

CHAPTER 2

Democracy, Violence, and Economic Crises in the 1980s

In Peru between 1978 and 1990, three stories intertwine: the return of party competition and party failure, diverging economic policies and their catastrophic results, and the rise of the Shining Path insurgency and the government's mostly unsuccessful efforts to defeat it. The underlying question addressed in this chapter is how these three factors helped to prepare the way for the election of Alberto Fujimori in 1990 and the collapse of democracy in 1992.

THE SECOND BELAUNDE PRESIDENCY, 1980–1985

In 1977 General Francisco Morales Bermúdez announced elections for a constitutional assembly that would pave the way for a return to democratic rule.¹

After ten years of military government, in June 1978 both long-established and relatively new political parties faced off and set the stage for the next decade's electoral contests (see table 2.1 for a list of the major parties and alliances of the period). Popular Action, the party that held the presidency at the time of the 1968 military coup, refused to participate in the Constitutional Assembly, but another major pre-1968 party did. The American Popular Revolutionary Alliance, whose chances to gain the presidency had been thwarted by the coups of 1962 and 1968, won 35 percent of the votes and 37 percent of the seats in the 1978 assembly (see table 2.2).² The Popular Christian Party (PPC), a conservative party that split from the Christian Democrats (DC) in 1966, debuted auspiciously in the absence of competition from AP, winning 24 percent of the assembly votes and 25 percent of the seats. Over the next two decades the PPC would continue to figure significantly in politics, but it would never again approach the level of electoral success achieved in 1978. A handful of parties representing divergent ideologies and personalities of the New Left—including the Worker, Peasant, Student and Popular Front (FOCEP), the Revolutionary Socialist Party (PSR), and the Popular Democratic Unity (UDP) party—joined the Peruvian Communist Party (PCP) in a leftist bloc that won 29 percent of the votes and 28 percent of the seats.

Fernando Belaunde, deposed by the military in 1968, was returned to the presidency in the 1980 elections. After boycotting the 1978 elections, AP won 45 percent of the presidential vote, 39 percent of the Lower House votes, and 54 percent of the Lower House seats. The PPC's vote share fell significantly; it won just 10 percent of the presidential vote, an equal percent of Lower House votes, and 6 percent of the seats. APRA's votes also dropped after the 1979 death of its founder, Victor Raúl Haya de la Torre, and the succession struggle that ensued. It received 27 percent of the presidential vote, 27 percent of the Lower House votes, and 32 percent of the seats. Meanwhile, the parties of the left failed to coalesce around a single presidential candidate or a single list of congressional candidates in the 1980 elections, with the result that a number of leftist electoral lists competed in 1980.³ The divisions within the left hurt it at election time, as all the leftist lists together won 20 percent of the votes but just 6 percent of the seats in the Lower House.⁴

None of the leftist presidential candidates won more than 4 percent of the valid vote. The left's failure to unite benefited AP primarily, as many leftist voters saw Belaunde as less of a threat than their traditional nemesis, APRA. According to one study, about two-thirds of those who voted for the

Table 2.1 Principal Electoral Parties and Alliances in Peru, 1978–1990

<i>Party</i>	<i>Full Name</i>	<i>Founded</i>	<i>Presidential Candidate(s)</i>
APRA	Alianza Popular Revolucionaria Americana (American Popular Revolutionary Alliance)	1930	Villanueva (80) García (85) Alva Castro (90)
AP	Acción Popular (Popular Action)	1956	Belaunde (80) Alva Orlandini (85) Vargas Llosa (90)
PPC	Partido Popular Cristiano (Popular Christian Party)	1966 ^a	Bedoya (80, 85) Vargas Llosa (90)
IU	Izquierda Unida (United Left)	1980	Barrantes (85) Pease (90)
Libertad	Movimiento Libertad (Freedom Movement)	1988	Vargas Llosa (90)
FREDEMO	Frente Democrático (Democratic Front)	1988	Vargas Llosa (90)
IS	Izquierda Socialista (Socialist Left)	1989	Barrantes (90)
C90	Cambio '90 (Change '90)	1989	Fujimori (90)
FIM	Frente Independiente Moralizador (Independent Moralizing Front)	1990	none

Source: Tuesta Soldevilla 1994.

Note: ^a Tuesta Soldevilla gives the year as 1967, but according to Planas (2000, p. 29), the PPC was founded in December 1966.

Table 2.2 Electoral Competition in Peru, 1978–1995

Parties and Alliances	1978		1980		1983		1985		1986		1989		1990		1992		1993		1995	
	% of Assembly	Seats	% of Lower House	Seats	% of Municipal Votes	Seats	% of Lower House	Seats	% of Municipal Votes	Seats	% of Municipal Votes	Seats	% of Lower House	Seats	% of CCD	% of Municipal Votes	% of Municipal Votes	% of Congressional		
AP	23.8	25.0	38.9	54.4	35.8	17.5	8.4	5.6	Abst.	—	—	—	—	(14.4)	Abst.	12.3	3.3	3.3		
PPC	—	—	23.8	25.0	11.0	13.9	11.1	6.7	14.6	—	—	—	—	(13.9)	9.8	5.3	3.1	2.5		
Libertad	—	—	—	—	—	—	—	—	—	—	—	—	—	(5.0)	Abst.	—	—	—		
FREDEMO	—	—	—	—	—	—	—	—	—	—	31.6	30.1	34.4	—	—	—	—	—		
FIM	—	—	—	—	—	—	—	—	—	—	—	**	3.9	7.1	8.8	—	4.9	5.0		
Renovación	—	—	—	—	—	—	—	—	—	—	—	—	—	7.1	7.5	—	3.0	2.5		
Right	23.8	25.0	48.5	60.0	46.8	31.4	19.5	12.3	14.6	31.6	31.6	30.1	38.3	24.0	26.3	17.6	14.3	13.3		
FOCEP	12.3	12.0	1.7	0.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
PCP/UI	5.9	6.0	3.4	1.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
PSR+UDP	11.2	10.0	4.3	1.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
UNIR	Abst.	Abst.	4.7	1.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
PRT	—	—	4.2	1.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
IU	—	—	—	—	23.3	28.9	24.4	26.7	30.5	17.9	2.3	10.0	8.9	Abst.	Abst.	4.0	1.9	1.7		
ASI/IS	—	—	—	—	—	—	—	—	—	—	—	5.3	2.2	Abst.	Abst.	—	—	—		
Other left*	—	—	1.5	0.0	—	—	—	—	—	—	—	—	—	5.5	5.0	0.5	—	—		
Left	29.4	28.0	19.8	5.6	23.3	28.9	24.4	26.7	30.5	20.2	20.2	15.3	11.1	5.5	5.0	4.5	1.9	1.7		
APRA	35.3	37.0	26.5	32.2	22.4	33.1	50.1	59.4	47.1	19.7	19.7	25.0	29.4	Abst.	Abst.	11.7	6.5	6.7		
C90/NM	—	—	—	—	—	—	—	—	—	—	—	16.5	17.8	49.6	55.0	—	52.1	55.8		
UPP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	14.0	14.2		
Others	11.6	10.0	5.1	2.2	7.4	6.7	5.9	1.7	7.7	28.5	28.5	13.0	4.4	20.8	13.8	66.2	11.2	8.3		
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Sources: Tuesta Soldevilla 1994 and Jurado Nacional de Elecciones.

