

## Peru: confronting the transformation in the labour market

Despite the sustained economic growth over the last five years, the unemployment rate continues to rise, against a background of endemic poverty. Rising job insecurity and dwindling salaried employment, massive cuts in the public sector, the proliferation of the informal economy, which employs over 60% of the active population, repeated violations of trade union rights... Still shaken by the ten years of "Fujimorian flexibilisation" the Peruvian trade union movement has now formed a united front to press for a reform of the Labour Code.

The ambitious and innovative trade union strategy to organise the men and women working in the informal economy is placed under the spotlight. Central to the organising campaign are women, still discriminated against and the hardest hit by the situation, but increasingly making their voice heard in the trade union movement, although the road to equality is still very long.

What is being done to protect emigrant workers or to strengthen the trade union offensive against child labour? Action plans and first hand accounts.



## Whilst the economy grows, inequality prevails

- Ranking 79th out of a total of 177 countries in the human development index of the United Nations Development Programme (UNDP), Peru is considered as a middle-income country but one with high levels of poverty and inequality.
- Whilst GDP increased by 6% and private investment by 10% in 2005, more than half the Peruvian population (51.6%) continued to live below the poverty line at a time when the regional average in Latin America was under 41% in 2005 (compared with 44% in 2002).
- Close to 40% of the country's resources are concentrated in the hands of 10% of the population. The income of this sector of Peruvian society is 50 times higher than that of the poorest 10%.
- Between 1991 and 2002, the number of people living in absolute poverty in Peru soared from 1.3 million to 2.5 million. With an absolute poverty rate of 23.9%, Peru scores better than Guatemala, Bolivia and Nicaragua but remains behind Ecuador, Mexico and Brazil.
- The infant mortality rate among Peru's poorest 20% of the population is 5 times higher than that of the richest 20%.

Sources :  
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# The disastrous legacy of Fujimori

The labour market in Peru is heading inexorably down the deregulation path traced more than a decade ago by Alberto Fujimori. With the spectre of the former president still looming large, will the Peruvian trade union movement prove capable of halting the freefall? This trade union briefing discusses the challenges and future prospects.

**A**lberto Fujimori. Simply mentioning the name of the former president of Peru is enough to send shivers down the spine of many a trade unionist from this Andean nation. The wave of mass lay offs, the privatisation of public enterprises and the unfair dismissal of thousands of trade union leaders are still fresh on their minds.

Fujimori's authoritarian drive began as early as 1993 with the revision of the country's Political Constitution, adopted in 1979, which guaranteed, for example, the workers' right to bargain collectively. In the new, watered down Carta Magna that remains in force today, the number of fundamental rights has been slashed by half, whilst the responsibility of the State towards the Peruvian people has also been revised downwards. In the pursuit of his neo-liberal policies firmly geared towards the deregulation of labour standards and the casualisation of employment, the former head of State managed to secure the promulgation of two laws, one regulating collective labour relations and the other, individual relations.

### A CENTURY OF TRADE UNION STRUGGLE WIPE OUT

It wasn't long before Peru's working class felt the shockwaves of Fujimori's disastrous policies. In the blink of an eye, several forms of collective action were declared illegal, branch-specific collective bargaining was banned, employers were granted increased powers, trade union affiliation was restricted and the workers' future prospects of securing social and economic benefits were limited. Most of the gains built up by the Peruvian labour movement through struggles waged for over a century were wiped out in a single blow, such as the eight-hour workday, and now have to be won back again.

Furthermore, nearly 1.2 million public service employees – many of them trade union leaders - were dismissed or forced to hand in their resignation be-

tween 1991 and 2001. Around 90% of the more than 300 State enterprises in highly strategic sectors such as mining and oil, electricity and telecoms were privatised over the same period. The veritable manhunt orchestrated by the Fujimori regime against union leaders was successful in effectively discouraging organising efforts and trade union action. Within just ten years, the total number of collective agreements plummeted by an astounding 76.3%, according to a study by the NGO PLADES and based on figures gathered from the ILO. The civil construction sector is the only one currently able to boast having a collective agreement for each branch of activity.

Today, only 3% of all salaried workers have chosen to affiliate to a union compared with 5.2% in 2001 and 7.7 in 1998, according to Peru's Labour Ministry. According to the ILO, almost 8% of the economically active population (EAP), which includes both the salaried and self-employed workforce, is unionised.

### SUBCONTRACTING, AN OBSTACLE TO TRADE UNION FREEDOM

It's been nearly five years since Alberto Fujimori fled into exile, and yet the legacy of "el Chino", as he was nicknamed, is still proving hard to bear. The economic policies adopted by his successors in the presidential seat follow the same neoliberal dictates, leading to a further weakening of the rights of the working class. Although the current administration does not show the same apathy as the Fujimori regime, the working class remains largely unprotected, given that legislation passed at the beginning of the nineties remains in force. Is it reasonable to hope for the strict observance of the international standards established by the ILO when the Labour Ministry only deploys 140 inspectors for the entire nation, in other words 1 inspector for every 100,000 workers?

