

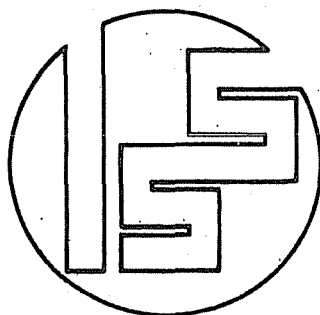
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## OCCASIONAL PAPERS

**The Function of Social Mobilization  
in the process towards a new society in Peru**

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Working Paper. The views expressed in this paper  
are those of the author and not necessarily those  
of the Institute of Social Studies.  
Occasional Paper No. 36. March 1973.



**Institute of Social Studies  
THE HAGUE - NETHERLANDS**



**THE FUNCTION OF SOCIAL MOBILIZATION IN THE PROCESS TOWARDS A NEW SOCIETY  
IN PERU**

by

**Joost Kuitenbrouwer**

**INTRODUCTION**

1. This report has as its objective to undertake an analysis of the development process as it has evolved in Peru over the two year period 1968-1970, to examine some of the basic problems contained in this process, to interpret the direction in which it goes and to suggest a position towards it. Within this context, I shall especially focus on the function of social mobilization in development and its relationship to three major reforms the Military Government has introduced.

This report is the result of my work at the National Community Development Office and the National Planning Institute. A more detailed (project) analysis of the National Community Development Programme and of the Government's Development policy, in particular the Agrarian Reform, can be found in three previous reports. <sup>1</sup>

2. When looking back upon the period of my work in Peru starting in October 1968, just after the take-over by the Armed Forces, I have two simultaneous contradictory reactions: on one hand Peru seems to have been the scene of a vast all-inclusive effort of deepgoing transformations, which are altering the very foundations of the existing society, on the other hand, if this society is looked at as a social process, as a value system or a projection of human behaviour, although changes can be discerned, they are not or as yet not of a substantive nature. If the action towards transformation is qualified by its initiators, the Military Government, as a "revolution", I would like to say therefore that in my view this qualification can indeed be legitimately applied to the changes introduced in the Peruvian society as an economic system with the deepgoing consequences, not only in the economic system, but consequently also in the political powerstructure. If the concept of "revolution" is applied to society as a social process, in which the various social groups modify their values and the behaviour and new structural realignments reveal

themselves in an effective way, it would as yet be questionable to speak of "revolution". This apparent contradiction has various sources: the very quality of the Peruvian Revolution as an undertaking, conceived of and undertaken from above, as well as the nature of Peruvian society, which since the Spanish conquest has evolved as an economic, social and political system, dependent upon outside forces and stimuli and marked by profound inequality, injustice and marginalization of the majority of its population by minority groups in all spheres of life. These features are profoundly embedded in the system of relationships between the various groups of the population and express themselves at the same time in the country's underdevelopment as in its absence of a national consciousness and identity.<sup>2</sup>

An interpretation of the present development process in Peru should at the same time imply a content analysis of the conceptual and ideological base which underlies the revolution, as well as what, as a social process, actually goes on in society.

It would surely be premature to pronounce oneself now in a definite way about the meaning and scope of what happens in Peru, since the transformations introduced and to be initiated as yet are of such a nature that trying to evaluate them now fully would be rather immodest. Yet since the development in Peru clearly presents a new and original model, at least in Latin America, and this model generates and asks for new approaches, also in the field of technical assistance, an effort to understand it, its underlying forces, problems and orientation would seem justified and indispensable.

### 3. The Conceptual and Ideological framework of the Revolution

At the roots of the Peruvian Government's interpretation of the situation of underdevelopment in which the country finds itself, are the following theses:

that development and underdevelopment are historically and causally inter-related and can only be understood in this context and

that the underdevelopment of Peru as well as other countries in Latin America and the third world has been caused and is caused by the nature of economic relationships and therefore political, social and cultural relationships with the wealthy countries. The resulting subordination applies, however, not only to the relationships with the wealthy coun-

tries, but prevails also within the country. The interrelation of both systems of subordination is responsible for the state of underdevelopment which can therefore not be explained in itself, but only in relation to the processes and mechanisms which caused and/or contributed to the development of the wealthy countries and the "islands of modernity" in the underdeveloped world. This thesis of the Government implies therefore an explicit rejection of the dualist theory which for so long has served to explain underdevelopment in terms of the existence of an archaic, traditional, static stagnating society, side by side with a modernizing, dynamic society each with its own autonomous roots and set of determining factors. It is this theory which for a long time has underlied traditional community development theory, stressing the possibility of local communities to generate development on their own strength as if they did not form part of an over-all system, conditioning and limiting their capacity for development.

The existence of underdevelopment and development as one single phenomenon has for quite some time been recognized in theoretical terms.<sup>3</sup> A good deal of empirical evidence is available as to its historical process in Latin America as well as to its present consequence,<sup>4</sup> and also for Peru recent studies sustain the applicability of this thesis to its past as well as to its present.<sup>5</sup>

Independence and national capacity for autonomous decisionmaking as well as the transformation of the structures determining the external and internal relationships of inequality and its emergence, are therefore central requirements in the Peruvian Government's concept of revolution.<sup>6</sup>

The enhancement of national capacity for autonomous decisionmaking and a process of self-sustained growth is, however, unthinkable unless in a framework of the establishment of a wider regional economic system, defending and promoting the countries' joint interests on the basis of a policy of national structural reforms and economic independence. The leading role of Peru in the formulation of a common Latin American position towards the United States as well as the European Common Market, which has lately received great impetus, and the promotion of the Andean Common Market as a primary aim of its foreign policy, are therefore related to the Government's determination for overall structural transformation within the country.

The process of transformation of the system of international as well as national relationships is understood and defined by the Peruvian Government as the need for the creation of a new social, economic and political order, based on social justice and the promotion of a new society, which enhances man's freedom from structures that limit and diminish his capacity for creativity and self-realization as well as for productive action. This new society should not primarily be based on the pursuit of individualist gains, but on social well-being, through new structures which promote solidarity. Development is therefore understood as a process of human liberation from bonds and constraints, generated by the very prevailing system, and as the elimination of the roots of privilege and inequality which have nurtured "our underdevelopment and dependency."

The aim of the revolution is thus seen as the forging of a new society in which man can feel free because he feels part of a just society. It is therefore considered necessary to replace the traditional structures by qualitatively new ones. This implies that the traditional structures must be fully abandoned. Only modernizing them would mean to leave in existence the very sources which have generated underdevelopment and would leave open the possibility that the existing "oligarchical" groups would be replaced by new ones. As to the type of society proposed, the Government has made it clear that it rejects the capitalist as well as the communist system. Concerning the capitalist system, the Government thinks it the root of the country's underdevelopment and dependency, both internal and external, and of man's alienation and incapacity to design and decide his own destiny. As to the communist system, the Government considers it equally alienating and dehumanizing and responsible for the emergence of an all-powerful bureaucratic and dogmatic state, which absolutistically imposes itself on the social system. The Government emphatically stated that it does not wish to follow any existing ideological or imported scheme and that Peru must "develop its own interpretation of its reality, and decide its own future and resolve its own problems."

