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A DECADE OF MILITARY POLICYMAKING IN PERU, 1968-1977

by

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ABSTRACT

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Policymaking in authoritarian regimes takes place within a smaller circle of governing elites and is characterized by greater secrecy than in institutional democracies. Nevertheless, the authoritarian executive must abide by similar rules when designing policy: maintain the governing coalition intact and mediate pressures from relevant social groups. Authoritarian leaders may find it to their advantage to open up the policymaking process either by calling upon bureaucratic expertise located within the state apparatus or soliciting the advice of class spokesmen. These tactics help improve the policy's technical features before promulgation and enhance its acceptance afterwards. This study of policymaking in Peru examines President Velasco Alvarado's skillful management of a revolutionary polity that defied usual limits on state autonomy. The Velasco regime (1968-1975) utilized an image of a unified armed forces and the policymaking process itself to advance reforms that had little objective basis of support, a fact that explains their reversal under Morales Bermúdez (1975-).

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Policymaking in military regimes generally takes place within a smaller circle of governing elites and is characterized by greater secrecy than in institutional democracies. Nevertheless, the military executive must abide by similar rules when designing policy: maintain the governing coalition intact and mediate pressures from relevant social groups. Military leaders may find it to their advantage to open up the policymaking process either by calling upon bureaucratic expertise located within the state apparatus or by soliciting the advice of class spokesmen. These tactics help to improve the policy's technical features before promulgation and enhance its acceptance afterwards. This paper on policymaking in Peru examines President Velasco Alvarado's skillful management of a revolutionary polity that defied usual limits on state autonomy. The Velasco regime (1968-1975) utilized an image of a unified armed forces and the policymaking process itself to advance reforms that had little objective basis of support, a fact that explains their reversal under Morales Bermúdez (1975-).

Why should a political scientist bother with studying the policymaking process? Debates over the merit of such studies revolve around whether the state is dependent or independent of social and economic forces in society. When viewed as dependent, the state simply reflects the interests of powerful groups and at best rearticulates them. Public policies are public only in the sense that their institutional sponsors perpetuate the myth that they represent the national will. In actual fact, these institutions, public enterprises, and ministries are an organizational panoply sheltering the interests of economic elites who have consolidated their domination in the society at large. Increased state intervention either furthers their cause directly or assists an emergent faction to discard the deadwood, a <u>remaniement</u> that gives the impression of radical change but in reality simply entrenches a coalition with similar objectives. Under such circumstances, the content of policy is a foregone conclusion, and the policymaking process is an academic curiosity of little consequence.

Alternatively, the state can be seen to have life and ambitions of its own. The state, whose bureaucratic and coercive infrastructure is not a productive force in society, can manifest doctrines that are incongruent with the professed wills of powerful economic classes. In extreme cases, state leadership may correspond to elements (the military, vanguard political party, or a charismatic personality) whose policies are drastically at odds with the immediate or long-term interests of producers, distributors and financiers who account for private economic activity. The state does not simply arbitrate among bickering factions; it proposes, disposes, and imposes its will. Under these premises, the policymaking process is a fecund area of investigation. Studies of policymaking teach lessons on the subtleties of persuasion, compromise, and manipulation.

These ideas are related to the relative autonomy of the state, one of the most suggestive concepts emerging from current interpretations of Marxist theory. Marx, in almost all of his writings, assumed that in a capitalist system the economic substratum had a predominant influence on determining superstructural phenomena, including the nature of the state. Under capitalism, the bourgeoisie was by definition predominant and the state displayed no autonomy, since it ruled in the bourgeoisie's short-term and long-term interests. Marx conceded, however, in his famous treatise The Eighteenth Brumaire of Louis Bonaparte, that in atypical periods of social fragmentation, a near equilibrium of forces could occur.[1] In these circumstances, the state could have a seemingly independent role by tipping the balance in a way that appeared not to be in the immediate interests of the bourgeoisie.

Nicos Poulantzas has attempted to resolve this apparent contradiction by speaking of the relative autonomy of the state. He argues that the state often does not appear to be ruling on behalf of the bourgeoisie, or any other faction of the power bloc, but that its role is essentially to unify the bloc and make its interests coherent. Thus, the state is not an instrument subjected by the dominant classes, or subjecting them, but retains a relative autonomy vis-à-vis their interests, an attitude that actually permits the bourgeoisie to maintain its hegemony in the society over the long term. He also postulates that this autonomy will correlate positively with the internal unity of the state.[2]

One difficulty with this approach as used by Poulantzas is that it restricts itself, artificially perhaps, to the state versus the dominant classes which, in capitalist societies, are presumed to consist of the bourgeoisie.[3] Poulantzas does not deal with the state's relative autonomy with respect to workers, peasants, or other actors (such as international capital), except to the extent that concessions to them can perpetuate the hegemony of bourgeois groups. Furthermore, this strain of the Marxian legacy does not seem to be applicable to societies that are pre-capitalist, non-capitalist, and those in which social fragmentation is the rule rather than the exception.

Other scholars working in the Third World have begun to broaden this formalistic conception of the relation between the economic and political spheres by focusing attention on state autonomy with respect to classes other than the bourgeoisie. At the risk of oversimplification (because much of the analysis is still in embryo form), I would describe their conception of state autonomy as the ability of a state over time to generate interests inconsistent with the objectives of the most powerful economic classes, and sometimes in the direct benefit of no discernible social grouping other than the state itself.[4] In one interpretation, state autonomy is taken to mean the capacity of a unified state to impose its will on a resistant or passive society, generally to reshape prevailing social and economic relationships.[5] Autonomy is measured according to the success of the operation, which often turns on whether the state and the social classes are coalesced or fragmented.

While this conception allows the prospective researcher to treat the state's interaction with a more diversified set of social actors than the bourgeoisie and the workers, it does not clearly distinguish between (1) the state's propensity to formulate policy objectives inconsistent with the interests of specified classes, and (2) its ability subsequently to execute--or, worded

differently, between state autonomy (to define national goals) and state power (to carry them out). To maintain the uniqueness of the Marxist terminology, this paper will use the term "state autonomy" to denote goal formulation independent of class pressure, including that which is generated internationally. A state would approximate a situation of absolute autonomy when it defined policies based on its institutional interests or its conception of national objectives that countered the goals of all identifiable social classes and groups, whether they were dominant or subordinant in the economic sphere. It would approximate total dependence when it simply arbitrated among the preferences of competing classes and blindly catered to those interests emerging victorious. A situation of moderate autonomy would prevail when the state defined goals that countered the interests of some but not all classes and subgroups, and/or tended to favor non-dominant social groups in line with state officials' interpretation of national interests.

Viewed in these terms, the concept of state autonomy is not restricted to the capitalist state. It is applicable wherever the analyst can identify the goals of different classes, economic actors, and the state, and measure their "overlap."[6] Power is a separate but related issue because these goals become dead letter if none of the parties has sufficient force to implement them. The points are worth separating conceptually because degrees of autonomy and levels of power do not always correspond. A state can be powerful, such as the Brazilian since 1964, yet display little autonomy. Or it can be weak and highly autonomous, such as the Chilean under Allende.

The interesting facets of the Peruvian case from 1968 to 1975 were its high autonomy, and the efforts of Velasco to bolster state power to compensate for the fact that the main economic actors, and even significant elements of the military, were opposed to his programs. Under Velasco, the polity was deliberately intended to tilt in favor of non-hegemonic groups and against both national and international power holders who traditionally had determined Peru's political course. With Morales Bermúdez, the situation returned to one predicted by the more recent conception of relative autonomy of the state. Public policies reflected the interests of dominant economic and military actors, but the polity represented a consensus that took account of the disruptive capabilities of weaker groups, such as workers and peasants. The high level of autonomy of the Velasco regime was not discerned early in his presidency, which led some authors to conclude prematurely that through measures such as the agrarian reform, he was simply redefining the inchoate interest of Peru's dominant classes. The colors of the Velasco regime emerged from 1970 to 1975, and the exceptional nature of his regime becomes clearer when contrasted with that of his successor.

An important consideration in studying state autonomy of authoritarian systems--and these points relate to both the Velasco and Morales Bermúdez regimes--is the unity of the state apparatus. Because of their division of labor and multiple goals, all complex organizations display some differentiation. The state is no exception, and even bureaucratic structures that submit ultimately to the same hierarchical authority and ideology undergo internal discussions over priorities and experience some maneuvering of cliques. The inverse relationship between state "unity" and "autonomy" is significant when benign differentiation becomes fragmentation.[7] A state

riddled by disputes over doctrine, policy options, or personal loyalties cannot have high autonomy for two reasons. First, these divisions invalidate the idea of a state consolidating its institutional objectives because the state becomes little more than an amalgam of factions. Second, a fragmented state increases the number of entry points for private sector elements who can exploit the state's internal disharmony to their own advantage. If these private interests are able to gain allies within the bureaucracy, the state apparatus itself is partitioned according to the correlation of forces and its autonomy is lost in the shuffle.

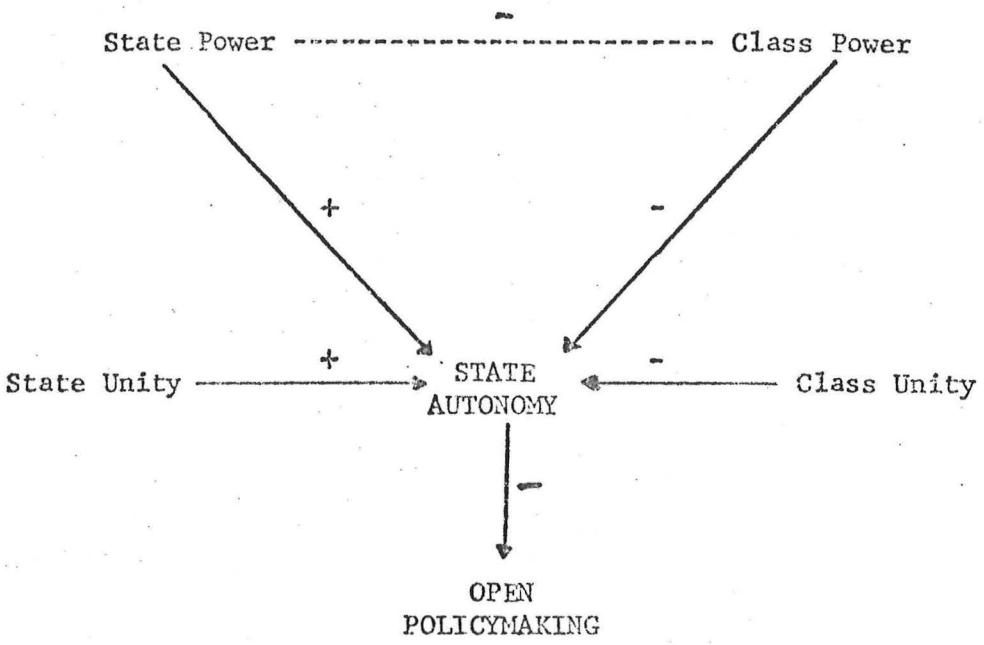
In normal circumstances, we would expect policymaking styles to vary depending on the degree of state autonomy. In a situation of low autonomy, state officials remain accessible to forces from all corners, and policy options may spring from any of a number of groups interested in the issue area, such as the bureaucracy, legislature, public enterprise, labor federation, and even the judiciary. Often, interest associations or economic elites work out their differences in the private arena and join forces to induce state sponsorship of a preferred policy. The situation is quite reversed when state autonomy is high and the governing elite is able to keep its distance from other power groups. Leadership makes judgments on the nature of the problem, checks its observations with sympathetic technocrats and ideologues, and dictates orders downward. When the state is moderately autonomous, it attempts to integrate and guide the interests of those economic and political elements--powerful or weak--whose improved status is necessary for the fulfillment of official state ideology.

