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The push for zero coca: *Democratic transition and counternarcotics policy in Peru*

By Isaías Rojas

“We will not negotiate with this commission. We want face-to-face negotiations with (President Alejandro) Toledo. If he is not here by tomorrow morning, we will go to Lima to speak with him directly. We want to talk with the ringmaster of the circus.” This was the response members of a government commission received from approximately three thousand coca-growing farmers from the Apurímac and Ene River Valley (VRAE), who said that they had not begun their difficult march to Lima, the capital, only to turn back midway, nor would they discuss their problems with a commission of second-rate authorities. That Thursday night, August 1, 2002, an official commission had traveled to the city of Ayacucho with the mission of stopping a peasant protest begun two days earlier. The farmers refused to recognize the negotiating capacity of the commission, despite its makeup of high-ranking members of the National Commission for Development and Life without Drugs (DEVIDA)¹ and congressional legislators from the ruling party. The farmers said they wanted to speak with someone with decision-making authority, such as the prime minister. Their trump cards were the concurrent march and an indefinite general strike declared in the Apurímac River Valley.

The commission warned Lima that the conflict could spread throughout the region if the demands were not met. Several organizations in Ayacucho had announced their solidarity with the coca growers and were preparing to regionalize the protest. President Toledo’s government had faced unprecedented social upheaval throughout the nation, sparked mainly by regional demands, in the months leading up to the coca growers’ strike in Ayacucho. Still fresh in peoples’ minds were the images of what came close to being a popular uprising in June against the privatization of power utilities in Arequipa, which forced the government to hold off on its plans and to accept the resignation of Interior Minister Fernando Rospigliosi. The protests in Arequipa were followed by violent conflicts in the departments of Madre de Dios, Tumbes, Ancash and Junín, among others. Regional protests by rice farmers who demanded that the government buy their excess rice harvest broke out in the northeastern department of San Martín, coinciding with the march in Ayacucho. Violence threatened to spiral out of control, just as in Arequipa.

With less than a year in office and virtually no time to consolidate its policies, Toledo’s administration had to deal with increasingly explosive protests stemming from unattended social demands that had accumulated during the ten-year government of former president Alberto Fujimori. There was good reason to fear that the VRAE farmers’ march could snowball into a regional protest like those in Arequipa and San Martín. As such, the government agreed to send a new negotiating commission that included agriculture minister Alvaro Quijandria, DEVIDA president Nils Ericsson, and legislators from the governing party. This was not the only concession the government

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made: After tense negotiations that nearly collapsed several times, the farmers prevailed upon the government to sign an agreement that immediately caused friction with the U.S. embassy in Lima. The key components of the agreement called for a review of Law 22095, which regulates coca production and drug trafficking, and suspension of the activities run by CARE, a non-governmental organization (NGO) implementing alternative development programs, until relevant policies were redefined.²

The U.S. embassy believed the agreement could become an obstacle in meeting the goal of eradicating the twenty-two thousand hectares of coca they said President Toledo had promised to wipe out by the end of his term in 2006. “We were pleased to hear that President Toledo is committed to achieving this goal and we hope that current obstacles are overcome soon so it can be reached,” said one embassy official.³ Obviously, the embassy wanted to remind the Peruvian government that coca eradication should not be sacrificed in attempts to meet social demands.

Although part of a much more complex process, the events described above illustrate the contradictions between the anti-drug policies established by the United States and the approach mandated by the democratic transition in Peru. What are these contradictions? What impact do they have on the democratic transition? How do they relate to the official line taken by the United States that has presented Peru as a counternarcotics success story? What threats and opportunities, if any, exist? What follows is an attempt to answer these questions.

Fujimori’s legacy: the failure of anti-drug policies

The protest by Ayacucho’s coca farmers was part of a much wider process that began to take shape throughout Peru’s coca-growing valleys in the second half of the 1990s in response to the forced eradication policies developed by Fujimori’s government during his second term.⁴ This strategy intensified in the late 1990s due, in part, to the need of U.S. drug policy bureaucrats and Peru’s authoritarian regime to continue highlighting the country as a successful example of the war against drugs in the hemisphere.

The regime run by Fujimori and his de facto national security advisor Vladimiro Montesinos needed to improve its efforts in the war on drugs to deflect the growing criticism from its deteriorating record on human rights and democracy as the president ran for an unconstitutional third term. Opposition to the government was increasing in the countryside, and unfavorable international opinion began to solidify. The U.S. Congress took a critical stance – in mid-1999, for example, the House Appropriations Committee censured Peru’s National Intelligence Service (SIN) for carrying out activities incompatible with human rights, the rule of law and democratic development.⁵ The attitude of the White House, however, was much more ambiguous. Several ambassadors and high-level officials, including then-drug czar Barry McCaffrey, not only tolerated Montesinos but publicly recognized his role as a valid interlocutor despite the well-known accusations linking him to drug trafficking.⁶

Fujimori and Montesinos were more vulnerable to criticism from the U.S. government at this point than they were during his first term. Fujimori’s hold on power for a third term depended on the consent, or at least the neutrality, of Washington. His efforts to gain this consent, however, did not include making any changes in his anti-democratic

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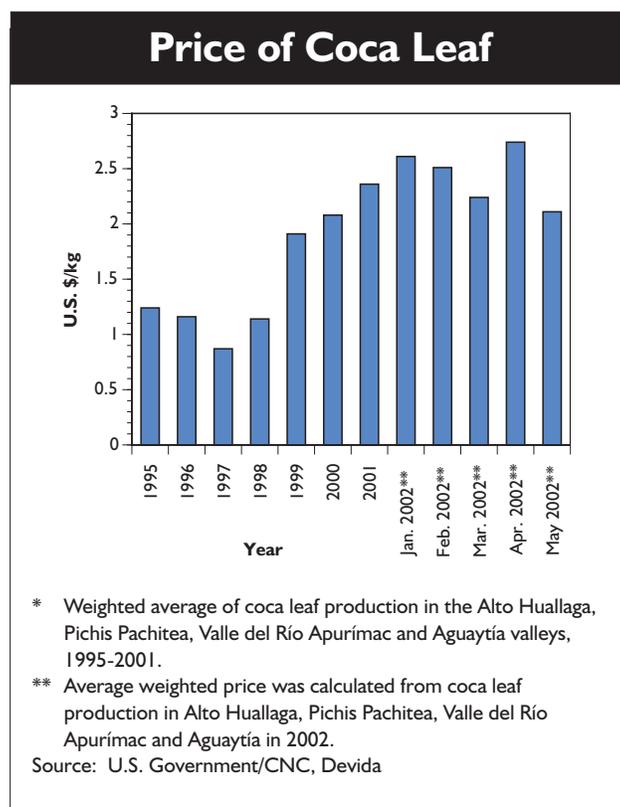
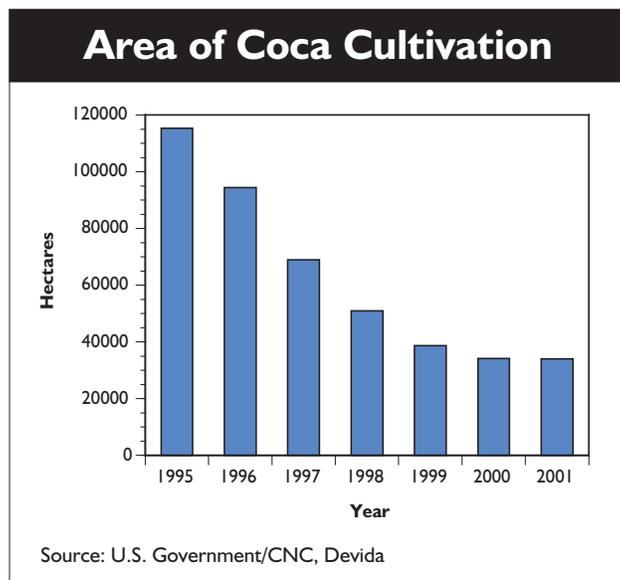
and human rights policies, but rather touched on the most sensitive nerve in U.S. policy with respect to the region: the war on drugs. Strengthening the policy of forced eradication was the tool used to reaffirm the idea of Peru as a dedicated and successful student of the United States' anti-drug strategy, and served as a mechanism to quiet the regime's detractors in Washington.