Having rejected the two alternative systems, mentioned above, the country is declared to be in state of revolution, if and when traditional structures are transformed, the property-systems are altered, economic power and with it political power is transferred from one group to other groups and important new groups emerge on the social and political scene with newly felt joint interests, the country is ruled in service of the

majority and not the minority and finally people start to become the protagonists of their own history. Free participation of the people on basis of their own right to decide their future is stated to be an essential feature of the Revolution.

#### 4. Interpretation of the Government's Concept of the Revolution

When comparing the content and scope of the Revolution, as outlined by the President in his address to the country on the occasion of the commemoration of its "first independence", last July, with the formulation of the Government's social and economic policy, most explicitly set out in the Prime Minister's speech <sup>7</sup> in December 1968, it is observed that, whereas in the first speech the primary emphasis was on the Reforms to be introduced, in the last address the Government attempted to make explicit and to define the ends of the Revolution as designed to lead towards a new type of society, structurally and qualitatively different from the society of the past. Whereas the Government previously suggested on various occasions that it understood the development process to be a process of modernization implying the structural transformation, it has now indicated that it rejects the understanding of the development process as a modernization process, or at least that this modernization process is to be looked at only in the framework of structural transformation of the society as a whole. In other words, it recognizes that the meaning and the basis of the Revolutionary process is first of all to be understood as the progressive realization of social justice and that social justice cannot be interpreted as a static abstract principle, but as the dynamic source which guides it in its interpretation of the national development policy to be implemented. <sup>8</sup>

Within this context it has also recognized that production and productivity, as objectives of the development process, cannot be looked at as if they were autonomous variables standing on themselves, but that they only fulfill a positive function in the wellbeing of the population as a whole as far as they are an expression of a social system which is based on and promotes equal access to the actual or potential resources, and the services and opportunities for human development generated by these.

#### 5. Some Constraints in the Realization of the Transformation Policy

If the Government seriously intends to carry out its Revolution in adherence to this principle, it is difficult to qualify its efforts as a

particular expression of the traditional populist distributive schemes.<sup>9</sup> The contention that its policy is only a scheme for modernization from above, so as to rationalize existing structures,<sup>10</sup> would not be a fair assessment either. Such assessments, made by qualified social scientists, reveal however a real distance between the intended policy and its implementation. This may be the consequence of the fact that any Reform takes time for its realization. It is however also possible that a fundamental ambivalence, regarding the nature of the Revolutionary process and the way it must proceed to the realization of its aim, exists in the Government. This ambivalence may be caused by the very nature of the Government as a military government as well as by various strategic or practical considerations among which I would like to mention:

its firm will to carry out the Revolution without permitting or providing any opportunity to the traditional political groups to associate themselves with the process of change so as to reap the benefits once the Military would leave the stage and continue the traditional political game; the fear that the productive apparatus would break down if the beneficiaries of the Reforms, e.g. the Land Reform, would not receive strict direction and supervision on basis of well prepared formula; the strongly felt need to keep the process of change under strict control so as to avoid any action or movement (either by those who stand to lose their privileged situation or those claiming justice or aspiring for changes, expected to benefit them) which might disturb the peaceful process of the creation of a new social order, which ought in their view, to take place in an orderly way.

Within the Government, as a military government, a deep respect for hierarchy, order and discipline prevails, and the structure of its internal communication system, designed to execute plans and orders, is essentially of a one-way nature, from the top downwards, with the deep implicit assumption that orders are given to be implemented according to instructions and established schedules. From this view the population is conceived as an "object" of the Government's good intentions and as beneficiaries, expected to co-operate with the Government's plans, designed for the country's and their own benefit.

When overlooking the period of the past two years and the Reforms which have been introduced, one cannot but be highly impressed by the extraordinary consistency, precision, pace and timing with which these were introduced. Considering the way in which they were carried out one can only speak of a strategic operation of high order. Their content, consistency and spacing



testify to a great insight as well as a keen sense for strategy. When the basic Reforms will all be introduced, they will undoubtedly respond to a very carefully thought out and all-inclusive plan-de-campagne, logical follow-up of a deepgoing systematic analysis of Peru's basic problems and proposals for a development policy. The take-over of the International Petroleum Company, the restructuring of the Banking System so as to increase the State's capacity for financing national development, to limit foreign influence and to prepare the democratization of the Credit system, the introduction of the Agrarian Reform, the Statute for Press Freedom, the Mining Reform, the take-over by the State of the export of fish meal, the Judicial Reform, the introduction of Exchange Control, the Educational Reform and the Industrial Reform which has just been introduced and which pretends to set out more than any other Reform the pattern for a new society, all of them form part of an interrelated set of actions for national transformation. The same goes for the Reforms still to be introduced, such as the ones on the Fishery Industry, Private Banking, Commerce, Credit, Co-operative Organization, Nationalization of Electrical Energy, not to speak of the Reforms in the field of political and administrative re-organization, such as the Basic law on Public Administration, the Law on Regional Administration and Municipalities and finally the new Constitution which may be expected at the end when all important Reforms will have been completed or are in full process of implementation.

Summarizing, it is suggested that there are serious contradictions between on the one hand the intentions as they have been formulated as the basis for the country's development policy by the intellectually very well trained military elite, and on the other hand the concrete way in which the Reforms are introduced into the societal process. Because of their training and their professional life and life-style the Military cannot be expected to be particularly endowed to understand and to look at the process of change which has to accompany the Reforms as a process of social transformation.

6. The intention of the Government to demobilize the traditional political parties and mechanisms in national life, since they substantially contributed to the promotion and maintenance of a pseudo-democratic order and the generation of underdevelopment, can be easily understood. The Government has a particular distrust of the Apra, the major and best organized political party in the country. Unlike the others, this party has at its disposal a

wide network of "grassroots" organizations and activists and controls the major urban- and rural Unions. This is not the right place to explain the deep seated, longstanding hostility between the Army and this political Party. Suffice it to say that the fear for counter-mobilization by this Party, together with the interest of other political groups to utilize "Grassroots" organizations for their own political purposes, makes the Military very hesitant in directly promoting or allowing active promotion of popular movements at the base. The Government, however, does not seem to realize enough that, by this policy, it generates forces sustaining the re-activation of the traditional groups and that by abstaining from organizing popular participation or organization it creates or allows for a social vacuum, too easily occupied by groups it wishes to keep out of the societal process. It cannot be denied that therefore the Government finds itself in an extremely delicate position and before a difficult alternative. Yet it would seem that the delay of opening up the way for and promoting a process of popular participation has serious consequences and at the same time would seem to oblige the Government to enter into a pattern of action marked by increased control, contrary to its very intentions.

