The U.S. Andean Drug Strategy: Why it is failing in Peru

BY

Richard B. Cutting

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Thesis Advisor: Thomas C. Bruneau

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This thesis will demonstrate Peru's inability to physically operate and politically control large sections of the country, is the result of eroded internal state sovereignty. The decline of Peru's internal sovereignty is a function of economic, ethnic, and social cleavages which have remained virtually unchanged since the Spanish Conquest of the Inca in 1533. As a result, Peru evolved into a polarized society which is ethnically and culturally divided, with a substantially wide margin between state authority and rural social autonomy. This marginalization of state sovereignty has facilitated the emergence and growth of the Shining Path insurgency, which has coupled with the expanding cocaine trade. Together these two processes have accelerated the erosion of functional sovereignty in Peru. Given this reality, the policy goals set forth by the 1992 National Drug Control Strategy remain unattainable in Peru, and have little prospect for success.
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by

Richard B. Cutting
Lieutenant Commander, United States Navy
B.A. University of California, Riverside, 1980

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Author: Richard B. Cutting
Approved by: Thomas C. Bruneau, Thesis Advisor
               Dana Eyre, Second Reader

Thomas C. Bruneau, Chairman,
Department of National Security Affairs
Abstract

This thesis will demonstrate Peru's inability to physically operate and politically control large sections of the country, is the result of eroded internal state sovereignty. The decline of Peru's internal sovereignty is a function of economic, ethnic, and social clevages which have remained virtually unchanged since the Spanish Conquest of the Inca in 1533. As a result, Peru evolved into a polarized society, which is ethnically and culturally divided, with a substantially wide margin existing between state authority and rural social autonomy. This marginalization of state sovereignty has facilitated the emergence and growth of the Shining Path insurgency, which has coupled with the expanding cocaine trade. Together these two processes have accelerated the erosion of sovereignty in Peru. Given this reality, the policy goals of supply reduction set forth by the 1992 National Drug Control Strategy remain unattainable in Peru, and have little prospect for success.
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I. INTRODUCTION

A. WHY A DRUG WAR

On any given day, in virtually any city in the United States, large and small quantities of illicit drugs are changing hands. Drug use, trafficking, and associated violence are virtually everywhere, affecting even the most insulated social circles and communities. Marijuana, methamphetamines, cocaine, crack cocaine, heroin, and hallucinogens permeate the media, bringing images of gang violence, property crime, and teen-age addiction into the homes of anyone watching television or reading the newspaper.

Within the circle of drug trafficking and abuse, the popularity and profit margin of cocaine over the last twenty years caused it to emerge as one of the central domestic and foreign policy concerns for the United States. During the Reagan Administration domestic drug control was directly linked to national security, and a "war" was declared on

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illegal drugs which has continued through the current administration. As a result the United States formulated a policy targeting cocaine and a strategy for reducing domestic demand by decreasing the supply flowing unimpeded from the Latin American source countries of Peru, Bolivia, and Colombia.

This thesis will demonstrate Peru's inability to physically operate and politically control large sections of the country, are the result of eroded internal state sovereignty. The decline of Peru's internal sovereignty is a function of economic, ethnic, and social cleavages which have remained virtually unchanged since the Spanish Conquest of the Inca in 1533. As a consequence, Peru evolved into a polarized society, with a substantially wide margin existing between state authority and rural social autonomy. This marginalization of state sovereignty has facilitated the emergence and growth of the Shining Path insurgency, which has coupled with the expanding cocaine trade. Together these two processes accelerated the erosion of sovereignty in Peru.


Given this reality, the policy goals of supply reduction set forth by the 1992 National Drug Control Strategy remain unattainable in Peru, with little prospect for success. Coca eradication in source countries is absolutely critical to the reduction of cocaine trafficking in the United States as outlined by the National Drug Strategy. Since Peru is firmly established as the largest producer of coca in the world, supplying over 63% of the coca paste, it is the pivotal case in testing the strategy of drug eradication at the source. Beginning in the early 1980s, the United States has allocated several billion dollars annually in pursuit of viable methods.

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for drug enforcement, interdiction, and eradication, despite disheartening performance assessments and statistical data.\textsuperscript{9}

Specifically, this thesis examines why the coca eradication strategy attempted by the United States has repeatedly failed in Peru despite a concerted effort to stem production.\textsuperscript{10} The argument addresses the erosion of sovereignty and its impact on the inter-relationship of three political actors involved in coca production and counternarcotic efforts; the state; the Shining Path insurgency; and, the rural coca growing society.

\textbf{B. ANALYTICAL FRAMEWORK}

The question of how to reduce coca growing and cocaine production in Peru cannot be answered without first addressing the issue of eroded and displaced internal sovereignty, as the former is not possible without the latter.

Sovereignty in the context of this thesis is defined as the ability of the state to exercise supreme authority within

\textsuperscript{9}Department of Justice, \textit{A National Report: Drugs, Crime, and the Justice System}, (Washington, DC, 1992), p. 48-57. Approximately $11.7 billion was appropriated in 1992 to fund the National Drug Control Strategy, of which $2 billion was directed towards source country eradication.

\textsuperscript{10}U.S. General Accounting Office, \textit{The Drug War: U.S. Programs in Peru Face Serious Obstacles}, (Washington, D.C., October 1991), p. 20. The total annual seizure of cocaine base in 1990 was 4 metric tons, roughly equal to one week’s production in one village in the Upper Huallaga Valley.
certain geographic, social, and political parameters, both internal and external. Although internationally recognized as a externally sovereign state, Peru has historically suffered internal marginalization of state authority within large sections of its territorial boundaries. The displacement or erosion of Peruvian state authority has in turn facilitated the recent emergence of two major illegal activities, both of which directly threaten the continued existence of the state. In turn, the significant erosion, or loss of functional state sovereignty creates room for subsequent emergence (or enlargement) of illegitimate activities.

The evolution of sovereignty is a dual process requiring the nation-state to internally establish social and political control within its defined territorial boundaries, which in

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13The Shining Path insurgency and the cocaine trade. Although the growth and use of coca dates to the pre-Inca period, the expansion of the industry into an export commodity, and subsequent use of it for national level financing by the Shining Path has occurred since 1983.

turn leads to the recognition of external sovereignty by the international community.

External sovereignty is not conditional on the internal political structure established by the state, but is governed by the standards for statehood established under the Montevideo Conference of 1933. These parameters for statehood are still employed by the United Nations when recognizing sovereign nation-states.\(^5\) If a state has established territorial boundaries, and possesses the capability to enforce its political will, then it is recognized as a sovereign nation-state.\(^6\)

Internal sovereignty varies in degrees and is solely determined by the ability of the state to extend functional and supreme authority. The support mechanisms of state power include political constituencies which may embrace the entire population, or be limited to small groups controlling various forms of power.\(^7\) Ultimately, the extent of sovereignty


exercised by a given political actor is a component of state institutional power and coercive capability.\textsuperscript{18}

One of the cornerstones to establishing functional sovereignty within national borders is the presence and effective performance of state institutions. Conversely, the absence or decay of state institutions will usually result, or be manifested, in the emergence of activities to fill the particular economic, political, or social need, which may be detrimental to the authority of the state.\textsuperscript{19} Theoretically, institutionally weak regimes exercise lower levels of functional sovereignty, which results in the erosion of state ability to control society without coercive force.\textsuperscript{20}

Within virtually every nation-state there exists illegal activity in various forms, and at assorted levels of intensity. The ability of the state to modify this illegitimate counter-productive behavior is based upon its legitimacy, institutional strength, and coercive potential.\textsuperscript{21} These factors enable the state to support functional

\begin{thebibliography}{99}
\item Camilleri, p. 15-17.
\item John Boli, "Sovereignty From A World Polity Perspective" (Presented at the annual meetings of the American Sociological Association, Miami, August 1993), p. 10-11.
\end{thebibliography}
sovereignty, and allow it to effectively raise the operating costs to the level which reduces or eliminates the illegitimate activity. States which are internally weak in any of these areas become susceptible to a variety of social and political ills that left unchecked may ultimately undermine the influence of state institutional authority, and impede its capacity to effect domestic or foreign policy.\textsuperscript{22}

Additionally, any political system founded without some form of institutional checks and balances used to modify unacceptable social and political behavior, experiences erosion of state authority.\textsuperscript{23} The decline of state authority reduces functional sovereignty and ultimately allows illegitimate activities to expand.\textsuperscript{24} The state must then weigh the costs of toleration against the costs of suppressing the activity.\textsuperscript{25}

Toleration of the illegitimate activity may allow it to become entrenched and establish counter-institutions or cultures to the state. The cost of suppression then becomes substantially higher when sovereignty is contended by an


\textsuperscript{25}Leites and Wolf, p. 46.
illegitimate activity seeking to politically displace the state. The state finds itself in a battle to reestablish authority and achieve political compliance. The more appeal and popular support the illegitimate activity sustains, or the higher the degree of its organizational strength, the greater the possibility for expansion. As the illegitimate activity expands over time, it becomes institutionalized, and state authority is further displaced. If the illegitimate activity is politically based, or militarily capable, it may eventually fill the vacuum created by the recession of state authority and directly challenge sovereignty.

Sovereignty must therefore be conceptualized as a spectrum, which ranges from full political control on one end, to complete fragmentation of state authority at the other. The area in between the two extremes effectively becomes the operating margin of state sovereignty or a contending political actor. It is within this operating margin that illegitimate activity becomes cost effective and instigated or expanded. If viewed on Table I, indicators of

27Dahl, p. 15.
29Falk, p. 46.
functional state sovereignty are; ultimate authority; territorial control; social and political compliance; and, efficacious institutions. The indicators of eroded or displaced sovereignty are; erosion in state authority; restricted or denied access to territory; belligerent behavior; and, counter-institutions.

### TABLE I

**Range of Functional State Sovereignty**

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<tr>
<th>STATE SOVEREIGNTY</th>
<th>OPERATING MARGINS OF SOVEREIGNTY</th>
<th>CONTENDING SOVEREIGNTY</th>
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<tr>
<td>- ultimate authority</td>
<td>.................................</td>
<td>- authority eroded or displaced</td>
</tr>
<tr>
<td>- territorial control</td>
<td>.................................</td>
<td>- restricted access</td>
</tr>
<tr>
<td>- political compliance</td>
<td>.................................</td>
<td>- illegitimate or belligerent behavior</td>
</tr>
<tr>
<td>- efficacious institutions</td>
<td>.................................</td>
<td>- counter institutions</td>
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This thesis focuses on the relationship of functional internal sovereignty and domestic control. In the case of Peru, sovereignty is constitutionally established, but lacks efficacious institutional and administrative presence to be
recognized throughout the country.\textsuperscript{30} State neglect results in social, political, and economic needs which have been successfully addressed by the cocaine trade and Shining Path insurgency.\textsuperscript{31} The rise of the insurgency has in turn displaced state control in large sections of the country, propagated the cocaine trade, and contributed to the continued marginalization of state sovereignty. By operating in areas of marginalized state authority, the Shining Path and the coca trade have become institutionalized and internally sovereign. Consequently, in order for the state to exercise functional sovereignty and effect ultimate authority it must first;

a) reestablish territorial parameters, and physically control the ground within these boundaries;

b) control social and political behavior which threaten to significantly alter or displace the national polity, state institutions, or social fabric;

c) eliminate, control, or assimilate any and all challenges to state authority, legitimacy, or efficacy.\textsuperscript{32}


\textsuperscript{32}\textit{Papp,} p. 494-496.
The ability of the state to control is crucial when discussing Peru's sovereignty, and may be addressed through various forms of political compliance or coercion. Without ultimate control, government claims to sovereignty are empty. Any rhetoric that addresses establishing, maintaining, or preserving sovereignty that lacks the power to control becomes irrelevant.

Utilizing Peru as a case study, this model examines the erosion and displacement of state sovereignty, and the enlargement of two major illegitimate activities: the Shining Path insurgency; and, the coca trade. This thesis argues that the state of Peru has been established on historically weak political and social foundations and as a result its national institutions extend only to urbanized or garrisoned areas where political coercion may be asserted by state force. It also argues that displaced state sovereignty has been institutionally replaced by the Shining Path "counterstate",

33Gardels, Nathan and Abraham Lowenthal, "'We Will Finish Off the Shining Path': An Interview with Peruvian President Alberto Fujimori," Mercurio, (Santiago, Chile, June 19, 1993).

34"Peru: Fujimori 'Saturday Focus' Interview," Foreign Broadcast Information Service: Latin America Daily Report, FBIS-LAT-93-172-S (Washington, D.C., September 8, 1993), p. 2. During this interview, President Fujimori stresses the reassertion of state authority and institutions in rural districts.

which is effecting its own contending sovereignty throughout the countryside. The cocaine trade, provides the peasant with a functional market economy in the absence of legitimate state enterprises, and supplies coca tax revenues to the Shining Path.

