

## **CHAPTER 1. INTRODUCTION AND OVERVIEW**

*James Copestake*

### **1.1 THREE CONCEPTS AND A CONTEXT**

The concept of *development* - local, national and international – remains a preoccupation of people and politicians across the world. For some it signifies a general belief in human progress, linked particularly to the spread of market liberalism and the struggle for more democratic government. For others, this vision is soured by daily experiences of poverty and conflict, coupled with a sense that global economics and politics are making their problems worse rather than better. Indeed the word development in popular use often has an ambiguous if not outright satirical edge: implying change imposed by others (or through some unknown, possibly sinister process) that probably does as much harm as good.<sup>1</sup> This book seeks understanding beyond the rhetoric of both development optimists and their would-be debunkers. It does so in two steps.

First, we reconsider afresh what development is about by using another concept to interrogate it. This concept, *wellbeing* is a more firmly person-centred idea, while at the same time open to multiple and indeed holistic interpretations. It opens up space for reflecting on the often latent and restrictive ontological assumptions underpinning much talk about development. Wellbeing discourse encompasses how people think and feel, as well as what they have and do; it acknowledges the differences as well as links between personal happiness and a sense of fulfilment in life; and it encompasses the effect of people's relationships to ideas and to other people as well as to money and goods. It also counterbalances the necessary but narrow focus in development discourse on the negative (poverty, insecurity, exclusion, harm and so on).<sup>2</sup>

Second, rather than colonising this conceptual space solely with abstractions of our own making, we seek an empirical approach: to clarify how different understanding of wellbeing as an aspiration squares with the reality of development for specific people in specific times and places. Explicit reference in the title of the book to *reconnecting* development and wellbeing reflects a widely held view that both public and private agencies often act in a way that fails to give sufficient weight to the wellbeing of all those affected. The definition and measurement of both development and wellbeing is unavoidably political, and their meaning can easily be tarnished through misuse. Yet despite this people continue to dream of a better future for themselves and for society even in the most difficult situations. In acknowledging difference and conflict over these terms, particularly the appropriation of development discourse by more powerful minorities, we do not abandon the possibility of mutual understanding, compromise and consensus.

---

<sup>1</sup> A UK example is the negative connotations attached to “property development”. But this is also reflected in the rise of post-development and anti-development discourse (see below). Without referring to its pejorative usage Clark (2002:22) still distinguishes more than thirty different ways in which the word is used in the social sciences.

<sup>2</sup> Also people cannot be quite so quickly *othered* by being labelled (and often belittled) as *the* poor – as if they somehow belonged to a different species. If poor people are mostly just like everyone else, only with less money, then it is useful to treat them as people first and poor second.

Why *Peru*? The answer is partially arbitrary: what matters is to be specific, to ground argument in real lives wherever they may be. But Peru is arguably a particularly good site for this enquiry because it starkly reflects a number of interesting paradoxes. It is a middle income country, blessed with rich and diverse natural resources. Its economy has performed reasonably if not outstandingly over the last fifteen years, during which time it has also experienced two relatively peaceful and democratic changes in government. Yet Peru is also persistently one of the most unequal countries in the world, with a higher rate of absolute poverty than its economic status suggests it should have. Opinion polls also suggest that many Peruvians are also less happy with many aspects of their lives than people elsewhere in Latin America, evidence supported by high rates of migration abroad. In addition, Peru's complex racial-ethnic mix contributes to culturally diverse visions of wellbeing that draw on strong indigenous as well as Western traditions.

This book is one product of the "Wellbeing in Developing Countries" (WeD) Research Group at the University of Bath, formed in 2003 with a grant from the UK Economic and Social Research Council. Its officially stated purpose was to develop a conceptual and methodological framework for understanding the social and cultural construction of wellbeing in developing countries.<sup>3</sup> Membership of the group extended from the UK to include research collaborators in Bangladesh, Ethiopia and Thailand as well as Peru. The group's academic backgrounds included anthropology, development studies, economics, psychology, politics, sociology and social policy. In its first year the WeD group concentrated on conceptual and methodological development, as reported in detail in Gough and McGregor, eds. (2007).<sup>4</sup> The Peru team also published a literature review on poverty, inequality and wellbeing in Peru (Altamirano et al., 2004). This period was followed by two years of parallel primary research in the four countries, the Peru stream being the subject of this book.<sup>5</sup>

In brief, the book sets out to do four things. First, it presents a multifaceted picture of visions and realities of poverty and wellbeing as felt and experienced by inhabitants of the seven research sites (see especially Chapter 2). Second, it contributes to the process of deriving general indicators of wellbeing to guide development. More specifically, it presents an original approach to identifying and analysing people's own subjective wellbeing (Chapter 3). For relatively poor people in Central Peru this is found to revolve around three latent goals: to find a place to live better, to build a family, and to progress with security. We argue that the use of orthodox indicators of development (such as income poverty reduction) is an inadequate substitute for monitoring satisfaction with achievement of these goals (Chapter 4). Third, we explore how a holistic vision of wellbeing informed by a better understanding of people's own views provides insight into the wellbeing trade-offs arising from migration (Chapter 5) and the evolution of institutions, including the Andean tradition of community self-help (Chapter 6). Fourth, we used the case of Peru to develop a framework for policy analysis in relation to the path-dependent evolution of wellbeing regimes (Chapter 7). Finally, we reassert the potency of the

---

<sup>3</sup> The euphemistic term 'developing countries' further illustrates the point about ambiguity of the term development. The more substantive point is that WeD funding was explicitly to conduct research in low and middle income countries, in contrast to the high income country context of the bulk of previous research explicitly into wellbeing.

<sup>4</sup> Dean (2003) provides an analysis of the different understandings of wellbeing implicit in the different discourses that influenced initial planning and design of WeD research in the UK.

<sup>5</sup> A cross-country synthesis book drawing on work in all four countries is also planned. Meanwhile working papers across the whole programme are available at [www.welldev.org](http://www.welldev.org).

idea of development as achievement of more universal wellbeing so long as it is rooted in local values and institutions, rather than usurped by more powerful voices (Chapter 8).

The remainder of this chapter is organised as follows. Section 1.2 elaborates briefly on the three key concepts referred to in the title (development, wellbeing, connection) as well as the Peruvian setting of the empirical work. A broad conceptual framework for thinking about wellbeing is presented and then used to explore ‘growth first’, ‘poverty first’ and ‘rights first’ strategies of development, and the challenge to each posed by anti-development critics. Section 1.3 relates these ideas to the Peru context. Section 1.4 sets out the scope and methodology of the empirical research conducted in Peru, and Section 1.5 presents a small selection of indicators for the seven field work sites. Section 1.6 provides a more detailed chapter-by-chapter overview of the whole book.

## 1.2 WELLBEING AND DEVELOPMENT DISCOURSE

### 1.2.1 Dimensions of wellbeing

Human wellbeing can be viewed in many different ways, and we have suggested that by defining it too rigidly development policy makers and practitioners risk alienating other stakeholders, including intended primary beneficiaries. Similarly, it would be self-defeating to propose too narrow a working definition of wellbeing at this point. On the other hand, it is useful to map out in a broader way some of the territory that the definitions encompass.<sup>6</sup> To this end wellbeing is defined here *as a state of being with others in society where (a) people’s basic needs are met (b) where they can act effectively and meaningfully in pursuit of their goals, and (c) where they feel satisfied with their life.*<sup>7</sup>

Each of the three dimensions requires further clarification. The first raises the issue of what constitutes a basic need or, putting it negatively something whose absence, when viewed in isolation, invariably constitutes harm.<sup>8</sup> While arriving at a definitive full and final list may be impossible, agreement on at least some components (hunger, drinking water) is reasonably straight-forward.<sup>9</sup> Turning to the second part, goals can be viewed as potentially achievable expressions of a person’s

---

<sup>6</sup> For example, in reviewing secondary literature on wellbeing and development in Peru, Altamirano et al. (2004) found it useful to distinguish between studies that emphasised how wellbeing was moulded by relationships to things (material), other people (social) and ideas (cultural).

<sup>7</sup> Gough (personal communication) points out that these three dimensions can be identified in Aristotle’s *Nicomachean Ethics*. Aristotle identifies *eudaimonia* as the highest goal in life and this is normally translated into English as ‘happiness’. Happiness is such an end ‘because we always choose it for itself, and never for any other reason’ (*Ethics* I vii). However, recognising that pleasures can be fleeting, he goes on to define the happy man as ‘one who is *active* in accordance with complete *virtue*, and who is adequately furnished with *external goods*, and that not for some specified period but throughout a complete life’ (I x). This introduces three further ideas. First, the idea of activity (*energeia*) – of exercising one’s powers and realising one’s capabilities through time (though, given the accidents of fortune, this can take the form of enduring hardships). Second, it introduces the idea of virtue (*arete*) since ‘virtuous acts have the greatest permanence’ (I x). Aristotle grounds virtue in good actions within the context that a man finds himself. Finally, he recognises that happiness requires external goods, ‘for it is difficult if not impossible to do fine deeds without any resources’ (I viii).

