

Productivity to Reduce Poverty: The Study of a Micro Level Institution in Peru

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Abstract

A Peruvian community-based organization, a *comedor popular* (communal kitchen), is studied in this paper to show how, as a micro-level institution, it fosters productivity in order to reduce poverty. The concepts of institutions, productivity and poverty are reviewed to establish a framework of analysis, where institutions are linked to productivity and poverty. This framework is applied to a *comedor* the researcher visited in 2001 and 2003. Through the diversity and intensity of the *comedor*'s activities and the practices it instills in women working there, productivity leads to key poverty reductions. The analysis details how material well-being, psychological well-being, access to infrastructure and capacity to manage assets (the four dimensions of poverty) benefit from the various productivity improvements. The findings of this paper call for a better mix of poverty reduction strategies, where macro and micro institutions are used to fight the multidimensional problem of poverty.

Keywords: Productivity; Poverty; Institution; Communal kitchen; Community kitchen; Comedor; Peru.

1. Introduction

The World Bank research Narayan et al. (2000) on how poverty is viewed by the poor identifies four critical elements of poverty reduction strategies: 1. start with the poor people's reality; 2. invest in the organizational capacity of the poor; 3. change social norms; and 4. support development entrepreneurs.¹ The World Bank's agenda for actions, as developed in *Globalization, Growth, and Poverty* (World Bank, 2002), gives however priority to trade negotiations and to the countries' investment climate –two themes that never appeared in the analysis of Narayan et al. of what the poor had to say on poverty. If indeed *economic growth* dominates world talks on poverty, these words are not coming from the poor. Increased trade and economic growth are however presented as major tools to promote poverty reduction. For instance, member countries of the World Trade Organization explicitly use poverty in the three first paragraphs of the 2001 "Doha Declaration" as a motivation for the negotiations agenda (WTO, 2001). Between the *micro* level of poor people and *macro* policies developed and promoted by global institutions, an important gap seems to exist. At best, the policies officially developed for the poor help them while they are not aware of it; at worse, these policies are not effective in reducing poverty.

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¹ See Narayan et al. (2000) page 274. These recommendations follow the analysis of 81 Participatory Poverty Assessments made in 50 countries between 1993 and 1999, where 40,000 poor women and men expressed their views on poverty, institutions, gender relations and relationship between poverty and social fragmentation.

But can this gap be reduced? Can a poverty reduction strategy be at the same time consistent with the four critical elements of Narayan et al. (2000) and with the increasingly integrated free-trade world focused on growth? Through the study of a *comedor popular* (communal kitchen) in Puente Piedra (a district of Lima, Peru), we investigate to what extent the answer to these questions is positive.

In the next section we review the literature on economic growth and poverty, in order to establish the relationships between institutions, productivity (the major source of growth) and poverty. In section 3 we present *comedores populares* as an institution, more precisely a community-based organization, acting as a micro level, civil society institution. Previous research on *comedores populares* is also reviewed. Section 4 is the study on a specific *comedor*: the *comedor Niños Menesterosos*. The focus is on the *comedor*'s productivity impact on poverty, at a micro level. Finally, in section 5, we discuss our findings and provide some directions for further research.

2. The Triangle *Institutions – Productivity – Poverty*

2.1 Growth Strategies: Investment and Productivity

Economic growth has been intensively studied since the contributions of the economic Nobel laureates Tinbergen and Solow.² Their major contribution was to initiate the analysis of growth in terms of its two sources, investment and productivity. A growth accounting literature has followed (see Jorgenson, 1995), looking at the value of products (outputs) in all economic sectors, in relation to the three main types of investment (inputs) made in each economic sector: (i) capital inputs (tangible, or physical assets, and non tangible assets, such as the human capital “education”); (ii) labor inputs; and (iii) intermediate inputs (raw material, energy). The ratio of output to input measures the productivity. An increase in productivity allows more output to be produced with the same level of input (or the same output with less input).

Fostering economic development (growth) therefore entails strategies facilitating capital investment, jobs creation, use of raw material and energy and productivity improvements. Economic growth, as it can be expected, is linked to lower poverty incidence. Indeed, it would require an exceptionally unfair society to *increase* poverty incidence while getting wealthier. Lots of econometric evidence has been gathered and confirmed that growth correlates with lower poverty.³ A summary of these results can be found in CSLS (2003). Consequently, based on the confidence in growth to reduce poverty –but also on the political difficulties linked to other poverty reduction strategies (such as redistribution policies, see Dagdeviren et al., 2002, for some evidence on their effectiveness)– policies to foster growth are put forward.

Freer trade and more open investment climates are among these policies, and the World Bank, the International Monetary Fund and the World Trade Organization are actively implementing them. Policy researchers have also recently focused their attention on productivity to reduce poverty, especially since productivity “is the most important source of long-term economic growth” (Sharpe, 2002). In a world with limited available capital, especially for developing countries, exploding demographics and constrained natural resources use, productivity increase is the only

² See Klaassen et al. (1959) for some *Jan Tinbergen Selected Papers* and Solow (1970) for his exposition of growth theory. Jones (2002) provides an *Introduction to Growth Theory*.

³ Poverty and inequality are however two different concepts. Inequality is not necessarily reduced by growth. Furthermore, the econometric evidence tends to show that inequality reduces the effectiveness of growth in its impact on poverty (see CSLS, 2003, for a survey of the literature).

source of growth than can lead to a sustainable expansion of wealth *per capita*. Indeed, in the long run and on a global scale, other sources of growth cannot result in significant per capita increases, as the additional economic output from these sources is proportional to additional inputs, which expand mostly with demographic growth. This leaves the *per capita* wealth unchanged, unless higher productivity is achieved.

Although not always recognized in the literature on poverty,⁴ productivity is increasingly acknowledged as being central to poverty reduction. For instance, CSLS (2003) makes a strong case for productivity increases as a tool to reduce poverty, while Klein (2003) and Rodrik (2002) explore the determinants of productivity in a poverty reduction context. We briefly review these contributions to underscore the importance of productivity and the supporting role of *institutions*.

CSLS (2003) looks at the limited econometric literature on productivity and poverty. The main findings reviewed are that increased productivity reduces poverty by lowering the price of the goods, that become cheaper because of the higher productivity, and that a reverse relationship exists between the two variables: poverty has a negative impact on productivity. Their own analysis, following their literature review, is based on two different time-series data sets of macro economic indicators for various countries. It establishes a link between poverty reduction and productivity. As this paper deals with macro level data on productivity and poverty, policy recommendations and productivity enhancing strategies are not discussed.

Klein (2003), on the contrary, develops some policy recommendations to reduce poverty, essentially through more productive jobs. He reviews research on poverty and growth, without providing new evidence. The core of his recommendations for development through more productive jobs is to set-up “capable institutions”. He views three main institutions as crucial for development: markets, firms and government. Markets are described as spontaneous, firms “spread best practices and productive jobs to areas where the poor live” (Klein, 2003, page 1) and the government’s role is to establish the right regulatory framework for capable (productive) firms to emerge. The contribution of Klein revolves around institutions, although only at a macro level.

Rodrik (2002) discusses growth using the standard sources of growth, with a look at the “deeper determinants” of growth, which he identifies as being 1. geography; 2. trade integration and 3. institutions. These three determinants are analyzed to show how they could affect investment and productivity, and hence growth. In particular it is argued that institutions do matter to provide the adequate market framework (through property rights, fiscal and trade policies, laws and conflict management). The case for strong institutions is made, especially to put forward an open market framework. It is mentioned that minimal reforms can be sufficient, as the examples of China and India show. Here again, institutions are only seen in a macro perspective.

