

# PERU in Perspective

An Orientation Guide



Technology Integration Division

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# TABLE OF CONTENTS

CHAPTER 1: GEOGRAPHY.....	1
Introduction.....	1
Geographic Regions and Topographic Features.....	1
The Costa.....	1
The Sierra (Andean Highlands).....	2
The Selva.....	3
Climate.....	3
Bodies of Water.....	5
Rivers.....	5
Lakes.....	5
Cities.....	6
Lima.....	6
Arequipa.....	8
Trujillo.....	9
Chiclayo.....	10
Piura.....	10
Iquitos.....	10
Cusco.....	11
Natural Hazards.....	12
Environmental Concerns.....	13
CHAPTER 1: ASSESSMENT.....	16
CHAPTER 2: HISTORY.....	17
Introduction.....	17
Peru Before the Spanish.....	17
Pre-Incan Civilizations: The Chavin.....	17
The Mochica.....	18
The Chimú.....	19
The Incas.....	19
The Spanish Colonial Era.....	20
Pizarro’s Conquest.....	20
Spanish Rule.....	22
Rebellions.....	23
Peruvian Independence.....	23
Post-Colonial Peru.....	25
Rags to Riches to Rags Again.....	25
The Aristocratic Republic.....	26
End of Civilista Rule.....	27
Peru in the Mid-Twentieth Century (1930–1968).....	28
Military Rule.....	29

Return to Civilian Rule.....	29
The Fujimori Decade.....	31
Scandal.....	32
Recent History.....	33
CHAPTER 2: ASSESSMENT.....	35
CHAPTER 3: ECONOMY.....	36
Introduction.....	36
Agriculture.....	36
Crops.....	36
Fishing.....	38
Livestock.....	38
Forestry.....	38
Industry and Manufacturing.....	39
Energy Resources.....	39
Natural Resources.....	41
Trade.....	42
Tourism.....	43
Banking, Finance, and Currency.....	44
Investment.....	45
Transportation.....	46
Standard of Living.....	47
CHAPTER 3: ASSESSMENT.....	49
CHAPTER 4: SOCIETY.....	50
Introduction.....	50
Ethnic Groups and Language.....	50
Religion.....	52
Gender Issues.....	52
Traditional Dress.....	53
Arts.....	54
Andean Musical Styles.....	54
Other Styles of Music and Dance.....	55
Nineteenth to Mid-Twentieth Century Literature.....	56
Modern Peruvian Literature.....	57
Sports and Recreation.....	58
CHAPTER 4: ASSESSMENT.....	60
CHAPTER 5: SECURITY.....	61
Introduction.....	61
U.S.-Peruvian Relations.....	61
Relations with Neighboring Countries.....	63
Colombia.....	63
Ecuador.....	64
Chile.....	65

Bolivia .....	66
Brazil .....	67
Military .....	68
Terrorist Groups and Activities .....	69
Other Issues Affecting Stability.....	70
Mining Project Protests .....	70
Coca Cultivation and Cocaine Trafficking.....	71
CHAPTER 5: ASSESSMENT.....	73
FINAL ASSESSMENT .....	74
FURTHER READING .....	76

# Chapter 1: Geography

## Introduction

Few countries its size are as geographically varied as Peru. Slightly smaller than the combined area of California, Nevada, Arizona, and New Mexico, Peru is a nation of bone-dry coastal deserts, high-altitude glacial peaks, active volcanoes, and tropical Amazonian rain forests teeming with plant and animal life.<sup>1,2</sup>



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Sacred Valley of the Inca

While the majority of Peruvians now live in the large cities of the coastal plains bordering the Pacific Ocean, the historical heartland of Peru lies in the towering Andes Mountains, where the Incas once ruled over much of western South America.<sup>3</sup>

The country is bordered by Ecuador to the northwest, Columbia to the northeast, Brazil to the east, Bolivia to the southeast, and Chile to the south.<sup>4</sup>

## Geographic Regions and Topographic Features

Peru's diverse and often rugged terrain divides into three main geographic areas; from west to east, they are the coastal region (Costa), the Andean highlands (Sierra), and the tropical forest-covered Amazonian interior (Selva).<sup>5</sup>

### *The Costa*

The coastal region of Peru extends from Chile to Ecuador and consists of generally inhospitable terrain. Rocky and sandy desert-like lands are sporadically interrupted by river valleys flowing down from the Andes west toward the Pacific Ocean. These rivers, through a system of canals and aqueducts built 3,000 years ago, provide water that has made large Peruvian coastal cities possible.<sup>6</sup> Lima, for example, receives scant rainfall, and for this reason it is considered the world's second-largest desert metropolis (after

<sup>1</sup> EnchantedLearning.com, "U.S. States (Plus Washington, D.C.): Area and Ranking," 2001–2010, <http://www.enchantedlearning.com/usa/states/area.shtml>

<sup>2</sup> From an alternative comparative perspective, Peru is about twice the size of the state of Texas or the country of France. *BBC*, "Peru," 23 March 2011, [http://news.bbc.co.uk/weather/hi/country\\_guides/newsid\\_9384000/9384230.stm](http://news.bbc.co.uk/weather/hi/country_guides/newsid_9384000/9384230.stm)

<sup>3</sup> Liest Clark, "The Lost Inca Empire," *Nova*, Public Broadcasting Service, 1 November 2000, <http://www.pbs.org/wgbh/nova/ancient/lost-inca-empire.html>

<sup>4</sup> *Encyclopædia Britannica Online*, "Peru," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>5</sup> *Encyclopædia Britannica Online*, "Peru," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>6</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Coastal Region," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 67, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0040%29>

Cairo in Egypt).<sup>7</sup> Traditionally, the coastal river valleys also have been agricultural oases, but the sprawling cityscapes have reduced the already limited amount of coastal lands that can be productively used for growing crops.<sup>8</sup>



© The Vital Message / flickr.com  
Mountains outside Lima

The Costa is the smallest area of Peru's three geographical regions. Only 11% of the land area lies in the Costa, although more than half of Peruvians live in this region.<sup>9</sup> At its widest part, in the Sechura Desert near the northern Peruvian city of Piura, the Costa is still only 140 km (90 mi) in width. In the southern sections of the Costa near the Chilean border, level areas are almost nonexistent.<sup>10</sup>

### *The Sierra (Andean Highlands)*

The Andes Mountains are South America's most spectacular physical feature, steeply rising from sea level to heights rivaled only by the soaring peaks of the Himalayas in Asia. Numerous peaks taller than 6,000 m (20,000 ft) spread across the high ranges of central and southern Peru, topped by Nevado Huascarán (6,768 m, 22,205 ft) within the Cordillera Blanca. This mountain, the highest point in the tropics and one of the highest peaks in the Andes, was the site in 1970 of an earthquake-induced landslide of glacier ice, snow, and rock that destroyed the town of Yungay, killing all 25,000 inhabitants.<sup>11, 12</sup> In the southern part of the Sierra, a chain of large volcanoes extends from northwest of Arequipa, Peru's second-largest city, to the Chilean border.<sup>13</sup>

Most people in the Sierra (about 36% of Peru's population) live in towns and cities located in river valleys in the high-altitude puna grasslands, which support herding of llamas and alpacas; other population centers are in the Altiplano plateaus extending north into southern Peru.<sup>14</sup> Although less than 5% of the Sierra is arable, this area represents more than 50% of Peru's potential farmlands and 34% of the nation's total area.<sup>15</sup>

<sup>7</sup> Switch Project, "Switch Project: Lima, Peru," n.d., [http://www.switchurbanwater.eu/outputs/pdfs/CLIM\\_POS\\_Lima\\_poster.pdf](http://www.switchurbanwater.eu/outputs/pdfs/CLIM_POS_Lima_poster.pdf)

<sup>8</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Coastal Region," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 67, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0040%29>

<sup>9</sup> Raúl R. Vera, Food and Agriculture Organization of the United Nations, "Country Pasture/Forage Resource Profiles," 2006, <http://www.fao.org/ag/AGP/AGPC/doc/Counprof/Peru/Peru.htm>

<sup>10</sup> *Encyclopædia Britannica Online*, "Peru: Land: Relief: The Costa," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>11</sup> Andes.org.uk, "Huascarán Dossier: Mountaineering in the Cordillera Blanca of Peru," 2011, <http://www.andes.org.uk/tailor-made-and-private-expeditions/huascarán-dossier.asp>

<sup>12</sup> Annie Thériault, "Yungay 1970-2009: Remembering the Tragedy of the Earthquake," *Andean Air Mail & Peruvian Times*, 31 May 2009, <http://www.peruviantimes.com/31/yungay-1970-2009-remembering-the-tragedy-of-the-earthquake/3073/>

<sup>13</sup> Smithsonian Institution, "Volcanoes of South America: Peru," 2011, <http://www.volcano.si.edu/world/region.cfm?num=1504>

<sup>14</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Andean Highlands," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson

### *The Selva*

Peru is generally perceived to be a mountainous country of the Andes, but in actuality more than 60% of the nation's area consists of rainforests collectively known as the Selva. Cloud forests on the eastern slopes of the Andes make up the Selva Alta, a region through which Peru's feeder rivers to the Amazon River make their final descent to the forest plain. To the west lies the Selva Baja, part of the Amazonian basin and a region in which rivers remain the primary means of overland transportation.<sup>16</sup> Iquitos, located near where the Marañón and Ucayali rivers meet to mark the beginning of the Amazon River, is said to be the world's largest city unreachable by car.<sup>17</sup> Only 13.4% of Peru's population lives in the Selva, although this percentage has been steadily increasing since 1940.<sup>18</sup>



© dirac3000 / flickr.com  
Welcome to The Selva

Natural resources are plentiful in the Amazon region, including gold, medicinal plants (e.g., cocoa), and valuable timber (e.g., cedar, rosewood, and mahogany). The Upper Amazon also has been used for the illegal cultivation of cocaine.<sup>19</sup>

### **Climate**

Peru is located in the Southern Hemisphere just below the equator, which means that its seasons are opposite those of North America. Summer in South America lasts from December to March, and winter occurs from June to September.

Each of Peru's three major geographic regions has different climatic patterns. The Costa receives little rainfall because of the cold waters flowing northward along the Pacific coast. Coastal fog and low clouds occur in winter, generating light mists that provide much of the annual precipitation along the Costa.<sup>20, 21</sup> In addition, westward trade winds

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(Washington, DC: Federal Research Division, Library of Congress, 1993), 68, <http://lcweb2.loc.gov/cgi-bin/query2/r?frd/cstty:@field%28DOCID+pe0041%29>

<sup>15</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Andean Highlands," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 68, <http://lcweb2.loc.gov/cgi-bin/query2/r?frd/cstty:@field%28DOCID+pe0041%29>

<sup>16</sup> Kevin Raub, "Peru: Amazon Basin," in *South America on a Shoestring*, 11th ed. (Footscray, Victoria, Australia: Lonely Planet Publications, 2010), 859.

<sup>17</sup> Kevin Raub, "Peru: Amazon Basin," in *South America on a Shoestring*, 11th ed. (Footscray, Victoria, Australia: Lonely Planet Publications, 2010), 864.

<sup>18</sup> Instituto Nacional de Estadística e Informática, "Perú: Evolución de la Población Censada, por Región Natural, 1940–2007 (Porcentaje)," 2007, <http://www.inei.gob.pe/perucifrasHTM/inf-dem/cuadro.asp?cod=11222&name=po10&ext=gif>

<sup>19</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Amazonian Tropics," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 69, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstty:@field%28DOCID+pe0043%29>

<sup>20</sup> BBC, "Peru," 23 March 2011, [http://news.bbc.co.uk/weather/hi/country\\_guides/newsid\\_9384000/9384230.stm](http://news.bbc.co.uk/weather/hi/country_guides/newsid_9384000/9384230.stm)

<sup>21</sup> *Encyclopædia Britannica Online*, "Lima: The Landscape: Climate," 2011, <http://www.britannica.com/EBchecked/topic/341104/Lima/>

spur coastal upwelling from deeper water of nutrients that, combined with sunlight, generate extensive plankton growth that sustains Peru's rich offshore fishing grounds.<sup>22</sup> During extreme El Niño years, however, the trade winds decrease in strength or even disappear, reversing normal weather patterns and bringing heavy rains and even flooding to the northern coast of Peru.<sup>23</sup>



© Jose A. Gallardo  
Sierra region

In the Sierra region, temperature and precipitation patterns vary based on latitude, elevation, and rain-shadow effects (i.e., position east or west of the highest peaks of the Andes). In general, precipitation totals are greatest on the eastern side of the Andes and decrease to the west. The heaviest rains in the mountains come during the Southern Hemisphere summer (December through March), when the increased cloud cover lessens the otherwise greater amount of sunlight.<sup>24</sup>

Temperatures are highest at lower elevations, although there is little variation from season to season in most locations.<sup>25</sup> The differences between daily high temperatures and daily low temperatures are large, fluctuating as much as 22°C (40°F) during the day. Permanent snow and even glaciers occur at the highest altitudes, although Peru's glaciers have been rapidly melting in recent years.<sup>26, 27</sup> El Niño effects also are observed in the Sierra, with drought conditions occurring in the southern mountains during these weather patterns.<sup>28</sup>

The Selva is Peru's warmest and wettest region, which is not surprising given its abundant rainforests. Rainfall is steady throughout the year. As in the Sierra, temperatures show large daily ranges. For example, Iquitos sometimes registers daytime highs near 35°C (95°F), but cools to about 15°C (60°F) at night.<sup>29</sup>

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<sup>22</sup> Curt Suplee, "El Niño/La Niña: Nature's Vicious Cycle," *National Geographic*, March 1999, [http://www.nationalgeographic.com/el\\_nino/mainpage2.html](http://www.nationalgeographic.com/el_nino/mainpage2.html)

<sup>23</sup> Curt Suplee, "El Niño/La Niña: Nature's Vicious Cycle," *National Geographic*, March 1999, [http://www.nationalgeographic.com/el\\_nino/mainpage2.html](http://www.nationalgeographic.com/el_nino/mainpage2.html)

<sup>24</sup> BBC, "Peru," 23 March 2011, [http://news.bbc.co.uk/weather/hi/country\\_guides/newsid\\_9384000/9384230.stm](http://news.bbc.co.uk/weather/hi/country_guides/newsid_9384000/9384230.stm)

<sup>25</sup> *Encyclopædia Britannica Online*, "Peru: Land: Climate: Mountain Climates," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>26</sup> *Encyclopædia Britannica Online*, "Peru: Land: Climate: Mountain Climates," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>27</sup> Hannah Hennessey, "Peru's Glaciers in Retreat," *BBC News*, 25 August 2005, <http://news.bbc.co.uk/2/hi/americas/4720621.stm>

<sup>28</sup> *Encyclopædia Britannica Online*, "Peru: Land: Climate: El Niño," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>29</sup> *Encyclopædia Britannica Online*, "Peru: Land: Climate: Tropical Forest Climates," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

## Bodies of Water

### Rivers

Rivers flowing off the western Andean slopes onto the Costa are less than 325 km (200 mi) long and generally only flow during the December-to-March rainy season.<sup>30</sup> A notable exception is the Santa River, which flows throughout the year and powers four hydroelectric plants.<sup>31</sup>

All of Peru's longest rivers flow off the eastern side of the Andes and eventually drain into the Amazon River. Among the most prominent are the Ucayali, Marañón, Huallaga, and Apurimac rivers. The Apurimac is the Ucayali River's longest tributary, and the two rivers combined flow 2,738 km (1,701 mi) before they join the Marañón River, traditionally marked as the beginning of the Amazon River.<sup>32</sup> Pucallpa is the largest of several small river ports on the Ucayali. The Marañón River flows northwestward in a deep mountain canyon for the first part of its 1,415-km (879-mi) course before turning toward the east and the Amazonian Basin after a series of rapids and falls.<sup>33</sup> Its principal tributary is the Huallaga River. For a large part of the Marañón River's distance in the Amazonian Basin, it is paralleled by an oil pipeline that has periodically polluted the river because of accidental and vandal-caused breaks.<sup>34</sup>

Several rivers form parts of Peru's boundaries. The longest of these boundary rivers is the Yavarí, whose winding course marks Peru's northeastern boundary with Brazil all the way to the Amazon River. Another river, the Putamayo, forms most of Peru's northern boundary with Colombia. To the south, the Heath River marks the Peruvian-Bolivan boundary for much of the Selva region north of Lake Titicaca.

### Lakes

Peru has thousands of lakes, most of which lie in the Sierra and the Selva regions. Those in the Sierra are either formed in basins created by melted glaciers or by movements of the earth's crust. Most of the Selva lakes are bow-shaped lakes formed in abandoned riverbeds after rivers change course.<sup>35</sup>

None of the Sierra and Selva lakes are particularly large, with one important exception: Lake Titicaca, located on the Altiplano



© Sandy Millin  
Lake Titicaca

<sup>30</sup> *Encyclopædia Britannica Online*, "Peru: Land: Drainage," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>31</sup> *Encyclopædia Britannica Online*, "Santa River," 2011, <http://www.britannica.com/EBchecked/topic/523073/Santa-River>

<sup>32</sup> *Encyclopædia Britannica Online*, "Ucayali River," 2011, <http://www.britannica.com/EBchecked/topic/612360/Ucayali-River>

<sup>33</sup> *Encyclopædia Britannica Online*, "Marañón River," 2011, <http://www.britannica.com/EBchecked/topic/363811/Maranon-River>

<sup>34</sup> *Andean Air Mail & Peruvian Times*, "Residents Report Another Oil Spill in Marañón River," 27 January 2011, <http://www.peruviantimes.com/27/residents-report-another-oil-spill-in-maranon-river/10679/>

<sup>35</sup> Viajes Delcy, "Peru Lakes and Lagoons—Peru Nature," 2010, <http://www.perutravels.net/peru-travel-guide/nature-waters-lakes-lagoons.htm>

and split by the Peruvian-Bolivian border, which is South America’s largest lake by volume and, at an elevation of 3,810 m (12,500 ft), the highest of the world’s largest lakes.<sup>36, 37</sup> Lake Titicaca has been a center of Andean civilization for thousands of years and played a central role in the creation and origin myths of both the Incas and their predecessor cultures.<sup>38, 39</sup>

## Cities

City	Census Population 2007 <sup>40</sup>
Lima	8,472,935
Arequipa	784,651
Trujillo	682,834
Chiclayo	524,442
Piura	377,496
Iquitos	370,962
Cusco	348,935
Chimbote	334,568
Huancayo	323,054
Pucallpa	272,616

### Lima

Between one-quarter and one-third of Peru’s population live in the sprawling metropolis of Lima, the capital.<sup>41, 42</sup> The city’s population began to expand during the 1920s and 1930s as newly built roads made the city more accessible to migrants from elsewhere in Peru.<sup>43</sup> The city expanded by more than 2 million people in the period from 1940 to 1980, as Lima became one of the largest metropolitan areas in the world.<sup>44, 45</sup> In the decades

<sup>36</sup> *Encyclopædia Britannica Online*, “Venezuela: Researcher’s Note: Lake Titicaca Versus Lake Maracaibo,” 2011,

<http://www.britannica.com/EBchecked/topic/625197/Venezuela/625197suppinfo/Supplemental-Information?anchor=ref737180>

<sup>37</sup> Mario M. Revollo, “Management Issues in the Lake Titicaca and Lake Poopo System: Importance of Developing a Water Budget,” *Lakes & Reservoirs: Research & Management* 6 (27 April 2001): 225, <http://onlinelibrary.wiley.com/doi/10.1046/j.1440-1770.2001.00151.x/pdf>

<sup>38</sup> Gordon F. McEwan, “Ch. 4. Origins, Growth, and Decline of Inca Civilization,” in *The Incas: New Perspectives* (New York: W. W. Norton, 2006), 56–66.

<sup>39</sup> Tarmo Kulmar, “On the Role of Creation and Origin Myths in the Development of Inca State and Religion,” *Folklore* 12 (1999): 7–15, <http://www.folklore.ee/folklore/ksisu.htm#rec>

<sup>40</sup> Thomas Brinkhoff, “Peru: Agglomerations & Cities,” CityPopulation, 16 July 2009, <http://www.citypopulation.de/Peru.html>

<sup>41</sup> Neil Edward Schlecht, “11. Peru. 4. Lima,” in *Frommer’s South America*, 5th ed. (Hoboken, NJ: Wiley, 2010), 616.

<sup>42</sup> David J. Robinson, “Lima: The Modern City,” *Encyclopædia Britannica Online*, 2011, <http://www.britannica.com/EBchecked/topic/341104/Lima>

<sup>43</sup> David J. Robinson, “Lima: The Modern City,” *Encyclopædia Britannica Online*, 2011, <http://www.britannica.com/EBchecked/topic/341104/Lima>

<sup>44</sup> David J. Robinson, “Lima: The Modern City,” *Encyclopædia Britannica Online*, 2011, <http://www.britannica.com/EBchecked/topic/341104/Lima>

since 1980, the city's metropolitan population has more than doubled, with many of the new arrivals often living in shantytowns.<sup>46, 47</sup>



© ^FLOYD^ / flickr.com  
Lima skyline

The Spanish conquistador Francisco Pizarro founded Lima in 1535 to be the new capital city after returning from his conquest of the Incan capital Cusco. Pizarro chose the area for establishing Lima because of its location on the Rimac River and proximity to the coast. Officially christened Ciudad de los Reyes (“City of Kings”), the city quickly became better known as Lima, a spurious variation of *Rimac*.<sup>48</sup> The city of Callao thrived as Lima’s port and became an outlet for shipments of Andean silver mined at Potosí (in modern Bolivia). Over time, Lima emerged as the region’s administrative and commercial headquarters for the Spanish Empire, receiving and redistributing manufactured goods from other Spanish territories around the world.<sup>49</sup>

Lima’s importance to Peru amplifies the significance of the natural dangers that the city faces. Lying in an earthquake zone near rivers prone to flooding and hillsides susceptible to mudslides during unnaturally wet years, Lima has been vulnerable to the forces of nature.<sup>50</sup> Much of the architecture of the old part of the city consists of reconstructions built after a devastating earthquake in 1746 flattened the city and a resultant tsunami flooded Callao.<sup>51</sup>

Although Lima has long been a city of extremes in poverty and wealth, recently more than 10% of the city’s residents have raised their living status beyond the poverty level.<sup>52</sup> Nonetheless, even as improvements in education, sanitation, and other infrastructure have transformed many shantytowns from ostracized slums to lower middle-class districts

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<sup>45</sup> United Nations, Department of Economic and Social Affairs, Population Division, “Urban Agglomerations: 30 Largest Cities,” in *World Urbanization Prospects: The 2009 Revision*, 2009, <http://esa.un.org/unpd/wup/index.htm>

<sup>46</sup> United Nations, Department of Economic and Social Affairs, Population Division, “Urban Agglomerations: 30 Largest Cities,” in *World Urbanization Prospects: The 2009 Revision*, 2009, <http://esa.un.org/unpd/wup/index.htm>

<sup>47</sup> David J. Robinson, “Lima: The Character of the City,” *Encyclopædia Britannica Online*, 2011, <http://www.britannica.com/EBchecked/topic/341104/Lima>

<sup>48</sup> John Hemming, “Pizarro: Conquerer of the Inca,” *National Geographic* 181, February 1992, 116.

<sup>49</sup> Peter F. Klarén, “Chapter 2: Historical Setting: The Colonial Period, 1550–1824: The Colonial Economy,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 18, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0019%29>

<sup>50</sup> Reuters, “Rains, Mudslides and Floods Hit Peru,” 5 February 2002, <http://www.greatdreams.com/winter3.htm>

<sup>51</sup> Francisco A. Ortega, “Earthquakes During the Colonial Period,” *ReVista* (David Rockefeller Center for Latin American Studies, Harvard University) (Winter 2007), <http://www.drclas.harvard.edu/revista/articles/view/907>

<sup>52</sup> Dan Collyns, “Peru’s Poor Left Behind as Growth Soars,” *BBC News*, 27 May 2008, <http://news.bbc.co.uk/2/hi/business/7417369.stm>

integrated into Lima's urban fabric, other impoverished areas on the city's margin still lack access to basic amenities such as potable water.<sup>53</sup>

### *Arequipa*

Although it is only one-tenth as populated as Lima, the southern Peruvian city of Arequipa is nonetheless Peru's "second city." Though its growth has been on a smaller scale than that of Lima, Arequipa has grown from 160,000 people in 1960 to almost 800,000 in little more than 50 years.<sup>54</sup> Industrial facilities in Arequipa process wool from alpaca, llamas, and sheep. Local farms also produce crops such as corn, hot peppers, asparagus, leeks, and potatoes. Tourism contributes greatly to the local economy.<sup>55</sup>



© hector pastor fernandez  
Arequipa Peru and volcano

Arequipa is at an altitude of about 2,400 m (7,900 ft) and was a point along the Incan route to the coast from Cusco, prior to the Spanish invasion. The Spanish founded a city here in 1540, just 5 years after Lima came into existence. Unlike Lima, Arequipa retains some of its pre-18th century Spanish colonial architecture, though several large earthquakes (most recently in 2001) have forced periodic repairs. Many buildings in the historic downtown section were built using sillar, a white volcanic rock that provided the city's nickname: Ciudad Blanca ("White City"). The sillar comes from Chachani, one of the three volcanoes that ring Arequipa.<sup>56, 57, 58</sup>

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<sup>53</sup> Council on Hemispheric Affairs, "Some 'Young Town' in Lima Not So Young Anymore," 16 August 2011, <http://cohaforum.org/2011/08/16/some-young-towns-in-lima-not-so-young-anymore/>

<sup>54</sup> United Nations, Department of Economic and Social Affairs, Population Division, "Urban Agglomerations: Cities Over 750,000," in *World Urbanization Prospects: The 2009 Revision*, 2009, <http://esa.un.org/unpd/wup/index.htm>

<sup>55</sup> *Encyclopædia Britannica Online*, "Arequipa," 2011, <http://www.britannica.com/EBchecked/topic/33518/Arequipa>

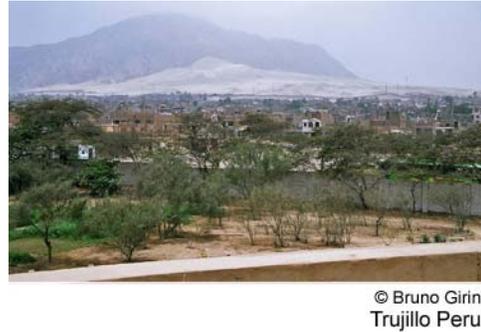
<sup>56</sup> *Encyclopædia Britannica Online*, "Arequipa," 2011, <http://www.britannica.com/EBchecked/topic/33518/Arequipa>

<sup>57</sup> Neil Edward Schlecht, "11. Peru. 9. Arequipa," in *Frommer's South America*, 5th ed. (Hoboken, NJ: Wiley, 2010), 703.

