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Kelsey Hutchinson
Western Oregon University

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The “War on Coca” in Peru:
An Examination of the 1980s and 1990s
U.S. “Supply Side” Policies

Kelsey Hutchinson

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**Introduction**

“The War on Drugs Has Failed.” In February 2009 the title of an article in the *Wall Street Journal* read this. The article was written by Fernando Henrique Cardoso, a former president of Brazil, Cesar Gaviria, former president of Colombia, and Ernesto Zedillo, former president of Mexico. They declared that “ineffective strategies should be replaced with more humane and efficient drug policies.” In this report presented to the Latin American Commission on Drugs and Democracy in Rio De Janeiro, they noted the failures of eradication and interdiction policies. Their message was directed to the United States government asking them to recognize the detrimental consequences of their narcotic foreign policies.¹

The authors pose a new alternative to reduce harmful narcotics, by reducing the demand for illicit drugs. They propose that this should be done with these main principles: “to decrease drug consumption through education, and to aggressively fight organized crime.” The ex. Latin American presidents recognize the importance of a joined effort by consumer countries and source countries to resolve the illegal narcotics issue.

This letter should serve as a reminder that the war on drugs in Latin America is still a major U.S. foreign policy objective. To understand why the Latin American Commission on Drugs and Democracy addressed previous policies, it is important to identify what these policies were. Coca and cocaine are the central focus of drug foreign policy programs. Coca is a plant that is indigenous to Latin America. Cocaine is an alkaloid that is extracted from the coca plant. The alkaloid is a mild stimulant which has

similar effects to another alkaloid, caffeine. The plant and the alkaloid are not harmful in their natural state. The alkaloid in the leaves becomes dangerous after they are crushed into a paste and then chemically refined. Both coca and cocaine are considered to be illicit narcotics by the United States. This is problematic for Latin American countries that depend on the economy of coca. They recognize that cocaine is a problem, but coca is not completely to blame.

In this study I will illustrate how important coca is to the Peruvian economy, both illegally and legally. Because of the cocaine economy, the United States launched a war on drugs. Eradication programs became the focus of U.S. foreign policy. These programs affected the culture, economy, and the relationship between insurgent groups and coca growers. In the 1980s and 1990s eradication programs were used as a means to stop the flow of cocaine coming into the United States by focusing on source countries. However, the results of eradication programs were disadvantageous and unsuccessful to stop drug trafficking, cocaine production and coca cultivation in Peru.

Coca economy in Peru

Coca was significant to the Andean economy since long before the production of cocaine. Historically, the Indians of Peru have been linked to the production of the coca plant, and history tells that they chewed the leaves of the plant. Coastal Peruvian Indians chewed coca leaves that were produced in the Andes rainforests as early as 1800 B.C. Coca was chewed in ceremonial practices. Coca leaves were chewed until they formed a moist ball in the mouth of the chewer, then the chewer held the leaves in their cheek. Archaeologists have found Incan art that depict a ‘quid,’ the ball of coca leaves in the cheek of a chewer. This demonstrates how long coca has been around, and the way it was
revered in ancient times. Originally the coca plant was revered by the Incas as a divine plant, which was reserved primarily for the elite. Later, coca began to be more prevalent in Peruvian society and the local populations began trading coca crops for other agricultural crops. When the Spanish first arrived in the New World they officially banned coca cultural practices. After observing the importance of coca to the Incas of Peru the colonists began to allow the Indians to continue chewing coca leaves because they realized they could exploit them by making them work longer hours during their work day.\(^2\) Coca continued to be significant culturally, socially, and economically thereafter. Coca became a symbol of cultural resistance to indigenous people of Peru.\(^3\) Coca has always been normal to Peru.

To appease and protect the requests of coca-chewing Indians, the Peruvian government began allowing the production of coca as a part of the Peruvian economy. During the early 1960s the government began constructing roads that connected people of the Huallaga Valley and urban areas, like Lima. The government distributed land in the Upper Huallaga Valley to farmers and their families who were open to the idea of living in remote areas of the jungle on the eastern slopes of the Andes. The cocaine industry began to boom in towns such as, Tingo Maria. The government was faced by pressure from the United States and began regulating coca.

In 1978 the General Law on drugs prohibited the cultivation of coca and seedlings in new areas within the national territory. A simultaneous law passed that established the National Coca Enterprise (ENACO). It was established to commercialize and

industrialize coca leaves. The government initiated specific regulations for legal coca cultivation; one of the regulations stated that the Peruvian government would “seize and destroy any coca farms larger than twenty four acres within a two day grace period.”

Any coca leaves that were not sold to ENACO were considered illicit by the national law. In years that followed farmers were required to register their coca fields with ENACO. Coca leaves that were legally cultivated were used in medicinal items, such as coca teas. Some coca was allowed for cultivation for traditional usage as long as cultivation did not exceed the allotted number of legal hectares.

This allowed locals to chew as part of their daily routine to alleviate hunger and aid with digestion. Coca chewing is still a practice today among Peruvians, just as it was during the 1980 and 1990s. In Catherine Allen’s *The Hold Life Has: Coca and Cultural Identity in an Andean Community* she writes in detail her experiences in a coca community in the 1970s and 1980s. She discusses the significance to chewing coca. “To chew coca leaves is to affirm the attitudes and values – the habits of mind and body – that are characteristic of indigenous Andean culture.” Understanding why people of Peru identify with coca would help policy makers understand why coca will always be important to Peru, with or without the cocaine industry.

