

Monitoring and Evaluating Poverty Alleviation Programs in Peru



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[Photo: Young girl in Peru.]

When Peruvian President Alberto Fujimori began implementing structural adjustment policies in the early 1990's — including the privatization of state-owned enterprises and encouragement of foreign investment — one of the major concerns of economic analysts was that any resulting economic growth would not benefit the poorest Peruvians. The government responded in 1996 by launching a program designed to cut extreme poverty in half by the year 2000.

Today, there are 4.5 million Peruvians — roughly a fifth of the total population of Peru — living on less than US\$33 per month. To assist them, the government has allotted US\$2.7 billion toward its Focused Strategy for Extreme Poverty Alleviation (*Estrategia Focalizada de Lucha contra la Pobreza*) between 1996 and 2000. But how and where should this money be spent so that it most benefits those living in extreme poverty?

CIUP team

A large part of the success of this program hinges on the ability to identify and measure extreme poverty and its causes, and then to evaluate the impact of relief efforts to determine whether or not they are working. These tasks are being handled by a team of researchers led by economist [Enrique Vásquez](#), of the Centro de Investigación de la [Universidad del Pacífico](#) (CIUP) in Lima. The CIUP team has developed a Well-Being Index (*Indice de Bienestar*) and a follow-up Monitoring and Evaluation System.

With funding from the International Development Research Centre (IDRC), the CIUP researchers are using these tools to accurately target the population sub-groups that are most in need of poverty relief and to determine how to help these people participate more in the national economy. One of their main objectives is to help improve the delivery of short-term aid by the Peruvian government, and by national and international aid organizations. The overall goal is "not only the reduction of poverty but achieving state reform, which means bettering the efficiency and efficacy of public institutions and all those that make decisions about social management," says Dr Vásquez.

Well-Being Index

The key to this project is the Well-Being Index because its design accounts for much more than just basic numerical data about a region's employment and income levels. This Index is compiled through the [HOPE](#) (*Hogares en Pobreza Extrema*, or Homes in Extreme Poverty) panel-data survey, which gathers household data on the complex social and cultural factors that affect a family's level of poverty and well-being. Such factors include the demographic structure of the family; and access to medical care, education, small business loans, and food aid programs — variables that have never before been measured in nation-wide indexes of Peruvian poverty.

"It seemed important to us to ask not only questions about employment status, economic stability, health, and so on, but also how the poor feel about poverty," explains [Carlos Aramburú](#), a consultant anthropologist working on the CIUP team. "How do they themselves feel about their situation? What capacity do they feel they have to [solve their problems]?"

More precise tool

In the past, the Peruvian government relied on a crude poverty index that measured poverty by administrative-political regions. It could only detect long-term changes, such as those due to macro-economic factors like gross national product (GNP). The HOPE survey is a more precise tool that will allow researchers to analyse and assess the impact of short-term poverty alleviation measures implemented by the Peruvian government and non-governmental organizations.

The survey is being administered in 2,045 households in four of Peru's 25 departments or provinces, where 45% of those who live in extreme poverty reside. (About 66% of the total sample population live under extreme poverty.) The researchers chose one urban/coastal department, two rural/Andean departments, and a rural/Amazon department to obtain a more comprehensive picture of poverty and its alleviation in the different ecological and socio-cultural environments of Peru. The first semi-annual survey was conducted in May-June 1998, and research results were presented during an Inter-American Development Bank seminar held in Washington D.C. in May 1999.

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