<sup>58</sup> Peru Guide, "City of Arequipa," 2008, [http://www.peru-guide.com/peru\\_03\\_Arequipa\\_017\\_City\\_of\\_Arequipa.htm](http://www.peru-guide.com/peru_03_Arequipa_017_City_of_Arequipa.htm)

## Trujillo

Trujillo is the third-largest city in Peru and the largest city in northern Peru, where it is located on the Pan-American Highway in the coastal region.<sup>59</sup> Beach resorts, farmland, and the ancient ruins of Chan Chan are located nearby. (Chan Chan was the largest pre-Colombian city in South America until it was conquered by the Incas in 1470.)<sup>60, 61, 62</sup> Trujillo was founded by the Spanish in 1534 and named after Francisco Pizarro's birthplace southwest of Madrid.<sup>63</sup> In the town's first century, it survived an Incan rebellion in 1536 and a devastating earthquake in 1612.<sup>64, 65</sup>



The expansion, consolidation, and modernization of sugarcane plantations near Trujillo helped spur growth during the latter half of the 19th century and early decades of the 20th century.<sup>66, 67</sup> Increasingly, the local sugar industry became dominated by foreign business interests, a fact that played a part in the Trujillo rebellion of 1932. The brief but violent uprising was led by sugar workers angered by the narrow defeat of presidential candidate Haya de la Torre, a Trujillo native who founded the anti-imperialist American Popular Revolutionary Alliance (APRA). Casualties from the Peruvian military's suppression of the revolt included about 60 army personnel and more than 1,000 APRA members.<sup>68, 69</sup>

Today, in addition to sugarcane, asparagus and rice are grown in the farmlands around Trujillo. Local industries include sugar mills, shoe and textile factories, and breweries.<sup>70</sup> As with most other large Peruvian cities, Trujillo has seen in recent decades a large influx

<sup>59</sup> Thomas Brinkhoff, "Peru: Agglomerations & Cities," CityPopulation, 16 July 2009, <http://www.citypopulation.de/Peru.html>

<sup>60</sup> *Encyclopædia Britannica Online*, "Trujillo," 2011, <http://www.britannica.com/EBchecked/topic/607129/Trujillo>

<sup>61</sup> Bruce Hathaway, "Endangered Site: Chan Chan, Peru," *Smithsonian*, March 2009, <http://www.smithsonianmag.com/travel/Endangered-Cultural-Treasures-Chan-Chan-Peru.html>

<sup>62</sup> UNESCO, "Chan Chan Archaeological Zone," 2011, <http://whc.unesco.org/en/list/366>

<sup>63</sup> John Hemming, "Pizarro: Conqueror of the Inca," *National Geographic* 181, February 1992, 98.

<sup>64</sup> Dilwyn Jenkins, "Ch. 7. Trujillo and the North," in *The Rough Guide to Peru*, 7th ed. (London, UK: Rough Guides, 2009), 396.

<sup>65</sup> *Encyclopædia Britannica Online*, "Trujillo," 2011, <http://www.britannica.com/EBchecked/topic/607129/Trujillo>

<sup>66</sup> Peter F. Klaren, "The Sugar Industry in Peru," *Revista de Indias* 65 (2005): 36–41, <http://revistadeindias.revistas.csic.es/index.php/revistadeindias/article/download/375/444>

<sup>67</sup> *Encyclopædia Britannica Online*, "Trujillo," 2011, <http://www.britannica.com/EBchecked/topic/607129/Trujillo>

<sup>68</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Mass Politics and Social Change, 1930–1968: Impact of the Depression and World War II," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 41–42, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0032%29>

<sup>69</sup> Peter F. Klaren, "The Sugar Industry in Peru," *Revista de Indias* 65 (2005): 42, <http://revistadeindias.revistas.csic.es/index.php/revistadeindias/article/download/375/444>

<sup>70</sup> *Encyclopædia Britannica Online*, "Trujillo," 2011, <http://www.britannica.com/EBchecked/topic/607129/Trujillo>

of migrants, primarily from adjacent regions of the Sierra. Numerous *pueblo jóvenes* have sprouted up around the margins of the central city, and many of these migrants have found work with the numerous small-scale footwear manufacturers in Trujillo.<sup>71</sup>

### *Chiclayo*

Located along the coast northwest of Trujillo, Chiclayo also is a Costa town that grew as the sugarcane plantations around the town expanded their operations in the 19th century.<sup>72</sup> Chiclayo was founded by the Spanish in the 16th century but grew slowly initially and did not become a city until 1835.<sup>73, 74</sup> Since then, the city has grown as a regional commercial center. Besides sugarcane, the local farmlands produce rice and cotton.<sup>75</sup> Unlike some of the other larger Peruvian cities, tourism is not a significant component of the Chiclayo economy, although several pre-Incan archaeological sites and related museums in the surrounding regions attract visitors.<sup>76</sup>

### *Piura*

Northwest of Chiclayo, separated by the Sechura Desert, lies Piura, the first Spanish town to be founded in Peru (1532) by Francisco Pizarro. Before ending up in its present location in 1588, however, Piura was plagued by an inhospitable climate and changed sites several times. Modern Piura is the commercial center of the surrounding agricultural region. Cotton, rice, and sugarcane are the primary crops grown in this hot, arid region, where irrigation is essential.<sup>77, 78</sup>

### *Iquitos*

In 1870, Iquitos was a sleepy jungle village of about 1,500 people on the upstream end of the Amazon River. By the 1880s, the little village had become a bustling boomtown of 20,000 as European speculators rushed in to tap the region's rubber trees.<sup>79</sup> Iquitos' European rubber barons became known for their extravagant wealth and their harsh exploitation of the native tribespeople.



© Thomas Stromberg  
Iquitos riverfront

<sup>71</sup> Waltraud Rosner, "Migration and the Development of an Industrial District: Footwear Manufacturing in El Porvenir, Trujillo-Peru," *Yearbook, Conference of Latin Americanist Geographers* 23 (1997): 107–117, <http://www.jstor.org/stable/25765847>

<sup>72</sup> James Orton, "The Sugar Interest in Peru," *Scientific American* 37 (15 September 1877).

<sup>73</sup> *Encyclopædia Britannica Online*, "Chiclayo," 2011,

<http://www.britannica.com/EBchecked/topic/110723/Chiclayo>

<sup>74</sup> Sara Benson et al., "North Coast: Chiclayo," in *Peru*, 6th ed. (Footscray, Victoria, Australia: Lonely Planet Publications, 2007), 344.

<sup>75</sup> *Encyclopædia Britannica Online*, "Chiclayo," 2011,

<http://www.britannica.com/EBchecked/topic/110723/Chiclayo>

<sup>76</sup> Commission for the Promotion of Peru, "Lambayeque," September 2005,

[http://www.southamericandestination.com/file/lambayeque\\_color\\_a4\\_ii\\_ingles.pdf](http://www.southamericandestination.com/file/lambayeque_color_a4_ii_ingles.pdf)

<sup>77</sup> *Encyclopædia Britannica Online*, "Piura," 2011,

<http://www.britannica.com/EBchecked/topic/462323/Piura>

<sup>78</sup> CommunityMining.org, "Fairtrade and Fairmined Standard for Gold from Artisanal and Small-Scale Mining, Including Associated Precious Metals," March 2010,

[http://www.communitymining.org/attachments/034\\_PE-0001-02\\_D\\_2010-03-08\\_%28Piura%29EN.pdf](http://www.communitymining.org/attachments/034_PE-0001-02_D_2010-03-08_%28Piura%29EN.pdf)

<sup>79</sup> John Lane, "A Brief History of Iquitos," 2006, <http://www.iqitostimes.com/brief-history.htm>

Eventually, more cost-effective Malaysian rubber plantations put the Amazon rubber tappers out of business, and by 1912 Iquitos seemed well on the way to its return as an Amazonian backwater.<sup>80, 81</sup>

Despite the economic downturn, the city bounced back. Other natural resources now commercially exploited in the area include oil, timber, agricultural products (Brazil nuts, tobacco), and *barbasco* (a native plant used locally as a fish poison and commercially as an insecticide). Some of these items are exported via the Amazon to the Atlantic Ocean and beyond.<sup>82</sup> Tourism in the Amazonian rainforest also has contributed greatly to the local economy.

### *Cusco*

With the exception of Lima, Cusco is probably the best-known Peruvian city to outsiders because of its storied status as the capital of the ancient Incan Empire, and as a jump-off point for the famous, terraced, stone ruins of Machu Picchu and the Sacred Valley of the Río Urubamba, Peru's top tourist attractions.<sup>83</sup> The city's location—tucked into a narrow valley in the Peruvian southeastern Andes—provides it with a geographical ambience missing from the larger cities of the coastal region. Cuzco's average elevation of 3,400 m (11,150 ft) makes it one of the highest cities in Peru.



© Baronvonhorne / flickr.com  
Plaza de Armas, Cuzco

When the Spanish armies of Francisco Pizarro invaded Cusco in 1533, it was the center of one of the world's great empires, spanning about 4,000 (2,500 mi) along the length of the Andes.<sup>84</sup> The city at the time may have had a population of as many as 200,000.<sup>85</sup> After the Spanish conquest and Pizarro's shift of the capital to coastal Lima, Cusco went into decline. A large earthquake in 1650 triggered an extensive rebuilding effort that created much of the Spanish baroque architecture that can be seen today.<sup>86</sup>

Tourism provides a major component of modern Cusco's economy. Much of the industry that exists in the city is of the artisanal variety, producing rugs, textiles, pottery, and fine

<sup>80</sup> *Encyclopædia Britannica Online*, "Iquitos," 2011,

<http://www.britannica.com/EBchecked/topic/293337/Iquitos>

<sup>81</sup> John Lane, "A Brief History of Iquitos," 2006, <http://www.iqitostimes.com/brief-history.htm>

<sup>82</sup> Dilwyn Jenkins, "Ch. 8. The Jungle," in *The Rough Guide to Peru*, 7th ed. (London: Rough Guides, 2009), 531–532.

<sup>83</sup> Associated Press, "Tourism Booms Amid Concerns in Peru," *MSNBC*, 17 April 2008,

[http://www.msnbc.msn.com/id/24164980/ns/travel-destination\\_travel/t/tourism-booms-amid-concerns-peru/#.ToJXEmukNBk](http://www.msnbc.msn.com/id/24164980/ns/travel-destination_travel/t/tourism-booms-amid-concerns-peru/#.ToJXEmukNBk)

<sup>84</sup> Heather Pringle, "Lofty Ambitions of the Incas," *National Geographic* 219, April 2011, 48.

<sup>85</sup> *Encyclopædia Britannica Online*, "Iquitos," 2011,

<http://www.britannica.com/EBchecked/topic/293337/Iquitos>

<sup>86</sup> Frommers, "Introduction to Cuzco," 2011,

<http://www.frommers.com/destinations/cusco/2873010001.html>

metalwork for the tourist trade and exports.<sup>87, 88</sup> Extensive agriculture in the Cusco region dates back to Incan times. Potatoes and grains (such as corn) are the primary crops, while llamas and alpacas are herded in the grazing lands.<sup>89, 90</sup>

## Natural Hazards

The Andean region and the coastal areas of Peru in particular are prone to frequent earthquakes, believed to be caused by the convergence of subterranean geologic forms known as tectonic plates.<sup>91, 92</sup> But the impact of these quakes is not limited to the coast and can cause major damage in the Sierra region from subsequent rock and snow avalanches.<sup>93</sup> The deadliest earthquake in Peru's historical record occurred in 1970, when a magnitude 7.9 temblor struck offshore near the northern Peruvian port city of Chimbote.<sup>94</sup> An estimated 70,000 people were killed in this seismic event, many by the avalanches that swept down the slopes of Nevado Huascarán, Peru's highest peak.<sup>95</sup>



© James Henley  
El Misti volcano

More recently, on 15 August 2007, a magnitude 8.0 earthquake with an epicenter near the Costa city of Pisco generated a 4- to 5-m (13- to 16-ft) tsunami wave and left 514 people dead.<sup>96, 97</sup> More than 35,000 buildings were destroyed in this earthquake that was centered several hundred kilometers due west of Cusco.<sup>98</sup>

Peru also suffers from floods and mudslides during extensive rainy periods, most frequently during strong El Niño years. El Niño is a periodic worldwide climate

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<sup>87</sup> Peru Tourism Bureau, "Handicrafts," n.d., <http://www.visitperu.com/handicrafts.htm>

<sup>88</sup> *Encyclopædia Britannica Online*, "Cuzco," 2011, <http://www.britannica.com/EBchecked/topic/147674/Cuzco>

<sup>89</sup> *Encyclopædia Britannica Online*, "Cuzco," 2011, <http://www.britannica.com/EBchecked/topic/147674/Cuzco>

<sup>90</sup> Heather Pringle, "Lofty Ambitions of the Incas," *National Geographic* 219, April 2011, 47, 51.

<sup>91</sup> Susan Rhea et al., "Seismicity of the Earth 1900–2007: Nazca Plate and South America, Poster of the Seismicity of the Nazca Plate and South America," U.S. Geological Survey, 5 March 2010, <http://earthquake.usgs.gov/earthquakes/eqarchives/poster/regions/nazca.pdf>

<sup>92</sup> U.S. Geological Survey, "Historic World Earthquakes: Peru," 2011, [http://earthquake.usgs.gov/earthquakes/world/historical\\_country.php#peru](http://earthquake.usgs.gov/earthquakes/world/historical_country.php#peru)

<sup>93</sup> U.S. Geological Survey, "Historic Earthquakes: Peru, 1970 May 31 20:23:27 UTC, Magnitude 7.9," n.d., [http://earthquake.usgs.gov/earthquakes/world/events/1970\\_05\\_31.php#huayco](http://earthquake.usgs.gov/earthquakes/world/events/1970_05_31.php#huayco)

<sup>94</sup> U.S. Geological Survey, "Historic Earthquakes: Peru, 1970 May 31 20:23:27 UTC, Magnitude 7.9," n.d., [http://earthquake.usgs.gov/earthquakes/world/events/1970\\_05\\_31.php#huayco](http://earthquake.usgs.gov/earthquakes/world/events/1970_05_31.php#huayco)

<sup>95</sup> U.S. Geological Survey, "Historic Earthquakes: Peru, 1970 May 31 20:23:27 UTC, Magnitude 7.9," n.d., [http://earthquake.usgs.gov/earthquakes/world/events/1970\\_05\\_31.php#huayco](http://earthquake.usgs.gov/earthquakes/world/events/1970_05_31.php#huayco)

<sup>96</sup> U.S. Geological Survey, "M8.0 Pisco Earthquake, August 15, 2007," n.d., <http://earthquake.usgs.gov/earthquakes/world/peru/pisco/>

<sup>97</sup> U.S. Geological Survey, "Magnitude 8.0 0—Near the Coast of Central Peru," <http://earthquake.usgs.gov/earthquakes/eqinthenews/2007/us2007gbcv/#summary>

<sup>98</sup> U.S. Geological Survey, "Magnitude 8.0 0—Near the Coast of Central Peru," <http://earthquake.usgs.gov/earthquakes/eqinthenews/2007/us2007gbcv/#summary>

phenomenon that often produces warm, wet weather during the Peruvian summer, which corresponds to the winter months in the Northern Hemisphere. (La Niña, El Niño’s climatic sibling, generates the opposite trend: cold, dry winters.) During the 2009–2010 El Niño, the Cusco area in particular was severely affected by torrential rain-driven flooding. The floods caused nearly one-quarter of a billion dollars in damage to agriculture and infrastructure, temporarily crippling the region’s economically important tourism industry.<sup>99</sup>

Peru’s active volcanoes, all located in the southern Peruvian Andes, are primarily a threat to the cities of that region. Arequipa, in particular, is ringed by several volcanoes, including El Misti, probably the most well-known of Peru’s volcanoes.<sup>100</sup> In recent centuries, Peru’s volcanoes have not been terribly destructive. But in 1600, a volcano named Huaynaputina caused major damage to Arequipa and the nearby region. This eruption was so catastrophic that scientists now believe it may have affected the world’s climate, causing extreme low temperatures and stunting agricultural production in some areas of the globe.<sup>101</sup>

### Environmental Concerns

About half of Peru is forested, mostly in the rain forests of the Selva region.<sup>102</sup> Overall, Peru has the third-largest expanse of tropical rainforests in the world, trailing Brazil and the Democratic Republic of the Congo.<sup>103</sup> But the Peruvian forests are currently being deforested of their “virgin” or “old growth” at a rate of 0.35–0.5% per year. Most of these forests are cleared for subsistence agriculture.<sup>104</sup> The region around the fast-growing city of Pucallpa, the second-largest city in the Selva, has been the center of much of this agricultural activity because of its relative accessibility. (A paved highway connects Pucallpa with the Sierra and ultimately Lima.)<sup>105</sup>



© Celine Massa  
Deforestation, Amazon Jungle

Some of the land in the Upper Amazon also has been cleared for the illegal cultivation of cocaine, which has contributed to deforestation and erosion. Pesticides used to eradicate the

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<sup>99</sup> *Economist*, “Ruined: Making Do Without Machu Picchu,” 11 February 2010, <http://www.economist.com/node/15501877>

<sup>100</sup> Global Volcanism Program, National Museum of Natural History, Smithsonian Institution, “Volcanoes of the World: El Misti,” n.d., <http://www.volcano.si.edu/world/volcano.cfm?vnum=1504-01>=

<sup>101</sup> Global Volcanism Program, National Museum of Natural History, Smithsonian Institution, “Volcanoes of the World: Huaynaputina,” n.d., <http://www.volcano.si.edu/world/volcano.cfm?vnum=1504-03>=

<sup>102</sup> Mongabay.com, “Peru,” 2011, <http://rainforests.mongabay.com/20peru.htm>

<sup>103</sup> Mongabay.com, “Where are Rainforests Located?” 2011, <http://kids.mongabay.com/elementary/002.html>

<sup>104</sup> Mongabay.com, “Peru,” 2011, <http://rainforests.mongabay.com/20peru.htm>

<sup>105</sup> Andrea Sabelli, “A New Solution to a Persistent Problem: Addressing Tropical Deforestation with Carbon Forestry Offset Projects,” *Journal of Latin American Geography* 10 (2011).

illegal agricultural enterprises additionally have negatively affected the surrounding environment.<sup>106, 107, 108, 109</sup>

Though Peru's annual loss of forest lands is undesirably high, the annual deforestation rate of virgin forests is only half that of Brazil and less than one-sixth that of Indonesia, two other countries with extensive rainforests.<sup>110, 111, 112</sup> Peru's Selva region does not have extensive industrial-scale timber harvesting; most logging in this region is illegal and is selectively carried out in relatively small tracts of land where valuable tree species such as mahogany grow.<sup>113</sup> But upon harvest, the trees are usually not replaced with seedlings.<sup>114</sup>

Air pollution is a serious concern in several Peruvian cities—most notably, Lima. Despite improvements in recent years, Lima's mix of atmospheric pollutants is among the worst in Latin America. Particulate matter levels in Lima's air are higher than in Mexico City, São Paulo in Brazil, and Santiago in Chile, all large metropolitan areas that suffer from harsh air pollution.<sup>115, 116</sup> Most of Lima's air pollution emissions come from automobiles, of which more than half run on highly polluting diesel fuel.<sup>117</sup>

Another environmental concern in Peru is global warming. Since the mid-1960s, about 22% of the area of Andean glaciers (most of which are in Peru) has melted, and the rate of melting has accelerated since the mid-1990s. For Peruvians, any loss of the Andean glaciers has significant negative consequences. These glaciers provide drinking water for

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<sup>106</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Amazonian Tropics," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 69, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0043%29>

<sup>107</sup> Information and Education Center for the Prevention of Drug Abuse (CEDRO), "The Impact of Drugs in Peru: Actions Against Planting," n.d., <http://www.cedro.org.pe/english/publicaciones/impacto3.htm>

<sup>108</sup> Dan Collins, "Peru's Challenge to Tackle Cocaine," *BBC News*, 23 June 2011, <http://www.bbc.co.uk/news/world-latin-america-13875321>

<sup>109</sup> *BBC News*, "Peru Suspends Coca Eradication Programme in Huallaga," 17 August 2011, <http://www.bbc.co.uk/news/world-latin-america-14568523>

<sup>110</sup> Mongabay.com, "Peru," 2011, <http://rainforests.mongabay.com/20peru.htm>

<sup>111</sup> Mongabay.com, "Brazil," 2011, <http://rainforests.mongabay.com/20brazil.htm>

<sup>112</sup> Mongabay.com, "Indonesia," 2011, <http://rainforests.mongabay.com/20indonesia.htm>

<sup>113</sup> Mongabay.com, "Peru," 2011, <http://rainforests.mongabay.com/20peru.htm>

<sup>114</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Environment and Population: Natural Systems and Human Life: The Amazonian Tropics," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 69, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0043%29>

<sup>115</sup> *Economist*, "The Right to Drive or the Right to Breathe?" 7 March 2002, <http://www.economist.com/node/1021580>

<sup>116</sup> *Andean Air Mail & Peruvian Times*, "World Bank Approves \$330 Million Loan to Help Peru Mitigate Climate Change," 18 February 2009, <http://www.peruviantimes.com/18/world-bank-approves-330-million-loan-to-help-peru-mitigate-climate-change/1730/>

<sup>117</sup> En Peru, "Lima the Latin American Capital With Worst Air Pollution," 19 May 2010, <http://enperublog.com/2010/05/19/lima-the-latin-american-capital-with-worst-air-pollution/>

the many millions of people living in Lima.<sup>118</sup> Glacial runoff also feeds rivers containing the hydroelectric plants that provide more than 70% of the nation's electricity.<sup>119</sup>

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<sup>118</sup> *Andean Air Mail & Peruvian Times*, "World Bank Approves \$330 Million Loan to Help Peru Mitigate Climate Change," 18 February 2009, <http://www.peruviantimes.com/18/world-bank-approves-330-million-loan-to-help-peru-mitigate-climate-change/1730/>

<sup>119</sup> *Economist*, "When Ice Turns to Water," 12 July 2007, <http://www.economist.com/node/9481517>

## Chapter 1 Assessment

1. Peru has five main geographic environments: the coastal plains, the desert lowlands, the Andean highlands, the high plateaus, and the interior grasslands.  
**FALSE**  
Peru's diverse and often rugged physical terrain divides into three main geographic environments: the coastal region (Costa), the Andean highlands (Sierra), and the tropical forest-covered Amazonian interior (Selva).
2. The Costa is the smallest in area of Peru's geographic regions, but it is the most populous.  
**TRUE**  
The Costa occupies the smallest area of Peru's three geographic regions. Only 11% of the land area lies in the Costa, although more than half of Peruvians live in this region.
3. Arequipa, Peru's second-largest city, is also known as Ciudad Blanca.  
**TRUE**  
Many buildings in the historic downtown section of Arequipa were built using sillar, a white volcanic rock that provided the city's nickname: Ciudad Blanca ("White City").
4. Trujillo's initial growth resulted from the rubber boom of the late 19th century.  
**FALSE**  
The rubber boom occurred in the Selva region. Growth in Trujillo was spurred in part by the expansion, consolidation, and modernization of sugarcane plantations nearby during the latter half of the 19th century and early decades of the 20th century.
5. Coastal earthquakes are a danger to Peru's Andean interior because of the threat of avalanches.  
**TRUE**  
The Andean region and the coastal areas of Peru in particular are prone to frequent earthquakes that can trigger rock and snow avalanches in the Sierra.

## Chapter 2: History

### Introduction

Peru's history rests upon one of the most well-known events of the early European incursions into the "New World": the Spanish conquest of the great Incan Empire. Through the Spanish colonial era and much of the modern history of Peru, that initial clash of civilizations continued to be reflected in economic and political terms. The poorest parts of the country continued to be in the Sierra, where the Amerindian descendants of the vanquished Incans lived. In the coastal cities were the wealthy power brokers, mostly Creoles (descendants of the Spanish) and, more recently, mestizos (people with mixed Spanish and Amerindian heritages).



© Douglas Sprott  
Mestizo woman

Demographic changes have altered this traditional ethnic-geographic-class structure in recent decades, and political power no longer is confined to the wealthy whites and mestizos of the coast. Since 1990, most of Peru's presidents, including current President Ollanta Humala, have championed their ethnic outsider status and at least partly owed their electoral success to their strong showings among the poor and indigenous populations of Peru.<sup>120, 121, 122</sup> Coastal cities such as Lima now have extensive Amerindian populations as a result of migration from the Sierra, some of which was spawned by terrorist violence that gripped the Peruvian Andes during the 1980s and early 1990s.<sup>123</sup>

### Peru Before the Spanish

#### *Pre-Incan Civilizations: The Chavin*

Though humans are believed to have lived in modern Peru for more than 13,000 years, knowledge of the ancient civilizations is limited until the rise of the Chavín culture in about the 10th century B.C.E.<sup>124, 125, 126</sup> This early culture is now believed to have been a

<sup>120</sup> John Crabtree, "Peru's Ollanta Humala: A Lula Look-Alike," *New Statesman*, 26 July 2011, <http://www.newstatesman.com/south-america/2011/07/humala-lula-peru-brazil-garcia>

<sup>121</sup> Clifford Krauss, "In a Campaign Replay, a Peruvian is Wooing Indians," *New York Times*, 25 March 2001, <http://www.nytimes.com/2001/03/25/world/in-a-campaign-replay-a-peruvian-is-wooning-indians.html?ref=alejandrotledo>

<sup>122</sup> James Brooke, "Lima Journal; New Racial Politics: Incas, Latins and a Rising Son," 24 April 1990, <http://www.nytimes.com/1990/04/24/world/lima-journal-new-racial-politics-incas-latins-and-a-rising-son.html?ref=albertokujimori&pagewanted=1>

<sup>123</sup> Teófilo Altamirano, "From Country to City: Internal Migration," *ReVista* (David Rockefeller Center for Latin American Studies, Harvard University) (Winter 2003), <http://www.drclas.harvard.edu/revista/articles/view/206>

<sup>124</sup> *Encyclopædia Britannica Online*, "Peru: History," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>125</sup> *Encyclopædia Britannica Online*, "Chavín," 2011, <http://www.britannica.com/EBchecked/topic/108149/Chavin>

religious cult.<sup>127</sup> The Chavin art style and architecture are best observed at the archaeological site near the central highlands town of Chavín de Huántar, from which the culture's name is derived.<sup>128</sup> Stone carvings, pottery, textiles, and metalwork discovered in this area depict a fierce jaguar, which some archaeologists believe was the supreme religious deity of the Chavin.<sup>129</sup>

### *The Mochica*

Another pre-Incan civilization in Peru were the Mochica, whose culture reached its peak from about the first to eighth centuries C.E.<sup>130</sup> The Mochica occupied a stretch of the northern Peruvian coastal region, and several sites have been excavated in areas near the cities of Trujillo and Chiclayo.<sup>131, 132</sup> One of the first civilizations to build roads in Peru, the Mochica more easily moved their armies throughout the land.<sup>133</sup>



© David Almieda  
Mochica Sun Temple

Recovered pottery (made from molds) and jewelry provide a rich record of daily life and rituals in the Mochican culture and are some of the finest works among all pre-Columbian civilizations.<sup>134</sup> Painted and sculpted pottery—along with paintings and high-reliefs on temple walls—depict the human sacrifice of warriors defeated on the battlefield and the collection of their blood in ceremonial goblets.<sup>135, 136</sup>

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<sup>126</sup> Peter F. Klarén, “Chapter 1: Historical Setting: Andean Societies Before the Conquest: Pre-Inca Cultures,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 6, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0013%29>

<sup>127</sup> Sheila Pozorski and Thomas Pozorski, “Chavín Culture,” in *Spondylus, Peruvian Archaeology: Selected Readings*, Dumbarton Oaks Conference on Chavin, n.d., <http://www.jrank.org/history/pages/5990/Chav%C3%ADn-Culture.html>

<sup>128</sup> UNESCO, “Chavin (Archaeological Site),” World Heritage Convention, 2011, <http://whc.unesco.org/en/list/330>

<sup>129</sup> John Packel, “Countries and Their Cultures: Pre-Spanish Peruvian Americans,” Everyculture, 2011, <http://www.everyculture.com/multi/Pa-Sp/Peruvian-Americans.html>

<sup>130</sup> *Encyclopædia Britannica Online*, “Moche,” 2011, <http://www.britannica.com/EBchecked/topic/386887/Moche>

<sup>131</sup> *Encyclopædia Britannica Online*, “Moche,” 2011, <http://www.britannica.com/EBchecked/topic/386887/Moche>

<sup>132</sup> InkaNatura Travel, “Sipan and Huaca Rajada,” n.d., <http://www.inkanatura.com/coastchiclayotrujillosipanhuaca.asp>

<sup>133</sup> John Packel, “Countries and Their Cultures: Pre-Spanish Peruvian Americans,” Everyculture, 2011, <http://www.everyculture.com/multi/Pa-Sp/Peruvian-Americans.html>

<sup>134</sup> *Encyclopædia Britannica Online*, “Native American Art: Regional Style: South America: Peru and Highland Bolivia,” 2011, <http://www.britannica.com/EBchecked/topic/405948/Native-American-art>

<sup>135</sup> Jeffrey Quilter, “The Narrative Approach to Moche Iconography,” *Latin American Antiquity* 8, no. 2 (June 1997): 113–133, <http://www.scribd.com/doc/55157639/Jefrrey-Quilter-Narrative-Approach-to-Moche-Iconography>

<sup>136</sup> Steve Bourget, *Sex, Death, and Sacrifice in Moche Religion and Visual Culture* (Austin: University of Texas Press, 2006).