Each of the three actors; the state; the insurgency; and, the coca trade; are analyzed separately based on certain propositions applicable to each:

a) The state must be institutionally stronger than the illegitimate activities. To be functionally sovereign it must substantially raise the cost to operate higher than the activity is willing to tolerate. The state must also reduce the operating areas of the activity, and reestablish the states rural institutional power base to maintain sovereignty and prevent further marginalization of state authority.

b) In order to establish itself, an illegitimate activity must raise the relative cost of sovereignty to a point that the state cannot maintain control. To accomplish this, the activity must; operate within the institutional vacuum created

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by a weak state; satisfy a social, economic, or political demand; and, present a viable alternative to its targeted constituency in order to achieve political compliance, mobilize resources and establish safe operating zones.

c) The coca trade is the result of economic underdevelopment by the state, and the expansion of global demand for cocaine. The subsequent integration of the Shining Path with the cocaine trade compounds the problem of state sovereignty because coca eradication efforts alienate rural society, and ultimately expands the insurgent support base. This in turn frustrates the state counterinsurgency program, leads to increased repression and further erodes sovereignty.

To summarize the argument, this thesis will demonstrate the erosion of sovereignty in the state of Peru. It has ceded the ability to effect control over much of its territory and population. Since 1980, Peru has experienced a dramatic recession of state institutions. The decline of: rural tax revenues; electoral participation; hospitals; schools; police stations; local governmental officials; and, state owned enterprises, all show the loss of functional state sovereignty. Although the marginalization of sovereignty has been a continuing process throughout the history of the Peruvian state, the 1980 emergence of the Shining Path and the cocaine trade have served as catalysts in the acceleration of state decay. Additionally, the Shining Path has demonstrated
its ability to continually displace the sovereignty of the state and replace it with functional counterstate institutions and administrative organizations.

C. FORMAT

Within the framework, this thesis will focus on each of the three actors, and analyze the capability of each to sustain its goals. The format of the argument is segmented into five sections which are mutually supportive to the overall theme.

- Part two of this thesis will provide: a historic background on the United States' counternarcotics legislation and policies; an overview of the Andean Drug Strategy and its goals; and, an analysis of performance data through 1992.

- Part three will analyze the historic variables impeding internal sovereignty and focus on the Peruvian government since the military coup of 1968. This section examines the historic depth of internal political control exercised by the state, the continued erosion of sovereignty during the last five regimes, and the effects of the counterinsurgency programs attempting to modify illegitimate behavior.

- Part four will examine the emergence and enlargement of illegitimate activities: the Shining Path (Sendero Luminoso) insurgency; and, the Peruvian cocaine trade. Discussed is the degree of insurgent organization, institutional alternatives,
involvement in the coca trade; and, support of the rural peasantry.

Part five will conclude with an analysis of the actors and internal variables in relation to U.S. policy goals and options.
I. U.S. DRUG CONTROL POLICY

All of us agree that the gravest domestic threat facing our nation today is drugs...In short, drugs are sapping our strength as a nation.38

- President George Bush
  September 5, 1989

The United States, like other modern and industrialized nations, is afflicted with a social pariah which has defied regulation, legislation, and punitive action. Drugs, such as alcohol, marijuana, tobacco, heroin, cocaine, are exceedingly popular in the United States, and statistically millions of Americans are users.39 In 1992, the United States had an estimated 700,000 heroin addicts, 7-15 million cocaine users, and 20-25 million marijuana smokers.40 This equates to an approximate annual consumption of 12 tons of heroin, 65 tons of marijuana, and 150 tons of cocaine. Although the consumption of illegal drugs generates over $100 billion into the economy annually, the ramifications in the increase of—


40 United States Department of Justice, p. 28.
violent crime, health costs, and property damage are of major concern to Americans.

A. HISTORIC OVERVIEW AND BACKGROUND

The drug problem in the United States is anything but new, as is the war on drugs. America has targeted opium, cocaine, marijuana, and heroin, long before the militarized drug war of the 1980's. The nation's first exposure to large scale drug addiction followed the Civil War (1861-1865), when thousands of veterans returning home brought morphine addiction with them. Along with the 123,200 Chinese that immigrated to the United States between 1860 and 1880, a substantial opium trade flourished along the west coast. During the 1880's several

41Department of Justice, p. 136. Within the 1992 federal prison population, over 50% of the inmates are drug offenders. State prison populations range between 30-85% for drug offenders, depending on the state. Drugs were related to between 76-84% of the violent crimes committed in America.

42America's Place in the World: An Investigation of the Attitudes of American Opinion Leaders and the American Public about International Affairs, Times Mirror Center for the People and the Press, (Washington, D.C., November 1993), p. 20. Stopping drug trafficking was the top priority international problem for the American public surveyed (82%).

43McWilliams, p. 8. Returning addicts were able to purchase morphine at most mercantile stores, and the Sears Roebuck catalog sold hypodermic kits.

beverage tonics contained cocaine, among them Coca-Cola, and most pain elixirs on the market were filled with laudanum. At the turn of the century, the concern for narcotics abuse grew and so did legislative efforts to control its possession and use. In 1909, the Opium Exclusion Act was passed and signed into law by President Roosevelt, limiting the distribution and use of opiates among Chinese and Filipino communities. Further legislation was introduced by Representative Francis Harrison (D-New York) in June 1913, which culminated efforts to federally regulate the marketing of opiates and cannabis derivatives. Initially, the Harrison Narcotic Act was intended for drug regulation, and not for drug enforcement purposes. However, the Supreme Court decisions in the cases of Webb v. U.S., and U.S. v. Doremus, modified the law making drug addition illegal.

The subsequent outcome of these historic decisions created a legal framework for further legislation which emphasized

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46Department of Justice, p. 80.

47McWilliams, p. 10. Introduced as H.R. 6282 and signed by President Wilson March 1, 1915.

48Department of Justice, p. 79-82. Supreme Court Chief Justice Edward D. White ruled that not only was drug addiction illegal, but also prescribing any narcotic regulated under the Harrison Act (1919).
enforcement and punishment. Incarceration, rather than rehabilitation, was used to contain and reduce trafficking and addiction to illegal drugs.\textsuperscript{49} Numerous punitive laws were passed: the Narcotic Drugs Import and Export Act of 1922; the Uniform State Narcotics Act of 1932; the Marijuana Tax Act of 1937; the Opium Poppy Control Act of 1942; the Boggs Act of 1951; the Narcotics Control Act of 1956; the Drug Abuse Control Act of 1965; and, the Controlled Substances Act of 1970.\textsuperscript{50} Each of these laws expanded the legal parameters of the Harrison Narcotics Act, and added harsher prison sentences.\textsuperscript{51} All targeted enforcement of drug laws through trafficking or addiction statutes, and in turn created the need for new agencies to assist in controlling the perceived increase of domestic drug abuse.

The formation of a special Narcotics Division within the Treasury Department in 1920, eventually led to the creation of the Federal Bureau of Narcotics (FBN) in 1930, under the


\textsuperscript{50} Department of Justice, p. 81-84.

\textsuperscript{51} Kinder, p. 133. The Narcotics Control Act of 1956 provided the following sentences for possession and trafficking; first offense, two to ten years; second offense, five to twenty without parole; third offense, ten to forty years without parole; for selling heroin to a minor, the death sentence may be imposed.
The duties of the FBN were transferred to the Department of Justice in 1963, and in 1968 the FBN was redesignated the Federal Bureau of Narcotics and Dangerous Drugs (BNDD). The creation of the Drug Enforcement Agency (DEA) in 1973 replaced the BNDD as the primary federal law enforcement agency responsible for controlling the supplies of illegal drugs. Budgeting expenditures allocated by Congress for the fight against illegal drugs escalated yearly from $1,411,260 in 1930, to $11.7 billion in 1992.

1. A New Approach

From the 1960's through the 1990's, the United States firmly established itself as not only a major consumer of illegal drugs, but also as the principal protagonist in antidrug campaigns throughout the world. Historically, the United States focused almost exclusively on domestic policy, in terms of legislation and law enforcement, to curb drug abuse. However, in 1971, the Nixon Administration began a dramatic shift in policy initiated by antidrug operations in

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52McWilliams, p. 13. Harry J. Anslinger became the first "drug czar" from 1930 to 1962.

53Department of Justice, p. 84. The DEA combined the efforts of the BNDD, the Office for Drug Abuse Law Enforcement (ODALE), and the Office of National Narcotics Intelligence (ONNI) created in 1972 under the Nixon Administration.

54Kinder, p. 137.
Turkey, where an estimated 80 percent of the heroin purchased in the United States originated.\textsuperscript{55}

The operation involved $35 million in U.S. foreign aid as incentive, which enabled Turkish (and BNDD) counternarcotics units to significantly reduce the opium poppy fields producing in Turkey.\textsuperscript{56}Shortly after the eradication efforts in Turkey, the heroin trade promptly expanded in the "Golden Triangle" of Laos, Burma, and Thailand. Although considered an overwhelming success by the Nixon Administration and federal narcotics agencies, the production of heroin was temporarily displaced, the supply pipeline was minimally affected, and the demand was completely unaffected.\textsuperscript{57}

The popularity of marijuana and heroin in the United States during the later stages of the Vietnam War significantly expanded the production of each in the northern regions of Mexico. Concerned with what appeared to be a large influx of heroin along the United States southern border, the Ford Administration convinced Mexico's President Echeverria to

\textsuperscript{55}McWilliams, p. 21.


\textsuperscript{57}Musto, 256-257.
allow poppy eradication in the form of aerial herbicidal spraying.\textsuperscript{58}

In November, 1975, the United States and Mexico conducted a two year joint operation search and destroy effort against marijuana and opium fields located in the Sierra Madres. The operation involved utilizing both law enforcement and military assets, and emphasized eradication over arrests.\textsuperscript{59} As with the effort in Turkey, the operation was heralded a huge success; Mexico’s share of the U.S. heroin market shrank from 85 percent in 1974 to 37 percent in 1984; marijuana declined from 90 percent in 1974 to 5 percent in 1981.\textsuperscript{60} Termed "Operation Condor I," the importance of the exercise was that it provided the DEA with a tactical and operational framework for future "source country eradication"

\textsuperscript{58}Elaine Shannon, Desparados: Latin Drug Lords, U.S. Lawmen, and the War America Can’t Win, (New York, 1988), p. 63-65. Initial eradication efforts were performed manually by the Mexican Army, which proved to be slow, labor intensive, and according to the DEA, prone to corruptive influences. Aerial spraying provided several advantages to eradication, importantly, it removed the face to face encounters between police and traffickers.

\textsuperscript{59}Shannon, p. 65.

\textsuperscript{60}Richard B. Craig, "Mexican Narcotics Traffic: Binational Security Implications," The Latin American Narcotics Trade and U.S. National Security, ed. Donald J. Mabry, (New York, 1989), p. 28. Unfortunately the effects were short lived, as growers planted smaller fields in areas of limited aerial accessibility. By 1985, the heroin and marijuana production was at 1974 levels.

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efforts. The same eradication profiles were attempted in Pakistan, Thailand, and Central American countries.\textsuperscript{61}

The decision of President Nixon in 1971 to eliminate illegal drugs at the source, proved to be a watershed event in the evolution of counternarcotics policies in the United States. Since then, each administration has clearly demonstrated a continued trend towards external enforcement through interdiction and eradication programs. This profile is not always well received in the political circles of Latin America. According to one Latin American political analyst: "This is because the Americans lack the social backbone to deal with the problem within their own borders."\textsuperscript{62}

The strong antidrug campaign rhetoric of Ronald Reagan during the 1980 presidential election year was certainly directed towards Carter Administration support for decriminalizing marijuana in 1977.\textsuperscript{63} Repeatedly through his presidential campaign, Ronald Reagan cited evidence of a new epidemic of drug abuse plaguing the country.\textsuperscript{64} The emergence

\textsuperscript{61}Craig, p. 27-28.


\textsuperscript{63}Musto, p. 266. Penalties for marijuana possession (personal use) in amounts of one ounce or less, were reduced from a felony to a misdemeanor.

\textsuperscript{64}Bagley, p. 45.
of cocaine in the early 1980's coincided with DEA reports of drug smugglers using speedboats and low flying aircraft to defeat U.S. Customs and Coast Guard efforts to stop them.\textsuperscript{65}

Cocaine was perceived to be omnipresent throughout the country and, according to the Federal Bureau of Investigation, law enforcement was undermanned, overwhelmed, and outgunned.\textsuperscript{66}

As a result of a perceived drug epidemic and significant rise in drug-related crime, the Reagan Administration emphasized increased legislation and financing for federal counternarcotics agencies, which included the military.\textsuperscript{67} Narcotics abuse and trafficking activities were elevated to the level of a national security threat, and there was strong public support behind the anti-drug campaign.\textsuperscript{68}

Several national opinion polls stated most Americans felt drug abuse and related crime was a priority second only to the Cold


War. Consequently, popular support manifested itself through electing candidates who promised to pass "tough" drug laws if elected.

