
ESS Extension of Social Security

Social programmes, food security and poverty in Peru

José Falconí Palomino

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Summary

The objective of this study is to evaluate the extent to which social benefits have contributed to reducing poverty and vulnerability in specific population groups in Peru, to identify the difficulties encountered and to propose recommendations for making quantitative and qualitative improvements in the future.

A description is provided of the economic and political context in which the social programmes developed, along with an overview of their diversification—with respect to the target population—in the most recent five-year period. Food programmes were selected as being the most representative of the Government's current approach to social policy, as well as because of the number and type of poor and extremely poor beneficiaries they involve on a national level.

As concerns the functioning of the programmes, a description is given of the types of benefits provided and the number of beneficiaries covered. Training courses and linkages to the productive sector are two noteworthy examples of strategies for overcoming poverty.

With regard to financing, emphasis is placed on the growing participation of the Public Treasury, in contrast to the decreasing share provided by international cooperation.

Generally speaking, the programmes' coverage has increased in the past few years and has mainly targeted the poor living in extreme poverty, catering primarily to children under age 14 and to pregnant women and nursing mothers.

Discrepancies between the supply and demand for social benefits are due to a lack of mechanisms for taking stock of the needs and wants of the population.

In general, it may be concluded that the social programmes merely respond to a number of basic needs that cannot be met with the incomes of the poor and extremely poor; however, no attempts to overcome these shortcomings in the medium term have been observed.

Some recommendations are provided. These are aimed mainly at improving targeting by going beyond the isolated concept of poverty and by encouraging intersectoriality. In terms of how the programmes respond to public demand, there is a need to incorporate the perception of poverty and extreme poverty by the poor, as well as the means for overcoming these, as objectives and mechanisms of the social programmes.

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Acronyms and abbreviations

| | |
|-----------------|--|
| AFEMAFAC | Association of Shoe Manufacturers, Related Articles and Accessories |
| ADRA | Adventist Development and Relief Agency |
| APAFA | Parents Association |
| CENAN | National Food and Nutrition Census |
| CIUP | Research Centre of the University of the Pacific |
| COOPOP | People's Cooperation |
| COSUDE-PYMAGROS | Swiss Agency for Development and Cooperation/Producers and Agricultural Markets in the Sierra |
| EAP | Economic Active Population |
| ENAHO | Household National Survey |
| ENDES | Demographic and Family Health Survey (DHS) |
| ENNIV | The 1994 Peru Living Standards Survey (PLSS) |
| FAO | Food and Agricultural Organization |
| FONAVI | National Housing Fund |
| FONCODES | National compensation and Development Fund |
| HOPE | Survey of Extreme Poverty Households |
| IDRC | International Development Research Centre |
| INEI | National Institute of Statistics and Informatics |
| INFES | National Institute of Educational Infrastructure and Health |
| NGOs | Non-governmental organizations |
| MECOVI | Programme for the Improvement of Surveys and Measurement of Living Conditions in Latin America and the Caribbean |
| MIDE | Microcredit for the Development of "La Chu'spa" |
| MINSA | Ministry of Health |
| OECD | Organization for Economic Co-Operation and Development |
| PACFO | Supplemental Food Programme for Highest Risk Groups |
| PAD | Direct Support Programme |
| PAIT | Temporary Income Support Programme |
| PANFAR | Food and Nutrition Programme for High Risk Families |
| PANTBC | Food and Nutrition Programme for Tuberculosis Outpatients and Families |
| PRISMA | Association Benéfica |
| PROEM | Emergency Employment Programme |
| PROFECE | Women's Programme for Employment Consolidation |
| PROMARN | Food and Nutrition Programme for Abandoned Minors at Risk of Malnutrition |
| PROMUDEH | Ministry for the Promotion of Women and Human Development |
| PROMPYME | Education/Promotion of Small and Micro-enterprises |

| | |
|------------|---|
| PRONAA | National Food Support Programme |
| PRONAMACHS | National Programme |
| SISVAN | Information System for Food and Nutrition Control |
| SNV | Dutch Service for Development Cooperation |
| UBNs | Unsatisfied Basic Needs |
| USAID | U.S. Agency for International Development |

1. Context of recent years

Social benefit or social assistance programmes acquired political importance in the context of the runaway inflation of 1988, which had the effect of reducing salaries and consumer purchasing power, as well as shrinking the budgets of the existing social programmes¹, including the Temporary Income Support Programme (PAIT), the National Food Support Office (ONAA), the Direct Support Programme (PAD), the Cup of Milk Programme and the Emergency Employment Programme (PROEM).

The new administration sought to control inflation through the “shock” of August 8, 1990, which eliminated food subsidies as part of a revision of the Government’s functions within a market economy, the latter being considered a better means of allocating goods and services.

In this process to liberalize trade, Peru’s privatization programme called for a reorganization of taxes and property (for appraisal purposes), and for increased flexibility in the Labour Stability Act—which was promulgated in 1986 as a requirement for the purchase of shares in enterprises. These changes led to dismissals, failure to honour workers’ entitlements, and a considerable reduction in social benefits.

One factor that exacerbates poverty, especially urban poverty, is migration. Its presence had already been serving as a security valve in the country with regard to the outbreak of political violence. During the period 1995-2000 migration affected not only the large cities along the coast, but also medium-sized cities throughout the country. This led to the appearance of new populations of extremely poor families in these areas, who joined the ranks of urban informal workers, with neither group having any social benefits whatsoever.

The climate of political violence was restricted to pockets in the Selva Central and in Huallaga; resettlement programmes, introduced by the State to deal with this problem, were implemented. Given such an environment, social programmes become the policies that respond to changes in the Government’s functions and their effect on the population.

The Ministry of the Presidency was created in June of 1992. It was given authority for the organizations entrusted with carrying out a sustained policy of “poverty alleviation”, reflected mainly in the enlargement of the food programmes. These included the National Food Support Programme (PRONAA), the National Compensation and Social Development Fund (FONCODES), The National Institute of Educational Infrastructure and Health (INFES), the People’s Cooperation (COOPOP) and the National Housing Fund (FONAVI).

Beginning in 1995 the Government implemented a strategy of “targeting”. The document entitled *Equal opportunities for sustained development: A targeted strategy in the battle against extreme poverty 1996-2000*² presented a two-pronged approach. Its objective was to reduce the number of extremely poor persons by half (from 19 to 10 per cent) by the year 2000 and to create the conditions necessary for overcoming poverty definitively. In keeping with this, the following priorities were established:

- address the needs of vulnerable groups (children under age five, pregnant women, nursing mothers, and other groups at risk);
- establish the conditions for food security;
- identify opportunities for generating employment and income;
- stimulate areas identified as “emerging markets”;
- funnel public investment towards public goods with high rates of return, targeting extremely poor districts;

¹ This reduction was on the order of 70 per cent of the budget allocated to the above-mentioned programmes, according to *CUANTO: Familia y Ajuste Estructural, 1991*.

² *Igualdad de oportunidades para un desarrollo sostenido. Una estrategia focalizada de lucha contra la pobreza extrema 1996-2000*. Ministry of the Presidency, 1996.

- incorporate technical training and management programmes into local development plans;
- foster public participation in formulating local plans of action.

Three basic lines of action were established—special programmes of social assistance (nutrition, food and family planning programmes); social infrastructure (educational facilities, classrooms, health centres, medical posts, potable water and drainage systems); and economic infrastructure (roads, irrigation and electrification projects).

In October 1996, the Ministry for the Promotion of Women and Human Development (PROMUDEH) was established in order to give priority to actions in favour of women. This ministry assumed responsibility for the entities formerly under the Ministry of the Presidency, with the exception of FONCODES.

Consequently, investment in programmes aimed at poverty reduction is growing, reflecting the political importance attributed to this strategy.

Table 1. Amounts spent on programmes aimed at reducing extreme poverty (1993-2000)

| Year | Amounts (millions of soles)* |
|------|------------------------------|
| 1993 | 848 |
| 1994 | 1,198 |
| 1995 | 1,913 |
| 1996 | 1,905 |
| 1997 | 2,894 |
| 1998 | 2,639 |
| 1999 | 3,233 |
| 2000 | 2,976 |

*US\$1 = 3.45 new soles

Source: Author's data.

