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### **"FOREIGN POLICY OF THE UNITED STATES TOWARDS A REGION OF LOW INTEREST: CASE STUDY OF PERU" BY Rafał Wordliczek**

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*'It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in the world.'*  
President George W. Bush, 2005

The American – Peruvian relations in the era of the Cold War until the early 1990s were not devoid of misunderstandings and even certain tensions between Lima and Washington. A breakthrough was the election in November 1990 for the President of Peru of Alberto Fujimori, who immediately after taking the office announced full cooperation with Washington.<sup>1</sup> The bilateral relations have definitely improved. The policy of the United States towards Peru in the last two decades has been focused on the following issues: the fight against narcoterrorism and security issues, the democratization of political life and respect for human rights, the territorial border conflict between Peru and Ecuador, and free-market reforms.<sup>2</sup> At the end of the last century there appeared some new goals in the relations between Lima and Washington, yet, they were treated marginally. These goals, from the point of view of the interests of the United States, included: the cooperation in the field of environmental protection, natural disaster prevention and assistance to victims to the acts of nature, as well as maritime military-political cooperation.<sup>3</sup>

At the beginning of the last decade of the twentieth century, the American – Peruvian relations were good, and the guarantee of bringing together Washington and Lima was President Alberto Fujimori. The main objectives of American politics towards Peru, i.e. economic cooperation, the fight against drug trafficking and dealing with guerrillas of

the Shining Path, were accompanied by accusations of the President of the violation of fundamental human rights. On April 5, 1992, President Fujimori dissolved the parliament and made a coup d'état. The Bush administration strongly condemned the action and demanded the return to democracy in Peru. Among the priorities and specific objectives of the American policy towards Peru planned for implementation in 1993 were included: 1. the restoration of democracy and the reactivation of the Peruvian parliament as the conditions for the American aid, 2. an increase in the American aid through the USAID addressed to Peruvian non-governmental organizations, 3. an increase in humanitarian aid, 4. the suspension of military aid and military training until the restoration of the rules of parliamentary democracy, 5. continuation of technical assistance to combat drug trafficking, 6. support by the US government of the multilateral initiatives that support the protection of human rights in Peru, 7. the condemnation of cases of human rights violations both by President Bush and the Congress of the US, 8. In the fight against drug trafficking in Peru, the United States should put the emphasis on the cooperation of multilateral nature, and promote the development of other forms of economic activity among the Peruvians.

The American policy towards Peru based on the principles formulated by George Bush was continued by Bill Clinton.<sup>4</sup> Despite numerous allegations directed at the President of Peru, he gained the appreciation of the United States after effective action, ending with the arrest of the leader of the Shining Path: Abimael Guzman in 1992.<sup>5</sup> The successful operation of the Peruvian army was welcomed also by the Peruvians. According to estimates, guerrillas of the Shining Path from the beginning of their activity from 1980 killed about 26,000 people. Only in 1992, the actions of the Maoists caused more than 3,100 deaths and 6,000 people missing. After the dissolution of the Parliament in April 1992, the left-wing guerrillas started the assaults. In October, the guerrillas killed 47 Peruvian peasants in the town of Huayllao in Ayacucho province.<sup>6</sup> Fujimori's response to the radicalization of the activities of the Shining Path was a more severe domestic policy and restriction of the democratic freedoms, caused by the political coup of April 5, 1992. The American policymakers were faced with a serious dilemma: on the one hand they supported the decisive actions of President Fujimori, on the other hand the authoritarian tendencies of the President of Peru aroused their concern, and thus they demanded a return to the principles of democracy and respect for human rights.<sup>7</sup> Critics of the ambivalent American policy towards Peru from the early 1990s accused Bush and Clinton of too temperate behavior towards undemocratic actions of President Fujimori. However, somehow

justifying American decisions, they claimed them to be right that "Peru is clearly not first and foremost among the United States' foreign policy priorities." In turn, the supporters of non-confrontational American policy towards Fujimori emphasized that "the escalation of such a conflict would raise the moral and strategic dilemmas that the United States faces in Yugoslavia and Somalia in our own hemisphere" and pointed to the danger of disrupting the stability of the entire region. Such an eventuality would go against the national interest of the United States.<sup>8</sup>

President Fujimori was aware that both the United States and European countries, as well as international financial organizations address the assistance programs for beneficiaries whose governments are democratic. Already from 1980 – the times of President Carter – the Americans gave significant financial assistance to Peru, thanks to which the country's economy began to slowly return to the growth trend. In the absence of democratic reforms and restrictions to the fundamental human rights, the United States withdrew their support for the dictatorially governed African countries Malawi and Kenya. In the aftermath of the events of April 5, 1992, from 1994 to Peru was sent a smaller amount of financial aid; the exception was funding by Washington the fight against drug trafficking in Peru. It is worth noting that American aid to the Peruvian army was suspended until 1994, and starting from the following year it amounted to the symbolic level of USD 300 – 500 thousand (Table 1). The main causes of restrictions on the financial support for the authorities of Peru, introduced by Presidents Bush and Clinton, was the widespread awareness, both among the Peruvians and the international community, about the constant human rights violations in Peru by the army loyal to President Fujimori.<sup>9</sup> The second reason for cautious American policy resulted from the uncontrolled growth of corruption in Peru. American politicians defined the system of governing the country by President Fujimori as kleptocracy. In 1995, he was re-elected as the President of Peru, and he focused on a military solution to the problem of the actions of the Shining Path. In 2000, he assumed the office of the President of the country for the third time, but still the same year he was accused of having falsified the election results, the death of 15 protesters, and fostering corruption among different levels of the government. As a result of these accusations, the Fujimori's government fell, and the president left Peru.

