PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS IN PERU NINE OUT OF TEN PEOPLE SUPPORT GREATER ADEQUACY





POLICY NOTE

PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS IN PERU

NINE OUT OF TEN PEOPLE SUPPORT GREATER ADEQUACY

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MESSAGE

Child poverty is a multidimensional challenge and decades of evidence show that access to cash transfers programs can provide simple and effective protection against poverty, especially extreme poverty. A representative telephone survey conducted in Peru during May and June 2022 indicates broad public support (90%) for a cash transfer program for children and adolescents. In addition, 97% support setting the value of the transfers at least the basic food basket, a value eight times higher than the current transfers in the country. Finally, opinion is divided on the eligibility criteria: almost 60% of those surveyed support restricting the program to those in extreme poverty, while 40% are in favor of broader eligibility criteria, including at least all children and adolescents in poverty.

WHY DO CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS MATTER?

Poverty is disproportionately high among children and adolescents in Peru. According to the latest data from the National Institute of Statistics and Informatics (INEI), 35.4% of people under the age of 18 live in poverty, compared to 18.1% of people over the age of 60 (INEI, 2022a). Child and adolescent poverty is a violation of children's rights and has devastating effects on their present and future lives. Decades of studies document the impact of deprivation early in life on the lack of opportunities later in life, along with a huge waste of human capital for society (Black et al., 2017; Berens and Nelson, 2019; Jensen, Berens, and Nelson 2017).

While poverty is a multidimensional challenge, evidence also shows that access to regular cash transfers can provide a simple and effective protection, especially against extreme poverty. Such transfers, by helping families meet basic needs, especially food,

have been shown to improve child health, education and development, as well as overall well-being, representing an immensely beneficial investment for them, their families and society (Bastagli et al., 2016; UNICEF, 2017; Save the Children, 2018; Cecchini, Villatoro and Mancero, 2021). Therefore, there is a broad consensus among scholars, multilateral agencies and policy officials regarding the importance of these transfers as an instrument of social protection, even if they debate the appropriate scope and adequacy of such transfers.

In this context, it is surprising how little is known about how they are perceived by public opinion, both in Peru and in Latin America in general. Does the public support cash transfers? Based on a nationally representative telephone survey conducted between May and June 2022, this policy brief contributes to filling this gap².

The survey was conducted between May 18 and June 13 by the Instituto de Estudios Peruanos (IEP) and included 1008 respondents. The appendix summarizes the sociodemographic characteristics of the nationwide sample.

CURRENT GOVERMENT POLICY

The Peruvian government has had a conditional cash transfer program since 2005, when the National Program of Direct Support to the Poorest (Juntos) was created. Since 2012, it has been administered by the Ministry of Development and Social Inclusion (ECLAC, n. d.; Government of Peru, 2022a)^{3,4}. A study comparing cash transfer policies in ten Latin American countries found that, at the onset of the pandemic in early 2020, the Peruvian program had the lowest CCT coverage of the ten countries, with only 15% of people under 18 years of age covered (Blofield, Pribble and Giambruno, 2023).⁵ At the beginning of 2020, the value of the transfer of 100 soles per month was equivalent to 13.1% of the extreme poverty line per household (INEI, 2021)⁶.

During the Covid-19 pandemic, the government made a major effort to reinforce and expand cash assistance. It immediately enacted an additional transfer to recipients of existing non-contributory cash transfer programs, including Juntos. Given the high level of informality and need, in late April 2020 the government announced a far-reaching plan to provide all households without

state protection with a one-time cash transfer (UNICEF, 2021). Later, between September and October, it issued a second transfer. Additional temporary transfers were issued between 2021 and 2022, with different levels and coverage. All these transfers have reinforced the income of vulnerable households since the beginning of the pandemic (Andina, 2022; Gestión, 2022a; UNICEF, 2021).

Figure 1 shows whether respondents or their households received cash or food assistance from the government during the two years of the pandemic (between May/June 2020 and May/June 2022, the date of the survey). Fifty-four percent of Peruvian respondents stated that they or someone in their household received some type of cash assistance from the government in the past two years, and 22% indicated that they or someone in their household received food assistance. Out of six countries, Peru comes second in terms of cash transfer coverage and fifth in terms of food transfers (Figure 1). It should be noted that the question included in the survey did not ask about adequacy or frequency of assistance.

