CHAPTER 12

Government Policy and Employment of Persons with Disabilities in Peru

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1. INTRODUCTION

The employment conditions in Peru are extremely precarious, as is the case in many low- and middle-income countries. Despite the impressive process of economic growth experienced by the country over the past 10 years, for most Peruvians it is increasingly difficult to find decent jobs with adequate levels of income to meet their basic needs. In the last 20 years the country has experienced an expansion in the number of workers in informality and underemployment, with low wages and no access to social security.

The employment numbers of people with disabilities in Peru are proportionally even lower. According to statistical evidence, the unemployment rate of persons with disabilities is almost double the overall unemployment rate, reaching 18.1% in Lima, the capital city.[1] However, this indicator misses the high proportion of persons with disabilities who are not in the labor force. According to the information available for Lima, 76% of working-age persons with disabilities are economically inactive. Moreover, even those employed are usually overrepresented in low-productivity jobs in the informal sector, which implies that most of them are facing poor labor conditions and lack of, or inadequate access to, basic social rights.

As a consequence of this situation, in recent years persons with disabilities and their families have been attracting, through their organizations, the attention of the state and the rest of Peruvian society due to the acute conditions of economic and social exclusion that they face every day. This effort led to the enactment of law 27050 in 1998, known as the Law of People with Disabilities, during Alberto Fujimori's government (1990–2000). This law

establishes—for the first time in the country—a legal regime for the protection, health care, work, education, rehabilitation, and social security of persons with disabilities, with the aim of improving their economic and social integration.[2]

This legal progress, although important, has not been accompanied with significant changes in human development prospects for this population. The shared view among activists, public officials, policymakers, and politicians is that the State could do more in practice to enforce and monitor compliance with the law. This is a consequence of the disability policy-making processes in the country, which are markedly characterized by lack of coordination, instability, weak technical capacity, low quality of implementation, and weak political will. Following some recent scholarship in political economy, what seems to matter in this case is more the quality of the disability policymaking rather than its orientation.[3]

This chapter studies the employment policies for persons with disabilities in Peru and their results in terms of improving labor market conditions. After providing some basic institutional details, we briefly characterize the Peruvian labor market as one in which underemployment and informality are prevalent despite the high economic growth rates experienced by the Peruvian economy during the past decade. We also describe the Peruvian population with disabilities in terms of their stock of human capital and gender differences, showing that important differences arise when these factors are taken into account. Particularly, we show that women with low levels of education are more exposed to labor market exclusion and, even when employed, suffer from unfavorable labor market inclusion conditions in terms of access to social benefits and other rights recognized by law.

We then discuss the most important policy instruments employed by the Peruvian state to reach that goal and analyze, exploiting the available information, their effectiveness. These policy instruments include employment services, training and other labor programs, financial supports, quota systems, and antidiscrimination measures. Although the lack of information was the most important barrier in the development of this study, we do find some areas of progress but even more areas in which adjustments are needed.

We have identified two policies that seem to be relatively effective in terms of improving labor market conditions for persons with disabilities: participation in general workfare programs such as "Construyendo Perú" and the preferential treatment of promotional enterprises that provide good and services to the state. In both cases, the employment opportunities that were created are basically in the informal sector, specifically in construction. These results are consistent with the low levels of human capital that characterize this group. Whereas only 2% of the population without disability has no level of education, about 21% of persons with disabilities are in the same situation; 13% of persons with disabilities have some level of tertiary education, compared with

24% for those without disability. Given the lower levels of formal education, it should not be surprising that precisely those instruments that are targeted to unskilled groups are the most promising ones in terms of improving the labor market conditions for persons with disabilities.

Although the lessons from this chapter are only valid for Peru, they may be useful for understanding the case of societies with similar levels of economic and political development in Latin America, such as Ecuador and Bolivia in the Andean region, which possess similar social structure and economic and political institutions. However, a more careful analysis of these comparisons is an area of future research.

The rest of the chapter is organized as follows. Section 2 provides basic institutional details as well as basic labor market information about persons with disabilities. Section 3 studies the set of policies contained in the current legal framework. Section 4 concludes.

2. CONTEXT AND BACKGROUND

2.1 Basic Statistics about Persons with Disabilities in Peru

When providing a general overview about the characteristics of persons with disabilities in the country, the first task is to estimate the size of their population in Peru. This depends mainly on the definition of disability employed, with current estimates ranging from 1.3% to 31.28%. The first figure is obtained by the Ninth National Population Census carried out in 1993 and the second was developed by the National Institute of Rehabilitation (INR) in its study, *Prevalence of Impairments, Disabilities and Handicaps in Peru, 1993*.[4]

In the first case, the estimates are based on a bounded and exclusionary definition, which considers only the total loss of a function or capacity, whereas in the second case, the definition is broad and inclusive, although heavily grounded on a medical approach to disability. Alternative numbers from other surveys and censuses fall between these two extremes and are based on more modern definitions of disability.[5] For instance, the Encuesta Continua (ENCO) of 2006 estimated that 8.4% of the total population had a disability,[6] whereas the census of 2007 put this number at 11.86%.[7] This last number means that more than 3 million Peruvians have at least one disability. Differences in terms of the wording of the question regarding disability status may explain this difference.

Using the census of 2007,[8] it is possible to characterize the composition of the population with disabilities in the country according to type of disability. About 46% have visual limitations, 20% physical disabilities, 20% have hearing or speech limitations, and 14% have other type of disabilities.[9]

Additional information for the case of Lima, the capital city, was collected by the Encuesta de Hogares con Discapacidad (EHODIS) for 2005.[10] This

instrument estimated that the prevalence of disability was 5.7%, significantly lower than the ENCO estimate of 11.7% for Lima.[11]

2.2 Labor Market Conditions of Persons with Disabilities

Like most low- and middle-income countries, the labor market in Peru is characterized by high levels of informality and low-quality employment. According to statistics produced by the Ministry of Labor, about 60% of employed workers are in the informal sector.[12] Wages are low and they grew very modestly (6.8%) between 2000 and 2009, despite the high economic growth rates experienced over the period (about 8%).[13] These high growth rates were led by the mining sector, in a context of high prices of mineral products, as well as by the construction sector due to the expansion of public investment by the central and regional governments, also linked to the increase in mineral rents. Therefore, although employment levels experienced an important increase because of the mineral boom, the quality of employment and wages did not change in a significant way.

Unfortunately, there are no current statistics on the working conditions of persons with disabilities in Peru.[14] The latest figures correspond to those in the surveys and censuses already discussed, but none of these cover in detail the labor market characteristics of this sector. For this reason, this chapter focuses on the statistics provided by the National Household Survey (ENAHO) carried out by the Ministry of Labor and Employment in 2002 and 2003.[15] These numbers are complemented by more recent estimates from EHODIS 2005 and the census of 2007. One limitation of this source is its limited coverage, but it still can provide a good starting point to frame the employment policies to be discussed in the following.

The labor market outcomes for persons with disabilities in Peru can be characterized in the following way:

1 Labor market participation rates for persons with disabilities are low compared with nondisabled people, and are especially low for women with disabilities.

According to survey data for 2002 and 2003 from ENAHO, the gap in participation rates among people with and without disabilities was about 40% (63.8% vs. 23.6%, respectively). This implies that almost eight out of 10 disabled persons in the country were not working or looking actively for jobs, which is extremely high if we consider that less than four out of 10 persons with no disabilities are in the same situation. These numbers graphically show the magnitude of the economic exclusion of persons with disabilities in the Peruvian labor market.

There are important gender differences to take into account in our analysis. The gaps of participation rates were 45% for men and 38% for women (Table 12.1). Using the survey, we have estimated that for each 10 men with disability, three were active, whereas for each 10 disabled women, fewer than two were actively looking for jobs in the market. This calls for employment policies with a gender perspective. Unfortunately, this aspect has been neglected so far in disability policymaking.