The Peruvian economy became dependent on coca production. Because legal cultivation of coca was only allowed in Peru and Bolivia, the market for legal coca was challenging. This is why many farmers grow coca for the narcotic industry as well as for legal consumption. As demand for cocaine grew so did the number of farmers who cultivated coca. Cocaine became a major source of foreign exchange for Peru. As

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5 Allen, *The Hold Life Has: Coca and Cultural Identity in an Andean Community*, 22.
Rensselaer Lee explained in his article, “Dimensions of the South American Cocaine Society” the importance of remembering that the cocaine industry in Peru became an economic safety net; jobs and a steady income were provided. When legal crops fail to bring in a source of revenue coca and cocaine offered foreign exchange.6

By 1980, Tingo Maria was a town that prospered due to the cocaine economy. The 35,000 population town had three car dealerships, ten hotels, and several appliance stores. Tingo Maria was second to Lima, a city with five million or more, in the number of automobiles and motorcycles. This should serve as reminder of how much the cocaine industry contributed to the economy of Peru. With both demand for cocaine, and Peru’s economies dependence on coca, the problem came to a head. The United States became concerned for the American youth who had grown up with exposure to drugs like cocaine. Problems that surrounded poverty stricken areas were considered to be because of narcotic problems. Crime, prostitution, and homelessness were attributed to drugs. Drugs became the number one issue for Americans, leading to the declaration of the war on drugs.

The Beginnings of the U.S. War on Drugs in Latin America

In 1971 President Richard Nixon announced drug trafficking a threat to national security, and began the war on drugs. The popularity of freebase and crack cocaine began to spread quickly throughout the United States during the 1980s. The number of cocaine users in the United States continued to increase, and because of this, the government began addressing the cocaine problem with a supply side strategy. This strategy focused

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on cocaine source countries such as: Peru, Colombia, and Bolivia. The Reagan, Bush, and Clinton administrations that followed Nixon’s declaration of the war on drugs addressed drug trafficking and cocaine production as a top foreign policy priority.

U.S. Foreign Policy in Peru during the 1980s

The United States International Narcotics Control Policy was to reduce the supply of cocaine. The government began implementing policies to reduce the amount of cocaine flowing into the United States. They did this by reducing the cultivation of coca, and the amount of cocaine processed.\(^7\) The Reagan administration and the Peruvian Garcia government began collaborating on anti-drug programs in Peru, mainly in the Huallaga valley, one of the best regions for coca cultivation. Although there was distaste for the Garcia government’s foreign and economic policies, the Reagan administration was much in favor of Peru’s anti-drug position. The anti-drug methods that the Peruvian and the United States governments adopted during the 1980s were four key strategies that became the foundation of U.S. foreign policy in Latin America: manual eradication, crop substitution, interdiction, and eradication with herbicides.

Manual Eradication

The Peruvian government was urged by the United States government to deal with the cocaine problem. In 1964 the Peruvian government outlawed any new coca plantations due to the growing cocaine industry. The Huallaga Valley area of Peru was still able to grow coca, because their plantations were already in existence. The town of Tingo Maria, located in the valley, became the center of cocaine production and

trafficking. The earlier eradication campaigns, prior to 1983, began in response to political pressure from the United States. In 1978, Operation Verde Mar marked the first eradication attempt. The Peruvian national army’s campaign against coca began; they slashed and set fire to coca plantations in Tingo Maria. Today, the same fields that were burned to the ground are among the best coca fields in Peru. Their efforts proved to be ineffective because coca plants came back, and coca cultivation became more productive and beneficial to coca farmers (cocaleros).

The second manual eradication strategy adopted in Peru was to eradicate coca crops with a Peruvian agency called CORAH (Control and Eradication of Coca in the Upper Huallaga). In May 1983 CORAH began eradicating illegal coca fields. The agency’s central office was located in Tingo Maria, which at this point was still a major coca producing region. The central office was fully staffed with 780 field workers. In theory CORAH officials could rip out 40 or more hectares of coca plants per day. Eradication police, UMOPAR, were to oversee CORAH officials and all coca eradication efforts.

As a complementary strategy farmers that possessed licenses from the Peruvian Ministry of Agriculture to plant coca were paid in U.S. dollars per hectare to voluntarily allow the eradication of their coca plants. Illegal coca cultivators, or cultivators not registered with ENACO, were not notified before their crops were destroyed by CORAH. In addition they were not given government aid for the loss of their crops. There were some instances when ENACO eradicated registered coca fields. In *Cocaine: An Unauthorized Biography*, Dominic Streatfeild shared an account that an indigenous

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Peruvian man shared with him during his research in Peru. The man told him about the time a helicopter landed in his ENACO registered coca field. He recalled CORAH officials had cut down his coca plants, while he was away at the market. CORAH was not concerned that they eradicated coca fields that were legally registered with ENACO. This was an example of the how eradication had no consideration for Peruvian peasants that relied on coca. This caused animosity among coca regions that had been targeted to end coca farming.

One of the major concerns that eradication workers were subjected to were attacks by farmers that had their crops destroyed. During their work day they were under the protection of the local police, UMOPAR. Even with protection, they were still subject to attack. Between 1983 and 1988, an estimated 30 or more CORAH workers were killed in the Upper Huallaga Valley. They were attacked by guerilla insurgent groups, and angry coca peasant farmers that sided with these groups. From 1988 onward CORAH was provided with more protection while eradicating in coca zones.

