

MILITARY REFORMISM IN PERU: Opening the Pandora's Box

Martin J. Scurrah

Grupo de Estudios para el Desarrollo, Lima

- AGRARIAN REFORM AND RURAL POVERTY: A CASE STUDY OF PERU. By TOM ALBERTS. (Boulder, Colo.: Westview, 1983. Pp. 306. \$24.00.)
- TERMINOS DE INTERCAMBIO CIUDAD-CAMPO, 1970-1980: PRECIOS Y EXCEDENTE AGRARIO. By JORGE BILLONE, DANIEL CARBONETTO, and DANIEL MARTINEZ. (Lima: Centro de Estudios para el Desarrollo y la Participación, 1982. Pp. 96.)
- MILITARY REFORMISM AND SOCIAL CLASSES: THE PERUVIAN EXPERIENCE, 1968-1980. Edited by DAVID BOOTH and BERNARDO SORJ. (New York: St. Martin's Press, 1983. Pp. 210. \$25.00.)
- AGROINDUSTRIA Y TRANSNACIONALES EN EL PERU. By JORGE FERNANDEZ-BACA, CARLOS PARODI ZEVALLOS, and FABIAN TUME TORRES. (Lima: DESCO, 1983. Pp. 260.)
- DIFFICULTIES OF ACHIEVING A CONSENSUS IN PRESENT-DAY PERU. By CARLOS FERRERO. (Lima: Editorial Universitaria, 1981. Pp. 48.)
- CAPITALIST DEVELOPMENT AND THE PEASANT ECONOMY IN PERU. By ADOLFO FIGUEROA. (Cambridge: Cambridge University Press, 1984. Pp. 140. \$29.95.)
- THE POLITICAL ECONOMY OF PERU, 1956-1978: ECONOMIC DEVELOPMENT AND THE RESTRUCTURING OF CAPITAL. By E. V. K. FITZGERALD. (Cambridge: Cambridge University Press, 1979. Pp. 360. \$52.50.)
- VELASCO: DEL ESTADO OLIGARQUICO AL CAPITALISMO DE ESTADO. By FRANCISCO GUERRA-GARCIA. (Lima: Centro de Estudios para el Desarrollo y la Participación, 1983. Pp. 119.)
- THE PERUVIAN EXPERIMENT RECONSIDERED. Edited by CYNTHIA MCCLINTOCK and ABRAHAM F. LOWENTHAL. (Princeton: Princeton University Press, 1983. Pp. 442. \$45.00 cloth, \$9.95 paper.)
- EL AGRO PERUANO, 1970-1980: ANALISIS Y PERSPECTIVAS. By DANIEL MARTINEZ and ARMANDO TEALDO. (Lima: Centro de Estudios para el Desarrollo y la Participación, 1982. Pp. 188.)
- LOS MILITARES Y EL PODER: UN ENSAYO SOBRE LA DOCTRINA MILITAR EN EL PERU, 1948-1968. By JORGE RODRIGUEZ BERUFF. (Lima: Mosca Azul Editores, 1983. Pp. 264.)

MAOISM IN THE ANDES: SENDERO LUMINOSO AND THE CONTEMPORARY GUERRILLA MOVEMENT IN PERU. By LEWIS TAYLOR. Working Paper No. 2. (Liverpool: Centre for Latin American Studies, University of Liverpool, 1983. Pp. 40.)

In recent years, an impressive array of works by both Peruvian and foreign authors have attempted to analyze and explain the military regime that governed Peru in two phases from 1968 to 1980. The initial surprise with which scholars and analysts greeted the Velasco government and its reformist measures has been replaced by attempts to explain why the government broke with previous patterns of military behavior in government, what goals the military rulers hoped to achieve, the extent to which they actually changed the structures of Peruvian society, why the military felt obliged to return to their barracks, and exactly what kind of society they left behind.