<sup>8</sup> For example, building on the work of Doyal and Gough (1991) and of Ryan and Deci (2001) we can identify needs for health, autonomy, competence and relatedness. These in turn require *inter alia* a set of intermediate need satisfiers, such as food, childhood security etc, which have material foundations.

<sup>9</sup> See Gough and McGregor (2007:11-16) for a review of different theories of basic needs. Reference to “in isolation” is important because it allows for situations where harm, even death, is voluntarily accepted in the name of some higher goal.

values, hence embracing the idea of being fulfilled and living a meaningful life. It allows for changes in goals over time, differences according to context, and the likelihood of political conflict over wellbeing. Third, satisfaction introduces both positive and negative subjective feelings. Hedonic psychology (e.g. Kahnemann, Diener and Schwartz 1999) tells us that these are not opposites, and are also affected by aspirations and adaptive preferences. This threefold framework for thinking about wellbeing leaves scope for further elaboration of each component, and also for exploring trade-offs between them in line with personal tastes, personality, culture and context. The framework also accommodates universalising and local perspectives in evaluating wellbeing: functioning meaningfully and feeling well within a specific context, on the one hand; having resources, capabilities and opportunities to achieve goals which go beyond those that present themselves in local contexts on the other.

This framework can be further clarified by comparing it with the more widely used twofold distinction between: subjective wellbeing (SWB) - how people think and feel; and objective wellbeing (OWB) - what they can be observed to have and do.<sup>10</sup> OWB is particularly associated with indicators of access to observable resources that contribute to meeting needs and to avoiding harm. However, success in achieving goals can also be objectively measured, as indeed can outward signs of happiness like smiling a lot. SWB is particularly associated with people's reported feelings, but this concept extends beyond positive and negative emotions to include cognitive assessment of goal achievement, as well as subjective perception of the adequacy of available resources. This illustrates the more general point that subjective and objective aspects of wellbeing are in practice often very hard to disentangle, particularly when it comes to interpersonal relationships. The post-positivist rise of constructivism in social as well as the natural sciences reflects growing understanding that all assessment of objective states (wellbeing included) is also ultimately socially and culturally embedded, or inter-subjective (Pieterse, 2001:142)

In breaking with the tradition of regarding wellbeing as either clearly objective or subjective WeD places considerable emphasis on the process of goal formation, whether this takes the form of individual preferences, locally accepted norms or universal theories. The feelings and motives elicited by goals are determined in part by their relationship to actual or perceived availability of resources to achieve them in a particular context. They in turn trigger actions whose outcomes affect future goals and resource availability (see Figure 1.1). At the personal level, the framework can be used to explore subjective wellbeing defined as long-term satisfaction with personal goal achievement. Individual goals reflect personality and self-perception, which in turn reflect personal relationships, values, social identity and culture (Yamamoto, 2006). We also hypothesise that life satisfaction is influenced by individual perception of the gap between personal goals and the resources needed to achieve them.<sup>11</sup> The

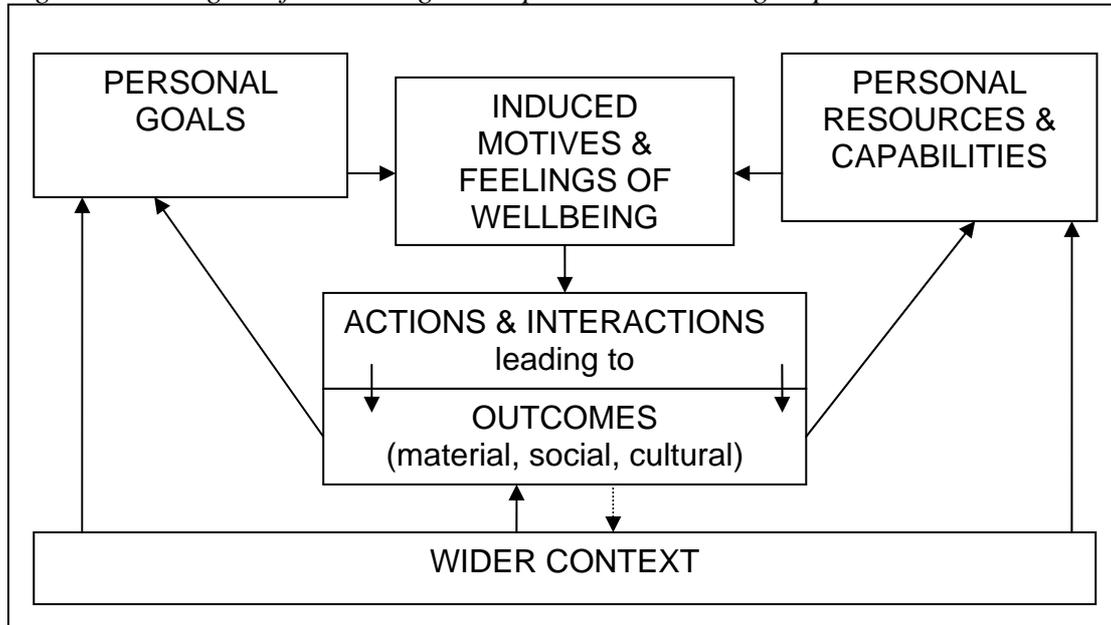
---

<sup>10</sup> While OWB is by definition revealed through physical states and actions (including ownership of assets, allocation of time, the consumption of goods and the use of services) which are in theory observable by others, its measurement in practice often relies on subjective statements of respondents (e.g. how much money and leisure they *say* they have). Hence it cannot be assumed that data on OWB is *necessarily* more reliable than that for SWB. Of course, both approaches to understanding wellbeing are real and important.

<sup>11</sup> This contrasts with a rationalist analytical perspective, which emphasises how decisions are made to maximize goal achievement subject to resource constraints. Recognition of the importance of individual and cultural constraints on such rationality is growing. For example, low wellbeing influences peoples' actions and interactions via their influence on self-esteem, confidence and the "capacity to aspire" (Appadurai, 2004). Similarly, preferences are bounded by cultural understandings, and "preference constraints" are themselves endogenous to development processes.

same framework can also be used to assess collective or interdependent processes of production and reproduction of wellbeing: this being one way of defining development. We are interested in (a) the political process by which communities formulate collective goals, (b) the institutions through which resources are mobilised and distributed, (c) practical action.

Figure 1.1. Diagram for thinking about personal wellbeing as process

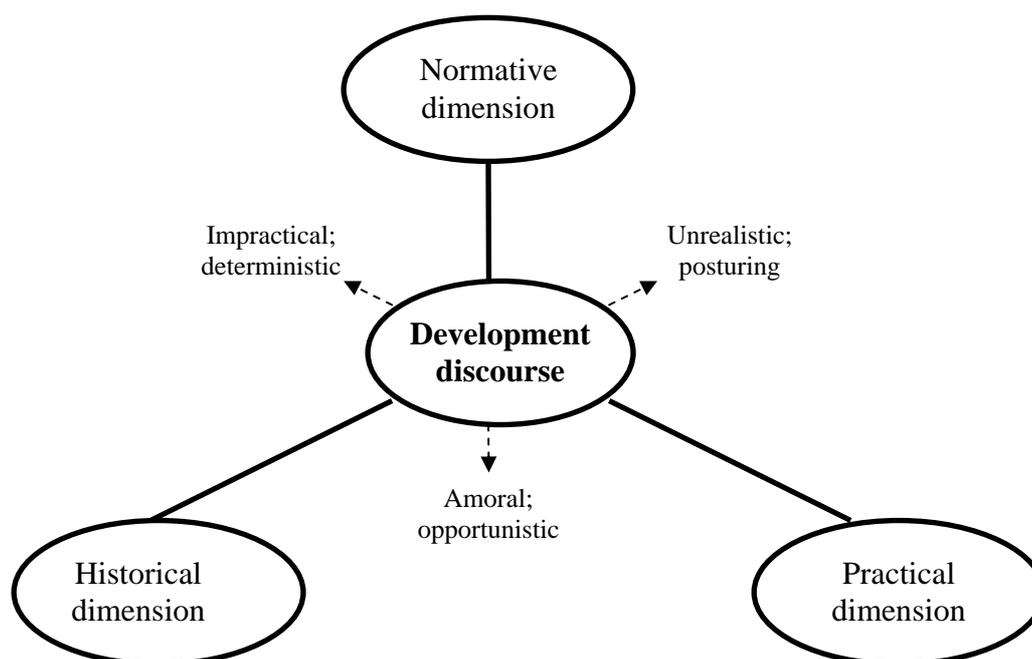


### 1.2.2. Dominant development discourse

This framework can also be extended to the policy level and to the analysis of development discourse. Such discourse can be defined as a language that seeks to establish consistent relationships between three components. First, there is a normative or ethical position, embodying a definition of wellbeing. Second there is a historical component, representing a view of development as an actual historical process determining availability of resources, opportunities and constraints in any period. Third, there is a practical component, concerned with development as action or intervention. The three are connected by language, which embodies cultural values and assumptions; and to the extent that consistency is achieved then the discourse offers a framework for meaningful action.<sup>12</sup> Figure 1.2 also indicates how different forms of discourse may be more or less successful in achieving such a synthesis – erring on the side of pragmatism at the expense of normative clarity, for example.

