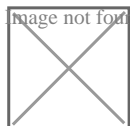


Increasing Number of Peruvians Struggling to Pay for Basics



Lima, November 6 (teleSUR-RHC), -- A survey by GfK released on Wednesday, shows that the number of Peruvians who believe their income is not enough to survive on has increased by from 33 percent in August to 39 percent in October of this year. Also, the number of people who believe their situation will improve has decreased from 41 percent to only 33 percent.

The growth of the Peruvian GDP has decreased to 3 percent and the executive branch has responded by pushing for structural changes such as making labor and environmental laws more flexible for businesses.

However there were many critics, such as Oscar Dancourt, of the government's tactics at the annual conference of the Consortium of Economic and Social Investigations held Thursday. Dancourt is a professor of economics and researcher at Peru's Catholic Papal University.

He explains that in the Peruvian economy "there has been an external shock. The price of raw materials has fallen, capital has left the country, dollars are scarce, and there is a current accounts deficit of five points in the GDP."

The government "wants structural changes, wants to change labor codes, wants to change environmental codes," Dancourt explains.

However, he argues that "There isn't a single international experience that has overcome a recession generated by the fall in raw material prices and capital flight with structural changes; I don't know of any evidence to support that; In fact, I know of evidence to the contrary."

He argued that Peru is "going to end up in disaster if we do not spend time discussing what is important. There is coldness that comes from outside and everything indicates that is going to last for a long time. And we then have to respond. And the instruments to respond are monetary and fiscal policy."

Dancourt concludes that the president is carrying out the wrong measures and instead it should apply those proven measures to resolve economic crises such as increasing public investment.

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