

Case Study by Economy
Pacific America

Peru

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Revised Paper

After

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CASE PERU

DEMOGRAPH CHANGES AND INTERNATIONAL LABOR MOVILITY IN THE

ASIA PACIFIC REGION

2007-2008

Aníbal Sánchez Aguilar

The present investigation has been prepared in the framework of the Counsel of Economic Cooperation of the Pacific (PECC) that agreed to carry out a study on the "Demographic Changes and Labor Mobility in the Asia Pacific Region", work which coordination is in charge of the National Committee of South Korea (KOPEC). The Case Peru has been elaborated, in representation of the country, by Aníbal Sánchez Aguilar, Sub Chief of Statistics of the National Institute of Statistics and Informatics (INEI), by assignment of the Department of Foreign Affairs of Peru.

The Forum of Economic Cooperation of Asia Pacific (APEC) is one of the most important international authorities to facilitate the economic growth, the cooperation, the trade and the investments in the region. The countries that integrate the Forum are Australia, Brunei Darussalam, Canada, Chile, Popular Republic of China, Hong Kong, China, Indonesia, Japan; Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Republic of Philippines, Russian Federation, Singapore; Chinese Taipei, Thailand, United States of America and Vietnam.

Lima, February 2008

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1. Peru in the Region Asia Pacific

Geographically, Peru is located in the center of the Asia Pacific region; it is an economy in development of 28 million inhabitants with a Gross Domestic Product (GDP) of more than 100 thousand American million dollars (2007), with a GDP per capita of approximately 4 thousand dollars to the year. It maintains financial, trade, and economic relations with the countries of the region for more than two centuries behind, and certainly, with constant migratory circle flows.

Over 150 years ago, hundreds of settlers of Asia arrived at our coasts as immigrants, especially from China and Japan, to work and to make business, as we will see in the present work. In 1849, the Chinese immigration began that until 1890 enabled the arrival of 100 thousand Chinese citizens, from Canton and Hong Kong, and since the end of 19th century and the middle of the 20th century, near 50 thousand Japanese immigrants arrived to our coasts. In this way, Peru was one of the first countries in Latin America in receiving Japanese and Chinese immigrants, and the first one in the region in establishing diplomatic relations with those two countries.

On the other hand, in the last century, by economic reasons, originated in the labor market, it was generated a strong migrant current of Peru toward important countries of the region as the United States, Chile, Canada, Mexico, Japan, Korea, Australia. More than the 46% of the Peruvians resident abroad are found in these countries, we are speaking approximately of three million Peruvians in the world.

Though, the Forum of Cooperation Asia Pacific (APEC) was created in 1989, Peru already was since the past, compromised in different transactions and flows of goods, services and people,

generating trade, financial, demographic and diplomatic relations, that have generated commitments that go in line with the social and economic dynamics among the countries. APEC, as it is known, searches to have an investments and free trade area among its members, it is through this forum that is sought to increase the economic relations among the countries of the region.

From beginnings of the 21st century, Peru as a member of the APEC, searches to enter with greater force in the Asia Pacific markets, due to that, it is intensifying its relations through the subscription of Free trade Agreements with the diverse economies of the region. Thus, in the 2005 a FTA with Thailand was subscribed, the first one of Peru with an Asian economy. In the year 2007 with the United States, that will take effect in January 2009. It was completed the FTA with Singapore, it began to negotiate with China and has just subscribed the FTA with Canada, in January 2008. Beyond, it continues the interest in negotiating this kind of agreements to Australia, South Korea and Japan.

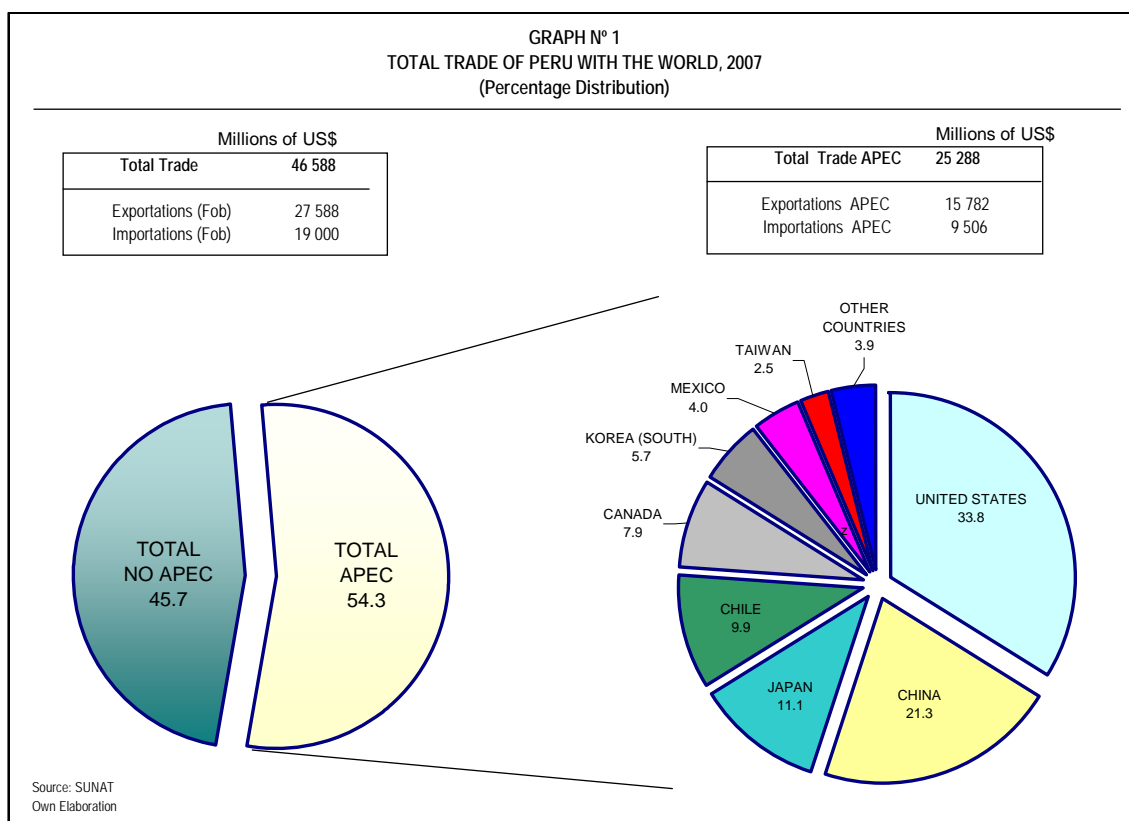
As it is known, the 21 economies of the APEC represent more than the half of the world population, of their GDP, and almost the half of their trade. There are the markets in growth of the Asian countries that require products that Peru has, like raw materials and food, and of them in exchange, to assimilate capital and technology. The Asian economies of the APEC represent a great opportunity of development.

Geographically, Peru will be an entrance gate to the big economies pertaining to the APEC to the South American region, and vice versa, the exit door of the South American countries to Asia. In other words, it's a reciprocal relation where Peru contributes with the integration and with the world trade. In other hand, Peru, it's the only country of the Andean Community of Nations (CAN) that forms part of the APEC, therefore, also serves as link among the APEC and CAN economies; it extends to the Common Market of the South (MERCOSUR), in which Peru is an associated member.

Peru is in a growing phase and economic stability that require a major dynamism in its world relations, especially with the APEC economies. Not for that reason we are not going to avoid that it has big social problems to solve, and that they will be impossible to address if the expansion and our economy development are not consolidated.

However, in this phase as we indicated, there are consolidating free trade agreements with the United States, Canada and China. Trade Agreements with Chile, Mexico, Singapore and Thailand. Commercial relations that in one or other way are going to stimulate in the future, the labor migration flows, the facilities in the flow of capital resources and labor between the different economies.

Peru participates in the world market with a volume of transactions which value rises the US \$ 46,588 million dollars in 2007, considering exportations and importations, with a balance of trade current surplus. The 54% of trade are between the Peruvian and APEC economies, and a 46% with other economies. Therein, the consequence of encourage, for our country, its economic, technologic and trade relations with the APEC members. As it is seen, our trade with the United States of America represents the 33,8% of the total of the region, China the 21,3%, Japan the 11,1%, Chile the 9,9%, Canada the 7,9%, South Korea the 5,7%, Mexico the 4,0%, Taiwan the 2,5% and other APEC economies the 3,9%.



2. The Peruvian International Migration: Principal Characteristics

2.1 Peruvians in the world in the last century

Traditionally, Peru has been an immigrants country, to our coast arrived and settle hundreds of Europeans, especially Spanish and with them came the black race in slave quality. This migratory flow began five hundred years ago, since Christopher Columbus arrived at America, this process kept in existence until 18th century and finished with the independence war, and the Peruvian emancipation from Spain, from there onwards the Spanish immigration decline considerably.

In the last five centuries, the foreign immigration can be divided in three big phases.

The first of them comprises from 16th to 18th centuries, it began with the Spanish conquest, with Francisco Pizarro's arrival and his hosts, the Inca Atahualpa's imprisonment and as a consequence the Inca Empire decay. In that time, the Incas had the domain of South America; the Tahuantinsuyo was the center of that part of the unknown world.

The clash of civilizations, between the Incas and Spanish, was a benefit for Spain, country that for three years dominated Peru as a colony. Hundreds of Spanish immigrated and colonized Peruvian territory till the independence war. As a part of the European migratory phenomenon arrived in a slave quality, hundreds of black African people, as servants of the Spanish owner, this generated the basis of today multiethnic and multicultural Peru.

The second phase of immigration, it was during the 19th century, in first instance hundreds of Europeans in non significant quantity arrived, especially Italians, Germans, Hollanders. They marked the new immigrant profile in Peru. In the mid century the Chinese immigration started.

In 1854, the president Ramón Castilla, by a law, declared the ending of the black race slavery, the manumission of the slaves declared that year made that the work force, necessary for the sugar and cotton plantations in the Peruvian haciendas, became scarcer. For that, it was necessary to motivate the Chinese work power migration, like this the Chinese "collies" arrived at the coast plantations, in not at all favorable conditions, almost as semi-slaves. Around 100 thousand of Chinese, in its majority from Canton arrived to the Callao port. In Peru, this immigration phenomenon was kept during all the XIX century.

The third phase, at the end of the 19th century and beginning of the 20th century, the Asiatic immigration was consolidated, hundreds of Chinese and Japanese people, especially, came to Peru. At the ending of the 19th century, there were adding people from Hong Kong, in other social conditions; they arrived with the desire of living. These people represent a change in the

Asiatic immigrant profile to our country, situation that until now it shows up with the arrival of Chinese people to settle and make business in Peru.

The Japanese immigration started at the beginning of the 20th century, they arrived with the purpose of settling in different periods, they came to work and to make business. It's estimated that in the period 1890 - 1950 arrived at Peru more than 50 thousand Japanese people from different towns and cities of Japan. It's not strange the world wars disaster made that hundreds of Asian people looked for other possibilities in Peruvian territories.

During the 20th century, the migratory flow showed up in small quantities, it arrived: Europeans from different nationalities, especially Italians, French, Germans, Hollanders, also, Minor and Major Asia people, Iraqis, Pakistanis, Arabs and Muslims in general. A great number of Pakistanis are settled in the south of the nation, in Tacna. Now a day, it's estimated that approximately 50 thousand foreign people with a resident visa live in Peru.

The past migratory flow gives place, during the 20th century, to the Peruvian emigration, with the pass of the years a cause of the Peruvian necessities; it expresses a strong increase of the emigrant flow, phenomenon that grows along the century and gain speed in the 21st century first years.

This process, which we are describing in this documentation, confirms the researches and hypothesis on which some researchers had written like Teófilo Altamirano (2006) whom concentrating in this point lights out:

“The transnational migration supposed a migratory transition. The countries, traditionally, issuers of immigrants, as they are Central and Occidental Europe, and the Japan are now

immigrant receivers that came from countries of the South hemisphere opposite of the countries that received immigrant that now are emigrants countries.”¹

2.2. Magnitude Estimation of the Peruvians in the world

In the last century, it looks a increasing tendency of Peruvian emigration, this has generated a very important magnitude of Peruvians living in different cities of the world.

The calculus effectuated in this documentation, are shown for the first time, these allow to estimate 3 millions 56 thousand of Peruvians in the world that emigrated from Peru to different countries.

The majority of them are labor migrants, a study of the Pontifical Catholic University of Peru and the ILO (2006) shows that near the 70% of Peruvians went out of the country to live and work in other countries; they did it because of economic and family reasons.

“... the Peruvian immigrants shows as a principal cause of their mobility the economic problems (54,26%) in which it's logic to include absence of work and low levels of salaries in Peru. A second cause, it is called family problem (14, 42%), and it follows the migration for studies cause (8,39%), for the terrorist violence (2,88%) and for political problems (0,79%), and there is an 8,78% that gives reasons of their migration and a 10,48% don't specify.”²

¹ Teófilo Altamirano: "Remittances and new 'brain drain' transnational impacts" – Pontifical Catholic University of Peru – Editorial Fond 2006, p. 21. / *“Remesas y nueva ‘fuga de cerebros’ impactos transnacionales” – Pontificia Universidad Católica del Perú – Editorial Fond 2006, p.21.*

² PUCP-ILO-Ministry of Foreign Affairs- Project: "Strengthening to the politics and the Peruvians abroad" – Pontifical Catholic University of Peru- PUCP – First Edition 2006. p. 36. / *PUCP-OIM-MRE – Proyecto: “Fortalecimiento a la política de vinculación de los peruanos en el exterior”- Pontificia Universidad Católica del Perú - PUCP - Primera Edición 2006. pp. 36.*

The estimate of three millions of Peruvian immigrants in the world is sustained in the charts that accompanying this documentation, which give a vision of the migratory phenomenon magnitude sustained in sources and methods statistically valid.

How do we get to that amount? To this end, it has used two sources of information very important. On the one hand, the results of the Encuesta Nacional Continua (ENCO) (National Continuous Survey (ENCO))³, executed by the National Institute of Statistic and Informatics (INEI) in 2006, and on the other hand, the statistics derivate from the administrative records of migratory control that is applied in the different border controls, record that is administrated by the General Direction of Migration and Naturalization (DIGEMIN), this is and organ of the Home Office of Peru.

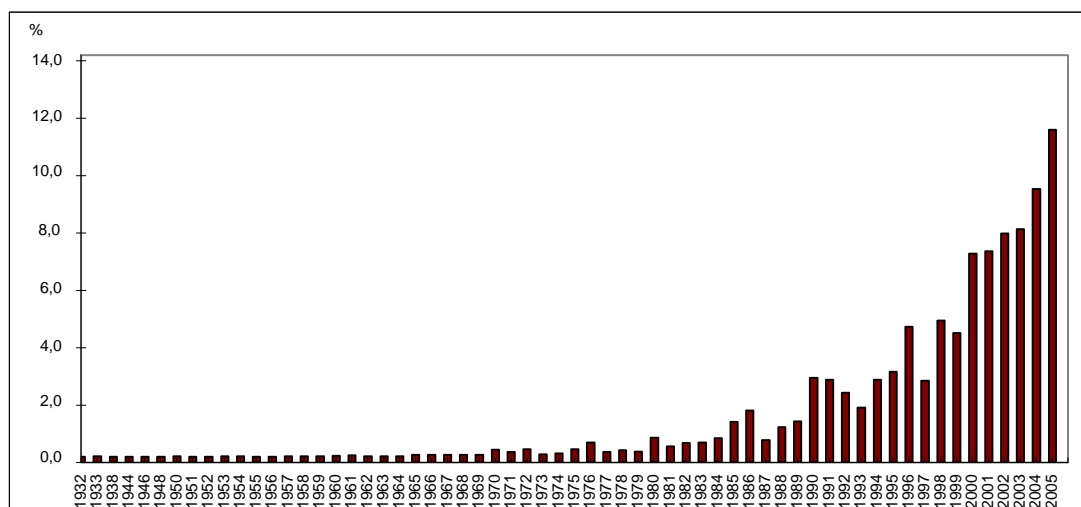
The ENCO 2006 and the Peruvians track in the world

The information given by the ENCO 2006, gives us, talking metaphorically, a very clear photograph of the Peruvians departure from Peru and their settlement in different cities and towns of the world. These are the information registered in the memory of the Peruvians homes, the year of departure of one or more of their members which magnitude is drawn along of one increasing curve that go back to the 30s years of the last century, that move through the century and it extends to the first years of the 21st century, in a sharp angle.

The statistics results come from the question: How many people that belonged to this home are permanently living in other province or country? And in which year did he go? (Or did they go?). The answers that the homes allow to rebuilt the proportion Peruvian emigrants each year. This information represents the **first component** in the global estimation of the Peruvian emigration, 1930-2007.

³ See: INEI- National Continuous results 2006.

GRAPH N° 02
PERU: INTERNATIONAL EMIGRATION PORCENTAGE OF PERUVIAN POPULATION; PER YEAR OF MIGRATION, 2006
(%)



Source: INEI - National Continuous Survey 2006 (ENCO).

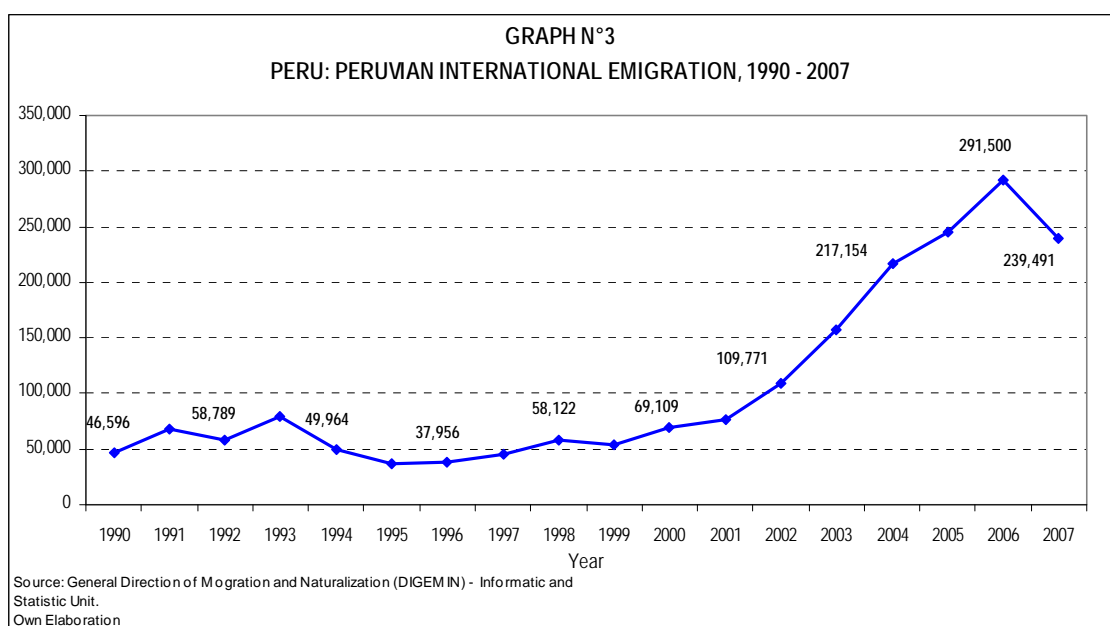
Own Elaboration

The statistical picture is expressive and assertive in its tendency; it is the vivid remember of the departure year of any home member registered by the Peruvian homes survey. The curve gives us the exact profile of the emigration of compatriots along the last century. Data that allows representing five big periods in the Peruvian emigration behavior: a) Before the 30s, b) the 1930-1950 period, c) the 1951-1970 period , d) the 1971-1090 period and e) the 1991-2007 period.

Second component, the control file of migration: A million 940 thousand 817 Peruvian emigrated in the last 18 years.

The second component to the estimation of Peruvians abroad, it's constituted by the departures statistic information of Peruvians that are registered in the different migration control departments, classify, codify and identify one by one, the ones who has not come back after six month of departure and are considering as migrants. The following Graph shows such evolution.

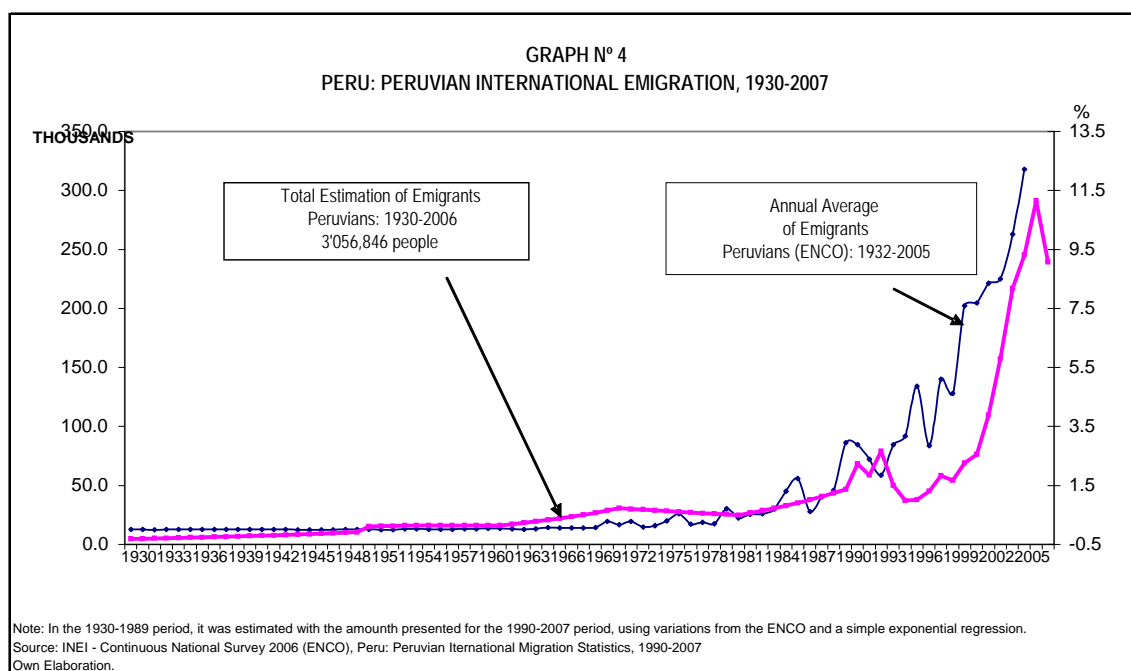
It used an unique code system per each Peruvian that leaved the country and has not registered his return, the study period is 1990-2007 and the closure point for its measure correspond to the month of January 2008, for those who leave in June 2007. This procedure permitted to calculate that in the last 17 years a Million 940 thousand 817 Peruvians, traveled abroad and hasn't returned yet.