### *The Chimú*

Later, occupying roughly the same region as the earlier Mochica culture, the Chimú dominated coastal Peru between 1150 and 1450 C.E. Like the Mochica, the Chimú extensively practiced irrigation agriculture and worshipped the mountain gods of the Andes.<sup>137, 138</sup> Chan Chan, adjacent to modern Trujillo, was their capital and the largest city in pre-Spanish South America. In addition to the adobe bricks used as building material, an architectural feature of Chan Chan were large pyramids that towered above the Chimú city.<sup>139</sup>

Similar to Mochican art, the art of the Chimú depicted ritual human sacrifices to the mountain gods of the Andes.<sup>140</sup> In recent times, archaeologists have unearthed the remains of sacrificial victims throughout the area.<sup>141, 142</sup> Although the Chimú were ultimately conquered by the Incas during the period 1465 to 1470, the violent tradition of its warrior society continued.<sup>143, 144, 145</sup>

### *The Incas*

Starting from their heartland in the Cusco Valley of southern Peru, the Incas conquered much of western South America in just a few generations. While successive *Sapa Incas* (Incan emperors) periodically raided the lands of neighboring ethnic groups over several centuries, no pattern of large-scale conquest occurred until the first half of the 15th century.<sup>146</sup> Under Pachacuti Inca Yupanqui (1438–1471), the Incan empire



© Pedro Szekeley  
Machu Picchu, lost Inca city

<sup>137</sup> Peter F. Klarén, “Chapter 1: Historical Setting: Andean Societies Before the Conquest: Pre-Inca Cultures,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 7–8, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0013%29>

<sup>138</sup> Peter Neal Peregrine and Melvin Ember, eds., *Encyclopedia of Prehistory: South America*, vol. 7 (New York: Human Relations Area Files, Inc., 2002), 62.

<sup>139</sup> John Packel, “Countries and Their Cultures: Pre-Spanish Peruvian Americans,” Everyculture, 2011, <http://www.everyculture.com/multi/Pa-Sp/Peruvian-Americans.html>

<sup>140</sup> Peter Neal Peregrine and Melvin Ember, eds., *Encyclopedia of Prehistory: South America*, vol. 7, ([New York?]: Human Relations Area Files, Inc., 2002), 62.

<sup>141</sup> Marianne Bazo, “Human Sacrifices Unearthed in Peru,” Reuters, 14 September 2011, <http://news.yahoo.com/photos/human-sacrifices-unearthed-in-peru-1316185550-slideshow/vessel-belonging-pre-inca-chimu-culture-showing-warrior-photo-221945473.html>

<sup>142</sup> *Andean Air Mail & Peruvian Times*, “Skeletal Remains of Sacrificed Chimu Woman Found at Chan Chan,” 16 July 2009, <http://www.peruviantimes.com/16/skeletal-remains-of-sacrificed-chimu-woman-found-at-chan-chan/3470/>

<sup>143</sup> *Encyclopædia Britannica Online*, “Chimú,” 2011, <http://www.britannica.com/EBchecked/topic/111645/Chimu>

<sup>144</sup> Mike Parker-Pearson, “The Practice of Human Sacrifice,” *BBC*, 28 February 2011, [http://www.bbc.co.uk/history/ancient/british\\_prehistory/human\\_sacrifice\\_01.shtml](http://www.bbc.co.uk/history/ancient/british_prehistory/human_sacrifice_01.shtml)

<sup>145</sup> Maev Kennedy, “Child Mummies ‘Fattened Up’ Before Inca Sacrifice,” *Guardian*, 2 October 2007, <http://www.guardian.co.uk/artanddesign/2007/oct/02/art>

<sup>146</sup> *Encyclopædia Britannica Online*, “Pre-Columbian Civilizations: Andean Civilization: The Inca: The Origin and Expansion of the Inca State: The Beginnings of External Expansion,” 2011, <http://www.britannica.com/EBchecked/topic/474227/pre-Columbian-civilizations>

expanded greatly. As a means of consolidating Incan gains in territory, he instituted a policy in which members of ethnic groups from regions long under Incan control were forcibly resettled to newly conquered territories, and those in the new territories were sent to established Incan provinces. In this way, the potential for revolt was lessened as members of potentially resistive ethnic groups were shuffled around the Incan empire and became displaced from potential allies.<sup>147</sup> Under Pachacuti Inca Yupanqui, the mountain citadel of Machu Picchu was constructed around 1450. The reasons for this architectural wonder's existence and for its eventual abandonment continue to be debated, although some evidence suggests that it was a mountain retreat for Pachacuti Inca Yupanqui.<sup>148, 149,</sup>  
<sup>150</sup> The Spanish never discovered (and thus never plundered) Machu Picchu, which helps explain today's relatively good condition of the ruins.

Pachacuti Inca Yupanqui died in 1471, and his successors continued to extend the reach of the Incan empire. By 1532, Incan lands extended from the southwestern corner of Colombia to central Chile.<sup>151</sup> But the empire faced great challenges that soon led to its demise. In the mid-1520s, an epidemic of either smallpox or malaria swept through the Incan lands, killing approximately 200,000 of the estimated 6 million people who then lived in Incan-controlled territories.<sup>152, 153</sup> One of the victims was Huayna Capac, the 11th Sapa Inca, whose abrupt death stirred up a rivalry between two of his sons, Huáscar and Atahualpa. Huáscar became Sapa Inca in Cusco, with Atahualpa and his armies located to the north near modern-day Quito, Ecuador. Failing relations between the two brothers led to civil war, eventually resulting in Huáscar's defeat and capture in April 1532.<sup>154</sup> But Atahualpa's victory did not last.



Courtesy Wikipedia  
 Túpac Amaru, the last Inca

## The Spanish Colonial Era

### *Pizarro's Conquest*

At the same time that the armies of Huáscar and Atahualpa were warring in the Andes, the Spanish conquistador Francisco

<sup>147</sup> *Encyclopædia Britannica Online*, "Pre-Columbian Civilizations: Andean Civilization: The Inca: Pachacuti Inca Yupanqui: Administration of the Empire," 2011,

<http://www.britannica.com/EBchecked/topic/474227/pre-Columbian-civilizations>

<sup>148</sup> Rediscover Machu Picchu, "How Did the Incas Build Machu Picchu?," n.d.,

<http://www.rediscovermachupicchu.com/mp-construction.htm>

<sup>149</sup> Kevin Raub, "Peru: Cuzco and the Sacred Valley," in *South America on a Shoestring*, 11th ed. (Footscray, Victoria, Australia: Lonely Planet Publications, 2010), 825–826.

<sup>150</sup> Heather Pringle, "Finding Machu Picchu," *National Geographic* 219, April 2011, 48.

<sup>151</sup> Heather Pringle, "Lofty Ambitions of the Inca," *National Geographic* 219, April 2011, 47–50.

<sup>152</sup> Donald R. Hopkins, "Ch. 6. The Great Fire," in *The Greatest Killer: Smallpox in History* (Chicago: University of Chicago Press, 2002)

<sup>153</sup> John Hemming, "Cajamarca," in *The Conquest of the Incas* (Boston: Houghton Mifflin Harcourt, 1970), 28.

<sup>154</sup> *Encyclopædia Britannica Online*, "Pre-Columbian Civilizations: Andean Civilization: The Inca: Huayna Capac: Civil War on the Eve of the Spanish Conquest," 2011,

<http://www.britannica.com/EBchecked/topic/474227/pre-Columbian-civilizations>

Pizarro was leading his small army of about 150 men southward down the Peruvian coastal plain. Eventually, in November 1532, they turned eastward into the Andes and met Atahuallpa and his army of roughly 80,000 at the town of Cajamarca.<sup>155, 156</sup> The badly outnumbered Spanish tricked Atahuallpa into a supposedly friendly meeting, whereupon the Inca was taken captive and as many as 6,000 or 7,000 of his largely unarmed retinue were killed.<sup>157, 158</sup>

This audacious trap sprung by Pizarro and his small band of Spanish invaders was the beginning of the end for the Incan empire. Atahuallpa was held prisoner for 8 months, during which time a literal king's ransom was delivered to Pizarro's encampment at Cajamarca. Ultimately, the Spaniards killed the Incan emperor and, after reinforcements arrived from Panama, marched toward Cusco. Almost a year to the day since they had taken Atahuallpa hostage in Cajamarca, Pizarro's forces entered Cusco.<sup>159, 160</sup>

Of course, no conquest of a mighty empire could ever be quite so simple. In 1536, the Spaniards faced a rebellion by the forces of Manco Inca Yupanqui, another of Huayna Capac's sons, who was installed as a puppet Inca ruler by the Spanish in 1534 but proved more independent than they expected. Manco's army managed to ambush and destroy four separate Spanish expeditions sent into the Andes to flush him out, but eventually he was forced to flee Cusco.<sup>161</sup>

The remnants of his army retreated to the rain forest refuge of Vilcabamba west of Cusco. Here Manco Inca Yupanqui and three of his sons, who subsequently became Sapa Incas, established a small independent Inca state that lasted until 1572, when the last Sapa Inca, Túpac Amaru, was captured and executed by the Spanish.<sup>162</sup> Centuries later, in 1911, Yale University professor Hiram Bingham "discovered" (with the assistance of local Amerindians) the ruins of Machu Picchu, which he mistakenly believed to be Vilcabamba—the "lost city of the Incas."<sup>163</sup>

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<sup>155</sup> John Hemming, "Cajamarca," in *The Conquest of the Incas* (Boston: Houghton Mifflin Harcourt, 1970), 34-37.

<sup>156</sup> John Hemming, "Pizarro, Conquerer of the Inca," *National Geographic* 181, February 1992, 104.

<sup>157</sup> John Hemming, "Pizarro, Conquerer of the Inca," *National Geographic* 181, February 1992, 104-109.

<sup>158</sup> John Hemming, "Cajamarca," in *The Conquest of the Incas* (Boston: Houghton Mifflin Harcourt, 1970), 39.

<sup>159</sup> John Hemming, "Pizarro, Conquerer of the Inca," *National Geographic* 181, February 1992, 104-112.

<sup>160</sup> John Hemming, "Cajamarca," in *The Conquest of the Incas* (Boston: Houghton Mifflin Harcourt, 1970), 31.

<sup>161</sup> John Hemming, "Pizarro, Conquerer of the Inca," *National Geographic* 181, February 1992, 104-116.

<sup>162</sup> Peter F. Klarén, "Chapter 1: Historical Setting: The Spanish Conquest, 1532-1572: Consolidation of Control," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 14-16, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0016%29>

<sup>163</sup> John Hemming, "The Search for Vilcabamba," in *The Conquest of the Incas* (Boston: Houghton Mifflin Harcourt, 1970), 489.

### *Spanish Rule*

Spain established the Viceroyalty of Peru in 1542, with Lima as its capital. It included all of Spain's colonial holdings in South America except for the modern Venezuelan coast. Mineral wealth—in particular, silver from the mines at Potosí (modern Bolivia) and mercury from Huancavelica—made Peru into “Spain's great treasure house in South America.”<sup>164</sup> Over the first century and a half of Spanish rule, much of this wealth funneled through Lima and its port at Callao.

Early Spanish administrators—most notably, Viceroy Francisco Toledo y Figueroa—organized the colonial economy to sustain this bounty. The indigenous population, which was severely reduced in numbers by the devastating effects of European-introduced diseases to which they had no immunity, was forcibly relocated into colonial settlements in which the Spanish could better oversee the assimilation and Christianization process. The Incan *mita* system, a form of mandatory public and military service, was modified by the Spanish to generate a steady supply of workers for the mines and other economic activities that required a captive labor force.<sup>165</sup>



Courtesy Wikipedia  
Potosí Silver mine

Lima's place at the economic and political zenith of Spanish South America began to wane in the 18th century. Spain carved from the Peru viceroyalty two new viceroyalties, to the north (New Granada) and south (Río de la Plata), as part of a reform to move areas from the periphery of Spanish South America to the center of political and economic importance.<sup>166</sup> The profits from Potosí's silver mines—in decline but still sizable in value—now flowed southeast to Buenos Aires, the capital of Río de la Plata.<sup>167</sup>

The 17th and 18th centuries also witnessed the development of great agricultural land holdings, known as *haciendas*, as the lands of the indigenous groups were abandoned because of great population declines and consolidated into larger estates owned by

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<sup>164</sup> Peter F. Klarén, “Chapter 1: Historical Setting: The Colonial Period, 1550-1824: The Colonial Economy,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 17–18, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0019%29>

<sup>165</sup> Peter F. Klarén, “Chapter 1: Historical Setting: The Colonial Period, 1550–1824: The Colonial Economy,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 19, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0019%29>

<sup>166</sup> Peter F. Klarén, “Chapter 1: Historical Setting: The Colonial Period, 1550–1824: The Colonial Church,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 25, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0021%29>

<sup>167</sup> Peter F. Klarén, “Chapter 1: Historical Setting: The Colonial Period, 1550–1824: The Colonial Church,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 25, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0021%29>

Spanish colonists.<sup>168</sup> The resulting disparity in land ownership had pronounced effects on Peru's subsequent history.

### *Rebellions*

In the last half of the 18th century, the Peruvian indigenous population (Amerindians) began to grow again, but land—the source of the Amerindian peasant economy—was not readily available. The colonial tax burden on the indigenous peasantry also increased during this time, spurring numerous uprisings. The largest and most famous of these rebellions came in 1780, when José Gabriel Condorcanqui, an educated and well-off *mestizo* of mixed Amerindian and Spanish ancestry, revolted against the colonial government and killed the local provincial administrator in the Tinta region of Peru.



Courtesy Wikipedia  
José Gabriel Condorcanqui

Taking the name Túpac Amaru II because he claimed descent from the last Sapa Inca, Condorcanqui organized an untrained army of tens of thousands to advance the revolt, which spread quickly through southern Peru, parts of Bolivia and Argentina, and continued even after he was captured, tried, and executed in the central plaza of Cusco. (Prior to his death, Condorcanqui was forced to watch the public execution of his wife and two sons.) The rebellion was finally put down in 1782 after the Spanish government agreed to issue clemency to the participants.<sup>169, 170</sup>

### *Peruvian Independence*

In the early 1800s, several independence movements were spreading through the Spanish viceroyalties of South America, aided by events in Europe. In 1808, Napoleon Bonaparte's army defeated the Spanish, and the French leader replaced the Spanish King Ferdinand VII with his brother Joseph Bonaparte.<sup>171</sup> A subsequent 6-year guerrilla war against French rule (known today as the Peninsular War) produced strong shock waves in Spanish South America, where Spanish authority was called into question.<sup>172</sup>

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<sup>168</sup> Peter F. Klarén, "Chapter 1: Historical Setting: The Colonial Period, 1550–1824: The Colonial Church," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 22–23, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0021%29>

<sup>169</sup> *Encyclopædia Britannica Online*, "Túpac Amaru II," 2011,

<http://www.britannica.com/EBchecked/topic/609384/Tupac-Amaru-II>

<sup>170</sup> Peter F. Klarén, "Chapter 1: Historical Setting: The Colonial Period, 1550–1824: Indigenous Rebellions," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 25–27, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0022%29>

<sup>171</sup> *Encyclopædia Britannica Online*, "Peninsular War," 2011,

<http://www.britannica.com/EBchecked/topic/449923/Peninsular-War>

<sup>172</sup> *Encyclopædia Britannica Online*, "Simón Bolívar," 2011,

<http://www.britannica.com/EBchecked/topic/72067/Simon-Bolivar>

Peru, the most conservative of the South American viceroyalties, stayed loyal to Spanish rule during this first period of revolt. The Creole class (South American-born Spanish descendants), which formed the heart of the revolts in the other viceroyalties, was relatively more privileged in Peru and thus more inclined to remain loyal to the Spanish throne. Ferdinand VII was returned to the throne in 1813 after a series of French military defeats.<sup>173</sup>  
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© Estrad Afora Viagens  
José de San Martín

Ferdinand's return to power ushered in a new era of full-scale wars of independence in the Americas. In the Viceroyalty of Río de la Plata, which had broken from Spain in 1810, José de San Martín was a military leader in service to the ruling junta in Buenos Aires. Because he feared that Argentina would always be vulnerable to attack as long as Peru was under Spanish control, San Martín led a 5,500-man army across the Chilean Andes in 1817.<sup>175</sup>

Once in Valparaíso, San Martín's forces sailed north along the Pacific coast to Pisco, south of Lima. San Martín delayed attacking heavily guarded Lima for almost a year, a cautious strategy that proved successful. San Martín and his men entered Lima in July 1821 after the Spanish commanders at Lima (concerned that they had been abandoned by Madrid) moved their forces to more defensible positions in the Peruvian Sierra. Shortly thereafter, the Argentinian military leader declared Peruvian independence. Between 1822 and 1824, New Granadan liberator Simon Bolívar and his top general, Antonio José de Sucre Alcalá, completed the Peruvian campaign, defeating the Spanish decisively at the Battle of Ayacucho on 9 December 1824.<sup>176, 177</sup>

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<sup>173</sup> Christopher Minster, "Latin America: Causes of Independence: Rebellion," About.com, 2011, [http://latinamericanhistory.about.com/od/19thcenturylatinamerica/a/09independencwhy\\_2.htm](http://latinamericanhistory.about.com/od/19thcenturylatinamerica/a/09independencwhy_2.htm)

<sup>174</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Independence Imposed from Without, 1808–1824," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 27–29, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0023%29>

<sup>175</sup> *Encyclopædia Britannica Online*, "José de San Martín," 2011, <http://www.britannica.com/EBchecked/topic/521474/Jose-de-San-Martin>

<sup>176</sup> *Encyclopædia Britannica Online*, "José de San Martín," 2011, <http://www.britannica.com/EBchecked/topic/521474/Jose-de-San-Martin>

<sup>177</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Independence Imposed from Without, 1808–1824," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 27–29, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0023%29>

## Post-Colonial Peru

Peru's early decades after independence were politically chaotic. Peru's central governmental regimes were weak and changed about once a year as a result of ongoing power struggles. Even Agustín Gamarra (1829–1833, 1838–1841), the longest-serving early Peruvian leader, spent much of his time outside of Lima suppressing rebellions and later pursuing an ill-fated invasion of Bolivia that resulted in his death.<sup>178</sup> Much of the Peruvian countryside was ruled by local strongmen who autocratically controlled their regions with impunity.<sup>179</sup>



© eriotropus / flickr.com  
Guano landing

### *Rags to Riches to Rags Again*

In the 1840s, Peru's fortunes began to change in an unlikely manner because of vast deposits of bird droppings on three small islands near Pisco. During the relatively short-lived Guano Age, Peru became the world's most important supplier of this natural fertilizer that helped productivity on the farms of Europe and North America—especially those of Great Britain and the United States.<sup>180</sup> The guano deposits on the Chincha Islands and adjacent coast were nationalized by the Peruvian government and helped bring the country out of a debt crisis that had been lingering since independence. By 1857, three quarters of Peru's national income was provided by guano sales.<sup>181</sup> The flush of income did bring about some positive social changes under the presidencies of Ramón Castilla (1845–1851, 1855–1862), such as the abolition of slavery and the elimination of the personal tax paid by Peru's indigenous population. But it also led to surging inflation and an increase in imports (such as textiles) that negatively affected Peru's native artisans.<sup>182, 183</sup>

By the 1870s, Peru's guano monopoly, which was already in decline because the deposits were dwindling, was threatened by nitrate, a popular new fertilizer source. Vast deposits of nitrate were found in the coastal Atacama Desert of southern Peru, Bolivia, and

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<sup>178</sup> Clements Robert Markham, "Ch. 15. History of the Republic—The Peru-Bolivian Confederation and the 'Restoration' Under Gamarra," in *A History of Peru* (Chicago: Charles H. Sergel and Co., 1892), 333–334.

<sup>179</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Postindependence Decline and Instability, 1824–1845," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 27–29, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0024%29>

<sup>180</sup> Lawrence A. Clayton, "Ch. 1. Getting to Know You," in *Peru and the United States: The Condor and the Eagle* (Athens: University of Georgia Press, 1999), 34.

<sup>181</sup> John Peter Olinger, "The Guano Age in Peru," *History Today* 30, no. 6, June 1980, <http://www.historytoday.com/john-peter-olinger/guano-age-peru>

<sup>182</sup> John Peter Olinger, "The Guano Age in Peru," *History Today* 30, no. 6, June 1980, <http://www.historytoday.com/john-peter-olinger/guano-age-peru>

<sup>183</sup> Christine Hunefeldt, "Ch. 8. The Age of Guano (1849–1879)," in *A Brief History of Peru* (New York: Facts on File, Inc., 2004), 121.

Chile.<sup>184, 185</sup> This desert terrain—often described as the driest region on earth—was at the time Bolivia’s outlet to the Pacific Ocean. An escalating series of provocative actions centered on access to the nitrate fields, and eventually led to a full-fledged war in 1879 between Chile and Bolivia. Peru, under a secret military alliance, quickly came to Bolivia’s assistance.<sup>186</sup>

The so-called War of the Pacific lasted until 1883 and was a disaster for Peru and Bolivia. Both were forced to give up large amounts of their territory to Chile, and Peru was left on the verge of bankruptcy.<sup>187, 188</sup> In 1889, the government of General Andrés Avelino Cáceres signed an agreement that settled Peru’s debts at a steep price by ceding rights to run its railways for 66 years and agreeing to other concessions with a British consortium that held bonds from Peru’s guano-driven heyday.<sup>189</sup> The Grace Contract (named after the merchant representing the bondholders) was extremely unpopular in Peru, but it did aid in getting Peru back on its economic feet.<sup>190, 191</sup>

### *The Aristocratic Republic*

Between 1883 and 1930, Peru’s economy began to grow again as new primary products (i.e., non-manufactured goods) replaced guano as the base of the nation’s export-driven revenue. Silver, sugar, cotton, rubber, and wool contributed to the initial recovery, and copper contributed later.<sup>192</sup> José Nicolás de Piérola, a former president, regained power in 1895 by means of a violent coup that ousted Cáceres, which began nearly a quarter-century period of relative stability and strong economic growth for Peru.<sup>193</sup>



Courtesy Wikipedia  
Augusto Leguía

<sup>184</sup> John Peter Olinger, “The Guano Age in Peru,” *History Today* 30, no. 6, Jun

<http://www.historytoday.com/john-peter-olinger/guano-age-peru>

<sup>185</sup> At this time, Peru’s southern coastal region extended below its present boundary, and encompassed the region that today makes up the Arica y Parinacota and Tarapacá administrative divisions of Chile.

<sup>186</sup> Peter F. Klarén, “Chapter 1: Historical Setting: The War of the Pacific, 1879–1883,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 34–35. <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0027%29>

<sup>187</sup> Peter F. Klarén, “Chapter 1: Historical Setting: The War of the Pacific, 1879–1883,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 34–35. <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0027%29>

<sup>188</sup> *Encyclopædia Britannica Online*, “Peru: History: Peru From 1824 to 1884: The War of the Pacific (1879–83),” 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>189</sup> Peter Olinger, “The Guano Age in Peru,” *History Today* 30, no. 6, June 1980,

<http://www.historytoday.com/john-peter-olinger/guano-age-peru>

<sup>190</sup> *Encyclopædia Britannica Online*, “Peru: History: Peru From 1884 to 1930,” 2011,

<http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>191</sup> Christine Hunefeldt, “Ch. 9. The War of the Pacific and After (1879–1900),” in *A Brief History of Peru* (New York: Facts on File, Inc., 2004), 152–153.

<sup>192</sup> John Sheahan, “Chapter 3: The Economy: Growth and Structural Change: Historical Background: Orientation Toward Primary-Product Exports,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 142, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0075%29>

<sup>193</sup> Peter F. Klarén, “Chapter 1: Historical Setting: Recovery and Growth, 1883–1930: The Aristocratic Republic, 1895–1914,” in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal

Piérola was supported by the *Partido Civil*, Peru's first political party, which was founded in the 1870s on the principle of civilian (rather than military) rule.<sup>194</sup> The Civilistas, under Piérola and his presidential successors, established a political structure in which power rested with the nation's economic elites. Foreign investment flowed into Peru during this era known as the "Aristocratic Republic." Peru's mines and agricultural haciendas increasingly were consolidated into large, mostly foreign-owned enterprises. While this new political and economic order aided the nation's growth, it furthered wrenching social changes and disparities that contributed significantly to subsequent political unrest in Peru.<sup>195, 196</sup>

### *End of Civilista Rule*

Toward the end of World War I in 1918, Peru's economy was in a recession because of decreased demand for its exports during the war years. After the war ended, inflation set in as the export markets reopened and demand quickly increased. The growing population of workers who were employed in Peru's mines and agricultural plantations were harmed by these economic problems, creating conditions ripe for the spread of an increasingly militant labor movement. In 1919, supporters of populist candidate Augusto Bernadino Leguía y Salcedo, an independent candidate popular with Peru's working class, staged a coup that brought Leguía to power. (He had been a Civilista and president from 1908–12.) With his re-ascendancy to the Peruvian presidency, the age of Civilista control of the government ended.

During his first term in 1908–12, Leguía did try to introduce some modest fiscal and administrative reforms but was overruled by other Civilistas. When his term ended, he went into voluntary exile in London, yet returned in 1919 to run again for president against the Civilista candidate. At the beginning of his new term in office, Leguía exiled opponents, cracked down on labor and student militants, and rewrote the constitution to ensure his hold on power. But by 1930, the onset of the Great Depression brought a steep decline in the export commodities that were the foundation of Peru's economy, and much of Leguía's base of support was gone. He was removed from office by a military coup in August of 1930 and died in a Peruvian prison a year-and-a-half later.<sup>197, 198</sup> The 11 years of Leguía's second presidency left the nation buried under a pile of foreign debt.<sup>199</sup>

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Research Division, Library of Congress, 1993), 37, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0029%29>

<sup>194</sup> Peter F. Klarén, "Chapter 1: Historical Setting: The Guano Era, 1845–70: Failed Development," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 33, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0026%29>

<sup>195</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Recovery and Growth, 1883–1930: The Aristocratic Republic, 1895–1914," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 37–38, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0029%29>

<sup>196</sup> Christine Hunefeldt, "Chapter 9: The War of the Pacific and After (1879–1900)," in *A Brief History of Peru* (New York: Facts on File, Inc., 2004), 157–162.