The manual extraction of coca plants had many environmental effects, such as unproductive soil. Initially CORAH used the slash and burn method to destroy coca, next they adopted machetes to chop down plants, and later they used machines to dig up plants. These methods eventually caused soil to become unproductive. The soil could remain in the same condition anywhere from eight to ten years, which would not enable farmers to plant any crops unless it underwent intensive fertilization regularly. This made alternative development difficult for farmers to support and to plant alternative crops.

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because the soil was destroyed. The U.S. aid allocated per hectare, as compensation to legal coca farmers to voluntarily eradicate coca, which would barely pay for clearing a new area of land to farm. Because of this, many peasant farmers began cultivating coca illegally. Often they sought land deep in the jungle region where soil had not already been damaged by over cultivation and eradication. This also created better odds for not being discovered by eradication officials and the military police.\(^\text{13}\)

CORAH officials were unsuccessful in killing the resistant shrubs with their machetes. Later, when they were provided with helicopters and powerful machines to cut coca bushes at their base, it proved to be a much faster method than to uproot the plants by hand.\(^\text{14}\) But both forms of manual eradication still did not produce results that curbed drug production and trafficking. The first manual eradication efforts instead proved to be wasted time. The U.S. recognized the limited potential that manual eradication had on the large amount of coca that was cultivated, processed and refined into cocaine. A second strategy was geared to focus on ending the flow of illicit narcotics coming into the United States. It was a strategy that was meant to focus primarily on bringing down drug traffickers and destroying cocaine laboratories and refineries.

**Interdiction**

During the Reagan administration U.S. resources were allocated to Peru to end the flow of illicit drugs from filtering into the United States by use of interdiction. The U.S. and Peruvian governments were forced to decide upon this new alternative, because cocaine production and trafficking were becoming more problematic for the U.S.\(^\text{15}\) The interdiction strategy used air raids that specifically targeted drug processing and

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\(^\text{14}\) Streatfeild, *Cocaine: An Unauthorized Biography*, 419.

trafficking. In 1981, 416 million dollars in funds were allocated to fund interdiction and international drug supply control programs, this number increased significantly in 1987 to $1.6 billion. This number accounted for one third of total anti drug spending.\(^{16}\)

But one such operation known as the Condor interdiction campaign, launched in November 1985 under the Garcia government, was successful. Garcia believed that cocaine posed a threat to Peruvian national security and was determined to put an end to illegal narcotic trafficking. He wanted to be remembered as the Peruvian president that ended the war on drugs in Latin America. Under his administration, Garcia dispatched the army to remote areas of the jungles to find and destroy cocaine laboratories. In eighteen months, his dispatched troops destroyed 36 laboratories, destroyed 150 airstrips, and took possession of 70 trafficking planes and somewhere around 30 tons of coca paste.\(^{17}\) It was important to drop the price of coca paste, so that cultivating coca would seem less appealing if less lucrative. Several Condor campaigns followed but did not produce lasting results. As interdiction efforts became more widely used cultivation began to shift from Peru to Colombia.\(^{18}\)

Condor campaigns in 1986 and in 1987 did not produce the same results as the 1985 Condor interdiction operation. In these years interdiction efforts had become stagnant. In 1988 Condor campaigns became more successful bringing down drug traffickers and smugglers due to better air capability. The primary goal of Condor interdiction operations was to lower the price of coca so that alternative crops became a


\(^{17}\) Streatfeild,, *Cocaine: An Unauthorized Biography*, 415-416.

more desired option for farmers. The problem with interdiction efforts was that they may have lowered prices of coca, but they did not lower the demand for cocaine. This was why crop substitution was doomed from the start because farmers recognized that with an increased demand for cocaine, there was an increased need for coca when prices dropped which made coca much more lucrative.

**Crop Substitution**

The region of Peru where coca cultivation is most successful is in the foothills of the Andes Mountains. Climate conditions are what made coca the best option in the region. Coca produced four harvests a year, and required less work in the fields. The number of workers needed to tend to coca fields was much less than other crops. Coca crops have an important advantage because they can grow plants in poor and infertile soil and in places where other crops did yield enough to benefit farmers. Coca plants are sturdy and adaptable perennial shrubs which is why eradication proved to be difficult and ineffective. Coca is indigenous to Peru, but has also been grown in other tropical regions. Coca can also yield crops from the same bush for twenty five years if well tended. This is what made coca such an appealing crop, in addition to money that was offered for coca by drug traffickers.

Beginning in 1981 under the Reagan administration, the U.S. proposed alternative development programs, which involved crop substitution and financial aid to be allocated to the Peruvian government. The U.S. rationale for crop substitution holds that it provides countries such as Peru with economic alternatives to redirect the economy’s dependence on illicit narcotics. The U.S. has suggested several alternative crops; including bananas,
maize, rice, coffee, citrus fruit, and various grains.\textsuperscript{21} When this method was put to the test, it was ineffective because substitute crops did not yield as much as coca, because they required much more work without producing livable wages. Coca farmers could generate four to ten times more income than by cultivating legal crops.\textsuperscript{22}

In Peru two U.S. agencies, the Agency for International Development (USAID) and the U.S. Bureau of International Narcotics Matters (INM), sponsored programs and projects that focused to reduce the cultivation of coca and the production of cocaine and to control drug trafficking. USAID projects focused on alternative development strategies and INM financed and focused on eradication approaches to destroy illegal and legal coca fields. The Peruvian agency that would carry out USAID’s programs is the Protecto Especial del Alto Huallaga (PEAH). PEAH helped to encourage Peruvian peasants to cultivate alternative crops to coca. They worked with a five year budget of $26.5 million U.S. dollars.

