

Thousands of Peruvian youth and students protest labor law

Armando Cruz and Cesar Uco
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Thousands of young Peruvian workers and students protested on December 18 against the new “Youth Labor Law” (YLL) of the nationalist government of President Ollanta Humala. Thousands more took to the streets on December 22.

The YLL, approved in November by a coalition of lawmakers from Humala’s Nationalist Party and the right-wing *fujimorista* [loyal to former dictator Alberto Fujimori] Popular Force, forms part of another so-called “economic package.” The supposed purpose of this legislation is to revive the Peruvian economy, which, after years of sustained growth, has clearly entered into decline. The daily *El Comercio* announced that GDP projections for this year fell from 6 per cent in January to 2.6 per cent in November.

The free-market response of the Humala government has been the promotion of cost cutting by big business and making laws that protect the environment more “flexible.” The YLL follows another law that limits the functions of the Environment Ministry and facilitates access to the exploitation of previously protected ecosystems. Everything is being sacrificed for profits (mining, manufacture and financing).

According to the government, the new law would encourage small- and medium-size businesses to hire young people who work in the so-called informal sector (which operates outside of the control of the government).

Leaving aside criminal activities, this sector includes those who work in informal mines, household maids, market workers, garbage workers, craftsmen and street vendors—many of them children.

Thousands of other workers in the “formal” economy are subjected to contingency contracts and hunger wages, something that is typical in the textile industry and other maquiladoras tied to exports.

While the growth of precarious work is a global phenomenon, it dominates in Peru. It is estimated that 74 per cent of the economically active population (EAP)—and 9 out of 10 young people—work in the informal sector. This sector and other special regimes of “labor flexibility” have been

promoted by all Peruvian governments since the first government of Alan García Pérez (1985-1990) of the ostensibly populist APRA party. Since then, the informal sector has grown enormously.

The part of the new law that has caused the greatest controversy is its mandate to cut labor benefits in order to lower the cost of hiring young workers. Young people between the ages of 18 and 24 will have no access to unemployment compensation, life insurance, family bonuses or the right to vacations.

Government advocates of the new law cynically claim that young workers would not have gotten these benefits anyway. Martha Chavez, a far-right fujimorista congresswoman and chairwoman of the Congress Labor Commission, said, “If young people have nothing, what is it that I am cutting?”

For his part, Humala has defended the YLL for being “realistic.” Humala, who was elected largely for his feigned opposition to the neoliberal model, has shifted so far to the right that opposition rightwing parties have sought to obtain some political credibility by attacking his openly pro-business politics.

Many analysts and even the International Labor Organization insist that the new law will not resolve the problems of the informal sector and unemployment, and that it is actually another “subsidy” from the government to big business. It is predicted that employers will fire older workers so that they can hire younger people under the YLL and thereby slash labor costs.

Even though they claim that the law will benefit small and medium enterprises, the profit gains would be enormous for companies with big workforces.

The bourgeois liberal daily *La República* explains how business will benefit: “A young worker hired for minimum wage under the new law will save the employer some S/. 2,250 a year (US\$ 755), an amount that, multiplied by the three years that sets the norm as a maximum period for hiring, adds up to 6,750 soles (US\$ 2,370) for every young person. As a company can have up to 25 per cent of its payroll under this regime, according to the new law, the

supposed benefits for entrepreneurs in the commercial, services and manufacturing sectors are evident.”

The recent protests were not confined to the capital of Lima. Youth and students also demonstrated in other major cities, such as Arequipa, Trujillo and Cusco. The December 18 protest in Lima was set to march towards Congress and the Government Palace, headquarters of the executive power. But the streets were closed, and thousands of young people and supporters of left parties and groups who assembled at San Martín Square were forced to march down the large Arequipa Avenue, passing by the headquarters of the ruling Nationalist Party.

Police provoked clashes and then fired tear gas to scatter the protesters, who dispersed in all directions through the upper-class districts of San Isidro and Miraflores. There were a dozen arrests and charges that a young person had been hit by a police car, which immediately fled.

The WSWs spoke with several of the protesters. José, a social sciences student from San Marcos University, considered cutting benefits unjust and pointed out that congressmen are collecting benefits for dependent children when their children are already adults. Franco, an arts student working as an illustrator, said that he works on his own because businesses do not provide benefits. “You work for many months and they only pay you a minimum wage for shifts that last more than nine hours.” He also complained that enterprises would benefit with the new law since they will get “really cheap labor.” Félix, a law student, declared that he was protesting so that “the right to equality at work may prevail.” He also charged that the cuts would only benefit the corporations.

On Monday another protest was called. This time, Minister of the Interior Daniel Urresti issued “warnings” and “recommendations” for those going to protest that amounted to obvious threats of repression. Protesters were warned that they must show their ID cards (DNI), not wear kerchiefs (a slight protection against tear gas) or hoods and not bring bags or glass bottles. Urresti claimed that these measures were necessary in order to detect criminals or “infiltrated” members of Sendero Luminoso (a Maoist guerrilla movement that no longer exists) or MOVAREDEF, the descendent political party of Sendero Luminoso that has no support among the youth.

For the Ministry of the Interior to make the presentation of ID cards a precondition for attending a public demonstration represents a direct attack on the freedoms of assembly and expression. Prime Minister Ana Jara immediately declared that asking for IDs was unconstitutional. Behind the policy are government concerns that any unrest could jeopardize foreign investment. It is determined to show a strong hand in suppressing social conflicts that are spreading throughout the

country.

The student protests represent the beginning of popular opposition to the openly rightwing Humala government, whose golden years based on the exportation of minerals, mainly to China, are over, and which is now forcing the people to pay for the slowing of the economy. It is determined to transfer an ever-greater share of the wealth produced by the Peruvian working class to Peruvian and world capital.

The Stalinist General Confederation of Peruvian Workers (Confederación General de Trabajadores Peruanos, CGTP) also gave its support to the protests, but solely in order to channel them into cooperation with the government. “We are developing a challenge of unconstitutionality because we consider it [the law] a discriminatory regime,” said César Soberón, secretary of the CGTP working youth.

Significantly, on December 22, when thousands marched through Lima’s streets, Mario Huamán, general secretary of the CGTP, sent congratulations to Cuban President Raúl Castro for reaching a deal with the US government. The Castro government (just like the Peruvian ruling class) has prepared its rapprochement with Washington by imposing labor flexibility and informal and contingency work measures upon Cuban workers and youth for the benefit of world capitalism.

All these forces—APRA, the independent unions and the CGTP—conspire with Humala to contain the popular protests against the YLL and keep the youth chained to the government and capitalism. The students and working youth, along with the Peruvian and world working class, must take the road of independent politics and the fight for socialism.



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