2 Unemployment is not the basic mechanism to explain the labor market exclusion of persons with disabilities.

As discussed, most persons with disabilities in Peru simply do not look for employment opportunities. This significantly reduces the scope of disability and employment policies in the country. For this reason, unemployment, which only measures those looking for work, does not seem to be the most relevant indicator. Evidence from the ENAHO survey for 2003 shows that the unemployment rate for persons with disabilities was 18.4%, certainly higher than the 8.2% experienced by nondisabled people, but this is not comparable to unemployment gap rates in developed countries. Although this result seems initially better than international evidence which suggests that unemployment rate of persons with disabilities is about three times higher than the rates faced by people without disabilities,[16] it is largely due to the large number who are too discouraged to seek work.

Gender differences are also important. Whereas the unemployment rate gaps between people with and without disabilities for men is 5.6%, the gap for the case of women it is 16%. Hence, although labor market exclusion for men with disabilities is mostly explained by low participation rates, high unemployment levels seem to be important in the case of women also.

3 Employment opportunities available to persons with disabilities are basically in the informal and low productivity sectors.

Table 12.1 LABOR MARKET INDICATORS BY GENDER AND DISABILITY STATUS

Labor Market Indicators	Participation Rate			Unemployment Rate		
	Male Population	Female Population	Total	Male Population	Female Population	Total
People with Disabilities	28.8%	16.7%	23.8%	14.6%	27.9%	18.4%
People without Disabilities	74.0%	54.8%	64.1%	8.9%	11.8%	10.2%
Total Population	**72.9%**	**54.2%**	**63.2%**	**9.0%**	**11.9%**	10.3%

Figure 12.1 shows the distribution of employed persons with disabilities by type of occupation. The most salient characteristic is the fact that about 46% of those employed work as independent workers: 23% are blue collar workers in the private sector and 6% are white collar workers in the public sector. This indicates that this population not only faces constraints in their access to the labor market, but also that their inclusion is usually linked to occupations characterized by low levels of pay and benefits.

Important gender differences are also present here. Whereas on average 46% of persons with disabilities work as independent workers, this percentage grows to 75% for women. This is about 40 percentage points higher than for men with disabilities, suggesting that a significant part of the gaps observed between workers with and without disability is mainly driven by the magnitude of the labor exclusion of disabled women.

This information can be complemented with information regarding the occupational groups in which persons with disabilities tend to work. Figure 12.2 shows that persons with disabilities tend to work, in most cases, as sellers (39%), services providers (15%), and craftspeople (11%). These contrast with the 23%, 14%, and 16% for nondisabled workers, respectively. Only 9% work as professionals or technicians (vs. 18% for nondisabled workers).

4 Low levels of human capital are linked to low labor market participation and employment for persons with disabilities.

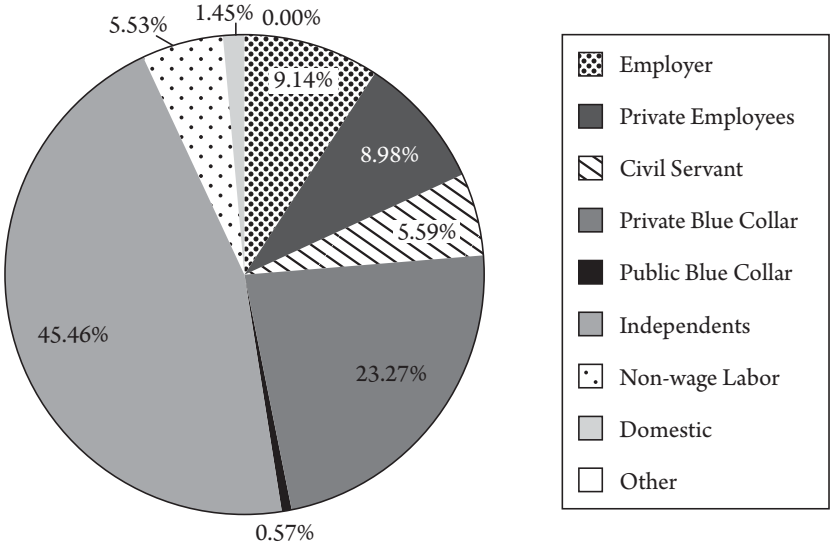


Figure 12.1
Distribution of Employed Persons with Disabilities by Type of Occupation

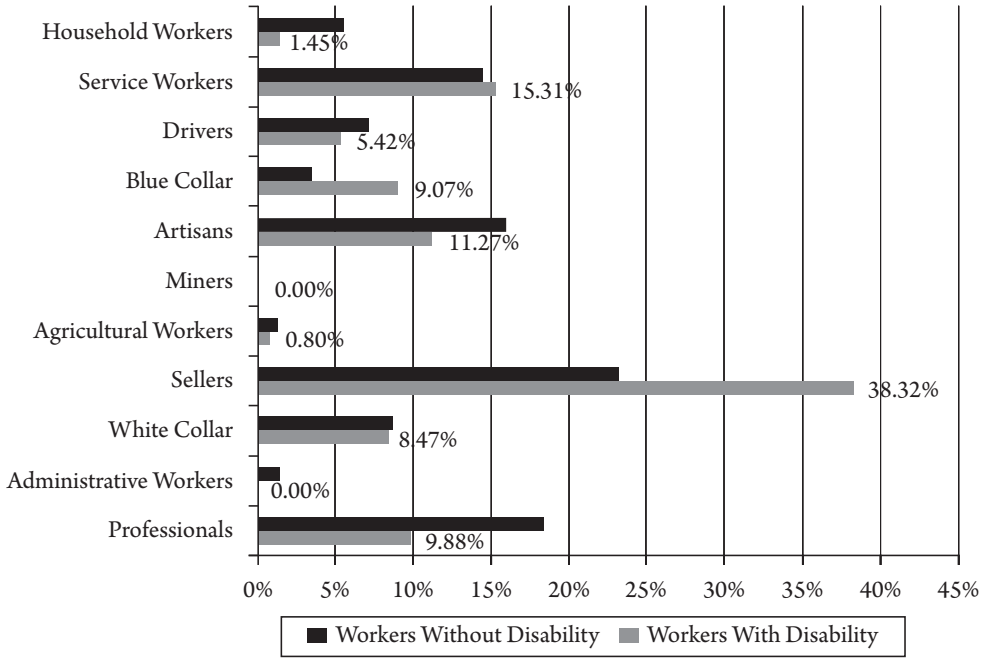


Figure 12.2
Distribution of Employed Persons with and without Disabilities by Occupational Group

The evidence suggests that human capital accumulation by persons with disabilities is linked to participation in the labor market. Figure 12.3 shows that those individuals with disabilities with low levels of education are less likely to actively participate in the labor market. For instance, those persons with disabilities with no education have an inactivity rate of 90%, whereas those with college degrees have an inactivity rate of 50%. Interestingly, even for those with high level of education, the levels of labor market participation are relatively low, suggesting that, although education matters, it is a necessary but not sufficient condition to improve the levels of labor market inclusion for this group.

This element is critical because the fraction of persons with disabilities with low levels of education is significant. Recent evidence from the 2003 ENAHO survey indicate that whereas only 2% of the population without disability has no level of education, about 21% of persons with disabilities are in the same situation. On the other hand, only 13% of persons with disabilities have some level of tertiary education, versus 24% for those without disability. Despite the progress, the gap among those with and without disability is still significant.