However, despite the strategy devised by the Government and the heavier investment in social programmes, the percentage of persons living below the poverty line rose by 6 per cent from 1997 to 2000, according to INEI figures for June 2001³. In 1997 the poor accounted for 42.7 per cent of the population; today they account for 48.4 per cent. This means that 12.7 million persons are living in poverty. In the cities, 36.9 per cent of the population is considered poor, whereas in rural areas, that figure is 70 per cent.

Among the causes of the increase in poverty during the period 1997-2000 may be cited the decline in agriculture, which was made worse by the El Niño phenomenon of 1998. This gave rise to strong insecurities regarding food and propelled migration towards urban areas in the search for income. As for urban areas, the subregion known as the Sur chico—particularly the Province of Nazca—had difficulty recovering from the earthquake of 1996 in terms of infrastructure and basic services. However, the main reason for the increase in poverty was the handling of the macroeconomic policy introduced with a view to the re-election of President Fujimori. It resulted in a recession in labour-intensive sectors, such as industry, construction, and fishing, which were also affected by El Niño”.

Table 2. Poverty trends for the period 1997-2000

| | Rate of incidence of poverty | | Variation in number of poor | | Poor persons by region 2000 |
|-------------|------------------------------|------------|-----------------------------|------------|-----------------------------|
| | 1997 | 2000 | 1997 | 2000 | 2000 |
| | Percentage | Percentage | Thousands | Percentage | Percentage |
| Rural areas | 66.3 | 70.0 | 549.8 | 10 | 50 |
| Urban areas | 29.7 | 36.9 | 1,578.4 | 34 | 50 |

³ *Somos*, supplement to the newspaper *El Comercio*, 21 July 2001.

| | | | | | |
|--------|------|------|---------|----|----|
| Coast | 28.9 | 39.1 | 1,666.6 | 46 | 42 |
| Sierra | 60.4 | 59.0 | -20.4 | 0 | 43 |
| Selva | 47.1 | 56.9 | 482.9 | 33 | 15 |
| Total | 42.7 | 48.4 | 2,128.2 | 20 | -- |

Source: INEI.

The poor are defined as those who live in households where total monthly per capita expenditure is less than the value of a minimum consumption basket. In 2000 the value of the basket in metropolitan Lima was US\$75. In the Selva (jungle region), consumption per person was US\$42. Peruvians that live in extreme poverty—whose daily income falls below US\$1—account for 16 per cent of the population.

2. Government approaches to dealing with poverty

In terms of their strategy and lines of action, the social assistance programmes for the five-year period 1995-2000 were designed on the basis of classifying, from greatest to least, the districts with the largest concentration of households with Unsatisfied Basic Needs (UBNs).⁴ They are located in the departments of Cusco, Apumac, Ayacucho, and Huancavelica (Sur Andino).

This methodology relies upon a set of indicators related to basic structural needs (housing, education, health, public infrastructure, etc.) that are required in order to evaluate individual welfare. The following indicators are used by the Government: physically-inadequate housing, overcrowded housing, housing without sanitation, households with more than one child who does not go to school, households in which the head of household has less than a primary school education and claims three or more dependents. The number of these in each household is determined and the percentage of persons with at least one UBN is calculated. According to this method, the poverty rate has shown a downward trend since 1993, the year in which the *Population and Housing Census* found that 56,8 per cent of the population indicated at least one UBN. With respect to the following years, the *National Household Survey* found in 1995 that 48.8 per cent of the population had at least one UBN—a figure that decreased to 42.1 per cent in 1998.

With respect to the selection of programme beneficiaries, an initial selection is made within the sectors concerned, with priority being given to those districts with the highest percentage of residents with UBNs. A second stage in the selection process is the identification by each sector of groups at risk. For example, the Ministry of Health identifies groups at risk in its various regions (pregnant women, nursing mothers, children under age three, tuberculosis patients, etc.) on the basis of information provided by the health centres. FONCODES also selects beneficiaries from among school children on the basis of information provided by school directors. PRONAA and Cup of Milk select beneficiaries through the community-based organization, which is entrusted with drawing up a list of the families at risk.

Although the UBN methodology provides a specific perspective of structural poverty, it is not sensitive to changes in the business cycle or to the heterogeneous nature of poverty. In order to overcome the limitations of this way of measuring poverty, some researchers are, through the social exclusion approach, applying an index of social exclusion to analyse the development of social programmes within the context of the challenge of fighting extreme poverty in Peru.⁵

The social exclusion approach offers a series of analytical advantages over the poverty approach in that it encompasses a greater number of inequality-producing phenomena. Furthermore, it takes into account public demand, the seriousness of failing to have one's basic

⁴ National Population and Housing Census, 1994.

⁵ Vzquez, E.; Arambur, C.; Figueroa, C. and Parodi, C. *Los desafos de la lucha contra la pobreza extrema en el Per*, May 2001.

needs met, and the suffering of those in such circumstances. The authors cited found that the greatest levels of social exclusion were located among the extremely poor households in the region of the Selva (Loreto). This was due, primarily, to the lack of basic vital services (potable water, electric lighting and sewerage). The extremely poor households of Cusco present a second, higher, level of social exclusion, determined by the precarious nature of their employment (understood as labour instability, exclusion from social security and benefits, and wages below the legal minimum). In third place are the extremely poor households of Lima, which are subjected to both precarious conditions of employment and a lack of basic vital services. Lastly, there are the households of Cajamarca, for which precarious employment is the factor that weighs most heavily in producing social exclusion.

Understanding the full extent of poverty, along with the heterogeneous nature of the situations of poverty experienced by the Peruvian people and their perception of it, will contribute to appropriate targeting, to a proper match between social supply and demand, and to improving the quality of delivery and the sustainability of initiatives in the battle against poverty.

3. An overview of social programmes and the poor

This section will present the social programmes that directly replace family income and/or have the broadest coverage in the country as part of the strategy of “Equal opportunities for sustained development: A targeted strategy in the battle against extreme poverty 1996-2000” (see Table 4)

3.1. Beneficiaries of the programmes

Generally speaking, the social programmes give priority to persons residing in poor and extremely poor households—households that subsist on a daily income of less than US\$3, which is not enough to purchase a basic consumption basket. The persons at risk within these households are then targeted—children from zero to 36 months, school-age children, pregnant women, nursing mothers and adults over age 60.

As may be seen below, the various characteristics of these households determine differences in access to the social programmes.

According to data from the *1996 Household Survey (IV trimester)*, 67 per cent of the beneficiary households contain married couples; whereas 45 per cent have a head of household without a spouse. In households in which both spouses participate in the programmes, male heads of households predominate (67.2 per cent); whereas in those without a spouse, female heads of household predominate (49.25 per cent).

As concerns the age of the heads of household, in more than seven out of ten homes, the head of the household is between the ages of 20 and 39.

With respect to the educational level achieved by the head of household, there is a greater percentage of access to at least one social programme in those households whose head has a secondary education or less. Six out of every ten households in which the head had no formal education had access to at least one programme. This percentage decreases in direct proportion to the increase in the level of education achieved by the head of household, as indicated in Table 3.

It would appear that there are a number of barriers regarding access to the social programmes for households whose head has no formal education, mainly owing to a lack of information (5.1 per cent have no knowledge of the programmes). In view of the fact that this group includes a large percentage of women, this points to problems in targeting.

With respect to the occupational status of the head of household, there are more beneficiary households whose head is among the employed Economically-Active Population (EAP) than those whose head is among the unemployed EAP, or is not included among the EAP at all. There are several possible explanations for this situation. In rural areas, the poorest zones

and those with the highest unemployed EAP are the most isolated from the social programmes' resource distribution points. In urban areas, the unemployed EAP is less integrated in the social networks that might otherwise offer them access to more programmes (such as parents' associations, canteens, health programmes, etc.). This is due to the fact that the unemployed spend their time looking for work outside the barrio or the community that has been designated as "poor".

