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Faculty of Regional Development and International Studies

**DRUG TRAFFICKING AND ITS IMPACT
ON THE DEVELOPMENT OF
SAN MARTÍN REGION, PERU**

Bachelor thesis

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Abstract

This thesis focus on impact of drug trafficking on development of the San Martín region, Peru. It deals with the high rate of illegal coca cultivation with the apperance of guerrilla groups in the region. Possible way of solving this issue is included in the practical part of the thesis that consist of alternative development model. All of the information in thesis are based on a study of available literature and use of statistical data.

Keywords: drug trafficking, coca cultivation, guerrilla group, San Martín Region, Sendero Luminoso

Resumen

Esta tesis se focaliza en el impacto del trafico de drogas en el desarrollo de la región de San Martín, Peru. Trata de la relación del alto grado de cultivo de coca con la aparición de grupos guerrilleros en la región. Una posible solución para de este problema está incluida en la parte práctica de la tesis en forma de un modelo alternativo de desarrollo alternativo. Toda la información en la tesis está basada en el estudio de literatura disponible y uso de datos estadísticos.

Palabras clave: tráfico de drogas, cultivo de coca, guerrilla, San Martín, Sendero Luminoso

List of abbreviations

CORAH	Proyecto de Control y Reducción de Cultivos de Coca en el Alto Huallaga (Project Control and Reduction of Coca Cultivation in Alto Huallaga)
DEVIDA	Comisión Nacional para el Desarrollo y Vida sin Drogas (<i>National Commission for Development and Life without Drugs</i>)
DTO's	Latin American Drug Trafficking Organizations
INCSR	International Narcotics Control Strategy Report
MRTA	Movimiento Revolucionario Túpac Amaru (<i>Túpac Amaru Revolutionary Movement</i>)
NGO	Non Governmental Organization
PDA	Peru Alternative Development Program
TRC	Truth and Reconciliation Commission (<i>Comisión de la Verdad y Reconciliación</i>)
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development Conte

Contents

1	Introduction	8
2	Methodology	10
3	Peru as a Homeland of Coca	11
3.1	Historic overview	11
3.2	The San Martín Region	12
3.2.1	Upper Huallaga Valley	12
4	Drug Trafficking	14
4.1	Term Drug Trafficking	14
4.1.1	Cocaine	14
4.1.2	Cocaine Paste.....	16
4.2	The Supply Chain	17
4.3	How to Fight Drug Trafficking?.....	19
5	The Cocaine Boom	21
5.1	Coca Growing as the Only Way to Survive	22
6	Dark Times in San Martín Region	23
6.1	Sendero Luminoso.....	23
6.1.1	The Quota	24
6.1.2	Violence as a Tool of the Choice	25
6.1.3	Movimiento Revolucionario Túpac Amaru.....	26
6.2	The Current Situation	27
7	Alternative Development Model in San Martín Region	29
7.1	Characteristics of Alternative Development Model	29
7.1.1	Replacing the Coca Plant with Substitute Crops.....	30
7.2	Negative Impacts of Alternative Development Model.....	31

7.2.1	Impaired trust in authorities	31
7.2.2	The Balloon Effect.....	32
7.3	Soluciones Practicas.....	33
7.3.1	Purpose of the Organization.....	33
7.3.2	Results of the Organization.....	34
7.4	What Impact Has the Production of Coca on the Environment.....	35
7.4.1	Results in San Martín Region	35
7.5	The San Martín Miracle	37
7.6	Comparison of Coca Cultivation by Area.....	39
8	Alternative Development Model in Other Countries	41
9	Conclusion	43
10	Summary	45
11	References	46
12	List of figures	50

1 Introduction

The main objectives of this thesis are to describe and analyse the impact of drug trafficking on the development of the San Martín Region in Peru. Peru is well known for its long history of coca cultivation and although it remains as one of the world's top coca producers, behind Colombia, illicit coca cultivation in the country is decreasing. The first part of the thesis describes situation in Peru, in the 1980's and 1990's, when the country was characterized as a country with sharp contrast to the political and economic instability, with high levels of corruption and terrorist threats. Terms as drug trafficking and supply chain are as well described, along with drugs that are mainly used in this illicit trade. The primary point for coca cultivation in the mid 1980's, was Upper Huallaga Valley, located in the San Martín region. The area was controlled by local communist party referred as Sendero Luminoso, that was eventually classified as a guerrilla group, with assistance of Marxist movement referred as Túpac Amaru Revolutionary. Because of generally weak government presence with a low level of education, that lead to open violence with illicit cultivation of the coca plants, where dominated only by the strongest units such as guerrilla groups. The economy of the region disintegrated and the effect of cocaine trade became more accute. Local people started to cultivate coca as well, for the illegal cocaine industry hoping to make a quick profit as the prices for coca leaves increased dramatically during the cocaine boom that began during the 1970's.

The main aim of the local guerrilla groups was to gain a political power with influence among local people and profits from the drug trafficking. To gain the domination and the respect of local people they used violence against peasants, elected officials, trade union organizers and the civil population. They declared a war in the state in 1980's. During this period, Peru has become one of the largest cocaine producers in the world. In 1992, the former leader of Sendero Luminoso, Abimael Guzman was arrested and it was forecasted that guerrilla group would decline its activity, however the group is still active today, although they do not present the same threat as in 1980's.

In this thesis are clearly shown reasons why drug trafficking is a big threat to the state and region. Not only does drug trafficking have health and social consequences, it also provides economic power for insurgents and organized criminals to confront the region, where the drug trafficking is concentrated. As drug trafficking is closely connected to organized crime, it poses a threat to national and international security by creating a perfect centre for terrorist activities.

The second part of thesis is practical. Alternative development model is described with its negative impacts and use in other countries. The Alternative development model is presenting not only a solution for the eradication of coca cultivation but also for decreasing of terrorist activity as well. The main vision of the model is to replace coca crops with substitute crops such as coffee, palm oil and cacao. As a drug trafficking is a threat as development issue, alternative development model supporting reduction of crops cultivation that should result in improving livelihoods. The model is mainly focused on small farmers who are encouraged to abandon coca cultivation and switching to crops that are legal with the help of technical assistance. For years, there has been many operations against the coca growers with the assistance of local nongovernmental organizations (NGO's), with help of the governments of Peru and the United States. However, the most successful tool has proved to be the alternative development model,

2 Methodology

For elaboration of this thesis was used expert literature that is listed at the end of the thesis. The data and information was obtained mainly from the journals and specialized publications. The first theoretical part contains the definition of drug trafficking and description of events that lead to the violence and terrorism in San Martín region. There is also description of guerrilla groups as Sendero Luminoso and Movimiento Revolucionario Túpac Amaru included.

In the second practical part of the research, there is introduction of the alternative development model and other organizations that are helping to reduce coca cultivation. The figures were created mostly from statistical data published by the United Nations Office Drugs and Crime (UNODC).

3 Peru as a Homeland of Coca

3.1 Historic overview

Peru is located in South America and it is the third largest country with more than thirty-five million inhabitants. It shares borders with Ecuador and Columbia to the north, Brazil and Bolivia to the east and with Chile to the south. The capital city is Lima with more than 8 million inhabitants. Peru comprises three types of land which is desert, tropical rain forest and mountains.

Peru is widely known as the source of more than half of the world's cocaine paste and cocaine which finds its way to the illegal markets of the north. Along with Bolivia and Columbia it is the source of 95% of the cocaine production that is smuggled into the United States. In historical terms Peru, it is also recognized as the ancestral homeland to the Andean coca leaf which leaf which was grown for traditional use (Gootenberg, 2002). People who are growing coca are sometimes engaged in violent acts to resist coca eradication. That includes violent crimes such as attacking the police or threatening with kidnapping or killing them. Despite these incidents, government showed no signs of stopping it (INCSR, 2011).

