

# Building a comprehensive and child sensitive social protection system in Peru



## **Building a comprehensive and child-sensitive social protection system in Peru**

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1st edition - December 2021

(\*)Hecho el Depósito Legal en la Biblioteca Nacional del Perú N° 2022-05161.

June 2022, Lima – Peru

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(\*)This is the national book registration number.

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The severe socioeconomic impact caused by the COVID pandemic indicates the need for a comprehensive social protection system in Peru. However, public debates show that not all stakeholders (the government, academia, civil society, and decision-makers, among others) have a common understanding of what social protection means. Therefore, it is critical to promote public discussions and build a shared vision of social protection. This will help integrate and consolidate progress and design governance mechanisms to strengthen social protection and support its sustainability. This document presents different social protection concepts from national and international literature to contribute to a shared understanding and coordinate the work carried out by multiple sectors, levels, and stakeholders interested in building a comprehensive social protection system in Peru and exploring possible governance alternatives.

## What is social protection?

Social protection is a core concept integrating a variety of measures aimed at ensuring basic living standards for all and building fairer and more inclusive societies.<sup>1</sup> UNICEF defines social protection as the “set of policies and programs aimed at preventing or protecting all people against poverty, vulnerability and social exclusion throughout their life-course, with a particular emphasis towards vulnerable groups.”<sup>2</sup>

<sup>1</sup> Universal Social Protection in Latin America and the Caribbean, ECLAC (2020).

<sup>2</sup> UNICEF’s Global Social Protection Programme Framework (2019).



## Social protection components

Social protection comprises a contributory component (social security), a non-contributory component (social assistance), and labor market regulations that emphasize the importance of decent work.<sup>3,4</sup> Below is a brief description of these components and the instruments allowing them to operate.

| Contributory component  | Non-contributory component  | Labor market regulation   |
|---|---|---|
| It includes programs designed to provide its members with current and future insurance to enable them to maintain a minimum quality of life during their active and inactive stages of life, for example, in times of unemployment, retirement, illness, or disability. | Cash transfers and public subsidy programs financed under the principle of solidarity and targeted at those living in poverty, extreme poverty, and vulnerability.  | Refers to the protection of workers' individual and collective rights. It plays an essential role in reducing and mitigating the risks associated with unemployment and the decent work deficit. <sup>5</sup>   |
| Social Protection Instruments   |   |   |
| <ol style="list-style-type: none"> <li>1. Contributory pension schemes (old age, disability, and survivors' pensions)</li> <li>2. Health insurance</li> <li>3. Unemployment insurance</li> <li>4. Leave (maternity, paternity, and sick leave)</li> </ol>               | <ol style="list-style-type: none"> <li>1. Cash or in-kind transfers, conditional or unconditional transfers (conditional cash transfer programs and social pensions)</li> <li>2. Consumer subsidies</li> <li>3. Emergency jobs</li> <li>4. Promotion and access to existing social services (education, health, assistance, housing, among others)</li> </ol> | <ol style="list-style-type: none"> <li>1. Regulation and oversight of labor standards to promote and protect decent work:               <ol style="list-style-type: none"> <li>(a) formalization of contracts</li> <li>(b) collective bargaining</li> <li>(c) occupational safety</li> <li>(d) minimum wage</li> <li>(e) elimination of child labor</li> <li>(f) non-discrimination policies</li> </ol> </li> </ol> |

Source: Prepared by the author based on Universal Social Protection in Latin America and the Caribbean, ECLAC (2020).

<sup>3</sup> Universal Social Protection in Latin America and the Caribbean, ECLAC (2020).

<sup>4</sup> Decent work summarizes the aspirations of people in their working lives. It involves opportunities for work that is productive and provides a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. (<https://www.ilo.org/global/topics/decent-work/lang-es/index.htm>).

<sup>5</sup> Barrientos and Hulme (2008) in Universal Social Protection in Latin America and the Caribbean, ECLAC (2020).



