



Planning for Old Age in Peru: Count on Kin or Court the State?

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Abstract

Reciprocity among kin is central to Peruvian livelihoods, including into old age. Potentially affecting such family support, since 2011 Peru has offered a non-contributory cash transfer called Pensión 65 for seniors living in poverty. Past negative experiences of state assistance, the limited sum, uncertainty about eligibility rules, and surveillance of recipients are weighed against the regularly paid income. This case study provides insight into how Allpachiqueños strategize about livelihood across generations. It shows that, when children have prospects, parents will jeopardize their access to Pensión 65 (for example, by co-signing loans), as they prioritize material reciprocity. In contrast, in families with the fewest resources, parents spare their children from supporting them economically and do all they can to ensure eligibility by foregoing their assistance and withdrawing from active work. This forced retirement reflects their understanding of the state's rules of the fund and is at odds with local practice. This research addresses the recent trend for countries of the Global South to offer cash transfers to older individuals by examining the implications of the terms of eligibility.

Keywords: Peru; elderly; state pensions; social reproduction; reciprocity; poor

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Introduction

How do Peruvians prepare for their old age? By far the most important and longest-standing way is by having children. In addition, some have work pensions, which have required increased planning after the state implemented changes in the 1990s. Also, since 2011, Peruvians over the age of 65 living in extreme poverty have been able to apply for *Pensión 65*, a very modest non-contributory cash transfer that provides a regular income that is greater than most have ever had. These options involve dependencies on reciprocity with family as well as on the state. This paper explores how people from Allpachico,¹ a small peasant community in the central highlands of Peru, negotiate these dependencies as they take into account their own resources, those of their kin, and their experience and expectations of the state. The focus is on the third strategy listed above, those who receive or hope for eligibility for *Pensión 65* (P65). The discussion makes a unique contribution by considering how access to material and kin resources informs livelihood decisions around aging in neo-extractivist states.² This case study also addresses the increasing trend for countries of the Global South to offer cash transfers to aging adults by examining the implications of the conditionalities and targeted nature of P65.

In stark terms, my argument is that aging Peruvians with few resources must decide whether to secure P65 at all costs, and thus forego opportunities to improve their lives, or to engage in reciprocity with their children, which might risk their eligibility for the program. In both cases, family welfare comes first, whether it is to relieve adult children of the expense of helping their parents or putting parental resources at the children's disposal. While the advent of P65 suggests that the state is providing necessary assistance, Allpachiqueño experiences teach them that they cannot rely on the state to offer what they are due, and certainly not without a struggle. This is the case with P65, for which eligibility is far from straightforward. This means that those in the direst straits may forgo assistance that could make their lives more comfortable to ensure eligibility for P65. Their dilemma also highlights tensions that arise from policy based on the idea of "retirement" itself. Assumptions behind the design of P65 and its rules for eligibility imply age-related withdrawal from paid employment, a notion at odds with the realities of peasant agriculture and informal sector work. Rather than risk losing P65, some recipients are forced into retirement.

To pursue this argument, I have organized this article in two parts: the first lays out the contextual and conceptual groundwork, and the second explores the case study. In presenting the groundwork, I begin by describing Allpachico and then explain my methodology. I also present an outline of the theoretical approach and a review of the literature on pensions and work that situates the Peruvian pension system in a global context. The second part presents the ethnographic material and includes three sections: first, a description of the general patterns of social reproduction highlights the significance of kinship to people's lives and livelihoods alongside the continuing failure of the Peruvian state to meet its

obligations. Then I present two sections that illustrate how Allpachiqueños either prioritize their eligibility for P65, or jeopardize it, demonstrating the difficult decisions many older people must make as they strategize for their own and their children's futures.

Introducing Allpachico

This paper is primarily based on research conducted in the peasant community (*comunidad campesina*) of Allpachico. Its economy has changed significantly over the last 100 years, reflecting very different prospects for Allpachiqueños as they pass through life stages at distinct times. As a legally constituted comunidad, Allpachico has its own territory with communal resources and an elected leadership that governs its own affairs and mediates with outside agencies. It has limited arable and land; however, its location in the central highlands, within 300 km of Lima along the central highway, has provided other advantages. This placed it near regional mines and the central railway, where men from the community worked during the 20th century. Because of the demand for unskilled labor and the growing power of trade unions, these came to be secure jobs that were well-paid by regional standards, offering benefits such as health insurance and pensions. Women typically earned money through the informal sale of goods and services.

