

9311282

62

PN-AY-371

IAN-50516

ECONOMIC CRISIS AND THE ASSAULT
ON MARKETERS IN PERU

by

Florence E. Babb
Department of Sociology and
Anthropology
Colgate University

May 1982

Working Paper #06

Abstract: The economic crisis confronting Peru for the last six years has been marked by the government's increased difficulty in keeping food prices at a tolerable level. In an apparent effort to turn attention away from its own responsibility in the crisis, the government launched a campaign against petty marketers and street vendors, an occupational group composed in large part of poor women. Based on interview data collected in 1977 in the city of Huaraz, along with national news reports from Lima, dating from 1977 to the present, this paper analyzes the emerging conflict between the national elite and impoverished marketers in Peru.

About the Author: Florence E. Babb received the Ph.D. in anthropology in 1981 from the State University of New York at Buffalo, after carrying out dissertation research on market women in the underdeveloped Peruvian economy. She has taught anthropology for three years at Colgate University, and beginning in the fall of 1982, will be an assistant professor of anthropology and women's studies at the University of Iowa.

M I C H I G A N S T A T E U N I V E R S I T Y
WORKING PAPERS ON WOMEN IN INTERNATIONAL DEVELOPMENT

Published by the Office of Women in International
Development at Michigan State University and
partially funded by the Ford Foundation and a
Title XII Strengthening Grant

EDITOR: Rita S. Gallin, Office of Women in International Development
and College of Nursing

EDITORIAL BOARD: Marilyn Aronoff, Department of Sociology
Peter Gladhart, Departments of Family and Child Ecology
and Resource Development
John Hinnant, Department of Anthropology
Mary Howard, Department of Anthropology
Susan Irwin, Department of Anthropology
Joseph Lee, Department of Humanities
Nalini Malhotra, Department of Sociology
Milla McLachlan, Non Formal Education Information
Center
Ann Millard, Department of Anthropology
Judith Stallmann, Department of Agricultural Economics
Paul Strassmann, Department of Economics
Joseleyne Tien, Department of American Thought
and Language
Suzanne Van Wieren, College of Nursing
Barbara Rylko-Bauer, Department of Anthropology

MANAGING EDITOR: Margaret Graham, Office of Women in International Development

EDITORIAL POLICY: The series of Working Papers on Women in International Development publishes reports of empirical studies, theoretical analyses, and projects that are concerned with development issues affecting women in relation to social, political, and economic change. Its scope includes studies of women's historical and changing participation in political, economic, and religious spheres, traditional roles within and outside the family, gender identity, relations between the sexes, and alterations in the sexual division of labor.

MANUSCRIPTS should be submitted to the editor, Rita S. Gallin, Ph.D., WID Publication Series, Office of WID, 202 International Center, Michigan State University, East Lansing, Michigan 48824. They should be double-spaced and include the following: (1) title page bearing the name, address, and institutional affiliation of the author(s); (2) one-paragraph abstract; (3) text; (4) notes; (5) references cited; and (6) tables and figures. To further the rapid dissemination of information, a timely schedule of manuscript review and publication is followed.

TO ORDER PUBLICATIONS OR RECEIVE A LISTING OF WORKING PAPERS, write to the Office of WID, 202 International Center, Michigan State University, East Lansing, MI 48824.

ECONOMIC CRISIS AND THE ASSAULT ON MARKETERS IN PERU¹

In recent years, the Peruvian government has faced two related and pressing problems: rising food prices and a proliferation of urban marketers and street vendors. The way in which these problems have been linked together in an effort to stem Peru's economic crisis is revealing of national and international-level interests. This paper will suggest that while it has served dominant class interests to hold small marketers --among whom a majority are poor women--responsible for soaring food costs, closer examination shows that both high prices and the growth of petty commerce are responses to more fundamental economic problems of dependent capitalism in Peru. My discussion of the Peruvian case may be understood in the more general context of the situation confronting many Third World countries in which economic underdevelopment is accompanied by an expanding tertiary sector.

I begin with some brief background to the current economic crisis in Peru, with attention to food price policy. Then, I discuss the relationship of small marketers to food prices, counterposing the government policy position with my own view. This discussion is followed by the main body of the paper which focuses on developments I observed in 1977 in the provincial city of Huaraz, where the effects of tightening control of commerce at the local level illustrate the human consequences of national policy directives from Lima. The last portion of the paper reviews reports indicating that since 1977 national efforts to curtail marketing activity have become an important aspect of repressive government action.

