

Change or poverty: that's the question

HÉCTOR BÉJAR



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Following Alberto Fujimori's flight as a result of the struggle of Peruvian civil society, a transitional constitutional government took over and governed Peru from December 2000 to July 2001. In new general elections, Alejandro Toledo was elected as President of the Republic in a democratic process and took office in July 2001.

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Resources

Since structural adjustment in 1990, a quarter of social expenditures (half the amount allocated specifically to reducing poverty) has been financed by foreign debt. New debts continue to be added to old ones. Peru pays over USD 2 billion in foreign debt service annually – over 20% of its national budget and one-third of its exports. In exchange it receives loans amounting to USD 1 billion from the Inter-American Development Bank and the World Bank.

Social programmes organised by Fujimori under the auspices of multilateral organisations were devoted to economic infrastructure (highways and local roads), social infrastructure (schools, drinking water, latrines and medical facilities), food (distribution of food to poor families) and family planning.

In 1996, the regional office of the Latin American Committee for the Defence of Women's Rights (CLADEM) carried out two investigations that led to legal action being taken against the government. The first concluded with the report: *Silence and complicity: violence against women in public health care services in Peru*, which provided information on negligence and intentional abuse – including rape – in public health care institutions. The second report, *Nothing personal: a report on human rights in the application of surgical contraception in Peru, 1996-1998*, examined the documentation on policies and programmes leading to non-voluntary sterilisation of women.

Under Fujimori's regime, public canteens were used to disseminate propaganda for Fujimori's political alliance, *Perú 2000*. In its report on electoral monitoring, the Public Defence Office concluded that public canteens had become the "political houses for *Perú 2000*",¹ because they were used for the

distribution of aprons, stoves, saucepans, T-shirts, caps and first-aid boxes that held no medicines but bore the official candidate's party colours.

Since the restoration of democracy, there has been an increase in the repudiation of corruption and in social demands. People want employment, the provinces want lines of communication and all are clamouring for sanctions against corrupt politicians, entrepreneurial circles and the mass media. There is also proof that the privatisation programme was riddled with corruption.

The structural adjustment programme was based on the supposition that foreign investment would activate the economy and generate growth and employment. But these expectations were frustrated. Consequently, in addition to the old programmes maintained by the new administration, the main social programmes promoted by the government are: *A trabajar (To work)*, focusing on urban and rural issues; *Mivivienda (My house)*, targeting housing loans; and *Mibanco (My bank)*, promoting small enterprises. All have the objective of creating employment.

The 2002 budget has not been totally financed, and additional financing is anticipated from privatisation and an increase in taxes. However, there is strong public opposition to privatisation because of past bad experience, and businesses are resisting proposed new taxes on diesel fuel, utilities and bank interest. Foreign companies enjoy tax stability contracts that, in practice, exempt them from paying taxes.

Military expenditure has been reduced because the armed forces have fallen into disrepute, but it is still considerable. In the 2000 budget, defence and interior expenditures were USD 1,727 million, or 17.35% of the budget.²

Repayment of the debt, military expenditures and the government's inability to tax the more profitable enterprises continue to be iron bands blocking the expansion of investment in social programmes. The only possibility of increasing social expenditures would be to make cuts in foreign debt payments, but these have already been consolidated in the Brady Plan, and the new debt, taken on with multilateral organisations, cannot be refinanced.

A study carried out in 1999³ showed that between 1993 and 2000, USD 5.2 billion was spent on programmes for the alleviation of extreme poverty, yet it had only dropped four percentage points, to 14% of an estimated population of 26 million. Total poverty, including extreme poverty, is around 54%.

1 *Raciones en Comedores Populares se redujeron tras las elecciones*, Newspaper *El Comercio*, 29 September, 2000, p. A8.

2 Calculations made on the basis of figures submitted to Congress by the Vice-Minister of Finance, Alfredo Jailile in September 1999.

3 Jaime Saavedra and Eduardo Muruyama. *Evaluación de la situación de la pobreza en el Perú y de los programas y políticas de lucha contra la pobreza*. Report prepared for UNDP as a preparatory document for the *UNDP Poverty Report*. Document, 1999.

Responding to initiatives and pressure by civil society at the end of 2000, the transition government set up *Co-ordination Boards for the Struggle against Poverty*, convening all sectors of government, churches, grass-roots social organisations and non-governmental organisations. By the end of 2001, these Boards existed all over the country, totalling 680 at departmental, provincial and district levels.

The Boards have formulated priorities for each area. A second step will be to include these priorities in the 2003 National Budget that should be formulated and approved in 2002. This is an exercise in planning with the people's participation and is the first experience of its kind in the country. It is not exempt from difficulties as the technical capacities of the social organisations must be enhanced and the resistance of bureaucratic sectors must be overcome.

Women's rights

Peru continues to be without a policy framework on women's rights and has only passed some partial regulations, most of them fragmentary portions of civil society initiatives, presented as concessions or progress thanks to government initiatives. In February 2001 the Legislature ratified the *Optional Protocol for the Convention on the Elimination of all Forms of Discrimination against Women*, enabling any person or group of persons to lodge complaints regarding individual cases of discrimination.