"Tercerisation" or third-party subcontracting has become a widespread practice in the Peruvian economy over recent years, to the point that even the big multinationals are resorting to it. Temporary, casual, occasional, contingent, special - over twenty different hire-and-fire terms conceived during the Fujimori decade still allow employers to evade their obligations vis-à-vis their employees, such as access to a pension, to social security, holidays and maternity leave.

"There are a thousand and one ways of getting round having to pay a workers' social benefits. It's mind boggling," says Jorge Reyes Sota, organising secretary of the CUT (Central Unitaria de

# Peru's deregulation

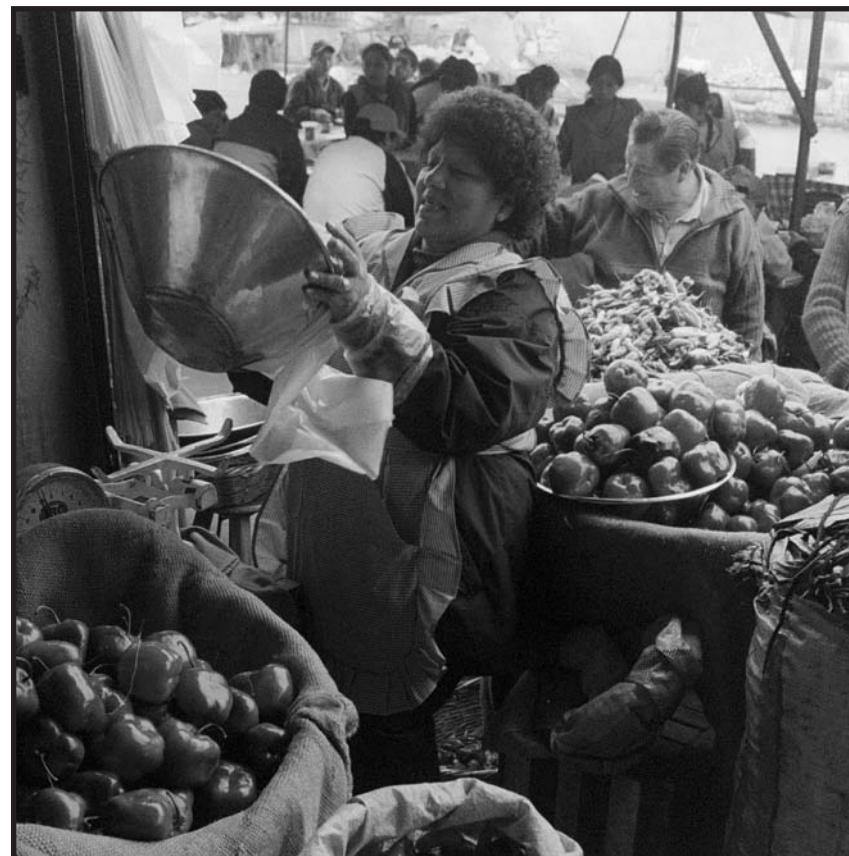
Trabajadores del Perú) trade union confederation. "All these temporary contracts ultimately constitute an obstacle to trade union freedom. How can anyone feel free to join a union when their contract hangs from a thread every three months?"

## SPLINTERING IN THE TRADE UNION MOVEMENT

The widespread casualisation of employment has substantially contributed to weakening and dividing the Peruvian trade union movement. "The introduction of deregulatory measures allowed employers and the State to impose new rules for trade union affiliation," laments Aida Garcia Naranjo Morales, the project coordinator at the *Centro de Asesoria Laboral del Peru* – CEDAL (labour advisory bureau), which assists trade unions with the process of strengthening their organisations. "This has led to a loss of unity and the splintering of the trade union movement. In the absence of unity, the different trade union centres became increasingly disperse and were left with little bargaining capacity."

In spite of their different viewpoints, the country's four recognised trade union centres (*Confederación General de Trabajadores del Perú* - CGTP, *Confederación de Trabajadores del Perú* - CTP, *Central Autónoma de Trabajadores del Perú* - CAT and *Central Unitaria de Trabajadores* - CUT) are now working together and have developed common positions on a number of specific issues through consultation and dialogue, including within the National Labour Council and the Andean Labour Council. One of the key demands of the Peruvian Labour Movement is the reform of the Labour Code, with a view to rebuilding democratic relations within the workplace. The four national centres have agreed on a legislative bill based on the recognition of all the rights established in the international Conventions of the ILO. The passing of such a bill would bring down the number of hiring arrangements to four, and make branch-level collective bargaining as opposed to company-level bargaining compulsory.

Following almost four years of discussions in parliamentary commissions, a consensus has finally been reached between the employers and trade unions on almost 70% of the clauses contained in the proposed General Labour Law (*Ley General de Trabajo* – LGT). However, more sensitive issues such as unfair dismissals, collective action, and collective bargaining by branch of activity are still major stumbling blocks. During a meeting with the CUT in early January 2006, the country's current president Alejan-



dro Toledo made a personal commitment to support the adoption of the LGT, so long-awaited by Peru's down-trodden workers.