Notes:

Abst. = Abstained

* "Other left" includes OPRP, APS, and PSP in 1980 and MDI in 1992 and 1993.

** Tuesta Soldevilla does not disaggregate FIM's vote total from the category "Others" in the 1990 elections.

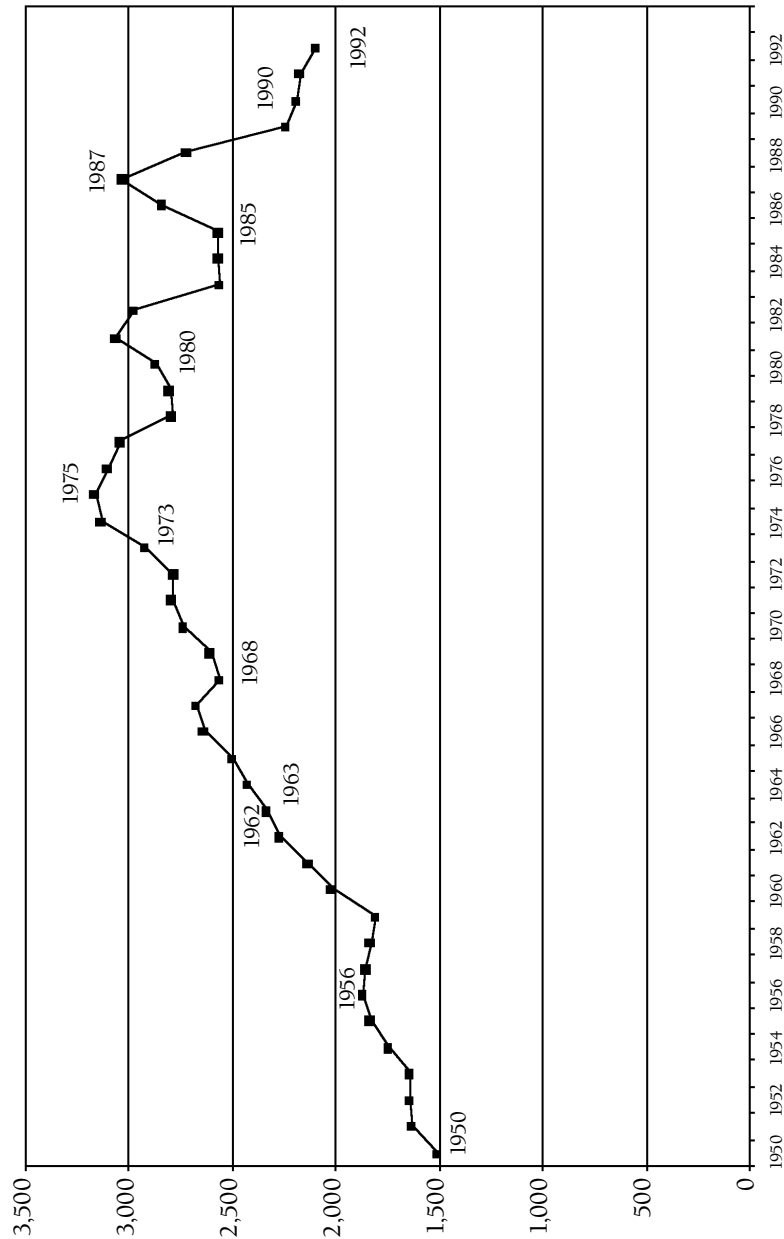
left in 1978 but chose not to vote for the left in 1980 gave their votes to AP (Dietz 1998, p. 207). Ticket splitting also favored Belaunde. The percentage of those voting for the AP presidential candidate was six points higher than the percentage voting for AP's Lower House candidates. Likewise, the left's presidential candidates together received five percentage points less than their Lower House candidates.

Later that year, several of the parties of the left succeeded in forming an electoral front, the United Left (IU), that garnered 23 percent of the votes nationally in the 1980 municipal elections. AP was still the favorite nationally, with 36 percent of the vote (only a three-percentage-point drop from the 1980 Lower House vote), while APRA received 22 percent and the PPC 11 percent of the votes. (See table 2.2.)

Belaunde confronted two fundamental problems in his second term in office: a failing economy and the rise of two armed insurgencies. On the economic front, per capita GDP had fallen nearly 12 percent between 1975 and the last full year of military government (fig. 2.1). During the same period, inflation had risen from 24 percent to close to 70 percent, and the foreign debt had become a major problem requiring intervention by the International Monetary Fund (IMF).