The Quota Law 27387 (December 2000) increased the quota of women from 25% to 30% for the lists of candidates to Congress in each of the districts (politically Peru is divided into departments, provinces and districts). In the 2001 Congress, there were 22 congresswomen, a 19% improvement over the representation in 2000. Yet out of the total of 16 ministers, only one is a woman.

The *Emergency Women's Centres (CEM)* were established in March 1999, but they must still be extended on a national level. Commissions and women's programmes have been created in the municipalities to institutionalise actions anticipating the specific needs of women in the management of local development.

Social indicators

In general, progress has been made in the areas measured by the most important social indicators, but this progress has been insufficient, uneven and below Latin American averages.

The most notorious disparity is the difference between rural and urban areas. As a consequence of difficulties in access due to the cost of consultations and the distance between health care centres, the rural population continues to be subject to early mortality and to higher sickness rates and health risks of all kinds.

According to the *Demographic and Family Health Survey in 2000 (Encuesta Demografica y de Salud Familiar or ENDES 2000)*, in the period 1992-2000, 185 maternal deaths occurred per 100,000 live births, down from 298 cases estimated in 1990 and 265 in 1996.

Sexual violence continues to be one of the greatest problems for women in Peru. According to ENDES 2000, 41% of women who at some time lived in union had been mistreated or physically battered by their husband or partner – most of them (83%) occasionally and 16% frequently.⁴ ENDES also notes that over 40% of Peruvian children are physically battered by their parents, who consider corporal punishment a "natural method of discipline and education."

The 1993 Law against Family Violence establishes a national policy against domestic violence. However, police and magistrate training is lacking. The police do not investigate complaints and magistrates do not issue warnings or re-

straining orders in the vast majority of cases. Policies are lacking for prevention, rehabilitation and compensation for victims of this violence.

Infant mortality dropped on national average, but while in metropolitan Lima it dropped from 30 to 17 per 1,000 live births between 1992 and 2000, in the department of Huancavelica, located in the Andean region, it fell from 105 to 71 per 1,000 live births. In Lima the reduction was near to 43%, while in Huancavelica it was only 33%, reflecting a widening gap between urban and rural areas. In 1992, the infant mortality rates in the rural areas were approximately triple those of Lima, while in 2001 the rate is almost five times higher.

Chronic malnutrition of children under five years of age is 25.4% in the nation. Thirteen percent of children living in urban areas suffer from malnutrition, while in the rural areas this figure is over 40%.⁵ Information on infantile malnutrition has not been broken down by sex, and therefore it is not possible to establish whether the government is taking appropriate measures to ensure that girls, like boys, have access to adequate food.

According to ENDES 2000, 72% of Peruvian homes receive their water supply from the public network. Only 46% of rural homes have access to this service while 88% of urban homes do. In the urban areas, 76% of the homes are connected to public sewer systems. In the rural areas, 52% of the homes do not have any type of service for sewage elimination. In the department of Huancavelica, 71% of the population do not have sanitation facilities.

ENDES 2000 calculated life expectancy at birth between 1995 and 2000 at 69.1 years, and it is hoped that by the 2020-2025 period this will have increased to 74.8. However, in many departments, such as Huancavelica, this number is lower, with life expectancy at birth being only 56.8 years, or Cusco, with 60.2. In some urban departments, life expectancy at birth is above the national average. For example, in Lima it is 76.8, in Tacna 72.8 and in Arequipa, 71.9.

In 1998 in Peru there were 4.2 million children enrolled in schools at the primary level. Of these, 60% came from the urban areas and the remaining 40% from the rural areas. The percentage of children who were above-age for their class level was 24.6%. In 1999, Peru had 1.9 million illiterate people, of whom 76% were women; 11.5% of the female population were illiterate.

Rural zones have 23,000 rural primary schools, of which 68% do not have running water, 95% do not have sewage and 90% do not have electricity. Only 3.2% have a library and fewer than 1% have a laboratory. In rural areas, 90% of primary education is provided in schools with a single teacher for various grades simultaneously or in multi-grade classrooms (various grades simultaneously in a single classroom)⁶.

In general, progress is being made, but it is slow and resources are insufficient. To reach the goals set by Copenhagen and Copenhagen+5, Peru would have to slow down its payments of foreign debt, promote tax reform starting with the wealthy (which in the case of Peru are trans-national companies), give social objectives to economic policy, co-ordinate social programmes to avoid wasting resources and organise a system for democratic participation in decisions and monitoring of the programmes to be implemented. These goals are on the present agenda. ■

Comité de Iniciativa de la Conferencia Nacional sobre Desarrollo Social
(Initiative Committee, National Conference on Social Development)
<hechejar@chavin.rcp.net.pe> – www.siperu.org

4 ENDES 2000, p. 210.

5 ENDES 2000.

6 INEI 1997.