On November 13, he officially went to the Asia-Pacific Economic Cooperation (APEC) summit in Brunei. Four days later, Fujimori left Brunei, but instead of coming back to

Lima, he went to Tokyo. Peru demanded the extradition of the former president, but the Japanese authorities refused to extradite Fujimori. In 2007, Fujimori came to Chile in order to conduct the next presidential campaign. The Chilean authorities arrested the politician and in September 2007 they agreed to his extradition to Peru. In April 2009, his trial finished after several years with sentencing Fujimori to 25 years in prison. Many commentators in Peru and abroad emphasized the political nature of both the course of judicial proceedings and the verdict. At the end of 2012, at the request of the family and the pressure of international opinion, President Humala appointed the so-called Charity Commission, with the aim to take care of the early parole of Fujimori from prison due to his deteriorating health. After Fujimori's escape, the office of president in Peru was held by: the President of the Parliament Valentín Paniagua (November 2000 – July 2001), Alejandro Toledo (2001 – 2006), and Alan García (2006 – 2011), returning to the big politics. The election of García was described as "the lesser evil", because his most serious opponent in the race for the presidency was anti-globalist and nationalist Ollanta Humala. García continued the economic policies of his predecessors, maintaining economic growth, however, satisfactory macroeconomic performance did not translate into higher standards of living of the population, and as a result in 2011 the Peruvians chosen Humala instead.<sup>10</sup>

**Table 1.** U. S. Assistance to Peru by Account and Fiscal Year: 1990 – 1999 (mln USD):

	Development Assistance USAID	Foreign Military Financing USAID	International Narcotics Control and Law Enforcement USAID	Total Assistance USAID	Development Assistance Department of State since 1995
1990	83	2	10	95	-
1991	155	25	19	199	-
1992	111	0	13	124	-
1993	153	0	18	171	-
1994	148	0	8	156	-

1995	117	0.3	15	132.3	0
1996	87	0.4	16	103.4	0
1997	100	0.5	26	126.5	27
1998	136	0.5	32	168.5	19
1999	121	0.5	75	196.5	26

Source: U. S. Agency for International Development, *U. S. Overseas Loans and Grants and Assistance from International Organizations*, Washington D. C. 1999, [www.usaid.gov](http://www.usaid.gov), 12. 03. 2014,  
A. Isacson, J. Olson, *Just the Facts: A Civilianâ€™s Guide to U. S. Defense and Security Assistance to Latin America and the Caribbean*, Washington D.C 1999, p. 102.

An essential part of the Peruvian – American relations in the past two decades has been the cooperation in the fight against drug traffickers and producers. In the context of the fight against drug trafficking, Peru was the most important country in the early 1970s until 1995, when Colombia began to play the leading role.<sup>11</sup> Both President Reagan and Bush Senior were supporters of radical solutions in the fight against drug traffickers and producers throughout Latin America.<sup>12</sup> Peruvian politicians had a different view than Americans to the drug problem in Peru. They feared the effects of the economic-social uncompromising solutions proposed by the then administrations from Washington. The destiny of 200 thousand peasants, so-called cocaleros, who were involved in the cultivation of coca, was the key factor for the decision-makers in Lima in anti-drug policy in Peru.<sup>13</sup> They encouraged the Americans to solve the problem not with the bombing and destruction of plantations, but to support with financial instruments the development of alternative crops or promote other ways of earning among Peruvian farmers. According to the Peruvian government, the destruction of coca plantations could lead to the start of the close cooperation between the peasants of drug gangs and guerrillas of the Sendero Luminoso. Consequently, such a situation may result in anti-government interventions and lead to unexpected negative effects. Events in April 1992, therefore the political upheaval made on April 5 by Alberto Fujimori, and – a few days later – an accidental downing by Peruvian fighter aircrafts of an American transport aircraft Hercules C – 130, which was carrying out an undercover anti-drug action, did not facilitate the cooperation between President Bush and Lima.<sup>14</sup>

**Table 2.** U. S. Assistance to Peru in the fight against drug trafficking 1985 – 2000:

	Financial assistance (mln USD)	The coca cultivation area (ha)	The area of destroyed plantations (ha)	Destroyed Drugfactories	Shooting down the transport aircrafts
1985	2	95 200	0	44	0
1986	4	107 500	0	19	0
1987	8	109 500	355	24	0
1988	8	115 630	5 130	75	0
1989	11	115 630	1 285	38	0
1990	10	121 300	0	151	0
1991	19	120 800	0	89	10
1992	13	129 100	0	88	7
1993	18	108 800	0	38	13
1994	8	108 600	0	21	4
1995	15	115 300	0	21	22
1996	19	94 400	1 259	14	7
1997	26	68 800	3 462	18	11
1998	32	51 000	7 825	-	0
1999	75	38 700	13 800	-	0
2000	80	34 100	6 200	-	2

Source: U.S. Department of State, *International Narcotics Control Strategy Report (INCSR)*, annual editions, [www.state.gov/g/inl/rls/nrcrpt/2000](http://www.state.gov/g/inl/rls/nrcrpt/2000), 20. 12. 2013.

Despite the differences between Lima and Washington as to the methods of combating drug trafficking, in 1995, President Clinton and President Fujimori signed a bilateral agreement on the prevention of drug transport from areas of Peru to Colombia.<sup>15</sup> As a result of air raids over the Huallaga Valley and the bombing of the plantations and disruptions of the transport of drugs by shooting down the aircrafts, the coca

cultivation area in Peru decreased significantly (Table 2). The agreement of 1995 was also used to fight against the members of the Shining Path and Movimiento Revolucionario Tupac Amaru (MRTA).<sup>16</sup> A strong supporter of the strategy of destroying coca plantations in the Clinton administration was the Assistant Secretary of State for the Strategies to combat drug trade, Robert Gelbard, the former US ambassador to Peru. Both the CIA and the US Southern Command (SOUTHCOM) endorsed the Fujimori government in the fight against the Maoists.<sup>17</sup> The turning point of the Clinton policy towards the fight against drug trafficking in Peru was emphasized by the nomination in January 1996, of the former commander of SOUTHCOM in Panama, a friend of President Fujimori and Minister Vladimir Montesinos – General Barry McCaffrey, as the director of the White House's Office of National Drug Control Policy. For the complete image of the situation, it should be added that Washington, following the request of Peru, started to make attempts to encourage farmers to grow soybeans, pineapples, coffee or cocoa. Only in 1999, thirty-five thousand Peruvian peasant families benefited from the program of alternative crops. One of the areas of the country where the peasants eagerly participated in the program of alternative crops, was the Apurimac River Valley. In turn, cocaleros from the region of Huallaga Valley, in which most coca crops were located, showed distrust. The attempts to involve them in the program failed. The success of the American policy and the reduction of the area of coca plantations in Peru, unfortunately, did not result in a decrease in the supply of drugs to consumers in the United States and Europe. It is true that the price of coca leaves dropped from USD 2.5 per 1 kilogram in 1994 to USD 0.6 per 1 kg in 1995, but the power of producers and intermediaries in the cocaine trade were not weakened permanently, as the drug network was international.<sup>18</sup> In addition, the Americans focused their collaboration on the discredited politician Vladimir Montesinos, who was President Fujimori's closest adviser and architect of the policy implemented by the president of Peru. In the mid-1990s employees of the DEA discovered the links between Montesinos and the gang trafficking drugs from Peru to the United States and Europe. The Americans did not cease to cooperate with Montesinos only because he agreed to cooperate with the DEA becoming its valuable informant. Critics pointed out that the cultivation of coca and cocaine production was not abolished in Peru, but just moved into Colombia. In the 1990s the areas of coca cultivation were increasing annually by about 15–20%.<sup>19</sup>