However, this does not mean that those persons with disabilities with higher levels of education are necessarily as well off as their educational peers who have no disabilities. Figure 12.4 shows that the probability of being employed for those persons with disabilities with the highest level of

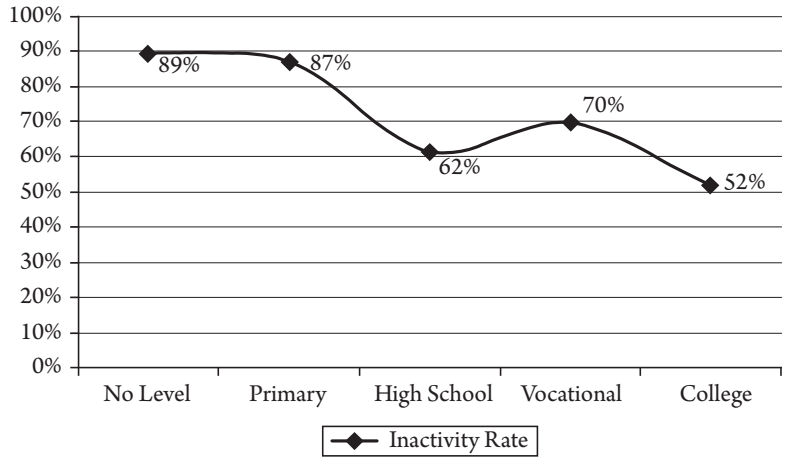


Figure 12.3
Labor Market Participation of Persons with Disabilities by Educational Level

education is still lower than the probability of employment of those nondisabled with the lowest level of education, using data for 2003. This result is critical and requires public policies to address the barriers that remain.

5 Lower wages and employment chances for persons with disabilities are not fully explained by differences in education and other observable characteristics.

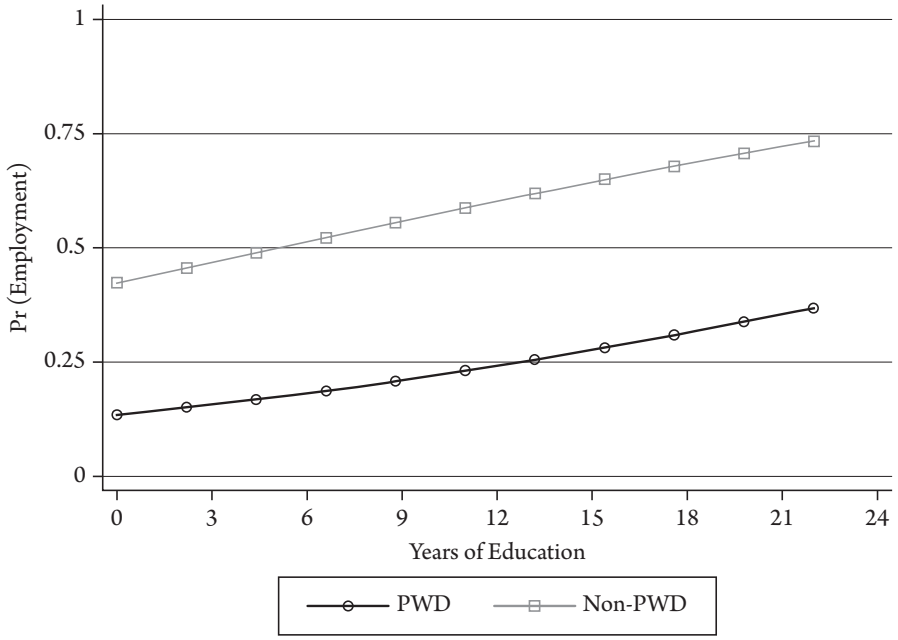


Figure 12.4
Probability of Being Employed by Educational Level and Disability Status
PWD stands for persons with disabilities

The gaps observed in terms of probability of employment and wages between persons with and without disabilities cannot be fully explained by differences in endowments of education and other valuable economic assets. Maldonado (2007) uses a set of econometric techniques to address this issue, and finds that, in the case of gaps in employment, there is a gap of 21.62% that cannot be explained by differences in stock of human capital and other relevant controls.[17] This latter result is slightly higher than that found by Mitra and Sambamoorthi (2006), who estimate this number to be 18.6% in the case of India.[18] In the case of the decomposition strategy based on the matching method suggested by Ñopo,[19] the author found that 52% of the gap in probability of labor market participation is not explained by differences in observable characteristics between the groups compared or by differences in the support of the distributions of these characteristics. Results obtained from alternative matching strategies go in the same direction.

In the case of wage gaps, the author found that this difference, computed using the decomposition strategy proposed by Reimers,[20] is about 70%. Using the nonparametric technique suggested by Ñopo,[21] the unexplained component of the wage gap is estimated at 32%. According to these results, persons with disabilities not only face high levels of labor market exclusion (expressed as a low probability of employment) but also suffer from wage discrimination.

2.3 Institutional Background

Disability policymaking is relatively new in Peru. Although there have been policies targeted to this group in the past, they were mainly sectorial efforts weakly connected to each other and highly fragmented.[22] As a consequence, they had almost no impact on the human development of persons with disabilities.

Along with the development of policy instruments regarding disability (like the National Plan of Equality of Opportunities for Persons with Disabilities), and the enactment of Law 27050, a set of governmental offices were created in order to deal with the implementation and enforcement of the law, together with other instruments. This section briefly discusses those most relevant to disability and employment.

2.3.1 National Council for Integration of People with Disabilities

The most important instrument is an autonomous office—called the National Council for Integration of People with Disabilities (CONADIS)—that was created to oversee compliance with the law and to serve as the technical focal point for disability issues. The National Council for Integration

of People with Disabilities also has the responsibility of developing policy initiatives, studies, and projects related to disability issues. Despite its broad set of responsibilities, CONADIS in practice lacks technical capacity and its annual budget is insufficient to fulfill the tasks entrusted to it by the state. Because its goal is very broad and somewhat ambiguous, its performance has been erratic, and successive governments have had different views regarding its role. This erratic performance has contributed to its low level of professionalization, which has been compounded by the pressure of disabled peoples' organizations toward particular agendas in a context of limited resources.[23]

2.3.2 Special Commission on Disability Studies

In recent years, different sectors of the Peruvian state have also developed specialized offices or units to address disability. In many cases, these new offices are the result of individual efforts by policymakers or politicians with special sensitivity to the disability rights agenda. For instance, in 2001 the Congress of Peru implemented the Special Commission on Disability Studies (CEEDIS) under the leadership of a congressman with a disability.[24] This is a practice that has been repeated since then under slightly different names.

Although its original goal was oriented to the development of knowledge regarding the social and economic conditions of persons with disabilities,[25] over the course of the years this commission has been reorienting its activities toward the attention of more specific demands from individuals with disabilities, neglecting its original goal of being a research commission. In a way, the magnitude of social exclusion faced by this group makes this adjustment needed because politicians are sensitive to the demands of this constituency, but at a high cost in terms of critical knowledge needed for the development of effective public policies for this group.

2.3.3 National Direction of Labor Promotion for People with Disabilities

The Ministry of Labor recently created the National Direction of Labor Promotion for People with Disabilities, and charged it with the responsibility of coordinating labor services targeted to this sector. This direction is relatively new and its activities are basically oriented toward the defense of the labor rights of people with disabilities and other legal services. Although the implementation of a unit like this is positive, there are important limitations to be addressed before this office can become an effective tool for improving labor conditions. First, the development of units like this must be accompanied by

budget and other resources, which is not happening in this case.[26] Also, efforts in this direction require training for public officials and the development of knowledge regarding labor market conditions for persons with disabilities. The Ministry of Labor can support this by providing research funds or using alternative mechanisms to create incentives for researchers, particularly from academia, which is a sector that has been largely uninterested in disability issues in contexts such as Peru's.

