

# Peruvian government approves labor counter-reform

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23 July 2013

The Civil Service Law, a “reform” of the public sector passed earlier this month by the Peruvian Congress, is the latest attack on the working class by the “left” nationalist government of President Ollanta Humala. The approval of the new law, whose goal is to destroy workers’ rights and justify mass layoffs, had been scheduled for the end of last month, but was postponed because of mass public sector worker demonstrations outside the congress building.

The General Confederation of Workers of Peru (CGTP) launched a nationwide strike on May 29, marching through downtown Lima to the Government Palace, where they confronted tanks mounted with water cannons and police attacks. Thousands also marched in the provinces. In Chiclayo, 2,000 workers carried a coffin bearing a picture of President Humala. In Iquitos, capital of Loreto in the jungle, workers blocked access to the city’s airport. Demonstrations also took place in Piura, Tumbes, Trujillo, Ayacucho, Arequipa, Tacna, Puno and Cuzco. The strike was canceled by the CGTP two days later when the Congress Working Committee decided to postpone the ratification of the law and sit down to negotiate with the union bureaucracy.

However, this “dialogue” with the union bureaucracy had no effect, and the law was adopted on July 3 with the majority support of both Gana Peru (the coalition between the pseudo-left and Humala’s Nationalist Party) and Peru Posible (the party of big capital of former president Alejandro Toledo). Mario Huaman—CGTP leader and former Stalinist—announced a new national strike day.

The macroeconomic statistics indicate that the Peruvian economy is slowing significantly. This, plus the sharp rise in consumer credit and credit card debt, represents serious potential problems for the

government and the financial sector in the immediate future.

The financial daily *Gestión* points to a “lower performance in the areas related to domestic demand and stagnation in the primary sectors”; and this, together with the fall in prices of minerals, whose previous rise boosted Peru’s economy in recent years, has raised fears within the government that it may lose the confidence of investors if it fails to send a clear signal that it is willing to take any measure required to make the state more “flexible.”

This was made clear by the minister of economy, the “orthodox” neo-liberal Luis Miguel Castilla, at an investment forum titled “Invest Peru.” “The Civil Service Act seeks to have a more efficient state that keeps pace with dynamic business sector,” he said, adding that “we have a window of opportunity where this crisis should make us act on those other reforms and changes to bring political gains.” The National Confederation of Private Business, the largest business association in the country, expressed its full support for reform.

What is the Civil Service Law? In Peru, public servants are divided into three different categories of work, which define income and benefits: Private, Public Career and CAS (Contract Administration for Service). The new “reform” aims to unite all three in one state labor regime, which would affect 500,000 workers.

One of the claims that promoters of this anti-reform most frequently make is that it will foster a “meritocracy.” The measure would eliminate years of experience as a factor in promotions, which would be determined instead by workers’ annual evaluations. Workers who fail to pass these evaluations would be fired.

This represents a direct attack on older workers, as it may be the case that the younger ones excel in the tests because of better physical condition or formal education—which does not mean that in situations of danger or difficulty they have the experience required to solve complex problems and save lives. In other words, the law would help force out experienced workers who have dedicated their lives to public service, and allow their replacement with lower-paid younger workers, while further cutting labor costs by reducing the years of service.

Senior government officials have repeatedly stated that the “reform” does not mean “a return to the 1990s,” a reference to the wave of mass layoffs and the destruction of labor rights that came with neo-liberal reforms carried out in that era by the right-wing authoritarian regime of President Alberto Fujimori. However, the CGTP stated that the new law would prohibit “the supervision of the Ministry of Labor, eliminate unions and reduce vacation time by half.”

The explanations that have been given to deny that the law will mean mass layoffs are not sufficient. It is reported that if the government agrees to bring all 150,000 workers under the CAS into a new unified regime, it would have to spend 50 million soles in new state benefits. This at a time when the Humala government aims to demonstrate that it can shrink the state to attract investors.

The law has caught the attention of even the International Labour Organization (ILO), a branch of the UN that is totally submissive to the corporations and international finance. In a statement to the government, the ILO has called the reform “unbalanced” and echoed the main complaints of workers.

While the CGTP has been forced to “fight” the new law with its one-day strikes and fruitless dialogue, a report on one of their marches to Congress by the Lima daily *La Primera*, which acts as spokesman for the pseudo-left, is revealing: “He [CGTP leader Mario Huaman] was received by the nationalist lawmaker Daniel Abugattás [one of the closest allies of Humala and reportedly a personal friend of Huaman]...after expressing his support for the policies of government, he [Huaman] demanded the fulfillment of social demands and warned that his support [to the government] is no blank check.”

Early last month, the left-~~Wing~~<sup>Wing</sup> ~~weekly~~<sup>weekly</sup> *en sus trece*, reported on the creation of CONSEDE (Coordinator of State Enterprise Unions), a new trade union confederation, formed by the union of air traffic controllers and SEDAPAL, representing workers in the public water utility, which aims to become a rival to the CGTP. Huaman replied by minimizing the size of this new organization, and suggesting that it is the work of right-wing parties that are trying to “split” the labor movement.

In their remarks, the officials of the two unions said that they had “united” the distrust toward the CGTP, which they described as “politicized, old, moth-eaten and close to the government.” While this new organization poses no break with the program or political methods of the CGTP, its emergence is a distorted reflection of the disgust and growing popular opposition toward the official “labor movement.”

Belying the “positive” news promoted by the government, that Peru is one of the main poles of attraction for foreign investment, numerous social conflicts have never ceased since Humala took office. These struggles, related to mining and the environment, have mainly focused on small towns and villages outside the capital, Lima. Now, they are joined by the demands of government workers, who are taking their fight to the streets of Peru’s major cities.

Moreover, the significance of the strike by government workers, including the important health sector, is that Latin America and Peru are not exempt from the impact of the global crisis that began in 2008. Rather, along with recent demonstrations by millions in Brazil against the corrupt Workers Party government of Dilma Rousseff and the massive student movement in Chile last year against right-wing multimillionaire president Sebastian Piñera, the resurgence of strikes in Peru is an integral part of the emerging struggles of the international working class against a bankrupt world capitalist system.



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