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**Targeting: The Most Effective Means of Social Protection?  
An evaluation of the impact of conditional cash transfers on  
schooling and child labour in Peru.**

## ABSTRACT

According to the Peruvian Constitution the legal minimum age for child workers is 12 years old, making it the youngest level in Latin America and among other continents. More than 2 million children in Peru are employed in agriculture, gold mines, as domestic workers and street sellers. Peru is the latest country where conditional cash transfers have been implemented in Latin America. The question is whether a targeted or universal approach of basic rights and income would be the most fruitful in enhancing school attendance and eradicating child labour. This highlights the importance of factors such as vulnerability within the family that can potentially lead to child labour. This paper examines in depth the arbitrary method of targeting and the exclusion from the programme of groups at greater risk such as street children and single mothers by collecting recent quantitative data from the World Bank and the Peruvian Government (2009) and by interviews with programmes executives of United Nations agencies and NGOs. From the results it can be concluded that the only sustainable fashion to enhance the life chances of Peruvian children is to create strong mechanisms of social protection, such as basic income and services, to every household.

**Keywords:** Child labour, education, conditional cash transfers, exclusion, vulnerability, social protection

## Abbreviations and definitions

<b>BCRP</b>	Banco Central de Reserva del Peru (Central Bank of Peru)
<b>CCT</b>	Conditional Cash Transfers
<b>CDL</b>	Child Domestic Labour
<b>CEPAL</b>	Comisión Económica para América Latina (United Nations Economic Commission for Latin America and the Caribbean)
<b>CIES</b>	Consortio de Investigación Económica y Social (Association of Economic and Social Research)
<b>CIDA</b>	Canadian International Development Agency
<b>IEP</b>	Instituto de Estudios Peruanos (Institute of Peruvian Studies)
<b>ILO</b>	International Labour Organisation
<b>INEI</b>	Instituto Nacional de Estadística y Informática (National Institute of Statistics)
<b>NGO</b>	Non-governmental Organisation
<b>ODI</b>	Overseas Development Institute
<b>OECD</b>	Organisation for Economic Co-Operation and Development
<b>OTI</b>	Oficina Internacional del Trabajo (International Labour Organisation)
<b>PNUD</b>	Programa de las Naciones Unidas Para el Desarrollo (UNDP)
<b>UCW</b>	Understanding Children's Work (Inter-agency Research Project on Child Labour - ILO, UNICEF and WB)
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNICEF</b>	United Nations Children's Fund
<b>WB</b>	World Bank

# Chapter 1

## Introduction

Peru has the highest incidence of child labour among all the countries in Latin America, a figure which has increased to 27 percent (Oficina Internacional del Trabajo, 2007a). In rural areas children are mostly employed in agriculture, in urban areas they sell goods, and on the periphery they manufacture bricks. Sexually exploited children number more than 500.000 (U.S. Department of State, 2006), while gold mining employs more than 50.000 children (International Occupational Safety and Health Information Centre, 2004). Worryingly, the Office of Labour Protection for Minors releases certification for children from the age of 12 to be legally employed (Government of Peru, 2000). Furthermore, education within the reach of deprived households is of poor quality, and this leads parents to send their children to work.

On a theoretical level, this paper argues that it would be sensible tactically to give higher importance to universal cash transfers, or in other words a basic income, in the agenda of governments and international agencies engaged in improving human capital and ending child labour. This basic income should be accompanied by the provision of good quality basic social services.

To support this contention, the empirical case of the conditional cash transfer programme 'Juntos' in Peru will be evaluated, where it will be demonstrated that the fallacies are major in terms of: not addressing the issues of reaching the most vulnerable within society, such as urban street children and single mothers; targeting errors of families who should not have been excluded, due to their poverty level; duration of the programme that might cause children to be forced into work when payments are stopped; inadequate quality improvement of services; and, in general, not solving the problem of vulnerability in the Peruvian household.

The evidence of the empirical case study substantiates the theoretical hypothesis. Unconditional cash transfers and the provision of basic services are not an unrealistic aim in an economic sense, as is often argued, and they would increase the human capital of a wider section of the population. This would have a significant effect on the eradication of child labour, which in a cost-benefit long-term analysis would create a net economic benefit for the whole society (OIT, 2003; 2007a).

This paper is structured as follows. The next section discusses the methodology. Chapter 3 outlines the theoretical framework and suggests two hypotheses for tackling child labour and improving schooling: the need of provision of basic services and an unconditional basic income for every child. Chapter 4 illustrates the case of the CCT programme in Peru. Chapter 5 tests the two hypotheses by comparing the data from the literature review with the qualitative results collected by the author. The conclusion of the paper is analysed in the final chapter.

## Chapter 2

### Methodology

The first part of Chapter 3 it illustrates the theoretical framework of this study, which examines the debate on whether the key notion behind social provision should be ‘universalism’ or ‘targeting’. This dissertation is focusing on the targeting mechanism of the conditional cash transfer programme “Juntos” in Peru. The aim of this study is to critically assess the impact of Juntos on education and child labour in Peru. Therefore, within the second part of the literature review concentrates on an analysis on the role of education in eradicating involvement of children in the labour market, which is then demonstrated in the case study.

The methodological approach of this paper is to combine the use of primary resources collected by the author and based on qualitative data (interviews), with secondary resources, such as up-to-date reports produced by the Peruvian government, international organisations and civil society groups supported by qualitative and quantitative data. The semi-structured interviews in Spanish and in English were conducted in London in the months of June and July 2009, in person or by telephone. The selected respondents were eight officials employed by:

- a) International Financial Institution (World Bank)
- b) International Organisation (United Nations Children’s Fund)
- c) International Donor Agency (Canadian International Development Agency)
- d) Joint venture organisation between the Peruvian Government and Civil Society (Mesa de Concertación para la Lucha contra la Pobreza)
- e) Non-governmental organisation (CARE Peru)
- f) Think tanks (Overseas Development Institute, and Consorcio de Investigación Económica y Social)
- g) University (Pontificia Universidad Católica del Perú)

All the interviewees have carried out research and fieldwork assessing the impact of the programme Juntos on different issues, including not only child labour and schooling, but also nutrition, health, community and intra-household dynamics, and perceptions of the beneficiaries. From a methodological point of view we are aware that the use of qualitative data may induce biases. However, the combination of primary sources from a heterogeneous sample of interviewees, and secondary sources based on qualitative and quantitative data will enhance the validity and reliability of the study. This approach is supported by the proponents of the methodological triangulation that advocate for the integration of qualitative and quantitative methods in causing the maximisation of validity and the reduction of the danger of systematic distortions intrinsic in the employment of only one of these methods (Denzin, 1978; Fielding, 1986; Flick, 1992; Maxwell, 1998).

## Chapter 3

### Theoretical framework

#### 3.1 Targeting and universalism

In the heart of social policy realm, there has been a heated debate on the issue of whether the guiding notion with respect to social services should be ‘universalism’ or ‘targeting’. Universalistic policies characterised the 1960s and 1970s, while from the 1980s onwards there was a shift towards targeting in developed and also in developing countries. Firstly, this change was heavily influenced by the right wing political ideology dominating the political sphere, whereas the state was understood as having a restricted redistribution role and poverty reduction depending on the ‘trickle-down effects’ of economic growth. Secondly, it was due to the fiscal constraint in the end of the 1970s where the public spending in form of universal services suffered the most. Therefore the motto was ‘targeting the truly deserving’. Finally, targeting was seen as a mean of alleviating the negative effects of the structural adjustments imposed by the international financial institutions to developing countries, in form of ‘safety net of social services provided for the vulnerable’ (Mkandawire, 2005:3).

