

Habilitacion Enganche: Colonial Practices in the 21st Century

Introduction

Peru's *habilitacion* system of labor is a key component of the extractive industries in the Peruvian Amazon. Through an advanced credit system, bosses expect laborers to "return on the favour" (Sears & Pinedo-Vasquez 2011, p. 617) and work off their debts. At first glance, this system appears to "provide capital in a sector bereft of formal credit" (Sears & Pinedo-Vasquez 2011, p. 617). However, *habilitados* rarely work for what they consider to be fair wages, and logging bosses often undervalue the extracted timber so as to increase profits and ensnare the worker in debt. The true value remains unchecked because most workers lack the formal education and information required to check the actual expenditures and profits of a logging boss (Sears & Pinedo-Vasquez 2011). Peruvian laws have failed to regulate the social, ecological, and economic problems of the industry. However, this system is not solely a product of the contemporary global economy, nor the failure of government. *Habilitacion* is a modernized, capitalist-inspired system reminiscent of the bonded labor systems that make up Peru's labor history from initial conquest. The colonial use of forced labor systems such as *encomienda*, *mita* and slavery laid the groundwork for the laws and reinforced the social conditions that facilitated the creation and implementation of the *habilitacion* system. Furthermore, these historical aspects, as well as the ensnaring and credit aspects of *habilitacion*, render life as a *habilitado* a viable option for impoverished Peruvians. I will investigate these claims through an analysis of "the unequal, complex and slow development of the labor market" (Bedoya 1997, p. 1), and discover if in fact there are traces of historical institutions in today's *habilitacion* system, and if so, which ones? Why is it that laborers have made such little progress in obtaining rights over the course of three centuries? What power structures control the system? Based on my research, I will provide recommendations on how best to proceed in the process of Peruvian forestry reform.

Methods

This semester our class set about investigating the Peruvian forestry system and the different facets that contribute to the laws and norms that govern the system. My

group's focus is the *habilitacion enganche* system—which logging bosses use as the norm system of employment—that uses a credit system to ensnare workers. I have an interest in environmental justice, so I researched the part workers play in the system, with a focus on urban poor, their recruitment, and the social conditions that pressure them to take jobs as *habilitados*. Because *habilitacion* has been in use for a long time, and has historical roots in colonialism, I pursued articles that explain the history of labor systems in Peru, in the hopes that learning that history would shed light on the current system and why it persists. In this paper, I will review and analyze the sources that I found most helpful to my research while drawing on other sources that offer less extensive insights.

Literature Review

There is extensive literature on the facets and history of the current labor system in Peru. Monteiro (2007) outlines the history of labor systems from 1492 up until 1850, when the trans-Atlantic slave trade was abolished. During this period, *encomienda* became the base for labor systems (Wiedner 1960), and evolved into other systems of forced and bonded labor such as *mita* (Silverblatt 1994). From the point of conquest, labor systems were an integral part of colonial society, yet they derived techniques from the past and had a significant impact on the future: “Not only did precolonial institutions in many cases play a central role in shaping distinct outcomes, but also postconquest transformations within indigenous polities and societies placed constraints on entrepreneurial options and influenced colonial institutional development” (Monteiro 2007, p. 2). These outcomes and transformations were driven by, or perhaps drivers of, the evolution of labor systems in Latin America—a series of changes in labor organization driven most commonly by labor shortages (Bedoya 1997; Monteiro 2007). Indeed, Monteiro (2007) argues, “the development and transformation of labor systems played a key role in Iberian expansion to the New World, with long-term effects on postcolonial Latin American economies, societies, and cultures” (p. 1). In addition, during this time “the role of the colonial state in designing an institutional framework through an elaborate sequence of legislation, inspired by moral considerations and fiscal imperatives” (Monteiro 2007, p. 4) had lasting impacts on Peruvian society, as laws that

initially legitimized forms of forced and coerced labor became entrenched in the social system and thus facilitated the continuation of bonded labor systems.