The Political-Economic Setting

The military coup which brought General Juan Velasco Alvarado to power in 1968 was met with early optimism as the expropriation of foreign interests and a program of agrarian reform were quickly introduced. Beginning in the 1970s, the military's concern to secure an adequate and cheap food supply for urban Peru made this a key element in domestic policy.² In 1970, an agency, the Empresa Pública de Servicios Agropecuarios (EPSA), was created to control the marketing of basic foodstuffs (Fitzgerald 1976:50), and in 1972 the production and marketing of all agricultural products came under state control (Strasma 1976: 310). By the end of 1974, a Ministry of Food was established to regulate price structures on a regional basis, doing away with marketers' control of basic food prices.

The year 1975, however, marked a downturn in Peru's economy and the transition to power of the more conservative General Francisco Morales Bermúdez, who was willing to take increasingly harsh measures to try to manage the crisis. With the encouragement of international lending agencies, his government's policy was to reduce public spending, devalue the Peruvian sol, and hold down workers' wages while raising the official prices of primary food items. The result was growing impoverishment for Peru's working class, and even greater difficulty for the country's unemployed and marginally employed, who make up over half the labor force.

The 1980 civilian elections which brought back the president unseated in 1968, Fernando Belaúnde Terry, brought little relief for this majority of the population. On the contrary, under the terms of the new economic policy unveiled in January 1981, prices rose and other devastating measures (Peru Update, February 1981) sparked popular opposition, from a nationwide general strike to numerous marches and protests.

In response to the economic crisis, foreign capital was once again granted favorable terms in Peru (Bollinger 1980:12-13; Latin American Working Group 1980:3). Actually, despite the fanfare over Velasco's expropriations of international concerns, Fitzgerald (1979:131) estimates that the profitability of foreign capital before and after 1968 was substantially higher than that of domestic capital. Hunt (1975:343-346) agrees that Peru's relationship with Western capitalism remained strong during the period of military rule, with foreign capital continuing to play a major role. While it is difficult to know precisely the degree of international control of the Peruvian economy, it is certain that since 1975 the government has been increasingly eager to renegotiate the terms of foreign investment in the country, and by 1980 foreign capital was thriving.³ In a later section of this paper, we will see the effect foreign investment has had on food marketing.

Marketers and Food Prices: Two Views

Much has been written in the last few years concerning the commercialization of agricultural products in Peru, pleasing for the injured rights of the consumer in some cases and for the legitimate interests of the producer in others. But the almost invariable factor in the various inquiries has been the simple chain of the intermediary, presumed responsible for the majority of problems inherent in this process that concerns everybody; the provisioning of food. (Esculies Larrabure et al. 1977:9, my emphasis)

Under pressure from middle class and working class consumers (and international interests as well), the Peruvian government has directed considerable attention to controlling food prices since the early 1970s. Much less attention has gone to the problems of unemployment and underemployment which Peru's least powerful constituencies face. Lack of employment opportunities is most dramatic in Lima, but in provincial cities like Huaraz, with little industry, the level of unemployment is also high. Further, unemployment is a special problem for women, who have even fewer alternatives than men. The problem would be still more severe were it not for the fact that a growing segment of the population is counted among the self-employed--a large number in petty commerce. In a limited, but important, way, small-scale marketers reduce the national employment problem by sustaining themselves during a time of economic hardship. Just the same, the government has pointed the finger at commercial intermediaries as a group, holding them responsible--as the preceding quotation suggests--for the troubles Peru has in provisioning its people with food at affordable prices.

Let us take a look, then, at the connection between marketers and Peru's food price problem. From the vantage point of urban consumers and their representatives in government, there is a direct correspondence between the number of marketers engaged in the distribution process and the ultimate cost of food to buyers. Small retailers, who make up the last link in the "chain of intermediaries," often are singled out for attack since they are both the most numerous and the most visible to consumers. These small marketers are viewed as providing an inessential service, bringing goods to urban neighborhoods in very small quantities. Their impoverished and sometimes unhygienic working conditions are frequently viewed with alarm, at the same time that these marketers are considered social parasites. These are the proliferating urban poor, many of whom are recent migrants to the cities who have taken up residence in squatter settlements, or pueblos jóvenes, and who now seek work wherever they can find it. Though they clearly earn little in their retailing endeavors, for the urban consumer their very presence represents an increment in the price paid for primary foods.

This popularly held view of marketers and street vendors (or ambulantes) in Peru, is shared by some writers who have considered the problem. Esculies Larrabure et al. (1977), notwithstanding a sensitivity to the socioeconomic forces that propel marketers to their work and a recognition of the essential nature of the work they do, concludes that the reform of the marketing system in Peru must begin with the elimination of much of the wholesale and retail network, tighter control of the rest, and an improved infrastructure.