Major antidrug legislation began with the Comprehensive Crime Control Act of 1984, followed by the Antidrug Abuse Act of 1986. As with previous legislation, both targeted addicts, traffickers, money laundering, new "designer drugs", and reestablished mandatory sentences of certain drug related crimes. In addition, interdiction efforts were increased and international enforcement programs were expanded. To finance the new assault on drugs, Congress allocated $3.9 billion to support agencies and operations involved in the program.

As the drug industry expanded so did increased legislative efforts to curtail it. In 1988, the Antidrug Abuse

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69Department of Justice, p. 85.

70McWilliams, p. 25-27. More vocal of the antinarcotics proponents were; Rep. George W. Gekas (R-Pa.); Rep. Dave McCurdy (D-Okla.); and, Sen. Alfonse D'Amato (R-N.Y.)

71Department of Justice, p. 86.


73Bruce Bagley, p. 46.
Act passed by Congress,\textsuperscript{74} stated one of the primary objectives was a reduction in the tonnage of illegal drugs smuggled into the United States.\textsuperscript{75} To dramatically stem that flow, Congress authorized and appropriated an annual $11.7 billion to federal agencies for combating drug smuggling and abuse. Of the $11.7 billion, an estimated $8.1 billion would be used to reduce the supply at the source, through eradication and interdiction programs. The remaining $3.6 billion would be used for controlling the demand for narcotics within the United States, with the bulk of the funding utilized by state and domestic law enforcement.\textsuperscript{76}

The Antidrug Abuse Act of 1988 required the President to formulate a national strategy for controlling drug abuse, and narcotics trafficking. To facilitate this, the Office of National Drug Control Policy was created in the Executive Office, and coordinated an annual strategy to serve as a framework for law enforcement efforts. President Bush revealed


\textsuperscript{76}General Accounting Office, Drug Control, (Washington, D.C., September 1991), p. 4.
the first National Control Drug Strategy on September 5, 1989." The strategy was directly related to the objectives and goals outlined in the Antidrug Abuse Act of 1988, with significant focus on Latin American countries producing cocaine.

Based on criminal activity statistics and arrests indexes throughout the country which indicated the war on drugs was being lost, more national resources were committed to the problem. Although initially resisted by the Department of Defense (DoD), Congress sought to increase the military's participation in the drug war. The Defense Authorization Act of 1989, substantially expanded the role of the military in the national counternarcotics effort. The


law specifically designated the Department of Defense as the lead agency for detecting and monitoring air and maritime shipments of illegal drugs into the United States. It also provided additional budget expenditures to supplement the budget of the Department of Defense for implementing policy.\(^8\)

As a result of counternarcotics operation conducted in Latin America in the early 1980's, the Drug Enforcement Agency identified the Andean countries of Bolivia, Peru, and Colombia as the primary sources of cocaine smuggled into the United States.\(^9\) Consequently, as domestic cocaine trafficking increased over the decade, so did Congressional focus on policy options to eradicate cocaine at its source.\(^4\) This ultimately led to the formulation of the Andean Strategy, which was approved by President Bush in August, 1989. Although


the U.S. Congress debated the feasibility of supply reduction
and whether policy could significantly affect domestic drug
abuse, virtually every lawmaker agreed the problem was of
epidemic proportions and constituted a threat to national
security. Summing up the attitude prevalent in Congress,
Sam Nunn (D-Georgia), Chairman of the Senate Permanent
Subcommittee on Investigations, said:

Logic and common sense tell us that stopping coca in
these valleys and countries may be far cheaper and more
effective than trying to do so once it arrives in the
United States. There are hundreds of thousands of street
corners in America where crack can be sold. But there is
only one Chapare and one Huallaga. There are over 12,000
miles of U.S. coastline for the trafficker to smuggle his
cocaine across, but there are only three countries where
he now buys most of his coca leaf.

B. THE ANDEAN DRUG STRATEGY

The second element of our strategy looks beyond
our borders, where the cocaine and crack, bought on
American streets, is grown and processed.

- President George Bush

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85Raphael Perl, "International Narcopolicy and the Role of the
U.S. Congress", The Latin American Narcotics Trade and U.S.

86United States Congress, Senate, Committee on Governmental
Affairs, Cocaine Production, Eradication, and the Environment:

87"The President's Speech on National Drug Control Strategy,"
The Andean Strategy is an overall U.S. counternarcotics plan to combat cocaine production in Latin America. The strategy was presented by President Bush during the Andean Summit Meeting in Cartegena, Colombia, on February 15, 1990. The initiative was signed by presidents of the three coca producing nations of Latin America: Alan Garcia of Peru; Virgilio Barco of Colombia; and Jaime Paz Zamora of Bolivia. The goal of the initiative is coupled to the National Drug Control Strategy goal of reducing the flow of illegal drugs into the United States. The concept is based on significant increases in military, law enforcement, and economic aid to each signatory to increase efficacy in cocaine eradication.

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88Ronald Bruce St. John, The Foreign Policy of Peru, (Boulder, 1992), p. 212. Garcia was highly critical of the Andean Drug Strategy, and U.S. Latin American policies in general. Garcia refused to participate in the Cartegena Summit Meeting, and only after the Bush Administration made foreign aid contingent upon cooperation did Peru agree.


The strategy, simplified, has four fundamental objectives:

- To strengthen the political and institutional capabilities of the Andean governments to enable them to disrupt and dismantle drug trafficking organizations;

- To increase the effectiveness of law enforcement and security activities of the three countries against the cocaine trade. This involves providing law enforcement and military assistance to enable them to fight the traffickers in the remote and inaccessible areas in which drug production activities often take place;

- To inflict significant damage to drug trafficking organizations by working with these countries to disrupt and dismantle the organizations;

- To strengthen and diversify legitimate economies of Andean countries to overcome the destabilizing effects of removing cocaine as a major source of income.

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C. SUMMARY AND ANALYSIS THROUGH 1992

The Andean Strategy is predicated on the concept that to reduce the supply will in turn raise the market price to a point demand is reduced. The economic theory of the strategy is simple, however, it is the dynamic complexity of the cocaine trade which prevents the functional application of the strategy. It correctly assumes the demand for cocaine is relatively constant, but incorrectly assumes the supply of cocaine is a (inelastic) fixed amount. Therefore, the structural flaw inherent in the strategy is the potential coca supply is almost inexhaustible, and the large profit margin of cocaine dealers allow for substantial loss of supply without significantly impacting street prices. Consequently, if consumer cost of cocaine is not affected, there are no economic costs incentives that will curb demand.

According to the 1992 estimates of the DEA, the Latin American countries potentially produced between 955 and 1,170 metric tons of cocaine. The Peruvian portion of the estimate

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93Michael Kennedy, Peter Reuter, and Kevin Jack Riley, A Simple Economic Model of Cocaine Production, (Rand Corporation, 1993), p. 35. According to Kennedy, the cocaine trade could sustain up to 70 percent loss of supply and have little impact on market price.
is 760 metric tons, or roughly 65 percent.94 The DEA estimates $100-140 billion annually is generated by the cocaine trade. Approximately $80-90 billion remains within the United States and $10-50 billion is channeled to cocaine cartels and related support activities in Latin America.95 According to the DEA total 1992 worldwide cocaine seizures were less than 100 metric tons, with Peru at 6.2 metric tons (or less than 1 percent of the total).96 This indicates the eradication performance of Andean Strategy is well below the level which would impact the cocaine price index, and subsequent consumer demand.

Another factor to consider when analyzing the structural objectives of the Andean Strategy, is the economic impact within source countries involved with the cocaine trade. The cocaine trade flourishes in areas which are remote, isolated, and often in regions economically marginalized. Coca eradication efforts have been violently resisted by rural societies which depend on cocaine production for a livelihood.


96Drug Enforcement Agency, p. 16-18. Cocaine seizures for Latin America in 1992 were (in metric tons); Peru- 6.2; Bolivia-6.8; Columbia 95; Brazil-4.4; and, Ecuador-1.3.
Using the official DEA estimates for coca leaf production and ultimate cocaine yield, the following illustrates the potential profits made from relative low risk investment. The calculations are based on the potential coca production estimates for Peru, at 500,000 acres.

500,000 acres of coca = 1015 pounds of leaf per acre
(this equates to 50,750,000 pounds annually)
50,750,000 pounds of coca leaf = 4,413,304 pounds paste
(based upon 345 pounds leaf to 3 pounds paste)
4,413,304 pounds of paste = 1,471,101 pounds base
(3 pounds paste to 1 pound base at $285. per pound)
1,471,101 pounds base X $285./pound = $4,192,635,000.97

The earning potential of cocaine production causes coca growing within the Andean source countries to be a lucrative cash crop. In several regions, coca growing is the only economic alternative to poverty, and is certainly more of a cash reality to the peasant than half hearted attempts at crop substitution or subsidy programs.98

The Clinton Administration recently proposed a "controlled shift" in policy which would redirect DoD resources from

97Department of Justice, p. 42.

interdiction and more towards dismantling the cocaine networks in source countries. Additionally, shortly after assuming office, President Clinton appointed Lee Brown as director of the Office of National Drug Control Policy (ONDCP). Initially Brown advocated a policy shift emphasizing education and innovative rehabilitation programs to curtail domestic drug abuse, a position also endorsed by the U.S. Attorney General, Janet Reno. However, Brown recently met with Peruvian President Fujimori, and pledged continued U.S. support for the fight against drug production. There have been no alterations to the National Drug Control Strategy, the Andean Drug Strategy has not been structurally modified by Congress as yet, and coca eradication operations continue.

Assuming the current policy is maintained and further implementation continues along the lines of increased militarization of the drug war, what are the chances of success? What is the internal condition of the state, and does

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the Peruvian government have the political will or means to curb coca production? By applying the analytical framework described, it will be apparent why the coca eradication effort of the United States in Peru has marginal chances of success.
III. THE SOVEREIGN STATE OF PERU

This population not only has been historically marginalized by the state and by the westernized and urban sector of the Peruvian society, but also by the illicit expansion of the haciendas.103

- Grover Pango Vildosos
Minister of Education (1985-1987)
Lima, Peru

It is questionable that Peru has ever had fully functional internal sovereignty. National integration into the state system has yet to be completed, and given the duration of Peru's internal fragmentation, it remains doubtful in the future. Although state sovereignty was first introduced by Spanish Conquistadors and subsequently recognized by the international community, internally, state authority extended only as far as coercive force could extend. Throughout Peru's history, functional sovereignty has been in a constant state of marginalization, hindered by social stratification, ethnic discrimination, economic inequities, and topographic divisions.104


104 St. John, p. 230.
Within the analytical framework described in section one, the following concept would be applicable to the political state of Peru:

**Proposition 1**- The state must be institutionally stronger than the illegitimate activities. To be functionally sovereign it must substantially raise the cost to operate higher than the activity is willing to tolerate. The state must also reduce the operating areas of the activity, and reestablish the states rural institutional power base to maintain sovereignty and prevent further marginalization of state authority.

Therefore, an institutionally weak, politically exclusionary regime is more prone to experience expansion of illegal elements than a inclusionary democracy with strong state institutions and effective administration. Political inclusion embodies national integration, ethnic and socioeconomic homogeneity, and functional political participation. Most Latin American political systems can be categorized within one of the four basic components to this hypotheses;\(^{105}\)

a) weak state institutions and politically exclusionary (weak militaristic regimes);

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b) weak institutionally, but politically inclusionary (developing or struggling democracies);

c) strong state institutions, politically exclusionary (strong military regimes);

d) strong institutionally, with political inclusion (strong democracies).

These propositions are graphically represented on TABLE 2. An assessment value of low, medium, and high is associated with each category which determines the efficacy and functional strength of state institutions, which are considered performance indicators of sovereignty. A low category indicates the state is institutionally weak, politically exclusionary and experiencing conditions which may be conducive to illegitimate activities. A medium category is neutral, but more dependent on coercive potential to extend state sovereignty. This value would be applied to categories A and D. The high category indicates institutionally strong regimes which are either politically inclusive or authoritarian, and capable of extending sovereignty through the social and political fabric, thus reducing the operating margin of illegitimate activities.
### TABLE 2

**Political Systems and Institutions as Indicators of Functional Sovereignty**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.) Weak institutions/</td>
<td>political inclusion--medium</td>
</tr>
<tr>
<td>B.) Weak institutions/</td>
<td>political exclusion--low</td>
</tr>
<tr>
<td>C.) Strong institutions/</td>
<td>political inclusion--high</td>
</tr>
<tr>
<td>D.) Strong institutions/</td>
<td>political exclusion--med/high</td>
</tr>
</tbody>
</table>

(source: Remmer)

Based on data examined in this section, Peru would be categorized as a politically inclusionary system (for the last 13 years), with weak state institutions. An argument could also be made contending Peru's political system has historically been exclusionary, since most of the governments were military regimes. In the case of Peru, the political system is not as critical as the efficacy of its institutions, or the performance of state infrastructures. Political inclusion extends by constitutional law throughout the country, but the centuries of exclusion by the ruling Spanish elite have institutionalized political apathy in the rural societies, and propagated social unrest.
A. HISTORIC IMPEDEMENTS TO INTERNAL SOVEREIGNTY

The roots of feudalism are intact and they are responsible for the lag in our capitalist development...The agrarian and indian problem, which the republic has not yet been able to solve, dominates all other problems.\textsuperscript{106}

- Jose Carlos Mariategui, Peruvian sociologist, 1928.