Conditional cash transfers programmes (CCT), are a form of targeting that is implemented in 24 developing countries and almost everywhere in Latin America and the Caribbean, where they have lead the social protection sphere for more than 10 years. In the 1990s, 70 million people have enjoyed the benefits of CCTs around Latin America, the equivalent of the 12% of the population (CEPAL, 2007). CCTs are supplied by the state to mothers on the condition that they encourage their children to take advantage of the facilities of schooling, healthcare and nutrition (Handa and Davies, 2006). CCTs are ‘grants provided to targeted poor households on the condition that they engage in human capital investment. They address demand-side constraints for poverty reduction, combining short-term objectives of safety nets with long-term goals of breaking



intergenerational poverty traps' (Britto, 2006: 15).

*Importance of the quality of the services*

By a general evaluation of CCTs in Mexico and Brazil had a minor impact on child labour, where children started working less but not stopping altogether (Cardoso & Souza, 2003, Rocha, 2000). Nevertheless, throughout Latin America, CCTs have achieved positive outcomes in terms of improving rates of school enrolment and attendance within the targeted families. This had an impact on a higher proportion of schooling, by also decreasing dropout ratios and gender differences (Lomeli, 2008). For example, in Honduras enrolment for children between the age of 6 and 13 increased by 3.3 percent through the programme PRAF, while 7.5 percent through the Chile Solidario. In Nicaragua the results were even more remarkable due the Social Emergency Fund, with an increase of enrolment up to 12.8 percent (Fiszbein, & Schady, 2009).

However, these effects are not as encouraging as they appear in terms of the personal development and the learning of the pupils, as there are very unclear aspects (Villatoro, 2005). For example, the major increase in enrolment in Brazil was from full time child labourers, who were then working fewer hours. This did not enhance the learning process (Cardoso and Souza, 2003). A macro analysis was conducted in a UNESCO review (2006) on 9 countries who were beneficiaries of CCTs where no positive effects have been recorded in terms of students' learning outcomes. The authors, in agreement with Morley and Coady (2003), believe that this is due to the poor quality of education, which did not follow the increased enrolment and attendance rates. Improving the quality of education and learning is not the goal of CCTs, and is not taken into account in the evaluations. This issue presents several problems, as CCTs can only be advantageous when the poor have access to social services with satisfactory quality (Britto, 2006). As Rawlings and Rubio (2005) emphasised: 'This makes these programmes' ultimate success dependent on access to high-quality health and education services. No programme should be conditioned on the mandated use of poor quality, ineffective services'.

*Cash transfers complementary to basic services*

Further, apart from the quality of services, there is a general agreement in the literature that CCTs are not effective on their own. A considerable investment is needed in the provision of basic services – such as education, health, housing, water, transport- in order to guarantee that the supply be capable of answering to the increased demand caused by the cash transfers. Therefore, cash transfers in order to have an enhanced effect ought to have as counterparts the provision of basic services (Barrientos & DeJong, 2006; Handa & Davies, 2006; Lomeli, 2008). Broader social protection increases the capacity of the vulnerable to spend in the assets essential to handle and enhance their life circumstances (Barrientos et al., 2006).

This holistic approach considers security for a household as having a limited exposure to shocks and being able to cope and recover from adverse outcomes (Chambers, 1997; Standing, 2008). Without the provision of such services, targeting on its own cannot be beneficial. According to Mkandawire (2006: 5): ‘There is a source of negative incentive of targeting that can be derived from broader notions of poverty, which includes vulnerability as a key dimension. One implication of this is that in measuring the efficiency of social provision programmes, the gains must be weighted by the probability that they are actually being received. The poor are often risk averse, preferring lower risk to potentially higher values of expected future benefits. Targeting typically involves uncertainty about whether the ration will in practice be received or not, especially in situations where there is a high risk of being excluded even when one is among the deserving poor’.

*Incidences of truly needy not be reached due to targeting errors*

This draws our attention to the exclusion of the deserving vulnerable households that are not always reached by the targeting mechanisms, a real ‘tragedy of selectivity’ (van Oorschot, 2002). Due to the method of distinguishing between poor and the non-poor targeting errors are inevitable, and they cause non-inclusion and un-reach of the most impoverished in society (Standing, 2008). In a survey conducted by Farrington et al. (2006) in India, data was collected in 50,000 households in 12 villages where a

subsidised food distribution programme was implemented. It was found that the beneficiaries were principally from the middle class because of their strong bargaining power and clientelism. Another targeting programme ended in India after several shortcomings by the authority defining households under the poverty line through a BPL poverty census. BPL households were provided with advantages such as: bank loan, a free house worth up to 30.000 rupees, subsidised food grain, a grant to send the children to school and other social assistance. It was found that for the poorest and the most vulnerable households it was very hard to be included in the BPL lists compared to the better off (Hirway, 2003).

This indicates that: ‘distinguishing the target groups for distinct policy interventions is hard, because the poorest, transitory poor and vulnerable non-poor are fluid and fuzzy rather than static and crisp sets’ (Barrientos, 2006:7). In fact, the CCT programme Prograsa in Mexico managed to help the very deprived households, but not the moderately poor (Skoufias, 2001). Moreover, an excessive weight given to targeting can become challenging in terms of equality in the situation where there is a high number of eligible vulnerable households. For example, in the case of the CCT programme ‘Jefes y Jefas de Hogar’ in Argentina it was demonstrated that by excessive targeting it was not feasible to involve of individuals from extremely vulnerable backgrounds (Das et al., 2004). In addition, households with pre-school age children, the ones without kids at all and orphans were disqualified from the programme. The same phenomenon was encountered in the CCT scheme, Bolsa Escola in Brazil. Children were eligible up to the age of 15 years old and it was found that students dropped out of school when the grant payment stopped (Schwartz & Abreu, 2007). This suggests that targeting does not always achieve the objective of assisting the individuals that are the most in need.

#### *The cost of targeting compared to universal programmes*

Another issue that should be taken into account when evaluating the targeting modalities is its cost as targeting is expensive (Mkandawire, 2005). There is empirical evidence that that the average cost of the administration of targeting programmes is the equivalent of 9 per cent of the targeted budget, varying between 0.4 and 29 percent of the total cost (Gwatkin, 2000). Furthermore, the rent seeking and the theft of part of this the public

spending from the elites can sometimes have a negative impact, and can be higher than the administrative costs (Coady et al, 2004). Surprisingly, universally targeted programmes will not only cover every household, even the most deprived, but the grants will go directly to the beneficiaries instead of being spent on superfluous administrative expenditures. This can be observed in Mozambique where small payments were given to each demobilized soldier, and 86% was then used in agricultural activities to support the extended family and also to pay for the children's school fees. Most importantly, the expenditure in administration was very low, 0.5% of UNDP headquarters, which translated into a total of US\$35.5 million spent, where the US\$33.7 million was received directly by the beneficiaries. Hanlon (2004) stressed that this was a higher percentage received by the people in need than from ordinary aid projects.

Kakwani et al. from the UN Development Programme (2005) found that in all the 15 sub-Saharan countries examined, unconditional cash transfers provided to all rural children instead of targeted schemes would have a higher significance on poverty cutback for a cost of 0.5% of GDP. The authors stated that cash transfers could potentially attain 40% of the poverty line with an expenditure of just 5% of the GDP for the Ivory Coast. An empirical example to prove this assertion is the case of South Africa, where the government implemented the unconditional 'basic income grant' scheme of Rand 100 (about US\$13) per month given to every citizen. The Economic Policy Research Institute in South Africa demonstrated that the net cost would be about the 2 percent of the GDP and it was put forward the idea that 'the basic income grant is feasible, affordable and supportive of poverty reduction, economic growth and job creation (Samson et al, in Hanlon 2004). In comparison, by weighing against the total social spending, CCTs programmes represent proportionally a very minor allocation of the total GDP, from just 0.1% in Peru up to maximum 0.8% in Argentina, and they have already achieved admirable results (Lomeli, 2008). This tends to the conclusion that from an economical perspective a minimum universal basic income is feasible its welfare enhancing effects are positively outstanding.