<sup>12</sup> In a more comprehensive analysis of the different “foundations of knowledge” underlying academic disciplines Bevan (2007) identifies nine components: focus, values, ontology, epistemology, theorising, research strategy, key conclusions, rhetoric and praxis.

Figure 1.2. A framework for thinking about development discourse.<sup>13</sup>



It is beyond the scope of this book to explore the evolution of development discourse over time, including how far distinct discourses have risen to the status of paradigmatic hegemony in different policy arenas.<sup>14</sup> Rather it is sufficient to highlight the assumptions about wellbeing implicit in contemporary policy debate over the nature and existence of a post-Washington consensus. As a first approximation, three positions can be distinguished in this debate as shown in Table 1.1.<sup>15</sup>

Growth first is broadly utilitarian in its view of wellbeing, emphasising the goal of raising average incomes and the role of market forces in doing so. Over the years it has been supported by classical, neoclassical and some heterodox economists to the extent that they have all regarded economic growth as the key means not only to increasing average incomes, but also labour absorption, productivity growth and falling rates of absolute poverty (Easterly, 2002). Its currently most influential version is more narrowly pro-market or neo-liberal, as characterised by John Williamson as the Washington Consensus (WC), but this also continues to evolve.<sup>16</sup> This extends to an interest in reducing inequality, particularly to the extent that this can be shown to be based on market failures and to restrict domestic demand in ways

<sup>13</sup> Lines show three sets of connections that render a discourse consistent and meaningful; arrows show three ways in which these can be weakened).

<sup>14</sup> Useful examples of books that attempt this are Hunt (1989) and Pieterse (2001) Copestake (2005) suggests four dominant discourses can be distinguished in the last fifty years: comprehensive planning, basic needs, neo-liberalism and policy management.

<sup>15</sup> In focusing on the main contemporary views I have not included a column for older, statist models of development – in contrast to Table 7.1 in Raczynski (1998), for example. The last two columns echo the distinction made by Wood and Gough (2004:321) between the historical role of “far sighted elites” and popular social movements in building welfare regimes.

<sup>16</sup> See Williamson (2003) for reflections on the original conceptualisation of the Washington Consensus and Fine (2002) for a more critical view. Rodrik (2006) provides a useful update that, while continuing to emphasise the primacy of economic growth, suggests ten additional components of an “augmented” Washington consensus.

that adversely affect economic growth (World Bank, 2006). But many advocates of this approach are wary of public intervention aimed directly at reducing poverty on the grounds that these are prone to distort incentives away from innovation and growth, encouraging rent taking and seeking instead (Easterly, 2006).

Needs first is based on a more multi-dimensional view of wellbeing and poverty. Its political home has been in the UN system, and it is closely linked to basic needs discourse, the capability approach and the human development movement. It has historically been particularly concerned with the role of the state, including official international development agencies, and of rational planning to supplement the market in ensuring entitlement to basic needs, including services with public good characteristics such as health, education, social protection and food security. A needs first perspective also lies behind the Millenium Development Goals and associated drive to eliminate absolute poverty, through a sharp increase in international aid flows coupled with fairer trade and sovereign debt reduction (Sachs, 2005). This initiative also indicates one feature of needs first approach, which is a willingness to work to an expertly informed “universal” specification of what constitute basic needs.

Rights first emphasises the relational (social, political and cultural) dimensions of development, the struggle against injustice and the potential of human rights discourse to mobilize poor and excluded citizens through social movements to become more active agents of their own development. Rights discourse has become particularly influential within international NGOs, and is an explicit bid being made to extend rights from the civil-political sphere to the socio-economic. Hickey and Bracking (2005:862) describe this as a bid to secure basic needs of ‘distant strangers’ not as alms but by rights through duties of action on major social institutions underpinned by a theory of transnational justice. However, in NGO hands and compared to needs first discourse the rights first approach is less rationalist, materialist, aid-oriented, top-down and paternal: more focused instead on justice, grass-roots action, power and citizenship education.

Table 1.1 – Three contemporary discourses of development.

Development discourse	Economic growth first	Basic needs first	Human rights first
Wellbeing goals and values (normative component)	Individual material prosperity, leisure and choices.	Poverty reduction; satisfaction of multiple basic needs.	Social justice, equity of esteem and opportunity.
Historical perspective (historical component)	Capitalism first: growth, jobs and rising incomes are delivered first and foremost by free enterprise.	Managed capitalism: rational public response to deprivations arising from or ignored by capitalism.	Beyond capitalism: social exclusion, oppression and class struggle.
Public policy and practice (practical component)	Create better conditions for pursuit of private material self-interest (market-led)	Build capacity to provide all with the means to meet a basic set of human needs (state-led).	Fight for basic rights; increase demand for satisfaction of basic human needs (society-led).

### **1.2.3. Anti- and post-development perspectives.**

The previous section highlighted how different ways of conceptualising wellbeing are bound up with different interpretations of history and justifications for public action. Advocates of the three discourses find themselves competing with each other not only in policy arenas but also to capture the popular imagination: competing discourses and public perceptions of development coexist in dynamic tension, mediated by bureaucracies, mass media, politics and popular culture. The next section explores some of these tensions in the more specific context of Peru. Before doing so it is important to emphasise the extent to which these discourses have become global in reach, and in so doing have created powerful tensions with local perspectives. An indication of this is the growth of anti- and post-development movements. Champions of these regard the very idea of a universal development discourse as a Faustian threat to individual autonomy and cultural diversity (Berman, 1997). Such resistance is most apparent in relation to the growth first discourse, with its emphasis on market-led economic growth (e.g. Mehmet, 1995). But the two other discourses described above also attract criticism. For example, Illich (1992:88) suggested “basic needs may be the most insidious legacy left behind by development”, while Esteva and Prakash (1997:283) argued that “...any conception of universal rights – to education, for example – is controversial and a colonial tool for domination.” Hickey and Bracking (2005:862) also note that the (Western) “ethnocentric character of this discourse remains a problem as does the issue of how the weakest members of society mobilize to actively claim their rights, suggesting a need to look beyond rights based approaches.”

Some of this criticism can be viewed as an attempt to redress the balance in emphasis between the three components of wellbeing identified above. In particular, zealous advocacy of universal needs and rights discourse risks overwhelming and distorting the local, vernacular and idiosyncratic narratives of individuals, communities and grass roots movements that are essential for effective and meaningful action in pursuit of their own goals. However, critics emphasise a unity of development discourse that goes beyond these details. Rahnema (1997:ix) observes how the very diversity of voices participating in policy-oriented development discourse is part of its attraction, so long as debate does not “question the ideology of development” and the assumption of “its relevance to people’s deeper aspirations.” The key point here is perhaps that development is more than just discourse, but part of a powerful and professionalised bureaucratic nexus with its own interests that imposes its views of the world not only through language but also through its far-reaching practice. It is acceptable to suggest the leopard change its spots, so long as it remains a leopard. Development discourse is dangerous because it is aligned with a global apparatus that justifies its existence by using language (of problems, poverty, need, underdevelopment) that are to some degree self-perpetuating, particularly when the labels are internalised by the people thereby stigmatized (Escobar, 1995).

At this point the discourse of anti-development acquires a strongly deterministic streak in its scepticism of the power of reform and redemption of global institutions. Ironically, this echoes both Marxist criticism of bourgeois charity and the ruthless application to bureaucracy of the neoclassical assumption of individual self-interest in pursuit of rent seeking and taking. An even more critical assumption of anti-development criticism is that having neutralized or removed the development industry an alternative (post-development) dynamic of grass-roots action will emerge that both delivers human wellbeing in greater measure and is expunged of the tendency to create precisely the kind of bureaucracy that was wished away in the first

place. Pieterse (2001:111) welcomes the “shift toward cultural sensibilities” but fears the “ethno-chauvinism” and “reverse orientalism” that would result from reification of indigenous and local culture. Too pure and dogmatic a critique of development, he points out, risks replacing it with its shadow, and is an abdication of the messier and more complex task of political engagement with the details of development both as discourse and as practice.