Currently, working age adults, especially men, face significantly different options. Neoliberal reforms in the 1990s privatized both the railway and mining, which led to layoffs, forced retirement, and the rise of contract work. There are some jobs in the area in local rock quarries, mostly through contracts. Many working-age adults have migrated to where they can find work, preferably formal jobs, but more often informal ones in what Jan Lust calls the 'capitalist subsistence economy,' in which people operate independent businesses that perform essential roles in the national economy but provide a meagre living (2018). As everyone complains now, "*no hay estabilidad laboral*" —there is no job security. Instead of pro-worker policies, the Peruvian government has opted to support the growth of small businesses, as people make work for themselves, or to bid for contracts or sub-contracts from larger corporations (Lust 2018). Creating businesses to get sub-contracts or carry out their own activities (such as driving taxis, setting up a store, producing things in small workshops) has become the path to potential success, replacing the secure jobs of earlier generations of men. Small- and medium-size businesses employ the vast majority of the economically active population in Peru, and the government has been active in promoting financial inclusion so they can access credit (OECD 2020). This makes people responsible for their own incomes. They are subject to exploitation through the provision of low-paid services to the formal sector and the payment of interest on loans (Lust 2018; Vaccaro, Hirsch, and Sabaté 2020). Alongside all this, government support for peasant agriculture has all but vanished.

Outmigration and decline in family size mean that, from a population of about 500 or 600 in the 1980s, there are now slightly more than 200 people in Allpachico. Calculating the population with any precision is impossible as people move there and away frequently, usually in search of income or because they maintain houses in different locations to be near kin. While over the past thirty years, adults have tended to have only one or two children at most, current elders over the age of 65 had larger families, frequently with five or more children. An unusually high percentage, about 27% (according to my 2019 figures), of the community is over the age of 65, while over 33% is over the age of 60.³ In comparison, about 12% of the Peruvian population is over the age of 60 (INEI 2017). The percentage is higher in rural areas at 22%, although not as high as in Allpachico (INEI 2015). Around a third of Allpachiqueño elders receive P65, while most of the rest have work pensions or widow's work pensions (half of what their husbands had received). In the current economic context, pensions constitute one of

the few stable sources of income available to Allpachiqueño families. There is socio-economic differentiation in the community: a rough estimate of incomes, based on 2019 field data indicates that about 40% of adults are poor or extremely poor, while 13 % have stable pension income. The rest tend to have fluctuating incomes based on contracts or businesses.

Methodology

The research presented here is based on long-term familiarity with the people of Allpachico. I first went there in 1984 and have returned at least 16 times since then, which provides unusual historical depth. I have primarily carried out participant observation, living in the community and engaging in the daily life of people, households, and the community at large. This is supplemented by semi-structured interviews, census-taking, life histories, photographs, archival research, and similar methods. My interest in P65 arose as a result of earlier work on livelihood strategies and state policy. After the program was implemented in 2011, several Allpachiqueños began to receive the benefits. My research also includes evidence from six students from the Universidad Nacional del Centro del Perú (UNCP, National University of Central Peru) who worked in three other communities.⁴ Professor Aparicio Chanca of the UNCP assisted me in training them and supervising their work. Their interviewees included P65 recipients. Their research provides corroborating support for the findings from Allpachico.

Social Reproduction and the Life Course

To analyse decision-making about livelihood in the current historical moment, this paper incorporates Tamara Hareven's life course perspective, which links historical timing to people's progress through the life cycle (1982, 1994). Hareven recognized that what an individual did at distinct life stages depended on the opportunities available at that time, on contemporary expectations for their cohort, and on intergenerational dependencies and responsibilities. This framing draws attention to aging and work. This is particularly clear in her distinction between the "old old" who can no longer provide for themselves, and the younger old who are more active and independent. This approach also acknowledges that identity traits such as gender, ethnicity, and class affect the opportunities and barriers individuals confront at different stages of their lives.

Hareven's approach combines well with a focus on social reproduction and the formulation of livelihood strategies. People negotiate livelihoods in terms of their historically embedded goals, and their ability to achieve them depends on the resources to which they have access. Both goals and economic opportunities change over time, so any analysis of livelihoods must consider historical transformations. The concept of social reproduction was developed to analyse such dynamic processes through which livelihoods are sought (Edholm, Harris, and Young 1978; Mingione 1991; Smith 2018). It focuses attention on how individuals, households, and collectives work to survive, get ahead, or defend their ways of life, depending on the case and according to the historical circumstances (Vincent 2020). Reciprocity among kin involving exchanges of support, resources, and information, is a central resource in social reproduction in Allpachico. Because of reciprocity, state pensions, as they are implemented and reformed over time, constitute another resource that can have repercussions throughout kin networks. In this paper, I draw upon this theoretical framework in my description of factors in social reproduction at this historical moment for individuals who are planning for their end-of-life stage.