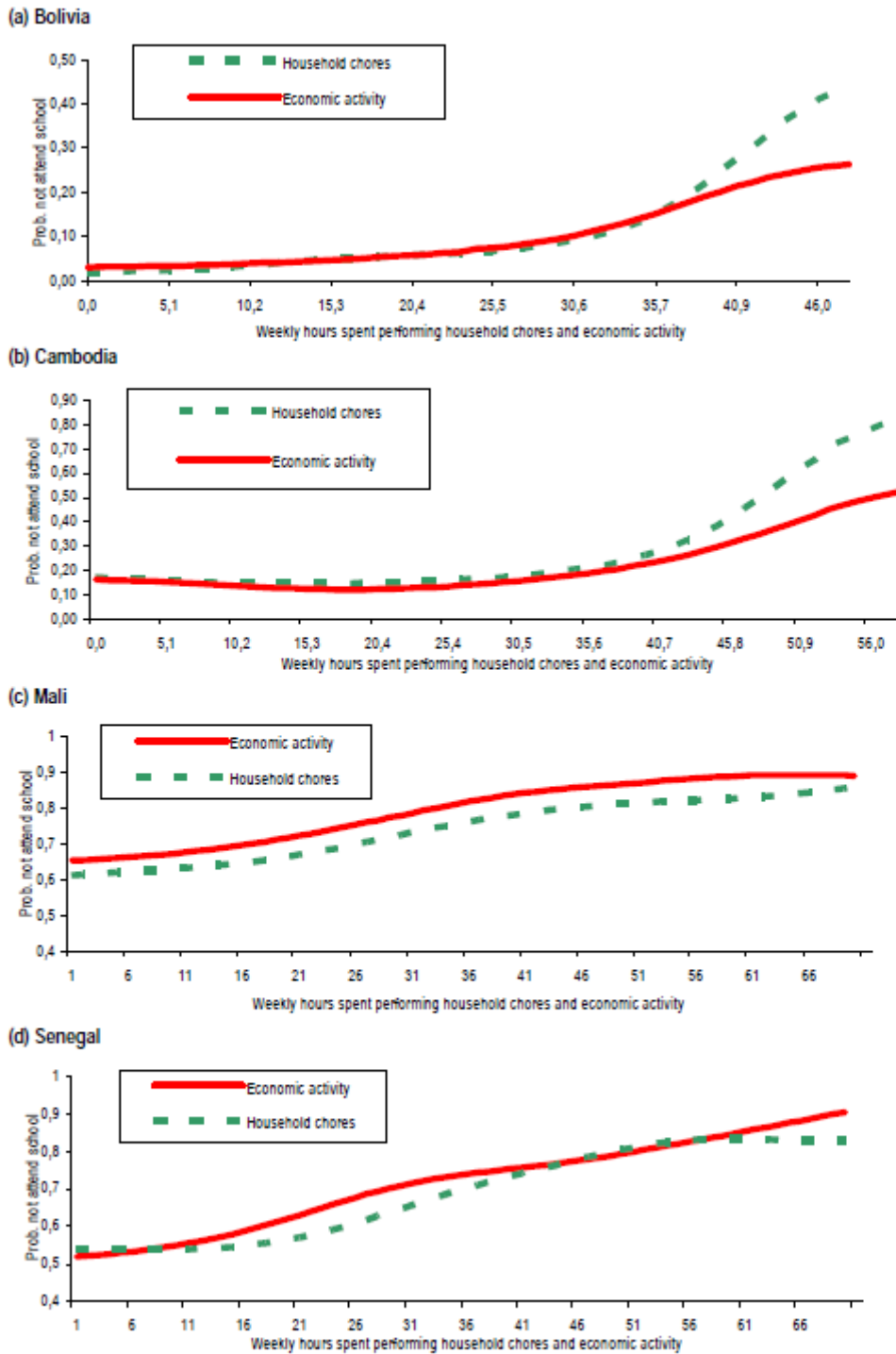
### 3.1 Child labour and education

By continuing to investigate the government spending on programmes within the public sector in Latin America, a clear relationship can be found between high expenditure in social welfare programmes and the reduction of child labour. In the 17 countries considered by the CEPAL (2006b), a negative correlation, with a coefficient of -0,62, was found between the public expenditure per capita in education and the child labour rate. By evaluating the child labour rate of the population between 5-14 years old and the social expenditure per capita in the different countries in Latin America, Peru, Bolivia and Guatemala are found to have the lowest social expenditures per capita and the highest rates of child labour.

Furthermore, the quality of the education system across Latin America is very low, which is considered a key cause of the increase of child labour (OIT, 2007a). There is compelling evidence that school quality is considered a 'push' factor in potentially leading children into child labour (Shultz, 1997; Dreze & Kingdom 2000). It affects the perception of the household in terms of whether or not they wish to invest in the children's human capital due to the expected returns from education (Understanding Children's Work, 2006).

On the other hand, if the quality of education is adequate, the causal link between child labour and school attendance is evident. The key role played by education in tackling child labour has historical origins. During the industrial revolution in Britain the debate over child labour started taking place and the establishment of compulsory education legislation created a decrease of partaking of 10-14 years old (ILO, 2005). Nowadays empirical evidence is available, for example Figure 2 illustrates the increase of the amount of weekly hours spent performing household chores and economic activity having an impact in reducing the probability of school attendance in Bolivia, Cambodia, Mali and Senegal (UCW, 2005).

Figure 1. School non attendance versus hours spent performing household chores and economic activity, selected countries (Kernel regression)



Source: UCW (2005). *Towards statistical standards for children's non economic work: A discussion based on household survey data*. Guarcello L., Lyon S., Rosati F.C., and Valdivia C.

‘Recent data has provided hope in the battle against child labour. Education is the best weapon in this global fight and the number of children out of school has dropped from 115 million in 2002 to 93 million in 2005-2006. Part of this success has come from new initiatives to bring down the cost of schooling, making it more accessible to more children’ (UNICEF, 2008). Within the international policy agenda there has been a solid appreciation that the eradication of child labour and the attainment of Education for All are interrelated global objectives. This recognition was derived from documents such as Special Session of the United Nations General Assembly on Children produced in 2002 and by the creation of inter-agency groups concentrating on child labour and education such as the Global Task Force instituted in 2005. It is crucial to emphasise that these institutions do not only perceive the role of education as vital in eliminating child labour, but call governments for an enhanced engagement in the provision of social protection: ‘Education for All...requires an inclusive approach that emphasises the need to reach groups that might not otherwise have access to education and learning. By reaching the unreached, including policies to overcome the need for child labour’ (ILO, 2008: 8).

This is a crucial point as a more holistic approach is needed in order to tackle child labour with the implementation of a variety of policies. The interventions to prevent and reduce child labour have to be multidimensional (OTI, 2007d). There is strong evidence of the necessity of policies endeavouring to decrease the exposure to risk and vulnerability by assisting households to handle the negative consequences of shocks. The central objective here is to cut down child labour and endorse human capital investment such as education. Shocks modify significantly household’s choices, obliging them to make radical adjustment to attain income and increasing the probability of the children’s involvement in the labour market (UCW, 2002). “Vulnerability refers to exposure to contingencies and stress, and difficulty in coping with them. Vulnerability has thus two sides: an external side of risks, shocks, and stress to which an individual or household is subject; and an internal side which is defencelessness, meaning lack of means to cope without damaging loss. Loss can be measured in various ways including; becoming physically weaker, economically impoverished, socially dependent, humiliated or psychologically harmed” (Chambers, 1997:1). These include: unemployment, illness, decline of crop, natural disasters, and so on (ILO, 2007).