Of course, there is much that can be said for the irrationality of the present system of marketing in Peru--where 99 percent of retail activity is in the hands of small, independent⁴ sellers (ibid.:181)-- and we may imagine a situation in which economic planning might result in far smoother functioning of distribution. Certainly, many marketers would be delighted to leave their market stalls and places in the streets were there employment alternatives open to them. But, in my view, to suggest that the state in its present form could accomplish successful reform of the system overlooks certain critical factors. First, it ignores the role of the Peruvian government itself in generating and perpetuating the current economic crisis--and it never considers the broader international context of the crisis and the implications for Peru's food prices. Second, this view neglects some important features of the work of marketers within the present structure of underdevelopment in Peru, e.g., their capacity to keep down prices, their productive contribution to the process of bringing goods to consumers, as well as their self-sufficiency which acts to offset the level of unemployment.

It has been noted that Peru's economic troubles deepened in 1975, and the nation turned to international lending agencies for assistance. As Peru became more entrenched in debt over the next few years, the International Monetary Fund imposed severe conditions for the granting of further loans. Peru's compliance with these conditions was to a large extent responsible for the high cost of living relative to the low payscale of

working people in the country. Added to this, the government's concern to favor development in the capital-intensive "modern" sector has meant the neglect of the "traditional" sector in which petty marketers participate. To the degree that the state has entered into the affairs of the traditional sector, it has generally done so in the interests of urban consumers and the national and international elite. In controlling the prices of staple foods, the Ministry of Food has set bounds on the "profits" marketers make. In the case of small retailers, earnings rarely amount to enough to support a family, much less reinvest in business. In this fashion, by working for so little reward, marketers help to keep prices at a tolerable level.

To appreciate the contribution that marketers make, it is important to assess the work they do within the framework of the total production process. The work of bringing goods to the consumer is necessary to the realization of the product's value, as the final step in the production process as a whole, just as it is an indispensable social service. Moreover, the work of marketers generally goes beyond the physical transport of materials from one place to another to include, at the least, the safeguarding, cleaning, sorting, preserving, measuring, weighing, and packaging of goods. Many do even more, adding value to the goods they sell by transforming raw food to cooked food, unprocessed grains to flour, fresh pork to smoked ham, whole vegetables to chopped vegetables in packets for soup, and so on. All these activities should be regarded as productive work for which the consumer pays the marketer, and this must be figured into any plans for curtailing retail trade.

The importance of marketers' self-sufficiency during a period of high unemployment has been noted. Their resourcefulness in making a living has the double advantage to the government of quelling dissent--to a degree--and keeping on hand a ready supply of workers who would enter the wage labor force when called on. This then is my view of the role of marketers in Peru and their relationship to present economic problems. In arguing that our analysis must encompass the wider national and international situation that shapes the activity of marketers, the food supply, and food prices, I have challenged the position taken by the government and encouraged in the media that portrays marketers as cunning social parasites.

Other researchers (e.g., Lele 1971:1; Bucklin 1972:5), writing about marketing in developed and underdeveloped economies, have noted the unwarranted antipathy of the public toward market intermediaries who are often regarded as antisocial villains. In India, for example, this antipathy is traced to consumer and governmental ignorance of the fundamental importance of distribution to the total production process in society, and to the mistaken assumption that traditional markets cannot be successful channels for trade (Lele 1975:100-101).

The research of Harrison et al. (1974) on market systems in three Latin American countries takes a similar position, stressing the need to understand marketers as providers of socially useful services and productive members of society. The authors (ibid.:23-24) offer the case of

Bolivia, where policy-makers attempted without success to eliminate "unproductive" intermediaries. Such interventions, they note, are sometimes the efforts of political leaders to create a show of concern for consumers at the expense of marketers (ibid.:90). The findings of their broad study suggest that, contrary to popular opinion, when the labor of marketers is assessed at the minimum wage level, there is little or no return on their capital (ibid.:42). These findings compare with my observations in Peru, where daily earnings of as little as US\$.40-.50 (or about half the wage for day laborers) were common.

The question to be addressed then is: If petty marketers provide essential services in Peru, and if petty commerce offers employment--however marginal--to members of society who might otherwise be unemployed, why then has the Peruvian government taken actions that appear to jeopardize the livelihood of marketers? To answer this question, I turn to a consideration of some observations I made while carrying out fieldwork in Peru.⁵

The Assault on Marketers: The Case of Huaraz

Field research was undertaken in 1977 through a combination of participant observation and open-ended interviewing in and around the city of Huaraz. Considerable time was spent in one of the four daily markets in the city, Mercado Central, to acquire an in-depth understanding of the nature of market work. Many informal interviews were carried out in the other three Huaraz markets, especially in the sprawling, open air marketplace known as La Parada. In later phases of the fieldwork, I designed a questionnaire for market women and their husbands, and made a census of shops along three city blocks. In addition to interviews with some 300 marketers, conversations with market officials, consumers, and producers were included in my field data.