The valid picture of Peru is one of a small privileged oligarchy, long unwilling to subordinate itself to the building of a modern state, wholly resistant to integrating the large Indian population into the formal society, and now facing the prospect of its own bloody demise at the hands of a brutal revolutionary group.\textsuperscript{107}

- Lieutenant General William Odom, United States Army, September 23, 1992

The erosion of Peruvian internal sovereignty has its roots in the historic development of the state. First, the conquering Spanish imported a feudal hacienda system and class structure which did not address or facilitate national

\textsuperscript{106}Jose Carlos Mariategui, \textit{Seven Interpretive Essays on Peruvian Reality}, translated by Marjory Urquidi, (University of Texas Press, 1971), p. 34.

integration. The indigenous population was segregated, regarded as ethnically inferior to the Spanish, and legally regulated to subservient position. Second, since the foundations of the national polity were rooted in feudalism, the institutions of the state subsequently produced social stratification, ethnic discrimination, and economic inequities between entrenched Spanish European elites and the indigenous populations. These cleavages became institutionalized and manifested through the split between urban-industrial coastal areas and rural-agrarian sierra highlands. Third, the geographic divisions in Peru further exacerbate the racial, cultural and economic divisions in the country by physically sectioning the country in half. Each of these will be more closely examined in the following section.

1. Colonialism and National Integration

In the aftermath of Francisco Pizarro's conquest of Peru (1532-1533), was the formation of the Viceroyalty of Peru, with its colonial seat in Lima. The subsequent

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Political system established was an exact replica of the Spanish colonial system throughout Latin America. It was a feudalistic system based on the rapid exploitation of natural resources acquired through forced labor of indigenous populations. These resources, in turn, filled the coffers of Spain and funded further extensions of the colonial empire and sovereignty.

The soldiers and servants of the Spanish Crown participating in the conquest, were rewarded with land and labor grants in the form of "encomiendas" (indian labor) and "haciendas" (land) for service to the Crown. This feudalistic system amounted to annexation of the indigenous population and tribal properties into the political, economic, and judicial framework of New Spain. Consequently, virtually any penetration of native Indian societies was for purely economic purposes, and not designed to nurture national integration.


112 Rudolph, p. 25. Initially, there were 500 encomiendas established in Peru.


Initially, a number of Indians violently resisted enslavement by the Spanish, but eventually most were caught, forcibly pacified, and fragmented into small communities called "reducciones." The relocation of the Indians into reducciones opened more tribal lands to the crown, provided additional labor units, and extended state authority over territory and population. The political and economic institutions established during the Spanish colonialism period have remained structurally intact, in various forms, throughout the history of Peru.

The paradox created by Peru's feudal system, was the controlling elites in Lima were able to systematically develop external sovereignty without integrating the indigenous society into the political framework, and also without extending functional state control past the coastal areas. The state of Peru operated as a political and legislative island in the city of Lima, and was surrounded by millions of

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apathetic Indian societies which maintained their distance from the Spanish invaders.\textsuperscript{117}

In these terms, the state of Peru was constructed externally inward, and from the top down. This perpetuated an image of sovereignty, which from a internal perspective has remained dysfunctional and marginalized throughout rural Peru. National integration applied only to the oligarchy, the urban merchant classes, and landowners. For centuries the system remained politically exclusionary, and only opening when absolutely forced. The slow incorporation of indigenous and rural societies into the political fabric was more a function of economics than a true concern of integration.\textsuperscript{118}

2. Socioeconomic and Ethnic Divisions

Peru evolved into a polarized society, with Spanish elites controlling Indian based labor which supported an export economy of natural resources. Centuries of economic domination by non-Indian superiors over Indian subordinates


created a "dual society" permeated by mutual distrust and alienation.\textsuperscript{119} Historically, Indian societies have been resistant to political and social incorporation into the mainstream of the Peruvian state, largely due to economic exploitation and exclusion.\textsuperscript{120} Indian labor provided the oligarchy with the means to gain economic prosperity by working the mines, plantations, and other industries which were labor intensive.\textsuperscript{121}

Income distribution was directly related to land, with ownership extremely unequally sided towards the oligarchic elite.\textsuperscript{122} The land and labor grants established by the encomienda and hacienda systems eventually placed over 75 percent of Peru's agricultural lands under the ownership of less than .05 percent of the population.\textsuperscript{123} These systems became formal legal institutions which propagated social and economic stratification, and intensified polarization of indigenous communities from the national polity in Lima.

\textsuperscript{119}Palmer, p. 11.


\textsuperscript{122}Rudolph, p. 10. Most of Peru's arable landholdings were owned by forty-four families within the oligarchy.

\textsuperscript{123}Masterson, p. 6.
Deprived of traditional property holdings, Indian societies (and eventually mestizo peasants) were economically and legally bound to perform labor on the haciendas, or in the mines. As market industries formed, the oligarchy controlled the markets, reaped the profits, and dictated working conditions, while the lower classes supplied the labor. These institutional parameters retarded the expansion of capitalism into the rural regions of Peru, and widened economic cleavages within society.

Centuries later, the system created by the Spanish has evolved into institutional and functional variation of the "apartheid" system found in South Africa, without the legal codification. By the 1960's, the inequality of income distribution resulted in 53 percent of the national income being earned by the upper one-tenth of society. The decayed foundations of the Peruvian political system have initiated a gradual collapse of the state into itself. The continued decline of the economy has brought social activism,

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and a prospering black market. Per capita income has been in steady decline since 1974, and by 1991 Peru was considered one of the poorest countries in Latin America, second only to Haiti.\(^{127}\)

Compounding the issue of income inequity, the Peruvian economy has experienced a negative growth rate in gross domestic products since 1968, and the foreign debt is over $21 billion.\(^{128}\) In 1990, underemployment was 85 percent, average real wages were half that of 1983, and the consumer price index for food inflated 7000 per cent in one year.\(^{129}\)

Performance indicators of state institutional strength, such as internal social services, state investment, and administrative infrastructure, continue to recess throughout Peru. Although historically marginal to begin with, the statistical trend of government expenditures has been centered around Lima, and coastal urban areas.\(^{130}\) Serious


\(^{128}\) Saba, p. 103.


\(^{130}\) Slater, p. 188. For the 1969-1980 period, Lima received 38.4 percent of the budget for housing and construction, 37 percent of the education budget, and 68 percent of the labor and social security budget.
attempts to reverse social and economic polarization during the Velasco Regime (1968-1975) were inadequately funded and consequently lost momentum. Any further efforts at national integration were dramatically influenced by social unrest and the emergence of insurgent behavior.

Public health services remain unavailable to over half the population as a whole, but are especially critical in the rural regions. In 1990, over 73 percent of the country’s doctors were in Lima, which left one doctor to every 29,000 inhabitants in the rural areas. In the department of Ayacucho, the birthplace of the Shining Path in 1980, there were 30 doctors for 543,000 inhabitants. Consequently, infant mortality was 150 percent higher in the rural regions than in Lima.

Electricity, sewage, and potable water remains unavailable to approximately 80 percent of the rural sierra population, despite the construction of the Mantaro hydroelectric project in Huancavelica. Inadequate sanitation and water treatment produced a recent cholera epidemic which has infected more than 130,000 Peruvians. Funding for

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131 Slater, p. 213. Additionally, Ayacucho received a total of 0.6 percent of state investment for 1980.

132 Slater, p. 172-174.

133 Paredes, P. 321.
education decreased 67 percent between 1970 and 1988, and current allocation per student is approximately $220 (US).

The infrastructure of transportation and roads remains inadequate, with only 10 percent of the roads paved. The highway system, secondary roads, and railway system are in poor material condition and inadequate for the population. Transportation into the interior is almost non-existent, either because the Shining Path insurgents control access or since only 12 percent of the roads are in usable condition.\textsuperscript{134}

State revenues obtained from overall personal income tax declined in the period from 1977-1988, but were almost non-existent in the rural departments, especially in areas with high levels of social unrest.\textsuperscript{135} As a result, state tax collectors have refused to enter departments and provinces which sustain insurgent activity because of the probability of execution. This ultimately forces the state to absorb the lost revenues elsewhere, which it has done through devaluation of

\textsuperscript{134}Hamann, p. 47.

currency, increased sales tax, and cuts in capital investments.  

Socioeconomic polarization has historically been reinforced by, and coupled to, the ethnic cleavages which are prevalent throughout the country. Peru's population at the time of the Spanish Conquest was estimated between six and nine million, with 95-100 percent of the population listed as Indian. The last population census, conducted in 1990, listed Peru's population at 22 million, with a growth rate of 2.5 percent (500,000 per year).

The ethnic divisions were: 45 percent Indian; 37 percent mestizo; 15 percent white; and, 3 percent black and Asian. The indigenous population is not only physically and culturally distinct from the urban whites, but speaks a separate language as well. Additionally, over 60 percent of the population resides in the rural regions and small urban areas. Virtually all the whites live in Lima and the surrounding area, with few residing within the interior regions. The official state language was Spanish until 1979, when the new constitution added the indigenous language of

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137 Palmer, p. 15.

138 Masterson, p. 5-6.
Quechua. The ethnic divisions in Peruvian society, Indian, mestizo, and white, are reinforced by language differences, cultural segregation, and the economic disparities between urban and rural.

3. Geographic Boundaries

The geography of Peru has presented substantial obstacles in the development of the state, and the subsequent extension of sovereignty. The country is roughly twice the size of Texas, but only six percent of the land is suitable for agricultural purposes. Peru is divided into three distinct topographic regions: the coastal plains, which includes Lima; the sierra highlands; and the sparsely inhabited selva (Amazon jungle). Natural resources include: copper; silver; lead; zinc; iron; petroleum; rubber; and fisheries.

The Andean mountain range forms the nucleus of the sierras, with peaks over 20,000 feet, and extending the length of Peru. The sierras account for 45 percent of the nation's population and 30 percent of the territory. Of the 6000

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139 Rudolph, p. 11.

140 Hamann, p. 42.

141 Rudolph, p. 5. The selva comprises 60 percent of Peru's territory, and 10 percent of the population, most of which reside in the fertile valleys on the east slopes of the Andean Range.
indigenous communities in Peru, 5000 reside in the Andes.\textsuperscript{142} Although large in size, only 4.5 percent of the total area in the sierra region is suitable for farming.\textsuperscript{143} Historically the cultural lotus for the Inca civilizations, administrative departments in the sierras have been consistently at the bottom of the scale for state investment and development for the last twenty years.\textsuperscript{144}

B. PERFORMANCE OF POLITICAL REGIMES 1968-1993

The root of all these problems is the weakness of the state--the absence of an administrative capacity to provide law and order, to provide minimal public services and to prevent dramatic corruption within the bureaucracies.\textsuperscript{145}

- Lieutenant General William Odom, United States Army, September 23, 1992

Since gaining independence from Spain in 1820, two thirds of all the presidents in Peru have been military dictators. More than half of the individuals occupying the presidency

\textsuperscript{142}Palmer, p. 9.

\textsuperscript{143}Rudolph, p. 5. The altiplano (high plateau) and puna grasslands in the sierras sustain limited grazing for llama and sheep, but soils are not favorable to farming.

\textsuperscript{144}Slater, p. 167. The departments of Apurimac, Ayacucho, Puno, Junin, and Pasco ranked at the bottom of state investment per capita, per annum for 1969-1980.

used military force to gain the office. Peruvian democracy, when it exists, has been historically fragile and highly susceptible to military takeover during times of actual or perceived state crisis. Any political agenda was to be executed within the parameters established by the oligarchic elites, and the cost of failure was prompt removal from office. This may be of significance to the United States when analyzing the probability of success for the Andean Drug Strategy, against the possibility of democratic breakdown in the country.

1. The Military Regimes 1968-1980

The political watershed to the current internal conditions in Peru occurred in 1968, when military elites seized control of the government in an effort to prevent social mobilization from gaining momentum in the countryside. The military coup of 1968 was a political watershed based on the reforms proposed in its socioeconomic agenda, and because the military reacted as an institution against the oligarchic system it held responsible for national polarization. Although

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146Raul P. Saba, Political Development and Democracy in Peru: Continuity in Change and Crisis, (Boulder, 1987), p. 36.