Interchanging statically the information that brings both sources, we estimate the magnitude of Peruvians that travelled abroad in approximately **3 millions 56 thousand people**, see Graph N°4, amount that confirms the first estimates that it'd done using other method with the volume of the consignments, average and frequency of sending, that were disseminated in an article published by the International Organization for Migration (IOM), in 2006.⁴

⁴ Aníbal Sánchez Aguilar: "The external Peruvian migration, an increasing phenomenon, approaches to his measurement". International Organization for Migration (IOM) – February 2006. / "La migración externa peruana, un fenómeno creciente, aproximaciones a su medición". Organización Internacional para las Migraciones (OIM) - Febrero 2006.

It estimates that in the 1930-1990 period, a million 116 thousand 29 Peruvians emigrated, while for the last seventeen years , 1990-2007, it estimates the departures without return of a million 940 thousand 817 to an annual average of approximately 114 thousand Peruvian emigrants.



The methodology of calculation used for the estimation of the number of Peruvian emigrants, it has taken the information of the special sources: the ENCO 2006 and the administrative records of migratory control. From the proportion of emigrant Peruvians obtained by the ENCO, there decided the tendency of the evolution of the international emigration. Then, through a model of simple exponential retrogression ($R^2 = 79, 0 \%$) there managed to fit the behavior of the series of emigrants; the entire number of emigrants managing to estimate for the period 1930-2007, in quantity of 3 million 56 thousand 846 Peruvians.

In the previous graph there are gathered the information estimated in the previous pictures, which allow constructing the estimated series of the Peruvian migration in all its magnitude, from its econometric lengthening about the year 30 of last century.

2.3. Periods of the Peruvian emigration

Teófilo Altamirano (2006), describes five phases of the Peruvian emigration in the last century⁵, almost in coincidental form the numbers that we present in the first part of this document, they confirm the estimations of the researcher, with some not transcendent variants. Nevertheless, for our intention we have divided the whole century in five big periods which explanation is detailed next:

2.3.1. The first period: before the 30s

The tracks of the Peruvian emigrants go back to beginnings of century, many intellectuals, politicians and children of the wealthy classes were going towards Europe and some American cities to study or to settle in some time. To them, the deportees or the given shelter ones were joining, due to the continue riots and political scandals of beginnings of century. It is not strange that the president Augusto B. Leguía will be characterized by his predisposition to put his opponents in guilt asylums in some European countries. Thence, many intellectuals or politicians even will finish their days in Madrid, Paris or London.

For those years, to emigrate was a privilege of the wealthy ones, of the richest and oligarchs, to take the steams towards Europe, it was a sign of lineage. Situation that for the middle or poor classes was impossible to reach.

2.3.2. The second period: 1930-50

⁵Ob. cit. pp. 114-121

It is clear that the ravages of the world wars were not attractive for the Peruvians to go out of the country, and it even was becoming complicated by the transport and also dangerous. The migration in this period was supported in quite low levels. It is the period in which, one starts showing the emigration to the nearby South American countries. The closeness and minor costs of transport were facilitating the labor mobility, directed principally to Venezuela and Argentina.

2.3.3. The third period of the Emigration 1951-1970

It is a period in which the international migration in Peru is motivated, not only the members of the wealthy classes go out of the country, also members of the middle classes who are joining these flows, due to the attractive of the North American or European economy. For the 60s the shepherds' migration begins to the American steppes, who emigrate are rural settlers generally the poorest ones, with experience in the pasture, they travel with special visa and contracts of employment of two or three renewable years, go from the Andes to Idaho, take care of sheep day and night every day. The United States at present has almost 1,500 shepherds; the majority comes as invited worker of Chile, Mexico or Peru. Their legal salary varies from US\$650 a month in Wyoming to US\$1,350 in California. The shepherds can remain the whole year, nevertheless, the USA also counts with thousands of invited workpeople little qualified with temporary employments in farms, lumber centers and hotel complexes, but only a few months a year⁶.

In this period, the emigration to Spain begins that grows from the 70s, 80s and 90s, also towards Italy, England and France, in minor proportion. As it points out Altamirano (2006) was the epoch of the opening to the socialistic countries, as educational emigration. Canada also turned into the destination of many professionals and specializing workpeople. Other destinations as

⁶ See The Wall Street Journal, "For the shepherds, a door to the USA" Ed. May 28, 2007. / *The Wall Street Journal*, "Para los pastores, una puerta a EE.UU." Ed. 28 de mayo 2007.

Australia, principally, attract more Peruvians, young professional, single women of middle class.

2.3.4. The fourth Period of the Emigration 1971-1990

In this period the Peruvian emigration shows up strongly, the flows go towards the United States, Spain, Chile and Japan. Peruvians of all the social groups migrate in big quantities. Canada kept on receiving manual and professional workpeople that go in big number to the East. In the second half of the 80 decade, Japan opens its borders to thousands of workpeople, principally Japanese's progeny "nikei", many of them professionals. A small number of Peruvians go to other destinations in Central America, South of Asia, Arab countries and Israel. In this decade practically there were Peruvians in all the countries of the world. In this period the women join in major quantity the migratory phenomenon.

2.3.5. The fifth period of emigration 1991-2007

The initial years of the 90s were characterized by economic crisis, political and social violence, and internal war, the per capita GDP falls down at its lowest level in the year 1992, deteriorating the incomes, especially of the middle and low stratus, where most of Peruvian migrants come from. The emigration spreads all the social groups, included the poorest ones, they go towards the nearby countries, especially Argentina, Chile, Bolivia, for the south, and towards the Ecuador for the north. Perhaps, the less unable to the migration are the poorest from the Andes and the Amazon plain.

On having examined the migratory flows of Peruvians, we can deduce that in the period 1990-1995, which coincides with the intensification of the political violence and internal war that the country lived, it is observed that the slope of the curve of the Peruvians exit is done more pronounced, tendency that spreads to 2006. This situation repeats for the years 1998-2001,

period where the economy turned out to be affected by diverse factors; it was felt the effects of El Nino phenomenon, the effects of the Asian and Brazilian crisis, as well as the serious political problems that produced the fall of the government of Alberto Fujimori in the year 2000.

It was a period of political and economic instability, which expressed itself in a biggest dynamics of the Peruvian emigration. In the period 2001-2006, the migratory flows gain speed, more than 110 thousand Peruvians, in annual average of the period 1990-2007, leave the country. The macroeconomic stability and the growth of the production, which goes parallel to the latter stretch is not been a reason enough for the retention of many Peruvians who aspired to go out of the country, for the presented numbers, the exits were intensified considerably. In the year 2007, the dynamic seems to abate.

In the formal or legal plane, many Peruvians enter satisfactorily to different countries of America, Europe and Asia: Nevertheless, a Peruvians' big contingent that goes out of the country, it is done in an "irregular" form. According to the approaches of the Ministry of Foreign Affairs, the 55 % of Peruvians who reside abroad is in the above mentioned situation, it means they have not formalized their residence in the country of reception.⁷ This fact must be a concern in the politics of the State. According to consular reports, every week a group of Peruvians is detained on the border between Mexico and the United States. According to release numbers: "... in 101 days, 100 Peruvians have been deported, trying to enter illegally in the United States."

⁷ Department of Foreign Affairs - Secretary of Peruvian Communities Abroad - Notebooks of Management – Volume 2 “ Statistics of the Peruvians abroad ” / *Ministerio de Relaciones Exteriores - Secretaría de Comunidades Peruanas en el Exterior – Cuadernos de Gestión – Volumen 2 “Estadísticas de los Peruanos en el Exterior”*.

Generally they are stopped on the border, they travel round Central America or Mexico and after being captured they are deported”.⁸

However, many Peruvians in their desire to go abroad are cached for the mafias and groups of traffic and treats of people that promise them the entrance to the United States, in this attempt, they risk their life and the small resource saved for the above mentioned intention, facing dangers of different nature. At beginnings of the present year, Chile has given an amnesty for the immigrants' formalization, near 40 thousand Peruvians has registered requesting their formalization, of which approximately 25 thousand would achieve the formalization of their resident's status in the nearby country of the south.

2.4. Determinant factors of the Peruvian migration

The Peruvian migration fundamentally is characterized for being a migration of labor character, although other reasons exist: studies, family and social violence, politic reasons, etc., the Peruvians emigrate principally for obtaining an employment, improving their income and the conditions of life for them and their families. Although the migratory phenomenon takes factors of different nature as causes, in the Peruvian case we will centre our analysis on three basic aspects, which we consider to be determinants:

- a) Economic factors,
- b) Demographic factors, and
- c) Other social factors: family chain, professional and education expectations, political violence and displaced.

⁸ “The nightmare of looking for the American dream”, special article of “El Comercio” newspaper, Thursday, 15th December 2005. / “*La pesadilla de buscar el sueño americano*”, especial del diario *El Comercio*, jueves 15 de diciembre del 2005.

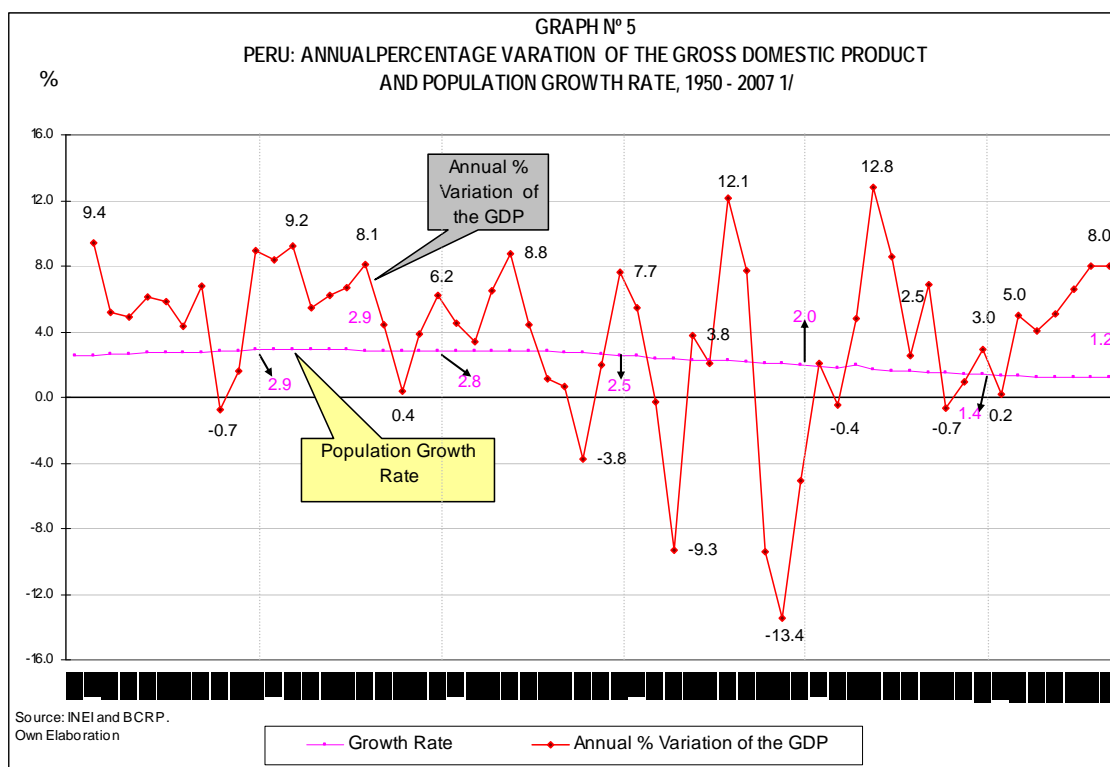
a) Economic factors

The principal reason of the Peruvian migration has its economic background, the imbalances on the labor market, which show on the one hand, in abundant offer of labor and on the other hand, scarce demand of employment, constitutes one of the principal reasons for which the Peruvians look for better possibilities of employment and revenue, in other latitudes.

In the last century, the imbalances of the Peruvian economy, its goings and reverses, have increased the international migration. Long economic cycles of growth and recession, the swaying that expresses itself in political crisis and with serious social effects, especially the deterioration of the standards of the population living that generates conditions so that hundreds of Peruvians turn their eyes over an unpredictable destiny, but with the conviction of achieving employment and better income in a developed economy. In the Peruvian case, looking at the United States in first instance, Spain, Italy or Japan, and also the nearby countries, due to the facility of transport and the minor costs: Venezuela, Argentina, first and Chile later.

The Peruvian economy in the last 60 years has had a cyclical not favorable behavior; to periods of growth have continued sustained periods of stagnation and recession. The series presented next shows indisputably such swaying, the annual changes of the gross domestic product, between the years 1950 and 2007, register rises and deep falls.

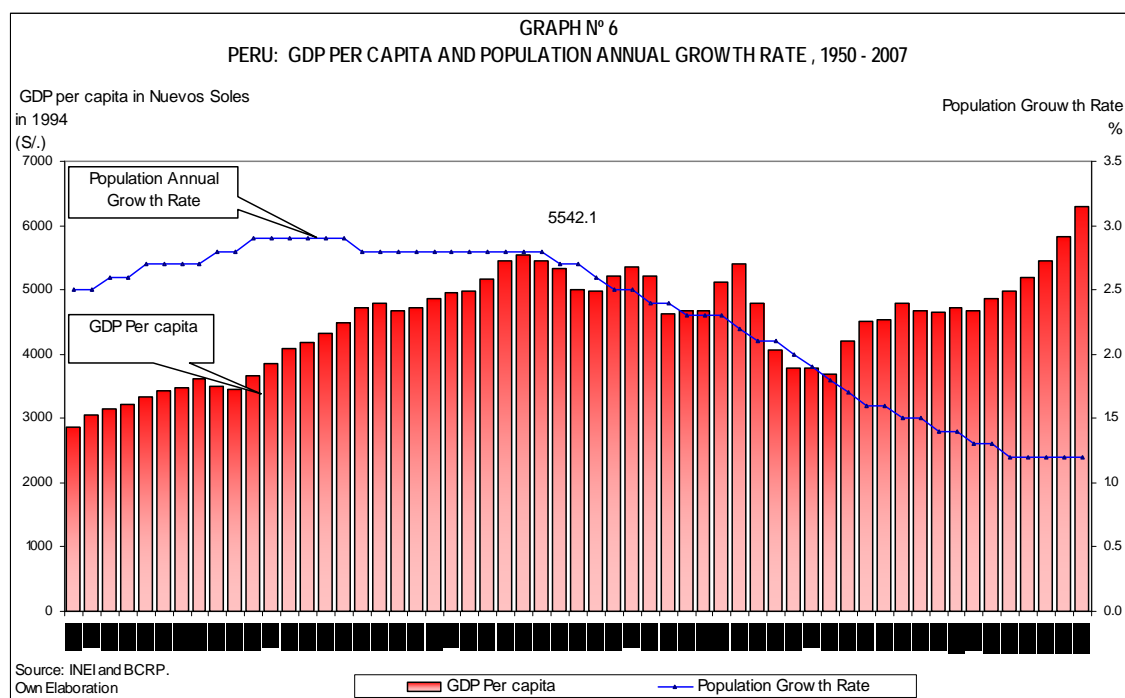
The initial years of the decade of the fifties are characterized by the growth of the product; however, a strong fall is observed in the year 1957, and in the following year a growth rate below the level of the population growth.



Between the years 1976-78, for three consecutive years the production exhibits depressed levels of growth and a strong fall in the year 1978 of -3,8 %, situation that repeats itself in the years 1982 and 1983, with falls in the product of -0,3 and -9,3 %, respectively. The period of major recession that should suffer the Peruvian economy it's observed between the years 1988, 1989 and 1990, with falls of -9,4 %, -13,4 % and -5,1 %, respectively. It is the numerical expression of the lost decade of the 80s, crisis that spread until the year 1992 (-0,4 %).

The decade of 90s meant a change in the economic model, of trade opening, insertion in the world economy and of minor roll of the State in the economy. They were difficult years due to political violence and internal war, but it was a period of economic recovery that lasted until the year 1997. Finally, the production gets depressed considerably (-0,7 % in 1998 and 0,9 % in 1999), several factors affect in it, "El Nino phenomenon in the years 1997 and 1998, the Asian crisis and the political internal crisis impact and generate a new period of economic instability, which is translated in a minor level of production.

This situation of economic crisis is begun to revert, after a period of stability, from political changes which ending was a new democratic government of the year 2000. It marked the beginning of a new stage that is differing in the first decade of the 21st century, which is outlined as the decade of the economic recovery in Peru. The country exhibits seven years of economic consecutive growth, which will allow to maintain the tendency, to face the principal problems of the country as it is the decrease of the high levels of poverty (44, 5 % in the year 2006), and with it to attenuate also the international migration of Peruvians, whose principal foundation is the absence of employment and low income.

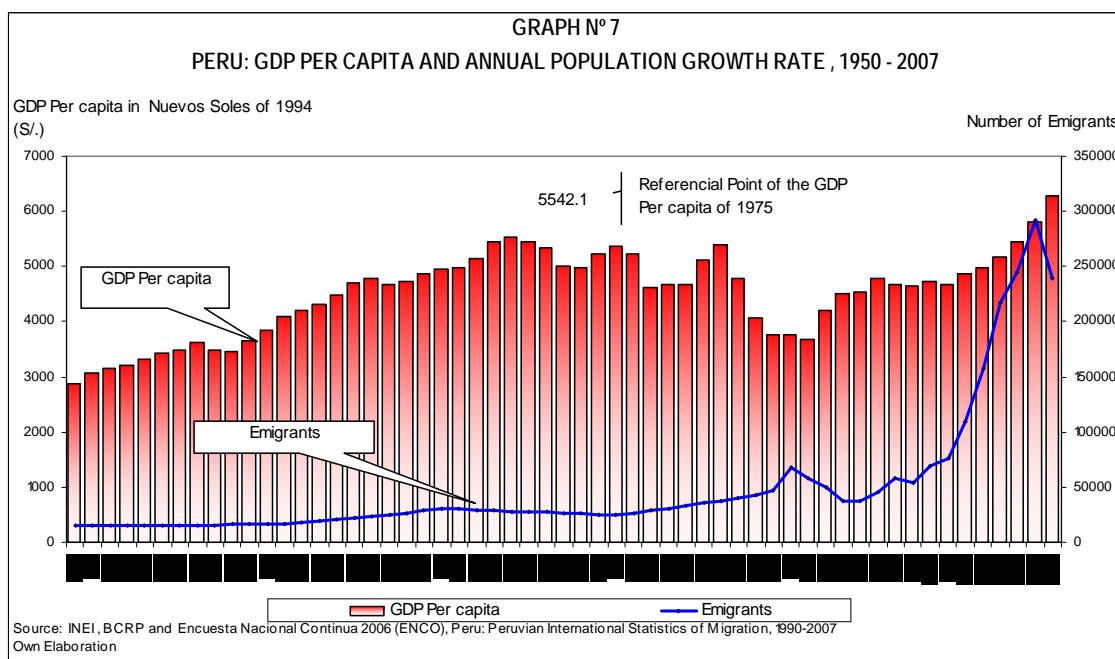


It is important to emphasize that this economic behavior has had a pernicious effect in the levels of revenue of the population; the GDP per capita has continuously been deteriorating. Although a decrease is observed in the population growth speed, which might be a motive of progress in the GDP per capita if the production grows; it has not been like that. There is observed a slow but supported decrease of the population growth rate (2.9 % per year in the year 1965 to 1.2 % in the year 2007), but in the above mentioned years it was accompanied of a growth of the product below the population growth, and in many years decrease in the product, which

expresses in the deterioration of the product per capita that decreased stridently in the last thirty years.

From the year 1950 that we have numbers, the highest level of the GNP per capita was achieved in the year 1975, which came at the level of the S/. 5,542 constant new soles, see Graph N° 6. This level of the GNP per capita fell down, throughout 20 consecutive years, at his lowest level of S/. 3,691 constant new soles, in the year 1992. Near twenty years of gradual deterioration, it is the reason that incubated that a Peruvians' big contingent, around two millions leave the country in the last 18 years, the almost vertical slope of the Peruvian migration, it is the expression of the above mentioned deterioration, as it is observed in Graph N° 7.

Since it was possible to have appreciated, the Peruvian economy, in the last thirty years, it did not generate the sufficient conditions to attend to the needs of employment of the Peruvian settlers, it was accompanied of growth in the levels of poverty, of the underemployment, unemployment and the low income of the population. Those are a principal cause of the biggest dynamism of the Peruvian emigration, which curve of growth becomes a steep slope, until the year 2007 that includes our study. The Peruvian economy recovers in the first years of the 21st century and recently in the year 2006, the GNP per capita reached the S/. 5,822 constant nuevos soles, managing to recover the purchasing power of the year 1975, that is to say 30 years later. There is a lot to do to prevent more Peruvians from going away of the country and with it that Peru could lose part of our talents and better capacities that well can contribute to the development of the country. The corollary is that Peru is beginning recently. In the following graph the above mentioned reality is observed clearly.



b) Demographic factors

Peru is characterized for being a country whose population is relatively young, more than the 50% of the population has less 25-year-old, and the population of the third age represents approximately the 6% of the population. By the years 60 of last century the annual average growth rate of the population flanked the 2.9%, the highest rate of growth of the population. It finalized the century the rate diminishes to 1.4%, because of it Peru exhibits the typical characteristics of a developing country, with highly levels in the growth of its population, this grew of 7 million inhabitants in the year 1940 at more than 28 million in the year 2007, as a result of the high levels of fertility, more than 2.5 children per woman in its period of fertile life.

The population growth, see Table N° 1, has not gone in line with the economic behavior, whose weak one and even nil growth, in certain periods, it did not generate sufficient employment and therefore was incapable to absorb to the new population contingent or internal migratory flows in search of employment. In the Peruvian case, like we have seen, what it was generated was a

purchase capacity loss in the product per capita, producing at the same time high levels of unemployment, underemployment and low incomes, which even are maintained until now.

TABLE N° 1
PERU: TOTAL POPULATION, ACCORDING TO RANGE, CENSUSES 1940, 1961, 1972, 1981, 1993 Y 2005

RANGE	TOTAL POPULATION a/					
	1940	1961	1972	1981	1993	2005
TOTAL PERU	7,023,111	10,420,357	14,121,484	17,762,231	22,639,443	27,219,264
Lima Department	849,171	2,093,435	3,594,787	4,993,032	6,478,957	8,153,618
Lima Province	661,508	1,901,927	3,418,453	4,835,793	6,434,323	8,103,002

a/ Population counted plus poblation omitted in the census

Source: INEI

Own elaboration

The imbalance between supply and demand of employment, due to the growing population and the low levels of production that generates a situation of greater economic crisis, it causes the migratory phenomenon of the depressed areas of the towns of the interior of the country, to the most developed areas in the main cities, especially the Capital of the Republic, in the first instance, to generate the migration conditions further on.