In Peru, 1977 was declared the "Year of Austerity" in response to the economic and political demands of the International Monetary Fund, in exchange for emergency loans. That year saw rapidly rising food and fuel costs--conditions that have grown steadily worse--and increasing control over the labor force. Here, I will describe the increasing regulation of petty traders by the Peruvian government, the response of the marketers themselves, and the implications these have for our understanding of the economic crisis in the country. I will refer to national level policy affecting marketers generally, but I will draw heavily on research I conducted in the Andean city of Huaraz to show how marketers are meeting the threat to their means of livelihood.

The city of Huaraz is located some 200 miles north of Lima in the Peruvian Andes. It is the commercial and administrative capital of the department of Ancash, and the population of about 75,000 is largely composed of bilingual Quechua-Spanish speakers. Of the city's approximately 1,200 marketers counted in four markets, almost 80 percent were women. Women were principally concentrated in the retail sale of fruits and vegetables and cooked foods. Men tended to be located in the sale of

manufactured goods and in larger scale retail or wholesale trade. There was considerable overlap, however, in the areas of women's and men's trade.

Marketers throughout Peru are regulated, taxed, and supervised through a number of mechanisms. In Huaraz, all marketers must pay for identification cards showing they have passed yearly medical exams, and marketers holding permanent stalls must pay annual matriculation fees, based on the size of their stalls and the type of goods they sell. Daily fees are collected from all sellers, again in amounts varying by the type and quantity of product sold. Other fees are collected for the use of storage space, scales, and, even, the latrines. Sellers of meat have veterinary and slaughtering fees to pay, and the wholesalers have special fees for transporting goods in and out of the city. During the time I was in Huaraz, the city council called for significant increases in these fees; this call was met by angry protest and the market unions' discussion of a possible strike. The council was forced to compromise in this case, though market taxation still increased.

As noted before, the wholesale and retail prices of basic foodstuffs are officially controlled in Peru, and when marketers fail to comply with bi-weekly changes in prices issued by the Ministry of Food, they may be heavily fined. Fines are also given for large and small violations by the inspectors of hygiene and weights and measures. The authorities have the power to remove sellers from the markets if they cannot pay the fees and fines issued to them. Small retailers maintained--and I think they are correct--that they must pay a disproportionate share of such fees and fines, while larger violators, usually wholesalers, are less often apprehended and penalized.

These mechanisms for the control of marketers are already sufficient to make it difficult for many impoverished sellers to carry on their trade. Recently, however, government control of marketing has been increasing. There has, in fact, been a national campaign against the broad category of commercial "intermediaries," in which the government portrays itself as the champion of urban consumers. The effects of this campaign are strongest in Lima, but they are felt in cities like Huaraz as well.

In late June of 1977, while I was in Huaraz, an increasing number of articles began to appear in the Lima newspapers on the topic of producers' and wholesalers' markets that were being established to bring goods more cheaply to consumers. The Lima dailies La Prensa, El Comercio, and Expreso, all of which were government-controlled, invariably contained reports of actions taken for consumers and, often, against marketers. For example, on July 1 the Expreso ran the headline "Wholesalers' Stronghold Falls." Inside the issue, there were no less than three articles on one page devoted to the government's decision to open several of Lima's wholesale markets to the public on a limited basis. The lead article was entitled "Starting Today: Food at Prices Below Official Rates," and was

accompanied by one bearing a title denouncing intermediaries, "They Buy Sweet Potatoes for Two Soles...And Sell Them for Twelve!" Finally, the third article addressed housewives, "Prefect to Housewives: You Too Are to Blame for Speculation!" This last article rebuked shoppers for not denouncing marketers they knew to be conducting illegal activities (Expreso, July 1, 1977:3). These articles and many others around that time implied that marketers, both wholesalers and retailers, had an undifferentiated responsibility for current high prices and the scarcity of certain items.

Two days after Expreso celebrated the direct sale of goods from wholesalers to the public, La Prensa (July 3, 1977) published an article announcing the effort was a failure. But instead of criticizing the plan's conception, La Prensa declared the sellers to be responsible due to their noncooperation.