## SWITCHING FROM A COMPANY-BASED UNION TO A BRANCH UNION

According to Blanca Gomez Manzaneque, chief technical co-ordinator of the ILO-ACTRAV project "Trade Unions and Decent Work in the Context of Globalisation in Latin America", Peru ranks second, after Colombia, in terms of trade union rights violations in Latin America. "The minimum number of workers required to form a union within a company is very high. And companies of this size are few and far between in Peru. This is why there are so few trade union organisations in the private sector. And the only way for the public sector to recover would be to reintegrate all the unionists who found themselves out on the street."

Although aware of the limitations arising from the unfavourable climate, Blanca Gomez Manzaneque considers the trade unions' response to be "too little, too late". "The organisations were easily led into believing that it wasn't important to undertake sectoral negotiations, and that it was very important to embark on company-based negotiations. Unfortunately, works councils are

practically inexistent given that such a high number of workers have to be convinced. As a result, very few companies actually end up holding effective negotiations and the remaining workers are left with no protection whatsoever."

Fully aware of the need to adapt to the new circumstances on the labour market, Julio Cesar Bazan Figueroa, president of the CUT, which is in the midst of a territorial decentralisation process, underlines that one of the main challenges facing the union movement is "fully assimilating the changes taking place in the world of work at global level, which includes, for example, making the transition from company unions to branch unions, and from salaried employee unions to general workers' unions, which include self-employed workers".

## FREE-TRADE AGREEMENT WITHOUT POPULAR CONSULTATION

Will the future be any brighter for Peru's workers? Not necessarily. Last December, following 18 months of negotiations, Peru and the United States signed a free-trade agreement. According to the NGO Plades, the FTA will probably create less than 20,000 new jobs, in stark contrast with the figure of

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700,000 promised by the Foreign Trade and Tourism Ministry. The United States, the Andean country's main trading partner, absorbs almost 32% of Peru's exports, a figure that has been steadily increasing year on year. However, the free trade agreement will only enter into force once it has been ratified by the Congresses of both signatory nations. And yet, despite the repeated calls from trade union organisations, no popular consultation mechanism has been envisaged.

The recent unveiling of the agricultural chapter of the FTA has provoked a swell of opposition among Peru's civil society, and highlighted the deep-rooted inequalities in the terms of the trade negotiations between northern and southern American countries. Whilst the US will maintain the domestic aid and subsidies supporting its producers,

the little protection that was so far provided to Peruvian farmers against market price fluctuations will be eliminated. Amid such unequal terms of trade, how can the industry of one of the least advanced developing nations of Latin America ever hope to compete with the world's number one economic power?

According to estimates of ECLAC (United Nations Economic Commission for Latin America and the Caribbean), the Peruvian economy grew at a rate of 6% in 2005, surpassing all expectations. ECLAC expects Peru's economic growth to continue at a rate of 5% in 2006. But the fact remains that Peru's sustained and continuous economic growth over the last five years has been incapable of significantly reversing the gross imbalances underlying the endemic poverty devastating the Andean nation. More than 1 Peruvian out of 2 still lives below the poverty line. Almost 1 Peruvian out of 4 (24%) has to survive on less than 1

US dollar a day.

Has Peru's economic upturn provided work for those without? The answer is no. Unemployment figures have remained practically unchanged and even rose in 2004. This rise in unemployment from 36% in 2000 to 47% in 2004 in fact partly fuelled the growth and the expansion of the informal economy. Today, over 61% of Peru's economically active population is involved in some form of activity within the so-called emerging economy, compared with 52.7% 15 years ago.

Still very much shell-shocked by ten years of "Fujimorian flexibilisation", Peru's union movement is slowly waking up to the harsh realities of a labour market in constant transition, increasingly marked by globalisation and informalisation. Hence the urgent need for trade unions to develop strategies that take on board these new challenges. ●

## Quiet destruction of the public sector

More than one million workers have lost their jobs in state owned enterprises and public administration. Most are still waiting for compensation.

**"A**ll the trade union leaders have to go, they told me. And I was left jobless overnight. I was so desperate I even considered throwing myself under the wheels of a car," confesses Francisco Ramos Silva. This senior trade unionist employed at the National Bank (*Banco de la Nación*), one of the public enterprises that was privatised, was dismissed without notice. His experience was shared by thousands of other union leaders working in public administration or state-owned companies.

### ONLY 10% OF WORKERS REINSTATE

Ten years since his dismissal, Francisco is still struggling to be reinstated. Despite the fact that a law exists providing for immediate reinstatement, the management of the National Bank refuses to take him back. According to estimates, only around 10 percent of employees dismissed in the public sector have managed to regain their jobs. Francisco is among the vast majority of workers who are still in limbo.

"In Chile, Pinochet perpetrated an overt massacre," says an indignant Jesús Guerrero Flores, the CUT (*Central Unitaria de Trabajadores*) secretary in charge of the defence of human rights. "Here in

Peru, Fujimori perpetrated a covert massacre by laying off more than one million workers." In the nineties, the government led by Peru's former head of state, intensified its public sector rationalisation strategy. It combined three approaches: economic incentives, quarterly evaluations and third-party subcontracting of basic services.

