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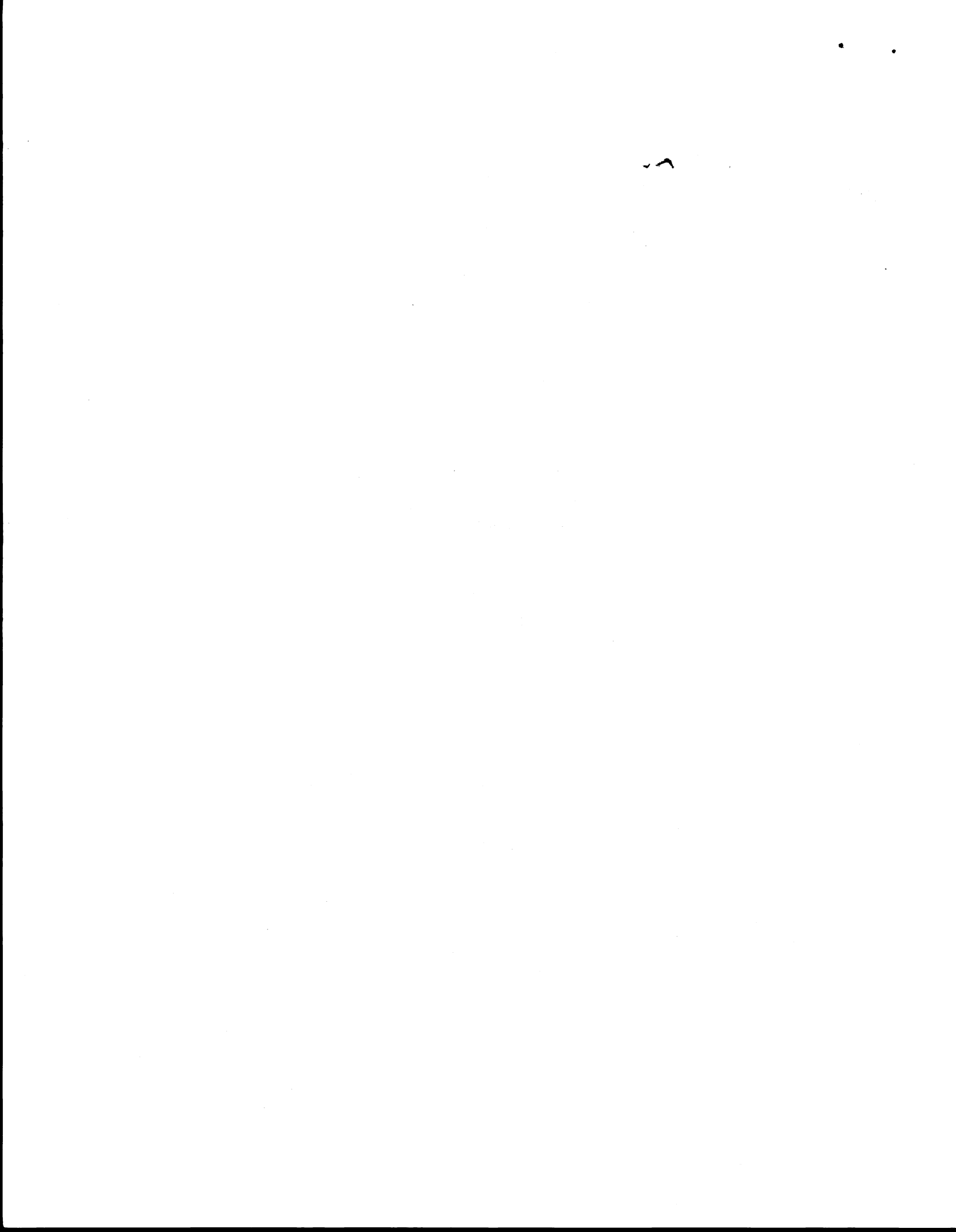
A DISCUSSION OF MAJOR ISSUES ARISING  
IN THE RECRUITMENT OF INDUSTRIAL LABOR IN PERU

BY

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Critics of modern mass culture notwithstanding, a commitment to the goal of industrial development now seems virtually universal. It is also apparent that no comparable consensus exists on the proper means toward this general end. Not only are the interested parties predictably in disagreement over tactics but the uncommitted professional observers are almost equally in dispute over such unavoidable issues as land reform, investment priorities and the degree of mass political participation in the determination of economic development.

