

PERU

1. Socio-economic and perceived impacts of the coronavirus (COVID-19) pandemic

The crisis due to the COVID-19 pandemic had a devastating impact on Peru's economy. In 2020, gross domestic product (GDP) fell by 11% annually. In 2020, poverty rates based on the latest international comparable estimations, increased by more than six percentage points, compared to a year earlier, reaching 21.9%; whereas, in the Latin America and the Caribbean (LAC) region, the increase was of less than five percentage points, reaching 30.9%. In years preceding the pandemic, public health expenditures stood at 4.9% of GDP, 0.2 percentage points higher than in 2010. This figure is lower than in LAC (6.8%) and Organisation for Economic Co-operation and Development (OECD) countries (8.8%), both of which experienced a similar slight increase. In 2020, 41.3% of Peruvians considered health care to be of good quality, a lower proportion than in LAC (48.2%) and the OECD (70.7%). Between March 2020 and May 2021, schools were fully closed for 26 weeks, the same as in LAC and higher than in the OECD (15 weeks). The disruption to education for children was particularly severe due to the lack of effective online learning, which was present in just 24.0% of schools, compared to 32.5% in LAC and 54.1% in the OECD.

2. National and international co-operation initiatives aimed to build forward better

To mitigate the economic and health impacts of COVID-19, Peru has implemented a wide range of support measures for the most vulnerable households, workers and enterprises. Concerning households, Peru implemented cash transfers for those living in poverty or extreme poverty and those located in geographical areas with the highest health risks (*Bono Familiar Universal* and *Bono Yo Me Quedo En Casa*). Likewise, Peru enacted a subsidy with a particular target on rural households that were excluded from traditional social assistance programmes during the pandemic (*Bono Rural*). In addition, Peru implemented the *Trabaja Perú* programme in 2020, targeting people living in poverty or extreme poverty through the generation of temporary jobs for investment projects and immediate intervention activities. To protect workers, Peru encouraged job preservation and hiring by granting a subsidy to private employers affected during the pandemic. Moreover, Peru authorised workers to withdraw pension funds without penalty and implemented a subsidy for self-employed workers (*Bono Independiente*).

Concerning the recovery, Peru's medium- and long-term plans are based on the preservation of productive sustainability. *Arranca Perú* is a programme for economic resilience and job creation. It consists of subsidies for new jobs and support for business financing (e.g. *Reactiva Perú*, *Fondo de Apoyo Empresarial a las MYPE* and *Programa de Apoyo Empresarial a las MYPES*), which comprises loan portfolio guarantee programmes, promotion of public procurement for MYPE and various tax measures (e.g. investment promotion and tax relief). Peru will also implement the Strategic Plan for National Development to achieve the structural national objectives. The plan aims to tackle livelihoods, productivity, comprehensive social security and dialogue for the country's integral development.

Peru's international co-operation projects *within* and *beyond* the region respond to national development priorities while facing the adverse effects of COVID-19. *Within* LAC, Peru has engaged in various co-operation schemes to respond to the pandemic. These include rural migration (in co-operation with the Inter-American Development Bank), regional co-operation for climate management of agricultural ecosystems (with the Food and Agriculture Organization) and earthquake-resistant adobe construction techniques (with Argentina). *Beyond* LAC, Peru participated in diverse international partnerships to accelerate the response to COVID-19 (e.g. participation in Access to COVID-19 Tools Accelerator, COVID-19 Vaccines Access [COVAX], COVID-19 Technology Access Pool, Support Group for Global Infectious Disease Response, and the international Ministerial Coordination Group on COVID-19). Additionally, Peru engaged in specific co-operation schemes to develop plans for the mitigation of the pandemic in indigenous communities and rural centres in the Amazon with Germany and Switzerland. Lastly, within the framework of the last phase (2020-21) of the EUROsociAL+ co-operation programme with the European Union, support has been provided to the most vulnerable population affected by the pandemic by strengthening the Protection Network for the Elderly and Disabled.