Meanwhile, U.S. drug policy officials wanted to be able to showcase Peru as the success story of its policies, and needed to back up this success with statistics (on crops eradicated, coca shipments confiscated, etc.) to justify the budget and aid earmarked for Peru. The argument that Peru was successful was based on the fact that in only four years it had halved the land area used for coca production from 120,000 hectares to only 60,000. In the war on drugs, eradication equaled success. A U.S. counternarcotics authority said: "The program in Peru is the most effective in Latin America and we are proud of it."⁷

By the end of the 1990s, however, the premise of "success" in Peru was highly arguable. For one thing, the drop in the amount of land dedicated to coca production was fundamentally due to the coca farmers' reaction to low prices for coca leaves and not the supposed success of eradication. A realignment of the drug industry took place due to what analysts called the "verticalization" of the Colombian drug trade. With the demise of the Cali cartel, which had purchased much of the Peruvian coca crop, smaller Colombian trafficking organizations began promoting coca production in Colombia, thereby reducing the costs and risks involved in transporting coca paste from Peru. The demand for Peruvian coca fell precipitously, as did its price, while coca production in Colombia soared. Moreover, coinciding with the drop in price was the appearance of a fungus that attacked and killed a significant amount of the coca in production.

In addition, although both U.S. and Peruvian officials continued to point to the Peruvian success story in coca eradication through the end of the decade, by the mid-1990s new buyers, many from Mexico, had entered the market and the price of coca leaf and its derivatives once again began to rise steadily. Following the historic lows registered in mid-1995 and early 1996, prices began to slowly increase in 1996 and the counternarcotics police began to confiscate large quantities of cocaine paste and cocaine.⁸ Both indicators show that production was rebounding.

Finally, the government hid the fact that cultivation of the opium poppy had come to Peru and significant quantities were being produced. These indicators raised serious doubts as to whether or not the square acreage of land used for coca was the only valid way to measure the progress of the anti-drug effort. Peruvian experts also questioned whether the criteria used to measure the amount of land dedicated to coca were even credible.⁹





Peruvian president Alberto Fujimori.

"[Our crops] were brutally eradicated in 1999 and 2000. Several people were injured during the eradication...Seven people committed suicide after their coca was eradicated. The people lost everything."

In August 1999, when Barry McCaffrey went to present testimony on Colombia to a House subcommittee, he was asked to also discuss Peru. He admitted, much to his regret, that there were "setbacks in alternative development and the fight against drugs in Peru," due to the increase in the price of coca leaf and the development of new international drug-trafficking routes.¹⁰ A few days later, McCaffrey visited Peru to discuss the problems in the country's anti-drug fight with Peruvian authorities. The impact of the visit was seen a few weeks later with the decision to replace the executive secretary of the Commission to Combat Drug Consumption (CONTRADROGAS), the office in charge of all counternarcotics issues except eradication and the sale of coca¹¹ – the economist Juan Gil was replaced with police general Ibsen Del Castillo, who some analysts said was linked to the SIN and who was given the post with the intention of strengthening the forced eradication policy.¹²

Forced eradication was concentrated in the Upper Huallaga Valley and Padre Abad province, in the departments of Huánuco, San Martín and Ucayali.¹³ In many cases, the eradication campaigns were accompanied by police violence, and the impact on the local population was severe. Nancy Obregón, a leader of the farmers' association in the Pólvora district, province of Tocache, department of San Martín, summarized what happened during the eradication campaign. "[Our crops] were brutally eradicated in 1999 and 2000. Several people were injured during the eradication...Seven people committed suicide after their coca was eradicated. The people lost everything."¹⁴

Obregón's comments touched on a central issue: the difficult situation of the majority of coca farmers who grow the leaves in order to survive. Most farmers in the Apurímac River Valley, for example, plant no more than one or two hectares of coca. The income they obtain serves as a source of cash to cover the costs of food, education and healthcare. Coca is not a large-scale activity or a source of profit for most farmers, as it is for the drug traffickers. This explains the suicides mentioned by Obregón – they were heads of households made desperate because they had lost their only means of survival.

At the same time, accusations that coca crops were being fumigated resurfaced and intensified. Peasant farmers in the Monzón Valley, in the department of Huánuco, lodged the largest number of complaints, some of which were registered with the National Human Rights Coordinating Committee of Peru (the *Coordinadora*). The accusations were neither fully proven nor rejected because local authorities never carried out a serious and impartial investigation of the issue.¹⁵ The Fujimori government, pressured by peasant mobilizations in the Monzón Valley, did ultimately pass a decree dated March 24, 2000, prohibiting the use of chemical or biological defoliant in the fight against drug crops.¹⁶

At first, the coca farmers confronted fumigation brigades at the local level. The strike in the Monzón Valley that led to the prohibition of chemical and biological fumigation took place in January and February of 2000, and there were others in Aucayacu and Puerto Pizana in June and July of that year. The protest continued to gain momentum, reaching its height with a strike called October 30, 2000, in the Monzón, Upper Huallaga and Padre Abad Valleys which coincided with the beginning of the end of the Fujimori-Montesinos regime. The peasant mobilization included roadblocks,

demonstrations that shut down public and private locales, and public gatherings that brought together crowds of as many as thirty thousand people. Although the coca growers' associations called the strike, the general population in the provinces of Leoncio Prado and Padre Abad and the district of Monzón, including the urban sectors, backed it. It was, without a doubt, the most important social mobilization in the region in recent decades.

The Fujimori government was collapsing. Montesinos left the country, returned briefly and then fled. Fujimori began to lay the groundwork for his escape. The government readily ceded to the demands of farmers, signing an agreement that would have been unthinkable only a few months earlier. By this time, Fujimori had little interest in what was happening in the coca-growing valleys, but his underlings, who had not expected him to flee, were keenly interested in making concessions to farmers to put out the fires lit by the coca growers' strike.

In all their years of struggle, the farmers had never made the gains they did during this strike: They negotiated with executives from the highest level of the government's counternarcotics bureaucracy, and had the participation of such institutions as the Human Rights Ombudsman's Office in the talks. The agreements included the temporary suspension of forced eradication programs and, most importantly, the creation of a permanent working group in Tingo Maria to discuss a twenty-point agenda encompassing the major issues.

The agreement, however, was not accepted immediately by the coca growers, who were pushing for the permanent suspension of eradication programs. Some sectors threatened to declare their leaders "traitors" and "enemies of peasant farmers." Government authorities and representatives of the farmers' unions, negotiating in Lima, stepped up their talks and defused the situation through the immediate installation of the working group on November 9, 2000, with the participation of representatives of farmers' associations and state agencies. Three commissions were formed to study and propose solutions on the issues of eradication, the sale of coca leaves, and alternative development. The twenty points on the agenda were divided among the three groups.

Four days later, President Fujimori fled into exile to Japan, his parents' homeland.

President Paniagua: the policy of absence or the absence of policy

The transition government headed by Valentin Paniagua ratified its willingness to continue negotiating with the coca farmers, and adopted the commitments established by the working group. The dialogue started up again on December 19,



Coca farmer in the Huallaga Valley squats next to a small healthy coca plant, holding a wilted pineapple. A fungus epidemic spread through the coca, killing some 30% of his coca and, he said, rendering the soil infertile for other crops as well.



Vladimiro Montesinos during his arrest in June 2001.

The peasant mobilization included roadblocks, demonstrations that shut down public and private locales, and public gatherings that brought together crowds of as many as thirty thousand people.



Many farmers claimed that the *fusarium* fungal epidemic affected not just coca but also caused sickness and wilting in other plants, or stunting of the fruit, as shown for this cacao pod. Some officials of the USD A claim that this was not the result of any fungus, but poor farming techniques.

2000, and one of the farmers' first demands was the end of forced eradication in all the coca-growing valleys nationwide. The participants proposed replacing forced eradication with a policy of "gradual and negotiated reduction." They presented the Interior Ministry with a document detailing the technical and legal arguments supporting their position.

However, various problems emerged. The Paniagua government had already reinitiated the eradication program in Aguaytía, in the province of Padre Abad, department of Ucayali, almost immediately after taking office in November 2000. In addition, the unexpected change in administration provoked an internal battle over who should head CONTRADROGAS. The U.S. embassy put pressure on the new government to keep General Ibsen del Castillo, while sectors within the government fought for the appointment of a new chief who would focus on alternative development instead of simply relying on eradication. The compromise candidate to lead the agency was Rodolfo Salinas, a former employee of the U.S. Agency for International Development (USAID). He was supported by Health Minister Eduardo Pretell, who had also benefited in the past from several projects funded by USAID.¹⁷

The Paniagua government's short stay in power was trapped from the outset between its commitment to comply with the eradication goals established for 2000 and its obligation to negotiate with the coca growers. The government was constrained not only by the agreements signed during the final weeks of the Fujimori government, but also by its own policy of finding common ground with social organizations to resolve their problems.