This discussion takes us back to the central argument concerning the relationship between development and wellbeing. The anti-development and post-development literature is useful in deconstructing development in its Western ethnocentrism, tendency to centralisation and bureaucratic hegemony, self-interest in intervention and more. But the philosophical foundation required (and available) for reconstructing development is broader. Renewed reflection on the nature of human wellbeing is part of this, as is greater attention to culture.<sup>17</sup> In particular, it provides opportunities to reassert development as a holistic endeavour, thereby challenging the way it tends to be carved up into specialist sub-fields and disciplines oriented each with a bias towards some particular aspect of wellbeing, which maybe important but which cannot be viewed in isolation.<sup>18</sup> But to realise the potential of this “reflexive turn” in development it is important that it is systematically informed by voices and narratives with first-hand knowledge of poverty and in ways that are not sanitised by the same bureaucratic, professional and disciplinary machinery that it seeks to reform. Pieterse (2001:163) observes that the tendency towards “authoritarian high modernism” stemming from the Western Enlightenment accounts for much of the past failure of development effort, but that hope resides in its capacity for transformation through “reactions to and negotiations of the crises of progress.”

### **1.3 PERUVIAN CONTEXT**

This section briefly relates these different development perspectives to contemporary policy debates in Peru. A more detailed exploration of Peruvian political economy is presented in Chapter 7, while Altamirano et al. (2004) provides a more extensive review of literature on poverty in Peru.

#### **1.3.1 Growth first**

Peruvian economists and policy makers have generally agreed that sustained economic growth is important, but differed over appropriate macroeconomic policy, trade stance, level of state intervention and scope for redistribution to bring it about. Since Fujimori’s accession to presidency in 1991 policies have generally conformed to neo-liberal, Washington consensus views. Indeed two Peruvian economists in particular have had some independent influence over this perspective: Kuczynski not only served as Finance Minister, but has also played a prominent role in debates over the Washington Consensus (Kuczynski & Williamson, 2003); while De Soto has championed the cause of micro-enterprise, particularly through consolidation of property rights (De Soto, 2001). Partially as a consequence, successive governments

---

<sup>17</sup> Rao and Walton (2004) is an indication of the extent to which some people within the development industry are taking culture more seriously. Radcliffe and Laurie (2006) articulate some of the worries about the dangers of what they refer to as a “new paradigm of culture and development” that is neglectful of historical and geographical variation and contestation.

<sup>18</sup> This echoes arguments picked up by Pieterse (2001) in his chapter on “critical holism and the Tao of development.” It is surprising, however, how little this chapter refers explicitly to wellbeing: this being an indication of how recently wellbeing has entered into the lexicon of development theory.

have pursued a combination of relatively conservative fiscal and monetary policies, domestic market deregulation, public sector reform and further external trade liberalisation, most recently in pursuit of a controversial free trade agreement with the USA (Crabtree, 2006).

These policies, combined with improvement in the global economy over the last decade resulted in real annual GDP growth averaging 2.9% per year between 1995 and 2005 (1.2% in per capita terms).<sup>19</sup> Exports of goods and services over the same period grew by 8.5% per year, and with imports rising by only 1.9% per year Peru's creditworthiness has greatly improved. Inflation fell to single figures in the mid-1990s and has remained there. Final consumption expenditure of households and government over the same ten year period grew in real terms by 2.4 % and 3.0% per year respectively. However, the economy has only recently surpassed its size in the 1970s, and continued reliance on export growth leaves it vulnerable to future trade shocks. Moreover, given the legacy of high income inequality and the outward orientation of the economy (with growth concentrated particularly in irrigated coastal areas, mining, retailing and other urban services) the effect of this performance on poverty incidence is likely to have been modest. In 2004, 54.3% of people were found to be below the official poverty line and 36.6% below the extreme poverty line. This represented a slight fall from 2001, when the corresponding figures were 51.6% and 31.8%.<sup>20</sup> Table 1.1 illustrates the disparity in poverty incidence between different zones of the country: the highest incidence and largest share still being located in the rural highlands, notwithstanding the rising incidence of poverty in Lima and other urban areas as well.

Table 1.1 National poverty rates for 2000.

	Total population		Absolute poverty incidence		
	No. ('000)	Share (%)	No. ('000)	Share (%)	Rate (%)
National	25,625	100	13,863	100	54.1
Lima	7,400	29	3,345	24	45.2
Other coastal urban	4,552	18	2,417	17	53.1
Coastal rural	1,326	5	854	6	64.4
Highland urban	3,235	13	1,433	10	44.3
Highland rural	5,742	22	3,761	27	65.5
Jungle urban	1,548	6	797	6	51.5
Jungle rural	1,822	7	1,261	9	69.2

Source: UNDP (2002)

### 1.3.2. Needs first

The main prescription of the donor community for overcoming the failure of economic growth to have a greater effect on poverty has not been to reject neo-liberal economic policy, but to augment it with more active state-led social programmes aimed at reducing different dimensions of poverty. Aid and debt cancellation have increasingly been linked to support for such social policies alongside compliance with macroeconomic policy and good governance standards. Peru has been less susceptible to these pressures than more indebted and aid dependent countries, but the discourse

<sup>19</sup> Figures come from "Peru at a glance" on the World Bank website.

<sup>20</sup> Figures were taken from the "interactive poverty map" on the National Institute of Statistics and Information (INIE) website.

of basic needs and poverty reduction has still been influential. Others have also highlighted the very low proportion of government spending allocated to poverty and child welfare (e.g. Parodi, 2000; Vasquez et al., 2002) while many voices have been raised in criticism of the inefficiency of the state social programmes that do exist (e.g. Tanaka, 2001; Copestake, 2006).

Table 1.2 illustrates changes in Peru's performance as measured by human development index (HDI).<sup>21</sup> Life expectancy and literacy have steadily improved over the last twenty years or so. The overall HDI has also improved steadily since recovery from the economic crisis of the late 1980s as has its relative success in converting domestic income into human development as measured by the difference between its GDP per capita and HDI rankings.

Table 1.2 Peru and the human development index.

Year	1987	1993	1998	2004
HDI score	0.753	0.694	0.737	0.767
HDI rank	74	91	80	82
Life expectancy (year)	63	66	69	70
Adult literacy (% of population)	85	88	89	88
GDP per person rank minus HDI rank	0	-3	7	12

Source: UNDP Human Development Reports for 1990, 1996, 2000 and 2006.

Peru's first national "Human Development Report" (UNDP, 2002) provided estimates of the human development index for each department and provinces in the country. The department statistics, reproduced in Table 1.3, indicate that the HDI is generally highest on the coast and lowest in the sierra, with predominantly jungle areas occupying an intermediate position.

Table 1.3. Human Development Indicator by department, 2000.

Mainly coast		Mainly highland		Mainly jungle	
Tumbes	0.620	Cajamarca	0.495	Loreto	0.621
Piura	0.561	Huanuco	0.494	Amazonas	0.515
Lambayeque	0.625	Pasco	0.575	San Martín	0.553
La Libertad	0.613	Junin	0.578	Ucayali	0.565
Ancash	0.577	Huancavelica	0.460	Madre De Diós	0.650
Lima/Callao	0.747	Ayacucho	0.488		
Ica	0.667	Apurimac	0.457		
Arequipa	0.635	Cusco	0.537		
Moquegua	0.666	Puno	0.512		
Tacna	0.681				

Source: UNDP(2002). Note: Departments in each column are listed from North to South.

### 1.3.3. Rights first

One criticism of the needs first perspective in Peru is that it encourages a technocratic view of poverty - as an absolute state of deprivation - in place of a more political emphasis on relative poverty and processes of exclusion. A deeper political analysis concerns the incentives of government and politicians to address poverty. Figueroa

<sup>21</sup> This is a multi-dimensional indicator of human development that takes into account indicators of per capita income, health and education. See any UNDP Human Development Report for a more detailed description.

(2001a, 2001b, 2003) develops a formal political economy model that first explains the persistence of unequal access to employment, capital and social protection, and then examines why it is difficult to construct a governing coalition committed to addressing the needs of the less educated and culturally subordinated racially majority.<sup>22</sup> Tanaka (2002) adds a geographical dimension that political incentives to address extreme poverty in more remote areas are much weaker than those in favour of tackling less acute and mostly urban poverty, particularly in and around Lima. He attributes this in turn to the weakness of political parties and networks linking government and society. Although the Velasco reforms greatly weakened the rural oligarchy in much of rural Peru, the disastrous effects of the Shining Path conflict, the authoritarian rule that followed under Fujimori, and the dominance of neo-liberal economic policies have all served to perpetuate the political dominance of richer, more educated and generally whiter Peruvians, particularly in Lima. Prospects for more progressive state social policy are weak so long as political capital can most effectively be accumulated through economic liberalism coupled with populist social policy and mass media management.