Socio-environmental	Key indicators – Peru ¹					
	Peru		LAC ²		OECD ³	
	2019	2020	2019	2020	2019	2020
Extreme poverty ⁴	3	3.5	8.1	10.0	N/A	N/A
	2019	2020	2019	2020	2019	2020
Poverty ⁵	15.4	21.9	26.8	30.9	N/A	N/A
	2009	2019	2009	2019	2009	2018
Gini index ⁶	0.48	0.43	0.50	0.46	0.31	0.31
	Bottom 20%	Top 20%	Bottom 20%	Top 20%	Bottom 20%	Top 20%
Total population in informal households by quintile, 2018 ⁷	89.2	18.2	78.0	19.1	N/A	N/A
	2010	2017	2010	2017	2010	2017
Health expenditures ⁸	4.7	4.9	6.5	6.8	8.1	8.8
	2010	2017	2010	2017	2010	2017
Out-of-pocket health expenditures ⁹	35.9	28.9	35.6	34.1	20.2	20.6
	03/2020-05/2021					
Weeks of full school closure ¹⁰	26		26		15	
	2018		2018		2018	
Effective online learning ¹¹	24.0		32.5		54.1	
	2018		2018		2018	
Effective online learning in disadvantaged schools ¹¹	12.3		21.5		48.8	
	2009	2019	2009	2019	2009	2019
Share of Internet users ¹²	31.4	60.0	29.3	67.8	68.3	85.8
	2015	2018	2015	2018	2015	2018
Number of students per computer ¹³	2.2	1.4	2.4	1.6	1.8	1.1
	2010	2019	2010	2019	2010	2019
Exposure to PM 2.5 ¹⁴	30.4	31.1	18.1	18.0	15.7	13.9
	2000-16					
% change in intact forest landscape ¹⁵	-7.8		-8.8		-6.3	
Competitiveness and innovation						
	Peru		LAC ²		OECD ³	
	2009	2019	2009	2019	2009	2019
Labour productivity ¹⁶	18.1	24.5	29.3	26.7	72.2	70.7
	2009	2019	2009	2019	2009	2019
High-tech exports ¹⁷	0.1	0.1	8.7	8.3	19.5	17.9
	2009	2017	2009	2017	2009	2017
R&D expenditures ¹⁸	0.1	0.1	0.4	0.4	2.4	2.5
	2009	2017	2009	2017	2009	2017
ICT patents ¹⁹	6	7	726	521	173 440	141 358
Citizens' perceptions and institutions						
	Peru		LAC ²		OECD ³	
	2009	2020	2009	2020	2009	2020
Citizens' perceptions of corruption in government ²⁰	91.9	88.7	72.0	72.4	67.5	58.8
	2009	2018	2009	2018	2009	2018
Citizens' perceptions of country governed in the interests of few ²¹	84.6	87.5	64.8	82.0	N/A	N/A
	2009	2020	2009	2020	2009	2020
Satisfaction with health care ²²	41.1	41.3	56.9	48.2	69.2	70.7
	2009	2020	2009	2020	2009	2020
Satisfaction with water quality ²³	62.7	63.5	74.8	76.0	77.9	79.4
	2010	2016	2010	2016	2010	2016
% of people victim of criminality ²⁴	31.1	33.0	19.6	23.8	N/A	N/A
	2021					
Rank in the Press Freedom Index ²⁵	91		82		36	
	2009-18					
Change in political polarisation ²⁶	6.8		9.6		N/A	
	2019					
SIGI index ²⁷	24.5		25.6		16.3	
Fiscal position						
	Peru		LAC ²		OECD ³	
	2009	2019	2009	2019	2009	2019
Total tax revenues ²⁸	16.9	16.6	20.6	22.9	31.6	33.8
	2009	2019	2009	2019	2009	2019
Share of VAT in total revenues ²⁹	38.4	38.5	25.3	27.7	19.8	20.7
	2009	2018	2009	2018	2009	2018
Social expenditures ³⁰	10.2	11.1	11.3	11.4	21.0	19.7

Sources, footnotes and technical details can be found at the end of the country notes.