The effects of vulnerability to shocks on credit-constrained households are well documented within the literature. Some authors, such as Neri et al (2000) supported the view that in Brazil, a change in income of the head of the household had an impact on the probability of the offspring having to leave school but not necessarily having to start working. However, there is more empirical evidence that supports the opposite. For example, Duryea et al. (1998) found that in Brazil if the head of the household loses his or her job this enhances the likelihood that the children have to start working after being forced to leave school. Other studies had similar outcomes in India, Tanzania, and Cambodia where for example the unanticipated harvest failure lead the withdrawal of children from school and pushing them into work (Jackoby & Skoufias, 1997; Beegle et al., 2006; UCW; 2008). In the case of Guatemala it was found that due to natural disasters, children that started working never went back to school. The conclusion of UCW (2003) is that if the household is given access to credit and to risk-reduction programmes (such as health care), this will create risk-coping mechanisms that will allow parents to empower their children with human capital assets and this can tackle child labour.

This is a call for provision of social protection and services in order to tackle child labour. Devereux & Sabates-Wheeler (2004:9) defined social protection as: 'Social insurance to protect people against the risks and consequences of livelihood shocks; and social equity to protect people against social risks as discrimination or abuse'. Therefore, in agreement with the previous section regarding the debate between universalism versus targeting, basic income for every child accompanied by the provision of social services, would empower households to surmount the necessity of forcing their children into employment and anticipate the future economic difficulties that they might encounter. This is a crucial point as one of the main benefits of a universal basic income is its preventive rather than an alleviating mechanism. It would also have the effect of redistributing power and wealth thus modifying the social structure.

Within the economies of developing countries that are characterised by the informal economy that employs a large number of young people (particularly street children and orphans), a basic income would ensure the equal access to the social protection system (Cruz-Saco, 2002). It would even have an effect on the prevention of the worst types of



child labour that is due to not having other life opportunities and by look desperately for economic resources through: prostitution, activities that are very dangerous for their health such as mining, forms of slavery in order to pay back the debts of their parents, in illegal activities, and so on. A stable income would not encourage such a lifestyle and universalism would guarantee the delivery to everyone. Targeting mechanisms fail to recognise these variables and therefore do not reach the most vulnerable children (Calderon & Valiente, 2004).

Acknowledging the potential criticisms to this argument, a recommendation should be made to identify communities in need by 'targeting within universalism' (Skocpol, 1990 in Mkandawire, 2005) in order to exclude the affluent household. There should be strong emphasis put on issues that are context specific, particularly with respect to developing countries. As it was examined previously in the cases of India, Mexico, Argentina, Brazil, targeting the most vulnerable is a very complex process due to the difficulty in identifying a poverty baseline and the constraints of unequal power relations, where the rich have a stronger bargaining control. A potential solution can be offered by tailoring mechanisms to cast a broader net by designing services that are available to everyone but not desirable by everyone such as affluent households. This would be a 'universalism by design', which is indirectly exclusionary.

Targeting is a 'treat' that could be used only in countries with sound institutions and fine administrative machinery. However, even in places with these characteristics, targeting is a common practice. For example, Norway embraced universalism because 'the administrative costs of keeping the wealthy outside the system would eat up the resources saved by the income limits' (Kildal & Kuhnle, 2002 in Mkandawire, 2005). Most developing countries fall short when it comes to reliable administrative services and therefore the most vulnerable individuals would be excluded of basic rights.

Finally, according to two detailed economic studies conducted by the ILO, providing basic services to every household in order to tackle child labour would have lower costs in the timescale of the next 20 years. By comparing the costs and benefits in the long term, the net profit would be higher. For example, a better educated population would

have higher incomes, which would be a cause of an improved performing economy (OIT, 2003; OIT, 2007a).

This allows deriving the hypotheses that will be tested in the empirical analysis. Therefore, in order to tackle the multidimensionality of child labour due to the intergenerational cycle of poverty and invest in human capital, it is desirable to invest in:

- a) Structural policies in terms of provision of basic services
- b) An unconditional basic income for every child

## Chapter 4

### Case Study: Impact of the conditional cash transfer programme 'Juntos' on child labour and schooling in Peru

#### 4.1 Country background: child labour and education in Peru

The population of Peru is 27.4 million people, of which young people between 0 up to 17 years old constitute the 37%. Poverty reaches 60% of these young people (Instituto Nacional de Estadística e Informática, 2007). In addition, Peru has the highest rate of child labour among all the countries in Latin America (OIT, 2007a). The worrying figure is that the involvement in child labour is increasing: from 7.9% in 1993 to 26.9% in 2001 (Instituto Nacional de Estadística e Informática, 2001). According to UNICEF (2004), between the ages of 5 to 11 years old, 16.5% of the boys are employed. This reaches 42.4% between 14-17 years old (29.9% for the girls). There is also a significant difference between urban and rural areas. In the urban settings only 4% of the children between 5 and 11 years old works, compared to 30% of their rural peers. Agriculture is the predominant sector where children work with their family (73.2%), followed by services 23.9%, manufacturing (2.7%), and other sectors (0.2%). In the urban areas children often are employed in selling goods or in garbage dumps, and in the periphery of manufacturing bricks. Sadly, the amount of children that are sexually exploited reaches 500.000 (U.S. Department of State, 2006). Gold mining is regarded as one of the worst forms of child labour. It engages more than 50.000 Peruvian children from the age of six (International Occupational Safety and Health Information Centre, 2004).

In 2002 the Peruvian Government has endorsed the ILO Convention 138 on the Minimum Age for Employment, and the ILO Convention 182 on the Worst Forms of Child Labour. The minimum age for employment in agriculture sector is 15 years, while 16 for the industrial, mining and commercial sectors. However, the Office of Labour Protection for Minors releases certifications for children aged 12 to 17 to be legally

employed (Government of Peru, 2000). “Human rights organisations have condemned the rule, arguing it contravenes international guidelines stipulating that children should not be allowed to work before the age of 15. It is hard to walk down the streets of most towns in Peru without finding children wanting to clean your shoes or to sell you sweets. Charlotte and Melissa are aged 9 and 10, and spend almost every day sitting on the roadside in Lima trying to earn a few pence” (Marshall, 2000).

Not only legally, but also according to certain segments of the Peruvian public opinion, child labour is a justified practice. In a qualitative study conducted by the ILO (OIT, 2007b), 1604 people were interviewed from regions where child labour is widespread and one third demonstrated a medium-high tolerance towards it. Most of them belonged to a low socio-economical level, were resident in the countryside, and perceived child labour as positive due to its role of socialisation to the rural settings. Instead, the 42 government and civil society functionaries interviewed revealed a sincere concern towards the very hard working conditions in Lima, with specific reference to the worst forms of child labour. However, they expressed a fatalist attitude towards this problem, as if it was unavoidable. They recognised that the Peruvian state is the key actor to counteract and school is perceived as an important institution in preventing child labour.

It turns out to be a vicious cycle as the Peruvian school system has severe limitations. The most advanced aspect is the coverage of primary education with attendance up to 93% of children between the age of 6 and 11 (UNICEF, 2009). However, Peru is in the last position within the countries in Latin America in the rank of the average performance of the pupils that attend primary and secondary school (OIT, 2007c). According to UNICEF (2009) the quality of education is worrying as there are many children who are still illiterate at the end of the second grade of primary school in rural areas, whereas schools lack books and generic equipment. The occurrence of children having to walk hours to arrive in school, with very little breakfast is prevalent and this hinders concentration within the classroom. These pupils very often arrive to school late and they are only taught from Tuesday to Thursday as the teachers that live in urban areas, leave on Friday and come back on Monday. It is also common to have only one teacher who is not trained to instruct the pupils from different grades in the same classroom to all the subjects in the curriculum.