The authors of the books reviewed in this essay agree on the historical importance of the Velasco and Morales Bermúdez governments. These governments, especially that of Velasco, attempted to implement a reform agenda that had been advocated by APRA and the left-wing parties since the 1930s and thus to enable Peru to "catch up" historically with its neighbors. Yet the authors by no means agree on the success of these efforts or on the extent or durability of the military's reforms. One finds few clues about the "new" Peru of the 1980s. Indeed, if one reason for the military government's lack of complete success was its failure to understand the complexities of Peruvian society, one consequence of the attempt to change it—and of the debates that surrounded this attempt—has been a reinforced scholarly appreciation of that society's complexity and of the lack of a new, accepted reform agenda comparable to the one that shaped debate over the previous four decades.

In an attempt to introduce some order into a review of numerous publications on a broad range of topics, the discussion will proceed along the following lines. First, those authors who have attempted to explain the Peruvian armed forces as an institution will be examined. Then I shall compare the views of those who have attempted to interpret the military regime from a sociopolitical perspective. This comparison will be followed by a review of the attempts by economists to apply their analytical skills and frameworks to understanding the same phenomenon. Because substantial agreement exists that the agrarian reform was one policy measure that enabled the military government to have significant impact, I shall then review several books analyzing that reform and the present state of agriculture in Peru. Finally, the two rather slim volumes by Lewis Taylor and Carlos Ferrero will serve to

indicate the current level of scholarly interest in Peru and its apparent future prospects.

Los militares y el poder: un ensayo sobre la doctrina militar en el Perú, 1948–1968, by Jorge Rodríguez Beruff, is based on the author's dissertation. It seeks to understand the military regime during 1968–1980 by analyzing the evolution of the armed forces' military doctrine from 1948 to 1968. Rodríguez's working assumption is that "in a military apparatus that has attained a high level of bureaucratic development (including an educational system for its officer corps), as is the case in Peru, its ideology may be found in the more abstract (and, presumably, 'neutral') formulations of the dominant military doctrine" (p. x). Thus he carefully traces the evolving formulations of military doctrine from the 1940s, when under French military influence the "total war" thesis was predominant, through the 1950s, when this concept was further developed in association with U.S. military thinking, up to the 1960s, when the doctrine of the "internal war" (against subversion) was incorporated. While Rodríguez treats the role of the Centro de Altos Estudios Militares (CAEM) prominently,¹ he recognizes its dominance by conservative officers during the 1960s, as well as the rising importance of military intelligence in defining doctrine during the same period. The relations between official military institutions and succeeding governments are shown to be more subtly varied than was previously thought. As military doctrine gradually interpreted the total war thesis in light of the military's deepening understanding of Peru, successive governments—whether military or civilian—were sometimes perceived as strengthening, but usually as weakening, the country's defense capability. Rodríguez concludes from his study that far from constituting a radical departure from past practice, "the CAEM's reformism was essentially derived from an attempt to formulate a national war doctrine, and thus should be understood as forming an integral part of a military doctrine" (p. 6).

Liisa North's chapter in *The Peruvian Experiment Reconsidered*, edited by Cynthia McClintock and Abraham Lowenthal, follows a different tack. On the basis of "speeches, public statements, and interviews given by fifty-nine officers who occupied ministerial-level positions between October 1968 and August 1976" (p. 252), North developed a five-part typology of political tendencies consisting of progressives, center-left, center, center-right, and extreme right. By presenting vignettes of the officers who occupied the progressive, center, and extreme right categories of her subjectively derived scheme, she succeeds in characterizing some of the conflicts and shifting tendencies during the Velasco government. Unconsciously reinforcing the value of studies like those by Rodríguez, however, North concludes: "What is remarkable to date, however, is the survival of the basic unity

of the military institution despite the severity of the internal conflicts . . . the ultimate loyalty of the officers was directed to the institution itself" (p. 274).