## The attributes of a social protection system

Establishing a social protection system would enable its interventions to progressively fulfill the universal right to social protection and help prevent fragmented services, programs, or interventions. To achieve these objectives, the design and operation of a social protection system must include the following attributes:

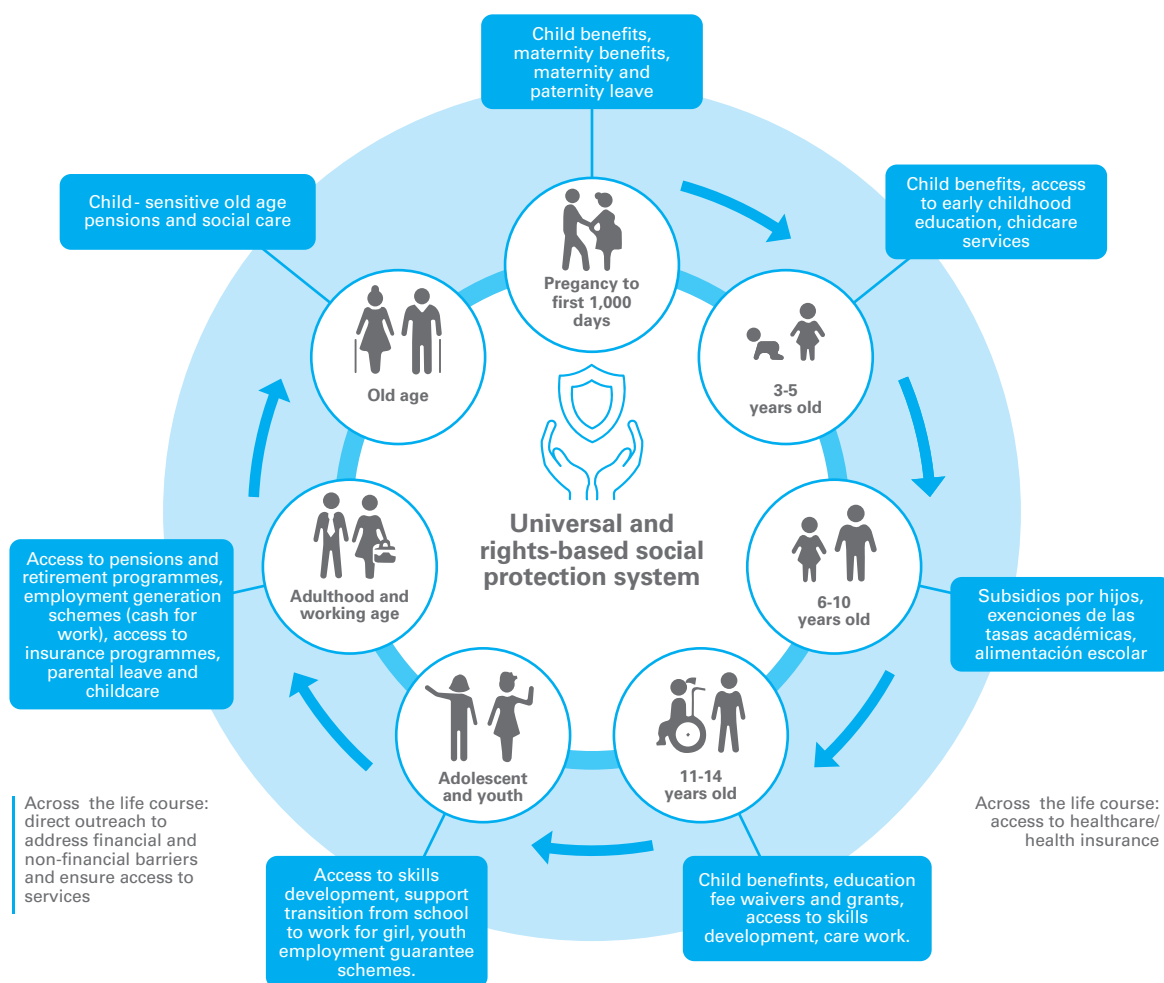
| Attributes              | Definition  |
|-------------------------|---|
| Universal               | This implies understanding protection from a rights perspective, recognizing social protection as a right that corresponds to each and all, as human beings, and citizens.  |
| Integrated              | An integrated social protection system allows for greater coherence and a stronger impact of the different interventions and components.  |
| Life-course approach    | It seeks to guarantee the right of families to social protection throughout the life cycle while considering that the different life stages are associated with different opportunities, challenges, vulnerabilities, and risks.  |
| Child-sensitive         | A child-sensitive social protection system prioritizes children and adolescents and the poorest and most vulnerable families, aiming to break the transgenerational cycle of poverty and disadvantage.  |
| Responds to emergencies | A social protection system that can respond to emergencies will address and minimize vulnerabilities resulting from stress and external shocks; that is, vulnerabilities beyond families' control while considering the prevention, response, recovery, and resilience cycle. |
| Gender transformative   | Gender transformative social protection addresses gender-related needs and risks children and adults face and transforms social and gender norms perpetuating gender-based inequalities.  |