Table 3. Main programmes of social assistance

| Programme | Type of benefit | Beneficiary population | Financing: Source and amounts (US\$) | Administering institution | Coverage |
|--|--|---|---|--|---|
| Food and Nutrition Programme for High-Risk Families (PANFAR) | Comprehensive health care. Educational activities relating to health and nutrition. Monitoring of nutritional status. Access to monthly consumption basket for family consisting of a mother and two children under age five. Basket provides 30% of daily requirements. | Mothers and children under age five in rural areas, identified as being at risk of malnutrition or death. | U.S. Agency for International Development (USAID) 1995: 1,638,792 1996: 2,159,621 1997: 2,855,855 1998: 3,079,334 1999: 11,723,927 | Ministry of Health (MINSA) /Asociación Benéfica PRISMA | Annual average no. of beneficiaries 1990-1997: 497,702 |
| Food and Nutrition Programme for Tuberculosis Outpatients and Families (PANTBC) | Educational activities relating to food and nutrition. Nutritional evaluation and food supplementation with basket of 19 to 21 kilos of local food providing 40% of daily nutritional requirements for patient and two contacts. | Tuberculosis outpatients and protection for their families (Lima and Callao, Ancash, Cajamarca, Cusco and Puno). | Public Treasury 1995: 4,311,337 1996: 10,831,981 1997: 7,815,832 1998: 10,694,455 1999: 8,849,603 | MINSA | Between 1990 and 1997 coverage increased to approximately 75% of patients registered in Tuberculosis Control Programme. Source: MINSA: From 14,650 in 1990 to 98,136 in 1997. |
| Food and Nutrition Programme for Abandoned Minors at Risk for Malnutrition. (PROMARN.) | Food assistance provided through National Canteens of Health Sector by means of a ration providing 30% of daily requirements. | Abandoned children between the ages of six and 14 at risk for malnutrition. | Public Treasury 1995: 705,941 1996: 1,100,434 1997: 793,631 1998: 779,704 1999: 887,075 | MINSA | Average number of beneficiaries per year between 1994 and 1997: 4,371 |
| Supplemental Food Programme for Highest-Risk Groups (PACFO) | Supplemental food for reducing overall nutritional deficiencies, especially in calories, protein, iodine, iron and vitamin A. Comprehensive health care. Ongoing training parents in nutrition, health and programme management for health-care workers | Children between the ages of six months and three years in the departments of Apurímac, Ayacucho, Cusco, Huancavelica, Puno and Ancash. | Public Treasury | National Institute of Health/MINSA | Approximately 235,000 children and 90,000 pregnant women and nursing mothers. |

| Programme | Type of benefit | Beneficiary population | Financing: Source and amounts (US\$) | Administering institution | Coverage |
|-------------------------------|---|---|---|---|--|
| | community representatives, and. | | | | |
| School breakfast programme | Supply of a ration of biscuits and milk substitute providing 30% of beneficiaries' required calories and proteins and nearly 100% of required micronutrients, minerals and vitamins. Training in technical and management areas. | Children between the ages of four and 13 in state educational facilities. | Public treasury (Millions) 1997: 60.5 1998: 49.9 1999: 52.8 2000: 56.3 | FONCODES/Ministry of Education until 1990. Currently MINSAs/Ministry of Education | Approximately 2 million students in 23 departments. |
| PRONAA Food Programmes | Food assistance (children, pregnant women, nursing mothers and popular canteens). Food-for-work, Emergency and civic actions, Organization of promoters, Training and educational activities relating to nutrition, management, and gender. | Organized groups in conditions of extreme poverty and nutritional vulnerability: mothers' clubs, popular canteens and rural communities that encompass the following population groups: Children under age five, with an emphasis on those under age three; school-age children; pregnant women; nursing mothers; groups at risk nutritionally. | Public Treasury: 58% USAID: 25% European Union: 12% World Food Programmes: 5% (Millions) 1997: 77.81 1998: 61.43 1999: 70.11 2000: 85.95 (scheduled) | PRONAA/ Organized groups | 2.5 million persons in extreme poverty in 1997. |
| Cup of Milk programme | Food assistance. Training. | Children under age 13 and adults over age 60. | Public Treasury (Millions) 1997: 98.19 | District municipalities. | 1 million households in 1999. |
| School insurance programme | Health-care subsidy. Diffusion. | Students in State educational facilities between ages three and 17 | Public Treasury (Millions) 1997: 3.7 | MINSAs | |
| Textbooks and school supplies | Provision of a school supply packet consisting of: notebooks | Primary-school children from extremely poor families | World Bank | Ministry of Education | |
| School shoe programme | Provision of school shoes for primary school children from extremely poor families. Training in business and technical management for owners of micro and small enterprises | Primary school children from families in extreme poverty. Micro and small enterprises in industrial sectors of garment and shoe manufacturing. | Public Treasury 92: 6,104,409 93: 8,401,825 | FONCODES/Ministry of Education/Promotion of Small and Micro Enterprises | 772,707 pairs of shoes on average per year between 1992-1998, benefiting approximately |

| Programme | Type of benefit | Beneficiary population | Financing: Source and amounts (US\$) | Administering institution | Coverage |
|----------------------------------|--|--|--|--|---|
| | micro and small enterprises. | | 94: 8,771,000 96: 2,048,283 97,98: 25,903,889 99: 13,728,100 | (PROMPYME)/Association of Shoe Manufacturers, Related Articles and Accessories (AFEMAFAC). | 500,000 families. Approximately 900 small and micro enterprises generating 3,000 direct jobs and 1,500 indirect jobs (sixth programme). |
| School athletic outfit programme | Provision of school athletic outfit for primary school children from extremely poor families | Small farmers, artisanal fishermen at national level, enterprises and microenterprises | Public Treasury 93-94: 7,250,840 95-96: 7,818,981 97-98: 21,825,814 99: 13,302,250 | FONCODES/Ministry of Education/trade unions and employers' organizations. | 875,000 athletic outfits per (2-year) campaign between 1993 and 1998. Approximately 893 micro and small enterprises. |
| Purchase of local foods | Acquisition of goods produced locally | Small farmers, artisanal fishermen at national level, enterprises and microenterprises | Public Treasury and monetization of donations of food by international technical cooperation. | PRONAA | |
| Housing loan | Financial loan or loan for construction materials and basic infrastructure | | Public Treasury | National Housing Fund, Materials Bank | |

Sources: Based on data supplied by the Ministry of the Presidency, Municipality of Lima, Ministry of Education, PRONAA, National Food and Nutrition Centre, FONCODES.

Table 4. Households benefiting from at least one social programme, according to level of education achieved by head of household, 1996 (percentages)

| Level of education | Total | Beneficiary households | Non-beneficiary households | No knowledge of programmes |
|----------------------------|-------|------------------------|----------------------------|----------------------------|
| None or initial level only | 100 | 60.7 | 34.2 | 5.1 |
| Primary | 100 | 67.3 | 30.9 | 1.8 |
| Secondary | 100 | 64.2 | 35.1 | 0.7 |
| Higher, non-university | 100 | 55.1 | 44.4 | 0.5 |
| Higher, university | 100 | 38.5 | 61.0 | 0.5 |
| NEP | 100 | 52.8 | 42.3 | 4.9 |

Source: ENAHO-INEI.

Table 5. Households benefiting from at least one social programme, according to occupational status of head of household, 1996 (percentages)

| Occupational status/Head of household | Total | Beneficiary households | Non-beneficiary households | No knowledge of programmes |
|---------------------------------------|-------|------------------------|----------------------------|----------------------------|
| EAP | 100 | 64.4 | 34.0 | 1.4 |
| Employed | 100 | 64.9 | 33.7 | 1.4 |
| Unemployed | 100 | 51.8 | 47.6 | 0.6 |
| Not part of EAP | 100 | 38.1 | 58.9 | 3.0 |

Source: ENAHO-INEI.

As regards the size of the household, those with the most members benefited most; eight out of every ten homes with more than seven members gained access to at least one programme.

Table 6. Households benefiting from at least one social programme, according to size of household, 1996 (percentages)

| Number of members | Total | Beneficiary households | Non-beneficiary households | No knowledge of programmes |
|-------------------|-------|------------------------|----------------------------|----------------------------|
| Less than 4 | 100 | 40.1 | 56.4 | 3.4 |
| From 4 to 6 | 100 | 66.0 | 33.3 | 0.7 |
| From 7 to 9 | 100 | 80.8 | 18.1 | 1.1 |
| 10 or more | 100 | 86.0 | 12.0 | 1.1 |

Source: ENAHO-INEI.