These comments can be summarized in a model that suggests hypotheses on state autonomy and policymaking styles. Figure 1 is based on the following assumptions. The power of the state and the power of important social groups and economic classes in civil society are negatively correlated. (This observation is almost a tautology.) State power and the unity of the governing coalition are both positively correlated with state autonomy, but not necessarily related to each other. Conversely, the power of social classes and their unity are inversely correlated with state autonomy. The degree of openness in the policymaking process, in turn, varies negatively with state autonomy.

In Peru, Velasco actively sought to insulate the state from interfering pressures. Among his tactics were the cooptation of many of Peru's intellectuals and technical specialists, coercion toward unruly groups and, most significantly, the propagation of the myth of the unity of the armed forces. Simultaneously, economic elites came to the conclusion that their survival depended on breaking that unity. Their tactics were penetration of the governing group through family contacts, economic non-cooperation, and, internationally, exclusion from developmental loans. Over time, the internal dynamics of the Velasco presidency itself caused progressively greater competition over power and economic resources, and for all of these reasons state unity was eventually shattered. Under Morales Bermúdez, maintaining unity was not as crucial because his government's aspirations for autonomy were of modest proportions. The ideology of the state was more liberal in the sense that the government encouraged those outside the immediate governing circle to formulate recommendations, some of which were accepted.

Figure 1

Model of State Autonomy and Policymaking Style



\+ Expected positive correlation

\- Expected negative correlation

These comments introduce us to an analysis of Peruvian policymaking over the past few years. The next section of this paper will present background information on the military government after the overthrow of civilian President Fernando Belaúnde Terry in October 1968. The paper then describes different policymaking styles under Velasco and Morales Bermúdez. With empirical data drawn from the public sector as a whole, and the agrarian sector in particular, the paper then examines changes in the variables presented above: state power, state unity, and class power and unity. Pertinent questions are: What were the ideological origins of the policies formulated by Velasco and Morales Bermúdez? What was the style utilized to perfect these policies?

The Revolutionary Government of the Armed Forces

The Velasco regime called itself the Revolutionary Government of the Armed Forces, and, in the context of past Peruvian politics and other military regimes in Latin America, its "revolutionary" tag was not misplaced. Historians describing the transformations occurring in Peru during this period are likely to attribute importance to the social background of the president. Born in 1910 on the outskirts of Piura, Velasco (or El Chino as he was affectionately known after the coup) came from humble origins. One of eleven children, Velasco became aware of his social condition at an early age, and sought a military career to improve his station in life. Admitted first into the army only as a trooper, he later passed the examination for the Chorillos Military School, graduated with honors in infantry skills, married into an upper-middle-class family, became commander-in-chief of the army and president of Peru. Velasco's personal history was remarkable for a country with a rigid social hierarchy. Years later, members of the oligarchy could not understand why he harbored such hatred for them and for a system which had allowed him to rise enormously in social status.[8]

The thrust and content of Velasco's policies emerged from an interpretation of Peru's socio-economic problems and her position in world stratification. The analysis, molded by civilian intellectuals influenced by international currents of thought, was picked up by the military in the 1960's. The underlying principles were that Peru's underdevelopment stemmed from disproportionate economic and political power in the hands of the upper class (la oligarquía), lack of national integration (especially of the Indian masses), a weak state, and international economic dependence, most notably on the United States. These views were solidified by the 1965 experience fighting guerrillas, and by the military's acceptance of the thesis, which gained currency during the Vietnam War, that internal security was precarious as long as the country was underdeveloped.[9] In 1974 the regime published the Plan Inca, which it claimed had been prepared, circulated, and agreed upon by a select group of officers before they ousted Belaúnde. The Plan Inca contained broad outlines of the regime's action program, including almost all of the major policies listed below.

Although difficult to describe in conventional ideological terms, Velasco's political instincts after the coup appeared to be consistently more radical than those of most senior officers in the three branches of the armed services. Close observation over the term of his tenure reveals that the military adhered to the revolution in pursuit of national security; Velasco went further and pushed Peru to the forefront of Third Worldism. Most officers wanted planned economic development and industrialization; Velasco promoted state ownership over the means of production and the enervation of the industrial bourgeoisie. The armed forces sought greater prestige among the country's social elites; Velasco wanted to eradicate the oligarchy and all vestiges of its hegemony. The military wished to generate a feeling of patriotism among the Indian masses; Velasco was prepared to experiment with mass mobilization on a semi-permanent basis.

Velasco's government did not limit itself to representing the interests of the Peruvian military. To govern, he relied on a core coalition and a support coalition. The core coalition, nicknamed the "Earthquake Group," was

made up of Velasco and four colonels who planned and executed the 1968 coup and who were personally loyal to the president: Leonidas Rodríguez Figueroa (the first head of SINAMOS, a public agency for mass mobilization), Jorge Fernández Maldonado (Minister of Energy and Mines), Enrique Gallegos (who rented the apartment where the coup was planned, and who was later Minister of Agriculture), and Rafael Hoyos (the youngest member, who later became Minister of Food).[10] Especially during the first half of the Velasco period, no major policy was undertaken without the knowledge of these persons, who had easy access to the president's inner chambers. Civilians at times could gain proximity to this governing circle by offering expertise in a specific problem area, but no civilian was called upon to advise on the full range of issues facing the military government.

The support coalition included army, air force, and navy officers whom Velasco entrusted to execute the regime's policies. The most important were Jorge Graham and Arturo Valdez (both in the president's advisory committee, COAP), Pedro Richter (Minister of Interior), Miguel de la Flor (Foreign Relations), Aníbal Meza Cuadra (Transport), Javier Tantaleán (Fishing), Enrique Valdez (Agriculture), Luis Barandiarán (Air Force general and Minister of Commerce), Luis Vargas Caballero (Navy admiral, and Minister of Housing and Navy), José Mercado Jarrín (Foreign Minister and Prime Minister), and Rolando Gilardi (Air Force Minister). Over time, some members of the support coalition (Richter, Graham) became part of the core coalition, one (Tantaleán) developed close personal bonds with Velasco, and others (Vargas Caballero, the Barandiaráns, Valdez) were disposed of for political reasons. Civilians committed to the government's objectives and appointed to high posts, such as Carlos Delgado, Augusto Zimmerman, and Guillermo Figallo, were within this group during much of the period. Several other civilians drifted in and out of Velasco's less intimate circle and were influential in the evolution of his presidency.

By participating in the revolution, the members of the support coalition could see some of their ideological preferences implemented and could improve their chances for professional advancement. In return, the military officers appointed to senior posts were expected to help guarantee the allegiance for the rest of the armed forces, whose enthusiasm for the revolution faltered as the government radicalized. The risk for the direct participants was that they were vulnerable to dismissal if political conditions warranted, and this uncertainty led some of them to seek their own fortunes--in both the figurative and (apparently) literal senses of the phrase.

This intricate meshing of contacts was important for Velasco because his regime had the backing of few organized elements in the society at large. Among these were some government-formed labor unions, the Communist Party, civilian technical specialists (técnicos) in the bureaucracy, and, in most matters, the Christian Democratic Party. In verbal opposition were the APRA, Acción Popular, and Maoist political parties; the teacher's union, SUTEP; many student factions; the industrialists' and agriculturalists' interest groups; and, prior to their expropriation, the two most important Lima daily newspapers.

Although the Velasco government defined itself from the beginning in progressive terms, the weight of traditional paradigms was such that its first major piece of legislation, agrarian reform, was received with considerable shock. Peru under Velasco was the first Latin American country since Cuba to expropriate efficiently operated plantations, many of them foreign owned. The government's activist, anti-imperialistic foreign policy, and subsequent legislation in the industrial area, gave further evidence that this was not the sort of military government Peruvians had been accustomed to, nor the sort of military government prevalent in other South American countries.[11]

The main characteristics of the regime's foreign policy were nationalism, anti-imperialism, and non-alignment. The government chose mild-mannered and intelligent generals, Mercado Jarrín and de la Flor, to denounce imperialism at international gatherings, and did not shy away from confronting the United States on numerous opportunities. The Velasco regime nationalized the International Petroleum Company (IPC), the Cerro de Pasco Corporation, W. R. Grace and Company sugar properties, the Marcona Mining Company, and many smaller concerns, and abided by strict regulations on the entry of new foreign capital consistent with Decision 24 of the Andean Pact.

The Industrial Law divided the manufacturing and extractive sector into four categories, assigning basic industries to the state's domain. This action implied an exclusion of private and foreign capital from important production centers. It also assumed an increased role for the bureaucracy in economic development. The government also promulgated an Industrial Community Law which imposed a profit- and ownership-sharing scheme on all large manufacturing industries (and later fishing, mining, and telecommunications concerns). The underlying philosophy of this policy was that by gradually making the worker a co-owner of the firm and giving him a place on the board of directors, he would be less alienated and less prone to foment industrial disputes. Nationwide, class conflict between workers and capitalists would be eliminated and production would increase. These assumptions did not bear out in practice, but the law did oblige many private industrialists to increase the income of their laborers. A final reform in the industrial realm was social property, a new type of ownership and self-management.[12] Velasco frequently claimed that social property would become more important than any other form of officially recognized property: home crafts and small industries, state, and private, reformed via the workers' communities.

After three years of energetic leadership, which included an educational reform and policies favorable to Lima's shantytown dwellers, Velasco became increasingly concerned about the lack of overt popular support for his government. He consulted more intensively with a civilian intellectual, Carlos Delgado, to try to imbue his revolution with greater ideological coherence.[13] Previously the regime had been satisfied simply to describe its approach as neither communist nor capitalist. Later presidential speeches placed stress on the division of society into functional groups (called sectores) and the need for organic harmony among them. Many government actions vis-à-vis the lower and middle classes subsequently represented attempts to reconcile conflicting social groups in structures molded by the state. The government created a teachers' union, SERP, and a fishermen's union, and intervened in the

National Confederation of Workers' Communities to attempt to restore order. Two of its most dramatic endeavors in the corporatist direction were the creation of SINAMOS and the expropriation of the national newspapers.

SINAMOS, or the National System for Social Mobilization, was formed in 1972 by joining agencies from several ministries together in a political action agency. SINAMOS was simultaneously a propaganda unit, public works department, and organizer of neighborhood, trade, educational, and cooperative associations. Its objectives were to proselytize for the revolution and reward those who supported it. The agency was organized along the lines of sectores--union members, youth, the peasantry, and shantytown dwellers--and at one time seemed to be the predecessor of a political party. SINAMOS's sub-agency for rural affairs was instrumental in founding the National Agrarian Confederation (CNA), which purported to be the interest group representing the campesinos. With the creation of the CNA, the old National Agrarian Society (SNA) was forcibly dissolved. In 1974, the government nationalized the major daily newspapers with the aim of turning them over to the "organized" sectores of society such as the peasantry (El Comercio), industrial workers (La Prensa), educators (Expreso), transport workers (Correo), and intellectuals (Ojo). It later conceded that these groups were not sufficiently integrated to have legitimate representatives, and appointed the newspaper editors by presidential fiat.