Introduced during the Fujimori era, a new regime inspired by private enterprise paved the way for wholesale unfair dismissals. It was the end of job security and the end of trade union rights. Farewell to collective bargaining. The aim was to demolish the very foundations of the Peruvian union movement and slash public spending through all out privatisation. Mission accomplished.

### NO BREAK WITH THE PAST

Even now, the number of public sector employees with job security constitutes a minority in relation to the staff on short-term contracts. These staff can be replaced every three months and directed to perform the same work for a fraction of their former wages.

But are the policies pursued by the former president, Alberto Fujimori, really at odds with those of Peru's current president, Alejandro Toledo? All workers are automatically referred to the private pension system, without being offered the option of switching to the public scheme. The Public Employment Parent Act, passed in January 2003 and backed by five additional acts, restricts collective bargaining. In the face of so much contradiction and confusion, the CUT has proposed that a comprehensive and unified law be drawn up - a kind of Labour

Code designed specifically for public sector employment.

### MANY EMPTY PROMISES

In 2000 the dismissed workers' associations decided to close ranks and reclaim the rights that had been taken from them and demand compensation from the Peruvian Congress. Many commissions and laws were examined to assess the impact of the dismissals and to legitimise the struggle of the dismissed workers. The trade union centres involved in the case helped the plaintiffs to draw up proposals and articulate their demands around four central issues: financial compensation, early retirement, reinstatement and occupational retraining.

In July 2002, over 100,000 cases were submitted by former public servants and state employees. Only around 70,000 of these were deemed admissible. Following numerous delays and protests, including hunger strikes, the government of Alejandro Toledo publicly agreed to meet the demands of almost 28,000 former employees. "As far as reinstatement is concerned, we are making some progress, although very slow. But as far as the pension payments are concerned, we haven't received anything yet," says Vasquez Puelles Victor Raul Alberto. This former employee of Petro-Peru, once one of Peru's prime state enterprises, was relying on his pension as a safety net for his family. Despite the law being on his side and the promises of the government, the Finance Minister appears unwilling to either release the funds, or even discuss the issue with the trade unions. ●

# Independent at work, together in the fight



*"Rather than turfing us out, the government should thank us for providing it with a solution to the unemployment problem by creating our own jobs," argues Gloria Salorza Espinoza, a street vendor.*

What do street vendors, market porters and the head of a small family business have in common? They are all excluded from the social security system and spurned by local authorities - but they are being organised by Peruvian unions.

**A** few marks on the ground are the only traces left of the building torn down by the municipal authorities of the Peruvian capital. Nothing is left of the trade union building in Victoria market where training sessions and meetings used to be held. What crime did the street vendors commit to

deserve such punishment? They simply occupied the public thoroughfare - the only area where they could sell their goods.

"We had no choice but to organise ourselves, as we couldn't expect anything from the municipal authorities: no services, no training, no premises," explains Gloria Salorza Espinoza. And yet, the same authorities collect a tax of one Peruvian sol (0.25 cents) a day for each pitch rented. "It's totally illegal; there's no regulation to justify it," protests a vendor of Chinese food. "But if we don't pay it, they knock over our stands and throw us out."

## UNDER CONSTANT THREAT OF EVICTION

Having to live under the constant

threat of being evicted from one day to the next is what prompted Gloria and 900 other vendors to set up a defence association, which is now affiliated to CUT - FEDEVAL, the Federation of Street Vendors of Lima and Callao. This federation represents over 10,000 unionised women, as women make up over 75 percent of the informal workforce. "Rather than turfing us out, the government should thank us for providing it with a solution to the unemployment problem by creating our own jobs," Gloria argues.

The situation is much the same in San Martin de Porres. The threat of eviction hangs over the heads of the vendors selling their wares on Caqueta market. Although formalising the status of

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these self-employed workers is proving to be a sluggish, costly, convoluted and a not always fruitful process, an intermediate solution would be to offer them secure and well-positioned pitches where they can set up their stalls. "We know we don't own the streets, but we don't go out to work on them for pleasure. We do it because most of us, as women, are not given the same opportunities as men." To combat the often violent evictions, this street vendor joined a single trade union front bringing together 3,500 "self-employed" men and women under the coordination of FEDEVAL.

When Paulina manages to sell five pieces of clothing, she takes home, after deducting her costs, a meagre profit of 20 sols (5.13 euros). It is just enough to provide for the five mouths she has to feed. But what would happen if this 57-year-old woman were to fall ill or find herself unable to work? In the informal economy, no work means no

food. It comes as no surprise then, that one of the main demands of these self-employed workers, is social security coverage. Accordingly, this crucial issue was the theme of an ICFTU-funded seminar organised by CUT in which Paulina took part a few months ago.

#### SOLIDARITY FOR SOCIAL SECURITY

Excluded by government from any form of social security scheme, workers' organisations like FETRAMAP, the national federation of land and manual transport workers, have come up with alternative measures that rest on the principle of collective solidarity. Around 90 percent of the 190 porters working on the fruit and vegetable markets pay contributions so that the 10 per cent of their colleagues who are ill or unable to work at some point during the year will at least receive some financial support.

