Rav 17
Ahmedabad - 380 009

14-A, Asok Marg
Lucknow - 226 001

INDONESIA
Pt. Inca Limited
Jl. Sri Ratihadi 27
P.O. Box 181
Jakarta 1000

IRELAND
TCD Publishers
13 North Frederick Street
Dublin 1

ITALY
Libreria Comunicazione Sociale SPA
Via Benedetto Fortini 130/13
Castel San Pietro 35118

20125 Florence

JAPAN
Eastern Book Service
37-5, Hongo 4-Chome, Bunkyo-ku 113

KENYA
Athi Book Service (E.A.) Ltd.
P.O. Box 452-05

KOREA, REPUBLIC OF
P.O. Box 105, Kwangwahamun Seoul

KUWAIT
MEMIR Information Services
P.O. Box 5665

MALAYSIA
University of Malaya Cooperative Bookshop, Limited
P.O. Box 1327, Jalan Pantai Baru
Kuala Lumpur

HONG KONG
Aeropostal Postal 22-460
14600 Tijuana, Mexico D.F.

MOROCCO
Societe d’Etudes Marketing Marocaine
12 rue Mouret, bd. d’Arba
Casablanca

NETHERLANDS
Lindum-Publishers b.v.
P.O. Box 14
7740 RA Leurden

NEW ZEALAND
Villa Library and Information Services
Private Bag
New Market
Auckland

NIGERIA
University Press Limited
Three Crown Building Ikoyi
Private Mail Bag 3006
Radmin

NORWAY
Narvesen Information Center
Boretten Narvevereve 2
P.O. Box 625 Internett
N-0105 Oslo 6

OMAN
MEMIR Information Services
P.O. Box 1613, Seeb Airport
Muscat

PAKISTAN
Mizra Book Agency
56. Shah-e-Ahmad-e-Asaan
P.O. Box No. 729
Lahore 5

PERU
Eduardo Desraza 11A
Apartado 5264
Lima

PHILIPPINES
National Book Store
701 Real Avenue
P.O. Box 954
Metro Manila

POLAND
OCTAN
Forum Kultury 1 Naszki
00-801 Warszawa

PORTUGAL
Livraria Portugal Du Boa Centro 70-74
1300 Lisbon

QATAR
Jami Book Store
P.O. Box 1956
Riyadh 11471

QATAR
MEMIR Information Services
Branch office
Al Alsha Street
Al Sabah Center
P.O. Box 1788
Riyadh

SAUDI ARABIA
Narjis Book Store
P.O. Box 3669

SOUTH AFRICA
ROSWAYA
For single titles
Oxford University Press Southern Africa
P.O. Box 1181
Cape Town 8000

SOUTH AFRICA
ROSWAYA
For single titles
Oxford University Press Southern Africa
P.O. Box 1181
Cape Town 8000

SPAIN
Mercat-Premat Libros, S.A.
Camino 27
28001 Madrid

SWITZERLAND
For single titles
Wenger-Williams AB
P.O. Box 1608
P.O. Box 1608
S-1014 Zurich

TANZANIA
Oxford University Press
P.O. Box 159
Dar es Salaam

THAILAND
Central Department Store
364 Silom Road
Bangkok

TRINIDAD & TOBAGO, ANGOLA
BARRUDA, BARRADU, DOMINICA, GREENLAND, GUYANA, JAMAICA, MONTEBART, ST. KITTS & NEVIS, ST. LUCIA, ST. VINCENT & GRENADINES
Systematics Studies Unit
9 Watte Street
Europe

TURKEY
Huseyin Kuyper, A.S.
H.G. Tufan Caddes No. 669
Beyoglu
Istanbul

UGANDA
Uganda Bookshop
P.O. Box 7165
Kampala

UNITED ARAB EMIRATES
MEMIR Gulf Co.
P.O. Box 497
Sharjah

UNITED KINGDOM
Moriarty Ltd.
P.O. Box 5
Alton, Hampshire GU3 2PC

UKRAINE
Institute Nacional de Ucraine
San Jose 1116
Montevideo

VENEZUELA
Libreria de la Entidad Pública
Av. 20 de Enero
Caracas 1000-A

YUGOSLAVIA
Journalistka Knjiga
P.O. Box 36
Trg Republike
YU-11000 Belgrade
PERCENTAGE OF HOUSEHOLDS "CON MISERIA"

- 40% - 50% (Highest value: Córdoba - 50.1%)
- 30% - <40%
- 20% - <30%
- 10% - <20%
- 0% - <10% (Lowest value: Bogotá - 4.4%)

All Intendencias averaged to one value: 33.8%
All Comisarías averaged to one value: 22.1%

* National Capital
- Department, Intendencia, and Comisaría Boundaries
- International Boundaries

* 1985 Census
COLOMBIA
SPATIAL DISTRIBUTION OF POVERTY
BY LOCAL JURISDICTION

PERCENTAGE OF THE POOR IN TOTAL POPULATION
(USING THE BASIC NEEDS NOT-MET INDEX)
PORCENTAJE DE POBLACION POBRE (CON NECESIDADES
BÁSICAS INSATISFECHAS) RESPECTO A LA POBLACIÓN TOTAL

Source: DANE - 1985 Census

Main Rivers
Ríos Principales
National Capital
Capital de la Nación
Department Capitals
Capitales de Departamentos
Intendencies and Commasrías
Capitales de Intendencias y Comisarías
International Boundaries
Límites Internacionales

Kilometers 0 50 100 150 200 250
Miles 0 30 60 90 120 150

PERCENTAGE OF THE POOR IN TOTAL POPULATION
USING THE BASIC NEEDS NOT-MET INDEX
PORCENTAJE DE POBLACION POBRE (CON NECESIDADES
BÁSICAS INSATISFECHAS) RESPECTO A LA POBLACIÓN TOTAL

Source: DANE - 1985 Census