<sup>197</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Recovery and Growth, 1883–1930: The Eleven-Year Rule, 1919–1930," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 37–38, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0031%29>

*Peru in the Mid-Twentieth Century (1930–1968)*

For much of the next four decades, Peruvian politics featured a lingering battle between the oligarchy and a growing political movement on the left. Several times, the military intervened via coup when the oligarchy felt threatened by the activities of the left.<sup>200</sup>

The most popular of the leftist political parties was the *Alianza Popular Revolucionaria Americana*, or APRA. Founded in 1924 by Victor Raúl Haya de la Torre while living in exile in Mexico City, APRA first became a force in Peruvian politics in 1931, when Haya de la Torre narrowly lost the presidential election to Luis Miguel Sánchez Cerro. The party's initial platform called for an end to U.S. imperialism, the nationalization of foreign-owned businesses operating in Peru, and the institution of a planned economy.<sup>201</sup> Over the years, however, APRA's positions gravitated toward the middle of the political spectrum. But this moderation came only after a bloody APRA-organized rebellion in Trujillo in 1932 led to the party's banishment for 13 years.<sup>202</sup>



Courtesy Wikipedia  
President Belaúnde Terry

In the years between the late 1940s and the early 1960s, Peru endured two coup d'états (1948, 1962) and witnessed massive migrations from the impoverished Sierra region to the coastal cities, particularly Lima, where much of Peru's economic growth was taking place. The victory of Fernando Belaúnde Terry in the 1963 presidential election returned the country to civilian rule, but his administration's efforts to bring about agrarian reforms and develop roads into the isolated Sierra regions did little to stop Castro-

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<sup>198</sup> Oxford University Press, "Augusto Bernardino Leguía," in *A Dictionary of Political Biography*, 2003, <http://www.answers.com/topic/augusto-bernardino-legu-a>

<sup>199</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Recovery and Growth, 1883–1930: The Eleven-Year Rule, 1919–1930," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 40, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0031%29>

<sup>200</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Mass Politics and Social Change, 1930–68: Impact of the Depression and World War II," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 41, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0032%29>

<sup>201</sup> *Encyclopædia Britannica Online*, "Peru: History: Peru From 1884 to 1930: Formation of the Aprista Movement," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>202</sup> Liisa North, "The Peruvian Aprista Party and Haya de la Torre: Myths and Realities," review of *Aprismo: The Ideas and Doctrines of Victor Raul Haya de la Torre* by Robert J. Alexander; *The Politics of Reform in Peru: The Aprista and Other Mass Parties of Latin America* by Grant Hilliker; *Modernization, Dislocation, and Aprismo: Origins of the Peruvian Aprista Party, 1870-1932* by Peter F. Klarén; *El Año de la Barbarie: Peru 1932* by Guillermo Thorndike; *La Sublevacion Aprista del 48: Tragedia de un Pueblo y de un Partido* by Victor Villanueva, *Journal of Interamerican Studies and World Affairs* 17, no. 2 (1975): 253 <http://www.jstor.org/stable/174902?seq=9>

inspired insurrections in the Sierra. Eventually, the military was called in to stop these guerrilla movements led by ex-members of APRA.<sup>203</sup>

### *Military Rule*

Yet another military coup was staged in 1968, with Belaúnde's replacement being General Juan Velasco Alvarado. Unlike previous military-governed administrations, Velasco's "Revolutionary Government of the Armed Forces" embraced policies similar to those that APRA had called for in the 1930s.<sup>204</sup> Much of the country's arable land was seized by the government and redistributed as agricultural cooperatives to landless farm workers.<sup>205</sup> Foreign-owned enterprises were nationalized, including about USD 600 million worth of U.S.-held investments (most notably, the International Petroleum Company and the huge W.R. Grace sugar plantation).<sup>206</sup> As a result, political and economic relations between the two nations deteriorated quickly (and remained relatively strained until the 1990s).<sup>207</sup>

Velasco's regime became increasingly authoritarian as the 1970s progressed. In addition, inflation and foreign indebtedness began to spiral out of control. Under the circumstances, Velasco's declining health provided a convenient excuse for his ouster in 1975. His replacement, General Francisco Morales Bermúdez Cerrutti, was forced to embrace economic austerity measures in order to slow inflation, which further eroded public support for the military regime.<sup>208</sup>

### *Return to Civilian Rule*

A new constitution completed in 1979 called for presidential elections in the spring of 1980. Haya de la Torre, still head of APRA more than 55 years after he founded the party, was widely favored to finally become Peruvian president, but



Courtesy Wikipedia  
President Alan García Pérez

<sup>203</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Mass Politics and Social Change, 1930–68: Rural Stagnation and Social Mobilization, 1948–68," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 46, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0033%29>

<sup>204</sup> *Encyclopædia Britannica Online*, "Peru: History: Peru from 1884 to 1930: Formation of the Aprista Movement," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>205</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Failed Reform and Economic Decline, 1968–1985: Military Reform from Above, 1968–80," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 50, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0035%29>

<sup>206</sup> *Encyclopædia Britannica Online*, "Peru: History: Military Rule (1968–80): Economic Nationalism," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>207</sup> Carlos Boloña and Javier Illescas, "9. Trade and Investment Between Peru and the United States," in *Andean Community and the United States: Trade and Investment Relations in the 1990s* (Organization of American States, 1998), 126, <http://www.oas.org/en/sedi/dedtt/trade/pubs/Books/CAF/P3C9.pdf>

<sup>208</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Failed Reform and Economic Decline, 1968–1985: Military Reform from Above, 1968–80," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 51, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0035%29>

he died prior to the election.<sup>209</sup> Instead, former President Fernando Belaúnde Terry was returned to office nearly 12 years after he was deposed by the military.

The 1980s were an extremely difficult decade for Peru. A strong El Niño in 1982/1983 caused extensive flooding and devastated Peru's fishing industry.<sup>210, 211</sup> Meanwhile, the lowest international prices for commodities since the 1930s damaged the nation's export revenues.<sup>212, 213</sup> However, coca production began to rapidly expand during the late 1970s and into the 1980s as cocaine became wildly popular in the United States and Europe.<sup>214</sup> Most ominously, Peru faced the most deadly insurgency in its history as the *Sendero Luminoso* ("Shining Path") began a series of deadly attacks that terrorized the country for more than a decade before Peruvian security forces finally made inroads against the group in the 1990s.

The confluence of these events, plus rising unemployment, inflation, and foreign debt, doomed the Belaúnde presidency.<sup>215, 216</sup> In 1985 ARPA, behind Alan García Pérez, won a presidential election for the first time in the party's long history. Yet Peru's economic and terrorist troubles only worsened under García's leadership. Inflation rose as high as 7,500% and Sendero Luminoso attacks continued to spread: by the late 1980s, bombings of power facilities around Lima frequently plunged the city into darkness.<sup>217, 218</sup> Rumors of an imminent military coup against García circulated in the capital during 1989 as Peru suffered staggering inflation and a shrinking economy.<sup>219</sup>

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<sup>209</sup> *Encyclopædia Britannica Online*, "Peru: History: Return to Civilian Rule," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>210</sup> John M. Wallace and Shawna Vogel, "El Niño and Climate Prediction," NOAA, Spring 1994, <http://www.pmel.noaa.gov/tao/elnino/report/el-nino-report.html>

<sup>211</sup> ThinkQuest, "Floods in Peru," n.d., <http://library.thinkquest.org/20901/peru.htm>

<sup>212</sup> *Encyclopædia Britannica Online*, "Peru: History: Return to Civilian Rule," 2011, <http://www.britannica.com/EBchecked/topic/453147/Peru>

<sup>213</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Failed Reform and Economic Decline, 1968–1985: Return to Democratic Rule, 1980–1985," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 54, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0036%29>

<sup>214</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Failed Reform and Economic Decline, 1968–1985: Return to Democratic Rule, 1980–1985," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 55–56, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0036%29>

<sup>215</sup> Peter F. Klarén, "Chapter 1: Historical Setting: Failed Reform and Economic Decline, 1968–1985: Return to Democratic Rule, 1980–1985," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 52–54, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0036%29>

<sup>216</sup> Paul Lewis, "Fernando Belaúnde Terry, 89, Who Was Twice Peru's Chief," *New York Times*, 6 June 2002, <http://www.nytimes.com/2002/06/06/world/fernando-belaunde-terry-89-who-was-twice-peru-s-chief.html?src=pm>

<sup>217</sup> Lawrence A. Clayton, "Ch. 8. Contemporary Times," in *Peru and the United States: The Condor and the Eagle* (Athens: University of Georgia Press, 1999), 272.

<sup>218</sup> *Encyclopædia Britannica Online*, "Alan García," 2011, <http://www.britannica.com/EBchecked/topic/1240782/Alan-Garcia?anchor=ref1008646>

<sup>219</sup> Alan Riding, "Peru's Twin Crises Raise Coup Rumors," *New York Times*, 15 January 1989, <http://www.nytimes.com/1989/01/15/world/peru-s-twin-crises-raise-coup-rumors.html?ref=alangarcia>

### *The Fujimori Decade*

The military did not step in, and Peru selected a new president in elections held in 1990. The leading candidate was world-renowned author Mario Vargas Llosa (who in 2010 won the Nobel Prize for Literature). In an election result that shocked the world, political unknown Alberto Fujimori, the son of Japanese immigrants to Peru and a dean at Agrarian National University, rose from 3% in the polls just a month before the first round of the elections to claim victory in a run-off against Vargas Llosa.<sup>220</sup>



Courtesy Wikipedia  
President Alberto Fujimori

One of Fujimori's first actions as president was to introduce a series of severe economic reform measures that Peruvians referred to as "Fujishock." Much of this economic reform program, including an end to price controls and subsidies, resembled a program proposed by Vargas Llosa before the election that Fujimori had campaigned against.<sup>221, 222 223</sup>

After dissolving the Peruvian Congress and suspending the constitution, in April 1992 Fujimori assumed dictatorial powers that he argued were necessary to institute economic reforms and to fight corruption, terrorism, and drug trafficking.<sup>224, 225</sup> The suspension of Congress also stopped an investigation into the November 1991 Barrios Altos massacre, apparently a mistaken-identity killing of 15 Limans by an antiterrorist death-squad.<sup>226</sup>

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<sup>220</sup> James Brooke, "Peru's New Frontrunner Vows Shake-Up on Coca and Rebels," *New York Times*, 15 April 1990, <http://www.nytimes.com/1990/04/15/world/peru-s-new-frontrunner-vows-shake-up-on-coca-and-rebels.html?ref=albertokfujimori>

<sup>221</sup> James Brooke, "Peru's Poor Feel Hardship of 'Fuji Shock' Austerity," *New York Times*, 12 August 1990, <http://www.nytimes.com/1990/08/12/world/peru-s-poor-feel-hardship-of-fuji-shock-austerity.html>

<sup>222</sup> Lawrence A. Clayton, "Ch. 8. Contemporary Times," in *Peru and the United States: The Condor and the Eagle* (Athens: University of Georgia Press, 1999), 266–267.

<sup>223</sup> Carol Graham, "Chapter 4: Government and Politics: Political Trends: Impact of the 'Fujishock' Program," in *Peru: A Country Study*, 4th ed., ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0136%29>

<sup>224</sup> James Brooke, "Fujimori Sees a Peaceful, and a Prosperous, Peru," *New York Times*, 6 April 1993, <http://www.nytimes.com/1993/04/06/world/fujimori-sees-a-peaceful-and-a-prosperous-peru.html?ref=albertokfujimori>

<sup>225</sup> Rex A. Hudson, ed., "Introduction," in *Peru: A Country Study*, 4th ed. (Washington, DC: Federal Research Division, Library of Congress, 1993), xliii, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0010%29>

<sup>226</sup> *BBC News*, "Peru Reopens Death Squad Inquiry," 29 March 2001, <http://news.bbc.co.uk/2/hi/americas/1248998.stm>

New congressional elections were held in November 1992, giving Fujimori a stronger base of support in the legislature. Despite widespread criticism, Fujimori's popularity surged prior to the November elections when Peruvian security forces captured the founder of the Shining Path, Abimael Guzmán.<sup>227</sup>



© Pedro Rivas Ugaz  
Fujimori sentenced to 25 years

Fujimori easily won a second presidential term in 1995, despite his ex-wife's denunciations that he was a corrupt tyrant.<sup>228</sup> Fujimori's successful handling of a high-profile hostage situation at the Japanese ambassador's residence in 1997 further strengthened his image as a tough-on-terrorism leader.<sup>229</sup>

### *Scandal*

In 2000, Fujimori ran for a third term as president, a maneuver that required a circumvention of the Peruvian constitutional limit of two terms. His chief opponent was economist Alejandro Toledo Manrique, a Peruvian Amerindian who had risen from a poor family of 16 children to obtain a Ph.D. from Stanford University. Although Fujimori won a run-off election marred by charges of fraud and by massive protest demonstrations, his victory was fleeting.<sup>230, 231, 232</sup>

Among Fujimori's closest associates and advisors was Peruvian intelligence service chief Vladimiro Montesinos Torres. In September 2000, Peruvian TV broadcast a videotape showing Montesinos bribing an opposition politician to switch his affiliation to Fujimori's party. The following day, Fujimori announced that new presidential elections would be held, and that he would not be a candidate.<sup>233</sup> He also stated his intention to

<sup>227</sup> Rex A. Hudson, ed., "Introduction," in *Peru: A Country Study*, 4th ed. (Washington, DC: Federal Research Division, Library of Congress, 1993), xliii, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0010%29>

<sup>228</sup> Japan 101 Information Resources, "Alberto Kenya Fujimori: Japanese President of Peru," n.d., [http://www.japan-101.com/government/alberto\\_kenya\\_fujimori.htm](http://www.japan-101.com/government/alberto_kenya_fujimori.htm)

<sup>229</sup> Steve R. Garrison, "A Man Between Two Countries: President Fujimori and the Japanese Ambassador's Residence Hostage Crisis" (paper presented at SA14 Peeling the Onion: Using Cases to Get at Foreign Policy Analysis, annual meeting of the International Studies Association, New Orleans, 24–27 March 2002), <http://isanet.ccit.arizona.edu/noarchive/garrison.html>

<sup>230</sup> Roy Davies, "The Rise and Fall of Alberto Fujimori," 8 June 2011, <http://projects.exeter.ac.uk/RDavies/inca/fujimori.html>

<sup>231</sup> Christopher Marquis, "O.A.S. to Address Fraud Charges in Peruvian Vote," *New York Times*, 1 June 2000, <http://www.nytimes.com/2000/06/01/world/oas-to-address-fraud-charges-in-peruvian-vote.html?ref=albertokfujimori>

<sup>232</sup> Clifford Krauss, "Fujimori is Victor in Peru's Runoff as Protests Grow," *New York Times*, 29 May 2000, <http://www.nytimes.com/2000/05/29/world/fujimori-is-victor-in-peru-s-runoff-as-protests-grow.html?ref=albertokfujimori>

<sup>233</sup> James Brooke, "Peru's President Calls an Election and Will Not Run," *New York Times*, 17 September 2000, <http://www.nytimes.com/2000/09/17/world/peru-s-president-calls-an-election-and-will-not-run.html?ref=albertokfujimori>

close Peru's intelligence service.<sup>234</sup> Fujimori formally resigned from office 2 months later while in Tokyo, but the nation's Congress refused the resignation and instead overwhelmingly voted him "morally unfit" to serve as president and removed him from office.<sup>235</sup>

Both Fujimori and Montesinos, who fled to Venezuela after the scandal broke, were tried and convicted in Peruvian courts on charges of corruption and human-rights abuses.<sup>236</sup> Among Fujimori's convictions was a murder charge related to his role in the 1991 Barrios Altos massacre.<sup>237</sup> In 2010, the Supreme Court of Peru upheld a 25-year jail sentence imposed the previous year for Fujimori's involvement in ordering killings and kidnappings by security forces.<sup>238</sup>

### *Recent History*

In 2001, new presidential elections were held in Peru, with Alejandro Toledo, the candidate defeated by Fujimori in the controversial 2000 election, emerging as the victor. Inflation abated and the Peruvian economy showed steady growth during his 5 years in office, but unemployment remained high. Several scandals tarnished Toledo's administration, leaving him with an approval rating of about 8% near the end of his term.<sup>239</sup>



© Presidencia Peru / flickr.com  
President Ollanta Humala Tasso

Peruvian voters have on several occasions displayed a willingness to recycle a former president many years later, even when his first term was widely viewed as unsuccessful. Such was the case in 2006, when Alan García Pérez was elected to succeed Toledo. (During the latter 1980s, Garcia served as president when the nation fell into an economic black hole.)<sup>240, 241</sup> García's second term went much better economically than his first,

<sup>234</sup> Clifford Krauss, "Fujimori's Fall: A Nation's Lion to Broken Man," *New York Times*, 3 December 2000, <http://www.nytimes.com/2000/12/03/world/fujimori-s-fall-a-nation-s-lion-to-broken-man.html?ref=albertokfujimori&pagewanted=1>

<sup>235</sup> Clifford Krauss, "Peru Congress Says Fujimori is 'Unfit' and Picks Successor," *New York Times*, 22 November 2000, <http://www.nytimes.com/2000/11/22/world/peru-congress-says-fujimori-is-unfit-and-picks-successor.html?ref=albertokfujimori>

<sup>236</sup> *Encyclopædia Britannica Online*, "Alberto Fujimori," 2011, <http://www.britannica.com/EBchecked/topic/221549/Alberto-Fujimori>

<sup>237</sup> Simon Romero, "Peru's Ex-President Convicted of Rights Abuses," *New York Times*, 7 April 2009, <http://www.nytimes.com/2009/04/08/world/americas/08fujimori.html?scp=5&sq=Barrios%20Altos&st=cse>

<sup>238</sup> *BBC News*, "Timeline: Peru: A Chronology of Key Events," 13 August 2011, <http://news.bbc.co.uk/2/hi/americas/1224690.stm>

<sup>239</sup> *New York Times*, "World Briefing: Americas: Peru: Angry President Calls for Unity," 20 January 2005, [http://query.nytimes.com/gst/fullpage.html?res=9E05E3DB1038F933A15752C0A9639C8B63&ref=alejan\\_drotoledo](http://query.nytimes.com/gst/fullpage.html?res=9E05E3DB1038F933A15752C0A9639C8B63&ref=alejan_drotoledo)

<sup>240</sup> Juan Forero, "Peru's Voters May Turn to a Tested, and Failed, Leader," 3 June 2006, <http://www.nytimes.com/2006/06/03/world/americas/03peru.html?ref=alangarcia>

<sup>241</sup> Alvaro Vargas Llosa, "Peru—The 'Outsider' Syndrome: The 2006 Presidential Election," *ReVista* (David Rockefeller Center for Latin American Studies, Harvard University) (Spring/Summer 2006): 21–23, [http://www.drclas.harvard.edu/revista/files/455b59023d88b/latin\\_elections.pdf](http://www.drclas.harvard.edu/revista/files/455b59023d88b/latin_elections.pdf)

with inflation remaining low and Peru showing some of the strongest economic growth in Latin America.<sup>242, 243</sup> But unaddressed poverty and corruption persisted in Peru, causing García's approval ratings to be low.<sup>244</sup>

In the 2011 presidential election, Ollanta Humala Tasso, an ex-military officer who narrowly lost to García in 2006 while running on a nationalist platform, defeated Keiko Fujimori, daughter of Alberto Fujimori. Humala's campaign themes in 2011 were more moderate than in 2006, when his expressions of admiration for Venezuelan President Hugo Chávez cost him votes.<sup>245</sup> One of Humala's first moves after assuming the presidency was to dismiss two-thirds of the generals in Peru's national police force, an institution generally viewed as one of the nation's most corrupt.<sup>246</sup>

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<sup>242</sup> *Encyclopædia Britannica Online*, "Alan García," 2011,

<http://www.britannica.com/EBchecked/topic/1240782/Alan-Garcia?anchor=ref1008646>

<sup>243</sup> Simon Romero, "Leading Again, Peru President Still Unpopular," 27 August 2010,

<http://www.nytimes.com/2010/08/28/world/americas/28garcia.html?ref=alanguarcia>

<sup>244</sup> Simon Romero, "Leading Again, Peru President Still Unpopular," *New York Times*, 27 August 2010,

<http://www.nytimes.com/2010/08/28/world/americas/28garcia.html?ref=alanguarcia>

<sup>245</sup> Naomi Mapstone, "Peru's New President Faces Testing Times," *Financial Times*, 7 June 2011,

<http://www.ft.com/cms/s/0/0c00ca1e-90ca-11e0-acfd-00144feab49a.html#axzz1bM8WVytg>

<sup>246</sup> Simon Romero, "Peru Leader Ousts 30 Police Generals in Anti-Corruption Drive," *New York Times*, 10

October 2011, <http://www.nytimes.com/2011/10/11/world/americas/peru-leader-ousts-30-police-generals.html?ref=ollantahumala>

## Chapter 2 Assessment

1. The Chiclayo civilization, a pre-Columbian culture, is known for the beauty of its artifacts.

**FALSE**

The Mochica civilization occupied a stretch of the northern Peruvian coastal region near the modern cities of Trujillo and Chiclayo. Recovered Mochican pottery and jewelry are some of the finest works among all pre-Columbian civilizations.

2. The Spanish Viceroyalty of Peru derived most of its wealth from the extensive fisheries off the Peruvian coast.

**FALSE**

Mineral wealth—in particular, silver from the mines at Potosí (modern Bolivia) and mercury from Huancavelica—made Peru “Spain’s great treasure house in South America.”

3. Túpac Amaru is a name associated with the Incas and with one of the largest Amerindian rebellions against Spanish rule.

**TRUE**

The last Inca king, Túpac Amaru, was captured and executed by the Spanish in 1572. The largest rebellion against the Spanish came in 1780, when José Gabriel Condorcanqui organized an untrained army of tens of thousands under the name Túpac Amaru II.

4. Peru’s debt crisis during its early years of independence was finally eased by the discovery of silver at Potosí.

**FALSE**

Peru’s fortunes began to change in the 1840s with the discovery of guano deposits on three small islands near Pisco. The income generated by these deposits helped bring the country out of a debt crisis that had been lingering since independence.

5. For most of its history, Peru’s presidents have been of Spanish or mestizo ancestry, but two of its last three presidents have been Amerindians.

**TRUE**

Political power in Peru is no longer confined to the wealthy whites and mestizos of the coast. Two of Peru’s last three presidents—current president Ollanta Humala (2011–) and Alejandro Toledo (2001–2006)—have been of Amerindian descent.

## Chapter 3: Economy

### Introduction

During the political instability of the 1980s, Peru's economy was in tatters, beset by declining economic growth, increasing poverty, and an astronomical inflation rate.<sup>247</sup> The 1980s have been described as a "lost decade," in which Peru's gross domestic product per capita declined by 30% (dwarfing the declines in other parts of Latin America).<sup>248</sup> Today, fueled in part by government policies favoring free trade, the nation has recorded nearly 10 years of above-average growth. Peru has also become a magnet for investment because of its stable economic climate and extensive natural resources.<sup>249, 250</sup> Though poverty and other social ills have yet to be addressed in many parts of the country, the overall trajectory has been one of improving economic conditions for large numbers of Peruvians.



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Poverty

### Agriculture

With 2.8% of the land in Peru suitable for farming, agriculture accounted for an estimated 10% of the Gross Domestic Product (GDP) in 2010, the least among the country's three economic sectors, which also include industry (35%) and services (55%).<sup>251</sup>

#### *Crops*

Peruvian farmers grow a large variety of food products. Some of these are domesticated food species believed to have originated in the Peruvian Andes, including potatoes, sweet potatoes, quinoa, and possibly tomatoes and peanuts.<sup>252, 253</sup> Paradoxically, the most agriculturally productive region in Peru is the Costa, Peru's desert-like coastal strip where irrigation is essential.<sup>254</sup> The region's agricultural focus has long centered on cash

<sup>247</sup> Lingering socioeconomic problems from Peru's previous military government, along with severe weather conditions and the emergence of two terrorist organizations aligned with the Colombian drug trade, also contributed to the country's financial distress during the 1980s. Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru: Instability in the 1980s," 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>248</sup> Rubén Berríos, "Growth Without Development," n.d., 3, <http://www.cholonautas.edu.pe/modulo/upload/lasaberrios.pdf>

<sup>249</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 15, 53, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>250</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru: The Garcia Administration," 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>251</sup> Central Intelligence Agency, "Peru: Geography: Economy," in *The World Factbook*, 8 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/pe.html>

<sup>252</sup> Stuart Allison, "Origin of Domesticated Plants: Plants from Peru," Knox College, 2010, <http://courses.knox.edu/bio160/b160originagriculture.ppt>

<sup>253</sup> Stuart Allison, "Food Plants: Origin of Sweet Potato," Knox College, 2010, <http://courses.knox.edu/bio160/b160starchystaples.ppt>

<sup>254</sup> New Agriculturalist, "Country Profile: Peru," September 2004, <http://www.new-ag.info/en/country/profile.php?a=852>

crops, such as sugarcane and cotton, which were grown on large agricultural estates until land reform in the late 1960s transferred much of the estates' land to agricultural collectives. Since then, many of the collectives have been divided into small individual land holdings.



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Discussing coffee growth

In recent years, asparagus from some of these Costa farms has become a leading export crop.<sup>255</sup>

Much of this asparagus is sold in American grocery stores; Peru is rapidly becoming the United States' leading import source for this vegetable.<sup>256</sup> Other vegetables and fruits grown primarily for export in the Costa region include chili peppers, grapes, mangoes, artichokes, avocados, plantains, citrus fruits, and onions.<sup>257, 258</sup> Except for avocados, which are mainly exported to Europe, 25% or more of Peru's exports for each of these products are for the U.S. market.<sup>259</sup> In the case of some of these items, such as artichokes, Peru's exports to the U.S. are primarily of the processed rather than fresh variety.<sup>260</sup>

In the Sierra region, farming is more likely subsistence-level. Commonly grown crops in this high-altitude region include potatoes, various roots and tubers, and quinoa. Rice is the primary grain, grown on the wet, eastern slopes of the Andes, although a large percentage of Peru's rice continues to be produced via irrigation in the dry northern coastal deserts.<sup>261</sup> But in total value to the Peruvian economy, coffee is the most important agricultural product of the Sierra. Peru's coffee production represents 2% of its total economy and 2% of the world's total coffee supply.<sup>262</sup> Most coffee growers are indigenous Amerindians planting on fields of only 2–3 hectares (5–7 acres).<sup>263</sup>

<sup>255</sup> New Agriculturalist, "Country Profile: Peru," September 2004, <http://www.new-ag.info/en/country/profile.php?a=852>

<sup>256</sup> FreshFruitPortal.com, "Peru Accounts for Majority of U.S. Asparagus Imports," 10 June 2011, <http://www.freshfruitportal.com/2011/06/16/peru-accounts-for-majority-of-u-s-asparagus-imports/>

<sup>257</sup> FAOStat, "Top Exports: Peru: 2009," 2011, <http://faostat.fao.org/site/342/default.aspx>

<sup>258</sup> Birgit Meade, Katherine Baldwin, and Linda Calvin, "Peru: An Emerging Exporter of Fruits and Vegetables," U.S. Department of Agriculture, December 2010, 8, <http://www.ers.usda.gov/Publications/FTS/2010/11Nov/FTS34501/FTS34501.pdf>

<sup>259</sup> Birgit Meade, Katherine Baldwin, and Linda Calvin, "Peru: An Emerging Exporter of Fruits and Vegetables," U.S. Department of Agriculture, December 2010, 5, <http://www.ers.usda.gov/Publications/FTS/2010/11Nov/FTS34501/FTS34501.pdf>

<sup>260</sup> Birgit Meade, Katherine Baldwin, and Linda Calvin, "Peru: An Emerging Exporter of Fruits and Vegetables," U.S. Department of Agriculture, December 2010, 17–19, <http://www.ers.usda.gov/Publications/FTS/2010/11Nov/FTS34501/FTS34501.pdf>

<sup>261</sup> Gaspar E. Nolte, "Peru: Updated Rice Report," U.S. Department of Agriculture Foreign Agricultural Service, 7 March 2011, [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Updated%20Rice%20Report\\_Lima\\_Peru\\_3-7-2011.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Updated%20Rice%20Report_Lima_Peru_3-7-2011.pdf)

<sup>262</sup> Equal Exchange, "History of Coffee in Peru," n.d., <http://www.equalexchange.coop/history-of-coffee-in-peru>

<sup>263</sup> Equal Exchange, "History of Coffee in Peru," n.d., <http://www.equalexchange.coop/history-of-coffee-in-peru>

### *Fishing*

Peru's offshore waters are rich in anchovies, which are primarily processed as fishmeal, a high-protein food for livestock and poultry.

Unfortunately, Peru's stock of anchovies is vulnerable to the changes in water temperature that occur during significant El Niño events.