Furthermore, 23% of students aged 6-11 years old are repeating one or more years in school and this figure doubles when they live in extreme poverty (45%) or if their native language is Quechua (43%) or Amazonian (45%). Around 60% of all the students in this age group have underdeveloped verbal communication and mathematic skills. Between the age of 12 and 15 years only half of the student population from indigenous communities or from an extremely deprived background are enrolled in high school, while 84% come from affluent families. This pattern is reinforced as parents send their children to work during their teens, a direct result of poor quality teaching in the school system (UNICEF, 2004). Schools in Peru can also be the hotbed of very controversial practices. In fact, in a comparative analysis on Peru, Colombia, and Paraguay considering the factors that contribute to child domestic labour, it was concluded that: 'The most negative image of the education emerges from the study in Peru, where it was found that the schools and special environments for underage labourers practically act as employment fairs for child domestic labour. Even the teachers search for domestic help among their students and make connections with relatives and acquaintances that need domestic assistance' (ILO, 2007:16).

The education that is within reach of the underprivileged sectors in general is poor of quality and little relevance, especially in the rural areas. A direct result of poor quality teaching is one of the causes that lead parents to send their children to work. Therefore, we can conclude that the data presented demonstrates that there is very significant evidence linking child labour and education in the Peru.

## 4.2 Description of the programme Juntos

Peru experienced an economic recovery between 2000-2005 after several shocks such as El Niño phenomenon (1997), the economic recession (1998-1999) and the political instability that caused the new democratic government in 2000. However, this economic growth did not 'trickle down' in benefiting the people that were living in conditions of severe deprivation. With the assistance of the United Nations Development Programme, the Government decided to establish the National Programme of Direct Help towards the

Poor – “Juntos” (Together) – in April 2005 (PNUD, 2008). This Conditional Cash Transfer Programme (CCT) “Juntos” attempts to reduce extreme hardship in a short term, while in a long term it aims to develop human capacities in order to prevent the intergenerational transmission of poverty.

Due to the conditionality of the programme, the beneficiaries are abided to encourage their children to use public services and are then provided with a monthly cash transfer of 100 soles (around US\$ 30) per month irrespective of the household size. The programme has duration of only 4 years and is targeted to households with children under the age of 14 that are living in conditions of extreme poverty. The terms of the agreements between the family and the state are the following:

- a) Education: 85% of school attendance
- b) Healthcare: pre and post-natal care checks, complete vaccination and anti-parasite medication, use of chlorinated water, and use of vitamin supplements for children until the age of 5.
- c) Nutrition: following the National Nutritional Assistance Programme for the Groups at Major Risk, therefore for babies until the 6 months of age. Regular medical checks until the age of 5 years old.
- d) Documentation: identity cards for themselves and their children
- e) Awareness rising and capacity building: courses to be attended within the household on the behalf of the development of the children

Targeting encompasses three stages:

- a) Geographic targeting: data is provided by the poverty maps drawn by the Ministry of Finance and Economics, the national census and Report on the Commission for Truth and Reconciliation, to detect the areas involved in political violence until the 1990s.
- b) Household targeting: based on the social demographic questionnaire executed by the National Statistics Office, merged with an algorithm to define the poverty line.
- c) Community validation: involvement of the community and the local authorities.

Whereas in February 2006, Juntos covered only 32.000 households, in January 2009, Juntos reached 420.574 households in extreme poverty, around 2 million beneficiaries, located in 650 districts of the country in essentially rural areas (Gerencia de Operaciones del Programa Juntos, 2009). The expansion of the coverage of such programmes is linked to the increase of the social expenditure. The amount allocated to social programmes boosted up to 67% in 2008. However, in relation to the Peruvian GDP, the percentage employed towards social expenditure is much lower than the average Latin American standard: 9.8% compared to 15.1% (UNICEF, 2009).

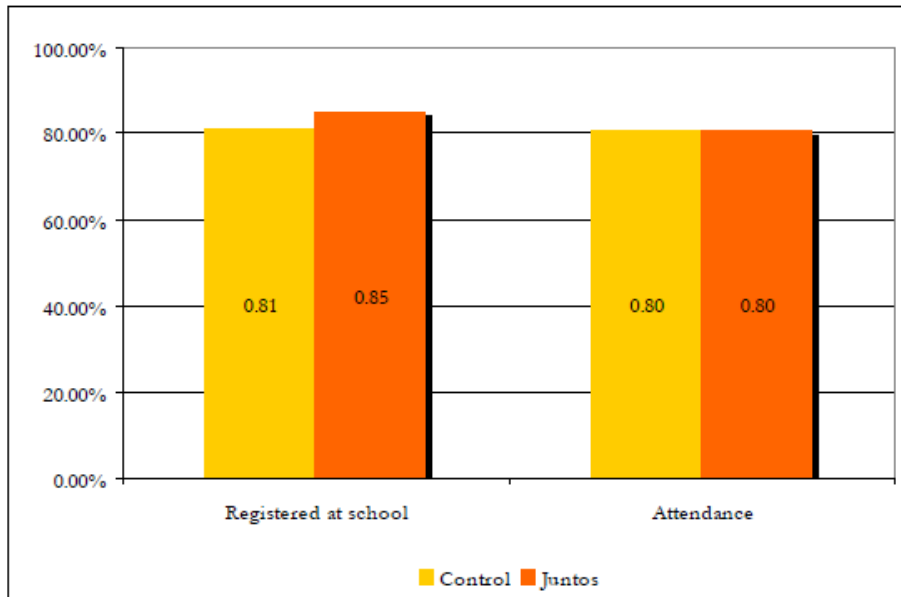
### 4.3 Outcomes of Juntos

#### *Impacts on schooling and child labour in beneficiaries' households*

An impact evaluation outline was not included within the design of Juntos. The data used in this section and the next one were derived from an econometrics non-experimental evaluation written by the World Bank (2009) based on firstly, the Encuesta Nacional de Hogares who provided information about the individuals who took part in Juntos in 2006 and 2007; secondly, the Juntos registry exercise carried out by Instituto Nacional de Estadística y Informática; thirdly, the Registro Nacional de Municipalidades for 2006 and 2007, a database that holds figures on public services and economic activity.

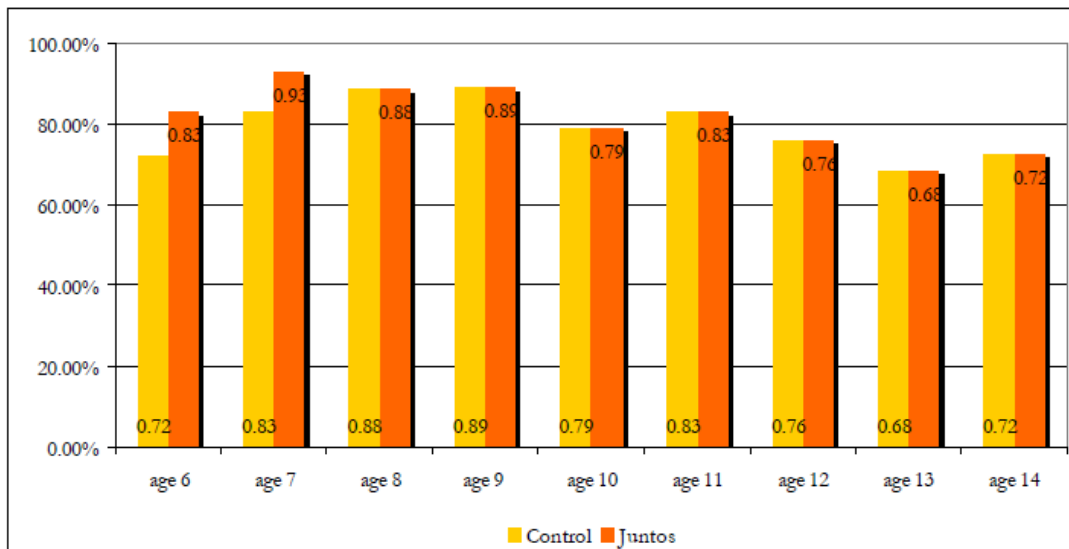
Juntos had a minor impact on school registration, as it can be observed on Figure 2, and no effect on school attendance. By disaggregating the data, the major impact is found among children aged around 7 years old in terms of enrollment (Figure 3 and Table 1) and school attendance (Table 2), which is higher for Juntos households.