## 7. The Agrarian Reform

This grave problem shows up perhaps most clearly in the Agrarian Reform, which, although carried out with impressive speed and on an extensive scale, remains largely void of the promotion and emergence of authentic participation by peasants and workers.<sup>11</sup>

It finds its most acute expression in the big sugar estates in the coastal area, which have now been turned over or are in the process of being turned over to cooperatives. The will of the Government to keep the cooperative organizations clear of political party influence has led to the organization of a tight military intelligence network and the introduction of regulations limiting the freedom of workers to choose their own delegates in the Co-operatives' Administrative Management Councils, as well as to the exclusion from election of workers who have in recent years been active as political or union leaders. This initiative, contrary to basic co-operative principles and common sense, born out of fear, has definitely helped the leaders of the major political party mentioned above to regain or re-activate their ties with the workers at the base, who actually were on their way to freeing themselves from the traditional mechanisms of control by their leaders' as a result of the conversion of

the haciendas in co-operatives, a change of which they recognized the benefits in spite of the maintenance of the great differences in income and privileges between the higher level professional and administrative personnel.

It is not surprising that under the surface of various co-operatives there is a great deal of resentment against this situation, which is an opportune fact for the opponents of the Government to capitalize upon.

In the Sierra a similar situation of non-participation prevails. The largely technocratic and impositive style of the officials of the ministry of Agriculture is aggravated by the profound cultural distance between them and the peasants, their lack of understanding of the peasants' culture and "resistance to change", a natural result of a long history of severe exploitation and repression. Another "gap-creating" fact is the unwillingness or incapacity of most of the officials to appreciate and identify with the peasants' ways and problems, a natural consequence of the fact that most of them belong to that group that is not only culturally dominant, but also in all other spheres of life. The problems raised here need a deepgoing analysis, in particular if it is assumed that the Public Administration will have to play a crucial role in the promotion of the transformation policy as a process of social change.

Substantive progress is being made in the redistribution of land. The substitution of previous hacendado's by administrators, appointed by the Ministry of Agriculture, who manage (as a rule in the traditional and authoritarian way) the ex-hacienda's, preparing their change over to co-operatives, "for", instead of "with" the workers poses serious problems. Little changes in the workers' perception, in the sense that they discover a new perspective in life. It would seem that only the landlord has changed.

8. Another factor which puts serious constraints on the emergence of a free and active participation by workers and peasants in the shaping of their own world and future is the Government's apparently obsessive concern to assure that existing levels of production and productivity will be absolutely maintained. Those who are opposed to the Land Reform have constantly pointed to the danger of decrease in production and productivity and the grave political consequences of an inflation and the concomitant discontent in urban areas. The continuous campaign for the "green revolution" by one of the leading newspapers in Lima as the optimum combination of modern technology and improvement techniques, implicitly suggesting its validity in contrast to another type of revolution, has certainly been a factor, inducing tight control from above, so as to assure that there is no contradiction between Agrarian Reform and

the increase of production and productivity. It is undoubtedly a great achievement that this year the production of the sugar estates has not diminished, but has even slightly increased. Also in the Sierra there is as yet no evidence of any relationship between the Agrarian Reform and diminished production and productivity. By now there is, however, enough evidence to sustain the thesis that exclusive insistence on production and productivity tends to augment the poverty of the rural majority, as well as that it contributes to the entrenchment of social injustice,<sup>12</sup> while on the other hand such insistence is only useful when it is made subordinate to a policy of structural transformation, accompanied by adequate social planning and guidance, promoting the responsibility and real participation by the peasant population. The exclusive insistence on production and productivity, prevalent among most agricultural extension officers, obviously is the consequence of a technocratic mental outlook, by which mature peasants are taken for and treated as children by the technicians, children who know little, have no experience and therefore can only work productively under firm control. At the same time such control may serve to preserve the existing system of hierarchical relationships which underlies and supports the prevailing social structure. A sound professional insight into the peasants' culture and rationality, also into their mostly well-founded distrust of change (since change has nearly always implied for them deterioration of their conditions), together with the development of a training system based on a real understanding of this culture and at the same time promoting an authentic dialogue which helps the peasants to discover the world, their world, and to participate in a creative way in the search for answers to the problems which emerge and which they will have to face on basis of their understanding of reality, from essential requirements for a successful Agrarian Reform.

9. Finally, I mentioned as a constraint the strongly felt need of the Military to keep the process under strict control. Here works an interplay of various factors, among which an inbred desire for an orderly march of the process and the wish to insure that the revolution as "their" revolution will be a peaceful one, the fear for radicalized peasant promotion and the avoidance of any situation which can provide ground for the thesis, constantly submitted in the conservative press, that the Government should not allow activities not compatible with the "Christian-Occidental tradition" and that it should see as its major task to protect the legitimate interests of the population (the dominant minority groups).

It is unquestionably a remarkable fact that the Agrarian Reform until now has been carried out without violence and that the process of change as a whole has proceeded peacefully. Which factors may help to explain this ought to be a subject for intensive investigation, but there is enough ground to subscribe to the thesis of Abbé Pierre, presented last year before a group of high Peruvian Army Officers, that the "only way to avoid violence in the country would be for the Army to assume the protection and promotion of the interests of the poor and marginalized majority groups". The presence of the Army and its potential intervention has surely been the major factor, in particular in the Sierra, where relationships between hacendados and workers, at the surface characterized by submissiveness and discipline, are in reality marked by deepseated distrust and tension. Another factor which may also help to explain the non-violent character of the process of change is perhaps the Land Reform initiated in the Belaunde period. Perhaps since it was not a real Land Reform at all, but nevertheless led to considerable conflicts and some major and many small changes, it may have adjusted owners to the idea of other inevitable changes to come and so contributed to loosen up the rigid existing social system and helped to prepare the radical break-up of land under the present Land Reform.<sup>13</sup> The fact that in many areas of the interior serfs started to abandon the old rules on the relationships with their lords and that at least part of them began to refuse to work any longer without compensation, surely created among hacendados a climate of insecurity and the idea that the world and their world was not completely unchangeable.

The avoidance of violence must, however, not be equated with, or lead to the suppression of conflict. Conflicts, if properly managed, will have to play their legitimate and indispensable role in the process of change. Their systematic avoidance or suppression may lead to a situation where the causes of conflict will activate or re-activate themselves and may then lead to interventions of a repressive nature, considered legitimate by their initiators, who may ignore that these conflicts are the outcome of previous problems and the expression of legitimate protest against situations of too deeply entrenched injustice.<sup>14</sup>

In this context it should be pointed out that the confrontation by the Army with the guerilla groups before and during the government of Belaunde, together with the systematic analysis undertaken of the underlying causes of the situation of underdevelopment of the country in the renowned Higher War College, the

"Colegio de Altos Estudios Militares" (the so-called CAEM) made the Military aware of the real roots of the "social disorder" and the economic stagnation of the country. As the President said in a moving passage in his most recent address: "The Revolution was perhaps born in the moment that many of us knew that we could not and should no longer simply remain witnesses of the pain and shameful misery of our people. Therefore our Revolution was first of all initiated in the service of the poor and the exploited. Therein lies the essence of its justification".