Precipitous drops in anchovy catches have occurred in 1972–73 and 1997–98, both major El Niño periods.<sup>264</sup> In normal years, roughly 90% of Peru's annual fish catch is anchovy, with jack and chub mackerel, South Pacific hake, jumbo flying squid, and common dolphin making up much of the remaining 10%.<sup>265</sup>



© Derek Law  
Anchovy trawler

### *Livestock*

More of Peru's agricultural land is used as livestock pasture than for growing crops.<sup>266</sup> Most of this land is in the Sierra region on small-scale holdings.<sup>267</sup> The importance of livestock to Peru's agricultural sector cannot be minimized; of the nation's top 11 agricultural products, 5 are animal related (chicken meat, cow milk, beef, hen eggs, and pork).<sup>268</sup> In addition, wool from llamas and other high-altitude animals yields lucrative export revenues.<sup>269</sup>

### *Forestry*

Peru's extensive Amazonian rain forest in the east produces modest amounts of timber for domestic use and export. As a result, Peru has generally been a net importer of wood and wood products. In general, the costs involved in transporting Peru's Amazonian wood across the Andes to Lima and other port cities on the coast are prohibitively high. In addition, facilities for processing the wood are limited.<sup>270</sup>

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<sup>264</sup> Martin Aranda, "Evolution and State of the Art of Fishing Capacity Management in Peru: The Case of the Anchoveta Fishery," *Pan-American Journal of Aquatic Sciences* 4, no. 2 (2009): 150, [http://www.panamjas.org/pdf\\_artigos/PANAMJAS\\_4%282%29\\_146-153.pdf](http://www.panamjas.org/pdf_artigos/PANAMJAS_4%282%29_146-153.pdf)

<sup>265</sup> N. Sánchez Durand and M. Gallo Seminario, "Status of and Trends in the Use of Small Pelagic Fish Species for Reduction Fisheries and for Human Consumption in Peru," in *Fish as Feed Inputs for Aquaculture: Practices, Sustainability and Implications* (Rome: Food and Agriculture Organization, 2009), 331.

<sup>266</sup> Food and Agriculture Organization, "Peru: Livestock Sector Brief," July 2005, 1, [http://www.fao.org/ag/againfo/resources/en/publications/sector\\_briefs/lb PER.pdf](http://www.fao.org/ag/againfo/resources/en/publications/sector_briefs/lb PER.pdf)

<sup>267</sup> Food and Agriculture Organization, "Peru: Livestock Sector Brief," July 2005, 5, [http://www.fao.org/ag/againfo/resources/en/publications/sector\\_briefs/lb PER.pdf](http://www.fao.org/ag/againfo/resources/en/publications/sector_briefs/lb PER.pdf)

<sup>268</sup> FAOStat, "Top Production: Peru: 2009," 2011, <http://faostat.fao.org/site/339/default.aspx>

<sup>269</sup> FAOStat, "Top Production: Peru: 2009," 2011, <http://faostat.fao.org/site/339/default.aspx>

<sup>270</sup> Marienella Ortiz, "Exporting Peru's Wood: Seeking Investment in Forestry," *LivinginPeru.com*, 7 September 2010, <http://archive.livinginperu.com/blogs/business/1604>

## Industry and Manufacturing

Modern industries in Peru—accounting for 35% of GDP in 2010—were developed after World War II and today are primarily located in the metropolitan area of Lima.<sup>271, 272</sup>



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Mine in La Oroya

Mineral mining (including gold, silver, zinc, and copper) is one of the country's biggest industries.<sup>273, 274</sup> More than 60% of the country's exports are raw minerals mined in Peru. Many of Peru's largest industries are tied to value-added processes for its raw minerals and petroleum. In addition to refineries for processing petroleum and minerals, Peru processes food (including sugar, flour, and fishmeal). The textile industry also has been growing and contributing to export revenues.<sup>275, 276</sup> Other Peruvian industries—such as furniture, plastics, cements, and automobiles—primarily produce products for the domestic market. Overall, manufacturing makes up about 14% of total GDP, down from 25% in the late 1980s.<sup>277</sup>

## Energy Resources

Peru has significant deposits of oil and natural gas, and uses the steep Andean terrain to generate hydroelectricity. A little less than half of Peru's proven oil reserves are offshore, with most of the remaining reserves in the eastern region of the Amazonian rainforest.<sup>278</sup> Crude oil from the Amazon fields is delivered to the coast via a two-branch pipeline to the oil terminal at Bayovar, south of the northern Peruvian city of Piura. Because Peru's oil is a "heavy" variety that is not suitable for use in the nation's refineries, most of its crude oil is exported. In turn, the nation's oil refineries, the two largest of which are located in the Lima area and in the far northern coastal town of Talara, use imported crude oil for their operations.<sup>279, 280</sup>

<sup>271</sup> Maps of World, "Peru Industries," 16 November 2011,

<http://www.mapsofworld.com/peru/economy/peru-industries.html>

<sup>272</sup> Central Intelligence Agency, "Peru: Geography, Economy," in *The World Factbook*, 8 November 2011,

<https://www.cia.gov/library/publications/the-world-factbook/geos/pe.html>

<sup>273</sup> See the sections on "Energy Resources" and "Natural Resources" that follow in this chapter.

<sup>274</sup> Marienella Ortiz, "Exporting Peru's Wood: Seeking Investment in Forestry," *LivinginPeru.com*, 7 September 2010, <http://archive.livinginperu.com/blogs/business/1604>

<sup>275</sup> JustoMedio, "Peru: Expansion in Manufacturing," 16 September 2011,

<http://www.justomedio.com/48752/peru-expansion-in-manufacturing/>

<sup>276</sup> International Trade Centre, "Trade Performance HS: Exports and Imports of Peru (2009, in USD Thousands)," 2011, [http://legacy.intracen.org/appli1/TradeCom/TP\\_TP\\_CI.aspx?RP=604&YR=2009](http://legacy.intracen.org/appli1/TradeCom/TP_TP_CI.aspx?RP=604&YR=2009)

<sup>277</sup> World Bank, "Peru at a Glance," 25 February 2011, [http://devdata.worldbank.org/AAG/per\\_aag.pdf](http://devdata.worldbank.org/AAG/per_aag.pdf)

<sup>278</sup> U.S. Energy Administration, "Peru: Oil: Exploration and Production," April 2011,

<http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>279</sup> U.S. Energy Administration, "Peru: Oil: Downstream Activities," April 2011,

<http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>280</sup> Alfredo C. Gurmendi, "The Mineral Industry of Peru," in *2009 Minerals Yearbook*, U.S. Geological Survey, U.S. Department of the Interior, February 2011, 17.11,

<http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-pe.pdf>

Peru has the sixth-largest reserves of natural gas in South America. Production has been steadily ramping up since 2004, when the first significant shipments of gas reached Lima from the gas fields on the eastern slopes of the Andes north of Cusco.<sup>281, 282</sup> Spurred by government-supported investment in gas-powered power plants and the construction of South America's first liquefied natural gas plant, domestic use and imports have both increased.<sup>283</sup> The power plants consume approximately two-thirds of Peru's natural gas production.<sup>284</sup>



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Natural gas plant

As a result of steady economic growth, electricity consumption has nearly doubled in the decade between 1998 and 2008, and demand is expected to increase more than one-third by 2020.<sup>285, 286</sup> Until recent years, the majority of Peru's electricity has been generated through hydroelectric plants, but thermal plants powered by natural gas are now taking on an increasing share of power generation.<sup>287</sup> Peru has several ambitious hydroelectric projects in various stages of planning, but the dams are controversial and have spawned protests by regional indigenous groups.<sup>288</sup>

Peru also mines limited amounts of coal in several locations. Yet the nation's coal production supplies only about 5% of its total energy consumption.<sup>289, 290</sup>

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<sup>281</sup> *Economist*, "Heat, But Not Light: An Argument Over Energy Priorities," 3 June 2010, <http://www.economist.com/node/16281343>

<sup>282</sup> U.S. Energy Information Administration, "Peru: Natural Gas: Exploration and Production," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>283</sup> U.S. Energy Information Administration, "Peru: Natural Gas: Exploration and Production," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>284</sup> U.S. Energy Information Administration, "Peru: Natural Gas," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>285</sup> U.S. Energy Information Administration, "Peru: Electricity," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>286</sup> U.S. Energy Information Administration, "Peru: Background," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>287</sup> U.S. Energy Information Administration, "Peru: Electricity," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

<sup>288</sup> *Economist*, "Hydro-Powered Dreams: Hopes and Fears of a Regional Energy Hub," 10 February 2011, <http://www.economist.com/node/18114659>

<sup>289</sup> Alfredo C. Gurmendi, "The Mineral Industry of Peru," in *2009 Minerals Yearbook*, U.S. Geological Survey, U.S. Department of the Interior, February 2011, 17.5, <http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-pe.pdf>

<sup>290</sup> U.S. Energy Administration, "Peru: Background," April 2011, <http://www.eia.gov/countries/cab.cfm?fips=PE>

## Natural Resources

Peru is one of the most mineral-rich nations in the world. It is the world's leading producer of silver, the second-ranked producer of zinc and copper, and among the top six producers of gold, lead, tin, molybdenum, bismuth, rhenium, and arsenic trioxide.<sup>291</sup> Iron, phosphate, and several industrial minerals also are mined. In 2009, export revenues from base and precious metals accounted for about 62% of Peru's export revenues (slightly down from 65% in previous years when commodity prices were higher) and were responsible for its continuing positive trade balance.<sup>292, 293, 294</sup>



© Mike Carroll  
Floating gold mining

Mining, by itself, is not a major source of jobs in Peru, with about 125,000 workers employed in the formal mining sector. Approximately 60,000–250,000 additional persons work in small-scale gold mining and other areas of informal mining.<sup>295, 296</sup> Although small in number of total jobs provided, Peru's mining industries have a significant ripple effect on regional employment. Because 50% of the income tax collected from mining operations go to regional and local governments in mining regions, which in turn are legally required to use the tax revenues for investment projects, a large number of public-sector workers in mining areas are employed as a result of the tax windfall.<sup>297</sup> Overall, roughly 40% of Peru's public-sector income results from mining operations.<sup>298</sup>

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<sup>291</sup> Alfredo C. Gurmendi, "The Mineral Industry of Peru," in *2009 Minerals Yearbook*, U.S. Geological Survey, U.S. Department of the Interior, February 2011, 17.1,

<http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-pe.pdf>

<sup>292</sup> International Trade Centre, "Trade Performance HS: Exports and Imports of Peru (2009, in USD Thousands)," 2011, [http://legacy.intracen.org/appli/TradeCom/TP\\_TP\\_CI.aspx?RP=604&YR=2009](http://legacy.intracen.org/appli/TradeCom/TP_TP_CI.aspx?RP=604&YR=2009)

<sup>293</sup> International Trade Centre, "Trade Performance HS: Exports and Imports of Peru (2007, in USD Thousands)," 2011, [http://legacy.intracen.org/appli/TradeCom/TP\\_TP\\_CI.aspx?RP=604&YR=2007](http://legacy.intracen.org/appli/TradeCom/TP_TP_CI.aspx?RP=604&YR=2007)

<sup>294</sup> Alfredo C. Gurmendi, "The Mineral Industry of Peru," in *2009 Minerals Yearbook*, U.S. Geological Survey, U.S. Department of the Interior, February 2011, 17.3,

<http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-pe.pdf>

<sup>295</sup> Ramiro Escobar, "Small-Scale Miners' Protest Turns Deadly," *Latinamerica Press*, 23 April 2010, <http://www.lapress.org/articles.asp?art=6110>

<sup>296</sup> Alfredo C. Gurmendi, "The Mineral Industry of Peru," in *2009 Minerals Yearbook*, U.S. Geological Survey, U.S. Department of the Interior, February 2011, 17.2,

<http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-pe.pdf>

<sup>297</sup> Claudia Viale, "Paradox in Peru: The Challenges of Mining Revenue in It," *Revenue Watch Institute*, 3 October 2011, <http://www.revenuewatch.org/news/blog/paradox-peru-challenges-mining-revenue-ite>

<sup>298</sup> Oxford Analytica, "Peru Embraces Foreign Investments," *Forbes*, 25 May 2010, <http://www.forbes.com/2010/05/24/peru-eu-trade-business-oxford-analytica.html>

## Trade

Peru has consistently had a trade surplus since 2002 as a result of its extensive mineral exports.<sup>1</sup> In order of decreasing revenues, Peru's most valuable exports are copper, gold, agricultural products (led by coffee and asparagus), oil and natural gas, zinc, fishmeal, lead, textiles/clothing, and chemicals.<sup>1</sup> Leading imports include machinery, telecommunications equipment, petroleum products (crude and refined), motorized vehicles, plastics, iron and steel, and grains (mostly wheat and corn).



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Asparagus farming

China and the United States are Peru's leading trading partners, with China contributing about 18.4% and the United States contributing about 16% of Peruvian export revenues, followed by Canada (11.7%), Japan (6.6%), Germany (4.5%), and Spain (4%).<sup>299, 300</sup> Switzerland, Canada, and the United States import the majority of Peru's gold.<sup>301, 302</sup> Peru imports about 24.7% of its foreign-bought goods from the United States, followed by China (13.0%), Brazil (7.4%), Ecuador (4.7%), Chile (4.3%), and Colombia (4.2%).<sup>303</sup>

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<sup>299</sup> Central Intelligence Agency, "Peru: Economy," in *The World Factbook*, 8 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/pe.html>

<sup>300</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 63, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>301</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 63, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>302</sup> International Trade Centre, "Trade Performance HS: Exports of Peru: 71 Pearls, Precious Stones, Metals, Coins, etc (2009, in USD Thousands)," 2011, [http://legacy.intracen.org/appli1/TradeCom/TP\\_EP\\_CI\\_P.aspx?IN=71&RP=604&YR=2009&IL=71%20%20Pearls,%20precious%20stones,%20metals,%20coins,%20etc&TY=E](http://legacy.intracen.org/appli1/TradeCom/TP_EP_CI_P.aspx?IN=71&RP=604&YR=2009&IL=71%20%20Pearls,%20precious%20stones,%20metals,%20coins,%20etc&TY=E)

<sup>303</sup> Central Intelligence Agency, "Peru: Economy," in *The World Factbook*, 8 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/pe.html>

## Tourism

Peru's position as the center of the historic Incan civilization and several advanced pre-Incan cultures provides a tourism lure. The nation has 11 UNESCO World Heritage Sites, the third-largest number of sites among all Latin American countries (trailing Brazil and Mexico).<sup>304, 305</sup> Several of these sites (e.g., Machu Picchu, Cusco, the Nazca Lines) are among the most well-known cultural tourism sites in the Americas.<sup>306</sup>



© Gabe Lawrence  
Peruvian cuisine

In recent years, travel interest in Peru also has been amplified by worldwide publicity concerning the richness and quality of Peruvian cuisine. The number of restaurants in Peru has nearly doubled over 10 years as food magazines declared the nation to be “the next best thing in world cuisines.” In a survey carried out by a Peruvian tourism agency in 2007, more than 40% of tourists listed the local cuisine as a factor in their decision to visit Peru.<sup>307</sup>

Large-scale tourism did not take off in Peru until 1992 when the capture of Abimael Guzmán, leader of the terrorist group *Sendero Luminoso* (“Shining Path”) effectively neutralized the group.<sup>308</sup> Though Peru's tourism growth has been well above regional and world averages since the early 2000s, now representing about 3% of GDP, it is still relatively low compared to other popularly visited nations.<sup>309</sup> Part of the continuing problem has been Peru's tourism infrastructure, which has been characterized as below average and hindered by limited airline competition, underserved demand for high-end lodging, poor quality roads, and a limited itinerary that exposes only a narrow segment of the historical sites—namely a flight into Lima, overland travel to Cusco/Machu Picchu, and back.<sup>310</sup>

<sup>304</sup> UNESCO, “World Heritage List,” 2011, <http://whc.unesco.org/en/list>

<sup>305</sup> Widharmika Agung et al., “Peru's Tourism Cluster,” Institute for Strategy and Competitiveness, Harvard Business School, 2010, 17, [http://www.isc.hbs.edu/pdf/Student\\_Projects/Peru\\_Tourism\\_2010.pdf](http://www.isc.hbs.edu/pdf/Student_Projects/Peru_Tourism_2010.pdf)

<sup>306</sup> Widharmika Agung et al., “Peru's Tourism Cluster,” Institute for Strategy and Competitiveness, Harvard Business School, 2010, 17, [http://www.isc.hbs.edu/pdf/Student\\_Projects/Peru\\_Tourism\\_2010.pdf](http://www.isc.hbs.edu/pdf/Student_Projects/Peru_Tourism_2010.pdf)

<sup>307</sup> Widharmika Agung et al., “Peru's Tourism Cluster,” Institute for Strategy and Competitiveness, Harvard Business School, 2010, 26, [http://www.isc.hbs.edu/pdf/Student\\_Projects/Peru\\_Tourism\\_2010.pdf](http://www.isc.hbs.edu/pdf/Student_Projects/Peru_Tourism_2010.pdf)

<sup>308</sup> Widharmika Agung et al., “Peru's Tourism Cluster,” Institute for Strategy and Competitiveness, Harvard Business School, 2010, 17, [http://www.isc.hbs.edu/pdf/Student\\_Projects/Peru\\_Tourism\\_2010.pdf](http://www.isc.hbs.edu/pdf/Student_Projects/Peru_Tourism_2010.pdf)

<sup>309</sup> Widharmika Agung et al., “Peru's Tourism Cluster,” Institute for Strategy and Competitiveness, Harvard Business School, 2010, 18–19,

[http://www.isc.hbs.edu/pdf/Student\\_Projects/Peru\\_Tourism\\_2010.pdf](http://www.isc.hbs.edu/pdf/Student_Projects/Peru_Tourism_2010.pdf)

<sup>310</sup> Widharmika Agung et al., “Peru's Tourism Cluster,” Institute for Strategy and Competitiveness, Harvard Business School, 2010, 19-

25, [http://www.isc.hbs.edu/pdf/Student\\_Projects/Peru\\_Tourism\\_2010.pdf](http://www.isc.hbs.edu/pdf/Student_Projects/Peru_Tourism_2010.pdf)

## Banking, Finance, and Currency

Peru's national currency is the nuevo sol (currency code: PEN). During the second half of 2011, the value of the nuevo sol relative to the U.S. dollar (USD) fluctuated in the range of 1 USD = 2.69–2.81 PEN.<sup>311</sup> Introduced in 1991, the nuevo sol is the nation's third currency system to be used since 1985. Peru's prior two currencies—the sol and the inti—had to be abandoned during the hyperinflation years of the 1980s and early 1990s.<sup>312</sup> Since then, adjustments to monetary-stability policy have helped reduce inflation significantly. During the decade of the 2000s, Peru's average inflation level was 2.3%, the lowest in South America.<sup>313</sup>



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Peruvian currency

Peru's banking system comprises 15 large commercial banks (representing about 85% of the nation's financial system's assets) and 4 government-controlled financial institutions, including the Central Bank and two specialized banks for agriculture lending and business development. More than 80% of the commercial banking sector's assets are controlled by 4 of the 15 major commercial banks—Banco de Crédito del Perú (BCP), BBVA Banco Continental, Scotiabank, and Interbank.<sup>314</sup>

In addition to its large commercial banks, the Peruvian financial system consists of a number of small regional banks and non-banking institutions that provide credit to small- and micro-sized businesses, a form of lending known as microfinance. This non-corporate segment of the Peruvian business economy is rapidly growing, and the larger commercial banks have begun to take notice. In 2009, for example, BCP bought one of the larger non-banking microfinancial institutions, a purchase that made BCP the largest national provider of microloans.<sup>315</sup>

Peru's stock exchange is the Bolsa de Valores de Lima (BVL). Financial resources invested in the BVL have been volatile because foreign investors rapidly move money in and out as global economic conditions change. In 2008, for example, the BVL's financial investments dropped by nearly one-half as the worldwide economic recession set in. But the BVL quickly rebounded in 2009 as metal prices held steady, and investments have

<sup>311</sup> ExchangeRates.org, "Peruvian Nuevo Sols (PEN) to 1 US Dollar (USD)," 2011, <http://www.exchangerates.org/history/PEN/USD/T>

<sup>312</sup> *Encyclopædia Britannica Online*, "Nuevo Sol," 2011, <http://www.britannica.com/EBchecked/topic/1069027/nuevo-sol>

<sup>313</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 112, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>314</sup> *Economist Intelligence Unit*, "Peru: Financial Services Report," 28 February 2011, [http://www.eiu.com/index.asp?layout=ib3Article&article\\_id=1797925564&pubtypeid=1132462498&countery\\_id=630000063&category\\_id=775133077&rf=0](http://www.eiu.com/index.asp?layout=ib3Article&article_id=1797925564&pubtypeid=1132462498&countery_id=630000063&category_id=775133077&rf=0)

<sup>315</sup> *Economist Intelligence Unit*, "Peru: Financial Services Report," 28 February 2011, [http://www.eiu.com/index.asp?layout=ib3Article&article\\_id=1797925564&pubtypeid=1132462498&countery\\_id=630000063&category\\_id=775133077&rf=0](http://www.eiu.com/index.asp?layout=ib3Article&article_id=1797925564&pubtypeid=1132462498&countery_id=630000063&category_id=775133077&rf=0)

continued to increase ever since. Plans are in place for the BVL to integrate with stock exchanges in Colombia and Chile over the next few years, which, if completed, should make the combined exchange the second-largest in Latin America.<sup>316</sup>

## Investment

Foreign direct investment (FDI) in Peru is extensive. Among Latin American countries, only Brazil, Mexico, and Chile received more FDI in 2010 than Peru.<sup>317</sup> The Peruvian Central Bank estimates that FDI stock in Peru stood at USD 34.5 billion at the end of 2009. The leading sources of this outside investment in the Peruvian economy were the United States (USD 9.1 billion), Canada (USD 4.0 billion), Spain (USD 3.1 billion), and Chile (USD 2.5 billion).<sup>318</sup> The largest percentage of total FDI in Peru's economy was in the mining sector (29%), followed by services (24%), hydrocarbons (17%), the financial sector (13%), and industry (10%). Peruvian companies, in turn, invested about USD 1.3 billion in other countries, mostly in Chile and Brazil.<sup>319</sup>

In September 2011, Peru's President Ollanta Humala signed a consultation law that requires foreign investors to negotiate and try to find consensus with local indigenous communities before commencing mining or oil/natural gas operations in their regions. It is hoped that the new law will reduce the social unrest of some rural communities of Peru in recent years.

Sometime violent protests against new foreign-backed mining and hydrocarbon-extraction projects have occurred as local communities voiced frustrations about having had little say in how these projects were developed. It is hoped that the new law will help reduce social tensions, address concerns before projects begin, and thus improve the investment environment. Although the law gives local communities a greater say in how their lands are developed, it does not grant indigenous groups a veto over new projects.<sup>320, 321</sup>



© Invierno Latino / flickr.com  
Oil exploration protest

<sup>316</sup> *Economist* Intelligence Unit, "Peru: Financial Services Report," 28 February 2011, [http://www.eiu.com/index.asp?layout=ib3Article&article\\_id=1797925564&pubtypeid=1132462498&country\\_id=630000063&category\\_id=775133077&rf=0](http://www.eiu.com/index.asp?layout=ib3Article&article_id=1797925564&pubtypeid=1132462498&country_id=630000063&category_id=775133077&rf=0)

<sup>317</sup> LivinginPeru.com, "Peru Fourth Highest Receiver of Foreign Investment in Latin America," 5 May 2011, <http://archive.livinginperu.com/news/14781>

<sup>318</sup> There are various methodologies for assessing FDI. The Private Investment Promotion Agency of Peru, for example, calculates Peru's FDI stock significantly lower than the Peruvian Central Bank, with Spain followed by the United States as the key investment countries of origin. See ProInversión, "FDI Statistics," 2011, <http://www.proinversion.gob.pe/1/0/modulos/JER/PlantillaStandardsinHijos.aspx?ARE=1&PFL=0&JER=1747>

<sup>319</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 82–83, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>320</sup> Reuters, "Analysis: High Hopes for Peru Consultation Law, Few Promises," AlertNet.com, 28 September 2011, <http://www.trust.org/alertnet/news/analysis-high-hopes-for-peru-consultation-law-few-promises/>

<sup>321</sup> Reuters, "Peru Congress Passes Consultation Law Unanimously," 24 August 2011, <http://af.reuters.com/article/commoditiesNews/idAFN1E77M1FL20110824>

## Transportation

Peru's rugged Andean slopes and dense Amazonian forest lands have long posed challenges in linking the nation's more remote locations. More than 127,000 km (78,900 mi) of roads traverse the countryside, but only 11% are paved.<sup>322</sup> In the Costa region, road travel is much easier, with the nation's northern and southern borders connected by the Pan-American Highway, which passes through all the major coastal cities.<sup>323, 324</sup>



© cjetta / flickr.com  
Sand dunes on the Pan-American

One of Peru's biggest and most controversial infrastructure projects in recent years is a new highway linking Peru's Pacific coast with Brazil's Atlantic coast. Near completion, the Interoceánica Sur Highway will connect the two coasts via a 5,500 km (3,400 mi) route that crosses the Amazon rainforests and the treacherous slopes of the Andes.<sup>325</sup> The new road's economic benefits are countered by concerns that the new access to the Brazilian interior will have environmental and cultural consequences.<sup>326, 327</sup>

The railroads still operating in Peru lie entirely in the central and southern parts of the country. Economically, the most important line connects Lima's port at Callao with the Andean cities of Cerro de Pasco (a major mining region) and Huancayo.<sup>328</sup> Another branch of this system, which is being converted to standard gauge, extends the line from Huancayo to Huancavelica.<sup>329</sup> To the south, another rail line runs from Mollendo (with a spur to the port at Matarani) into the mountains, passing through the city of Arequipa before branching off to Cusco to the north and Juliaca and Puno to the south. Undoubtedly Peru's most famous rail line is the passenger train that runs from Cusco to the Sacred Valley of the Incas and ultimately to the station below Machu Picchu.<sup>330</sup>

<sup>322</sup> Association for Safe International Road Travel, "Road Travel Report: Republic of Peru," 2011, 2, <http://www.asirt.org/portals/0/reports/peru.pdf>

<sup>323</sup> Michael Robinson Chavez and Patrick J. McDonnell, "Peruvians Brace as Superhighway Unfolds," *Los Angeles Times*, 31 October 2010, <http://articles.latimes.com/2010/oct/31/world/la-fg-peru-road-20101031>

<sup>324</sup> Steven Bodzin, "Peru's New Highway to the Future," *Christian Science Monitor*, 25 June 2011, <http://www.csmonitor.com/World/Americas/2011/0625/Peru-s-new-highway-to-the-future>

<sup>325</sup> Michael Robinson Chavez and Patrick J. McDonnell, "Peruvians Brace as Superhighway Unfolds," *Los Angeles Times*, 31 October 2010, <http://articles.latimes.com/2010/oct/31/world/la-fg-peru-road-20101031>

<sup>326</sup> Michael Robinson Chavez and Patrick J. McDonnell, "Peruvians Brace as Superhighway Unfolds," *Los Angeles Times*, 31 October 2010, <http://articles.latimes.com/2010/oct/31/world/la-fg-peru-road-20101031>

<sup>327</sup> Steven Bodzin, "Peru's New Highway to the Future," *Christian Science Monitor*, 25 June 2011, <http://www.csmonitor.com/World/Americas/2011/0625/Peru-s-new-highway-to-the-future>

<sup>328</sup> Elio Galeccio, "Brief Historical Summary of the Railroads in Peru," n.d., <http://www.pearcedale-conservation-park.com.au/c&b/peruhistory.htm>

<sup>329</sup> Railway Gazette, "Huancavelica Upgrade," 1 June 2006, <http://www.railwaygazette.com/news/single-view/view/huancavelica-upgrade.html>