As for family income, 70 per cent of households with income below 600 soles per month received benefits from at least one social programme. It should be noted that in the lowest income bracket (less than 400 soles) the percentage of beneficiary households is lower. This income bracket is made up of under-employed and unemployed persons. In households with incomes above 600 soles, the percentage of beneficiary households decreases as income rises.

Table 7. Households benefiting from at least one social programme, according to monthly household income, 1996 (percentages)

| Income bracket | Total | Beneficiary households | Non-beneficiary households | No knowledge of programmes |
|-------------------|-------|------------------------|----------------------------|----------------------------|
| Less than 400 | 100 | 68.8 | 27.9 | 3.3 |
| From 400 to 599 | 100 | 70.7 | 27.6 | 1.7 |
| From 600 to 899 | 100 | 65.5 | 33.3 | 1.2 |
| From 900 to 1299 | 100 | 58.2 | 40.3 | 1.5 |
| From 1300 upwards | 100 | 46.9 | 52.7 | 0.4 |

Source: ENAHO-INEI.

The foregoing data suggests that access to the social programmes presents certain limitations for those in the following sectors: extreme poverty, persons with the lowest levels of schooling, the highest unemployed EAP, and persons with incomes below the minimum subsistence wage—the sector in which many households headed by women are to be found. One of the factors that appears to contribute to this situation is the lack of information among households, whose members declare not to have any knowledge of the programmes.

3.2. Type of benefits

The social programmes designed in this phase contain a strong component of education and technical and management training. This applies to the assistance and health programmes, and also includes product suppliers.

The training component is aimed at creating awareness among the public regarding proper eating habits, basic hygiene, gender equality, as well as at facilitating the organization required to manage the programmes.

Noteworthy, from this perspective, is the high participation of women's community-based organizations in the Cup of Milk programmes and in other programmes managed by PRONAA, as well as in the training of staff for the Local Coordination Centres (Núcleos Ejecutores Locales) for the School Breakfast, School Athletic Outfit and School Shoe programmes. These centres are made up of members of the Parents' Associations, community representatives and school directors.

The women's organizations were established at the initiative of the first health and primary care programmes towards the end of the 1960s, when the massive migration to Lima began. In the 1970s and 1980s these grew to national dimensions as they took on the function of interfacing with government agencies for the purpose of channelling resources. Later, they were financed as beneficiary counterparts of programmes providing food assistance, as well as of those of a productive nature, promoting income generation or serving as credit depositories.

The criteria used to determine an organization's ability to qualify as a programme beneficiary was basically that it be located within a zone of poverty or extreme poverty and that, in keeping with the objective of the programme, it provide a membership roster.

The idea behind the promotion of these organizations, beyond their functioning as mere channels of government-sponsored programmes, is that they should become instruments of local management with respect to public and private entities. This is a role they have been unable to fulfil as a result of pressures placed on them by the Administration to participate in its re-election campaign for the period 1995-2000.

Another innovation of the programmes was to link small agricultural and artisanal producers with micro and small enterprises as suppliers for the food and education programmes in order to stimulate the productive sector. This involved expanding and strengthening a large number of enterprises engaged in manufacturing uniforms, biscuits, milk substitutes, packaging materials, etc., as well as creating jobs and stimulating local markets. Nevertheless, some distortions were apparent, such as a large share of the benefits going to large enterprises and commercial intermediaries, which—through illegal means—managed to be included on the list of suppliers.

This arrangement has not been sustainable to the extent that many of the enterprises developed technology and marketing solely for the institutional market, and upon its discontinuance faced bankruptcy⁶.

3.3. Financing

The main sources of financing for social programmes include: general revenue, subject to the approval of the Economic and Finance Ministry; approved internal or external loans; income generated by the administering institution and income from transfers or donations (non-reimbursable loans, donor agreements, debt exchanges, among others).

Over the past few years, the Public Treasury's contribution to social programmes has been on the increase, whereas—according to the OECD—official development assistance to Peru, including loans and donations, are in the process of being cut back. As may be seen in

⁶ Source: Director of the COSUDE-PYMAGROS Programme.

the following table, between 1995 and 1997, the Public Treasury's contribution to the Supplemental Food Programme budget nearly tripled, whereas that of international cooperation decreased by 68 per cent.

In the last few years, the budget for social expenditures has increased considerably—whereas in 1990 it represented 2.3 per cent of the GDP, in 1997 it grew to 6.4 per cent. Social expenditure per capita rose from US\$56 to \$117.30 over the same period.

Table 8. Trend of total supplemental food budget according to source of financing (Millions of US dollars)

| Sources | 1995 | 1997 |
|---------------------------|-------|-------|
| Public Treasury | 249.5 | 269.5 |
| International cooperation | 47.8 | 33.3 |
| Total | 279.3 | 302.8 |

Source: National Food and Nutrition Centre.

Preparation: SISVAN, September 1998.

The institutions administering assistance programmes for the extremely poor that account for the greatest shares of the budget are FONCODES, INFES, and the Ministry of Economics and Finance with the Cup of Milk Programme, followed by PRONAA-PROMUDEH and PRONAMACHCS-Agriculture⁷.

As regards food programmes, the budget is distributed among the administering institutions as follows: the district municipalities account for 34 per cent through the Cup of Milk Programme; PRONAA administers 32 per cent in programmes involving children under age five, school children, canteens, economic stimulation and emergency projects, among others; the National Compensation and Social Development Fund (FONCODES) administers 22 per cent through programmes for school children; and the Ministry of Health accounts for 12 per cent through programmes aimed at children between six months and three years of age, families at risk with children under age five, persons with tuberculosis and their families, and children between the ages of six and fourteen at risk for malnutrition. This distribution is consistent with the targeting objectives of the programmes.

3.4. Coverage

On the basis of the *National Household Survey* carried out by the INEI for the fourth trimester of 1996, the social programmes' scope of coverage for that year was 61.4 per cent of households in the country. In absolute terms, this means that some 3,071,000 households received benefits from at least one social programme.

As far as geographic area is concerned, Table 9 shows that there was a higher percentage of beneficiary households among rural households than among urban ones (77 per cent of rural households and 53 per cent of urban households) and that, on the basis of geographic region, the households of the north *sierra* (76.7 per cent), central *sierra* (70.5 per cent) and *selva* (70.3 per cent) were privileged in comparison to the other geographical areas.

⁷ Portocarrero, F; Beltrán A; Romero, M; Cueva, H; Universidad del Pacífico, 2000.

Table 9. Percentage of households benefiting from at least one social programme, according to geographic area, 1996 (percentages)

| Geographic area | Total | Beneficiary households | Non-beneficiary households | No knowledge of programmes |
|-------------------|-------|------------------------|----------------------------|----------------------------|
| Urban | 100 | 53.1 | 45.6 | 1.3 |
| Rural | 100 | 76.8 | 21.1 | 2.1 |
| North coast | 100 | 60.1 | 38.7 | 1.2 |
| Central coast | 100 | 62.9 | 35.2 | 1.9 |
| South coast | 100 | 58.0 | 38.4 | 3.6 |
| North sierra | 100 | 76.7 | 21.1 | 2.2 |
| Central sierra | 100 | 70.5 | 26.4 | 3.1 |
| South sierra | 100 | 65.7 | 32.8 | 1.5 |
| Selva | 100 | 70.3 | 27.3 | 2.4 |
| Metropolitan Lima | 100 | 47.9 | 51.6 | 0.5 |
| Total | 100 | 61.4 | 37.0 | 1.6 |

Source: ENAHO-INEI.

Some 40.2 per cent of households had access to one social programme, 51.8 per cent participated in two to four programmes and 8 per cent benefited from more than five. In rural areas, families had access to a large number of programmes (57.1 per cent had access to between two and four programmes and 12.8 per cent to more than five).

With respect to the type of programme, health and food assistance programmes reach the greatest number of households (47.9 per cent and 42.3 per cent, respectively). As a result, beneficiaries identify the Ministry of Health, PRONAA and the municipalities as the main administering institutions of these programmes.

Social programmes have helped to increase the presence of the State in areas where previously no government establishments or agencies existed. The Rural Roads and Electrification Projects have contributed to this presence as well, by facilitating the extension of coverage and widening the programmes' radius of action.