10. Although the Peruvian Land Reform can until now point to an impressive record of achievement in terms of targets and extension, it shows at the same time grave deficiencies in terms of meaningful participation by the peasant population and the virtual absence of an organic policy for their involvement through a massive process of conscientization, training and the promotion of a vigorous system of grassroots organization, as well as their integration beyond the local level, so as to assure the promotion and articulation of the peasants' interests and their legitimate participation in the planning and execution of the Reform as a socially creative and economically productive group in the national social system. <sup>15</sup>

The seriously disintegrating and atomizing effects of the exploitative social system of the past on the peasants' and workers' personality and culture can only be overcome if the fullest attention is given to the social nature and content of the Land Reform process. If not, the Land Reform can at best serve, if this is at all possible, to only instrumentalize a social group in the country, in function of other objectives of the ends of national development, such as Industrialization, which outside its present limited area of influence and scope will only be feasible if new centers of demand and new groups with acquisitive power emerge among the peasant population which as yet constitutes the largest single group in the country. The lack of sympathy of the Government for the promotion of peasant unions and the implicit suggestion of their dysfunctionality since "peasants will become owners and need therefore no more defend" themselves (as if they could leave this to the Government) is a serious indication of a mechanistic concept of change and is reminiscent of what happened during the Belaunde Government, when co-operatives were introduced exclusively from above in the Valle de la Convención and their introduction led to the demobilization of the existing peasant unions and the substitution of dynamic "grassroots" organizations by bureaucratically

ruled government organizations, in order to assure "full control" of the situation. 16

This passive policy towards rural unions is obviously designed to facilitate the work of the Administration, but leaves the peasant population atomized and marginalized as a group with common interests and needs to promote these in a common front. It cannot be assumed that these promotional tasks can be taken care of by each production unit in itself, neither that the co-operative organization, by the Government primarily intended to be an organization for production and technical management, will automatically assume the task of interest promotion. This policy can therefore too easily lead to and support the implementation of the Agrarian Reform from above as a manipulated process which peasants have to accept "because it is good for them". It bypasses the truth that the realization of social justice or, in other words, the process towards participation, is a dynamic process which will only lead to the emergence of self-reliant, creative and productive new groups, if these groups will themselves be involved in the making and shaping of their lives and future.

11. The policy to organize the production system, wherever possible, on a co-operative basis and the intention to establish large production units or service centers, to which various production units will be connected, implies a substantive advance over the policy and promotion of fragmentation in the past. It is interesting to note that the Land Reform law itself and the official statements on it in the first period of its application clearly emphasized orientation towards a small and medium size property system and rather suggested a continuation of the traditional approach. However, there gradually emerged a reorientation, with a clear emphasis on constituting major holdings, thus avoiding the pitfalls of other Land Reforms such as those of Mexico and Bolivia.

This new policy will, however, only produce its full effects if these co-operative units will become part of wider horizontally and vertically organized systems and will be multi-purpose by the inclusion of inputs and consumer services, as well as the marketing function. It is in these areas that a substantive part of the peasants' potential profits have always been unproductively absorbed by a group which progressively has extended its hold over the peasant population and its unproductive share in the national and regional income.

The establishment of larger units entails not only the need for careful economic and technical planning, but even more so for social planning, in particular through the need to establish relatively homogeneous basic units, so as to combine the need for economic rationality with social viability, as well as the necessity to introduce methods to involve the peasants and workers in the elaboration of planning and programming their own co-operatives. 17

The establishment in the Agrarian Sectorial Planning Office of a unit for sociological analysis and guidance responds to the growing insight that Agrarian Planning cannot be left alone to economists and agricultural professionals and that the absence in the preparation of change of this element can seriously jeopardize the whole undertaking. This new unit needs therefore the strongest support and it is to be hoped that it will not only serve to meet short term needs and emergency situations, but that it will be allowed to assume its full share in the overall Agrarian Planning effort.

The use of network planning in the Agrarian Reform by the Sectorial Agrarian Planning Office brings out perhaps most explicitly-although unintendedly-the crucial significance of the social components in the process of change, in particular that of training.

12. Many basic questions in the Agrarian Reform remain as yet unsolved, Special mention deserves the relationship between the peasant communities which are organized according to a special Statute (outcome and continuation of the special status according to the so called Indian Communities in the past) and the new co-operative organization.

It is my opinion that in as far as these Communities function as a viable social and economic system, they should serve as a base for the co-operative organization, so that the emergence of a dual competitive system can be avoided. This thesis, submitted to the Government by the team of reputable social scientists of the Institute of Peruvian Studies, which assumes the possibility of adjusting the communities' system to the requirements of today, finds strong opponents. Particularly members of the staff of ONDECOOP, the co-operative agency, maintain that only a "modern" type of organization can solve the problem of the communities and they therefore propose substitution. While the first thesis is based on the assumption that the stagnation of the communities cannot be explained from within but only in relation to external causes, the second group implicitly sustains,



in my opinion, a dualist thesis. While the first group submitted proposals, taking as a starting point the social and economic organization of the communities and their evolution, the second group bases its interpretation of what is needed for the country largely on imported models. 18

It seems to me that the application by the Government and the Agrarian Reform authorities of the second thesis can help to explain many of the numerous problems which arise in the application of the Agrarian Reform in the communities (many of which have in the past maintained a state of dependency and undergone a process of exploitation by bordering haciendas).

While this issue concerns the internal organization of the community, another question relates to the position of the communities as such in the application of the Reform. Will the Government give priority to the workers already established on the haciendas, or will they in principle try to incorporate inhabitants of surrounding Communities? Leaving the latter out may respond to the requirements of expediency and rationality, but may imply serious injustice, since the hacienda-land belonged to the Communities. It becomes clear that no standard legalistic approach can be useful here and that decisions will have to be taken from area to area and even from case to case. At any rate, the Agrarian Reform can only partly solve the growing problem of rural employment, whatever decisions will be taken.

13. Three new developments have recently been the principal focus of attention in the Agrarian Reform. The first is a substantial change by the Government of paragraph 9 of the Agrarian Reform Law, which gave ample opportunity for "Land Reform on Private Initiative". It became gradually clear that this chapter was a major loop-hole in the law and promoted great activity among farmers and hacendados to circumvent the law and resulted in a situation whereby large groups of workers did not benefit from the law. As a result of growing abuse and protest in various coastal areas, possibilities to distribute land were limited and clear priority rights were established for permanent workers or those of the near vicinity.

14. The second is the more extensive use by the Agrarian Reform authorities of Art. 45 of the Law, which permits expropriation and reduction of the limits of inalienability of land, in case of non application of the

labour laws and the prevalence of what the law calls "anti-social" conditions. In the first stage of application of the Law, this article was only used quite selectively on occasions where serious abuse and the existence of open tension or disturbances were quite evident. The interpretation of the prevalence of "anti-social conditions" has, however, widened (a strict application of this article would lead to the expropriation of practically all haciendas and farms) and this naturally caused great concern among owners. The National Association of Farmers (who call themselves small- and medium size farmers now) has appealed several times to the President to re-establish "stability" and punish Government officials in the field, who are "the cause of the reigning instability", so that "production and productivity can be fully maintained". Numerous Regional Farming Associations have also joined the appeal with extensive advertisements in the Capital's newspapers. The President promised a review of the situation. This review would, however, "not only involve an examination of the farmers' interests but also of those of the workers and peasants". A commission was established in the Ministry of Labour to review all the cases that had to be prepared by the Regional Labour Inspectors at the request of the Ministry of Agriculture. An important element in the farmers' protest was, that the Inspectors ought to announce their visit to the farm or hacienda in advance, so that their visit could be "prepared". (It should be observed in this context that the habit of farmers and hacendados, especially in the Sierra, to invite Government officials and in particular officials from the Ministry of Agriculture, served, aside from the enjoyment of the drinks offered, as an important mechanism of social control). In the recent Decree establishing the Commission in the Labour Ministry, the principle of unannounced visits has been maintained; visits can be repeated and the right of workers to meet the Inspectors independently is guaranteed. Among those who are acquainted with the practices of the Ministry of Labour in the past exists a not wholly unjustified fear that the centralization of control in this Ministry might once again introduce the delays which characterized the previous Land Reform.