Political sociologists, true to their reputed enthusiasm for revolutionary change, were among the first to make pronouncements on Peru's military government. Francisco Guerra-García, as a member of the *aplanadora* of SINAMOS (Sistema Nacional de Apoyo a la Movilización Social), was one of the Velasco government's civilian advisors. He argues in *Velasco: del estado oligárquico al capitalismo de estado* that during the Leguía *oncenio* of the 1920s, the fundamental structures of Peruvian society were established, structures that were to remain unaltered until the 1970s, and that the reform programs of both Haya de la Torre and Mariátegui, which were formulated in reaction to those structures, were basically alike. In Guerra-García's view, the military reformers and their civilian advisors were the real inheritors and implementors of this program. Reflecting José Nun's well-known thesis, Guerra-García argues that this situation was possible because both groups were essentially middle-class in origin: "the strengthening of the middle class with all its ambiguities and indefinities explains the greater development of the armed forces and, vice versa, because the phenomenon is dialectical, this explains, although only partially, the correlative deterioration in the bases of oligarchical power" (p. 98). Thus the middle class—and the armed forces as a quintessentially middle-class institution—were finally able to undermine the oligarchy's power and undertake reforms in Peru. Guerra-García concludes nonetheless that the change process begun by Velasco was incomplete, terminating in state capitalism and a transitional state.

Julio Cotler and Luis Pásara, in their contributions to the McClintock and Lowenthal volume, share some aspects of Guerra-García's argument. Cotler's view here as elsewhere is that Peru's central historical problem has been "the absence of a leadership group capable of sustaining the process of Peru's national and political integration" (p. 4), which involves the key tasks of accelerating capitalist development, progressively incorporating popular demands into the daily operation of the state, and unifying the population and the territory through effective governmental centralization.² In the 1970s, the armed forces attempted to undertake these tasks: "the overall purpose of the military scheme was to combine capitalist accumulation by the state and by the private sector in order to enlarge and deepen the internal market, and also to make it more homogeneous—and thereby attain national economic and social integration" (p. 22). By doing so, they would "bring the struggles made since 1930 by the middle sectors to their culmination and conclusion." According to Cotler's analysis, however, the very characteristics of the military as an institution that enabled it to gain the

relative autonomy necessary to initiate the reforms prevented it from completing and institutionalizing them. For his part, Pásara also argues that the military regime was petty bourgeois in nature and origins, and he concludes in a similar vein to Cotler that “the political collapse of the government’s program is not explained by the domination of one trend over another, but by the social isolation of its conciliatory content and the hierarchical nature of its politics, both of which were essential elements of the regime” (p. 319).

In an interesting contribution to *The Peruvian Experiment Reconsidered*, Peter Cleaves and Henry Pease analyze the conditions that allowed the Velasco government to enjoy relatively great autonomy while the Morales Bermúdez government achieved only moderate autonomy. The authors describe the different policy-making styles employed, which depended on the degree of autonomy, state unity, state power, and the unity of the dominant class: “Policy-making styles . . . appear to be correlated with levels of autonomy and state power. High autonomy is feasible only temporarily and is usually accompanied by a secretive policy-making style The state that is weak, whether as a result of severe internal divisions or a low resource base, is susceptible to the bullying of powerful economic or political interests; its low autonomy is manifest in public policies that favor those interests” (pp. 242–43). Cleaves and Pease employ this scheme to explain why policy decisions in the Velasco period tended to favor weak groups while in the Morales Bermúdez period they tended to favor powerful groups.

McClintock’s aim in her chapter is “to understand why the Velasco government was so much more successful in its reform-mongering than in its support-gathering” (p. 276). After examining government policies in the agrarian and industrial sectors and the attempt to promote popular participation through SINAMOS, she concludes that “both the government’s success in reform-mongering and its failure in support-gathering may be attributed to the government’s stealth. By sending out confusing and ambiguous signals about its intentions and then suddenly taking the initiative, the government deflected opposition to its reform measures until it was too late for the opposition to mount a concerted challenge When a government hides what it wants to do in order to succeed, it confuses citizens; but when it openly proclaims its goal, it meets greater opposition, frequently fails, and then both disillusiones and confuses citizens” (pp. 276–77). Although the style and theoretical framework of the Cleaves and Pease chapter differ from that of McClintock, a remarkable convergence occurs in their analyses and conclusions.