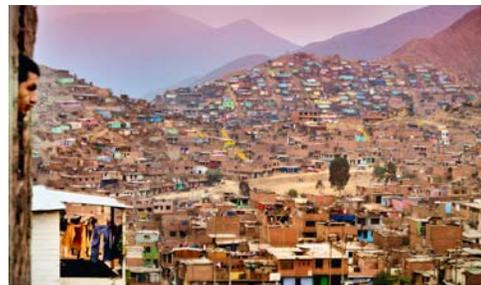
<sup>330</sup> Elio Galeccio, "Brief Historical Summary of the Railroads in Peru," n.d., <http://www.pearcedale-conservation-park.com.au/c&b/peruhistory.htm>

Peru has three international airports at Lima, Cusco, and Arequipa, with Lima's Jorge Chávez International Airport the primary gateway into the country.<sup>331</sup> Besides these airports, another 15 regional airports are served by regularly scheduled domestic flights, mostly out of Lima.<sup>332</sup> In recent years, this segment of the Peruvian air industry has grown quickly; an increasing number of competitors has expanded total domestic capacity, leading to lower fares that make air travel more affordable for the average Peruvian.<sup>333</sup>

### Standard of Living

The several years of strong economic growth have resulted in a dramatic drop in the nation's poverty rate—from nearly 55% of the population in 2001 to about 31% in 2011.<sup>334</sup> Not surprisingly, unemployment has also dropped during this period.<sup>335</sup> Yet sharp disparities between the poverty rates in rural and urban regions persist, particularly between the rural highlands and the urban coastal cities.<sup>336</sup> It should be noted that relatively high income disparity is not uncommon among South American countries, and Chile, Brazil, Colombia, Paraguay, Ecuador, and Bolivia show even more extreme income disparity based on common statistical measurement.<sup>337</sup>

Nevertheless, Peru's disparity between the haves and have-nots remains a potent force in the national political and economic discussion. Alan García drew praise outside Peru for the nation's economic growth during his second presidential term (2006–2011). But inside Peru, particularly in the more rural regions of the Sierra and Selva, lingering poverty amid the economic expansion along with high-level government corruption only seemed to further fuel discontent.<sup>338</sup> As a result,



© Andrew Howson  
Low income housing

the 2011 presidential election witnessed the ascendancy of Ollanta Humala, a candidate widely perceived to be more sensitive to income disparity and environmental issues

<sup>331</sup> RediscoverMachuPicchu.com, "Airports in Peru," 2011, <http://www.rediscovermachupicchu.com/peru-airports.htm>

<sup>332</sup> Go2Peru, "Domestic Flights Peru," 2011, [http://www.go2peru.biz/flights\\_airlines\\_peru.htm](http://www.go2peru.biz/flights_airlines_peru.htm)

<sup>333</sup> CAPA Center for Aviation, "More Growth for Peru as TACA Expands Domestically," 15 April 2011, <http://www.centreforaviation.com/analysis/more-growth-for-peru-as-taca-expands-domestically-49932>

<sup>334</sup> World Bank, "Poverty Headcount Ratio at National Poverty Line (% of Population)," 2011, <http://data.worldbank.org/indicator/SI.POV.NAHC/countries/PE?display=graph>

<sup>335</sup> Cynthia McClintock, "Peru's Swing Left?," *Foreign Affairs*, 23 June 2011, <http://www.foreignaffairs.com/articles/67960/cynthia-mcclintock/perus-swing-left>

<sup>336</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 49, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>337</sup> United Nations Development Programme, Human Development Report 2010, "Table 3: Inequality-Adjusted Human Development Index," 2011, [http://hdr.undp.org/en/media/HDR\\_2011\\_EN\\_Tables.pdf](http://hdr.undp.org/en/media/HDR_2011_EN_Tables.pdf)

<sup>338</sup> Mattia Cabitza, "Can Peru's New President Strengthen Democracy and Tackle Poverty?" *Guardian*, 28 July 2011, <http://www.guardian.co.uk/global-development/poverty-matters/2011/jul/28/humala-peru-president-tackle-poverty>

within these regions.<sup>339, 340</sup> One of the first actions taken during the new Humala regime was the negotiation of a windfall tax on mining companies to be invested in infrastructure and other needs in Peru's poorer regions.<sup>341</sup>

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<sup>339</sup> Simon Romero, "Leading Again, Peru President Still Unpopular," *New York Times*, 27 August 2010, <http://www.nytimes.com/2010/08/28/world/americas/28garcia.html?ref=alagarcia>

<sup>340</sup> Cynthia McClintock, "Peru's Swing Left?," *Foreign Affairs*, 23 June 2011, <http://www.foreignaffairs.com/articles/67960/cynthia-mcclintock/perus-swing-left>

<sup>341</sup> Jack Farhy and Naomi Mapstone, "Peru to Impose Extra Tax on Mining Groups," *Financial Times*, 25 August 2011, <http://www.ft.com/intl/cms/s/0/bfe264d8-cf46-11e0-b6d4-00144feabdc0.html#axzz1dERqeEBL>

## Chapter 3 Assessment

1. The Sierra is Peru's most productive agricultural region.  
**FALSE**  
Paradoxically, the most agriculturally productive region in Peru is the Costa, Peru's desert-like coastal strip where irrigation is absolutely essential.
2. The use of natural-gas powered thermal plants to produce electricity is increasing in Peru.  
**TRUE**  
Until recent years, the majority of Peru's electricity has been generated by hydroelectric plants, but thermal plants powered by natural gas are taking an increasing share of power generation.
3. Peru's refineries use the nation's oil to create petroleum products for domestic consumption.  
**FALSE**  
Because Peru's oil is a "heavy" variety that is not suitable for use in the nation's refineries, most of its crude oil is exported. In turn, the nation's oil refineries use imported crude oil for their operations.
4. Peru is among the world leaders in the production of several metallic minerals.  
**TRUE**  
Peru is one of the most mineral-rich nations in the world. It is the world's leading producer of silver, the second-ranked producer of zinc and copper, and among the top six producers of gold, lead, tin, molybdenum, bismuth, rhenium, and arsenic trioxide.
5. One of Peru's biggest and most controversial infrastructure projects in recent years is a new highway linking Peru's Pacific coast with Brazil's Atlantic coast.  
**TRUE**  
Near completion, the Interoceánica Sur Highway will connect the two coasts via a 5,500 km (3,400 mi) route that crosses the Amazon rainforests and the treacherous slopes of the Andes.

## Chapter 4: Society

### Introduction

Peru has long struggled to forge a national identity that superseded its ethnic, economic, and geographic divisions. In the past, these divisions were related. In broad terms, the farther one went into the Andes, the darker skinned and poorer were the population—although this generalization is less true today than about 50 years ago. Internal migration, perhaps more than any other factor, has worked over recent decades to break down some of these barriers.<sup>342</sup>



© Phil Whitehouse  
Andean resident

As people from the highlands have moved to Lima and other coastal cities, the stigmas and biases in the coastal cities have weakened as the once-separated cultures become more homogeneous.<sup>343</sup> Somewhat ironically, many residents of the rural Andes now view cultural and language differences as impediments to improving their children's possibilities, while the central government at the same time tries to promote programs that preserve multiculturalism and bilingual education in these regions.<sup>344</sup>

### Ethnic Groups and Language

In simple terms, there are three main groups of people in Peru: those descended from the indigenous people who inhabited the region at the time of the Spanish conquest (Amerindians or indigenous), those descended from Europeans (mostly Spanish), and those of mixed Amerindian/European ancestry (*mestizos*).<sup>345</sup> Much smaller groups include those Peruvians descended from black African slaves or those of Japanese and Chinese ancestry.<sup>346, 347</sup> Amerindians from the Sierra who have migrated to the cities of

<sup>342</sup> Mariella Balbi, "Through Internal Migration, Peru Finally Forges National Identity, Says Researcher," 2 August 2010, <http://archive.livinginperu.com/blogs/features/1578>

<sup>343</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru," 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>344</sup> Hanne Veber, review of *Making Indigenous Citizens: Identity, Development and Multicultural Activism in Peru*, by Marta Elena Garcia, *Tipiti: Journal of the Society for the Anthropology of Lowland South America* 6, no. 1 (2008): 139–143,

<http://digitalcommons.trinity.edu/cgi/viewcontent.cgi?article=1093&context=tipiti&sei-redir=1&referer=http%3A%2F%2Fwww.google.com%2Furl%3Fsa%3Dt%26rct%3Dj%26q%3Dperu%2520politics%2520of%2520ethnic%2520identity%26source%3Dweb%26cd%3D17%26ved%3D0CEkQFjA%26url%3Dhttp%253A%252F%252Fdigitalcommons.trinity.edu%252Fcgi%252Fviewcontent.cgi%253Farticle%253D1093%2526context%253Dtipiti%26ei%3D0DfMTsjsG6TmiALH-NjRCw%26usg%3DAFQjCNHZQy5Ctn5gn-UINt5m8rU2YSjBqw#search=%22peru%20politics%20ethnic%20identity%22>

<sup>345</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru," 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>346</sup> Heidi Feldman, interview by Wills Glasspiegel and Simon Rentner, Afropop Worldwide, 2008, <http://www.afropop.org/multi/interview/ID/134>

<sup>347</sup> Shigueru Julio Tsuha, "Growing Up as a Japanese Person in Peru," 24 May 2007, <http://www.discovernikkei.org/en/journal/2007/5/24/japanese-person-in-peru/>

the coast are sometimes referred to as *cholos* or *serranos*, terms that may carry a pejorative meaning.<sup>348, 349</sup> The term *chuto* also is used frequently, again in an often negative context, to distinguish those indigenous people in the remotest rural highlands who frequently speak no Spanish at all.<sup>350</sup>



© Nick Jewell  
Aymara women chanting

Language is another element of ethnic identification: Europeans and Peruvian Asians overwhelmingly speak Spanish as their first language, as do a majority of *mestizos*.<sup>351</sup> But the Amerindians in the Sierra primarily speak some dialect of Quechua or, near the southern Bolivian border, Aymara as a first or second language.<sup>352</sup> By comparison, in parts of the northern Sierra, Spanish is spoken by most of the inhabitants regardless of ethnicity and Quechua is barely spoken, although much of the rural population is culturally similar to the indigenous population elsewhere. By contrast, in the southern Sierra, Quechua is spoken in some regions even by those who ethnically identify themselves as “white” (i.e., of European descent).<sup>353, 354</sup>

In the Selva region, numerous non-Quechua languages are spoken by the indigenous peoples, the most predominant of whom are the Asháninka and Awajún.<sup>355</sup> The former group inhabits the Alta Selva region north of Cuzco, while the latter populate large portions of Peru’s northern border regions with Ecuador.<sup>356</sup>

<sup>348</sup> Maritza Paredes, “Fluid Identities: Exploring Ethnicity in Peru,” Centre for Research on Inequality, Human Security and Ethnicity, University of Oxford, June 2007, 2, 13,

<http://www.crise.ox.ac.uk/pubs/workingpaper40.pdf>

<sup>349</sup> “Cholo” also is sometimes worn as a badge of pride. For example, former Peruvian President Alejandro Toledo embraced the nickname “El Cholo” given to him by supporters when first running for the presidency in 2000. *Encyclopædia Britannica Online*, “Alejandro Toledo,” 2011,

<http://www.britannica.com/EBchecked/topic/760126/Alejandro-Toledo>

<sup>350</sup> Maritza Paredes, “Fluid Identities: Exploring Ethnicity in Peru,” Centre for Research on Inequality, Human Security and Ethnicity, University of Oxford, June 2007, 2,

<http://www.crise.ox.ac.uk/pubs/workingpaper40.pdf>

<sup>351</sup> Rainald Baier, “Asian Culture in Peru,” Project: Asia Pacific Relations, 22 June 2011,

<http://www.asiapacificrelations.wordpress.com/2011/06/22/asian-culture-in-peru/>

<sup>352</sup> UCLA Language Materials Project, “Quechua,” n.d.,

<http://www.lmp.ucla.edu/Profile.aspx?LangID=5&menu=004>

<sup>353</sup> Maritza Paredes, “Weak Indigenous Politics in Peru,” Centre for Research on Inequality, Human Security and Ethnicity, University of Oxford, April 2008, 6–8,

<http://www.crise.ox.ac.uk/pubs/workingpaper33.pdf>

<sup>354</sup> Paul L. Doughty, “Chapter 2: The Society and Its Environment: Culture, Class, and Hierarchy in Society,” in *Peru: A Country Study*, ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 95–96, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0054%29>

<sup>355</sup> Kathrin Wessendorf, ed., “Peru,” in *The Indigenous World 2009* (Copenhagen: International Work Group for Indigenous Affairs, 2009), 161.

<sup>356</sup> M. Paul Lewis, ed., “Languages of Peru,” in *Ethnologue: Languages of the World*, 16th ed. (Dallas: SIL International, 2009), [http://www.ethnologue.com/show\\_map.asp?name=PE&seq=10](http://www.ethnologue.com/show_map.asp?name=PE&seq=10)

## Religion

Peru has traditionally been a Catholic nation, but various Protestant Christian sects have made inroads in recent times. Results from the 2007 national census show 81.3% of Peru's population to be Catholic, 12.5% Protestant (mostly evangelical churches), and 3.3% miscellaneous Christians (Latter-day Saints, Seventh-Day Adventists, Jehovah's Witnesses, and Israelites of the New Universal Pact, a group of local origin). Small numbers of Jews, Muslims, Hare Krishnas, and Bahais, as well as indigenous groups in the Amazon practicing traditional beliefs, make up the remainder of the population.<sup>357</sup>



© Terry Dunn  
Cathedral of Santo Domingo

Peru's constitution guarantees freedom of religion and stipulates separation between church and state. The Catholic Church has traditionally garnered some tax benefits and preferential treatment on educational matters, but a law passed in December 2010 eliminated many of these preferential policies by extending them to non-Catholic churches as well.<sup>358</sup>

## Gender Issues

While the gender gap in Peru has lessened in recent years, it is still significant.<sup>359</sup> Men over the age of 25 continue to be more likely to have at least a secondary education than women in the same age group (76% vs. 58%).<sup>360</sup> The disparity has lessened for younger Peruvians because the percentage of boys and girls enrolled in secondary schools in Peru is nearly equal.<sup>361</sup> In the most recent comprehensive gender survey of Peru (2007), women made up about 58% of Peru's workforce (mostly in the services sector), but the average female worker earned only 27% of the average income of a male worker.<sup>362</sup>



© Bioersity International / flickr.com  
Peruvian saleswoman

<sup>357</sup> Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, "Peru," *2010 International Religious Freedom Report*, 13 September 2011, [http://www.state.gov/g/drl/rls/irf/2010\\_5/168227.htm](http://www.state.gov/g/drl/rls/irf/2010_5/168227.htm)

<sup>358</sup> Religion and Law Consortium, "Historic Religious Freedom Law Ratified in Peru," 2011, [http://www.religlaw.org/index.php?blurb\\_id=1128&page\\_id=19](http://www.religlaw.org/index.php?blurb_id=1128&page_id=19)

<sup>359</sup> United Nations Development Programme, "Table 4. Gender Inequality Index and Related Indicators," *2011 Human Development Report*, 2011, [http://hdr.undp.org/en/media/HDR\\_2011\\_EN\\_Table4.pdf](http://hdr.undp.org/en/media/HDR_2011_EN_Table4.pdf)

<sup>360</sup> United Nations Development Programme, "2011 Report Gender Inequality Index (GII) Trend (1995–2011)," *2011 Human Development Report*, 2011, <http://hdr.undp.org/en/statistics/gii/>

<sup>361</sup> Japanese International Cooperation Agency, "Peru: Country Gender Profile," January 2007, 4–5, <http://www.jica.go.jp/activities/issues/gender/pdf/e06per.pdf>

<sup>362</sup> Japanese International Cooperation Agency, "Peru: Country Gender Profile," January 2007, 1, 6, <http://www.jica.go.jp/activities/issues/gender/pdf/e06per.pdf>

While the male-female income differential remains problematic for women, Peru has made significant strides in maternal healthcare. Between 2000 and 2008, the maternal mortality rate dropped from 410 to 98 deaths per 100,000 live births.<sup>363, 364</sup> The 2008 rate is still higher than 7 of the 11 other countries in South America but much better than Peru's maternal mortality rate in 2000, when, among the nations of the Americas, only Haitian and Bolivian women were at higher risk to die from birth complications.<sup>365</sup> The drop in the maternal mortality rate is largely credited to greater access to prenatal care and an increased percentage of births attended to by healthcare professionals, especially in rural areas.<sup>366</sup>

### Traditional Dress

The traditional clothing of the native Andean people traces to the early decades following the Spanish conquest. After the rebellion against Spanish authority led by Túpac Amaru II in 1780–81, the Spanish banned all Incan-style clothing.<sup>367</sup> Women no longer wore the *anaku*, an ankle-length one-piece dress wrapped around the body and then fastened over the shoulder by a long stickpin.<sup>368, 369</sup> In its place came the brightly



© visagency / flickr.com  
Family in traditional clothes

colored skirts known as *polleras*, often worn in multiple layers similar to petticoats.<sup>370, 371</sup> These skirts are secured using a *chumpi*, a broad woven piece of cloth used as a belt. *Chumpis* also are used for swaddling infants.<sup>372</sup> The *lliclla*, a brightly patterned rectangular cloth, is often worn over a wool jacket or sweater and acts as a kind of shawl.<sup>373, 374</sup> A larger *lliclla*, sometimes called a *k'eperina*, may be tied around the neck and used for carrying babies or goods on a woman's back.<sup>375</sup>

<sup>363</sup> United Nations Development Programme, "Table 4. Gender Inequality Index and Related Indicators," *2011 Human Development Report*, 2011, [http://hdr.undp.org/en/media/HDR\\_2011\\_EN\\_Table4.pdf](http://hdr.undp.org/en/media/HDR_2011_EN_Table4.pdf)

<sup>364</sup> World Health Organization, "Health Status: Mortality," 2006, [http://www.who.int/whosis/whostat2006\\_mortality.pdf](http://www.who.int/whosis/whostat2006_mortality.pdf)

<sup>365</sup> United Nations Development Programme, "Table 4. Gender Inequality Index and Related Indicators," *2011 Human Development Report*, 2011, [http://hdr.undp.org/en/media/HDR\\_2011\\_EN\\_Table4.pdf](http://hdr.undp.org/en/media/HDR_2011_EN_Table4.pdf)

<sup>366</sup> *Andean Air Mail & Peruvian Times*, "INEI: Peru's Maternal Mortality Rate Down 44% since 2000," 12 May 2010, <http://www.peruviantimes.com/12/inei-perus-maternal-mortality-rate-down-44-since-2000/6078/>

<sup>367</sup> Lesley Gill, "'Proper Women' and City Pleasures: Gender, Class, and Contested Meaning in La Paz," *American Ethnologist* 20, no. 1 (February 1993): 78, <http://www.jstor.org/stable/645413?seq=1>

<sup>368</sup> Peru Travel Diary, "Inca Clothing," 2009, <http://www.machupicchu-inca.com/inca-clothing.html>

<sup>369</sup> Clothing and Fashion Encyclopedia, "South America: History of Dress: Inca Dress," 19 February 2010, <http://angelasancartier.net/south-america-history-of-dress>

<sup>370</sup> MyPeru.org, "Traditional Quechua Clothing," 2007, [http://www.myperu.org/traditional\\_clothing\\_peru.html](http://www.myperu.org/traditional_clothing_peru.html)

<sup>371</sup> PIE-Peru.com, "Peru Culture & Tradition: Traditional Dress in Peru," 2005, <http://www.pie-peru.com/en/texts/peru-culture-tradition.html>

<sup>372</sup> ThreadsofPeru.com, "Traditional Dress: Women: Chumpi," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>373</sup> ThreadsofPeru.com, "Traditional Dress: Women: Lliclla," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

For men, the poncho, which actually predated the Spanish presence, gradually replaced the traditional Incan sleeveless tunic as the most common item of clothing.<sup>376</sup> Today, men's dress in the Sierra region has become more Westernized than that of women, and ponchos (usually red in color) are most frequently seen at official functions, such as community meetings or weddings.<sup>377</sup> When carrying heavy loads, men may wear *chumpis* for support of their lower back.<sup>378</sup> Men and women in rural areas traditionally wear *hojotas*, sandals made from recycled tires.<sup>379</sup>

Headwear is perhaps the most distinctive part of traditional Peruvian dress. For women, *monteras* are hats that vary widely by region but are frequently decorated with beads.<sup>380</sup> A woven strap known as the *sanq'apa* keeps the *montera* secured to the head. In some southern Peruvian regions, bowler-style hats known as *bombins* are worn by women. By comparison, men commonly wear a brightly colored and knitted woolen cap with earflaps known as a *chullo*. Many other styles of headwear also are popular, ranging from felted sombreros to baseball caps.<sup>381</sup>

## Arts

### *Andean Musical Styles*

The folk music of the Peruvian Andes—whirling with the sounds of the *antara* (panpipes), *quena* (flute), and *charango* (a small 10-stringed lute-like instrument)—is well-known around the world. Numerous other Peruvian popular styles of music, generally lesser known outside Peru, display the breadth of the nation's music scene. These include musical blends of traditional elements with influences from Africa, other parts of Central and South America, and southern California.

Perhaps the most traditional Andean musical style is *yaraví*, characterized by slow and melancholy songs about lost love, wasted lives, or deceased loved ones.<sup>382, 383</sup> A much more up-



© lapidim / flickr.com  
Harp player in Písaq

<sup>374</sup> ThreadsofPeru.com, "Traditional Dress: Women: Jobona," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>375</sup> ThreadsofPeru.com, "Traditional Dress: Women: Lliclla," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>376</sup> Clothing and Fashion Encyclopedia, "South America: History of Dress: The Spanish Conquest," 19 February 2010, <http://angelasancartier.net/south-america-history-of-dress>

<sup>377</sup> ThreadsofPeru.com, "Traditional Dress: Men: Poncho," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>378</sup> ThreadsofPeru.com, "Traditional Dress: Men: Chumpi," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>379</sup> ThreadsofPeru.com, "Traditional Dress: Men: Hojota," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>380</sup> ThreadsofPeru.com, "Traditional Dress: Women: Montera," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>381</sup> ThreadsofPeru.com, "Traditional Dress: Men: Chullo," 2011, <http://www.threadsofperu.com/weaving-culture/traditional-dress/>

<sup>382</sup> Embassy of Peru in Singapore, "Peruvian Music: Best Known Dances in Peru," April-June 1997, <http://www.embassyperu.org.sg/dances.htm>

tempo musical style is *huayño*, a popular Andean dance music that incorporates the aforementioned traditional Andean folk instruments (sometimes electronically enhanced) with harps, violins, guitars, and other instruments. “El Condor Pasa” is probably the most famous Peruvian song outside Peru, because of its worldwide popularization by Simon and Garfunkel in the early 1970s.<sup>384, 385</sup>

#### *Other Styles of Music and Dance*

In a manner similar to other Latin American countries in which slavery once flourished, Afro-Peruvian music developed from a blend of Spanish and West African influences. However, because slaves in Peru were banned from using drums during Spanish colonial times, Peru’s black population commonly used fishing crates as percussion instruments.<sup>386</sup> The *cajón*, a box-like percussion instrument used widely in Afro-Peruvian music today, evolved out of this invention-by-necessity.<sup>387</sup> Numerous dances also have become associated with the various rhythmic Afro-Peruvian musical styles, such as the up-tempo *festejo* and the slower *landó*. Even the *vals criollo*, the traditional Peruvian-Spanish waltz, now typically incorporates the *cajón* as a rhythmic accompaniment to the Spanish acoustic guitar.<sup>388, 389</sup> “Toro Mata,” a popular Peruvian folk song whose many variations have virtually given form to a musical sub-genre, is often labeled the anthem of Afro-Peruvian music.<sup>390</sup>

Of more recent vintage is the musical style known as *chicha*, which is named after a cheap corn liquor and first emerged from Lima and the oil-boom towns of the Peruvian Amazon during the 1960s. Although the tropical Afro-Cuban rhythms of the *cumbia* style so popular in neighboring Colombia are at the heart of the new music, Peruvians have introduced the instrumentation of rock and roll.<sup>391, 392</sup> Some of the *chicha* guitar players were inspired by the reverb- and tremolo-driven sounds of surf guitar that became popular in the 1960s, giving early *chicha* music a sound that has sometimes been labeled “psychedelic” or “Peruvian garage band.”<sup>393</sup>

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<sup>383</sup> Marietta Ulacia, “Peruvian Folklore: Revisited,” Latin American Folk Institute, 19 February 2009, [http://www.lafi.org/index.php?option=com\\_content&view=article&id=89%3Aperuvian-folklore-revisited&catid=34%3Amusic&Itemid=102&lang=en](http://www.lafi.org/index.php?option=com_content&view=article&id=89%3Aperuvian-folklore-revisited&catid=34%3Amusic&Itemid=102&lang=en)

<sup>384</sup> “El Cóndor Pasa. Melodía y Letra Original. Catálogo de las Obras de Daniel Alomía Robles. 7,” YouTube video, 9:40, posted by “aviruka,” 30 March 2010, <http://www.youtube.com/user/AVIRUKA>

<sup>385</sup> “Los Cholos—El Condor Pasa,” YouTube video, 4:18, posted by “dyturry,” 11 April 2009, <http://www.youtube.com/watch?v=OxFDd7rzD80>

<sup>386</sup> Cajon-Drum.com, “Cajon Drum History,” 2011, <http://www.cajon-drum.com/prositeindex.cfm?menu=History&userid=cajon%20drum>

<sup>387</sup> TonCajon.com, “History of the Cajón,” 2011, <http://tonecajon.com/?page=history>

<sup>388</sup> Embassy of Peru in Singapore, “Peruvian Music: Best Known Dances in Peru,” April–June 1997, <http://www.embassyperu.org.sg/dances.htm>

<sup>389</sup> Marietta Ulacia, “Peruvian Folklore: Revisited,” Latin American Folk Institute, 19 February 2009, [http://www.lafi.org/index.php?option=com\\_content&view=article&id=89%3Aperuvian-folklore-revisited&catid=34%3Amusic&Itemid=102&lang=en](http://www.lafi.org/index.php?option=com_content&view=article&id=89%3Aperuvian-folklore-revisited&catid=34%3Amusic&Itemid=102&lang=en)

<sup>390</sup> Dan Rosenberg, “Afro Peruvian,” 2011, [http://www.afropop.org/explore/style\\_info/ID/30/Afro%20Peruvian/](http://www.afropop.org/explore/style_info/ID/30/Afro%20Peruvian/)

<sup>391</sup> Barbès Records, “The Roots of Chicha,” n.d., <http://www.barbesrecords.com/rootsofchicha.html>

<sup>392</sup> Incas.homestead.com, “Peruvian Music: ‘La Tragedia de Juaneco’ by Juaneco y su Combo, Pacallpa,” n.d., [http://incas.homestead.com/peruvian\\_music\\_juaneco\\_combo\\_tragedia\\_de.html](http://incas.homestead.com/peruvian_music_juaneco_combo_tragedia_de.html)

<sup>393</sup> Barbès Records, “The Roots of Chicha,” n.d., <http://www.barbesrecords.com/rootsofchicha.html>

### *Nineteenth to Mid-Twentieth Century Literature*

Although Quechua has had a written script since early Spanish days, it has primarily functioned as an oral language.<sup>394</sup> As a result, the vast majority of Peruvian literature is written in the Peruvian dialect of Spanish, although Peruvian Spanish does contain a large number of Quechua loan words.<sup>395</sup>