However, the abolition of the trans-Atlantic slave trade occurred at a time of capitalist growth, namely the rubber boom and mining, and resulted in a crisis of labor scarcity, which, according to Bedoya (1997), “has been the main problem underlying the process of capitalist expansion” (p. 9). Bedoya (1997) expands on the details of this transition, and argues that “*enganche* was a result of capitalist expansion” (p. 34), in that its creation and implementation was driven by the simultaneous occurrence of a labor shortage and a boom in demand in many Amazonian industries. Bedoya (1997) outlines *enganche*, the recruitment strategy initially used to draw labor resources, where commercial products were introduced to rural people, who in turn became dependent on these goods that they could not produce and were thus pressured to seek employment that could supply these goods. At the same time, new laws passed that institutionalized *enganche* and thus added political pressure as well as economic pressure to seek credit forms of employment (Bedoya 1997). Sears & Pinedo-Vasquez (2011) reveal their studies on the specifics of the *habilitacion* system that emerged and, in accordance with the idea that politics play an important role in the system, suggest that the best way to reform the bondage system currently in place is to pass laws that modify parts of it rather than transform the system entirely. Doing so would account for and possibly change the lack of flexibility of norms in Peru, specifically the norms of loggers and indigenous peoples. Indeed, Bedoya (1997) maintains that *enganche* was also “the consequence of specific characteristics of the indigenous society” (p. 34), ranging from ideals on reciprocity to the ready mobility of indigenous workers, i.e. their ability to migrate to seek new forms of employment.

Academics have developed, analyzed and discussed these factors—history, law, and culture—separately, but in this paper I will attempt to fuse together these major components of Peruvian society and history to determine how the labor system evolved into *habilitacion*.

Analysis

Sears and Pinedo-Vasquez (2011) describe the logging industry in Peru as “one that has always relied on informality.” While the *habilitacion* system on which the timber industry relies on and thrives because of the informality of the forestry sector, it was created under much more formal circumstances. For the first 350 years after Columbus made landfall in 1492, the labor system and laws in Latin America developed on a course that “seem[ed] to follow, in its broadest outline, an evolutionary path from early forms of bondage to free labor regulated by market forces” (Monteiro 2007, p. 68). However, once the trans-Atlantic slave trade was abolished, slave owners “scrambled to seek alternatives in which indenture contracts, sharecropping, and other forms of dependent relations would forestall the development of a full-blown free labor market” (Monteiro 2007, p. 68). Thus, forms of bonded labor persisted and eventually shaped the *habilitacion* system that “drives the timber industry” (Sears & Pinedo-Vasquez 2011, p. 611) today (Bedoya 1997). Traces and origins of the current *habilitacion* system exist throughout Peru’s labor history and draw from precolonial social structures and cultural norms, and market pressures and individual economic circumstances that changed throughout the colonial period. Furthermore, both colonists and today’s government passed laws that in theory aimed to alleviate market pressures and problems, but in practice formalized many of the historic and current institutions and social norms that are the basis for *habilitacion* today.

A particularly persistent theme throughout Peru’s labor history is the power of “property-owning elite” (Monteiro 2007, p. 3)—or, essentially, those who own and have access to resources. The Peruvian and other areas of Amazonia have a unique geographic composition of natural resources that resulted in a relatively low level of metropolitan development (compared to many other cases) during the colonial period (Monteiro 2007). “Mines and plantations stimulated the development of internal agrarian, pastoral, and urban commercial circuits” (Monteiro 2007, p. 2) rather than metropolitan ports that thrived on international trade. Because the majority of economic activity took place in frontier regions, landowners gained an economic advantage over most of the population and were therefore able to exercise power over the labor force and other aspects of the economy. Indeed, “these New World entrepreneurs had a central, if not dominant, role in shaping labor arrangements” (Monteiro 2007, p. 3). Thus, landowners in the sixteenth century controlled various economic aspects and developments during colonial rule.

Similarly, with the emergence of *enganche* in the nineteenth century, “plantation owners granted the bondsmen monopolistic rights over the recruitment of peasants in the highland districts...this allowed the bondsman to exert certain control over the movements of peasant workers in each region” (Bedoya 1997, p. 15). In this case, landowners exerted their power through delegation, and the workers in question were not legally slaves. However, evidently, the landowners’ authority and ability to control the labor force remained as powerful as it had during the colonial period (Bedoya 1997). Perhaps the most significant difference is only that they had the task of exerting their power under a non-slavery system and thus had to create new ways to ensnare workers.