From the middle of last century, the growth of the cities is observed, principally Lima, by the strong migration of the interior of the country, due to the agriculture in crisis, and also by the process of modernization and industrialization of Lima that converted it in the center of attraction for the migrant, hundreds of them invade it, generating a population explosion that converted the capital city in a great metropolis. Lima province, passed to have 661.598 registered inhabitants in the census of the year 1940 to 1'901,927 in 1961, 3'418,453 people in

the census of 1972, 4'835,793 inhabitants in the year 1981, 6'434,323 inhabitants in the year 1993, and rose to 8'103,002 inhabitants in the 2005.⁹

It is evident that the internal absorption of migrant labor was small by the insurgent industry of the 20th century, as a result of the importation replacement model and the high composition of capital in the new factories. The belts of poverty around Lima were enlarged, for which splits of the population saw abroad a possibility. The economy of the United States was pole of attraction, as they were the economy of Argentina, the boom of the petroleum industry in Venezuela, further on the growth of the Chilean economy, then the European countries Spain and Italy, further on Japan, being generated a maintained process of emigration to the exterior. Between the years 1930 and 2007, Peru was integrated fully in the phenomenon of the world labor migration.

"The transnational labor migration is a phenomenon that has been increased in the last twenty years. The greater destinies of the labor migration were and they continue being the United States of North America and Western Europe. Besides it fits to emphasize to Venezuela for the case of the migrant Peruvians and Ecuadorian, and to Argentina for the case of the migrant Bolivians. In the case of the United States of North America and Europe Western, the cause of this migration is the need to count with labor in the tertiary and secondary sector of the economy, given the economic growth maintained since the decade of 1960. In the case of Venezuela, the boom of the petroleum has produced high demands of skilled labor and done not specialize. In the Argentine case, the commercial agriculture of the cane of sugar, of the fruit trees and of the vegetables attracted temporary Bolivian labor and permanent. Currently, many Bolivian workers have restricted its seasonal migration -that was given, preferably, before and after the sowing and the crop agribusiness in Bolivia- due to the Argentine economic collapse

⁹ INEI – Population counted and registered in the national censuses of the years: 1940, 1961, 1972, 1981, 1993 and 2005. / *INEI - Población Censada registrada en los Censos Nacionales de los años: 1940, 1961, 1972, 1981, 1993 y 2005.*

that began three years ago. In recent years, new destinies of migration have appeared among them, Spain and Italy for the Peruvians and Ecuadorian, and Chile for the Bolivians. Andean manual workers exist in other Latin-American countries like Brazil, Costa Rica and Mexico. It is believed that the labor migration will continue in the future due to the inequalities in the salaries between poor and rich countries, to the action of the transnational networks and to the need of labor in the countries of destiny -need caused by the decrease of the young population in productive age-"¹⁰

The demographic evolution of the countries is a very important factor to keep in mind in the migratory phenomenon. This aspect influences definitely in the migration, it expresses in some cases in an excess of population and in others in lack. In certain latitudes that lack derives chiefly, of the aging of the population, the result expresses itself in the lack of labor force for the economic march, for the productive activities that cannot stop. This phenomenon is declared clearly in the countries developed, with extremely low demographic growth rates, countries like Spain, Italy, Germany, Canada, the United States, Japan, that have obliged to generate maintained migratory politics, in order to cover the demand of labor force for the march of the industry, the agriculture, the trade or the tourism.

The same happened in Peru in the middle of the 19th century, given the liberation of the black slaves decreed by the President Castilla, they abandoned the cultivations when they saw themselves free, what caused lack of labor that obliged the haciendas' owners to favor politics of immigration, even when they were partial, which permitted to cover the need of labor force in the plantations of sugar of the Peruvian coast, with the "importation" (immigration) of hundreds of "colíes" Chinese that arrived to our coasts. During the 19th century, around 100 thousand Chinese arrived at our country to attend the cultivations of the coast and eventually to be remained and to be inserted in the economy and the Peruvian culture.

¹⁰ Teófilo Altamirano (2006) Ob. Cit. p 74

In same way, at beginnings of the 21st century many Peruvians have travelled to Spain, Italy, United States, Japan, under the implemented labor immigration politics cloak in these countries. The United States promotes yearly an annual quota of 50 thousand immigrants; through this vehicle many Peruvians have legalized their entrance to this country, or also the Spanish politic of immigration, that with the official agencies of the Peruvian government have permitted the immigration of hundreds of Peruvians. Or Japan, that along the last two decades favored the Peruvians controlled immigration that are descended of Japanese. To it, we must add that many Peruvians in "irregular" form cross the borders of the countries, looking for better living conditions.

However, to the inverse of the developed countries, in Peru the rates of fertility are high and the population has grown without equal correspondence in the economic growth, the average of children per woman in its period of fertility life is of 2.5 (ENDES 2005-2007)¹¹. The population has grown without being able to be inserted in the economy which originates more migration. Peru, a developing country has generated a migratory current toward the developed countries which is added to the one, of many Latin-American settlers that go incorporating to the international migration, south-north, or east-west.

This immigrant labor replacement phenomenon for the native, it is almost of nature obligated and will persist to future due to the decline of the rates of fertility in many developed countries; the fertility is a very important demographic variable in the evolution of the population growth. If to the Peruvian case, the decrease of this rate is important to reduce the maternal and childlike mortality. To the case of the developed countries in general, is of great worry because the

¹¹ INEI-USAID PERU-MEASURE DHS + of ORC Macro. Demographic Survey, of Family Health, (ENDES) 2005-2007. / INEI-USAID PERU-MEASURE DHS + de ORC Macro. Encuesta Demográfica, de Salud Familiar, (ENDES) 2005-2007.

current levels of fertility, less than 2 children per woman in its period of fertile life, does not guarantee, even, the natural reproduction of the population.

For example, Spain, and many countries of Europe as Germany and Italy have a global rate of fertility of 1.3 children per woman. The middle European rate is of 1.5 children per woman, which does not guarantee the demographic renewal and impedes the rejuvenation of the population. These countries of Europe see to age their population, as a result of the growth of the health attention and of the greater hope of life. Set against this problem, the governments should emit norms that encourage economically to the couples to have more children, population politics that shows the great importance that is given to the demographic theme and that some developed countries are implementing.

C) Other social factors: family chain, professional expectation and of education, political violence and displaced persons.

Among others factors that credit the international migration of Peruvians, we have the family chains, it is the possibility that is initiated in the Peruvian family, generally of medium strata or medium low, to use all its economic backup, savings or collective indebtedness, to manage to send one of its members abroad. Some theoreticians call to this process the "new economy of the migration".¹² In this case, the unit of study is the home, it supports the possibility that has the family to improve the living conditions through the emigration of one of their members or of a group of them, under the supposed that from the remittances will recover the costs assumed by the home to finance the departure of the emigrant.

¹² See "Estudio sobre la Migración Internacional y Remesas en Colombia" (*"Study on the International Migration and Remittances in Colombia"*) by Luis Jorge Garay Salamanca and Adriana Rodríguez Castle. Cuadernos Alianza País (*Country Alliance notebooks*). Department of Foreign Affairs of Colombia- IOM 2005, p15.

In the Peruvian case, there exist enough arguments that support these factors, it is verifiable the sacrifice of many homes to achieve the sufficient resources that permit the migration of one of its members, and from the installation of one of them, in the country of reception, the chain is initiated that one by one, goes taking abroad the home members.

To the chain of the home, it is added a very important factor, the existence of organizations, formal and informal, regular and not regular by public politics, around the process of the international migration, its objective is to support and to promote services to the migrant and its families in the countries of origin and destiny. These networks encouraged for the governmental politics cover many factors that originate actions that go from the essential to the cultural thing, religious, commercial or ethnic.¹³

In this framework exist associations of Peruvians abroad that have active life, in the United States, Spain, Italy, Argentina, Chile, Japan, which demand concrete actions of support to the Peruvians abroad, through the State, the diplomatic channels and other forms. Facilities in the documentation of the migrant, social support set against eventualities as accidents, catastrophes, etc. Actions for the decrease of the remittances transfer costs. Currently the costs are high, and in most cases they surpass the 10% of the remittance. And other actions like the commercial promotion and the exportation of nostalgic goods that consume our countrymen.

It is added to it, the existence of clubs of Peruvians resident abroad, that in certain dates celebrate local holidays and religious own of the Peruvians popular believe, with the significant accompaniment of the native, the Peruvian, the religious fervor, dances, music, foods, etc., that is part of the reminiscence of the country and nostalgic expression for the native territory. These factors influence in the migratory dynamics, they are given in the framework of the globalization, Peru is a country fully integrated to the world market, ad portas to subscribe free trade agreements with many economies of the world.

¹³ Ob. Cit. "Estudio sobre la Migración Internacional y Remesas en Colombia" (*"Study on the International Migration and Remittances in Colombia"*), p 16.

Especially with the economies of the Asia Pacific Region as United States with which already it was subscribed one, China, Canada, Thailand, with Agreements of Economic Complementation with Mexico, Chile, Cuba, MERCOSUR and trade projections with other economies. Inside these factors very important economic aspects are contemplated that have revolutionized the world, as the commercial liberalization of goods and services, the free movement of capitals, the development of the science and technology, as well as the modernization and improvement of the transportation, the communications, the Internet, aspects that impact in the economies and particularly in the international migration.

Another factor that we can not stop mentioning in the analysis of Peruvian migration is the process of political violence and internal war that Peru lived in the period 1980-2000, generated thousands of victims kill, hundreds of displaced persons, many of them finished being taken refuge in some countries. In those two decades, Peru was setting of a process of political violence and internal war, with the armed incursion of “Sendero Luminoso” that was chiefly centered in the Peruvian Andes, in the Andean trapezium. Many Peruvians emigrated running out from the violence, they did it by force saving from the death, even entire families sought asylum in other countries, in search of peace and better living conditions.

Finally, it is necessary to refer to a factor of subjective character, of personal aspiration, desire of becoming better that is also motive of migration. This argument involves displacements of people qualified, students, professional and noticeable sportsmen, that emigrate for better conditions of learning and progress, this migration of the better Peruvians, is given in permanent form, from the beginnings of the 20th century. This leak of “talents” is declared in continuous form, they emigrate with facility and intensity.

In Peru, a survey directed to the university students, indicates that the 54.7% of them has plans to leave the country. From the ones that they want to leave the country, the 49.7% they would

do it to study or to improve their education, the 31.4% they would do it for work or to improve their labor conditions, the 15.2% indicated that would do it for improve their quality of life, and the 3.7% they would do it for put a business and for other reasons.¹⁴

In this framework, many professional and technical Peruvians, politicians, writers and students have travelled abroad and have designed their own destiny, in many cases of a lot of progress, it is estimated that the 16% of the Peruvians abroad are professionals and technical. They are located in terms of work in all the economic branches, in transnational businesses or in the universities. Also, in works of engineering, in the banking, the commerce, the teaching, the sport, many Peruvians emphasize in the main leagues of European soccer, they are migrant labor.

2.5. Characteristics of the Peruvian emigration

Calculations carried out in the present work estimates that, in the last 18 years, A Million 940 Thousand Peruvians left the country to settle abroad. According to the results of the ENCO 2006, the Peruvians abroad in their great majority are in the American Continent 67.0%, the 28.3% are in Europe, the 4.0% in Asia and the 0.7% in Oceania and Africa.

Analyzing the information by country of destiny, in order of magnitude the 30.6% of the Peruvians reside in the United States of America, in Argentina the 14.0%, Spain 13.0%, Italy 10,3%, Chile 9,3%, Japan 3.7% and Venezuela 3,1%, among the main countries. Bolivia 2,7%, Brazil 2,0%, Ecuador 1,7%, Germany 1,4%, Canada 1,0%, France 0,8%, Australia 0,7%, Mexico 0.6% and Colombia 0,6%. In other countries resides the 4.1 %.

¹⁴ CEDRO - Survey to 600 students of three universities of Lima-Peru, of the low medium and high economic levels. Date: third week of September 2005. Published in the newspaper "La República", the 09-01-2006 / CEDRO- *Encuesta a 600 estudiantes de tres universidades de Lima-Perú, del nivel económico alto, medio y bajo. Fecha: tercera semana de septiembre del 2005. Publicado en el diario La República, el 09-01-2006.*

As it can be observed, we can find concentrated only in seven countries the 84.0% of Peruvians abroad, they are in cities of the United States, Argentina, Spain, Italy, Chile, Japan and Venezuela. The international migration is increased in the middle of the last century with the entrance of hundreds of Peruvians to those economies. Peru as many countries of Latin America, is an "exporter" of labor force. It is evident that the internal imbalances, as we have seen, are declared in the economic order. They are the determinant factors of the migration, but it is also the attraction of the developed economies for the better salaries set against the internal reality. As a result of this, the United States, Spain, Italy or Japan, are a pole of attraction. For example, a Peruvian in Spain can win among €1000 to €1500 Euros monthly, what in Peru; it would mean the incomes of a year, having a monthly vital minimum remuneration.

But also, it influence the differences among the economies of the region, neighboring countries with greater relative salary than other, become attractions for the migrant Peruvians, is not strange that the Peruvians, in the middle of century, they emigrated to Venezuela attracted by the boom of the petroleum industry, later to the growing economy of Argentina and then the pole of attraction is Chile where many countrymen reside, the men in the Industries of different nature generally in manufacturing and agricultural works, jobs in their greater part of low level, the women in the health and domestic services.

"The international migrations represent so much a challenge as an opportunity. On the one hand, they indicate that the domestic economies are not capable of offering jobs, incomes and labor conditions sufficiently attractive to their inhabitants so that they develop their labor capacities and of creation of wealth in their countries of origin. Opposite to this, with the growing globalization of the markets, the labor opportunities are expanded toward other economies and regions and possibilities of employment are opened to people of other nationalities. If the countries of destiny have a higher productivity average, in general they will

offer better salaries, a greater standard of material life and probably better social services than in the country of origin, elevating thus the economic welfare of the immigrant".¹⁵

The case of Spain is illustrative, from the year 2005 gave an access facilities series to the social security and labor benefits to the immigrants, what generated the formalization of hundreds of them, great part of the Spanish economy is supported in immigrant labor, near 5 million immigrants has Spain now, they are the backup of the productive growth. Due to it, a destiny preferred of the Peruvians is Spain, the migration that with said country of destiny is declared since the years 60 of last century. In the last seventeen years near 250 Thousand Peruvians have been directed toward Europe way Spain, a great majority of them resides legally in Spain today.

To the year 2007, in the Spanish City Halls, they are registered officially 137 thousand Peruvians. They have formalized their residence, the majority has an employment and they enjoy the social benefits that the legitimacy of their labor position offers them, a 24% of them have achieved the Spanish nationality. Nevertheless, there is a great number that still being in irregular situation. Besides, we do not forget that the great majority of Peruvians abroad agree to labor positions in the lower level of the labor step; the great number are laborers, operatives, or work in domestic works.

The jobs that offers Spain to the Peruvians through the Department of Labor, are to be performed as forest, agricultural laborer, harvester, boy of load and discharge, assembly assistant, mechanic, driver, carpenter, construction laborer, maid assistant, cook, nursing assistant, doctors, clinic assistant, nurses, superstore helper, employee of meat market, rescue worker, barber, electrician. It means the humblest jobs for the domestic and coarsest works and some not qualified works. Under this assembly, in the year 2007, near 1.600 Peruvians have

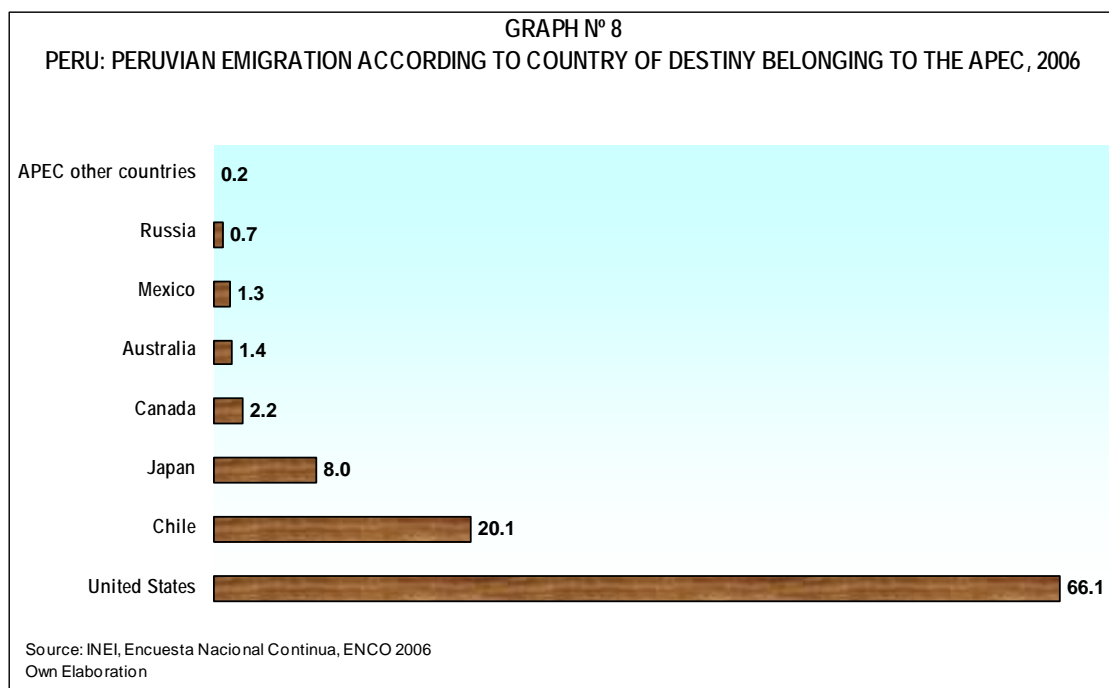
¹⁵ ILO Labor Panorama 2005 "International Migrations, Remittances and Labor Market: The Situation in Latin America and the Caribbean" / OIT *Panorama Laboral 2005 "Migraciones Internacionales, Remesas y Mercado Laboral: La Situación en América Latina y el Caribe"*

gone from the country to Spain, among them are include many professionals and technicians that abandon the country before the incapacity of the domestic economy to retain them and to take advantage of their capacities and level of studies.

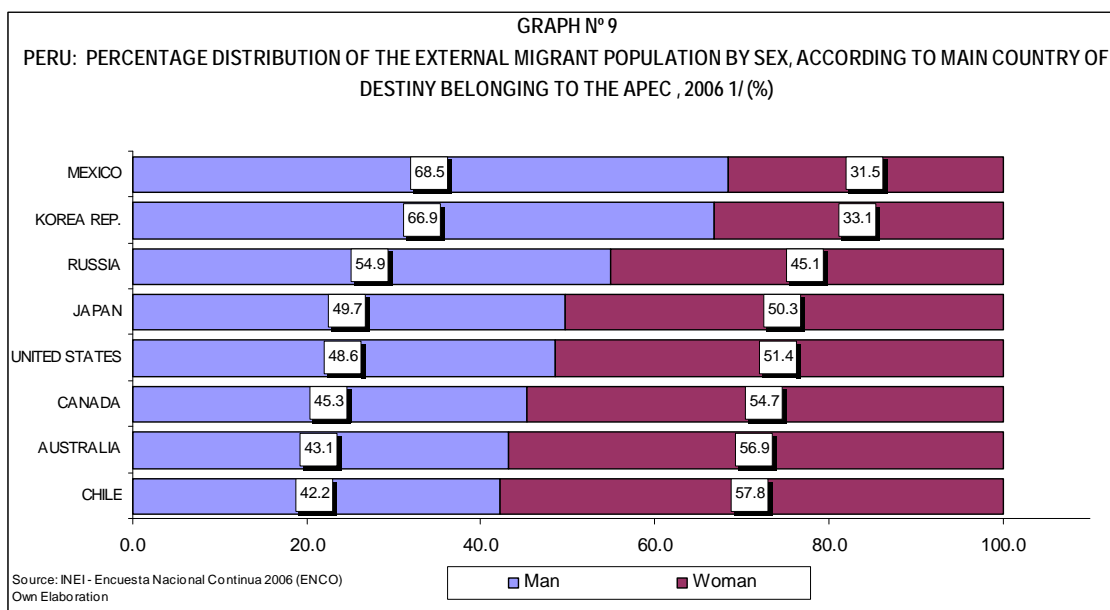
The Peruvians Emigrant in the Asia Pacific Region

With regard to the migration bound for the countries belonging to the APEC, we have that from the total of migrants that left from Peru, the 46.2% had as final destiny a country of the Asia Pacific region. According to the calculations presented in this document, we refer to 877 thousand 800 Peruvians that in the last 17 years left the country to reside in any country member of the APEC, while the 53.8% of the Peruvian emigrants went to other countries.

Analyzing the information by country of destiny belonging to the APEC, in order of magnitude, we have that from the total of these 21 countries, the 66.1% of the Peruvians reside in the United States of America, in Chile the 20.1%, in Japan the 8.0%, and in Canada the 2.2% among the main destinies.



As for the distribution of the Peruvian emigrants to the economies of the APEC, by sex, one can observe in the Graph N° 9, the preferences of the migration according to the sex of the migrant person. Thus, the proportion of migrant males in Mexico is (68.5%), bigger than the women (31.5%), as well as in the Republic of Korea and Russia. On the other hand, we see that the proportion of women in Chile is bigger (57.8%) than that of the males (42.2%), as well as in Australia, Canada, United States of North America and Japan.