"The growth in health care is attributable to the diffusion and utilization of school insurance and the extension of health care establishments to the communities benefiting from improved access routes.

"There has been an increase in the registration of school-age girls within the various educational departments between 1998 and 1999; however, the registration of boys has not been as pronounced. This situation has been influenced not only by the existence of rural roads, but also by the increase in primary and secondary schools as a priority strategy of the Government's social policy. In terms of secondary education, it may be noted that the gap between the access of rural boys and girls has diminished. This is not the case for technical and higher education, where attitudes relating to gender consider that women do not deserve such opportunities when it involves investing the limited economic resources of a rural

family. There are however some exceptions, such as the case of teenage girls returning home after a situation of political violence has ended”.⁸

4. Food and nutrition

This section of the report will focus on food and nutrition and shall form the basis for a deeper analysis of social benefits in Peru, from a number of standpoints.

The greatest problem facing the poorest section of the population is nutrition. As is generally known, malnutrition in pregnant women and in young children during the first years of life has irreversible effects on their physical and mental development, as well as on their future intellectual capacity, thereby preventing their equal participation in the benefits of development.

Given that food is the first priority of the Peruvian family, the lower the household income the greater the proportion that must be set aside to feed the family.

This is the aspect of social policy that has been dealt with most extensively by the Government, in response to the objective of food security. Food programmes are the ones that provide the broadest coverage at the national level (the Cup of Milk Programme, the School Breakfast Programme); they are recognized by the public and, in fact, account for a large percentage of the country’s social investment.

Food insecurity is essentially the result of a lack of access to food. According to a 1996 study, by Homedes sponsored by USAID, the causes of the unavailability of food are:

- “a) the decline and unsuitability of the supply of food,
- b) the deterioration in the diversity of the national diet,
- c) the decline in the per capita production of foods, and
- d) an increase in the dependence on imported foods, including food aid”.

In the past few years food imports have grown significantly, and have displaced national production⁹—a situation encouraged by price policies, subsidies, exchange rates, as well as by food donations, which have led to changes in patterns of national consumption. Another factor contributing to the problem is the low growth in production and productivity and the failure on the part of the State to promote local foods.

Nevertheless, the fundamental cause of the lack of access to food is the low income received by poor people. This situation is exacerbated by inadequate living conditions, such as a lack of potable water and sanitation, as well as by low levels of education.

According to the FAO, in the period 1991-1992, the average consumption of food per capita was 42 kilos, which is below consumption levels in other countries, such as the United States (58 kilos) or those of Western Europe (79 kilos). While official data showed that consumption had increased to 63 kilos in 1997, the accuracy of this information cannot be verified owing to the “doctoring” and distortion of figures for the last five years.

The levels of malnutrition remained nearly constant between 1960 and 1990. In the first years of the Fujimori Administration there was a significant reduction, with an average rate of 36.5 per cent in 1992¹⁰. Official data of the National Statistics Institute showed that in 2000 the percentage of persons suffering from chronic malnutrition in the country dropped to 25.4 per cent, owing to the provision of benefits to children under age five.

⁸ *Impacto de los Caminos Rurales en las Relaciones de Género*. CENTRO, 1999.

⁹ Imports.

¹⁰ National Food and Nutrition Plan, Office of the President, 1998.

Levels of malnutrition, regardless of what type, are directly related to levels of poverty. Table 10 shows that 44 per cent of children living in extreme poverty suffer chronic malnutrition, whereas in the non-poor population this figure is 15.2 per cent.

Table 10. Nutritional status, according to poverty level, in children under age five, 1994 (percentages)

| Nutritional status | Level of poverty | | | Non-poor | Total |
|----------------------|------------------|------|------------|----------|-------|
| | Extremely poor | Poor | Total poor | | |
| Acute malnutrition | 1.6 | 1.7 | 1.7 | 1.3 | 1.5 |
| Chronic malnutrition | 43.9 | 25.6 | 34.6 | 15.2 | 27.2 |
| Overall malnutrition | 1.3 | 0.3 | 0.8 | 0.4 | 0.6 |
| Normal | 53.2 | 72.4 | 62.9 | 83.1 | 70.7 |
| Total | 100 | 100 | 100 | 100 | 100 |

Source: Cuánto ENNIV, 1994

From the demographic perspective, another influencing factor is the beneficiary's place of residence. Tables 11 and 12 show that the percentages corresponding to chronic malnutrition are greater in rural areas (40.4 per cent) than in urban areas (16.2 per cent) and that the prevalence of chronic malnutrition has increased and exceeds 40 per cent in departments with high indices of poverty. Thus, for the year 2000, in Huancavelica 53.4 per cent of the children live in a state of chronic malnutrition, whereas in Tacna this percentage is 5.4 per cent.

Table 11. Nutritional status, according to area of residence, in children under age five, 1996 (percentages)

| Nutritional status | Urban | Rural | Total |
|----------------------|-------|-------|-------|
| Acute malnutrition | 0.8 | 1.7 | 1.3 |
| Chronic malnutrition | 16.2 | 40.4 | 25.8 |
| Total malnutrition | 3.9 | 13.7 | 7.8 |
| Normal | 79.1 | 44.2 | 65.3 |
| Total | 100 | 100 | 100 |

Source: ENDES, 1996.

The situation of women is an important factor in improving the nutritional status of the family. *The National Population Census of 1993* showed that 68 per cent of women over age 15 were already mothers and that nearly one-fourth of all households were headed by a woman.

Nutritional deficiencies in women have implications both for their own health and for that of their children. According to the *1996 National Food and Nutrition Census (CENAN)* the average amount of ingested iron in all areas of the country (except for the coast) is 3.6 milligrams per day, which is less than half of the recommended amount. In Peru, 35.7 per cent of women of childbearing age suffer from some type of anaemia and 27 per cent from minor anaemia. The incidence of anaemia in children under age five is high—approximately 60.9 per cent in the rural *sierra* and 74.5 per cent in the *selva* (CENAN, 1996).

Thus, food and nutritional assistance provides a main instrument for protecting the country's human capital and alleviating the situation of the poor, whose levels of consumption are below the minimum nutritional requirements.

5. Evaluation of the effectiveness of food assistance benefits

Evaluation of the effectiveness of social assistance benefits in Peru in recent years is an impossible task at present, as it requires a cost/benefit analysis that would depend upon the availability of pertinent information, which is not available. Additionally, social programmes in Peru do not possess adequate information systems and that there are no indicators of nutritional impact for evaluating the programmes. Statistics have been distorted—“who knows whether out of incompetence or out of a deliberate desire to misinform”¹¹. For this reason the Transitional Government, that was inaugurated in October 2000, began the process of recovering official data and improving its transparency through technical audits and competitive bids for conducting studies and diagnoses in order to provide reliable data for the future¹².

¹¹ The recently appointed Chief of the National Statistics Institute.

¹² “The poor quality of the information available with respect to the size of the beneficiary population makes it difficult to produce realistic estimates that would enable us to improve the efficiency and impact of public resources allocated to food assistance.”, in *Terminos de Referencia para la Consultoría*: “Estudio sobre el contexto social en donde se desarrollan las acciones de apoyo alimentario con organizaciones sociales para la alimentación”. Ministry for the Promotion of Women and Human Development, January 2001.

Table 12. Prevalence of chronic malnutrition in school children aged six to nine, by department, 1996-2000

| Department | Percentage of chronically malnourished children | |
|---------------|---|-------------|
| | 1996 | 2000 |
| Huancavelica | 50.3 | 53.4 |
| Apurímac | 46.9 | 43.0 |
| Cajamarca | 38.7 | 42.8 |
| Ayacucho | 43.2 | 33.6 |
| Amazonas | 28.5 | 36.0 |
| Huánuco | 28.3 | 42.8 |
| Cusco | 40.9 | 43.2 |
| Loreto | 36.1 | 32.4 |
| Junín | 35.5 | 31.3 |
| Pasco | 47.2 | 26.4 |
| Ancash | 25.1 | 34.5 |
| Puno | 23.0 | 29.7 |
| Ucayali | 32.0 | 33.6 |
| San Martín | 32.1 | 19.9 |
| Piura | 28.1 | 24.1 |
| La Libertad | 31.3 | 27.9 |
| Lambayeque | 26.4 | 23.6 |
| Madre de Dios | 20.4 | 18.7 |
| Arequipa | 12.4 | 12.3 |
| Ica | 13.9 | 12.1 |
| Tumbes | 14.7 | 12.9 |
| Moquegua | 10.7 | 9.3 |
| Lima | 10.7 | 8.3 |
| Tacna | 10.1 | 5.4 |
| Total | 25.8 | 25.4 |

Source: INEI, *Demographic and family health survey 1996-2000*.