When crop substitution programs began in the 1980s a variety of crops were tried: rice, cacao, palm trees, sugar and coffee. The U.S. donated 18 million dollars and the Peruvian government backed this up with another eight million. In September 1981 PEAH began their programs. The agency used their $26.5 million in U.S. aid over a five-year period. USAID gave $15 million that was a 25 year loan plan and $3 million in grant money was to aid Peru. The money that was allocated by the U.S. and Peruvian governments was lent to farmers to aid them with the cost of eradicating their coca fields and to plant alternative crops.

\textsuperscript{21} Carpenter, \textit{Bad Neighbor Policy: Washington’s Futile War on Drugs in Latin America}. 107.
\textsuperscript{22} Carpenter, \textit{Bad Neighbor Policy: Washington’s Futile War on Drugs in Latin America}. 107.
Farmers realized the problem that came with loans; no alternative crops were able to generate enough income to pay back the loans with interest rates. Interest rates for the loan required two percent interest per year over ten years. A three percent interest rate on top of what the principal interest was over 15 years. The programs were meant to aid peasants of the Huallaga Valley who primarily depended on coca, but they ended up causing more economic problems. 23

In *Cocaine: An Unauthorized Biography* Streatfeild discusses his travels to Peru; he saw first hand the importance of coca to indigenous peoples. He interviewed villagers about crop substitution activities. He asked how many farmers supported it and how many participated in crop substitution by buying seeds from the government for them to plant. Before he knew any better, he asked “why not if they are free.” A woman informed him that the seeds were not free, they were expensive and that they had to purchase them. The woman was upset with the way the government ran the country. “They don’t give us anything for free,” she said. The seeds they bought were expensive and what they received at the market after the crops were harvested was miniscule compared to the amount of work that was needed to cultivate alternative crops. 24

For crop substitution to work there needs to be a demand and a market for substitute crops. The U.S. crop substitution programs demonstrated that encouraging farmers to cultivate legal crops was unsuccessful because the market for such crops did not exist. The substitute crops that grew successfully and proved to be equally profitable to coca were mainly consumed locally, which made alternative crops unreliable, like coca

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had been. The money that was allocated in the 1980s, to farmers in Peru was not sufficient enough to allow them to live.

When cocaine prices dropped because eradication seemed to be working, this led to a surge of more coca peasant farmers who turned to coca cultivation because they were aware of the demand for it. Farmers were left with no other option other than to grow coca because of the failures of eradication efforts. These efforts caused environmental effects, including damaged soil so that other crops would not be successfully cultivated in some areas. Again, The United States and Peruvian governments were forced to seek a new strategy.

**Eradication with Herbicides**

The failures of previous eradication efforts were recognized by officials, who were aware of how difficult coca plants were to destroy. In an article on September 13, 1984 in the *New York Times*, John J. White Jr., an official for the Agency for International Development remarked “It will grow where nothing else in the world will grow…..You have to cut them down at the base, and then apply herbicide to the stump, Otherwise it will come back.” This illustrates frustrations felt by eradication officials during the mid 1980’s. With two failed strategies, the United States was forced to create a new plan. Manual eradication and interdiction efforts were replaced with a new proposal to wipe out coca fields with herbicides.

In 1987 more U.S. military filtered into Peru to aid Peruvian eradication teams. In 1987, Huallaga Valley eradication programs slowed down because of cocaleros opposition and economic security problems. The area eradicated dropped from 4,830

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hectares in 1985 to 2,575 hectares in 1986 to 355 hectares in 1987. The U.S. government and the Garcia government were set to begin using planes to spray coca fields in the Upper Huallaga Valley with the herbicide Tebuthiuron, also known as Spike. Under the agreement between both governments, planes were to spray coca fields in May 1988. However, there was a problem. The manufacturer of the herbicide, Eli Lilly and Company, informed the U.S. government that they would not sell the chemical for coca eradication. The company voiced liability concerns with insurgents, and the ecology and people of the Huallaga region.

The Peruvian government faced pressure from cocaleros and environmental groups because of proposed eradication programs with the use of herbicides. Coca growers became angry and blamed the government for threatening their health and their crops. Farmers were angry because coca fields that were registered legally with ENACO were threatened by proposed herbicidal eradication. Fumigation programs had devastating impacts on the environment, and were detrimental to food crops. It was determined that in the wetland regions, the herbicide could filter into rivers and farmlands and damage food crops and livestock.27 Despite concerns of the effects that herbicides would have on the environment and people, the U.S. still was willing to supply Peru with funding to spray their coca fields. However, the Garcia government called for more testing before reconsidering aerial spraying.