Understanding Connections Among Pensions, Work, and the Role of the State

Often seen as part of the caring role of the state, public provision for older populations has long been associated with the conditions of labor supply and demand. In the late 19th century, poverty among aging people who were unable to work became a matter of concern for countries in the Global North with growing economies and democratic governments (Skocpol and Amenta 1986; Thane 2006). Initially, many of these offered insufficient financial support and encouraged the recipients to work, albeit at levels that would not put them over the means thresholds. By the 1960s, due to a large youth population and immigration, withdrawal from the work force became more acceptable for older workers, employers, and governments alike (Thane 2006, 47). However, as populations aged over the past three decades, state pension schemes have been framed as unaffordable. Jessica Greenberg and Andrea Muehlebach (2007) discuss the ensuing contradictory currents: workers, frequently facing inadequate pensions in financialized private schemes, have lobbied to work longer; employers want to keep experienced workers, but also want to hire flexibly rather than by seniority; states try to minimize the outflow of pension payments while implementing anti-immigration policies that could rejuvenate work forces (also, Coole 2012; Holzman and Hinz 2005).

These pension reforms in the Global North are occurring as countries of the Global South are beginning to establish state pensions. Macro-economic analyses indicate that where the amount of the old-age pension is adequate, recipients tend to decrease their participation in the labor force and farming (de Carvalho 2008; Ranchhod 2006). Irineu de Carvalho concludes from this that restricting pensions to low-income individuals would help prevent the reduction of the size of the work force in rural Brazil (2008). However, means-testing may not have the expected result. Writing about India, where there is a low-income threshold for receiving a small pension, Neeraj Kaushal suggests that recipients may avoid earning income out of fear of losing the pension (2014). The case of Allpachico provides qualitative evidence that supports this view, and shows that the relationship between pensions for which eligibility is limited by income and work-force participation is mediated by what is seen as best for the family as a whole.

There are several pension systems in Peru, all administered directly or overseen by the state. All are currently in flux, due in part to the tumult caused by the COVID-19 pandemic, as well as for prior problems related to poor economic performance of invested funds and low population coverage, given the high proportion of informal sector workers who were ineligible (Castilla *et al.* 2021).⁵ I briefly describe the pension plans relevant to the people of Allpachico. The next section describes some of their experiences to explain their cynicism about depending on state support. Two are contributory pensions for which workers are eligible. These assume retirement from the work force. In the generation that is currently over 65, only men had formal employment, which means that these pensions pertain only to them or their widows. Even now, very few women have formal jobs. One pension, referred to as ONP (for the government agency that oversees it, the *Oficina de Normalización Previsional*), is a defined benefit plan that provides a fixed amount until the retiree dies, and then half of that amount to his widow. Workers must have contributed for at least 20 years. Workers who leave employment before 20 years receive nothing. The other employment pension, called AFP (*Administradora de Fondos de Pensiones*), is a defined contribution plan that has been forcefully promoted since the 1990s. It is structured by the state but involves private companies that invest the workers' contributions into individual funds. Upon retirement, the worker can withdraw up to 95% of the amount or leave it to be withdrawn monthly at a rate that depletes it by the time the retiree reaches age 80. The balance of the amount is kept to pay for *Seguro* (officially *Es Salud*), the health-care system for employees. Those in this system universally

complained about the high administration costs and the low returns as well as the fact that after age 80 they will be left with nothing. They told me about having been tricked into signing up for AFP.

Apart from the ONP and AFP, retirees may receive an amount from their employer based on compensation for time of service (CTS), while mine workers are eligible for additional amounts based on their exposure to toxic environments. Since the state administers all of these funds—at least at the level of setting the rules in the case of the AFP pension and the CTS—it bears the brunt of the frustration when people do not receive what they feel is their due. While I did encounter some people who were satisfied with their pensions, more often I heard complaints and deep suspicion that retirees were being short-changed.

I focus here on *Pensión 65*, the non-contributory cash transfer that the Peruvian state began to offer in 2011 to Peruvians aged 65 and older who live in extreme poverty.⁶ P65 offers 250 soles every two months (about \$US 35 a month) to recipients—a tiny amount. This fund aims to provide a level of economic security to improve the welfare of seniors (MIDIS 2017). They apply via their local municipality, which has the responsibility of managing information and logistics about the application and distribution process. Actual decision-making, however, is in the hands of workers hired by the state. Thus, applicants have their houses and living conditions examined by SISFOH (the national Household Targeting System) to establish that they are in extreme poverty. This information is then sent to the head office, which evaluates it using an unclear set of local standards. Monetary poverty is set by the cost of the *Canasta Básica de Insumos*, a “shopping basket” of basic goods; however, many factors beyond this are recorded in the SISFOH—what materials the house is made of, whether the person owns, rents, or looks after the house, occupation, access to water and sewerage, appliances, education level, and so on. The form is complex and must be filled out correctly to be considered. Further, the system has access to government data on an individual’s financial history through consultation with the SBS (*Sistema de Banca, Seguros y AFP*; Banking, insurance, and pension system). This makes individuals legible to the state in detailed ways. As the case study shows, people fear this could affect whether they can get P65 in the future.