Failures included also mistakes of the CIA and the American military forces, which resulted in civilian casualties, including Americans. A tragic mistake occurred in April

2001. Accidentally, an American aircraft that took part in a humanitarian mission to Peru was shot down by a Peruvian fighter. As a result of the event two American women were killed: a 35-year-old missionary Veronica Bowers and her seven-month-old daughter Charity. On April 21, 2001, in consequence of this tragedy, the Americans decided to suspend raids on coca plantations and actions against aircrafts transporting drugs from Peru to Colombia. Only at the end of 2003, the Americans resumed their raids and bombings on coca fields in Peru.<sup>20</sup>

Following the resignation of Alberto Fujimori from the office of President because of the suspicions of corruption, and his departure from Peru in November 2000, the cooperation between the successive authorities and the administration of George W. Bush on combating the production and trafficking of drugs was continued. The successor to President Fujimori – Alejandro Toledo, who did not hide his admiration for the power of the United States, declared a return to democratic governance in Peru. The declaration of Toledo opened new possibilities for the American – Peruvian collaboration.<sup>21</sup> On March 23, 2002, President Bush visited Lima for the first time. The main topics of the meeting Bush – Toledo centered on the cooperation in combating drug trade, reinforcing democracy and the development of economic relations, especially the preparations for signing an American – Peruvian free trade treaty in the near future. President Bush, appreciating the efforts of Toledo in the democratization of the country, decided to increase the direct financial aid from USD 50 million to 150 million for the Peruvian government for the purpose of combating drug trafficking.<sup>22</sup>

Following the terrorist attacks on New York and Washington in 2001, the fight against drug trafficking has been inextricably linked with the counter-terrorism activities and security in the international arena. Thanks to the determination of the American policy makers and the loyal attitude of the Peruvian armed forces, the fight against narcoterrorists in Peru began to bring measurable results. On June 7, 2002, in Lima was completed the trial of a dangerous Peruvian drug mafia boss: Nelson Paredes-Ortiz. The criminal was charged with the command of the network of international couriers, in which acted volunteers from Peru, Colombia, Mexico and Guatemala. The Police confiscated in the Ortizâ€™s laboratory cocaine weighing 1,760 kg, the value of which was estimated at USD 18 million. Moreover, 1,520 kg of chemicals were seized, as well as modern and efficient laboratory equipment necessary for the manufacture of drugs. Weekly Ortiz produced about 600 kg of cocaine, most of which was delivered

to the American market. Bringing Ortiz and 28 of his associates to justice was made possible thanks to the joint efforts of the following institutions in Peru: the Police, Lima Country Office (LCO), LCO Sensitive Investigative Unit (SIU). From the American side, the dangerous action was coordinated by the members of the DEA Special Operations Division.<sup>23</sup>

At the turn between 2001 and 2002, the guerrillas of the Shining Path became active, and their zones of activities were the areas where coca was traditionally cultivated. For the first time on a large scale, the Shining Path began regular cooperation with drug mafiosi and gained support among peasants who cultivated coca. An additional threat to the political stability in Peru and the region was a new cooperation with Colombian guerrillas. Three days before the arrival of President Bush to Lima in March 2002, narcoterrorists of the Sendero Luminoso detonated a trap car in front of the shopping center in the capital city, located near the American Embassy; the explosion killed nine people.

Attacks of the leftist rebels and their cooperation with the Colombian FARC resulted in the decision of the authorities of Peru to focus reinforced military forces on the border with the traditional rival – Ecuador. The activity of drug criminals was enhanced also by the decision of the US on April 21, 2001 to suspend attacks on aircrafts carrying drugs, and an increase in demand and consequently the prices of cocaine on world markets. In the years 1999 – 2002, the price of one kilogram of coca leaves has quadrupled, reaching USD 5 at the end of 2002. The increase in the price of coca has caused renewed interest in the cultivation of this plant by poor peasants in Peru. In the years 2005 – 2008 the area of the cultivated fields of coca in Peru increased by 16.4%.<sup>24</sup> The upward trend continued in the years 2010 and 2011, during which the area of coca fields increased by further 2%, and according to estimates covered the area from 50 to 60 thousand hectares. In this situation, the Bush administration decided to implement one of the alternative programs in the field of the fight against drug trafficking. In 2007 it was decided to build a network of roads, including a motorway linking the Huallaga Valley with Lima. The entire project was estimated at approximately USD 1.5 billion. The aim of financing the development of infrastructure in Peru by Washington was to increase the economic attractiveness of hardly accessible regions of Peru, where the only source of livelihood was the cultivation of coca. In addition, Washington began a large-scale promotion of the alternatives to

coca crops, such as for instance cocoa or coffee, by means of the financial support of the Peruvian peasants. In view of the growth of the area of fields of coca, President Toledo also insisted that the Americans returned to raids on the plantations of coca and attacks on aircrafts transporting drugs. The American side promised Toledo the return to such actions upon the completion of the negotiations on compensation for the Bowers family for the incident of April 2001.<sup>25</sup>

In 2006, the then President Alan GarcÃa at the beginning of his presidency announced a new program to combat drug trafficking in Peru – National Drug Plan, in which the important role would be played by aid from the United States. GarcÃa's plan assumed combining radical activities, for example destruction of the coca cultivation fields, shooting down planes transporting drugs, and even more subsidized program of growing alternative crops by Peruvian farmers. The essential role in the program was played by the American financial aid and participation of the American troops in military actions against the Peruvian producers and drug traffickers.<sup>26</sup> The importance of the plan proposed by GarcÃa was all the greater because he obtained support for his actions on the part of the Peruvian parliament, and the statements of full cooperation from the governments of the neighboring countries of Brazil, Bolivia, Colombia and Ecuador. However, the implementation of the program was met with resistance from the Peruvian peasants and it resulted in the start of their collaboration with the guerrillas of the Shining Path. A serious shortcoming of the GarcÃaâ€™s drug policy indicated by the Americans, was a high degree of corruption of the judicial officials in the Peruvian justice system by drug mafias. The erosion of the justice system persisted since the time of Fujimori's presidency.<sup>27</sup> An additional adverse factor, complicating the prevention of the drug lobby in Peru has been the struggle for control of the Colombian – Peruvian drug market, ongoing from the first decade of the twenty-first century, between drug cartels in Mexico and the Korean – Chinese criminal group called the Red Dragon, ruthless in action.<sup>28</sup>