2.3.4 Municipal and Regional Offices for People with Disabilities

As part of Law 27050, local and regional governments have also created special offices for the provision of services to persons with disabilities, called OMAPED (Oficina Municipal de Atención a la Persona con Discapacidad) and OREDIS (Oficina Regional de Atención a las Personas con Discapacidad), respectively. We know little about the workings of these offices because systematic evidence about their performance has not been collected yet. Although many provincial and local governments have created offices during the past years, the law is not precise regarding their role. In practice, most offer basic services in terms of information and counseling about disability rights. The link with employment opportunities for persons with disabilities is limited, although some organize exhibitions of products manufactured by promotional enterprises.

The problems highlighted in the preceding regarding limited budgets and weak technical capacities are more acute in this case. Only a few local governments in rich areas of Lima (like the districts of Miraflores and San Isidro) were able to build high-profile OMAPEDs. In most cases, these offices are poorly funded.

2.3.5 Policymaking on Disability Issues

Despite these developments, the perception among experts is that the state has no clarity in respect to the orientation it wants for public policies for persons with disabilities. This is the natural consequence of a political and social environment that does not favor the formulation of coherent, stable, and enforceable policies. Due to the lack of resources and technical capacity, the coordination role of CONADIS in the policymaking process is very weak, creating a vacuum that is occupied by several actors with fragmented agendas in diverse circumstances. This is reinforced by the absence of cooperative behavior among critical actors in the policymaking arena, which in turn weakens advocacy efforts and political accountability.[27] The resulting public policies tend to lack coherence and be weakly enforceable.

3. EMPLOYMENT POLICIES: POLICY INSTRUMENTS AND IMPACT

3.1 Overview

This section provides an overview of the set of policies for promoting the employment of persons with disabilities that has been implemented in Peru. Over the past years, the set of policies and instruments regularly used by governments for expanding employment opportunities for persons with disabilities have typically included: (1) employment services; (2) training for employment; (3) financial supports; (4) technical and personal support; (5) quota systems; (6) antidiscrimination legislation; (7) persuasion measures and; (8) disability management.[28] In Peru, most governments have used some combination of these practices, at least from the 1990s, although in some cases these can be traced back to the 1960s.[29] It is beyond the goal of this chapter to provide complete coverage of these instruments. Rather, it focuses on those mechanisms that are more directly connected to employment opportunities for this group.

The most important developments with regard to current labor policies for persons with disabilities happened during the late 1990s. The existing policies are contained in Law 27050 and its amendments (particularly, Law 28164). This latter law devotes two chapters (Chapter VII: Promotion and Employment, and Chapter VIII: Promotional Enterprises) to promote employment for persons with disabilities.[30]

In order to properly evaluate policies that promote the labor inclusion of persons with disabilities contained in the current legal framework, as well as in other policy instruments such as the National Plan of Equality of Opportunities for Persons with Disabilities, it is necessary to establish some basic criteria for classification. Here we follow the proposal of Hills (2002), who suggests that it is possible to classify the policies for persons with disabilities in a dynamic framework as follows:[31]

- *Prevention policies*: Policies designed to reduce the risk of a person falling in a non-desirable state.
- *Protection policies*: Policies aimed at reducing the impact of a negative shock or a similar event on the well-being of a person.
- *Promotion policies*: Policies oriented to increasing the chances of a person exiting an undesirable state.
- *Propulsion policies*: Policies designed to reinforce the benefits of leaving a non-desirable state as well as to avoid the return to this state.

A detailed discussion of the full set of employment policies for persons with disabilities in Peru is beyond the scope of this short chapter; instead, the chapter focuses mainly on protection, promotion, and propulsion policies. Because

the focus of this chapter is on employment opportunities for those who already have a disability, it seems natural to focus on those policies that assume a pre-existing disability. Prevention and protection policies are designed for those without disability or who have recently acquired such condition.

In order to understand the scope and impact of the current set of policies, it is crucial to first analyze the disability certification requirement established in the Peruvian legal framework.

3.2 Certification of Disability as a Source of Exclusion

According to the Peruvian legal framework, individuals with disabilities need to certify their disability status in order to have access to the rights and benefits recognized by the law. As a consequence, the certification of disability can play an exclusionary role if the state does not provide the means to facilitate access to this document for disabled people. Using 1993 census estimates as reference, Maldonado showed that only 0.46% of the population with disability had access to this certification in 2004,[32] meaning that a very small fraction of persons with disabilities were, in practice, the target of the disability policy in the country.[33] Using the same methodology and information updated to 2011, it is possible to estimate that only 1.90% of persons with disabilities have a disability certificate, suggesting that no significant changes have happened over the past 7 years.[34] One challenge for policymakers and NGOs working in this area is to think of alternatives to facilitate and democratize access to the disability certificate.

3.3 Protection Policies

Protection policies for persons with disabilities are usually based on antidiscrimination mechanisms in access and job retention. These are also related to social protection schemes and access to services and financial assistance to mitigate the impact of a disabling event. In terms of specific protection policies, this discussion is focused on antidiscrimination laws.[35]

According to Law 27050, nobody can be discriminated against because of disability status, considering "…invalid any act based on discriminatory grounds that affect access, retention and/or employment conditions of the person with disabilities." It also states that the person with disability must "…enjoy all the benefits and rights recognized by the labor laws." The regulations of this law provide a greater detail in this regard. According to this legal instrument, any person who "…arbitrarily impedes, obstructs, restricts, or otherwise impairs the full exercise of persons with disabilities' rights, will be forced, at the request of the affected, to stop the discriminatory act."[36] In the

specific case of labor rights of workers with disabilities, it establishes the role of the Ministry of Labor in order to punish acts of discrimination in relation to job offers and access to technical or vocational training.

It is important to note that, for a long time, the antidiscrimination rules discussed in the preceding did not contain mechanisms to discourage discrimination against persons with disabilities. Article 2 of the regulations of Law 27050 established no penalty for those who discriminate against a person with disability. Moreover, the welfare losses associated with an act of discrimination against a person with disability were not compensated either by the discriminating party or by the state. This contradicts antidiscrimination mechanisms existing in other countries. For example, in Brazil, in accordance with Law 7853/89, discrimination against a person based on disability is a punishable offense subject to a fine and imprisonment for up to four years.[37] Other low- and middle-income countries, such as Mauritius, have similar schemes. An additional limitation of the Peruvian regulatory framework is that it does not establish the precise set of acts that can be considered discriminatory. A significant number of countries include in their antidiscrimination legislation a detailed list of discriminatory acts liable for punishment.[38]

Very recently, this situation changed, at least formally. Law 28867, enacted in August 2006, modified article 323 of the Penal Code to include disability as a form of discrimination, making it a cause for imprisonment for up to three years. In addition, Law 29392, which establishes a set of penalties for those who do not comply with Law 27050, was enacted in August 2009. The perception among experts on disability is that the lack of enforcement is the most important barrier for these instruments to be effective.

In regard to labor rights, the law establishes equality between workers with and without disability. This is consistent with point 10 of Recommendation 168 of the International Labour Organization, and is commonplace in similar laws in other countries of the region such as Ecuador, Colombia, and Argentina. However, despite the importance of the principle of equal rights, this principle is ineffective if it is not accompanied by concrete measures to provide support to employers interested in hiring workers with disabilities. What is needed is substantially a legal framework that encourages hiring without necessarily increasing the firms' labor costs, but that in turn ensures access to benefits and social rights recognized by law to workers with disabilities. Schemes based on shared responsibility between employers and the state need to be explored in order to create incentives that promote labor inclusion of disabled workers.