Back in Huaraz, plans were underway for an Ancash Regional Fair to take place in the outskirts of the city in late July. The fair was to feature exhibits by artisans and, as a special attraction, was to bring producers directly from their fields to sell agricultural goods to the public--referred to by the government slogan "from the field to the pot." Despite the fanfare, however, the producers' market was only a small part of the fair. Indeed, only one actual producer was included among the ten people selling food at booths. Others had been recruited from the Huaraz marketplace and were paid to participate in the event. For example, one man who normally sold meat in a Huaraz market was hired by a nearby agricultural cooperative to represent their organization at the fair. He explained that the members of the cooperative preferred to leave the job of selling to the public to marketers. The one producer in attendance, a man selling wheat and barley, agreed that for producers it was better to sell quickly to wholesalers and get back to work. The view that it was better to sell in large quantities to sure buyers rather than slowly to the public was expressed to me by many producers in the region.

The Regional Fair was not well attended, and those women who came to shop for food were critical. Some had to pay for transportation to and from the fair, and they were annoyed to have to pay an entry fee as well. When they got there, they found few sellers, little selection, and long lines. Further, primary foodstuffs were rationed, so that if a woman wanted to purchase more than, for example, three kilos of rice, she needed to take her children along to receive extra portions. Several women felt that the saving of a sol or two was not worth the trouble of coming to the fair, and they spoke appreciatively of the marketplace which better served their needs.

Overall, the producers' market at the fair did not have any significant impact in the city. Indeed, after it was over an official of the Ministry of Food apologized for the low participation of agricultural producers at the fair. Even so, the mayor of Huaraz expressed some interest in turning the fairgrounds into a permanent market for producers and artisans. This enterprising mayor also had a personal interest in

building a supermarket in the city, though he lacked funds for such a project. Clearly, if such plans as these were to materialize in Huaraz, the situation of small marketers might change considerably.

One marketer responded to the rumors of new markets and expressed a view shared by many others. He judged the notion of producers' markets to be a good idea for the public, but a very bad one for wholesalers and retailers. He explained:

In the first place, for us marketers it would mean marginalization. And secondly, what would we do, what work would we dedicate ourselves to? You could become a delinquent, a thief. The government has not thought this through carefully.

This man went on to make the very important point that the idea of "from field to pot" was being implemented only in the area of food production, where the majority of people involved were not powerful, and not in the area of manufactured goods, where the really powerful people were. The government, he noted, could not control the latter because they constituted the national bourgeoisie, who ruled the country. He commented, moreover, that he could not see the advantage to agricultural producers in selling their own goods, since the goods must be divided among marketers in order to get them to the public while they are still fresh. If a producers' market were established, he said, he would try to buy out producers in the market. Furthermore, marketers as a group would be certain to launch a protest.

Another man, a former wholesaler now selling retail, had not heard about producers' markets before I mentioned them to him. When I asked how he would feel about one in Huaraz, he said he thought it would be good since food would cost less.⁶ When I asked how it would affect sellers, he reconsidered and said they would not permit a producers' market to exist in the city. "The people would rise up," he said, and "the retailers would not accept it." He pointed to the high level of unemployment that would result if these markets were founded.

While marketers may be concerned about the future threat of new markets in which their jobs might be eliminated, the few showcase producer and wholesaler markets in Peru had limited success through 1977. We have seen that the producers and consumers interviewed regarded the work of small marketers as providing essential services. The continued reliance on petty marketers testified to the large amount of work these people do, and suggested it would not be easy to pass their jobs on to other workers under present conditions.

Still, there was a more immediate way in which marketers were threatened by government actions. While the Lima papers were unveiling a campaign against the abuses of large wholesalers and the proliferation of intermediaries, reports also revealed government efforts to apply greater control to one particular group of retailers, the street vendors, or ambulantes. In establishing regulations that would affect this group, the

authorities were clearly responding to middle class pressure to do something about the impoverished sellers who are swelling the streets, particularly in Lima. New legislation, based on studies of "the ambulante problem," was publicized, calling for the zoning (i.e., the containment), increased surveillance, and tighter control over the fee collection, price setting, and hygienic standards of these vendors. One article (La Prensa, August 6, 1977:10), titled "How to Eliminate the Factors that Maintain and Stimulate Ambulatory Commerce," revealed the government's intentions to close down some areas where ambulantes sell in Lima, relocate others, and to direct propaganda to consumers "to orient their attitude toward ambulatory commerce..." Such conditions naturally make it very difficult for many of the poorest vendors to carry on their work.

In Huaraz, similar measures were taken by the city council. In one action, a committee was formed to oversee the commerce of milk and sugar. This action was designed to control the activities of the "bad merchants that exist in Huaraz" (El Departamento, August 11, 1977). In another decision the Inspector of Hygiene determined that 85 percent of ambulantes selling bread in the city did so under unsanitary conditions. To combat this situation, the council agreed that any sellers not in possession of a health card would be issued heavy fines. Further, fines were to be given to those without appropriate baskets and those who did not properly protect bread from dust, and there was to be more stringent control of price, quality, and weight.