The above suggests that a combination of cultural, political and institutional constraints limit the incentive of political leaders, hence government, to instigate a stronger pro-poor development strategy; furthermore external donor pressure on them to do so is also relatively weak. If so, then it can be argued that the critical driver for a more egalitarian development strategy is pressure from grass-roots social and cultural movements.<sup>23</sup> The barriers to popular mobilisation and collective action in pursuit of equal rights of citizenship include lack of resources, discrimination and the temptation to “free-ride” or leave it to others to take a lead (Figueroa, 2003).<sup>24</sup> However, the political shift to the left in Latin America, including the resurgence of indigenous politics, suggests that these are not insurmountable.

In Peru, universal human rights discourse has spread in part through the damage wrought by the Shining Path insurgency and the Fujimori government’s subsequent abuse of civil and political rights (Tanaka, 2003). Popular resistance to Shining Path in the form of village militia (*rondas campesinos*), resistance to Fujimori’s authoritarianism, the work of the Truth and Reconciliation Commission, decentralisation efforts and gradual institutionalisation of popular consultation in local government have all contributed to this process. However, consolidation of political parties around policies, interests and grass-roots organisation rather than personalities and populist platforms remains at best shallow (Orias, 2005). While there may appear to be contradictions between rights discourse and community-based institutions of reciprocity and patronage this does not seem to be stopping many leaders from working with both and indeed combining them (DFID, 2005; Schneider and Zuniga-Hamli, 2005). And while some political scientists seek to explain Peru’s lack of a stronger indigenous political movement (e.g. Yashar, 2005) others note the strength of

---

<sup>22</sup> See also Copestake (2004, 2006) for a summary and critique of this model. This analysis has also been echoed by the World Bank, for whom factor market imperfections and the restricted size of the domestic market for goods and services arising from inequality have become not only a source of illbeing but also a significant brake on economic growth (World Bank, 2005). In the terminology developed here this constitutes a bid to appropriate selected aspects of a rights first agenda into a growth first agenda.

<sup>23</sup> Figueroa (2003) describes this as the need for a “refoundational shock” to correct the foundational colonial shock that pushed the country into a path of unequal development in the first place.

<sup>24</sup> See also Almirall, 2006 and Wood’s discussion of the Faustian bargain. To this list we may emphasise the importance of exit opportunities, whether in the form of migration or into private business, as a disincentive to public action (Hirschman, 1982).

indigenous political involvement in local issues that are of more immediate concern to them, such as bilingual education and local security (Garcia, 2005).

#### 1.3.4. Other perspectives

Rights discourse inherently entails making claims to universality, and in Peru this exposes those who employ it to the charge of imposing a Western ethnocentric cultural perspective that undermines the culture and aspirations of people from other traditions. A recurrent point of reference in this regard for Peru is the debate over the nature of Andean culture (*lo Andino*). Scholars who have given emphasis to the importance of a distinctive Andean perspective in their analysis of rural poverty include Orlove (1974), Isbell (1973) and Flores (1977). Doughty (1970), Lobo (1982) and Altamirano (1988), are among those who have brought the same analysis to bear on urban poverty. According to these authors, *lo Andino* reflects distinctive historical, language, values and traditions with rich variation from one region to another. This cosmo-vision also provides the basis for a distinctive view of development practice, as exemplified by the work of *PRATEC*, for example (Apfell-Marglin, editor, 2003). Another example of this perspective is provided by Masías (2002) in his rejoinder to Hernando De Soto, who he criticises (along with *Sendero* leader Abimael Guzmán) for advocating a false path of development, deviating from an authentic Andean path based on traditions of community, reciprocity and a holistic balancing of different aspects of life and wellbeing.<sup>25</sup>

Other scholars have been quick to criticise social scientists who defer too strongly to local world-views of paternalism. Starn (1991), for example, criticised anthropologists such as Isbell (1973) for essentialising peasant experiences, and over-emphasising the unchanging nature of Andean culture. The position adopted by Starn has in turn been criticised, amongst others by Poole and Renique (1992) who argue that ignoring *Lo Andino* risks allowing Western cultural discourses in Peru to predominate, thus invalidating ways of life and means of production that remain distinctly Andean.<sup>26</sup> One potential benefit of wellbeing discourse is to provide a conceptual framework that is broad enough to accommodate these differences. De Vries and Nuijten (2003) accept that Andean peasants often act in accordance with universal Western models: of rational pursuit of material self-interest, for example. But they also argue that their behaviour is also informed by more complex values, including defence of a degree of cultural otherness linked to the uniqueness of the Andean environment and cultural history.

The work of anthropologists on the subjective or internal meaning of life to people and communities has also contributed to more applied research on the disconnections (*desencuentros*) that can undermine the goals of development agencies working in the Andes (e.g. Vries & Nuijten, 2002; Vincent, 2004; Bebbington et al., 2007). Anthropologists have also helped to explore the importance of semantic differences for development. For example, the words "*waqcha*" and "*apu*" are arguably the closest conceptual synonyms in Quechua for "poor" and "rich" respectively. However *waqcha* translated literally refers to an orphan who lives without parents, relatives or social networks. This conception of poverty suggests that close relationships and social networks are considered to be an important asset in

---

<sup>25</sup> For discussion of Andean reciprocity, kinship and exchange see Mayer (2003), Mayer and De la Cadena (1989), and also Golte (1980).

<sup>26</sup> Degregori (2000) provides a comprehensive review of the history of anthropology in Peru, including the political tensions between Peruvian and foreign anthropologists. For a Marxian critique of post-modern peasant studies see Brass (2002).

Andean societies, with both intrinsic and instrumental value (Altamarino, 1988a:27). It reminds us that a person's wellbeing is often less influenced by government policy or livelihoods dynamics than by the joys and sorrows of ongoing relationships with family and neighbours.<sup>27</sup>

A practical response on behalf of many development agencies has been to seek better forms of consultation. A leading example, here is the "voices of the poor" programme of the World Bank.<sup>28</sup> DFID and World Bank (2003) reports on the first participatory poverty assessment for Peru that set out to be national in scope. Primary data collection was carried out in nine communities (in Lima, Puno, Ayacucho and Piura) and involved 730 participants. Findings are summarised in Table 1.4.

Table 1.4. Summary findings of Peru's first national participatory poverty assessment.

1. "Families confronting poverty"	
1.1	Women still bear the brunt of household reproduction. Migration of men for work and alcohol abuse make things worse, but male violence in the household is declining.
1.2	Access to health is a major problem, as is physical security, especially in urban areas (partly due to gangs, drugs and youth unemployment).
1.3	In crisis (unemployment, illness, harvest failure) what matters most is the support of immediate and extended family.
2. "Poverty and the world of work"	
2.1	Agriculture is stagnant, being affected by land shortage, uncertain weather and market instability. Livestock rearing is generally more productive than growing crops.
2.2	Long hours, abuse from employers, low and uncertain income are common experiences in urban areas.
2.3	Rural-urban links are crucial to consumption smoothing: rural areas as a source of food, urban areas as a source of income.
2.4	Land rights are a major issue in rural areas. Employment protection, education and property rights are the main concerns in urban areas. Access to formal credit is an issue in both areas, despite the risks of indebtedness.
3. "Poverty and institutions"	
3.1	Public and community institutions are uncoordinated. Discrimination and maltreatment is common. Public officials are inefficient and corrupt.
3.2	FONCODES and PRONAA are the organisations that have the greatest impact and work most closely with community level organisations. <sup>29</sup>
3.3	Water and electricity are valued highly, and even those on low incomes are willing to pay for these services so long as they get an efficient service.
3.4	Education is the most important long-term solution to poverty, but the public system has many deficiencies. The high cost of uniforms, materials and contributions for special events are a problem.
3.5	Poor health is the main factor leading to increased poverty. Access to health services is impeded not only by high costs, but also by discrimination and verbal abuse from health workers.

<sup>27</sup> Coxshall (2006) provides a telling example. Even the personal tragedies resulting from conflict between Shining Path and government can only be fully understood in the context of the way they affected (and were mediated by) kinship relations.

<sup>28</sup> These consultations were an input into the World Development Report 2000/01 on poverty. See <http://www.worldbank.org/poverty/voices>

<sup>29</sup> FONCODES is the fund for compensation and social development (*Fondo de Compensacion para el Desarrollo Social*) and the main central government agency for organising public works programmes. PRONAA is the national nutrition programme (*Programa Nacional de Alimentos*) and supplies milk and other food supplements through *comedores populares* (community kitchens), nurseries and mothers' groups.

- 3.6 With respect to security, rural areas benefit from the presence of *rondas campesinas* and *teniente gobernador*. In contrast, the police are a threat, and the justice system is distant and corrupt. Municipal authorities do not respond to the concerns of the poor, whereas NGOs and church organisations are more reliable and effective.
- 3.7 Communal organisations are important in rural areas, but less responsive to the interests of women and those in extreme poverty. Neighbourhood organisations in urban areas are scarce and weak, especially once basic services have been secured. Their leaders are easily co-opted by politicians. Women find mothers' clubs and communal kitchens to be their main source of support in the struggle against poverty, although their involvement in food distribution brings unavoidable internal conflict.