3.4 Promotion Policies

Promotion policies are designed with the aim of improving opportunities to escape from an undesirable state. In our case, this is linked to creating

conditions for persons with disabilities in such a way that they can develop greater autonomy and better prospects for achieving well-being through access to decent work. Among the available policy instruments, we may consider measures to encourage the hiring of disabled workers through tax incentives, wage subsidies, and training programs, just to mention some of the most common practices.[39]

Law 27050 assigns to CONADIS the role of coordinating and monitoring the implementation of training and retraining programs for persons with disabilities.[40] In addition, the law establishes that this office, in coordination with the Ministry of Labor, must support measures to promote employment and special programs for this group.[41] In order to encourage the recruitment of persons with disabilities in the public and private sectors, the law incorporates the deduction of expenses on the total wages paid at a rate set by the Ministry of Economy and Finance: 50% if the company has up to 30% of its workforce made up of persons with disabilities and 80% if this percentage exceeds 30%.[42] Additionally, the law states that CONADIS must coordinate with the Ministry of Labor to ensure that no less of 2% of total beneficiaries of services and training programs offered by the latter must have a disability.[43]

In addition, Law 28164 (enacted in December 2003) states that the executive branch, its decentralized offices, constitutionally autonomous units, state enterprises, and regional and local governments are required to employ persons with disabilities that meet the established requirements in an amount no smaller than 3% of their entire staff. Furthermore, the same instrument provides that those applicants with disabilities will get a scoring bonus of 15% in merit competitions for public sector jobs if they have received a passing score and meet the requirements for the position for which they are applying for.[44]

3.4.1 Training, Retraining, and Special Labor Programs for Persons with Disabilities

In relation to measures of training and retraining, it is important to note that little progress was made in this direction, and the efforts made by institutions responsible have been insufficient. The law assigns CONADIS a central role in that regard, but this office was able to do very little in this direction. The central reason for such modest progress is the low budget allocated to CONADIS and the Ministry of Labor to carry out these activities.

Regarding the special employment programs mentioned by the law, there is no consensus on the need to design and implement a special program. Indeed, specialized employment programs for persons with disabilities are currently subject to severe criticism because the curricula are often related to jobs traditionally thought of as appropriate for this population. The problem with schemes of this nature is that they are usually in permanent mismatch

with market needs, thereby undermining the real labor market opportunities available to this group. From this perspective, it would be best to create conditions of equal access to regular labor programs, so persons with disabilities can take advantage of them rather than developing specific programs. This will be consistent with a broad goal of promoting social inclusion in society. This, however, does not mean that this alternative can be useful in all cases. For instance, persons with severe disabilities are usually excluded from these general programs.

One of the most important programs currently offered by the Ministry of Labor is a workfare program called Construyendo Perú. This program provides funds for labor-intensive and small scale projects proposed by local communities. The targeted population is usually characterized by low levels of formal education and limited formal economy participation. Given the social conditions they previously faced, some workers with disabilities have found access to temporary income via this program. Another important program is ProJoven. This program offers training services for youth (16–24 years old) in high-demanded technical skills as well as labor intermediation services. Since 1997, this program has offered its services to 50,000 youths, mostly from poorer environments. Finally, labor intermediation services are offered through Red-CIL. This program was created in 1996 with the goal of reducing the informational frictions in labor markets via intermediation services that match labor supply and demand.[45] For the past decade, these programs have been increasingly incorporating beneficiaries with disabilities, although they are still far below the goal of 2% established by the Supreme Decree 003-2006-MIMDES.[46]

Using 2005 data, Maldonado showed the poor performance of labor programs in reaching persons with disabilities. Table 12.2 summarizes this result. None of the programs were able to comply with the 2% target mentioned in the preceding. For instance, ProJoven has only managed to train 11 young people with disabilities from a total of 34,000 participants throughout its 11 calls. A Trabajar was able to reach only 96 persons with disabilities out of a total of 194,000 beneficiaries, whereas in the case of Mujeres Emprendedoras only 46 women with disabilities were able to use the services provided by the program. A similar behavior is observed in other programs, such as the Red CIL-PROEmpleo and Peru Entrepreneur.[47]

More recent data suggest that the situation did not change dramatically over the past five years. For instance, according to information provided by the Ministry of Labor for this study, ProJoven trained only 85 youths with disabilities in 2009 and 58 in 2010. In the case of RED-SIL, over five years 1996 persons with disabilities participated, and 264 found employment, a modest result.[48]

The exception to this pattern is Construyendo Perú, the successor of A Trabajar. Whereas in 2005 only 96 persons with disabilities benefited from the program, in 2009 this number was 1,118, and in 2010 1,836. This is a

Table 12.2 PARTICIPATION OF PERSONS WITH DISABILITIES IN LABOR PROGRAMS CIRCA 2005[49]

Name	PROJoven (1)	A Trabajar Urbano (2)	Perú Emprendedor (3)	Mujeres Emprendedoras (4)	Programa de Autoempleo y Micro-empresa (5)	Red CIL-PRO Empleo (6)
Beneficiaries with disability	11	96	39	46	42	60
Total beneficiaries	34,136	194,756	n.d.	3,628	24,308	36,909
Participation rate of PWD	**0.03%**	**0.05%**	**n.d.**	**1.27%**	**0.20%**	**0.16%**

PWD stands for persons with disabilities

remarkable result, because the kind of activities performed in projects funded by the program are typically physically intensive.

It is important to keep in mind that labor demand can be a constraint, as is illustrated by 2005 data for ProJoven.[50] If we follow the 2% rule, this implies that at least 683 youth with disabilities must be accepted to the program. However, only 282 applied to the selection of courses. That is, the number of vacancies was more than twice the number of applicants. The limited number of applicants may reflect insufficient outreach by the program to persons with disabilities or the program being perceived as inaccessible, as well as actual levels of demand. Therefore, although programs need to make adjustments to incorporate persons with disabilities more effectively, this would not work if we do not pay attention to demand.

3.4.2 Quota Systems and Public Employment

In the case of the quota mechanism established by Law 28164, information collected by CONADIS in 2010 indicates that only 0.5% of the labor force of state agencies is composed by persons with disabilities. This is far below the legal target of 3%. This poor performance raised some concerns among policymakers and civil society, and the state's response was the creation in 2011 of a special commission to analyze this situation and propose a set of policy recommendations to overcome it.[51] Unfortunately, its recommendations did not get implemented due to a lack of political will.

There is much room for improvement in this regard. Even in tasks traditionally assigned to persons with disabilities, it is frequently observed that persons without disabilities are those who take these positions. Part of this poor performance is related to a set of austerity norms enacted by the Peruvian government over the past decade by which hiring is restricted. In

this scenario, most of the available vacancies of public jobs are usually offered under temporal contracts, which are not regulated by the laws that favor persons with disabilities.

A similar situation is observed for the additional points in favor of persons with disabilities in merit competitions for public sector jobs.[52] The use of this benefit is severely limited because the hiring practices of the Peruvian state are dominated by the abuse of temporal contracts such as the Administrative Services Contract (CAS). This form of contract only recognizes a limited set of social rights and can be signed only for one year. As a result, the practical consequences of this instrument are very limited.

Moreover, persons with disabilities have had difficulties when trying to assert their rights. The Ombudsman Office has received multiple complaints by persons with disabilities who have faced difficulties in achieving the recognition of the additional 15% score. Only between August 1999 and June 2003, the Ombudsman Office was informed of 23 complaints, six information requests, and seven petitions regarding compliance with Article 36 of Law 27050 on additional points. The common pattern of these complaints was the failure to recognize the bonus of 15% in the regulations issued for public sector job competitions. It was found that this was due mainly to lack of knowledge of the law on the part of public officials.

Another limitation detected in the implementation of the bonus of 15% is the uncertainty regarding the stage of the competition at which it is appropriate to apply the percentage mentioned. For example, Maldonado found that in the case of the Ministry of Education the bonus was applied during the evaluation of the curriculum vitae, whereas at the National Judicial Council, this bonus was awarded at the end of the curriculum evaluation and knowledge test.[53] These differences are mainly due to the lack of clarity of the law on this regard.