The economic literature mentioned in this section recognizes the sources of growth and gives a specific attention to productivity. In this context, Klein and Rodrik have recognized institutions as being an important determinant of productivity.⁵ This stream of literature is however not filling the gap between the “Voices of the poor” that Narayan et al. (2000) have analyzed and the

⁴ For instance, two recent books on poverty reduction strategies, Wilson et al. (2001) and Townsend and Gordon (2002), do not even list “productivity” in their index.

⁵ Even the more theoretical economic literature recognizes the critical role of institutions for growth. See Jones (2002), where chapter 7 is concerned with the “social infrastructure”. Tinbergen, in Klaassen et al. (1959) page 275-278, exposes the role of institutions in optimizing welfare in a society.

macro level institutions that are discussed. Productivity has to appear at a micro level if it is to be reflected in macroeconomic indicators. Indeed, as Beverley Carlson puts it “economic solutions in themselves are not enough and [...] productivity and social development depend as much on changing human factors as on economic policy” (Carlson, 1999, page 10). We therefore turn our focus in section 3 to a more tangible strategy in which productivity flourishes, a strategy embedded in human factors. But before, some definition and measurement issues are discussed.

2.2 Definition and Measurement of Institutions, Poverty and Productivity

Institutions influence productivity, and productivity is an important factor in poverty reduction. These concepts and relationships are widely accepted by economists, but also by social researchers working directly with poor people (although they seldom focus on productivity, see footnote 4). For instance, the analysis of Narayan et al. (2000), by “examining poverty through institutions” as explained in their introductory chapter, use a conceptual framework that clearly acknowledges the relationship between institutions and poverty. We now define and discuss measurement issues of these three concepts to clarify the terminology used in this paper.

Institutions

Institutions are commonly defined as “significant practices” or “established organizations”.⁶ In the literature on economic development and poverty, some researchers such as Douglass North define institutions in the first sense:

Institutions and the way they evolve shape economic performance. Institutions affect economic performance by determining (together with the technology employed) the cost of transacting and producing.

They are composed of formal rules, of informal constraints and their enforcement characteristics; while formal rules can be changed overnight by the polity, informal constraints change very slowly. Both are ultimately shaped by the subjective perceptions people possess to explain the world around them which in turn determine explicit choices of formal rules and evolving informal constraints.

Institutions differ from organizations. The former are the rules of the game; the latter are groups of individuals bound together by a common objective function (economic organizations are firms, trade unions, cooperatives; political organizations are political parties, legislative bodies, etc.) (North, 1997, see also North, 1990).

However, the broader view of institutions as organizations is difficult to avoid. Institutions, in practice, are indeed always developed and maintained through organizations. Rodrik (2002), for instance, suggests that institutions are the organizations developing the policy framework by which practices are defined. Klein (2003) uses “institutions” in both senses when he identifies institutions to the group “market, firms and government”. Clearly, “the market” is a very significant practice and firms are organizations, while the government is a mix of both.

We view institutions in this paper as organizations, although their role in shaping significant practices is fully recognized. We follow the typology of institutions developed by Narayan et al. (2000). This typology distinguishes between state and civil society institutions and between macro and micro institutions, as illustrated in Table 1.

⁶ See for instance the Merriam-Webster Online Dictionary (www.m-w.com, accessed February 20, 2004).

Table 1. Typology of Institutions

| | State Institutions | Civil Society Institutions |
|--------------|--|--|
| Macro | National and state governments District administration Judiciary | Non-governmental organizations (NGOs) Religious/ethnic associations Trade unions |
| Micro | Local governments Local police Health clinics Schools | Community-based organizations (CBOs) Neighborhood associations Kinship networks Traditional leaders Local NGOs |

Source: Adapted from Narayan et al. (2000), page 10.

As the influence of institutions on growth/productivity/poverty became recognized, measures of “institutions” have been developed. These measures are an effort to identify the critical factors of institutions in the role they play in growth, productivity and poverty reduction. Aron (2000), in a review of the evidence linking growth and institutions, identifies five categories of indicators of institutional measures that have been used in the literature:

- Quality of formal institutions (typically drawn from surveys or risk ratings by investors);
- Measures of social capital (to capture the intensity of social participation and organization);
- Measures of social characteristics (ethnic, cultural, historical, and religious categories);
- Characteristics of political institutions (constitutional rights and descriptions of the type of regime);
- Measures of political instability (riots, strikes, civil war, duration of regime, and changes in the executive).

Aron’s survey of the literature shows that although some correlation can be observed between “better” institutions and growth, the difficulties involved in the measurement process (validity and reliability issues related to institutional measures) and consequently in the comparison of measures across countries make any strong conclusion difficult to reach. However, these measurement difficulties led no one to dismiss institutions as an important factor in the growth process.

In this paper, we make no attempt to measure institutions. We simply use the apparent consensus that institutions play a role in poverty reduction. We also built on three findings of Narayan et al. (2000) to study the case of a *comedor popular*. These three findings are that “formal institutions are largely ineffective and irrelevant to the lives of the poor”, “NGOs have only limited presence” and “CBOs often function as important local resources to the poor”.⁷

Poverty

Poverty is now widely recognized as being a multidimensional phenomenon. The World Bank’s *World Development Report 2000/2001* identifies the following dimensions: income; health and education; vulnerability; voicelessness and powerlessness (World Bank, 2001). CSLS (2003) also acknowledges the extension of the concept of poverty beyond material deprivation, and provides a literature review of definitions and measurement of poverty. If the focus in the literature,

⁷ These three findings are discussed in detail in chapters 3 and 4 of Narayan et al. (2000).

especially the economic one, has mostly been on income poverty, it is largely due to the relative easiness of measuring income, compared to other dimensions. The World Bank “poverty lines” of \$1 and \$2 per day,⁸ along with national consumption surveys, are convenient tools to track the evolution of poverty and compare it across countries.

To complement the income poverty indicator, many Latin American countries have developed an “Unsatisfied Basic Needs” (UBNs) method (see INEI, 1994, for a country review). This method provides more practical poverty indicators, allowing operational goals to be set. Peru, for instance, has chosen to focus on the following five UBNs (see Herrera, 2002):

- Physically inadequate dwelling.
- Overcrowded dwelling.
- Dwelling without sanitation.
- Household with children not going to school.
- Household economically highly unstable.

However, even with these indicators of poverty going beyond income, the concept of poverty is still not exhausted. Reducing poverty to material measures raises validity issues. It can lead to ill based policies, simply because important dimensions are excluded. The evidence on other dimensions of poverty is documented in Narayan et al. (2000). Based on their analysis of poverty, as voiced by the poor, the focus of this paper is on the four dimensions of poverty: (1) material well-being, (2) psychological well-being, (3) access to basic infrastructure and (4) capacity to manage assets (physical / human / social / environmental). These dimensions cover what the literature establishes as dimensions of poverty. In the case of the three first dimensions, it is straightforward to make the link with other measures. For instance, “income poverty” and “material well-being” are obviously related. The last one, capacity to manage assets, is however less frequently discussed. It relates to the ability of people to face and manage problems putting at risk the central assets of their life. “Assets” is understood in a broad sense including physical, human, social and environmental components.