Figure 2. Overall increase of registration rate



World Bank. (2009) *Welfare impacts of the 'Juntos' Program in Peru: Evidence from a non-experimental evaluation*. Washington D.C.: Perova, E. and Vakis, R.

Figure 3. Increase in enrolment rates by age



World Bank. (2009) *Welfare impacts of the 'Juntos' Program in Peru: Evidence from a non-experimental evaluation*. Washington D.C.: Perova, E. and Vakis, R.

Finally, according to the World Bank analysis the results are only significant for the beneficiaries of Juntos in terms of starting and finishing primary education. However, these results are not as noteworthy as they appear. In fact, this data is in agreement with the information from UNICEF (2009) in the previous section regarding the almost



universal coverage of the Peruvian primary education system. The interviews with the President of the Mesa de Concentracion de Lucha Contra La Pobreza (Government official and member of the Executive Council of the Juntos), the World Bank Senior Economist for Latin America and an official from the Canadian International Development Agency support this argument and the former emphasised that: ‘The coverage for primary education in Peru is almost universal, so it does not matter if the impact is higher in that section as this was already achieved without Juntos. This is not the main problem in terms of education. The problem in Peru is completion, especially for girls, and also the quality of education, which is not an objective of Juntos (...) Even if children are attending school there is not a control of the activities of the children, especially girls, when they go home. They do every kind of work at home, take care of the siblings, or help their parents in the field instead of studying. The programme does not indicate the importance of the quality of performance of the students. Nothing about quality, just quantity’ (5/8/2009).

The previous statement is reinforced by the evaluation of the World Bank (2009), which found that the beneficiaries of the programme were more likely to have worked in the previous week (Table 3). Therefore Juntos did not have an impact on the involvement of children in paid labour or household chores. This is concurring with the qualitative study conducted by the Instituto de Estudios Peruanos (2009) in six rural districts of Peru. By examining the drawings of the beneficiaries of the schemes regarding their daily activities, involvement in child labour seemed to have a crucial role in all these communities.

#### *Reach of the most vulnerable and problems with targeting*

According to the study carried out by the IEP (2009), the general answer from the interviewees from the villages in the countryside was that they were all poor and they all expected to receive the cash transfer. The IEP (2009) concluded that this raises an issue as poverty is also a subjective matter and is not always characterised by the ‘objective’ measure of neither the National Institute of Statistics nor the Government. The non-

beneficiaries consider that they live in the same situation of precariousness, and this translates into an understanding of an arbitrary selection.

This was considered by all the interviewees from the different organisations working in Peru to be particularly relevant in terms of reaching the most vulnerable segments of the population. Two main examples were mentioned: children at greater risk, such as orphans and street children, and vulnerable women, such as single mothers and widows. As the respondent from the think tank Consorcio de Investigación Económica y Social (CIES) articulated: 'Orphans and street children receive very little attention in terms of policies, as they are generally urban poor. The social policy of Peru is oriented towards the rural poor. Therefore for the orphans that are not related to any male-headed household, what the programme does is very little, actually insufficient. Juntos is a programme on the behalf of the traditional household that does not include single mothers, orphans and street children' (28/7/2009). Further, the President of the Mesa de Concentracion La Lucha Contra La Pobreza added that there are some sectors of the population that are not the objective of the programme as the focus of the programme is in the rural areas and within these there is a coverage that it is still below the optimum. A lecturer from the University Pontificia Católica, who is also a member of the Executive Council of Juntos, emphasised that this is a great fallacy and the next step the programme should be reaching the cities and the peripheries as this is where there are the products of the highest vulnerability (20/7/2009).

The difficulty that Juntos encounters in reaching the most vulnerable relates to the issue of targeting. In the three studies conducted in the field by the Save the Children (2006), Jones et al. (2008), and IEP (2009). It was found that there was a general discontent and a perception of arbitrariness of the selection process within the communities. This becomes especially problematic when it involves families who should not have been excluded due to their poverty level. When asked whether they felt this was a major issue, the respondents were in disagreement. In one hand, the interviewee from the University Pontificia Católica stressed that: 'The process of targeting is getting better as it is validated by the people from the same village that knows well who are the poor households' (20/07/2009). On the other hand, the representative from the World Bank argued that Juntos is by far the best-targeted program in Peru with respect to poverty

(25/8/2009). Still, as with any targeting mechanism, there are always errors and the program team has spent some time re-certifying people to minimize inclusion and exclusion errors (1/08/2009). Further, the President of the Mesa de Concentraci3n de La Lucha Contra La Pobreza noted that: ‘this creates problems of methodology of the execution of the programme, as for example a district that was included within the Programme Juntos in 2006, between this year and 2008 new other families were formed whom had children. A couple that got married in 2007 that had a baby who was born in 2008 does not have a mechanism to affiliate to the programme’ (1/8/2009)

Leading on from this, there was a general agreement within the literature based on the fieldwork cited above and the interviews conducted by the author regarding the visible differences between the children that are part of the programme and the ones who are not. This is a crucial issue when it includes households who should have also been selected because of their hardship. Therefore, this has generated a general feeling of exclusion for the children that were not included in Juntos, and they reacted quite negatively as they had less opportunities in terms of the ability of purchasing better quality food, school supplies, uniforms, shoes and so on (ODI researcher, 1/7/2009; CIDA official 5/8/2009). Interestingly, the respondent from the University Pontificia Catolica stresses that: ‘There are visible differences between the beneficiaries and the non beneficiaries as the children that did not receive the 100 soles do not even have the opportunity to go to school, and to have a minimum of attention towards health and nutrition’. Indeed, these two important shortfalls of the programme draw viable evidence that the targeting process is not always adequate due to the generalized poverty encountered not only in the villages in the rural areas, but also in the cities, creating the what it was referred to in the literature as ‘tragedy of selectivity’ (van Oorschot, 2002: 182).

#### *Inadequate infrastructure and education quality*

The implementation of Juntos has caused an exponential increase of the demand of the services, which the infrastructure was unable to support. This had an effect on the quality of the services that were then available to the most vulnerable. In particular in terms of the education system the increase of enrolment created particular problems in the schools where there is one teacher instructing pupils from different grades in the same classroom

to all the subjects in the curriculum (Save the Children, 2006). Several children interviewed by Jones et al (2008) complained about the overcrowded classrooms and were wondering if the compulsory school attendance was going to develop their capacity to make the best out of that opportunity in the deficiency of enough teachers. In the recent fieldwork conducted by CARE and CIES (2009) it was noted that according to an executive of the city council of Pano, the matriculation increased to the point that there were up to 80 pupils in a classroom. In another school in Huarichaca it was found that there were only two teachers, 6 classrooms and 500 students. For many parents interviewed this becomes a problem, as one of the costs of receiving 100 soles is to have their children going to a school of worst quality.

Every professional interviewed by the author agreed that the service quality of schools and health facilities have not followed the increased demand. The respondent from the CIDA noted that there Juntos caused an increase in quantity of demand but no increase in quality. The interviewee from ODI added that in 2004 it was called a state of emergency due to Peru being at the lowest level in the rank of an international evaluation of the world education system, however the promises were not accomplished up to 2009. Finally, the interviewee from the international NGO CARE, also based in Peru (15/7/2009) emphasised that: 'The quality of the services is one of the challenges that has to be fulfilled. Moreover, there is no monitoring system of quality between the provider and the family. There is also a negative attitude towards poor families, with some members that can hardly speak Spanish and if there is a form of discrimination from the providers, the beneficiaries from Juntos and always well received. Although they knew that they would have promoted demand they did not prepare the responsiveness of the public services, resources, and equipment'. As it was analysed in the previous section, this element of inadequate infrastructure and education quality is crucial as it is a driving force for parents to encourage their children to start working instead of continuing studying.