Accidents are not uncommon at market no.1 in the Victoria district where the food brought from the four corners of this Andean country feeds 80

percent of the population of the Peruvian capital. Unloading and carrying over a hundred sacks of potatoes weighing between 120 and 140 kilos each is the kind of workload Carlos has to cope with night after night. He receives a monthly wage of less than 1000 sols. "You can easily fall off the plank and injure yourself when carrying these sacks. Everything suffers, the spine, the hips...Sometimes the truck driver forces us to run. It's at times like those when you pull a muscle or damage a tendon."

According to a recent study carried out by the Peruvian Health Ministry, a market porter has already used an average person's daily energy quota after unloading a single truck. Progress was made in 2004 with the creation of a cross-sectoral technical committee, bringing together the representatives of several ministries along with delegates from trade union organisations such as CUT-FETRAMAP. To date, however, neither the presidential decree of 1989 setting the maximum weight of a sack at 55kg nor ILO Convention 127, ratified

#### Promoting access to social protection through cooperatives and trade union membership

A word of warning: if you don't want to offend Peruvian street vendors, don't call them "informal workers". Instead try, "self-employed workers". Women make up the majority of these workers who have created their own jobs on the street. They have done this because of a lack of salaried jobs in the formal economy. Remember, anything but "informal".

In Peru, as in many Latin American countries "informal" is not in fact synonymous with "unorganised". Contrary to the norm, the Peruvians working in the unregulated economy started to form small local associations or cooperatives decades ago. These organisations, however, rarely grouped together to form federations, and even more rarely affiliated with a trade union to form a united front and speak with a single voice.

Why should the 7.5 million self-employed men and women feel the need to join a union if they are

already members of one of these local associations? What added benefits can the unions offer the three out of five workers earning their living in the informal economy?

Unlike salaried workers, they do not need to negotiate more secure contracts or wage increases. As self-employed workers their demands are geared towards occupational training, such as financial and business management, support with formalising their businesses, through the purchase of premises, administrative assistance and, above all, social security coverage, which the Peruvian state denies them.

Jorge Reyes Sota, organising secretary of the CUT trade union confederation asks: "What can we do for workers in the emerging economy? Integrate them within the healthcare system by steering the associations towards cooperative structures?" Peruvian law in fact gives service cooperatives that represent workers access to a form of social protection. It's the workers who make the contributions, the only difference is that it is paid through the cooperative rather than a company.

In spite of the difficulties, the CUT, an ICFTU affiliate, has managed to organise three basic sectors into trade unions, street vendors, small and micro enterprises, and small services. A further advance was made last December, when CUT announced the opening of a centre providing guidance and support for self-employed workers from the small production and services sectors.

But, if the Peruvian trade union centres really hope to meet the specific and practical needs of the "self-employed" sector, they must become less "formal", loosen their structures and adopt a more flexible approach to organising. According to Blanca Gomez Manzaneque, who works at the ILO-ACTRAV (Bureau for Workers' Activities) office in Lima, much work still needs to be done. "Rather than adapting their structures so that "self-employed" workers' organisations can fit into them, the trade union centres all too often expect these organisations to adapt to their traditional structures."



by Peru, have been implemented on the ground.

#### IN SEARCH OF NEW OUTLETS

Engaging workers in the informal or "emerging" economy is a question of survival for Peru's unions, according to Luis Valer Coronado, president of FEDAMPI, the federation of small and micro industrial enterprises affiliated to the CUT. "How else could the union movement recover the thousands of members it has lost? Once salaried workers, our former members, are now on the streets working as 'self-employed' vendors. It is this emerging economy that many of these workers have turned to for employment." Combining production and sales, these truly enterprising workers set up their own family or one-person businesses with next to nothing, without access to bank loans or technical support from the Peruvian government.

Their products vary but their concerns are often identical: finding new outlets. It was the desire to facilitate the export of their goods that motivated the members of the FEDAMPI union federation to form a cooperative business and join a cooperative association to protect their interests.

#### JOINING A UNION TO GAIN BARGAINING POWER

What do these entrepreneurs expect from their trade union federation? Mag-

nolia Diaz Salas, who sells pure extract of "noni", a tropical fruit with medicinal as well as properties as a stimulant, is hoping to gain training in business and marketing. "In the Amazon," she laments, "the fruit grows in huge quantities but you see tons of oranges or pineapples left to rot on the ground because the transport costs are too high to take them to the big towns. Training could be given on ways to stop these products from going to waste."

Rogelio Francisco Moncada Teran, who forms part of a cooperative of farmers from Chanchmayo and Oaxapampa, would like to switch from conventional to organic coffee growing. "The demand is there among consumers but we need assistance to change the production system, to train the people and launch the project."

Edinson Miguel Bazar Figuero, who specialises in social and community based tourism in the Sierra Norte region, stresses that for him, the advantage of being in a union was gaining more bargaining power. "As a one-man business, no one takes me seriously. Being part of a federation or a consortium of businesses makes all the difference: if the government ignores our demands we can go out on the streets to protest." His ambition is to offer tourism services directly to trade union organisations from Europe, North America and Asia.