Focus shall therefore be put on evaluating the effectiveness of assistance benefits in the light of a number of studies, as well as in the light of the opinions of persons directly involved in implementing the programmes and those of the programmes' direct beneficiaries.

“Effectiveness” is understood to mean the degree of success of a particular action. Thus, it is possible to evaluate effectiveness from a number of different angles—on the basis of coverage, the extent to which the programme is utilized by the target population (in which “leakage” must be measured) and on the basis of the compatibility between the supply and the demand for social services.

Our evaluation will concern the operation of the following food programmes: Cup of Milk, School Breakfast (MINSAL) and the programmes run by PRONAA.

5.1. Coverage of the food programmes

The food security programmes are the programmes that have achieved the greatest scope of coverage. Examples include the Cup of Milk and School Breakfast programmes.

The projected scope of coverage for the 17 food programmes in 1998 was on the order of 10 million persons, with 11 million projected for 1999. In that year, 51 per cent was covered by the municipalities with the Cup of Milk Programme, 20.02 per cent by FONCODES through the School Breakfast Programme, 18.90 per cent by the various PRONAA programmes, 7.34 per cent by the Ministry of Health and less than 3 per cent by NGOs.

It should be noted that during that year 11,958,307 Peruvians were living below the poverty line, constituting nearly the entire target population of those programmes.

Information obtained from the 1998 National Household Survey illustrates the high priority attached to aiding rural areas, especially those in the *sierra* (mountainous region), where the level of food assistance is 69 per cent.

It also illustrates the importance attached to attending to the needs of children, judging from the fact that 66 per cent of children under age 14 receive attention.

At the national level, the food programmes cover 65 per cent of poor households and 79 per cent of extremely poor households.

With respect to geographic areas, the families of the *sierra* and rural *selva* receive the most attention in that 69 per cent of the families are targeted.

5.2. Targeting and leakage

As was described in the section on beneficiaries, and according to the opinions of a number of beneficiaries¹³, extremely poor households are not benefiting from the programmes to the extent hoped for. This is illustrated more clearly by the School Insurance Programme, which reached only 40 per cent of minors in extreme poverty, given that the programme was concentrated in urban areas¹⁴.

There are problems concerning the diffusion of the programmes among extremely poor segments of the population. This explains the high percentage of persons who have no knowledge of them (see Tables 2, 4 and 5). The mechanisms of community and neighbourhood communication apparently tend to exclude families living in extreme poverty.

The preference for organizations (such as mother's clubs, Cup of Milk committees, APAFA) as channels through which beneficiaries may be reached has severe limitations when it comes to rural communities, since these are scattered and isolated from populous areas where such organizations operate. In urban centres with growing populations of newcomers, many families are in the process of regularizing their property ownership and consequently do

¹³ Results of the *Estudio de Impacto del Microcrédito para el Desarrollo* “La Chuspa”-MIDE, 1998.

¹⁴ Quote from with the President of the Commission of Insurance Integration at the Ministry of Health, 2001.

not fully exercise their role as residents. They cannot participate as beneficiaries since they are unaware of the mechanisms for requesting benefits from the neighbourhood organization to which the leader responsible for the programme usually belongs.

Nor are popular canteens, mothers' clubs and Cup of Milk committees the best vehicles for reaching the target population of children between zero and five years of age and for avoiding leakage. The school breakfast programmes do succeed in accomplishing this since the food is actually handed out at the educational facilities. The Cup of Milk programme, on the other hand, presents some of the highest indices of leakage in that 33 per cent of the beneficiary households have no children under the age of six.

Another type of filtration occurs in the home in relation to the provision of benefits to mothers and children. It often happens in such cases that the food is used to feed an entire family or, even worse, the food products end up being sold.

The long terms of office and the failure to bring in new leaders in the women's community-based organizations is another factor encouraging leakage, especially in urban areas. Some women leaders create strong ties with a small group to whom they must cater in order to remain in charge.

The high level of participation of women in the programmes is more a result of targeting than it is of a gender-based perspective in the sense that it encourages a better position for women, although it does so within the context of their poverty or extreme poverty.

5.3. Match between social supply and demand

A review of a number of studies¹⁵ indicates, given the circumstances in the country, that there is considerable heterogeneity among the country's extremely poor as regards the way in which needs and expectations for escaping poverty are prioritized —differences that have to do with geographic location, area of residence, region and gender.

In the exercise of government, it is a common practice to design and execute social projects with little input from those whom they are intended to benefit. In spite of the fact that the creation and strengthening of community-based organizations such as mothers' clubs, Cup of Milk committees, local coordination centres, etc. were intended to encourage the participation of beneficiaries in the various levels of the programme, this has been limited to very precise executive tasks dependent upon handed-down decisions and has not allowed them any degree of influence in the organizations.

According to some of the women beneficiaries, the systems of communication used to take stock of the problems and needs of the people were inadequate; even the proposals of the largest organizations, such as the head offices of the canteens, were ignored. There were a few isolated attempts to conduct intersectorial meetings in order to register petitions, but the proposals formulated to respond to them were never put into practice.

The officials who worked at the institutions pointed out that the poverty map was relied upon to locate areas requiring attention. Others maintain that the visits of government officials to the community-based organizations and those of mothers to the offices constituted the means by which demand was assessed, in addition to some events and surveys on needs and rights.

This lack of concordance between institutional supply and social demand has frequently resulted in the failure of programmes in specific areas; the case of the PRONAA canteens, whose operation failed in rural communities with scattered populations, is well known.

¹⁵ *HOPE Survey, 1998; Diagnóstico de Género PROFECE, Ayacucho 1999; Estudio Género y Riego SNV, 1998.*

The *1998 HOPE Survey* makes an important contribution in this connection by identifying three main groups of needs and expectations. The first of these is work, which determines the ability to generate income for living in the short and long term. The second refers to those “assets” that ensure a minimum standard of living in the medium term, such as housing, vital basic services and durable consumer goods. The third refers to those needs consisting of the basic social services of food, health and education. Social programmes are not considered priority needs; if they are mentioned, their priority is rated less than 2 per cent in all geographic areas. See Tables A and B in the annex.

These findings are very important for changing the strategy of social policy management, as they run counter to that of addressing extreme poverty primarily through the supply of public goods and services. It is more important to meet the expectations of families by providing broader access to the means of generating permanent income. Additionally, the studies illustrate that the solutions proposed by extremely poor households do not fall wholly within the sphere of the State or civil society, but rather primarily within the family itself. The State must therefore provide the opportunities and conditions to enable households to meet their objective of supporting themselves.

The extremely poor consider informal, own-account work to be the main means of obtaining greater welfare (see Tables C and D in the annex); however, there is a wide section of the population that expects external support, whether from institutions, authorities, or administrations, among other bodies.

5.4. Management and execution

- The main problem encountered by the institutions administering the social programmes has been the constant political interference in their activities and priorities (thereby limiting their autonomy) and the orientation of these towards improving the public image of the Government. There have been a number of clashes between technical and political staff members in strategic confidential posts charged with the mission of distributing goods in order to ensure political acceptance. Thus, beneficiaries were likened to political clients, whose requests would be met if they collaborated by attending presidential meetings and taking part in electoral campaign activities. Failure to perform these tasks, which were imposed upon them by the institutions, was punishable by a withdrawal of support, resulting in chaos, mistreatment of the organizations and loss of autonomy.
- The fact that inter-institutional coordination was limited posed a considerable constraint. It affected not only the public sector, but also the large private organizations working in the field of food security, such as CARITAS, CARE and ADRA. There were failed initiatives, such as the PROMESA programme, which featured nutritional, health and educational components. According to persons interviewed, one of the main reasons was that in the public sector there is an extreme preoccupation with the person or entity to whom recognition is due. Public officials debated the programme not from the technical perspective, but in terms of “who authorized it” or “to whom does it belong”. Apparently, when it was time to implement the programme, the education and health sectors had too many tasks to attend to and did not want to take on any additional ones. The idea behind coordination was mainly to avoid duplicating efforts. This was not achieved since the programmes that shared similarities were unwilling to provide information and discuss more efficient strategies. There have been cases in which programmes worked in conjunction with each other to provide assistance to beneficiaries, but it was along the lines of “you choose whether you receive breakfast

from FONCODES or from us, but then we will not be able to assist you with other things”.