148Slater, p. 76-78.
it was a bold attempt to achieve integration, ultimately the
effort lost support and the military was discredited. From
1968 to 1980 Peru was under the military dictatorships of
General Juan Velasco Alvarado (1968-1975) and General
Francisco Morales Bermudez (1975-1980).

a. General Velasco Alvarado 1968-1975

The success of the Cuban Revolution in 1959,
literally shook the Western Hemisphere. Not since the Mexican
Revolution has one event had such ramifications on Latin
America. Fidel Castro and Che Guevara seemed to represent the
radical alter entity of legal reformists which were successful
in Bolivia (1952), and Guatemala (1954). The Cuban Revolution
provided the blueprint to social revolutionaries in several
Latin American countries seeking to overthrow feudalistic
political systems. Peru's decayed internal conditions, and
entrenched political apathy in rural regions, made it a
country ripe for revolution.149

Consequently, two separate guerrilla groups formed
in the sierras during 1965, and were perceived by President
Fernando Belaunde-Terry (1963-1968) to be the start of mass
social mobilization. Both guerrilla groups, the Army of
National Liberation (ELN), and the Movement of the

149 Thomas C. Wright, Latin America in the Era of the Cuban
Revolutionary Left (MIR), were unorganized, poorly equipped, and since they were considered "outsiders" had very limited success in obtaining rural support.\textsuperscript{150}

The impact of these groups was not from the actual threat to the state as neither group was ever a significant political or military threat. Rather, it was the perceived threat, which was based on the explosive potential of the countryside, that caused tremendous concern to the state. Military officers involved in counterinsurgency operations witnessed the social conditions in some of the poorest regions of Peru, and understood the implications of socioeconomic disparity to internal security.\textsuperscript{151} As a result, the military coalesced to an idea of massive social reforms, especially focused in the sierras.\textsuperscript{152}

Frustrated with attempts to move the Belaunde-Terry Administration towards sweeping reforms,\textsuperscript{153} military progressives organized a junta around the leadership of

\textsuperscript{150}Wickham-Crowley, p. 332. Most of the participants of the guerrilla groups were students or teachers from urban areas.


\textsuperscript{152}Wright, p. 121-122.

\textsuperscript{153}Rudolph, p. 197. The military was also bitterly opposed to the concessions Belaunde-Terry had made with the U.S. firm, International Petroleum Company, which the Kennedy Administration made contingent to military aid.
General Juan Velasco Alvarado. The "Revolutionary Government of the Armed Forces" assumed power on October, 3, 1968, in a bloodless coup against President Belaunde-Terry. Congress was dissolved and elected municipal officials removed.

The regime focused on social reforms designed to reverse the economic stagnation throughout the country. Especially targeted were the rural districts where government presence was marginal, state institutions were weak, and conditions were perceived as conducive to guerrilla support and recruitment. In an attempt to reduce foreign dependency, Velasco focused on expropriating several of the 300 U.S. owned firms operating in Peru which accounted for two thirds of the foreign investment.

Most of the reforms had enormous popular support, especially in the rural departments, but fell short of the intended goals primarily because of limited resources devoted to departments outside Lima and Cuzco. Velasco expropriated the interests of Exxon Corporation, W.R. Grace Company, International Telephone and Telegraph, and Chase Manhattan Bank, but as a result the United States shut off valuable foreign aid which the government could have applied to

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154 Rudolph, p. 198.

155 Rudolph, p. 55.
financing its proposed social reforms.\textsuperscript{156} Peru also lost loan guarantees from the International Monetary Fund (IMF) and was forced to borrow from private banking interests to service its foreign debt. The aggregate result of higher interests and limited economic expansion quadrupled the foreign debt to $3 billion.\textsuperscript{157}

The centerpiece of the Velasco government was the Agrarian Reform Law of 1969. Although proposed to alleviate the gross inequity in land distribution and therefore reduce the potential of increased social tension in the sierras, the law was first applied to break up large coastal plantations owned by families in the oligarchy.\textsuperscript{158} Land was assimilated, and redistributed in agricultural collectives managed by the state. Agrarian reform in the sierras followed similar reorganization, and by 1977 most of the large haciendas were transformed into peasant cooperatives providing land to 400,000 of the 4 million inhabitants (10 percent). Some departments, such as Junin and Ayacucho, experienced little or

\textsuperscript{156}Harold Molineu, \textit{U.S. Policy Toward Latin America}. (Boulder, 1990), p. 108-110. Under the 1962 Hickenlooper Amendment, all U.S. foreign aid will be terminated to any country failing to compensate fairly for expropriated assets.

\textsuperscript{157}Hamann, p. 65.

no land redistribution, and consequently social tensions remained high in those areas.159

Ultimately, the state resources required to successfully operate the cooperatives, such as tractors, fertilizers, seed, were channeled to other development projects in coastal areas, and agricultural production in the sierras decreased.160 As the economy declined, so did actual and proposed state social services in the sierras. The attempt at large scale agrarian reform, which became convoluted over time, successfully raised the social awareness level of the peasantry and exacerbated already volatile conditions. Within a few years, the institutional decay of the state, combined with a high perception of social inequity, would impact Peru with a vengeance.

b. General Morales Bermudez 1975-1980

In 1975 the Peruvian economy was in extremely poor condition, largely from an unprecedented increase in military spending.161 Mass labor strikes, political protests, and fear of renewed insurgency actions in the countryside fueled a

159Wickham-Crowley, p. 127-128.

160 Harding, p. 252.

161 Rudolph, p. 204. Peru's military expenditures increased 82 percent between 1968-1977, compared to the GNP which rose by 40 percent.
split in the military elite which forced Velasco out of office. His prime minister, General Francisco Morales Bermudez, assumed power on August 29, 1975. Congress was reactivated, and national elections were scheduled for 1980.

By 1978 the foreign debt had reached $7.2 billion, an amount equal to 44 percent of Peru's gross national product, and the debt service was consuming 31 percent of the export earnings. While Morales Bermudez attempted to reverse the economic decline through austerity measures imposed by the International Monetary Fund (IMF), conditions deteriorated.

The austerity package, similar to the measures introduced by President Fujimori in 1990, had a devastating impact on the economic condition of lower income groups in Peru (or roughly 70 percent of the population). Accepting these conditions also severely damaged the marginal support of the Morales Bermudez government, and thoroughly discredited the military's ability to govern. The United States reinstated foreign aid to Peru since the issue with Exxon had been resolved, but even large influxes of foreign aid could not alter the plunge of the Peruvian economy.

Shortly after assuming office, Morales Bermudez terminated several of the Velasco social reforms, including

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the Agrarian Reform Law of 1969. Peasant cooperatives were dissolved, and in some cases land was returned to the hacienda owner. The currency was devalued more than 50 percent, and real wages dropped to 55 percent of 1973 level.

Designed to improve Peru's balance of payments, it tremendously impacted the lower class, and hourly wage workers. Buying power for food, already at bare minimums for most Peruvians, was effectively cut in half. This resulted in renewed social unrest, intense labor strikes throughout the urban areas, and to a reemergence of insurgent activity in the sierras. Arrests and repression aggravated the situation, and protests amplified. Several nationwide strikes by union workers, teachers, and students occurred between 1977-1979.

Citing insurgent activity in the departments of Junin and Ayacucho as justification, Morales Bermudez initiated a campaign of repression similar to Argentina's

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163 Masterson, p. 254.


counterinsurgency campaign in the 1970's. Instead of extending internal sovereignty, the counterinsurgency underscored the institutional and structural weakness of the state throughout the rural regions, and claimed the lives of thousands of Indian "neutrals". Overreaction by the state to social unrest, brought about by its own neglect, increased polarization and autonomy in the rural departments. The cumulative effect of the counterinsurgency program was an increase of human rights abuses and a net decrease in functional sovereignty. As news of this "dirty war" was relayed by Amnesty International, the human rights violations of the Morales Bermudez regime caused President Carter to suspend foreign aid to the country.

Unable to resolve the internal social and economic tension, coupled with the pressure applied by the

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Benjamin Keen, *History of Latin America*, (Boston, 1992), p.401
international community, Morales Bermudez effectively turned over the government to the leading party of newly elected National Constituent Assembly, July 28, 1978.\textsuperscript{168} A new constitution was ratified the following year, which provided the right to vote to all Peruvians, and lifted the literacy requirements which effectively prevented political participation of the Indian population.\textsuperscript{169}

The significance of the Morales Bermudez regime, was the termination of the progressive movement within the military, reversed agrarian reform measures, and a return to democratic rule. It also marked the end to a consolidated effort by the military institution to forcibly effect social changes in the sierra, and facilitate national integration. Consequently, any gains made towards establishing internal sovereignty were lost as government interest and investment in the region became refocused elsewhere.

2. \textbf{Redemocratization: 1980-1993}

The loss of popular support, socioeconomic crisis, and a threat to its institutional legitimacy, forced the military to allow a return to civilian rule. The national elections of

\textsuperscript{168}Correa, p. 40.

\textsuperscript{169}Masterson, p. 266. In terms of attempting political integration of polarized indigenous groups, this was monumental legislation.
1980 began another phase of constitutional democracy in Peru. Political inclusion allowed previously outlawed parties to reemerge and campaign. However, the continued decline in state efficacy and performance created political space for organized opposition, but years of political instability had prevented legitimate parties from consolidating and institutionalizing.

As state sovereignty continued to marginalize in the rural departments, two insurgent groups, the Shining Path and Tupac Amaru, formed and began to consolidate support. During this period the Shining Path (Sendero Luminoso) began its "Popular War" against the government.\(^7\) Peru's last elected president, Fernando Belaunde Terry (deposed by the military in 1968), was returned by popular vote in 1980, and inherited an economy in ruin with a growing rural insurgency in the shadows.\(^7\)


Belaunde Terry continued previous austerity measures, emphasized debt repayment and pushed for expansion of the export trade. The foreign debt climbed from $9 billion


to $11 billion by 1982, and the inflation index increased 3000 percent. The currency lost 80 percent of its real purchasing value during the first year of the administration. Labor strikes throughout the country, totalled 670 and resulted in an estimated loss of 18.5 million man hours. Unemployment approached 30 percent, and underemployment reached 70 percent, which combined with the staggering consumer price index to intensify social unrest.

Political violence and the subsequent counterinsurgency in the rural areas, created a steady migration of displaced peasants into the urban areas. This in turn added to the problems which faced the government as peasants began to settle in the shantytowns around Lima in search of jobs or escaping the escalating violence in the countryside. The unwillingness of the state to provide adequate social services into this area provided the Shining Path with ideal conditions for insurgent recruitment.

172Hamann, p. 71.
173Masterson, p. 268.
174Rudolph, p. 82.
175Ibid. p.12-14.
To complicate Belaunde Terry's internal troubles, the Reagan Administration declared a war on drugs, and part of it was aimed at Peru. During the early 1980's, cocaine abuse and related violence was perceived to be out of control in the United States and Congress began to react. DEA personnel had identified drug networks and cocaine producing regions, and requested eradication efforts be directed at reducing coca crops in Peru. Under substantial pressure from the Reagan Administration, Belaunde Terry agreed to a joint operation conducted along the Andean ridge to ascertain the extent of the coca growing regions.

Large areas were targeted by the DEA for eradication inside Peru, but the cumulative effects of sovereignty marginalization had provided the insurgents room for expansion and territorial control. The Belaunde Terry government maintained the Sendero insurgency was entrenched in the rural areas, and impeded coca eradication efforts. The actions of the Tupac Amaru and Sendero, combined together

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caused Belaunde Terry to declare a "state of emergency" in 19 of the 23 provinces.\textsuperscript{179}

Additionally, the eradication program posed an economic threat to a large segment of the rural peasantry. The military feared that destroying the livelihood of the coca growing peasant would in turn enhance support of the insurgents. The DEA suspected the Peruvian police in the areas were corrupted by the coca trade and reluctant to participate in eradication efforts.\textsuperscript{180}

\textbf{b. Alan Garcia 1985-1990}

The peaceful turnover of government between Belaunde Terry and Alan Garcia was the first democratic transfer since 1954, and one of the few decided by national election in Peru’s history.\textsuperscript{181} Unfortunately, by the time Alan Garcia obtained a landslide victory over Belaunde and minor rivals in 1985, internal sovereignty was severely

\textsuperscript{179}Philip Mauceri, "The Military, Insurgency, and Democratic Power: Peru 1980-1988," Papers on Latin America, (Columbia University, 1989), p. 25. Under Article 231 of the 1979 Constitution, key elements of a State of Emergency are: Presidential decree; valid for 60 days unless renewed by the Executive; establishes the military as the absolute state authority; and, suspends all constitutional guarantees, except voting.