P65 is both a cash transfer to aid in the reduction of poverty as well as a retirement pension. A Peruvian-government-sponsored evaluation of P65 uses statistical evidence to examine the effects on recipients’ well-being (Bando, Gertler, and Galiani 2016). One of the elements it uses as a proxy for well-being is labor-force participation. Bando *et al.* link a reduction in working hours to improvement in welfare since it is assumed that recipients will spend this time enjoying life (2016, 3). They derive this criterion from government directives that explicitly mention work hours (Villalobos Castillo, nd). This reference to work hours implies that P65 is intended to allow recipients to retire from active engagement in earning income. In the next section, I describe how P65 functions, highlighting operational practices that reinforce the idea that it implies retirement from productive work.

In contrast, peasant work lives frequently extend well beyond the age of 65. Men are required to serve 30 years as *comuneros* (members of the *comunidad*) before becoming eligible to be exonerated, while women must serve 25 years, and may serve longer so they can enjoy full membership rights (Allpachico 2016, 7). Importantly, the term used for withdrawal from the *comunidad* is not “to retire” (*jubilarse*) but to be “exonerated from further responsibilities.” The term “retirement” is limited to references to withdrawal from paid work, and there is no term for withdrawing from farming, caring for livestock, and other resource-generating activities. Indeed, even extremely old and frail villagers tend to keep some poultry, work a small bit of land, and find stove fuel for themselves as long as they are physically

able to do so. Both necessity and enjoyment of the work keep them active. There is, thus, a tension between official assumptions about P65 and the practical experience of Allpachiqueños, a situation that gives rise to dilemmas for aging adults.

Achieving Social Reproduction in Allpachico: Reciprocity with Kin, Failed Expectations of the State

I now turn to the ethnographic case study. In this section, patterns of social reproduction showcase the deep affective and material significance of kinship, which is matched by a high level of cynicism about the state. In Allpachico over the past century, the aspirational goal of households has gone from obtaining land for farming, then to using men's wages to improve quality of life and educate children, and now to hoping that children will have professional training and careers. Each of these involves distinct strategies with respect to income and family life for those in any position to pursue the ideal, which, of course, not all of them are (Vincent 2000). Livelihood strategies span both within and across generations. This inter-generational reach is of particular importance in the present case, which addresses how the resources, opportunities, and constraints of aging parents and their children inform strategies about old age. Wealth or poverty is complexly constituted based on the amount of one's income, its volatility or stability, access to other productive resources (agricultural or otherwise) and, significantly, the situation of others in one's kin network. In this way, one's own prospects are intimately interlaced with those of others.

The family is of central importance in how Allpachiqueños plan their economic, social, and affective lives. The childless are pitied, and the deliberately childless are viewed with amazement. My focus here is on parent-child relations, as those are the ones that most impact lifepath changes, but grandparents, aunts and uncles, and fictive kin (for example, through godparenthood) are all embedded in networks that influence how life is organized, what work is undertaken, how meaningful events such as fiestas are arranged, and so on. Kin and kin care are integral to the processes of social reproduction. Prime reasons for both leaving Allpachico to live elsewhere and to stay concern kin. For example, one of the most common reasons for moving elsewhere is so that the children can study and gain access to better schools. Also, people move to look for work so that they can provide the needs of their families. Better-off migrants build houses in Allpachico to have a place to stay when they go back once or twice a year for fiestas. In 2019, one migrant was frantically building a new house and fixing up another one that had belonged to his father to prepare for a fiesta for which one of his children (one who has never lived in the community) is a *mayordomo* (person responsible for paying for and organizing key aspects of the fiesta). Nephews, cousins, siblings have all been called on to help defray the costs (e.g., providing a breakfast or lunch, supplying coca, etc.). Such mutual obligations are a core part of the social reproduction of individuals, households, wider kin networks, and the community.

Just as people move because of their responsibilities to kin, one of the reasons people stay in Allpachico or move back is to care for aging parents. This again highlights life-course differences: in the past, elders were supported by children residing in Allpachico. With a declining population of working-age adults in the community, families must make decisions about who lives where. In my previous research, I examined the socio-economic conditions of households that helped decide whether elders were able to demand the presence of their adult children, or would have to move to live with their children elsewhere when they could no longer live on their own (Vincent 2016; also see 2014, 2018). Retirees with good work pensions were much better positioned to decide where they would live, especially when they had at least one child in poor economic circumstances and on whom they could therefore make

claims. Older adults without pensions or other resources found themselves without that option, and they frequently had to leave Allpachico when they became “old old”; i.e., unable to look after themselves. Other villagers generally keep an eye on those few elders without kin or those who stubbornly refuse to leave Allpachico.