15. The third development which caused great concern among the farmers which had more profound implications was the appearance on May 26 of a Decree establishing the right of permanent farmworkers to a share in the profits of the enterprise, if its size exceeds the triple of the minimum farm unit. This Decree suddenly established the principle of profitsharing in the Agrarian Sector, and created a storm of anxiety and protest. Farmers'

Associations requested the Minister to clarify the terms of the Decree and finally in August it was ruled that the workers' participation in profit should not be less than 20% of the net annual income.

This can be seen as an effort to balance out the position of workers, who continue to be workers on farms, against the position of those who become members of co-operatives. It must not be forgotten that the degree of exploitation on smaller farms has been frequently more severe than on the big haciendas, in particular when small farms are situated in populated areas.

In the meanwhile, the National Farmers' Association requested the Government to cancel this measure and to introduce the profitsharing principle within the framework of a general Law on the Reform of the Enterprise, which could "extend its benefits to all Sectors of production". Some explained this proposal as a revenge of the Agrarian Sector on other productive Sectors, to which they feel themselves abandoned in their struggle to hold out against the more and more severely felt consequences of the Agrarian Reform.

It seems more appropriate to interpret this request as a part of a strategy for obtaining delay, so as to gain time to be able to organize a common front with the other Sectors. It is by now, however, understood, that this request was of no avail and that the measure forms part of an overall policy of the Government to introduce the profitsharing principle in all productive Sectors. This became clear in the dispositions of the Industrial Law, issued on the eve of Independence Day, July 28, and introduced that day by the President in his major Address to the country.

16. The three interventions mentioned can be interpreted as an expression of the will of the Government to look at the Reform, introduced by them not in a dogmatic way but in terms of what degree they support in practice the realization of social justice and the emergence of a new social order. The Military Government has surely shown a great deal of flexibility and pragmatism in allowing a period of trial and error, before defining itself and the legal content of its Reforms in a more definite way. On August 18 the Government issued a final consolidated text of the Law, incorporating every modification introduced since its introduction in June 1969.

17. The Industrial Reform:

Unlike the Agrarian Reform, the Industrial Reform Law was previously submitted to the public for comments and the National Association of Industrials had the opportunity to present its observations to the Government. A central part of this law, however, the proposals on profitsharing and co-management, was not contained in the Draft Law, and although the Government had on various occasions referred to its intentions towards it, they surprised the country and in particular the Industrials and Unions and caused concern and opposition among them, except for the more progressive or radical oriented unions.

The Law is an attempt to establish an all-inclusive framework for industrial promotion, the treatment of foreign capital, profitsharing and workers' participation in management. Three types of industry are distinguished: industries of the public, private and co-operative sector. The promotion and establishment of the so-called basic industries is reserved for the State, which can, however, associate these basic industries with the private or co-operative industries, if it wishes to do so. The State is supposed to assume the leadership and orientation of industrial development through the basic industries, which are defined as those producing the essential inputs for the production of other goods. They include all industries in the fields of steel, chemicals, petro-chemicals, fertilizer, cement, paper and machinery. These are the industries which will enjoy first priority.

Of second priority are the so-called supportive industries, which produce goods responding to the basic needs of the population, as well as capital goods not included in the first priority. The supportive industries include all industries in the fields of food, clothing, housing, health, education, culture, recreation and transport.

Third priority is given to industries which produce goods, considered to be of a complementary nature in the range of needs.

A fourth, non-priority category is formed by industries which produce goods, considered to be of a sumptuous or superfluous nature. The law established a set of differential incentives, according to the priority range of the industries, in the field of taxation, and reduction of taxation in case of re-investment and capitalization. The incentive

system includes, on basis of the priority scale, preferential treatment in the field of credit facilities and technological support by the State. As to the promotion of decentralization of industrial development, the Law rules that industries which establish themselves, in accordance with Government Planning, outside Lima-Callao, will enjoy a fifty percent reduction on import taxes for capital goods and 25% on other inputs, related to their production.

As to the industries to be established exclusively with foreign capital, these will have to make up a contract with the state in which a period is defined, during which they will be allowed to recuperate their capital and make a reasonable profit, depending on the nature of the industry and its technology, after which period they will be able to continue only with 33% of shares in the enterprise. Foreign investors, associated with national entrepreneurs, will not be allowed to have more than 75% of the shares and will also have to sign a contract with the State which will allow the national entrepreneurs to arrive at the control of 51% of the shares, in a period and under conditions as in the previous case. All existing national enterprises will have to remain so and will be only allowed to have participation of foreign capital up to 33% of the total shares.

18. The principle of profitsharing is expressed in the disposition that all permanent workers will participate in the distribution of 10% of the net annual profits of the enterprise before tax deduction. Half of this 10% will be distributed pro rata and the other half in proportion with the basic income of each worker. Workers include all employees in service of the enterprise. The profitsharing principle is combined with the introduction of co-management by the creation of an "Industrial Community", which represents the workers before the enterprise. The Law prescribes that each enterprise will have to set apart, after having paid tax, 15% of the annual net profits, in order to acquire shares on behalf of the Industrial Community. When the Industrial Community will have acquired 50% of the shares of the enterprise, its members will turn into individual owners of these shares and the profits derived from them. At the same time they become members of an Industrial Co-operative within the enterprise. Workers in Public Industries will receive bonds in stead of shares. The boards of the private and co-operative enterprises will have at least one workers' representative and state enterprises two. The number of representatives will be increased in proportion to the progressive acquisition

of shares. According to the President, the new General Law on Industries must be seen as a revolutionary instrument, designed to stimulate the development of a truly national dynamic industry. Its aim is to guarantee the economic independence of Peru. It provides the workers with an important participation in the utilities and the direction of the enterprise. It alters the traditional system of ownership, giving the workers progressive access to the ownership of the industry. It is to serve the establishment of a strong and dynamic, truly Peruvian, industry and assure national control over enterprises with foreign capital. Finally the new Law introduces a new (peruvian) institution, the Industrial Community, which is scheduled to remedy the unfair and unequal distribution of income and ensure equal participation of labour and capital. The purpose of the new legislation is not only to give the workers economic benefits through the Industrial Community, participation in the direction of the enterprise and contribution to its development. The new structure was particularly meant, as was announced, "to forge a new personality which the workers will gradually acquire when they are no more simple workers but creative persons in a human community with which they can really identify as their community".