Source: Prepared by the author.

Before COVID-19, poverty among children and adolescents in Peru was almost twice as high as in the adult population. As a result of the pandemic, monetary poverty increased from 26.9% in 2019 to 40.5% in 2020<sup>6</sup> among children and adolescents (similar to the 2010 figure). This means that in 2020, four in every 10 children and adolescents were poor. Child-sensitive social protection focuses on addressing poverty and vulnerability patterns that affect children and starts by recognizing the long-term benefits of investing in this population group. This approach considers that child-sensitive interventions do not necessarily have to focus strictly on children (UNICEF, 2012; Yates, Chandan and Lim Ah Ken, 2010 in Rubio, 2017), but should also strengthen families' capacities to care for their children, eliminating service access barriers, and addressing vulnerability, particularly as it affects children.<sup>7</sup>

Social protection must provide support throughout the life course. Therefore, an effective and comprehensive system will include different types of programs to respond to the diverse needs of various population groups (see figure 1). From the perspective of a child-sensitive social protection system, this approach is essential to reach them directly and recognize their connections with adults across their life stages.<sup>8</sup>

Figure 1: Social protection across the life course



Source: UNICEF (2019).

6 National Household Survey (2020).

7 La construcción de un sistema de protección social adecuado a la infancia en el Perú, Rubio, (2017).

8 UNICEF's Global Social Protection Programme Framework (2019).



## Why should social protection be an integrated system?

Building a comprehensive life-cycle approach to social protection requires integrated systems. Social protection systems can be divided into four constitutive levels: evidence-based, normative, programmatic and administrative.<sup>9</sup>

|   |  |
|---|--|
| Evidence Base (poverty and vulnerability analysis, systems and social program assessments)                                    | It includes having a clear understanding of poverty and vulnerability, as well as the effectiveness of existing social protection programs and persisting gaps in program coverage.  |
| Policies (overall policy coherence, common and shared vision, coordination, and financing mechanisms)                         | It refers to policies that regulate social protection and the coordination and financing of social protection systems. The normative sphere is the highest level of commitment, where a common vision is established, and the objectives and functions of the social protection system are defined in the context of national goals and parameters. This includes social protection laws, policies, strategic frameworks; national coordination mechanisms between the ministries responsible for social protection; and appropriate financing for integrated social protection systems to function effectively. |
| Programmes (coordination and harmonization among programmes at all levels)  | The programme level is the operational core of a social protection system. There are different ways of looking at social protection systems, including dividing programmes into contributory and non-contributory. To ensure consistency in the classification used in this document, the social protection system components will be divided into:<br>a. Contributory<br>b. Non-contributory<br>c. Labor market regulations   |
| Administration (Integrated administrative tools such as registries, payment mechanisms, grievance, and redress, among others) | The administrative level focuses on the basic tools that facilitate the institutional processes of social protection programs; These components are often essential entry points for improving the integration of social protection systems. Administrative components include integrated social and beneficiary registries; management information systems; delivery of grievance and redress mechanisms; human resources; and intergovernmental coordination mechanisms.   |

Fuente: UNICEF (2019).

<sup>9</sup> UNICEF adds an additional evidence-based component because to be effective, social protection systems must be based on an empirical basis that highlights the situation of children and adolescents, the impact of current social protection programs, and identifies and seeks to reduce persistent gaps.



