

MILITARY-LED REVOLUTION IN PERU: A POSTMORTEM

As Cromwell's army was a church in arms,
so the Peruvian army is a party in arms.

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THE PERUVIAN EXPERIMENT: CONTINUITY AND CHANGE UNDER MILITARY RULE.

Edited by ABRAHAM F. LOWENTHAL. (Princeton, N.J.: Princeton University Press, 1975. Pp. 479. \$22.50/\$6.50.)

INEQUALITY IN THE PERUVIAN ANDES: CLASS AND ETHNICITY IN CUZCO. By PIERRE L. VAN DEN BERGHE AND GEORGE P. PRIMOV. (Columbia and London: University of Missouri Press, 1977. Pp. 324. \$17.50.)

THE STATE AND ECONOMIC DEVELOPMENT: PERU SINCE 1968. By E. V. K. FITZGERALD. (London, etc.: Cambridge University Press, 1976). Pp. 127. \$5.50.)

PERUVIAN DEMOCRACY UNDER ECONOMIC STRESS: AN ACCOUNT OF THE BELAÚNDE ADMINISTRATION, 1963–1968. By PEDRO-PABLO KUCZYNSKI. (Princeton, N.J.: Princeton University Press, 1977. Pp. 309. \$16.50.)

PERUVIAN NATIONALISM: A CORPORATIST REVOLUTION. Edited by DAVID CHAPLIN. (New Brunswick, N.J.: Transaction Books, 1976. Pp. 494. \$6.95.)

PERUVIAN POLITICAL PERSPECTIVE. By MARVIN ALISKY. (Tempe: Center for Latin American Studies, Arizona State University, 1975. Pp. 44.)

THE JAPANESE AND PERU, 1873–1973. By C. HARVEY GARDINER. (Albuquerque: University of New Mexico Press, 1975. Pp. 202. \$12.50.)

From the moment of President Fernando Belaúnde Terry's overthrow by General Juan Velasco Alvarado on 3 October 1968, to the latter's ouster by his cabinet colleagues on 30 August 1975, Peru has been the object of growing interest for many who share the hope that some middle way between capitalism and communism can be devised for dealing with the intractable dilemmas of development.

At the time of Velasco's coup, Peru provided a textbook example of both a dual society and a penetrated outpost of imperialism. Nearly half the country's population did not even speak the national language or participate significantly in the money economy. Within the other half, wealth was grossly maldistributed, with the greater part concentrated in the hands of an oligarchy of patrician and nouveaux riches families and most of the remainder going to the urban middle sectors. The Peruvian economy of the postwar period probably represented the most wide-open, freewheeling form of laissez-faire capitalism in Latin America.

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Foreign investment was actively courted, the currency was freely convertible, taxes and import restrictions were light and laxly enforced, and the Peruvian state was so marginally involved in the economy that the railroads and utilities not only were in private hands but were mostly foreign owned and run. Adding shadow and tone to this classic portrait of a weak periphery country, the performance of Peru's political parties during the preceding decades and especially throughout the Belaúnde years (1963–68) was marked by outrageous opportunism and venality. Precoup society and economy in Peru may have been textbook cases, but the politics of the period were more appropriate to a comic book.

It was with considerable reluctance that many of the higher ranking officers, particularly in the navy and air force, waded into these troubled and none-too-pleasant-smelling waters. From the outset, therefore, the primordial concern of the new regime's leadership was the maintenance of both the appearance and at least a minimal reality of unity and cohesion within the military establishment itself. This, coupled with the similar constraint of assuaging the fears of international creditors and domestic and foreign investors, professionals, skilled technicians, and others whose cooperation was deemed crucial to the functioning of the government, drastically reduced the regime's room for maneuver. One need not be a military strategist to recognize that this was no situation in which to fight a two-front war. Nevertheless, by proceeding pragmatically, eschewing ideological consistency, and borrowing from both capitalist and socialist models, the Velasco government managed to incur the enmity of both the right and the left. Caught in the cross-fire from these two flanks, the regime found itself depending more than ever for its survival on the support of the urban middle sectors, including the officer corps and modern sector workers. No other allies were available, unless the rural masses and the unemployed could somehow be mobilized. Yet an outright campaign to so restructure the traditional array of power contenders was precisely the sort of action the regime was too vulnerable to attempt. Some hedged and gradualistic efforts along these lines were made, but incremental approaches to such a profound alteration in power relationships seem inherently inappropriate and inevitably ineffective.