#### 4. "Proposals of the poor"

- 4.1 More government support is needed to reduce market uncertainty, and to improve access to credit and to technical assistance.
- 4.2 There is scope for more participation in administration of schools and social programmes, and for better coordination between government agencies, as well as more transparent legal processes for securing land titles.
- 4.3 Women need more training opportunities on how to deal with male violence. Nutrition and food programmes need to be more reliable. Health policies and programmes need to work with traditional medicine and family networks, rather than ignore them.

Source: DFID and World Bank (2003):222-27

Participatory appraisal exercises of this kind, that seek to identify wider public views on development goals and constraints provide a potentially important counterpoint to top-down policy perspectives. Apart from being focused on poorer people, they bear a close family resemblance to more mainstream opinion polls and focus groups. In Peru, as in other countries there is indeed a movement to incorporate broader questions about what people think and feel into national sample surveys, thereby generating a battery of so-called subjective indicators through which different aspects of development can be monitored.<sup>30</sup> A leading example is the annual survey of *Latinobarometro*, from which the data reproduced in Table 1.5 is taken. This indicates that Peruvians in general feel more negatively about their country than Latin Americans in general: indeed the first three rows indicate that they are more negative about their government, the state and operation of the market economy than people in any other Latin American country. They are also distrustful of other people in general, though in this respect they are more typical of Latin America as a whole. They do not generally believe the country is progressing, that they live better than their parents did, nor that the life of their children will be better than theirs. And they perceive themselves to be relatively poor.

To sum up, this section has indicated that visions of development in Peru are complex, diverse and contested. The three dominant global perspectives presented in the previous section are all influential. In addition, the experience of *Sendero Luminoso* also indicates receptiveness to new and more radical visions, particularly among young people. However, Peru is also fertile ground for indigenous traditions that are critical of any imported perspective. In seeking to understand how different views relate to each other we have also suggested that there is much to be learnt from systematic surveys of what ordinary Peruvians think and feel. Of course these are no substitute for the slow process of strengthening the political institutions that enable people to influence the policies and practices of government.

Table 1.5. Some Peruvian attitudes in regional perspective

<sup>30</sup> See Chapter 4 for more discussion of national surveys of subjective wellbeing in Peru. For more on the incorporation of attitudinal questions into household surveys see Herrera et al.(2007).

Question (abbreviated form)	Peru (%)	Latin America (%)	Peru's Rank (of 18)
Do you approve of the current president? Yes	16	49	18 <sup>th</sup>
Do you trust that taxes will be well spent by government? Yes	10	21	18 <sup>th</sup>
In general would you say you are very/fairly satisfied with the way the market economy works in (country)?	12	27	18 <sup>th</sup>
Would you say that you can trust most people..? Yes <sup>31</sup>	16	n/a	8 <sup>th</sup>
Would you say that this country is progressing? Yes	22	31	12 <sup>th</sup>
Do you believe your children will live better than how you live today?	49	54	13 <sup>th</sup>
Would you say your parents lived better than how you live?	67	55	3 <sup>rd</sup>
Imagine a 10 step ladder, 1 is where the poorest people live and 10 the richest. Where would you stand?	3.34	3.66	15 <sup>th</sup>

Source: Corporacion Latinobarometro (2005).

## 1.4. METHODOLOGY

### 1.4.1. Overall scope of research

This book reports on research conducted as one part of the wider WeD research project on wellbeing in developing countries described in Section 1.1. A Latin American view, along with African and Asian views was regarded as essential to the research and Peru was selected within Latin America in part on the strength of established research links between staff at Bath, PUCP and UNCP. From these a common interest in multidisciplinary research that locates poverty and inequality in wider political and cultural processes of social inclusion and exclusion had already been established (Figueroa et al., 2001; Altamirano et al., 2004).

Guidelines for data collection under WeD were worked out within the research group over a period that started well before the onset of ESRC funding in September 2003 and continued even beyond the planned date for starting field work of May 2004.<sup>32</sup> These entailed trying to accommodate different personal, disciplinary and country-specific preferences with the plan to use comparable methods in each country. For example, the Peru team was keen to build on its earlier research on social exclusion (Altamirano, 1996) and it took time to explore how this related to the perspectives of UK participants. Different priorities also emerged over the cost, feasibility, scope and importance of different methods, as well as the appropriate balance and sequencing of quantitative and qualitative approaches. These differences

<sup>31</sup> This row comes from the 2004 survey.

<sup>32</sup> In the case of Peru, proposals for research into contrasting forms of poverty in the Mantaro Valley were first formulated during academic exchange visits in 2002, funded by the British Council.

of view - and efforts to reconcile them - can be viewed as integral to the underlying research goal of developing new approaches to understanding wellbeing.<sup>33</sup>

The initial brief for data collection in Peru, as in the other three countries, was to obtain information on the construction of wellbeing over at least a year in at least two urban and four rural sites. The resulting data base was expected to permit the following: (a) mapping of similarities, differences and patterns in wellbeing during the year between different people and groups; (b) analysis of the relationship between different ways of defining and measuring wellbeing at individual, household and group level; (c) interpretation of the causal processes behind such variation, including the influence of contextual factors, such as government policy.

It was agreed that data collection should wherever possible be carried out through sustained and trusting relationships between respondents and field researchers living in the selected research sites. In the case of Peru, this entailed recruitment of a team of six graduate anthropologists from the National University of Central Peru in Huancayo (UNCP) each of whom took prime responsibility for data collection in one site. A seventh site was added later and shared between two of them. These researchers (four women and two men, including two native Quechua speakers) went through a rigorous selection and induction process. There was no turnover in this team during the research period, although budgetary constraints meant that the contracts of only four of them could be extended from July 2005 to Feb 2006.<sup>34</sup> Section 2.4 reviews the different data collection instruments that were employed.

#### **1.4.2. Selection of research sites**

Empirical research in Peru *was not* intended to enable general statements to be made about the country as a whole, but *was* intended to reflect important dimensions of national diversity in order that the relevance of universal ideas about wellbeing could be tested against the views of people living in contrasting geographical contexts. It was also accepted that site selection should build on prior geographical experience of the researchers and would need to take into account logistical constraints. Discussion of how to make the best selection led to the idea of adopting a *corridor* approach. This refers to the idea of identifying sites to reflect as far as possible the diversity of conditions along an interconnected East-West transect of Peru, linking coast, mountain and jungle. By “diversity” we had in mind a broad and interconnected set of variables, including: (a) altitude, ecology and natural resources; (b) accessibility and integration with external markets; (c) degree of urbanisation and quality of infrastructure; (d) proximity to centres of political power; (e) the relative influence of Western and indigenous culture and values.<sup>35</sup>

The corridor selected for the research stretches from a large ‘shanty town’ on the outskirts of Lima, through the Mantaro valley to small villages in the highlands of Huancavelica and into the cloud forest to the east. The corridor is arguably particularly polarised – linking the richest part of Peru (Lima) and one of the poorest (Huancavelica) in a relatively short distance. Table 1.6 provides a very brief

---

<sup>33</sup> Although data collection started in March 2004, final details of data collection (including an extension to February 2006) were agreed only at a meeting of all WeD country teams in Thailand in March 2005.

<sup>34</sup> The team (who are all co-authors of chapter 2) was supervised in the field up to June 2005 by an experienced anthropologist, who had previously worked as a lecturer in anthropology at UNCP and who was a graduate of PUCP. From July 2005 to February 2006 they were supervised by a graduate sociologist from PUCP.

<sup>35</sup> The concept is also used in Peru, by USAID for example, to delineate and promote supply chains with growth potential stretching from the coast into the interior of the country.

description of each research site. The seven centres also reflect diversity in social organisation and culture of participation.<sup>36</sup>

Table 1.6. A brief description of the research sites in Peru

Name, altitude and distance by road from Lima	Region, type, and population	Brief description
Llajta Iskay 3,400m 380km	Huancavelica (Rural – highlands) 365	Annex of Alegria with poor road access. Mostly Quechua speaking. High rate of migration to Huancayo, Lima, mines and jungle: few immigrants.
Llajta Jock 3,300m 365km	Huancavelica (Rural – highlands) 212	Annex of Alegria. A smaller and more close-knit community than Llajta Iskay. Mostly Quechua speaking. High rate of migration to Huancayo, Lima, mines and jungle: few immigrants.
Selva Manta 1,400-1,800m 290km	Jauja province of Junin (Rural – cloud forest) 560	Hamlet in a steep valley on the Eastern slopes of the Andes in the district of Monobamba. Spanish speaking. Comprises migrants from Huancavelica and other parts of Junin. Total evacuation during the violence, and since for for education and business. Seasonal immigration for sugarcane and coffee harvesting.
Alegria 3,000-3,500m 355km	Huancavelica (Peri-urban – highlands) 5,440	Farming town and district centre in Tayacaja province with good road access to Huancayo city. Mostly bilingual. Some immigration from more villages. Migration out to Lima, Huancayo, central jungle and mines.
Descanso 3,275m 290km	Junin (Peri-urban – highlands) 5,323	Farming town and district centre in the Mantaro Valley. Almost entirely Spanish speaking, with easy access to Huancayo city. Some immigration, mostly for marriage. Migration out to Lima, central mines and jungle, especially for education.
Progreso 3,275-3,325m 310km	Junin (Urban– highlands) 1,560	Two neighbourhoods on barren hillside overlooking the city of Huancayo. Bilingual. Residents mostly arrived in the 1980s as a result of political violence, mostly from Huancavelica but also from Ayacucho and some highland villages of Junin.
Lugar Nuevo 550-900m 35km	Lima (Urban–coast) 150,000	Large settlement (part of the district of Atí Vitarte) in hills to the east of Lima, founded in 1984. Mostly residents arrived in early 1990s from the Central Andes. Many are bilingual, but very few non-Spanish speaking.