If the McClintock and Lowenthal collection is encyclopedic in its scope and its lack of integrating focus, the volume edited by David Booth and Bernardo Sorj illustrates the advantages of a reduced scope

(eight chapters versus thirteen) and a common disciplinary perspective (all contributors being sociologists). They were consequently able to define the central theme of *Military Reformism and Social Classes: The Peruvian Experience, 1968–1980* as “the relationship between social classes and their interests on the one hand, and the state and the nature of the political regime on the other” (p. 6). This theme is explored through analyses of the agrarian reform, the industrial reform, public enterprises, the union movement, social property, and the reform of the press.

The contribution by Eugene Havens, Susana Lastarria-Cornhiel, and Gerardo Otero on the agrarian reform follows an “early Quijano” interpretation of the military regime, whose plan they consider “clearly capitalist in design” (p. 25). Their discussion is inaccurate on a number of points (the agrarian bonds, participation in the sugar cooperatives, the Confederación Nacional Agraria [CNA], and the agrarian debt), and their characterization of the reforms as “a national industrialising effort carried out under a corporatist regime with populist tendencies” (p. 28) is refuted by subsequent contributions to this volume. Through an analysis of the industrial reform and the relations between industrialists and the state, Anthony Ferner attempts to defend his thesis that “during the ‘first phase’ (1968–75) certain ‘anomalous’ elements of the process undermined the coherence of the model as a whole, alienating from the regime the very sections of the dominant class whose interests were supposedly being advanced. Under the second phase (1975–80) . . . major efforts were made to eliminate the ‘anomalies’ from the military’s development model” (p. 40). While Ferner thus shares with Havens, Lastarria-Cornhiel, and Otero the belief (based on a rather standard Marxist analysis) that the military reforms were an attempt to “modernize” Peru in the interests of the bourgeoisie, he recognizes the existence of fractions within the bourgeoisie and “anomalies” that cannot be explained by classical analysis.

In Sorj’s discussion of the public enterprises under Velasco, he analyzes “not only the proportion of the economy belonging to the public sector but also and crucially (1) the way in which particular classes give initial support to and/or subsequently react against a specific pattern of public enterprise development; (2) the role, if any, of public enterprises in the reproduction of the total social capital; and (3) the consequences, favorable or otherwise, for the different established and emerging social classes” (p. 73). His conclusion creates even more doubts about simple interpretations of military reformism: “Peru’s Public Enterprises did not succeed in becoming effectively *either* a solid basis for private-sector expansion *or* an entrepreneurial nucleus capable of generating a self-sustaining process of accumulation The project implemented by the government did not favor in a clear way any of

the fundamental classes of Peruvian society" (p. 89). In contrast, Nigel Haworth argues on the basis of his analysis of the union movement during the military regime that both exogenous factors and government policies tended to favor working-class mobilization: "The Velasco government's participationist propaganda and schemes for the incorporation of the labour movement did make a mark on the consciousness of Peruvian workers, but in general, institutions such as the Comunidad Laboral (CL) were considered in a practical manner and their consequences were not always disadvantageous from the trade union point of view The radical rhetoric and the relatively liberal policy on trade union recognition and related matters which characterized most of the Velasco period and even the first twelve months of the 'second phase' provided the necessary 'space' for a steady advance in trade union organisation and consciousness" (p. 113).