This tension could be seen clearly in the ambiguous results of the working group. Only a handful of the twenty points on the agenda showed any kind of progress. The only real advance may have been the signing of a decree formalizing the working group itself.¹⁸ The working group formally incorporated representatives from the thirteen coca-growing valleys, most of whom had been participating informally in the sessions, and included representatives from municipal governments, the *Coordinadora*, and the Human Rights Ombudsman's office. Government authorities included representatives of CONTRADROGAS, ENACO and the Interior Ministry's Drug Control Office (OFECOD).¹⁹ The most important element of the decree was the state's recognition of "the farmer in general and the coca producer in particular as valid interlocutors of alternative development and policies aimed at reducing coca crops and the elimination of crops associated with the production of narcotics."²⁰

While political will to institutionalize dialogue existed, the same cannot be said for other policies. No progress was made on the issue of negotiated eradication. The interior minister at the time, Antonio Ketín Vidal, never responded to a report presented by the farmers, and eradication continued in the Von Humboldt National Park, in Aguaytía, and in Puerto Pizana. Nothing was done to investigate the accusations of chemical and/or biological fumigation of crops or to facilitate the inclusion of farmers in the design of alternative development plans. This situation led coca farmers in Aguaytía to declare

another strike against forced eradication in May 2001. For nine days farmers blocked the highway linking Tingo María to Pucallpa, causing severe shortages. A high-level government commission was dispatched to the zone to negotiate with farmers and re-launch the working group. The government agreed to limit eradication to protected areas such as national forests.²¹

The accidental downing of a plane carrying U.S. missionaries, mistakenly identified as a drug-trafficking flight, added to the list of problems. The incident involved CIA personnel, who guided the operation, and Peruvian Air Force pilots, who carried it out. The result was the indefinite suspension of air interdiction flights until a full investigation was finished and the policy redesigned. The suspension led to a debate between the Peruvian government, which insisted repeatedly on renewal of interdiction flights necessary for success in the fight against illicit drugs, and the U.S. administration, which placed greater importance on eradication.

The counternarcotics fight was certainly not a priority of the Paniagua government, given the other serious tasks consuming its energies, including the fight against corruption dating from Fujimori's regime, the organization of free and fair elections, the reconstruction of democratic institutions, and the arrest of Montesinos and Fujimori. In need of political support while trying to engineer the delicate transition to democracy, the Paniagua government did not want to clash with the U.S. government on the drug issue. A long list of unresolved problems was waiting for President Toledo when he took office.

President Toledo's anti-drug policy: putting alternative development first

On this issue, as with many others, President Toledo had no clear game plan when he assumed the presidency. Nevertheless, he sought out advisors to help design and implement a plan, framed within the fight against poverty and consensus-building, that would respond to the demands of the difficult transition to democracy while also combating illicit drugs. It was an effort rife with pitfalls.

The Toledo government established the position of "drug czar" and named businessman Ricardo Vega Llona to the post. The announcement was made September 10, 2001, while U.S. Secretary of State Colin Powell was in Peru to attend the Organization of American States' Special General Assembly to sign the Inter-American Democratic Charter. Toledo wanted to send the message that his government not only had the political will to move forward on the drug war but considered it important enough to strengthen the institution tasked with managing it.

Along the same lines, the government decided to make CONTRADROGAS a decentralized public agency dependent on the prime minister's office instead of simply another agency of the Health Ministry. Meanwhile, the Peruvian congress set up the Alternative Development, Anti-Narcotics and Money Laundering Commission, which had as its first president Rep. Susana Higuchi, Fujimori's ex-wife.²² Finally, the government included the counternarcotics issue as part of the National Accord, with greater emphasis on police action and prevention than on development. (The National



Peruvian president Alejandro Toledo.

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Farmer loading his palm tree harvest to be processed for oil.

The drug czar stated that alternative development programs had failed because they had not reduced poverty levels during the past ten years.

Accord is a pact between political parties and social organizations that was created by the government to establish long-term policies that would continue regardless of the administration in power.)

However, the government also asserted that its priority was alternative development. As such, naming a businessperson instead of a police or military officer as drug czar sent the message that the emphasis would be on economic production rather than law enforcement. Indeed, Vega Llonca announced that a central part of his plan would be to link rural production with infrastructure policies so that legal crops could reach markets and be profitable for peasant farmers.²³ He stated that alternative development programs had failed because they had not reduced poverty levels

during the past ten years despite the transfer of knowledge and technology to rural areas. The basic idea behind his plan was that the state needed to have a presence in coca-growing areas to facilitate the access of alternative products to national and international markets. “We need to invest millions in infrastructure so that alternative development will be a success,” he said.²⁴

Vega Llonca also said that an institution such as CONTRADROGAS, created during the Fujimori and Montesinos regime, needed to be redesigned and purged of “Montesinos infiltrators.”²⁵ Peruvian public institutions had begun a process of democratic reform and internal housecleaning to get rid of the corruption accumulated during Fujimori’s government, and CONTRADROGAS could not be an exception to the rule. The Comptroller General’s office began an audit of the funds the institution had managed over the previous five years. (The results were not made available to the public.)

Peru’s drug czar was looking beyond the simple task of police eradication programs to address a much more complex task – that of reformulating Peruvian counternarcotics policy. Meanwhile, however, daily events had begun to further complicate the situation.

The price of coca leaf reached an historic high of an average of five dollars per kilogram at the beginning of 2002.²⁶ The debate began anew: Vega Llonca attributed the increased price to increased drug trafficking as a result of the suspension of the air interdiction program and the proliferation of small cartels, which had replaced the larger cartels and, as such, were much harder to combat.²⁷ The U.S. embassy, however, attributed the increase to the slow speed of eradication.²⁸ In addition to these factors, independent analysts believed part of the problem lay with structural faults in the alternative development program and with an increase in the demand for drugs on the international market.²⁹ Vega Llonca considered alternative development to be impossible under current conditions. He said the amount of land dedicated to coca production had increased, but not during Toledo’s government:

I think that it has increased since the suspension of [air] interdiction and the pressure being put on Colombia. . . . I don’t think that we have 1,000 hectares of opium poppies, it is probably around 700 hectares. There are statistics for coca. The official ones state that there were 35,000 to 40,000 hectares in 2000, but some analysts say these statistics are wrong and there were at least 60,000.³⁰

Vega Llona left shortly after this comment for a new post and was replaced by Nils Ericsson Correa, an agronomist and former agriculture minister during the government of President Fernando Belaúnde. Toledo made sure the agency remained in the hands of professionals who understood agricultural production issues.

With the help of his advisors, Ericsson began to contemplate a much more elaborate plan than his predecessor's. It not only addressed the topic of the infrastructure for market access but also focused on the issue of production itself. Up until that time, alternative products had been thought of almost exclusively in terms of international markets. One example is coffee, which began to compete successfully with coca in the mid-1990s, but lost ground as international prices collapsed. With Peruvian coffee no longer competitive, farmers returned to coca just as the price of coca leaf was on the rise. Thus, it was seen that producing only for international markets was risky – while world markets still needed to be considered, the new model called for an emphasis on the internal market, linking production and sale to government policies.

The agency's new leadership began considering how to tackle some complex structural issues. For example, faced with the problems in the Apurímac River Valley, where alternative development is difficult because more than fifty percent of farmers are small landowners with no more than one or two hectares of coca, DEVIDA began discussing the feasibility of work-for-coca programs, where farmers would leave their coca plots behind and move to new areas where other kinds of crops could be produced. The idea was to reap the advantages that the Andean Trade Promotion and Drug Eradication Act (ATPDEA) could provide for the probable increase in cotton production throughout the country.³¹ The agency also began exploring ways to promote large-scale production of competitive products, such as palm hearts or ethanol.

However, it takes time for such plans to be designed and implemented, and additional time before farmers see any concrete results. The programs would also have to be negotiated with the United States, which would ultimately put up the funds. Another five-year counternarcotics agreement with the U.S. government was due to be signed in 2002. Toledo's administration hoped to carry out these ideas within the framework of the new agreement. But, while negotiations on the new agreement were taking place, the United States' demands that Peru meet eradication goals did not soften. The Toledo administration had recognized the agreements made by former regimes regarding eradication goals but limited eradication to national parks. The government also approved plans to eradicate areas with newly planted coca, plants located near maceration pits and drug laboratories and any new coca production zones.³² 2002 was supposed to show a higher level of eradication than 2001.