Preparation and trafficking of cocaine are part of the traditional ecological exchange, as well as an important source of cash. According to Leons & Sanabria (1997), as coca fields are often established on lands that are cleared of primary forests, the releasing of chemicals that are used to process coca leaves into cocaine paste results in damaging the environment. However, cultivation of coca can be prosperous as well. These authors supposed that cultivation of coca not only damage local soils, but is also helping control erosion and nutrient leeching.

The infiltration of an underground economy into the local people's lifestyles has created a new economic dependence. This is because the illegal circulation of money from cocaine supports local economy and feeds inflation (Gootenberg, 2002). In the last 30 years, coca farming has gone from a cultural tradition to the most profitable industry in Peru. International organized crime came to the jungle and adapted traditional use for their own purposes with goal of creating an underground economy of unemployed local people, immigrants, officials and criminals etc. (Fukumi, 2013).

3.2 The San Martín Region

The region is located in the North-eastern part of Peru and it is divided into 10 provinces. Its ecosystem is based on agriculture development which makes up the largest economic activity. However, 81% of people who work in agriculture are unskilled farmers whose daily wage is between \$2 and \$3 (UNODC, 2010). The San Martín region lacks qualified agricultural producers and their supporting infrastructure (Marcelo & Vincente, 2007). 67% of population in San Martín region is classified as poor. are recurring security and social issues that contribute to this poverty. It is mainly because of local drug trafficking. Coca is produced and grown mainly along the Huallaga river (Posada, 2007). In the 1990's, the economy of this region was almost completely dependent on the production and sale of coca leaves and cocaine paste with cocaine hydrochloride to Colombian narco-traffickers. There were no other exports. Before 1980's coca was one of several crops grown locally for local consumption alongside with other crops as corn, cocoa, rice and coffee. Because farmers lived largely at the subsistence level, having no contact with rest of the world, it would only be matter of time before the U. S. cocaine market comes to the attention of this region (Grosse, 2001).

3.2.1 Upper Huallaga Valley

This thesis will focus mainly on the area Upper Huallaga Valley, where the illegal drug trade took control in the 1990's. Geographically the Upper Huallaga Valley extends from the south of region San Martín to the northern part of Huánuco region. It is located in north eastern Andes and it is called after the local river. The Huallaga river is commonly divided into three sections. The first section refers to Upper Huallaga Valley. The other sections which lead from the Tocache to Chazuta of the river is called Central Huallaga Valley, the part from Chazuta is Lower Huallaga Valley (Dun, 2009). The conditions in this area are poor on the first sight. The roads are unstable and on the walls of abandoned houses faded graffiti from local guerrilla groups can be seen, etc. (Kalman & Schimpky, 2003).



Figure 1 The Huallaga River

Source: Horák, 2010

The roads were built in the 1940's thanks to colonists who were attracted by the tea and coffee plantations which helped boost the local population growth. This area has a long history of coca cultivation, processing and smuggling which can date back to the 1970's (Gootenberg, 2002).

Generally weak government presence with low rate of education, led to open violence with cultivation of the coca plants, where only the strongest units such as guerrilla groups dominated. People started to cultivating coca for the illegal cocaine industry mainly for the high and quick earnings as the prices for coca leaves increased drastically in the phase of cocaine boom (Ibid.). A large negative impact on growing coca in this area, was made by a local guerrilla group called Sendero Luminoso in 1984, when they established an alliance with drug trafficking groups that turned the Upper Huallaga Valley into an area characterized mainly by violence with drug trafficking operations. *"The Upper Huallaga Valley was transformed into a no man's land where chaos and disorder attracted both drug cartels and guerrilla groups"* (Dun, 2009).

4 Drug Trafficking

4.1 Term Drug Trafficking

The definition of drug trafficking presents illegal process in which illegal drugs are produced, transported and sold. It involves the distribution, cultivation, manufacture and sale of substances which are subject to drug prohibition laws (UNODC, 2015). Drug trafficking has spread in every corner of the world and especially in developing countries, where drugs are produced the most. They are transported to the industrialized nations including Europe and the United States, where they are sold on the black market (Sherman, 2010). Due to globalization, drug trafficking turned gradually into a factor favouring consumption entirely, many of the countries becoming points of transit, warehousing or production (Bucur, 2013).

Drug trafficking represents a security threat, financing organized crime and insurgency in some affected areas. In North America, there is the largest cocaine market, with some 6.2 million annual users, close to 40% of the global cocaine-using population (UNODC, 2009). Peru is one of the countries where the chain of drug trafficking is complete. There is a production of raw materials, and also production of cocaine with in various levels of purity. With the ongoing organized trafficking to the cities and abroad and culminating in local consumption. In 2014, the police seized 6.346 kilos of cocaine paste and 7.303 kilos of cocaine hydrochloride. It is easy access to drugs in cities together with affordable prices that create links to violent situations (Marcelo & Vincente, 2007).

4.1.1 Cocaine

Cocaine is one of the most addictive drugs causing tens of thousands of deaths each year worldwide. According to UNODC (2009), after the opiates, cocaine is the most problematic drug globally. The main ingredient for the production of cocaine is the cocaine alkaloid which is a chemical compound that is extracted from the coca plants leaves (Posada, 2007). *"Drugs like cocaine are extraordinary goods that affect consciousness itself, are bound to excite the human imagination in even more passionate, fantastical, and mystifying ways"* (Gootenberg, 2002).

The effects of cocaine are immediate. The cocaine creates an euphoric feeling with increasing of energy and mental clarity. The drug can be injected, smoked or sniffed and it reaches the brain very quickly. People who are using cocaine can experience a lot of side effects as a paranoia, dizziness, heart attack, seizure, tremors or muscle twitches, etc. (Sherman, 2010).

Violent behaviour can be experienced along with inability to sleep. After the drug starts to wear off and leaves the brain, cocaine users can start to feel depressed and irritable. Cocaine is the second most used drug in the U.S. and the third in Europe (Ibid.). The production of cocaine from coca leaves usually need to pass through two sites and stages. The first stage is controlled by local "cocaleros", which are local peasants who grow coca bushes and leach the leaves using solvents to make a cocaine paste. This is then sent on for refining to labs to make purest product, that is cocaine hydrochloride. The labs are mainly run by Colombians, who dominate the wholesale trade (Gootenberg, 2009).

There are a lot of misunderstandings between the terms "coca" and "cocaine". They are often mistaken for each other, although there is a big difference. The coca plant is a medium sized bush that grows in tropical rainforest climates anywhere between 100 and 1800 metres above sea level. The coca plant is harvested about a five times a year, depending on the variety and the location. There are about 250 different types of coca plants but only a few of them are used for production for the illegal markets (Ibid.). Coca can work as a stimulant providing vitamins to aid digestion that can be helpful for hunger, stress and high altitude cold. In Peru, coca is deeply indigenous and a regional plant that has strongly affected history of Peru. On the other hand, cocaine, more precisely cocaine hydrochloride, is the coca plant's main psychoactive ingredient (Cooper, 2002).

4.1.2 Cocaine Paste

Cocaine paste is one of the most popular drugs in Peru. It is much cheaper than actual cocaine and it is easier to produce. It is the most common drug that is used among the middle and lower classes in Peruvian cities (Kent & Steinberg, 2004).

In the early 1970's cocaine paste was very popular for in its smokable form. It is made from soaking and mixing coca leaves in gasoline or sulphuric acid and after drying, it becomes brown or gray-white powder. The powder could be hand rolled into cigarettes and smoked. Typically, it was mixed with either marihuana or tobacco. To convert coca leaf to cocaine hydrochloride, which represents the most common form of pure cocaine, three transformations are required (Cooper, 2002).

Cocaine paste is made in the first stage, where it is dependent on the quality of the leaves. It contains about 50% of the alkaloid that can be increased to 90% by converting it to cocaine base, which represents the second stage. It can be sometimes sold for a higher price if the product is further purified, which is the last stage of the transformation (Ibid.).