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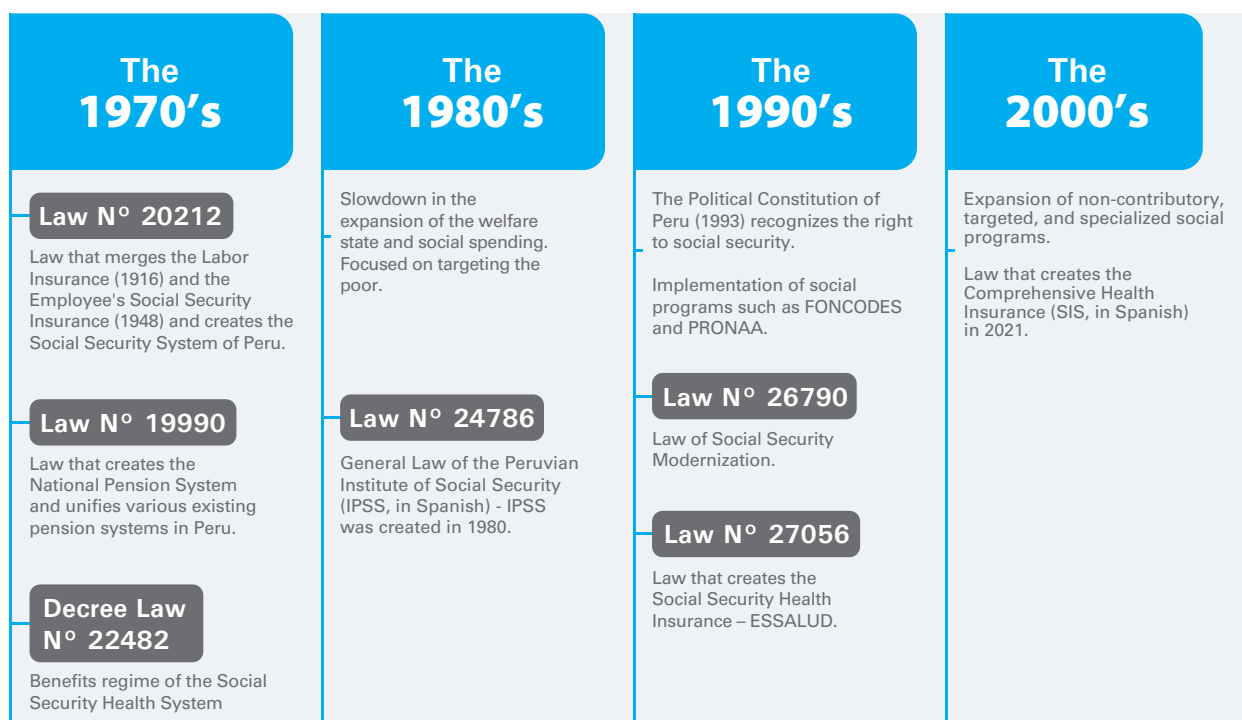
## Progress in social protection in Peru

The right to social protection is recognized in a series of national and international legal instruments, including the Universal Declaration of Human Rights (1948), which establishes that all people – and their families - have the right to an adequate standard of living that guarantees their well-being. At the national level, Peru’s Political Constitution (1993) establishes in article 10° that “the State recognizes the universal and progressive right of each person to social security, for their protection from contingencies specified by law and for the elevation of their quality of life.” Before social security was recognized as a right in the Constitution, there was already extensive legislation on the contributory component, specifically in the area of health and pensions. As can be seen in figure 2, the regulations in the contributory and non-contributory components are strongly asymmetrical. It was not until the 1990s that the State increased social spending to fight poverty by expanding universal services. As of 2011, Peru saw an expansion of non-contributory pensions and the creation of various social programs focused on combating poverty, under the leadership of a new ministry (Ministry of Development and Social Inclusion, MIDIS).<sup>10 11</sup>