In addition to all of this, a combination of the instability caused by changes in leadership within only six months, bureaucratic inertia, and the efforts of a sector within the DEVIDA bureaucracy intent on undermining the new leadership, caused the government to lose its negotiating position with the farmers.³³ The last meeting of the working group had been held in Lima on October 5, 2001. In March 2002, a feeble attempt made to restart the effort in Tingo Maria failed and, finally, the working group



Former coca farmer with an alternative development coffee project.

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Peruvian coca growers meeting in Tingo María during the summer of 2002.

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became inoperative. Perhaps the most negligent move on DEVIDA's part was not acceding to the demand for dialogue made by the farmers from the Apurímac River Valley who had gone to Lima in March 2002 to try to meet with authorities.

Continued protest and negotiations

What continued to function like clockwork, however, was eradication, run by the Interior Ministry. When Ericsson took the job, the eradication campaign had been reinitiated in the Von Humboldt National Park, in

Aguaytía, in the province of Padre Abad, and Sión, in the province of Mariscal Cáceres. The result was a new explosion of the conflict. Protests by coca farmers were back on the public radar screen. Farmers in the Upper Huallaga Valley went on strike in the third week of June. A week earlier, farmers from the Monzón began a grueling march to Lima and others in the Apurímac River Valley announced a general strike on June 26, 2002. Although no eradication was taking place in these valleys, the farmers included a halt to eradication plans as part of their demands. Except for the strike of November 2000, these strikes in the different valleys were considered the most important demonstrations by coca farmers in the history of the movement in Peru.

The Toledo administration sent negotiating commissions to deal with the farmers, who had grown much more belligerent in their demands to end forced eradication, remove the NGOs that were implementing alternative development projects, review the commercialization policies of legal coca, and strike down Law 22095, among other crucial issues. The government carried out three separate negotiations based on the priorities of each zone, but generally ceded to the basic terms demanded by the farmers, signing agreements on a number of issues, including: the temporary suspension of forced eradication until a pact with farmers could be reached; the formation of a commission to investigate accusations of chemical and/or biological fumigation of crops; the investigation and supervision of alternative development activities in general and particularly the withdrawal and/or suspension of NGO activities until the investigation was finished; and the revision of ENACO policies for commercializing coca. The administration pointed out that the issue of Law 22095 must be taken up by the congress.

Once the strikes were over and the agreements signed, negotiations continued in Lima during the second half of July to hammer out the terms. The government accepted the proposal of gradual and negotiated "self-eradication," where coca growers would pull up their own crops, but framed it within Law 22095, which called for complete eradication of coca with the exception of twelve thousand hectares used to satisfy traditional consumption.

Part of the proposal included an emergency micro-financing plan made up of five components: payment of approximately \$100 for every hectare eradicated; food aid;

payment of about \$300 for every hectare of land reforested; emergency loans to sow quick-growing legal crops to palliate the economic losses caused by eradication; and a certificate to participate in alternative development programs. With this plan in hand, the government was to coordinate with farmers' organizations to select the areas for eradication. The farmers' groups were to play a fundamental role in the development, follow-up and evaluation of the self-eradication agreements. Mixed commissions, including representatives from DEVIDA and farmers' associations, would be formed to gather and analyze information on withdrawal of the NGOs implementing alternative development projects, investigate allegations of spraying coca crops, and study the issue of commercialization, pricing and storage of legal coca.

Even though the plan was precarious, with its lack of an immediate substitute for coca and its doubtful funding, it allowed for a negotiated solution to the coca growers' demands. Local coca grower participation, however, was imperative to make the plan work.³⁴

The leaders of the coca farmers took the proposal back to their grassroots committees and met immediate resistance from the farmers, who saw no economic benefits in it for their families – they demanded a complete overhaul of the plan. The reaction was violent in some areas. In Aguaytía, for example, the office of a local NGO that was implementing alternative development programs was torched. While it attended to the emergency in Aguaytía, DEVIDA failed to meet its commitments to farmers from other coca-growing valleys. The worst problems were in the Apurímac River Valley, where farmers awaited the commission with which they were to begin direct negotiations, but the commission never arrived. This oversight led to the march to Lima described at the beginning of this report. Antonio Laynez, president of the Federation of Agricultural Producers in the Apurímac Valley (FEPRVAE), said: “We are tired of the fact that every administration has failed to address our demands and has ignored us. It appears that street protests are the only way for us to be heard.”³⁵

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Alternative development and the “trickle-down effect”

One of the most insistent demands made during the coca farmers' protests has been to withdraw the NGOs working in alternative development programs. Few would hold that alternative development in Peru has been successful – on the contrary, the general sentiment is that it has largely been a failure. The reasons and causes are varied and complex, and their discussion goes beyond the scope of this report. However, in the majority of the coca-growing valleys, the population has laid this failure almost entirely at the doorstep of these NGOs.

The farmers say that the majority of the resources for alternative development stay within the NGOs, leaving almost nothing for the farmers. This is what they have sarcastically labeled the “trickle-down theory” in reference to the outstretched palms that are found all the way down the chain of alternative development funding.

Reasons for complaint are not lacking – within the last counternarcotics agreement, alternative development programs were designed to reach a mere twelve percent of the total coca-growing population.¹ Nevertheless, the problem is not as simple as just allowing the money to directly reach the farmers. The tremendous geographical, political, economic and social complexity of the coca-growing valleys posits serious challenges for any alternative development program. For example, in the Apurímac River Valley, the vast majority of coca farmers possess a mere one or two hectares on which nothing but coca leaf will grow. Alternative development will not work for them – some other option must be found.

¹ Gustavo d'Angelo, director of CARE-Peru. Interview with the author. Lima, August 2002.



Police helicopter hovers over coca fields.

“We are tired of the fact that every administration has failed to address our demands and has ignored us. It appears that street protests are the only way for us to be heard.”

The VRAE coca farmers’ protests led to an unexpected problem, which was that any general agreement on coca issues would necessarily mean a modification of Law 22095. This law was over twenty years old, originally passed during the last military government. The arguments on which it was based had long become obsolete and many of its dispositions were true anachronisms. For example, the law listed the names of farmers legally allowed to plant coca. Twenty years later, many of these farmers are dead, have moved or lost their farms, but their certificates are still being used by family members or other people. The farmers have demanded that ENACO increase its purchases, but the agency cannot do this

because it is prohibited under Law 22095. The farmers also wanted the government to carry out a general census and registry of coca farmers, This, however, would be impossible because the law stated that the only registered farmers are those listed twenty years ago. They also demanded respect for *akulli*, an Andean tradition in which people bring a small amount of coca with them to share on family visits, but the law listed this as a crime and the police used it to harass farmers, saying the practice was part of the chain of illegal trafficking of coca leaves.

The Ayacuchan coca movement was so strong that for the first time in over twenty years the Peruvian government considered the possibility of reviewing the legislation regulating the production and sale of coca. During the negotiations in Ayacucho, the two sides agreed to form a commission to write a bill that would be presented to the congress. Peruvian drug czar Nils Ericsson explained the decision, stating that the legislation had been written at a time of total “satanization” of the coca leaf and that the law had become “dead in the water, a law that was not complied with” because of its many legal loopholes. As such, it was necessary to pass a new law that did not brand the coca farmers as criminals. He said a new law would not imply that Peru was softening its stance on fighting drugs or controlling the production of coca.³⁶ The Alternative Development, Anti-Narcotics and Money Laundering Commission agreed that it was necessary to pass new legislation concerning coca, stating that its work during 2002 and 2003 would be geared toward writing it.³⁷

Farmers have apparently been hoping that the new legislation would make it possible for the state to buy up their entire coca leaf production, but this is not necessarily the case. The new legislation could be even harsher than what it replaces. Whatever the outcome, the fact is that the Toledo administration made concessions on an issue that no previous government wanted to touch. Why did this occur? In addition to the need to put the brakes on social violence, other elements are at play in the case of the Ayacucho farmers – several sectors in the government are leery about the VRAE zone, given that the Shining Path remains active in the area, the civilian population is organized in self-defense committees, and, because of Shining Path activity, many of these committees are armed.