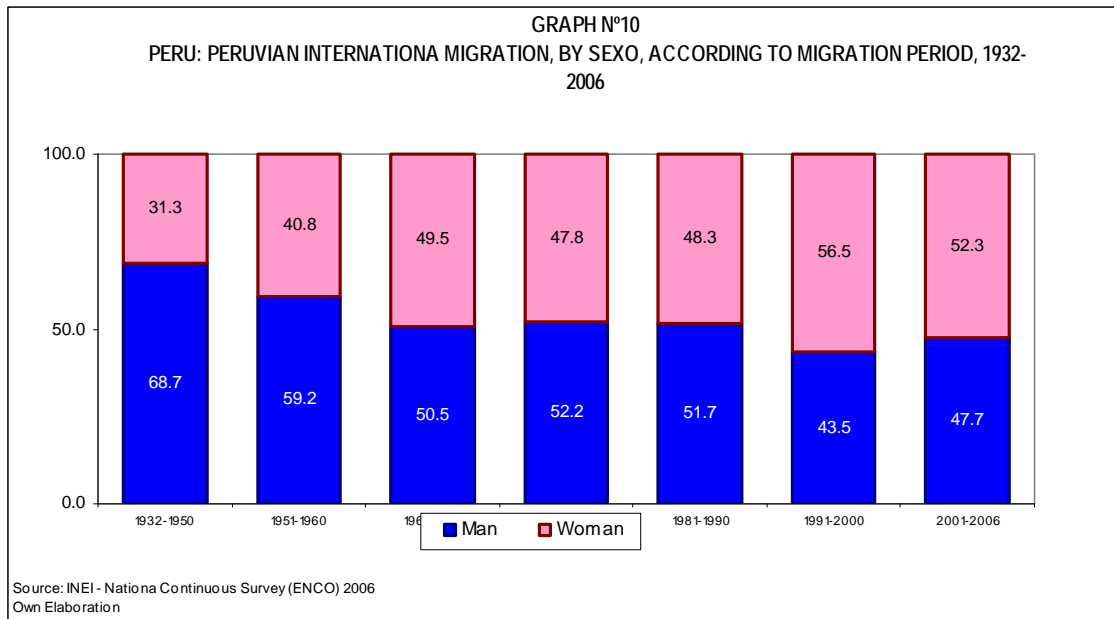
The process of feminization of the Peruvian emigration

As it can be appreciated in the Graph N° 10, the Peruvian emigration was in its beginnings predominantly male, among the years 1932-1950, the male sex represented the 68.7% of the total of emigrants, figure that descended among the years 1951-1960 to 59,2%. And in the period 1961-1970, the 50.5% of males was registered. They were the men the ones that assuming the major risk went abroad looking for better living conditions, chiefly toward the neighboring countries: Venezuela, Argentina and also beyond toward the United States. This situation of greater male migration was maintained during the decades of the 70s and 80s.

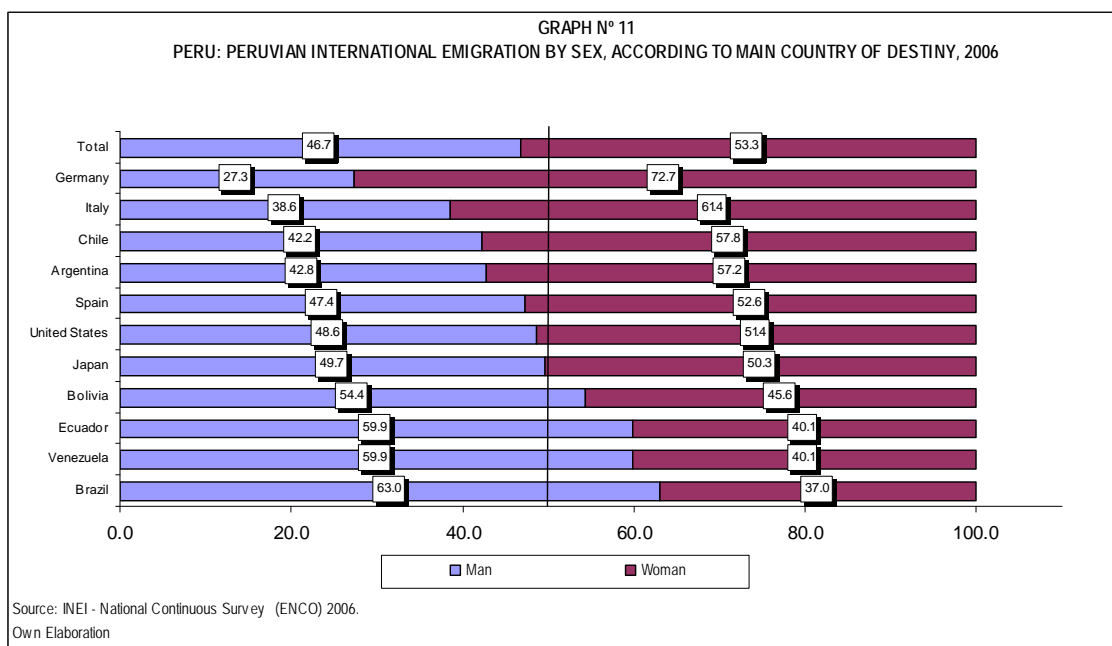
In the decade from the sixty the migrant female population is increased, thus among the years 1961-1970 rises to 49.5% of the total of emigrants and in the years 1971-1980 represented the 47.8%. In the period 1981-1990 was the 48,3%, and in the decade 1991-2000 the female emigrant population represents the majority with a 56,5%, situation that is consolidated among the years 2001-2006, the female migrant population represents the 52.3%, of the total of migrants.

It can be told, that currently the Peruvian migration is mainly female, the new roles that go assuming the women in the competitive world and in the fight for better living conditions are expressed also in the Peruvian international migratory movement.

The women stood out in different areas, activities, and logically, also in the international migration, it is not only the man who assumes the challenge, hundreds of brave women seek better living conditions abroad. The Peruvian woman has assumed that challenge and in greater proportion that the males come being inserted in terms of work in diverse countries of the world, especially in the most developed and in the neighboring countries of greater relative development. One of the characteristics of the migrant Peruvians is to incorporate easily in the domestic works, in cares of the health and in the care of the home members, between children and elderly.



Due to that, it is said that the Peruvian emigration in recent years acquired face of woman. In all the period of study the percentage of participation of the women is majority. The ENCO 2006 indicates that the 53.3% of emigrants are of the female sex. The women are mainly in the European countries as: Germany, Spain and Italy.



Analyzing the distribution of the Peruvian emigrants by sex according to country of destiny it can be distinguished differences, while the Peruvian emigrants of male sex consider preference a nearby destiny, like they are bordering countries with Peru, the female emigrant population shows preference for an European country. The majority of the Peruvian migrant workers are mothers, many of which have emigrated alone, leaving behind their children for which seek to assure the sufficient incomes that through the remittances carry the living to the native home.

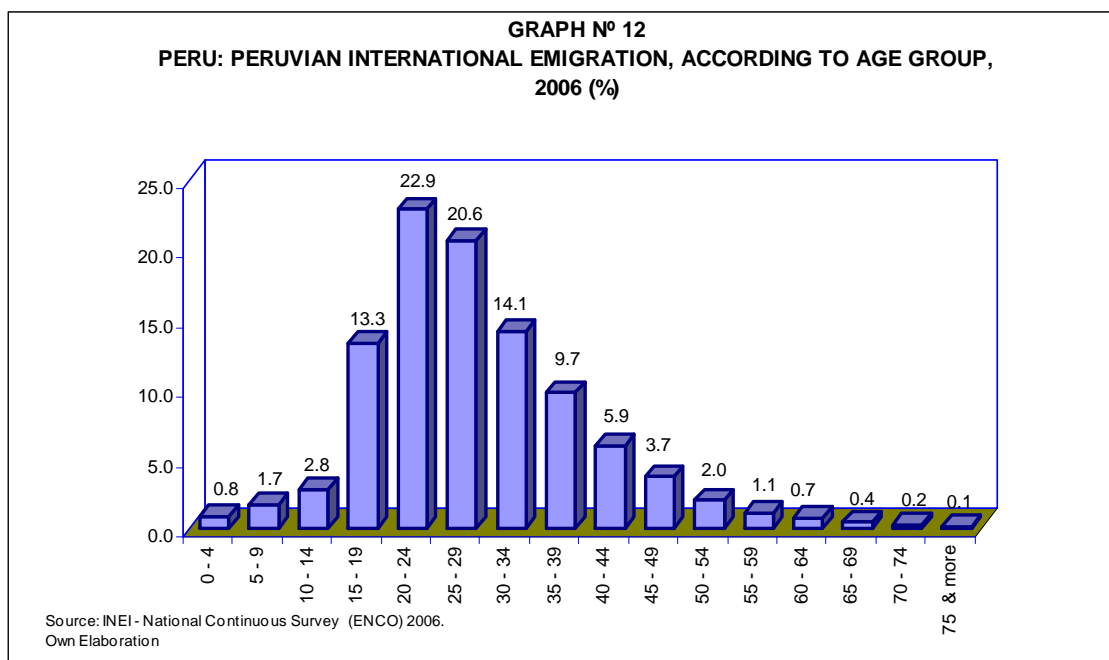
The main countries of destiny of the emigrant male Peruvian population are: Brazil (63%), Venezuela (59.9%), Ecuador (59.9%) and Bolivia (54.4%). While the countries of greater destiny of the female population are: Germany (72.7%), Italy (61.4%), Chile (57.8%), Argentina (57.2%), Spain (52.6%), United States (51.4%) and Japan (50.3%).

The youngest emigrate, in the best reproductive and productive phase

The Peruvian emigrant population is relatively young; they go abroad in the best moment of their life, with all their forces in reproductive and productive terms. It is labor force eligible for

the productive processes in the country of reception, and even intellectual force for business and works of greater qualifications, even when they are the less.

The country loses part of their capacities and also part of the demographic force, by the age to conceive, many women in their period of fertile life are lost, and if the tendencies are maintained will impact in the future population growth. According to results of ENCO 2006, the 80.6% of the emigrant Peruvian population has between 15 and 39 years old, a 14.1% of the emigrants had more than 40-year-old and the 5.3% 14 ó less years of age.



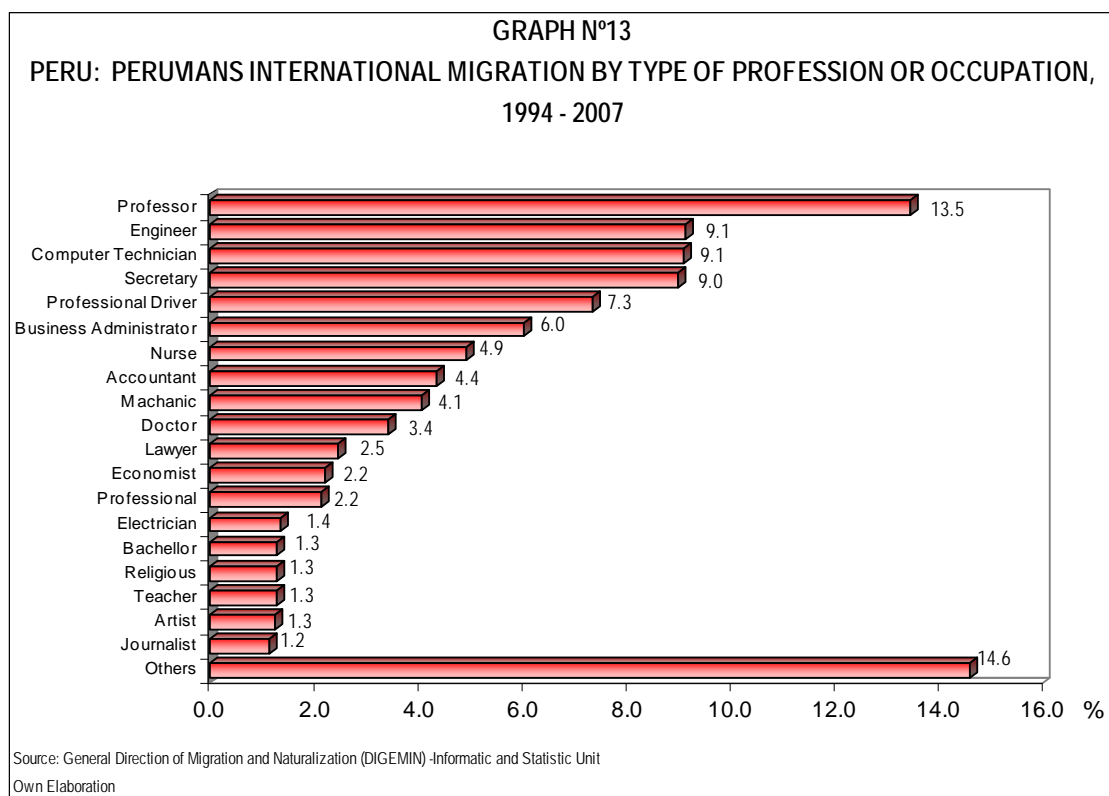
Human capital loss, leak of professionals and technicians

The 16% of Peruvians emigrant are professionals, scientific and intellectuals as well as technicians and professionals of medium level. They go out of the country for better opportunities, better living standard, seeking harmonious jobs with their capacities and knowledge, in most cases they are inserted appropriately in the developed economies, like employees, directors and managers of certain businesses, in banks, as university professors,

officials of international agencies, employees of sports clubs as footballers or noticeable sportsmen.

In this group, two types of professionals are distinguished, the ones that perform manual works that with knowledge, dexterity and experience, carry out much respected works abroad. And those that come from the academy, the university, generally from the high, medium, and average classes, that transcend our borders bound for Europe, North America, or other countries developed.

In the period 1994-2007, 270 thousand professionals and Peruvian technicians travelled to reside in other countries and they have not returned. Peru has lost these talents, these capacities and their recovery is done difficult in the measure that politics of retention of the better Peruvians have not projected yet. In this group of Peruvians emigrant, the 13.5% are professors; the 9.1% are engineers and computer programmers, respectively. The 9.0% are secretaries, the 7.3% are professional drivers, the 6.0% are businesses administrators, the 4.9% are nurses, the 4.4% are bookkeepers, and the 4.1% are mechanics. The 3.5% are doctors, the 2.5% lawyers and the 2.3% economists, among the main.



2.6. The remittances from the exterior and its impact in the Peruvian economy.

The phenomenon of the remittances arises like compensation to the migration, they are part of the incomes generated by the emigrant in the country of reception that are remitted to the native country, they constitute current transfers of home to home, and therefore flows of private character, it is the shipment of the money of a migrant to its family in Peru. In the present document, the concept used to undertake the theme, circumscribes itself to which uses the Central Bank for the calculation of the remittances according to the terms of the Payments Scale Manual of the International Monetary Fund.

In this framework not important components are considered like: the remittances in species, that is to say, those articles that are sent to home, appliances, clothes, furniture of the home, etc. that are finally registered as importations, and in the Peruvian case, there are evidences that indicate the income of remittances in species. Neither the donations to homes or institutions are

included on the part of the migrants that through them are directed to parents or friends in the country of origin. In equal manner, it is not considered the labor compensations or the transfers of capital, components that now the normative agencies are evaluating to incorporate as remittance.

The information that is presented corresponds to the formal transfers that provide the instances of funds remittance as the banks, funds transfers businesses, international agencies, and other of equal nature. It is not considered therefore, the remittances that by not formal channels enter to the country. According to calculations performed from the results of the National Survey of Homes (ENAHO) 2007, the 8.9% of the remittances that receive the Peruvian homes are directed for some relatives, they come in the "pocket", or by other not official media. It can suppose, it exists an understatement in the data handled officially. Through the banks, they are transferred to the country the 42% of the remittances, by funds transfer businesses the 28,8%, by the postal service and the travel agencies the 19.1% and by the Associations and Cooperatives from Japan the 1,2%.

TABLE Nº 2
INSTITUTIONS WHERE THE PERUVIAN FAMILIES GET MONEY, THE EXTERNAL
REMITTANCES , 2007

Institution where they get money	%
Banks	42.0
Fund transfer agency	28.8
Postal delivery service, Travels agency	19.1
Family, friends, people travelling	7.6
Japan Asoc. & Coop.	1.2
Others	1.3
Total	100.0

Source: National Housing Survey- ENAHO-continua (Jan-Set.)

Own Elaboration

The volume of Peruvian emigrants in the world is growing, the Peruvian Diaspora or the **“Fifth region”** (“Quinto suyo”) as it is called for some ones, using a literal extension of what were the four regions in which the Inca Empire of the 16th century was divided, reaches today a magnitude of more than 3 million Peruvians dispersed in the world. In the last 17 years, the Peruvian Diaspora remitted more than 14.400 million dollars to Peru, monetary resources that entered to the economy, becoming an important source of currencies. The 47% of those resources stem from the economies of the Asia Pacific region and the 53% remainder from Europe, South American countries and from other countries.

These current transfers, the Peruvian remittance constitute a very important monetary flow for the country, in dollars or Euros, that enlarges the availability of currencies in our country and impacts in the domestic and homes economy. It is a monetary flow that it does not represent, financial charges neither present nor future, besides as we indicate has a positive impact in the economy of the home receiver. In the Peruvian case, we refer at more than 400 thousand homes, receivers of remittances or with international emigration, with an approximate population of 1 Million 619 thousand Peruvians involved.¹⁶

Because of it, the social-economic impacts that these flows generate in our economy, and particularly, in the standard of living of the Peruvian homes, it is evident, but also it goes accompanied by new problems that should be confronted, originated in the migration. A special point, it is constituted by the costs of transfers of the remittances to the country and the politics that according to this should be implemented for the benefit of the Peruvians abroad and their relatives.

¹⁶ INEI-IOM "Peru: Characteristics of the International Migration, Homes of Origin and receivers of Remittances". January 2008 / INEI-OIM *“Perú: Características de los Migrantes Internacionales, Hogares de Origen y receptores de Remesas”*. Enero 2008

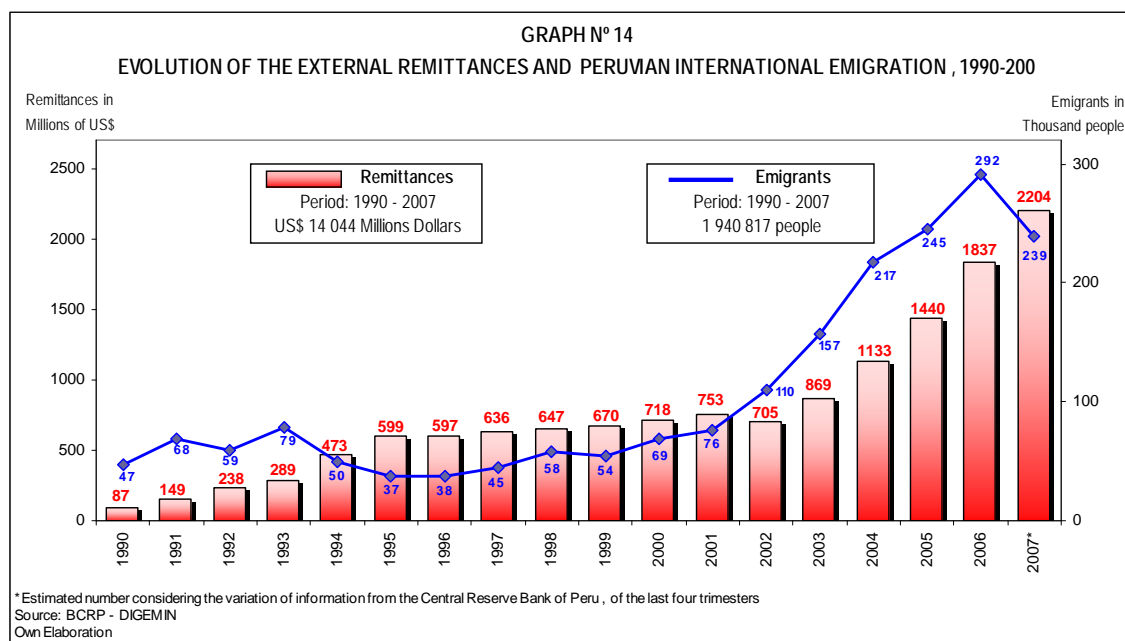
In this part we are going to summarize four substantial aspects: the growth maintained of the remittances, the volumes and the country of their origin, the impact in the domestic economy, and finally the effects in the home receiver of the remittance, in terms of their destiny in the expense, in the living conditions, in the savings and the investment of the family, aspects that we treat subsequently.

2.6.1. Sustained Growth of remittances

In Peru, the remittances have been increasing considerably, due to the growth of the Peruvian emigration. In the Graph N°14, one can observe the behavior of the remittances in the period 1990-2007. Its growth is constant and growing; it goes at par with the growth of the international emigration, as we have seen was invigorated significantly in the last 17 years.

The remittances in the year 1990 barely arrived at the 87 million dollars, in the year 1995 they rise to 599 million dollars, in the year 2000 surpass the 718 million dollars, and in the year 2007 they are reckoned in 2.204 American million dollars, with an increment of 20%, with respect to the year 2006.

The official remittances that entered to the country in the last 18 years, they elevated to the sum of US\$ 14.440 million dollars, incomes that of certain way impact in the expenses of consumption of the receiver families of remittances, improving its budget and therefore its quality of life, it express train in the best quality of the dwellings, better access to the basic services of the dwelling, greater Educational of the members of the home, better access to the technology of information inside the home, like we will see further on.



It is evident that upon analyzing the Graph the curve of growth of the Peruvian emigration has a high correspondence with the curve of growth of the remittances, in the period 1990-2007. The certain thing is that in those years the expression of the growth of the remittances is turned out of the greater presence of Peruvians in the world generating incomes that arrive at their relatives, parents, children and relatives in general. In this specific case only we are referring to the monetary remittances as very well has been indicated.