Because the social property enterprises and sector innovation most clearly call into question the corporatist and bourgeois reformist interpretations of the Velasco government and because they appeared when the reformist momentum was waning and were never fully implemented, scholars have tended to dismiss them as utopian aberrations. Without exaggerating their practical significance or pretending that they formed part of a preconceived model, Marcos Palacios employs his analysis of social property to suggest that "what have been referred to above as anomalies should be understood as constituents of an *alternative model of development* born out of an *extended historical period* in which hegemony was incompletely established and no fraction of capital was strong enough to impose a clear break with the primary export model of capitalist accumulation. The unprecedented degree of superstructural determination involved in the military's political project is the counterpart of the historical weakness of hegemony as a mode of social domination in Peru. The character of the model of reform adopted by the military after 1968 is to be explained in terms of the historical autonomy of the middle sector vis-à-vis the dominant class and its various fractions, which is one aspect of the chronic insufficiency of hegemonic domination" (pp. 133-34).

David Booth contributes an excellent analysis of the press reform in Peru, in which he concludes that "consistently and systematically, not on occasion or by accident, those who have done most to promote the idea of the reform of the press in Peru have done so on the basis of politically instrumental considerations" (p. 178). Then he picks up the common thread in the contributions to this volume by observing that "our discussion casts doubt on any overall interpretation which purports to identify *the* project of the military regime. Rather we should think in terms of (plural) projects being advanced with greater or lesser success by different tendencies within the regime, to some extent simul-

taneously and to some extent in succession" (p. 176). In the concluding chapter of this excellent volume, Sorj argues that the preceding contributions demonstrate that "there is . . . a fundamental theoretical fallacy underlying those interpretations which seek to establish a connection between the policies of the military government and the interests of the national bourgeoisie" (p. 196). Thus *Military Reformism and Social Classes* is not only a valuable contribution to scholarly understanding of different aspects of the military reforms and the relations between social class and state in Peru, but it is also a stimulating reflection on the possibilities and limitations of Marxist social analysis.

While sociologists were attracted by the Velasco government's possibilities for radical social reform, economists—true to their reputation as practitioners of the "dismal science"—have been interested in understanding why it failed. In her introductory chapter to the McClintock and Lowenthal book, Rosemary Thorpe characterizes the situation at the commencement of military rule as one in which "export-led growth created a rather underdeveloped state, a weak industrial base, and comparatively weak industrial groups closely integrated with foreign capital" (p. 40). The task facing the new government thus was "to revive the economy and break the export supply bottleneck . . . [and] respond to mounting pressure for a somewhat wider and more nationally oriented distribution of benefits . . ." (p. 44). In Thorpe's view, however, the attempted reforms embodied four major inconsistencies and false assumptions: first, "it was believed that the Peruvian private sector would respond to nationalistic reforms with a surge of investment"; second, "nationalization was presumed to give access not only to potential but also to actual surplus"; third, "a continued role for foreign investment on new terms was thought to be compatible with the government's plans"; and fourth, "in various, though rather unclear ways, the reforms would have a significant and rapid effect on the various disequilibria within the economy" (p. 45). She concludes that while the role of the state increased strikingly, "in the crucial areas of distribution and the ability to withstand international economic fluctuations . . . we can record no progress" (p. 61).

E. V. K. FitzGerald, who was an advisor to the Velasco government within the Instituto Nacional de Planificación, views capital accumulation as the key element of economic change and the state as central to the political process. *The Political Economy of Peru, 1956–1978: Economic Development and the Restructuring of Capital* is his detailed study of the reforms and their economic implications. FitzGerald argues that state capitalism as attempted in Peru was not a viable means of achieving economic development for the following reasons: "the difficulty of establishing a new model of accumulation without taking over the private sector entirely; the impossibility of wresting control from foreign

capital while continuing to rely upon foreign technology and funds; and the problems of simultaneously overcoming dualism and reviving economic growth" (p. 11). Nevertheless, he acknowledges that progress was made on several fronts: "a process of industrialization did take place; . . . the grosser aspects of external dependence manifested by foreign ownership of the very basis of production and trade were removed; . . . the corporate sector was reorganized so as to link its constituent elements together on the basis of inter-sectoral transactions and an effective system of central planning . . . [and] the social structure of the rural sector was fundamentally changed by the agrarian reform" (p. 295). FitzGerald concludes that the exhaustion of the natural resource export base and the need to restore the dynamic of food agriculture will require a new development model based on labor-intensive technologies and an industrialization process that uses local inputs and is closely linked to agriculture.