U.S. pressure: the hour of “zero coca”

The Peruvian government was trying to lessen or avoid conflict with the coca growers while, at the same time, meeting demands posed by the U.S. government’s counternarcotics policies. The relations between the two countries on the drug issue was marked by a hardening of the U.S. government’s position. Fallout from the September 11 attacks in the United States has provoked a much stronger stance against “narcoterrorism” and a general decline in Washington’s interest in the region. With the exception of drugs and the Colombian guerrillas, Latin America is no longer a priority for the U.S. administration.³⁸

This tougher stance also has to do with a change in strategy toward Peru. The U.S. government would like to apply the same “zero coca” strategy that, in Bolivia, produced results deemed very successful by U.S. officials.³⁹ At the signing of the new counternarcotics agreement, the U.S. chargé d'affaires said:

Today we reiterate the joint will of the governments of the United States and Peru to firmly fight against drug trafficking by signing this agreement for the implementation of the Anti-Narcotics Alternative Development Program. President Toledo himself has recognized the need to eliminate at least 22,000 hectares of coca in Peru destined for drug trafficking. This is a very realistic goal. During the past few years, coca cultivation in Peru has dropped by seventy percent, from 115,000 hectares in 1995 to 34,000 hectares at the end of 2001. This very important progress shows that the elimination of the illegal production of coca in Peru within the next five years is possible. This agreement will help achieve this very important goal.⁴⁰



An alternative development rice cultivation project in the Huallaga.

The U.S. government announced an increase in aid to Peru, promising \$175 million for FY 2002, of which \$67.5 million was for alternative development efforts. The funds are strictly conditioned on obtaining concrete results such as the number of hectares eradicated, as discussed in greater detail below.

Some Peruvian analysts lamented that the United States waited for a democratic government to come in before setting much higher counternarcotics goals than those demanded of the Fujimori regime. The issue, however, seems more closely related to the fundamental weakness of the Toledo government. Its vulnerability to U.S. pressure is directly tied to the government's need for U.S. political support to survive internal political and social pressures. At those times when Peruvians openly discussed the possibility of cutting short Toledo's time in office, the U.S. embassy publicly declared its support for the president serving out his complete five-year term.⁴¹ Peru also relies heavily on U.S. trade and economic assistance for its economic development. Issues such as economic aid for alternative development or the implementation of ATPDEA loom large within Peru's weak economy.

Ratcheting up U.S. pressure

All of these issues came to the fore in 2002, which was also a transition year for U.S. foreign policy toward Peru. This transition was characterized by the turnover of nearly all U.S. embassy personnel, including Ambassador John Hamilton, who completed his three-year term in July. In addition, the two countries were about to negotiate the new five-year counternarcotics agreement. The democratic transition underway in Peru did not move the U.S. government to change its perspective or soften its positions. On the contrary, before his departure Hamilton laid out a much harder line regarding counternarcotics policies than he did when Fujimori was in office.

The Toledo government's efforts to develop a proposal calling for gradual and negotiated self-eradication was openly and harshly criticized by the embassy. Embassy

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personnel, however, did recognize the "good faith" of those promoting the proposal:

Many people honestly believe that it is not necessary to eradicate coca plants in order to defeat drug trafficking. They believe that the coca-growing farmers cannot survive without their illegal crops, that poverty and lack of jobs justify this illegal activity and that its reduction needs to be gradual and negotiated and coincide with the introduction of other crops or legal activities.... This focus, nevertheless, does not take into account another fundamental element: that illegal crops are the principal ingredient drug traffickers use to produce cocaine paste and refined cocaine. The coca farmers, as such, end up becoming the suppliers of drug trafficking.⁴²

Hamilton also initiated a debate with Peruvian government authorities on renewing the air interdiction program. On the Peruvian side, the loudest supporters were in the military, including the then-commander of operations for the air force, Major Gen. Jorge Kistic Wagner, who said: "It is very important to us that this program is restarted. We have current information that the skies above the Peruvian jungle are being inundated by drug-trafficking planes."⁴³ In general, Peruvian authorities maintained that any eradication effort was useless while the air interdiction program remained stalled.

U.S. Support for Counternarcotics Law Enforcement in Peru

The State Department Bureau for International Narcotics and Law Enforcement Affairs (INL) is responsible for formulating and implementing the international narcotics control policy at the State Department and for coordinating the narcotics control activities of all U.S. agencies overseas. The Assistant Secretary for INL also manages the International Narcotics Control Program, authorized by section 481 of the Foreign Assistance Act of 1961, which permits aid to law enforcement agencies involved in anti-drug activities.

Peru was the second-largest recipient of U.S. counterdrug aid in 2001.¹ The Narcotics Affairs Section (NAS) of the U.S. Embassy in Lima receives program guidance, support and funding from INL, and it, in turn, provides counternarcotics policy and strategy guidance to the ambassador, as well as funding and supporting the counternarcotics activities of other U.S. government agencies within the U.S. embassy (e.g., DEA, U.S. Coast Guard).

The NAS in Lima supports counternarcotics helicopter operations, riverine interdiction, drug intelligence activities of the Peruvian National Police, coca eradication missions and coca measurement and eradication verification. According to the State Department, "The NAS Letter of Agreement (LOA) [with the government of Peru] provides for a significant source of funding for the drug police, aviation police, customs service antidrug squad, narcotics prosecutors, police and coast guard joint counternarcotics riverine forces."²

Equipment and weapons provided to these and other Peruvian agencies is monitored by the NAS, in conjunction with the DEA country attaché office and the Military Assistance Advisory Group.³

Although the DEA operates in Peru, very little public information about it is available. A U.S. Department of Justice Inspector General's report indicates that the DEA was in Peru by 1984.⁴

Congressional testimony in 1996 by the DEA included a "Peru situation report," which yielded no hard information.⁵ Similarly, the General Accounting Office, which conducted a survey of several overseas DEA operations in 1998, did not cover Peru in any detail.

— Lora Lumpe

¹ U.S. Department of State, "International Narcotics Control Strategy Report," March 2002, IV-41.

² U.S. Department of State, "End-Use Monitoring Report," 1998, 42.

³ According to U.S. Department of State, "End-Use Monitoring Report," 2000, 47, "The NAS, DEA, and MAAG program coordinators conduct frequent field visits to observe training, equipment use and storage practices for all GOP forces."

⁴ U.S. Department of Justice/Office of the Inspector General, "The CIA-Contra-Crack Cocaine Controversy: A Review of the Justice Department's Investigations and Prosecutions," chapter X on Celerino Castillo, December 1997.

⁵ Statement by James Milford, Deputy Administrator, Drug Enforcement Administration, House International Relations Committee, Subcommittee on the Western Hemisphere, 16 July 1997.

The impact of air interdiction, however, remains controversial.⁴⁴ Drug traffickers have changed their tactics and are now using land, river and sea routes to avoid air controls. Peruvian authorities' emphasis on the air interdiction program was at least in part a response to the intense pressure applied by the embassy because of the scant progress made in eradication efforts. Hamilton took the argument in another direction, stating that eradication was more important than interdiction. "Eradication allows for the elimination of drug trafficking at its origin [...] before the drugs are shipped as cocaine paste or cocaine across the country's vast borders."⁴⁵ He also highlighted the economic rationale behind his argument, stating that eradication was cheaper than interdiction.⁴⁶

"This is the first agreement that explicitly conditions the flow of resources on achievements in the elimination of coca."

Finally, the ambassador shifted the official U.S. discourse in reference to Peruvian coca farmers. Unlike Peruvian authorities, who were making an effort to differentiate between coca farmers, drug traffickers, and terrorists, and considered the farmers to be valid interlocutors, Hamilton's approach blurred the differences among the three. The term he used, imported from Colombia, was "narco-farmer."⁴⁷ This connotation painted the farmers as criminals instead of valid negotiators so that any effort to seek

INL Budget for Peru <i>(in thousands of US\$)</i>			
	FY 2001 actual	FY 2002 estimated	FY 2003 requested
Narcotics Law Enforcement			
Law Enforcement Support	2,800	12,200	10,700
Aviation Support	7,910	36,430	29,000
Riverine Support	1,500	2,800	2,500
<i>Subtotal</i>	<i>12,210</i>	<i>51,430</i>	<i>42,200</i>
Coca and Opium Poppy Eradication	4,700	5,000	5,000
Alternative Development*	27,000	67,500	69,000
Armed Forces Counternarcotics Support			
(Air Force, Navy and Coast Guard)	100	13,900	13,900
Administration of Justice/Prosecutors	250	600	700
Policy and Institutional Development	50	200	200
Drug Awareness/Demand Reduction	1,000	1,000	1,000
Program Development and Support	2,690	2,870	3,000
TOTAL	**48,000	142,500	135,000

Source: U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, "Fiscal Year 2003 Budget: Congressional Justification," 51.