3.4.3 Tax Incentives

Although the deductions of expenses provided by law have been regulated by the Ministry of Finance through Supreme Decree 102-2004-EF for some years now, there is no information available to assess its effectiveness. Interviews with public officials and policymakers suggest that no significant progress exists in this regard. If no progress is made in the certification of disability, it is likely that additional rules would have little impact.

3.5 Propulsion Policies

In regard to propulsion policies, the law establishes a set of rules aimed at contributing to the development of business initiatives by persons with

disabilities, mainly in its Chapter VII, which is dedicated to promotional enterprises. Such measures include access to credit, preferential purchase of products by the state, and the creation of a bank of projects for promotional enterprises.

One of the first issues to evaluate here is the definition of a promotional enterprise. Current law provides that the promotional enterprise category is acquired if at least 30% of workers in an economic unit are workers with disabilities.[54] The accreditation and supervision of these enterprises is the responsibility of the Ministry of Labor.

Although systematic information about the characteristics of promotional enterprises has not been collected yet, anecdotal evidence suggests that they are mainly small firms, composed of individuals with physical disabilities, they lack access to credit, and their workers' wages are low compared with the average worker in the Peruvian labor market. In many ways, this is consistent with previous evidence collected by Sicchar.[55]

It is important to mention that this law represents a significant improvement regarding previous legal instruments.[56] However, although the requirements for the creation of promotional enterprises are relatively more flexible now than they were during the previous regulatory framework, there was little progress during the first years of implementation of the law. According to information from the Ministry of Labor, only two promotional enterprises were registered in 2003. This situation has changed in the past years. For instance, in 2010, 380 promotion enterprises were incorporated to the register and by early 2013 this number had risen to almost 550.[57] The rapid growth experienced in recent years creates positive expectations regarding the potential of this mechanism to improve employment conditions of persons with disabilities.

These improvements have been made despite the existence of two important constraints for the development of such enterprises. The first is essentially structural in nature and is associated with the context of informality characteristic of most of these enterprises. According to a study conducted by the Agency for Promotion of Small and Medium Enterprises (PROMPYME) for the case of Metropolitan Lima and Callao, about 70% of micro and small businesses that hire persons with disabilities are informal.[58] The other constraint lies in the difficulties already mentioned regarding the disability certificate, a requirement for enrollment in the register.

3.5.1 Legislation Implementing Procurement Preference

A first evaluation of the law leads us to conclude that the way in which it was designed did not promote, in practice, the development of enterprises by persons with disabilities. The law was very ambiguous about the preferential

treatment for promotional enterprises, which has led to the small amount of progress observed in past years.

This situation changed after the publication of the Supreme Decree 184-2008-EF in January 2009, which contains the regulations of the State Contracting Law.[59] This legal instrument established that, in the event that two proposals obtain equal scores after a competitive evaluation process, the contract must be awarded to the promotional enterprise. In a context of large increases in government budgets due to high international prices of mineral resources, contracting with the state has become a profitable business for small and medium enterprises. In turn, this has created incentives to hire persons with disabilities with the expectation of taking advantage of the benefits established by the law. The direct consequence has been the increase in the number of promotional enterprises, starting in 2009, along with an increase in employment opportunities available for persons with disabilities.

Mechanisms developed by regional and local governments to promote labor market opportunities for persons with disabilities can offer a different view. According to the law, these levels of government are responsible for the constitution of regional and municipal offices to attend to people with disabilities (OREDIS and OMAPED, respectively). In turn, these entities are called upon to coordinate and formulate regional and local policies for this sector. Among these policies, the promotion of goods produced by persons with disabilities is a critical role recognized by the law. Despite this, there has been relatively little progress, because of the low priority assigned to this activity within the set of activities normally organized by municipalities and regional governments.

In fact, local and regional governments have shown very little interest on the topic. According to information provided by the Ombudsman Office, only 350 municipalities have established offices of this type.[60] This is equivalent to 19% of all municipalities in the country. From all of these, very few have used their purchasing power to support enterprises by persons with disabilities. In fact, a study elaborated by the Ombudsman Office some years ago showed that there is no a single case in which municipalities supported products made by persons with disabilities.[61] There is definite room for improvement in this area.

3.5.2 Access to Credit

With regard to the issue of credit, according to Article 37 of Law 27050, CONADIS, in coordination with the Ministry of Economy and Finance, has the role of developing mechanisms to provide preferential loans for financing promotional enterprises. However, there has not been much effort to move in that direction, besides some experimental initiatives. For instance, the

Development Finance Corporation (COFIDE) provides resources for microfinance institutions interested in assisting persons with disabilities.[62] Whether these schemes work is a pending area of research, not only because of the lack of information, but also because these initiatives have been recently implemented and it is premature to assess their impact.

4. CONCLUSION

This chapter has studied the set of policies employed by the Peruvian state in order to improve labor conditions for persons with disabilities. It discusses policy instruments and evaluates their effectiveness, taking into account informational constraints. After characterizing the labor market for persons with disabilities as one in which participation rates are low and informality is high, it is shown that the impact of most policies is currently modest.

Some tentative lessons emerge from our analysis. Despite the weak enforcement of the law, it is possible to argue that some progress has been made. In most cases, this improvement is linked to the development of labor opportunities for persons with disabilities in small and medium enterprises. This is consistent with the labor market conditions in low- and middle-income countries, where the formal sector is relatively small. Furthermore, the low levels of formal education that characterize persons with disabilities in Peru because of previous exclusion also work as a constraint.

A set of policy recommendations can be derived from our discussion. In the first place, better information systems are needed to monitor and evaluate the policies implemented. Available information is scarce and fragmented, making any attempt to study this issue very costly. New protocols and instruments to collect information are required because the existing ones, when they exist, are outdated. Although there has been some progress in this regard, little can be achieved without political will.

A second recommendation is related to human capital accumulation. Low levels of education are related to the way in which persons with disabilities participate in the labor market. Those with little education are more likely to be inactive or workers in the informal sector; therefore, education policy has a critical role to play.

A third recommendation would be to reassess the emphasis that current policies have on formal employment. Most of these policies seem to assume a level of formality that the country does not have, putting too much weight on policy instruments that will have limited impact. Along the same lines, these policy instruments are based on the assumption that the average worker with a disability has a set of labor skills that are not consistent with their actual levels of human capital. This does not mean that these policies must be discarded because there are workers with disabilities who are taking advantage

of them; it is only a matter of emphasis. Given the lack of technical capacity and resources, policymakers should allocate more effort to what is working.

Finally, it is important to explore more policy alternatives regarding the development and sustainability of promotional enterprises as well as ways to expand job market opportunities for a labor force characterized by low levels of human capital. Given the role played by the state as the most important buyer of goods and services over the past years, there is a window of opportunity to create jobs for low-skilled workers with disabilities.

There are dimensions that require but have not received much attention. Perhaps the most important is to pay special attention to differences in gender and, by extension, ethnicity. The evidence presented here suggests that the labor market exclusion faced by women with disabilities is particularly acute. Disability policies need to take these issues into account.

Although overall progress in disability and employment in Peru is slow, there is also room for optimism. Just 15 years ago the topic was invisible for the Peruvian state and the rest of society. More political will and better institutional capacities are, in our view, the key ingredients for achieving the social inclusion of persons with disabilities.

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The author wishes to dedicate this chapter to the memory of Javier Díez Canseco, who was a tireless fighter for the rights of persons with disabilities in Peru. His courage in advancing the agenda for the rights of persons with disabilities will be deeply missed.

NOTES

1. Although information for other parts of the country is available, only in the case of Lima do we have access to better quality data in an ample set of labor indicators for persons with disabilities.
2. Before this law, there were fragmented policies targeted to different groups of persons with disabilities but not an integral approach.
3. Spiller, P. & Tommasi, M. (2007). *The Institutional Foundations of Public Policy in Argentina*. Cambridge, United Kingdom: Cambridge University Press.