\textsuperscript{180}Sam Dillon, "Corrupt Troops Aid Peru Drug Trade," Miami Herald, December 31, 1990.

\textsuperscript{181}Palmer, p. 37.
threatened. The coca trade had multiplied exponentially with an increased demand in the U.S., and was firmly established as a illegitimate activity operating in regions outside functional state control. The Sendero insurgency had consolidated its support base, expanded rapidly, and was openly operating in several departments with marginal state control.\textsuperscript{182}

Almost immediately, Garcia announced he would limit interests payments on foreign debt to 10 percent of Peru’s export earnings in order to impede capital outflow and rejuvenate the economy. Peru’s debt servicing consumed 60 percent of the export earnings, which left little to finance government administrations, programs, or subsidies.\textsuperscript{183} Initially, economic conditions improved, the annual rate of inflation dropped from 200 to 70 percent and real wages increased 10 percent.\textsuperscript{184}

In the urban areas, economic conditions improved slightly for a brief period. However, in the countryside the peasantry remained locked in a permanent state of poverty.


\textsuperscript{184}Keen, p. 402
There were no farm relief programs, crop subsidies, or welfare programs. Schools were scarce, hospitals almost non-existent, and government administrative functions did not extend outside department capitals. State social aid programs designed to provide some relief to the peasants, were ineffective, and equipment remained in the cities.¹⁸⁵ Hourly wage paying jobs in rural departments were rare, and most peasants were unemployed. Government infrastructure did not exist other than an occasional policeman or tax collector, if at all.¹⁸⁶ When the peasant farmer had a legal problem or required medical help, he was forced to travel into the urban areas. In the countryside, Peruvian sovereignty, if it existed at all, was more a frame of mind than a functional reality.

Within the political economy of the rural departments, concerns and needs of the peasantry were addressed by the Senderistas.¹⁸⁷ Government neglect caused sovereignty to marginalize, and counterstate institutions and organizations filled the political void left by the state and began to prosper in the rural departments. Polarization in the countryside was further compounded by a significant increase in the counterinsurgency program. Increased state repression

¹⁸⁵ Abugattas, p. 140.
¹⁸⁶ Vildoso, p. 50.
and human rights abuses heightened contempt and hostility towards the government, which ultimately proved counterproductive to national integration and benefitted the insurgency. Thousands were arrested and interrogated on the hope of catching a few guerrillas.\(^8\)

In the United States, media headlines were continually filled with reports of the "cocaine epidemic" and the spread of drug related violence.\(^8\) President Reagan threatened to impose foreign aid sanctions against Peru unless Garcia began serious efforts to control coca production.\(^9\)

As with most Latin American countries, Peru did not favor blame for the drug indulgence of the United States, and several state officials publicly denounced the drug war as a violation of sovereignty.\(^1\)

Dependent upon U.S. foreign aid to buffer the economy, and having little choice, Garcia

\(^8\) Strong, p.136-138.

\(^9\) Department of Justice, p. 5.


consented to a series of counternarcotics operations against coca growers assisted by U.S. DEA personnel.  

Consequently, the Upper Huallaga Valley (UHV) was the identified hot spot for not only coca production, but a Sendero stronghold as well. "Operation Condor" was a seven phased joint operation of DEA and Peruvian narcotics police (UMOPAR) to conduct coca eradication. It was the operational predecessor of future eradication efforts, and provided Garcia with the chance to strike at the guerrillas, which were beginning to cripple legitimate state enterprises.  

Although its success was debated, the operation identified the complexity and magnitude of a well organized, deeply entrenched, and economically thriving coca industry in the region. There was also abounding speculation of narcotic profits funding terrorist groups rampant after the raid. 

Garcia outwardly supported the antidrug efforts, but his support appeared contingent upon obtaining an increase

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193 Gonzales, p. 108.

of U.S. foreign aid. This relationship was complicated by DEA allegations of corruption against the UMOPAR, and human rights abuses concerning the counterinsurgency campaign conducted by the military in the emergency zones.

Relations were further strained by Garcia's insistence that American foreign aid could not be contingent on separating funds for counternarcotics from counterinsurgency, a condition initially stipulated by U.S. Congress. Additionally, the Peruvian military was not inclined to apply pressure on the coca growing peasantry for fear of polarizing the rural population and creating conditions conducive to Sendero recruitment.

From 1987-1989, Peru's internal conditions continued to significantly deteriorate throughout the country, and the ability of the state to operate was further reduced. The gross domestic product dropped 28 percent, and real wages

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196 Strong, p. 106.


198 Strong, p. 150. Nor did the military commanders trust Garcia, or the UMOPAR, both of which they thought were pocketing foreign aid money.
(for those holding jobs) fell 60 percent.\textsuperscript{199} The consumer price index rose cumulatively 3500 percent, while government spending was three times larger than state revenues.\textsuperscript{200} National labor union strikes, political protests, and social violence increased. Garcia's public opinion approval rating dropped to 10 percent, and it was speculated a military coup was likely.\textsuperscript{201} The only economic prosperity was coca production, which increased 100 percent between 1985-1988, and the state was attempting to neutralize it.\textsuperscript{202}

c. Alberto Fujimori 1990-1993

The economic and social policies of the previous four administrations set the stage for the July 1990 presidential elections. Alberto Keinya Fujimori, an agronomist engineer without any previous political experience, obtained a landslide victory over the APRA candidate Mario Vargas Llosa. The national elections were overshadowed by a

\textsuperscript{199}Rudolph, p. 103.


\textsuperscript{201}McCormick, p.39-43.

combination of racism, and unprecedented political violence. Fujimori was able to capitalize on the ethnic divisions by referring to his opponent as an instrument of the white oligarchy, and appealing to the Indian population as a man of the working class. Although political participation in the rural districts has remained low since 1979, the strategy worked for Fujimori as he carried the majority in 23 of the 24 departments in Peru.

On August 8, 1990, ten days after his inauguration, the Fujimori administration announced it would begin a series of austerity measures designed for economic stabilization and eventual growth. Dubbed "Fujishock" by the Peruvian media, the elements of the program included; most trade tariffs and restrictions lifted; implemented a hiring freeze on government companies; furloughed all employees hired within the last six months of the Garcia administration;

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203 Strong, p. 53. Fujimori is of Japanese descent, and during the campaign anti-Japanese xenophobia occurred.

204 Michael Reid, "Violent Campaign: Peru Votes under the Shadow of a Gun", Christian Science Monitor, November 10, 1989. Sendero attempted to assassinate Fujimori in a car bombing, and numerous political rallies erupted in violence. Consequently prior to the national elections 16,000 were detained by police.

205 Rudolph, p. 143. Fujimori extensively campaigned in the rural districts using a tractor as a podium.

206 Strong, p. 53. Approximately one-fifth of the registered voters in the rural districts participated in the elections.

207 St. John, p. 214.
substantial tax increases; and, significant price increases of public services. While intended for economic recovery, the program has done nothing to relieve the economic pressure and social tensions in the countryside. Conversely, the austerity program aggravated social unrest in the shantytown section of Lima, and facilitated Sendero infiltration of urban areas.

Shortly after assuming office and "inheriting a comatose economy kept alive only with large injections of coca dollars", Fujimori attended Cartegena II, in May of 1991. Similar to Garcia, Fujimori initially refused to accept the military aid package offered by the United States as part of the Andean Strategy, on the grounds that an increase of military aid would be irrelevant without large increases in economic aid to promote social welfare. However, the Fujimori government recognized U.S. support was critical to restructuring Peru's foreign debt with the IMF, which would tremendously impact proposed economic reforms, and came to terms on the Andean Strategy. On May 14, 1991, President Fujimori signed the U.S./Peruvian Agreement on

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210Keen, p. 407

211Merrill, p. 38.
Counternarcotics Programs, and subsequently received a $750 million loan from the United States and Japan intended to help Peru cancel defaults owed to international creditors.\(^{212}\)

Fujimori stated combating the insurgency was his top priority on the national agenda, but corruptive influences in the legislative and judicial system were hindering the effort. Citing this as justification, on April 5, 1992, Fujimori suspended congress, dissolved the courts, arrested suspected political dissenters, and suspended the 1979 Constitution.\(^{213}\) This action, combined with an incident in which the Peruvian military shot down a U.S. Air Force C-130 on drug surveillance,\(^{214}\) caused enough concern in the United States that President Bush suspended all but humanitarian aid.\(^{215}\) In light of Peru's fragile democratic foundations and entrenched insurgency, Fujimori's "autocoup" may have been

\(^{212}\)St. John, p. 215.

\(^{213}\)Merrill, p. 14.


warranted in regards to purging corrupt institutions, but it appears to be more symptomatic of a military reaction to Peruvian congressional autonomy.\textsuperscript{216}

The capture of Sendero leader Abimael Guzman in October 1992, bolstered Fujimori's popularity in Lima, and seemed to legitimize the reasons for suspending constitutional rights. However, its impact has been negligible in reducing the high level of Sendero activity, both in the countryside and within the urban areas, which was the impetus for Fujimori's coup.\textsuperscript{217}

During the summer of 1993, a new congress was reelected and recently ratified the latest amended constitutional draft. In October 1993, a national referendum was held to vote on the new constitution. Of the registered voters who participated, 55 percent approved, and 45 percent did not, which was contrary to earlier poll conducted by Lima Television Network.\textsuperscript{218} Many Peruvians have expressed concern


\textsuperscript{218}"Poll Reveals Support for New Constitution and Fujimori," Lima Television Network, October 11, 1993, \textit{Foreign Broadcast Information Service: Latin America}, FBIS-LAT-93-197, October 14,
over the expansion of executive powers, and fear it may facilitate a move towards authoritarian government.\textsuperscript{219}

The 1993 Constitution amended the following laws: allows the immediate reelection of the President without a one term break; authorizes the President to dissolve Congress if it issues a vote of no confidence in the Executive; provides the death penalty for certain terrorism convictions; and, establishes the Supreme Court as the ultimate reviewing authority in all legal matters.\textsuperscript{220}

Additionally, there has evolved a pronounced division between the legislative branch and the military over human rights issues in counterinsurgency zones.\textsuperscript{221} Legislators want the insurgency destroyed to facilitate national reconstruction, but face a dilemma between Sendero's progressive advancement and the military's collateral damage

\textsuperscript{219}"Belaunde-Terry Says Approval of New Constitution 'Will lead to Civil War',' \textit{La Republica}, (Lima, September 12, 1993), p. 11.


to society. The insurgency has effectively raised the costs of state sovereignty high enough that the government is unable to physically operate or control a large percentage of its territory.\textsuperscript{222} The state has been unwilling to structurally alter its socioeconomic foundations in the rural regions, and consequently must depend on military force to modify political behavior. As a result, state sovereignty will be measured by the effectiveness of the counterinsurgency, and its ability to deny resources to the guerrillas in a manner which does not alienate or mobilize rural society against the state.\textsuperscript{223}

Historically, the counterinsurgency campaign has failed because the state has not been able to reconstruct a strong institutional infrastructure, or maintain a physical presence in the rural areas to prevent Sendero advances.\textsuperscript{224} The insurgency has made progressive territorial advances in 20 of 24 departments in Peru, and forced the government to either deploy troops into "Emergency Zones" to restore order, or tolerate the loss of territory to Sendero. Since the assignment of the military to Peru's internal war in late December 1982, the structure of the counterinsurgency campaign

\textsuperscript{222}Merrill, p. 41.

\textsuperscript{223}Thomas Kamm, "Valley in Peru may show a glimpse of things to come: Government intensifies war on rebels, but villagers get caught in the middle (escalating war between Peruvian Army and Shining Path Guerrillas)," \textit{The Wall Street Journal}, April 8, 1992.

\textsuperscript{224}Leites and Wolf, p. 153.
has been dramatically transformed from General Huaman Centeno's proposed 1984 strategy which stated:

There will be no solution to this while work is not given to the people, and to the peasant communities: seeds, fertilizer and pesticides... nothing has been done for the countryside. It is the other culture, the one which has been forgotten... In the face of extraordinary situations, extraordinary responses are needed.