Today, *habilitacion* operates with the same principles of power under a different name. Sears and Pinedo-Vasquez (2011) explain the system of *habilitacion*, in which

A person is enabled, *habilitado*, when provided with financial resources, formal documents or political capital. An individual with financial or political resources, the *habilitador*, provides funding or documents to someone who can convert those resources into valuable timber. The *habilitado* then enlists a set of other actors who are to access and deliver timber to the *habilitador*. (p. 615)

Once again, producers use delegation—this time from the *habilitador* to the *habilitado*—and the ladder of delegation is based on who owns and/or has access to the desired resources. In addition, the use of a word that translates as “enabled” to describe someone who has received resources and capital signifies the importance of owning resources, and suggests a person without access to resources and capital is *disabled*. Thus, historically, those who control resources and their extraction also have the power to exert influence over the labor market and resource extraction.

In addition to historically having relatively consistent degrees of power, landowners and entrepreneurs in Peru have had to overcome similar challenges, and were able to do so because of their influence on the labor system. The most prominent of these challenges was to find a way to organize and distribute the

labor force in the face of repeated episodes of labor scarcity. During these labor crises, producers often resorted to coercive means to obtain labor (Bedoya 1997; Monteiro 2007). Labor shortages have historically served as an evolutionary catalyst in the labor system, in that labor crises have required producers to adjust labor practices to replenish the labor supply, and in the process created new systems of labor (Bedoya 1997; Monteiro 2007). Typically, producers would first adjust the way in which laborers were compensated for, or coerced or forced into performing tasks (Bedoya 1997; Monteiro 2007). Thus, the consequences of various labor crises throughout Peruvian history resulted in the evolution of labor systems that differed in the way they recruited and compensated workers.

These cycles of shortages and reinvented labor systems began with initial conquest in the early sixteenth century. Spanish conquerors quickly realized the traditional rural sector did not have an unlimited supply of workers (Bedoya 1997), nor did the labor pool have reliable longevity. New World entrepreneurs necessarily had to maintain a sufficient supply of workers from a population reeling from the “effects that the demographic collapse had on the labor supply” (Monteiro 2007, p. 2) as well as voluntary and forced migration that took place because of and in response to social consequences of colonialism (Monteiro 2007). To overcome the diminishing labor pool as well as difficulties with labor recruitment, entrepreneurs fused various techniques of labor relations, including “wage labor, complicated tenancy, share and debt-credit arrangements, and forced labor drafts and slavery, into a single productive process” (Monteiro 2007, p. 2). The implementation of these different styles of labor had both short-term and long-lasting impacts on the labor system throughout colonial rule, and while some were more effective than others, all styles contributed to the evolution of labor systems in Amazonia.

The earliest system to result from this hybrid labor force was *repartimiento*. The crown instructed New World leaders to “compel [Indians] to work in our service, paying them the wage which you think it is just they should have” (Monteiro 2007, p. 7). In response to this order, Ovanda, the first governor of Hispanola, promoted supplying workers “through the capture and enslavement of rebellious groups, and through the distribution of the crown’s vassals” (Monteiro 2007, p. 8). Under *repartimiento*, labor

owners were expected to see to the conversion and protection of Indian laborers in return for the privilege of “labor from the crown’s newest vassals” (Monteiro 2007, p. 10). In a sense, the “wage” the laborers received was their protection and conversion to Christianity. These non-monetary payments reoccur throughout Peru’s labor history. Furthermore, some pondered the moral implications of essentially enslaving potential tribute-payers to the crown (Monteiro 2007). Perhaps the protection and conversion sufficed as payment enough to alleviate these worries but conveniently did not require the labor holder to sacrifice profit. If that is the case, then in *repartimiento*, where laborers were forced into work, worker ‘compensation’ was used to overcome challenges on the side of the conquerors rather than to appease workers’ demands.

Repartimiento was the cornerstone in the evolution of labor in Latin America, and from that system grew the “basic instrument of Spanish exploitation of Indian labor” in Peru, *encomienda* (Lockhart 1994, p. 11). Under *encomienda*, workers “were distributed according to the beneficiary’s status, privilege, and service to the crown, which meant that some royal officials received much larger shares” than others (Monteiro 2007, p. 11). For example, in 1514, less than 12% of *encomiendas* included over 44% of the total Indian labor pool (Monteiro 2007). In this method, governors and viceroys in charge of distribution sought to reward adventurers for their efforts to convert Indians and generate wealth (Monteiro 2007; Lockhart 1994). The distribution method of *encomienda* was “central to the economic and social organization of the Spaniards themselves” (Lockhart 1994, p. 11), and was therefore, in a sense, an example of resource-owning elite reaping economic benefits and therefore obtaining power. In this case, the resources desired by the elite were not resources that could be extracted from the earth, but were human-based resources of character and accomplishment. Colonists who possessed the most of those ‘resources’ were rewarded with the most resources to produce (Lockhart 1994), in this case labor, and thus retained their power.