Belaunde campaigned for the presidency in 1980 with the promise of creating a million new jobs—in a country, as McClintock (1994b, p. 306) pointed out, of just seventeen million inhabitants at the time. On taking office, however, the administration “betrayed” Belaunde’s original economic platform by opting for an orthodox agenda. The government issued hundreds of decrees, which aroused opposition even among Popular Action representatives; but Belaunde, securing a parliamentary majority, managed to impose his will and disregard his critics” (Cotler 1995b, p. 340). Nonetheless, macroeconomic performance improved somewhat during the first two years, as Belaunde oversaw a partial opening of the economy to external competition through the reduction of tariff rates (Sheahan 1999, p. 139). In 1980 and 1981 the economy continued a recovery begun in 1979: per capita GDP grew by 1.8 percent in 1980 and 1.9 percent in 1981, and inflation remained below 75 percent (see table 2.3). The economy began to fail in 1982, when per capita GDP fell by 2.2 percent, and 1983 proved to be a disastrous year: with climactic disruptions caused by a strong El Niño effect and a sharp increase in political violence, per capita GDP fell by 14.6 percent and annual inflation jumped fifty percentage points to 125 percent. The last year and a half of Belaunde’s second administration saw a partial recovery, but by the time he left office in July 1985, per capita GDP had fallen back

Figure 2.1 Real GDP/Capita in Peru, 1950–1992



Source: Penn World Tables.

Table 2.3 Annual Variation in Per Capita GDP and Inflation in Peru, 1980–1995

Year	President	GDP/Capita (Percent Annual Variation)	Inflation (Annual Percent)
1980	Morales/Belaunde	1.8	60.8
1981	Belaunde	1.9	72.7
1982	Belaunde	-2.2	72.9
1983	Belaunde	-14.6	125.1
1984	Belaunde	2.4	111.5
1985	Belaunde/García	0.0	158.3
1986	García	6.9	62.9
1987	García	6.2	114.5
1988	García	-10.2	1722.3
1989	García	-13.4	2775.3
1990	García/Fujimori	-7.2	7649.6
1991	Fujimori	0.9	139.2
1992	Fujimori	-2.2	56.7
1993	Fujimori	3.1	39.5
1994	Fujimori	10.8	15.4
1995	Fujimori	6.7	10.2

Source: Instituto Nacional de Estadística e Informática (INEI).

to the same level it had been when the military removed him from office in 1968. Average hourly wages in Lima in 1985 had fallen by 20 percent with respect to 1980, and average monthly salaries had fallen by 39 percent (Balbi and Gamero 1990, p. 102).

The other major challenge facing Belaunde's government was in the realm of national security. While the military was preoccupied with extricating itself from government with dignity and prerogatives intact in 1980 and civilian politicians were absorbed in an election in which an unprecedented fifteen presidential candidates participated, what was to become the deadliest insurgency in Peru's modern history made its appearance almost unnoticed. On 17 May 1980—the eve of the first general election in seventeen years—five masked men entered the electoral registry in the Andean town of Chuschi (Cangallo Province, Department of Ayacucho) and burned the ballot boxes and voting registration book that were to be used in the next

day's election (Gorriti 1990, p. 43).⁵ Thus began the Communist Party of Peru–Shining Path's (PCP-SL's) revolutionary war against the Peruvian state, a war that by 1992 had led to the deaths of more than twenty-five thousand Peruvians. This war became the driving force behind civilian-military relations over the next decade and undermined support for two successive presidential administrations.

The primary interest of the Armed Forces in 1980 was to transfer power to civilians in an orderly fashion. After Belaunde became president-elect, some in the military were concerned that the man they had deposed in 1968 might seek retribution, while others were concerned about becoming the target of corruption probes. Civilian politicians, on the other hand, were nervous about the military's intentions and its willingness to leave power, and most wanted nothing more than for the Armed Forces to return quietly to their barracks and stay there. To this end, Belaunde did nothing to interfere with the internal structures of the Armed Forces' hierarchy and left their budgets and most of their prerogatives intact (Obando Arbulú 1994, pp. 108–10). Belaunde also allowed the Armed Forces to enjoy effective impunity in the face of corruption and human rights abuse charges stemming from the period the military was in government (1968–80) (Diez Canseco, Echeandia, et al. 1981).

The transition to democratic rule brought two changes in the area of intelligence that were to prove significant in the subsequent emergence of the Shining Path. First, having long been the objects of unwanted attention by the military's intelligence services, the new civilians in government sought to block the military's ability to gather intelligence on civilian society and they lowered the overall effectiveness of the intelligence agencies by reducing their budgets (Obando Arbulú 1994, p. 108). Second, when the Armed Forces left power in 1980 they took all their intelligence files with them, and the new civilian government initiated its intelligence activities groping in the dark (Gorriti 1990, pp. 77–93). The limitations placed on military intelligence by the civilian government and the initial blindness of the civilian government's intelligence apparatus contributed greatly to the government's initial inability to understand and respond to the Shining Path's insurrection. The Shining Path had emerged around 1970 as the product of the successive splintering of the Communist Party that began with the Sino-Soviet split in the early 1960s. Although its militants were scattered across the country, its core was located at the National University of San Cristóbal of Huamanga, in Ayacucho. Though dogmatically Maoist, it was very much a homegrown insurgency.⁶ Initially, however, few observers seemed to understand what was

happening. As late as October 1981—a year and a half after the Shining Path had begun its war—a leading leftist legislator attributed to the political right the violent acts that in fact were being committed by the Shining Path. That same month, a representative for the right declared that Peru's terrorism “has its origins in an aircraft carrier anchored in the Caribbean” (Gorriti 1990, p. 131).

In March 1982 a series of events took place that prefigured the course of the war, and civil-military relations, over the next ten years. Despite a previous failed attempt at a mass escape from Ayacucho's main prison and intelligence information that indicated the jail was soon to be attacked from the outside, Ayacucho's police forces were caught by surprise when the Shining Path attacked both the jail and the city's police stations on the night of 2 March 1982. Within half an hour, the Shining Path had not only freed seventy-eight of its comrades from prison, but it temporarily had taken control of the entire city (Gorriti 1990, pp. 255–60). Shortly after the subversive forces had retreated, members of the police units that had been guarding the jail reacted to the attack by assassinating three Shining Path militants who had been wounded in previous attacks and who were under police guard in Ayacucho's hospital (pp. 261–62). That night's deaths and defeat at the hands of the Shining Path and the egregious human rights violations committed in reaction by government forces foreshadowed the weeks, months, and years ahead. After a number of other significant Shining Path attacks, President Belaunde reluctantly turned over responsibility for the antisubversive effort in Ayacucho to the Armed Forces in December 1982 (pp. 388–90).