The new strategy shifts the emphasizes more towards tactical engagements with the enemy, and places body counts of killed guerrillas over institutional restructuring, which is similar to early counterinsurgency doctrines used by France and the United States in Vietnam. The bulk of the Peruvian military is garrisoned in Lima, which results in small concentrations of military units operating in the countryside. As a result, the counterinsurgency force is spread too thin over large areas and cannot provide protection to peasant communities which refuse Sendero demands. The state counterinsurgency posture appears to rely more on intimidation rather than on protection, which only serves to

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exacerbate polarization, rather than to encourage national integration.\footnote{Strong, p. 133.}

Additionally, and more often than not, the peasants were routinely victimized by the troops sent to protect them.\footnote{James Brooke, "Rapists in Uniform: Peru Looks the Other Way," \textit{New York Times}, April 29, 1993.} Human rights abuses have directly undermined the efficacy of the state, and are counterproductive to reestablishing sovereignty. In 1992, Amnesty International reported Peru had the highest incidence of "disappeared" people in Latin America, with over 306 alleged documented cases. Of these 306 Peruvians; 23 were subsequently found dead; 34 were tortured, incarcerated or released; and, 243 remain missing.\footnote{Amnesty International, \textit{The 1992 Report on Human Rights Around the World}, (Alameda, 1992), p. 213.} The Fujimori government is waging a military campaign in an attempt to overcome a political and social defeat in the countryside. Through its conduct of the counterinsurgency campaign, the state is indirectly encouraging popular support of the Sendero, and marginalizes its own sovereignty.\footnote{Jose Comas, "Rudolpho Robles, Peruvian General in Exile: 'There Is A Core of Uniformed Gangsters in the Army," \textit{Pais}, May, 19, 1993.}
C. ANALYSIS AND SUMMARY

When analyzing the current condition of Peruvian internal sovereignty, and the directional trends of domestic policy, the prospects for the state appear dismal. Built on weak, feudalist institutions which propagated social stratification and ethnic segregation, Peru has evolved into a dichotomous state, with diametrically opposing societies, economies, and cultures. Centuries of isolation from the mainstream of political inclusion and economic prosperity, have caused the indigenous population to remain autonomous, closed to integration, and resistant to state authority. Internal sovereignty has been historically tenuous throughout Peru, and particularly marginalized in rural departments.

Performance indicators of internal sovereignty analyzed throughout this chapter, demonstrated specific institutional weaknesses, continued erosion of state services and efficacy, and a loss of political legitimacy. The range of Peruvian sovereignty within the parameters of TABLE I, is marginalized at the lower end of the spectrum as evidenced by:

a) continued loss of ultimate authority;

b) lack of territorial control;

c) inability to effect political compliance; and,

d) dysfunctional state institutions.
As a result of these factors, Peru is experiencing a rapid erosion of state authority which has been accelerated by the Sendero insurgency, and indirectly influenced by the cocaine trade. State response has been over-reactive towards political neutrals, counterproductive in addressing fundamental causes of social activism, and lacking in both legitimacy and efficacy. Additionally, popular support for the government and state institutions appears to be declining. A recent public opinion poll submitted at the Third Ibero-American Summit Meeting, held in Madrid, provided the following results:

- 50 percent of the polled Peruvians were displeased with the performance of the government;
- 69 percent felt rapid changes needed to occur;
- 73 percent thought conditions are worse than a year ago;
- 55 percent distrusted the functioning of Congress;
- 59 percent distrusted the judicial system;
- 57 percent distrusted the security forces;
- 74 percent distrusted the political parties;

- 43 percent did not feel they were citizens of the state.232

Application of the analytical model illustrates it is detrimental for the Peruvian state to waste resources and risk increased alienation of the rural peasantry in pursuit of coca eradication. Ultimately the state is faced with a dilemma of fighting the Sendero insurgency or eliminating coca production, but it cannot suppress one without the other.233

As explained in the next chapter, the insurgents control enough territory to prevent the state from concentrating resources exclusively into coca producing regions without placing other areas at risk.234

With the fragile political and economic history of Peru, it is doubtful the government is stable enough to withstand continued multiple crises.235 Neither can it be deduced by

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234 Merrill, p. 2-6. Recent estimates place the territory under direct control of Sendero at 40% of the country.

increasing U.S. aid and military hardware that the policy goal, reducing the supply at its source, will be achieved.\textsuperscript{236} Drug traffickers offer enough hard currency as incentive to make growing coca leaf worth any possible risks to peasant farmers, and have demonstrated the ability to corrupt both the UMOPAR and military forces sent to eradicate the crops.\textsuperscript{237}

\textsuperscript{236} "U.S. Will Continue Working Alongside Nations with the Political Will to Fight Drugs," \textit{Comercio}, (Lima, August 14, 1993).


III. THE RISE OF ILLEGITIMATE ACTIVITY

In the margins of receded internal sovereignty, two major illegitimate activities have emerged: the cocaine trade; and, the Sendero Luminoso insurgency. Initially, the coca trade was merely an economic extension of the traditional use by indigenous societies, and was confined within the country. However, the popularity of cocaine as recreational drug in the United States expanded the market dimensions, and caused coca production to transform into an illegal export. The Sendero, on the other hand, is a political response to historic conditions dictated by the state. Both activities have merged as a result of mutual necessity, the coca growers need protection from predatory traffickers, and the Sendero needs the revenues it obtains in return.\(^2\)

The fundamental threat to Peru's internal sovereignty is the Sendero Luminoso insurgency. The guerrillas have emerged as a serious, viable threat to the state authority, and have been especially successful in the rural districts where government institutions were weakest. The insurgents have organized coca farmers, and directly influenced U.S. efforts to

reduce cocaine supply. As a result internal sovereignty is being challenged, and the drug eradication effort has been checked by Sendero.

A. THE SHINING PATH INSURGENCY

Sendero Luminoso is unlike any other insurgent or guerrilla group that has ever operated in Latin America.239

- Bernard Aronson,
  Assistant Secretary of State,
  March, 12, 1992

Various experts in the field of guerrilla insurgencies have called the Sendero Luminoso (SL) everything from the Peruvian Khmer Rouge to the most highly organized and vicious guerrilla army in modern times. Since launching their offensive in 1980, the SL has caused over $20 billion in economic losses, conducted over 23,000 terrorist actions, and has been responsible for over 26,000 deaths (including over 300 mayors since 1986).240 They are highly ideological,

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Katherine Ellison, "Peru Mayor Risks Death to Aid Slum", Miami Herald, June 23, 1991, p. 6A.

Merrill, p. 9.
meticulously organized, brutally efficient, and pose an immediate threat to the state of Peru. This chapter will argue the rise of the Sendero insurgency based on the following:

**Proposition 2**- In order to establish itself, an illegitimate activity must raise the relative cost of sovereignty to a point that the state cannot maintain control. To accomplish this, the activity must: operate within the institutional vacuum created by a weak state; satisfy a social, economic, or political demand; and, present a viable alternative to its targeted constituency in order to achieve political compliance, mobilize resources and establish safe operating zones.

In order to understand the dynamics involved in how an insurgency evolves into a viable threat to state sovereignty, reference to Gordon McCormick's analytical model of the dynamics of revolutionary insurgencies is required. 241 Accordingly, guerrillas which are organizationally cohesive and exercise long term strategic goals, are more likely to succeed over loosely formed guerrillas groups with spontaneous

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241 As contained in previously cited works by Gordon H. McCormick.
tactical objectives. Key elements of this theory argue a successful insurgency is based on:

a) sound organizational principles and group cohesion;
b) feasible tactical doctrines and strategies for victory;
c) mobilizing social resources; and
d) establishing legitimacy as a counterstate institution.

The more closely aligned the insurgency is to these principles, the higher the ratio of success against a moderately strong state, and areas of hostile population. Loosely organized and tactically spontaneous guerrillas groups usually suffer defeat by the state, which is able to draw on substantially more resources than the insurgents.

The table below illustrates an success assessment for optimal insurgency composition:

<table>
<thead>
<tr>
<th>Highly Organized/ Long Term Strategy- High</th>
<th>Poorly Organized/ Long Term Strategy- Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Organized/ Spontaneous action- Medium</td>
<td>Poorly Organized/ Spontaneous action- Low</td>
</tr>
</tbody>
</table>

(Source, McCormick)

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The insurgent groups which possess high degrees of organization and long term strategies coupled with sound tactical objectives are more probable to succeed than poorly organized groups reacting spontaneously. Insurgencies between the high and low range are on the margin between success and failure. Poorly organized guerrilla groups which use spontaneous actions without integration into a long term strategy for victory will usually disintegrate in the face of even weak state forces.

1. Origins and Ideology

The Sendero Luminoso, was conceptualized and founded in 1970, by university professor, Abimael Guzman. The organization was based on the writings of Jose Carlos Mariategui, a Lima sociologist and journalist who was responsible for the initial development of the Peruvian Communist Party in 1928.\footnote{Gordon H. McCormick, \textit{The Shining Path and the Future of Peru}, p. 4-5.} Mariategui's ideology was formulated on the premise that the Spanish Conquest overthrew the indigenous, and legitimate Peruvian native society, and subsequently delineated the racial and economic strata for the following centuries. Mariategui advocated an inversion of the existing socioeconomic structure in Peru, and restoration of
the Inca social order prevalent between 1200-1530, in essence, a type of "Inca communism".\textsuperscript{244}

Guzman, a philosophy student, and Peruvian Communist Party member, adopted Mao Zedong's peasant based revolutionary strategies, Karl Marx's doctrines of logical socialist order, and applied Mariategui's class struggle of Indians and Mestizos under the linages of the European Spanish elite. These revolutionary concepts were applied to a strategy for armed insurgency and overthrow of the Peruvian government.\textsuperscript{245}

Three fundamental concepts contained in Sendero literature have been manifested through events in Peru over the last 10 years are:

First, the revolution will be born in the countryside of the peasant proletariat and gather the momentum and strength needed to defeat the cities;

Second, government armies can be defeated by forces smaller and less equipped if strategies and campaigns are conceived by ideological, meticulously organized, devoted militants;

\textsuperscript{244}Chang-Rodriguez, p. 67.

\textsuperscript{245}Strong, p. 14-17.
Third, "revolutionary violence is a universal law."  

These concepts and ideology contained in Sendero literature follow similar revolutionary theories found in the writings of Ernesto "Che" Guevera elaborating on the Cuban Revolution. Item three is almost verbatim from the revolutionary doctrines of Mao Zedong. The ideology advocated and preached by Sendero is not original, enlightening, or particularly inspiring to mainstream Latin Americans. However, to the rural Peruvian Indian population, historically polarized from the state, it is a viable and logical alternative to centuries of government neglect and exploitation.

Leadership is paramount in the formation and ultimate success of the insurgency, and often an insurgency movement begins with a charismatic individual or group. In the case of SL, Guzman became the catalyst for harvesting the long suppressed animosity prevalent in the rural peasantry, especially in the department of Ayacucho. Because of its

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247 Wright, p. 88-89.

248 Leites and Wolf, p. 23.

predominantly Indian and mestizo population, its economic underdevelopment, and years of administrative neglect by the government, it was fertile ground for Guzman's ideological movement.\textsuperscript{250} Guzman shrewdly positioned himself into one of the basic social institutions which touch all aspects of life...he became a professor at the University of San Cristobal de Huamanga in the Ayacucho department in 1963.\textsuperscript{251}

Guzman used his position as a philosophy professor to spread his own ideological convictions, and to consolidate support into a cohesive group which ultimately evolved into the Sendero Luminoso (The Shining Path).\textsuperscript{252} Guzman gained recruits by using the conditions in Ayacucho as evidence of the state's unwillingness to address fundamental issues confronting national integration, and polarized Indian societies. As these recruits became university graduates, they returned to villages and cities as teachers, lawyers, or other positions of influence, to spread the word of Guzman and expand the ranks of the movement.\textsuperscript{253}

\textsuperscript{250}Rudolph, p. 87. Ayacucho was considered to be the economically poorest department in Peru. It had the fewest doctors, the lowest per capita income, the least amount of roadways, and was at the bottom of the list of state investments.

\textsuperscript{251}Rudolph, p. 87.

\textsuperscript{252}McCormick, p. 5.

\textsuperscript{253}Strong, p. 17-19.
2. Organization and Strategy

Sendero's strategy, then, is to use violence to destroy democratic institutions, to stop citizens from participating in local government, to destroy the functioning economy, and to cripple programs which provide aid and services to the population.254

- Bernard Aronson,
  Assistant Secretary of State,
  March, 12, 1992

Meticulously and methodically a devoted cadre of disciples formed that recruited and indoctrinated within their respective townships, and slowly began establishing support bases throughout the countryside. Organizationally, the rural infrastructure of the SL is comparable to the organization strategies used by Ho Chi Minh in Vietnam. This organizational doctrine emphasizes:

a) to develop new groups within the organization for a united front;

b) to expand the organization into the cities;

c) to incorporate groups and regions outside the core organization for support; and,

d) to form small guerrilla groups for armed resistance.255


255Special Operations Research Office, p. 87-89.
From 1970-1979 SL maintained a low profile. Emphasis was placed on establishing solid bases of physical support and institutionalizing Sendero ideology. A politically motivated army of militants conducted an aggressive conversion campaign aimed at the rural peasantry in several departments. Unlike their state counterparts, Sendero was patient and thorough in developing an institutionalized, ideological foundation, and consolidating support before advancing operations to the next level.\textsuperscript{256}

Coordinated and directed by a central committee comprised of Guzman and his top lieutenants, the Sendero national strategy is a tactical framework governed by the central command, but allows for autonomous actions at the regional and sub-regional level. This has allowed for mobile, self sufficient units, flexible to dynamic changes in the political and military environment, and able to remain almost constantly on the offensive.\textsuperscript{257}

Guzman’s strategy for revolutionary success is based on the following objectives:

a) agitation of the masses and armed propaganda;

b) sabotage against Peru’s economic system;

c) the generalization of the guerrilla struggle;

\textsuperscript{256}McCormick, p. 13

\textsuperscript{257}Chang-Rodriguez, p. 70-72.
d) the conquest and expansion of the revolution's support base and strengthening the guerrilla army;
e) general civil war, siege of the cities and the collapse of state power.258

The five-phase strategy, while providing a framework for revolution, is dynamic to the prevailing situations and modified accordingly to achieve the ultimate goals of Sendero. Although severely outgunned and outnumbered Sendero attempts to nullify the Army's advantage by concentrating on low risks high gain targets that provide political impact and psychological gains to the movement.