Under such conditions "the industrial worker in Peru will no longer possess the infertile passivity of a dependent man, he will become a genuinely responsible and creative person because he is a free man".

19. Unquestionably, the new Industrial Law represents an audacious original and coherent attempt to deal with the principle Sector on which hinges the possibility of a self-sustained national development process. Its system of powerful incentives seems well designed to orient industrial development towards a direction, compatible with the requirements of a dynamic national industrial structure. It also corresponds to the necessity of substituting the present industrial system, which largely serves a consumer pattern of urban minority groups, by a system which responds primarily to the basic needs of the majority of the population and the necessity of including the newly emerging groups, in particular the peasant population, as a result of the Agrarian Reform, in the national circuit, thanks to their increased acquisitive power. <sup>19</sup>

The approach to foreign investment is a logical consequence of the now widely subscribed thesis that countries like Peru do not have any real chance for self-sustained development process unless foreign investment

is embedded into a system which primarily serves these countries themselves.<sup>20</sup> At the same time the legislation assures, however, clear stability to foreign investment and seems to aim at a reasonable balance between the interests of these investors and the country, as suggested by the Minister of Industries and Commerce.

20. As to the position of the large majority of industries to the Law, they accept by and large the principle of the profitsharing. They are, however, firmly opposed to the proposal for workers' co-ownership and co-management in the enterprise. In its first official pronouncement on the Reform, the National Association of Industries declared its agreement with the principles which have inspired the Law, the principle that workers have the right of profitsharing and acquire shares in the enterprise in which they work, as well as with the system of incentives, which they consider advantageous. They pronounce, however, their unequivocal opposition to the Reform of the Enterprise, introduced in the Law through the establishment of the Industrial Community. They oppose it, since, in their view, the ownership, made accessible to the workers, would be of a collective and not an individual nature. The latter should be considered as a "basic right of Man, as individual person, given to him by his Creator". They maintain also that the uncertainty about the future of "this right, intimately forming part of human nature", would undoubtedly extend to all other Sectors and that "as a consequence of the fear it might produce, there will be a general contraction of investment and that the unemployment, which already is quite serious and the principal cause of the economic crisis in the country, will be aggravated".

Together with the Association of Private Mining Industries and Fishery Industries they requested the cancellation of the Industrial Community as a base for collective ownership and insisted on the Reform of the Enterprise being considered in a special Law. To which request the Government has clearly said: no.

In the meanwhile, the Cardinal-Primate of the Roman Catholic Church in Peru pronounced on behalf of the Peruvian Episcopate his full support to the Law as in line with "the Christian doctrine on social justice and the dignity of man". Whatever the exact content and meaning of this doctrine,

it is reasonable to assume that the Cardinal is in a better position and more concerned and knowledgeable about its interpretation than the industrialists, of whom it is understandable that they wish to take it up for their interest, which they can surely defend more forcefully with other means than that Natural Law. Although the moral support by the Church will surely mean a great relief and help to the Government, it will unfortunately not help too much to make Peruvian industrialists invest and much less so foreign investors. Yet nobody can deny that the Law provides unusually good incentives for investment in the higher priority industries and provides, in particular for bigger enterprises, opportunities for fast capitalization. Small enterprises will have more difficulties and will lend themselves faster for being turned into co-operative enterprises, since the Law foresees that workers, after having accumulated 50% of the shares, will have the opportunity to buy up shares of the owners if the limit of expansion of the enterprise is reached. At any rate, there is an urgent need for finding new formulas to enable small producers to make use of more advanced systems of organization and management. 21

As indicated, the accelerated accumulation of capital will according to the Law no more be of exclusive benefit to the owners but also to the Industrial Community whose share in the Capital will mount in proportion to the total capital increase. There is an obvious fear among industrialists that the new cooperative structure contained in the Industrial Community will somehow, sometime, lead to the disappearance of their ownership as indicated where they maintain in their Communiqué that private ownership will no more exist in Peru and even warn the workers of the consequences of this for their own wellbeing!

21. The dispositions of the Law give full expression to the observation by the President in one of his previous addresses that property is too important to be the privilege of a minority among the population. The social nature of this new type of ownership in Peru can surely not be compared with systems in socialist countries, including Yugoslavia and still much less with the model which has been qualified as "capitalism of the people" whereby workers can become shareholders of their own or other industries. In the Industrial Community, ownership is clearly embedded in the co-operative structure with autonomous legal status within the enterprise, and the ownership of shares is thus not fully "individual".



Calculations indicate that it may take 20 years minimum and as a rule many more years before the Industrial Community under conditions of optimum capitalization will arrive at the control of 50% of the shares of an enterprise . This suggests that the Government has wished the process of transfer to be a very gradual one and it may be asked whether once the new type of system has been introduced, such emphasis on gradual acquisition makes for the viability of the system, economically as well as socially speaking.

22. The Law does not provide any indication as to the role the Unions are expected to play. It is rather obvious that this fact reveals in the same way as is the case in the Agrarian Reform the fundamental ambivalence and distrust to labour or workers and to their possible organization along political lines. It might be argued that the Law by not providing any explicit function to the Unions indicates the fact that the Government assumes that their role would automatically disappear with the progressive development of the industrial communities, or ought to disappear, since the workers' loyalty and interests need no more be promoted or defended from outside the enterprise as the workers become owners. The qualification of "workers" to all those in service of the enterprise and the therein suggested equality does not, however, take away the existing great variations in income between those at the top and those at the lower echelons. That income distribution may even become more uneven, since half of the 15% to be reserved for shares for the workers, will be distributed according to existing levels of income. The suggested homogeneity of interests among all those belonging to the industrial community from the porter to the manager, hides the actual heterogeneity of interests between those before the introduction of the law called "workers" and the others in the enterprise from owners to technical and administrative staff. It may also be argued that limiting the promotion of the workers (in the restrictive sense) interests in activities inside each individual enterprise, promotes atomization of interest perception and joint organization of workers as a group with common interests and augments the possibility of manipulation and control within the individual enterprises. The proposal of the Industrial Community has clearly been designed to diminish or eliminate the actual or potential conflict of interests, and to replace it by an interest system based on the concept of vertical integration.<sup>22</sup> It remains to be seen whether, if and when differences in income remain too substantial, the system can be effective in eliminating conflict; therefore, whether it will be able to work. It may be argued that the government has proceeded too easily on the assumption of a tendency to equilibrium in relationships

since it denounces inequality and announces equality while in fact polarization in income patterns may increase.

Thus it may be that by putting into motions social processes with dynamics of their own, strong pressures for equalization will develop. It is to be hoped that if and when these processes induce or impose changes in the proposed structure in the Law, the process of adjustment to the new Law will have sufficiently advanced to make it possible for conflicts which will unavoidably arise to be solved in a positive way. Whether this will be possible is closely related to the more fundamental question of the way in which the overall process of structural transformation and effective participation by new groups in the social, economic and political life of the country, will develop.