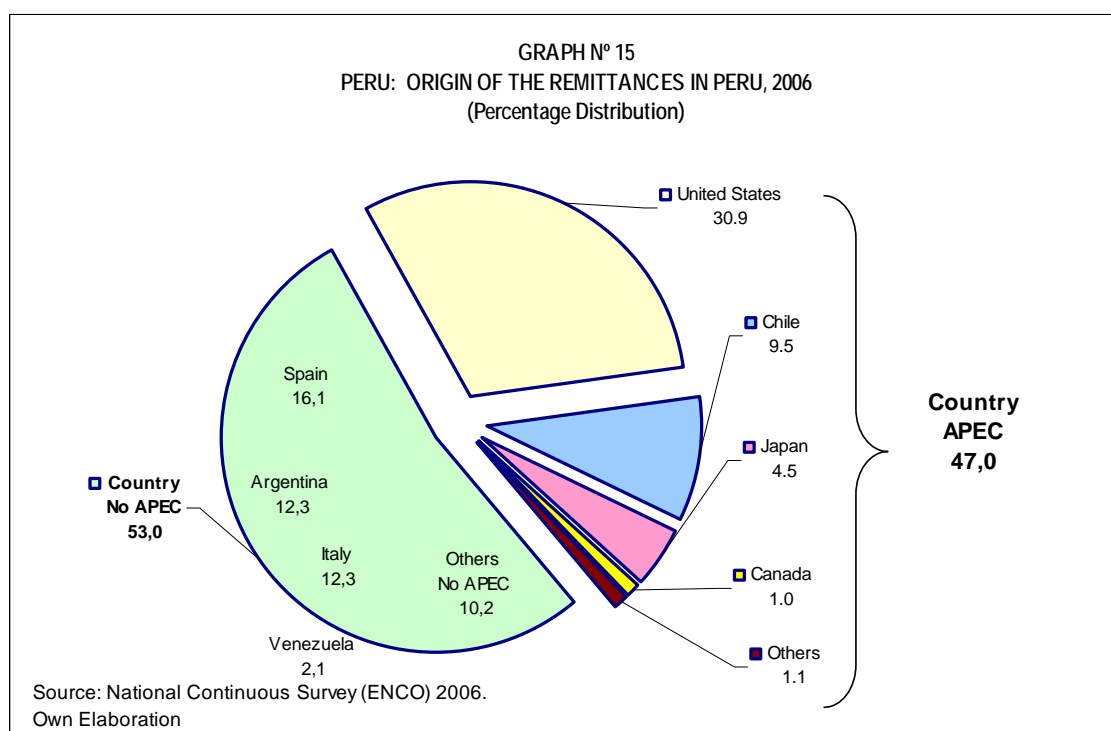
2.6.2. Country of origin of the Peruvian remittances

As for the origin of the remittances, the Continuous National Survey 2006 identifies the places since where the emigrants send such resources. As it will be understood, the remittances originate chiefly of those countries where they reside the majority of Peruvians.

The 85.6% of the Peruvian remittances stem from just six countries, the United States send the 30.6% of the total of these monetary flows, follows Spain with the 16,1%, Argentina and Italy, both in 12,3%, Chile 9.5% and Japan 4,5%. These figures have their support in that the majority of Peruvians finally are found in these six countries. They are three the main countries

of origin of the remittances that are part of the APEC, United States, Chile and Japan, and in smaller proportion Canada.

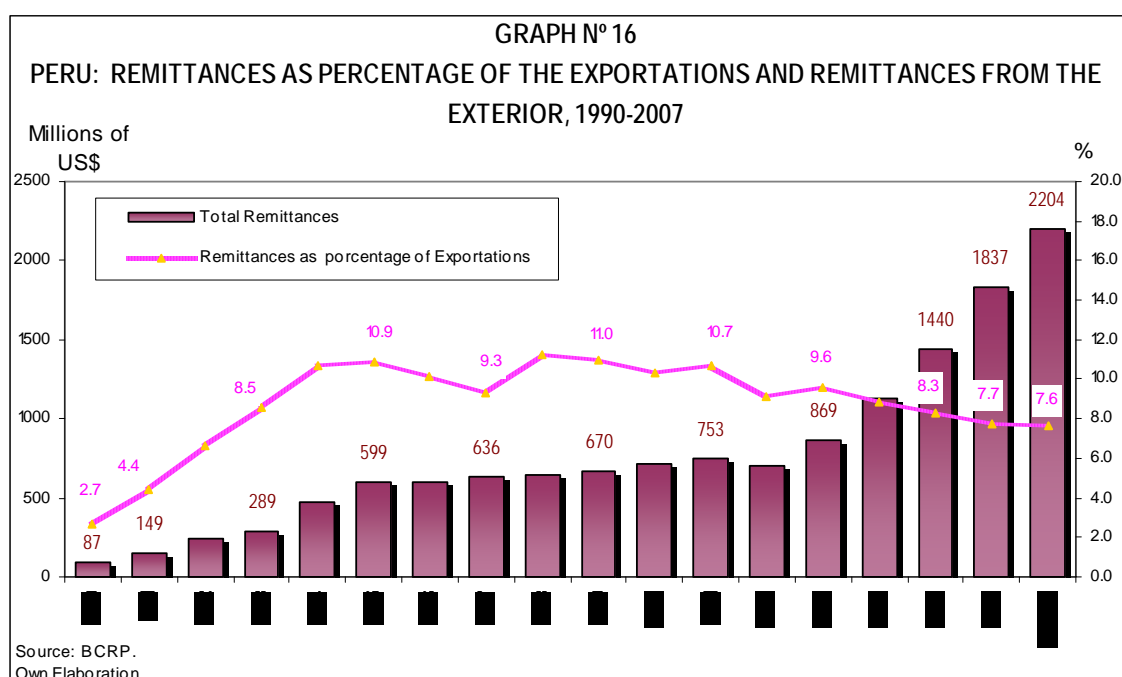
As it can be observed, in the Graph N° 15, the 47.0% of the remittances that enter to the country, stem from of the APEC countries, while the 53.0% comes from other countries. The flows of labor migration between Peru and the countries of the APEC, has their economic compensation expressed in the monetary flows called remittances that influence in the economy, and they generate the need to improve our trade, economic and diplomatic relations with these countries.



2.6.3. Impact of the remittances in the Peruvian economy

The remittances upon entering in the economy have an initial impact in the macroeconomic sector; they constitute a component in the equilibrium of the counts of the external sector. In the Peruvian case, they are registered positively in the scale of payments, supply currencies, collaborating with it to the credit balance in the charge account.

The Peruvian remittances represent approximately the 8% of the total exports of Peru, quite smaller figure to that of other countries, like the Central American that in some cases surpass the 50% of their exports,¹⁷ which shows an extensive economic dependence of these resources, in such countries. In the Peruvian case is a manageable percentage before the eventuality of a decrease in the flow of currencies.



Comparatively the monetary flows of currencies that provide the exports, granted the costs and expenses, they generate only a part that remains as value of the profits. Nevertheless, the remittances enter in net terms to the country and they go directly to the home receiver. The impact of the remittances in the economy is observed also in the depreciations of the dollar set against the Peruvian Nuevo Sol, as a consequence of the greater offering of dollars in the economy, that comes from the exports, as the remittances and the flows of direct foreign

¹⁷ SELA - Final Report of the Regional Seminar "Remittances of Migrant: An alternative for Latin America and the Caribbean?" Permanent Secretary Caracas Venezuela August 2004 p 7./ SELA - Informe Final del Seminario Regional "Remesas de Migrantes: ¿Una alternativa para América Latina y el caribe?" Secretaria Permanente Caracas Venezuela Agosto 2004 p 7.

investment, the exchange rate comes diminishing continuously, to a level very close to S/ 3.00 nuevos soles per dollar, in this process They play important role.

On the other hand, the growing flow of the remittances has favored in some political countries and redistributive mechanisms, in certain cases they have used preferential exchange rates for the remittances, in other cases facilities for the importation of goods, furniture of house, tools, smaller teams or capital goods, and particularly we encourage the return of the migrant with their belongings. On this theme, Peru has given a Law of incentives for the return of the migrant one that we will comment up in following lines.

Deepening in the macroeconomic plan, the Peruvian remittances in recent years represented approximately the 2% of the GDP, in the year 2007 they increased their participation to the 2.2% of the Peruvian GDP that it is calculated in US\$107 Thousand million dollars in the 2007. The remittances said year elevated to US\$ 2.204 million dollars, monetary flow that enters in the economy and has positive and direct impact in the expenses of consumption of the families.

The figure of the year 2007 represents approximately the 3% of the expenses of private consumption of the country. It converted to local currency is being injected near S/. 6.600 million Nuevos soles in the market. Flow of resources that impacts directly in the increment of the internal demand, generating greater private consumption and with it encourage the production for the internal market.

Amount of the Peruvian remittances

The totals of the remittances are determined by the nature of the labor migration, in most cases depends on the country in which the migrant is found, of the employment to which could agree and of the own formal or informal conditions of the migrant in the country of reception. Finally, the totals that the countries stem from developed as United States, Spain, Italy,

Germany, are going to be over the remittances that the neighboring countries of the region stem from where are found many Peruvians, and that deserves a special discriminatory study, product of the relative differences among the countries of the region.

In global terms is observed that the average of the remittance flanks the S/. 500 Nuevos soles, approximately, US\$170 liquid dollars discounting the cost of the transfer of the remittance that in average terms represents the 10% of the remittance. On the other hand, as for the frequency of shipment is observed, in the Table N° 3, that the 50.5% of the homes receive the remittances in monthly form, with a total average of S/.600 nuevos soles, equivalent to US\$ 200 dollars that each month enters to the home economy.

TABLE N° 3
EXTERNAL REMITTANCES AND TOTAL AVERAGE OF THE REMITTANCES,
ACCORDING TO FREQUENCY OF SHIPMENT, 2007

Frequency	%	Amount Aprox. (S/.)
Weekly	1.2	246.7
Biweekly	1.8	374.9
Monthly	50.5	599.7
Bimonthly	10.1	390.2
Quarterly	12.1	457.4
Semi-annual	14.8	442.1
Annual	9.5	375.7
Total	100.0	508.5

Source: National Housing Survey ENAHO-continua (Jan-Set)

Own elaboration

According to certain studies, the remittances have become an important source of financial flows toward the developing countries, they occupy significant role after the direct foreign investment, and they achieve to duplicate the official assistance for the development.¹⁸

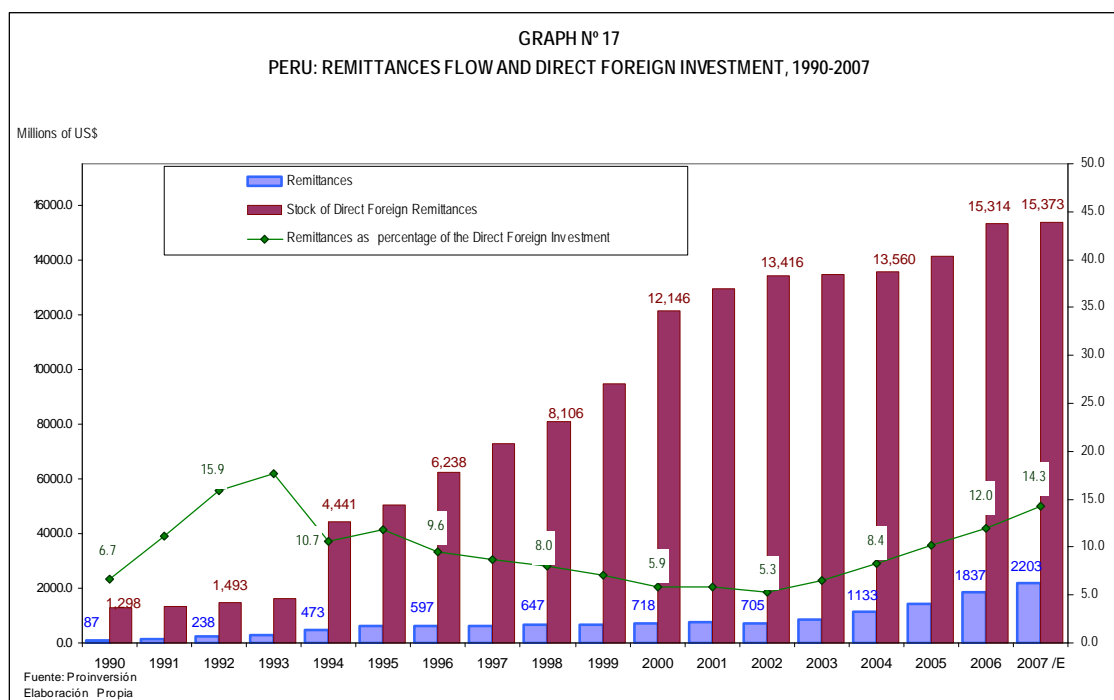
In the Peruvian case, the stock of the direct foreign investment in the last 10 years has grown to a rate average of 7.7% annual, passing from US\$ 8.106 million in the year 1998 to US\$15,373 million dollars in the year 2007, in the meantime the remittances have grown, in that same period, to a rate of 13.0% annual, it is to tell to greater speed. On the other hand, the remittances in the year 1990 represented the 6.7% of the direct foreign investment, in the year 2000 represented the 5.6% and in the year 2007 rose to the 14.3% of the DFI.

In general lines can be indicated that the remittances help to improve the living conditions of the population providing additional incomes to the families in the countries of origin, however, it should have a positive impact in the decrease of the poverty. These incomes can be used for consumption or they can allow the families to carry out the necessary expenses in education and health. An article published by the IMF indicates that:

"... empirical studies - based on data of 233 surveys of poverty in 76 developing countries, 24 of them of Africa sub-Saharan - they confirm that the remittances reduce the poverty: an increase from the 10% of the reason remittances/GDP supposes reductions of little more than one 1% in the number of people that subsist with less than one US\$1 newspaper and in the gap of poverty (the difference of the income Of a poor one with regard to the line of poverty). Even discounting the effect of the poverty in the remittances, with a model in which both variables are determined in endogenous and simultaneous form, the effect anti-poorness of the

¹⁸ World bank –UPC "Ethnicity and Racial Discrimination in the History of Peru". 2004: 185 / *Banco Mundial – UPC "Etnicidad y Discriminación Racial en la Historia del Perú". 2004: 185*

remittances does not disappear. Nevertheless, on the average, the effect that generates remittances is a little stronger".¹⁹



The theme is to where the remittances can signify a relief to the social and economic situation of the Peruvian homes in the long time limit, especially of the ones that have smaller incomes. Until which point it becomes a maintained flow and permanent to the internal economy, until which point the family economy looks abroad that possibility of resources that internally it does not have.

I believe the answer is: while internal economic imbalances exist, it deteriorate the standards of living of the homes and the poverty increase, this situation will be maintained and even will be increased.

Nevertheless, in the current conditions of the Peruvian economy and its growth, better elements are watched than would be able to influence in the decrease of the migratory flows and with it a decrease of the flows of remittances, we expect that it be thus, not because of the decrease of the

¹⁹ IMF - Finances and Development - Sanjeev Gupta, Catherine Pattillo and Smita Wagh: "The remittances to the service of the Africa" June 2007. / FMI - Finanzas y Desarrollo - Sanjeev Gupta, Catherine Pattillo y Smita Wagh: "Las remesas al servicio del África" Junio 2007.

remittances but by avoiding the uprooting of many Peruvians of their homes and the human capital loss that signifies for the Country.

TABLE N° 4
MAIN DESTINIES OF THE EXPENSE OF THE EXTERNAL
REMITTANCES, 2007

Remittance destiny	%
Housing	5.0
Saving	3.7
Home expenses	75.8
Education	12.4
Other	3.1
Total	100.0

Source: Encuesta Nacional de Hogares- ENAHO-continua (Ene-Set.)

Own Elaboration

In the Peruvian case, as it is observed in the Table N° 4, the Peruvian families destine the 75.8% of the remittance chiefly to the expenses of consumption of the home, attending with it the expenses in food, dress and footwear and other expenses. The 12.4% of the remittances are destined to the expenses in education, improving in this manner the educational level of the members of the home. The 5.0% of the remittance, they destine it to the expenses in dwelling that generally is oriented to the purchase, repair or conditioning of the dwelling.

Finally, the 3.7% of the remittances is destined to the savings, showing us with it that the remittances have for the families receivers a great importance since to the extent that grow the savings, they will be able to send a new member of the family abroad, almost as human capital, or they are going to generate the conditions to initiate a business in the country.

Impact of the remittances in the economy of the Peruvian homes

In recent years the remittances have come to signify a very important economic backup for the families of the emigrants that left the country. As we have seen, the totals are increased to a rate

of 13% annual, prompted by the major migratory flow of labor nature. Though the Peruvians upon crossing the migratory controls indicate that they travel by tourism, more than the 90% report it thus, well we know that no longer return and the motive of trip finally was another.

The monetary flow, via remittance, that enters to the economy of the Peruvian homes has influence in the living conditions of the homes, they improve the income levels of the home and with it improves the expense and the quality of the expense that, like we have seen, in its greater part is oriented to expenses of consumption in food, dress and footwear, expenses in education, dwelling and a part it is designated to Savings. We can say that the remittances are improving the standard of living of these homes whose conditions, they present better possibilities than those of a national average home.

The results of the ENCO permit to reckon in the country 407 thousand 616 remittances receivers homes or with international emigration, that means, homes that present at least a Member that receives money from outside, whether of a relative or of a friend, or homes with some former-member of the home, living on permanent form in another country, to these homes we will call with migratory relations. The figure of homes represents the 6.3% of the total of homes and they involve a population of 1 Million 619 Thousand 259 people. The survey permits to determine besides, that the 39.6% of emigrants sends money to their relatives; while the 60.4% does not do it. It can be concluded that 40 of each 100 emigrants send resources to their relatives.²⁰

Of the analysis of the data of the survey can be deduced that the Peruvian migrant current originates especially of the homes of the average classes (29.3%), low middle (33.9%), medium

²⁰ See INEI-iOM "Peru: Characteristics of the Migrant International, Homes of Origin and Receivers of Remittances". January 2008 / Ver INEI-OIM "Perú: Características de los Migrantes Internacionales, Hogares de Origen y Receptores de Remesas". Enero 2008

high (17.3%), and in small proportion the poorest homes (7.2%). It is verified besides, that from the wealthiest homes (12.3%) emigrate a good proportion.²¹

Upon characterizing to these homes with migratory relations and to compare them with the national average homes, see Table N° 5, we can affirm that they have visible characteristics of better living conditions than the national average home, it expresses itself in better building materials in the dwellings, greater access to the services basic, better educational level, greater percentage dwellings with holder of property, greater access to the services of phone system and Internet, As we describe subsequently.

The results of the ENCO 2006 indicate that the 77.4% of the dwellings of the homes with migratory relations have as predominant material in the exterior walls of its dwellings, the brick or block of cement, upper figure in 30.5 percentage points to the dwellings of the national average homes where the 47% has such of material like predominant. Likewise, the 65.2% of the dwellings of the homes that we studied have ceiling of armed concrete as predominant material in its dwellings, however, the homes alone national average only presents the 35.1% of this material in their ceilings.

The 39.7% of the dwellings of the national average homes have as predominant material in the floor the land, upper figure in 28.3 percentage points to the registered by the dwellings of the homes with migratory relations that is of 11.4%. The 78.4% of the dwellings of these homes they have title of property of its dwellings, in the meantime only the 34.6% of the dwellings of the national average homes has title of property showing in these homes a greater degree of formality.

²¹ Ibid

The 74.5% of the dwellings of the homes national average agree to the electric service by public network, lower figure to the registered one in the dwellings of the homes with migratory relations that is of 94,9%. Likewise, the access to the water supply by public network in the dwellings of the homes of study is 90.9%, figure over the registered one in the dwellings of the homes national average that is the 68.6%.

As for the access to the sanitary service connected to public network in the dwellings of the homes of study is of 87%, greater figure in 31.4 percentage points to the registered one in the dwellings of the homes national average that is of 55,6%.

Considering the overcrowding variable, that means those dwellings of the homes that present more than three people by room, that the data of the survey give us, can be indicated that the degree of overcrowding of the dwellings of the national average homes arrives at the 10.1% of the dwellings, upper figure in 7.8 percentage points to the registered one in the dwellings of the homes of study, where the 2.3% of Dwellings present problem of overcrowding.

On the other hand, respect to a variable as important as the energy to cook, can be told that the 53.4% of the national average homes use the gas as the main energy for cooking their food, while in the homes with migratory relations represents the 82%. As for the elimination of the trash, the 61.7% of the national average homes do it using the harvester or municipal truck and the 20.1% throw it to the street, while the homes with migratory relations the 86.9% of them eliminate the trash by harvester or municipal truck and only the 4.5% throws the trash to the street.

As for the access of the homes to the technologies of information, can be told that the 29.2% of the national average homes possesses fixed telephone in its dwelling, smaller figure in 41.4 percentage points upon registering by the remittances homes receivers or with international migration that is the 70.6%. Besides, the access to the service of Internet in these homes, it is

three greater times to that of the national average homes (5.1%). These indicators show us that the homes with migratory relations present better possibilities of access to the services of phone system and Internet.

As for the educational levels, it is observed that the 87.3% of the population in school age of the national average homes attend some schools, lower figure in 4.3 percentage points upon registering by the population in school age of the homes with migratory relations that is the 91.6%. This is an indicator that the population in school age of the homes of study possesses greater educational possibilities that the national average.

It is registered besides, that a 17.6% of the population of homes with migratory relations counts on not university upper level and a 24.2% with university upper level, figures over the registered in the national average homes, it permits to affirm that these homes present better educational level that the homes average to national level.

As for the labor conditions, it can be affirmed that the 50.9% of the working population of the homes of study are dependent workers, while the 42.1% of the working population of the national average homes have this condition. Besides, the 72.2% of the population of the homes of study belongs to the tertiary sector that understands the activities of trade and services.

According to the branch of economic activity, the population of the homes with migratory relations present greater participation in the economic activities of other services 41,2%, trade 22,5%, manufacture 13%, transportations and communications 8,5%, agriculture, fishing and mining industry 10.2%

As corollary of this summary of figures on the living conditions of the Peruvian homes that have direct relations with the migrant, it can be inferred that the social situation of these homes presents a better panorama as for their living conditions that the homes national average, better

characteristics of their dwellings are verified, better level of studies, greater participation in the economic activities, greater access to the ICT, In general better possibilities for them. The hypothesis that is removed of it, it is that the impact of the remittances in the economy of the home is positive and is improving the income and expense of the families of the migrant Peruvians generating a better standard of living in these homes.

TABLE Nº 5 COMPARISON OF THE PERUVIAN HOMES AND THE REMITTANCES RECEIVERS HOMES OR WITH INTERNATIONAL MIGRATION (%)		
Variable	National Average Home	Remittances Receivers Homes or with International Migration
I. Characteristics of the homes		
Type of predominant material in the exterior walls		
Brick or block of cement	47.0	77.4
Type of predominant material in floors		
Parquet or polished wood	5.2	15.5
Tiles, terrazzo or similar	7.2	17.6
Type of predominant material in the ceiling		
Armed Concrete	35.1	65.2
Type of lighting		
Electric by public network	74.5	94.9
Water supply		
Public Network	68.6	90.9
Type of connection of the service sanitary		
Public Network	55.6	87.0
Type of energy or fuel to cook		
Gas	53.4	82.0
Access to mass media		
Newspapers or magazines	66.5	85.9
Radio in its dwelling	90.1	94.7
Television in its dwelling	72.5	92.6
Access to phone system and internet		
Fixed telephone in its dwelling	29.2	70.6
Pay phone	63.4	75.0
Cell phone	35.3	58.0
Internet in its dwelling	5.1	15.4
Internet in public cabin	45.1	62.9
Property title possession	34.6	78.4
II. Características de la Población		
Educational Level of the population of 15 and more years of age		
Without level and kindergarten	7.4	3.5
Primary	26.1	17.6
Secondary	42.7	43.9
Not university superior	11.7	14.7
University superior	12.1	20.3

Source: INEI - Ntional Continuous Survey (ENCO) 2006.
Own Elaboration

3. Foreign immigration in Peru

3.1. Peru before the 20th century, country of immigrants

Peru along its history has been a country of immigrants. The foreign immigration was initiated 500 years ago with the arrival of the Spanish to Peruvian territory a historic sign that permits us to distinguish three important moments of immigration in Peru, since the colonial epoch, passing for the republican epoch, to our days, the first phase corresponds to the epoch of the colony and viceroyalty, it goes from the century 16th to the 18th, the second along the 19th century from the beginning of the Republic, and the third one, from end of the 19th century to our days.