Instead of increasing support for the Velasco regime, SINAMOS and the newspaper expropriation probably helped to undermine it. Many military men, preferring control to mobilization, were uncomfortable with SINAMOS's mission, and the agency met strong resistance among workers and students, groups that had already been well organized along traditional political lines. The Communists and Christian Democrats were cool to the idea of government-formed unions and interest groups competing with their grass-roots organizations. On the surface, the three branches of the armed forces had displayed remarkable unity during the initial years of the regime. Plans to expropriate the press, however, provoked a serious schism, and Minister of the Navy Vargas Caballero was forced to resign when he opposed the action.

Coevally, President Velasco's health was jeopardized in 1973 by a nearly fatal aneurism that required the amputation of one leg. His governing capacity appeared to be impaired: his decisions became more secretive, arbitrary, and irrational, and his tolerance for criticism, even in the mildest form, reduced to the vanishing point.[14] One of the reasons for expropriating the press most certainly was to quiet independent opinion. Assigning Lima's scandal sheet, Ojo, to intellectuals was a cynical way of announcing displeasure with independent analysis of the regime's actions. In the end, the Velasco government was beset by contradictions. It called for national unity when its internal ranks were badly split; insisted on civilian morality while some colonels managed an influence network rivalling that practiced by senators and congressmen; proposed solutions on behalf of the dispossessed masses without consulting them; opened a draft law to public debate and then deported some of those critical of it; and still claimed to be a revolutionary government seeking full popular participation.

The decisive factor in Velasco's downfall was a deteriorating economic situation in 1974 and 1975, which the government had papered over with an artificial exchange rate, heavy borrowing at high interest rates, and extensive

rhetoric. Serious rioting and looting in downtown Lima in February 1975, sparked by a policemen's revolt which left over 80 dead, undermined Velasco's claim that he was serving the interests of the poorest segments of society. There are also indications that Velasco's dogmatic opposition to a resolution of a territorial dispute pending from the War of the Pacific, being negotiated by Chile and Bolivia, had caused alarm among some of his military cohorts. Francisco Morales Bermúdez, former Finance Minister and then Prime Minister, executed the putsch on August 30, 1975, obtaining even the reluctant support of Leonidas Rodríguez, the commander of the Lima military garrison.

Foreign capitalists and upper-middle-class entrepreneurs were relieved by the Morales Bermúdez succession, but he disappointed them initially by making a pretense of continuing the main lines of Velasco's policies. Before the end of the first year of his administration, however, he had dismissed Rodríguez and Fernández Maldonado, detained Graham, and jailed Tantaleán; changed the Industries Law making it easier for investors to avoid setting up workers' communities; abandoned an aggressive stance against imperialism; began to hedge on support for Decision 24; downgraded the importance of social property; removed food subsidies and froze wages (measures prejudicial to the working classes and shantytown dwellers); devaluated heavily; and announced intentions to return to national elections and a civilian government. While some of these policy shifts appeared to be necessary to avoid economic collapse, it was clear that the Velasco interlude, and many of the innovations it introduced, had come to an end.

In terms of state autonomy, neither the Velasco nor the Morales Bermúdez regime can be described as absolutely autonomous or totally dependent. Figure 2 plots the overlap of state goals and the interests of powerful and weak groups under both presidents.[15] As in any polity, only a few policies had relevance for almost all groups in the society. Under Velasco, these were agriculture, SINAMOS, press reform, and devaluation. The enormous competition over agrarian reform is suggested by the division of opinion over its ultimate value. Powerful groups, such as foreign investors and medium-sized farmers, opposed it, and agrarian policies made headway only with the consistent support of the president backed by the military at critical junctures.[16] SINAMOS, another divisive force during this period, was opposed by practically all sectors, and Velasco withdrew his support even before his term ended. Under Morales Bermúdez, devaluations touched a broad spectrum of society, and proceeded forward because weak opposition was compensated by the support of the strong.

Other initiatives, such as those in the fields of foreign policy, education, urban land, and military affairs, affected few identifiable groups either negatively or positively, and were irrelevant or ambiguous for the rest. The result was that foreign policy was never seriously debated during the Velasco period, and military purchases and reorganization under Morales Bermúdez took place without arousing much attention locally. The educational reform had ambivalent connotations for practically all groups, and after its promulgation neither Velasco nor Morales Bermúdez could form a winning coalition to achieve its implementation.[17]

Figure 2

Group Interests and Public Policy, 1968-1977

	POWERFUL GROUPS							WEAK GROUPS			
	Importers-Exporters	Industrialists	Military	Church	Foreign Capitalists	Bureaucracy	Medium-Sized Farmers	Peasants	Workers	Shantytown Dwellers	Number of Groups either Y or N
Velasco Period											
Industrial Policy	-	N	-	-	N	Y	-	-	Y	-	4
Foreign Policy	N	N	-	-	N	-	-	-	-	-	3
Agrarian Policies	N	Y	Y	-	N	-	N	Y	Y	Y	8
Education Policy	-	N	-	N	-	-	-	-	Y	Y	4
SINAMOS Activities	N	N	N	-	N	-	N	-	N	Y	7
State Growth	N	N	Y	-	N	Y	-	-	-	-	5
Press Reform	N	N	-	-	N	Y	N	Y	Y	-	7
Social Property	N	N	-	-	N	Y	-	-	Y	Y	6
Urban Land	-	N	-	-	-	-	N	Y	-	Y	4
Morales Bermúdez Period											
Devaluations	-	N	-	-	Y	-	N	N	N	N	6
Foreign Policy	Y	Y	-	-	Y	-	-	-	-	-	3
Social Property	-	Y	-	-	Y	N	Y	-	N	N	6
Industrial Policy	Y	Y	-	-	Y	N	-	-	N	-	5
Labor Policies	Y	Y	-	-	-	-	Y	N	N	N	6
Withdrawal of Food Subsidies	-	N	-	N	-	-	Y	Y	N	N	6
Military Hardware	N	N	Y	-	-	-	-	-	-	-	3

Y = group interests generally consistent with policy goals
N = group interests generally inconsistent with policy goals
- = policy goals are irrelevant or ambiguous for group interests

Table 1, which presents this material in summary form, reveals that the state under Velasco was considerably more autonomous than under Morales Bermúdez. Again, about half of the policies had no direct bearing on the interests of either powerful or weak groups. The table shows, however, that under Velasco four times more policies were detrimental to powerful groups than corresponded to their interests. More significantly, Velasco's policies were 13 times more likely to be advantageous to weak groups than to harm them. Under Morales Bermúdez the situation was quite reversed. Twice as many policies benefitted the powerful than countered their interests, while only one of 21 clearly favored a weak group. The figures help clarify why traditional power holders, although not totally enchanted with the Morales Bermúdez regime, were considerably more at ease with him in the presidential chair than his predecessor. The conclusion is that, in line with the definitions presented earlier in this paper, the state under Velasco approached a situation of high autonomy while under Morales Bermúdez it fell into one of low to moderate autonomy.

TABLE 1

BENEFICIARIES OF PUBLIC POLICY UNDER VELASCO AND MORALES BERMÚDEZ

	For Powerful Groups frequency of policies that were		
	Favorable	Detrimental	Ambiguous
Velasco	7	27	29
Morales Bermúdez	15	8	26

	For Weak Groups frequency of policies that were		
	Favorable	Detrimental	Ambiguous
Velasco	13	1	13
Morales Bermúdez	1	11	9

NOTE: The total frequency of policies (for powerful groups, 63 under Velasco and 49 under Morales Bermúdez; for weak groups, 27 under Velasco and 21 under Morales Bermúdez) is calculated by multiplying the number of groups by the number of relevant policies as shown in Figure 1.

The Peruvian Policymaking Process

Between 1968 and 1977, Peruvian governments passed more than 4,000 laws. The content of these decrees and the style used to formulate them were generally different under Velasco and Morales Bermúdez. Major policy initiatives under Velasco were in the spheres of foreign affairs, agriculture, economic growth, industrialization, natural resources (including fishing and forestry), the mass media, and property. Some of these overlapped and all were relatively specific in terms of implementing legislation. Under Morales Bermúdez, important decrees related to devaluation, foreign policy, economic measures pertaining to wages and prices, a restructured industrial community, and military hardware purchases and reorganization.[18] Unfortunately, despite this multitude of potential case studies, social scientists have conducted little research into the policymaking process, or on the individuals and their institutional bases wielding the greatest influence on policymaking within these regimes.

The principal policymaking actors were the President's Advisory Committee (Comité de Asesoramiento de la Presidencia, COAP), the sectoral ministries within their own domains, ministries advising on the policies in other sectors, and "miscellaneous individuals." The COAP was made up of about 13 high-level army officers (colonels and above) and acted as the president's personal staff on policy related matters. Each officer specialized in one or another sector of state activity. While some of the most fundamental policies affected the Ministries of Agriculture (agrarian reform) and Industry (e.g., industrial community, nationalization of private property), the ministry with the greatest influence in advising on policy originating elsewhere was Economy and Finance (because of the tax budgetary, and foreign currency implications of each). "Miscellaneous individuals" refer to those persons and groups occasionally consulted by COAP or the ministries because of their specialized expertise (civilian economists, lawyers, agronomists, anthropologists) or political power. Under Velasco, political groups that were consulted often were Communist Party-led labor unions or government-created interest groups. Under Morales Bermúdez, members of the industrial bourgeoisie and the international financial community were frequently included in policymaking discussions. Cabinet sessions were used to debate controversial policy or explain routine initiatives on the verge of being adopted.

The regimes displayed not one, but four, main policymaking patterns. First, policy decisions originated in COAP, on instructions from the president and his closest advisors, and, after a cabinet session, the legislation was promulgated as a fait accompli. This procedure was used exclusively by Velasco (not by Morales Bermúdez)--examples include the 1969 press law, the 1968 administration and the 1969 agrarian reform laws, in which the affected publics were not privy to the deliberations and were virtually obliged to acquiesce. Second, policy suggestions originated in the ministries and were submitted to COAP and the president for approval, without consulting representatives of other governmental and non-governmental jurisdictions. Examples were the laws governing currency and the banks, devaluation, the 1974 press expropriation, urban land reform, and laws in the industrial sector. Again, Velasco was more prone than Morales Bermúdez to utilize these more restricted policymaking procedures.

Third, initial drafts originated in the ministry, upon which COAP "coordinated" their circulation among other governmental agencies for suggestions, invited the reserved comments of pre-selected miscellaneous individuals, and drew up the final legislation. The "coordination" procedure--described in Directive Number 3 of 1969--was recognized as the modal policy-making form because the vast majority of laws abided by it. Most of these under Velasco, however, were of little import, the exceptions being the industrial communities law, the nationalization of the fishing industry, and the founding of SINAMOS.

Fourth, "coordination" could also involve submitting the measure to broader public or private scrutiny. Under Velasco, concerned citizens sent written observations to the local press (which published some of them) in the cases of the native communities jungle law and social property. The educational reform at one point involved a constituent assembly of the educational sector which was supposed to put the finishing touches on the law. Morales Bermúdez took account of the expressed interests of influential economic actors both locally and internationally (such as industrialists, the World Bank and IMF) in coming to specifics on several of his policy initiatives. Morales Bermúdez followed this open approach (which also involved closer collaboration than under Velasco with different elements of the armed forces) from the first days of his regime, while Velasco started off operating in relative secrecy with little input beyond his immediate entourage.