When we consider the difficulty that even the well-established marketers in Huaraz had in paying their annual fees, it becomes clear how very unlikely it was that poor ambulantes would be able to afford these fees. The action of the council to tighten these regulations must be viewed as a threat to ambulantes' way of making a living. Such action has the further effect of creating divisions among marketers,⁷ since some were singled out for criticism. Indeed, some permanent marketers shared the view of the council, that ambulantes constituted a health hazard and ought to be controlled.

The Situation Since 1977

Since 1977, the situation of small marketers and street vendors in Peru has grown much worse. While increased inflation and a controlled political climate affect the majority of Peruvians, marketers, and particularly the ambulantes, have continued to be singled out for attack.

A 1978 article in the leftist journal Marka (July 27, 1978:19-20) on the declining economic and health conditions of the poor in Peru, noted that petty commerce was the activity to which most people were turning in an effort to overcome miserable lives. Consequently, this sector had expanded in an "extraordinary manner." Children had been pressed into service, as their families struggled to get by. Street vending had earlier been little known outside Lima, but, at the time of the article, the streets of provincial cities were crowded with sellers, "in constant battle with municipal authorities."

In early 1979, Marka (January 4, 1979:12-14) ran an article which exposed the influence of multinationals underlying Peru's "economic packages" of price hikes. Five multinational interests (among them Purina, Carnation, and Nestle) were shown to control the price increases of bread, noodles, milk, and oil. It was not the seller of bread on the corner who benefitted from the rise in prices, the article noted, but rather the monopolies that controlled 60 percent of the bread industry in Peru. Sellers of milk suffered similar effects: half of the milk sold in Lima is "Leche Gloria," a subsidiary of Carnation, while the second largest beneficiary of increased milk prices was its competitor Perulac, a subsidiary of Nestle. The article (ibid.:14) concluded:

Imperialism has us caught by the stomach. There is no question. To its enterprises, the government is preparing to offer bigger profits by means of the announced price rises. And it will cast the blame for the people's hunger on the bread seller on the corner and the market woman in the street.

Marka's analysis of marketers as scapegoats very closely matches my own, and points to the need to trace the problem to its roots, to the national and international linkages. While Peru's government seeks a scapegoat for its troubles, it also finds the thousands of vendors who crowd the capital city's streets selling everything from apples to men's socks to be a national embarrassment. Apparently, the public display of so much poverty threatens the image the government would like to project to international visitors and to its own middle class. It might also, incidentally, challenge the notion that this impoverished group is so largely responsible for the economic crisis. Accordingly, before Belaunde's inauguration in 1980, the government undertook a campaign to clear central Lima of ambulantes, so that the city would have a nice appearance for its dignified guests (Bourque and Warren 1981:193).

Summer 1981, however, marked the most serious government campaign to rid Lima of its street vendors (Peru Update, June-July 1981:1-2). In April, a mayor's committee announced that all downtown vendors were to be removed in mid-June to two clearings on the outskirts of the city. This announcement was met by a good deal of anger and resistance by the vendors, who knew that their marginal earnings would be further diminished on the tiny, square-meter plots assigned to them on the city's remote sites.

The government nonetheless began its relocation program on June 8, 1981, requiring huge financial expense and the presence of the national guard and tanks in the streets to ensure its successful removal of sellers (Caretas, June 8, 1981:23). Removal was only possible, however, with the use of force, numerous arrests, and a TV and radio campaign that discouraged shoppers from buying goods in the streets. The secretary general of the Federación Departamental de Vendedores Ambulantes de Lima (FEDEVAL), the street vendors' association, projected dire consequences as increased poverty could only mean increased crime as people tried to survive (Marka, June 18, 1981:22). Meanwhile, the New York Times

(September 20, 1981) hailed the removal of vendors a great success, as crime was reduced in Lima's fashionable downtown area and women "are beginning to wear simple jewelry again."

Some members of the political left in Lima, including the well-known Hugo Blanco, now a senator, joined forces with the vendors and FEDEVAL and marched alongside them on June 11, 1981, in a peaceful protest of thousands of men, women, and children that ended in violent confrontation with the national guard (El Comercio, June 12, 1981). Blanco, who was hospitalized after the march, commented a few days later on the situation of the vendors in an interview with Marka (June 18, 1981:21). He pointed to the contradictions that generated the "ambulante problem," and tried to cover its responsibility by blaming the victims of its policies. Until the government came up with real employment opportunities for the vendors, he predicted, we may expect their number to increase.