December 1982 thus marked the unexpected return of the military to politics. As Obando Arbulú (1994, pp. 109–10) explains, at the very time that the Armed Forces were losing power at the national level, they were regaining some of it at the regional and local level, although not under circumstances that were to their liking. The president declared states of emergency in many provinces, allowing for the suspension of habeas corpus and other constitutional rights, and ever-larger areas of the country were placed under the direct control of political-military commanders.⁷ As the war they fought against the Shining Path turned increasingly dirty, the Armed Forces found themselves the objects of unwanted attention from parliament and the press, which were concerned with escalating human rights violations. The January 1983 massacre of eight journalists in the Ayacucho town of Uchuraccay brought significant national and international attention to the growing political violence in Peru. Throughout the rest of 1983 and 1984, the

Table 2.4 Deaths Due to Political Violence in Peru by Category of Victim, 1980–1994

	<i>Presumed Subversives</i>	<i>Civilians</i>	<i>Police + Armed Forces</i>	<i>Drug Traffickers</i>	<i>Total Deaths</i>
1980	0	2	1		3
1981	0	2	2		4
1982	44	87	39		170
1983	1,966	749	92		2,807
1984	2,462	1,758	99		4,319
1985	884	410	65		1,359
1986	622	510	136		1,268
1987	183	388	126		697
1988	667	1,030	289		1,986
1989	1,251	1,450	348	149	3,198
1990	1,542	1,584	258	68	3,452
1991	1,522	1,287	334	37	3,180
1992	1,151	1,482	455	13	3,101
1993	575	876	233	8	1,692
1994	304	265	72	11	652
Total	13,173	11,880	2,549	286	27,888

Source: Webb and Fernández Baca 1995.

death toll grew astronomically, principally among civilians and “presumed subversives” (see table 2.4). Just 44 presumed subversives were killed in 1982, but after the military entered Ayacucho, 1,966 presumed subversives were killed in 1983 and 2,462 in 1984. The number of those killed who were recognized as civilians grew as well: from 87 in 1982 to 749 in 1983 and 1,758 in 1984. During the same period, the number of police and Armed Forces killed also rose: from 39 in 1982 to 92 in 1983 and 99 in 1984.

Belaunde’s government was mostly concerned with limiting the Armed Forces’ political role and sought to avoid provoking the military in any way. To this end, Belaunde continued his policy of giving the Armed Forces effective impunity, but now it was for the much more serious human rights abuses taking place in the war against the Shining Path. Belaunde once boasted of tossing an Amnesty International report on human rights violations in Peru into the wastebasket (Crabtree 1992, p. 96), and his govern-

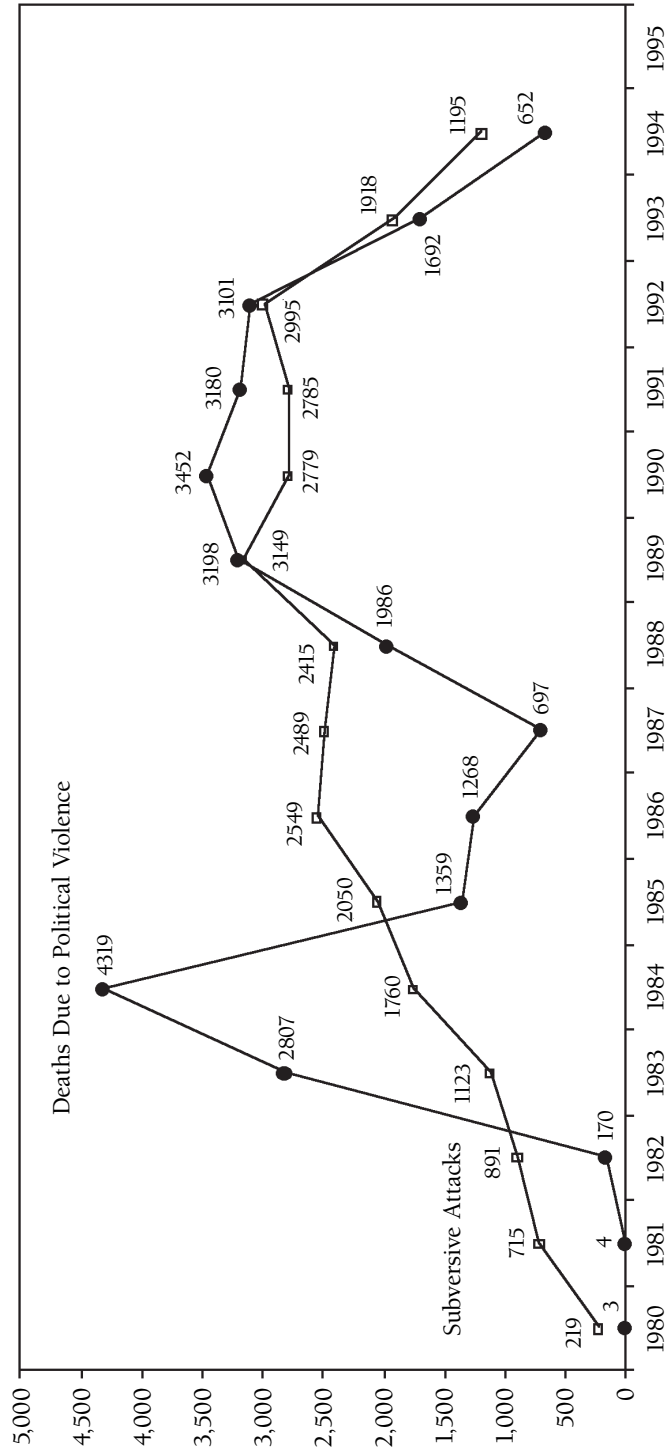
ment was appropriately characterized as having abdicated democratic authority (Americas Watch Committee 1984). Not only did Belaunde fail to lead or take responsibility for the counterinsurgency effort, he also did little to control the gross human rights violations resulting from the “dirty war” strategy and its excesses (Americas Watch Committee 1984).