State Power

Equipped with this basic information, we are now ready to confront more directly the subjects of relative power, unity, state autonomy, and policy-making. In the following sections we will bring together data to suggest variation in each of the principal variables of Figure 1 from 1968 to 1977. The first issue relates to state power.

In 1968 the public bureaucracy was ripe for reform. The absence of modern budgeting and planning mechanisms, the predominance of omnibus, multi-functional ministries, and disruptive antagonism between the executive and legislative branches made the Peruvian bureaucracy during the last months of Belaúnde's regime perhaps the most chaotic and unwieldy in Latin America. Civilian bureaucrats interviewed soon after the coup reminisced about the sad state of affairs under Belaúnde. They told a disheartening tale of executive impotency faced with an irresponsible Congress, and a constitutional framework that facilitated corruption and blocked policy innovation. Many of them had become fed up with the reigning pluralistic system of "checks and balances." Finally, the national budget, considered by many specialists as being the key to rational public policymaking, had become a bad joke.[19]

While the coup of 1968 was precipitated by Belaúnde's unsatisfactory resolution of the La Brea y Pariñas (International Petroleum Company) dispute, deeper reasons for the overthrow lay in the moral and administrative bankruptcy of the country's dominant elites and parliamentary system of government. The military rulers with strong support from civilian técnicos initiated a series of reforms in the post-coup period which transformed the public sector. Before, the bureaucracy was characterized by the rampant penetration

of private parties into public decision-making, budgetary fragmentation, overlapping functions, reduced size and economic activity, and little executive control. Afterwards, it was notable for its relatively high sectoral definition, centralized administrative processes, dynamic growth, and absorption of an ever greater percentage of the GNP. Practically overnight the regime implemented a number of administrative measures widely practiced in other Latin American countries but only nascent in Peru.

The military junta that ousted Belaúnde had a number of priority items on its agenda, such as the transformation of the industrial, agrarian, and national resources sectors. To facilitate the coordination of these basic reforms, the regime considered absolutely essential the breakup of the unwieldy Ministry of Development and Public Works. This structural reform was effected with considerable fanfare in 1969 and initiated a movement toward functional specialization broken only by the creation of SINAMOS, the multi-sectoral political mobilization agency, in 1971. Figure 3 shows that the state's organizational chart evolved in the following way:

* Left intact: Prime Ministry, Labor, Education, Health, Finance, War, Navy, Aviation.

* Formed from the Ministry of Government and Police: Interior (1969), and Transport and Communication (1969).

* Formed from the Ministry of Development and Public Works: Transport and Communication, Energy and Mines (MEM), Industry and Commerce (MIC), and Housing (1969).

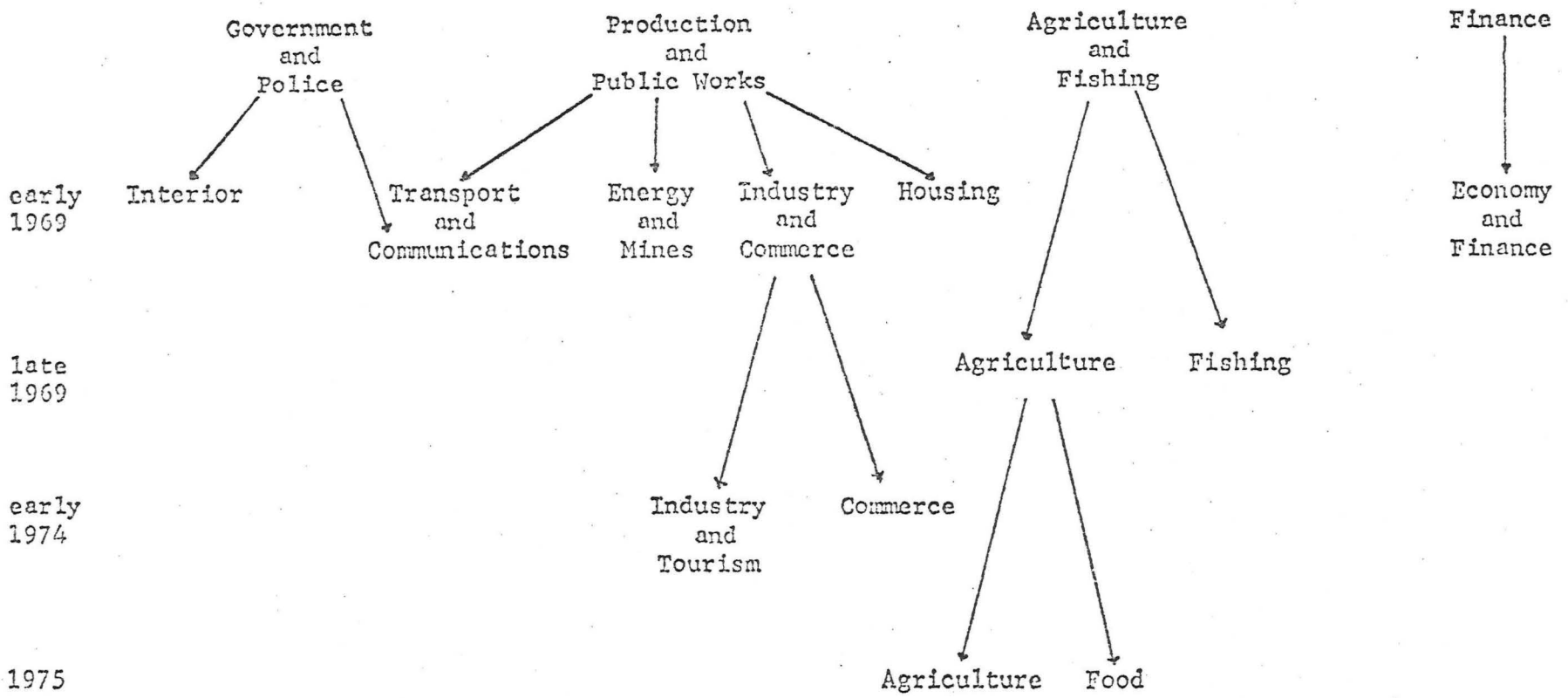
* Split into two ministries: Agriculture and Fishing (1969) and Industry and Commerce (1974). Agriculture further split in early 1975 into Agriculture and Food.

Starting with 11 ministries in 1968, the government had expanded to 17 in early 1975, with several national offices with ministerial rank (largely a prestige distinction) under the presidency.

An important motive behind this disaggregation was to create governable units identified with fundamental regime goals susceptible to budgetary and planning guidance. Sectorialization was the first step in a continuing reform that significantly increased the state's role in the economy, and facilitated new planning, budgeting, and social control. These reforms coincided with reduced private sector investment, decreased interest group activity, and fewer resources for local government. Table 2 demonstrates the growth of the public sector from 1967 to 1974, measured in terms of governmental expenditures as a percentage of GNP, government investment as a percentage of gross national investment, absolute total employment of the public sector, local government resources, and expenditures of the national accounting office, Budget Bureau, Ministry of Finance (MEF), and Police.[20] While the state structure spread like an accordion, many semi-autonomous agencies were brought under the authority of the central ministries, their liberal statutes annulled, and their earmarked taxes cancelled. By 1974, these fiscal reforms had been

Figure 3

Ministerial Reorganization, 1969-1975



Sources: Expreso, April 25, 1969. Decree Law No. 18,026 (December 16, 1969). Presidencia de la República, Compendio de Leyes Orgánicas de la Presidencia de la República y Sectores de Actividad Pública (Lima: Instituto Nacional de Planificación, 1972).

TABLE 2

GROWTH AND CONTROL IN THE PUBLIC SECTOR
(Adjusted for inflation where applicable)

	Public sector portion of GNP as % [a]	State expenditures as % of GNP[b]	State investment as % of GNI[d]	Absolute number of public employees, centralized & decentralized sectors[c]	Local gov't resources[h] 1965 = 100	General comptroller expenditures 1965 = 100	Finance ministry 1965 = 100	Budget bureau expenditures 1965 = 100	Investigation police (P.I.P.) expenditures 1965 = 100
1965	18.8	27.2	26.3		100.0	100.0	100.0	100.0	100.0
1967	24.3	27.8	21.5	240,573	35.5	119.3	108.2	90.3	114.4
1968	22.8	27.9	27.5					102.3	111.8
1969	25.8	28.6	31.7		33.4	114.4	152.9	135.7	85.6
1970	27.3	28.7	35.1	304,176	20.6		168.1	159.7	123.0
1971	27.9	30.5	32.3			118.5	156.1	134.6	119.9
1972	27.9	35.8	35.5			118.5	156.1	134.6	119.9
1973	30.3	57.5[c]	38.0	400,000[f]	14.5	126.7	212.8	481.5	194.6
1974				450,000[g]	14.5	126.7	212.8	481.5	194.6
1975						117.8	246.9		

[a]Public sector includes central government, social security, and state enterprises. The figure represents the percent of value added that the public sector contributes to the GNP. Unpublished statistics, Banco Central de la Reserva. Note that E. V. K. FitzGerald cites a comparable percentage figure (1975 = 57.6) in The State and Economic Development: Peru since 1968 (Cambridge: Cambridge University Press, 1972), p. 42, while the preliminary National Planning Institute report No. 036-76 (unpublished) casts its estimate much lower (1975 = 21.2). This document does not indicate, however, whether it is referring to state enterprises and social security transfers as well as central government expenditures.

[b]The figure includes all public sector expenditures minus intra-system transfers. Unpublished statistics, Banco Central de la Reserva. Column 1 shows the state's contribution to national production, but column 2 provides a more composite picture of the importance of the Peruvian state in terms of the total resources at its disposal. For example, although the banking system and EPSA (the food distribution agency) add little to the GNP, their activities are crucial for managing the national economy.

TABLE 2 (continued)

[c]Estimate based on beginning year's budget. Ministerio de Economía y Finanzas, Síntesis del Presupuesto del Sector Público Nacional (Lima: Dirección General de Presupuesto Público, 1974), p. 25.

[d]Unpublished statistics, Banco Central de la Reserva. These figures differ from those in CIAP, El Esfuerzo Interno (Washington: Organization of American States, 1973), p. 84.

[e]Angel Núñez Barreda, Los Recursos Humanos en el Sector Público Peruano (Lima: INAP, 1974).

[f]Estimate.

[g]1973 estimate plus work force of nationalized fishing industry, Cerro de Pasco Corporation, and cement industries.

[h]Ministerio de Economía y Finanzas, Presupuestos Generales de la República (Lima: Dirección General de Presupuesto Público, 1960-1975).

gradually consolidated and the MEF was emphasizing monetary and investment policies for the country's financial institutions. Reformed agencies included the Superintendency of Banks, the Lima Stock Exchange, and the Industrial, Mining, Agriculture, Housing and National Banks. These remarkable figures, especially those dealing with state expenditures as a percentage of GNP, investment, and local government resources, are testimony to the rapid growth of the Peruvian state, and its new potential for dominance in the society.[21]

Simultaneously, the influence of the National Planning Institute rose significantly. Before 1968, Belaúnde, who had considerable confidence in his own grand design for the country's development, had systematically ostracized the INP from policy formation and given no support to its attempt to monitor policy implementation. In 1966, many professional planners, completely demoralized, left the Institute and were replaced by political appointees.[22] With the military government, however, the situation turned around dramatically and the INP became one of the most important agencies in the Peruvian public sector. From 1969 to 1971 its budget increased by a quarter in real terms. It hired staff with new technical skills and it established sectoral planning offices in all of the high investment ministries. Each year's Annual Operating Plan gave the INP authority to pass on budgetary entries, an important requisite for effective short-term planning. INP officials helped set original budgetary ceilings (in association with the Budget Bureau), order sectoral projects by priority (both at the ministerial level and with Finance's Department of Economic Affairs), and approved all modifications in sectoral investment.

