PERU

Recent trends

Peru has made progress in a range of development indicators in the past decades. Between 2005-16, the share of the population living on less than USD 5.5 a day (2011 PPP) was halved. It dropped from 52.2% to 24.3% in line with the 24% average in Latin America and the Caribbean (LAC). At the same time, the share of the vulnerable population living on USD 5.5-13 a day (2011 PPP) increased from 31.9% to 39.6%. The country's infant mortality rate sharply decreased from 57 to 12 per 1 000 live births between 1990 and 2016.

Peru's gross domestic product (GDP) per capita increased by almost two-and-a-half times between 1990 and 2017, although labour productivity in terms of GDP per person employed remains only 26.6% of the OECD average. Total factor productivity growth was negative, at -0.5% between 2000-17. Additionally, Peru does not perform well in secure employment and confidence in institutions. The country had the highest share of people in vulnerable employment (49.7% of the employed). Only 34% of the population believe in honesty in elections and 87% think corruption is widespread.

National strategies and international co-operation for development

The "Plan Bicentenario: El Perú hacia el 2021" [Bicentennial Plan: Peru towards 2021] has a strong focus on human rights and their universal validity. The plan is built upon six objectives: fundamental rights and people's dignity, opportunities and access to services, state and governability, economy, competitiveness and employment, regional development and infrastructure, and natural resources and environment. Special attention is given to Sustainable Development Goal (SDG) 16 (peace, justice and strong institutions) and SDG 8 (decent work and economic growth) (ECLAC, 2018).

The plan supports a macroeconomic policy in favour of public and private investments in activities able to generate quality employment, with decentralisation and respect for the environment as complementary objectives. It proposes incentives for investment in logistic infrastructure at local and regional levels, including hydraulic infrastructure, and irrigation and sewer systems; co-ordination mechanisms between the public and the private sector in order to define strategic areas of development and instruments to improve the competitiveness of the productive sector; reduction of urban informality; and sustainable exploitation of the country's natural resources.

At the centre of the plan are the upholding of fundamental rights and consolidation of democratic institutions. These include policies such as the reform of the judicial system to ensure transparency in all its processes, as well as the improvement and strengthening of social programmes to reduce poverty. Together with the objective of "State and governability", it promotes efficiency of the public administration with a focus on restoring the credibility of public institutions.

The second objective of the plan focuses on achievements in universal access to quality public services that Peru aims to guarantee by 2021. These include policies for achieving total coverage of primary education, decentralising health services, ensuring universal availability of drinking water and sanitation, strengthening citizen security, and reducing infant and maternal mortality.

In terms of public financing capacities, Peru's total tax revenues were 16.1% of GDP in 2016 (vs. 22.7% in LAC and 34.3% in the OECD). The country has implemented mandatory e-invoicing for selected taxpayers since 2014. In 2017, Peru also ratified the Convention on Mutual Administrative Assistance in Tax Matters.

In the last decades, Peru has taken on a dual role of recipient and donor of international co-operation, sharing its expertise in countries of equal or less development through modalities such as South-South Co-operation and Triangular Co-operation. The Peruvian Agency for International Co-operation (APCI in Spanish) is in charge of implementing, programming and organising International Technical Cooperation (ITC) coming from public or private external sources following national development policies. In 2016, Peru's main bilateral co-operation partners in terms of financial volumes were Germany, the United States, the European Union, Switzerland and Spain. In the same year, the country's main Triangular Co-operation partners in terms of number of projects were Germany, Spain and the Food and Agriculture Organisation of the United Nations (FAO). Peru's main South-South Co-operation partners in terms of number of projects were Mexico, Brazil and Argentina.

Among recent international co-operation projects, one stands out: the Programme for the Sustainable Economic Development and Strategic Management of Natural Resources (PRODERN in Spanish) in the regions of Ayacucho, Apurímac, Huancavelica, Junín and Pasco. A bilateral co-operation project supported by Belgium, the initiative aims to reduce poverty while sustainably using the regions' natural resources and biological diversity. In terms of South-South and Triangular Co-operation, the project between Guatemala, Peru and Germany for the improvement of local tax management in Guatemala between 2012 and 2013 can be singled out.