In the late 1980s allegations surfaced that the United States had conducted its first field test with herbicides over Peruvian coca fields. Peasants that lived in the Huallaga Valley recalled helicopters and airplanes flying over their crops, dusting their fields with a mysterious chemical. In Lima, the UN Development Program office and USAID were

responsible to oversee crop substitution programs; they recorded numerous accounts and complaints from Peruvian peasants that the helicopters which sprayed their coca fields and the planes had departed from the Santa Lucia airbase. The airbase was built by the U.S. Drug Enforcement Agency to be designated an anti-narcotic base to monitor insurgent groups, coca cultivation, and drug trafficking. Not long after the allegations surfaced farmers were complaining that their food crops had died and their animals had become ill.28

The herbicide was linked to Fusarium Oxysporum, a fungal infestation in the Valley, and was said to be the reason for the outbreak. The U.S. government denied spraying coca fields in Peru with the herbicide. This mysterious plague was similar to an instance that was never resolved in the 1970s when a Hawaii Coca Cola-owned coca plantation was destroyed. The U.S. government allowed coca plantations such as this Hawaii owned one for flavoring extracts in Coca Cola beverages, with strict governmental supervision. The 1970 mysterious plague that struck Hawaii, hit Peru in years that followed. It is important to recognize that the U.S. had been testing with herbicides before Peru, making it very likely that they in fact did initiate field tests in Peru despite ecological concerns. Fusarium was responsible for killing tomatoes, achiote, and papaya. Peasants reported that tangerines, palms, and other broad-leafed plants had also been destroyed by the fungus.

While Streatfeild was in Peru, he interviewed locals about what Fusarium had done to their crops. Locals brought their dying or dead crops for him to examine that had all been contaminated by the fungus. An old man came forward and explained that he had

been growing coca since 1955. He said that his plants never experienced disease until after 1970. He grew other crops as well, but because of the fungus he was unable to grow rice like he had been growing for many years as well. His fields were infested, trying other crops such as; beans and yucca proved to be ineffective. Crops that did not grow included those that the government suggested to grow as an alternative to coca.29

Other farmers agreed, another man talked about his troubles with his fields. He grew two varieties of coffee, and coca. After his coca was sprayed, not only those crops but his other cash and food crops became ill, the leaves wilted and the plants died. More and more people came forward to show what the infestation had done to their crops. “Pineapples were rotten on the inside, undersized yucca, poma rose and a huge bale of dead coca.” One woman came forward and reported that crops were not the only affected by Fusarium, people were too. The woman approached him and presented what Fusarium had done to her skin. She said “my family has skin infections - look at my fingernails, you can see the fungus here. We didn’t have these infections before.” These accounts depict what Fusarium had done to people of Peru.

Moises Saldana Lozano was a guide to Streatfeild while he spent time in a village called San Jorge in Peru. After hearing eyewitness accounts of what the fungus did to crops, and people of Peru Moises shared this:

Our land has been poisoned. This is not the result of nature: our land has been penetrated with a chemical disease prepared by man. And it’s not just here but everywhere. We are desperate because our land is not producing. I want you to tell the president of the united States – and the presidents of other countries – that we need help here……In the name of all the farmers here, please go back to Europe and tell people what is going on, in newspapers, television, books, however you can. Everybody should be told about this so they can see the truth.30

The problem with planes dusting coca fields with herbicides was that chemicals often drifted into neighboring fields in the coca belt. Even before herbicides were thought to be an option to rid Peru of coca plants, the shrubs proved to be resistant to eradication methods. It was thought that coca would survive fumigation programs. The chemicals instead effectively killed less hardy food crops that people depended on, such as: yucca, plantains, corn, and other agricultural crops. The chemicals were detrimental not only to the people, but to ecosystems, and water supply. The chemicals posed a threat to human health and reproduction. Reports linked the U.S. to expensive fumigations that were responsible for having sprayed rivers, lakes, houses, churches and schools, while the local population was present. Evidence about the effects of the herbicides confirmed that the elderly were more susceptible to respiratory and gastro-intestinal problems as well as skin rashes.

The mysterious fungal outbreak was devastating to Peruvian farmers. The peasant farmers feared planting anything in the damaged soil. Because of the destruction of soil and vulnerability of coca fields in plain sight, cocaleros moved to more remote areas of the Huallaga Valley where coca had not yet been cultivated. A downfall to this was environmental damage. When farmers cleared new areas of the jungle for cultivation, deforestation on such a large scale led to soil erosion.\textsuperscript{31} The unauthorized chemical spraying left farmers desperate and without alternatives; they were left with their only option, which was to plant more coca. Or they could wait until law enforcement and eradication officials had left the area to see if their coca plants had survived eradication attempts. Eradication caused farmers in desperation to form alliances with insurgent groups such as, Sendero Luminoso. They were violent and persuaded farmers to support

\footnotesize {\textsuperscript{31} Streatfeild, \textit{Cocaine: An Unauthorized Biography}, 426.}
their anti-government efforts. The eradication efforts of the 1980s were responsible for facilitating a connection with cocaleros. This made these supply-side strategies ineffective in curbing drug flow and trafficking.

**Sendero Luminoso**

The Sendero Luminoso, also known as the Shining Path, was a Maoist guerilla movement that emerged in the 1980s. The Shining Path began as a means to stop the ongoing social injustices and abuses the indigenous peasants of Peru faced. In “Peru’s Sendero Luminoso: The Shining Path Beckons,” Max Manwaring discusses the vision of the guerilla group. The organization was to destroy the “old foreign-dominated political system in Peru, to take power, and to create a “nationalistic,” Indian,” and “popular” democracy.”32  Sendero recruited peasants to join in their political movement. They were known for their brutal tactics and their anti-government propaganda.