The state's self-monitoring seemed to parallel greater government surveillance over the society as a whole. The creation of SINAMOS to supervise popular support for the government, the elimination and disenfranchising of some interest groups (the Sociedad Nacional Agraria, Sociedad Nacional de Industrias), the expropriation of the national press, the enhanced status of military intelligence, and the frequent deportations of political spokesmen were cases in point.[23]

The economic growth of the Peruvian state, however, began to reverse itself in 1975. Based on 1970 trends, the military and civilian planners projected that exports of fishmeal, minerals, and sugar would reap $6.8 billion from 1971 to 1975, and that imports would be $7.5 billion or less during the same period. By increasing its foreign debt by $564 million, the government could maintain its balance of payments at a reasonable level while creating the necessary infrastructure in the extractive industries to finance, in the late 1970's and beyond, other aspects of the polity including educational reform, social property, and gearing up the agrarian cooperatives to full production. Although funds from international lending agencies dried up soon after Velasco's ascension, his government was able to transform the country's rich fish, mineral, and--apparently--oil resources into a steady stream of investment and credits by private sources in Europe and the United States. This economic flexibility permitted his policymakers to increase food imports, build up the country's economic infrastructure, and not worry excessively about a low rate of internal savings. Indeed, it could argued that the private financial institutions in the U.S., Europe, and Japan bankrolled the

Peruvian revolution. By 1975, however, the economic situation was dismal. Commodity prices were depressed, anchoveta production was in hiatus because of ecological factors and overfishing, the hopes for a large oil income were dashed by a depressing string of dry wells, and high interest and principle payments were decimating the foreign currency reserves. The investments in economic infrastructure were more expensive and required more time to execute than foreseen, and the absence of huge oil reserves in the jungle made the pipeline an expensive luxury. Peru's actual export earnings over the period were $5.8 billion, and the country had to increase its external debt by $2.1 billion. To add to the debacle, the large public sector enterprises were running severe deficits. (See Table 3) Morales Bermúdez inherited a nearly bankrupt economy which reduced his political and economic options enormously. He forcibly reduced the size of the public sector deficit and contracted the money supply, which sparked a series of strikes, giving the impression that the state was no longer in political or financial control of the nation in mid-1978.

State Unity

The role of the core coalition was paramount for assuming military unity under Velasco. This group of trusted military officers shared a common mind-set leaning in a leftist or populist direction, interacted continuously in designing the polity, and was well positioned during most of the Velasco regime to execute and defend various policies. Rodríguez led SINAMOS; Fernández Maldonado, Energy and Mines; Gallegos, Military Intelligence and Agriculture; and Hoyos, the army's Special Forces, and Food. Over time, Velasco broadened the core group's membership to include Graham, who headed the COAP; Richter, Interior; and Tantaleán, Fishing. The main clue to these men's power under Velasco was that, when programs with which they had been entrusted faltered, they were not held personally responsible. Indeed, they might go on to a more important post. Such was the case with Rodríguez, who, when SINAMOS stumbled badly, became head of Lima's military garrison. Fernández Maldonado was not scuttled after it became obvious that oil reserves were insufficient to justify building a pipeline from the jungle to the sea. Though his poor judgment (and that of Velasco himself) burdened the country with an $800 million white elephant, Maldonado's position in the power structure was unimpaired. Graham weathered accusations of corruption, and Tantaleán, allegations that he was leading the "fascist" wing of government. Pedro Richter remained Minister of Interior even after torture was proved to have occurred under his jurisdiction. Members of the support coalition were dismissed for errors or deviations of much less import. The difference was that the former group's support of Velasco was reciprocated by his protection, and the latter group was expendable for short-term political advantage. Velasco sensed that the core coalition had to survive if such a small group of men was going to achieve its ambitious objectives.

The core coalition was a purely military retreat. The barring of civilians from the inner sanctuaries helped maintain the support of wavering military men relatively intact. By not merging with civilian political elites, the regime could preserve its distinctive castrense flavor, and cushion itself more easily from accusations of neglecting its institutional heritage and mandate. Naturally, the contradiction in this approach was that the military

TABLE 3

ECONOMIC FACTORS WEAKENING THE STATE, 1970-1977 (Current Values)

	1970	1971	1972	1973	1974	1975	1976	1977
Commercial Trade Balance (US$ millions)	334	159	133	79	- 403	-1112	- 611	
Foreign Debt Service (US$ millions)	167	213	219	347	343	650		
Foreign Debt (US$ millions)	945	997	1121	1430	2182	3066	4100	
Public Enterprise Deficit (billions of current soles)	[a]	[a]	[a]	32.6	[a]	[a]		
Agriculture Production (percent increase)	5.8	2.2	0.8	2.4	2.3	0.6	3.2	
Inflation (official)	5.5	7.4	4.3	12.8	17.7	24.0	44.0	45.0

[a] Not available.

SOURCES: The Andean Report, Nos. 4-10 (October 1975 to September 1976); E. V. K. FitzGerald, The State and Economic Development, pp. 49, 71; Ministry of Economy and Finances, unpublished statistics; Clark W. Reynolds, "Reforma Social y Deuda Externa: El Dilema Peruano," El Trimestre Económico, XLV:3, 643-668.

regime had difficulty increasing the size of its support coalition among a larger segment of the civilian population as long as it ostracized civilians from high-level political roles.

The Velasco regime assumed that the appointment of military men to important posts furthered its control over the public sector. Table 4 shows that, in mid-1975, all ministers were military men, as were 6 of 14 vice-ministers, 33 of 48 sectoral advisors, 30 of 91 major agency heads, the directors of all independent bodies with coordinating or executing tasks in the society (i.e., the COAP, INP, SINAMOS, ORDEZA, and ONIT), and the presidents of 16 of 38 state industries. Ministries and important agencies in turn were distributed among the three branches of the armed services, with the army's domain including 9 non-defense ministries and 4 of these 5 independent bodies. By no means, however, was the civilian bureaucracy simply an ersatz military machine. In actual numbers, military officers represented less than 0.1 percent of the 450,000 persons employed by the Peruvian public sector.[24] But the fact that the military was in politics eventually led to disunity in the middle levels of the institutions.

Practically all officers were guaranteed some administrative experience in the military ministries. In the army, for example, all officers (except doctors) graduated from the Chorrillos War College (Centro de Instrucción Militar del Perú) and, after reaching the rank of captain, eventually had to fulfill administrative functions in the Ministry of War (Estado Mayor). At each stage of their careers--captain, major, colonel, and general--officers were expected to spend two or three years in a regional or the national Estado Mayor, or approximately one-fourth of their 35-year tenure. Classroom achievement, troop leadership, and performance in administrative functions each played a part in the individual candidate's promotion. Though an officer might advance with high points in academic endeavors and organizational skills, he would not ascend to the rank of general on those qualities alone. In the normal course of events, promotion evaluators gave the nod to officers with proven capacity in the field, where their ability to plan, act, and control was immediately evident in the motivation and discipline displayed by the troops.[25]

While top-quality performance of an aspiring officer in the field was more important for his promotion than his administrative competence in one of the defense ministries, relevant experience in the civilian bureaucracy during the military regime inversed the equation. First, the Velasco government was not oblivious to the symbolic effect of military promotions at the highest level of government. The brigadier general with ministerial rank who was made general of division was riding high not so much because of his peacetime military accomplishments, but because his political performance was satisfying to the regime. At times the government found it necessary to expedite the promotion (or the forced retirement) of some generals to reaffirm publicly its attitude toward certain policies. From the military point of view, these considerations were extraneous to the traditional role of the armed forces but necessary in light of their mission in national reconstruction and development. Ministers, agency heads, and presidents of state industries were viewed more as political than military appointments, and non-traditional promotion criteria for active officers were grudgingly accepted.

TABLE 4

MILITARY VERSUS CIVILIAN CONTROL OF THE BUREAUCRACY, MID-1975

Rank[a]	Civilians	Military
Ministers	0	14
Ministerial advisors[b]	15	33
Vice-ministers	8	6
Heads of major centralized agencies	61	30
Heads of state industries	22	16
Other Indicators		
Percent of investment of state industries headed by:	42%	58%
Head of SINAMOS zones	2	9
COAP staff	0	16

[a]"Rank" figures summarize data from the 14 core civilian ministries and their dependencies. They do not include Ministries of War, Aeronautics, and Navy, nor other important state agencies led and/or controlled by military personnel, such as ONIT, INP, ORDEZA, and the National Intelligence Service.

[b]Figures unavailable for the Ministries of Housing and Commerce.

SOURCE: Personnel sheets issued by individual ministries.

A more delicate matter reigned with respect to the multitude of military advisors usually at the right hand of the ministers or agency heads. To strengthen this minority position, Velasco had encouraged the army to promote more quickly those officers who were committed to the goals of the revolution. This favoritism often boiled down to personalism, whereby senior officers within the core or support coalition would lobby in favor of junior officers whose performance in the civilian bureaucracy or ideological banter was found to be praiseworthy. These junior officers obtained their positions not necessarily because of their objective qualifications but because of the luck of the draw (i.e., they were well known to the senior officer, who in this case turned out to be the respective minister or head of the state enterprise). It is not hard to understand why the general who was a minister, partially responsible for the direction of government, at the command of numerous financial and organizational resources, and recognized by the informed public, was able to lobby for his protégés more successfully than his counterpart of equal rank stationed at a jungle outpost near Tingo María. During the Velasco regime, this practice caused increasing dissension in the army, and to a lesser degree such non-military criteria for military promotions also provoked jealousies in the navy and air force.

The appointment of military officers to almost all crucial bureaucratic posts thus did not succeed in transforming the bureaucracy into a centralized, disciplined, command network. Inconsistencies between the military and administrative hierarchies occasionally upset formal policymaking processes. In studying relationships between important public agencies and the minister, it was worthwhile determining whether the officer at the head of the sector outranked all of his administrative underlings--be they retired or active military personnel. (Rank was determined by seniority as well as by grade.) If he did not, or if one of his civilian executives had a special relationship with another military officer with undisputed ascendency, the minister's possibilities for controlling and monitoring his sector were attenuated.

During the period of rapid state growth from 1970 to 1974, the INP, Ministry of Economy and Finances, and COFIDE (manned mainly by civilians) proposed the adoption of strict controls over the production and investment decisions of state enterprises. The sectoral ministers, however, all of whom were military men, insisted on maintaining formal command over the industries in their portfolios. In 1972, COAP and the Council of Ministers ruled in favor of sectoral jurisdiction, with some central checks on budgeting, foreign currency, and investment. In actual fact, however, the ministers could not control the activities of the most important public enterprises, whose directors could justify their need for independence on the basis of their development tasks. Petroperu and Mineroperu (under Minister Fernández Maldonado in Energy and Mines) were especially notorious for their free-wheeling styles. According to several 1973 interviews: "in Energy and Mines there is a real lack of coordination. On the surface one gets the impression that Fernández Maldonado has extensive political power but, of all the ministers, he has the most difficulties with state enterprises acting independently." "You will find that it is Fernández Baca, head of Petroperu, who can be credited with real accomplishments. Until his recent promotion, Maldonado had a lower rank than Baca and even now Baca has seniority. This gives Baca influence." "When General Bossio, head of Mineroperu, was in active service and the first head of the Army Intelligence School, Maldonado was his subordinate. At a birthday party

for Bossio, Maldonado conceded in an impromptu speech that he still felt deference to him as an excellent boss." "At one time, Bossio was even Velasco's commanding officer. Thus he had no compunctions about calling him on the phone to say, 'Hey, Chino, I want this project implemented this way and that's all there is to it.' Even the threat of such an action had a debilitating effect on the minister and his advisors."[26] Senior officers in the Ministry of War preferred not to get involved in these non-military matters.