Many of the stories people tell are about children and parents who did or did not fulfill their responsibilities honorably—parents who were ill-tempered, drunk, or interfering and who thus alienated their children; there were also stories about children who did not make time for or send support to their parents. Importantly, the pattern is one of reciprocity rather than a one-way flow. Complete dependence and domination alike are to be avoided. There are gendered dimensions to this, as single daughters tend to make themselves available to their parents, especially when their parents have work pensions (Vincent 2016). In general, parents and children help each other as they can, in whatever form they can. Parents provide care for young children, support them economically and in services as they grow, educate them if possible, frequently look after their grandchildren, and so on. Good responsible parents orient the younger generation to be good responsible members of the community. Children contribute to household work; as they get jobs, they may support their parents economically and care for them in old age, as well as showing them respect. At the same time, when both sides are adults, there is a concern for independence and not overly interfering in each other’s lives. While adult children with families of their own may be granted some leeway regarding concern for their parents, the ideal is respectful mutual support. This, of course, is not always achieved, but stories of utter abandonment on the part of either parents or children are told with a great deal of disapproval, which suggests that proper conduct is deeply felt and expected.⁷

Governments of all levels are also metaphorically considered to be subject to the norms of parent–child relations. Mayors, presidents, and other political figures, whether men or women, are referred to as fathers (*papá*) who have an obligation to provide for citizens, just as citizens have their own obligations with respect to the state. Stories of improper conduct appear here the most. Projects and aid from the different levels of government are frequently absent or inadequate, and there is a litany of examples. An earthquake in the 2000s left cracks in many houses. State officials came to investigate the damage and determine compensation, but none arrived. In 2016, people complained that the mayor was not a good *papá* as he had provided no projects for Allpachico. When there is excessive cold in June and July, governments organize handouts to those living in the highlands to help deal with it. In 2019, people told me about receiving cheap blankets, while children only got a piece of fabric. One woman got trousers that were much too large for her. There was not enough for everyone. Similarly, aid for crops damaged by frost arrived too late to do any good and, again, there was not enough to go around, leading to resentment between those who received something and those who did not. Stories such as these are rampant. Few people expect government officials to comply with their proper obligations, although there is hope that it will happen. Thus, skepticism that the government will help as it should is part of how people make decisions about their retirement futures.

The skepticism is merited: There has been widespread denunciation of corruption in Peruvian politics recently, with all five elected presidents charged, convicted, under investigation for improprieties or, in the case of Alan García, committing suicide to avoid being detained (DeGregori and Meléndez 2007; Pari 2017; Quiroz 2013). In late 2019, Congress was dissolved by President Vizcarra, who accused its members of blocking anti-corruption legislation. He himself was impeached a year later. Not only are officials widely suspected of receiving payments from corporations seeking contracts, but many citizens believe that candidates buy votes.

Related to this is the assumption that Peruvians have come to expect that the state will offer handouts, widely called *asistencialismo* (welfarism; e.g., Damonte *et al.* 2018). This is decried as promoting a clientelistic dependency on the state or politicians. However, discussions of *asistencialismo* sidestep the important issue of the difficulties Peruvians face in receiving benefits from systems into which they have paid and to which they are fully entitled. This is frequently the case with worker pensions. As noted above, the state structures all of the available pension options and directly provides two of them, so interactions with it are significant for how people plan their retirement.

Some residents have pensions from either their own or their spouse's earlier employment. The ONP system is complex, however. For example, some of the men in Allpachico worked for a period of fewer than 20 years in their youth, retiring before 1992. Because the rules were different then, they might be eligible for a pension, but some have had to enlist lawyers on their behalf. Toribio, for instance, started to seek a pension in about 2000 from his 10-year stint in the workforce in the 1980s, going through four lawyers. His children were worried about the cost and urged him to give it up but, finally in 2017, he was granted a little under 300 soles (about \$US91) a month. This is more than twice than what is offered by P65, which he previously received. His wife still receives P65, apparently because the amount is so low. Toribio claimed this allowed him to help his children instead of them sending money to him from time to time.

Lawyers have also been hired in other cases regarding how the amount of ONP pension was calculated, and whether a worker might be eligible for additional funds. Teodora has been paying lawyers for over eight years as she feels that, not only was her father's pension amount below what he should have been getting, but he was denied other payments as well. She is outraged that the state-run workers' health system, *Seguro*, finally permitted a re-examination of his health the day after he died of cancer. Teodora thinks the cancer resulted from his work in the smelter, but the *Seguro* denied that he had it at all. If they can afford it, those signed up for *Seguro* go to private clinics for diagnosis and then might use their *Seguro* coverage for treatment. There is widespread suspicion that *Seguro* has a vested interest in the deaths of insured people as a way of limiting costs.

This prior experience of Peruvian bureaucracy informs how Allpachiqueños approach P65 with its complex system of forms and procedures. As mentioned, applicants must have their incomes and living conditions evaluated by government agents. There is much ambiguity and room for people, at various points in the process, to influence the outcome. A lazy or inattentive worker filling out a SISFOH form, for example, may incorrectly fill in some answers, which can affect the determination of economic status. Furthermore, the applicant or their kin who are helping in the process may give false information. Gabriela, the person responsible for overseeing the system in the Piedra Blanca municipality, described a case in which a daughter told the SISFOH worker that her mother had several appliances because she was ashamed that the woman actually had so little. Gabriela explained the measures she had taken to try to make a case for some of the people in Allpachico who were clearly in need but had not received the pension. According to a P65 worker who was visiting Allpachico, the report sent by the municipality has to include an argument about whether a person should or should not receive the pension, although I cannot find this in the instructions.

