

■ PERU

The neoliberal economic programme: cluster bomb against human rights



Since its implementation in 1990, the neoliberal programme has produced a chain of systematic violations of the rights to life, to decent employment, to a healthy environment and especially to the rights of women. The right of workers to enjoy job stability is considered by the powerful to be an unacceptable privilege, while strikes and protests are turned into crimes against investments. Crime proliferates along with poverty and the despair of the majority.

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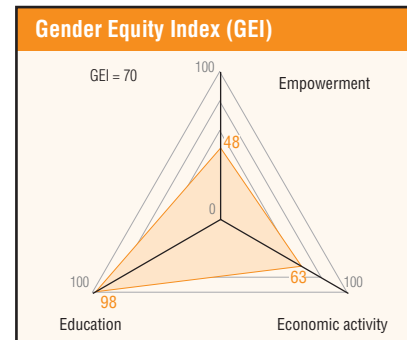
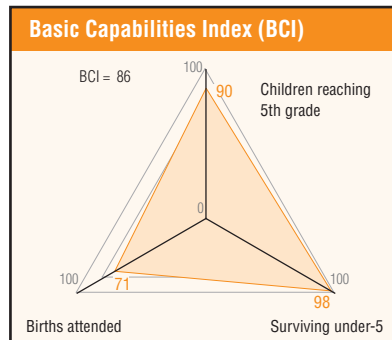
Fernando Belaunde Terry, in his second term as President of the Republic (1980-1985) when the army massacres against the rural population started, stated publicly that he would happily throw Amnesty International's reports into the trashcan. Augusto Cipriani, bishop of Ayacucho during the crudest period of the civil war (1982-1992) and current Cardinal of Peru, in answer to the complaints of the families of the 'dirty war', said, "Human rights are a *cojudez* [stupidity]."

As well as expressing the views of an influential sector of the population, both statements highlight the systematic attack on human rights since the start of the stabilization and structural adjustment programme in August 1990. This was consistent with the massive sale of public enterprises, the increase in gasoline prices and food by more than 10 times in barely a day and the abrupt withdrawal of state subsidies for food. The programme, described by its own authors as an 'operation without anaesthetic', led to the creation of the sui generis dictatorship of Alberto Fujimori, who governed from the time of his 'self-inflicted' coup in April 1992 until he was forced to leave power in 2000 due to popular and international repudiation of his regime.

Fujimori-ism and beyond

Fujimori's 'globalizing' regime drew the most conservative groups of private businessmen directly into the conduction of the ministries, putting the State at the service of his private dealings. He organized a corruption system that allowed for the appropriation of public resources by the generals and bureaucrats who collaborated with the regime; he set up a system of selective repression with the Intelligence Services of the Armed Forces, which included having people followed, blackmail, buying people off, interception of personal communications and murder. He controlled radio, television and the press by paying for official advertisements and exemption of taxes to those who supported the regime.

Since then and up until today, the neoliberal economic programme has allowed for the unregulated extraction of Peru's riches, which violates the right of the country to dispose of its natural resources, as growth of the national product, while increasing the utilities of corporations.



Racism

The prominence of private businessmen such as Vega Llona, Benavides, Rodríguez Pastor, Farah and others in the government has not only an economic meaning but also a cultural and social one. Jaime Bayly, one of the most popular television hosts, recently reported that at an altitude of 2,500 metres, where the indigenous population lives, the brain receives less oxygen and is therefore less able to think. During the 2000 election campaign, the father of extreme right candidate Lourdes Flores referred to former president Alejandro Toledo, at that time presidential candidate, as "the *auquéñido* [i.e., Andean camelid] from Harvard". The exclusive beach Club Regatas, frequented by upper class family groups, does not allow domestics to use the same beach parasols as the bathers they serve. At the Asia condominium in the south of Lima, another exclusive beach, house cleaners are not allowed to go into the water when their employers are bathing. The discos at Centro Comercial Larcomar, in Lima, have been reported by human rights organizations for not allowing access to their premises to people with dark skins.