4. This broad range may seem disconcerting at first. However, these are common in countries in which more than one definition of disability is used. For example, in Colombia, the Census of 1993 estimated the proportion of persons with disabilities at around 2% while, in 1997, the National Information System estimated this proportion at 23.8%. Additionally, two years later, the National Disability Plan calculated this indicator about 18%.
5. It is beyond the goal of this chapter to discuss the advantages and shortcomings of the definitions used in these sources of information. For an interesting discussion about the measurement of disability, see Loeb, M., Eide, A., & Mont, D. (2008). Approaching the measurement of disability prevalence: The case of Zambia. *ALTER, Revue européenne de recherché sur le hándicap* 2, 32–43. For a detailed discussion on the measures available for the Peruvian case, see Maldonado, S. (2006). *Trabajo y Discapacidad en el Perú: Mercado Laboral, Políticas Públicas e Inclusión Social*. Fondo Editorial del Congreso del Perú and Programa de Naciones Unidas para el Desarrollo. Lima. For a discussion about measurement issues about disability in other Latin American countries, see: Dudzik, P., Elwan, A., & Metts, R. (2002). *Disability Policies, Statistics, and Strategies in Latin America and the Caribbean: A Review*. Washington, D.C.: Inter-American Development Bank; Hernández-Licona, G. (2002) *Disability and the Labor Market: Data Gaps and Needs in Latin America and the Caribbean*. Washington, D.C.: Inter-American Development Bank; Montes, A., & Massiah, E. (2002) *Disability Data: Survey and Methods Issues in Latin America and the Caribbean*. Washington, D.C.: Inter-American Development Bank.
6. See Instituto Nacional de Estadística e Informática (2006). *Encuesta Nacional Continua*. Lima, Peru: INEI. This survey was carried out by the National Statistical Institute. It has national coverage and a sample size higher than 300,000 observations. The data collection process covered the whole year.
7. Lima, Peru: INEI. This census was collected in a single day in 2007 under the leadership of the National Statistical Institute. It was designed to replace the ENCO survey, which originally was introduced as a new methodology to collect information about the socioeconomic characteristics of the whole Peruvian population, replacing the standard census methodology.
8. This is a preferable source to ENCO 2006 because it is the official information used by the Peruvian state.
9. Instituto Nacional de Estadística e Informática (2007). *Censos Nacionales* 2007. One potential problem with this source is that it can overestimate the extent of disability in the population. This is clear from the proportion of people who declare that they have visual limitations.
10. This was a specialized survey on disability issues in the capital city, which represents about 30% of the country's population. It was a joint effort of CONADIS and INEI. From a methodological point of view, the EHODIS is the best source of information available in the country. It is based on a carefully designed instrument that measures loss of function following the recommendations of the World Health Organization. Unfortunately, this survey did not get the attention of civil society and policy-makers because it provided an estimate of the prevalence of disability lower than the commonly accepted 10%. This is important, since there is a political use of disability prevalence estimates by activist and disabled peoples' organization, who consider that the size of the population with disabilities matters in order to advocate for more resources and attention from the Peruvian state.

11. Instituto Nacional de Estadística e Informática (2005). *Encuesta Nacional de Hogares sobre Discapacidad en Lima Metropolitana y Callao*. Lima, Peru: INEI and CONADIS.
12. These numbers were computed from the Encuesta Especializada de Niveles de Empleo, carried out yearly by the Ministry of Labor and Employment. See Ministerio de Trabajo y Promoción del Empleo (2008). Informe de la Encuesta de Hogares Especializada en Niveles de Empleo, Lima Metropolitana 2008. Retrieved March 25, 2013, from: http://www.mintra.gob.pe/archivos/file/ estadisticas/peel/publicacion/ENAHO_PRELIMINAR_2008.pdf
13. The estimates of GDP growth were taken from the Central Bank of Peru. See Banco Central de Reserva del Perú (2013). Estadísticas. Retrieved March 25, 2013, from: http://www.bcrp.gob.pe/estadisticas.html
14. A recent study in this regard is CEDAL-POETA (2010). *Diagnóstico de la Situación Laboral de las Personas con Discapacidad en el Perú*. Lima, Peru: OAS. However, this work does not exploit the most recent household surveys to produce a consistent description of the labor market for persons with disabilities. For basic references for a complete description of labor market issues for persons with disabilities in the country, see Maldonado (2006). *Trabajo y Discapacidad en el Perú*, and Maldonado, S. (2007). *Exclusión y Discriminación en contra de la Población con Discapacidad en el Mercado Laboral Peruano: Un Análisis de Descomposiciones Paramétricas y no Paramétricas*. Lima, Peru: CIES and CEDEP.
15. Unless noted, all the estimates provided in the rest of this chapter were computed by the author using microdata from the ENAHO survey for 2002-2003. The data can be consulted at: Instituto Nacional de Estadística e Informática (2013). Consulta de Encuestas. Retrieved March 25, 2013, from: http://www.inei.gob.pe/srienaho/enaho197.htm
16. Metts, R. (2000). Disability Issues, Trends and Recommendations for the World Bank. *Social Protection Discussion Paper Series 0007*. Washington, D.C.: World Bank; Mont, D. (2004). Disability Employment Policy. *Social Protection Discussion Paper Series 0413*, Washington, D.C.: World Bank.
17. Maldonado (2007). *Exclusión y Discriminación*.
18. Mitra, S., & Sambamoorthi, U. (2006). Disability and the Rural Labor Market in India: Evidence for Males in Tamil Nadu. World Development 36 (5), 934–952.
19. Ñopo, H. (2004). Matching as Tool to Decompose Wage Gaps. *IZA Discussion Paper Series 981*. Bonn, Germany: IZA.
20. Reimers, C. (1983). Labor Market Discrimination against Hispanic and Black Men. *Review of Economics and Statistics* 65 (4), 570–579.
21. Ñopo (2004). Matching as Tool to Decompose Wage Gaps.
22. For an evaluation of previous attempts to develop a disability policy by the Peruvian State, see Maldonado (2006). *Trabajo y Discapacidad en el Perú*.
23. During a set of interviews with the author for this chapter, several respondents complained about the significant amount of time that public officials in CONADIS spend in responding to particular and narrow demands by groups or individuals with disabilities.
24. This commission was originally led by Javier Díez Canseco for the term 2001-2006; he was replaced by Micheal Urtecho for term 2006-2011. The commission was renamed as "Commission of Social Inclusion and Disability" for the term 2011-2016, now under the leadership of the congresswomen Rosa Mavila.
25. In 2006, this commission published several monographs regarding labor, health, and accessibility conditions for persons with disabilities. No similar effort in

terms of promoting research about disability issues in the country has been developed since then.