Rejecting the political economy approach, Daniel Schydrowsky and Juan Wicht claim in their contribution to the McClintock and Lowenthal collection that "the 1975–1978 crisis was not inexorably determined; it was not a result of class interests, nor of a particular political system, but of serious mistakes and incorrect economic policies, policies that were not grounded in a consistently applied economic model" (p. 94). In their view, the military government's economic failure was due to the following basic elements of its economic strategy: "destruction of part of the managerial system of the country and disorganization of the remainder; reduction in growth of the primary, foreign exchange producing sectors; increase in capital and foreign exchange intensity of investment, current production, and final demand; elimination of most of the flexibility in the import bill; inflation of the balance of payments problem through excessive borrowing" (p. 119). To correct these errors, Schydrowsky and Wicht propose an alternative strategy involving export-led growth on the basis of the utilization of idle industrial capacity.

In their respective chapters in the McClintock and Lowenthal volume, Barbara Stallings and Laura Guasti discuss the role of international capital and multinational corporations. Stallings argues that the main influence of foreign capital on Peru came through the historical structuring of the socioeconomic system and that short-term influences were of minimal importance. She concludes that the military reforms were beneficial for maintaining the capitalist mode of production in the long run, although they harmed various individual firms in the process. Guasti maintains that the reforms succeeded in lessening the power of international extractive corporations but not that of international manufacturing firms and that they increased the direct impact of international banks on the government, on the economy, and on the future of Peruvian industrialization. Both agree with FitzGerald that although

some progress was made in lessening Peru's dependence on international corporations, the fundamental contradiction between seeking autonomous industrialization while using capital-intensive advanced technology (requiring resources from multinational corporations and foreign banks) was never resolved.

John Sheahan assumes an intermediate position. On the one hand, he sides with Schydrowsky and Wicht, arguing that "the failure of national policy to limit aggregate demand to productive capacity and the distortions induced by the combination of extreme protection and inappropriate exchange rates meant that the system was bound to break down no matter how well designed the social reforms or how well run the public firms" (p. 397). On the other hand, Sheahan shares the concern of political economists for political and other variables. Thus he detects a number of "intellectual" problems common to the Velasco and other populist reformist regimes: "a failure to realize that price signals can lead to behavior in unwanted directions; misinterpretation of the facts of idle capacity and unemployment as evidence that the economy has no outer limit of capacity; convictions that industrial exports are impossible or too small to be worth bothering about; a belief that import controls can take care of foreign exchange problems when the production system has become import dependent; preoccupation with holding down food prices or raising wages for urban workers, without realization or concern for what these policies do to rural incomes and production incentives" (p. 412). Finally, he observes that the importance of religious and ethical considerations, combined with gruesomely unequal economic and social realities, creates conditions where price and income constraints are seen as perverse, demeaning, and immoral.

A curious paradox can be found in the fact that the majority of analysts agree that the military government achieved its most fundamental and far-reaching reforms in agriculture while they also concur that the agricultural sector is the one most in need of development attention by any postreform government. Was there really an agrarian reform, and if so, what did it achieve and why is there so much still to be done?