The 'services' system

The rights of workers in private and public companies were badly hit when in 1991 Decree 718 made employment more 'flexible' allowing staff to be fired without cause. By means of the 'services' system, a company can 'sell' work to another company, paying its workers the minimum salary and making a profit with the difference between this salary and the salary paid by the 'buyer' company. This allows the 'seller' company to trade with the work of poor, scattered and vulnerable people; the contractors are

not obligated to pay benefits or social security and have no responsibility for the worker, since there is no labour relationship. A huge number of these 'services' are the property of ex-military and police personnel. Transnational corporations in communications, supermarkets, mining, banking, security services, and the asparagus and grape exporting business, among others, all use the system. Their victims are the women and the young who work an unspecified number of hours per day for less than the minimum wage.

Textile firms that export under the terms of the Preferential Tariff Treatment with the United States and are awaiting implementation of the Free Trade Agreement – which has already been signed – have fired 1,200 workers for trade union organizing in the last year.¹ The newspaper *La Primera* reported that there are textile workers who work up to 32 hours straight, including pregnant women.² As many as 3,825 workers were fired for organizing unions in the last three years. Women workers are granted no pre- or post-maternity leave, nor are they given time for breast-feeding. The law for non-traditional exports (DL 22342) allows companies to take on workers for periods of two to three months and to renew their contracts indefinitely.

1 Icadie SAC, Star Print, Topy Top, Diseño y Color, Ceditex, Copetes and other companies belong to the same families who are constantly creating new firms in order to avoid respecting workers' rights.

2 *La Primera*. Special report by Paco Moreno, 27 February 2008.

Women

With the first 'shock' programmes that eliminated price controls and allowed the market to be dominated by food import monopolies (wheat, beef and milk-cereal mixture), industrial and commercial workers in national companies lost their jobs. Hundreds of thousands of women, forced to become responsible for feeding their families gathered in the popular soup kitchens that exist to this day. With the continuation of the neoliberal programme, women are a huge part of the three million Peruvians who have been forced to emigrate. Following the economic revival that began in 2000, they comprise the majority of the labour force in agricultural exports and in the clothing industry. As well as the exhausting working hours at a minimum salary, they must see to their families, a task for which they receive no remuneration at all.

Farmers

Farmers and rural workers that do not export their produce, have no place within the system. The State no longer provides training and technical assistance for farmers and cattle breeders because it considers these to be contrary to the laws of the market. Concessions were granted to mining and oil companies for the exploitation of gas, oil, gold, copper and other metals in the Andean region, together with exemptions from most taxes and royalties. This has led to illegal occupations of Andean and Amazonian community lands, and to the poisoning of water and air, which threatens their very existence, constituting a menace to their right to life.

'Microbusiness people' and the middle class

Fired workers and the young who do not find employment and cannot leave the country as economic exiles are forced to find survival occupations, so-called 'microbusinesses' dependant on informal usurer-type credit. There are tens of thousands of small workshops, but few of them can make much money and there are hundreds of thousands of salespeople, acrobats, *llamadores* and *combi* ticket sellers, *mototaxistas*,³ scavengers and waste vendors, street children, prostitutes and other types of urban workers. Meanwhile, the middle class is no longer able to enter the civil service, since the National Planning Institute and the Higher School of Public Administration have been closed and the scales used for staff salary designations discontinued. Currently, public employees are hired under a system of ruling party clientelism, and are under contract for 'non-personal services', a euphemism which means that the State can fire them at any time, especially when there is a change of government, minister or boss.

3 *Llamador*, person who calls out mintaxi routes. *Combi*, minibus. *Mototaxi*, motorcycle converted into a taxi.