Additional funding not reflected here is channeled through the Department of Defense. This includes support for training, foreign military sales (general), foreign military sales for international narcotics, direct commercial sales, International Military Education and Training (IMET) programs, emergency drawdowns, foreign military financing, Section 1004 counterdrug financing, Section 1033 counterdrug financing, and ONDCP discretionary funds.¹

* This is an INL-funded and USAID-administered program. This total does not include ESF funds transferred to INL for alternative development projects.

** This total does not include \$32 million of FY 2000 Plan Colombia Emergency Supplemental funding.

¹ <http://www.ciponline.org/facts/pe.htm>.



The Huallaga River in the Upper Huallaga Valley.

The connotations of the term “narco-farmer”² painted the farmers as criminals instead of valid negotiators so that any effort to seek solutions together with the farmers would be destined to failure.

solutions together with the farmers would be destined to failure. The message was that policies could not be established by negotiating with criminals – the only dialogue possible would be to negotiate their surrender. In general, the new discourse placed the farmers within a danger zone where portrayals of terrorism and drug trafficking began to converge.

After Ambassador Hamilton left, his post was temporarily filled by acting chargé d'affaires Richard Brown, who managed the issues surrounding the negotiations for ATPDEA. As Brown pointed out, the new law is much more specific than its predecessor in conditioning trade benefits on results in the drug war:

*The condition, according to the law, is that in relation to new products covered by the law, such as garments, shoes and tuna fish, the four governments must demonstrate that they are combating drug trafficking with an efficient and successful program. This is how it will be decided if a government qualifies. There are also other criteria, such as labor rights, human rights and disputes with investors. That is why there are still a few small problems with Peru.*⁴⁸

The “small problems” mentioned by Brown were lawsuits filed by U.S. companies that had commercial disputes in Peru. “My government and yours are eager to solve the problems with North American companies. They are important problems and there are ways to solve them, but we have to work together to find a solution.”⁴⁹ While the implementation of ATPDEA was stalled by these problems, the overriding issue was, without a doubt, the question of eradication.

Peruvian Foreign Minister Allan Wagner responded to Brown, saying there were differences in perception and focus between the two governments with respect to counternarcotics policies. He added that the issues addressed by the U.S. chargé d'affaires had to do with the judicial branch and, given that the Peruvian government was respectful of democratic norms, it could not intervene in a judicial dispute.

Wagner’s response did nothing to change the hard-line logic. The clearest example of this logic can be found in the new counternarcotics agreement signed by the two nations in September 2002. For the first time, Peru had to sign an agreement similar to Bolivia’s, which conditions U.S. economic assistance on progress made in eradication.⁵⁰ The agreement includes the goal of completely eradicating illegal coca (22,000 hectares) within Toledo’s five-year term.⁵¹

Toward this end, the U.S. government proposed increasing aid for alternative development to \$300 million over the five years covered in the agreement with the objective of “improving the quality of life” of people living in coca-growing zones. The money, however, is conditioned on meeting eradication targets. “[T]his level of funding from the United States can only be sustained based on decisive actions taken by the government of Peru oriented toward the reduction and, ultimately, elimination, of coca production destined for the illegal market.”⁵²

If there were any doubts about the language of the agreement, the new chargé d'affaires, John P. Caufield, cleared them up when he signed the agreement. "This is the first agreement that explicitly conditions the flow of resources on achievements in the elimination of coca." In other words, each year Peru will be evaluated on its eradication efforts, and if it does not meet the target it will not receive the funds specified in the agreement. Nevertheless, the position as laid out by Hamilton underwent a shift and the United States agreed to support self-eradication and the possibility of Peru reviewing its anti-narcotics legislation, but these changes must "contribute to counternarcotics efforts."⁵³

Thus, the idea of gradual, negotiated self-eradication with its emphasis on concurrent alternative development that the Peruvian government hoped to use as a mechanism to reach negotiated solutions with the farmers was supplanted by a different scheme: self-eradication had to be completed before alternative development would be made available.

It remains to be seen if the new U.S. ambassador, John Dawson, and his team will be capable of managing U.S.-Peru relations and policies in a manner that deflects confrontation and the probability of violence.

The complexity of the situation is evident in the results of counternarcotics efforts in 2002. On the one hand, coca cultivation increased by twenty-eight percent, according to Peruvian and U.S. government statistics. On the other hand, the Peruvian government surpassed the agreed-upon target of eliminating 7,000 hectares of coca and made significant strides in interdiction, confiscating more than double the amount of illicit drugs than the previous year. Not surprisingly, "the two governments interpreted the numbers differently, with Peru playing up the eradication target, while U.S. embassy officials are looking at the overall increase."⁵⁴

Thus, the idea of gradual, negotiated self-eradication with its emphasis on concurrent alternative development was supplanted by a different scheme: self-eradication had to be completed before alternative development would be made available.

Peruvian recipients of U.S. counternarcotics law enforcement aid include:

- ▶ CONTRADROGAS, the cabinet-level agency founded in 1996 that facilitates coordination among Peruvian government agencies working on counternarcotics
- ▶ The Peruvian National Police (PNP), a dependency of the Ministry of the Interior. DINANDRO, the anti-drug directorate of the PNP, is the sole entity with authority to investigate drug crimes. The directorate comprises more than 1,500 PNP officers, divided into three tactical field units, known as DIOTADs, and an investigative unit based in Lima.¹
- ▶ DIRAVPOL—Aviation Police, which provided counternarcotics support to DINANDRO operations in 2001.
- ▶ DIVANDROS—regional drug police.
- ▶ CORAH—interagency ministry, Coca Reduction Project of the Upper Huallaga; funds provided by the NAS are the sole source of support for this body. The Government of Peru provides no funding for eradication.²
- ▶ CADA—Coca Measurement and Eradication Verification Corps; funds provided by the NAS are the sole source of support for CADA operations east of the Andes.³
- ▶ COPUID—Committee on Drug Abuse Prevention, part of the Ministry of Education
- ▶ The Peruvian Customs Service, Air Force, Navy and Coast Guard

¹ Milford, op. cit.

² U.S. Department of State, "End-Use Monitoring Report," 2000, 52.

³ Ibid.



Coca seeds of the variant *erythroxyllum coca*.

The hardening of U.S. rhetoric, the stigmatization and criminalization of coca producers, and the conscious elimination of the distinction among farmers, drug traffickers and terrorists may favor a resurgence of political violence.

The Shining Path: a permanent threat

The greatest threat from a combination of erroneous policies and rhetoric against coca growers is the possibility of a new outbreak of political violence. Both Peruvian and U.S. officials have publicly recognized that the Shining Path still has small groups operating in the coca-producing valleys. These take a much different approach – in contrast to past practices of terrorizing the local population and attacking community leaders – especially in areas of the Apurímac and Ene River Valleys. Shining Path cadres no longer randomly massacre peasant communities or carry out political assassinations (indicating, also, their current state of debility). In the

few incursions they have made in recent years they have sought to be respectful of local residents, for example, by paying for any goods they consume in the community. Reports from the area indicate that these groups have economic resources, possibly from drug trafficking. The Shining Path's public discourse has also changed, beginning with recognizing that they were wrong in the past when they used violence against poor farmers. And they have raised the banner of the defense of coca and the right of coca farmers to plant, offering themselves as protectors in the face of possible eradication campaigns.

The farmers in the coca-growing valleys, particularly in the VRAE, have not played into the hands of the Shining Path. Even though both groups promote the defense of coca, the farmers are absolutely clear about the difference between holding on to their coca crops until they see viable opportunities for alternative development on the one hand, and on the other, the Shining Path's tactic of attempting to take advantage of the social conflict in order to advance its own political project – the violent destruction of the liberal democratic order.

The self-defense organizations that helped farmers combat the Shining Path during the worst moments of the internal conflict still exist. (Although some Peruvian civil defense patrols were responsible for human rights violations, they are starkly different from such patrols in Guatemala or paramilitary organizations in Colombia.) One of the strongest is the Anti-Subversion Civil Defense patrols (DECAS), formed by organized peasant farmers, which militarily pushed the Shining Path out of the area in the 1990s.