10 National Solidarity Assistance Program (Pension 65), Direct Support to the poorest National Program (Juntos), National Non-contributory Pension Program for People with Severe Disability in Situation of Poverty (Contigo), National School Food Program Qali Warma (Qali Warma), Food Supplementation Program and Glass of Milk (Programa de Complementación Alimentaria y Vaso de Leche), Programme for the Generation of Inclusive Social Employment (Trabaja Peru), National Program for Youth Employment “Productive Youth” (Jovenes Productivos), Cooperation Fund for Social Development (FONCODES) – Haku Wiñay, PAIS National Program (Social Action Itinerant Platforms), Health benefits of the non-contributory insurance for vulnerable population - Comprehensive Health System (SIS), National Comprehensive Program for Family Welfare (INABIF), Family Support Service - SAF and Day Care Service – SCD (Cuna más), National Scholarship and Educational Loans Program (PRONABEC), Protection vouchers for homes vulnerable to seismic risks.

11 Social protection systems in Latin America and the Caribbean: Peru, CEPAL & GIZ (2013).

Figure 2: Milestones of social security and social protection in Peru



Source: Historia de la Seguridad Social en el Perú, EsSalud.

Source: Social protection systems in Latin America and the Caribbean: Peru, CEPAL & GIZ (2013).

Currently, Peru has non-contributory social programs that aim to support the most vulnerable families affected by poverty. These programs and their targeting tools to identify Peru's poor population have played a critical role in the Peruvian government's measures to tackle the COVID-19 pandemic. Some of these programs are listed in the table below:

|  |   |
|--|---|
| National Solidarity Assistance Program (Pension 65) ( <i>Programa Nacional de Asistencia Solidaria</i> )   | Cooperation Fund for Social Development ( <i>Fondo de Cooperación para el Desarrollo Social (FONCODES) – Haku Wiñay</i> )   |
| Direct Support to the poorest National Program ( <i>Programa Nacional de Apoyo Directo a los más pobres</i> ) ( <i>Juntos</i> )  | Health benefits of the non-contributory insurance for vulnerable population. Comprehensive Health System, SIS. ( <i>Prestaciones de salud del seguro no contributivo para población vulnerable. Sistema Integral de Salud, SIS</i> )  |
| National Non-contributory Pension Program for People with Severe Disability in Situation of Poverty ( <i>Contigo</i> )   | National Comprehensive Program for Family Welfare ( <i>Programa Integral Nacional para el Bienestar Familiar-INABIF</i> )   |
| National School Food Program Qali Warma, Food Supplementation Program and Glass of Milk ( <i>Programa Nacional de Alimentación Escolar Qali Warma, Programa de Complementación Alimentaria y Vaso de Leche</i> ) | Cuna Más (Family Support Service- SAF and Day Care Service-SCD) ( <i>Servicio de Acompañamiento a Familias – SAF y Servicio de Cuidado Diurno – SCD</i> )   |
| Program for the generation of Inclusive Social Employment ( <i>Programa para la generación de Empleo Social Inclusivo</i> ) ( <i>Trabaja Perú</i> )  | National Scholarship and Educational Loans Program ( <i>Programa Nacional de Becas y Crédito Educativo, PRONABEC</i> )<br>- Inclusion Scholarship for people with disabilities and suffering from poverty<br>- Technical-productive scholarship for indigenous or native peoples<br>- Social Cases Scholarship for citizens in special or vulnerable situations |
| National Youth Employment Program "Productive Youth" ( <i>Programa Nacional de Empleo Juvenil "Jóvenes productivos"</i> )  | Cash voucher to protect homes vulnerable to seismic risks   |
| PAIS National Program (Itinerant Social Assistance Platforms and Tambos) ( <i>Programa Nacional PAIS- (Tambos y Plataformas Itinerantes de Asistencia Social)</i> )  |   |

Source: Prepared by the author.