The net effect of Sendero's grassroot organizational structural and long term strategic goals, is that it allows the insurgency a broad base of rural support based upon functional institutional foundations. This permits Sendero to consolidate and expand, which continually frustrates state counterinsurgency efforts. Sendero's political durability and longevity have enabled it to maintain consistent institutional and territorial expansion against the state. To obtain political support from apathetic rural peasants What Sendero cannot accomplish through persuasion, it gains by selected use of terror. The notable increase of departments under emergency

258 McCormick, p. 51. Notable is the dependency of Lima for 60-70% of its food brought in from the interior, along Andean highways with strategically important mountain passes which are easily closer by dynamite.
decree, the tremendous rise in political violence, and Sendero's successful establishment of counter sovereignty, serve to illustrate the institutional strength of the insurgency.

B. THE COCA TRADE AND RURAL SUPPORT

One of the areas of historic concern to the United States is the Upper Huallaga Valley, which is reputed to produce 60-70 percent (520,000 acres) of Peru's coca paste export. An estimated 580,000 peasants are actively engaged in coca leaf production. Although much of the coca trade has subsequently moved from the valley and into adjacent areas, the neutralization of this region is paramount to the success of the Andean Strategy.

Within the analytical parameters outlined in chapter one, the following proposition is applied to not only the coca trade, but also to the rural population as a body.

Proposition 3- The coca trade is the result of economic underdevelopment by the state, and the expansion of global demand for cocaine. The subsequent integration of the Shining Path with the cocaine trade compounds the problem of state sovereignty because coca eradication efforts alienate rural.

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259 Strong, p.97.
society, and ultimately expands the insurgent support base. This in turn frustrates the state counterinsurgency program, leads to increased repression and further erodes sovereignty.

According to Leities and Wolf in *Rebellion and Authority*, active support may be providing the insurgents with loyalty, food, shelter, and information. Passively, it could equate to compliance or remaining silent when questioned by the military. The insurgents may obtain support through influence, coercion, or terror.\(^{26}\)

McCormick further asserts that this support, whatever its form, is easier to obtain in societies which have been self-governing and unified in cause. Societies which have experienced low degrees of autonomy are risky to insurgent infiltration because of dominant state institutions and networks. Societies displaying high degrees of solidarity are more difficult to penetrate and organize, but quicker to unify than fractionalized groups.

The following illustrates the strength assessment of autonomy and solidarity in relation to insurgent infiltration and support:

**Table 4**

**Peasant Autonomy and Solidarity as Indicators of Insurgent Support**

<table>
<thead>
<tr>
<th>High Autonomy/ High Solidarity-High</th>
<th>Low Autonomy/ High Solidarity-Medium</th>
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<tr>
<td>High Autonomy/ Low Solidarity-Medium</td>
<td>Low Autonomy/ Low Solidarity-Low</td>
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(Source, McCormick)

The optimal strength assessment for gaining insurgency support is high. As with the previous tables, a medium category is neutral and able to go either way. The worst possible social framework would be low autonomy/low solidarity.

In the case of rural Peru, this translates into townships or villages which are absent of state administrations, and homogeneous in class, culture, or common foe. Consequently, the Sendero have exploited the situation in rural Peru to their strategic and tactical advantage which has resulted in entrenchment and expansion of the insurgency.

Attempts by the army to neutralize guerrilla strongholds have usually resulted in repressive tactics, mass arrests, or death, which net few if any Senderistas. This has been particularly true in the coca growing regions where the military is conducting counterinsurgency operations while
narcotics police attempt eradication efforts. This dual assault on both suspected sympathizers and coca growers, has threatened the peasants only source of income, further alienated rural society, and delegitimized the regime.\textsuperscript{262} Sendero has been able to mobilize rural peasantry by offering security, and economic prosperity.

1. \textbf{Rural Peasantry and the Coca Economy}

What is of critical importance when planning coca leaf eradication is the absolute control the Sendero Luminoso exercises over the region. They are the undisputed masters of the ground, and the "Robin Hood" of the coca farmers since 1985.\textsuperscript{263}

To the peasant, coca is the highest producing crop he can grow. It can be harvested three to six times annually, and nets two to three dollars a kilo. The unstable yield and elastic profit margin of traditional crops, such as coffee or corn, are susceptible to disease and dependent on transportation to the market centers (which further reduce prices paid to the peasant).

\textsuperscript{262}McCormick, p.12-13.

\textsuperscript{263}Alan Riding, "Rebels Disrupting Coca Eradication in Peru", \textit{New York Times}, 26 Jan. 1989, p.6, Sendero attacked and forced the closure of the U.S./Peruvian forces forward operating base at Tingo Maria, UHV.
To the coca grower attempting to scratch out a living in the UHV, Sendero Luminoso has become their closest ally. The peasant is offered protection by the SL from violent drug traffickers and the army in exchange for his loyalty and support. The farmer is content to prosper, and enjoys relative security under the Sendero umbrella. The SL gains popular support, recruitment, and a safe operating base. Sendero is also able to gain financially by charging the traffickers for use of Peruvian real estate. Both appear firmly convinced that cocaine abuse in America is a product of decaying capitalist societies. According to one peasant farmer in the UHV:

Shining Path says we are going to support you if you support us, so it is simple. Nobody could give a damn if coca badly affects the United States. The imperialists are drug addicts not us.\textsuperscript{264}

All three parties involved in the cocaine trade win: the narcotics traffickers have a reliable source of coca leaf; the peasants have a high yielding cash crop, and under Sendero’s political umbrella they have job security; the SL has popular support, secure operating bases, a supply of recruits, and most importantly, revenue to finance their war.\textsuperscript{265}

\textsuperscript{264}Strong, p.103.

\textsuperscript{265}McCormick, p.22.
C. SUMMARY AND ANALYSIS

Sendero's cohesive organization, ideological framework, strategic doctrine, and popular support base have significantly contributed to the success of the movement. The strength and unity of the insurgency is high, popular support is strong, and in comparison to the institutionally weak Peruvian regime, the probability of success is good.

The insurgency has become an effective counterstate institution throughout large areas of rural Peru. Sendero has systematically eliminated rural state infrastructures through coercion or violence, and presented itself to the peasantry as a legitimate alternative. Through skillful maneuvering Sendero's omni-presence in the countryside has effectively replaced state administrations and allowed it to mobilize social resources.

Even with the capture of Abimael Guzman, the Sendero Luminoso still maintains an iron grip on the rural sectors of Peru. Bombing, attempted assassinations, and terrorists actions against anyone, including foreigners, opposed to them continues at a rate of 6-10 incidents per day.266 Continued


counterinsurgency repression against neutral rural areas has
deepened polarization in the peasantry and increased support
for Sendero. These severe and randomly applied repressive
tactics by the state are exactly what the guerrillas want.

No matter how the argument is posed, coca crop eradication
cannot occur when the area is literally in hostile hands. In
the current situation, eradication efforts are futile unless
the United States is willing to sustain DEA personnel
casualties, and possibly risk involvement in Peru's internal
war. The Peruvian military does not have the resources to
physically occupy the UHV or surrounding coca producing
regions without sacrificing protection from the insurgency in
the cities. Without army protection the counternarcotics
forces are in tactical jeopardy. UMOPAR and DEA forces
combined have not impacted the coca trade, nor the demand in
the United States.\textsuperscript{267} The state has demonstrated it does not
have the political will, nor the institutional capability to
deter coca farmers in rural departments. SL has gone to
extremes in creating a legitimate counterstate, which offers
the peasant collective security and some degree of political
participation.

\textsuperscript{267}James Brooke, "U.S. Fails to Slow Andes Drug Trade, Experts
V. CONCLUSIONS

Does the analytical model have applicability to the internal conditions in Peru? Yes, not only to Peru, but to several other Latin American insurgencies, such as Guatemala, Colombia, and Argentina. Internal sovereignty is a result of functional state institutions which promote national integration, which can achieved through persuasion or use of state coercion. Consequently, Peru is suffering from a distinct lack of functional internal sovereignty which has resulted in social conditions conducive to the emergence of illegitimate activities such as insurgencies and the cocaine trade. Therefore, the following generalizations can be asserted concerning each of the major actors involved in the marginalization of internal sovereignty:

a) the Sendero Luminoso is a cohesive, dynamically organized insurgency which has statistically and geographically expanded over the last 13 years;

b) the state has not deterred the insurgency, interrupted its resources, restricted mobility, or structurally altered its basis of support;

c) the state lacks the political will and the ability to create socioeconomic institutions to support the rural peasantry or deter coca growing;
d) the rural peasantry has been historically autonomous, politically polarized, and has consequently supported both the cocaine trade and the Sendero insurgency.

In regards to the Andean Strategy, the Peruvian government is in deplorable condition to open yet another front in their war of survival. Peru lacks a solid, stable economy, and as a result hyper-inflation, social discontent, and political violence has escalated. Not only does this increase the economic disparity between the urban and rural sectors, but it provides plenty of ammunition for Sendero to capitalize on.

The state apparatus of the country is a framework marbled with corruption, internal divisions, and fragmented political institutions. As demonstrated by the Fujimori "autocoup" in April 1992, and the subsequent dissolution of the Constitution, Peru is not on solid democratic foundations.

The Andean Strategy has focused predominantly on increased militarization within the source countries. A multi-national military operation involving Andean countries in a concerted effort at occupying, and destroying coca fields, laboratories, and supply dumps, would certainly reduce cocaine production in the region, but it would not rectify the economic motivation behind the trade. A further argument against this option has been historically demonstrated by Peruvian and U.S. forces operating in the UHV; the moment troops withdrew from the region, coca growing resumed.

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Drug cartels are speculated to have tons of cocaine stockpiled throughout Latin America, therefore, even a full scale para-military invasion into the coca greenbelt, would not interrupt cocaine shipments to the United States. Consequently, there is declining support for the entire policy in the Clinton Administration, and source-nation eradication efforts may eventually be put on hold.

Thus far, the objective of strengthening the Peruvian anti-drug capabilities through increased military hardware and training has proven to be limited in combating the coca production or the Sendero insurgency. Further increases in U.S. military aid packages would appear to have little, if any, noticeable affect on coca supply. Increased U.S. military presence in Peru would only exacerbate the current conflict by providing the Sendero with an concrete example of "Yankee imperialism", and pose significant risk to U.S. personnel operating in the strongholds of SL.

Some proponents of the Andean Strategy urge continued economic development and aid in combating coca production in Peru. The goal of this objective is to provide an economic buffer against the eventual loss of the coca industry and assist the growth of the legitimate economy. However, considering the total economic assistance to Peru for 1992 was $103.1 million, and coca exports account for $1 billion gained in return, it is doubtful these funds offered a viable
incentive or alternative to the Peruvian economy or coca farmer.\textsuperscript{268}

Policy makers in the United States are faced with the dilemma of respecting the sovereignty of Latin American nations on one hand, and popular support demanding a more intense "war on drugs" on the other. To some Latin Americans, the United States is too quick to invade, sanction, or otherwise coerce countries into allowing DEA agents free rein in pursuing coca cartels and production. To Americans, witnessing the effects of drug-related violence in their neighborhoods, and with prisons overflowing, not enough is being done to stem the flow of cocaine into the country from Latin America. The drug abuse problem in the United States has no easy answer, and certainly no simple solution.

If democracy in Peru best serves U.S national interests, then the United States should continue to supply Fujimori with foreign aid and counterinsurgency assistance on the hope he can mend the problems plaguing the country. If opening free trade agreements with Latin America will bolster legitimate enterprise and eventually replace the need for farmers to grow coca, then the U.S. should pursue it.

\textsuperscript{268} W.O.L.A., p. 10.
The United States simply cannot press the issue of coca eradication, considering the fragile political and economic environment in Peru, without either toppling the government, or involving itself in a very messy civil war under the guise of eliminating drugs from U.S. streets.
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