In the Peruvian context, where those involved in the modern sector in almost any capacity enjoy benefits and advantages undreamed of by the rural masses, these gradualistic efforts were a formula for stepped-up modernization, indeed for some sweeping structural changes in the society, but not for what could legitimately be called a revolution. In spite of its impressive initial achievements in reasserting national sovereignty, in promoting land reform, and in shifting the state from a passive reliance on market forces to an active mode of involvement based on planning and direct control of basic industry, the regime was doomed by this pattern of political opposition and support to succumb to the corruption, inefficiency, and bureaucratic delays and derailments for which the Peruvian "soft state" is justly notorious. The inevitability of this outcome followed from an internal contradiction that plagued the regime from the outset: it was willing to attempt a radical restructuring of Peruvian national life, but it was unwilling *or unable* to contemplate the only means by which this might have

been accomplished, viz., mobilization of the peasants and poorest workers and redirection of the regime's priorities away from the modern sector.

If one assumes, as many socialist intellectuals such as Julio Cotler and Aníbal Quijano did from the first, that the radical declarations of the new regime were mere rhetoric, the later abandonment of its radicalism requires no further explanation. Certainly the middle-class origins of the officer corps and the institutional biases of the military lent credence to such a view. On the other hand, if one accepts the radical intentions of the clique of colonels (the COAP) upon whom Velasco relied for policy guidance, then it must be asked whether the turning away from the commitment to the thorough-going restructuring of Peruvian society might not have been avoided and, if so, how?

In my view, the latter approach is the more valid. The removal from power and, in some cases, exiling of these more radical members of the Velasco government and the dismantling of SINAMOS (the principal institutional expression of their radical aims), by the "second phase" government of President Francisco Morales Bermúdez would seem to indicate that the new directions these men had been charting for the country were more than mere windowdressing for a modernizing military regime. Whether their aim was a corporatist state or a more participatory one is, I would argue, a secondary question and, unfortunately, now probably a moot one. The point is that their efforts at achieving greater justice and national autonomy were undermined not only by their own misplaced priorities but also by lack of support from others in Peruvian society who also claim a desire for greater justice and national autonomy. As a consequence, an auspicious opportunity for moving Peru closer to these goals has now been lost.

It is generally agreed that underlying the military's intervention in 1968 was an "enlightened" concern for Peru's national security, of which the *sine qua non* had come to be seen as a healthier, better educated, more productive, and more integrated population and a government more in control of its own resources and economy. These goals of the Peruvian officer corps coincided nicely with the objectives of those who sought improvement in the lot of the masses, a more just distribution of wealth and income, rational planning of the national economy, and freedom from foreign manipulation. Why, then, the bitter rejection of the military government's initiatives by many, probably most, of the country's leading radicals and by the vast majority of politicized university youth? In part, because the goals of these groups included a far broader degree of participation than the military were ready to condone, but also, it would seem, because their ideological lenses could not adjust to the possibility of a *military* government carrying out fundamental and sweeping reforms. Doubtless the fact that they were not leading the charge in the battle they had long been calling for also played a part in the refusal of these radical elements to associate themselves with this *sui generis* military regime, but distorted perception because of ideological predispositions would seem to account for the greatest part of their recalcitrance. It was simply inconceivable to them that the "watchdogs of the oligarchy" and erstwhile guardians of the status quo might

suddenly have become the harbingers and principal instruments of a new, more just society.

It would be inaccurate to place the blame for the dilution of the military government's radical tendencies entirely on the shoulders of the country's radicals, but without doubt their refusal to collaborate with the regime contributed to the isolation of its more radical members and forced it to accommodate its programs to those of more conservative persuasion, without whose support it could no longer persist in its governing role.

An equal share of whatever blame there is to apportion must go to the architects of the Velasco regime's development strategy for their failure to re-define development in terms of Peruvian reality. Here one wonders how different the outcome of the military government's efforts might have been had the featured speakers at Peru's Center for Higher Military Studies (CAEM) during the mid-sixties included such thinkers as Gunnar Myrdal and E. F. Schumacher. Instead, the ideology of development through expansion of the modern sector, through industrialization and export-led economic growth, prevailed. The result of this conception of development was the regime's bondage both to the Peruvian bourgeoisie and to foreign capital. Without support from these two quarters, the military recognized there was no hope of carrying out their modernizing-industrializing programs. Such dependence inevitably was translated into concessions to the preferences and demands of these groups, hence the watering down of the educational reform, the rapprochement with U.S. banking interests, and the permanent postponement of an urban reform. More recently, the policies of the "second phase" have carried this tendency further still, e.g., the interdiction of the term socialism in official parlance, and the "modification" of the industrial community concept.

The twofold lesson of the Peruvian experiment is therefore neither new nor terribly profound, but it is nonetheless important: (1) ideas have consequences and (2) revolution, like any other form of politics, is the art of the possible.