> Conflicts of hierarchy in the civilian bureaucracy are political questions, not discussed in the Ministry of War, and resolved in the upper levels of government with the president, the ministers, and other important officers in policymaking posts.[27]

Velasco entered power at the head of an army that was well trained and with an ingrained sense of national mission. It was prepared to sacrifice for the progress of the country, and felt a responsibility to succeed where civilians, in spite of their condescending attitude toward the military, had failed. By the time Morales Bermúdez took office, however, the army was divided by two years of maneuvering around three main factions. Velasco's core group, although strategically positioned, had seen its influence wither. A competing group, led by Tantaleán, Sala Orosco, and Richter, sought to qualify as Velasco's successor by manifesting more obvious populist or corporatist policies. Although this group was the bête noire of intellectuals, its power was minor compared with the "institutionalist" majority, led by Morales Bermúdez, which had become progressively more concerned by the deterioration of the national political scene and wished to restore the armed forces to their traditional functions.[28]

Morales Bermúdez had to heal wounds of career frustration and service pride after he became president. The rivalry between the navy and army had heightened as a result of the submissive attitudes of a handpicked Minister of the Navy toward humiliating army directives. Although Morales Bermúdez was highly respected in military and civilian circles, he did not assume the presidency with "his men," i.e., with persons who could be positioned strategically in the bureaucracy and the army to secure support and loyalty. The fact that Velasco had ostracized or purged many military officers who would have been capable cabinet ministers under Morales meant that his governing group, at least in the first few months, was disparate, possibly less qualified, and certainly less in agreement on policy matters. These factors meant that the unity of the armed forces had given way to bickering and even overt struggle. Instead of using a symbol of unity to proceed with confidence, Morales had to tone down these disputes and rebuild a spirit of cooperation among institutions that, in the last analysis, were responsible for the physical protection of the national territory. This lack of unity had a negative effect on state autonomy.

Class Power and Unity

Consistent with the earlier discussion, "class" can be considered a broad category of economic, bureaucratic, and social groups that lie outside of the boundaries of the governing elite both nationally and internationally. In October 1968 the traditional political groups inside Peru were in disarray.

The term "oligarchy" had been incorporated into the country's political vocabulary with very unsavory connotations. Although it was always difficult to identify precisely the members of the oligarchy, the pervasive revulsion against the symbol permitted Velasco to move against many of the country's political, economic, and social elites with little resistance simply by referring to them as the "oligarchy." The anti-oligarchic stance of APRA, the principal civilian political party, had been discredited by its active collaboration with conservatives during the Belaúnde years. Velasco cited this past record when countering APRA influence in the sugar cooperatives, SUTEP, the Lima Bar Association, and other unions and professional groups under APRA leadership.

In 1968 Peru's geopolitical situation was conducive to greater state autonomy than in 1975. Velasco was a cause célèbre when he nationalized the IPC in October 1968. Within two years, however, international attention was focussed elsewhere. In Bolivia, a leftist general, J. J. Torres, became head of state. In Chile, Allende was confirmed as the first Marxist elected president in Latin America. In Argentina, Perón returned from a long exile abroad in the midst of widespread uncertainty about his intentions. In Ecuador, Rodríguez Lara deposed Velasco Ibarra and promised social reforms a la peruana. This series of events bolstered Peru's feelings of military security vis-à-vis her traditional rivals, Chile and Ecuador, which appeared to have like-minded governments, and for three years Velasco was not distracted by issues of national defense. It was Brazil, even with the solicitous attention of the United States, that was "odd man out." The radical political posture of the region lessened Peru's visibility. If the United States and international bankers were worried about leftist governments in Latin America, Chile was a more significant threat to be dealt with than Peru.

This room for maneuver reflected itself in the regime's approach toward defining policy in industry, agriculture, foreign policy, and mass mobilization. The dynamics of the governmental process itself, however, eventually increased the relative power and unity of class spokesmen. An appropriate example occurred in the agricultural sector, an area in which the government made persistent attempts at comprehensive reform. The military regime, with the aid of civilian advisors, drafted and promulgated the agrarian reform law (D.L. 17,716 of June 1969) in virtual secrecy. The large landowners both on the coast and in the sierra were divided and disoriented at the time, and could mount no effective opposition. Attempting to apply D.L. 17,716 to the small and middle-sized farmers, however, proved to be more difficult, and actually solidified the unity of opposition forces vis-à-vis the state. The following paragraphs describe how the opposition was able to mobilize around the issue of land expropriations and reduce state autonomy in the agrarian sector.[29]

The struggle of these farmers to maintain their rights as individual property owners revolved around the proper interpretation of Article 22 of D.L. 17,716, which established the maximum property size for Peruvian farms (150 hectares) and the conditions for expropriating farms below that ceiling. Conflict was precipitated by energetic land distribution by low-level functionaries, the ability of the so-called middle-sized farmers to form an alliance with the minifundistas, and a political campaign that coincided with the deteriorating situation in neighboring Chile, apparently in the hope that the Peruvian reforms could be slowed under threat of an internal backlash.

Article 22 of D.L. 17,716 guaranteed farmers whose property was smaller than 150 hectares that their lands would not be expropriated except for two main reasons: absentee management (conducción indirecta) or illegal labor practices. But as the political community polarized and the pace of expropriations increased, these guarantees became either fictitious or insufficient. The slogan of the Peruvian agrarian reform was "La tierra para quien la trabaja" (Land for he who works it). By maintaining title and administering the land, if even on a part-time basis, many small and middle-sized farmers considered that they actually worked it. With progressively more vehemence, however, campesino groups such as the CCP argued that "working the land" meant full-time physical labor.

Publicly, the government said that it was trying to protect and strengthen the small and middle-sized farmers who worked their lands and had not obtained them by defying other articles of D.L. 17,716. But upper-level policymakers lacked routines to monitor the actions of lower-level functionaries. The field administrators acted on their interpretation of the clauses of D.L. 17,716, which left much to their discretion. At the upper levels of the ministry, consensus existed that 150 hectares were too many to leave in individual hands, and that the law should be changed; many lower-level agrarian reform officials, however, believed that any private ownership whatsoever was anathema to the Peruvian revolution. Agrarian reform agents tried to outdo the leftist political parties in enthusiasm, and proceeded to expropriate farm after farm, from small properties under five hectares all the way up to the maximum limit allowed.

Wealthy middle-sized farmers in Ica, Cañete, Piura, Arequipa, and Lima paid for a long series of advertisements in La Prensa and El Comercio containing statements such as: "Some functionaries of the agrarian zone of Piura have said that it would be better to get rid of the small and middle-sized properties and form three to four cooperatives. Is there anything in the law about this?" "We, the small and middle-sized property owners from Cañete, Palpa and Nazca, question whether we can any longer trust the government." "We are slated to disappear! Agrarian functionaries in Piura have privately conceded that they want collectivization." "Ica, Pasto, Palpa, Chincha, Cañete, and Nazca farmers want to know: If there are bad functionaries in the Agrarian Reform Agency, as President Velasco and the Minister of Agriculture have said, why aren't they fired? ¡Donde manda capitán, no manda marinero! (When the captain is in charge, the sailor doesn't give orders!)."

As the campaign proceeded, the political leadership of the middle-sized property holders succeeded in unifying ranks with the country's minifundistas by convincing them that eventually they would be forced to join the cooperatives. Leaders could point to actual cases of dispossessed minifundistas to bolster their case. The ministry's almost blanket expropriation procedures did little to separate the small coastal farmers numbering 250,000 from approximately 2,000 farmers with much larger holdings. Leagues and federations of small and middle-sized owners sprouted all over the country, and the suppression of the National Agrarian Society in 1972 and the activities of SINAMOS in the countryside gave new vigor to the opposition.

Besides newspaper advertisements and the creation of an alliance with minifundistas, the middle-sized farmers had another important means of influencing policy: their links with the upper levels of government. The landowners

shared family, schooling, and friendship ties with military men and the high civil servants who formulated public policy. As the expropriation process gained steam, they gained greater access to the regime's support coalition and their protests became more shrill. One high-level official interpreted this special circumstance:

> Previously the agrarian reform was hurting the large property owners, the rural oligarchy, the gamonales. People in policymaking circles did not know them. They were somehow distant and hostile. But when the agrarian reform began to affect people like ourselves, it was a different story and cries of anguish seemed more real. The injured parties could gain access to this ministry, either directly or through other levels of government.[30]

A spokesman for the small and middle-sized farmers confirmed this penetration of governing circles:

> Our contacts were not necessarily with the government but with members of the armed forces. Government officials did what Velasco commanded. But there were many people like us in the upper levels of the army, air force, and navy who thought that private enterprise must continue in Peru.[31]

Agriculture authorities suddenly became vulnerable to attack. In the first half of July 1973, the Council of Ministers insisted on reviewing the progress of the agrarian reform in a special session. Civilian officials were called upon to explain Agriculture's attitude with respect to the national cattle plan, the food shortage crisis, and, most importantly, the relationship between agrarian reform and agricultural productivity. Ministry officials feared that the session would turn into an attempt by navy and air force officers to paralyze their activities. They attempted to line up backing from such key members of the core and support coalitions as Rodríguez, Fernández Maldonado, Marcó del Pont (head of the INP), and Arturo Valdez, but were in agreement that they would resign their posts if the reform was to be stopped or significantly stalled.

The Cabinet followed the recommendation of the navy and air force leaders to appoint a high-level commission to investigate abuses in the countryside. The commission was made up of the head of the Intelligence Services from each of the three branches of the armed forces and representatives from the Guardia Civil and COAP. Starting in Cajamarca and Ferreñafe in northern Peru, the investigation team quickly gathered data. Its members were sympathetic to the denunciations of the small and medium-sized farmers and uncovered numerous examples of injustice and arbitrary behavior. The report submitted to the Cabinet was very critical and recommended the firing of persons in SINAMOS and the Agrarian Reform Agency.

Also in July, as a further effort to quiet the agitation, President Velasco received a delegation of small and middle-sized farmers from Nazca, Ica, San Lorenzo, and Cajamarca, and listened attentively to their complaints about widespread uncertainty in the countryside. At this point, the President and other ranking members of the core coalition were becoming concerned about the example

of the right-wing movement in Chile, Patria y Libertad, which had built a coalition among small and middle-sized property owners and was actively seeking to topple the Allende regime. Velasco's intelligence services told him that leaders of the small and middle-sized farmers saw the Chilean example as a way of paralyzing the agrarian reform, and even of doing away with a government they abhorred.[32]

After reviewing the commission's report, the Council of Ministers decided that the government had to clarify, once and for all, the conditions under which small properties could be expropriated, and subsequently award Certificates of Exemption from Expropriation to owners of properties that so qualified. D.L. 20,136, the eventual legislative action, established more explicit criteria for expropriation, removed much administrative discretion from low-level field teams, and delimited the evidence needed to establish direct management. Government strategists hoped to use D.L. 20,136 for purposes more to their liking. They saw that the countryside's new rural elite, with properties near the maximum of 150 hectares, had taken advantage of minifundista insecurity to organize a political movement to preserve their privileges. To break up the coalition, the Agrarian Reform Agency began issuing thousands of Certificates of Exemption (Títulos de Inafectividad) in Ica, Arequipa, Pisco, Piura, and Chincha, the main centers of organized dissatisfaction. Some agrarian reform officials believed that the massive distribution of non-expropriation certificates had indeed broken the coalition and cited, as a prime example, the failure of a large gathering of the federations of the small and middle-sized farmers to reach accord on a common plan of action in Arequipa in September 1973. Others, however, were not quite so sure.