Such disagreements are inevitable in that the general goal of industrial development clearly can be approached by a variety of paths, even if it results eventually in a standardized common culture. The 20th century has thoroughly disabused us of the idea that currently underdeveloped countries must retrace Western steps to achieve a comparable level of economic well-being.

On the more concrete level of the situation facing a particular country, somewhat more agreement can perhaps be reached without becoming lost in ideological issues. The majority of foreign observers and many Peruvians, for example,

seem agreed that a rapid development of manufacturing constitutes the only long-run solution to Peru's current demographic and economic problems.<sup>1/</sup>

Their reasoning briefly is that the mechanization currently proceeding in the primary sectors of the economy offers little future employment to the rapidly increasing population while manufacturing operations and "tertiary" services constitute the only alternative (other than a reduction in the rate of population growth which was not considered).

I therefore shall discuss a number of the major issues involved in the creation of an industrial labor force as part of the process of economic development.\* I am interested in seeing how this transformation currently taking place in Peru compares with its historical counterpart in Western countries as well as with comparable underdeveloped areas today. Specifically, I shall relate the factors of plant location, legislation, and recruitment practices to labor commitment, conflict, absenteeism and turnover.

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<sup>1/</sup>Pan American Union, The Peruvian Economy, Washington, 1950. United Nations, Analyses and Projections of Economic Development: VI - The Industrial Development of Peru, Mexico City, 1959. A Program for the Industrial Development of Peru, Arthur D. Little, Inc., Cambridge, 1960. Unión Panamericana, Informe Sobre la Integración Económica y Social del Perú Central, Washington, 1961.

\* The field research on which this discussion is based was conducted in 1959. 3,918 empleados and obreros in 13 of Peru's largest textile mills were studied. Nine of the mills were in Lima, three in Arequipa and one near Cuzco. See David Chaplin, The Peruvian Industrial Labor Force, to be published in 1966 by the Princeton University Press.

### Plant Location

A central issue is that of location. The greater success which urban textile factories in Peru have enjoyed in recruiting and holding a satisfactory labor force as compared to the "decentralized" plants is apparently due to the fact that:

1. Their workers were city-born or were voluntarily self-selected migrants from rural areas;
2. They are part of a largely commercialized world in which most necessities and luxuries cost money which paid labor can provide; they are thus exposed to a wide range of consumer goods which have effectively eliminated the problem of a fixed level of wants, the age-old justification for subsistence wages for "native" workers;
3. They are exposed to the normal inflationary spiral. Rising prices on goods and services alone will drive the worker to seek the relatively highly paid factory work, even in the absence of any progressive ambition, simply to preserve a customary standard of living.
4. As "successful" migrants, they often marry "urbanized" wives. This is especially true in the case of rural migrants, most of whom are young, single males. Such wives are singularly effective agents of higher consumption aspirations.

5. They also find themselves in urban areas without the protection of a traditional patron and alternatively with a variety of voluntary associations such as unions, political parties and social clubs to assist in the process of the psychological emancipation from paternalism necessary in a modern industrial worker.

In addition, in Peru the rural-urban wage differential is far greater than in the United States. This is due partly to payment in kind in rural areas and also to the very unequal enforcement of the generous labor and social security laws. The differential enforcement of these laws has made the urban manufacturing labor force the most privileged of all blue collar occupations.<sup>2/</sup> In addition to this "pull," more than sufficient "push" out of rural areas now exists due to population growth coupled with a scarcity of arable land, and the absence of a significant amount of "land reform" which might have succeeded in making agricultural work more attractive. It is noteworthy that in Peru there is practically no genuinely Indian-sponsored nostalgia about rural life. Most Indian migrants today seem to be thoroughly disenchanted with their ancestral areas, which, unlike many areas in Asia and Africa, have been under overwhelming

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<sup>2/</sup> Economic Commission for Latin America, The Industrial Development of Peru, United Nations, Mexico, D. F., 1959, p. 11.