With this background for perspective, what can be said in this limited space about the seven books under review? The first thing is that not all of them deal directly with the post-1968 period and few of them treat events later than 1973. Obviously, then, none goes into the post-Velasco, "second phase" era.

Gardiner's well-researched, detailed, if at times pedestrian history of Peru's contacts with the Japanese is, as one would expect, the least relevant of the seven to the post-1968 experience on which the present essay focuses. He is probably correct in predicting a continuation of the recent trend toward intensified economic ties between Peru and Japan, however, so his painstaking tracing of the past relations between these two nations is of more than antiquarian interest.

Alisky's pamphlet is an uneven compilation of information and interpretation of varying accuracy and perception. It is devoted primarily to the 1968–71 period, with an updated chapter tacked on to cover events up to early 1975. Because of its brevity and generally sound summaries of the journal literature it

would probably be most useful to travelers, businessmen, and international consultants whose exposure to Peru has been nil and is likely to be short.

The volume edited by Chaplin falls prey to the usual lack of integration that characterizes collections of largely already published articles. Given the promise of its title, it is also rather unbalanced in terms of its extensive treatment of pre-1968 events. Nevertheless, many of the contributions are informative and insightful, and it is convenient to have them drawn together in one place.

Kuczynski's memoir, although also dealing with the precoup period, is nonetheless a congenial starting place for analysis of the post-1968 military government. Lucidly written and copiously accompanied by tables and documentation, this history of the Belaúnde years by a brilliant young insider (one of the Central Bank's most influential managers) provides a wealth of insight into the nature of the problems facing any administration in Peru and, in particular, the difficulties encountered by the Belaúnde regime. From a hardline monetarist viewpoint, Kuczynski surveys the disastrous trajectory of profligate government spending programs unfinanced by taxation, reviewing as well the depressing spectacle of Peru's political parties and elites during this period. Perhaps Kuczynski's openly jaundiced perspective on politics and politicians can be forgiven, for the unprincipled and irresponsible behavior that characterized Peruvian political life from 1963 to 1968 could sour the enthusiasm for self-government of the most dedicated democrat. Acknowledging (albeit gently) the ineptness of President Belaúnde's leadership, Kuczynski divides the major share of the blame for the demise of democracy in Peru between, on the one hand, the obstructionism of APRA and their unlikely coalition partners, the Odristas, and, on the other hand, the dearth of competent administrative personnel. He laments in regard to the latter that "the Peruvian upper class has no tradition of public service" (p. 16). While obviously a sympathetic account of the Belaúnde administration, warts and all, this book is well worth reading either for the specific background it provides or for a better understanding of the obstacles awaiting any attempt to promote even a traditional brand of development through democratic processes.

Fitzgerald's well-organized and detailed economic analysis of Peru since 1968 (up through 1974) is a valuable addition to the literature. While quite technical throughout, it is only occasionally opaque to the noneconomist and is filled with useful economic data clearly displayed. The major theme of the book is the effort by the Velasco regime to move the Peruvian state from a support function vis-à-vis the private sector to a control or national entrepreneurial function. Fitzgerald's conclusion is that the attempt has not been successful. In spite of the massive increase of official involvement in the nation's economic life, he argues that the Peruvian state still lacks control over a sufficient proportion of the surplus (i.e., savings) to plan effectively and direct the economy (pp. 46–48, 55, 95). Oddly, he does not seem to question the state's administrative capacity to perform such a task. I found it puzzling as well, in view of the conclusion just described, that he could assert confidently that the economic power of the domestic elite has been virtually destroyed (p. 94), even though he admits that the income of this sector has not been significantly reduced (p. 95). Correctly, I think, he labels as the regime's most fundamental mistake its neglect

of the traditional sector and overconcentration on the modern sector (p. 89), although he feels that the emphasis on industrial growth was the wise, and probably the only feasible, policy in view of the need for middle-class support (p. 96). Fitzgerald's ECLA-style, prostatist bias and generally favorable attitude toward the military regime make all the more striking his conclusion that not only have the lower two-thirds of the population failed to benefit from the post-1968 reforms (p. 95) but income distribution has actually worsened since 1970 (p. 72).

The anthropological study by van den Berghe and Primov based on 1972–73 fieldwork in and around Cuzco provides another useful dimension in understanding both the magnitude of the task the Velasco government undertook and the less-than-satisfactory level of success it was able to achieve in carrying it out. This enormously detailed, rather repetitive, but quite readable report of observations among various strata of Cuzco's provincial society succeeds in demonstrating how much more powerful a source of dependency and domination ethnic differences can be than class differences (pp. 143–44). That ethnic exploitation and domination continue regardless of economic changes casts serious doubt on the validity of Marxist analysis in multi-ethnic situations, the authors maintain (pp. 146, 149, 223).