In the colonial epoch, we stand out the immigration from Spain and Africa, by those times, Peru was the main economic link of South America with the world. And in the Republican epoch, it was with the most important migratory movements of Italy and Asia principally, from China and Japan. During the 19th century and 20th century, Peru continued being migratory flows receiver country, to our native territory settlers of diverse continents arrived (Africa, Europe and Asia) and from countries as Italy, United States, Japan, Israel, France and Belgium. Many of the surnames of politicians and rulers -in the diverse spaces of the State and also in education, as well as in the business world- are an indicative of the migratory flows of which our country was receiver.

During the centuries 16th to 18th to Peru have arrived settlers of Europe principally Spanish, Italian, German and Dutch. In the case of the Spanish has been a roundtrip constant relation, with them the black immigration in condition of slaves to the service of the Spanish arrives which quantity was a sign of ancestry and to power. In the middle of the 19th century, the Chinese immigration started principally with settlers of Canton, that were embarked from Macau (island in the front of Continental China) toward Lima, it was forced and in deplorable

conditions. It was product of the necessity of labor for the sugarcane and cotton haciendas; further on of the century a flow of Chinese immigrants from Hong Kong that came to settle in Peru and to do business. To endings of the 19th century and beginning of the 20th century, the Japanese immigration started. Japan was for that epoch a country of emigrants.

On the other hand, it is necessary to mention that the European immigration, especially Italian was not accompanied by politics of coherent immigration, on the part of the Peruvian State, before the need to populate the field that was "without people", motivating the arrival of European farmers. Some of these migrant organized their residence in communities to the interior of the country, forming small colonies, that to these days conserve their culture and customs.

The phenomenon of the immigration influences so that in our country be gestated the multiracial, multiethnic, since as receiver of migrant generates in the population an own crossbreeding of the social, genetic, cultural exchange that was generated from those migratory flows.

3.2. The Spanish immigration in Peru.

When in 1532, the Spanish arrived at the territory of the Old Peru; it began a flow of immigration in these lands. These immigrants, in a compulsive way, established the Colony, and it was an open door for the Spanish immigration in great scale.

"In demographic terms, the first thirty years of Hispanic occupation attracted among some 5 to 10 thousand Spaniards to Peru. The women conformed a clear minority of immigrants in this

period, representing barely a 5%, that rose to the 28,5% between 1560 and 1579...near the half of the immigrants were marginal passengers, vagabonds, beggars of the Peninsula"²²

The first colonial census was the one that carried out Mr. Pedro de La Gasca, in 1548, with a result of 8'285.000 inhabitants to National level. Lima as capital of Peru included the most elitist population of the country, it means that in the year 1600 the population of the city of Lima was approximately of 14000 inhabitants, The Viceroy Montesclaros arranged the execution of another census in Lima, finalized in 1614 that throw a total of 25 154 inhabitants.²³ From this document the register of the Indian dating in 1613 is conserved. For those years the composition of the capital of the Viceroyalty was the following one²⁴:

TABLE Nº 6
LIMA: POPULATION PER ETHNIC GROUPS ACCORDING TO SEX, 1613

	Men	Women	%
Spanish	5,271	4,359	38.9
Religious	894	826	6.9
Blacks	4,529	58,557	41.9
Mulattos	326	418	3
Indians	1,116	862	7.9
Mestizos	97	95	0.8

Source: Lima Census 1614

Own Elaboration

²² KLARÉN, Peter (2004). Nation and Society in the History of Peru. Lima, IEP, p. 81 / *Nación y Sociedad en la Historia del Perú*. Lima, IEP, p. 81

²³ "Ethnicity and Racial Discrimination in the History of Peru" – World Bank - UPC / "Etnicidad y Discriminación Racial en la Historia del Perú" – Banco Mundial - UPC

²⁴ Register of the Indians of File in 1613. Introduction of Noble David Cook, File, 1968, pp. II and III (cited by M^a Antonia Durand Hunter 1994: pp. 56-57) / *Padrón de los Indios de Lima en 1613. Introducción de Noble David Cook, Lima, 1968, pp. II y III (citado por M^a Antonia Durand Montero 1994: pp. 56-57)*

In the Table N° 6, we see great prevalence of Spanish and settlers of black race in the capital of Viceroyalty of Peru, it is understood that the Spanish conquest-invasion in the colonial period destroyed a social and economic system based on the rational and harmonic utilization of the natural resources. In its place was established an economy of irrational exploitation based clearly in the extraction of minerals, due to the excessive interest by the gold and the Peruvian silver, and in the exploitation of the native population of Peru, in line with establishment of a feudal model in the country, based on the estate.

3.3. The African Immigration in Peru.

The immigration of the African population was produced as a result of the Spanish immigration, since they saw in this population of black race "the free labor" that would serve to replace to the native labor, and this gave as a result, its exploitation principally in the Peruvian coast, arriving mainly as slaves. It is estimated that between the years 1492 and 1700, some three million African were removed from its native land to be slaves of the conquerors in America.

To have an idea and to know the number of black people that there was in Lima at the beginnings of the colonization, we will cite the study of the accounts relating to the tax on the slaves, established in 1549 by the City Hall ²⁵, we can know that in 1554 Lima had 1539 slaves. According to the census ordered by the Viceroy Montesclaros in 1614, the black population of Lima and of other cities of the country was²⁶:

²⁵ Bowser, Frederick: The African slave in Peru colonial. Mexico: 21st century, 1997. / *El esclavo africano en el Perú colonial. México: Siglo XXI, 1997.*

²⁶ "Ethnicity and Racial Discrimination in the History of Peru" – World Bank - UPC / *"Etnicidad y Discriminación Racial en la Historia del Perú" – Banco Mundial - UPC*

TABLE N° 7
PERU: SPANISH, BLACK AND MULATTO POPULATION ACCORDING TO MAIN
CITIES, 1614

	Spanish	Blacks	Mulattos
Lima	11,809	10,386	744
Cusco	1,050	1,100	
Huancayo	565	400	
Arequipa	611	1,500	

Source: National Census 1614
Own Elaboration

We can observe that in different points of the national territory there were black race people presence, these at the same time brought an own culture with magical beliefs - religious, mixture of the sacred thing and aforesaid the pagan thing in his songs, dances, dances and customs, that in some way, it is seen reflected in the folklore of today, so in the coast, mountain or forest, we can observe cultural demonstrations already adopted as Peruvian of African origin.

During the 16th century the origin of Africans to Peru was from the Western coast of Africa especially of the region situated between the rivers Niger and Senegal, known like Guinea Rivers.

In general, it was worrying for the society of Lima the black race people growth, due to in some moment there was a lot more slaves than owners, and at the same time, these began to form free ethnic groups, becoming this a threat for the owners, thing that ahead in the history it is declared with logic and in the year 1854 the president of that time, Ramón Castilla, by law dictated from Huancayo, decreed the end of the black slavery.

3.4. The Italian Immigration in Peru.

The Italians come for the first time to the country with the arrival of the Spanish. They were from Geneva and Liguria, they arrive but in small quantities. Nevertheless, because of the

questionings to the Chinese immigration, for the deplorable conditions of the transportation from Macau to Lima, great part of them died on the high sea, in full and piled-up ships of Chinese settlers. This case generated problems that were felt on a worldwide level with regard to the slavery and cruel treat of the Chinese immigrants on the part of the Peruvian landowners, this generated a pressure so that Peru rectified this social problem, and as result of this situation, the Chinese immigration arrived at its end, making way to the European immigration, it meant the Peruvian State was arranged to carry and to put in practices an European immigration policy.

Pedro Gálvez, liberal politician of the 19th century, indicated that the better immigrants were the English that quickly recovered to the differences of the language and of culture. The Germans were also considered good colonizing, due to their qualities of order and progress, in spite of their slow assimilation. Also it proposed the immigration of Italians by their cultural resemblances with the Peruvians.²⁷

The politics of Peruvian immigration never had the effect that was expected, in spite of the interest to populate the field given the objective presented by some Peruvian politicians that saw in the occupation of the mountains and the forest by European immigrants a faster road for the development of the country. After the migratory experience with the Chinese, was the State that favored to the arrival of European immigrants and from North America. In December 1872, it is created in Peru the European Immigration Society; this Company sponsored the arrival of near 3 thousand immigrants, mostly Italian.

The landowners of the epoch declared its inconvenience since the migrant Italians had an aversion for the agricultural work and they went to the large cities, this situation brake the

²⁷ Janet E. Worrall "The Italian Immigration in Peru 1860 - 1914" -Italian Institute of the Culture - Lima 1990 / "*La Inmigración Italiana en el Perú 1860 - 1914*" -*Instituto Italiano de la Cultura* - Lima 1990

immigration of Italians to Peru, since this idea was diffused in Italy, seeing they other destinies as Argentina, Brazil or United States where the immigrants were permitted to reside in the large cities, but with the years the migrant Italians found in the business their way to be unfolded in the Peruvian society, and as we refer above lines, it was its cultural similarity with the Peruvians that they did not have need to do or to form ethnic groups like the Germans, Chinese and English did. The Italians, mostly, always maintained its nationality; they settle where the business or their activity required it.

In the Table N° 8 data of the Census of 1876 are presented, the Italian colony had reached around 7 thousand resident European members being the greater colony in Peru.

TABLE N° 8
PERU: DISTRIBUTION OF FOREIGN RESIDENTS IN PERU, BY REGIONS, 1876

	Asiatics	Italians	English	French	Spanish	Germans
Total	49979	6990	3379	2657	1699	1672
Coast	49214	6737	3274	2596	1587	1407
Mountain	733	241	69	44	98	254
Forest	32	12	36	17	14	11

Source: Peru, Statistic Direction, General Census of the Republic of Peru, 1876

Own Elaboration

By the year 1901, it had already 9 thousand 684 resident Italians in Peru, the 70% of them lived in Lima and Callao. In spite of the negative reports in Europe, the government of Peru managed to attract a surprising number of Italian immigrants. Toward the beginning of the present century, the Italian colony was the biggest of Europe in Peru. The program of immigration of the president Manuel Prado consisted basically in attracting Italian workers, which shortly after called other immigrants. The industrial growth of Peru along with the economic stability offered favorable conditions for the immigration.²⁸

²⁸ *Ibíd.*

3.5. The Chinese Immigration in Peru.

In the middle of the 19th century, in Peru the Chinese immigration started, due to the need to count with labor for the cultivations in the sugar cane and cotton haciendas, by the abandonment of the field on the part of the black labor, by the statement of liberty and manumission of the slaves decreed by the President Castilla in 1854, the displacements of these to the cities abandoning the agricultural works.

The Chinese immigration is given in two important moments that mark their nature. According to historic data, the first Chinese massive immigration to Peru is carried out in the year 1849 when Peru, needed urgently a great number of workers for the plowing of lands, the construction of roads and ports and the exploitation of mines, the country barely had two million inhabitants, and the social politics pressure of the landowners favors the Chinese immigration.

"In October 15th, 1849 arrived at the Callao the first contingent of Chinese youths from Macau and Hong Kong. They were, the pertinent to the first generations **Wa Kiu** and their descending **Tusan**, who with effort, determination, knowledge and sacrifice, bearing at times unjust working conditions, built the first coastal railroads and trans-Andeans, they did the haciendas of cane and cotton to prosper and they extracted the guano of the islands situated in front of the central coast of Peru. Between 1870 and 1890, two decades after their arrival and concluded their contracts in the country, many of those Chinese youths initiated independent commercial activities. Thanks to the laborious family atmosphere -of Taoist and Confucian root- and to their enterprising spirit, they concurred to found the first modern commercial businesses of Peru. The called Chinatown, since then synonym of commerce, strength and oriental culture, at

the end of the 19th century a group of Chinese businessmen grew in number and cultural influence"²⁹

By the law of 1849 called "Chinese Law", the massive income of the Chinese workers was permitted. Among the years 1849 to 1880 the lucrative business to import workers since the China imperial brought between 90 and 100 thousand Chinese to the port of the Callao and to other Peruvian ports. The very hard crossing delayed near 120 days in being carried out and by the bad conditions in which travelled, only the 75% of the ones that came out with destiny to Peru arrived at the final destiny.

This politics of immigration brought many criticisms to national and international level, since the "collies" were treated like the slaves. That it is why in the year 1853 it was abrogated the law of 1849 and besides in 1856 the Congress prohibited the entrance of Asians, excepting to the ones that they came voluntarily. Nevertheless, the private contractors mocked the legislation and they brought more than thousand "collies" to the year. This signified a greater increment to that of the preceding years of legal immigration, between February 25, 1849 and July 5, 1853, entered 2.516 Chinese. In 1861 the landowners achieved the revocation of the law of 1856. But thousands of Chinese entered likewise to Peru between 1861 and 1874, year in which Portugal closed the port of Macau to all the immigrants.³⁰

Thanks to the Chinese presence a new impulse to the agricultural dynamics was given that favored in those years only to a minority sector of coastal landowners. This marks the characteristics of the first Chinese immigration between the years 1849 and 1874. The second and reduced immigration is given after 1874, monopolized the provision of

²⁹ Martha Hildebrandt – Presentation "the other blue side" –Editorial Fund of the Congress-1999 /*Presentación "El Otro lado azul"* –Fondo Editorial del Congreso-1999

³⁰ Basadre, IV, pp. 364-65, Stewart, Chinese Bondage pp. 17, 27-28, 52-53.

Merchandise for the Chinese businessmen that, freed of their contracts, had passed to the commercial sector and it added to them, the Chinese that came with capital to invest in Peru that arrived principally from Hong Kong.

Keeping in mind the two phases of the Chinese immigration, the different and contradictory opinions that were generated about the Chinese worker, we should emphasize that among them always there was a support to the Chinese countryman, very valued, having these two faces of the currency, it only remains to say that the Chinese culture that arrive at Peru settled and fused with the Peruvian culture.

In the Census of 1931, Lima had a population of 373 Thousand 875 inhabitants, with percentage predominance in the domestic and independent branches of service with the 22.9% and industries and arts with the 22.4%. The process of terciarization and urbanization of Lima was expressed in the growth of the branches of construction, commerce and public utilities. The population of Peru surpassed the 5 million inhabitants.³¹

Among the years 1890 to 1930, the Chinese businessmen arrived, that give the possibility to observe that the Chinese immigration had diverse forms to be integrated with success in the social-economic environment of Peru. The enterprising families closed the circle of the Chinese presence; it means that the Chinese became businessmen of success, carrying a better class of life that the immigrants that preceded them. This success did that the Chinese be respected by their business capacities. "It was muted the image of the Chinese that it had, not only in the town but in the highest levels of the society".³²

3.6. The Japanese Immigration in Peru.

³¹ Wilma E. Derpich "the other blue side" – 1999/ " *El otro lado azul*"-1999

³² *Ibíd.* pp. 77

109 years ago, on April 3, 1899 they disembarked to the coasts of Peru the first immigrant Japanese; they were 790 who initiated this history of immigration between the two countries. Looking at retrospectively we have that in the year 1873 was signed in the Japan the Agreement of Peace, Friendship, Commerce and Navigation between Peru and Japan, this treaty is very important for the two countries. Peru was converted, with the subscription of that treaty, in the first country that established diplomatic relations with Japan, in Latin America.

Since the year 1899 until 1923, they arrived at Peru 102 groups more of immigrants, brought by different contractor companies, with contracts for four years. From 1923 the Japanese began to enter to the country in condition of free immigrants. Besides laboring in the haciendas of the Peruvian coast, the Japanese established business as stores (small wine cellars), salons, small cafes and inns.³³

Especially the contracts that supported the Japanese immigrants considered final destiny the sugar haciendas, and the period of contract was for 4 years, as it was to be expected, the first group of immigrants had problems with respect to the treatment the landowners had with them because they were used to treat them as slaves, but always the immigrants complained, being attending for the responsible of their immigration.

Apart from the immigration by contract, it was presented another type of immigration that it was called immigration "by call". The migration by call, was given from 1923, year in which concluded the contracts of immigration, until 1936. This type of migration was given when the migrant achieves a better economic situation and calls his relatives and friends so that they come to Peru, dividing into two modalities: the call of kin and friends, and the marriage by photograph (shashin kekkon), in which the spouses

³³ Japanese Peruvian Association APJ, "Japanese Immigration to Peru"/ *Asociación peruano Japonés APJ, "Inmigración japonesa al Perú"*.

only were known through photographs, an anecdotal situation since the girlfriend had not the certainty that the person of the photo was or was not the one who waited for her in the other side of the world.

Since 1899 to 1923 year in which finalized the immigration by contract arrived approximately 18 thousand Japanese to Peruvian territory, among workers hired and "by call". As it is common, every immigrant upon finishing of their contract had to see the possibility of beating in the society, that it is why the majority of Japanese they emigrated to the large cities especially Lima, there they unfolded in different ways, some with humble works as traveling salesmen, or employees in the domestic service. Others developed the business of the salon. Little by little, in the society of Lima was associated the barber with the Japanese, coming to form consolidated associations.

Not all the Japanese go to the urban area, groups of Japanese remained in the rural area, to be unfolded in an independent way in the activities that had developed the four last years, but in an independent way, arriving some families to excel in a successful way as the leaseholders and mainly in the activities of the cultivation of cotton.

In 1917, the Japanese Central Society was found; principal entity represented to all the Japanese resident in Peru, maintained a permanent relation with the authorities of the Japan as the Peruvians and offered social help to the ones who needed it.³⁴

It should stop mentioning that there were periods in which they exercised discriminatory politics against the Japanese migrant. After 1932, since Leguía's government finished, to be more exact. Laws, lootings, against the Japanese were done very frequent until the Second World War, that

³⁴ Japanese Peruvian association APJ, "Japanese Immigration to Peru", 2005 /*Asociación Peruano Japonés APJ, "Inmigración japonesa al Perú", 2005*

as it was to be expected Peru ally of the United States, deported and arrested many families of Japanese immigrant.

After the Second World War finished, many of the "nissei"³⁵ desist of the idea to return to their country. The Japanese Peruvian community resumed its activities in 1946. An important fact that can be mentioned in this period is the re-establishment of the diplomatic relations between Peru and Japan because of the Firm of the Agreement of Peace of San Francisco signed the 8 of September of 1951. Subsequently, in 1954 a law was given to return the goods and capitals confiscated to the Japanese during the war; and in 1958 the entrance to new Japanese immigrants was permitted, but only in the case that were direct relatives of residents in Peru.³⁶

3.7. The Foreign Immigration in Peru of today

The phenomenon of the migration not only belongs to Peru, it has a world character and responds to the social growing and economic disparities that faces the contemporary world, as well as to the process of globalization, economic integration and growing interdependency among the countries. Nowadays, Peru before the eyes of the world it is shown as an economical stable country and as attraction for the foreign investments and besides it has a culture and tourist destinies from the most important of the world.

It permits a permanent contact with people of other nationalities, contacts of economic nature, that are gestated in the business or projects of foreign investment in Peru that transfer to executives and operatives of diverse countries to be beyond a year in the country exercising functions of direction or productive, of different nature. On the other hand, one notices at first

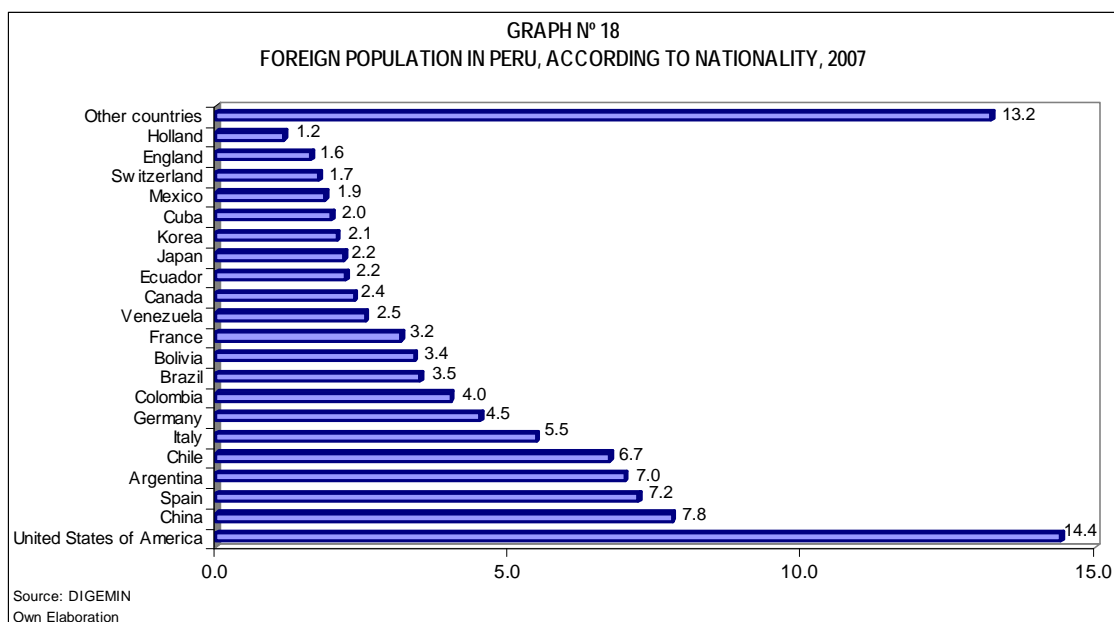
³⁵ The term Nissei defines all those descending people of the first immigrant Japanese born in Peru. */El término Nissei define a todas aquellas personas descendientes de los primeros inmigrantes japoneses nacidos en el Perú.*

³⁶ Japanese Peruvian association APJ, "Japanese Immigration to Peru", 2005 */Asociación peruano Japonés APJ, "Inmigración japonesa al Perú", 2005*

sight in any city of the country the arrival of Chinese immigrants that barely arrived they install its oriental food sale business, the "chifa", that as it is known, it is very deep-rooted in the Peruvian culture.