While the distribution of labor reflected the status of the beneficiaries, the organization of labor reflected the status of the worker and shows the incorporation of precolonial customs into the *encomienda* system. Silverblatt (1994) states, “with the exception of native nobility, all Indians owned tribute and labor to the crown” (p. 5). In order to maintain relationships with indigenous leaders, on which the system relied,

designations were made of which classes of indigenous were to perform certain tasks, with the lowest in status performing the most difficult and dangerous tasks (Monteiro 2007). These designations “inaugurated another important labor procedure, which involved the reconfiguration of precolonial categories to fit the demands of the emerging Spanish economy” (Monteiro 2007, p. 10). This shows how the Spaniards manipulated existing indigenous customs to fit their needs—a technique that historically has been implemented with major shifts of the role of indigenous labor force (Bedoya 1997).

Despite these labor structures, labor shortages once again became a problem due to the decimation of the indigenous population caused by disease and other factors (Monteiro 2007) as well as the inability of this system to adapt to “the labor demands resulting from the introduction of large-scale mining” (Wiedner 1960, p. 361). The complication of a dwindling labor pool and increased demand paired with the concentration of workers in the hands of relatively few Spaniards rendered *encomienda* “insufficient to meet the growing needs” of fledgling enterprises in the Andean region (Monteiro 2007, p. 25). “When Indian populations, decimated by disease and upheaval, could no longer meet labor demands, the Crown turned to slavery” (Silverblatt 1994, p. 5) and other forms of wage labor (Monteiro 2007).

Under wage labor systems, producers hired *kurakas* “who recruited workers from their own communities” (Monteiro 2007, p. 26). During this transition, the Spaniards once again took advantage of and reconfigured a precolonial social arrangement and targeted *yanacona*, “a social group characterized by a special, inherited relationship of service and subordination to the state, as personified in the emperor or the local elite” (Monteiro 2007, p. 26). *Yanacona* in the *encomiendas* were compensated, “but only in the sense that the Spaniards assumed the responsibility of paying for their tribute” (Wiedner 1960, p. 363). However, when wages “did not substantially exceed” (Wiedner 1960, p. 364) tribute dues, the system turned to a state of debt servitude. Thus, *yanas* “became dependents of the Spanish lords, who often treated them as personal property, renting out their services and even selling them to others” (Monteiro 2007, p. 26). Thus, although the labor system evolved to adapt to fluctuations in supply and demand for workers, the custom of forced, cheap labor persisted because the producers had the power and likely ensured any changes in the labor system would maintain the power structure

and continue to benefit the producing elite.

In the 1560s producers were yet again faced with a labor shortage, this time caused “by the refusal of workers to toil for lower wages and decreasing shares” rather than population decline (Montiero 2007, p. 27). Few producers resorted to slavery because it was still too expensive to be worth the investment (Monteiro 2007). Thus, the crown stepped in and colonists drafted detailed reports to solve the labor problem, and in these reports “the most prominent feature entailed the expansion and centralization of rotating labor drafts, involving medium to long-range migrations” (Monteiro 2007, p. 28). This system, called *mita*, was possibly the first institutionalized form of migrant labor. While *repartimiento* involved some migration, *mita* involved rotation of indigenous populations from different regions of Peru (Wiedner 1960). The implementation of migrant labor essentially served as an internal labor importation system that allowed labor shortages in one region to be solved by importing migrant workers from another. This solution led migrant labor to become an indispensable method of labor on which estates relied (Monteiro 2007).

While *mita* proved to be “a cheap alternative to free wage labor for the heaviest and most dangerous tasks” (Monteiro 2007, p. 30), the slave trade had expanded by the second half of the sixteenth century to the point where African slaves became a more viable labor source due to slavery’s “clear comparative edge over various forms of coerced and free native labor” (p. 32). In addition, African slaves were a convenient solution to subdue the “growing waves of moral outrage” over forced native labor (Monteiro 2007, p. 32). Consequentially, the labor system in Peru began to favor African slavery. This time, the shift in labor system came as a result of an increase in worker supply, rather than a decrease.