Once accepted into the P65 program, the recipients must continue to comply with the requirements. Through the program, the state hires workers on short-term contracts⁸ to make unannounced visits to the recipients in their homes; this is to ensure they are indeed living where they said they are and that

their conditions have not changed. Assisting in this are local coordinators who are themselves recipients of P65. These people, or others in the community, might provide information (true or false) that can lead to a person being disqualified. Few know exactly how the process works, and the form's intended objectivity is undermined by the numerous steps in which personal lapse or malice can intervene. Such uncertainty is augmented by people's perceptions of how the program's registry has functioned over the past several years. In 2015, there were 17 people registered for P65 in the community. Some were clearly ineligible since they or their husbands had work pensions. These were winnowed out, but the number continued to drop. Some died; others were removed from the list for one reason or another – it was not always clear why. There are now only 10 people on the list. About 10 others have not had their applications approved; some for three or four years. Two of these are in extremely dire circumstances, and Allpachiqueños at large decry the injustice: neither of the two has ever married or had more than casual work plus help from other villagers who have kept an eye on them. One is illiterate and has never had a state-issued identity document as his fingerprints are almost entirely worn off.⁹ While those who applied for P65 when it first became available experienced little delay, it is now common for applicants to wait for years, both in Allpachico and in the three other communities in which students conducted research. There is no back pay for these people: their payments start only once they are approved, no matter whether or not earlier denials were the result of incompetence on the part of state officials. Part of the problem seems to be due to the limited budget for P65 and the government decision to focus on zones in extreme poverty (Clausen *et al.* 2018, 251). Thus, beyond any individual need or efforts to ensure the eligibility of a particular person, applicants from Allpachico may be denied because the district is not categorized as being in extreme poverty or due to a budgetary shortfall.

Cynicism about the willingness of the government to fulfill its responsibilities and uncertainty about how eligibility is determined inform how Allpachiqueños plan for their old age.¹⁰ The context of intergenerational support in achieving social reproduction is central. If aging individuals wish to receive P65, they contrive to demonstrate their extreme poverty and maintain this image. This involves potentially exposing themselves to greater hardship, however. The following stories illustrate how aging Allpachiqueños strategize with regards to their own needs and those of their kin as they decide whether to preserve independence and save their kin expense, or to help their kin and rely on material assistance in return. The possibilities available to the different generations at their life stages are critical to this planning.

Difficult Decisions I: Opting for the Minimum

All P65 recipients are living in extreme poverty, but some are worse off than others. The fewer resources P65 recipients and their families have, the more they need to ensure their access to the funds. This leads to cutting off or hiding resources, thus potentially condemning them to worse conditions than necessary. The P65 worker I spoke with described an incident she had just experienced in a neighboring community. She had visited a woman recipient, making note of her possessions and the condition of her house, and then met her later herding six cattle. The P65 worker congratulated her on being able to supplement her meagre income, saying that it was good to keep active and this would not affect her eligibility, but the woman insisted that the cattle were not hers. For many Allpachiqueños, the only explanation for why some people have not yet been granted P65, or for why others have been kicked out, is that the P65 worker somehow discovered or was told that they had livestock, support from children, or other resources. It is not clear where the line is. A student researcher in the community of Quero interviewed a woman who, even though she had many more resources than those I am considering in this section, felt herself poor because she had a husband with a disability and was

dependent on the sale of milk. However, she also had a tractor, and her migrant children sent her 200 soles (about \$US60) a month. Adding up her husband's disability, the costs of the tractor, and the volatile price of milk, she considered herself to be barely getting by—yet she was rejected by both P65 and a program for people with severe disabilities who live in poverty. For those in even worse circumstances than this woman, the stakes are simply too high for them to risk losing the fund. They worry about ill-intentioned neighborly gossip, and, since there is a high turnover rate among P65 workers, they cannot know whether what the aforementioned P65 worker considered to be commendable would be viewed in the same light by her successor.

The result is that some people severely limit their activities, in effect retiring, although they may still have the energy and will to continue to work. In 2015, when I started asking about P65, I was startled to hear complaints that it made “young people” lazy. At first, I thought this meant the money filtered down to younger generations, but it transpired that the “young people” were able-bodied people over 65. While some villagers at that age are frail, many are still robust and active in farming and herding cattle—one woman aged 78 is the sole resident of the most remote hamlet in the community, and daily herds several hundred sheep. Others, however, are worried that word will get out that they are earning undeclared money, and they carefully calibrate how much paid work they might undertake. This removes some skilled agricultural labor from the local sphere. It has become increasingly difficult to hire workers for farm work, as the price they charge is frequently too high to make it profitable. Thus, when Pancho, who had long depended on helping others in the field, started receiving P65 and decreased his availability, many more fields were abandoned. A student researcher reported that an interviewee claimed that the state did not allow people to get ahead: if they invested their cash transfer in a productive resource, they were automatically kicked out, even though the business had not yet generated any profit. The risk of losing the secure income offered by P65 thus forces some recipients into inactive retirement.