There is currently a duplication of efforts in many communities in which families receive food supplies from a number of programmes (Cup of Milk, School Breakfast, porridge, food through the mothers’ clubs). This situation has contributed to overworking the mothers responsible for preparing food. In the high-altitude communities of Cusco, mothers sometimes cooked every day of the week for one or the other of the programmes, in addition to attending training sessions and other activities. It was noted that some women leaders had workdays lasting as long as 17 hours, including work at home and time spent performing organizational tasks¹⁶.

- Communication between the various institutions takes place more through personal channels than through formal ones. In many cases, institutional communication was predicated on bureaucratic procedures that limited it considerably.
- The bureaucratic nature of the public sector, the lack of personal motivation and the presence of corruption (which at times was even expressed as passive boycotting) are critical factors affecting the management of social programmes. The resulting mentality has been evident in a number of practices, such as managing an assigned budget by automatically spending everything allotted with little regard for efficiency or economizing resources; the tendency of staff to evaluate their work on the basis of hours spent on the job, despite failing to meet objectives or assigned tasks; illegal practices, such as bribery, in order to obtain benefits, etc. With respect to the latter, it has become apparent in recent years that there is a “network” in operation among programme officials, Members of Congress and government suppliers, which has resulted in the delivery of poor quality products to beneficiaries, with the attendant ill effects on health.

This bureaucratic environment also extended to relations between the programmes and their beneficiaries. In the case of the PRONAA and Cup of Milk programmes, claimants must be recognized as beneficiaries before the beginning of the calendar year in order to obtain food assistance. The constitution of the organizations is regulated by executive decrees, which provide for the establishment of legal capacity, the requirement to keep a register of members, and inscription of its board of directors in the public registry. Once having completed these requirements, organizations must conclude an annual agreement with the administering institutions stipulating the control mechanisms and conditions in which the food-related actions must take place. In the MINSA programmes, beneficiary groups are established in accordance with the requirements and evaluations outlined by each programme, the duration of which is subject to the time constraints of the sector in question and to the nutritional objectives of the programme (six months for nutritional recuperation, period of gestation, school year, etc.).

The women beneficiaries of the mothers’ clubs and popular canteens point out that the formalities they are required to complete are extremely time-consuming and that the control procedures are often difficult to manage, given their low level of education and lack of training in this area.

- Another problem affecting the operation of the programmes concerns the limited experience of the officials in decision-making posts; they frequently lacked the necessary career training in the fields to which they were assigned. It was pointed out that staff was selected primarily on the basis of “friendship”, which detracted

¹⁶ *Estudio Género y Riesgo*, SNV, 1997.

enormously from the quality of the work performed and created a climate of favouritism that is difficult to reverse in a short period of time.

- An atmosphere of general instability in the institutions owing to the threat of staff cutbacks, the system of short-term contracting (for 12, 6, 3 and even 1 month) and constant changes in management that required starting all over again resulted in a lack of motivation and an inability to make decisions on the part of the staff.
- Overall, the programmes did not have a system for generating and processing optimum information as there was not enough staff to attend to this task. This situation adversely affected the functions of control, supervision and evaluation, which, furthermore, were not part of well-defined systems. Each area established its own indicators, which often did not concur. In addition, there were no proper indicators to evaluate efficiency and measure the programmes' effects.
- A financial evaluation was conducted of the percentage of quantitative goals met (number of goods transferred, actions carried out, persons attended to) and incidents of corruption were investigated. However, no systematic measurements of the programmes' impact on beneficiaries' nutritional state were carried out. Studies were conducted on the nutritional impact of a particular programme for a particular time period, but this did not contribute much to an overall climate of efficiency.

6. Conclusions

- The Government's strategy to battle poverty through social benefits has not been effective in eradicating this scourge, despite the large sums invested. As may be observed, the percentage of persons below the poverty line has grown in recent years, while the percentage of those below the extreme poverty line has not improved in comparison to past decades.
- The rate of chronic malnutrition at the national level has decreased significantly in the last decade, probably as a result of the food assistance programmes. However, within the context of food security, the fact that infantile malnutrition remains widespread and that the percentage of persons living below the poverty line continues to grow, would seem to indicate that the social programmes have not been successful in battling the fundamental causes of malnutrition. The programmes' objectives may have been too broad or their design inappropriate. In other words, food policy has shown itself to be weak in terms of an efficient, effective and sustainable macroeconomic environment.
- The past administration's political management has not been at all conducive to the development of the social programmes, not only in terms of its effectiveness, but also because it promoted a culture of corruption and immorality that—even to this day—affects all actors involved in the programmes.
- A significant percentage of extremely poor households remain excluded from government social benefits. In addition, errors in the design of programmes have produced leakage.
- It has been shown that education and information grant the ability to procure resources under any conditions; therefore, social programmes should strengthen and promote the educational component.
- The lack of information, systems and indicators of impact do not allow for a proper review and evaluation of the programmes' results; this is exacerbated by the fact that the figures have been tampered with.

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- The absence of communication mechanisms between beneficiaries and administrators and among institutions has had an adverse effect on both targeting and management of the programmes.
 - The experiences of the programmes that have been integrated with the productive sector in an effort to combat food insecurity have, despite their deficiencies, stimulated local production and broadened the impact of the programmes on the national economy. It is a valid strategy that needs to be re-considered.

7. Recommendations and proposals

- Public management should develop the ability, together with beneficiaries, of “matching” social supply to demand. This does not imply that the State should respond to each and every request put forth by the public. It does imply that it take a number of actions to enrich a relationship based on common interests in such a way that the people determine their own destiny. It means providing the opportunities and conditions that make institutionalizing the “participatory models” a viable objective. It means not only allowing the public to participate as a receiver and organizer of the storage and distribution of foodstuffs, but also enabling it to generate and distribute its own resources, as well as to inspect, monitor, and propose alternatives, and have these taken into account.

It also implies providing resources to extremely poor persons with the understanding that the assistance is temporary, but that the supply of information and the means for securing access to income are permanent.

- The State’s “matching” of supply and demand should begin with the development of its “ability to listen” to its citizenry; and in the case of the social programmes, to understand what the poor consider to be its priorities. Understanding the true nature of the population’s needs and being aware of both its expectations and proposals is a necessary step towards making the objective of coordinating and “matching” supply and demand a viable one.

Seen from this perspective, promoting and strengthening the role of the social community-based organizations, whether mothers’ clubs, popular canteens, Cup of Milk committees, local coordination centres, conservation committees, solidarity groups, etc. become strategic factors in the battle against poverty when these organizations become directly involved, not merely in the execution, but especially in the design, management and control of the programmes.

- It is important to broach the subject of priorities from the standpoint of the beneficiaries, respecting the heterogeneity of their needs as conditioned by the geographic locations and conditions of the *sierra*, *selva* and coast, or the north, central and south of the country, as well as by the natural differences between urban and rural environments, in an effort to improve the efficiency and quality of the social programmes.

- Although work is considered a priority need by the poorest segment of the population, the latter does not discard external support to the family as an option. What is important is for this option to be truly beneficial in terms of helping develop the abilities needed to generate permanent income, instead of becoming a habit that promotes passivity and political clientelism.

Transfers of public goods and services are important for compensating the inability to satisfy short-term needs (food and health) and medium term needs (school supplies). Such transfers should serve as incentives to beneficiary groups to make better use of their time and energy. To the extent that they can be incorporated as non-monetary

family income, they free up resources in terms of work hours and enable the development of an alternative occupation that generates monetary income. Herein lies the importance of the canteens and school food programmes as an option for alleviating poverty in extremely poor families in urban areas, since they permit female heads of household to develop their self-employed activities to better advantage.