In 2011, as the president of Peru was elected a populist representative of the left wing, who lost in the presidential election of 2006 – Ollanta Humala. Despite the leftist views, Humala declared a continuation of drug policy based on the National Drug Plan, announced by his predecessor, President GarcÃa in 2006. During subsequent meetings with the key American politicians, with the Secretary of State Hillary Clinton and President Obama in Washington in July 2011, and at the summit of

the American states in the Colombian Cartagena in April 2012, he expressed his willingness to strengthen the American – Peruvian cooperation in the field of anti-drug trade in his country. In July 2013 Humala visited the White House, and during the visit he confirmed his willingness to cooperate with the United States and Colombia in the efforts to reduce drug production and trafficking in the region. An important and real event was the meeting in October 2012 in Lima, between the Secretary of Defense Leon Panetta, President Humala and the Minister of Defense of Peru Pedro Cateriano, which resulted in updating the Defense Cooperation Agreement<sup>29</sup> concluded in 1952 between the United States and Peru, and the delivery to the Peruvians of 20 modern American helicopters for use in the fight against drug trafficking.<sup>30</sup> The intensification of the actions of the Peruvian authorities, supported by the United States, sparked organized resistance of the peasants supported by the guerrillas from the Sendero Luminoso. Only in 2012, the rebels from the Shining Path admitted to making 87 terrorist attacks, causing the death of one civilian, 13 soldiers and five Peruvian police officers. The main area of the terrorists' activity was the Ene River Valley, an area dominated by coca growers. In October 2012, members of the Shining Path killed two police agents who worked on the local drug mafia. After breaking the guerrillas' group by President Fujimori in the 90s of the last century, since four years the ranks of the Shining Path have been joined by new volunteers, and the number of its members is estimated to be between 200 and 800.<sup>31</sup>

The United States, along with the current authorities, are determined in their efforts to effectively combat drug trafficking. A possible loss in this fight means an increase of dangerous trends and threatens the political stability of Peru, as well as the safety of other countries of the Andean subregion. Moreover, it would facilitate the activity of terrorists linked or funded by the drug cartels. The USA gladly welcomed the return to democratic principles and observance of the human rights in Peru.<sup>32</sup> By accepting the choice of Peruvians in the form of the governments of Presidents GarcÃa and Humala, Washington decided to continue with financial aid, intended primarily for the fight against drug trafficking. It is worth mentioning that the resources allocated to the fight against drug industry are located in several positions: the fight against drug crime, but also the economic aid, for example supporting alternatives to coca cultivation, and purchase of arms and training for the Peruvian uniformed services (Table 3.)<sup>33</sup>

**Table 3.** U. S. Assistance to Peru by Account and Fiscal Year: 2012 – 2014 (mln USD):

	2012	2013	2014	Change \$	Change %
Development Assistance	41 280	47 300	43 100	+1 820	+4.4 %
Foreign Military Financing	1 980	1 980	2 500	+520	+26.3 %
Global Health Programs – State	0	0	0	0	0
Global Health Programs – USAID	5 000	0	0	- 5 000	-100 %
International Military Education and Training	619	585	585	-34	-5.5 %
International Narcotics Control and Law Enforcement	29 250	23 300	26 300	-2 950	-10.1 %
Nonproliferation, Antiterrorism, Demining and Related Programs	1 000	0	150	-850	-85 %
Total	79 129	73 165	72 635	-6 494	-8.2 %

Source: Congressional Budget Justification, *Foreign Operations, Annex: Regional Perspectives, Fiscal Year 2012*, <http://www.state.gov/f/releases/iab/fy2012cbj/pdf/>, Congressional Budget Justification, *Foreign Operations, Fiscal Year 2014*, <http://www.state.gov/f/releases/iab/fy2014cbj/index.htm>, 19. 11. 2013.

President Bush in the aftermath of September 11, 2001 linked the activities related to the fight against drug trafficking with security and the fight against international terrorism. The main objective of the anti-terrorist actions of the authorities in Lima with the support of Washington, was to fight the guerrillas of the Sendero Luminoso. Thanks to the decisive steps taken by President Fujimori, the coverage and capacity of the Shining Path were minimized. Since 1980 till the 1990s, the number of fighters of

this one of the most brutal terrorist groups in the world ranged between 5 and 10 thousand members. After 2000, according to estimates, the number dropped to about 200 – 800 members. In the twenty-first century, the Shining Path began close cooperation with producers and intermediaries in the cocaine trade. As was mentioned earlier, guerrillas changed the area of their activity in the regions where coca leaves were cultivated, for example the Ene River Valley, Huallaga Valley and Apurimac River Valley. Peruvian and American politicians started to refer to the members of the Shining Path as narcoterrorists. Cocaleros from the regions where the government programs for alternative crops caused resistance obtained the support of the guerrillas. In 2007, government forces managed to arrest 28 guerrillas from the Huallaga Valley. On October 9, 2008 narcoterrorists from the Sendero Luminoso carried out the bloodiest attack of the decade, in which 13 soldiers and 2 civilians were killed. In the subsequent attacks 33 soldiers were killed, and 43 were wounded. The difficult element in the fight against the Shining Path is an ever stronger cooperation with other narcoterrorist groups, such as Colombian Fuerzas Armadas Revolucionarias de Colombia (FARC).<sup>34</sup>

According to the Peruvian government requests, the drug policy funded by Washington was based on two main pillars: the destruction of existing fields and the promotion of alternative forms of earning a living by Peruvian peasants. An important role in combating drug mafia in Peru played the United States Agency for International Development (USAID).<sup>35</sup> In 2012, the USAID provided support to 19 thousand families of farmers engaged in the cultivation of coca, among which they promoted alternative crops such as cocoa or coffee. According to President Humala, the United States are a strategic partner of Peru in the fight against drug trafficking. At first he was against raids and destruction of the plantations of cocaleros, but at the instigation of the United States as early as in August 2011, he supported the radical actions of American troops aimed at the base of the drugs industry. Then in March 2012, Humala announced a new five-year (2012 – 2016) strategy to combat drug trafficking in Peru. The main goal of the ambitious plan is to increase by 200% the number of destroyed coca plantations by the end of 2016. Due to the resistance of Peruvian peasants from the Ene and Apurimac River Valleys, supported by guerrillas from the Sendero Luminoso, the Peruvian government with the approval of the United States decided to introduce a regular army and to carry out the militarization of the area. 19 military bases were created, in which station two thousand soldiers.<sup>36</sup>