#### *Duration of the programme and insufficient resources*

Another critical matter that was discussed by all the interviewees was the duration of the programme, which is just four years. Three of the respondents noted that the government

is not clear whether the scheme will have that length due to the presidential elections. However, in general all the informants felt that this amount of time might not be sufficient for children to benefit from it. Even one of the members of the Executive Council of Juntos admitted in the interview that the programme should not only have a basic duration of 4 years, but also then some exit mechanisms. These are elements that are not totally developed and should be expanded. In agreement with this, the interviewee from the CIES expressed her concern in this respect: 'I am apprehensive with what the households will do when they will have to leave the programme after 4 years. What would the women do? Continue getting pregnant? This transitional process is not evaluated either economically, either in terms of vulnerability; simply the government does not discuss it. And there is not any other systematic programme taking place'. The respondent from the Universidad Catolica Pontificia added that when the payments would stop the results would be very serious, such as an increase of malnutrition, illnesses, end of vaccinations, and also child labour. This draws our attention that there is a common appreciation among the interviewees that the duration of the programme of only four years will not manage to overcome vulnerability, it will allow alleviating it for a brief amount of time, but not defeating it.

According to the reports regarding the analysis of the implementation of Juntos, for the people facing extreme poverty, 100 soles per month is a notable amount, as it corresponds to 10 days of work (Save the Children, 2006). The total income of a family living in extreme poverty in the rural areas is not more than US\$2000 per capita per year. The contribution of the equivalent of US\$400 per year would represent the 20% of the family expenditure (UNDP, 2008a). However, this corresponds to only one fourth of what a household would need in order to overcome the condition of extreme poverty (CARE & CIES, 2009). It is evident that 100 soles per month is not sufficient to generate a new lifestyle, and the IEP (2009) highlighted that there were not observable differences between the families that lived in the districts that participated in Juntos for the past 3 years compared to the ones that were part of it since one year and a half. All the respondents of the interviews have agreed with the literature. The representative from UNICEF stressed that: '100 soles is not an amount that can change the way the households were living before dramatically, it is relatively a small amount of money' (20/7/2009).

Furthermore, the respondent from the CIDA emphasised the important point that 100 soles are provided to all the eligible households, no matter how many dependents there are. All the eight interviewees from totally different background (Peruvian government, International Financial Institution, International Donor Agency, Think tanks, NGOs, and University) have responded that this small amount of cash will not address vulnerability. They all agree that Juntos should be supplemented by universal basic services in expanding the coverage and the quality of health, education, transport, clean water and so on. In brief, as the interviewee from ODI noted: ‘CCTs are not the magic bullet to development but should be complementary to basic services’.

## Chapter 5

### Discussion of the results

The overall results of chapter 4 lend support to both the hypotheses of this paper. *Firstly, all the interviewees have emphasised the importance of the programme Juntos being complemented by the provision of basic services.* These results are an agreement with the empirical studies conducted by Barrientos and DeJong (2006), Handa and Davies (2006), and Lomeli (2008). CCTs were an effective way of reducing child poverty and improving schooling; however they were not successful on their own and are not sustainable in the long run. This draws our attention to the fact that the provision of basic services (such as health, education, transport, housing, water) is necessary in order to respond to the enlarged demand sustained by cash transfers. Therefore, an international welfare state and a universalism of provision of services are desirable (Townsend, 2002).

As it was inferred from the literature and the case study of Peru, it is necessary to also enhance the services' quality, in particular in terms of education, as its shortfall is one of the major causes of child labour. Jones et al. summarised: 'in order to guarantee effective improvements in human capital and avoid a situation whereby people are compelled through conditionality to use public services of little value' (2008: 272). The programme Juntos has the positive role of encouraging targeted beneficiaries to put pressure on the Peruvian government to enhance these services.

The confirmation of this first hypothesis reflected the agreement among the interviewees that the duration of the programme of only four years and the amount of money provided will not manage to overcome vulnerability. Juntos did not have any proposal of local development or income generation that allows linkages with other State programmes that could promote better economical opportunities for sectors of higher exclusion (such as access to credit, technical assistance, training and so on).

Consequently, the end of payments would have very serious results such as the children being forced into work again as it was encountered in the Bolsa Escola in Brazil, where children are eligible up to the age of 15 years old and many had to leave education when the grant payment stopped (Schwartz & Abreu, 2007). The literature review showed that actors of vulnerability such as poverty are the major backdrop issue, alongside the crises of health, unemployment, harvest failure, debts, extraordinary demand for money in cash. The crises act as triggers, forcing the families to make drastic adjustments in their strategies to obtain income such as sending their children to work (Jackoby & Skoufias, 1997; Dureya et al., 1998; UCW, 2002; Beegle et al., 2006; ILO, 2007; UCW, 2008). Most notably, UCW (2003) noted that if the household is presented with risk-reduction schemes (such as health care), this will create risk-coping mechanisms, while confronting child labour.

The above suggests that vulnerability reveals the connection to assets such as public and social investment in education and health, housing, and community infrastructure (Wratten, 1995). As a consequence of the failure of governments to invest in these assets provides the basis for putting children always at the risk to have to start working anytime, as their families do not have any form of security to fall back into. This is in line with the results from the World Bank (2009) regarding Juntos not having any effects on child labour due to the grant being too modest. It is comparable to the impact of CCTs in Mexico and Brazil where children started working less but not stopping altogether (Cardoso & Souza, 2003, Rocha, 2000). 'Child labour has continued to play a significant role in the subsistence survival of poor households in rural areas and urban slums, accounting for over 20 percent of family income in about a third of all families' (Standing: 2008, 16).

The 30 dollars that are provided irrespectively to the household size for four years through the programme Juntos are not enough to overcome all these insecurities. The focus of this analysis is the OECD target related to reducing vulnerability by creating social safety nets since it was examined how shocks in health, housing and food prices can lead to poverty and consequently to child labour (OECD, 2001). Isolation and vulnerability are visibly reduced when services are improved (Chambers, 1997). Also,



Juntos did not have any proposal of local development or income generation that allows linkages with other State programmes that could promote better economical opportunities for sectors of higher exclusion (such as access to credit, technical assistance, training and so on). Therefore, the Government of Peru should be the main actor in supplying the provision of social protection through basic services and better linkages between these and broader social welfare services.

Moreover, all the interviewees agreed that the programme Juntos did not succeed in overcoming vulnerability and creating social protection strategies for four groups of people at high risk. Firstly, the poorest of the poorest, such as single mothers living in extended family arrangements, are not eligible to apply. Secondly, the same phenomenon is encountered in the case of couples facing hardship that just had a baby but were originally screened out. Thirdly, orphans and street children that are not beneficiaries of the programme. This suggests that there is a high exclusion error as it does not include a large number of children due to the area based targeting mechanism. Juntos is directed to children from rural areas, however as it was highlighted in the socio-economical analysis of Peru, urban children are also facing very difficult life circumstances by selling goods in the streets or in garbage dumps, and in the periphery in the manufacturing of bricks. These outcomes match up to the impacts of CCT programmes in other countries, such as Mexico, India, Argentina and Brazil (Skoufias, 2001; Hirway, 2003; Das et al; 2004; Farrington et al. 2006). Van Oosht (2002: 182) defines this as the 'tragedy of selectivity' that trying to target welfare to the truly needy inherently means that part of them will not be reached.

This provides the basis to stress that the excluded children, which are the most vulnerable, are going to be trapped within the vicious poverty cycle and will not enjoy the improvement in school attendance or the eradication of child labour process. Resulting from this kind of issues Mkandawire (2005) aptly highlighted that targeting leads to unfair segmentation and differentiation and that this administrative sophistication and capacity may simply not be present in developing countries. As it was emphasised by the OIT (2003, 2007a), the net benefit of eradicating child labour in the long term by providing universal basic services, would be lower than its cost.