At the centre of the research area is the Mantaro Valley and the city of Huancayo, capital of the Department of Junin. Progreso is a poor neighbourhood located within the city itself. Many of its inhabitants are migrants who came from other parts of the highlands during the 1980s. Descanso is a not untypical Mantaro farming town: Spanish-speaking and *mestizo* (*mixed race*), with irrigated land close to the river and pasture stretching high into the hills. Alegria its two annexes (Llajta Iskay and Llajta Jock) also lie within the economic hinterland of Huancayo city and close to the

<sup>36</sup> This is described by Abraham and Platteau (2004) as a spectrum from personalised relations between culturally differentiated members of large urban settlements (e.g. Nuevo Lugar) to culturally homogenous members of a small rural community (e.g. Llajta Iskay). Tanaka (2001) echoes this in his discussion of the relationship between community, clientelist and broking forms of leadership and participation in sites of relatively high (Nuevo Lugar, Progreso), medium (e.g. Alegria, Descanso) and low (e.g. Llajta Iskay, Llajta Jock, Selva Manta) “complexity” respectively.

Mantaro River, but at a point where the river narrows into a gorge and enters the Department of Huancavelica. The result is a more complex community, which could even be described as bipolar, made up of the Spanish-speaking *mestizo* culture of Huancayo and the Quechua-speaking *Indigeno* culture of Huancavelica. Selva Manta in Junin Department is inhabited mostly by people born and raised in and around the Mantaro Valley. But its climate is more tropical, and access by vehicle is from the north through Tarma and La Merced rather than directly from the Mantaro Valley. Finally, Huaycan is part of the distant Lima-Callao metropolis some 300 km from Huancayo. Located close to the highway leading into the central highlands from which many of its inhabitants originate it is psychologically less distant from the other sites than pure geography might suggest.

*Insert Figure.1: Map of the corridor*

### 1.4.3. Data collection methods

Table 1.7 summarises data collection activities in these sites between March 2004 and February 2006. These started with compilation of secondary data about each site, in the process of which field workers also introduced themselves to leaders and officials connected to each, taking great care to make it clear that they were not associated with any particular development agency or programme, but that the fieldwork followed on from and was linked to their study of anthropology at UNCP.

Table 1.7. WeD data collection methods.

Activity	Dates	Description	Use
Community profiling	Mar-Dec 2004	Compile secondary data about resources and structures in each site. Conduct an inventory of all forms of social organisation. Construct seasonal calendars (farming, festivals, and illness). Case studies of major conflicts.	Ch. 2
Wellbeing study (ECB) <sup>37</sup>	May-Jun 2004	Semi-structured interviews with 419 individuals across all seven sites to explore main values, goals, perceived resources, happiest and unhappiest experiences.	Chs. 3,5
Resources and needs survey (RANQ)	July-Sep 2004	Single visit questionnaire-based interview of 1004 households across all seven sites (including all those covered under the ECB) to collect factual information on household resources, basic need satisfaction and life satisfaction.	Chs. 1,2,6
Quality of life survey (WeDQoL)	Mar-May 2005	Two rounds of interviews with an initial sample of 550 individuals (including 302 from 208 households covered by the RANQ) using three point scale closed-questions on goals, values, adequacy of resources, personality, identity and subjective well-being. <sup>38</sup>	Chs. 3,4
Migration study	Mar-Apr 2005	Semi-structured interviews with 71 key informants, including migrants, return migrants and relatives of migrants (sample drawn from RANQ sample)	Ch.5
Collective action case-studies	May-Jun 2005	Qualitative case studies of one <i>faena</i> (collective action initiative) in each site, and one “Glass of Milk” committee, using participant observation and key informant interviews.	Ch.6 <sup>39</sup>
Income & expenditure survey	Jun 2005 – Feb 2006	Three round survey of 254 households also covered by RANQ. Supplementary sections on durable consumption goods (R1), migration (R2) and “Glass of Milk” program (R3).	Chs. 4,5

<sup>37</sup> ECB stands for *encuesta de bienestar*.

<sup>38</sup> 176 of these respondents were also drawn from 134 households covered by the income and expenditure survey.

<sup>39</sup> Copstake (2006) analyses and discusses the data collected on the Glass of Milk programme. It is also discussed in Chapter 7.

The next phase of the work was to conduct open-ended interviews with a quota sample of adults (men and women) in each community designed to elicit broad perceptions of respondents about the quality of their own life, and the quality of life in their community. By the time this task was completed the researchers had become well-known in their fieldwork sites and this facilitated collection of more factual information, starting with the resources and needs survey (RANQ). This was a standard survey, intended to permit comparisons of resources and needs not only across the four Peru sites but also across the four WeD research countries.<sup>40</sup>

Where possible the field team restricted further interviews to people covered by the RANQ survey so as to permit subsequent cross-analysis. However, while this enabled researchers to build up personal relations with many respondents it also created a problem of respondent fatigue. This was addressed by relying on smaller sample sizes in subsequent data collection exercises. The next major exercise was application of the Peru WeDQoL: a set of psychometric scales whose design was based closely on findings from the pilot wellbeing study, and which was designed to permit quantitative measurement and analysis of states of subjective well-being.<sup>41</sup> This aspect of the work is described in more detail by Yamamoto (2006).

The RANQ and WeDQoL data together is intended to permit exploratory empirical analysis across the four countries of the association between measures of subjective and objective wellbeing. Subsequent field work was designed to permit further analysis and interpretation of such relationships. Broadly, they focus on three mediating processes: migration, collective action and the household economy. Accordingly, data collection during the latter part of the field work focused on these three broad areas. These additional activities were intended further to inform interpretation of findings thrown up from the analysis of WeDQoL and RANQ data.

## **1.5. INDICATORS OF VARIATION IN WELLBEING BETWEEN THE SELECTED SITES**

A necessary condition of whether data collected in the selected sites can throw light on the relationship between development and wellbeing is the existence of sufficient variation in the nature of both between them. To test whether this condition is satisfied we report here on data from the RANQ about two variables: educational attainment, as an indicator of satisfaction of human needs; and general happiness, as a proxy indicator of subjective wellbeing.<sup>42</sup>

### **1.5.1 Education**

---

<sup>40</sup> The RANQ was divided into six parts: household organisation; global happiness; human resources; material resources; social resources and cultural resources (language, social identification and honorific titles). The global happiness part comprised one question: “taking all things together, how would you say things are these days; would you say you are very happy, fairly happy, not too happy?” Like other questions this was subject to translation and back-translation tests from English into Spanish and Quechua.

<sup>41</sup> The initial research proposal had been to adapt one of the quality of life instruments developed under the auspices of the World Health Organisation. This was rejected in favour of an instrument design that relied more on semi-structured interviews with potential respondents for scale construction, rather than compliance with the WHOQoL protocol for adapting its international instruments using focus group discussions with expert key informants.

<sup>42</sup> Statistical analysis of the education and happiness data was carried out by Tim Hinks.

Figuroa (2003) argues that access to formal education in Peru is a critical factor in reproducing social exclusion and inequality more generally. RANQ data permits an analysis of the extent to which the probability of advancing beyond primary school is associated with site location. 41.2% of all adults in the 1,004 households covered by RANQ had not progressed beyond primary education, and this rate was much higher in rural areas. Table 1.8 shows results of using a logit model to estimate the likelihood of not completing primary school by research site, relative to working age people in Descanso. Differences were significant in all cases except that of the poor urban settlement in Huancayo city (Progreso). Inhabitants of Nuevo Lugar in Lima were 14.5% less likely to exit schooling this early, whereas those in the rural sites were more likely to do so. In the extreme case, an inhabitant of Llajta Iskay was 42.1% more likely to exit formal education before entering secondary level. These estimates control for gender differences in the composition of each sample within each site, women being additionally 18.2% less likely to receive education beyond primary level.