There is no doubt that implementation of the new Industrial Law will be extended to other productive sectors. The Minister of Fisheries has already announced that a similar approach to profit sharing and workers' ownership will be incorporated in the new Law on Fishery Industries. The more directly that productive Sectors accept this model, the more urgent it will be for the Government to apply similar measures to the commercial and services Sectors, if only to prevent a too voluminous capital flow towards these Sectors with a consequent decrease in investment in the directly productive Sectors.

It is quite obvious that the new structure, in order to be a viable dynamic factor, will require changes in the value system, motivation and comportment of all groups involved, owners as well as workers. For the latter, the need for intensive action of social mobilization, including actions in the field of conscientization, training and organization, is crucial to their successful participation in the new industrial undertaking. But again the question rises, how does the Government wish to approach such mobilization? Does it wish to limit the preparation of workers by educating them to comply with their legally prescribed role so as to make the Law function or does it wish to promote and support the emergence of a conscious, creative and critically constructive partnership of workers who not only will claim equality but will actually be able to comply with the requisite of responsible, rational co-ownership and co-management, and stand up to their own legitimate demands for equality as well as for the interests of

industry and the country. The ideal of government will only work if it takes fully seriously its resulting moral commitment to promote the social mobilization of the workers without hesitation. If it does not do so, the Law may be useful as an instrument to lead Peru in an accelerated way out of its backward incipient industrial set-up and to short cut the way to optimum growth, but no better social order can, in that case, be expected to result.

23. Recognizing the problems related to the introduction of the Industrial Community, there is no doubt that the Law contains a strategy which may lead to a vigorous development of the Industrial Sector if its proposals will be responded to. Will the Industrials respond or not, or to what degree? If their opposition to the Government continues and unemployment and underemployment, to a large measure inherited from the previous Government's policy, still increase, basically two alternatives present themselves.

Either the Government will give in to their demands and dilute its proposals on the Industrial Community or it will have to seek new ways in finding support for its proposals. This will first of all mean that the role of the State will have to be amplified and reinforced. Secondly, it will mean that the Government should look for support and entrepreneurial initiative to others than the groups it has hitherto largely relied upon.

This should lead to reconsideration of the traditional theory on how innovation comes about and the qualities which for entrepreneurship are imputed to a particular group of people, as if this group were by nature particularly endowed and predestined in view of their special qualities (such as dynamism, energy, creativity, modern outlook, and the like).

In a recent study,<sup>23</sup> it is pointed out that the location of industrial activity in particular groups (foreigners and Peruvians of foreign extraction) has to be closely related to the colonial structure and the system of dependency in which Peru found itself at various stages of its history (as a Spanish colony, in relation to England and its more recent ties with the United States). The relative absence of "Peruvian Peruvians" in

the industrialization process should therefore be understood as a result of the structural and institutional constraints imposed by this situation and resulting in an accumulative process of interaction of negative or retrogressive factors, <sup>24</sup> as well as the preference of Peruvians to engage themselves in other activities and professions. There is, however, ample proof that "new" groups can emerge and can play a vigorous role in industrialization (such as the entrepreneurs coming from the Provinces, who play a very active role in Lima, and the "cholos", the group emerging from among the Indian population which, although it takes selectively from modern life whatever helps it to get ahead in life, does not give up its identity. <sup>25</sup>

The relative absence of authentic Peruvian entrepreneurs and the presence of the existing leading industrial groups should therefore not be taken as an inevitable given constraint but as the product of particular historical conditions, which are reversible.

As to the supposed qualities of the existing industrial elite and of the elite in Peru, it should be noted that these should be interpreted (in the more recent period) in relation to the particular type of industrialization through import substitution. A closer look at it reveals that given the privileged and protected position of most industries and entrepreneurs, disproportionally high profits could be made and quite irrational structures of production could persist; all at the expense of the population and the country at large. It should not be forgotten that among the Industrials, belonging to the National Association of Industries, there exists a small nucleus which has a wide range of vested interests in the Industrial Sector as well as in other Sectors, such as industrial agriculture, banking, credit, real estate, trade, transport and communications. It is this group with wide control over the mechanics of economic life <sup>26</sup> (and entrepreneurial initiative) which has been vehemently opposed to the Government policy of transformation except insofar as it serves its interests. It is this group which has repeatedly been named as the "oligarchical group" acting against the interests of Peru. <sup>27</sup>

This very difficult situation in which the Government finds itself with regard to the participation of the "traditional modern" Industrial elite brings more forcefully home the point that structural transformation will

not automatically result in development but will have to be preceded and accompanied by an intense and deep-going process of socio-cultural transformation so that new opportunities, potentially available, will be utilized by those who perceive them and respond to the challenge. It is obvious that the emergence of new innovative entrepreneurial groups cannot be left to spontaneous forces but calls for well directed promotion, support and training for management and technical education by Government.

Another question, related to how industrialization may and ought to be brought about concerns the question of whether and how industrialization will be related to the Agrarian Reform. While it is clear that the Government hopes to find support for industrialization from the Agrarian Reform (financing of industries through bonds and investments by ex-owners, purchase of goods due to increase of acquisitive power among the rural population), it has been less clear in indicating how it wants industrialization to support the Agrarian Reform and rural development (e.g. the establishment of processing and servicing industries). It has been the systematic separation of these industries from the agricultural production system and their location in the urban centers on the Coast which has created or added to the extreme disequilibria between the Sierra and the Coastal regions.

24. It would be quite unrealistic if the Government would have assumed that Peru could realize its industrialization policy independently, as a process "from the inside and inwardly directed" (desde dentro y hacia dentro) without forming part of a wider community with the same pursuits and allowing for a wider market. It is in this context significant that the first point on Peru's foreign policy, made in the President's recent address, refers to the necessity of the Andean Regional Market and Integration, as a first step of Latin American Integration. In this address he expressed serious warnings with regard to the "dominant expansionism" of the "transnational concerns" and the need to utilize the market as an instrument towards "the radical elimination of dependency relations". As significant however is the statement that the Andean Market, in order to function successfully as a "liberating mechanism" should imply as a previous requisite the transformation of the structural base of the regional economy.
- It can be expected that Peru will only remain a member of the Andean Common Market if its partners will accept the Peruvian position with regard

to the treatment of foreign capital. It may be considered quite audacious of the Peruvian Government to introduce the new Industrial Law just before negotiations started on the treatment of foreign capital in the Andean Market. While it may be expected that Chile and Bolivia will support the Peruvian position, there will be strong opposition from Colombia and Ecuador. The Peruvian position, "perish or develop", may, however, help these two countries to overcome their opposition. It can then be concluded that the Peruvian Government feels that the Regional Market is only meaningful to Peru and to the other members if and when a firm joint position is taken with regard to foreign capital. This is the understandable outcome of an analysis of the basic causes of Latin American underdevelopment and stagnation vis-à-vis the wealthy countries.