The economic goals of the United States in Peru are implemented through coherent programs for all countries of the Andean subregion. However, Washington also ran from the beginning of the 21st century a relatively intense action of bilateral nature. The highlight of the efforts of Americans in terms of economy was the conclusion of talks in December 2005 with the signing on April 12, 2006 of the bilateral agreement on free trade with Peru (U.S. – Peru Trade Promotion Agreement, PTPA). Among the countries of the Andean subregion, only the governments of Peru and Colombia decided to conclude a free trade agreement with the US.<sup>37</sup>

**Table 4.** U.S. Trade with Peru, 2006:

U. S. Exports			U. S. Imports		
	Mln USD	Share		Mln USD	Share
Petroleum Oils, and Other Oils and Products	272.7	9%	Gold	1 408.5	24%
Machinery Parts for Trucks, Bulldozers, Snowplows, etc.	176.7	6%	Copper	994.6	17%
Transmission Apparatus	157.9	5%	Petroleum Oils, and Other Oils and Products	795.7	13%
Automatic Data Processing Machines&Unites	127.0	4%	Sweaters, and similar knitted articles	316.6	5%
Machinery Parts&Accessories	120.2	4%	Silver	226.7	4%
All Other	2 070.7	71%	All Other	2 154.8	37%
Total Exports	2 927.2	-	Total Imports	5 896.9	-

Source: *United States International Trade Commission (USITC), Interactive Tariff and Trade DataWeb*, <http://dataweb.usitc.gov>: HTS4-digit level, 6. 01. 2013.

However, from the point of view of the economic interests of Washington, Peru is not a significant country.<sup>38</sup> The Peruvian market with a population reaching 28 million people is only the fifth market among the countries of Latin America. Markets with greater potential in terms of American economic interests are Brazil, Mexico, Colombia and Argentina.<sup>39</sup> In 2006, the GDP of Peru amounted to USD 93 billion, which accounted for approximately 0.7% of the American GDP which reached the level of USD 13.2 billion back then. In addition, the trade between the United States and Peru in comparison to the entire global trade of the USA represents only its fraction. Trade between Lima and Washington in 2006 amounted to 0.3% of the total American trade exchange, also import from Peru to the United States amounted to 0.3%, and the same 0.3% was the amount of the American export to Peru. In 2006, Peru took the 43rd place among the countries exporting goods to the USA and the 42nd among the importers of goods from the United States (Table 4). American experts in economics considering the above data concluded therefore that the liberalization of trade provisions under the PTPA agreement is more beneficial to the economy of Peru than to the American one. Experts estimate the growth of the American GDP due to the signed agreement by only about USD 2.1 billion which represents only 0.02% of the total American GDP. The Bush administration has set itself the goal of the liberalization of trade relations in Latin America. Already in October 2006, Bush emphasized the potential opportunities for Peru resulting from the PTPA agreement signed in April: "In strengthening bilateral ties while leveling the trade playing field, spurring job creation, and reducing poverty and inequality"<sup>40</sup>. Comparing data on export of goods from Peru to the United States in 1996 and 2006, the increase in the value of exported goods is noticeable. In 1996, Peru exported goods to the United States with a total value of USD 1 billion 260 million, and a decade later, that figure rose to USD 5 billion 900 million, an increase of 368%.<sup>41</sup> Significant increase in export to the United States had a very positive and invigorating impact on the Peruvian economy and contributed to strengthen and stabilize the exchange rate of the Peruvian currency. On May 10, 2007, President George W. Bush supported by the Congress of the United States has decided to announce a new economic program addressed to Latin American countries, including the countries of the Andean subregion, New Trade Policy for America. One of the objectives of the new program was to encourage Latin American countries to enter in the future into free trade agreements with the United States. As role models were indicated Peru and Colombia, and the benefits that both countries have had as a result of such an economic agreement.<sup>42</sup>

Currently, the United States is Peru's largest economic partner; the next are China and Switzerland. In 2012, Peru has exported goods to the United States with a total value of USD 6.4 billion. Compared to the previous year, the export increased by 3%. Moreover, imports of goods from the United States amounted to USD 9.4 billion and compared to 2011 increased by 12%. Peru is the 32nd economic partner of Washington.<sup>43</sup> Peru is also the beneficiary of coherent programs directed by the United States to the countries of the Andean subregion. The most important projects by Washington were the Andean Regional Initiative, Andean Counterdrug Initiative, Andean Trade Preference Act and Andean Trade Promotion and Drug Eradication Act.<sup>44</sup> The table below illustrate the importance of Lima in American policy towards this region of the world and the amount of funds allocated by the United States for the execution of various objectives by the Peruvian authorities.

Table 5. U. S. Imports from ATPA Countries: 2001, 2008, and 2010 (US\$ billions):

	Bolivia <sup>45</sup>	Ecuador	<b>Peru</b>	Kolumbia	Total	w% of Total Imports
2001 Total Imports	165.1	1.975.4	<b>1.805.5</b>	5.622.6	9.568.6	
Duty – Free Imports	137.3	1.038.1	<b>1.221.0</b>	3.281.0	5.677.4	59.3%
Duty – Free Imports (ATPA)	53.2	216.1	<b>686.3</b>	696.6	1.652.2	17.3%
Duty – Free Imports <i>(Generalized System of Preferences (GSP))</i>	9.5	33.0	<b>73.4</b>	68.2	184.1	1.9%
Other duty – free	74.5	789.0	<b>461.3</b>	2.516.1	3.840.9	40.1%
2008 Total Imports	540.4	9.043.8	<b>5.839.9</b>	13.058.8	28.483.9	
Duty – Free Imports	471.2	7.915.4	<b>5.507.9</b>	12.001.2	25.895.7	90.9%
Duty – Free Imports (ATPA and ATPDEA)	140.0	6.594.8	<b>3.168.7</b>	7.339.2	17.242.7	60.5%
Duty – Free	83.0	6.311.1	<b>1.648.6</b>	6.527.8	14.544.4	51.1%

Imports (ATPDEA)						
Duty – Free	57.0	283.7	<b>1.520.1</b>	811.5	2.698.3	9.5%
Imports (ATPA)						
Duty – Free Imports <i>(Generalized System of Preferences (GSP))</i>	47.6	57.1	<b>271.0</b>	235.8	611.6	2.1%
Other duty – free	283.6	1.263.5	<b>2.068.1</b>	4.426.2	8.041.4	28.2%
2010 Total Imports	675.9	7.333.8	<b>5.172.5</b>	15.672.6	28.854.8	
Duty – Free Imports	457.4	5.507.1	<b>4.729.2</b>	14.536.6	25.230.3	87.4%
Duty – Free Imports (ATPA and ATPDEA)	0.0	4.179.1	<b>759.3</b>	9.472.6	14.410.9	49.9%
Duty – Free Imports (ATPDEA)	0.0	3.886.6	<b>534.1</b>	8.538.9	12.959.5	44.9%
Duty – Free Imports (ATPA)	0.0	292.5	<b>225.2</b>	933.7	1.451.4	5.0%
Duty – Free Imports <i>(Generalized System of Preferences (GSP))</i>	155.7	54.3	<b>0</b>	158.5	368.5	1.3%
Other duty – free	301.7	1.273.7	<b>3.969.9</b>	4.905.5	10.451	36.2%

Source: U. S. International Trade Commission (USITC), *Interactive Tariff and Trade DataWeb*, <http://dataweb.ustic.gov>, 19. 06. 2013.