Productivity

Productivity is the ratio of output to input (see Jorgenson, 1995, page 177, or NRC, 1979, page 19). This leads to straightforward macroeconomic applications, with aggregate measures used to monitor the economic growth of countries. However, at the micro level –for private or public organizations– the definition of productivity is more refined. For instance, Berman (1998, page 5) defines productivity “as the effective and efficient use of resources to achieve outcomes”. This definition involves the distinction between outputs (the immediate consequence of an activity) and outcomes (the ultimate goal of the activity). Effectiveness is concerned with the extent to which outcomes are reached and efficiency is more focused on outputs.

Underlying sources of productivity, or the “determinants” of productivity have been studied in an applied perspective by Denison (1972) (also reproduced in NRC, 1979, page 149).⁹ His list of

⁸ These amounts are based on Purchase Power Parity data. See World Bank (2001), page 17, for further details.

⁹ In the Solow economic model of growth, with its assumptions (on markets and type of production function), the only source of higher productivity is technology change (see Jones, 2002, chapter 3 for an exposition). Other models

productivity determinants is: 1. resource allocation (at the society and organizational levels); 2. economies of scale; 3. knowledge; 4. transaction cost with government; 5. legal and human environment; 6. intensity of resource use; 7. flexibility of labor and 8. other determinants (such as competitive pressure, management quality).¹⁰ It can be observed that all of these determinants are closely related to institutions, further illustrating the link between the two.

Measurement problems arise at both the macro and micro levels. In both cases, issues revolve around the problem of pricing outputs when there is no clear market price for them, as for instance in all activities done within households and in the nonprofit and governmental service sectors. These sectors could indeed seem highly unproductive as they use inputs (mostly labor) for which a monetary cost is clearly defined, whereas the monetary value of the output is difficult to estimate. This problem is discussed at the macro level in NRC (1979) and OECD (2001a). At the micro, organizational level, the same problems are faced, but specific indicators of outcomes may be developed as surrogates to monetary values (see for instance chapter 3 of Berman, 1998).

Some attempts to deal with the difficulties of non-market productivity measures are discussed in OECD (1997 and 2001b), while OECD (1998) reviews experiences in various OECD countries in dealing with the evaluation of non-market outcomes. Another issue regularly raised in OECD (1998) is the problem of measuring quality change in relation to productivity. Indeed, as quality of outputs is not always reflected in their value (as measured in growth accounting), quality of non-market activities may easily be overlooked in productivity indicators.

If non-market outputs and outcomes are dismissed because of measurement problems, notably in productivity assessment, non-valid conclusions may be reached. A very careful analysis of development strategies has to be done when they involve choices among activities that have market and non-market outcomes. In the economic literature, the dominant focus on monetary values of market activities often leads to growth strategies that exclude non-market activities, even if no proper analysis of their real productivity has been conducted. This work is an attempt to help correcting this methodological myopia, by illustrating the productivity of a Peruvian CBO.

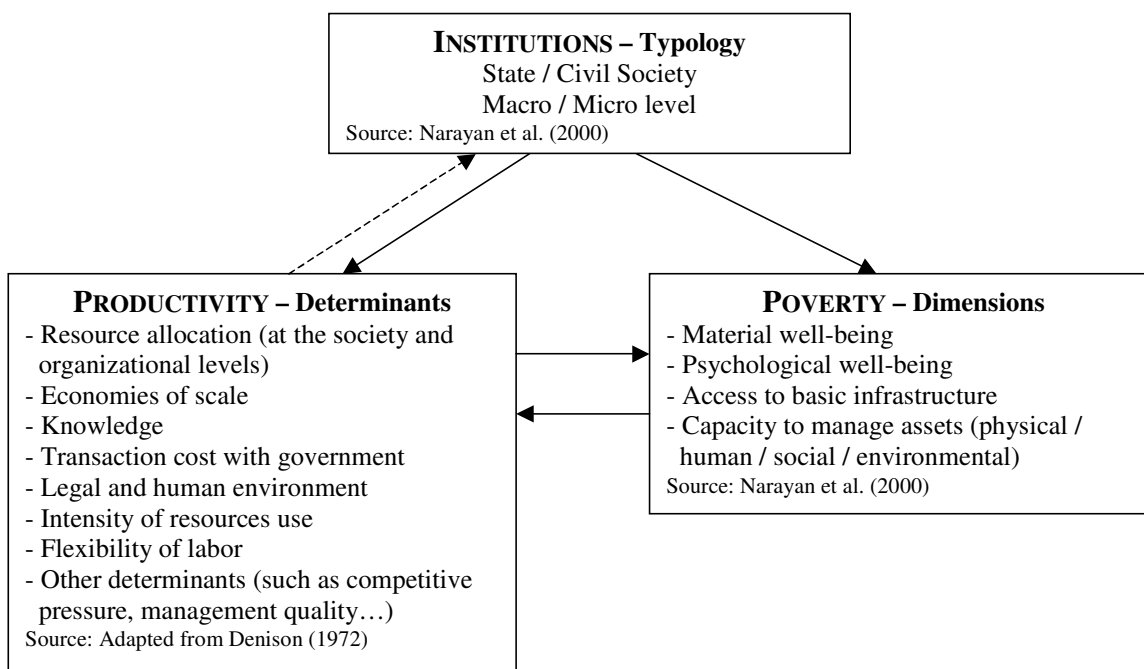
2.3 The framework of analysis

Figure 1 summarizes the framework of analysis used in this research. The arrows from the institutions box to the productivity and poverty boxes reflect the influence institutions have on them, as documented, among others, by Aron (2000) and Narayan et al. (2000), respectively. The “two-way relationship”, or virtuous circle, between productivity and poverty is discussed in CSLS (2003, pages 33 and 63) and in Sharpe et al. (2002). If increased productivity produces, among other things, an easier access to material goods (through higher revenues and/or lower prices) and therefore reduces poverty, a reduced poverty level provides a better human environment, favoring productivity. Rodrik (2002) even extends this interrelationship, or feedback effect, to productivity (growth) and institutions. Indeed, as the society gets better off, institutions are reinforced through access to more resources.

can add more variables, and hence find other sources. From an empirical point of view, however, there are many sources, their classification is debatable but we based ours on Denison’s work.

¹⁰ Some categories have been merged from the original list of Denison (1972).

Figure 1. The *Institutions – Productivity – Poverty Triangle*



The empirical literature on micro level institutions, poverty and productivity is very limited. There are however a few papers dealing directly with this topic, notably CEPAL (1995) and Donnelly-Roark et al. (2001). CEPAL (1995) presents a series of productivity-enhancement initiatives in poor urban areas of Jamaica. These initiatives, such as credit and assistance for micro businesses and professional training programs are all presented as being rooted in local micro level institutions, with the goal of developing productive activities. No assessment is made of the efficiency of the different initiatives and the focus is essentially on income poverty, by directly promoting market-based activities. Donnelly-Roark et al. (2001), on the contrary, focus on the role of micro level institutions (called “Local Level Institutions”, LLI) to reduce poverty. They study 48 villages and 959 households in different regions of Burkina Faso and are able to show that regions with high quality LLIs have lower poverty incidence. The quality of LLIs is assessed through a framework based on their interviews with local leaders. Poverty incidence is measured through household surveys. LLIs of three types are identified: value institutions, production institutions and service-asset management institutions. The important contribution of this article is to establish a clear link between micro level institutions and poverty, accompanied with an in-depth analysis of *why* and *how* these institutions are increasing productivity for the profit of the poor. The triangle “institutions – productivity – poverty” is extremely well illustrated in Donnelly-Roark et al. (2001).