> The government never succeeded in breaking the coalition between the small and middle-sized farmers. Law 20,136 normalized land titles for small plots, but that did not work. As long as the individual campesino does not see what he wants to see with his own eyes, he does not believe what he reads on paper. In every area of the country, the minifundista saw that the process of expropriation had not been completed. Every time the agrarian official went into town, he was asked: Is this expropriation the last one? Obviously the functionary could not say "Yes," and every time he said "No," the minifundista got nervous and there was new pressure on the government.[33]

Toward the end of the Velasco regime, additional legislation strengthened the hand of the middle-sized property holders. Under D.L. 21,168 (1975), small and middle-sized farmers in Arequipa were permitted to hire outside help regardless of the size of their unit and could partake in other gainful employment simultaneously with farming. Soon after Morales Bermúdez succeeded Velasco, the government passed D.L. 21,333, which the regime heralded as a revolutionary measure. It explicitly reduced the largest permissible landholding size from 150 to 50 hectares and required the employment of one agricultural worker for every 5 hectares of land above 9 hectares. The law, however, catered to the interests of middle-sized farmers because at most it would expropriate only 20,000 hectares of land owned by fewer than one percent of the group. Furthermore, the law eliminated absentee ownership and labor code violations as sufficient causes for expropriation. The middle-sized farmers who had complained for years that expropriation was too severe a punishment for these infractions finally won their point. Subsequently, store owners, teachers,

government functionaries, military officers, and truck drivers could own property, administer it on the weekend, fail to register their workers with social security or pay them the minimum wage, and not fear expropriation.

The organization of opposition to the military regime, coupled with the declining power and influence of the state, characterized other sectors besides agriculture in the last months of the Velasco regime. When Morales Bermúdez assumed office, he had fewer possibilities of conjuring up animosity toward the "oligarchy," which theoretically Velasco had swept away. Moreover, those militant interest groups and opposition parties who had suffered under the pressures of Velasco's policies and police had developed a garrison mentality. Their leadership, under perpetual threat of arrest or deportation and battle-hardened in extreme opposition to the regime, was mostly of rightist persuasion. They moved to the offensive with vengeance, challenging the military to return almost immediately to electoral democracy. When this thrust did not bear fruit, they turned their attention to securing the dismissal of all remaining Velasco men in the upper ranks of government, and to halting his reforms. Morales Bermúdez also faced opposition, or potential opposition, abroad, and his possibilities for manipulating international affairs to Peru's net benefit were circumscribed. In terms of visibility, Perón had died. Torres had been expelled. Allende had fallen in a bloody coup. The Ecuadorian government had turned out to be less radical than first suspected. Peru was surrounded by regimes unsympathetic with her leaders' social philosophy, and she would have been at a severe disadvantage in any conflict with her three neighbors. Equally important, the international financial community had become alarmed at the unhealthy state of Peru's accounts, and joined forces to negotiate measures to extract maximum payment short of sending her into economic bankruptcy. The political and economic freedom of movement enjoyed by Velasco in the early 1970's had been totally reversed by 1977.

Autonomy and Policymaking

High autonomy was reflected in the policymaking process most noticeably during the early years of the Velasco government. High autonomy was correlated with secret policymaking and, simultaneously, with the regime's entrenched power position. Over time, Velasco insisted on retaining his discretion on the content of policy, yet the policymaking style moved perceptibly from one of secrecy toward one of fuller public debate. The regime showed a trend toward airing its structural reforms more widely before instituting them, a pattern that appeared to be correlated with a curve of declining regime control and influence. When the Velasco group was sufficiently confident about the passivity of potential opposition and quick action was essential, policy was made in the inner circles of government and implemented rapidly. When legislative initiatives required relative secrecy and high technical expertise, and were the exclusive domain of one ministry, they were drafted in the sector and approved by the president on the advice of COAP. The regime followed Directive Number 3 when potential opposition was of such magnitude that countervailing opinions had to be completely aired, or when the law required collaboration of a number of ministries or groups for its implementation. By ostensibly sharing authority, the Directive allowed the regime to coopt both bureaucratic representatives and civilian elements whose support (or neutrality) was needed for the government to proceed with its overall plan. Many observers, however, have commented on the hollow nature of this participation.

Figure 4

Major Policies and Decision-Making Style, 1968-1977

	Velasco Period															Morales Bermúdez Period					
	Foreign Policy	Administrative Reform	Press and Mass Media	Agrarian Reform	Currency and Banks	General Industries	Industrial Communities	SINAMOS	Education	Fishing Nationalization	Social Property	Press Expropriation	Devaluation	Jungle Native Communities	Urban Land Reform	Devaluations	Foreign Policy	Social Property	Industrial Policies	Labor Policies	Plan Tupac Amaru
President and Advisors	X	X	X	X								X									
Ministry and COAP					X	X							X		X		X				
"Coordination"							X	X		X											
"Coordination" and Private Sector Input									X		X			X		X		X	X	X	X

Figure 4 lists in chronological order 15 major reforms of Velasco and 6 reforms of Morales Bermúdez, and indicates the process used to draw them up--from highly centralized to "coordination" with full public debate. As the Velasco government matured but failed to generate broad popular support in favor of its policies, it opened its decision-making style to a wider circle of actors outside the core coalition. The inconsistency in this general pattern is that, especially in the last months of his tenure, Velasco tried to compensate for his weakening position through the persecution of his detractors and opponents, in acts decided behind closed doors and often unbeknownst even to other members of the core coalition.

Under Morales Bermúdez, state ideology shifted considerably in a liberal direction, and no major policies were drafted without taking into account the interests of powerful national and international actors. The high autonomy and low power that under Velasco proved increasingly problematic was followed by low autonomy and low power under Morales Bermúdez, a more "natural" congruence. The latter government responded to multiple pressure in its exchange rate, economic, industrial, property, labor, and foreign policies, and justified its consensual approach as one representing national interests. The inevitable result was that specific policies favored the groups helping to formulate them, and many of the benefits enjoyed by non-hegemonic elements under Velasco evaporated. The trend was reflected eventually in the military's decision to return to representative government, announced in the Plan Tupac Amaru.

Conclusions

In societies in which national history has followed a different course from that of Europe and the United States, theoretical postulates on the relationship between economics and politics need to be reviewed in light of real power as adverse to assumed power. One of the major differences between Third World and industrialized countries is that, in the former, real power holders may not be a productive economic class in the normal sense of the term. In Peru, for example, the potential power of the unmobilized peasants and workers, together with the non-economic institutional resources of the bureaucracy and military, complicate any simplistic panorama of relevant political actors, even though the prevailing economic system is capitalist. This point has been missed in many interpretations of the Velasco regime. In countries like Peru, high state autonomy is less surprising than in more integrated societies, although it is precariously maintained when state power is relatively low.

State autonomy is a theoretical concept which encourages the researcher to measure the degree of congruence between policies promoted by the state and the objective interests of different sectors of society. When these programs serve the powerfully entrenched, autonomy is low. When they serve interests of the weak or the state itself, autonomy is higher. In intermediate situations in which the polity integrates a mixture of interests that moves the country forward against the aspirations of some but not all powerful groups, the state may be described as moderately autonomous.

Policymaking styles most often are correlated with levels of state autonomy and degree of state power. High autonomy is most tenable when the state dominates resources within the society, and it is usually accompanied by a secretive policymaking style by which leaders insulate themselves from outside influences. The Velasco regime displayed characteristics of high power and

autonomy during the 1968-1972 period, and the policymaking style followed suit. The state that is weak, whether as a result of severe internal divisions or a low resource base, is susceptible to the bullying of powerful economic or political actors, and its low autonomy is manifest in the content of public policies that favor those interests. The Peruvian state under Morales Bermúdez has had features that were consistent with this description. The state was divided, power was scattered, official ideology was liberal, and representatives of powerful interests--local industrialists, branches of the armed forces, international financial institutions--had a predominant say in shaping policy.

For the researcher, the most interesting cases of policymaking are those in which no correspondence exists among levels of autonomy, power, and policymaking styles. And, among these, the most fascinating is a situation in which leadership tries to manage high autonomy in a situation of low power, and utilizes the policymaking process itself to try to advance toward ideologically determined goals. The Velasco government distracted, deflected, and coopted opposition during the middle part of its tenure in order to push the society toward the ideals of social justice shared by the president and his immediate entourage. Although the policymaking style seemed gradually to open up over the years, policy content appeared to be predetermined, and in any case important economic elites did not participate in the process. The reversion to secretive policymaking in 1974 and 1975 ratified Velasco's predilection for unfettered liberty of action. In the end, however, his unconventional defenses and justifications broke down and his government was toppled.

The Velasco experience provides instruction on how a regime not adverse to authoritarianism can foment structural change under unfavorable circumstances. While the Velasco regime did not perform adequately in all of these areas, some of the axioms it followed included:

1. Delineate general and specific goals beforehand but shroud them in secrecy.

2. Establish a core coalition and protect its flanks assiduously.

3. Couch the intentions of radical reform in terms consistent with the interests of the institution that is the mainstay of the revolution (in this case, the military).

4. Draw up formalized procedures for policymaking in order to avoid the accusation of arbitrariness, and use these procedures on non-crucial issues to allay suspicion and maintain legitimacy.

5. Utilize the policymaking process to incorporate the participation of wavering support groups, but reserve the right to veto suggestions that are incongruent with ultimate policy aims.

6. Foment divisions and conflicts among those who would challenge state autonomy, including the leaders of powerful social classes, national institutions, and various segments of the international financial community.

7. Adopt mutually reinforcing policies to strengthen the unity and influence of weak groups, so that they will support the regime in the future.

8. Install a successor at a moment when the incumbent is fully in control, and do not attempt a makeshift solution when his powers are debilitated.

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[1]Karl Marx, The Eighteenth Brumaire of Louis Bonaparte (New York: International Publishers, 1963), pp. 16 ff.

[2]Nicos Poulantzas, "The Capitalist State: A Reply to Miliband and Laclau," The New Left Review 95 (January-February, 1976), pp. 72-75.