Tom Alberts was a planning advisor in the early years of the Velasco government. His careful analysis in *Agrarian Reform and Rural Poverty: A Case Study of Peru* places agrarian reform within the context of the debate over equity versus growth and concludes that while both considerations were important, equity enjoyed higher priority. But although Alberts (like most authors on the subject) considers the Peruvian agrarian reform to have been the most radical in Latin America since the Cuban agrarian reform, he concludes that it failed to achieve the goal of redistributing incomes on a massive scale within the agricul-

tural sector. From the point of view of growth, Alberts rates the performance as poor because of the lack of land and a series of inappropriate economic policies. Apart from the fact that the land was generally not distributed to the poorest segments of the peasantry, the land transfer process was not complemented or succeeded by accompanying policies (on credit, prices, technology, extension, and related matters) that would have transformed Peruvian agriculture.

Términos de intercambio ciudad-campo, 1970–1980: precios y excedente agrario by Jorge Billone, Daniel Carbonetto, and Daniel Martínez and *El agro peruano, 1970–1980: análisis y perspectivas* by Martínez and Armando Tealdo both report on research carried out on prices during and after the agrarian reform. The two studies present data from the coastal agrarian reform enterprises showing price tendencies from 1970 to 1980 for the principal agricultural products—cotton, rice, sugar, feed corn, and potatoes. These figures were then compared with the tendencies of prices for the principal farm inputs—seeds, fertilizers, water, machinery, and wages. The data of these authors show that, with the possible exception of rice, the evolution of prices was unfavorable to the farmer to the extent that over the decade, 19,511 million soles (1973 value) were transferred out of agriculture: 18,211 million soles to industrial suppliers and 1,300 million soles to farm workers. These data confirm Alberts's conclusion that economic policies and, more precisely, the deteriorating terms of trade of agriculture vis-à-vis industry have largely been responsible for the poor performance of Peruvian agriculture during and after the agrarian reform.

In *Agroindustria y transnacionales en el Perú*, Jorge Fernández-Baca, Carlos Parodi Zevallos, and Fabián Tume Torres present the conclusions drawn from a series of published studies in which they analyzed the agribusiness complexes in Peru in textiles, oils and fats, leather and footwear, wheat, and sugar.³ They found that although no less than 38 percent of agricultural and livestock production is absorbed by agribusiness, government price and import policies have been designed to favor agribusiness at the expense of agriculture. The authors demonstrated (as have others⁴) that most agribusiness in Peru is directly or indirectly foreign-owned and responds to the logic of multinational firms, which discourages the local production of products in surplus in the developed countries (such as powdered milk, wheat, feed corn, and soya) through a policy of cheap imports and by promoting consumption patterns oriented toward these products (cookies, bread, and noodles, for example, versus potatoes and other Andean tubers). Thus while the developed countries have sought to strengthen their agricultural sectors through incentives for production and export, the developing countries, including Peru, have discouraged local production and favored imports. All these authors concur that government policies have

tended to favor urban consumers and industry, both agribusiness and producers of agricultural inputs, at the expense of farmers. But what has happened to the poorer segments of the peasantry who were ignored by the agrarian reform?

Adolfo Figueroa addresses this issue in *Capitalist Development and the Peasant Economy in Peru*, which presents the results of economic research in four peasant communities. His findings indicate that peasant economic strategies are directed toward minimizing uncertainty rather than maximizing income and that this approach results in a mix of crops and livestock production, market and subsistence activities, and the sale of labor. As Figueroa expresses it, "peasant families are poor but efficient" (p. 3), and he attributes their poverty to the poor quality of resources and the traditional technology used. This interpretation is supported by the fact that about 90 percent of family expenditures are on consumer goods, with only 4 percent on capital goods and less than 7 percent on production, allowing little scope for capital replacement, let alone accumulation. Rather than being isolated from the market, peasants obtain about half their total family income from subsistence, almost 40 percent from the sale of labor, and the rest from the sale of agricultural products and livestock. But these averages hide considerable variation in income level from one family to another. Consequently, wage income from work in the community and agricultural monetary income are more important for poorer families, whereas monetary income from livestock and commerce and wage income from markets external to the community are more important for wealthier peasants. Figueroa concludes that real incomes of peasants remained almost stagnant from 1950 to 1975 and declined by about 17 percent from 1975 to 1980. As a result, the peasant economy is playing a less important role as supplier of food for domestic consumption over time. Echoing the views of other authors reviewed here, he maintains that "developed countries protect agriculture whereas less developed countries protect manufacturing The significant decline in the share of agriculture in total exports, together with the fact that the share of imported food has increased with respect to total agricultural output, indicate that Peru has, in fact, lost comparative advantage in agriculture" (p. 99).