More econometric evidence is available, although in contexts where no direct attempt is made to show the role of institutions. We briefly discuss two such Peruvian examples. Pollitt et al. (1998) have conducted an experimental study in Huaraz (Peru), showing the positive effects of a breakfast school program on cognitive functions and absenteeism. The breakfast program represents a marginal reduction of poverty, through an increase in material and psychological well-being of children. The impact shown is the increased productivity of children, measured by their academic performance (tests on their cognitive functions and lower absenteeism).

Similarly, INEI (2000) explores through the estimation of an econometric model the impact of health on productivity, controlling for various other variables such as age, gender, education and access to familial support. Productivity is measured through the proxy “hourly salary”. The data was obtained in a 1998 study (the *Encuesta Nacional de Hogares 1998*) involving 7,350 Peruvian men and 7,642 Peruvian women. The main finding is that improvement in individual health leads to important productivity gains. Related to this is the finding that access to health care improves health. Other findings include the over estimation of the positive effect of education on productivity: when health is included in the model, the importance of education decreases. These findings underscore the importance of investments in health programs.

3. Studying *Comedores populares*

3.1 Defining *Comedores populares*

The *comedor*, in Spanish, is the dining room. It has also the meaning of an eatery, or small working class restaurant when used with the adjective *popular*. As they became more common in Latin America, the word “comedor” alone started to also designate a *comedor popular*. The small-scale, family atmosphere, of these community eating places explains well the use of the word *comedor* to designate them, especially when one realizes that most people eating there do not have a *comedor* (first sense) in their house.

The size of a *comedor* and its management structure can vary, with different emphasis puts on access, quality of food and diversity of workers (from family-based to need-based hiring policies). Various levels of dependency on funding agencies (government or charitable organizations) are also found. As the main rationale to create a *comedor* is to pool cooking resources, the names “community kitchen” and “communal kitchen” are used in English. However, these expressions do not convey the idea of a common *eating* location, as opposed to a common *cooking* place.

3.2 *Comedores as institutions*

The examples of community-based organizations given by Narayan et al. (2000) are financial institutions (for micro credit), work cooperatives and neighborhood/kinship support networks. *Comedores populares*, are surprisingly not mentioned, maybe because they share some characteristics of work cooperatives and neighborhood support networks. *Comedores* are however distinct from work cooperatives in the sense that they are not cooperatives (legally and in some of their practices). They are also more than a network because they have at least one official productive activity: providing affordable meals.

Comedores are institutions, and not simply organizations, because they establish through their existence and actions a set of significant practices that has a multidimensional impact, beyond what a simple “subsidized restaurant for the poor” would have. Garrett (2001) provides some evidence of the multidimensional goals and achievements of *comedores* in Peru, a country where they thrive. First, of course, is the daily production of meals (lunch and sometimes breakfast), for families or children only (in the case of *comedores infantiles*, or children’s *comedores*). Second, is the training of staff as cook and manager, which empowers the involved women as few other accessible activities do. Third, through operative and institutional responsibilities, women develop a leadership role with little equivalent in their society. Spin-off effects of these

achievements are the strengthening of social networks, the development of new productive activities beyond food services and the promotion of a new power balance between genders.

3.3 Literature on Comedores

The literature on *comedores* is limited, especially in English. Garrett (2001) studied them in the context of a NGO program¹¹ developed in partnership with the Peruvian Ministry of Health from 1988 to 1995. The objective of the program was to “strengthen community organizations in marginalized urban areas” through a series of activities, all related to *comedores* (see Garrett, 2001, page 1). This document establishes the “lessons learned” through the program, and a description of the multidimensional impacts of the *comedores* is given.

Kamioka (2001) provides an account of the evolution of *comedores* in Peru, with an analysis of the multiple players involved in their activities (governments, international NGOs, religious groups, etc.). Once again, their many goals are illustrated, but the focus of this paper is really on the extensive social networks that develop around *comedores*.

The role of *comedores* or *ollas*¹² in the fight against hunger, in food aid policies and in social change is studied in Linkogle (1998), but this time in a Nicaraguan context. Their vital role as grassroots organizations is once again evidenced, notably by their continuous operations during periods of crisis and beyond (the Contra war against the Sandinistas’ revolutionary government and after).

This literature fully recognizes the multidimensional aspects of the *comedores*, their role as micro level institutions and their value in fighting poverty on many fronts. They lack, however, the adequate framework to show how they succeed in all this. The missing element in the current literature on *comedores* is their *productivity* role at the micro level, so that they enable significant progress on all the different poverty dimensions. In our analysis of one *comedor*, we use the framework developed in section 2.3 to explain how the institutional role of *comedores* reduces poverty by making some productivity gains.

4. The Study of *El Comedor “Niños Menesterosos”*

4.1 General context

Poverty in Peru is well documented –see for instance JBIC (2001) or Herrera (2002). Peru had in 2002 a gross domestic product (GDP) per capita of \$4,924, compared to an average of \$6,986 for Latin American and Caribbean countries and \$27,665 for the “high income” countries, as defined in the World Bank’s World Development Indicators.¹³ These numbers provide a perspective on the relative income poverty level of Peru. Another available set of indicators is the unsatisfied basic needs (UBNs) measures defined in section 2.2. Figure 2 presents the percentage of household with all five basic needs satisfied, and the percentage of households with one to five UBNs. The data shown are for the province of Lima and the Puente Piedra district, where the *comedor* is located.

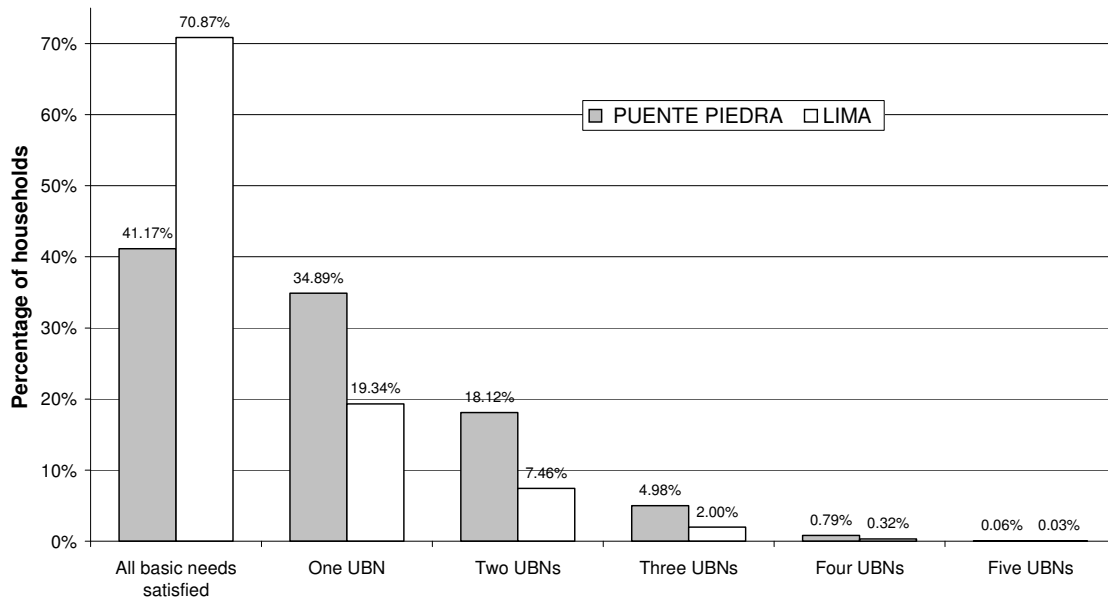
¹¹ The NGO, a humanitarian organization, was CARE-USA.