By 1980, after twelve years of military government ruling Peru had returned to civilian rule. During this time Sendero began their political movement. They attacked communities by bombing buildings and private businesses. They were known for hanging dogs and cats from lampposts to serve as warning signs to the government and its supporters. They were linked to the assassinations of several public figures in communities they invaded. These violent acts were to represent violent attacks against the government, “the glue that holds society together.” Sendero’s principle goal was to “destroy direct communications between the government and the population.”33

In 1982 the Peruvian government began closely monitoring the Shining Path. At this time the government did not focus their attention on the drug trade and trafficking,

33 Manwaring, “Peru’s Sendero Luminoso: The Shining Path Beckons,”161-162.
they focused instead on bringing down the Shining Path. In 1984 the Peruvian government placed parts of the Huallaga Valley under a state of emergency because of the violence of the Shining Path. They were executing eradication officials and citizens who did not cooperate. During this time the priority was not to fight the war on drugs, but instead a war on Sendero was fought. Peruvian military commanders and the government did not allow any U.S. anti-narcotics operations within the region because they believed that those efforts interrupted counterinsurgency efforts. Coca growers withdrew their support for guerilla insurgents because they no longer needed their protection since the government’s focus was not on cocaine and coca.

The Sendero Luminoso had gained enough power to initiate a military offensive against the Peruvian government. Peasants were recruited to fight alongside them. The military again was forced to rethink their anti drug operations. They feared that if they continued eradicating coca the people would continue to support the Shining Path, making them too powerful to stop. By 1986 Sendero became active in the Huallaga Valley when the Garcia government revived anti-narcotic operations. Local coca growers began to pose a threat to the government because of their reinstatement of support for Sendero. In that same year the Sendero Luminoso guerillas gained control of the Huallaga Valley coca fields and could tax farmers if they provided something that peasants would benefit from. With taxes they raised they were able to fund narcotic operations and provide weapons to protect farmers. Since 1987 the Shining Path raised somewhere near $30 million each year. In September 1989 the Peruvian government and the United States built the Santa Lucia base to better monitor Sendero.

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34 McClintock, 138.
Drug traffickers helped provide Sendero with men and arms, and in return Sendero provided aid for traffickers. They provided protection for large narcotic shipments. They also guaranteed drug traffickers would receive coca paste that they needed.\(^{36}\) The Sendero Luminoso acted as a negotiator between coca growers and traffickers, so that the coca growers would not be cheated this established a businesses relationship between coca farmers and the guerillas.\(^{37}\)

Sendero required traffickers to pay a five percent tax for coca paste before it was allowed to be exported to Colombia, where the cocaine would be chemically refined. They gained control by protecting cocaleros, and coca cultivation. The guerillas protected peasants from brutal drug dealers that took advantage of peasant coca growers. Before the Sendero, coca peasants were vulnerable to traffickers if they failed to produce a certain sum of coca leaves. Increased wages for cocaleros were demanded by the Sendero. The price of labor increased in coca regions that had a large guerilla presence this is how coca growers benefited from Sendero. These were some of the services Sendero Luminoso provided for coca farmers, in exchange for cooperation, and refuge within coca communities from police and the government. Sendero provided military protection from police and eradication officials.

Sendero was successful during the 1980s because they fostered resentment against the eradication programs of the United States, using Peruvian nationalism to appeal to the local population. Sendero claimed to be for peasant farmers. This was a more attractive option for farmers. The government was destroying their fields so why wouldn’t they side with Sendero. Due to the resentment the local population had towards the government the

\(^{36}\) McClintock, 138.
support for Sendero Luminoso had grown stronger. “In essence, the guerillas function as security providers (even if brutal), and political and economic regulators.” 38 The Sendero Luminoso gained power by using narcotic funds to improve public services such as: water supply, sewage, transportation, and street cleanup, whenever they occupied a village. This was a means to strengthen their relationship with local farmers to lobby their support. They also served as a legal system, with the use of brutal tactics. Sendero’s use of these brutal tactics made coca growers fearful because they had experienced first hand what was to done to those who did not cooperate and support them. This fear guaranteed that cocaleros would not divulge their whereabouts to police and the government.

“In The War on Drugs: The Peruvian Case” Cynthia McClintock focuses on anti drug measures that have been taken by U.S. and Peruvian governments. She suggests that the United States and Peruvian governments have created an alliance between cocaleros and the Sendero Luminoso (the Shining Path). 39 McClintock’s analysis of the war on drugs during the 1980s explains why both U.S. and Peruvian government’s eradication efforts failed and why they were unable to combat the cocaine and narcotrafficking problems because of Sendero Luminoso.

Similar to Cynthia McClintock’s analysis, Vanda Felbab-Brown’s article “The Coca Connection: Conflict and Drugs in Colombia and Peru,” discusses how eradication programs have been counterproductive, meaning that instead of addressing the issue of cocaine production and narcotrafficking they actually generated a close connection between the local population and insurgents. She analyzes the Shining Paths connection to coca. Felbab-Brown believes that the Shining Path learned how to efficiently exploit

the production of coca in the Huallaga Valley.40 She states that the “Sendero Luminoso capitalized on the outrage of the cocalero farmers.” Felbab-Brown questions the effectiveness of eradication because it alienated the local population. The U.S. narcoterrorism and drug trafficking efforts stressed that the eradication of coca strengthened guerilla insurgents.