European cultural as well as political domination for over four hundred years.

Rural employers, on the other hand, have long suffered from a high degree of labor turnover and absenteeism. Most of the pre-World War II literature on labor recruitment characterized such problems as universal in underdeveloped areas.<sup>3/</sup> However, on reconsidering these reports it seems that the great majority refer to mines and plantations -- normally not located in urban areas. Rural employers could not enjoy the advantages listed above.

Our own data indicates that even from 1900-1945 the Lima mills did not suffer significantly from such problems. In fact, an objective view of labor-management relations during this period, and even to the present, would have to credit or debit management with much of the responsibility for what labor instability existed. Peru's textile mills internally, and the textile industry as a whole, are poorly organized<sup>4/</sup> (although relatively better than many other Latin American countries).<sup>5/</sup> Most firms are over-integrated

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<sup>3/</sup> Wilbert Moore, Industrialization and Labor, Ithaca: Cornell University Press, 1959, pp. 306-7.

<sup>4/</sup> Roger Haour, Estudio Sobre la Modernización de la Industria Textil en el Perú, United Nations Office of Technical Assistance, Lima, Peru, 1959.

<sup>5/</sup> United Nations, Labor Productivity of the Cotton Textile Industry in Five Latin American Countries, United Nations Department of Economic and Social Affairs, New York, 1951, p. 105.

-- from spinning to finishing and even retail sales -- and poorly structured, in terms of the ratio of spindles to looms and the productivity of both compared to the capacity of their finishing machines. As a result production is often interrupted owing to managerial actions. In addition, textiles throughout the world have been undergoing a chronic overproduction and reorganization crisis throughout the history of Peru's branch of this industry.

It would be especially inappropriate, of course, to locate light semi-durable consumer goods plants -- such as textiles -- far from well-populated areas. We may then justly attribute the low productivity and poor working conditions in such rural plants not only to their environment but directly to their management's motivations for preferring such a location, usually a preference for cheap and docile workers above all else. Such motivations are usually accompanied by an inefficient use of labor. Rural locations arrest the development of the "proper" sequence of stages of participation and adult socialization which prepare a worker voluntarily to seek, and to remain in, industrial work.

As for the recruitment devices employed by management, with very few exceptions and with poor results, very few of the textile factories made use of the "classic" labor recruiting tactics such as enganche, yanaconaje, la

república, and faenas or mitas. They did not need to use such techniques largely because they were located in urban areas with a ready-made labor supply.<sup>6/</sup> Those that did use these tactics sacrificed much to achieve labor discipline and low wages. In one rural case, girls were recruited directly from Japan under the control of a Japanese ex-army officer. Another technique was the renting of an hacienda from the Beneficencia Pública\* in order to inherit the traditional work obligations of the resident Indians. In the only current example of this latter method, the factory was taken to the hacienda, the workers were not taught Spanish and were paid one-fifth of the prevailing urban provincial wage. As a result, I found there the highest "morale," thanks to a successful effort at the reconstruction of traditional paternalism, and the lowest productivity of any textile mill in Peru.

In general, during the first period of the development of manufacturing in Peru -- 1900 to 1940 -- when the mines and coastal haciendas wrestled with a shortage of labor

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<sup>6/</sup> Briones also observed the same ease of "incorporation" in his 1962 study of the Lima labor market. Guillermo Briones, "Movilidad Ocupacional y Mercado de Trabajo en el Perú," América Latina, Vol. VI, No. 3, July - Sept. 1963, p. 64.