¹² Communal kitchens are called *ollas* in Nicaragua.

¹³ This database was access online on February 25, 2004. These values are in US\$ of GDP per capita based on Purchasing Power Parity. High-income economies are those in which the 2002 gross national income per capita was \$9,076 or more.

Puente Piedra is one of the 43 districts composing the capital of Peru, Lima. In 2003, the metropolitan region of Lima had an estimated population of almost 8 million inhabitants, while the population in Puente Piedra was 173,052.¹⁴ Figure 3 shows the population growth for the two jurisdictions.

Figure 2. Percentage of households with Unsatisfied Basic Needs (INEI, 1993)

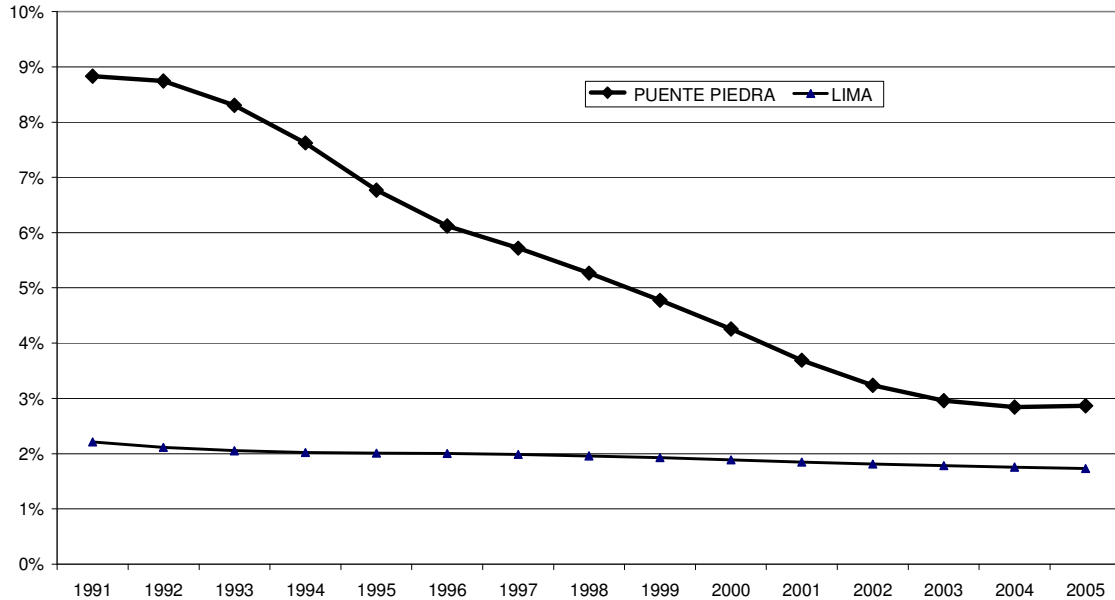


As one can see in Figure 2, barely more than 40% of households had all their basic needs satisfied in Puente Piedra, significantly less than in Lima. Consequently, much greater proportions of households had one or more basic needs unsatisfied: more than 58% of households, almost twice the proportion in Lima. Poverty, already high in Peru and Lima, is even higher in Puente Piedra.

The *comedor* of this study is located in Laderas de Chillón, one of the five wards of Puente Piedra. Specific poverty data for Laderas de Chillón are not available, but it is probably the poorest part of Puente Piedra, due to its difficult access (the paved road doesn't reach it) and its unfriendly environment of dry rocky hills. Laderas de Chillón is however rapidly growing because of the rural exodus. It is one of the affordable places to settle for the jobless rural Peruvians migrating to the city.

¹⁴ Unless otherwise indicated, all statistics come from the Peruvian Institute of Statistics and Informatics' website www.inei.gob.pe (accessed on February 25, 2004).

Figure 3. Past and estimated population growth in Puente Piedra and Lima (1993 census)



In Laderas de Chillón, the institutions described by Klein (2003) could barely be noticed, except for the “market”, which is along the main (gravel) street where small shops and street vendors sell basic products. The government operates a school, which is indeed the biggest construction in the area, where primary students go to class during the mornings (8h to 12h30) and secondary students during the afternoons (13h to 18h). A large water tank and a small health clinic are the only other tokens of the government presence. School teachers, social workers and nurses are paid by the government a salary that does not allow them to always resist corruption. They do not live in the area. Firms are nowhere, so when Klein says that they “spread best practices and productive jobs to areas where the poor live”, a substantial amount of patience, or illusion, would be required before observing the spread.

Two types of CBOs are active in Laderas de Chillón: churches and *comedores*. A Catholic parish maintains a significant presence. Its priest covers two wards of Puente Piedra: Laderas de Chillón and La Ensenada (there is no direct road connecting them). This parish has a church, a library and a kindergarten. It provides some assistance to the most impoverished, a place to meet, to organize activities and a point of contact with some international donors and support groups. Other religious groups have a much less active presence, the largest of them being the Church of Jesus Christ of Latter-day Saints. Eleven *comedores* are active in Laderas de Chillón, one of which is the subject of our study.

4.2 Project context and methodology

The author of this research spent two weeks in Laderas de Chillón in August 2001 and has returned three times (three one day visits) in May 2003 to observe and interview the women of the *comedor*. During the first 2001 stay, he was among the organizers of a day camp for children of Laderas de Chillón, during a two-week school vacation. As a member of a group of 14 Canadians who lived there to organize the day camp activities, in collaboration with the parish and the *comedor*, he could observe the life and work of people in Laderas de Chillón and of the

women of the *comedor*. During his second one-month stay in Peru, in May 2003, he was primarily working on a different research project funded by Canada's International Development Research Centre on trade agreements and the electricity sector (see Pineau, 2003). He visited three times the *comedor* in Laderas de Chillón, and during each of the visits he gathered information through informal discussions with the women.¹⁵ The language of communication was Spanish. The fact that the researcher's Spanish was imperfect was not a serious impediment to exchanges because many women in Laderas de Chillón are from Peru's rural areas, where Spanish is the second language (Peru is a bilingual country Quechua-Spanish, with a 45% minority of Amerindians). People take time to listen and make the effort to understand.

This study is therefore based on the observations, internal documents of the *comedor* and notes made during these two field trips to Laderas de Chillón. The informal interviews were mostly made through discussions. They were conducted with the president of the *comedor*, its officials and working women. See Garrett (2001) and Kamioka (2001) for descriptions of similar approaches.