- Social programmes have a greater impact when they operate in conjunction with others. Beyond the traditional inter-institutional coordination, in which information sessions or training activities are carried out jointly, merging ^{operations} brings with it the benefits of economies of scale, which means that more beneficiaries are helped at a lower average cost and that the benefits, which the programmes would otherwise provide individually, are increased. This is particularly important in rural areas. The joint operation of these programmes creates a synergy of combined efforts empowering the human capital represented by beneficiaries to improve its ability to generate permanent income. “There have been some experiences involving private programmes that began by addressing malnutrition, went on to incorporate educational components aimed at parents and children, and finally led to the implementation of microcredit programmes with a relatively (sustainable) impact”¹⁷.

At this point, it is important to mention the most outstanding examples of the main private programmes working in the area of food security in Peru, such as the Adventist Development and Relief Agency (ADRA), Caritas of Peru, the Prisma Association and CARE Peru.

These agencies work with each other and coordinate actions with public sector programmes (mainly concerning health and education) and with other NGOs. In the process of coordination, these organizations increase the effectiveness of sustainability strategies through preventive training, a high level of community participation in management, the training of community promoters and local support committees and/or community systems to monitor the growth and health of children. Their food assistance programmes are based on more comprehensive food security approaches, which take into account aspects relating to the access, availability and proper use of food. As these are part of broader strategies to promote the family and the community and are not merely sectorial, they also promote family vegetable gardens, latrines, potable water systems, microcredit and employment programmes.

- The food, health and education programmes provide a starting point for such integrated efforts. The implications of the health and nutritional status of family members on self-employment and on the performance of school children is well known.
- The entities that design the social programmes should strive to overcome conventional concepts of poverty and should embrace concepts that acknowledge the complexities of poverty, such as that of social exclusion, which is already being investigated by researchers on the topic.
- Beginning with the period of transition to democracy, there have been changes in the policies and strategies of social programmes aimed at the poor and extremely poor. These go beyond the emphasis on social assistance and the clientelism that prevailed in the previous administration. The strategy currently being developed is based mainly on the creation of temporary work with a permanent orientation towards improving the quality of the expenditure, stressing sustainability, integrality and complementarity. The programmes of the new administration allow for the participation of beneficiaries,

¹⁷ Portocarrero, F; Beltrán Arlette; Romero, M; Cueva, H.: Gestión pública y políticas alimentarias en el Perú, 2000.

with an emphasis on women, in prioritizing requests, managing activities, and providing follow-up. Training programmes aimed at all agents (beneficiaries, technicians, officials, etc.) involved in the cycle of processes have been developed. Supplemental food programmes have been reorganized chiefly under the direction of the Ministry of Health and PRONAA, in conjunction with the educational sector, and are aimed primarily at the extremely poor segment of the population.

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Annexes

Table A. Primary needs identified by heads of household and spouses, according to departments in urban areas

| | Lima | Cusco | Cajamarca | Loreto |
|--------------------------|-------|-------|-----------|--------|
| 1 Food | 6.01 | 13.02 | 9.57 | 8.09 |
| 2 Durable consumer goods | 2.22 | 0.95 | 2.18 | 1.38 |
| 3 Housing | 28.29 | 15.56 | 34.78 | 10.65 |
| 4 Basic vital services | 15.59 | 10.16 | 2.61 | 58.98 |
| 5 Work | 29.65 | 30.48 | 33.91 | 13.61 |
| 6 Income | 4.56 | 6.66 | 6.09 | 0.79 |
| 7 Health | 2.89 | 1.91 | 2.61 | 2.17 |
| 8 Education | 1.06 | 2.85 | 0.43 | 0.59 |
| 9 Social programmes | 1.64 | 0.00 | 0.43 | 0.20 |
| 10 Other | 8.08 | 18.40 | 7.39 | 3.55 |
| Total | 100 | 100 | 100 | 100 |

Source: CIUP, *Survey of Extremely Poor Households in Peru*, HOPE 1998, Lima; CIUP-IDRC, 1999.

Table B. Primary needs identified by heads of household and spouses, according to departments in rural areas

| | Cusco | Cajamarca | Loreto |
|--------------------------|-------|-----------|--------|
| 1 Food | 7.71 | 28.35 | 21.72 |
| 2 Durable consumer goods | 3.04 | 2.90 | 2.26 |
| 3 Housing | 7.95 | 14.08 | 2.27 |
| 4 Basic vital services | 35.98 | 13.87 | 23.99 |
| 5 Work | 6.31 | 13.87 | 2.26 |
| 6 Income | 12.62 | 5.59 | 3.61 |
| 7 Health | 2.10 | 2.69 | 22.62 |
| 8 Education | 2.34 | 0.83 | 1.81 |
| 9 Social programmes | 0.00 | 2.69 | 1.81 |
| 10 Other | 21.96 | 15.3 | 17.65 |
| Total | 100 | 100 | 100 |

Source: CIUP, *Survey of Extremely Poor Households in Peru*, HOPE 1998, Lima; CIUP-IDRC, 1999.

Table C. Means of satisfying primary needs in extremely poor districts, as prioritized by heads of household in urban areas, Peru, 1998 (percentages)

| Means | Head of household | Community leaders |
|--|-------------------|-------------------|
| Looking for another job | 21.5 | 1.5 |
| Working | 17.9 | 0.0 |
| Requesting a loan | 13.0 | 0.0 |
| Appealing to community leader for assistance | 7.6 | 0.0 |
| Saving | 7.1 | 0.0 |
| Requesting assistance from municipality | 4.8 | 15.2 |
| Requesting assistance from central government | 3.3 | 13.6 |
| Requesting help from family and friends | 3.3 | 0.0 |
| Requesting assistance from basic service enterprises | 2.4 | 0.0 |
| Requesting assistance from institutions | 2.1 | 10.6 |
| Requesting help from authorities | 1.6 | 6.1 |
| Waiting for assistance from central government | 1.6 | 0.0 |
| Seeking job training | 0.9 | 1.5 |
| Organizing various activities | 0.6 | 0.0 |
| Community participation | 0.3 | 3.0 |
| Emigrating | 0.1 | 0.0 |
| Requesting assistance from regional government | 0.1 | 0.0 |
| Requesting donations | 0.0 | 0.0 |
| Completing formalities for assistance | 0.0 | 12.1 |
| Creating/promoting micro and small enterprises | 0.0 | 12.1 |
| Requesting assistance | 0.0 | 7.6 |
| Presenting project proposals | 0.0 | 4.5 |
| Looking for work | 0.0 | 1.5 |
| Other | 8.7 | 9.1 |
| Not known | 3.0 | 1.5 |

Source: CIUP. *Survey of extremely poor households in Peru*, HOPE 1998, Lima: CIUP-IDRC, 1999.

Table D. Means of satisfying primary needs in extremely poor districts, as prioritized by heads of household in rural areas, Peru, 1998 (percentages)

| Means | Head of household | Community leaders |
|--|-------------------|-------------------|
| Working | 22.5 | 0.0 |
| Requesting assistance from central government | 12.8 | 20.0 |
| Requesting help from authorities | 10.7 | 4.6 |
| Requesting assistance from municipality | 8.4 | 21.5 |
| Appealing to community leader for assistance | 6.7 | 0.0 |
| Requesting assistance from institutions | 6.1 | 16.9 |
| Requesting aid from family and friends | 5.2 | 0.0 |
| Community participation | 3.4 | 3.1 |
| Requesting a loan | 3.3 | 1.5 |
| Looking for another job | 2.2 | 0.0 |
| Waiting for help from central government | 2.2 | 0.0 |
| Saving | 1.3 | 0.0 |
| Requesting donations | 1.3 | 0.0 |
| Requesting assistance from basic service enterprises | 0.9 | 0.0 |
| Emigrating | 0.4 | 0.0 |
| Seeking job training | 0.4 | 0.0 |
| Organizing various activities | 0.4 | 0.0 |
| Requesting aid from regional government | 0.1 | 4.6 |
| Completing formalities for assistance | 0.0 | 9.2 |
| Presenting project proposals | 0.0 | 7.7 |
| With support and advice | 0.0 | 3.1 |
| Other | 11.2 | 6.2 |
| Not known | 0.3 | 1.5 |

Source: CIUP. *Survey of extremely poor households in Peru*, HOPE 1998, Lima: CIUP-IDRC, 1999.

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