\* Public Beneficiary Societies set up in the 1830's as an alternative to the church to receive property and manage charitable activities. They are today one of the major landholders in Peru.

and resorted to most of the above "classic" recruiting techniques, the urban textile mills, had no need of relying on such methods.

### Legal Environment

A directly related factor in labor recruitment is Peru's outstandingly "progressive" labor and social welfare legislation. I shall not attempt to make a detailed analysis of Peruvian labor laws but shall rather offer my interpretation of their general significance as a result of my field research and background study. It may be said that Peru's labor legislation was passed in its generous and progressive form:

1. Because of a desire on the part of influential Peruvians to reassert Peru's membership in "Western" civilization.<sup>2/</sup>
2. Because of the pressure of the Aprista party and its labor union support.
3. By governments opposed to the Aprista party in an effort to wean away the same group of workers.
4. Because most Peruvians do not accept either the desirability or reality of a "free" market-determined level of wages and working conditions.

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<sup>2/</sup> See Jesus Veliz Lizarraga, El Perú y la Cultura Occidental, Instituto de Investigaciones Sociales del Perú, Lima, 1957.

5. And because in the earlier stage -- especially under Benavides--manufacturers were still so weak a group that the government could afford to buy labor peace at their expense.

This legislation represents, for the most part, a sincere attempt to avoid all the abuses of workers which accompanied Western industrial development and to award workers in advance all the material benefits available in the most economically advanced societies.

The results of these factors have been:

1. The wholesale promulgation into law of the most advanced ideas proposed by the International Labor Office as desirable (but not necessarily immediately realizable) goals.

2. That since the government is financially and administratively incapable of carrying out thoroughly and uniformly its labor code, laws are enforced only in urban areas and/or where unions are strongly organized. (I do not feel this latter aspect to be regrettable since it has served in the past to favor the most "necessary" sector of the economy.)

3. The law in theory replaces the traditional paternalism enjoyed or suffered by a large segment of the pre-industrial labor force, with a state paternalism, without passing the favored segment of the labor force through an

era of "self-respecting individualism." Few modern observers would argue that the working classes in developing countries should undergo all the "exploitation" and abuses experienced in Western industrial development. But neither can we forget that one aspect of this painful experience was an emancipation from paternalistic dependence on the government or management which, if we can generalize from the "Western" case (which may well not be valid), is felt by many observers to be essential to the creation of a mobile, committed, industrial labor force.<sup>8/</sup>

In fact, however, relatively few workers are missing this experience in Peru because, for better or worse, the labor law is very unevenly and inconsistently enforced. The only danger then from our point of view is that it might be too rigidly enforced. If it were to be so carried out, we feel it would result in a "premature stereotyping" of the current system of production, undesirable even in a fully developed industrial economy and disastrous in a partially developed one. The immediate economic consequence in terms of labor costs would be another and quite sufficient argument against such an enforcement. To a certain extent this situation is already in existence in the textile industry

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<sup>8/</sup> Reinhard Bendix, Work and Authority in Industry, John Wiley and Sons, 1956, p. 73.

where the work loads of the weavers and spinners are much lower than in the United States or England on the same machines.

The most outstanding effect of Peru's labor law enforcement in textile mills (not the garment shops) has been the sharp reduction since 1955 in the hiring of women. The fact is that if all the laws are enforced it is more expensive to employ women than men. Consequently, women are being shut out of textile factory jobs and probably other, relatively high paying blue collar occupations. Were all of those women wives of workers in equally favorable jobs, this forced retirement would be tolerable, but it is well known that over half of them have no legal husband and only irregular, if any, help from the father of their children. The recently observed high rate of abortions among Lima's lower class women is perhaps a reflection of this situation.<sup>2/</sup>

#### Labor Mobility

Of great interest to all concerned with industrial growth is the question of the social and geographic origins of industrial workers and the process of social and physical mobility necessary in the transition to industrial work.

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<sup>2/</sup> Françoise Hall, "Investigación Sobre los Problemas de la Interrupción del Embarazo," Servicio Social (La Escuela de Servicio Social del Perú), Vol. XXI, No. 19, Dic. 1964, p. 41.