Thus began the expansion of and dependence on African slavery in Peru. By the end of the sixteenth century, “African slaves constituted an important part of the colonial population” and by the mid-seventeenth century there were approximately 100,000 African slaves in the work force (Monteiro 2007, p. 34). This figure remained relatively constant through the end of the eighteenth century (Monteiro 2007). Although slavery was the most outright form of forced labor during the colonial period, it involved, in principle, “a reciprocal relation. Masters were entitled to extract labor from their slaves,

but in return they were supposed to provide food, clothing, shelter, and religious instruction” (Monteiro 2007, p. 42). This shows yet another example of a bonded labor system portrayed somewhat as a non-monetary, alternative form of wage labor. Therefore, after approximately three centuries of labor system evolution, what producers viewed as acceptable worker compensation had essentially remained unchanged.

However, the institution of slavery was “condemned to an agonizing death” (Monteiro 2007, p. 68) in 1810 with the discontinuation of the trans-Atlantic slave trade, and producers faced what was probably the most extreme labor shortage in postconquest Peruvian history. With no way to replenish the dwindling population of approximately 100,000 slaves in the labor force at a time of great capitalist expansion, “the rising capitalist enterprises had to resort to diverse means in order to recruit workers” (Bedoya 1997, p. 10). It was during this labor crisis that *enganche* first emerged.

Enganche is unique to the previous labor systems in that it relies much more on economic coercion than on force. In true capitalist fashion, producers initially recruited workers by instilling a desire to consume into more remote indigenous communities, which were considered to be a labor reserve (Bedoya 1997). Producers “increase[d] commodity circulation within...communities...to the point where peasants not only developed a need for certain commodities they could not produce, but also owed money to merchants and had to seek temporary employment elsewhere to pay off their debts” (Bedoya 1997, p. 10). This type of economic coercion is more extreme than any used in the colonial period; however it is the descendent of debt mechanisms used in previous systems: “If debt mechanisms were important during the late colonial period as a mediating feature in labor relations, they came to be used increasingly in the nineteenth century as a new form of coercion, reaching their most extreme examples in tropical plantation agriculture and forest extraction industries” (Monteiro 2007, p. 69).

In the case of *enganche* in the forestry sector, “the promise, often exaggerated by the boss, of large gains from working with valuable timber resources” (Sears & Pinedo-Vasquez 2011, p. 620) attracts most workers. In *habilitacion*, labor recruiters take advantage of poor people’s inhibited ability to consume and use it to draw them into a system that will increase their debt and thus require laborers to work more in order to continue to consume.

The implementation of *enganche* has had far-reaching effects on both the labor force and Peruvian society as a whole. According to Bedoya (1997), “*Enganche* both initiated an irreversible process of land abandonment by members of indigenous communities and a deterioration of natural resources” (p. 32). In this way, *enganche* catalyzed internal migration in Peru, as it promoted migration to new sources of employment, as well as provided a significant labor force to continue to plunder Peru’s resources.

From the initial forced migration under *mita*, migrant labor became entrenched in society under *enganche* and is today quite common and oftentimes necessary. “Short- and long-term changes in opportunities for labour...as well as changing market conditions, stimulate the continued circulation of people and resources between country and city” (Pinedo-Vasquez & Padoch 2009, p. 87). Migrant and seasonal labor is often a necessity for urban and rural poor in order to maintain a family income, as demonstrated by the prevalence of the multi-sited households that result from these labor patterns (Pinedo-Vasquez & Padoch 2009). These migrant workers compose a significant part of loggers in the *habilitacion* system. “Poor people from cities...who have migrated to the cities in search of employment” (Sears & Pinedo-Vasquez 2011, p. 616) often make up these groups. Thus, the established custom of migrant workers that began centuries ago was integrated into *enganche* and continues to resonate in the Peruvian economy.