Sendero was successful because they had represented the interests of the coca growers, and not directly those of the traffickers. Coca growers only remained loyal to Sendero Luminoso when eradication programs destroyed their only source of income. The coca growers gained more by siding with the Sendero, rather than the government. Coca growers could grow coca and make money off of it rather than growing substitute crops the government supported. The Sendero Luminoso possessed solid control of the people because they helped their economic needs and instilled fear and order with the coca growers. McClintock established why eradication programs were unsuccessful by concluding that policymakers did not factor political, social and economic concerns as part of their analysis.41

Sendero insurgents benefited from eradication programs because they posed as an ally to local people. Crop eradication efforts strengthened not only insurgent and peasant connections, they also strengthened insurgents and narcotraffickers. Crop substitution efforts had been unsuccessful. Instead they opened doors for guerilla groups and traffickers to offer more money to farmers if they cooperated. Most peasant farmers accepted an offer that they benefited better from. Coca could feed their families better than many other crops.

40 Felbab-Brown, “The Coca Connection: Conflict and Drugs in Colombia and Peru,” 111.
41 McClintock, “The War on Drugs: The Peruvian Case,” 139-140.
In the early 1990s Peruvian President Alberto Fujimori recognized the strong connection between cocaleros and Sendero Luminoso. It became evident that he needed to win back the support of the coca farmers. This was an essential part of the strategy to bring down the Sendero Luminoso. He ordered eradication efforts to be put on hold to stop the people from siding with Sendero. Fujimori was later recognized in the early 1990s by the United States for bringing down Sendero Luminoso.

**U.S. Foreign Policy in Peru in the 1990s**

Early in the 1990s the number of Sendero supporters dwindled. The United States was then able to resume foreign policy programs in Peru. Despite the failures of the eradication and alternative development programs of the 1980s the same supply side approach was attempted in the 1990s. U.S. foreign policy in the 1990s focused more attention on interdiction than eradication, and focused on bringing down drug traffickers instead of focusing on the cocaleros and coca cultivation. In Raphael Pearl’s “United States International Drug policy: Recent Development and Issues” he discusses the militarization of the drug war that was heightened by the Bush administration and in the latter 1990’s the Clinton administration. This posed problems because Andean countries did not see the drug trade as a military problem; instead they viewed the problem as an economic one. Both administrations threatened to require foreign aid and trade sanctions against major drug-producing or transit countries that did not demonstrate a strong commitment to the drug war.42

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**Interdiction**

The interdiction strategy proved to be effective for a brief time, but results were generally short lived. When George H.W. Bush elected in 1989, his first year in office Congress approved a five year, $2.2 billion dollar plan, known as the Andean Initiative. The interdiction initiative was created to help three source countries, Bolivia, Colombia, and Peru to reduce cultivation of coca and cocaine production, with military assistance. In September 1990 Alberto Fujimori, the President of Peru, rejected Bush’s Andean Initiative, the United States $35.5 million dollar military aid package that was geared to fight narcotrafficking. Fujimori objected to U.S. interdiction initiative because funding for crop substitution programs was not specifically outlined.

Four months later the Fujimori administration desperate for aid, agreed to cooperate and join in the drug war. When the political violence had stopped the Fujimori administration forcefully pursued eradication programs to meet U.S. policy demands. The plan that was drawn up by Fujimori and his advisors drew up a plan, which was to be presented to United States officials in Washington in January 1991. The Bush administration would need to review and certify by March 1, 1991 that Peru was in favor of eradicating coca. This plan was drawn up so Peru did not lose $100 million in military and economic assistance. This time the U.S. offered improvements in the amount of aid to farmers and more of a focus on taking down the traffickers.

Under the new initiative the U.S. would provide military equipment and counterinsurgency training to better equip Peruvian forces to fight guerillas, such as the Shining Path. The Fujimori administration did not agree to crop eradication programs

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43 Felbab-Brown, “The Coca Connection: Conflict and Drugs in Colombia and Peru.” 118.
44 Carpenter, *Bad Neighbor: Washington’s Futile War on Drugs in Latin America*, 50.
because they had not worked; he envisioned that narcotraffickers be the central focus. An interdiction Operation code named “AIR BRIDGE” began in 1991. This interdiction operation targeted planes leaving air bases with large quantities of coca paste bound for Colombian refineries. Once the coca paste had reached Colombia it was then refined into cocaine crystals. From Colombia cocaine is smuggled into the United States by boat or plane. As a result of these efforts, coca leaf prices dropped between 1991 and 1998.

When leaf prices fell the belief was that Peruvian peasants were less likely to grow coca. In 1998 the progress stopped, leaf prices increased when the United States withdrew former Peruvian Air Force interdiction aircrafts. By 2001 “aerial interdiction” was halted when the Association of Baptists for World Evangelism plane was fired upon killing an American woman and her daughter. Interdiction campaigns caused drug traffickers to switch their mode of transportation. A major flaw of interdiction campaigns was that drug traffickers began transporting illicit narcotics by use of riverboats, rather than by aircraft.

By 1991 the U.S. drug interdiction budget had reached $2 billion during the Bush administration. In 1993 the National Security Council reviewed the results that interdiction generated. By this point interdiction had not been successful in curbing the flow of cocaine filtering into the United States. After the National Security Council reviewed the interdiction situation they recommended that a more effective strategy was needed to stop drugs at their source of production.