I found, as did Bradfield in Chimbote (in a general sample of all types of workers), that a plurality of factory workers today, and an overwhelming majority in the past, made what could be described as the shortest moves possible in a cultural, occupational and geographic sense.<sup>10/</sup> Very few workers even today in the textile factories come from the densely populated rural areas or from mine or plantation work. Most come directly from urbanized areas, either from school or from other mechanical work. Until the development of other branches of manufacturing, the railroads, docks and small repair and assembly shops served as transitional occupations for this latter group. The rapidly increasing number of rural migrants in Lima and Arequipa today are found, as expected, largely in non-industrial "entry occupations," i.e., construction work, domestic service, and the armed forces.

As for the recruitment criteria which determine what type of workers find steady industrial employment, a variety

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<sup>10/</sup>Stillman Bradfield, "Some Occupational Aspects of Migration," Economic Development and Cultural Change, Vol. XIV, No. 1, Oct. 1965, p. 69.

of conflicting and complementary factors are in operation.\* In terms of evaluating the rationality of labor recruitment we find that no clear, consistent hiring criteria are known to management other than, for example, individual preferences for docile newcomers as opposed to experienced city-bred workers. Given this vacuum, most firms let the workers recruit themselves. That is, management either asks respected workers to recommend new recruits or looks over those who show up at the gate (most of whom are told to show up by friends already employed who know when openings are available). By default, one result of this policy is a stereotyping of factories in terms of kinship groups, birthplaces and urban neighborhood. More recently with newer and more complex machinery and processes, a more "rational" policy of pirating has come into vogue, in which whole crews are

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**\*Stage of Selectivity**

	Worker	Initiative	Company
Rural emigrants:	who choose to leave	:	occasional "pirating of teams of skilled workers from rural mills
	: who stay in the city		
All workers:	who seek industrial work in urban areas	:	who are hired
	: who stay in industrial work	:	who are retained

Using this framework one could account for the differences between the traits of the original national population and those of the resulting factory "population," were sufficient data available.

bought away from competing firms.\*

The pattern set by 1940, due partly to managerial preferences and partly to the type of workers who applied, as well as to the effect of turnover and seniority rules, was that new mills began with a labor force composed mainly of women and young men while older mills had largely older men. Laws restricting the employment of women and children were passed rather early in the 1920's, but only recently have they been so strictly enforced that the percentage of women and adolescents has greatly decreased.

Once on the job, another outstanding feature of this segment of Lima's labor force is its low level of turnover, as Briones and Mejia Valera also noted in their more recent survey (1962) of 1,096 factory workers in the city.<sup>11/</sup> This extreme stability, in comparison to comparable factories in the United States, is a natural reaction to the scarcity of jobs and the relatively high wage level in textiles.

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\* Until recently most foremen and managers were therefore forbidden to fraternize with their peers in competitive forms; a practice in keeping with the general climate of "desconfianza" but quite contrary to the early managerial traditions in England from which many of Peru's plant managers come. The "Lancashire System" in England involves a relatively free interchange of ideas between employees from different firms on the lower level on both technical and labor problems.

<sup>11/</sup>Guillermo Briones y José Mejia Valera, El Obrero Industrial, Instituto de Investigaciones Sociológicas, Universidad Nacional Mayor de San Marcos, Lima, 1964, p. 34.

Labor Conflict

Along with the pre-1945 concern with the problem of even being able to recruit and hold industrial workers (today seen as a problem largely for isolated rural mines and plantations) it seems to be the popular impression that most labor-management conflict was a battle of the old against the new; of a primitive or non-industrial people trying to defend their "secure, integrated, more aesthetic" culture against "devastation" by commercialism and the horrors of factory work. I found, however, as have recent observers in many parts of the world, that the main basis for conflict today is no longer the old against the new, but what is now conventionally known as the revolution of rising expectations or an "over-commitment" to the goals of an industrial society.