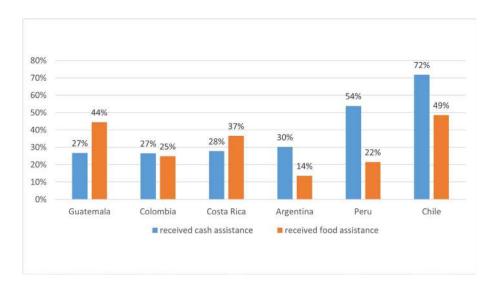
Peru also has two smaller programs targeting two specific groups: 1) Since 2015, the Contigo Program provides a non-contributory pension to severely disabled people living in poverty. In 2021, 22,408 children and adolescents with severe disabilities received pensions from this program (MIDIS, 2021, p. 59). Another program, created in February 2021, extended economic assistance to children and adolescents whose father and/or mother died from Covid-19, which was extended to children and adolescents orphaned for any reason (Law No. 31405 of February 2022). In 2021, 19,060 children and adolescents received economic assistance from this program (Ministry of Women and Vulnerable Populations, 2022, p. 12).

⁴ Also, the National Solidarity Assistance Program Pension 65 exists since 2011.

The countries are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru and Uruguay.

The INEI defines the Poverty Line and the Extreme Poverty Line as follows [translated from Spanish original]: "the Poverty Line is the mon-etary equivalent to the cost of a basic food and non-food consumption basket, which for the year 2020 amounted to 360 soles per month per person. The person whose monthly expenditure is less than 360 soles is considered poor; for a family of four members the cost of a basic consumption basket is 1440 soles per month. Likewise, the Extreme Poverty Line considers the population whose per capita expen-diture does not cover the cost of the basic food consumption basket, which for the year 2020 is calculated at 191 soles per month per per-son, with people whose monthly expenditure does not cover the value of the basic food consumption basket being considered extremely poor; for a family of four members it amounts to 764 soles per month" (INEI, 2021). For the year 2021, the PL (poverty line) increased to 378 soles per month per person and 1512 soles per household, while the EPL (extreme poverty line) rose to 201 soles per person and 804 soles per household. Finally, for the year 2022, the PL increased to 415 soles per person and 1660 soles per household. The EPL increased to 226 soles per person and 904 soles per household (INEI, 2022a; INEI, 2023).

Figure 1. In the last two years, did anyone in your household receive cash assistance/food assistance from the government?



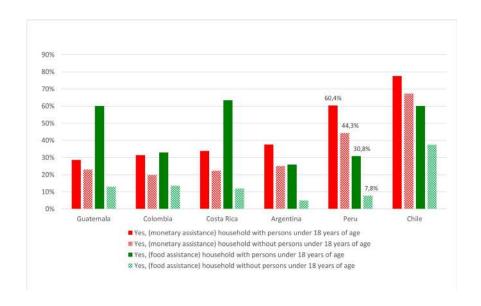
Source: Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

Figure 2 shows the reach of government cash and food assistance to households with and without children and adolescents, given the higher prevalence of poverty among the former. Figure 2 shows that both cash and food assistance reached households with children and adolescents at higher rates (continuous bars) than households without children and adolescents (dotted bars).

Peru also stands out second only to Chile, with a high outreach of cash transfers to households with children under 18 (60%). Households with children were 16.1 percentage points more likely to receive cash transfers and 23 percentage points more likely to receive food transfers⁷.

⁷ In all countries the figures were almost the same among children under 15 as among children under 18.

Figure 2. In the last two years, did you or anyone in your household receive cash assistance/ food assistance from the government?



Source: Own elaboration based on Covid survey data, households and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala, and Peru, 2022.

During the first year of the pandemic (from April 2020 to March 2021), when the economic contraction was hardest, a study calculated the average value of transfers for Juntos recipients at 47% of the urban extreme poverty line per person and the average value of emergency transfers at 30% of the urban poverty line, also per person (Blofield, Pribble and Giambruno, 2023). In 2021 and 2022, the values of additional transfers fluctuated, with the most recent single transfer being the Bono Alimentario⁸. At the beginning of 2023, Juntos coverage was 14% of children and adolescents. The adequacy of the Juntos base transfer remained at US\$26 (100 soles) per household as of December 2022, while the per capita extreme poverty line in 2022 increased to 904 soles per household (estimated at four members) (INEI, 2023). That is, the transfer is equivalent to only 11.06% of the household's extreme poverty line and is slightly lower than before the arrival of the pandemic in early 2020. If we measure it as a per capita amount, i.e., divide 904 by the four household members, and assume a household of two adults and two children, the 100 soles transfer would be equivalent to 22.12% of the EPL, per child under 18 years of age⁹.

As of December 2021, the Juntos program also includes an additional transfer called TPI (Transferencia de Primera Infancia). This transfer benefits households with pregnant women and newborns, conditional on use of certain health services (e.g. prenatal checkups) (Government of Peru, 2021). If we include the TPI, adequacy amounted to US\$ 39 (150 soles) per month per household, equivalent to 16.6% of the household's extreme poverty line, which is higher than before the pandemic. Measured per capita, the transfer of 150 soles equalled 33.19% of the EPL.