Before long we may be seeing trade unionists taking "fair trade" holidays,

with the profits going directly to Peruvian workers. Similarly, it may not be long before workers in developed countries press their companies to buy their coffee from small, unionised producers in developing nations.

Long dominated by the big bosses and neglected by trade unions, the Peruvian entrepreneurs who affiliated to FEDAMPI say they are finally ready to win export markets. Will the international trade union movement throw them a line? ●



See video clip: Spotlight interview with Paulina Paucar Peña (Peru-FEDEVAL/CUT), "Training to improve organising skills in the informal economy" at:

<http://www.icftu.org/displaydocument.asp?Index=991223544&Language=EN>

Despite discrimination women  
are becoming more assertive



*More and more women in the labour market - and bit by bit, more women in the union decision-making posts.*

More and more women in the job market. More and more women in decision making positions within trade unions.

**D**uring the nineties, the participation rate of women on the Peruvian labour market increased by over 10 percent. Unfortunately, these women workers are increasingly confined to sectors of activity characterised by poverty-level wages and greater job insecurity. Almost 64 percent of these workers end up in the informal economy and more than 11 percent are employed as domestic servants.

## RELEGATED TO THE INFORMAL ECONOMY FOR FAR TOO LONG

Although discrimination in access to employment has been illegal since 2000, there are no laws preventing discrimination during employment. This is

one of the reasons why trade union organisations are demanding a reform of the labour code, to ensure that gender equality is guaranteed in law. According to government figures, the average wage of a female worker in Peru is a mere 74 percent of that of her male counterpart. "The notion that a woman's work is of no worth is used to support this ongoing pattern of wage discrimination," notes Rosa Guillén, who is co-ordinator of the Gender and Economy Group. "The productive contribution of women to the country's development is underplayed, as is their contribution to the household economy."

In a move aimed at promoting equal opportunities for men and women, the four Peruvian trade union centres jointly developed a 2002-2005 action plan around three central issues: personal and family development, participation in the labour market and participation in trade union decision making. The programme targets three categories of

female workers in particular: informal workers, domestic workers and agricultural labourers. Forty-two women were given the opportunity at two events in January 2005 to discuss their experiences of working in the informal economy. The national and regional events were organised by the Unitarian Trade Union Centre (CUT) with the backing of ICFTU-ORIT. Among the demands formulated by the women was a demand for a law to give them the same protection as salaried workers in the formal economy. Guillermina Huaman Salazar, coordinator in charge of women workers in the informal economy for the CUT says, "the only laws that exist in this respect apply exclusively to domestic workers and porters and are not respected in practice".

## WOMEN HOLD IN MORE THAN 30% OF TRADE UNION LEADERSHIP POSITIONS

But unions have not always set a good example. An ILO report published

in 2000 showed that although women represented 40 percent of the organised workforce, they only held eight percent of the decision-making positions on the executives of the Peruvian trade union centres. Renée Palomino Santos, secretary of the women's committee at CUT-FETRATEL, expresses her satisfaction at the success of the quota system implemented within the CUT. "Until 1995 we could only get into second-grade positions, never the top ones. We have made progress since then. Today, around 31 percent of the 22 leadership positions are held by women."

According to María Bastidas Aliaga, coordinator of the NGO, Association for Communal Development (Asociación de Desarrollo Comunal – ADC), the extra burden of household responsibilities, maternity and childcare are among the factors restricting the integration of female workers within the structures of trade unions. "Our male counterparts in the union often say: 'we invite women

to take part in training activities but they don't want to come'. Trade union meetings generally take place in the evening, exactly the time women usually spend with their families. We noticed that the unions had failed to address the issue of day nurseries, even though it is obvious that having to take care of their children makes women's participation in union activities rather difficult."

As a mother, a wife and a worker, a female trade unionist effectively works a triple shift. Her participation in union activities involves a strong individual effort. Would it be too much to ask for her trade union to give her a little help by providing her with some practical services? Wouldn't a transport allowance or a childcare centre contribute to increasing women's presence at the top of Peru's trade unions? ●



Also read the Spotlight Interview with  
Guillermina Huaman Salazar of CUT-Peru,  
"We need to promote decision-making powers for women informal workers' in trade unions" at: <http://www.icftu.org/displaydocument.asp?Index=991221365&Language=EN>

## Micro-credits can provide an escape route from poverty

How can unionised women workers in rural areas improve their living conditions? The income-generating initiative in the Huan-cabamba area is one good example.

**A** side from defending workers' interests, how can a trade union organisation develop concrete initiatives to improve the living conditions of its poorest members? It was precisely to address this issue that the Association of Women Workers of Huan-cabamba Province (AMHBA) was created. "It makes no sense to talk about emancipation without building women's capacity to manage their own economies. And women's emancipation should act as a stepping-stone to finding new poverty-reduction strategies," points out Marina Herrera Facundo, a trade union leader who also holds the position of advisor to the board of the AMHBA women's association. In Huan-cabamba province, it is estimated that close to 90% of households cannot meet their basic needs.