Another area of interest in Peru from the part of the United States is the American assistance in the termination through diplomatic channels of the long existing border conflict between Peru and Ecuador. Other areas of cooperation between Lima and Washington are implemented through the American humanitarian aid for the victims of earthquakes and other natural disasters, various joint actions to protect the environment, and maritime cooperation and protection of the coast of Peru. The last of the areas of cooperation mentioned above is an integral part of drug policy in Peru.

Due to the fact that the majority of Peruvian cocaine exports go to other Latin American countries and consumers in the United States, Mexico, the Far East and Europe through seaports, Americans pledged to assist the Peruvian side in their control. Particularly dangerous was the situation in the city of Paitia, in which the Mexican drug gangs were active, and the degree of corruption among the clerks was the highest.<sup>46</sup> In 2009, arose another source of danger to the security of Peru. Similarly as in Somalia or Indonesia, near the Peruvian port of Callao also occurred pirate attacks on ships, which aim was robbery. In contrast to the acts of piracy in the other parts of the world, the criminals off the coast of Peru did not abduct hostages, and limited themselves only to seize the transported goods.<sup>47</sup>

Peru, in the contemporary U.S. foreign policy, still occupies a secondary place. The main areas of interest are the state of democracy, promoting the protection of human rights, supporting the government of Peru in the fight against drug trafficking. Economic factors are important, but from the standpoint of Lima, whereas from the point of view of the interests of Washington the economic potential of Peru is minor.

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## **NOTES**

<sup>1</sup> Since the election of Alberto Fujimori in 1990 as the President of Peru, until charging him with corruption and his fleeing the country in 2000, we can talk about the Fujimori era in the political life of Peru. Fujimori as an independent candidate gained the sympathy of the Peruvians, tired of fighting with the Maoist guerrillas of Sendero Luminoso (the Shining Path) terrorizing the civilian population. Moreover, the Peruvians were disappointed with democracy prevailing since 1980, and the rule of President Alan GarcÃa from 1985 to 1990 resulted in discredit for the idea of democratic governance and complete economic disaster. The beginning of the Fujimori's rule was the initiation of radical economic reform package, so-called Fuji Shock, and taking decisive action against the leftist guerrillas of Sendero Luminoso. Unfortunately, in the government of President Fujimori authoritarian tendencies began to appear very quickly. In 1992 he solved the parliament, a year later he ratified a new constitution that allowed him to be re-elected in the presidential elections. For the first time Fujimori was accused –Â also by the United States – of human rights violations. See M. Taft-Morales, Peru in Brief: Political and Economic Conditions and Relations with the United States, US Congressional Research Service, June 7, 2013, Washington D. C. 2013, 5. ↵

<sup>2</sup> A. Franco, Las relaciones entre Estados Unidos y los paises Andinos: una vision comparativa, in: A. Franco (ed.), Estados Unidos y los paises Andinos, 1993 – 1997: poder y desintegracion, Bogota 1998, 175. ↵

<sup>3</sup> In theory, the priorities were the fight against drug trafficking and human rights violations, as well as the introduction of the authoritarian regime by President Fujimori in April 1992. In practice, since 1995, the Americans have generously funded the Fujimori government, preferring to combat drug trafficking to the issue of human rights in Peru. For example, in the years 1996 – 1998 the State Department gave USD 200 thousand to the government intelligence institution Servicio de Inteligencia Nacional (SIN), and the CIA gave further USD 1 million per year. See more in: C. A. Youngers, Deconstructing Democracy: Peru under President Alberto Fujimori, Washington D.C. 2000. ↵

<sup>4</sup> Prepared Statement of Coletta Youngers, Senior Associate, Washington Office on Latin America, in: Peru: US Priorities and Policy: hearing before the Subcommittee on the Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, 103rd Congress, 1st session, March 10, 1993, Washington D.C. 1993, No. 4.F76/1:P 43/21, p. 48. ↵

<sup>5</sup> C. McClintock, Revolutionary Movements in Latin America, Washington D.C. 1998, p. 239. ↵

<sup>6</sup> D. S. Palmer, The Shining Path of Peru, New York 1994, p. 83. ↵

<sup>7</sup> Despite the official declarations of American policy makers who shown concern about the state of democracy in Peru and concern about the undemocratic actions of the administration of President Fujimori, in fact, Americans did not believe in permanent and full democratization in any country of Latin America, including Peru. From the point of view of the White House, the priorities were the fight against drug trafficking and free trade treaty. Despite all the allegations directed at the then leader of Peru, American politicians described Fujimori as a "strong leader." L. Schoultz, Beneath the United States; A History of U.S. Policy Toward Latin America, Cambridge 1998, p. 32. ↵

<sup>8</sup> Prepared Statement of Carol Graham, Guest Scholar Foreign Policy Studies Program, The Brookings Institution, in: Peru: US Priorities and Policy: hearing before the Subcommittee on the Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, 103rd Congress, 1st session, March 10, 1993, Washington D.C. 1993, No. 4.F76/1:P 43/21, 61. ↵

<sup>9</sup> The statements and actions of American politicians, including President Clinton, indicated that the actions of human rights violations and limiting democracy in Peru were seen not as the fault of President Fujimori, but of Vladimiro Montesinos in the first place. Montesinos was the most important Fujimori's advisor in the field of security. The influence of Montesinos on the policy pursued by Fujimori is shown by the fact that Peruvian opposition called them "Siamese brothers." C. A. Youngers, Deconstructing Democracy: Peru!, p. 68, C. McClintock, F. Vallas, The United States and Peru. Cooperation at a Cost, New York/London 2003, p. 49. ↵

<sup>10</sup> J. G. Takatlian, Colombia. U.S. Security Policy in the Andean Region and the Specter of a Regionalized War, in: B. Loveman (ed.), Strategy for Empire. U. S. Regional Security Policy in the Post – Cold War Era, London 2006, 265. ↵