This one-time transfer was in effect until the end of April 2023 (Gestión, 2022b). It was a transfer of 270 soles (US\$ 67.5 taking into account the exchange rate on the day the transfer began, November 2, 2022) targeted at vulnerable adults (Government of Peru, 2022b). Juntos recipients were also included but received a total amount of 200 soles (US\$ 52 taking into account the exchange rate on the day the transfer for Juntos began, August 15, 2022). According to the MIDIS, about 643 157 households covered by Juntos were expected to receive the bonus (Gestión, 2022a; Government of Peru, 2022b).

Considering all the transfers created since the beginning of the pandemic that (in)directly benefit children and adolescents, adequacy reached 12.8% of the poverty line and 23.5% of the extreme poverty line. Estimate based on data from the following sources (Gestión, 2022a; INEI, 2023; InfoMidis, 2023; UNICEF, 2021).

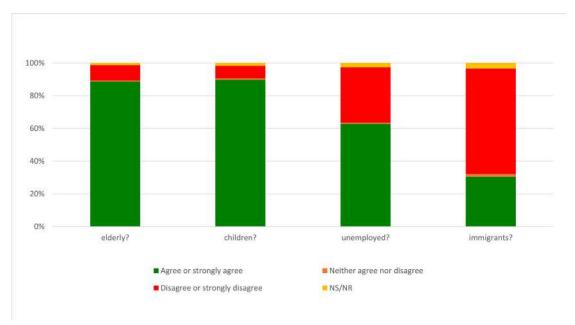
PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey asked whether cash transfers should be a right. Slightly less than two-thirds (64 percent) of respondents agreed with the statement, indicating that a majority supports the existence of a statutory cash transfer program.

In addition, the survey contains a series of questions on attitudes toward cash transfers aimed at four different population groups: the elderly, children, the unemployed, and immigrants. Figure 3 shows that the overwhelming majority support cash transfer programs aimed at the elderly (88.7%) and children (89.8%).

Almost two-thirds (62.8%) of respondents agree with cash transfers for the unemployed, while one-third (33.9%) do not. In the case of migrants, support is significantly lower: 64.4% of people disagree with cash transfers for immigrants and only 30.5% agree.

Figure 3. Would you agree or disagree with the government having a cash transfer program for...?



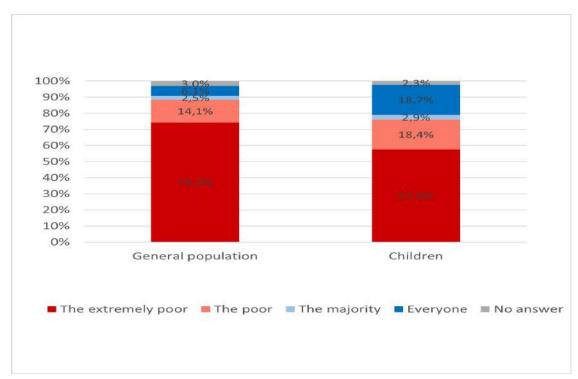
Source: Own elaboration based on data from the Covid survey, families and social programs, Peru case, 2022.

COVERAGE OF CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey contains additional questions to elucidate preferences on the scope and coverage that transfer programs should have, both for the general population and for children and adolescents. As shown in Figure 4, respondents support broader eligibility criteria for cash transfers to children and adolescents than for the general population. For the former, the majority (57.6%) support limiting cash transfers only to those in extreme poverty. Forty percent are in favor of cash

transfers aimed at least at all children in poverty, combining those who would give them only if they are in poverty (18.4%) with those who would also give them to all (18.7%) or to most children (2.9%). For the general population, on the other hand, public opinion is more restrictive, with almost three quarters (74%) in favor of cash transfers only to those in extreme poverty. Only 6% would support a universal basic income.

Figure 4. When cash transfer programs exist, who should receive them?



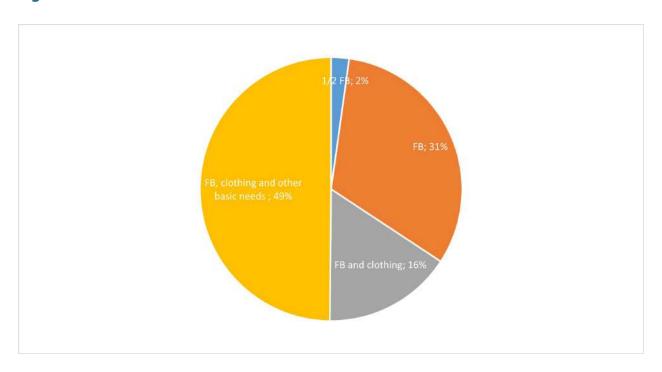
Source: Own elaboration based on data from the Covid survey, families and social programs, Peru case, 2022.