Courtesy Wikipedia  
José María Arguedas Institute

Much of Peru's literature since the 19th century has focused on the complexities of Peruvian society—present and past. Among the better-known early works in this vein was Ricardo Palma's *Tradiciones peruanas* ("Peruvian Traditions"), a series of sketches and stories about life in colonial Peru that were published in several installments over the latter part of Palma's life (from 1872 to 1910).<sup>396</sup> One of the most controversial books of this time was *Aves sin nido* ("Birds Without a Nest"), written in 1889 by Clorinda Matto de Turner (1852–1909). The novel protested the treatment of Peru's indigenous population, castigating the actions of local priests and government officials toward the native peoples. Peruvian President Andres Avelino Caceres later credited the book for stimulating reform efforts during his administration.<sup>397</sup>

Several Peruvian writers from the mid-20th century continued to focus on the problems and inequities facing the nation's Amerindians—a genre of writing known as *indigenismo*. Ciro Alegría (1909–1967) was an APRA politician living in exile when he published three novels about the struggles of Andean indigenous villagers. The best known of these is *El Mundo es ancho y ajeno* ("Broad and Alien is the World," 1941), which was translated into several languages.<sup>398</sup> José María Arguedas (1911–1969), a trained ethnographer who was fluent in Quechua, wrote several novels centered around Peruvian Amerindian exploitation, of which *Los ríos profundos* ("Deep Rivers," 1958) is generally considered his greatest work.<sup>399</sup>

<sup>394</sup> LinguaPax.org, "Professor Alan Durston Receives SSHRC's Aurora Prize for Research on Indigenous Language," 11 February 2011, <http://www.linguapax.org/fr/nouvelles/2011/02/14/professor-alan-durston-receives-sshrc-s-aurora-prize-for-research-on-indigenous-language>

<sup>395</sup> Mark Rosenfelder, "Fun Facts to Know and Tell About Quechua," n.d., <http://www.zompist.com/quechua.html>

<sup>396</sup> *Encyclopædia Britannica Online*, "Ricardo Palma," 2011, <http://www.britannica.com/EBchecked/topic/440126/Ricardo-Palma>

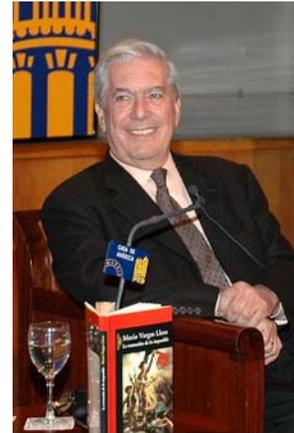
<sup>397</sup> University of Texas Press, "Birds Without a Nest: A Novel," 2011, <http://www.utexas.edu/utpress/books/matbir.html>

<sup>398</sup> Books and Writers, "Ciro Alegría (1909–1967)," 2008, <http://www.kirjasto.sci.fi/calegria.htm>

<sup>399</sup> *Encyclopædia Britannica Online*, "José María Arguedas," 2011, <http://www.britannica.com/EBchecked/topic/33981/Jose-Maria-Afrguedas>

### *Modern Peruvian Literature*

Unquestionably, Peru's most noted modern writer is Mario Vargas Llosa (1936–), who has won numerous literary awards including the 2010 Nobel Prize in Literature. His first novel, *La ciudad y los perros* ("The Time of the Hero," 1963), takes place within a corrupt military school and was instantly banned by Peru's governing military junta.<sup>400</sup> The novel drew upon Llosa's experiences at a military academy where his father sent him as a youth to instill discipline and steer him away from writing.<sup>401</sup> Other major works by the prolific Llosa include *La casa verde* ("The Green House," 1966), *Conversación en la catedral* ("Conversation in the Cathedral," 1969), *La Guerra del fin del mundo* ("The War of the End of the World," 1981), and *Lituma en los Andes* ("Death in the Andes," 1993). Over the years, Llosa's political views have shifted from socialist to right-center, and many of his novels have focused on how authoritarianism, of any political stripe, beats down those who try to resist.<sup>402</sup>



© Casa de America / flickr.com  
Mario Vargas Llosa

Among Peru's new generation of writers, Daniel Alarcón is a Peruvian-American who teaches in California and writes in English, but many of his widely acclaimed stories are set in Peru during the turbulent recent decades.<sup>403</sup> Alonso Cueto and Santiago Roncagliolo, both Lima-born novelists, also have gained recent acclaim for novels—*La hora azul* ("The Blue Hour," 2005) and *Abril rojo* ("Red April," 2006)—rooted in the violent period of the Shining Path during the 1980s and 1990s.<sup>404, 405</sup>

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<sup>400</sup> BookRags.com, "Mario Vargas Llosa Biography," in *Encyclopedia of World Biography* (Thomson Gale, 2006), <http://www.bookrags.com/biography/mario-vargas-llosa/>

<sup>401</sup> Nobelprize.org, "The Nobel Prize in Literature 2010: Mario Vargas Llosa," 2011, [http://www.nobelprize.org/nobel\\_prizes/literature/laureates/2010/vargas\\_llosa.html](http://www.nobelprize.org/nobel_prizes/literature/laureates/2010/vargas_llosa.html)

<sup>402</sup> David L. Ulin, "Critic's Notebook: Mario Vargas Llosa's Work and Life Push Boundaries," *Los Angeles Times*, 8 October 2010, <http://articles.latimes.com/2010/oct/08/entertainment/la-et-nobel-prize-20101008>

<sup>403</sup> Martha Woodroof, "'Expanding the Hyphen' in 'War by Candlelight,'" National Public Radio, 12 June 2005, <http://www.npr.org/templates/story/story.php?storyId=4700006>

<sup>404</sup> Anne Mundow, "An Innocent Immersed in Politics, Murder," 3 May 2009, [http://www.boston.com/ae/books/articles/2009/05/03/an\\_innocent\\_immersed\\_in\\_politics\\_murder/?page=2](http://www.boston.com/ae/books/articles/2009/05/03/an_innocent_immersed_in_politics_murder/?page=2)

<sup>405</sup> Simon Romero, "Out of the Darkness, a Literary Renaissance in Peru," 1 November 2006, <http://www.nytimes.com/2006/11/01/arts/01iht-perulit.html>

## Sports and Recreation

*Fútbol* (American soccer) is Peru's most popular sport. The national team has qualified for the World Cup four times (1930, 1970, 1978, 1982), with their best showing during quarterfinals in 1970. The Peruvian teams of the 1970s were anchored by midfielder Teófilo Cubillas, nicknamed *El Nene* ("The Kid") and one of Peru's greatest sports heroes. Cubillas scored five goals in both the 1970 and 1978 World Cup competitions, one of only two players in World Cup history to have accomplished this feat.<sup>406, 407</sup>

In national competition, two of the top club teams are Alianza Lima and Universitario de Deportes, whose rivalry is the oldest and most storied in the nation.<sup>408</sup>

Peru has had limited success over recent decades in most international sports competitions, but one exception has been women's volleyball.<sup>409</sup> In 1988, the Peruvian women's volleyball team won a silver medal at the Olympic Games in Seoul, one of only four medals that Peruvian athletes have ever won in Olympics competition.<sup>410</sup> Presently the women's national team is ranked 17th in the world, trailing only Brazil among South American nations.<sup>411</sup> In 2011, Peru hosted the Women's Junior (Under 20) World Championship, finishing sixth and attracting large and enthusiastic crowds for the matches held in Lima and Trujillo.<sup>412, 413</sup>

Northern Peru is one of the surfing world's meccas, and the top swell locations along the coast attract foreign and local surfers alike. Sofía Mulánovich, a Peruvian who has been one of the world's top female surfers since first winning the world title in 2004 at age 21, is the sport's leading light. She and world champion women's super featherweight boxer



© Singapore 2010 Youth Olympic Games  
Women's volleyball

<sup>406</sup> *The Hindu*, "Did You Know?" 10 June 2010, <http://www.thehindu.com/todays-paper/tp-features/tp-metroplus/article464213.ece>

<sup>407</sup> FIFA.com, "Teofilo Cubillas: The Kid Who Inspired Peru's 10s Success," 2011, <http://www.fifa.com/classicfootball/players/player=174483/index.html>

<sup>408</sup> FIFA.com, "Universitario v. Alianza Lima," 2011, <http://www.fifa.com/classicfootball/stories/classicderby/news/newsid=1080154.html>

<sup>409</sup> Tony Dunnell, "Sport in Peru," 2011, <http://goperu.about.com/od/cultureandsociety/tp/Sport-In-Peru.htm>

<sup>410</sup> DatabaseOlympics.com, "Peru," 2011, <http://www.databaseolympics.com/country/countrypage.htm?cty=PER>

<sup>411</sup> Fédération Internationale de Volleyball, "FIVB Senior World Ranking—Women," 15 January 2011, [http://goperu.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=goperu&cdn=travel&tm=248&f=20&tt=3&bt=0&bts=1&zu=http%3A/www.fivb.org/en/volleyball/VB\\_Ranking\\_W\\_2011-01.asp](http://goperu.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=goperu&cdn=travel&tm=248&f=20&tt=3&bt=0&bts=1&zu=http%3A/www.fivb.org/en/volleyball/VB_Ranking_W_2011-01.asp)

<sup>412</sup> Fédération Internationale de Volleyball, "Peru Puts on Historic Show," 2011, <http://www.fivb.org/EN/volleyball/competitions/Junior/Women/2011/>

<sup>413</sup> Fédération Internationale de Volleyball, "Match Info: Peru Impresses in Front of Home Fans," 22 July 2011, <http://www.fivb.org/EN/volleyball/competitions/Junior/Women/2011/viewMatchInfo.asp?Category=2&MatchNo=8&No=30606>

Kina “Dynamite” Malpartida, who also is a top surfer, are Peru’s most popular athletes.<sup>414, 415</sup>

Taekwondo, tennis, and motor sports also are popular in Peru. Since 1966, the Camino de los Incas road rally has been the nation’s premier auto-racing event.<sup>416</sup> In 2012, the route of the Dakar Rally will include Peru for the first time since the race was moved to South America in 2009 because of terrorism threats in the Sahara of West Africa.<sup>417</sup>

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<sup>414</sup> Lucien Chauvin, “In Peru Sports, Men Bumble, and Women Shine,” *Time*, 3 July 2009, <http://www.time.com/time/world/article/0,8599,1907069,00.html>

<sup>415</sup> WBAN, “Kina Malpartida,” 18 April 2011, <http://www.wban.org/biog/kmalpartida.htm>

<sup>416</sup> PeruThisWeek.com, “Peru’s Caminos del Inca Rally Starts,” 26 September 2011, <http://www.peruthisweek.com/news-676-Perus-Caminos-del-Inca-Rally-starts/>

<sup>417</sup> Stephanie Garlow, “Dakar Rally 2012: A Coast-to-Coast Off-Road Race,” *¿Que Pasa? (blog)*, 9 November 2011, <http://www.globalpost.com/dispatches/globalpost-blogs/que-pasa/dakar-rally-2012-coast-coast-road-race>

## Chapter 4 Assessment

1. Most indigenous peoples in the Selva region speak Quechua as a first or second language.  
**FALSE**  
In the Selva region, numerous non-Quechua languages are spoken by the indigenous peoples, the most predominant of whom are the Asháninka and Awajún.
2. Peruvian men over the age of 25 are more likely to have graduated from secondary school than Peruvian women.  
**TRUE**  
Men over the age of 25 continue to be more likely to have a secondary education than women in the same age group (76% vs. 58%).
3. The *chullo* is a type of traditional Peruvian headwear that has earflaps.  
**TRUE**  
The *chullo* is a brightly colored and knitted woolen cap with earflaps, traditionally worn by Peruvian men.
4. Quechua has been the primary language used in Peruvian literature since it was given a written script by the Spanish.  
**FALSE**  
Although Quechua has had a written script since early Spanish days, it has primarily functioned as an oral language. As a result, the vast majority of Peruvian literature is written in Peruvian Spanish.
5. Mario Vargas Llosa is the top striker on the Peruvian national *fútbol* (soccer) team.  
**FALSE**  
Peru's most noted modern writer is Mario Vargas Llosa (1936–), who has won numerous literary awards including the 2010 Nobel Prize in Literature.

## Chapter 5: Security

### Introduction

Prior to 1980, Peru was frequently governed by military rule. Though the coups that brought about such authoritarian regimes have been replaced by democratically elected civilian governments, Intelligence Chief Vladimiro Montesinos had a strong influence over Peruvian government and military actions during the Fujimori period (1990–2000) through an extensive web of bribery, coercion, co-optation, and blackmail.<sup>418, 419</sup>



© Official US Navy Imagery / flickr.com  
Peruvian special forces

Although such actions were somewhat tolerated during the government's campaign to neutralize the Marxist guerrilla group Shining Path (*Sendero Luminoso*), the political climate in Peru has changed, and today the modern terrorist organization has shed much of its Marxist militancy in favor of using revenues from its drug operations to finance attacks on Peruvian security forces, police, and civilian targets. In an effort to celebrate the 80th anniversary of the Communist Party in Peru, the group killed about 14 Peruvian soldiers and 7 civilians in a highlands ambush 9 October 2011.<sup>420, 421</sup>

Violent protests also have erupted over the exploration for oil and natural gas in the Amazon, which has been the focus of other security concerns.<sup>422</sup>

### U.S.-Peruvian Relations

The United States and Peru have strong bilateral relations that have persisted since the fall of the Fujimori regime in 2001.<sup>423</sup> Economically, the two nations are linked by extensive trade and investment ties. The United States is Peru's leading trade partner, and American companies are the largest source of foreign direct investment in Peru.<sup>424</sup> The two nations signed a trade promotion agreement in 2006 (ratified by the U.S. Congress in

<sup>418</sup> Catherine M. Conaghan, "Ch. 10. Fujimori Falling," in *Fujimori's Peru: Deception in the Public Sphere* (Pittsburgh: University of Pittsburgh Press, 2005), 222–223.

<sup>419</sup> Enrique Obando, "Ch. 11. Civil-Military Relations in Peru, 1980–1996: How to Control and Coopt the Military (and the Consequences of Doing So)," in *Shining and Other Paths: War and Society in Peru, 1980–1995*, ed. Steve L. Stern (Durham: Duke University Press, 1998), 395.

<sup>420</sup> Vanda Felbab-Brown, "Ch. 3. Peru: The Coca Path," in *Shooting Up: Counterinsurgency and the War on Drugs* (Washington, DC: Brookings Institution, 2010), 35.

<sup>421</sup> Frank Hyland, "Peru's Sendero Luminoso: From Maoism to Narco-Terrorism," *Terrorism Monitor* (Jamestown Foundation) 6, no. 23 (December 2008),

[http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=34237](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34237)

<sup>422</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru," 9 November 2011, 3, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>423</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru," 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>424</sup> Central Reserve Bank of Peru, "Annual Report 2010," 2011, 63, 83, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

2007 and put into effect in 2009) that permanently removed most tariffs on trade items.<sup>425, 426</sup>

Leading up to and in the immediate aftermath of the election of President Ollanta Humala in 2011, there was speculation in foreign policy circles and the press about how Lima-Washington relations might be affected.<sup>427, 428</sup> Much of this discussion

was fueled by memories of Humala's 2006 presidential election campaign, when he aligned with Venezuela's populist leftist President Hugo Chávez, whose relations with the U.S. were extremely strained.<sup>429</sup> But the 2011 Humala campaign was noticeably more moderate in tone, and Humala frequently noted his intention to follow a Brazilian model, not a Venezuelan one, in terms of limiting state intervention in the private sector and providing a greater emphasis on social inclusion. Humala met twice with U.S. President Barack Obama during the latter half of 2011, and the two leaders have reiterated their continuing commitment to strong bilateral relations.<sup>430</sup>



© Presidencia Peru / flickr.com  
Presidents Humala and Obama

The U.S. government has worked closely with its Peruvian counterparts on cocaine eradication/interdiction and development assistance for coca farmers to grow alternative crops such as coffee and cacao.<sup>431</sup> Despite such efforts, cocaine production in Peru has been increasing, and the nation has recently surpassed Colombia as the world's largest source of cocaine (a finding disputed by the Peruvian government).<sup>432</sup> In August 2011, Peru announced it was temporarily suspending its coca-eradication program while it analyzed its anti-drug policy.<sup>433</sup>

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<sup>425</sup> Foreign Agricultural Service, U.S. Department of Agriculture, "Fact Sheet: U.S.-Peru Trade Promotion Agreement," 30 September 2009, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>426</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Peru," 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

<sup>427</sup> *Chicago Tribune*, "Peru Looks Left," 7 June 2011, [http://articles.chicagotribune.com/2011-06-07/news/ct-edit-peru-20110607\\_1\\_ollanta-humala-free-trade-peruvians](http://articles.chicagotribune.com/2011-06-07/news/ct-edit-peru-20110607_1_ollanta-humala-free-trade-peruvians)

<sup>428</sup> Tim Padgett, "Latin America's Race to the Middle: Has Humala Renounced Chávez?" *Time*, 7 June 2011, <http://globalspin.blogs.time.com/2011/06/07/latin-americas-race-to-the-middle-has-humala-renounced-chavez/>

<sup>429</sup> *BBC News*, "Profile: Hugo Chavez," 29 September 2011, <http://www.bbc.co.uk/news/world-latin-america-10086210>

<sup>430</sup> Scoop World Independent News, "Press Release: President's Meeting With President Ollanta Humala of Peru," 13 November 2011, <http://www.scoop.co.nz/stories/WO1111/S00410/apec-summit-2011-obamas-meeting-with-president-humala.htm>

<sup>431</sup> Maureen Taft-Morales, "Peru: Current Conditions and U.S. Relations," Congressional Research Service, Library of Congress, 21 July 2009, <http://www.fas.org/sgp/crs/row/R40716.pdf>

<sup>432</sup> *Latin American Herald Tribune*, "2,500 Peruvian Coca Growers Protest Eradication Campaign," 25 November 2011, <http://laht.com/article.asp?CategoryId=14095&ArticleId=364458>

<sup>433</sup> Adrian Leon and Chris Kraul, "Peru Suspends Coca Eradication Program," *Los Angeles Times*, 18 August 2011, <http://articles.latimes.com/2011/aug/18/world/la-fg-peru-cocaine-20110818>

## Relations with Neighboring Countries

### *Colombia*

Peru's border with Colombia lies entirely in the Amazonian Basin, with all but a short stretch of it defined by the Putumayo River. The portion of the border not defined by the Putumayo River, in the far northeastern corner of Peru, was the site of a low-level war between the two countries in 1932–33 that eventually was mediated by the League of Nations.<sup>434</sup> Since then, the two nations have had no border conflicts.



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Policing drug trafficking

A common concern of both nations is drug trafficking. For many years, Peruvian growers primarily exported coca leaf to labs in Colombia, where it was processed into cocaine and then marketed by Colombian drug cartels. Because Peru increasingly is becoming a processor of cocaine, supported by Mexican cartels, cross-border coca-leaf traffic between Peru and Colombia continues to be a concern.<sup>435, 436, 437</sup> This drug trade also is a source of profit for guerrilla/terrorist groups operating in each country: Revolutionary Armed Forces of Colombia (known by the Spanish acronym FARC) in Colombia and the Shining Path (*Sendero Luminoso*) in Peru.<sup>438</sup> The U.S. State Department has warned that the entire Peru-Colombia border region is “very dangerous” because of narcotics trafficking and the presence of Colombian guerrilla groups.<sup>439</sup>

<sup>434</sup> OnWar.com, “Armed Conflict Events Data: Leticia War 1932–33,” 13 October 2003, <http://www.onwar.com/aced/nation/cat/colombia/fleticiawar1932.htm>

<sup>435</sup> Leslie Josephs and Robert Kozak, “Peru Battles Thriving Drug Trade,” *Wall Street Journal*, 22 September 2009, <http://online.wsj.com/article/SB125357939934829617.html>

<sup>436</sup> Jeanna Cullinan, “Peru, Colombia Plan Joint Coca Eradication Op,” *In Sight*, 16 November 2011, <http://insightcrime.org/criminal-groups/colombia/ofinica-de-envigado/item/1857-peru-colombia-plan-joint-coca-eradication-op>

<sup>437</sup> Travel.State.Gov, Bureau of Consular Affairs, U.S. Department of State, “Peru: Country Specific Information,” 15 November 2011, [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_998.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_998.html)

<sup>438</sup> Colombia Reports, “Peruvian Guerrillas Can ‘Count on’ FARC Support,” 20 April 2009, <http://colombiareports.com/colombia-news/news/3678-peruvian-guerrillas-can-count-on-farc-support.html>

<sup>439</sup> Bureau of Western Hemisphere Affairs, U.S. Department of State, “Background Note: Peru,” 9 November 2011, <http://www.state.gov/r/pa/ei/bgn/35762.htm>

## Ecuador

Although Peru and Ecuador fought a brief border war in 1995 that ended in a settlement in 1998, recent relations have been mostly non-contentious.<sup>440, 441</sup> An agreement confirming the maritime border between Peru and Ecuador was negotiated successfully in May 2011, leaving no remaining land or maritime territorial issues between the two nations.<sup>442</sup>



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Peru-Ecuador border

Peru and Ecuador enjoy generally good relations today, although for several years they have been on opposite sides of an economic/political divide between a left-leaning, socially oriented Latin American trade bloc known as the Bolivarian Alliance for the Americas (ALBA) and the U.S.-supported Free Trade Area of the Americas. Since taking office in 2007, Ecuador's President Rafael Correa has aligned his country with ALBA, which was launched by Venezuela's President Hugo Chávez in 2004.<sup>443</sup> Yet Peru has generally viewed ALBA with suspicion and has accused Venezuela of meddling in Peruvian internal affairs by sponsoring ALBA centers throughout Peru that offer free medical services to the poor.<sup>444, 445</sup> Speculation has persisted since the election of Peruvian President Ollanta Humala in 2011 as to whether he might establish ties with ALBA.<sup>446</sup> But his early political appointments seem to signal that he does not intend to depart from Peru's current free-market system.<sup>447</sup>

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<sup>440</sup> *Andean Air Mail & Peruvian Times*, "President Correa: Relations With Peru Are 'Going Extremely Well,'" 11 June 2010, <http://www.peruviantimes.com/11/president-correa-relations-with-peru-are-going-extremely-well/6428/>

<sup>441</sup> *BBC News*, "World: Americas Peru and Ecuador Sign Border Treaty," 27 October 1998, <http://news.bbc.co.uk/2/hi/americas/201442.stm>

<sup>442</sup> MENAS Borders, "Ecuador and Peru Settle Maritime Boundary," 9 May 2011, <http://menasborders.blogspot.com/2011/05/ecuador-and-peru-settle-maritime.html>

<sup>443</sup> Mark P. Sullivan, "Venezuela: Issues for Congress," Congressional Research Service, Library of Congress, 27 June 2011, <http://www.fas.org/sgp/crs/row/R40938.pdf>

<sup>444</sup> *Andean Air Mail & Peruvian Times*, "Venezuela Has No Ties to ALBA Houses in Peru, Ambassador Says," 11 March 2009, <http://www.peruviantimes.com/11/venezuela-has-no-ties-to-alba-houses-in-peru-ambassador-says/2091/>

<sup>445</sup> Ryan Dube, "Congress Approves Investigation of ALBA Cultural Centers," *Andean Air Mail & Peruvian Times*, 12 March 2008, <http://www.peruviantimes.com/12/congress-approves-investigation-of-alba-cultural-centers/241/>

<sup>446</sup> Rory Carroll, "Leftwinger Ollanta Humala's Narrow Win in Peru Unnerves Markets," *Guardian*, 6 June 2011, <http://www.guardian.co.uk/world/2011/jun/06/leftwinger-narrow-win-peru-markets>

<sup>447</sup> Jim Wyss, "Humala Calls for New Social Programs after Taking Presidential Oath," *Miami Herald*, 29 July 2011, <http://www.miamiherald.com/2011/07/29/2335696/humala-calls-for-new-social-programs.html> [retrieved 28 November 2011]

## Chile

Diplomatic relations between Peru and Chile have frequently been rocky, dating to the War of the Pacific (1879–1881), in which Chile took possession of Peru’s southern coastal region that became the Chilean regions of Tarapacá and Arica y Parinacota.<sup>448</sup> The two nations continue to disagree about their maritime border, an issue that caused Peru to apply in 2008 for arbitration by the International Court of Justice (ICJ). Oral arguments on the issue, which concerns tens of thousands of kilometers of rich fishing waters, are to begin in 2012, and a ruling is not expected until 2013.<sup>449, 450</sup>



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Peru-Chili border

Despite the border issue, Peru and Chile are economically linked through the large amount of Chilean foreign investment in Peruvian businesses, much of it in the sectors of services, mining, and energy. Chile is by far the largest South American investor in Peru, with only the United States, Canada, and Spain having larger Peruvian investments.<sup>451</sup> Peru and Chile also have a free-trade agreement that has been in effect since 2009.<sup>452</sup>

Roughly 90,000 Peruvians are estimated to reside in the democratically and economically stable nation of Chile, which has become a magnet for Peruvian workers in recent years.<sup>453, 454</sup> Many of these Peruvian expatriates are women, who are in high demand as domestic workers and nannies in Chile.<sup>455</sup> Between 2002 and 2009, legal immigration into Chile increased by 91%, and many additional immigrants have entered Chile illegally.<sup>456</sup> As often happens when demographics change quickly, the immigration boom in Chile has unleashed some xenophobia and racism among segments of the Chilean

<sup>448</sup> *Andean Air Mail & Peruvian Times*, “Peru-Chile Trade Pact to Take Effect March 1st,” 23 February 2009, <http://www.peruviantimes.com/23/peru-chile-trade-pact-to-take-effect-march-1st/1815/>

<sup>449</sup> Carolina Leseigneur, “Discussion on Chile-Peru Maritime Agreement to Start in February 2012,” 8 November 2011, <http://iloveperunews.com/?p=814>

<sup>450</sup> Americas Quarterly, “Peru and Ecuador Agree to Maritime Border,” 4 May 2011, <http://www.americasquarterly.org/node/2497>

<sup>451</sup> Central Reserve Bank of Peru, “Annual Report 2010,” 2011, 82–83, <http://www.bcrp.gob.pe/eng-docs/Publications/Annual-Reports/2010/Annual-Report-BCRP-2010.pdf>

<sup>452</sup> *Andean Air Mail & Peruvian Times*, “Peru-Chile Trade Pact to Take Effect March 1st,” 23 February 2009, <http://www.peruviantimes.com/23/peru-chile-trade-pact-to-take-effect-march-1st/1815/>

<sup>453</sup> Ivan Ebergenyi, “Humala’s Victory in Peru Seen from Neighbouring but Distant Chile,” *Santiago Times*, 8 June 2011, <http://en.mercopress.com/2011/06/08/humala-s-victory-in-peru-seen-from-neighbouring-but-distant-chile>

<sup>454</sup> Lucy McDonald-Stewart, “Chile Has Fastest Growing Immigrant Population in South America,” *Santiago Times*, 26 May 2009, <http://en.mercopress.com/2009/05/25/chile-has-fastest-growing-immigrant-population-in-south-america>

<sup>455</sup> Pascale Bonnefoy, “A Love Affair with Peruvian Nannies,” *Global Post*, 27 March 2009, <http://www.globalpost.com/dispatch/chile/090326/love-affair-peruvian-nannies?page=full>

<sup>456</sup> Pascale Bonnefoy, “Chile’s Changing Demographics,” *Global Post*, 28 January 2011, <http://www.globalpost.com/dispatch/chile/110127/chile-immigration-demographics-peruvians-bolivians?page=0.0>

population.<sup>457</sup> Responding to this situation, Peruvian presidential candidate Humala raised concerns during the presidential campaign of 2011 about the treatment of Peruvians living and working in Chile.<sup>458</sup>

### *Bolivia*

Peru and Bolivia united in a confederation from 1836 to 1839 that was ultimately dissolved after a Chilean military invasion.<sup>459</sup> The two countries fought against Chile 40 years later in the War of the Pacific, a conflict that left Peru with a truncated southern coast and Bolivia with no coast.