<sup>11</sup> In the period from the beginning of the 1970s – to the mid-1990s, Peru took first place in the world for the cultivation of coca, which quality also was the highest one. The main plantations were located in the province of Huallaga Valley, in the north-eastern part of the country and in the valleys of the rivers Apurimac and Ene. They occupied an area of about 49 thousand hectares. Coca was transported on board of small aircrafts to Colombia and there it was processed into cocaine. From Colombia, the drug was delivered to customers in Europe and the United States. The fight against Peruvian coca farmers was difficult for several reasons, as in the case of the Bolivians. First of all, the Peruvians believed that the problem was the demand for drugs in societies of the West, and not the cultivation of coca in Latin America. This plant is treated as an integral part of the culture and customs of the Andean countries, its healing properties are well appreciated, and finally it is a source of income for many poor families of Peruvian farmers. Currently, Peru is the second producer of cocaine in the world – after Colombia. As much as 90% of cocaine on the

American market is manufactured from coca leaves originating from Peru. C. McClintock, F. Vallas, *The United States and Peru*, 111. ↵

<sup>12</sup> K. Derwich, *Instrumenty polityki zagranicznej USA wobec krajów latynoskich w latach 1945-2000*, Kraków 2010, 188. ↵

<sup>13</sup> According to the American data, in 2008, about 4 million Peruvians used the coca leaves for legitimate purposes – as they were defined (legal traditional domestic consumption), i.e. for making infusions and chew it as a stimulant. However, up to 90% of cultivated coca leaves in Peru was used to produce the highest quality drugs. U. S. Department of State, 2009 International Narcotics Control Strategy Report (INCSR): Peru, February 27, 2009, Vol. 1, [www.state.gov/g/inl/rls/nrcrpt/2009](http://www.state.gov/g/inl/rls/nrcrpt/2009), 15. 09. 2013. ↵

<sup>14</sup> C. McClintock, *Revolutionary in Latin America*, Washington D.C. 1998, 79. ↵

<sup>15</sup> At the beginning of his presidency, Bill Clinton, in contrast to his predecessors of the Republican Party, did not consider the problem of combating drug trafficking in the countries of the Andean subregion as the priority of the American foreign policy. The justification of the decision of President Clinton was the involvement of the United States in the affairs of Europe, Middle East and Africa. The lack of interest from the United States in this issue is demonstrated by the following facts: in the years 1993 – 1996 the American aid programs targeted to the countries of Latin America were drastically reduced, and the White House limited the financial resources and personnel of the governmental institution – the Office of National Drug Control Policy. Furthermore, at the head of this institution was appointed an NYPD officer, with no experience in combating drug criminals – Lee Brown. President Clinton even in official speeches rarely mentioned the problem of the aid for Latin American countries for the fight against drug trafficking. The evolution of President Clinton's policy is noticeable since the turn of 1995/1996. *Office of National Drug Control Policy, National Drug Control Strategy: 2001 Annual Report*, Washington D. C. 2001, 119. ↵

<sup>16</sup> The MRTA was active as a narcoterrorist group in the 1990s. Its most spectacular actions included taking as hostages the Japanese embassy staff in Lima in 1996. After the dissolution of the MRTA and its withdrawal from terrorist actions, the ex-members of this group created a political party Movimiento Partia Libre and they have operated within constitutional political order in Peru, taking part in the presidential elections. D. S. Palmer, The Shining Pathâ€œ, 115. ↵

<sup>17</sup> The beginnings of close cooperation between the Central Intelligence Agency and SOUTHCOM, and Peru on the other hand, date back to 1991. In May 1991, the Americans have installed a modern radar system for identifying aircrafts used for transporting drugs. R. F. Perl, Clintonâ€™s Foreign Drug Policy, *Journal of Interamerican Studies and World Affairs*, Vol. 35, No. 4, 1993 – 1994, 147. ↵

<sup>18</sup> H. J. Wiarda, Democracy and Its Discontents. Development, Interdependence, and US Policy in Latin America, New York/London 1995, 103. ↵

<sup>19</sup> C. B. Iglesias, El Plan Colombia y el Peru, Latin American Studies Association Meeting, September 6 – 8, 2001, Washington D. C. 2001, p. 16. For more information about the consequences of the American policy against drug trade in Peru and Colombia, see: R. Crandall, Driven by Drugs. U.S. Policy Toward Colombia, London 2002, J. R. Avirama, M. A. Murillo, Colombia and the United States. War, Unrest, and Destabilization, New York 2004, S. Flounders, T. Gutierrez, A. McInerney, R. Toledo (ed.), War in Colombia: Made in U.S.A., New York 2003, G. Marcella, Plan Colombia: The Strategic and Operational Imperatives, 2001, E. C. Ramirez, GlobalizaciĂłn y plan Colombia, Caracas 2000. ↵

<sup>20</sup> C. A. Youngers, Collateral Damage: U.S. Drug Control Efforts in the Andes, Latin American Studies Association Meeting, September 6 – 8, 2001, Washington D. C. 2001, 19. ↵

<sup>21</sup> M. L. Jasper, C. R. Seelke, Peru: Political Situation, Economic Conditions and U. S. Relations, US Congressional Research Service, January 15, 2008, Washington D. C. 2008, 5. ↵

<sup>22</sup> M. Taft – Morales, Peru: Current Conditions and U.S. Relations, US Congressional Research Service, July 21, 2009, Washington D. C. 2009, 4. ↵

<sup>23</sup> A. Hutchinson, DEA Congressional Testimony, w: A. Tavidze (ed.), Andean Regional Initiative, New York 2004, 12. ↵

<sup>24</sup> Fall in Colombiaâ€™s coca crop vs rises in Peru and Bolivia, Latin American Security and Strategic Review, June 2009, Vol. 44, No. 3: 6. ↵

<sup>25</sup> C. McClintock, F. Vallas, The United States and Peruâ€“, 167. ↵

<sup>26</sup> M. Taft – Morales, Peru: Current Conditionsâ€“, 8. ↵

<sup>27</sup> C. A. Youngers, Deconstructing Democracy: Peruâ€“, 38. ↵

<sup>28</sup> M. Łśniadecka – Kotarska, Walka z narkobiznesem a stosunki polityczne Peru – Stany Zjednoczone, Ameryka Łacińska, nr 2, 2006, 39. ↵

<sup>29</sup> W. Dobrzycki, System miÃ™dzyamerykański, Warszawa, 2000, 187. ↵

<sup>30</sup> M. Taft – Morales, Peru in Briefâ€“, 12. ↵

<sup>31</sup> U. S. Department of State, Office of the Coordinator for Counterterrorism, Country Reports on Terrorism 2012, Peru, May 30, 2013, <http://www.state.gov/>, 8. 06. 2013.