In barely two years’ time, approximately 1 percent of the Ayacucho population had been killed, and thousands more were wounded, tortured, orphaned, or forced to flee their ancestral lands and homes and become refugees. When the regional political-military commander, General Huamán, insisted that this strictly military approach be complemented with social and economic development of the region, he was sacked (Obando Arbulú 1994, p. 109). Figure 2.2 shows the evolution in the number of subversive attacks and the total number of people—presumed subversives, civilians, police, and Armed Forces personnel—killed between 1980 and 1994. The number of total deaths rises and falls abruptly during the Belaunde administration, as the military’s dirty war in the highland provinces escalated in 1983 and 1984 before falling back in 1985 when elections were held and a new administration promising respect for human rights came into office. Even though the number of deaths leapt and fell, the number of subversive attacks rose inexorably through this period.⁸

The Shining Path’s brutal sectarianism and the state’s increasingly savage counterinsurgency contributed to the emergence of a second insurgency in 1982–84, in direct competition with the Shining Path.⁹ The Túpac Amaru Revolutionary Movement was founded on 1 March 1982 and began its armed actions on 31 May 1982, but it was not until November 1983 that it formally adopted its name and not until 1 June 1984 that the movement went public (*Caretas*, 3 February 1992, pp. 50–53, 88; McCormick 1993, p. 6). MRTA leaders expected that the Shining Path insurgency would lead to a repressive military dictatorship that would eliminate the possibilities for legal political action on the part of the Peruvian left. Since most of the left rejected the Shining Path’s sectarianism and cruelty, an alternative avenue for resisting the expected dictatorial state would have to be made available, and this was to be the role of the MRTA (González 1988).

Belaunde’s failure to resolve the twin economic and insurgency crises was clearly reflected in the loss of public approval for his government and in the loss of electoral support for his party, Popular Action. Approval for Belaunde plummeted from about 75 percent at the start of his government to less than 25 percent three years later (see fig. 2.3). Likewise, the deterioration of support for AP became manifest at the next municipal elections, in November

Figure 2.2 Subversive Attacks and Deaths Due to Political Violence in Peru, 1980–1994



Source: Webb and Fernández Baca 1995.

1983 (see table 2.2). AP saw its share of the municipal vote fall by half, from 36 percent in 1980 to 18 percent in 1983. Voters gave their support instead to the two major opposition parties, APRA and IU. APRA's share of the municipal vote rose from 22 percent in 1980 to 33 percent in 1983, while the vote for IU candidates rose from 23 percent in 1980 to 29 percent in 1983.

The electoral demise of AP was made complete when general elections were held in April 1985: AP's share of the presidential vote was a dismal 7 percent (down from 45 percent in 1980); it received 8 percent of the Lower House vote and 6 percent of the Lower House seats. The PPC, which participated during the first four years of the AP government, won 12 percent of the presidential vote, 11 percent of the Lower House vote, but just 7 percent of the Lower House seats. APRA was the great victor in 1985, with 53 percent of the presidential vote, 50 percent of the Lower House vote, and 59 percent of the Lower House seats. The IU finished second, with 25 percent of the presidential vote, 24 percent of the Lower House votes, and 27 percent of the Lower House seats.

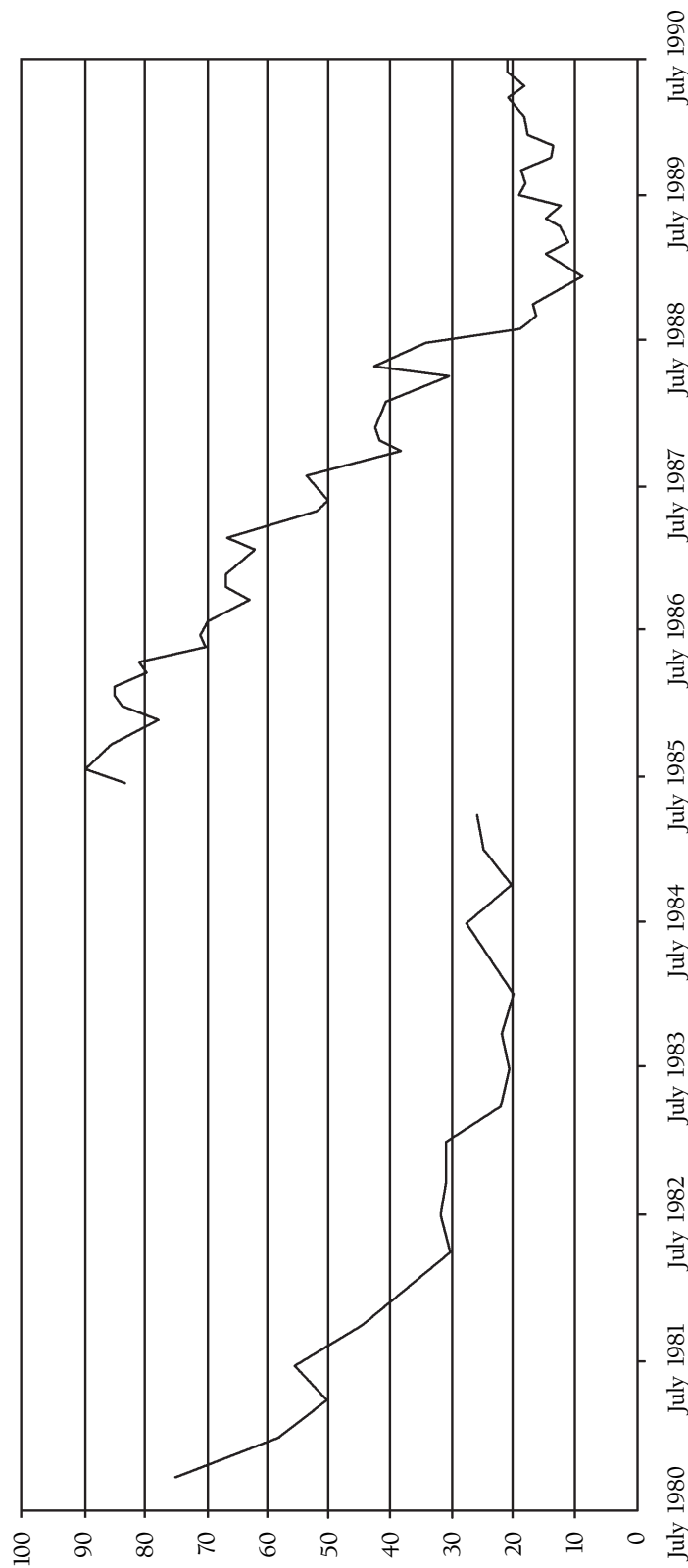
APRA AND THE GARCÍA PRESIDENCY, 1985–1990

When APRA's Alan García was elected president in 1985, the party came to power for the first time since its founding more than sixty years earlier. García's youth (he was just thirty-six when he took office) and energy contrasted sharply with Belaunde's age and the increasing tendency toward apathetic nongovernance during the last year of his administration. García's governing vigor alone won him a great amount of support: one month after taking office, his approval rating stood at 90 percent (see fig. 2.3). The debacle that was Belaunde's government, however, would eventually be surpassed by the even greater catastrophe of García's misgovernment.

