

313 thousand people were lifted out of poverty

MONETARY POVERTY DECREASED BY 1.2% POINTS DURING 2018.

Monetary poverty decreased by 1.2 percentage points (313 thousand people) compared to the 2017 level; this was announced by the Head of the National Institute of Statistics and Informatics (INEI), José García Zanabria, when presenting the Results of Monetary Poverty as of 2018.

He informed that 20.5% of the country's population, which is equivalent to 6 million 593 thousand people, were in poverty, that is, they belonged to households whose per capita expenditure was below the value of the Poverty Line (LP), which is the monetary equivalent of a basic consumption basket of goods and services.

He added that in the five-year period 2013-2018, monetary poverty decreased by 3.4 percentage points and in the decade 2008-2018 by 16.8 percentage points.

#### Monetary approach

He specified that to measure monetary poverty, expenditure was considered as a welfare indicator, which was valued for 2018 at 344 soles per person (For a family of four members, the cost of the family basket is S/1376). People whose per capita expenditure is less than this amount were considered poor.

He added that in order to measure extreme poverty, the minimum food basket per person (Extreme Poverty Line) is valued at S/183 (for a family of four, S/732) and they were considered as extremely poor when their per capita expenditure does not cover the cost of the minimum food basket.

#### Welfare indicator.

In 2018, the average real per capita monthly expenditure stood at S/758 and increased by 1.7%, when compared to the level of expenditure in 2017. Real monthly per capita spending increased in all population strata, with the largest increase in the first quintile (poorest 20% of the population), which increased by 4.1%, followed by the second quintile by 1.7%, among the main.

#### Income

The average real monthly per capita income was S/ 999, compared to 2017 it increased by 2.2%. Similarly, the real monthly per capita income increased in all income quintiles, being higher in the first and second quintile with increases of 7.8% and 4.4%, respectively.

Monetary poverty decreased by 2.3 percentage points in rural areas.

According to area of residence, poverty in rural area affected 42.1% of the population and decreased by 2.3 percentage points compared to 2017 (44.4%). In urban area it impacted 14.4% of the population, i.e. 0.7 percentage point less than in 2017 (15.1%).

In the rural jungle, poverty incidence decreased from 41.4% to 38.3%.

By geographic domains, the greatest decrease in poverty was recorded in the rural jungle from 41.4% to 38.3% (-3.1 p.p), followed by the rural highlands from 48.7% to 46.1% (-2.6 p.p); the urban coast from 15.0% to 12.7% (-2.3 p.p); the urban jungle from 20.5% to 19.3% (-1.2 p.p) and in Metropolitan Lima from 13.5% to 13.1% (-0.4 p.p); while in the rural coast and urban highlands, it increased slightly from 24.6% to 25.1% and from 16.3% to 16.7%, respectively.



Department of Cajamarca with the highest monetary poverty rate.

In 2018, five groups of departments with statistically similar poverty levels were recorded. In the first group, only Cajamarca was located as the department with the highest incidence of monetary poverty in the country, whose poverty is in the range of 37.4% to 46.3%. In the fifth group, the departments with the lowest poverty rates were Ica and Madre de Dios, with poverty incidence ranging from 1.8% to 4.4%.

Extreme poverty affected 2.8% of the country's population.

According to the monetary measurement, extreme poverty affected 2.8% of the country's population (900 thousand people) and decreased by 1.0 percentage point compared to 2017, i.e., 309 thousand people ceased to be extremely poor.

#### PROFILE OF THE POPULATION LIVING IN POVERTY

Of the total poor population, 51.4% are women and 48.6% are men. According to age groups, 43.2% of the poor are children or adolescents (under 18 years of age), 13.9% are between 18 and 29 years old, 23.5% are between 30 and 49 years old, 7.6% are between 50 and 59 years old and 11.9% are older adults (60 years old and over).

Of the total poor population, 27.7% have a native language as their mother tongue (Quechua, Aymara or another native language of the Amazon) and 72.3% speak Spanish. Likewise, the average number of members in a poor household is 4.4, being higher in the urban area with 4.8 members.

Of poor households, 74.3% have at least one child or adolescent under 18 years of age, 28.7% have at least one elderly person and 18.4% have at least one member with a disability.

#### Level of education

48.7% of the population living in poverty aged 15 years and older only managed to complete some primary education or have no education at all, and 42.9% have a secondary education.

#### Health insurance

83.0% of the population living in poverty have some form of health insurance. Of those who have health insurance, 90.7% are covered by the Seguro Integral de Salud (SIS). On the other hand, 26.6% of this population had some chronic health problem.

#### Employment

55.2% of the employed poor population worked mainly in agriculture, followed by 13.5% in services, 11.8% in commerce and 7.5% in manufacturing, among the main occupations.

Of the poor population, 94.4% had informal jobs. Of the total employed poor population, only 11.5% is affiliated to a pension system.

Of the total employed poor population with income, 62.4% were self-employed and 37.6% were dependents (employees, laborers and household workers).

#### Characteristics of the housing of the poor

The housing of the poor population is dominated by adobe or quinchá (42.3%) on the outside walls and earth (58.2%) on the floor. The roof of the house is made of calamine sheets (63.2%). Only 30.0% of these dwellings had a title deed.

With respect to access to basic services for households living in poverty, 76.7% are supplied with water by the public network, followed by a river, ditch or canal (10.6%). In addition, 43.5% eliminated excreta by sewage system and 23.2% by septic tank or latrine; 16.1% do not have any type of excreta disposal services.

As for the fuel used for food preparation, 61.3% of poor households use gas (37.1% used gas and another fuel, 24.2% only gas) and 21.4% still cook with firewood.

#### Quality and transparency in poverty measurement

In the measurement of poverty, the National Institute of Statistics and Informatics is accompanied by a

Consultative Commission, created by Supreme Resolution No. 097-2010-PCM of April 13, 2010, made up of national agencies, international agencies and experts of recognized prestige. This working group has among its functions: to evaluate, supervise and validate the quality of the National Household Survey (ENAHU), referring to the methodology for measuring poverty indicators, ensuring comparability and proposing modifications and new poverty measurements.

The Consultative Commission includes representatives from the Ministry of Economy and Finance (MEF), National Center for Food and Nutrition (CENAN), Central Reserve Bank of Peru (BCRP), Mesa de Concertación para la Lucha Contra la Pobreza, Consorcio de Investigación Económica y Social (CIES), Grupo de Análisis para el Desarrollo (GRADE), Instituto de Estudios Peruanos (IEP), Pontificia Universidad Católica del Perú (PUCP) and Universidad del Pacífico (UP); International organizations such as the World Bank (WB), the Inter-American Development Bank (IDB), the French Government's Institute of Research for Development (IRD), the United Nations Population Fund (UNFPA); as well as independent experts of recognized technical reputation.

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