4.3 The history of the Comedor Niños Menesterosos

The history of the *comedor Niños Menesterosos* ("Deprived Children") is intimately linked to the woman who founded it, Rosa Romero. She can be described as a social entrepreneur (see Thompson, 2002, for a description of social entrepreneur and social entrepreneurship), living in Laderas de Chillón. She knows well the many hurdles of women living there, for having gone through many of them herself. She arrived in Laderas de Chillón in 1985 with her four children, from the central province of Huanuco. A government lottery assigned them a parcel of land three months after their arrival. During this period, they lived in a shelter, waiting along with 700 other families. Her husband helped her to build the house, but was otherwise seldom present, never providing money to the household, regularly drinking and occasionally beating her. In order to raise her family, she initially sold bread and coffee in the streets, but then began to work as a housekeeper in richer neighborhoods of Lima. She was working from 6h30 to 18h, six days a week, so she had only minimal contact with her children, left to themselves. After suffering from a self-diagnosed depression, she realized that she was wasting her life, her children's lives and that nothing really made sense in her environment. Indeed, even by working so many hours she barely had enough resources to feed her children, and no time to educate them. Looking around made her realize that all the women were in the same situation.

In 1988 she started to be involved in the school, as a social assistant, through the help of a government program, *Programa de Apoyo al Ingreso Temporal* (PAIT, or "Support Program for Temporary Income").¹⁶ In 1989, with 8 other mothers and the support of teachers, they started a school-based *comedor* to face the challenge of children arriving at school without having breakfast. Initially 20 children were helped, with the parish providing funds for 50% of them. However, the PAIT program was politically motivated by the President Alan García Perez, and ended in 1990 when the new president, Alberto Fujimori, was elected. This meant that school

¹⁵ The women of the *comedor* knew that the researcher was collecting information on the *comedor* for a research on their work and productivity. In the first May 2003 visit, the research project was discussed with the group of women. They invited him to visit them at the *comedor* two more times, to let him gather more information and better understand their work environment.

¹⁶ See Uccelli (1997) and Bartholdson (2002) for two studies on Peruvian poverty reduction programs during this period and the PAIT program.

resources would no longer be available to continue the *comedor* as it was. Conscious of the impact of the *comedor*, Rosa Romero temporarily operated the *comedor* at her home in 1991. The organization was then called *Fundación de ayuda a los niños menesterosos* (“Deprived Children Aid Foundation”). In order to establish the *comedor* as a stronger and more independent institution, some plans were made to build the *comedor* its own building, on a government provided land parcel. The continued support of some teachers, the parish and the donation of a Spanish group (*Asociación Laderas*) allowed the plans to be realized. In 1992, the *comedor* was legally registered under the name *Comedor Infantil Niños Menesterosos* and the operations started in the new building. In 1994, a second floor was finished and a kindergarten was opened. Rosa Romero is the president of the *comedor* and all the officials (vice-president, secretary, treasurer, member of the board) are women that started the project with her in 1989. In 2001, through another donation of the Spanish group (see Pastoral Universitaria de Granada, 2004) and extensive manual work from the women of the *comedor*, a second building was constructed, where a pre-school opened. This second building is a block away from the *comedor*.¹⁷

4.4 Description of the activities

Since its start in 1989, with breakfast served to 20 children, the activities have grown and significantly diversified. Table 2 presents each activity, with an estimation of the number and frequency of output deliveries. The target group to which the activity is aimed at and some comments on the activity are also provided.

Table 2. Official activities of the *comedor*¹⁸

| | Number and frequency of output deliveries | Target group | Comments |
|------------------------------|--|---|--|
| <i>Breakfast</i> | 110/day - 6 days/week | 8 – 16 years old | Each individual meal is sold at 1 PEN. The parish pays for approximately 50% of the meals. |
| <i>Lunch</i> | 220/day - 6 days/week 140/day - 6 days/week | 8 – 16 years old 6 months – 7 years old | |
| <i>Bakery</i> | 800 buns / day 6 days / week | 300 for the <i>comedor</i> 500 for the public | Three women sell the bread for a daily profit of 3 PEN each (1-2 hours of work). |
| <i>Kindergarten</i> | 16 – 20 children 7h – 18h - school days | 6 months – 2 years old | A Peruvian government program provides the salary for the main educators involved in these two activities. |
| <i>Pre-school</i> | 78 children 8h – 12h - school days | 3 – 5 years old | |
| <i>Snack bar</i> | Opened 6 days / week | Neighborhood | Generates 15 PEN / week |
| <i>Special food projects</i> | Various | Neighborhood District market | During the fruits harvest periods, jam is made for retail sales. During the Christmas period, special bread is baked. |
| <i>Handicraft</i> | Various | District market Occasional visitor | Traditional Inca colors bags. Plastic pearl jewelry for municipal festive events. |
| <i>Spanish lessons</i> | Various | Newly arrived aboriginal Quechua speaking women | |

¹⁷ It can also accommodate visitors. This is indeed the building in which our Canadian group of 14 stayed in August 2001.

¹⁸ To put numbers in perspective, one Peru Nuevo Sol (PEN), the Peruvian currency, is worth US\$0.2878 or US\$1 = 3.4748 PEN (February 26, 2004 exchange rate). The official monthly minimum wage in Peru was 410 PEN in 2000. This wage is not enforced in the informal economy.

A standard day starts at 4h30, with two male workers baking the bread for the day (they are young adults, sons of women involved in the *comedor*), and two workers preparing the breakfast (except for the bakery, all workers are women). This first shift ends at 8h. Six cooks are in charge of the lunch (from 7h to 15h), and three workers come from the service between 8h and 15h. The kitchen's day ends at 15h, once the cleaning is done.

The educational activities are conducted under the supervision of governmentally paid workers, but the *comedor* has to provide the space and some additional supervision (otherwise the government does not send anyone).

One vendor stays all day at the snack bar, selling sweets, bread and small items. Voluntary teams carry on special projects.

Management and workers

There is a core group of five officials in the *comedor*, which supervises all the activities, manages the *comedor* and is in charge of relations with other CBOs and NGOs. This core group is in effect permanent, unless one resigns. Workers, always mothers of children in need, work in the *comedor* for periods of 2 to 3 months. As a rule, the *comedor* hires socially isolated women in search of work. They are paid in kind for their work: first, by meals at the *comedor* for themselves and their children; second, through training as cooks, in retail sales, service and child supervision; and third, by the integration in the community network in which the *comedor* evolves. After three months, however, a worker has to leave the *comedor* to let another woman benefit from the experience (except in exceptional hardship cases). Between January and May 2003, 77 women had the opportunity to work at the *comedor*.

Children's management

In order to reflect the value of every meal, no child eats without giving a ticket to the worker in charge of the service. The ticket can either be purchased (at the price of 1 PEN) or obtained at no cost if the child needs to be subsidized. This system allows all children to understand that the meal is "bought" by a ticket, for everyone.

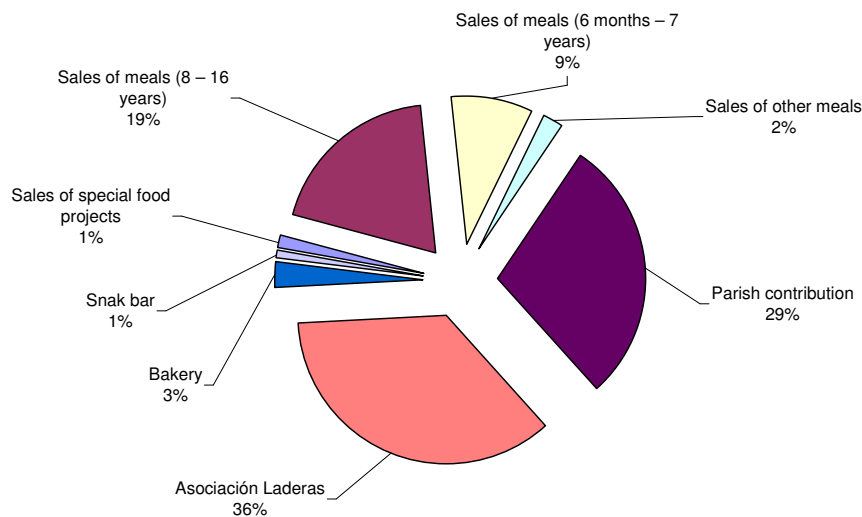
A list of all children is maintained, keeping track of the number of meals they eat and of their category (paying or subsidized). This not only allows the accounting to be done, but provides a tool to identify discontinuities in the children's life (if they miss some meals, some inquiry can be made). It is estimated that between 2,000 and 3,000 families have been through the *comedor* since its creation in 1992.