García began his administration auspiciously. Employing a heterodox approach to macroeconomic management, García developed a relationship of consultation and collaboration with business leaders and stimulated demand by raising wages, extending agricultural credit, and setting controls on prices, interest rates, and exchange rates (Sheahan 1999, pp. 139–40). The initial results were very positive, as García brought inflation down from 158 percent in 1985 to 63 percent in 1986 and stimulated an expansion of production of almost 7 percent per capita (see table 2.3).

Belaunde's AP, reeling from the drubbing it received in 1985, decided not to participate in the 1986 municipal elections (see table 2.2). Like AP in

Figure 2.3 Approval Ratings for Presidents Belaunde (1980–1985) and García (1985–1990)



Source: APOYO; Carrión 1992.

its first municipal election after winning the presidency, APRA saw a drop of just three percentage points between its Lower House vote and its municipal vote as it won 47 percent of the municipal vote nationally. In the 1986 municipal elections, the IU reached its high-water mark for the decade with 31 percent of the vote. With AP temporarily out of the picture, the PPC also had its best showing in the decade with 15 percent of the vote.

Per capita economic growth remained strong in 1987, at 6.2 percent, but inflation almost doubled with respect to the previous year as the heterodox model began showing its weaknesses. Anticipating the crisis of the model, García executed a classic *fait en avant*, surprising all but his closest advisers with an aggressive move on 28 July 1987 to nationalize that portion of the financial sector that was privately held (80 percent was already controlled by the state). This proved a huge political blunder. García, who had already alienated the international financial community by declaring a unilateral restriction of debt payment to 10 percent of exports, now alienated the national business community, many of whom had strongly supported his candidacy and administration. Support for the measure was lukewarm even among members of García's APRA party: the APRA majority in the Chamber of Deputies quickly passed the measure, but the APRA majority in the Senate took time considering the measure and the law was not promulgated until 9 October 1987. García's initiative won him no allies—the left remained aloof—but it galvanized opposition on the right led by the novelist Mario Vargas Llosa.¹⁰

After 1987, production spiraled downward while inflation soared to levels beyond anything in living memory in Peru. Per capita GDP fell 10.2 percent in 1988 and 13.4 percent in 1989, the last full year of García's administration. Inflation jumped to 1,722 percent in 1988, 2,775 percent in 1989, and would reach 7,650 percent in 1990. By the end of the García administration, per capita GDP had fallen below 1962 levels, and the inflation accumulated over the previous five years stood at a staggering 2,178,479 percent. After rising rapidly in 1986 and 1987, by 1989 average white-collar salaries in Lima had fallen by 49 percent with respect to 1985 and were worth less than a quarter of their 1973 value. Average blue-collar wages fared similarly: their 1989 value had fallen 43 percent with respect to 1985 and stood at just a quarter of their 1973 value (Balbi and Gamero 1990, p. 102).

As was the case with the economy, it first appeared that García might be more successful than Belaunde in the fight against the Shining Path and MRTA insurgencies, but in the end García failed here too. The total number of deaths from political violence fell from 4,319 in 1984 to 1,359 in 1985 and to

1,268 in 1986 (see fig. 2.2). In 1987 deaths from political violence dropped to 697, the lowest level seen since the Armed Forces entered Ayacucho at the end of 1982. The number of subversive attacks continued to rise, however, from 1,760 in 1984 to 2,050 in 1985 and 2,549 in 1986. The next year saw a slight dip in the number of attacks, but by 1989 attacks had increased to 3,149 per year, and the number of those killed escalated sharply to 3,198.

Perhaps most significantly for civil-military relations, the number of police and Armed Forces personnel killed doubled from 1985 to 1986, and doubled again by 1988 (see table 2.4). García insisted at the beginning of his administration on the subordination of the military to civilian authority and on respect for human rights in the fight against subversion. Like Belaunde, García feared a military coup against his government, but unlike Belaunde, he sought more to control the Armed Forces than to appease them (Obando Arbulú 1994, p. 110). Immediately on taking office, he purged and reorganized the national police forces, which in contrast to the military had little political power. This effort was greeted with widespread approval, although some voices cautioned that the purpose of the purge was less to weed out corruption than to place those loyal to APRA in positions of power.

Very early in his administration, García acted to reinforce his authority over the military and to stand behind his announced human rights policy. In marked contrast with Belaunde's policy of "hear no evil, see no evil," García fired the chairman of the Armed Forces Joint Command along with two other top-ranking members of the military hierarchy in the wake of an army massacre of peasants in the village of Accomarca in August 1985 (Crabtree 1992, p. 109). However, García's administration lost any pretensions to respecting human rights when more than two hundred fifty Shining Path members who had mutinied in three Lima prisons were massacred in June 1986. At one of the prisons a large number of prisoners were executed in cold blood, as they lay in rows on the ground after surrendering, while bombs and rockets were used to destroy another of the prisons, along with the prisoners inside (Ames Cobián 1988). Although no members of the Armed Forces were ever punished as a result of the prison massacres, García's attempt to minimize his own responsibility by blaming the military for the killings created significant tensions between the government and the military (Crabtree 1992, p. 111).

García reorganized the National Defense System and in 1987 consolidated the Ministries of War, the Navy, and the Air Force into a single Defense Ministry. This angered the navy and the air force especially, because they stood to lose their direct presence in the cabinet, while the more politically powerful army—which would control the new ministry—found its

political position enhanced. Perhaps more important, García acted to co-opt and control the high command of all three branches of the Armed Forces, rewarding loyalty with important appointments and using the National Intelligence Service (SIN) to spy on the military leadership. Some members of the military were further concerned about the appearance in July 1988 of a paramilitary death squad known as the Rodrigo Franco Command (CRF). The CRF named after a young APRA leader and government functionary assassinated by the Shining Path, was shown to have clear links to the APRA-controlled Interior Ministry (Piqueras Luna, Espinoza Montesinos, et al. 1989), and some military leaders saw it as a dangerous transfer of the means of organized violence into civilian hands and beyond their control.