[3]Scholars have been concerned over proper definitions of state and society in practically all intellectual periods from classical times to the present day. For useful introductions to the terms' philosophical, ideological, and empirical roots, see Leon H. Mayhew, "Society," in David L. Sills, ed., International Encyclopedia of the Social Sciences, vol. 14 (New York: Macmillan and Free Press, 1968), 577-586; Frederick M. Watkins, "State: The Concept," in Sills, ed., vol. 15, 150-157; J. P. Nettle, "The State as a Conceptual Variable," World Politics 20:3 (July 1968), 559-592; and Roland Maspétiol, "L'apport a la téorie de l'Etat des méthodes phénoménologiques et structuralistes," Archives de Philosophie du Droit (1970), especially pp. 282-286. While the conception of the central political apparatus may collapse too easily into the notion of government, the definition avoids the normative references linking the state to law, justice, or utopia. In the modern era, Marx probably devised the most suggestive definition of the state (the oppression of one class by another), but his failure to systematize his ideas left his students to quibble over their meaning. A sampler of the scores of articles on the theme would include John Sanderson, "Marx and Engels on the State," Western Political Quarterly 16:4 (December 1963), 946-955, which lists the philosophers' several conceptions of the state, and Frank Cunningham, "Marxism and the State," Revolutionary World 6 (1974), 21-30, which contrasts the pluralist with the Marxist approach to the concept. In the debate over whether state and society are one and the same thing, I would side with those who argue that they are interdependent, such as Henry Zentner, "The State and the Community: A Conceptual Clarification," Sociology and Social Research 48:4 (July 1964), 414-427; and Otto Heinrich von der Gablentz, "Staat un Gesellschaft," Politische Vierteljahresschrift 2:1 (March 1961), 2-23. The approach here rests comfortably with the ideas expressed by Harold Laski in The State in Theory and Practice (London: Allen and Unwin, 1935), pp. 8-17 passim. "We find ourselves living in a society with other men; that society, in relation to all other forms of human association, is integrated into a unity we call a state; as a state, its affairs are administered by a body of persons we call the government." One of the "fundamental axioms of political science (is) that we must distinguish sharply between state and government. The latter is but the agent of the former." "Yet it must be said at once that the distinction between state and government is rather one of theoretical interest than of practical significance." "[T]he state in daily fact is a power-organization relying upon its legal title to coerce for the ultimate enforcement of its will; and...in the last resort, the armed forces of the state are the instrument of this enforcement."

[4]Ross Zucker, commenting on Fernando Henrique Cardoso's Autoritarismo e Democratizaçao (Rio de Janeiro: Paz e Terra, 1975), says: "It is particularly interesting that even when Cardoso acknowledges the role of the bourgeoisie in the power bloc, he refuses to accept that this implicitly demonstrates that economics conditions politics.... [T]he fact that the bourgeoisie possesses a share of power does not necessarily mean that the military must rule in its interests." Ross Zucker, "The Relative Autonomy of the State," seminar paper, Department of Political Science, Yale University, 1975, pp. 41-42.

[5]Alfred Stepan uses the concept in this way to apply to the Velasco regime in Peru. See The State and Society: Peru in Comparative Perspective (Princeton University Press, 1978).

[6]Naturally, the task of determining the nature of these goals is not simple. Administrative theorists have had enormous difficulty ascertaining the goals of discrete organizations, which presumably would be less problematical than determining them for a whole class, state, or nation.

[7]This approach goes beyond that of Poulantzas, who does not grant the existence of internal state competition apart from divisions in the class structure. See "The Capitalist State," p. 75, and Classes in Contemporary Capitalism (London: NLB, 1975), p. 171.

[8]For biographical data on Velasco, see Alfonso Baella, El Poder Invisible (Lima: Editorial Andina, 1976), pp. 94-97, and Guillermo Thorndike, No Mi General (Lima: Industriagráfica, 1976), p. 42.

[9]Stepan discusses at length the maturation of the military's outlook in State and Society.

[10]The designation "Earthquake Group" stemmed from the fact that Fernández Maldonado, the oldest colonel in the core coalition, graduated from Chorrillos Military School in 1943, and his graduating class dubbed itself "earthquake." Although appropriately descriptive of the Velasco regime, the president had graduated in 1934, Rodríguez Figueroa in 1945, Gallegos in 1946, and Hoyos in 1948, each in a class with a different nickname. Francisco Moncloa, Perú ¿Qué Pasó? (Lima: Editorial Horizonte, 1977) divides the military into revolutionaries, developmentalists, and conservatives. The revolutionaries formed the core coalition, and the developmentalists and conservatives comprised the support coalition during the early years of the Velasco regime. See also, George D. E. Philip, The Rise and Fall of the Peruvian Military Radicals, 1968-1975 (London: Athlone Press, 1978).

[11]For several in-depth articles on programs of the Velasco regime, see Abraham F. Lowenthal, ed., The Peruvian Experiment: Continuity and Change under Military Rule (Princeton: Princeton University Press, 1975). The compendium edited by Henry Pease and Olga Verve, Perú 1968-1976: Cronología Política (Lima: DESCO, 1974, 1977) contains rich data culled from newspaper files on the progression of events after the military seized power. Recent first-person reports of the Velasco regime are Moncloa, Perú: ¿Qué Pasó?, and Héctor Béjar, La Revolución en la Trampa (Lima: Perúgraf Editores, 1976).

[12]See Peter T. Knight, Perú: ¿Hacia la Autogestión? (Buenos Aires: Editorial Proyección, 1974).

[13]Delgado assembled much of his philosophical and polemical writings in Revolución Peruana: Autonomía y Deslindes (Lima: Libros de Contratiempo, 1975).

[14]Velasco's physical incapacity sparked the presidential ambitions of some members of Velasco's entourage, most notably Javier Tantaleán, who had become a personal friend of Velasco's. Known as La Misión, his group had little support within the military itself and no members led troops at the time of the Morales Bermúdez coup.

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[15]A caution on the methodology utilized in constructing Figure 1 is appropriate at this point. Only those policies considered to represent major changes in the respective policy arenas are included in the left-hand column. The indication of whether they were in the interests of the various social and economic groups is judgmental, worked out in consultation with students of Peruvian politics of this period. The reader should consider that these tables and figures are intended for illustrative purposes only. Innovative methodological approaches will be necessary for more rigorous testing of hypotheses on state autonomy.

[16]See Peter S. Cleaves and Martin J. Scurrah, Agriculture, Bureaucracy, and Military Government in Peru, forthcoming.

[17]Peter S. Cleaves, "Implementation of the Agrarian and Educational Reforms in Peru," Technical Papers Series, No. 8, Institute of Latin American Studies (University of Texas at Austin, 1977).

[18]Charles Goodsell summarizes important features of the Velasco regime in "That Confounding Revolution in Peru," Current History 68:20 (January 1975), pp. 20-23. An excellent source for events under Morales Bermúdez is The Andean Report, a monthly economic newsletter published in Lima by independent journalists.

[19]One functionary commented in July 1970, "Congress intervened in the budgetary process by legislating new stadiums, schools, hospitals, and other political goods. This was not grass roots representation but simply the case of a senator, or one of his relatives, who wanted to make some money. The result was to dot the country with stadiums holding 20,000 spectators in towns of 2,000 people and large hospitals standing empty with no one to administer them. Of course, this tendency exists more or less all over the world. But here during these years it reached gargantuan proportions." Another added, "The Congress refused to bring decentralized agencies under control because it wanted to keep the executive weak. For the same reason, it would call ministers before it to answer spurious questions, to the point of taking so much of their time that they could not do their jobs. Then Congress would ridicule them for neglecting their administrative duties." "On paper, of course the budget was balanced. The executive accomplished this by inflating revenue estimates (10 percent here, 7 percent there) and underestimating expenditures. Everybody recognized that the final figures bore little resemblance to reality. In 1968, the government ran terrific deficits and began cutting back projects. The Congress was ecstatic. Many congressmen crowed that Belaúnde was a dreamer with no conception of basic economics." See also, Pedro-Pablo Kuczynski, Peruvian Democracy under Economic Stress: An Account of the Belaúnde Administration, 1963-1968 (Princeton: Princeton University Press, 1977); and Naomi J. Caiden and Aaron Wildavsky, Planning and Budgeting in Poor Countries (New York: John Wiley and Sons, 1973).

[20]I am indebted to Alejandro Camino for gathering much of the statistical data presented here.

[21]For statistics of other countries see Clement H. Moore, "Authoritarian Politics in Unincorporated Society: The Case of Nasser's Egypt," Comparative Politics 6:2 (November 1974), p. 199. Werner Baer, Isaac Kerstenetzky, and Annibal V. Villela, "The Changing Role of the State in the Brazilian Economy," World Development 1:11 (November 1975), p. 31, estimate that expenditures as a percentage of GNP reached 50 percent in Brazil in 1969. See also Celso Lafer, "Sistema Político Brazileiro: Balanço e Perspectivas," mimeo, Getulio Vargas Foundation (1973), pp. 36-38. It is almost impossible to evaluate these data, however, because the figures are not necessarily informed by the same methodology. If "state size" is to become a useful political economy concept, analysts must first agree on the proper statistical measure with which to scale public sector orders of magnitude.

[22]Interview material. See also, Juan Chong Sánchez, "El Proceso de Planificación Social en el Perú," Estudios Andinos 3:1 (1973), 29-55; Daniel R. Kilty, Planning for Development in Peru (New York: Praeger Publishers, 1966); Robert E. Klitgaard, "Observations on the Peruvian National Plan for Development, 1971-1975," Inter-American Economic Affairs 25:3 (Winter 1971), 3-22.

[23]From 1962 to October 1968, for example, the government deported only one person; from 1969 to August 1975, the number of deportees was 70. By order of frequency, these were journalists, political party activists, union leaders, social scientists, and priests. Deportation is a mild measure of repression compared with the number of persons killed in political violence or imprisoned for political activities. Figures on those phenomena, unavailable officially, were probably low until the February 1975 disturbances in which 86 persons were reported killed in Lima riots. With the advent of the Morales Bermúdez government, a new wave of arrests and deportations occurred under his administration, and at least 22 were killed in a general strike in June 1978.

[24]Civilians again began to be appointed to ministerial posts after the Morales Bermúdez coup. We estimate that approximately 400 military officers held decisionmaking posts in the civilian bureaucracy at any one time during Velasco's and Morales Bermúdez' regimes. Luigi Einaudi reports that there are about 5,000 officers in the Peruvian armed forces, of whom 3,500 are Army, in "U.S. Relations with the Peruvian Military," in Daniel Sharp, ed., United States Foreign Policy and Peru (Austin: University Press, 1972), pp. 15-56.

[25]Carlos A. Astiz and José Z. García in "The Peruvian Military: Achievement, Orientation, Training, and Political Tendencies," Western Political Quarterly 25:4 (December 1972), 667-685, argue that "achievement" is not a good predictor of promotion. We would contest their belief that achievement can be measured only on the basis of academic performance, since discipline and leadership are criteria, just as important if not more so, in military circles. See, for example, Thomas D. Morris, "Merit Principles in Military Officer Personnel Administration," Public Administration Review 35:5 (September/October 1974), pp. 445-450.

[26]Interview material.

[27]Interview material.

[28]My feeling is that books such as Guillermo Thorndike's No Mi General exaggerate the effective power of "La Misión." See the excellent treatment of the Velasco regime by Franklin Pease, El Ocaso del Poder Oligárquico: Lucha Política en la Escena Política, 1968-1975 (Lima: DESCO, 1977).

[29]This material is drawn from "Agrarian Policymaking," chapter 2 of Agriculture, Bureaucracy, and Military Government in Peru. See also, Mariano Valderrama, Siete Años de Reforma Agraria (Lima: Pontificia Universidad Católica, 1975).

[30]Interview material.

[31]Interview material.

[32]Said a leader of the farmers' association: "No, we were not linked with Patria y Libertad in Chile, even though we knew what was going on there. Remember that our aims were not political but just to defend our land.... It goes without saying, however, that everyone wanted the government to fall. But we recognized that it would have to fall from within, not because of outside pressure." Interview material.

[33]Interview material.