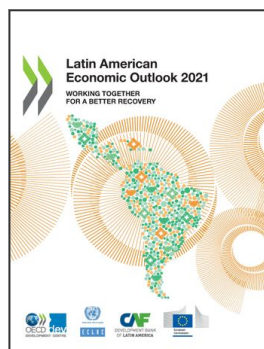
Technical notes

1. As best as possible, the table follows the key areas identified in *Latin American Economic Outlook 2021*: i) socio-environmental aspects; ii) economic competitiveness and innovation; iii) citizens' perceptions and institutions; and iv) fiscal position.
2. Latin America and the Caribbean (LAC) average is a simple average of the largest set of LAC countries for which data are available in the latest year.
3. Organisation for Economic Co-operation and Development (OECD) average is a simple average that includes all OECD member countries as of May 2021.
4. Data refer to the definition of extreme poverty as specified by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC, 2021^[1]), *Social Panorama of Latin America 2020*. www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf. Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of (ECLAC, 2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
5. Data refer to the definition of poverty as specified by (ECLAC, 2021^[1]), *Social Panorama of Latin America 2020*, www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf. Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of ECLAC (2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
6. Data for LAC from ECLAC, CEPALSTAT | Databases and Statistical Publications, <https://cepalstat-prod.cepal.org/cepalstat/tabulador/ConsultaIntegrada.asp?idIndicador=3289&idioma=i>. Data for Chile refer to 2017, instead of 2019, data for Guatemala refers to 2014.
7. Data for the OECD from OECD Income Distribution Database, www.oecd.org/social/income-distribution-database.htm.
8. Indicator provides the distribution of the total population living in informal households by quintile. An informal household has all of its workers in informal work. Quintiles are based on monthly total household consumption or income. The source of this indicator is the OECD Key Indicators of Informality based on Individuals and their Households database, https://stats.oecd.org/Index.aspx?DataSetCode=KIIBIH_B5.
9. Health expenditures as % of gross domestic product (GDP). Data from OECD (2020), *Health at a Glance: Latin America and the Caribbean*. Share of current expenditure on health. Data are from OECD (2020), *Health at a Glance: Latin America and the Caribbean*.
10. Data from UNESCO, <https://en.unesco.org/covid19/educationresponse#schoolclosures>.
11. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, www.oecd.org/publications/latin-american-economic-outlook-20725140.htm.
12. Data from International Telecommunication Union (2020), www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx.
13. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, www.oecd.org/publications/latin-american-economic-outlook-20725140.htm.
14. $\mu\text{g}/\text{m}^3$. Data refer to population exposure to more than 10 micrograms/ m^3 and are expressed as annual averages. Data from OECD, <https://data.oecd.org/air/air-pollution-exposure.htm>.
15. Data from OECD, https://stats.oecd.org/Index.aspx?DataSetCode=INTACT_FOREST_LANDSCAPES.
16. Output per employed person as % of United States 2019 output per person employed. Data from the Conference Board, <https://conference-board.org/data/economydatabase/total-economy-database-productivity>.
17. High-technology exports as % of manufactured exports. Data from The World Bank, <https://data.worldbank.org/indicator/TX.VAL.TECH.MF.ZS>.
18. Research and development expenditure as % of GDP. Data from The World Bank, <https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS>.
19. IP5 Patent families. Data from OECD, https://stats.oecd.org/Index.aspx?DataSetCode=PATS_IPC.
20. Percentage of people who think that the government is corrupt. "Is corruption widespread throughout the government in (this country), or not?" Data from Gallup 2021.
21. Percentage of people who think that the country is governed in the interests of few. "En términos generales ¿diría usted que (país) está gobernado por unos cuantos grupos poderosos en su propio beneficio, o que está gobernado para el bien de todo el pueblo?" Data from Latinobarómetro, 2020.
22. Percentage of people who think that the health care is of good quality. "In your city of area where you live, are you satisfied or dissatisfied with the availability of quality health care?" Data from Gallup 2021.

23. Percentage of people who think that the water is of good quality. “In your city or area where you live, are you satisfied or dissatisfied with the quality of water?” Data from Gallup 2021.
24. Percentage of people who are victim of criminality, “have you been a victim of any type of crime in the past 12 months?” Data from Latin American Public Opinion Project, www.vanderbilt.edu/lapop/data-access.php.
25. Data from RFS, Reporters without Borders, https://rsf.org/en/ranking_table.
26. Percentage of people who declare being left or right on a 1-10 scale (1=left, 10 = right). “In politics, it is normal to refer to left and right. On a scale where 0 is the left and 10 is the right, where would you place yourself?” Data from Latinobarómetro, 2020.
27. Data from OECD, www.genderindex.org/ranking/.
28. Revenues as % of GDP. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean* (2021).
29. Value added taxes as % of total revenues. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean* (2021).
30. Social protection expenditures as % of GDP. Data from OECD and ECLAC.

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