Figure 2 Coca field in Huallaga Valley
Source: UNODC(2008), p. 128

4.2 The Supply Chain

The supply chain is system in which the raw materials, in the case of this thesis coca crops, are processed into cocaine, transported and then sold on the black market (Dun, 2009). The first step starts with the suppliers, who need to harvest the raw materials, which are in this case crops. When the crops are grown, and harvested, then is possible to sell them. These sales are controlled by the DTO's, which control preparation, transportation and sales. The crops in unprocessed form are transported on predetermined routes (Sherman, 2010).

When the crops are delivered, in most cases to the people from the cartels, they are sold to the local dealers or street gangs, basically to anyone who is willing to pay a large sum of money for the drug. This is the reason why is the drug trade so profitable and keeps functioning. There will be always customers (Ibid.).

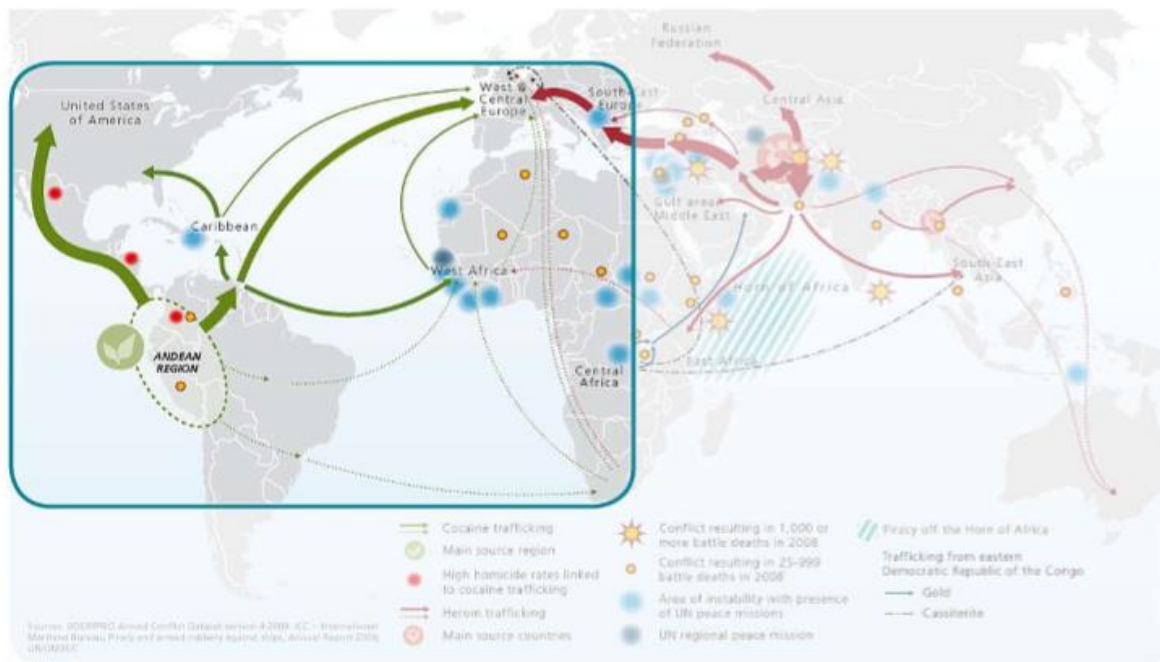


Figure 3 Main Global Cocaine Flows, 2008

Source: UNODC(2009), p. 70

Although coca appears to be growing in developing countries, the vast bulk of the production is destined for two major markets, that are Europe and North America. The global production, trafficking and consumption of cocaine rose strongly in 1980's, when the amounts seized increased by more than 40% per year. Almost all the world's coca bush was grown in Peru and most of the output was refined into cocaine in Colombia. Cocaine from the Andean region is trafficked northwards to North America and across the Atlantic to Europe via the Caribbean or Africa (UNODC, 2010). In 2013, Central America and the Caribbean continued to be reported as both transit and departure points for cocaine to Europe (UNODC, 2013). The global production, trafficking and consumption of cocaine rose strongly in 1980's, when the amounts seized increased by more than 40% per year. Almost all the world's coca bushes were grown in Peru and most of the output was refined into cocaine in Colombia. Cocaine from the Andean region is trafficked northwards to North America and across the Atlantic to Europe via the Caribbean or Africa (UNODC, 2010).

In 2013, Central America and the Caribbean continued to be reported as both transit and export points for cocaine to Europe (UNODC, 2013). Most consignments are smuggled and dispatched mainly in container vessels directly to ports in Lisbon (Portugal), Barcelona (Spain), Rotterdam (Netherlands) or Antwerp (Belgium). The growing emphasis on Europe reflects higher street prices that those in United States (Chalk, 2011).

Drug trafficking is closely connected to organized crime that can become even more threatening, when armed groups gain the control over some areas of the country. As they did in Upper Huallaga Valley. Not only do they are pose a threat to national and international security, but the affected areas become a perfect place to acts as trafficking hubs and retail centres for illicit goods and services, attracting the attention of terrorists (UNODC, 2010).

4.3 How to Fight Drug Trafficking?

One of the biggest threat for any state or region is drug trafficking, as it generates greater revenues than any other form of transnational criminal activity in the world today. Not only they are presenting health and social consequences, they also providing economic clout for insurgents and organized criminals to confront the region, where they operate. Arms and bribes are present with profits that are typically violent and can be easily shift from rival traffickers to officials and other members of the public (UNODC, 2010).

Drug trafficking is closely connected to organized crime that can become even more threatening, when armed groups gain the control over some areas of the country. As they did in Upper Huallaga Valley (Seelke, 2010). Not only they are posing threat to national and international security, but the affected areas become a perfect place for trafficking hubs and retail centres for illicit goods and services, creating attractive place for terrorists. There are lot of drug trafficking organisations in Peru that controls various aspects of the drug supply chain situation in Latin America. Every organization is different with different specialization aspect of drug trade. Lots of organizations are smaller and family based that operates in limited territory (Ibid.).

The US government have tried to help Peru and other Latin America's countries with eradication of coca fields to help weaken the cocaine industry. There were a lot of attempts to stop illegal coca cultivation. One of the failure approach has turned out to be technique called aerial fumigation. Aerial fumigation is a part of law enforcement project and it is very expensive and sometimes described as an aggressive approach. This type of eradication is very expensive because of the need for providing necessary equipment's such a helicopters and chemicals (Fukumi, 2013). The aerial spraying has been repeatedly condemned by human rights and environmental activists for its effect on local soil and water system. Furthermore, the damage to soil caused by chemicals not only kill coca, but also alternative crops that should replace coca. This expensive and massive eradication operation still does not assure eradication of coca cultivation and Peru refused to carry out eradication in such a manner through the 1980 (Ibid.)

One of another approach has been manual eradication of coca crops. In Andes, it has been standard operation because of the terrain where the coca field were located. Upper Huallaga Valley is too steep for planes with aerial spraying, so manual eradication is an only option. However, in the 90's the risk of manual eradication was due to presence of local guerrilla groups and potential threat for eradication workers.

"The coca economy also brought opportunity to the borderlands as laborers could also earn a high daily wage working in the coca fields and access and afford better food, clothes, and medicine. The quality and quantity of river transportation also increased dramatically and the formerly isolated residents could now send their children to the new schools created to educate the children of the coca farmers. However, the influx of coca dollars also caused inflation in these weak backwater economies and may have undermined local livelihoods formerly rooted in cooperative agricultural activity" (Salisbury & Fagan 2011).

5 The Cocaine Boom

In the 1970's coca was the only crop that was profitable to produce. Local people realized that and so did the members of local guerrilla group, Sendero Luminoso. They moved into the Huallaga Valley with the purpose of increasing their influence and imposing taxes on the drug trade (Hendrix, 1996).