Furthermore, *enganche* resulted in “social differentiation within indigenous communities” (Bedoya 1997, p. 19-20). Specifically, it exacerbated the gap between rich peasants and poor peasants because, when migrating, rich peasants were able to transport larger amounts of livestock and food supplies than the poor, and thus could save the majority of the money they earned while working. This allowed them to accumulate wealth and pay debts faster (Bedoya 1997). Conversely, poor peasants had an immediate need for income and could not take as many supplies with them. Consequentially, poor peasants depended on advances for food, were not as able to accumulate wealth and therefore took much longer to repay their debts (Bedoya 1997). Although workers are no longer delegated tasks based on their social classification as they were in *yanacona*, social stratification continues to influence the difficulty and longevity of a labor contract. Circumstances force the poor to work for longer periods and render workers more likely

to become entrenched in debts they cannot repay due to institutional aspects of *enganche*.

In Peru's contemporary forestry sector, *enganche* helps to recruit workers, while *habilitacion* facilitates logging operations. As I have demonstrated, *enganche* derives from centuries of bonded labor systems in Peru. However, many similarities exist between *habilitacion* and colonial labor systems, including similarities between *habilitacion* and *encomienda*, *habilitacion* and debt peonage, and specific players who reflect certain roles in historic systems. These connections further reinforce the relationship between Peru's history and its current issues in the timber industry.

Although differences exist between *encomienda* and *habilitacion*, not the least of which is the difference in freedom of the workers. The general principle and certain structures of operations in *habilitacion* are reminiscent of this early colonial institution. *Encomienda* featured a reward-based distribution of workers, where those who had best served the crown were allocated the most workers and thus held more potential for economic power and production. Similarly, timber industrialists under *habilitacion* allocate better lands and more supplies to the "loyal" logging bosses with whom they have an established relationship and who have had successful logging operations that led to large profits for the timber industrialist (Sears & Pinedo-Vasquez 2011, p. 616). Thus, in both the historic and current situation, the structure rewards underlings of the main power authority for the ends they achieve through a system that relies on the exploitation and coercion of laborers in order to turn a healthy profit.

Habilitacion also has many similarities to debt peonage. According to Sears and Pinedo-Vasquez (2011), the timber industry and *habilitacion* carry "a high degree of risk at all levels" so that "*habilitados* often find themselves trapped by mounting debt to the *habilitador*. In this way, the system is considered by some to be akin to debt peonage or bonded labour" (p. 617). However, *habilitacion* is more complex than coerced bonded labor. Sears and Pinedo-Vasquez (2011) point out that "*habilitacion* differs from debt peonage in that the system today is not used so much for forced labour recruitment as it was in the past, but rather for providing capital in a sector bereft of formal credit" (p. 617). While the credit system of *habilitacion* can create economic opportunities for *habilitados* that otherwise could not have been realized, Bedoya (1997) would disagree with the assertion that *habilitacion* is not debt peonage, as he argues that "in order to

prove the presence of peonage, there must be evidence that the owners of plantations or haciendas were restricting the mobility of the workers” (p. 25). In the case of *habilitacion*, debt accumulation can restrict a *habilitado* from leaving the industry due to coercive or physical threats from the *habilitador* (Sears & Pinedo-Vasquez 2011). Furthermore, if the *habilitador* does in fact undervalue the wood that the *habilitado* produces, then the *habilitador* slows down the process of debt repayment and thus indirectly restricts the *habilitado* from leaving by prolonging the debt repayment period.

In addition to institutional similarities, certain players in *habilitacion* relate to players of the past. For example, the hired *kurakas* in early wage labor systems played a similar role to today’s logging bosses who often recruit laborers from their own indigenous communities (Sears & Pinedo-Vasquez 2011). On the upper end of the ladder, *habilitacion*’s *empresarios*, who generally live in cities and far away from logging operations (Sears & Pinedo-Vasquez 2011), share similarities with the Spanish royalty during colonialism. In both cases, these top players receive the majority of the profit in a sector “which is supported by a diverse and socially and geographically distant network of actors” (Sears & Pinedo-Vasquez 2011, p. 626). Although many other connections exist, my research most strongly supports the similarities I have outlined.

One possible reason for the persistence of certain traits in the labor system is that legislation through the centuries has supported and legitimized institutions of bonded, forced, and coerced labor. In the early years of colonialism, the crown endorsed the use of capture through a sequence of legislation, which institutionalized and legitimized *repartimiento* (Montiero 2007) and in doing so perhaps provided a base for future systems that would rely on forced labor to obtain workers and alternative methods of payment as compensation. Furthermore, the reciprocal relation of slavery, in which masters were expected to feed, house, and protect their slaves, was part of a set of obligations that “constituted part of early modern Iberian legal codes and religious norms” (Monteiro 2007). Therefore, not only did colonial law legitimize the institution slavery, but law legitimized the colonists’ moral justification for slavery as well.