Today, the women's association whose ultimate aim it is to attain gender equality and sustainable development has expanded its membership base both in the rural and urban areas. It currently represents over 5000

women workers in the informal economy in the Piura region. According to Marina Herrera Facundo, AMHBA's affiliation to the CUT in 1998 marked the opening of a vital "dissemination channel". "We belong to a province that's far from the country's capital. Being so isolated makes it all the more difficult to wage our battle, to make our demands heard, and to have our proposals approved."

**I**t makes no sense to talk about emancipation without building women's capacity to manage their own economies. And women's emancipation should act as a stepping-stone to finding new poverty-reduction strategies"

In order to reach out to a maximum number of female members, the content of the training programmes provided by AMHBA has been considerably diversified in recent years and now encompasses topics as diverse as human rights, health and leadership. Prior to introducing an income generating activity, the women workers in rural communities first had to be taught how to

manage a budget and then how to tend to small-scale farming and animal breeding.

Guinea pigs, rabbits, trout, cows or vegetable plots... With the help of a technical advisor, the women themselves chose the type of projects they wanted to invest in, depending on the degree of difficulty. Based on a system of rotating funds, the women who directly take out a small loan at an interest rate of 1.5% reimburse it to the co-operative, but only at the end, once their business is already yielding fruit.

Thanks to this micro-credit scheme, Carmen García Yarleque was able to purchase and rear two cows, which she then resold. She now owns nine cows. "We buy them for around 500 soles a head and we can then resell them for 900 soles or more. The milk and cheese the cattle produces is for our own consumption. This reduces our domestic expenses."

This 24-year old female farm worker who once used to be afraid of speaking out in public now hosts a daily radio show produced by AMHBA on issues such as personal development, domestic violence and the importance of sharing household duties. "Taking part in workshops is not a waste of time because it helps us to defend ourselves better and avoid being misled out of ignorance." ●

# Trade union regional distance-learning project

Trade union leaders in Peru want to become computer literate.

**O**ne of the leaders discreetly casts a sideway glance towards her neighbour's screen. Another, disconcerted, calls out for help. In the computer room, the movements of the mouse are still slightly hesitant. Not surprising really, considering it is the first ever hands-on practice class marking the launch of the regional distance-learning project sponsored by the Trade Union Institute for Development Aid (*Instituto sindical de Cooperación al Desarrollo - IS-COD*) of the Spanish general workers' union, UGT.

The initial phase of the project that ran until the end of 2004, and was carried out in collaboration with ICFTU-ORIT, provided training to over 800 male and female trade union leaders from various countries of Latin America. Close to 1500 more, 200 of them from Peru alone, are to be trained over the next three years. With around 80 learning hours spread over a three-month period and divided into real and virtual classes, the participants will learn about and

then exchange their knowledge on one of the four central themes selected: collective bargaining, the Andean trade union movement, social security or gender and work.

"One interesting facet of this training project is that it's aimed at union leaders not only in Lima but also in three other regions of the country," says Orlando Munayco Valle, training secretary for the CUT workers' union. Observing today's session in the computer room, Hernan Benites of the NGO Plades, in charge of implementing the project, draws our attention to the combined approach being used: besides the on-line sessions in front of the computer screen, pedagogical guidance is also provided by the tutors. "With a good tutor, the drop-out rate can be seriously cut down," says Hernan. "That's why it's essential to chose a person that can stimulate, motivate and guide the participants throughout the learning process."

Some of the participants from the previous group have decided to join another course this year or, in some cases, to become tutors themselves. Jefferson Rengifo Chavez is one of them. The project has helped this 25-year old trade union leader to free himself of his male

chauvinistic outlook on trade unionism. "I didn't know that women had been among the first to stand up for their rights. To lead the struggle as a woman, that's what I'll encourage my daughter to do." Meanwhile, Carmen, who represents the street vendors, expects clear answers to her practical questions. "I want to know how a social security system could be applied to our sector. There's no insurance when we get ill, only the voluntary contributions of our members."

Isn't there a risk, however, that union leaders who do not have access to an internet connection at home or at the union office might end up being sidelined? For Pedro, the only alternative is to go to one of the many cyber cafés dotted around all the cities of Peru, which charge the reasonable sum of 1 Peruvian sol per hour. To save up the money needed, this union leader representing workers in the informal economy is prepared to sacrifice a cool beer from time to time. "The 3.50 soles I would spend on a beer gives me three hours' internet access. It's well worth the investment, isn't it?" ●

For more information regarding this project, visit:  
<http://www.edudistancia.plades.org.pe/>



### Less work means less social protection

- The unemployment rate in Peru increased from 10.1 percent to 10.5 percent at a time when it was falling in most other Latin American countries such as Argentina, Brazil, Chile, Ecuador, Venezuela and Uruguay. In Peru, the number of unemployed women is growing at a faster rate than the total number of unemployed people.
- Alongside Colombia, Ecuador, Paraguay and Colombia, Peru registered the highest percentage of men and women working in the informal economy. In Peru nearly 60 percent of country's active population are informal workers. This figure is much higher than in other Latin American countries such as Costa Rica, Panama and Uruguay.
- In social security coverage, Peru and Ecuador are both lagging behind the rest of Latin America

with only 48 percent compared to Costa Rica (79.9%) and Panama (72.9%).