Remittances and social investment

Successive neoliberal governments have tried, though not always successfully, to exchange gifts for loyalty; in Peru today this dependency relationship between the urban lower classes and the tyrants of politics and economics is the main obstacle in the construction of a society based on human rights and citizenship. Using the "focus" on the poor encouraged by the multilateral financial institutions, the neoliberal regime goes for a direct relationship between government authorities and the more impoverished and less educated members of society in order to neutralize the middle classes or popular leaders who are active in miners' strikes, in requests for forming unions and in rural and regional strikes.

In December 2007, 49.2% of households with children or adolescents were registered as receiving at least one food programme, whether a glass of milk, a soup kitchen, school breakfast, *papilla* or *yapita* (baby food), the family basket or others.⁴

On the other hand, in 2007 investment in education reached only 17.1% of the budget and 3% of GDP, and public spending on health was 8% of the budget and 1.6% of GDP while the debt service was 18%. The long-standing practice of paying external debt while neglecting internal social debt has resulted in dilapidated schools, discouraged families and teachers and low educational quality. To counter this situation patients have to spend more and more: 37% of health expenses are financed by the families.⁵

Meanwhile, nearly three million Peruvians (10% of the population) receive a total of USD 2.49 billion in remittances from emigrants. This is equal to 10% of exports, 1.7% of GDP⁶ and four times as much as is spent on policies against poverty; and exceeds state expenditure on public health.

Statistical poverty and real poverty

The Government has been stating for the past two years that poverty is diminishing. But this is a statistical approximation based on the methodology of the World Bank, which does not measure violence, delinquency, drug consumption, loss of values, tuberculosis, alcoholism and other social ills that crosscut all sectors of society. Civil society organizations have got together to discuss alternatives to poverty and in 2007 they presented the first non-governmental report on compliance with the Millennium Development Goals and objectives.⁷

4 National Institute of Statistics and Information Technology. "Informe del cuarto trimestre 2007".

5 Ministry of Health/Pan American Health Organization. "Perú: Cuentas Nacionales en Salud: 1995-2000".

6 FOMIN, Bendixen y Asociados. "Encuesta de opinión pública de receptores de remesas en el Perú". *La República*, 6 December 2005.

7 GCAP National Committee. "Informe sobre el cumplimiento de las Metas del Milenio en el Perú". July 2007.

Successive governments have declared that the economic programme is successful and have refused to modify it. Even if the increase in GDP since 1997 might appear to be on their side, it is in large part due to international price increases and not greater productivity, and the result of refusing to see that the money that circulates is a product of the drug trade. In spite of the growth of the construction industry, of 'non-traditional' exports and fishery, the export value of these Peruvian goods during the past 15 years grew by 28%, while the volume only increased by 2%.⁸ The number of supermarkets expands, exports diversify, the building of homes mushrooms, the neon lights flash over the casinos, tourism increases and employment grows; but officials say nothing about the type of employment involved: humiliating and devoid of rights.

Alternatives

Despite media assurances that the country is growing and poverty is diminishing, mass protests increase: from the Peruvian General Confederation of Workers (PGCW) and the unions to the communities affected by mining, from the regional governments to NGOs and human rights activists. When strike organizers blocked highways in last year's mobilizations, the response was Legislative Decree 982 or 'the decree of death', on 22 July 2007, which exempted the armed forces and police from responsibility for wounding or killing a civilian when "complying with the line of duty". It was in line with this that four peasants were shot dead during the agricultural strike of February 2008. But protests continue. The PGCW has announced a general strike this year, while social and political activists have formed a Political Social Coordinating Committee.

In an increasingly discredited parliamentary democracy, nothing seems to have changed in the mentality of the authorities since the time of Fujimori. In the same line as Cardinal Cipriani, the response to complaints about these deaths by Rafael Rey, Minister of Production in Alan García's current government, was: "What do they [the armed forces and the police] have guns for, to keep them at home or to use them when they need them?" Notwithstanding ten years of civil war and a hard-won democratic peace, little seems to have changed in the mentality of authorities and businesspeople and the country in general, with respect to human rights. Until when will they be considered a *cojudez*? ■

8 Business Research Centre of the Lima Chamber of Commerce, June 2007.