"Violence is not only saturated most major events during the period that cocaine thrived; it was responsible for lending the Upper Huallaga Valley a distinctive atmospheric of threat, as different armed group attempted to appropriate the drug trade in order to steer it in directions favourable to their respective interests. 'Atmospheric of threat' refers to the plural forms of sense that violence produced, which in turn shaped expectations of coca/cocaine and its potential. Shaping expectations was tantamount to orienting the history of coca/cocaine as it later came to be narrated" (Kernaghan, 2009).

The migrants from the highlands of the Andes and from other cities started coming to these areas and the density and prosperity of the region has greatly increased (Ibid.). According to the United States Agency for International Development (USAID) study on the cocaine boom in the Upper Huallaga Valley asses that during the "cocaine boom" the coca production brought in \$270 million a year to this area. By 1985 coca represented about 27% of Peru's GDP (Marcy, 2010).

The rising demand for coca in the nineties was due to rising cocaine consumption in the United States, combined with more drug trafficking and money laundering techniques, this fuelled an insatiable demand for coca in the valley, where the soils were ideally suited to the crop. Due to rising prices of coca more than other crops, the area attracted large numbers of immigrants in search of better life. The prices of coca fetched up to 30 times more than other crops and rose from 18.230 ha in 1978 to 125.730 ha by 1990 (UNODC, 2011).

5.1 Coca Growing as the Only Way to Survive

About 4 million people living in Peru and mostly people from the highlands used coca leaves for medical purposes or in social ritual events. Also, they often chewed coca leaves as an enhancing stimulant. Despite the pressure of United States, Peru has never outlawed the coca production entirely. The National Coca Company (ENACO) sells coca tea which was very popular across the Peru (Carlos & Orin, 2009).

In history coca growing was part of the tradition and predominant economic activity in Peru and especially in the Upper Huallaga Valley, however local producers profited from this. The cocaine boom led to a big immigration of people who turned coca farming into a profitable living as the price for coca has started to rise (Ibid.). As coca cultivation does not require advanced agricultural knowledge and basically every farmer was able to grow the crop almost anywhere. That is due to fact that coca can survive in hostile environments, such as in areas, the business was even more lucrative (Fukumi, 2013).

"There were continuous demands, and buyers came to pick up coca rather than the producers carrying them to the markets. For those in the Andes, coca cultivation, therefore, was a way to escape from poverty and misery" (Ibid.).

As people were cultivating coca during Peru's internal armed conflict in the 1990's and the Upper Huallaga Valley became one of the most violent places in the region (Dun, 2009). The imbalance between illegal and legal crops has started to grow due to higher prices. As the local people realized they were able to obtain higher profits for producing coca leaves and cocaine paste, they did not want to cultivate legal crops anymore. Marcy (2010) described situation, where farmers stopped cultivating corn because it was no longer profitable and they dedicated themselves to coca cultivation for high profitability, even if it was illegal. In this time, the profitability of agriculture starts to decrease and it was obvious that coca industry weakened Peru's ability to reform its economy and confront inflation.

6 Dark Times in San Martín Region

6.1 Sendero Luminoso

Sendero Luminoso which can be translated into English as Shining Path was one of the largest communist party in Peru, that eventually transferred into a guerrilla group that mainly operated in the San Martín region with a big influence in Upper Huallaga Valley. The origin of the communist party is dates from 1980 when its leader named Abimael Guzman initiated its first operation against the regime in Lima, by symbolically burning electoral ballots for the 1980 presidential election, in one of the poorest localities of the country. The party's ideology is a mixture of Marxism and Leninism and the name of the group is derived from a person named Mariateguai, who was an avowed Marxist and once stated that Marxism is "the shining path to the future" (Pedahzur, Perliger & Weinberg, 2008)

"Guzman proclaimed himself the 'fourth sword' of communism, continuing the work of previous great leaders of communism. Guzman intended to replace religious, particularly Christian, beliefs with communist ideology, especially in the poverty-stricken countryside of Peru where Indians, suffering more than any other population from economic hardship, turned to the church for daily hope and meaning" (Ibid.). The party engaged in many operations for the purpose of weakening the state and its economy with targeting political leaders, state authorities, priest etc. Due to this events, Sendero Luminoso became one of the most security issue for the government (Rapoport, 2013).

In time, they were able to secure guns, ammunition and explosives that were used against police stations. As the involved movement, the coca producers brought their attention and they started to cooperate with them. Even though were a lot other guerrilla groups, Sendero Luminoso gained a dominant position in the Upper Huallaga Valley. By the late 1990's they were getting at least 10 million dollars a year from the "taxes" who were paid by Colombian traffickers who has been operating there (Forest, 2007).

There are a few factors that can explain why Sendero Luminoso was the only significant actor in this area. One of them was lacking of human and material resources that were crucial for representing interest of the region at the national level (Carlos & Orin, 2009). Past the years, the movement tried to find as much recruits as possible. Among them were non-Spanish people, that were dragged from the highlands, or people from the slums that were brought against their will. This took years before they were prepared for its ultimate debut that later turned into a violence (Forest, 2007).

The goal of this guerrilla group was to establish a communist state where can lead dictatorship of the proletariat and it would be formed from the people that can accept it. To achieve this goal, they were willing to use the most extreme violence against the state and anyone who doesn't agree. Violence was the only way to achieve its goals (Freeman, 2003). The strategy of Sendero Luminoso was to use violence to bring down the government of Peru with disrupting the economy and destroying the state's reputation among peasantry and the population in general. They targeted local authorities such as mayors, police and local political leaders (Kathryn, 2009).

6.1.1 The Quota

Members of the group had to give up their lives and devote it to the movement. They called it "the quota". If the members agreed, there was no way back. The militants no longer owned their lives and they had to be prepared for their own death (Forest, 2007). Sendero Luminoso also prohibited religion. Soldiers were told that prayers and believers had to die and not to be transmitted along the members, especially among the children. The prohibition against religion included traditional religious holiday as a Christmas, which were widely celebrated in lot of communities. Sendero Luminoso imposed its own holiday calendar that needed to be followed (Stern, 1998).

6.1.2 Violence as a Tool of the Choice

Sendero Luminoso maintained the control over the region by the violence, which became a tool of choice. That means death penalty for everyone who did not agree with the rules that the Sendero Luminoso created. Those who have been considered innocent, have been confronted with executed bodies on the streets and to remove the corpses was strictly prohibited (Dun, 2009).

“There were always bodies along the highway, two or three at the very least. Hands tied behind their back. Head smashed, more often than not. A piece of cardboard would always be laid on top of or next to the body with a message scrawled in magic marker” (Kernaghan, 2009).

Another method to instil the fear among civilians in the Huallaga Valley was to throw killed people in the river with their stomachs cut open. Even more cruel was the practise of forcing villagers to cut open the stomachs by themselves. Those who did not want to cooperate were killed (Ibid.).

The use of the road for this purpose would taper off in time, by the early 1990's. That was when black sacks stuffed with body parts began turning up on the shores of the Huallaga river. Coinciding with major counterinsurgency operations, the sacks were rumoured to be of the army's doing and directed at those with ties to the rural expanses that Sendero Luminoso held sway. Thus, between river and road, human corpses operated as temporal signs on several levels and in different ways of different times (Kernaghan, 2009).

The response from the government was highly ineffective as the army began its operations against the Sendero Luminoso two years after the initial violent attacks. The government did not use strategic forces along with economic assistance which would have boosted the local economy. In the result the police and military was accused of using indiscriminate violence against civilians. As a result of this events was a start of civil war (Gregory, 2009). The civil war took place in the southern Sierra region and expanded northward and outward through the coastal cities and over time it also affected the capital city Lima. After many years, the war even expanded to the jungle regions. The civil war ended in 1991, when the leader of Sendero Luminoso, Abimael Guzman was arrested and held by the police (Ibid.).

