

Peru's "narco-terrorists" bring economic boom

The resurgence of the Shining Path has brought pickup trucks and three-story glass houses to the Ayacucho region.



By John Enders — Special to GlobalPost
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HUANTA, Peru — The Communist hammer-and-cycle adorns the black-and-green uniforms of the Shining Path guerrillas here, as well as the flags flying over their jungle encampments. But the main activity of the group is not ambushing military patrols and outposts, it is managing the area's booming cocaine trade. Their real symbol ought to be the dollar sign.

Several hundred insurgents with modern weaponry and a penchant for carrying out effective and deadly attacks against government forces would be considered a major crisis in many countries. But in Peru, the Sendero forces are seen as "remnants" of an earlier failed revolution and they are barely talked about in Lima, the nation's distant capital.

Meanwhile, the economic effects of Peru's growing "narco-Senderismo" insurrection are vividly present here in Huanta, a formerly dirt-poor town about an hour's drive from the regional capital of Ayacucho and the main commercial center near the tropical coca-growing area.

Ayacucho was the center of the massive Maoist Sendero Luminoso guerrilla movement of the 1980s and early 1990s, which cost Peru about 70,000 dead along with hundreds of thousands of residents displaced. Today, the area boasts nearly a dozen banks, numerous internet cafes, ubiquitous and expensive imported 4x4 vehicles and two- and three-story glass and brick homes, often built in working-class or rural neighborhoods amid neighbors' adobe shacks.

An estimated 150 tons per year of cocaine is now exported from Peru to Europe and other consuming countries such as Brazil. That makes it the second-largest producer of cocaine, after Colombia, according to the United Nations. A recent [U.N. report](#) said coca production in Peru grew 4.5 percent last year.



Imported four-wheel drive vehicles are increasingly ubiquitous in Huanta.
(John Enders/GlobalPost)

The coca leaves are processed into cocaine in small labs in the jungle and even in houses near here. The coca-growing and cocaine production areas are just hours east of Huanta and Ayacucho. Peasants who have no other markets grow coca for the producers, and much of the cocaine production is family-based, experts say. The growers, producers and Sendero guards have become part of the same business, and overland transport routes are now controlled by the guerrillas, said Jaime Antezana, the country's foremost expert on the Shining Path.

The government knows what's going on, but is limited in what it can or is willing to do. Until a few months ago, the National Police were in charge of fighting the drug traffic. But after [attacks by Senderistas grew](#) more bold and destructive, they were replaced by the army. In the boldest attack yet, in April a Sendero band attacked a military garrison and killed 15 soldiers near here. Sendero uses homemade land mines, grenades, and modern automatic weapons bought with the revenue from their drug sales.

Despite claims by the revitalized Sendero that it is a political movement based on the teachings of the group's founder and chief, Abimael Guzman, who is now serving a life sentence for terrorism in a maximum-security prison in Lima, observers say the remnants of Sendero mostly are businessmen. They have increasingly taken over drug production and transport in a vast tropical watershed of the Apurimac and Ene rivers, a remote, virtually inaccessible area known as the VRAE.

"This is Sendero on a FARC model," Antezana said, referring to the Revolutionary Armed Forces of Colombia, which has fought for decades to unseat the civilian government in Bogota and is directly tied to the flow of drugs from that country.

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Meanwhile, local residents here on the edge of the jungle region know well the direct impacts of the drug traffic: an economic boom for a region long mired in abject poverty. Peasants growing coca can afford to build a house, buy a truck and perhaps send a child to school in the city. That was never possible when the cash crop was oranges or corn.

Even area taxi drivers have benefitted. Thousands of "Toritos," three-wheeled covered taxis imported from India, now jam the streets and unpaved roads in and around Huanta, Ayacucho and other towns in southern Peru.

New bank branches open regularly here. In nearby Ayacucho, once the center of Shining Path insurgency, international banks include Banco Weise, connected to ScotiaBank, Banco Continental, Citibank, Banex, Banco Santander, Banco de la Nacion, BCP and Banco Comercio.

The Sendero guerrillas are not only well-funded but also connected to the world. They have internet access at their jungle retreats, according to Antezana. And, he said, "Today they are controlling all the drug routes."

Carlos Bassombio, an analyst in Lima, said the biggest problem facing Peru is not the armed insurrection represented by the remnants of Sendero Luminoso, but the increasingly ubiquitous narcotics trafficking in the country and the endemic corruption it engenders. Low-paid policemen are easily corrupted, and farmer and their families are easily attracted to the kind of wages paid by traffickers.

Young men, sometimes pre-teen adolescents, who live in the coca-growing region and have no other sources of income, often go to work as "mochileros," literally backpackers, carrying the drugs along jungle and highland routes to trans-shipment points in Brazil or on the long, unpopulated coastline of Peru. Ex-soldiers also are being recruited by Sendero, Antezana said, and are paid \$1,000 a month. That compares to Peru's minimum wage of about \$150 per month.

Sendero has an estimated 350 irregular soldiers under arms. Fifty police and army soldiers have been killed this year. But Peruvians appear willing to look the other way. Compared to the Sendero of 15 years ago, when large swaths of territory were under their control and they were striking with bombs and gunfire in the heart of Lima, the threat is seen as minor.

One-third of the residents of Huanta are tied somehow to the narcotics trade, whether directly or indirectly, he said. Wealthy area families send their children to study in Lima or outside the country, to neighboring Latin American countries or to the United States or Europe.

"Pepe," who owns a computer store in Huanta and who did not want to give his last name, should by all measures be a beneficiary of the drug boom, but he says he isn't. He says he sells most of his goods to schools and local agencies.

"The people involved in the narco-traffic don't buy much here. They build their big houses and buy their new cars in Lima. They buy foreign brands, brand new. Every once in a while someone in the narco-traffic business will buy a computer," Pepe conceded.

The region's economic boom is obvious. What is less clear is the long-term effect this business will have on Peru and its people.

"Current narcotics trafficking is generating extreme forms of social and criminal violence, and increasingly affecting the security of the society and the Peruvian state," Antezana said. A black market in international weapons is also developing in the region, he said.

John Youle, an American who has lived in Peru for many years and publishes a popular newsletter on politics and the economy, believes Peru is not far from becoming another Mexico in terms of the violence emanating from the drug traffic. "You're getting increasing violence," Youle said. "This could get quite a bit worse."