As Peru's economy fell into an ever-deepening spiral of inflation and recession after 1987, the purchasing power of military salaries plummeted. The budgets for arms, munitions, equipment, and other supplies were sharply reduced, affecting the Armed Forces' combat effectiveness against the Shining Path and the MRTA. The situation continued to deteriorate, and the Armed Forces were confronted with record numbers of resignations and desertions (Mauceri 1996, p. 139).

As dissent grew, so did the rumors of an impending coup. The first open act of rebellion occurred in 1987, at the time the Defense Ministry was formed. The commander general of the air force, Luis Abraham Cavallerino, reportedly attempted a coup in April 1987 (Masterson 1991, p. 273). Cavallerino's attempt was frustrated, but not before Mirage jets had buzzed the presidential palace and the president had ordered those defending the palace to shoot down any low-flying plane (Crabtree 1992, pp. 111–12, 220).

By late 1987 many observers thought that a military coup was likely, although perhaps not imminent (Bonner 1998, p. 58).¹¹ In 1988 more ominous stirrings in the Armed Forces were felt as García's ill-conceived attempt to nationalize the banking industry had failed and the economy was in dire straits. By October 1988 García's approval rating had fallen to 16 percent (see fig. 2.3), and calls for García's resignation from important political and business leaders were accompanied by persistent rumors that he had already resigned. García's fall from grace was a result not only of his dismal performance in dealing with armed subversion and the economy but also of a series of corruption scandals involving highly visible APRA leaders, including Agriculture Minister Remigio Morales Bermúdez (who was forced to resign in October 1988) and APRA Congressman Miguel Angel del Pomar (whose parliamentary immunity was lifted so that he could be charged with drug trafficking).

According to some analysts, Peru faced a dramatic choice: either García resigned or there would be a coup. As one of Peru's leading weekly magazines editorialized,

[W]hat is true is that, the way things are going now, there will be no way to avoid a coup d'état. Everything is leading to a power vacuum, and always and everywhere that vacuum is filled by the strongest, most stable institution. In our case, the Armed Forces. . . . It is not possible to wait for the 1990 elections. It would be illusory, simple-minded, to believe that the government will last until then. Misrule is in sight. President García has completely lost all credibility. . . . The situation of the country right now is dreadful, a situation of a social explosion lying in wait and an open call for a military coup—a coup that will be unstoppable if the government does not correct its ways and take the path to prudence. This is impossible, however, due to the president's absolute lack of credibility and because . . . there can be no confidence with him in [power]. . . . If the choice is not made in favor of a presidential resignation, there will be no elections in 1990, and if in 1990 the people let themselves be pulled in again by demagoguery there will no longer be a republic. (*Oiga*, no. 401, quoted in *Resumen Semanal*, 13 October 1988, pp. 2–3)

The crisis reached a breaking point in October 1988 when the Armed Forces Joint Command demanded the resignation of General Victor Raúl Silva Tuesta, the commander of the First Military Region. As his name indicates (many APRA partisans name their children after the party's founder and legendary leader, Victor Raúl Haya de la Torre), General Silva Tuesta was close to APRA and to President García in particular. Amid insistent rumors that a coup was in the works and would be carried out on 8 October (the anniversary of one of the most important events in Peruvian military lore, the Battle of Angamos), Silva Tuesta had begun on 1 October to contact the nine division generals and a number of brigadiers general about the possibilities of a coup. According to this version, Silva Tuesta had even proposed to the general who was next in line to become commanding general of the army that he act to take over the command immediately. This general, however, reported Silva Tuesta to the military high command, which then demanded Silva Tuesta's resignation (*Caretas*, 17 October 1988, pp. 24–26, 80).

Some reports suggested that Silva Tuesta's actions were intended to thwart a planned coup; others asked whether it was not Alan García who was promoting an *autogolpe* in the face of his government's crisis. Accord-

ing to this view, either García sought to provoke a coup, which would extricate him from the difficult circumstances in which his government was trapped and which might subsequently allow him to return to power triumphantly (as did Belaunde in 1980), or he sought to promote a coup that he would be able to subdue, and which would allow him to regain lost popularity and initiative (*Caretas*, 17 October 1988; *Resumen Semanal*, 13 October 1988, pp. 2–3; Mauzeri 1996, p. 77).

In any case, cries for García's resignation continued, as did rumors of a planned coup, while García's approval rating fell to 9 percent in January 1989. According to one political analyst, military conspirators sought the go-ahead from the U.S. Embassy but were rebuffed: the Reagan administration had not suffered a single military coup in Latin America and was not willing to tolerate one in its last months (interview, 28 November 1995). According to Carol Graham,

By late 1988 and early 1989 rumors of a coup were rampant. In January 1989 there was a mass resignation of over two thousand officers in protest of declining salary levels, a supposed movement in favor of a coup had been discovered, and the U.S. ambassador had issued a public warning in which he stated that the United States was strongly opposed to any form of military intervention. Despite the rumors, there was no obvious leader of a coup movement within the upper ranks of the military. (1992, p. 166)

According to Alexander Watson, the U.S. ambassador to Peru at the time, there was never any hard evidence that a coup was being planned, despite the intense rumors. Nonetheless, Watson made a point of meeting with each of the service chiefs to communicate to them the United States' opposition to any interruption of democracy in Peru (telephone interview with Ambassador Watson, 28 May 1997).

Despite these warnings, plans for a coup began between 1988 and 1989 (Rospigliosi 2000, p. 74),¹² and a coup plan that later became widely known as the Green Book (or Plan) had been set out in writing by October 1989 (Rospigliosi 1995, p. 329).¹³ According to an army general who was on active duty at the time, this plan was not carried out primarily because it became evident that APRA would not be able to continue in power past 1990 (interview, 14 July 1994). Vargas Llosa had become the front-running presidential candidate in 1989, and most analysts believed he would win the April 1990 election. In Rospigliosi's (1995, p. 329) view, it was not only the growing

confidence that Vargas Llosa would be elected that kept this plan from being implemented: the U.S. Embassy's stance against a coup and counterintelligence work in favor of García also made implementation difficult.