6.1.3 Movimiento Revolucionario Túpac Amaru

MRTA, which can be translated into English as Túpac Amaru Revolutionary Movement, was another Marxist revolutionary movement with similar interests as Sendero Luminoso. Both organizations operated mostly in the 1980's and early 1990's when Peru's government fought wars against both of the movements, but more complexly Sendero Luminoso (Kathryn, 2009).

The movement was founded in 1983 and it was formed from the remnants of the Movement of the Revolutionary Left which was an insurgent group that operated in Peru in the 1960's. The movement determined to seize power to get rid of the "imperialist" presence in Peru, meaning US influence. There has been operating more than a thousand highly trained and armed members, that were capable of carrying out sophisticated and well planned attacks, with another thousands of supporters and sympathisers (Combs & Slann 2009). Member leaders also has come largely from the upper and middle classes, including professors, students or even intellectuals as lawyers, reporters. Some of the members has been recruited even from the military units (Ibid.).

The group was led by Victor Polay Campos until 1992, when he was sentenced to 30 years in prison. Their attacks were slightly different from Sendero Luminoso's acts. The group was focused on urban warfare, claimed to be fighting for true democracy and human rights, that were being abused by the state. The movement posed a serious terrorist threat beyond the borders of Peru regards cooperation with other guerrilla groups in Latin America (Lane & Restall 2011).

The movement supports its activities largely through bank robberies, extortion or kidnappings with high amount of ransom. The movement was slowly spreading to other countries from which it gradually gained not only financial assistance. They received help from Libya and Cuba, providing them training or supply of arms (Ibid.).

Unlike Sendero Luminoso and other armed Latin America organizations, MRTA claimed to be responsible for its action. Members of the movement wore uniforms to differentiate themselves from the civilian population and at some point even showed signs of being open to peace negotiation (TRC, 2007).

At some point, the movement even appeared to depart from the practice of trying to minimize collateral damage and casualties. The civilians have been warned before the attacks and less destructive arms has been used (TRC, 2007).

In January 1991, the movement declare a war to United States and labelled all US economic and personnel enterprises and installations in Peru as the legitimate target. During the year, several attacks has occurred. These attacks consist of automatic weapons fire to Peruvian police, US Embassy or even destroying all Fried Kentucky Chicken restaurants in Lima (Marallano, 2011). The main reasons of attacks have been MRTA's believes the US coalition in the Persian Gulf used the pretence of liberation of Kuwait to gain control over the world oil supply (Ibid.).

At the end of the year 1992, the main leaders of Shining Path and the Tupac Amaru Revolutionary Movement were captured by the police and the attacks almost disappeared. Over the years, the last major action of the MRTA occurred in the 1996, when members of the movement occupied Japanese residence in Lima, holding around 70 hostages for several months though unsuccessfully. In 1997, the hostages were rescued by Lima's armed forces and members of MRTA were summarily executed (TRC, 2007).

6.2 The Current Situation

Even in post conflict Peru, the Upper Huallaga is still one of the most violent areas in the country, although Sendero Luminoso and MRTA does not present the same potential threat to the state and civilians that it did, in the 1980's and 1990's. According to UNODC (2010), the group's violent campaign against the state resulted in an estimated 80.000 deaths.

Due to the arrest of formal leader Abimael Guzman in 1992, the geographic and ideological opinions of the remnants of the Sendero Luminoso has diverged to the northern and southern part. The northern fraction is largely involved in regional drug trade that still operates in Upper Huallaga Valley (UNODC, 2010).

The southern branch operates in the Apurimac and Ene River Valley. Both branches are now focus on drug processing and trafficking operations rather than gaining a political power with violence (Aponte, 2013).

According to UNODC (2010), Sendero Luminoso has been launching sporadic attacks after 2006 with other guerrilla groups that are now residing in the VRAEM area.

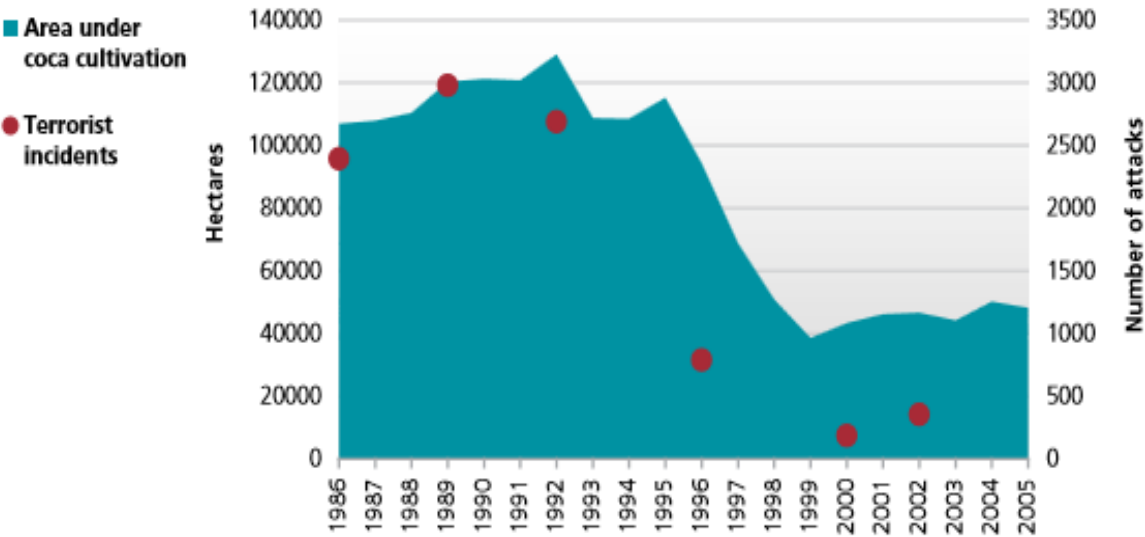


Figure 4 Area under coca cultivation and terrorist incidents in Peru, 1986 - 2005
Source: UNODC(2010), p. 231

In the figure 4 are shown terrorist incidents that started to decline after year 1992, when the former leader of Sendero Luminoso was arrested and the MRTA’s operations started to decline. Although the coca cultivation was still higher at a higher point than the terrorist incidents. Even the links with Sendero Luminoso disintegrated when the former leader was arrested, Sendero Luminoso was able to survive and attacks against army patrols increased again in year 2006 (UNODC, 2010).

7 Alternative Development Model in San Martín Region

7.1 Characteristics of Alternative Development Model

The aim of this model is to improve the economic and social environment for households and provide a reasonable standard of living without the need for coca cultivation. This concept of alternative development model appeared from the unsuccessful attempts of the crop substitution initiatives of the 1970's and the integrated rural development approach of the 1980's. During the 1970's crop substitution projects were not successful because the alternative crops that were identified, however failed to impact on the market there were also infrastructural constraints that households faced in traditional areas of drug crop cultivation (Mansfield, 2006).

In the mid 1990's the government implemented interdiction actions against drug trafficking which created disorder in the local drug trade. That resulted in massive abandonment in areas of coca crops cultivation. It is estimated that the reduction from 1995 to 2008 has been about 51%, passing from 115.300 ha to 56.100ha (UNODC, 2009). For several decades, the alternative development model has been a key to supply reduction strategy and also one of the three pillars of the international approaches towards drug control, along with interdiction and crop eradication (UNODC, 2015).

The San Martín region is an example of how drug trade can deeply affect the human development and conservation. The only way to expense the human development in this case is to end the production of coca. The goal of alternative development is defined by UNODC (2013) as to give "*...farmers an economically viable, legal alternative to growing coca bush, opium poppy or cannabis plant*". This alternative method was tested before, in the Bolivia, Chapare region, in the late eighties and after that it was expanded to san Martín region and also in Colombia. It was adopted by the United Nations as an official tool for drug fighting (Chun, 2013). Although alternative development model is not only about the profit and economical sustainability. It is also for providing security for the children and women and their community (UNODC, 2014).