3.2 ADEQUACY OF CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

To evaluate preferences on the optimal value or generosity of cash transfers, the survey presented respondents with four concrete options that form a scale from least to most adequate transfer amounts. These options include a transfer that is equivalent to: (i) half of a basic food basket plus the cost of clothing, and (iv) a basic food basket plus the cost of clothing and other basic necessities.

Figure 5 shows the distribution of preferences among the four categories. Based on Figure 5, we can add the three categories that include a basic food basket (FB) (31%), a FB and clothing (16%), and a FB, clothing and other basic needs (49%), and arrive at an overwhelming majority (96%) who believe that, if the government were to make these cash transfers available, they should cover at least the value of a basic food basket. Only 2% would set the value at half the value of a food basket and thus half the extreme poverty line.

Figure 5. What should cash transfers to children and adolescents cover?



Source: Own elaboration based on data from the Covid survey, families and social programs, Peru case, 2022.

¹⁰ The extreme poverty line is estimated on the basis of a basic food basket, so this provides a way to measure the preferences of the population in relation to the extreme poverty line.

POLICY RECOMMENDATIONS

The public opinion survey conducted shows broad support for a cash transfer program for children and adolescents with higher adequacy than the one that currently exists in Peru. An overwhelming majority (96%) supports a significant increase in the value of transfers to cover at least the basic food basket, which is about eight times the current value of the Juntos transfer per household (12.4%). Public opinion is more divided on what the coverage of the program should be. Slightly more than half (57.6%) support restricting transfers to extremely poor children, while slightly more than 40% support broader eligibility criteria, including at least children in poverty.

According to an estimate based on the extreme poverty line (EPL), the annual cost of cash transfers at the EPL per capita, to all children living in poverty, would amount to, in total, 1.1% of GDP¹¹. This would imply an additional 1% of GDP to the 0.10% that the country currently allocates to the Juntos program¹². If the 2022 national public budget is considered, the annual cost of cash transfers with the per capita EPL value to children and adolescents living in poverty would be, in total, 5.2% of the budget. This would imply an increase of 4.7% of the national public

budget, in addition to the 0.5% currently allocated to the Juntos program¹³.

Based on current public opinion, the government could have the political space to consider, first, increasing the value of the transfer to cover a basic food basket per child and adolescent in the existing cash transfer programs. Second, the government could consider expanding coverage to reach all children and adolescents living in poverty, based on preventive arguments; that is, to invest in social protection before children experience severe deprivation, particularly food deprivation, and therefore investing cost-effectively before having to pay for the future consequences of lack of protection. Governments could present this simple preventive argument to convince the segment of the population that would currently restrict transfers to those in extreme poverty.

This extension of social protection coverage would also be consistent with the evidence regarding the overwhelming effectiveness of these programs in improving the wellbeing and human capital of children and adolescents.

¹¹ The estimate is based on an annual food basket of USD 713 (904 soles divided by four household members equals 226 soles per month, multiplied by 12 to arrive at one year) targeting the population of 3,766,240 children and adolescents living in poverty (INEI, 2022a), with the 2022 values for the food basket and GDP.

¹² The programmed budget for 2022 was 939 million soles with a GDP of 904 billion (Ministry of Economy and Finance, 2021). The budget execution level of the Juntos program in 2022 was 99.2% (Ministry of Social Development, 2022).

The national public budget for 2022 was 197,002,269,014 soles (Ministry of Economy and Finance, 2022).

APPENDIX

Characteristics of the sample in Peru

Number of people surveyed between May 18 and June 13: 1008.

Interviews were conducted in 24 departments, 145 provinces and 371 districts. Margin of error: \pm 3.0 points for results at the national level.

Gender	
Woman	50%
Men	50%
Age	
18 to 24 years	16%
25 to 34 years	26%
35 to 44 years	20%
45 to 54 years	20%
55 to 64 years	11%
65 years and older	7%
Occupation	
Works	53%
Works and studies	10%
Retired	4%
Unemployed	5%
Only studies	6%
Dedicated to unpaid domestic work	21%
Does not study or engage in paid or unpaid domestic work	1%
Education	
No education or incomplete primary	6%
Complete primary or incomplete secondary	16%
Secondary school complete	33%
Incomplete or complete technical	16%
Incomplete or complete university	28%
Household composition	
Without presence of children under the age of 15 years	47%
With presence of children under the age of 15 years	53%
Without the presence of older adults	58%
With presence of older adults	42%
Source: National telephone survey, GIGA-UCR with the support of the German Research Foundation; by Datavoz.	

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