In 1993 President Bill Clinton was inaugurated and, it was essential for the new administration to propose a new strategy to fight the war on drugs. In 1995 the Clinton

administration requested an increase in the budget to focus on coca cultivating countries. The focus of Clinton’s foreign policy was militarizing the drug war. More aid was asked to be given to fight the war on drugs with interdiction. Congress rejected their proposal because of the lack of results that the 1989 “Andean Initiative,” had produced to end the war on drugs or stop cocaine trafficking and production.47

**Crop Substitution**

In the early 1990s peasant farmers were still being affected by the mysterious Fusarium outbreak, which the U.S. continued to refute. The fungus had continued to mutate and spread years after an unidentified field test operation. Allegations of eradication with herbicides continued to surface in the early 1990s. Farmers experienced difficulty planting alternative crops due to the fungus that had destroyed their soil and chance at making a living off of alternative cash crops. In April 1990, not long before President Alan Garcia left office, he clearly stated that he would not sign any new anti-drug agreements until an increase in aid for substitute crop and national debt relief was included in the package.48 President Fujimori followed Garcia’s call for more aid to help farmers. He focused on interdiction to withdraw cocaleros support for Sendero.

**Conclusion**

The supply side approach has been the U.S. model to control illicit narcotics in Latin America for many decades. This approach proved to be unsuccessful in the 1980s in the 1990s. The U.S. has considered eradication attempts in Peru as an example of success. With what other scholars have written its evident why eradication was unsuccessful in Peru in the 1980s. In the 1990s despite ten years of failure to end the drug

war the U.S. continued to focus their efforts on source countries without observing how they affected indigenous people, the economy of Peru, and the environment.

The efforts instead proved to be counterproductive. They facilitated a connection between the local population and coca growers with insurgent groups, like Sendero, and drug traffickers. Guerilla groups gained the trust of peasant farmers by appealing to their anti government resentment. This alliance became a difficult barrier for government officials when they tried to locate Sendero Luminoso. The substitute crops that grew successfully and proved to be equally profitable to coca were mainly consumed locally, making alternative crops not as reliable as coca. U.S. crop substitution programs demonstrated that encouraging farmers to cultivate legal crops was unsuccessful because the market for such crops did not exist.

The eradication and alternative development programs did not stop drug trafficking or coca cultivation. Instead, eradication programs were responsible for the push to cultivate coca in regions of the jungle that were not easily accessible. When coca farms were destroyed by the Peruvian and U.S. governments, they were forced to relocate. Moving deeper into the jungle was a way to cultivate coca without being watched by the government. This is what is known as the balloon effect. This meant that when eradication is successful in a particular region, new coca cultivation turns up in other areas. Colombia surpassed Peru in early 2000 as the number one supplier of coca.

In Kenneth E. Sharpe’s “The Drug War: Going after Supply a Commentary,” he analyzes the supply side strategy. Sharpe suggests that ending drug supply may have been impossible. This is because countries like Peru were pulled into narcotic trafficking and

production because of impoverished conditions, a lack of economic development, and
debt to foreign countries. Sharpe states drug problems were not solved because of how
dependent the Peruvian economy is on coca. Programs that are designed to curb the
cultivation of coca have short term benefits, even with financial resources allocated by
the United States.

The letter in the Wall Street Journal is the strongest example that demonstrates
how ineffective source country programs have been in tackling drug problems. “We
should focus instead on reducing harm to users and on tackling organized crime.”
These leaders call for a new strategy to focus on the heart of the problem drug abuse,
drug dealers, and traffickers. Alternative development and eradication attempts have
failed to; provide farmers with markets for alternative crops, curb drug production, and
trafficking by targeting their source coca. The letter also suggested that addressing the
U.S. demand for cocaine should be an essential part of a new drug policy.

In Mathea Falco’s “U.S. Drug Policy: Addicted to Failure,” she discusses the drug
problem as something that needs global attention. She suggests that the long lasting
answers to the American drug problem should have been resolved at home and not
abroad. Drug prevention programs should have been the answer to curb drug abuse.
Falco’s response to the war on drugs is a greater focus on programs at home rather than
in source countries because eradication programs have been unsuccessful in the long run.
She suggests that drug prevention programs should involve families, the media, and the
community to focus on addiction and abuse at home.

Falco states that it was not helpful to Americans with drug problems when
Congress lowered funding for schools to have drug preventative education programs.

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51 Henrique Cardoso, Cesar Gaviria, and Ernesto Zedillo. “The War on Drugs is a Failure.”
They cut funding from the Safe and Drug Free Schools Program 1996 budget, from $441 million to $200 million.\textsuperscript{52} Mathea Falco’s conclusion states “International narcotics control, if no longer subject to the elusive counts of drugs eradicated or seized, can serve America’s larger interests in strengthening democratic institutions and freeing countries from the grip of criminal organizations.”\textsuperscript{53} Her analysis suggests that if the U.S. had focused more on the reduction of demand of illegal narcotics, such as cocaine, then progress against drug abuse would most likely have been more evident. Perhaps, Falco’s suggestion would be a possible solution to ending the war on drugs in Latin America.

\textsuperscript{52} Falco, “The U.S. Drug Policy: Addicted to Failure,” 130.
Sources