## Social protection in the public agenda and recent measures

Current public agenda debates have a fragmented perception of social protection. For example, both in the presidential and inauguration speeches, special emphasis was placed on unconditional direct transfers (Yanapay bonus) and the expansion of social programs when referring to social protection. However, measures related to protecting women and vulnerable populations, or those aimed at employment and job recovery, were not considered even though these should be part of a single social protection system under a systemic approach. In a country where informal employment was estimated at 70% for men, and 75% for women before the pandemic, households face a higher risk of being affected by crises and emergencies. During the period with the strictest social isolation measures, women carried a heavier burden, as they were responsible for domestic work and in charge of caring for the elderly, people with disabilities, and their children, including helping them with online classes. This lack of economic autonomy implies the absence of personal income and leads to greater individual poverty, women's decreased possibilities of supporting themselves, and less decision-making power.

This fragmented view of social protection jeopardizes the objective of establishing a systemic and comprehensive approach to social protection in Peru. Achieving a shared vision of social protection would enable defining the roles that each sector and government level must perform in an integral social protection system. This shared vision would also help identify achievable short-term goals and pinpoint the structural factors that need to be addressed to advance towards effective social protection for all citizens in Peru.<sup>12</sup>

<sup>12</sup> La construcción de un sistema de protección social adecuado a la infancia en el Perú, Rubio, (2017).



## Social protection governance in Peru

Establishing a sustainable social protection system in Peru requires a supporting institutional framework; in other words, it must be designed through a set of regulations, rules, and structures that coordinate sectoral and intergovernmental interventions and the corresponding management instruments. Strengthening its institutional nature involves establishing objectives and multisectoral policy goals, designing tools to evaluate progress, establishing roles and responsibilities in all stakeholders linked to social protection, and designing specific monitoring, evaluation, and accountability mechanisms. Likewise, and in particular, it requires defining the social protection governing entity that will ensure that the objectives are achieved.

Therefore, it is necessary to discuss and reach agreements on creating a social protection system governed by an entity with competencies and functions that are consistent with the policies that are part of the system. A public entity may exercise this governing role based on technical, specialty or efficiency criteria, as specified in article 64° of the Supreme Decree. No. 054-2018-PCM – Guidelines for the Organization of the State. This article sets forth that functional systems are intended to ensure compliance with public policies requiring the participation of all or several State entities. These are some of the main characteristics of functional systems: (i) their implementation occurs through public interventions in the form of goods, services or regulations in order to satisfy people's needs and expectations; (ii) they focus on people; (iii) they comprise public entities with substantive or sectoral competencies and functions that contribute to the delivery of public policies sustaining the functional system; and (iv) their scope of application includes the public entities that are part of it, and if applicable, private actors (companies, individuals, civil society, among others).

The current government highlighted the need to form a commission to prepare a proposal to create a social protection system. This proposal will face the challenge of guaranteeing its comprehensive and systemic nature, taking into account its contributory and non-contributory components and labor market regulations. Similarly, the proposal must specify the entity responsible for governing social protection. This entity shall not restrict intergovernmental and intersectoral coordination and articulation, but rather will have a regulatory power over the entities that are part of it.



## Next steps to build a social protection system

UNICEF suggests the following lines of action to move towards building a social protection system in Peru in the current context:

- Building and promoting ownership of a common vision of social protection (its components and attributes) among all public and private stakeholders involved.
- Generating opportunities to discuss national and international social protection experiences, which will provide inputs to design a proposal for a social protection system in Peru.
- Generating evidence on social protection to be used as a key input for designing policies and management instruments.
- Creating a commission to design a social protection system for Peru, based on a common vision of social protection that is widely shared by the largest number of stakeholders involved in its implementation.
- Identifying the most suitable entity to govern the social protection system and design the coordination mechanisms for its proper implementation.
- Promoting the integration of Peru's existing social protection programs' information and administration systems.
- Analyzing the fiscal space necessary to progressively implement and ensure the viability of the social protection system proposal once it has been agreed.

UNICEF reaffirms its commitment to strengthening social protection programs in Peru, particularly child-sensitive programs, because, as evidence shows, poverty and vulnerability are more prevalent among these groups than the general population. Ensuring a systemic, comprehensive, gender-transforming, and child-sensitive approach to social protection in Peru will allow for programs and interventions that help mitigate households' vulnerability during shocks or emergencies, which usually jeopardize their present well-being and that of future generations.

UNICEF works so that every child and adolescent has equal opportunities to realize their rights.

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