- In terms of the number of cases submitted to the ILO Committee on

Freedom of Association since 1990, Peru ranks third among the countries of North and South America (behind Canada and Argentina).

Source: Avance Panorama Laboral 2005



## Migrating to find work opportunities

Through the ILO-ACTRAV, many trade unions are trying to gain a better understanding of the motivations behind the migration of workers. They need to understand the causes so they can better defend the rights of workers across borders.

**A**lmost 500,000 in 1980. Over 2,000,000 in 2000. Within 20 years, the number of Peruvian men and women living abroad has quadrupled. What is the reason behind these growing migratory flows, particularly during the nineties? The answer is most likely to be the casualisation of employment that has hit the non-agricultural sectors under Fujimori.

During those dark years, Peru registered the weakest real increase in urban minimum wages compared to Argentina, Bolivia or Chile. As a result, it wasn't long before these close neighbours were seen as lands of hope by Peru's dismissed or suspended workers. Today, the estimated \$1.2 - \$1.5 billion that Pe-

ru's diaspora sends back home each year has become one of the main sources of foreign currency fuelling the economy of this Andean country.

**T**he Peruvian migrants settling in Chile belong neither to the poorest, nor to the least educated sectors of Peruvian society. It is the lack of future career prospects, rather than poverty, that has led them to leave the country of their birth.

In an attempt to get a better insight into the situation of thousands of Peruvian migrant workers in Chile, about 20 trade union leaders, representing the two Chilean trade union centres (CAT and CUT) and three Peruvian centres (CATP, CUT and CGTP), met to discuss the issue (under the aegis of the ILO-ACTRAV). Despite the difficulties involved in attempting to quantify this chiefly clandestine migration, it is estimated that the number of male and female migrants from Peru in Chile is no more than 65,000 - 60 percent of whom are women. They are generally employed in housework, construction and mechanical repairs.

The conclusions of a study presented during the meeting reversed a number of common misconceptions. The Peruvian migrants settling in Chile belong neither to the poorest, nor to the least educated sectors of Peruvian society. It is the lack of future career prospects, rather than poverty, that has led them to leave the country of their birth.

Based on the information received during the meeting, several lines of cross-border trade union action were proposed with a view to better protecting the rights of migrant workers. They were: public advocacy, the development of a database in collaboration with the diplomatic representations and, the introduction of specific assistance measures for women. A year after this meeting, much remains to be done before the protection of the rights of migrant workers on both sides of the border becomes a priority for the Peruvian labour movement. "The issue of migrant workers has not yet been systematized as it should be," admits Julio Cesar Bazan Figueroa, president of the CUT, Peru. "It's early days yet and efforts are still focused on gaining greater knowledge on the issue." ●

# Two million children at work in Peru



The country's four trade union centres join forces to tackle this scourge.

**N**early one out of every three children in Peru is the victim of child labour, according to ILO-IPEC. An estimated two million children and teenagers under 17 carry out some form of economic activity. As a result, nearly 21% of school-age children never get to sit in a classroom. Meanwhile, many of those who actually make it to school only attend very sporadically or soon drop out.

Without wanting to condone this phenomenon, the high levels of unemployment and underemployment among their parents partly explain why even young children are having to contribute to the needs of their families. Yet, although child labour seemingly alleviates poverty in the short run, it only makes it worse in the long run. A number of studies show that children missing out on these years of education pay a high price later in life; on average, workers who have not completed the

basic school cycle earn 20% less.

On the initiative of the Peruvian government, workers', employers' and State representatives have been meeting since 2003 within the framework of the National Executive Committee for the Prevention and Eradication of Child labour (Comité Ejecutivo Nacional de Prevención y Erradicación de trabajo infantil - CEPTI). In concrete terms, this tripartite body has already reviewed the list of dangerous tasks and organised awareness raising actions. "We have achieved what we wanted with the workshops", explains Evelinda Olivera Canasco, who represents the CUT on the Committee. "The videos have had a tremendous impact". Certain business women appear to be unaware of the situation in their own country."

Spurred by the ILO, Peru's four trade union centres (CGTP, CUT, CTP and CAT) also formed a single front to draw up a 2005-2006 action plan aimed at eliminating the worse forms of child labour. One of the key objectives of the plan is to make child labour a necessary, urgent and priority item on the trade union agenda for action at all levels in-

cluding, for example, collective bargaining.

Much still remains to be done, however. In spite of the ratification of ILO Conventions 138 (Minimum Age for Admission to Employment) and 182 (Worst Forms of Child Labour), Peru has so far failed to bring its national legislation in line with the internationally recognized standards on the protection of children. "This now obsolete law is far removed from present day reality", says Evelinda Olivera Canasco. "We have drawn up a proposal for amendment that has been submitted to Congress." ●

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