One of the oldest types of industrial conflict, the Luddite riots in England, was rare in Peru and apparently absent in textiles. This conflict was the resistance by pre-industrial artisans to the "degradation" of the status of their occupations and the market value of their products.<sup>12/</sup> This confrontation was avoided in Peru by the pre-1900 elimination of organized weaver guilds by an

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<sup>12/</sup> Neil Smelser, Social Change in the Industrial Revolution, University of Chicago Press, 1959, p. 249.

extended period of free and cheap imports of foreign textile goods.<sup>13/</sup> Weaving then "degenerated" into a part-time rural woman's chore -- from its old status as a full-time man's profession, well ahead of the arrival of Peruvian textile mills. I was not able to find a single case of a former full-time hand-weaver employed in a textile mill. I believe this is the result not only of what might have been their distaste for such work, but of the apparent elimination of such an occupation by the years of free trade the native product suffered prior to the establishment of the first national mills.

Another source of conflict and absenteeism more common in Peru, especially in rural and small town areas, is that of wages so low workers cannot subsist on them and so they have to regard factory work merely as a source of seasonal employment for goods which only money can buy.

In general, conflict is affected by the great social distance between management and labor. This "distance" is not a matter simply of subordination, since such a social relationship was traditional, but subordination to "strangers," that is, rulers without recognized authority, since most of management down to the foreman level is English, Italian or German. Such managers typically do not

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<sup>13/</sup> Emilio Romero, El Pensamiento Económico Latino-Americano, Fondo de Cultura Económica, Mexico, 1943, p. 303.

fulfill the traditional expectations of paternalistic responsibility but still wish to obtain the benefits of traditional subordination.<sup>14/</sup> Recently such conflict has also been the result of management's efforts to increase productivity by the introduction of new machines and the reorganization of production, and by efforts to reduce labor costs by avoiding the accumulation of many workers with high levels of seniority.

Thus the proper interpretation of labor-management conflict and other apparent signs of low morale is not simple. It seems that it cannot be assumed that friction per se is a sign of a recalcitrant or an "anti-industrial" labor force. It can as often be a symbol of, and a primary impetus for, industrial development. An examination of productivity and morale -- the latter being defined as the absence of strikes or conflict and the positive expression of respect for management -- revealed that they are correlated inversely in Peru. The most content workers by humanistic criteria worked in the least efficient mill (which was the one located on an isolated hacienda) while the most militantly organized "radical" union developed in the mill with one of the highest productivity rates and the highest pay scales (located in the heart of Lima). What "anti-industrial" conflict is to be found occurs in those mills

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<sup>14/</sup> Bendix, op. cit., p. 34.

which currently suffer from work systems "frozen" in an earlier era of lower wages and less commercial competition. The workers' reaction here is not unlike that of American workers fearing automation, with the added problem that there are not enough comparable alternative sources of employment in Peru. It may in fact be the case that the period of sharpest industrial conflict is yet to come. The early recruitment phase is apparently easier than it is often depicted. Later efforts to increase productivity are likely to be more painful.

We cannot conclude then that workers happily "committed" to their employers are fully socialized industrial workers. Their commitment is usually to a concrete organization and even to individual managers -- but not likely to an abstract acceptance of industrial culture. Thus one must ask, what sort of management are they provided with as objects of "commitment." All too often we find owners and managers more mercantilist than industrial in their actions and beliefs. One of the major obstacles to industrial progress in Peru is that there does not yet exist a powerful, cohesive group of "industrialists," that is, men whose primary economic concern is a manufacturing operation. In many cases Peruvian textile mills are peripheral activities of men whose major interest is more apt to be commerce and real estate speculation. The lack of such an orientation

is not necessarily due to ignorance or conservatism, but to the objective conditions facing manufacturing activities. These activities are among the least profitable and most risky in Peru, given recent economic and legal conditions.