From the grass-roots perspective of the Indian peasant, which these authors seek to capture, the entire post-1968 process seems little more than a "circulation of elites" (pp. 174, 210), paternalistic at best, but usually autocratic (p. 257), and guilty of having exponentially increased the number of heavy-handed bureaucrats (pp. 173, 263). Their criticisms are especially telling in discussing the campesino's resentment toward and resistance against the government's imposition of a cooperative system of land tenure and agrarian production (pp. 173–74). It is perhaps understandable why of the seven books being considered here this one is generally the least sympathetic in its assessments of the military government, for nowhere has the distance between the regime's rhetoric and its accomplishments been greater than in the area of improving the lot of the peasant masses.

The Lowenthal volume is an exemplar both of interdisciplinary policy analysis and of an edited work that achieves organic unity. The product of a well-conceived and amply funded project that enabled the contributors to meet and mutually critique each other's papers on a number of occasions over a two-year period, this lengthy book is indispensable for Peruvianists and will be found useful by Latin Americanists and other students of comparative development as well. The twelve contributors, representing the disciplines of economics, education, history, political science, and sociology, provide in-depth analyses of such policy areas as land tenure, income distribution, economic organization, educational reform, urbanization, the incorporation of peasants into the political system, and the treatment of foreign investment. In addition to the uniformly high awareness on the part of each author as to where the work of the others fits into his or her own, the different essays are knit together by the common aim of the volume as a whole, *viz.*, to identify differences and continuities between the military government and its predecessors. I cannot begin to do justice to the rich

substantive content of this exceptional volume in this brief space, so I will simply note that certainly this is the most comprehensive of the seven books touched upon in this essay.

On balance, the Velasco years represent in my mind the inescapable tragedy of politics—of the human condition. Our reason leads us to positions congruent with our emotional predilections, or the latter lead us to positions that our reason can rationalize; once formulated, these positions blind us to other equally valid or superior alternatives; and, alleging principle, we obdurately refuse to admit our fallibility and to make the best of whatever bad hand fortune has dealt us. Yet, and here's the rub, there are times when refusal to compromise one's principles demonstrates the loftiest pinnacle of human achievement. The inherent tragedy of politics is that different individuals will decide differently as to whether a compromise is pragmatic or unprincipled.

This dilemma was etched in bold relief when the Velasco regime granted amnesty to the political prisoners of the Belaúnde era and two of the most famous guerrilla leaders of the quixotic mid-sixties attempts to turn the Andes into a second Sierra Maestra—Héctor Béjar and Hugo Blanco—were invited to join the regime and assist in mobilizing the peasants. Was it better to accept and try to make the best of a far from optimal situation, or to reject the offer in hopes that doing so would hasten the failure of this bogus attempt and its replacement by a more genuine one? Either choice requires a certain heroism. As it happened, Béjar accepted and Blanco declined. Had he lived, José María Arguedas might have given us a fuller understanding of the implications of these choices, for he was grappling with this sort of question in his last manuscript (*El zorro de arriba y el zorro de abajo*).

My own bias inclines me toward the it's-an-imperfect-world-so-learn-to-make-do position. In assessing the Velasco years, therefore, I ask myself what realistic alternative existed. In these terms, rather than compared to some ideal, the regime emerges as probably the best that could have reasonably been hoped for in Peru at the time. This is not to say its shortcomings should be ignored, but neither should it be held to an unrealistic standard.

As it turned out, the radical critics of the regime were correct—it failed to pull off a thorough-going revolution, although their opposition, in part, made their prophecy self-fulfilling. It must be asked, however, whether these critics could have succeeded where the military failed. Was there any way the military's monopoly of force could have been neutralized had these groups come to power? Are the radical ideologues any less middle class in their origins than the officer corps? Once in power, would they have not been faced with the same necessity of making the country run, of keeping things going; and do not the mundane, day-to-day tasks that this requires have to be performed by the educated and therefore bourgeoisified middle sectors? Yet these minorities represent a fundamental obstacle to radical restructuring of society, for they see themselves as "making it" under the status quo and are loath to have these conditions altered in a way more favorable to the majority who aren't "making it."

In short, when complete overthrow of existing power structures is infeasible and the regime in power is making a credible attempt to respect human rights (as the Velasco government did), collaboration seems a more fruitful alternative than opposition. This reasoning may still be applicable in Peru today, although, alas, reason is only one of the ingredients of politics.

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