That means social acceptance, state protection and better opportunities for the education and health and to ensure better future for the children (UNODC, 2014). As the aim of the development program is to be strengthening the economic and social development of the target areas (UNODC, 2008).

This model is widely becoming seen as an extensive approach to help achieve its aim. The approaches of the model are very attractive unlike outright crop eradication or interdiction, alternative development attempts to confront other issues such as rural poverty and economic factors which are often emerged in the drug supply trade. The model is trying to attempt to support poor areas where drug trafficking occurs on a long-term outcome of communities and are more invested in issues such as reducing environmental harm, enhancing sustainable livelihoods and strengthening the basic human rights of local people (UNODC, 2016).

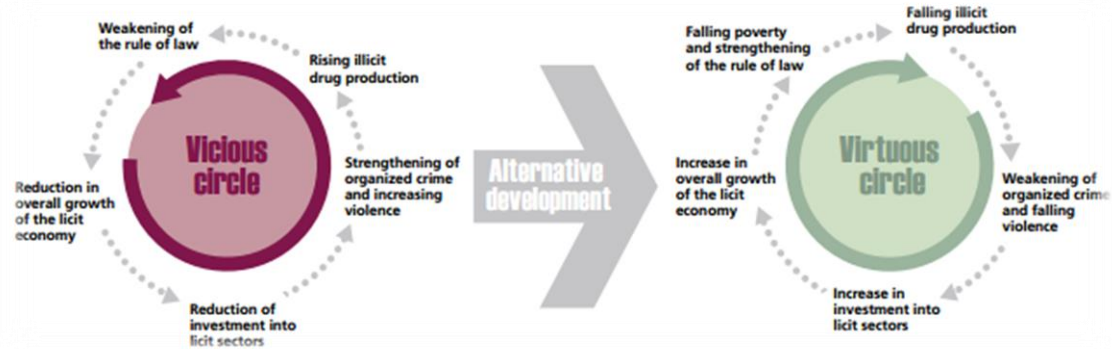


Figure 5 Impact of illicit drug production of alternative development interventions
Source: UNODC (2015), p. 115

7.1.1 Replacing the Coca Plant with Substitute Crops

In the San Martín region, the model was used for the first time in the early nineties. The government tried to gradually eradicate coca bushes and replace them with substitute crops such as palm oil, cacao or coffee. The terrorism was defeated in nineties and the eradication of coca plants started to be successful (Guevara & Gómez 2008). The method of alternative development started to work and human and financial resources started to increase. In the first decade of this century the livelihoods of small regional farmers improved mainly with the production of palm oil (Ibid). According to UNODC palm oil projects have provided income to 1.815 families.

7.2 Negative Impacts of Alternative Development Model

7.2.1 Impaired trust in authorities

The main problem represents post eradication communities that are very similar to post conflict communities. It results after decades of state neglect, residents have a little faith in authorities. The social fabric is stretched thin and is often marked more by antagonism than cooperation. And without outside assistance is very hard to work toward common goal (USAID, 2008).

The forced eradication has not proven positive results regarding the volume of coca cultivation, since eradication efforts results in the migration of farmers. At the same time, it may have triggered food shortages and environmental damage with undermining trust in local community and tend to aggravate social conflicts (BMZ, 2013).

To fight with this trust issue, the alternative development model assigned high priority to meeting commitments with the participating communities in frequent periods of time (USAID, 2008).

In many cases, alternative development has shown the limits of orthodox coca crops understand for small farmers with incentive reasons for cultivating drugs. This has led to poor outcomes of project activities aimed at reducing overall production volumes. For example, many project has mainly focussed on male farmers engaged in coca cultivation who has received preferential treatment, while both women and men not working in cocoa crop cultivation are not so eligible for project support. This leads to neglecting the casual factors of booming the drug economy, focussing mainly on crop substitution. However, the main push factors for drug economy, where violence appear with lack of infrastructure and market access are unfortunately disregarded (BMZ, 2013).

"Alternative Development projects aim to strengthen and diversify the livelihood systems of small-scale farmer households in order to reduce their dependency on the drug economy. This also entails taking the different gender roles into account. Women play a major role in agriculture and food security, for example by growing fruits and vegetables" (Ibid.).

7.2.2 The Balloon Effect

Another negative impact could be an issue called the balloon effect. It is an analogy, which is used by drug policy for exemplify the process of drug production to evade eradication and interdiction efforts (Whittington, 2013). It is a possible reason why it is so hard to convince local farmers to start cultivation legal crops instead of coca. The traffickers are trying to avoid the eradication, and always changing the location of coca fields to remote areas and neighbouring countries. This can lead to pushing coca cultivation to Colombia, which is another huge producer of coca (Fukumi, 2013).

The eradication of coca cultivation is a difficult problem not only in San Martín region. It is a problem in many parts of the country, elimination illegal coca is highly controversial policy among coca farmers, who have used violence against government's eradication efforts. In other parts of Peru, as Vraem of Humala region, coca farmers have allied themselves with remnants of local guerrilla groups, one of them is Shining Path (Whittington, 2013). Some of the coca farmers are hidden in the highest hills to be hidden strategically in inaccessible areas, as Peru does not allow aerial spraying and relies only on manual eradication. According to Whittington (2013), trafficking organizations are starting to produce strains of coca, that can be grown at lower altitudes, where are conditions for higher level of quantity. This may explain the expansion of coca cultivation outside the original growing areas (Ibid.).

7.3 Soluciones Practicas

7.3.1 Purpose of the Organization

Soluciones Practicas is one of the Spanish NGO's that have been working in Latin America since 1985. The regional office is based in Lima and coordinates the work throughout the region, with two country offices in Peru and Bolivia, with the team of 130 people. Their work is organized into developing programs that present assistance to accessing basic energy services, clean water, institutional strengthening or helping with adaption to climate change (Gómez & Guevara 2008). In San Martín region, Soluciones Prácticas are helping the local farmers grown alternative crops with the purpose of eradicating coca cultivation. They have been working in this region for more than two decades, supporting the overcoming of poverty and growth through the application and development of appropriate technologies, strengthening local capacities and foundation for sustainable safe development (Chun, 2013). They are teaching farmers the best practices, connecting them with better markets and certifying their farms. The Soluciones Prácticas has worked with over a 300 small scale producers since then (Ibid).

According to Chun (2013), the project has three basic goals:

1. To teach sustainable agriculture practise in order to limit the cycle of desertification.
2. To strength the communities by trying to improve the communication between producer organizations and local governments.
3. To promote higher prices by enrolling farmers into cooperatives and fair trade certification programmes.

The most successful promotion policy was applied the cooperation between small farmers, which allowed them to reach the economies of scale needed to face two main challenges. To add farmers products greater value through transformation and industrialization and to guide their work to satisfy international demand, which has greater requirements in terms of product quantity and quality (UNODC, 2015).

7.3.2 Results of the Organization

Over five hundred farms have already received fair trade certification or organic certification. Cacao productivity has increased from 300 to 500 kilograms per year and the income of cacao producers increased by 7% with income of coffee producers increasing over 34%.