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Peru-Bolivia border

In 2010, Peru and Bolivia signed a renewable, 99-year agreement allowing Bolivia access to a 4.8-km (3-mi) coastal strip south of the southern Peruvian port city of Ilo, for use as a Bolivian port and naval base.<sup>460, 461</sup> The agreement signaled a major thaw in Peruvian-Bolivian relations, which had deteriorated for several years.<sup>462, 463</sup>

Bolivia's President Morales is a strong ally of Venezuelan President Hugo Chávez, and Bolivia has been a member of ALBA since 2006. Although differing trade and development philosophies during Peru's García administration were symptomatic of the overall general strain in relations between Peru and Bolivia, the social and economic agenda of Peru's President Humala seems to mesh more closely with that of Bolivia's Morales administration. During a visit to La Paz in June 2011, President Humala emphasized the importance of economic and cultural ties between the two countries and broached the topic of a reunification.<sup>464</sup>

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<sup>457</sup> Pascale Bonnefoy, "Chile's Changing Demographics," *Global Post*, 28 January 2011, <http://www.globalpost.com/dispatch/chile/110127/chile-immigration-demographics-peruvians-bolivians?page=0.0>

<sup>458</sup> Jorge Riveros-Cayo, "Chile President Piñera Says Humala's Triumph Could 'Radically Change' Bilateral Relations," 2 April 2011, <http://archive.livinginperu.com/news/14559>

<sup>459</sup> *Encyclopædia Britannica Online*, "Peruvian-Bolivian Confederation," 2011,

<http://www.britannica.com/EBchecked/topic/453313/Peruvian-Bolivian-Confederation>

<sup>460</sup> Kayla Ruble, "Bolivian Navy to Have Access to the Pacific for the First Time in 130 Years," *Santiago Times*, 23 October 2010, <http://en.mercopress.com/2010/10/23/bolivian-navy-to-have-access-to-the-pacific-for-the-first-time-in-130-years>

<sup>461</sup> Reuters, "Peru and Bolivia, in New Relationship With Maritime Pact," *Diálogo* (U.S. Southern Command), 21 October 2010, [http://www.dialogo-americas.com/en\\_GB/articles/rmisa/features/regional\\_news/2010/10/21/feature-02](http://www.dialogo-americas.com/en_GB/articles/rmisa/features/regional_news/2010/10/21/feature-02)

<sup>462</sup> Dan Collins, "Bolivian Leader 'Enemy of Peru,'" *BBC News*, 17 June 2009, <http://news.bbc.co.uk/2/hi/americas/8106248.stm>

<sup>463</sup> Reuters, "Peru and Bolivia, in New Relationship With Maritime Pact," *Diálogo* (U.S. Southern Command), 21 October 2010, [http://www.dialogo-americas.com/en\\_GB/articles/rmisa/features/regional\\_news/2010/10/21/feature-02](http://www.dialogo-americas.com/en_GB/articles/rmisa/features/regional_news/2010/10/21/feature-02)

<sup>464</sup> Merco Press, "Humala Invites Morales to Consider the Re-unification of Peru and Bolivia," 22 June 2011, <http://en.mercopress.com/2011/06/22/humala-invites-morales-to-consider-the-re-unification-of-peru-and-bolivia>

## Brazil

For much of their early history, Peru and Brazil were nations looking in opposite directions. Brazil's population centers were on its Atlantic coast, Peru's on the Pacific, and between them lay thousands of square miles of dense rainforest and the imposing peaks of the Andes. Only a brief rubber boom from the 1880s to the early 1900s caused either country to significantly focus on their Amazonian hinterlands, until the second half of the 20th century. Brazil's construction of an interior capital at Brasília in the late 1950s signaled a westward expansion into the Amazon region, intensified by the construction of the Trans-Amazon Highway in the 1970s.<sup>465</sup> Peru's eastward push into the Amazon began around the same time, driven by migration from the Andes supported by new highway construction.<sup>466</sup>



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Brazil-Peru border

Somewhat inevitably, Peru and Brazil began to see each other as neighbors who shared a large backyard, not just two nations on part of the same continent. As Brazil's economy began to boom and trade increased with Asian markets (particularly China), Peru and Brazil stepped up efforts to build economic and infrastructure linkages. Peru's free-trade agreements with China, the United States, Singapore, and most recently South Korea have additionally enticed Brazil.<sup>467, 468</sup> Accordingly, high-level governmental meetings between the two countries have dramatically increased during the last decade.<sup>469</sup> Trade revenue between the two countries has increased 700% in 6 years, and investment by Brazilian companies in Peru has averaged an annual growth rate of 30% since 2005.<sup>470, 471</sup>

The nearly completed USD 2.75-billion Interoceanic Highway, the first paved road connecting Brazilian Atlantic ports with Peruvian Pacific ports, is expected to further boost trade as well as drug trafficking between the two nations. The transcontinental

<sup>465</sup> Maxine L. Margolis, Maria Enedina Bezerra, and Jason M. Fox, "Countries and Their Cultures: Brazil: Location and Geography," Everyculture, 2011, <http://www.everyculture.com/Bo-Co/Brazil.html>

<sup>466</sup> Paul L. Doughty, "Chapter 2: The Society and Its Environment: Human Settlement and Population Through Time: Demography of Growth, Migration, and Work: Lima and the Patterns of Migration," in *Peru: A Country Study*, ed. Rex A. Hudson (Washington, DC: Federal Research Division, Library of Congress, 1993), 87, <http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field%28DOCID+pe0052%29>

<sup>467</sup> John Basil Rathbone, "Foreign Relations: Brazilian Influence Grows Even Stronger," *Financial Times*, 20 September 2011, <http://www.ft.com/intl/cms/s/0/fbdfd5c0-dafd-11e0-bbf4-00144feabdc0.html#axzz1fJsOvjxA>

<sup>468</sup> Organization of American States, Foreign Trade Information System, "Information on Peru: Trade Agreements in Force," 2011, [http://www.sice.oas.org/ctyindex/PER/PERAgreements\\_e.asp](http://www.sice.oas.org/ctyindex/PER/PERAgreements_e.asp)

<sup>469</sup> John Basil Rathbone, "Foreign Relations: Brazilian Influence Grows Even Stronger," *Financial Times*, 20 September 2011, <http://www.ft.com/intl/cms/s/0/fbdfd5c0-dafd-11e0-bbf4-00144feabdc0.html#axzz1fJsOvjxA>

<sup>470</sup> PeruThisWeek.com, "Brazilian Investments in Peru Grow 30Pct Annually," 2 August 2011, <http://www.peruthisweek.com/news-267-Brazilian-investments-in-Peru-grow-30pct-annually/>

<sup>471</sup> John Basil Rathbone, "Foreign Relations: Brazilian Influence Grows Even Stronger," *Financial Times*, 20 September 2011, <http://www.ft.com/intl/cms/s/0/fbdfd5c0-dafd-11e0-bbf4-00144feabdc0.html#axzz1fJsOvjxA>

highway also may lead to largely uncontrolled development and small-scale mining in the environmentally sensitive Amazonian region.<sup>472, 473, 474</sup>

## Military

Peru has 115,000 active members in its armed forces, divided into army (74,000), navy (24,000), and air force (17,000). Another 77,000 individuals serve in the national police force.<sup>475</sup> The military has a long history of intervening in Peruvian politics, although no active military leader has headed the government since 1980.<sup>476</sup> (Current President Ollanta Humala is a retired lieutenant colonel in the Peruvian Army who served until 2005.)<sup>477</sup> Peru has no real imminent external threats at present, but the lingering maritime border dispute with Chile, now in arbitration at the International Court of Justice, continues to fuel tension.<sup>478</sup>



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Military parade in Cusco

Peru's military and police continue to be deployed on counterterrorism and counternarcotics missions in the central and southern highlands, where the Shining Path (*Sendero Luminoso*) still maintains a presence in "areas critical to the country's oil, natural gas, and mining sectors."<sup>479, 480</sup> Many Peruvian military counterinsurgency bases are located in this area near a pipeline carrying natural gas from the fields east of the Andes to processing facilities on the Pacific coast.<sup>481</sup> One river-patrol unit also operates in the northern part of

<sup>472</sup> Steven Bodzin, "Peru's New Highway to the Future," *Christian Science Monitor*, 25 June 2011, <http://www.csmonitor.com/World/Americas/2011/0625/Peru-s-new-highway-to-the-future>

<sup>473</sup> Michael Robinson Chavez and Patrick J. McDonnell, "Peruvians Brace as Superhighway Unfolds," *Los Angeles Times*, 31 October 2010, <http://articles.latimes.com/2010/oct/31/world/la-fg-peru-road-20101031>

<sup>474</sup> John Basil Rathbone, "Foreign Relations: Brazilian Influence Grows Even Stronger," *Financial Times*, 20 September 2011, <http://www.ft.com/intl/cms/s/0/fbdfd5c0-dafd-11e0-bbf4-00144feabdc0.html#axzz1fJsOvjxA>

<sup>475</sup> International Institute for Strategic Studies, "Chapter 8. Latin America and the Caribbean," in *The Military Balance 2011* (London, UK: Routledge, 2011), 384.

<sup>476</sup> WorldStatesman.org, "Peru," 2011, [www.worldstatesman.org/Peru.htm](http://www.worldstatesman.org/Peru.htm)

<sup>477</sup> Lucien Chauvin, "The Military Man Who May Win Peru's Election," *Time*, 4 June 2011, <http://www.time.com/time/world/article/0,8599,2075772,00.html>

<sup>478</sup> Ángel Páez, "Peru: Calling for Reduced Military Spending While Boosting Arms Purchases," Inter Press Service, 7 March 2011, <http://ipsnews.net/news.asp?idnews=54744>

<sup>479</sup> Maiah Jaskoski, "Army For Rent, Terms Negotiable," *Berkeley Review of Latin American Affairs*, Spring 2009, <http://clas.berkeley.edu/Publications/Review/Spring2009/pdf/BRLAS-Spring2009-Jaskoski.pdf>

<sup>480</sup> Office of the Coordinator for Counterterrorism, U.S. Department of State, "Chapter 2. Country Reports: Western Hemisphere Overview," *Country Reports on Terrorism 2010*, 18 August 2011, <http://www.state.gov/s/ct/rls/crt/2010/170259.htm>

<sup>481</sup> Maiah Jaskoski, "Army For Rent, Terms Negotiable," *Berkeley Review of Latin American Affairs*, Spring 2009, <http://clas.berkeley.edu/Publications/Review/Spring2009/pdf/BRLAS-Spring2009-Jaskoski.pdf>

the country near the Colombian and Brazilian borders, where the Revolutionary Armed Forces of Colombia (FARC) and drug traffickers operate.<sup>482</sup>

The national police has for several years suffered a reputation for corruption, a problem that even top-level government officials have acknowledged needs to be addressed.<sup>483</sup> One of President Humala's early actions after taking office in 2011 was to fire 30 of the 45 generals in the national police force, including its director.<sup>484, 485</sup>

### Terrorist Groups and Activities

The Shining Path (*Sendero Luminoso*) is a guerrilla organization on the U.S. Government's list of Foreign Terrorist Organizations that continues activity in Peru's remote Sierra region, although it no longer threatens the stability of the government as it did in the late 1980s and early 1990s. One faction of the terrorist group operates out of the Upper Huallaga River Valley (UHV), and the other remains active in the Apurímac and Ené River Valley (VRAE). Estimates of the Shining Path's current size vary from 300 to 500 armed militants.<sup>486</sup> Taking a page from FARC, the long-lived guerrilla organization in Colombia, both factions of the Shining Path have profited from the local narcotics trade in the regions where they are active.<sup>487, 488</sup>



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Memorial for terror victims

The Peruvian counterterrorism forces have had their greatest successes in recent years against the UHV contingent of the Shining Path. Several of the faction's leadership have been captured in recent years, including UHV's top commander, Florindo Eleuterio Flores-Hala (a.k.a. "Artemio"), in February 2012.<sup>489</sup> Artemio's leadership counterpart in the VRAE region, Victor Quispe

<sup>482</sup> Agence France-Presse, "Colombian, Peruvian, and Brazilian Military Personnel in Joint Operation on Border," 29 November 2010, [http://www.dialogo-americas.com/en\\_GB/articles/rmisa/features/around\\_the\\_world/2010/11/29/feature-12](http://www.dialogo-americas.com/en_GB/articles/rmisa/features/around_the_world/2010/11/29/feature-12)

<sup>483</sup> Israel Ruiz, "Peru Minister to Battle Police Corruption by Reorganizing Entire Force," LivinginPeru.com, 23 February 2009, <http://archive.livinginperu.com/news/8362>

<sup>484</sup> Simon Romero, "Peru Leader Ousts 30 Police Generals in Anti-Corruption Drive," *New York Times*, 10 October 2011, <http://www.nytimes.com/2011/10/11/world/americas/peru-leader-ousts-30-police-generals.html>

<sup>485</sup> Dan Collins, "Peru President Replaces Senior Police Officers in 'Anti-Corruption Purge,'" *Guardian*, 11 October 2011, <http://www.guardian.co.uk/world/2011/oct/11/peru-president-police-officers-purge>

<sup>486</sup> Office of the Coordinator for Counterterrorism, U.S. Department of State, "Chapter 6. Foreign Terrorist Organizations," *Country Reports on Terrorism 2010*, 18 August 2011, <http://www.state.gov/s/ct/rls/crt/2010/170264.htm>

<sup>487</sup> Simon Romero, "Cocaine Trade Helps Rebels Reignite War in Peru," *New York Times*, 18 March 2009, [http://query.nytimes.com/gst/fullpage.html?res=9406E5DE1239F93BA25750C0A96F9C8B63&ref=shinin\\_gpath](http://query.nytimes.com/gst/fullpage.html?res=9406E5DE1239F93BA25750C0A96F9C8B63&ref=shinin_gpath)

<sup>488</sup> Jeremy McDermott, "Peru's Shining Path Expand Reach, Ties to Drug Trafficking," *In Sight*, 8 February 2011, <http://insightcrime.org/insight-latest-news/item/539-shining-path-expand-reach-and-ties-to-drug-trafficking>

<sup>489</sup> Associated Press, "Analysts: Capture of Peru Rebel Won't Dent Thriving Drug Trade," *Washington Post*, 13 February 2012, [http://www.washingtonpost.com/world/americas/analysts-capture-of-peru-rebel-wont-dent-thriving-drug-trade/2012/02/13/gIQAtt83BR\\_story.html](http://www.washingtonpost.com/world/americas/analysts-capture-of-peru-rebel-wont-dent-thriving-drug-trade/2012/02/13/gIQAtt83BR_story.html)

Palomino (a.k.a. “José”), remains on the U.S. State Department’s Narcotics Rewards Program list, which offers up to USD 5 million for the arrest and/or conviction of narcotics traffickers operating outside the U.S. who are involved in U.S.-destined drug trade.<sup>490, 491</sup>

In northern Peru, in remote areas near the Colombian border, the Revolutionary Armed Forces of Colombia (FARC) operates bases used for regrouping and weapons purchases. Peruvian official also believe that they are involved in local coca cultivation and cocaine production.<sup>492</sup>

Another well known Marxist-revolutionary group in Peru, the Túpac Amaru Revolutionary Movement (*Movimiento Revolucionario Túpac Amaru*, or MRTA) has been inactive since a high-profile hostage-taking at the Japanese ambassador’s Lima residence in December 1996. All 18 of the MRTA hostage takers were killed in a subsequent Peruvian Armed Forces raid more than four months later that freed 71 of the 72 hostages. (One hostage died in the raid).<sup>493</sup>

## Other Issues Affecting Stability

### *Mining Project Protests*

During 2009, the small town of Bagua in the northern Amazon jungle was the scene of indigenous protests over governmental leasing of tribal lands to international companies for the exploration of oil and natural gas, which ended with the deaths of between 30 and more than 100 indigenous people and police. Of the estimated 22 police officers who died in the violence, 7 were killed with spears.<sup>494</sup> The protesters argued that the exploration for natural resources damages the environment and does not substantially benefit local villagers, who have not been consulted about the government’s decision to lease their land.<sup>495, 496</sup>



© powless / flickr.com  
Deadly protest in Bagua

<sup>490</sup> Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State, “Narcotics Rewards Program,” 2011, <http://www.state.gov/p/inl/narc/rewards/index.htm>

<sup>491</sup> Office of the Coordinator for Counterterrorism, U.S. Department of State, “Chapter 6. Foreign Terrorist Organizations,” *Country Reports on Terrorism 2010*, 18 August 2011, <http://www.state.gov/s/ct/rls/crt/2010/170264.htm>

<sup>492</sup> Office of the Coordinator for Counterterrorism, U.S. Department of State, “Chapter 6. Foreign Terrorist Organizations,” *Country Reports on Terrorism 2010*, 18 August 2011, <http://www.state.gov/s/ct/rls/crt/2010/170264.htm>

<sup>493</sup> Center for Defense Information, “In the Spotlight: Tupac Amaru Revolutionary Movement (MRTA),” 18 November 2003, [http://www.cdi.org/program/document.cfm?documentid=1859&programID=39&from\\_page=../friendlyversion/printversion.cfm](http://www.cdi.org/program/document.cfm?documentid=1859&programID=39&from_page=../friendlyversion/printversion.cfm)

<sup>494</sup> Associated Press, “Nine More Police Killed in Amazon Protests,” 7 June 2009, <http://www.independent.co.uk/news/world/americas/nine-more-police-killed-in-amazon-protests-1698891.html>

<sup>495</sup> Maureen Taft-Morales, “Peru: Current Conditions and U.S. Relations,” Congressional Research Service, Library of Congress, 21 July 2009, 3, <http://www.fas.org/sgp/crs/row/R40716.pdf>

The deadly Amazon protests resulted in a political crisis for the administration of Peruvian President Alan García. The issue further escalated when Bolivian President Evo Morales (of indigenous descent) accused García's administration of "genocide" in its handling of the protests, causing Lima to recall their ambassador from Bolivia for 45 days.<sup>497</sup>

After Ollanta Humala was elected president in 2011, a new Prior Consultation law was passed that addressed the concerns of indigenous groups who wanted to be involved in government decisions about the extraction of natural resources on their lands. In a conciliatory gesture, Peru's President Humala signed the legislation into law at a ceremony in Bagua.<sup>498</sup> But 2 months later, new protests broke out in the Cajamarca region, where a new copper-gold mine is being developed, leading President Humala to call a state of emergency.<sup>499, 500</sup> The protests highlight the balancing act that the government faces in trying to weigh the concerns of the local communities most affected by large-scale resource-extraction projects with the need to ensure a stable investment climate to sustain economic growth.<sup>501</sup>

### *Coca Cultivation and Cocaine Trafficking*

The coca plant has long been grown in the Andes—legally in some areas for use as dried leaves to be sucked, as well as for tea, food additives, or medicinal purposes.<sup>502, 503</sup> The U.S. State Department estimates that 93% of the coca in Peru is illegally grown for use in producing cocaine and other derivatives.<sup>504</sup>

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<sup>496</sup> Associated Press, "Nine More Police Killed in Amazon Protests," 7 June 2009, <http://www.independent.co.uk/news/world/americas/nine-more-police-killed-in-amazon-protests-1698891.html>

<sup>497</sup> Maureen Taft-Morales, "Peru: Current Conditions and U.S. Relations," Congressional Research Service, Library of Congress, 21 July 2009, 4, <http://www.fas.org/sgp/crs/row/R40716.pdf>

<sup>498</sup> *Andean Air Mail & Peruvian Times*, "Humala Signs Prior Consultation Law During Jungle Ceremony," 7 September 2011, <http://www.peruviantimes.com/07/humala-signs-prior-consultation-law-during-jungle-ceremony/13617/>

<sup>499</sup> Newmont Mining Corporation, "Conga: Overview," 2011, [http://www.newmont.com/sites/default/files/u87/Conga\\_FactSheet.pdf](http://www.newmont.com/sites/default/files/u87/Conga_FactSheet.pdf)

<sup>500</sup> Frank Bajak, "Peru Protest Leaders Decry Siege," Associated Press, 5 December 2011, <http://news.yahoo.com/peru-protest-leaders-decry-siege-204125410.html>

<sup>501</sup> John Quigley and Andrea Jaramillo, "Humala Replaces 10 Ministers After Mine Protests Shake Peru," Bloomberg.com, 12 December 2011, <http://www.bloomberg.com/news/2011-12-11/humala-cabinet-chief-unexpectedly-quits-following-peru-protests.html>

<sup>502</sup> Although native coca users are frequently described as "chewing" the leaves, "sucking" is actually a better description of the process. Paul Gootenberg, "Ch. 1. Imagining Coca, Discovering Cocaine, 1850–1890," in *Andean Cocaine: The Making of a Global Drug* (Chapel Hill: University of North Carolina Press, 2009), 16. [http://www.amazon.com/Andean-Cocaine-Making-Global-Drug/dp/0807859052#reader\\_0807859052](http://www.amazon.com/Andean-Cocaine-Making-Global-Drug/dp/0807859052#reader_0807859052)

<sup>503</sup> *Andean Air Mail & Peruvian Times*, "Peru's Coca Growing Areas Increase for 4th Consecutive Year, UN Reports," 3 March 2011, <http://www.peruviantimes.com/03/peru%E2%80%99s-coca-growing-areas-increase-for-4th-consecutive-year-un-reports/11113/>

<sup>504</sup> Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State, "2011 International Narcotics Control Strategy Report: Country Reports—Moldova through Singapore," 3 March 2011, <http://www.state.gov/p/inl/rls/nrcrpt/2011/vol1/156362.htm#peru>

Peru's status as the world's leading source of coca leaves declined during the 1990s because of eradication efforts in Peru and neighboring Bolivia, which led to much of the cultivation shifting north to Colombia.<sup>505</sup> Beginning in the 2000s, new eradication efforts in Colombia caused a sharp drop in coca production in that country, matched by a gradual but steady increase in coca cultivation in Peru and Bolivia. This shifting pattern has been described by drug trade experts as the "balloon effect," similar to how a balloon squeezed in one direction will expand in another.<sup>506</sup>



© Kristian Golding / flickr.com  
Peruvian coca leaf dealer

Traditionally, much of the environmentally destructive processing of cocaine—involving sulfuric acid, kerosene, ether, and other chemicals that can cause environmental damage—was done in Colombia.<sup>507</sup> Increasingly, much of Peru's illegal coca is processed into cocaine locally rather than in Colombia. Much of this cocaine is then smuggled to markets in Europe, Asia, and Australia by Mexican and Colombian drug traffickers.<sup>508</sup> Peru's attempts to limit coca cultivation have been challenged by the lack of local support and by the activity of the Shining Path (*Sendero Luminoso*) in about 45% of the cultivated areas.

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<sup>505</sup> Simon Romero, "Coca Production Makes a Comeback in Peru," *New York Times*, 13 June 2009, <http://www.nytimes.com/2010/06/14/world/americas/14peru.html>

<sup>506</sup> Simon Romero, "Coca Production Makes a Comeback in Peru," *New York Times*, 13 June 2009, <http://www.nytimes.com/2010/06/14/world/americas/14peru.html>

<sup>507</sup> Jeffrey Hays, "Cocaine, Coca Cultivation, Trade and Anti-Drug Efforts," FactsandDetails.com, March 2011, <http://factsanddetails.com/world.php?itemid=1214&catid=54&subcatid=348>

<sup>508</sup> Rodney G. Benson, "U.S.-Andean Security Cooperation: Testimony Before the U.S. Senate Caucus on International Drug Control," 19 October 2011, <http://drugcaucus.senate.gov/hearing-10-19-11/DEA%20testimony%20on%20U%20S%20--Andean%20Security%20Clean%2010-17-2011.pdf>

## Chapter 5 Assessment

1. Colombia and Peru are concerned about the drug trade operating along their border.

**TRUE**

A common concern of both nations is drug trafficking. This drug trade is a source of profit for guerrilla/terrorist groups operating in each country.

2. A border dispute between Peru and Ecuador that triggered a short war in 1995 still is unresolved between the two countries.

**FALSE**

The border dispute between Peru and Ecuador that triggered fighting in 1995 ended in a settlement in 1998. An agreement confirming the maritime border between Peru and Ecuador was negotiated successfully in 2011, leaving no remaining territorial issues.

3. Peru and Bolivia recently signed an agreement granting the latter country access to a port site on the Peruvian coast.

**TRUE**

In 2010, Peru and Bolivia signed an agreement allowing Bolivia access to a 4.8-km (3-mi) coastal strip for use as a Bolivian port and naval base. The renewable port pact extends for 99 years.

4. The Shining Path (*Sendero Luminoso*) continues to operate in two regions of Peru where a lucrative narcotics trade is taking place.

**TRUE**

The Shining Path (*Sendero Luminoso*) continues to be active in two regions of Peru's Sierra. In both regions, the terrorist group has renewed itself by profiting from the local narcotics trade.

5. The 2011 passage of Peru's Prior Consultation law has helped end local protests against mining activities in the country.

**FALSE**

Merely 2 months after the legislation was signed into law, protests broke out in the Cajamarca region, where a new copper-gold mine is being developed, leading President Humala to call a state of emergency.

## Final Assessment

1. The Selva is Peru's largest region, consisting of tropical rainforests.  
**TRUE / FALSE**
2. In the Peruvian Andes, precipitation is greatest on the eastern side.  
**TRUE / FALSE**
3. Before the Spanish arrived, Lima was the capital of the Incan Empire.  
**TRUE / FALSE**
4. During La Niña years, Peru receives well above-average rainfall that can cause flooding and mudslides.  
**TRUE / FALSE**
5. Air pollution in Peru, which once was worse than in Mexico City, is no longer a serious concern in Lima and other Peruvian cities.  
**TRUE / FALSE**
6. The Incan Empire lasted less than two centuries.  
**TRUE / FALSE**
7. Peru's long-lasting problems with landholding inequities began during the 17th and 18th centuries under Spanish rule.  
**TRUE / FALSE**
8. "Fujishock" refers to the collapse of the Peruvian fishing industry when Japan stopped importing octopi and other fish delicacies from Peru.  
**TRUE / FALSE**
9. During the Aristocratic Republic era, foreign investment poured into Peru.  
**TRUE / FALSE**
10. Many foreign-owned businesses in Peru were nationalized during the 1930s, when Victor Raúl Haya de la Torre was president.  
**TRUE / FALSE**
11. More than half of Peru's export revenues come from minerals.  
**TRUE / FALSE**
12. More of Peru's agricultural land is used as pasture for livestock than for growing crops.  
**TRUE / FALSE**

13. The Amazon rainforest is Peru's biggest tourist attraction.  
**TRUE / FALSE**
14. Peru's poverty rate has decreased significantly over the last decade.  
**TRUE / FALSE**
15. Peru, with a history of violent terrorist organizations, continues to receive little outside investment from wary foreign companies.  
**TRUE / FALSE**
16. Most people in Peru are descended from Europeans or indigenous Amerindians, while others are of mixed European/Amerindian descent.  
**TRUE / FALSE**
17. Although Peru was once a largely Catholic country, a majority of Peruvians today are now Protestants.  
**TRUE / FALSE**
18. *Chicha* is a distinctive Peruvian music style that employs *cumbia* rhythms and rock and roll instrumentation.  
**TRUE / FALSE**
19. Some of Peru's most noted writers of the mid-20th century wrote novels about the struggles faced by the nation's indigenous people.  
**TRUE / FALSE**
20. Traditionally, race and language have not been markers of social status in Peru.  
**TRUE / FALSE**
21. The United States' relations with Peru have been strained since Alberto Fujimori was elected Peruvian president in 1990.  
**TRUE / FALSE**
22. Peru and Chile have long enjoyed cordial relations.  
**TRUE / FALSE**
23. Brazil is rapidly establishing strengthened trade and infrastructure ties with Peru.  
**TRUE / FALSE**
24. Peru has settled all its border disputes with its neighbors.  
**TRUE / FALSE**
25. Unlike in the past, both the cultivation of coca and its processing into cocaine are taking place in Peru.  
**TRUE / FALSE**

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