

## (NEWS RELEASE)

During the last five years 1 million 773 thousand people left this condition

## IN PERU 264 THOUSAND PEOPLE WERE NO LONGER POOR BETWEEN 2015 AND 2016

During 2016, 20.7% (6 million 518 thousand) of the nationwide population were on conditions of poverty registering a decrease of 1.1 percentage points, compared with the year 2015, it means, 264 thousand people were no longer poor; this information was released by the Chief of the National Institute of Statistics and Informatics (INEI), Dr. Aníbal Sánchez Aguilar.

During the presentation event of the 2016 Monetary Poverty Figures in Peru, pointed out that during the last five years (2012-2016), 1 million 773 thousand people were no longer poor by reducing in 7.1 percentage points and during the last 10 years (2007-2016) it reduced in 28.4 percentage points, which means that 7 million 304 thousand people were no longer poor.

He declared that the poverty incidence in the rural area reached to the 43.8% of the population decreasing in 1.4 percentage points compared to the year 2015; meanwhile in the urban area affected to the 13.9% of the population by decrease in 0.6 percentage points compared with the last year.

Cost of a basic food and non-food basket per capita was of 328 Soles for the year 2016 "In Peru, the measure of the Absolut and Monetary Objective Poverty that INEI develops, compare the monthly average expense per capita of an inhabitant with the cost of a basic food and non-food basket, called Poverty Line, which cost for the year 2016, was calculated in 328 Soles per person and for a 4 member family the cost of the basic basket was of 1 312 Soles. Therefore, the persons whose expenses are lower than the Poverty Line are considered poor" emphasized the Chief of the INEI.

He added that it was considered extreme poor to all those people which monthly expense per capita does not cover the cost of the basic food basket calculated in 176 Soles, for the year 2016 and for a 4 member family member the cost of a basic food basket is 704 Soles.

It is worth to be mentioned that in the year 2016, the cost of consumption basic basket or total poverty line increased in 4.2% compared to the year 2015, mainly due to the effect of the price increase. Meanwhile the cost of the basic food basket or extreme poverty line increased in 4.6%.

Gini Coefficient decreased in 0.06 percentage points between the years 2007-2016 The INEI informed that the Gini Coefficient, the one that measures the income inequality registered a decreasing trend in the last 10 years (2007-2016) by decreasing in 0.06 percentage points and in the last five years (2012-2016) in 0.01 percentage points.

In five geographic areas were registered the greater reductions in the poverty rate During the year 2016, the higher poverty levels were registered in the rural Highlands (47.8%), in the rural Jungle (39.3%) and in the rural Coast (28.9%). Nevertheless, the greater reductions of poverty were in the urban Coast (2.4 percentage points), rural Jungle (1.8 percentage points), rural Coast (1.7 percentage points), rural Highlands (1.2 percentage points) and rural Jungle (1.1 percentage points); instead in urban Highlands and in Metropolitan Lima the figures did not show significant changes.

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Group of Departments with similar monetary poverty levels

During the year 2016, six groups of Departments with similar statistical poverty levels were registered. The Department with a higher monetary poverty incidence in Peru were Cajamarca and Huancavelica which poverty fluctuated between 43.8% and 50.9%.

When comparing the poverty levels of the year 2015 and 2016 by Department, an improvement in living standards of the households was observed, by decreasing the poverty ranges. The poverty decreased in the departments with higher poverty index. Therefore in the year 015, three Departments (Amazonas, Cajamarca and Huancavelica) registered the highest poverty index; meanwhile in the year 2016, just two Departments showed the highest poverty index (Cajamarca y Huancavelica).

Poverty Gap was located in 5.0% in the year 2016 and has been steadily decreasing During the year 2016, the poverty gap that is the expense proportion that a person in poverty conditions lacks to reach the poverty line was of 5.0%. During the last five years (2012-2016) the poverty gap reduced in 2.8 percentage points, which implies that the poor people, that are still in poverty conditions had improved its consumption levels.

Severity of poverty presented a decreasing trend and in the year 2016 was of 1.8% Results of the National Household Survey revealed that the severity of poverty, that measures the distances and differences in the expense in poor people had been reduced over time, till it reach the 1.8% and locate very close to the poverty line.