Another strategy in which Pancho engaged was to cease receiving help from his children. Worried about whether the P65 surveillance might discover this, he ensured they no longer send him bank transfers. Previously, they had sent him small amounts when they could. Some can get around this by directly handing over funds or sending them via someone else. Both in Allpachico and in the student interviews with those from the other communities, there is evidence that informal and indirect delivery of cash to aging parents was common.

In addition, some P65 recipients avoid co-residing with children who help them, unless those children are themselves living in poverty. One woman interviewed by student researchers related that her sister lived with her children and, for that reason, did not receive P65. The woman indicated that she continued to live by herself to ensure that her eligibility was not questioned. Recipients may also make sure that any livestock or other resources are kept away from their own home or are clearly designated as belonging to others.

Forgoing activities and help that could provide additional income forces the P65 recipients to endure greater hardship than necessary. They complain that the amount is inadequate. Anyone who can will keep a few chickens or guinea pigs and grow a bit of food, both carefully calibrated so as not to raise official suspicion. Buying staples quickly exhausts the P65 sum. One woman interviewed by a student researcher said, “We buy from the store for the first month, and then get credit from the store for the second month.” Many recipients require medicines for various ailments, but drugs are unaffordable without help from kin. Those unable to supplement their P65 income and who have no one to help

them—and, for them to help openly, they too must be living in poor circumstances—live in extreme hardship.

Difficult Decisions II: Relying on Reciprocity

Another strategy used by older Allpachiqueños is to rely on material reciprocity. This arises in part from the poor track record of the state in fulfilling its responsibilities towards citizens, as well as from the weight of normative expectations that kin should help one another. This tends to happen among people who are slightly better off or those with children who are trying to get ahead, rather than among those for whom the tiny P65 amount is crucial support. In many cases, the elders engaged in formal financial or property transactions, thus jeopardizing their eligibility. Maykol, for instance, now in his 80s, and whose productive life was spent in very humble farming, signed ownership papers for a business for one of his sons. This allowed the son to advance his business but meant that Maykol was denied P65. He is hoping that in the next business cycle his name will be removed. He lives in a rustic house next door to the daughter who cares for him rather than with her, perhaps in preparation for eventual eligibility.

Teodora is not yet 65. Since separating from her husband almost 20 years ago, she has lived in Lima, making a living by selling soup in the street. It is hard work: she gets up at 3:00 am to put the soup on to cook. At 6:00 am, she carries the heavy pots downstairs to her stall outside the house and attends clients until about noon. She faces much competition for customers, especially with the influx of Venezuelan refugees who also sell food on the streets. At noon, she cleans up and goes to the market to buy produce for the next day. After a couple hours of rest, she starts preparing the ingredients until about 10:00 pm. Her five children are all in precarious circumstances. Two daughters have very volatile small businesses in Lima, with some ups and many downs. Two sons live in Allpachico or nearby, and are trying to make a living from farming and whatever contract work they can pick up. Her youngest son lives in a highland city. A few years ago, he bought two cars to be used as taxis, putting one in his mother's name. She helps make the payments, but there were too many taxis and profits were low. Her son decided that it was more cost-effective to keep her car garaged. He has now rented out his own and found another job.

Although she is longing to return to Allpachico in her older years, Teodora is aware that ownership of a car with an outstanding balance may harm her chances of eligibility for P65. But she can still earn a living in Lima, while in Allpachico "*todo es salida*"—there are only expenses with no possibility of income. She no longer has the strength to work in the fields to produce her own food. Despite this, she did not hesitate when her son asked her to sign the car-purchase agreement. Applying for P65 is still in the future, and she is well aware that it cannot cover her basic needs. For both the present and the future, her best bet for financial support is with her children.

Conclusion

Peruvian state reports celebrate the decline in the percentage of the population living in poverty and extreme poverty as a result of cash-transfer programs such as P65. While the recipients appreciate the unexpected income ("Who would have thought the Peruvian government would offer such a thing?" exclaimed one woman), the benefits are far from unequivocal. Allpachiqueños living in poverty find themselves having to make extremely difficult choices about how to plan their futures and care for kin. The life-stage approach used here highlights the differences between generations according to the possibilities available to them in their historical context. Men who came to adulthood in the 1950s to the

1970s could get jobs with defined benefit pensions. The older among them could usually expect that their sons would also have this option. Those workers were the mainstay of their family's and the community's economy. Since the 1980s, however, working age adults have increasingly faced uncertain contracts or self-employment. For families in the greatest need, any stable income, even one as small as P65, is essential.