Labor conflict in countries like Peru involves the government as much or perhaps more than the employers in question. In the United States most labor experts have traditionally deplored labor involvement in "politics" and have even underestimated the role political participation has played in the success of the U.S. labor movement. In currently developing areas, however, there seems to be no question that the politicization of labor organizations is both inevitable and in many respects necessary for labor welfare as well as national economic development.<sup>15/</sup> In a recent study of Peruvian labor politics,<sup>16/</sup> Payne, a political scientist, found that urban industrial labor operated successfully through "political bargaining" with the national government as opposed to the U.S. preference for collective bargaining with management or reliance on legal enactment. This technique, which involves threatening the

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<sup>15/</sup>Bruce H. Millen, The Political Role of Labor in Developing Countries, Washington, D.C.: The Brookings Institution, 1963. Miles E. Galvin, Unionism in Latin America, Bulletin 45, School of Industrial and Labor Relations, Cornell University, Ithaca, N.Y., Oct. 1962.

<sup>16/</sup>James L. Payne, Labor and Politics in Peru, New Haven: Yale University Press, 1965, p. 17.

security of the president of the country rather than attacking the employer directly, escapes the structural disadvantages Peruvian labor faces of an oversupplied labor market and the relatively undisciplined rank and file union members. Between 1938 and 1961, the success of this method is evidenced by the fact that the real income of the organized workers in Lima rose more than that of the unorganized. In addition, the organized obreros 1) realized a greater improvement than the empleados, and 2) achieved a real rise in their income even in the face of inflation.<sup>17/</sup>

The "Exploitation" of the Agricultural Sector

As noted above, all obreros are, in theory, covered by Seguro Social, but those in the larger unionized factories in Lima are much more likely to actually enjoy the benefits of those laws. The fact is that Peru's welfare legislation is so advanced that if it were fully enforced it would bankrupt the government and therefore the economy. It is thus presumably inevitable that the rural agricultural labor sector in Peru be disfavored in comparison to urban industrial labor (aside from the question of vertical class "exploitation"). Every industrializing or industrialized power has exploited its agricultural sector in the objective sense that more wealth has been extracted from

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<sup>17/</sup> Ibid., p. 19.

it than returned to it. Russia and China as much as the United States have capitalized in this manner.

The reasons for this universal "injustice" are worth recalling. Aside from any conscious desire on the part of any vested interests to deliberately take advantage of others, there are more basic factors in operation which would suffice even if the powers that be were interested in the general welfare. In the first place, persistently high rural fertility in the face of declining mortality means that the mass of the rural population breeds itself into an even deeper poverty than it suffered at the onset of modernization. In areas which already have too many people and too little land, however equally it was distributed, the labor market is being flooded with still more workers. This is not to claim that birth control would alone overcome their poverty. Much more basic changes in the social and economic system are also required. Such restraint would, however, greatly help those already overburdened with dependents. Another factor is that only productive and efficient workers can justly claim a rising real income. Such efficiency requires capital and efficient management, factors which the vicious circle of poverty make unavailable to the mass of serranos. It should not be forgotten also that economic development requires that a population become predominately urban. While Lima is of course

receiving more migrants than it can fruitfully employ, such a displacement of population is still inevitable. Any force which holds more people on the land than can be effectively utilized there is holding them in poverty.

Land reform, in the sense of distributing land, is central to this discussion. Its function in terms of the labor recruitment problem would be to hold more labor on the land than would otherwise be the case. It also is supposed to create a petit bourgeois mentality among the newly established peasantry, akin to the case of the Russian Kulaks or the French peasants after Napoleon's land reform, which can offset the political radicalism of the urban proletariat.

In Bolivia the land reform reinforced the upward social mobility of the campesinos and helped to bolster their loyalty to the M.N.R. party. The campesino militia thus served the M.N.R. government as an alternative source of armed support to that of the radical and intransigent miners' militia, and thus land reform helped to stabilize the Bolivian political situation.