Rejection of the Shining Path continues to be so strong that one of the demands made during the strike and march was the withdrawal of an alternative development NGO, one of whose employees had sent a letter to his home office in which he linked leaders of the coca growers' association to the Shining Path. During the negotiations in Ayacucho, a leader of the coca growers, Nelson Palomino, summed up the feeling of the farmers in these terms:

We can talk about anything, we are open to dialogue, we understand that the problems are difficult for everyone involved. But what we will not accept in any way is being linked to the Shining Path. Here are the mothers, fathers and brothers of many of our companions who lost their lives or were injured when we fought

against terrorism, alone, using our own resources. We defeated the Shining Path and, thanks to us, Peru is now peaceful. But now they say that we are terrorists. This has hurt us deeply....⁵⁵

In the case of the Upper Huallaga Valley, the Shining Path is much weaker and has disappeared from some areas. The approach there has also changed, touting a “peace accord” proposed by Abimael Guzmán, the former leader of the Shining Path, a year after his capture in 1993. They say, however, that they will not lay down their weapons until Guzmán once again speaks out publicly in favor of the peace accord. The government has not ceded to pressure from the Shining Path and has implemented an anti-subversion strategy that includes police action and citizen participation in areas where the Shining Path is still active. A central part of the strategy is the participation of farmers and their organizations.

This is what makes a policy of blindly adhering to eradication so dangerous. The idea that the elimination of coca would automatically eliminate terrorism was proven wrong over a

The task of rebuilding democracy is not only immense but also vulnerable to being overwhelmed by the legitimate social demands that accumulated over two decades and are not amenable to quick fixes.

The FARC in Peru?

The possibility that guerrillas of the Revolutionary Armed Forces of Colombia (FARC) are operating in Peruvian territory has become a recurring theme in the local and international press. There have been reports of FARC operatives working in areas far removed from the Peruvian-Colombian border, such as Ucayali in the central jungle. The U.S. weekly magazine, *Newsweek*, mentioned this in an article in February 2002.¹ The Peruvian press, citing intelligence sources, has reported clashes between Peruvian soldiers and the FARC near the border.² The press has also linked a radical wing of *Patria Roja*, a tiny left-wing party, with FARC guerrillas and the formation of the “Latin American Popular Army.”³ The Peruvian weekly, *Caretas*, named this partnership as a possible author of the March 20, 2002, bombing of the El Polo Shopping Center, near the U.S. embassy, which took place only a few days before U.S. president George W. Bush visited Lima.

However, no solid evidence of significant FARC activity in Peru has been put forward and it therefore does not appear to represent a significant security threat to the country at the present time. Peruvian government officials have consistently denied that there is any truth behind the press reports of clashes or FARC operatives working in Peru, claiming that they are pure journalistic speculation. Authorities have admitted that FARC guerrillas have crossed the border to obtain supplies, but maintain that they return immediately to Colombia after buying what they need.⁴ The Peruvian government has beefed up its patrols along the border and the Peruvian and Colombian governments have signed treaties to share information and jointly patrol the border.

Another line of thinking holds that the problem is not that the FARC operates in Peruvian territory, but that the Colombian guerrillas may be subcontracting “drug producers in the Huallaga Valley and in all the areas of production” to obtain financial resources.⁵ According to this theory, the FARC has reinforced its ties to Peruvian drug traffickers as a way of covering the new logistical and financial requirements caused by the breakdown of the Colombian peace negotiations. Although no concrete evidence has been supplied to lend credence to such an idea, it would not be surprising to see the FARC looking toward Peru as a possible source of financing for the extended and escalating conflict in Colombia.

¹ Sarah Stevenson, “The FARC’s Fifth Column,” *Newsweek*, 21 January 2002.

² “FA de Colombia destruye avioneta que salió de Perú,” *La República*, 24 February 2002.

³ “El coletazo mortal del terror,” *Caretas*, 27 March 2002.

⁴ See for example: Aurelio Loret de Mola, Defense Minister, “Nunca se ha producido enfrentamientos entre las FFAA y las FARC,” *AgenciaPeru.com*, <http://www.agenciaperu.com/investigacion/2002/mar/putumayo.htm>

⁵ Journalist Cecilia Valenzuela citing Juan Carlos Tafur, editor of the daily *Correo*, *ibid.*

A general hardening of the counternarcotics policy aimed at achieving “zero coca” within the next five years could feed a climate of social conflict that, if not handled correctly, could lead to a resurgence of political violence in Peru and, as such, a new crisis of democracy and human rights equal to or even worse than that experienced in the final decades of the last century.

decade ago. By the mid 1980s, the Peruvian government was focusing its efforts in coca-growing regions on eradication, creating fertile ground for the rapid growth of the Shining Path, which presented itself as “protecting” the local population from abuse and the destruction of their livelihood. In short, eradication and other repressive measures fueled terrorism. It was only with a dramatic shift in policy in the late 1980s, away from eradication and towards community development, that the Shining Path began to lose significant ground. Now, the hardening of U.S. rhetoric, the stigmatization and criminalization of coca producers, and the conscious elimination of the distinction among farmers, drug traffickers and terrorists may favor a resurgence of political violence. A large number of people could once again be pushed into legal, social, economic and political marginalization. History, tragically, threatens to repeat itself.

Leaving the Peruvian government with no alternative but confrontation will only feed the conflict. The government of Peru has been absolutely clear until now in recognizing coca farmers as valid actors in the design of counternarcotics and anti-terrorism strategies, but it is difficult to ensure that these policies will be maintained given the precarious and unstable political situation, and the growing pressure from the United States for “zero coca.”

Conclusions

After the fall of the Fujimori government, Peru began a difficult transition to democracy aimed at leaving behind the painful past of two decades of authoritarianism, violence, corruption, impunity and serious human rights violations. The task of rebuilding democracy is not only immense but also vulnerable to being overwhelmed by the legitimate social demands that accumulated over two decades and are not amenable to quick fixes. In its search for solutions for the sea of problems left behind by the Fujimori regime, Alejandro Toledo’s government must move, in coordination with civil and political society, within a complex and highly-charged political and social climate. Added to the complexity of the task has been the rapid decline in the president’s popularity, resulting from both his own errors and a campaign to discredit him orchestrated by Fujimori supporters. With less than a year in office, he had less than twenty percent approval and over sixty percent disapproval ratings in the polls, giving him little room to maneuver.⁵⁶

The U.S. government has publicly expressed its support for Peru’s democratic transition, which has proven decisive for the Toledo government. Nevertheless, U.S. counternarcotics policy, a priority for the United States, flies in the face of this support. A general hardening of the counternarcotics policy aimed at achieving “zero coca” within the next five years could feed a climate of social conflict that, if not handled correctly, could lead to a resurgence of political violence in Peru and, as such, a new crisis of democracy and human rights equal to or even worse than that experienced in the final decades of the last century.

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Translation by Lucien O. Chauvin.

Photos of Alberto Fujimori and Vladimiro Montesinos are courtesy of La Republica, Peru. Photographer of police helicopter is anonymous. All other photos by Jeremy Bigwood.