The *enganche* emergence period also had its share of legislation. With the passages of 1897 regulations that required bonded workers to pay back their debts before abandoning their work, and a 1903 work code that “authorized public officials to pursue

bonded workers who had escaped without paying off the total amount of their debts,” the government “legalized the loss of freedom of the bonded workers” (Bedoya 1997, p. 22) who “actually lost their right to commodify their labor power until the incurred debt had been cleared” (p. 29). These laws, by definition, legalized and enforced debt peonage, which requires evidence that employers restricted the mobility of workers (Bedoya 1997).

Parallel to these facilitating acts of legislation, *habilitacion* is enabled by a lack of effective legislation against it, and thus continues to operate informally. Specifically, the forestry reforms of the year 2000 aimed to establish rules for sustainable extraction, modernize regulatory mechanisms, promote small and medium extractors, and essentially “gain control of a renegade industry” (Sears & Pinedo-Vasquez 2011, p. 612). However, “after almost a decade, [the law] has stimulated very little change in forestry practice and governance” (Sears & Pinedo-Vasquez 2011, p. 612). This law demonstrated a concern for regulating the industry, but accomplishes little and falls short of achieving its goals (Sears & Pinedo-Vasquez 2011). The law has essentially created a system where as long as the paperwork is in order, loggers can continue to operate in the traditional, largely extra-legal system without much concern for legal repercussions (Sears & Pinedo-Vasquez 2011). Therefore, unlike the formal legislation that enabled previous systems, the lack of effective control legislation creates the informality on which the *habilitacion* system thrives (Sears & Pinedo-Vasquez 2011).

Finally, although many legal frameworks have supported different labor institutions over time, cultural norms play an important role in the *habilitado – habilitador* relationship, as they did in *enganche* and other historical institutions. In the past, royal policy in both Castille and Portugal insisted free (that is, non-slave) workers were to receive wages for their services, but quickly noticed “free Indians, freed slaves, and, later, mestizos often refused to volunteer their services for wages alone, no matter how high these may have seemed to employers and authorities...wage labor often entailed the negotiation of other benefits” (Monteiro 2007, p. 4). These benefits included shares, access to land, and access to credit. While these demands appear reasonable based on the danger and difficulty of the labor provided, this example shows how access to material goods and credit was (and still is) an accepted form of payment among indigenous laborers. It is because of these exchanges that bondsmen manipulated the indebted

worker to perceive the relationship as traditional “Andean reciprocity” (Bedoya 1997, p. 29). “Under these relations, the indebted peasant perceives his [unequal] relationship with the bondsman who advanced him money as one of equal exchange” (Bedoya 1997, p. 29). As with the colonial institution of *yanacona*, *enganche* use of Andean reciprocity is another example in which producers “took advantage of and transformed, for their own ends, the tributary institutions which already existed in the indigenous communities” (Bedoya 1997, p. 28).

Conclusion

Based on the evidence I uncovered in my sources, the powerful resource owners throughout Peru’s history have shaped the development of labor institutions so that key aspects that keep the elite in power remain in place. Furthermore, both formal law and informal cultural and social norms have guided and supported labor system development in Peru. All of these factors contributed to making *habilitacion* what it is today.

Habilitacion has many similarities with debt peonage, but also provides some benefits, such as credit, employment, and the opportunity for entrepreneurship. Unfortunately, the system often achieves these benefits through extra-legal means and involve compromises on the part of those with less power. In order for Peruvian law to achieve its goals in forestry reform, it must not abolish *habilitacion*—rather, new laws must modify the system so that the benefits remain but operate in a way that does not impede on the freedom of workers.

However, more research is needed on the subject of *habilitacion* to fully understand the benefits and negatives of the system. The role of urban poor in the system has been largely understudied, although they play an important role in the workforce. What implications would such a law have for urban poor? How will a new law help bring urban poor out of poverty if forestry becomes more restricted? How much do urban poor rely on the timber industry for employment?

If scholars work to study and address these questions as well as others on the specific roles of different players, it will help evaluate how forestry regulations will impact certain groups of individuals and will thus better advise on which aspects of *habilitacion* require modification.

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