Table 1.8 - Education above primary level by research site: logit estimates.<sup>43</sup>

	Site/variable	15-65 year olds (total 2,282)	Primary education or less (%)	Coefficient	T-test	Marginal Effects
Nuevo Lugar	Urban – coast	645	26.0	-0.630	-4.73*	-0.145
Progreso	Urban– highlands	465	37.0	-0.033	-0.24	-0.008
Descanso	Peri-urban –highlands	491	38.5	(Reference case)		
Alegria	Peri-urban – highlands	387	52.2	0.581	4.12*	0.143
Llajta Iskay	Rural – highlands	133	78.9	1.873	7.95*	0.421
Llajta Jock	Rural – highlands	62	74.2	1.628	5.26*	0.375
Selva Manta	Rural – forest	99	58.6	0.853	3.72*	0.210
	Women (all sites)	(Included in figures above)		0.766	8.31*	0.182
	Constant			-0.895	-8.33*	

### 1.5.2. Global happiness

As a rough and preliminary test of wellbeing within the sample, a global happiness question was addressed to heads of household during the RANQ survey. The happiest heads of households were on average found in Alegria, where 25% reported being “very happy” and only 10% “not too happy”. At the opposite extreme, only 4% reported being “very happy” and 21% being “not too happy” in Progreso.<sup>44</sup>

In order to test for differences in responses between sites an ordered probit model was estimated with global happiness being regressed onto a group of site dummy variables (see Table 1.9). A dummy variable was added for women headed households in Model II to test whether women heads were significantly happier than male respondents. The coefficients can be interpreted by their sign and significance. In both models, household heads from Alegria report significantly more happiness than those in Descanso, whilst heads of households in Progreso were significantly less happy. Women heads of household were less happy than men (Model II).<sup>45</sup>

<sup>43</sup> 1=primary or less; 0=other levels of education. Asterisk indicates significance at 1% level. Reference case is men living in Descanso. Pseudo-R squared = 0.093. Results are for all 16 to 65 year olds not still in the education system.

<sup>44</sup> As is expected with this kind of question, the majority of respondents chose the middle category

<sup>45</sup> Inclusion of this dummy variable affecting the coefficient on A in particular, where 182 household heads interviewed were women, compared with just 83 men.

Table 1.9. Global happiness by research site: ordered probit estimations.<sup>46</sup>

Variables	Model I			Model II		
	Coeff	Std Err	T-Test	Coeff	Std Err	T-Test
Nuevo Lugar	-0.180	0.116	-1.550	-0.065	0.127	-0.510
Progreso	-0.428*	0.125	-3.420	-0.451*	0.126	-3.580
Alegria	0.458*	0.124	3.680	0.453*	0.125	3.640
Llajta Iskay	0.053	0.192	0.280	0.046	0.192	0.240
Llajta Jock	0.108	0.202	0.540	0.127	0.202	0.630
Selva Manta	-0.079	0.218	-0.360	-0.110	0.218	-0.500
Women heads				-0.231*	0.101	-2.290
Cut 1	-1.133	0.095		-1.180		
Cut 2	1.239	0.097		1.201		
Sample	999			999		
Pseudo-R Squared	0.038			0.041		

## 1.6. OUTLINE OF THE BOOK

Chapter 2 (*Wellbeing in context: resources, social identity and conflict*) takes a historical and ethnographic approach to explaining how internal and external factors influence wellbeing in the seven chosen research sites. The first section briefly reviews the history of the region with particular emphasis on the racial/ethnic dimensions of political conflict, including the Spanish conquest, Independence, foreign investment, agrarian reform and terrorism. It then reports on a small survey into how people in each research site perceived their own social identity. The main part of the chapter then takes the form of brief descriptions of the natural, material, human, social and cultural resources in each site, interspersed with case studies of recent internal conflicts - between municipal officials and the leaders of communal farmers' associations, for example.

Chapter 3 (*Measuring and modelling subjective wellbeing*) presents an original methodological approach to measuring wellbeing without reliance on externally dictated theories and indicators. The introduction explains the conceptual framework, the epistemological (*emic* and *post-hoc*) approach and methodology. After a brief discussion of initial qualitative findings it presents the three broad categories of life goals yielded by the analysis: 'place to live better', 'build a family', and 'progress from a secure base'. Variation by research site is explored. The chapter then discusses satisfaction with each of the three goals by site, residence period, age, gender and other variables. It also indicates how this approach can be used to develop more complex models of the psychological determinants of wellbeing, linked to perception of available resources, underlying values and personality. As such it is an important antidote to 'black box' assumptions about the psychological processes affecting wellbeing. It also lays the foundation for linking personal development to wider processes of social and economic development taken up in later chapters.

Chapter 4 (*Economic welfare, poverty and subjective wellbeing*) compares how people are classified according to standard economic welfare measures, with how they themselves think and feel. The introduction includes a brief review of secondary literature linking the two in Peru. Data is then presented for each site on income, expenditure and poverty at the household level. These familiar welfare indicators are

<sup>46</sup> (0=Not too happy, 1=fairly happy, 2=very happy) Asterisk indicates significance at 1% level. Reference case in Model I is respondents living in Descanso, and in Model II is men living in Descanso. Additional models also found statistically significant links between (a) perceived adequacy of income (b) self-perception of income relative to neighbours.

then compared statistically with (a) an index of global happiness (b) the battery of subjective wellbeing indicators developed in the previous chapter.

Chapter 5 (*Wellbeing and migration*) is the first of three chapters that moves from measuring wellbeing to exploring how it is generated and contested through specific social processes. Migration is an important determinant of wellbeing not only of those who move, but also those left behind. After setting out a conceptual framework for thinking about migration, the chapter provides a detailed profile of patterns of migration into and out of the selected research sites. In contrast to the usual emphasis on migration as a response to economic incentives it links migration to the life goals developed in Chapter 3, before focusing particularly on the effect of migration on the relationship between parents and children.

Chapter 6 (*Wellbeing and institutions*) explores how a holistic understanding of wellbeing helps to explain the evolution of institutions in selected research sites. In so doing it criticises theories of institutions that emphasise their economic and political functions at the expense of their social, cultural and emotional roles. The introduction defines what we mean by institutions (particularly forms of informal collective action) and briefly reviews the literature surrounding their origin and evolution both generally and in an Andean setting. This is followed by a brief inventory and analysis of variation in the mix of institutions in each site, and an analysis of how they support the different components of subjective wellbeing developed in Chapter 3. Eight detailed case studies are then presented into the way *faenas* (community self-help projects) connect values, goals, resources and peak happiness experiences.

Chapter 7 (*Reproducing unequal security: Peru as a wellbeing regime*). This chapter returns to the wider policy context, locating the three different development discourses presented in the opening chapter within a general theory of national policy regimes derived from the work on welfare regimes of Esping Anderson and others. Drawing on empirical evidence from earlier chapters the theory is applied to the Peruvian case. This starts by considering external ‘conditioning factors’ affecting the research area including globalisation, rising consumerism and the evolution of the state. It then considers the changing ‘institutional responsibility matrix’ including decentralization and second generation neo-liberal reforms, as well as their interplay with rights-based, religious and paternalistic traditions of welfare provision. Third it considers the relevance of an expanded inventory of ‘wellbeing outcomes’ (material, social and symbolic) to measuring and evaluating these changes. Finally, it explores ‘reproduction consequences’: particularly with respect to centralisation of wealth and power, alienation, the political tolerance of inequality and the politics of social identity as well as of self-interest.

Chapter 8 (*Conclusions*) addresses three sets of issues: social theory, research methods and development policy and practice. On theory, we emphasise how wellbeing research shifts focus away from absolute universal indicators of ‘having’ and ‘doing’ towards the subjective indicators of ‘thinking’ and ‘feeling’, as well as from material needs to relationships. This constitutes a fundamental critique of views of development that focus only on people as consumers and citizens. This critique is not founded in an ideological reaction to liberal democracy, but in an empirically grounded framework of understanding that enables multiple dimensions of wellbeing. On methodology, the book does not deny the existence of universal aspects of human wellbeing but is critical of hegemonic projects to define and measure these without adequate consultation with those being labelled by the process. As an alternative it highlights the potential of a hybrid ethnographic and social psychological approach to

identifying and measuring multiple components of life satisfaction. We explore the scope for applied research along these lines to complement more familiar means of giving voice within public policy processes to people whose distinctive priorities and values would otherwise be neglected. On policy we explore the distinction between a 'development for wellbeing' framework and the prevailing 'economic development with social protection for needs satisfaction' framework for guiding public action. We emphasise the potency of strategic intervention in social and political processes over attempts at technocratic imposition of externally dictated visions and modalities of development.

The support of the UK Economic and Social Research Council (ESRC) is gratefully acknowledged. The work was part of the programme of the ESRC Research Group on Wellbeing in Developing Countries.