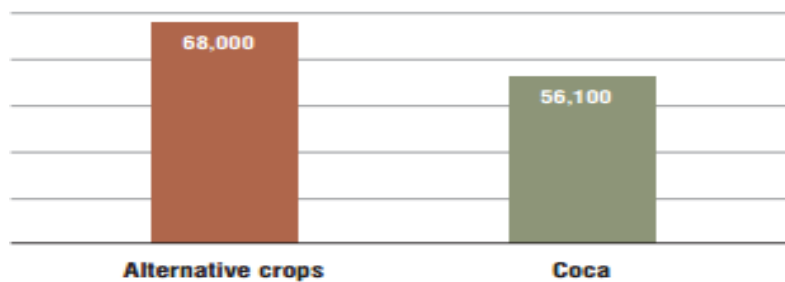


Figure 6 Alternative Crops Versus Coca (ha), 2008

Source: UNODC (2010), p. 127

The main reason why is reduction of coca in San Martín region so successful, is the role of government. Leader of Soluciones Practicas Viktor Ganoza said: *"The only reason people switched was because everyone - the government, the international community, the farmers-was working towards the same goal"* (Chun, 2013). According to Ganoza, many farmers individually wanted to switch from coca to other crops as cacao or coffee. But they were expose of danger from local guerrilla groups and cocaleros. But with help of government...*"there has to be healthcare, policy, education. You need all of it, coca is a multi-faceted problem. All solutions must be applied together. If applied individually, each will fail"* (Ibid.).

Thanks to Soluciones Practicas, the farmers have adopted better techniques and have established a lot of new cooperatives. Large numbers of partner organizations with the help of Soluciones Practicas are cooperating with the alternative development model (Aponte, 2013).

7.4 What Impact Has the Production of Coca on the Environment

Coca is a deeply destructive plant. It grows on steep slopes and needs at least a 45° slope for good drainage. According to UNODC (2008) the crops require intensive weeding after each harvest and they are responsible for at least 10% of the total deforestation in the Peru. The processing from coca to cocaine is also very destructive. However, there is no need to extract a big amount of processed chemicals as they are dumped in the Huallaga river, where they pollute the water. In that case the water cannot be used for drinking, cleaning or cooking (Chun, 2013).

That is the main reason as every other plant production is better for the environment. For example, with the production of cacao, the crop can be grown through agro forestry which prevents erosion and can maintain biodiversity. These crops such as a cotton, palm oil, rice etc. could be suitable substitutes for coca (Aponte, 2013).

The farmer's leader of alternative development model said: *"Those of us who defend our coca have grown it for 3,000 years. It's never harmed us; nobody gets hooked on drugs. We totally reject drug trafficking. But drug trafficking exists because of the demand for drugs. We agree to help fight drug trafficking, but help us to find markets for alternative products"* (UNODC, 2005).

7.4.1 Results in San Martín Region

As the result of the alternative development model, coca farmers had to look for alternative sources of income and with the external assistance or organizations such as DEVIDA or USAID the reduction of cultivation was possible. The amount of coca cultivation fell from 22.000 ha in 1996 to 1.725 ha in 2010. In the same period poverty rates in the region fell from 70% down to 31%. This model perfectly demonstrates that wealth creation can occur with alternative development (UNODC, 2014).

The role of the local government is very important part in the programme. Due to this fact the government was made more accountable and efficient. As one of the other approaches of the model is to reduce poverty, it is necessary to improve infrastructure, education and healthcare. The creation of farming cooperatives has allowed workers become shareholders in the processing the plants which they sell (Ibid.).

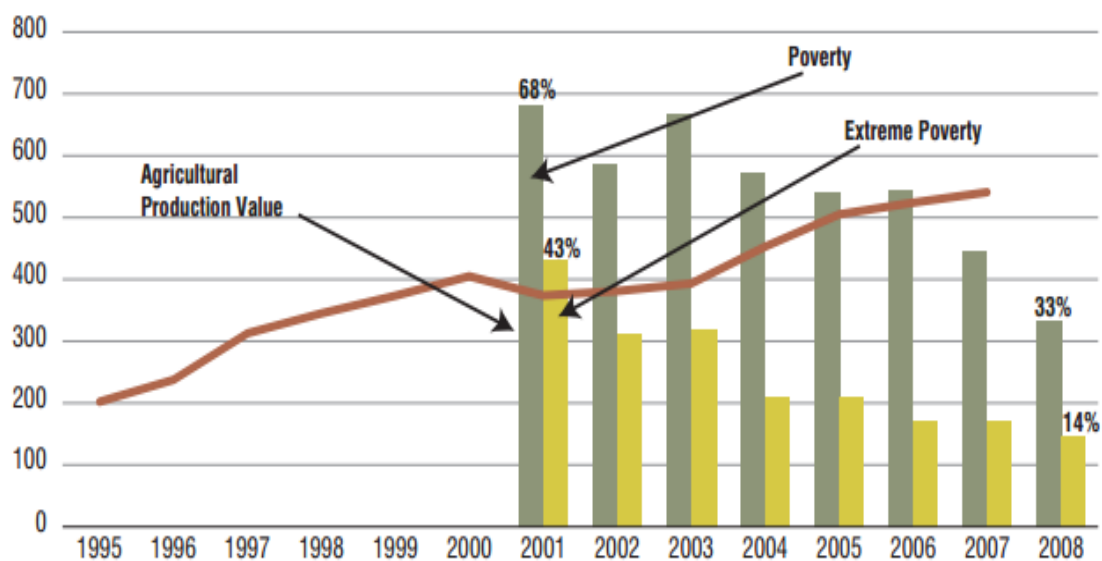


Figure 7 The San Martín Development Model

Source: UNODC (2010), p. 75

For every crop that farmers sell to the company, they receive a dividend on top of their earnings. In case of the San Martín region results are more than satisfactory, which is a very motivating. Farmers with their families and small agriculture producers are very active and try to cooperate.

"The cocaleros see our progress and ask if they will be able to join in the future. I was born and raised amidst coca, and I can tell you that I never achieved anything in all those years. I always wanted to work legally, with my head held high, not lowered in shame. With PDA's assistance PDA, that is what I am doing" (USAID, 2008). They decided to abandon coca farming and production and switched to the production of alternative crops. They are willingly participate and take the risk of giving their products an added value by placing them on the international markets (UNODC, 2010).

7.5 The San Martín Miracle

Thanks to international cooperation and mainly to UNODC, USAID and Project Control and Reduction of Coca Cultivation in Huallaga Valey which decided to help the San Martín region to eradicate coca plants. They mobilised their international experts and invested financial resources into this project. They decided to change the situation of violence environment with poverty generated by drug trafficking and terrorism. They organisations needed the local approval to start working with small agricultural producers that are the leading actors of the model (Chun, 2013).

One of the most relevant successes was cooperation between small farmers, which is needed for giving their products greater value and to guide their work internationally. Thanks to the professionals and technical stuff included, the farmers were able to new agricultural vision, management models, product quality improvement and relations with international possibilities (UNODC, 2014).

The main motivation for the local farmers was to provide income for their families. San Martín's regional government allowed the creation of an institutional framework with the accumulation of alternative development activities. The government became a leader of the whole social and institutional transportation which increased in 2002 along with the economic growth of Peru. Also, the regional government transformed the tax exonerations into a trust fund which has the possibility to raise relevant financial resources (Ibid.).

According to UNODC (2014), the San Martín region is a major success story in the eradication drug trafficking. The region is essentially free of the illegal production of coca and this success is now referred to as the miracle of San Martín. The former Peruvian President Alan Gabriel Ludwig García Pérez in 2010, July 28 said: *"On the subject of public security and the fight against terrorism, as I said in the beginning these are still insufficient, although in the Huallaga region some success has been achieved through eradication, crop substitution and the San Martín Model"* (Transnational institute, 2010).



Figure 8 Eradication of coca cultivation density in Upper Huallaga Valley 2005 - 2014 (ha)
 Source: UNODC(2014), p. 49

In figure 8 it can be seen the year 2010 was a breaking point in coca cultivation. In 2010, it was eradicated 7.797 ha and in 2010 and 2011 6.086 ha and in 2012 and 2013 was eradicated 13.651 ha. The concentration and density of the coca crop declined substantially (UNODC, 2013). *"To explain the success of the San Martín model, one must keep in mind that behind each of these variables, important quantities of human and financial resources have been invested. Between 2003 and 2011, some 2,094 million dollars have been invested in the region, which means an average of 232 million annually. The government accounts for 79% of this amount, the private sector for 20%, and international cooperation for 1%"* (UNODC, 2011).