4.5 Finance

The activities of the *comedor* rely on a mix of self-generated revenues, local support, in kind help from the government and international support (channeled through the parish and the Spanish group *Asociación Laderas*). Figure 4 shows the contribution, for a typical month, of the different sources of monetary income. The Peruvian government, through the national program of food assistance PRONAA (*Programa nacional de asistencia alimentaria*) makes some monthly in kind contributions: 25 liters of vegetable oil, 350 kg of rice, 40 kg of beans. This corresponds to approximately 2 weeks of needs for these products. Other contributions of the government are

educators and tax exemption. As all workers are volunteers or are paid in kind, the expenses are the purchase of food and the utility bills (water and electricity).¹⁹

Figure 4. Revenues of a typical month (% of the monetary income)



The analysis of Figure 4 shows the high reliance on the CBO and NGO contributions. These contributions amount to a monthly subsidy of approximately US\$1,500. With 470 meals served daily, 27 days per months, this comes to a subsidy of less than US\$0.12 per meal (not even 0.5 PEN).

4.6 Competitive environment

With 10 other *comedores* in Laderas de Chillón, food counters in the street and other rudimentary restaurants, the environment is certainly competitive. The “competition” is however selling at higher prices: 1.5 PEN for other *comedores* (that work without subsidies from CBOs and NGOs, but with the same in kind support from the government) and 3.5 PEN for restaurants.

The *comedor* of this study is however specific because it gave itself the mission to reach the deprived children (“Niños Menesterosos”) of Laderas de Chillón. Families with higher income avoid sending their children there if they can, because of the “poor” image associated with the *comedor*.

This competitive environment allows rudimentary accountability measures to be established. Cost, quality and quantity of meals is straightforward to compare, and the officials of the *comedor* know that if they were not fulfilling their mission correctly, this would be known quickly.

¹⁹ The state company Sedapal supplies water 12 hours each day in Laderas de Chillón. Electricity is supplied by the regulated private company Edelnor, 24h/24, while accounts are in good standing.

4.7 Productivity and poverty measures

No specific productivity and poverty measures have been developed for this study, because the goal is not to obtain a set of precise measures. It is rather to show that the evidence indicates that high productivity and significant local poverty reduction would be quantified if measures were developed. Possible detailed measures of productivity and poverty, along the determinants and dimensions identified, could nevertheless be relatively straightforward to develop. For productivity, differences between households not participating in the *comedor* and the *comedor* itself would provide data on productivity gains. For poverty, changes along the four dimensions could be measured by observing the state of women before and after their work in the *comedor*. A series of indicators (such as income, self-confidence, feeling of empowerment, skills, etc.) could be used to measure the progresses made in poverty reduction.

We discuss each productivity determinant, as defined in Figure 1, and analyze how, because of the *comedor*, a micro level institution, they have a positive impact on poverty. The productivity determinants are inspired from Denison (1972), who developed this classification to better understand a country's total economic output. Despite the fact that this classification was originally meant to be used at a macro (country) level, productivity gains are achieved at the firm level before being aggregated by business sectors, and then for countries. Equivalent micro level productivity determinants can therefore be defined from macro level ones. As Denison's productivity determinants are also meaningful at the micro level, we use them for the analysis of the *comedor*. A strong indication that macro productivity determinants can be used at the micro level is the fact that Denison mentions "quality of management" as one example of "other determinants" of productivity (Denison, 1972, page 24). Clearly, "quality of management" has to be observed at the firm level before translating into productivity gains at the macro level.

Table 3 summarizes the impacts on the poverty dimensions that the increased productivity obtained through the *comedor* has on people in Laderas de Chillón. A "+" sign indicates the positive impact of a productivity determinant on a poverty dimension. The sign "=" means that no direct impact is expected on the poverty dimension. The discussion on the content of Table 3 directly follows.

Table 3. Summary matrix of institutional productivity impacts on poverty dimensions

| PRODUCTIVITY DETERMINANT LINKED TO THE INSTITUTION (<i>COMEDOR</i>) | Poverty Dimensions | | | |
|---|---------------------|--------------------------|--------------------------------|---------------------------|
| | Material well-being | Psychological well-being | Access to basic infrastructure | Capacity to manage assets |
| <i>Resource allocation</i> | + | + | + | + |
| <i>Economies of scales</i> | + | = | + | = |
| <i>Knowledge</i> | = | + | = | + |
| <i>Transaction cost with the government</i> | + | + | = | + |
| <i>Legal/human environment</i> | = | + | = | + |
| <i>Intensity of resource use</i> | + | + | = | + |
| <i>Flexibility of labor</i> | = | + | = | + |
| <i>Competition and management</i> | + | + | = | + |

Resource allocation

The structure of the *comedor*, with its work organization, allows labor to be more productively allocated in many ways. Initially less skilled workers are given easier tasks. As they acquire new skills within the organization, they move up in the kitchen to higher skill tasks. Similarly, allocation of labor between the kitchen, bakery, children's supervision, sales and other management tasks can be done because of the *comedor*'s flexible and adaptive organization.

This directly increases the material well-being (+) of participants through the higher productivity. It reduces the stress on workers (psychological well-being; +) because they know the work they receive matches their skill level.

The access to the *comedor*'s infrastructure (kitchen, tools, space, etc.) is also increased by the open organizational structure of the *comedor*, leading to a near optimal allocation of available resources, by letting the infrastructure be used when needed and free (+).

Finally, the allocation of resources develops a collective sense of responsibility and solidarity that increases assets management capabilities of everyone (+), through the variety of management experiences in the *comedor*.

Compare to a private enterprise, the *comedor* may sometimes lose some efficiency in its allocation of skilled workers because of its educational goals and high turnover (due to its mission of having many women to participate in the *comedor*). New workers have to learn, and this may reduce productivity. However, the multipurpose, integrated approach of the *comedor* allows the physical resources to be used in more ways than a single-activity private enterprise would. This results in a more extensive use of the resources than would be observed in an equivalent private restaurant.

Economies of scale

By cooking in large quantities, some obvious economies of scales are obtained (purchase of food, use of kitchen, energy).

This directly affects the quantity and quality of meals that can be served (material well-being; +) and the purchase of some equipment, such as a freezer (impact on the access to some type of infrastructure; +). The two other poverty dimensions are not directly influenced by economies of scale (=).

Knowledge

The *comedor* is an important vector of knowledge transmission. Women greatly improve their skills through their experience in the *comedor*. Children learn basic hygiene and nutrition principles (through government-supplied posters on these topics). The community has access to some organization knowledge to develop other projects.

This knowledge, once transmitted, increases the productivity of all. It directly improves the psychological well-being (+) and management capacities of people (+), while leaving unaffected material well-being (=) and the access to infrastructure (=).