As such, land reform is a sophisticatedly conservative program, one no party line communist should support,<sup>18/</sup> although many do to ingratiate themselves with bourgeois radicals. This is ironic in view of the fact that land reform is often

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<sup>18/</sup> See Karl Marx, The Eighteenth Brumaire of Louis Napoleon, English translation, 1898.

seen in Latin America as a subversively radical program. Such critics thus identify themselves as hopelessly naive and/or reactionary.

If Mexico were to be used as the model, land reform could not be looked to for higher agricultural productivity, its second goal after that of social justice. In Mexico the ejidos have failed to be a significant source of food for urban areas, leaving it to the large commercialized plantations to fill this need.

Land reform, then, viewed dispassionately, can perhaps "buy time" for a government harried by unrest both on the land and in the cities. Ultimately, however, most of those persuaded to stay on the land in order to work their allotments will have to leave for an industrial city.

Even the temporary palliative effect of agrarian reform may not be realized in Peru owing to the fact that no redistribution of wealth is contemplated under the current law. Apparently the primary group whose opposition must be "bought off" in Peru is still not the landless Indian but the terratenientes. It would seem at this stage that the complex and unpromising requirements for financing payment to current landlords will be the major obstacle to success of Peru's present law. Most likely of all outcomes would be the default of payments by recipients of new titles. At that point no

government short of a harsh dictatorship could afford to forcibly expel the delinquent mortgageés.

### Growth Pattern

In common with European industrial growth, Peruvian industrialization was preceded by a commercial revolution. This latter era in Peru effectively eliminated any organized artisan resistance to the introduction of factories. The early factories were thus provided with a small but sufficiently "dislodged" urban proletariat from which they relatively easily recruited a stable labor force. An agricultural revolution also occurred in the coastal areas but in relative isolation from the industrial labor market, since economically, and even in terms of physical accessibility, most of these areas were more tied to direct export rather than to Peruvian urban areas.

Only after 1940 did the increasing concentration of land together with population growth dislodge enough rural and provincial workers to substantially affect the urban industrial labor market. The Second World War provided the needed impetus to local manufacturers as it did in many comparable countries by means of a guaranteed export market -- and the absence of manufactured imports.

This early labor recruitment pattern ceased to operate after about 1940. It involved the recruitment into manufacturing of an adequate labor force, but with the second phase of industrial development, which could be called the pre-"take off" period,<sup>19/</sup> the earlier dislodged pool of workers (the urban mestizo proletariat) was no longer as available to factor employers as before. The rapid growth of white collar opportunities in government and business diverted the comparable current generation from factor labor. One consequence of this has been, to a North American observer, the surprising unionization of white collar workers to such a degree that they have taken the initiative from the older industrial unions in political activities. The influx of large numbers of "green" country labor together with the relatively costly implications of the labor and social security laws have brought about a latter day preference for the apparently more docile, cheaper, rural migrants in manufacturing industries.

#### Conclusion

In reviewing the history of the development of Peru's textile labor force, it appears that its recruitment was not characterized by many of the problems reputedly chronic in

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<sup>19/</sup>W. W. Rostow, "The Take-off into Self-sustained Economic Growth," The Economic Journal, Vol. LXVI, March 1956, pp. 25-48.

underdeveloped countries. Its gradual growth largely in urban areas and its relative protection from purely market determined working conditions by law and unionization seem to be the predominant factors accounting for this ease of recruitment.

As for labor unrest, the predominant type has been "modern" rather than a simple battle of the new against the old. Nor is it the case that management always behaves in a more progressive manner than labor, as is often felt to be the case by U. S. industrial relations specialists. Each side is behaving fairly rationally in terms of the objective conditions they face.

While there is a great discrepancy in Peru between the official labor law and observable behavior, labor legislation has had a great influence on the development of the industrial labor force, at times with unanticipated consequences. The most striking recent effect has been the radical reduction in the proportion of women in blue collar positions.

The real enforcement of labor laws has favored the urban industrial workers, leaving the rural workers as the disfavored majority. Land reform as an attempt at social justice within the rural sector, and between it and the urban, does not seem very promising. At best it can only "buy time" for a regime committed to a rapid program of urban industrial development.