26. As part of the research for this chapter, I visited the Ministry of Labor to interview one of the officials working in this unit. The team (composed of about 4 officials) shared a small office in the first floor of the Ministry. Concerns regarding the lack of resources to carry out their work were expressed by officials of this unit during the interview.
27. Interestingly, this contrasts with the relative electoral success of candidates with disabilities in the last election for Congress. For the first time, Congress has 5 members with disabilities (out of 130).
28. O'Reilly, A. (2007). *El Derecho al Trabajo Decente de las Personas con Discapacidades*. Working Paper. Geneva, Switzerland: International Labour Office.
29. The most important legal instrument was Decree 24560 of July 11, 1963. This instrument required that government agencies and other units of the public sector had to provide state-paid work in vacancies for qualified disabled people for tasks that they are in a position to perform. This rule was intended to explicitly link existing rehabilitation systems (such as the Instituto Nacional del Ciego and other rehabilitation centers for persons with disabilities) with the labor market through employment in the public sector. Also, the Peruvian government agreed to create centers of industrial production in order to provide permanent employment to graduates of the centers mentioned above. For an historical overview of employment policies for persons with disabilities in the Peruvian context, see Maldonado (2006). *Trabajo y Discapacidad en el Perú*.
30. For a compilation of laws and other legal instruments related to employment opportunities for persons with disabilities, see Salazar, A. (2011). *Las Personas con Discapacidad y el Trabajo: Compendio de Normas Laborales*. Lima, Peru: Oficina Nacional de Promoción Laboral de las Personas con Discapacidad, Ministerio de Trabajo.
31. Hills, J. (2002). Does a focus on "social exclusion" change the policy response? In J. Hills, J. Le Grand and D. Piachaud (Eds.). *Understanding Social Exclusion*. Oxford, United Kingdom: Oxford University Press. 226–243.
32. Maldonado (2006). *Trabajo y Discapacidad en el Perú*.
33. CONADIS has a register for persons with disabilities. Although one person with a disability can have a disability certificate and not be registered in CONADIS, some public officials have interpreted that a registration in CONADIS is needed to have access to the benefits and rights recognized by the law. For that reason, this information is a good proxy to estimate the extent of potential beneficiaries of the current legal framework.
34. According to CONADIS, about 16,502 persons with disabilities had disability certificates in 2004. This number was 68,125 in 2011. Notice that we are using the prevalence rates computed by the INR study of 1993. Using the population numbers of the Census of 2007, this estimate will be 2.12%, still very low. Those interested in the evolution of the disability certification the past decade can visit the following link: http://www.conadisperu.gob.pe/web/documentos/registro/estadisticas/estadisticas.pdf
35. Another reason for this decision is the poor development of financial assistance for those recently affected by disability. Although these mechanisms exist, they are available only for formal workers. Moreover, many firms (76%) do not pay

insurance, so their workers are unprotected in practice. See Maldonado (2006). *Trabajo y Discapacidad en el Perú*.

36. See Ley 27050, *Ley General de la Persona con Discapacidad*. According to Degener, T. & Quinn, G. (2000). A Survey of International, Comparative and Regional Disability Law Reform. Retrieved March 25, 2013, from http://www.dredf.org/international/degener_sp.html, most countries, especially developed countries, do not use criminal law-based mechanisms against discrimination against persons with disabilities. However, there is a strong debate because a strictly civil law-based approach is found to be too weak to avoid discrimination against persons with disabilities. For a discussion of the importance of advancing the criminalization of anti-discrimination rules in the context of Netherlands, see Van Vijnen, A. (2003), El derecho a vivir y a ser tratado con respeto en este mundo: Las posibilidades del derecho penal. Retrieved March 25, 2013, from http://www.disabilityworld.org/01-03_03/spanish/gobierno/law.shtml.
37. Lei 7.853, de 24/10/1989.
38. O' Reilly (2007). *El Derecho al Trabajo Decente*.
39. This classification may be controversial for some readers. We proceed in this way since we believe these instruments are more consistent with the goal of promotion, but it is obvious that for some instruments there is not a clear line between types of policies.
40. Ley 27050, *Ley General de la Persona con Discapacidad*, Article 32.
41. Ley 27050, *Ley General de la Persona con Discapacidad*, Article 33.
42. Ley 27050, *Ley General de la Persona con Discapacidad*, Article 35.
43. Ley 27050, *Ley General de la Persona con Discapacidad*, Article 49.
44. Ley 28164, *Ley que Modifica Diversos Artículos de la Ley Nº* 27050,*Ley general de la Persona con Discapacidad*, Article 36.
45. These programs were named "A Trabajar," "ProJoven" and "Red CIL-PROEMPLEO" respectively during Alejandro Toledo's administration. The new government of Ollanta Humala decided to change these names again, a usual practice among politicians after a change of government, but this chapter keeps the names these programs had during Alan Garcia's earlier administration because the information available comes from these years. It is important to mention that other minor programs are also offered by the Ministry of Labor, such as those targeted to specific groups like women (Mujeres Emprendedoras) and workers affected by the 2008 international crisis (Revalora Perú).
46. This 2% was established by the Ministry of Social Development as a complementary measure to expand employment opportunities for persons with disabilities in the public sector. See Decreto Supremo No.003-2006-MIMDES, *Modifican Reglamento de la Ley General de la Persona con Discapacidad, aprobado por D.S. Nº 003-2000-PROMUDEH, publicado el jueves 30 de marzo del 2006 en el diario oficial El Peruano*. Due to the lack of enforcement, few governmental offices are reaching this goal.
47. It is possible that, due to the lack of good instruments for collecting information about the disability status of the participants in these programs, the number of participants with disabilities was being underestimated. However, according to local experts on the topic, it seems highly unlikely that this is the case. In any case, the bias, if it exists, must be minimal.
48. Data from this section was provided by the National Direction of Labor Promotion for People with Disabilities at the Ministry of Labor. I thank Antonio Salazar for sharing this information.

49. Maldonado (2006). *Trabajo y Discapacidad en el Perú*.
50. As most training programs, ProJoven selects its participants based on a selection process. Those selected are offered the training services for a limited period.
51. This commission was composed of representatives of the Ministry of Labor, Ministry of Production, the Presidency of Council of Ministers, CONADIS, the Congress and the Ombudsman Office. Its final report was delivered in August 2011 but its implementation is still uncertain. This issue has become shelved after a change in the direction of the Ministry of Labor. Whereas the former minister was sensitive to the agenda of labor rights for persons with disabilities, for the new administration this agenda was of secondary importance.
52. According to the current legal framework, all permanent jobs at any governmental office must be allocated after a competitive process in which previous experience and qualifications are assessed. Each job posting includes a set of rules regarding the points allocated to each part of the evaluation, which usually includes a personal interview. The law establishes that these merit competitions must provide extra points to applicants with disabilities.
53. Maldonado (2006). *Trabajo y Discapacidad en el Perú*.
54. Besides this criterion, no systematic information about the characteristics of these enterprises is available. This issue is an area for future research.
55. Sicchar, J. (2003). *Características de las pequeñas y microempresas que emplean personas discapacitadas*. Lima, Peru: Comisión de Promoción de la Pequeña y Microempresa PROMPYME.
56. During the 1980s, the category of promotional enterprises already existed but it was very modest in terms of size. One potential reason could be the fact that, to be considered as such, a promotional enterprise had to have a labor force composed of at least 65% of persons with disabilities, which is quite a steep requirement.
57. This information was provided by the National Direction of Labor Promotion for People with Disabilities of the Ministry of Labor. The interested reader can consult the quarterly reports of this direction at: http://www.trabajo.gob.pe/mostrarContenido.php?id=119&tip=9
58. Sicchar (2003). *Características de las pequeñas y microempresas*.
59. Decreto Supremo184-2008-EF, *Reglamento de Contrataciones del Estado*.
60. For more details, see Defensoría del Pueblo (2013). Grupos de especial protección. Personas con discapacidad. Retrieved March 25, 2013, from http://www.defensoria.gob.pe/grupos-eatencion.php?des=18
61. Defensoría del Pueblo (2003). *Resolución Defensorial Nº 039-2003/DP del 17 de Diciembre del 2003 que recomienda al Congreso de la República modificar el Articulo 36º de la Ley Nº 27050, Ley General de la Persona con Discapacidad*. Lima, Peru: Defensoría del Pueblo.
62. This initiative is developed under the Guarantee Fund for People with Disability (known as FOGADIS for its name in Spanish) under COFIDE. Some microfinance institutions (MFI) as well as a state-owned bank are starting to use these funds to provide credit to small entrepreneurs with disabilities. One of the first MFIs to take advantage of this fund is the Caja de Piura. A credit program, called "CrediAmigo," was developed, and 50% of the risk of no payment is covered by COFIDE, allowing for lower interest rates and transaction costs. The size of these credits are relative small (from 140 to 2000 US$).