Transaction cost with the government

The group of women, through the *comedor*, becomes more effective in any dealing with the various government levels. Conversely, governments reach the population more effectively through the *comedor* for certain types of programs (hygiene, civic education/information, etc.). This reduces the transaction cost for everyone and increases the productivity through more efficient communication.

Furthermore, the *comedor*'s policies (2-3 months work period for women and subsidized meals for some children) are a form of social insurance, in the absence of any governmental program. By being close to the beneficiaries, transaction costs are minimized. The *comedor* is actually a case where the service provider and the beneficiaries are almost the same group.

Material and psychological well-being (+) are positively affected by this because more resources can be obtained by the participants of the *comedor*. The lower transaction costs also induce better asset management practices (+) because people know better how to react to problems: they know how to find, through the *comedor*'s network, someone that could take them to the right government official. Access to basic infrastructure remains unaffected (=).

Legal/human environment

The legal environment of the *comedor*, as a non-profit CBO, and its human environment, where co-workers are mothers experiencing the same difficult situation, develops a sense of security, mutual support and peace. It allows the energy of workers to be placed in development activities, rather than survival ones, and hence improves their life-long productivity.

This environment directly affects the psychological well-being (+) of women and children, as well as their capabilities to manage their assets (+). Material well-being and access to basic infrastructure remains unaffected (=).

Intensity of resource use

The diverse activities of the *comedor* (see table 2), from 4h30 to 15h (and often after for special projects –handicraft, Spanish lessons), lead to a high intensity use of space resources. Similarly, workers know the deliverable they have to produce everyday (meals for a herd of hungry and loud children!), so the labor and equipment is also intensively used. This generates a high productivity per square-meter and work-hour.

It directly benefits the material well-being (+) of all and through the sense of accomplishment of the workers, enhances their psychological well-being (+). The organization required in such intense work strengthens the physical, human, social and environmental management capabilities of everyone (+), but does not affect the access to basic infrastructure (=).

Flexibility of labor

Necessary to the various activities of the *comedor* is the flexibility of labor, which develops as the competencies of the workers in the *comedor* increase. This also results in higher productivity, by training the women to be more adaptive.

This allows an increase in the psychological well-being (+) and management capabilities (+) by increasing the confidence of woman to be up to the challenge of various tasks. It leaves unchanged their material well-being (=) and access to basic infrastructure (=).

Competition and Management

Competition and management are also important determinants in this context. The competitive-charitable context in which the *comedor* behaves induces workers to work well and produce high quality outputs, otherwise either the children would eat elsewhere or the CBO and NGO would reconsider their support. The quality of the management (officials) also makes a difference. Their longevity in their position and the continued support of their community demonstrate the quality of their work.

These two elements enhance productivity and in turn have positive impact on material and psychological well-being (+), because more is produced with good supervision. Management of assets is also favored (+), because workers learn more in this environment. However, access to infrastructure remains unchanged (=).

5. Discussion

In Puente Piedra, and even more in Laderas de Chillón, the lack of institutions is striking. Equally remarkable is the productive work of micro level institutions such as the *comedor*. Their presence induces significant increases in productivity for the society's poorest and this has many direct positive impacts on the four dimensions of poverty. We discuss now three questions that our analysis raises. First, to what extent does the lack of more precise measurement affect the conclusions we can draw? Second, what role should the micro level institutions have with respect to the macro level institutions in poverty reduction strategies? And third, can productivity and growth become the words of the poor?

5.1 Measurement and conclusion

One obvious limit of the analysis summarized in table 3, on the impact of productivity determinants on poverty dimensions, is the lack of precise measurement. How much was poverty reduced in each of the dimensions? How many productivity gains result from each determinant? These questions, and many more, could legitimately be asked and no answer could be provided at this stage. This lack of precise measurement could limit the support and funding of these poverty reduction strategies, because governments and international institutions need numerical figures to justify investment in specific programs. When outputs and outcomes are difficult to measure, the impression could easily be that they are not valuable. Reducing a program to its measurable and actually measured outputs is a threat that can be especially damaging for poverty reduction programs.

Poverty is however real, and its different dimensions, although sometimes difficult to track with precise measures, are now recognized in the literature. The challenge is therefore to have the courage to invest in strategies with results that may be difficult to measure. This does not imply less accountability or no attempts to measure outcomes, but simply to rely on practices that are recognized to be effective, such as the *comedor*'s practices described in this study. Effectiveness can be established through various means: detailed specific measures if some resources are available to measure; but also simply the organizations' resilience over time or the perception of local actors.

Further research, along the lines discussed in section 4.7, could however be conducted to develop measurement instruments to better report productivity gains and poverty reductions.

5.2 Micro and macro level institutions in poverty reduction strategies

The ties of institutions with growth and poverty are recognized. But this statement is often understood with “macro institutions” in mind, rather than with all institutions. Our study not only shows the impact of a micro institution, but also documents the *absence* of macro institutions in Laderas de Chillón. This echoes the finding of Narayan et al. (2000) that “formal [macro, state] institutions are largely ineffective and irrelevant to the lives of the poor”.

Macro institutions are essential for the society, but to address the multidimensional problem of poverty, multidimensional strategies and tools are required. CBOs such as the *comedor* analyzed have an important impact on poverty dimensions that macro institutions could not have, especially for the psychological well-being and capacity to manage assets dimensions. Macro institutions are more effective in, and often the only ones capable of, reducing poverty on the access to infrastructure dimension. Material well-being can also be improved effectively through macro level institutions.

How different types of institutions complement each other in their fight against poverty should be better recognized and researched. The optimal mix of institutional strategies to reduce poverty has yet to be found. Also, how to best channel the adequate support to micro level institutions is an urgent theme to explore, to make sure that they do not only rely on charity. As small investments can have multidimensional effects, as this study exemplifies, developing stable financing structures is key to successful poverty reduction strategies.

5.3 Productivity and growth: words of the poor

The gap between the voice of the poor and the dominant poverty reduction strategies is wide. However, when the words “institutions”, “productivity” and “poverty” are analyzed in their broad and complex meaning, they suddenly appear to be more relevant to the poor’s reality. “Productivity” is indeed what poor people need to get out of poverty. For that, they need institutions that support them in being productive. Our study showed how the *comedor* was increasing the productivity of many poor women in Laderas de Chillón, helping them to take some steps out of the misery in which many of them are.

Growth objectives can fully be compatible with the poor’s reality if growth is not reduced to one dimension, GDP per capita. As soon as the words “productivity” and “growth” are used in their inclusive sense, the gap between the macro and micro level realities starts to vanish.

6. Conclusion

We have reviewed in this article growth strategies and their emphasis on productivity and institutions in poverty reduction strategies. We have extended the interpretation of these strategies to include micro level institution and have taken a multidimensional approach to poverty. This established a framework of analysis in which a community-based organization, a Peruvian *comedor*, was analyzed. The many positive productivity impacts on poverty related to the *comedor* have been analyzed. In a context where support by macro and governmental institutions is extremely limited, the efficiency of the *comedor* in its actions on poverty has been established.

Although measurement issues could reduce the appeal of micro level institution-based strategies, these problems should not prevent efficient strategies being put in place. The optimal mix between macro and micro levels institutions has to be found, where growth and productivity

relate to the reality of the poor, and have an impact on the four poverty dimensions that they know too well. It is only when this multidimensional strategy is put in place that the voice of the poor will start using the language of the rich.

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