↵

<sup>32</sup> U. S. Department of State, 2008 Country Reports on Human Rights Practices, Peru, February 25, 2009, <http://www.state.gov/j/drl/rls/hrrpt/2008/wha/119153.htm>, 10. 04. 2014. ↵

<sup>33</sup> The primary objectives financed by the United States according to the State Department analysts were: promoting the process of democratization in Peruvian politics, investing resources in human capital and public infrastructure development, the fight against drug trafficking and terrorism, and encouraging the reforms of the state institutions. However, the Congress systematically reduced the funds directed to Peru. In 2010, Peru received aid amounting to USD 120 million, a year later, USD 97 million, and in 2012 only USD 79 million. The American authorities explained this trend as a result of transferring more funds to trans-regional programs which beneficiaries were different Latin American countries, including Peru. An example would be a program to rescue the Amazon ecosystem in the Andean subregion, which was adopted by the US Congress in the Consolidated Appropriations Act of 2012, and the Joint Explanatory Statement. Critics of the fund reduction pointed to a more declarative than the actual role played by Lima in the US foreign policy towards the countries of the region and marginalizing the significance of all the Andean countries. U. S. Department of State, Peru: Foreign Assistance Program Overview, <http://www.state.gov/r/pa/ei/bgn/35762.htm>, 10. 02. 2013. ↵

<sup>34</sup> U.S. – Colombia Relations: hearing before the Subcommittee on the Western Hemisphere of the Committee on Foreign Affairs, House of Representatives, 110th Congress, 1st session, April 24, 2007, Washington D.C. 2007, 72. ↵

<sup>35</sup> For more information about the tasks and their implementation by the USAID, see: Testimony of Adolfo A. Franco, Assistant Administrator of the Bureau of Latin America and the Caribbean for USAID: hearing before the House International Relations Committee, House of Representatives, 109th Congress, 2nd session, June 21, 2006, Washington D.C., 2007. ↵

<sup>36</sup> Peru Security: Militarisation of the VRAE – Then and Now, Latin American Weekly Report, Vol. 38, September 22, 2012, 4. ↵

<sup>37</sup> A. M. Villarreal, U .S. – Peru Economic Relations and the U.S. – Peru Trade Promotion Agreement, US Congressional Research Service, July 27, 2007, Washington D. C. 2007, p. 10, A. M. Villarreal, The U.S. – Colombia Free Trade Agreement: Background and Issues, US Congressional Research Service, November 9, 2012, Washington D. C. 2012, 14. ↵

<sup>38</sup> The Peruvian economy suffered from the rule of President GarcÃa during his first term in 1985 – 1990. GarcÃa left behind a very high unemployment rate, estimated up to 64% and hyperinflation of 7,500% per year! His successor – A. Fujimori – introduced a program of radical free-market reforms known as Fuji Shock, supporting direct foreign investment. Unfortunately, Fujimori reforms were paid with the violations of labor rights, corruption, and open conflict with the unions. The government of the following president – A. Toledo –continued the free-market direction, but with more control of the state. During the presidency of Toledo, in 2001 – 2006, the GDP of Peru increased from 0.2% to 8.0%. In 2006 A. GarcÃa started his second presidential term, during which he did not commit the economic errors as in the 1980s, and kept the free-market trend in the economy of Peru chosen by his predecessors. The confirmation of a permanent change of GarcÃaâ€™s views was the signing a bilateral economic agreement PTPA with the United States in April 2006. GarcÃa also encouraged American investors. The current President of Peru – Ollanta Humala – although leftist and populist in his rhetoric, in the economy presents a relatively pro-American and liberal orientation. U. S. Department of State, Bureau of Western Hemisphere Affairs, Background Note: Peru, June 2006, 5. ↵

<sup>39</sup> The support of this thesis is the amount of American investments located in these countries. In 1980, American investments in Mexico amounted to USD 2 billion 90 million, and in 2000 they reached USD 13 billion 161 million. In this same period, US investment amounted to, respectively: in Brazil USD 1 billion 544 million and 30 billion 497 million, in Colombia USD 51.1 million and USD 2 billion and 50 million, in Argentina USD 788 million and USD 10 billion 553 million. In the case of Peru, the direct investments of American capital remained at a relatively low level of USD 26.9 million in 1980, and twenty years later amounted to only USD 555.7 million. There has been a significant increase in investment since 2001. C. H. Beas, ColonizaciÃn del Peru y America Latina, Lima 2003, 161. ↵

<sup>40</sup> The White House, Joint Statement Between the United States of America and the Republic of Peru, October 2006, <http://www.whitehouse.gov>, 2. 12. 2012. ↵

<sup>41</sup> The second element which stimulated economic growth of Peru (the increase in income from USD 56 billion in 1996 to USD 93 billion in 2006) were the American direct investments. In 2006, the American investments in Peru reached the level of USD 4 billion 980 million. 62% of this amount the Americans invested in the mining industry, 8% in the construction of factories, and the further 2% in the financial sector. A. M. Villarreal, U .S. – Peru Economicâ€!, 8. ↵

<sup>42</sup> House Ways and Means Committee, A New Trade Policy for America, <http://waysandmeans.house.gov>, 29. 01. 2013. ↵

<sup>43</sup> U. S. Trade Representative, 2013 National Trade Estimate Report on Foreign Trade Barriers: Peru, <http://www.usrt.gov/sites/default/files/2013%20NTE%20Peru%20Final.pdf>, 21. 04. 2014. ↵

<sup>44</sup> Seemore in: A. M. Villarreal, ATPA Renewal: Background and Issues, US Congressional Research Service, April 14, 2011, Washington D. C. 2011. ↵

<sup>45</sup> December 15, 2008 as a result of Evo Morales anti-American policy Washington decided to exclude Bolivia from ATPA and ATPDEA programs. American experts estimated that till 2008 due to these programs 19 thousands new job places were created mostly in Bolivian textile industry. I. C. Rebolledo, President, Bolivian – American Chamber of Commerce, INC., in: U.S. – Bolivia Relations: looking ahead: hearing before the Subcommittee on the Western Hemisphere of the Committee on Foreign Affairs, House of Representatives, 111th Congress, 1st session, March 3, 2009, Washington D.C. 2009, No. 4. F76/1:111-3, 34. ↵

<sup>46</sup> C. McClintock, F. Vallas, The United Statesâ€!, 74. ↵

<sup>47</sup> M. Taft – Morales, Peru: Current Conditionsâ€œ, 10. ↵