The publications reviewed to this point lead to a number of conclusions. First, the military-sponsored reforms represented a serious attempt to implement a political agenda formulated in the 1920s. Second, the reforms were incomplete, inadequate, or both and did not succeed in establishing a new viable structure for society with a corresponding political and social consensus. Third, even the most far-reaching reforms in agriculture did not address the fundamental problems in that sector. With the restoration of democracy in 1980 with the same

president and governing party removed by the military coup of 1968, the sense of unfinished business and uncertainty toward the future has become pronounced.

Although a substantial analysis of the second Belaúnde government has yet to appear, some straws in the wind may be discerned. The pamphlet published by Carlos Ferrero as *Difficulties of Achieving a Consensus in Present-Day Peru* is in fact a chapter from a larger volume, *Un alto en el camino del Perú*. It attempts to explore the possibilities of achieving consensus for a political program that would tackle the problems facing Peru in the 1980s. The analysis is superficial and the proposals are extremely naive. If nothing else, the pamphlet demonstrates the very limited basis for consensus in a society with such marked political, social, economic, and cultural cleavages as those characterizing Peru. The total failure of Ferrero's incursion into politics and the enormous difficulties faced by the Belaúnde government have demonstrated the truth of this assertion.

Lewis Taylor's excellent working paper, *Maoism in the Andes: Sendero Luminoso and the Contemporary Guerrilla Movement in Peru*, is another indication. Taylor traces the origins of Sendero Luminoso to the frustrated expectations created by the military reforms, the divisions within the political left, and the prolonged economic crisis. Ironically, Sendero Luminoso derives its strongest support precisely from those sectors of the peasantry neglected by the agrarian reform and recommended as the priority focus for agricultural policies by the authors reviewed in this article. Taylor describes the classic, almost textbook Maoist strategy that the Sendero Luminoso is following as well as its ideology and organizational structure. He carefully contrasts this movement with the unsuccessful guerrilla movement that emerged in the 1960s, concluding that "Sendero Luminoso have mounted a much better organized and determined attempt at rural guerrilla warfare than their predecessors of 1965" (p. 39). Taylor's analysis gives insufficient treatment to the strategies of the government and military in dealing with this threat, the implications for the country's political stability, and their apparent inability even to comprehend the nature of the phenomenon. Subsequent developments suggest that his conclusions about the military's ability to suppress and control this movement may be overly optimistic. Nevertheless, *Maoism in the Andes* is one of the better treatments available in English on this elusive and increasingly important political group.

In the mid-1980s, Peru appears to be a much more complex society than it seemed at the end of the 1960s. The relative certainties about "what had to be done" that guided and encouraged the military in their reforms have been replaced by uncertainty and pessimism. If anything, the reforms succeeded in revealing the enormity and com-

plexity of the task. Although a deathblow was dealt to the already weakened oligarchy, no new alignment or coalition of classes able to define and impose a model of development on Peru has yet emerged. The economic constraints, already perceived as close in the early 1970s, have now become a tightly corseted straight jacket. In these circumstances, the chances for a voluntarily achieved consensus and for stable and effective democratic government seem to be very slim indeed.

NOTES

1. The role of the CAEM has been highlighted in Víctor Villanueva, *El CAEM y la revolución de la fuerza armada* (Lima: Instituto de Estudios Peruanos, 1972).
2. *Clases, estado y nación en el Perú* (Lima: Instituto de Estudios Peruanos, 1978).
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