Although this model has been very successful in reducing coca cultivation from the region it has had very little impact on the overall global supply of cocaine as the cultivation has moved to another region. In order for these projects to be more successful, it needs to be carried out on a larger scale with regional and international cooperation to reduce the opportunities for the illicit drug trade before it can even begin (UNODC, 2014).

7.6 Comparison of Coca Cultivation by Area



Figure 9 Coca cultivation by area from 2010 to 2013

Source: UNODC (2013), p. 18

Aguaytía is one of the few areas of production in 2013 where there has been a slight increase in coca cultivation that has occurred as a result of decreasing income from coca cultivation in Upper Huallaga Valley. The area Palcazú Pichis Pachitea was the third coca cultivating area after Upper Huallaga Valley and VRAEM, treated by the CORAH in 2013. In the last five years the highest rate of coca cultivation has occurred there. Still remains the most important central point for the output of cocaine paste, not only produced locally, but also from other coca growing areas such as VRAEM and the Upper Huallaga Valley. In the case of the area called VRAEM, from 2010 the extent of coca cultivation remained relatively stable of spatial occupation, however continues. It is the most extensive area of coca leaf production with high rate of terrorism (UNODC, 2013).

Sendero Luminoso has moved to this area and still operates there till today. The government of Peru claim that about 80 members of the group are hiding in the area with close relations to the drug trafficking. In La Convencion and Lares area the coca cultivation started to decrease in 2012 thanks to CORAH operations (UNODC, 2012).

A significant and important reduction in the Upper Huallaga Valley was recorded in the 2014 when the substantial increase of annual eradication was executed by CORAH. The presence of coca production has been reduced to a minimum. The other highlight of these actions in the year 2014 has been intervention in the Amazon rain forest, which because of its remoteness and difficult access has recently been devoted to coca and drug trafficking operations without any further restrictions (UNIDOC, 2014).

According to UNODC (2016), the cultivation and supply of coca paste and cocaine in Peru in 2013 resulted in the lowest total amount of coca bush cultivation since 1990. This may have contributed to a reduction in the global availability of cocaine that has already affected some of the main markets. From year 2005 in the area of Upper Huallaga Valley, according to the CORAH more than 15.000 ha of coca has been eradicated.

8 Alternative Development Model in Other Countries

The UNODC's alternative development approach is based on idea that illicit crop cultivation can be reduced only by poverty reduction within a framework of sustainable development. UNODC not only relies on human development indicators, but considers reduction in drug abuse and illicit drug crop cultivation. The alternative development means giving farmers economically legal and viable alternative for growing illicit crops, such as coca or opium (UNODC, 2015). The efforts are focused on education, health, community development, food security and all other indicators shown below.



Figure 10 Alternative development components

Source: UNODC (2015), p. 32

UNODC works with nongovernmental organizations, state government, UN agencies and with private sector. In present, UNODC supports alternative development projects in countries as Afghanistan, Myanmar, Columbia, Lao People's Democratic Republic, Peru and Bolivia. The projects in Andean region, tend to be situated in the tropical lowlands whereas the projects in south east Asia are mostly in uplands (UNODC, 2015).

To stabilize shifting agriculture is a challenge in both regions, but especially in Asia, where upland population growth has reduced the fallow cycle, causing land degradation and falling yields (UNODC, 2015). Soil erosion is a malignant outcome in both regions, but more in Asia, where it gives the ruling classes of the lowland river plains, as in the Lao People's Democratic Republic, more reason to resent highlanders (Ibid.).

The cultivation of illicit crops are still persisting in these regions, because of framework conditions as poverty, weak political and judicial systems, lack of infrastructure and no access to legal markets, etc. The assistance of alternative development in these regions may contribute to both reducing illicit crop cultivation and improving local development indicators (BMZ, 2013). As example, there has been introduced electricity system with cooperation of USAID, in Bolivia, to expand the use of electricity for rural industry and export related activities that would provide jobs and alleviate poverty with improving the operational standards of rural electric distribution (Fukumi, 2013).

"It is important to build social infrastructures in order to increase competitiveness in the market economy, with roads and paths to provide services to the community through schools and hospitals. In the areas in which coca is cultivated, there are often no road networks for farmers to transport commercial crops such as bananas. Good roads would allow farmers to gain better prices by selling and non local markets. It is necessary to prepare the environment to support farmers participation and competitiveness in legal markets if coca eradication is to be taken seriously" (Ibid.).

There is a lot of effort to improve the living conditions of the residents in every part of these countries and show them a new way of livelihood. Unfortunately, not all regions show as positive results as San Martín region. Despite a lot of cases, where local farmers abandoned coca and opium cultivation, the drug crop cultivation continues to increase (UNODC, 2015).

9 Conclusion

The main aim of this thesis was to analyse and describe the situation of drug trafficking on the development of the San Martín region in Peru, with finding possible solution for the issue. One of the main problems is illegal coca cultivation that has become over the years a source of income for farmers and their families. Another major issue was the presence of local guerrilla groups in the area. In conclusion, we can evaluate that the alternative development model had a positive influence on the eradication of coca cultivation which lead to lower occurrences of terrorist incidents. San Martín region has grown faster and richer than any of its surrounding neighbours and together with NGO's program has produce a hopeful portrait at once devastated region.

The vicious cycle of poor farmers is starting to be broken and according to The World Drug Report the alternative development is working very well. The main core of this model is to inform about the long-term vision, sustainable and adequate funding with the political support and the integration of a broader development and governance agenda. One of the most important aspects in the struggle against the coca cultivation is to show the farmers alternative crops that are available as a legal source of their income. For most of the farmers in the San Martín region the illegal cultivation of coca was the main source of income and since they were not educated about other crops, they would still continue no concern regarding its legality.

The implementation of the alternative model would not be possible without international and regional help such as the UNODC, USAID and the CORAH. As the international demand for cocaine is very variable there will be always a present threat for the return of coca cultivation to the San Martín region or any region where eradication was successful.

Therefore, it is essential to insist on maintaining the demand for coca at a low level with the help of small farmers, organizations and the government's institutions and authorities. Thanks to alternative model the San Martín region could reach a high level of alternative crop sustainability with a better environment for the children's education, health and safety.

Because of the success, this model is now referred to as The San Martín miracle that was very hard to achieve. It has been the responsibility of the people involved, which means local farmers that sacrifice their life every day, the private and public institutions with the government's involvement and mostly important the willingness, dedication and responsibility for achieving the common goal.

In other countries as Afghanistan, Myanmar, Columbia, Lao People's Democratic Republic and Bolivia, alternative development program has been used, supported by UNODC. Unfortunately, not all regions show as positive results as San Martín region.

10 Summary

This thesis deals with the issue of drug trafficking and its impact on development in the San Martín region, in Peru. As drug trafficking is a closely connected to organized crime it results in civil wars, terrorist attacks or the appearances of guerrilla groups. This has a negative impact on people's living conditions and negative development for the region. With the help of international and local organizations in the context of helping the people to improve their living conditions and stopping the cultivation of coca, the implementation of the alternative development model was seen as being very prosperous and successful. The result of this model is referred as the San Martín miracle.

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12 List of figures

Figure 1 The Huallaga River	13
Figure 2 Coca field in Huallaga Valley	16
Figure 3 Main Global Cocaine Flows, 2008	17
Figure 4 Area under coca cultivation and terrorist incidents in Peru, 1986 - 2005	28
Figure 5 Impact of illicit drug production of alternative development interventions	30
Figure 6 Alternative Crops Versus Coca (ha), 2008	34
Figure 7 The San Martín Development Model	36
Figure 8 Eradication of coca cultivation density in Upper Huallaga Valley	38
Figure 9 Coca cultivation by area from 2010 to 2013.....	39
Figure 10 Alternative development components	41