Similarly, the Peruvian writer Grompone (1981:98) traces the growth of petty commerce to the contradictory, and uneven, development of capitalism in Peru. He describes the process as one in which anterior economic forms and social relations are challenged, yet sometimes persist. Only in this context may we understand the present tensions surrounding the persistence of small-scale marketing in the country.

Conclusions

Peru's increasingly restrictive policy on the marketing of foodstuffs and other goods sold by small marketers--though not the actual elimination of retail marketing--may be viewed as an attempt to generate sympathy for the government's handling of the economic crisis, or at least to turn attention away from the source of the crisis. Keeping food prices at a tolerable level is of critical importance to the Peruvian government, yet this has been increasingly difficult since austerity measures were introduced. In an attempt to appease middle class and working class consumers in the face of soaring food prices, the government has turned impoverished marketers into scapegoats--scapegoats who suffer doubly from rising prices, as sellers whose business is declining, and as consumers themselves. Present government policy has the effect of dividing consumers and marketers, largely women, obscuring even those problems they share in common. Marketers themselves are differentially affected by new government legislation, with the poorest women, as ambulantes, bearing the brunt of repressive measures. As a consequence, the unity of marketers and their potential allies is threatened.

Even so, my research in Huaraz and recent reports from Lima have shown that marketers often recognize the government's actions as efforts to divide workers in petty commerce and, in general, to undermine the solidarity of the working class and poor in Peru. Marketers in Huaraz, Lima, and elsewhere in Peru have resisted these efforts, and many have revealed a readiness to unite in a struggle against the future impoverishment of their lives.

Notes

1. This paper grew out of my doctoral dissertation (Babb 1981c), which benefitted from the enduring encouragement and criticisms of my committee members William W. Stein and Elizabeth Kennedy. The research on which the paper is based was funded by a Grant-in-Aid awarded to William W. Stein by the Research Foundation of the State University of New York. Earlier versions of this paper were presented at the 1981 meetings of the Northeastern Anthropological Association (Babb 1981b) and the American Anthropological Association (Babb 1981a). I am indebted to Diane Hopkins and Bruce Mannheim, and to Carol Barton and members of Peru Solidarity, for generously providing me with materials on Peruvian marketers. Rita S. Gallin, editor of Michigan State University's Women in International Development Publication Series, and anonymous reviewers, offered many useful suggestions for the final revision of the paper. I remain responsible for the interpretations in this paper. All translations from the Spanish are mine.

Elsewhere, I discuss in more detail the place of petty commerce within the terms of Peruvian underdevelopment (Babb 1979), and the conceptualization of market women's class position, labor force participation, and political consciousness (Babb 1980).

2. For a discussion of economic policy during this period, see Thorp and Bertram (1978) and Fitzgerald (1979).
3. For reviews of recent developments in Peru, see Bollinger (1980), Petras and Havens (1979), and articles in the Latin American Working Group Newsletter (1980).
4. Here, the word "independent" is used to distinguish these retailers from the one percent of workers employed by larger self-service retail establishments in Peru. See, however, Scott (1979) for a discussion of the subordination of "self-employed" workers to larger firms in Lima. I discuss the issue of disguised wage labor among marketers in Huaraz in Babb 1980.
5. My work has been informed by the writings of several researchers on similar situations in other Third World cities where government policy has tightened control over the pricing and distribution of goods. Bromley (1978) has examined the case of street sellers in Cali, Colombia, where official regulation contains and represses petty trade, and Gerry (1978) describes the situation of petty producer-sellers in Dakar, Senegal, where government intervention has benefitted only a few and the majority have undergone worsening conditions. Jellinek (1977) offers an account of a Jakarta street trader who must constantly evade government "trader clearing campaigns." And Oliver-Smith (1974), whose fieldwork was carried out in the Peruvian

town of Yungay, not far from Huaraz, points to the importance of official regulation of marketers through fee collection and fines, as a means to generate public revenues.

6. While this man's comment regarding the desirability of low food prices and the foregoing view of women shoppers who felt the saving of a sol or two was not worth the inconvenience of the fair may appear contradictory, it is important to remember that both low prices and the convenience and services of the retail market were recognized as desirable.
7. Some divisions existed between permanent marketers and ambulantes anyway, due to their competition for sales and regional differences among urban marketplace sellers and rural ambulantes. Even so, there was a certain degree of solidarity expressed between the two groups, stemming from their recognition of shared problems, that may be undermined by the attacks on ambulantes.

References Cited

Babb, Florence E.