Severity of poverty in the last five years (2012-2016) decreased in 1.4 percentage points and in the last 10 years (2007-2016) it decreased in 6.7 percentage points.

70 thousand people left extreme poverty between the years 2015 and 2016 During the year 2016, the 3.8% (1 million 197 thousand) of the population was in extreme poverty condition (by not covering the cost of a basic food basket). This figure had decreased in 0.3 percentage points, by comparing with the year 2015, it means, 70 thousand people were no longer extreme poor.

During the last 5 years, the extreme poverty decreased in 2.5 percentage points, which means that 693 thousand people left such condition and during the last 10 years (2007-2016) decreased in 10.0 percentage points, it means that, 2 million 688 thousand people were no longer extreme poor.

Incidence of extreme poverty affected the 13.2% of the rural area population.

During the year 2016, extreme poverty affected the 13.2% of the rural area population, decreasing in 0.7 percentage points compared to the year 2015. During the last five years (2012-2016) decreased in 7.3 percentage points and in the last 10 years (2006-2016) in 24.9 percentage points. In the other hand, the poverty incidence in the urban area presented minimum values very close to the unity.

The Department of Cajamarca presented the highest extreme poverty incidence During the year 2016, the Department of Cajamarca registered the highest extreme poverty incidence being two times greater than the extreme poverty registered in the Departments Amazonas, Ayacucho, Huancavelica, Huánuco, Loreto, Pasco and Puno; as well as five times greater to the national average (3.8%).

## PROFILE OF THE POOR

The 74.8% of households in poverty conditions has access to the public network water service During the year 2016, the 74.8% of the population in poor households had access to the public network water service. Likewise, the 41.3% of the population in poor households had Access to public network sanitary facilities. Equally, the public lighting reached the 84.9% of the population in poor households being below the national average (94.5%). When comparing this results with those obtained in the year 2015, it was observed a higher access of the population in poor households to water services (4.8 percentage points) and drainage system (0.7 percentage points), mainly. 51.9% of the population aged 15 and more years old studied some year of elementary education. During the year 2016, 51.9% of the population aged 15 and more years old in poverty condition studied some year of elementary education or do not had some level education. Likewise, 41.7% of this population studied some year of high school education and 6.4% reached the superior education level.

28.7% of the population in poor condition is from Quechua or Aymara origin or Jungle native or Afro-Peruvian.

During the year 2016, 28.7% of the population in poverty condition is from Quechua or Aymara origin or Jungle native or Afro-Peruvian, a figure higher than the national average (20.7%). In the other hand, the illiteracy affected the 13.1% of the population aged 15 and more years old in

poverty situation; meanwhile at national level the illiteracy population was of 5.9%.

Employed population in poverty situation mainly works in agricultural activities During the year 2016, the employed population mainly worked in Agricultural, Fishing and Mining (58.4%) activities; followed by Services (11.8%), Trading (11.1%), Manufacturing (8,1%), Construction (5.4%), as well as Transportation and Communications (5.2%).

93.4% of the employed poor population worked in informal jobs and 6.6% in formal jobs Results of the National Household Survey revealed that the 93.4% of the population in poverty conditions works in informal Jobs, it means, they do not have a health insurance which accentuated even more its poverty condition.

26.9% of the population in integrated households with at least 1 girl/boy under 12 years old are more vulnerable to poverty

During the year 2016, 26.9% of the population in integrated households with at least 1 girl/boy under 12 years old are more vulnerable to poverty, exceeding the national average (20.7%). Likewise, 19.6% of the population in integrated households with at least one older adult is poor.

Households with woman as head of household has more possibilities of get out of poverty During the year 2016, 15.4% of the population which households has a woman as head of household has more possibilities of getting out of poverty; meanwhile those households that has a man as head of household, the 22.4% are poor.

In the same way, the population in households with at least one member with some disability is more vulnerable to poverty (22.3%), compared with the households that did not presented this condition within their members (20.5%).

18.7% of the population lives in household with at least one Unsatisfied Basic Need. The population of the country lives in households with at least one Unsatisfied Basic Need. During the last 5 years (2012-2016), this figure decreased in 4.6 percentage points and during the last 10 years (2007-2016) decreased in 12.8 percentage points.

Its publication will be appreciated Dissemination Office