With P65, the intergenerational caring that is so essential to social reproduction, and that patterns people's sense of what is desirable and just, takes on new forms: the elders in the worst circumstances receive the pension but sacrifice support to spare their children; other elders whose children have financialized prospects sacrifice the pension to support them. This caring is not only material, but is embedded in mutual reciprocities of respect and concern. It entails the expectation that kin and community members will offer guidance to those for whom they care, in terms of presenting proper conduct as well as directions for future life and livelihood.

These principles of care and guidance are also expected of government actors, but rarely found. While Peruvian governments over the past two decades have begun to offer care of a sort, such as through P65, the manner of the provision, with its complex process, inadequate coverage and amount, and intrusive surveillance, falls short. For Allpachiqueños, the state is far from being the concerned and willing *papá* they hope for, but rather a corrupt, neglectful and grudging force. The case study supports the argument Kaushal (2014) makes for India that making such pensions universal, rather than means-dependent, would go a long way to ensuring that recipients can make the decisions about their other livelihood activities and living conditions that make sense to them and their families. A universal pension would prevent forced retirement and permit older adults to receive care without jeopardizing their income. But personal stable income in one's older years is only one part of how aging Allpachiqueños plan their lives.

In addition to care, Allpachiqueños look for guidance from government figures to provide the resources and security needed to support the social reproduction of families and communities. Peruvians are not alone in taking intergenerational reciprocities into account in deciding their own livelihoods (e.g., Hareven 1996). Instead of policies that acknowledge such interdependencies, governments everywhere have offered instead the globally well-trodden neoliberal path of self-responsibilization (e.g., Gledhill 2007; Greenberg and Muehlebach 2007; Ong 2006). For example, Peruvians are encouraged to develop their own small and medium businesses, shouldering all the risks while they serve the wider economy (Lust 2018).

These risks include taking on debt. In Peru, as in the rest of the world, financialization is infiltrating everyday life (Gago 2015; Pellandini-Simányi 2021). Most work pensions in Peru are now financialized, placing the burden of ensuring an adequate living in old age on the investment choices of the pensioners themselves. Allpachiqueño condemnation of this accords with reactions elsewhere, as Hadas Weiss' account of Israeli pensioners shows (2015). Further, the priority people place on establishing eligibility for P65 frequently hinges on their role in the debts incurred by their adult children in the service of their livelihood. Even a universalized P65 cannot solve the real livelihood constraints of these households. At all life stages, people plan their livelihoods in the context of their intergenerational and other responsibilities, rather than as isolated individuals. Because of this, beyond policy changes with respect to pensions, the lesson of the case study for Peru, and around the world, is that more fundamental restructuring of economies to provide adequate and stable income-earning opportunities for working age adults is necessary.

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Notes

1. “Allpachico” and the names of all people are pseudonyms. All translations from Spanish are mine.
2. See Vincent (2020) for a discussion of neo-extractivism in Peru.
3. Women form over half of the adult population (56%), but only about half of the total population. Oddly, 65% of the population under the age of 20 is male.
4. These students were: Yerson Acosta Soto, Judith Lizet Avila Mendoza, Esau Noe Guere Crispin, Nickol Lucy Salazar Alvarez, Leysel Victoria Urcuhuaranga Sinche, Angela Fiorella Villasana Benites.
5. In response to lockdowns during the COVID-19 pandemic, the Peruvian government facilitated the withdrawal of funds from AFP and ONP. This will have serious implications for the future of aging workers.
6. There is a growing body of research on P65, most of it either quantitative or based on short-term qualitative methods such as interviews or focus groups. Most of this literature focuses on the impact of the program on beneficiaries: did it reduce poverty; did it improve recipients’ quality of life, mental health, or physical health; how did people use the money; and so on. A few exceptions, using qualitative methods, cast a wider net. For example, Cerna *et al.* (2017) examine the workings of the “street-level bureaucrats” who evaluate potential beneficiaries and deliver social programs, with case studies in the Amazon and the southern sierra. This allowed them to encounter people who had not been accepted into various programs and to understand some of the problems with the process. Damonte *et al.* (2018) included discussions of P65 in their study of how state social programs were perceived to help with climate change in four communities in the department of Áncash. This study also enabled them to gain insight into local perceptions of why some people were granted P65 while others were not.
7. Leinaweaver (2013) and Zegarra Chiaporri (2019) similarly note the importance of kin care in Peru through their studies of its opposite, abandonment and ingratitude, with respect to children and elders.
8. The P65 worker I spoke with said she was hired on a one-month contract, but the P65 website advertises such positions on three-month contracts. Either way, these contracts are short-term, and there is a great deal of turnover in personnel.
9. I am told that both finally received the pension in 2020, years after they had reached the age of 65.
10. Leinaweaver *et al.* (2017) discuss the impact of unclear government evaluation standards on aspiring adoptive families in Spain. Uncertain about what might make them ineligible, they attempt to improve their chances by modifying their houses and their behaviours in ways that they imagine will be acceptable.

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