- 1979 Market Women and Peruvian Underdevelopment. Paper presented in the panel Markets, Marketing, and Marketers, Annual Meeting of the American Anthropological Association, Cincinnati, Ohio.
- 1980 Women in the Service Sector: Petty Commerce in Peru. Paper presented in the panel Women, Work and Inequality: New Theoretical Insights, Annual Meeting of the American Anthropological Association, Washington, D. C.
- 1981a Economic Crisis and the Assault on Marketers in Peru. Paper presented in the panel Development, Underdevelopment, and Economic Transformations, Annual Meeting of the American Anthropological Association, Los Angeles, California.
- 1981b The Threat to Marketers: National Policy and Local Response in the Andes. Paper presented in the panel The Anthropology of Work, Annual Meeting of the Northeastern Anthropological Association, Saratoga Springs, New York.
- 1981c "Women and Marketing in Huaraz, Peru: The Political Economy of Petty Commerce." Ph.D. dissertation, State University of New York at Buffalo. Ann Arbor: University Microfilms.

Bolinger, William

- 1980 Peru Today--the Roots of Labor Militancy. North American Congress on the Americas (NACLA) Report 14(6):2-35.

Bourque, Susan C. and Kay Barbara Warren

- 1981 Rural Women and Development Planning in Peru, in Women and World Change. Edited by Naomi Black and Ann Baker Cottrell. Beverly Hills: Sage.

Bromley, Ray

- 1978 Organization, Regulation and Exploitation in the So-called 'Urban Development Sector': The Street Traders of Cali, Colombia. World Development 6(9-10):1161-1171.

Bucklin, Louis P.

- 1972 Competition and Evolution in the Distributive Trades. Englewood Cliffs, New Jersey: Prentice-Hall, Inc.

Esculies Larrabure, Oscar, Marcial Rubio Correa, and Veronica Gonzalez del Castillo

- 1977 Comercialización de Alimentos: Quiénes Ganan, Quiénes Pagan, Quiénes Pierden. Lima: Centro de Estudios y Promoción del Desarrollo (DESCO).

Fitzgerald, E. V. K.

- 1976 The State and Economic Development: Peru Since 1968. Cambridge, England: Cambridge University Press.
- 1979 The Political Economy of Peru 1956-78: Economic Development and the Restructuring of Capital. New York: Cambridge University Press.

Gerry, Chris

- 1978 Petty Production and Capitalist Production in Dakar: The Crisis of the Self-employed. World Development 6(9-10):1147-1160.

Grompone, Romeo

- 1981 Comercio Ambulante: Razones de Una Terca Presencia, Quehacer. Lima: DESCO.

Harrison, Kelly, Donald Henley, Harold Riley, and James Shaffer

- 1974 Improving Food Marketing Systems in Developing Countries: Experiences from Latin America. Research Report No. 6, Latin American Studies Center. East Lansing, Michigan: Michigan State University.

Jellinek, Lea

- 1977 The Life of a Jakarta Street Trader, in Third World Urbanization. Edited by Richard Hay, Jr. and Janet Abu-Lughod. Chicago: Maaroufa Press, Inc.

Latin American Working Group (LAWG)

- 1980 Peru: Economic Crisis and Daily Bread. Toronto: LAWG (Vol. VI, No. 6).

Lele, Uma

- 1971 Food Grain Marketing in India. Ithaca, New York: Cornell University Press.
- 1975 The Design of Rural Development: Lessons from Africa. Baltimore: The Johns Hopkins University Press.

Oliver-Smith, Anthony R.

- 1974 "Yungay Norte: Disaster and Social Change in the Peruvian Highlands." Ph.D. dissertation, Indiana University. Ann Arbor: University Microfilms.

Petras, James and A. Eugene Havens

- 1979 Peru: Economic Crises and Class Confrontation. Monthly Review 39(9):25-41.

Scott, Alison MacEwen

- 1979 Who Are the Self-employed? In Casual Work and Poverty in Third World Cities, edited by Ray Bromley and Chris Gerry. New York: John Wiley and Sons.

Strasma, John

- 1976 Agrarian Reform. In Peruvian Nationalism: A Corporatist Revolution, edited by David Chaplin. New Brunswick, New Jersey: Transaction Books.

Thorp, Rosemary and Geoffrey Bertram

- 1978 Peru 1890-1977: Growth and Policy in an Open Economy. New York: Columbia University Press.

Newspapers and periodicals:

Caretas. Lima.

El Comercio. Lima.

El Departamento. Huaraz.

Expreso. Lima.

Marka. Lima.

New York Times. New York.

Peru Update. New York.

La Prensa. Lima.