This suggests the validity of the second hypothesis: *one should strive for an unconditional basic income for every child*. According to a detailed study conducted by Cruz Saco (2002), this would be economically feasible if there was political willingness from the government, highly paid workers and firms that operate in the formal sector. Tax revenues over GDP in Peru are below the average for Latin America and fell from 13.8 to 12.5 and further down to 12.1 per cent. In 2000, four fifths were consumption taxes and one-fifth, income taxes. This tax composition can become an issue to be addressed in the model of a basic income with a flat income tax. The government revenues, tax revenues plus non-tax revenues (2.6 percent of GDP), were allocated in the following way: wages, 4.4 per cent; goods and services, 3.8 per cent; total transfers (pensions and local governments) 4.6 percent; investment 2.8 percent; interest payments mostly on the external debt 2.2 percent (BCRP, 2002:238). A reallocation of funds from wages, goods and services, there should be a transfer toward payment of the basic income. This is supported by the findings in the literature review from Kakwani et al. (2005), which showed that in all the 15 sub-Saharan countries, unconditional cash transfers provided to all rural children instead of targeted schemes, would have a higher significance on poverty cutback for a cost of 0.5% of GDP. A similar pattern could be found in Peru where the socio-economic situation is far better off than in the Sub-Saharan countries. By confronting the total social spending, Juntos corresponds to proportionally a very small share of the total GDP, of just 0.1% and having already had several positive impacts (Lomeli, 2008). Further, as it was analysed in the previous section, Peru has the lowest social expenditures per capita and the highest rates of child labour (CEPAL, 2006b). This leads to conclude that a minimum universal basic income is sustainable economically and, in conjunction with basic services, it may tackle child labour and improve the investment in human capital activities such as schooling.

## Chapter 6

### Conclusion

The objective of this study was to investigate the impact of the targeting programme Juntos on schooling and child labour in Peru. The theoretical overview is divided into two sections. Firstly, the debate over whether the main agenda behind social provision should be ‘universalism’ or ‘targeting’; secondly, analysis of the role of education in eradicating the involvement of children in the labour market. The main hypotheses derived are that the provision of basic services and an unconditional basic income for every child are crucial in order to confront children’s involvement in the labour market and encourage schooling. Juntos was not successful on its own, and required the provision of good quality basic services in order to respond to the enlarged demand sustained by the grants. Also, the short duration of 4 years and amount of money provided do not overcome the vulnerability of many households. Furthermore, the people at greatest risk, such as single mothers, orphans and street children are not beneficiaries of the programme; therefore this creates targeting errors. This draws attention to the fact that both these hypotheses have been supported by qualitative data from the case study.

There is a general understanding that the universal provision of services and a basic income are impossible aims to achieve in a developing country such as Peru. However, this paper has provided opposite evidence. According to data from BCRP (2002), if there was political willingness to reallocate funds from wages, goods and services, payment of the basic income would be feasible. One of the major issues in Peru is that there is the lowest level of public spending; for example Juntos is equivalent to only 0.1% of the GDP (Lomeli, 2008). This would lead us to conclude that if the Peruvian government were to invest in basic income and services, this would not only tackle the problem of child labour and improve human capital, but create a net economic benefit for the whole society in the long term.

## Appendix: Tables

Table 1. Juntos impacts on education, disaggregated by age and gender

Variable	All			Girls			Boys		
	Average for control group	Juntos effect	Number of observations	Average for control group	Juntos effect	Number of observations	Average for control group	Juntos effect	Number of observations
<b>Registered at school</b>									
age 6	0.72	0.11** (0.05)	524	0.74	-0.12*** (0.07)	250	0.66	0.05 (0.07)	265
age 7	0.83	0.10** (0.04)	530	0.72	0.24* (0.05)	279	0.84	-0.08 (0.06)	246
age 8	0.88	-0.01 (0.04)	558	0.92	-0.03 (0.05)	285	0.78	0.06 (0.06)	273
age 9	0.89	-0.05 (0.04)	498	0.86	-0.01 (0.06)	237	0.88	-0.10*** (0.05)	256
age 10	0.79	-0.01 (0.04)	541	0.81	0.02 (0.06)	289	0.79	-0.01 (0.06)	261
age 11	0.83	0.01 (0.04)	525	0.83	0.03 (0.05)	275	0.70	0.08 (0.07)	252
age 12	0.76	0.04 (0.04)	553	0.79	0.07 (0.06)	258	0.72	0.00 (0.06)	294
age 13	0.68	0.08 (0.05)	524	0.65	0.09 (0.09)	268	0.74	0.06 (0.06)	262
age 14	0.72	-0.01 (0.06)	488	0.58	0.09 (0.10)	207	0.72	-0.11 (0.08)	291

\* denotes results significant at 1% level; \*\* denotes results at 5% significance level; \*\*\* denotes results at 10% significance level

Source: World Bank. (2009) *Welfare impacts of the 'Juntos' Program in Peru: Evidence from a non-experimental evaluation*. Washington D.C.: Perova, E. and Vakis, R

Table 2. Juntos impacts on education, disaggregated by age and gender

Variable	All			Girls			Boys		
	Average for control group	Juntos effect	Number of observations	Average for control group	Juntos effect	Number of observations	Average for control group	Juntos effect	Number of observations
<b>School attendance</b>									
age 6	0.70	0.12** (0.05)	527	0.69	0.01 (0.08)	252	0.65	0.12*** (0.07)	268
age 7	0.80	0.13* (0.04)	528	0.67	0.26* (0.06)	282	0.81	-0.05 (0.07)	244
age 8	0.87	-0.04 (0.04)	556	0.88	-0.08 (0.06)	285	0.78	0.01 (0.06)	271
age 9	0.87	-0.03 (0.04)	500	0.81	0.00 (0.06)	235	0.79	-0.05 (0.05)	254
age 10	0.76	-0.06 (0.04)	535	0.77	0.03 (0.06)	292	0.80	-0.09 (0.06)	264
age 11	0.80	0.01 (0.04)	521	0.83	0.05 (0.06)	275	0.68	-0.02 (0.07)	244
age 12	0.74	-0.00 (0.04)	553	0.76	0.08 (0.07)	260	0.70	0.09 (0.06)	294
age 13	0.67	0.04 (0.05)	527	0.65	-0.01 (0.09)	265	0.68	0.00 (0.06)	259
age 14	0.68	-0.06 (0.06)	492	0.55	0.06 (0.10)	209	0.70	-0.11 (0.07)	293

\* denotes results significant at 1% level; \*\* denotes results at 5% significance level; \*\*\* denotes results at 10% significance level

Source: World Bank. (2009) *Welfare impacts of the 'Juntos' Program in Peru: Evidence from a non-experimental evaluation*. Washington D.C.: Perova, E. and Vakis, R.

Table 3. Juntos impact on labour markets

Variable	Average for control group	Juntos effect	Number of observations	Average for control group	Juntos effect	Number of observations	Average for control group	Juntos effect	Number of observations
<b>Adults:</b>		<b>All</b>			<b>Women</b>			<b>Men</b>	
employed	0.89	-0.02** (0.01)	5,593	0.88	-0.01 (0.01)	2,725	0.96	-0.02* (0.01)	2,943
number of hours worked last week	35.90	-0.27 (0.62)	5,576	32.34	-1.13 (0.80)	2,759	39.63	-0.18 (0.88)	2,943
<b>Children:</b>		<b>All</b>			<b>Girls</b>			<b>Boys</b>	
Worked last week	0.42	0.05** (0.02)	4,640	0.33	0.10* (0.03)	2,349	0.48	0.02 (0.03)	2,378

\* denotes results significant at 1% level; \*\* denotes results at 5% significance level; \*\*\* denotes results at 10% significance level

Source: World Bank. (2009) *Welfare impacts of the 'Juntos' Program in Peru: Evidence from a non-experimental evaluation*. Washington D.C.: Perova, E. and Vakis, R.

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