In Peru to the year 2007, they have registered in migratory control 49.818 foreigners with visas of residence that come exercising labor activities in agencies and international businesses, they handle commercial business and services. From the total of them we have that the 54.5% are males and the 45.5% are women, having a light advantage of 9 percentage points of foreign female population in Peru in relation to the male one.

The majority of them come from the United States with the 14.4% of the total, from China with the 7.8%, from Spain with the 7.2%, Argentina with 7.0%, Chile with 6.7%, and Italy with 5.5%, among the main. Although, around the 40% are foreigners whose nationality belong to some country of the APEC.



4. Promotion of the employment to the countries of the Asia Pacific region

4.1. Main requested professionals, qualified and not qualify workers, training programs, protection to the migrant workers.

Nowadays, Peru is a country of emigrants, it is characterized for exporting forces labor, indistinctly qualified and not qualify personnel, these last are majority, migrant labor that are incorporated to the productive process in the developed countries, and in the neighbors of greater relative development. The 84% of Peruvians resident in other countries would be inside the area of not qualify stem, in the meantime the 16% are professionals and technicians that have left the country, and that many of them have been inserted appropriate in the qualified labor market, in private enterprises, international agencies, educational institutions, in banking and finances and in other professional works, included the sport.

Currently in the country, it does not have programs of labor training for the migrants, perhaps the relations with Spain that through the Department of Labor requests Peruvians to work in different activities as the laborers, operatives and other works of domestic services, it is implementing programs of orientation and placement, that would be able to generate to future an organic program of formation, training and orientation to the migrant potential. The State has to give politics on this matter, due to the quantity of Peruvians with desires to emigrate. One of the recommendations of the German Peruvian Network indicates:

"It is necessary and not put off a Peruvian migratory design to the service of the migrant who should not be seen as a problem, but since the perspective of the great potentiality and support that our countrymen abroad can give to the efforts of development of the country, not only like sources of remittances, but as a great force in human resources, capacities, cultural values, etc., that should be promoted from the State".³⁷

³⁷ Peruvian-German Network - <http://www.red-peruano-alemana.eu/html/migracion.html> / Red Peruano-Alemana - <http://www.red-peruano-alemana.eu/html/migracion.html>

4.2. Bilateral agreements in Migratory Matter between Peru and the Countries of the Region Grasp-Pacific

The Direction of Migratory Policies of the Department of Foreign Affairs of Peru, it is the responsible for doing the monitoring of the multilateral and bilateral agreements of which Peru is part. It coordinates permanently with the General Direction of Migrations and Naturalization (DIGEMIN) of the Ministry of the Interior, the proposals and actions in migratory matter in the international environment. In that sense, proposes and negotiates agreements of cooperation in migratory themes, migratory regularization, free traffic, endorsement of contribute of social security, recognition of driver's licenses, among others.

The Migratory Politics is a public policy that contains a normative picture of action directed to the management of the migratory matters of the country. It is based on the following norms: the immigration law (Legislative Decree N° 703 of May 11, 1991), the Law of Nationality (Law N° 26574 of January 3, 1996) and, the Regulation of the Law of Nationality (D.S.004-97-IN) of May 23, 1997. Due to the growing presence of the Peruvians abroad, the Peruvian migratory politics should be become more aggressive in order to attend the multiple demands of the Peruvians in the different Consulates of Peru in the world.

At the same time, the agreements should favor treaties or understandings among countries to attend or to facilitate the migratory regularization of hundreds of Peruvians abroad. To date the following agreements in migratory matter with the countries members of the APEC have been subscribed:

Chile

August 23, 2002, the Agreements of Social Security among the Republic of Peru was subscribed and the Republic of Chile, whose objective is to regulate the relations of both countries in the social security zone, permits, among others, the benefit of the insurance of period's accumulation under the legislation of both countries. Also, in July 06, 2005, it was subscribed in Lima the "Agreement for the entrance and traffic of national Peruvians and Chileans as tourists with documents of identity", norm that is in use from December 09, 2005.

Though, in the framework of the Economic Complementation Agreement (ACE) 38 Peru-Chile, in Lima, in August 22, 2006 was subscribed the "Memo of understanding in migratory and labor matter".

Mexico

In the framework of the official visit to Peru of the Secretary of Foreign Affairs of Mexico, the First Meeting of the Mechanism of Cooperation in Consular and Migratory Matters predicted in the Memo of Understanding in Matter of Consular Cooperation and Migratory Matters, subscribed in October 25, 2002.

5. Politics for the Integration of Peruvians

5.1. Return of the Migrants

In the social and economic reality of the country, it is a problem the human capital loss from the intensification of the labor migration, generated by the internal economic imbalances that we have referred to. Nevertheless, due to the current conditions of stability and economic growth of Peru, the GDP has grown for more than seven consecutive years, we would be able to say that the emigration would have an stimulate to stop growing and even to encourage politics of return of the Peruvians abroad.

So that with date February 24, 2004, it was published in the Official Newspaper "El Peruano" the Law N° 28182, called "Law of Migratory Incentives". The above-mentioned law has as a main objective to promote the return of the Peruvians that have remained abroad not less than five years, so to their return they can be dedicated to professional and/or business activities in the country, it is a matter of a voluntary return.

Incentives of tax character are established to favor the return of the countrymen, so that it contributes to generate greater and productive employment tax collection. Those incentives consist of the liberation of the payment of every tribute that record the internment in the country, of the following goods: furniture of house until a value of US\$ 30.000, a self-propelled vehicle until a maximum value of US\$ 30.000. Professional instruments, machineries, teams, capital goods and other goods that use in the performance of their profession, position or business activity, until a value of US\$100,000 American dollars.

Peru has given a great step in the formulation of a national migratory politics, upon being the first country in the region with a law that encourage the return of the countrymen that by diverse reasons left the national territory.

5.2. Effects in the Investment Network

On the other hand, as we have seen the theme of the remittances is menacing for the beneficiaries homes and therefore deserves special attention, by its monetary amount, by its characteristics and especially by the impact in the global economy and particularly, the home whose result is expressed in better living conditions of the families of the emigrants. The State should have as an objective generate information and facilities for the investment, from the remittances and through the advice of the private enterprises, especially those of financial mediation to generate projects of productive investment in the beneficiary homes with

objectives that transcend the own benefits of the home and to go beyond in the economy of the country.

The program “Mi Vivienda” (My Dwelling)

In the present year, the Fund “**Mi Vivienda**” (FMV) launched a very beneficial program for the Peruvians resident abroad, it would permit the Peruvians emigrant and its families to be able to buy an own house in Peru, this project encourage the return of those Peruvians that already have acquired some work experience abroad, since the time of requirement is 5 years of residence in another country, and besides supporting their capacity of payment among others things, with the remittances that send periodically to the country. "Now the Peruvians abroad will have an alternative to acquire a dwelling to proper noun. The Peruvians that work abroad have problems as the lack of insurance or conditions when they get retired. Now they will be able to live their last years peacefully". ³⁸

It should be recall that from Peru, in the last 18 years, near 2 million Peruvians have emigrated toward other countries, and that near the 40% of them part of their salaries as remittances to the Peruvian home from where they emigrated.³⁹

Dwellings to name of the Peruvians resident abroad, already is a reality ⁴⁰

³⁸ Words of the Minister of Housing, Construction and Sanitation during the Presentation "Fund Mi Vivienda Expands Options of mortgage Loan to Peruvians abroad", January 2008. / *Palabras del Ministro de Vivienda, Construcción y Saneamiento durante la Presentación “Fondo Mi Vivienda Amplía Opciones de Crédito Hipotecario a Peruanos En El Exterior”*, enero 2008.

³⁹ Peru: Characteristics of the Migrant International, Homes of Origin and Receivers of Remittances, 2008. / INEI – IOM, *Perú: Características de los Migrantes Internacionales, Hogares de Origen y Receptores de Remesas*, 2008.

⁴⁰ Press office and Communications FMV, January 2008 / *Oficina de Prensa y Comunicaciones FMV, enero 2008*

This measure concrete as soon as the Board of Directors of the FMV added in their regulations of products the possibility to attend to the Peruvians resident abroad, permitting that these be direct beneficiaries of the resources of the FMV.

In this manner, the growth of the remittances shipment market will be favored and they will be able to capture the currencies generated by this new work export area, channeling them to the construction of dwellings, promoting a greater growth to the already experienced one in recent years in the sector. Likewise, the dwelling to buy at least should be inhabited for a relative, of any of the spouses, to a second degree of consanguinity. That means parents and grandfathers, brothers and nieces and nephews, and children and grandchildren.

Credit to migrant homes covers different type of credit to elect.

The Peruvians emigrant who addresses the remittances to the program of dwelling can elect among “My Vivienda” credits, “Techo Propio” (Own Ceiling) or “Mi Hogar” (My Home). The price of the dwellings that include the benefit oscillates among the S/. 13.400 To S/. 172.500. Now the Peruvians resident abroad will be able to do reality the dream of the own dwelling, acquiring to their name houses, departments or other housing options.

5.3. International Agreements with the economies of the Asia Pacific region

Every International Agreement that imply the joint development of the economies of the Asia Pacific region will be always acceptable, Peru geographically is located in the center of the region, that is why to fortify the links with other countries, and to have presence in the economic and social events on worldwide levels, it is consolidating agreements, pacts, agreements, that permitted the guarantees for the free traffic of the people among the countries of the region, the protection of the migrant workers, and the facilities in the flow of capital resources and work among the different economies.

The year 2008 is presented as a crucial year to establish concrete steps toward the integration between Peru and the Asia Pacific Region, the negotiations are found enough advanced. Among the different agreements consolidated and in the way of consolidation, we have:

Free Trade Agreement with Canada

January 26, 2008, Peru and Canada agreed a tried Free Commerce during the economic forum carried out in the city of Davos in Switzerland. Canada is the second country in direct foreign investment in Peru after Spain, the total of its investments reaches the US\$4,000 million dollars that would be able to be triplicate with the FTA that means that an important world market opens the doors to the Peruvian economy.

It is important to say that only two countries, Peru and Chile, have a Free trade Agreement with Canada that is found among the seven largest economies of the world. It has culminated the negotiations of the agreement, now what continues it is a legal review that should take from two to three months. It is a process of review of the texts in Spanish, in English and in French because are going to be used the three languages, in order to send the documents to the Congress of each country for their respective approval.

FTA with Thailand

The negotiations of a FTA with Thailand will promote the investments of that country in Peru, it will permit also to enter to expanded markets as the Andean Community of Nations, the MERCOSUR, the United States, and to other markets with the ones that our country will negotiate agreements. In September 19, 2005, the United Kingdom of Thailand signed the Free Trade Agreement with Peru.

In November 16, 2007 the Origin Rules Protocol was subscribed, in the framework of the Summit of the APEC (Hanoi, Vietnam). With it, it remains culminated the negotiation relating to the Bilateral Protocol to accelerate the liberalization of merchandise and the facilitation of the commerce, lacking the step by political channels to enter in use.

Converting Peru in a place where circulate the commerce between Thailand and South America, it will bring an increase of the investments mainly in infrastructure, above all of those that are part of the conversion by investment. Thus, the negotiation will permit a greater commerce in tourism, transportation, health and construction, as well as to the possibility to agree to work experience of such country in these areas, above all in tourism and transportations that are contemplated as areas of bilateral complementation.

FTA with Singapore

The negotiations looking to achieving a Free Trade Agreement with Singapore were initiated in February 2006. The commercial approach with this Asian economy is part of the strategy of Peru to fortify its commercial presence in Asia. Peru search to increase its competitiveness through the promotion of the transfer technological from Singapore toward our country through new investments, the movement of people and the importation of capital goods.

FTA with United States of North America

Peru has negotiated, from May 2004, a Free Trade Agreement (FTA) with the United States of America. The FTA Peru-United States, it is a trade agreement of binding character and which objectives are to eliminate obstacles to the commercial exchange, to consolidate the access to goods and services and to favor the collecting of private investment. It incorporates, besides commercial themes, institutional and economic themes, copyright, labor and environmental themes, public employment, services, politics of competence and solution of controversies,

among others. It was subscribed December 8, 2005 in Washington D.C. In June 29, 2006 was ratified by Peru and in December 4, 2007 was ratified by the Congress of the United States in final form.

FTA with Japan "The System Generalized of Preferences (SGP)"

It instituted in 1971 and it is in force until March 31, 2011. This system permits the entrance of determined industrial, fishing, agricultural products and miners from developing countries to the Japanese market with reductions or tariff exemptions. Japan guarantees the preferential processing to 149 countries included Peru.

Peru-Colombia-European association of Free Trade

From April of 2006, Peru developed a process of preparation for the negotiation of a Free Trade Agreement with the countries of the European Association of Free Commerce (EFTA), conformed by Switzerland, Iceland, Liechtenstein and Norway.

The member countries of the EFTA possess the highly levels of GDP per capita and of the Index of Human Development (healthy and long life, education and quality of life), having Norway and Iceland in the position number one on a worldwide level, above Ireland, Sweden, Canada, Japan, and United States.

CAN-EU Association Agreement (that includes a Free trade Agreement)

The third CAN -EU that took place in Guadalajara, Mexico in May 28, 2004, marked the future development of the relations between the Andean Community and the European Union.

The Heads of state and of Government of Latin America and the Caribbean and the European Union reiterated their commitment with the consolidation of the strategic association bi-regional, agreed in Rio de Janeiro in 1999. Thus, they decided to open the process that conduct to an Agreement of Association among the Andean Community (CAN) and the European Union (EU) that includes a Free Trade Agreement. This process will begin with a joint appraisal of the process of economic integration of the Andean Community that in its moment will conduct to the negotiations.

Agreement of Economic Complementation N ° 38 PERU - CHILE

In 1998, the negotiations with Chile culminated in the subscription of the Agreement of Economic Complementation, that contemplates a timetable of tax exemption that eliminates in a maximum time limit of 18 years, the customs duties and equivalent loads of foreign exchange, monetary, fiscal character or from any another nature, for the formation of a free-trade Zone.

Memo of understanding on migratory and labor cooperation between the Republic of Peru and the Republic of Chile (August 2006)

Both governments, with the better and new objective to create jobs of quality for its workers and to enlarge the standards of living in its respective territories, to protect, to expand and to do troops the fundamental rights of the workers, to protect and to do troops the rights of the migratory workers. In short, it should indicate that the objectives of this Memo of Cooperation are oriented to promote the development of migratory labor politics, that include the "Principles and Fundamental Rights in the Work and their Monitoring" and of "the International Convention on the Protection of the Rights of all the Migratory Workers and of their Relatives", of United Nations.

Memo of understanding in matter of cooperation consular and migratory matters between the Republic of Peru and the United States Mexican (October 2002)

The Memo of Understanding has as an objective to initiate actions of cooperation among the parts for the purpose of exchanging information and experiences in matter of consular protection and in migratory matters, in order to contributing to that each one of the parts offer a better attention to its national permanent residents or to the ones that are temporarily abroad. Likewise, to collaborate in the preparation and training of the administrative and diplomatic officials, those that develop migratory and consular activities.

Agreement to normalize the migratory and labor situation of citizen of Peru and of the Ecuador in the region of expanded frontier integration (December 2006)

The governments of Peru and of the Ecuador, inspired in the Agreement on Traffic of people, vehicles, maritime and river embarkations and airships, of October 26, 1998, in the dispositions of the Andean Instrument of Labor Migrations, they presented this agreement.

The agreement has as objective to establish a migratory state of exception to normalize the continuance of agricultural workers and the construction and employees of the domestic service in the Region of Frontier Integration and for these migratory effects, it is expanded in Peru, to the Departments of Lambayeque, Amazonas and Loreto and; in the Ecuador, to the Provinces of the Azuay and Cañar.

Amnesty for Peruvians illegal in Chile

In order to legalizing the resident of 15 thousand countrymen that live undocumented in Chile, it has been developing meetings among the ambassador of Peru in that country, Hugo Hillock with the Chilean minister of the Interior, Belisario Velasco. The amnesty would help the

Peruvian immigrants to find a stable work and to agree to the system of health, among others benefits. According to data of the Department of Immigration, in Chile live 285 thousand immigrants. The 10% of these live in irregular situation.

6. Peru before the negotiations of the Gats – mode 4

The present paragraph has the purpose to develop some basic points with respect to the processing of the mode 4 of the General Agreement on Trade in Services (GATS, by its acronym in English), of the World Trade Organization (WTO). The mode 4 is referred to the movement of physical people, movement of temporary character that is given in the delivery of services framework. In the Peruvian case, we will see some advances that are outlined in the trade negotiations of Peru with diverse economies, especially the ones that are part of the APEC.

The services have special characteristics that distinguish them, like the intangibility, the invisibility and impermanence, as well as the multimodality and multifunctionality. The three first characteristics are proper or "intrinsic" of the services that have been changing due to the technological advance that nowadays offers new forms of offering a service, basing on the intangibility in terms of knowledge and technology. The characteristic of multifunctionality is removed of the performance of different functions in the delivery of services; in the meantime the characteristic of multimodality is presented for the different ways to supply the services.

It has been Identified four modes which permit to classify the services. These are characterized for the type of service that they offer a country "X" to a country "Y". The first one is given when the service is offered from the same country "X" (example: electronic commerce, dictation of a class by a conference, digitized works sent in CD-ROM, by mail, etc.), this mode is called **Cross-border Supply - mode 1-**. If the service is offered inside the country "X" to a

country "Y" consumer, that travels to the country "X" (example: service of tourism, education, etc.) it will be the **mode 2- Consumption abroad**.

The **Commercial Presence - mode 3** -, it is characterized because the service is offered by the commercial presence of the supplier of the country "X" in the country "Y", with the purpose to satisfy to consumers of the country "Y" (example: services of distribution, banking, etc.). Finally, if the service is offered by the temporary physical presence of a supplier of the country "X" inside the country "Y", with the purpose of satisfying consumers of the country "Y" (example: professional services, construction services, etc.) to this mode we called it **Movement of Natural Persons –mode 4-**, to which we are referring in this paragraph.

It must be emphasized that in the mode 4 it is excluded the people that request the citizenship or that seek employment or residence in a country with permanent character. With regard to the movement of natural persons different forms can be presented as for example: "Only mode of viable supply" (social, construction or repair services), "One of the possible modes" (accounting, medical services, etc.). "To complete and to facilitate a commerce carried out" (Software, architectural services, etc.), since the final product can depend on the presence of an expert to supervise the process.

Due to the characteristics of the services and of the mode 4 given, we should indicate that Peru, an economy in development, is prompting trade agreements, covenants, pacts and free trade agreements, in order to expand and to deepen the Peruvian foreign trade and the investments. Some of these agreements establish mutual responsibilities in the processing of the mode 4, important theme to facilitate the cross-border flow of Peruvian professionals and technicians that offer services. Peru has subscribed some FTA that contemplate the processing of the mode 4, thus it is stipulated by the FTA Peru - EE.UU., the FTA Peru – Canada, the FTA Peru - Singapore, in this paragraph we will be referring to the FTA Peru-Canada.

The mode 4 of the GATS is differentiated of the traditional labor migration, by the temporary character of the displacement of a physical person among different member countries of the World Trade organization (WTO) and because said displacement is carried out to offer a service that does not involve the access of the borrower to the labor market of the country of destiny. Because of it, the mode 4 represents a specific sector of the temporary immigration and it is referred to workers of highly technical and professional qualification.

Of certain mode the mode 4 could generate national politics of major control of the migration, due to the fears that its flexibilization could convert it in an open door for a non-controlled immigration. These fears are declared chiefly in the developed countries. Because of it, it will not be easy to increase the facilities for those independent professionals that need to cross the borders toward those countries.

As we indicated, the fear is especially of the developed countries. For example, the European Union considers going downward in the proposal of the GATS, in such a mode "to disappoint" the expectations of the developing countries that see in the mode 4 a possibility of liberalization and flexibilization of the conditions of entry to the developed countries.⁴¹ For these countries the mode 4 of the GATS is seen more as a possibility to receive services rather than to offer services. On the other hand, for the developing countries is a possibility for their professionals and technicians to offer services out of their borders.

For Peru, the mode 4 is a possibility to improve the conditions of the cross-border physical movement of Peruvians that offer services, in the framework of the agreements and FTA that are being formulated. As it is known, in the trade relations among countries a liberalization of the movements of goods has been given, services and capital, however, a similar liberation in

⁴¹ See: Anna Terrón "Migraciones y Relaciones con Países Terceros España" CIDOB Documents – July 2004

the circulation of people has not been produced, somehow the mode 4 of the GATS can influence in said temporary migratory flows.

"By its importance for the less advanced countries (LDC), of the modes of supply handled, it interests to emphasize especially the fourth group -mode 4-, it means the one of movement of physical people with temporary entry and stay and to the effects to supply a service. The emphasis obeys to the reason that to this mode, that excludes the people that request the citizenship or that seek employment or residence in a country with a permanent character, and from whose commerce we don't have complete statistical data at present, inherent themes in migratory aspects are especially linked (business or temporary visas and work permits), of remittance sending and of the validation of professional titles. The economic impact of the movement of physical people can differ considerably according to the sectors and the economic activities. In such sense, there are situations in which the movements of people constitute the only mode of viable supply, as for example happens with some social services, of construction or repair. In other cases, this movement constitutes one of the possible modes, as for example, medical, teaching, accounting services, etc. And finally, other cases exist in which these can complete and facilitate the trade under other modes of supply, as for example services of software or architectural services, that although they can be provided since an office in the country of origin and to send it for mail, the quality of the final product can depend on the presence of expert to supervise the process".⁴²

There is a lot that we need to treat and understand in the theme of the commerce in services and especially in the analysis of the mode 4, movement of physical people. The ideal for Peru would be to give steps toward the liberalization, which permit the access of our service providers to the markets. The certain thing is that to the date, it has little advanced in this private mode of the trade in services.

⁴² "Estudio sobre la Situación de las Negociaciones y el Comercio de Servicios Regional e Internacional – Realidad del Comercio de servicios de los Países Miembros de la ALADI y de las Negociaciones para su Liberación – prospectiva 2005-2008"

6.1 First background in Peru

The most recent background on the processing of the mode 4 is given inside the Andean Community of Nations (CAN), conformed by the Andean countries: Bolivia, Colombia, Ecuador, Peru and Venezuela (for now, the participation of this last country is suspended), where a framework agreement on services exists, in which is stipulated that the countries members of the Community will give facilities for the free traffic and the authorization for the temporary physical presence of the natural people and of services lenders businesses employees of the member countries.