Key Indicators					
Income and productivity	**Peru**		**LAC [1]**		**OECD [2]**	

	Peru		**LAC [1]**		**OECD [2]**	
	2007	**2017**	**2007**	**2017**	**2007**	**2017**
GDP per capita, PPP (constant 2011 international USD) [3]	8 649	12 237	12 603	12 970	38 972	39 586
Labour productivity relative to OECD (%) [4]	20.8	26.6	38.3	36.8	100	100
Households and NPISHs final consumption expenditure per capita (constant 2010 USD) [3]	2 629	3 944	4 305	5 491	22 098	20 441
	2006	**2016**	**2006**	**2016**	**2006**	**2016**
Economic Complexity Index [5]	-0.7	-0.8	-0.3	-0.3	1.1	1.1

	Peru		**LAC**		**OECD**	
Average annual change in total factor productivity, 2000-17 (%) [6]	-0.5		-0.7		0.1	

Social vulnerabilities	**Peru**		**LAC**		**OECD**	
	2007	**2016**	**2007**	**2016**	**2007**	**2016**
Share of people living in poverty, less than USD 5.50 a day (2011 PPP) (%) [7]	41.3	24.3	34.9	24.0	NA	NA
Share of people living in vulnerability, USD 5.50-13.00 a day (2011 PPP) (%) [7]	35.0	39.6	35.5	36.5	NA	NA
Life expectancy at birth (years) [3]	73.0	75.0	73.7	75.6	78.7	80.1
Mean years of schooling (population at 25 and older) [8]	8.4	9.2	7.4	8.6	11.0	11.8
Net enrolment rate, secondary level (%) [9]	75.5	79.6	66.6	74.4	78.7	90.3
	2007	**2017**	**2007**	**2017**	**2007**	**2017**
Share of population that did not have enough money for food in past 12 months (%) [10]	45.0	54.0	34.8	44.3	12.0	13.0
Gini index [3]	50.4	43.8	50.8	46.2	32.7	36.5
Share of workers in vulnerable employment (% of total employment) [11]	51.3	49.7	32.6	31.0	12.8	12.6
Infant mortality rate (per 1 000 live births) [3]	18.5	11.6	19.4	14.7	7.9	5.7
	2007	**2015**	**2007**	**2015**	**2007**	**2015**
Maternal mortality ratio (deaths per 100 000 live births) [3]	95.0	68.0	87.1	74.4	19.0	14.0
	2009	**2015**	**2009**	**2015**	**2009**	**2015**
Mean PISA score in science performance [12]	369	397	406	412	501	493
		2018		**2018**		**2018**
Social Institutions and Gender Index (SIGI) (%) [12]		24.5		24.6		17.3

Environment	**Peru**		**LAC**		**OECD**	
Change in forest area, 2000-15 (%) [3]	-2.9		-1.2		0.8	
	2005	**2016**	**2005**	**2016**	**2005**	**2016**
PM$_{2.5}$ air pollution, mean annual exposure (micrograms per cubic metre) [3]	41.0	26.1	24.7	20.3	15.1	14.9
	2007	**2014**	**2007**	**2014**	**2007**	**2014**
CO$_2$ emissions (kilograms per PPP USD of GDP) [3]	0.19	0.16	0.25	0.23	0.32	0.24
	2007	**2017**	**2007**	**2017**	**2007**	**2017**
Share of population satisfied with air quality (%) [10]	60.0	62.0	74.0	73.2	74.0	79.0
Share of population satisfied with water quality (%) [10]	65.0	63.0	75.0	70.8	78.0	84.0

Institutions and perceptions about public services	**Peru**		**LAC**		**OECD**	
	2007	**2016**	**2007**	**2016**	**2007**	**2016**
Total tax revenue as a share of GDP (%) [12]	18.4	16.1	20.8	22.7	33.7	34.3
	2006	**2017**	**2006**	**2017**	**2006**	**2017**
Share of population satisfied with the educational system (%) [10]	44.0	54.0	68.1	64.0	64.0	68.0
	2007	**2017**	**2007**	**2017**	**2007**	**2017**
Share of population that believes in honesty in elections (%) [10]	33.0	34.0	36.9	34.9	53.0	60.0
Share of population that thinks corruption is widespread throughout government (%) [10]	87.0	87.0	72.9	74.5	60.0	54.0
Share of population with confidence in national government (%) [10]	22.0	25.0	40.9	36.1	41.0	45.0
Share of population satisfied with roads (%) [10]	49.0	41.0	54.4	53.4	61.0	66.0
Share of urban population satisfied with the availability of quality healthcare (%) [10]	41.0	38.0	55.5	49.9	69.0	69.0
Share of population satisfied with standard of living (%) [10]	53.0	70.0	68.6	69.3	73.0	77.0
Share of population that feels safe walking alone at night (%) [10]	52.0	46.0	46.8	46.2	61.0	72.0
	2007	**2015**	**2007**	**2015**	**2007**	**2015**
Homicide rate (per 100 000 inhabitants) [3]	NA	7.2	23.7	21.9	2.0	1.8

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

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