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Notes

- ¹ DEVIDA is a decentralized public agency in charge of designing, coordinating, planning and supervising policies to prevent drug consumption and production. The agency's president has cabinet-level status and participates in cabinet meetings.
- ² The issue of ending eradication was also on the farmers' list of demands, but it was not formally included in the negotiations because eradication was not underway in the VRAE. An employee at the Interior Ministry, who asked to remain anonymous, said in a personal interview that eradication in the VRAE was planned for the immediate future.
- ³ "Suspenden erradicación de cultivos de coca," *El Comercio*, 6 August 2002. It is important to highlight, however, that President Toledo has also repeatedly stated that any eradication effort would respect the twelve thousand hectares of coca reserved for traditional use.
- ⁴ Our analysis of democratic transition and counternarcotics policies presented in this report refers fundamentally to what occurred after Fujimori's fall from power, with particular emphasis on the process undertaken by President Toledo's government.
- ⁵ Senate Appropriations Committee, Subcommittee on Foreign Operations, *Senate Report on the Fiscal Year 2000 Foreign Operations Bill*.
- ⁶ Both former ambassadors Denis Jett and John Hamilton declared that they had no option but to negotiate with Montesinos because he was the authority on drug issues for the Peruvian government. "Dennis Jett critica a Bush por no reanudar vuelos de interceptación antidrogas," *Gestión*, 14 January 2002; Hamilton's statement appeared in "Un diálogo cargado," *Caretas*, No. 1729, 11 July 2002.
- ⁷ Eric J. Lyman, "U.S. accused of creating blight killing coca plants and harming other crops," *San Francisco Chronicle*, 4 November 1991. <http://www.hartford-hwp.com/archives/27a/007.html>.
- ⁸ The discrepancy between this text and the chart on page 3, "Price of Coca Leaf," on the years when the lowest price for coca was registered is due to differences in measurement and the difficulties associated with obtaining information on illicit activities.
- ⁹ Cabieses states that the satellite images used by the U.S. embassy to measure the extension of coca plantations are not exact because they covered only some coca-growing valleys and were not able to capture the complex and rapidly changing dynamic of crops and thus, he said, the numbers were more "political" and technical. Hugo Cabieses, "Perú: cultivos de coca, éxito virtual y mesa de donantes," Lima, January 2000, 5. Documentos a Texto Completo en <http://cepes.org.pe/alternativo/principal.html>.
- ¹⁰ "McCaffrey admite deterioro en lucha antidrogas al testificar en Cámara de Representantes de los Estados Unidos," *Gestión*, 7 August 1999.
- ¹¹ These are seen to by the National Police and the National Coca Company (ENACO) respectively. In April 2002, CONTRADROGAS, an office within the Health Ministry, was transformed into a dependency of the presidency and renamed DEVIDA (see endnote 1).
- ¹² Cabieses, op. cit.
- ¹³ There are fourteen coca-growing valleys in Peru. The largest and best known are the Upper Huallaga, Aguaytía, Monzón and Apurímac River valleys.
- ¹⁴ Statements from Nancy Obregón made during the negotiations between coca growers from the Upper Huallaga and Padre Abad regions and members of DEVIDA in Lima, 11 July 2002.
- ¹⁵ U.S. journalist Eric J. Lyman included several accusations in his article, "U.S. accused of creating blight killing coca plants and harming other crops." See endnote 7. For additional analysis see Sharon Stevenson in http://mycoherbicide.net/OUR_ARTICLES/SSMiamiHerald/.
- ¹⁶ Supreme Decree 004-2000-MA.
- ¹⁷ Hugo Cabieses, personal interview, 1 August 2002.
- ¹⁸ Supreme Decree 009-2001-SA.
- ¹⁹ The principal objectives of the working group were to design social and economic measures to address the needs of the poorest sectors of the population and to promote the active participation of the population in the coca-growing valleys in plans to combat drugs and in the design of alternative development programs. It was also intended to publicize the activities and impacts of these programs on communities located in cultivation zones and to facilitate the public's access to this information, as mandated by law.
- ²⁰ Supreme Decree 009-2001-SA, Normas Legales, El Peruano, 15 March 2001.
- ²¹ U.S. Government, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report (INCSR)*, 2001, Washington, D.C., March 2002.
- ²² The priorities of the commission were manifested during its first year of operations, when it dealt only with legislation concerning money laundering, leaving aside equally or more important issues.
- ²³ "Gobierno declara la guerra al narcotráfico. Empresario Vega Llona es el zar antidrogas," *La República*, 11 September 2001.
- ²⁴ "Programas de cultivos alternativos de hojas de coca son un fracaso, admite 'zar' antidrogas," *Gestión*, 28 January 2002.
- ²⁵ "Vega Llona: es probable que haya infiltrados montesinistas en CONTRADROGAS," *Gestión*, 2 September 2001.
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- ²⁷ "Vega Llona: en el Perú no estamos ganando la guerra contra las drogas," *Gestión*, 2 January 2002.
- ²⁸ Ambassador John Hamilton, interview with Coletta Youngers, 29 May 2002. Personal communication to the author.
- ²⁹ "Precio de la hoja de coca estaría a punto de alcanzar su record histórico," *Gestión*, 28 January 2002.
- ³⁰ "Vega Llona: en el Perú no estamos ganando la guerra contra las drogas," *Gestión*, 2 January 2002.

- ³¹ ATPDEA is the law that renewed and enhanced the Andean Trade Preference Act (ATPA), which established preferential tariffs for products from the Andean region in exchange for progress in the fight against drugs.
- ³² *INCSR 2001*, op cit.
- ³³ Hugo Cabieses, interview with author, 1 August 2002.
- ³⁴ The proposal was quickly criticized by the U.S. embassy in Lima through its publication *Boletín Antidrogas*, Issue 4, 17 July 2002.
- ³⁵ Comments made during a meeting in Ayacucho, 2 August 2002.
- ³⁶ "Gobierno reconoce que legislación antidrogas ha pasado a ser 'letra muerta'," *Gestión*, August 8 2002.
- ³⁷ Alternative Development Commission of the Peruvian Congress, *Workplan 2002-2003*.
- ³⁸ Coletta Youngers, "El mundo visto con el lente del terrorismo," *Idéele*, No. 149, September 2002, 13-15.
- ³⁹ Kathryn Ledebur, "Coca and Conflict in the Chapare," *Drug War Monitor*, WOLA, July 2002.
- ⁴⁰ <http://lima.usembassy.gov/wwwsdesaltconv.shtml>.
- ⁴¹ "Casa Blanca retifica apoyo a presidente," *Correo*, 27 July 2002.
- ⁴² *Boletín Antidrogas*, Issue 4, op cit.
- ⁴³ Statements from Kisić when he presented the report on the investigation into the accidental downing of the missionary plane in April 2001, *Gestión*, 3 August 2002.
- ⁴⁴ While there is consensus that interdiction is central to counternarcotics efforts, there is much less agreement on the specific contribution of air interdiction, which many independent observers say has a limited impact. See Theo Roncken, et. al., *The Drug War in the Skies. The U.S. 'Air Bridge Denial' Strategy: Success of a Failure*, Cochabamba, Bolivia: Acción Andina and the Transnational Institute, May 1999.
- ⁴⁵ *Boletín Antidrogas*, Issue 4, op cit.
- ⁴⁶ Comisión Andina de Juristas, "Afirman que erradicación de drogas es más rentable que interdicción," *Boletín Hoja Verde, Noticias andinas sobre control de drogas*, No. 25, May 16-May 31 2002. <http://www.cajpe.org.pe/hpe25.htm>.
- ⁴⁷ In an article on the impact of drug trafficking on the environment, former Ambassador Hamilton did not shy away from placing the blame on "narco-farming coca growers." U.S. embassy publication, *Boletín Antidrogas*, Issue 2, May 2002.
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- ⁴⁹ *Ibid.*
- ⁵⁰ See Ledebur, op. cit.
- ⁵¹ Nuevo Convenio para el Financiamiento del Objetivo Estratégico de Desarrollo Alternativo, <http://usembassy.state.gov/lima/wwwsdesaltconv.shtml>.
- ⁵² *Ibid.*
- ⁵³ In late 2002, the government began implementing the self-eradication program in Aguaytía, in the province of Padre Abad, Ucayali, with some modifications to the original proposal. The U.S. chargé d'affaires John P. Caulfield congratulated Peru on the start of the program. He also said that drug traffickers were probably behind the recent murders of coca grower leaders Maximiliano Flores Infantes, in Aguaytía, and Mateo Zamalloa Chalco, in Aucayacu, who he said supported the self-eradication plan. U.S. embassy publication, *Boletín Antidrogas*, Issue 7, October-November 2002. <http://usembassy.state.gov/lima>.
- ⁵⁴ Lucien O. Chauvin, "Peru's coca crops are up by 28 percent," *The Miami Herald*, 23 January 2003.
- ⁵⁵ Negotiations in Ayacucho between VRAE farmers and the government, author's meeting notes, 2 August 2002.
- ⁵⁶ By the end of 2002, President Toledo's popularity had increased, according to local polls, to twenty-six percent, which had given him some political breathing room. However, a series of political mistakes in early 2003 threatened to send the percentages tumbling once again.

WOLA's "Drugs, Democracy and Human Rights" project

WOLA's "Drugs, Democracy and Human Rights" project, which began in 2001, examines the impact of the drug trade and U.S. international counternarcotics policy on human rights and the consolidation of democracy throughout Latin America and the Caribbean. Looking at both producer and transit countries, researchers from Argentina, Bolivia, Colombia, Ecuador, Mexico, Peru, Puerto Rico and Central America will document and analyze a number of themes, including:

- ▶ whether security forces receiving U.S. funding and/or training for counternarcotics activities are committing human rights abuses, and if so, how the perpetrators are called to account;
- ▶ whether the judiciary is effectively pursuing such cases, or if they are handled by military courts;
- ▶ the definition of the military's mandate, the relationship between military and police forces, and whether antidrug funding is empowering the military to expand into activities normally reserved for the police;
- ▶ the functioning of civilian institutions, including mechanisms for oversight of counternarcotics activities through legislation and congressional committees.

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