Up to date, the CAN has not yet regulated its implementation that facilitate the circulation in the Community of physical people, students, people of business, investors, artists and workers. Up to day, it is only in force the Andean passport, Decision 504 of the CAN, limited to trips of tourism, which permits the free circulation of tourists inside the Community, being able to remain to 90 days, extendable for similar period. Also, it is in force the Andean Card of Migrations (TAM), in which the date of entry is registered and the period of authorized time, Decision 397 of the CAN of the TAM's creation, on September 16th 1996, and the Decision 527, that modifies the TAM, with date July 11th 2001.

As an additional background, it should be mentioned that in the Southern Common Market (MERCOSUR), also a framework agreement exists that incorporates an annex on the Movement of Physical People Provider of Services, having approved a MERCOSUR Visa that applies managers and executive directors, administrators, directors, managers in charge, or legal representatives, scientific, investigators, professors, artists, sportsmen, journalists, technicians highly qualified or specialists, professionals of upper level.

The visa authorizes the entry to the territory of one of the Parts, with intention to lend temporarily services under contract for the execution of activities paid, to landings of up to two years, extendable to a maximum of four, which is counted from the date of entry.

6.2 Free Trade Agreement Peru – USA

In the month of December 2007, the Free Trade Agreement Peru-USA was closed; the Congresses of both countries ratified the Treaty which will take effect in the year 2009. Said trade agreement considers inside its content a chapter refereed to the cross-border trade of services that applies to all the sectors and to every level of government.⁴³ Its nature is multilateral; it means that the commitments assumed will be take for all the countries that form part of the agreement, protecting the prior agreements celebrated by Peru on this matter, included the commitments in the framework of the Andean Community.

In the aspects related to the mode 4, it is considered the establishment of a Working Party on Professional Services which processing should be seeing for both countries. This Group will facilitate and permit to take better advantage of the professional services export opportunities to the United States, whether from Peru or being transferred temporarily with a temporary license. It is not excluded any profession, however, at the suggestion of Peru, in a first phase, it will be prioritized the professions of accounting, engineering and architecture, with the specific commitment to give major opportunities to the temporary licenses for engineers to exercise its profession in the United States.

The principle of transparency will govern with vigor to the year of entry in force the FTA, period in which the measures related to the citizenship and permanent residence should be treated, included requirements of prior local employment, in the states of New York, New Jersey, California, Texas, Florida and the district of Columbia for the professional services of

⁴³ See final text of FTA Peru-USA.- Chapter of Cross- Border Trade of Services-

engineering, accounting, architecture, nursing, legal services, general medicine and paramedical services.

The chapter of services of the FTA Peru-USA, in matter of the mode 4, movement of physical people, can carry advances in the export of professional services to the American economy, in such a mode that engineers, accountants, architects and other Peruvian professionals have better opportunities, in virtue to the commitments assumed that permit to access to temporary licenses in the United States.

6.3 Free Trade Agreement Peru - Canada

In the month of January 2008, the governments of Peru and Canada subscribed a Free Trade Agreement. Prior to its subscription, they developed four rounds of negotiations, the first one was celebrated in the city of Lima, in July 2007, the second in Ottawa in the month of September, the third one in Bogota in the month of October and the quarter in Lima in the month of December 2007. They developed negotiations through video and teleconferences among the negotiators; the FTA finally was closed in January 26, 2008. The document should continue a rigorous reviewing process of texts in English and Spanish, to achieve the accuracy and precision, to lead to its legal review.

The trade relations, that include transactions of goods, services, capital and even the physical movement of people between Peru and Canada date from many decades. Relations have become stronger along the 20th century and beginning of the 21st century. In 2007, the total trade, exports plus sorts, between Peru and Canada rose to US\$ 2.455 million dollars. Of this figure, US\$ 2.125 million dollars correspond to the exports of Peru toward Canada. In the meantime, what Peru imports from Canada, increased to US\$ 330 million dollars.

As it can be appreciated in the picture attached, Peru registers surplus in the trade balance with Canada, it expresses a beneficial trade relation for Peru, that should improve even further with the FTA, given the size of the Canadian economy, whose GDP bounds the 1.4 billion dollars, 14 times more the Peruvian GDP. Canada has a population of 33 million inhabitants and a GDP per capita of more than 44 thousand annual dollars, 12 times more than the Peruvian GDP per capita.

INDICADORES PERÚ - CANADÁ, 2007 (US\$)

	Perú	Canadá
PBI: (Miles de Millones US\$)	106	1 446 (2006)
PBI per capita (US\$)	3 818	44 390 (2006)
Población (Miles)	27 640	32 581
Tasa de Crecimiento de la Población (%)	1,4	0,9
Tasa de crecimiento del PIB (%)	8,9	2,8 (2006)
Inflación (%)	3,9	2,0 (2006)
Inversiones Directas de Canadá en el Perú (Millones US\$)	241 (*)	
Comercio Exterior Perú - Canadá	Millones de US\$	%
Canadá Exporta al Perú	330	100,00
<i>Productos Vegetales (Cereales/trigo, hortalizas comestibles, semillas de aceite)</i>	<i>143</i>	<i>43,38</i>
<i>Productos de Maquinaria Mecánica eléctrica</i>	<i>94</i>	<i>28,36</i>
<i>Papel, Cartón y artículos derivados</i>	<i>25</i>	<i>7,46</i>
<i>Aviones y Vehículos Automotores, Remolques, Bicicletas, Motos y similares</i>	<i>19</i>	<i>5,86</i>
<i>Artículos de hierro o acero, herramientas de metal</i>	<i>15</i>	<i>4,51</i>
<i>Otros</i>	<i>34</i>	<i>10,43</i>
Canadá Importa del Perú	2 125	100,00
<i>Metales o Piedras Preciosas</i>	<i>1 319</i>	<i>62,08</i>
<i>Productos Minerales</i>	<i>581</i>	<i>27,36</i>
<i>Productos Vegetales (hortalizas comestibles, café, té, mate, frutos secos comestibles)</i>	<i>79</i>	<i>3,73</i>
<i>Otros</i>	<i>145</i>	<i>6,83</i>
Balanza Comercial Perú - Canadá	1 795	

(*) Agencia de Promoción de la Inversión Privada - PROINVERSIÓN.

Fuente: Statistic/Industry Canadá March 2008

Elaboración Propia

In the year 2007, Peru exported to Canada US\$ 2.125 million dollars, the 62.1% are exports of metals or precious stones, the 27.4% mineral products, the 3.7% vegetable products, among

which they have: edible vegetables, coffee, tea, mate, dry fruits, etc., and other products the 6,8%.

In the meantime, we import from Canada in 2007, US\$ 330 million dollars, from which the 43.4% are imports of vegetable products as: wheat, edible vegetables, seeds of oil. The 28.4% of our imports from Canada are purchases of electric mechanical machinery. The 7.4% are imports of paper, carton and derived articles. The 5.9% are imports of airplanes and self-propelled vehicles, trailers, bicycles, motorcycles and similar. The 4.5% are imports of iron and steel articles, of metal tools, and others the 10.5%. The FTA with Canada will permit to Peru to deepen the trade relations with that country, to expand our export market and to generate new investments in productive activities. To the year 2007, the direct investment of Canada in Peru raised to US\$ 241 million US\$.

The FTA Peru-Canada contemplates an extensive calendar of liberalization of the commerce among both countries, which will permit the entry of almost the hundred percent of our immediate exportations. Furthermore, it will have a tendency, in a prudent time limit and in gradual form, to the elimination of the tariffs and not tariff barriers for the entry of the Canadian goods to the Peruvian market.⁴⁴

According to the above mentioned, Peru will keep in an indefinite mode the possibility to apply the Drawback and other special customs regimes, as well as to benefit of this agreement to the eventual productions of duty-free zone, also to maintain the application of the price band mechanism. On the other hand, the FTA Peru-Canada includes important aspects on numerous matters, among which it can be cited the regulation of the investments, the services, and the competence, the temporary entry of business people, and the solution mechanisms of controversies and in matter of environmental and labor cooperation.

⁴⁴ MINCETUR: Free Trade Agreement Peru-Canada, Final Report of the Negotiations- Executive Abstract.

As part of the access to the markets, it has been established a system of respect and mutual recognition of geographical indications for the wines and the spirited beverages. In this manner, Peru will have the obligation to recognize the geographical indications of "Canadian Whisky" and "Canadian Rye Whisky", and Canada in turn, will recognize "Pisco, Peru" as geographical indication.

To arrive at the trade agreement itself, there have been developed fourteen work desks, one of the which, the sixth one, is referred to the table of services, that consolidates the Peruvian current opening to the cross-border commerce of services of not financial nature, and consolidates at the same time the access of the services and Peruvian cross-border service providers to the Canadian market, facilitating with it the supply of services in a bilateral form.

The main objective is to consolidate the cross-border commerce of services considering the supply of a service: i) of the territory from a Part to the territory of the other Part, ii) in the territory of a Part by a person of that Part to a person of the other Part, and iii) by a national one of a Part in the territory of the other Part.

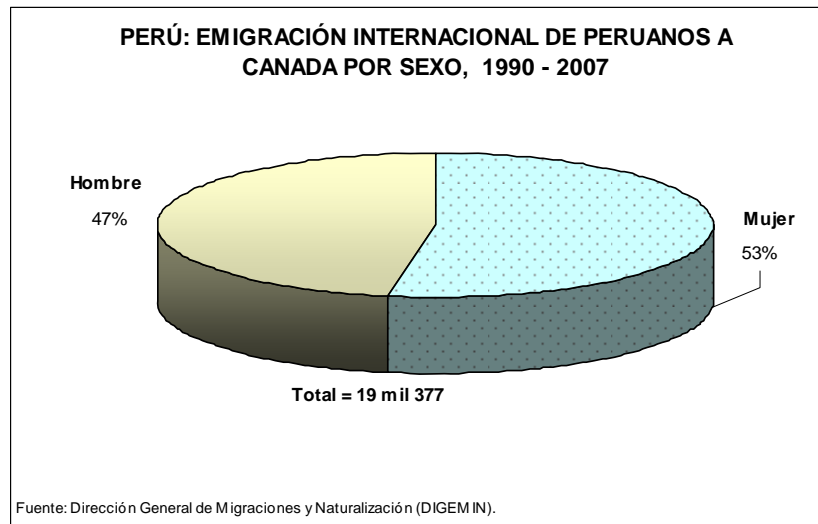
6.4 The Mode 4

In the framework of the table of services of the FTA Peru-Canada, obligations for the temporary entry of business people are considered, being offered migratory facilities for the temporary entry of Peruvians with intention of developing activities of the commerce of goods and services, as well as of investment in Canada. Four categories are established: Business Visitors, traders and investors, intra-company transfers, and Professional and Technicians. Due to this, a list of requirements for each category is established, agreements in transparent form, that will permit people to access to a business visa. The Peruvians of business that intend to enter to Canada will have complete information on the requirements for their entry, facilitating

their entry to the country. Being included additional facilities for the processing, requests and time limit to access to the visas. I have to indicate that in the Business Visitors category, the list of activities is of a lot of importance and interest for the Peruvian exportations, tourism personnel, of kitchen, translation and interpretation, of information technologies and telecommunication services are included.

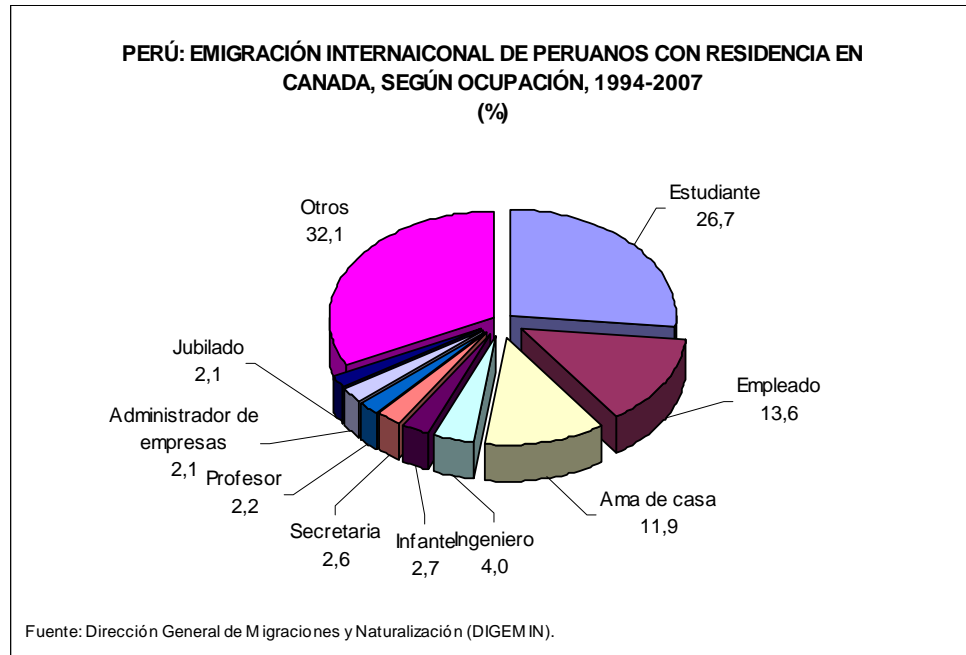
On the other hand, the commitments of Canada with Peru with respect to the Technical and Professional category, mode 4, are also a great step. It is the first time that Canada offers a commercial partner so extensive commitments in this matter. They have been eliminated the tests of economic need that Canada always applies in the analysis of requests in their agreements with other countries with the ones do not have commercial relations. Canada recognizes the importance that has for Peru the entry in Canadian territory of professionals and technicians that will permit the entry of chefs, computer technicians, technicians in information systems, engineering technicians, among others.

The facilities that come from the agreement with Canada in the framework of the commerce of services, especially in the mode 4, many professionals and Peruvian technicians, for the first time will have facilities to access to an extensive market and with many financial and economic possibilities. Finally, this chapter of the FTA Peru-Canada offers migratory facilities for the temporary entry of Peruvians with intention of developing activities related to the commerce and services, as well as the investment in Canada.



Many Peruvian professionals resident in Canada would be able to exercise their profession or their technical capacities in better conditions. In the last 18 years, 19,377 Peruvians travelled to Canada, they are migrant labor, students and retired. Migration developed in the last decades.

The 53% of the said migrants are female and the 47% males. The majority of them when they went to Canada, the 26.7% were students, 13,6% employed, 11,9% housewife, 4,0% engineers, 2,7% infants, 2,6% secretaries, 2,2% professors, 2,1% administrator of businesses, 2,1% retired, and 32,1% others. That means, a good proportion of them are professionals and technicians, and many students through the years well can have better life conditions in said country, or well to return with other knowledge to their native floor.



On the other hand, it is necessary to mention that in Peru are registered 1.154 Canadians with visa of residence in Peru, 610 of them are men and 564 women. They are employees of businesses and businessmen that are working in our country; we do not forget that an important part of the Peruvian direct foreign investment comes from Canada.

7. Final conclusions

- Peru geographically is found in the center of the region Asia Pacific, it is an economy in development of 28 million inhabitants with a Gross Domestic Product (GDP) of 107 thousand American million dollars in the 2007, with a GDP per capita of 4 thousand dollars per year. It maintains financial, commercial, and economic relations with the countries of the region and of other parts of the world for more than five centuries, and certainly, with roundtrip constant migratory flows. We receive the European immigration, (chiefly Spanish and Italian), Asian (chiefly Chinese and Japanese) and of

other latitude. And now "exportation" labor force chiefly to United States, Argentina, Spain, Italy, Chile and Japan.

- Since the arrival of the Spanish, 500 years ago, Peru became a country of immigrants, distinguishing three important moments of immigration, since the colonial epoch and of the Virreinato, it goes from the 16th century to the 18th century, a second phase since the beginning of the republican epoch to the 19th century, and the third one, from the end of the 19th century to our days.
- In the last century, by economic reasons, originated in the labor market, a strong migrant current of Peru toward important countries of the Asia Pacific region was generated as the United States, Chile, Canada, Mexico, Japan, Korea, and Australia. Near the 50% of Peruvians resident abroad are found in those countries, and reckon that in the last century three million Peruvians emigrated of the country toward diverse places of the world.
- Peru in the framework of the globalization and as a member of the APEC, search to enter with force in the Asia Pacific markets, because of it, it is intensifying relations with the subscription of free trade agreement with diverse economies of the region. Thus, in the 2005 the FTA with Thailand was signed, the first one of Peru with an Asian economy. In the year 2007 with the United States, that will take effect in January of the 2009. The FTA with Singapore was completed, it was initiated the conversations with China and has just subscribed a FTA with Canada, and continues the interest in negotiating this type of agreements with Australia, South Korea and Japan.
- In the last century a growing tendency in the Peruvian emigration is registered, it has generating a very important magnitude of Peruvians residing in diverse cities of the world. The calculations that perform in the present work, that are presented for the first

time, are estimated in 3 million 56 thousand Peruvians that emigrated from Peru toward the world.

- The Peruvian migration is characterized for being a migration of labor character, though other motives exist: studies, political, social and family violence, etc., the Peruvians emigrate chiefly by obtaining an employment, with it to improve their incomes and the living conditions of them and their families. We identify three determinant factors of the migration: social, demographic, and economic factors.
- The countries preferred for the migrant Peruvians, according to the results of the Continuous National Survey (ENCO), executed by the INEI in the year 2006 permits to reckon that the 30.6% of the Peruvians reside in the United States of America, in Argentina the 14.0%, Spain 13.0%, Italy 10.3%, Chile 9.3%, Japan 3.7% and Venezuela 3.1%, among the main countries. Bolivia 2.7%, Brazil 2.0%, Ecuador 1.7%, Germany 1.4%, Canada 1.0%, France 0.8%, Australia 0.7%, Mexico 0.6% and Colombia 0.6%. In other countries the 4.1 resides%.
- With regard to the migration bound for the countries belonging to the APEC, the 46.2% of the Peruvians emigrant had as final destiny some country of the Asia Pacific region. The majority of migrant Peruvians in the world are from the female sex with the 53.3%, and the 46.7% are men. Besides, the Peruvian emigrant population is relatively young; they go in the best moment of the life, with all their forces in reproductive and productive terms, the 80.6% of the Peruvian population had between 15 and 39 years from age to the moment to emigrate.
- The phenomenon of the remittances arises like compensation to the migration, they are part of the incomes generated by the emigrant in the country of reception that are remitted to the native country, they constitute current transfers of home to home, and therefore

flows of private character, it is the shipment of the money of a migrant to its family in Peru. In the last 18 years, the Peruvian Diaspora remitted more than US\$14,400 million dollars to Peru, monetary resources that entered to the economy, being becoming an important source of currencies.

- The 85.6% of the Peruvian remittances they originate chiefly of six countries, of the United States the 30,6%, continuous Spain with the 16,1%, Argentina and Italy, both in 12,3%, Chile 9.5% and Japan 4,5%. In global terms is observed that the average of the remittance flanks the S/. 500 new suns, approximately US\$170 granted, liquid dollars the cost of the transfer of the remittance that on the average costs the 10% of the remittance. Also, the Peruvian families destine the 75.8% of the remittance chiefly to the expenses of consumption of the home, attending with it the expenses in food, dress and footwear, to the education the 12,4%, in dwelling the 5,0%, savings the 3.7% and in other expenses the 3,1%.
- The results of the ENCO permit to reckon in the country 407 thousand 616 remittances receiver homes or with international emigration, that means homes that present at least a member that receives money from abroad, whether of a relative or a friend, or homes with some former-member of the home, living on permanent form in another country. The figure of homes represents the 6.3% of the total of Peruvian homes and they involve a population beneficiary of 1 Million 619 Thousand 259 people.
- The Peruvian remittances help to improve the living conditions of the population upon providing additional incomes to the receptor families, and also they impact in the global economy, they contribute to the equilibrium of the scale in charge account, provide currencies to the economy and they have a positive effect in the private consumption of the families prompting the internal demand of the country.

- Thus, they have a positive impact in the living conditions of the homes given that permits to improve the budget of the home and therefore its quality of life. It expresses in the quality of the dwellings, better access to the basic services, better educational level of the members of the home, greater access to the technology of information inside the home, as it is shown in the present.
- The phenomenon of migration not only belongs to Peru, it has world character and responds to the growing social and economic disparities that faces the contemporary world, as well as to the comprehensive process, of growing and economic integration interdependency among the countries. In Peru, they are registered with visa of residence, 49 thousand 818 foreigners not nationalized, that entered to the country in the last 14 years.
- The current conditions of the country, its macroeconomic stability and the economic growth, that make us to foretell that the emigration would have an motivation to stop growing and even to encourage politics of return for the Peruvians abroad. A sample of it is the "Law of Migratory Incentives", that has as a main objective to promote the return of the Peruvians that have remained abroad not less than five years, or the recent program launched by the Housing Department that permits the Peruvians emigrant and its families to buy an own house in Peru.
- Peru search to fortify the links with other countries and to have greater presence in the economic-social events on a worldwide basis, the politics of State in that sense it is consolidating. For that reason, it should be seeking the treaties, pacts, agreements that guarantees and facilities to the free flow of resources: merchandise, capital and work.
- In the year 2008 is presented like a crucial year to establish concrete steps toward the integration between Peru and the Asia Pacific Region, the negotiations are found enough

advanced with various countries of the region, expecting to be summarized with all the member countries in a not very distant future, including in the commitments, the free transit, the protection of the emigrants, the respect to their rights, the facilities for a worthy life, work and investment.

- The international migration is consolidated each time in a social phenomenon that affects to millions of people in the world, and Peru is not strange to those events. In the last 18 years A Million 940 thousand 817 Peruvians, they travelled abroad and have not returned.
- At the conclusion of the 6 point, I have to say that the issue in this part, referred to the analysis of Mode 4 of trade in services between countries is still very superficial to the Peruvian case, maybe because the actual conditions are emerging, or for lack of information because it is an issue that just is being addresses, starting precisely the FTA Peru-Canada that emerges in its content to special treatment for the free transit of Peruvians professionals and technicians who can offer its services in a developed economy such as Canada.
- It is true that these conditions must be regulated so that the temporary residence visas are delivered smoothly; at least there is such a predisposition. The trade agreement Canada-Peru, after all, it is based on the principle of reciprocity and equal treatment, due to that they must create the best conditions in the relevant regulation, for the smooth trade relations between both countries and for free movement of physical people. It will be necessary to forward the matter further and generate statistical information from records and surveys to enable us to refine working hypothesis oriented to social policy, commercial and even diplomatic recommendations.

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