According to one report, the Green Plan originated in a meeting in August 1989 between army general Carlos Mauricio, navy vice-admiral Luis Montes, and air force lieutenant general César Gonzalo (*Sí*, 25 November 1990, pp. 8–12). These conspirators believed that Mario Vargas Llosa would be forced into a runoff with APRA's presidential candidate, Luis Alva Castro, and that Alva Castro would be elected president with the support of the left.¹⁴

Although the original plan was dated October 1989, its detailed analyses indicated that it had been begun some time before, according to the newsmagazine *Oiga*, which published parts of the plan on 12 July 1993. The plan reviewed the history of the republic, culminating in a description of García's government as the "final collapse of the structure of the state" (p. 25). It called for a reorientation of military priorities and plans in light of the terrorist phenomenon, economic policies to attract foreign capital "in order to increment national power," and policies to control population growth that included "the generalized use of sterilization of culturally backward and economically impoverished groups" (p. 26).¹⁵ All of these policies would be carried out in order to "guarantee the effective functioning of the [Armed] Services and the country's infrastructure in the war effort against the subversive groups" (p. 27).

The original plans called for the coup to be carried out the fourth week of May 1990 if in fact the first round of elections led to the predicted results. The aforementioned officers were to form a "Military Junta of National Reconstruction" that would be an institutional government of the Armed Forces, although civilians and military personnel would participate. Modeling themselves on Chile's Pinochet, the coup conspirators planned on staying in power from fifteen to twenty years, "the space of a generation" (*Sí*, 25 November 1990, p. 11). Before the end of 1989, however, General Mauricio found himself en route to a "golden exile" at the Inter-American Defense Board in Washington, D.C., and General Gonzalo was designated aviation attaché at the Peruvian Embassy in Paris—the result of intraservice rivalries or perhaps suspicions about their plans (*Sí*, 18 November 1990, p. 11).¹⁶

Meanwhile, García—like Belaunde before him—was paying the price for his misgovernment in terms of public approval. García began his term in office with approval ratings that reached 90 percent in September 1985 (see fig. 2.3). From there it was a long slide downward to 70 percent after one year in office, 50 percent after two years, 39 percent after three years, and

just 9 percent in January 1989. Approval for García rose slightly after that, but it remained under 20 percent for most of the rest of his term.

As García self-destructed, politicians began looking ahead to the next cycle of elections. Vargas Llosa had gone from leading the crusade against García's nationalization of the banking system to founding an independent political movement called Movimiento Libertad (Freedom Movement). In February 1988 Libertad joined Belaunde's AP and the PPC in an electoral alliance called the Democratic Front (FREDEMO) that would compete in the 1989 municipal and 1990 general elections.

The front-runner in 1988 was not Vargas Llosa, however, but the United Left's Alfonso Barrantes. In June 1988 twice as many of those polled expected that the United Left would win the presidency in 1990, as compared to those who believed that either APRA or FREDEMO would win (APOYO, *Informe de Opinión*, June 1988). In October 1988 polls showed that Barrantes had 29 percent of the intended vote, while Vargas Llosa had 26 percent and APRA's Luis Alva Castro had but 11 percent (APOYO, *Informe de Opinión*, October 1988).

A long-festering rift in the IU led to a schism after January 1989, and Barrantes departed to form his own party. His electoral prospects began to fade, leaving Vargas Llosa alone in the lead. However, during the 1989 mayoral race in Lima it became apparent that Vargas Llosa's candidacy would face problems. FREDEMO ran first nationally with 32 percent of the municipal votes, but it lost the crucial Lima race to a television personality and political outsider named Ricardo Belmont. Like AP in the mayoral elections of 1983, APRA saw its electoral support in 1989 fall below 20 percent nationally, though unlike AP in 1985, APRA would see its vote share climb back over 20 percent in the 1990 general elections. After its rupture in early 1989, IU saw its share of the 1989 municipal vote fall to just 18 percent, compared to 31 percent in 1986. The Barrantes supporters who left the IU to form a new party, the Socialist Accord of the Left (ASI), fared even worse, receiving just 2 percent of the vote. In 1989 candidates from parties not linked to the parties that had dominated the political scene for the previous decade won 29 percent of the vote nationally. Clearly, a major shift in favor of political independents was under way.

The transfer of Armed Forces personnel apparently did not put a stop to the coup plotting, as plans continued to be developed and were adjusted through periodic "intelligence assessments" dated 20 February, 9 April, and 13 June and a "Final Coordination Sheet" dated 19 June 1990.¹⁷ According to the first of these, the purpose of the intelligence assessment was to

evaluate the national scenarios for the near future in order to choose the best one in which to overthrow the civilian government, dissolve the Executive and Legislative branches so that the Armed Forces can institutionally assume the leadership of the state, with the purpose of reverting the present political-social-economic situation, whose deterioration threatens to destroy the system and tutelary institutions of the Republic. (*Oiga*, 12 July 1993, p. 24)

The plotters calculated that Vargas Llosa would face either Barrantes, Alva Castro, or IU candidate Henry Pease García in the runoff; no mention was made of Fujimori at this date (20 February 1990), even as an outside possibility. Given what the plotters described as a threat of generalized social upheaval, they argued that only the Armed Forces were capable of the leadership the nation required, and they discussed several dates and possible scenarios for a coup. In their evaluation of these scenarios, they recognized that the coup might be bloody but that its social cost would be no worse than continuing with a status quo they defined as “the administration of the civil war” (*Oiga*, 12 July 1993, p. 32). They also recognized that the initial diplomatic isolation of the new military government would be inevitable (p. 32), but this apparently gave them no pause.

Fujimori’s astonishing rise in the polls and his eventual defeat of Vargas Llosa altered but did not completely derail the military’s coup plans, as I discuss further in chapter 4. The experience of democratic politics in the 1980s was one of profound disappointment, as one party after another failed to resolve fundamental problems linked to citizens’ economic livelihood and their physical security.