Although there may be different interpretations of the repercussions of the industrial structure as it has evolved in the last decades in Latin America, its impact on the nature and quality of Latin American society and the scope for meaningful social participation in the societal and economic process, the clearly negative content of the relationship and its being a major factor in the processes of concentration and marginalization cannot possibly be denied.<sup>28</sup> The Peruvian position in this respect would seem to be a straight answer to all those analyses, converging in identifying the system of economic dependency as the fundamental cause of underdevelopment, as well as a first step in the implementation of the policy implied in the recommendations of the Latin American countries, contained in the Declaration of Vina del Mar of last year.<sup>29</sup>

## 25. The Educational Reform

The Peruvian Government has repeatedly emphasized that it considers a total and radical Reform of the prevailing educational system as "perhaps the most important Reform". This proposition has surely not been put forward because the Government wishes to express support for the conviction upheld by many educators that education could be considered as an independent variable or autonomous force in development which on its own momentum could bring about the desired transformations. Such a conviction is paradoxically enough shared by those who sustain the thesis that any process of development exclusively depends upon or has to be preceded by education as well as by those who hold that education has been and is the principal instrument of domination and that elimination of this type of

domination will be the major factor in changing the world. 30

The Peruvian Government's wish to change the orientation, content, methodology and organization of the educational system is rather a consequence of the conclusion that education is only meaningful in as far as it will serve the ends of a new society, defined in terms of justice and equality and meaningful, creative and productive participation by all people in the societal process towards national development.

As an instrument of equalization of opportunities, in response to the universal rights claim, the educational system of Peru has in the past not produced any significant results. While in the past years about one quarter of the national budget was reserved for the educational Sector (this includes the very substantial amount reserved to pensions), it was only able to provide primary education to hardly a quarter of the children of schoolgoing age. While in 1967 Peru spent close to 5% of its gross national product on education, of each 100 children who had entered school only 12% were able to complete secondary school. Although there was a significant increase in the school population (from 1958 to 1968 close to 100%) and the proportion of children entering school and finishing secondary school, comparing the period 1950-1960 with that of 1957 to 1967, doubled to reach as indicated 12%, this 12% amounted only to 17,500 children, while the rest, 336,000 children, did not make it.

Of the total funds of public and private resources, more than 50% are estimated to have been spent on less than 1% of young Peruvians who have been fortunate enough to receive higher education, while less than 20% of the total funds available is calculated to have been spent on only 50% of all the children entitled to education according to the Law. 97% of all recurrent expenditures of the budget of the Ministry of Education has been spent on the payment of salaries, including pensions. 31

While in its avowed aims, the Peruvian educational system was to strive for equal opportunities, and in that way for the democratization of society, the above figures suggest that this system has not only reflected the existing social structure, marked by profound disequilibria in all spheres, but that it has at the same time served to reinforce these. Although the contention that the educational systems in Latin America have been the principal instruments of internal and external domination would not find

too many subscribers, <sup>32</sup> there is rather general consensus that they have tended to consolidate and reinforce the process of economic, social and political polarization in the population, without holding any promise of change, at least not within the context of the present orientation.

It has been calculated that the average period of schooling, in spite of the considerable increase of schools (from 13,473 primary schools in 1958 to 20,049 primary schools in 1968 - thanks to the construction of primary schools which has been the major activity of the principal community development agency of the Belaunde government, Cooperación Popular, and from 662 secondary schools to 1805 in the same decade) has been only  $3\frac{1}{2}$  years. Also, it has been estimated that if the available budget should equally serve all those Peruvians entitled to education, it would not be possible to provide more than 2 years of free schooling. This would mean a month or so of schooling per year if schooling were to be considered under a system of permanent education over a period of 20 years, assuming the same availability of use of resources. <sup>33</sup>

26. The severe diagnosis made up by the National Commission for Educational Reform reveals the whole range of grave deficiencies of the prevailing educational system among which are particularly to note: the increase of illiteracy in the population; the discriminatory nature of the system at the service of a small privileged minority (the system of private schools plays herein an important role); the lack of attention to the special needs of the children of the poor majority population, who if they are not already excluded from the outset, suffer severe setbacks as a result of their overall deprivation; the stress on a pseudo intellectual abstract content, drawn from imported models and therefore alienating and stimulating evasion from analyzing and facing own reality; the transfer of imported cultural values which lead to an implicit devaluation and rejection of own values and culture (in the city this particularly concerns models imported from outside the country, while in the rural area the school system functions as an instrument of imposition of the mestizo and the so-called "national" culture, used as a major instrument in the process of domination and destruction of autonomous values and conscience; unrelatedness to the real needs and problems of the majority population and the need for the transformation of society; the prevalence of an approach and methodology characterized by routinism and ritualism, drill from above, sterile memorization and conformation to pre-established



patterns of expected response, leaving no room for flexibility, creativity, self initiative and responsibility; poor teacher training; excessive administrative rigidity and bureaucratization and extreme distortion in the allocation of funds as was indicated above; and finally the virtual absence of attention to consciousness of national own values and identity as well as the values of justice, and solidarity to be central requisites for the construction of a new society.

27. The question arises whether the Government will be able to find a way out towards a new approach which makes viable the implementation of its established aims or will only achieve the introduction of new ideals for equality and societal participation which will not go far in the face of the deep resistances to change, which not only prevail among particular interest groups, but also are entrenched in the whole social system as it has evolved over a long period.

The National Commission has defined as basic aims of the new system the preparation of children and adults for work and working life, for structural transformation of Peruvian society and for the self-affirmation and independence of Peru.

The organizational system proposed implies a general school system of two types, one for those of normal school age and the second for those beyond this age.

The first type of regular education is composed of three kinds and stages. The first stage (initial education) is designed for children before primary school age and is to serve to help them to avoid the consequences of the above mentioned drawbacks. This type of education is not only directed towards the children, but will also involve their families who are expected to share in the learning process, and through this will hopefully acquire insights which will help them to prepare their children for life. The second stage (basic education) is designed for all children from six to fifteen years. The total period of 9 years is composed of three stages of respectively 4, 2, and 3 years, each with a rounded off program of preparation for community life and work. The third kind or stage (higher education) is again divided into three autonomous cycles of which one is for higher professional technical training with a minimum of three years, a cycle for professional university training, and the third for post-

graduate training. The basic education stage provides a special system for adult education also based on successive cycles. Aside from this regular schooling system, the proposal of the Commission contemplates a line of educational action out of school through a range of educational extension programs through the available communication media, cooperatives, enterprises and a variety of other social and economic institutions which lend themselves for training.

The emphatically expressed intention of the Government to introduce bilingual education (Spanish-Quechua or Spanish-Aymara) in the areas where these Indian languages prevail is a late recognition of the basic right of people to be formed in their own culture and language. This should eliminate the excessive imposition of Spanish, in the perception of the Indian people in the Sierra a foreign language, the medium of expression of dominant groups of the population. It will also serve as an element to do away with the discrimination implied in the use of Spanish as the only official language. Apart from this recognition on grounds of justice, this new policy also responds to urgent pedagogical reasons. Previous acquaintance with reading and writing in the mother-tongue greatly facilitates and speeds up the learning of a second language. This measure also will help to curtail the serious effects of disorientation which children undergo by the dichotomization between the values of their family and community in which they are reared and which they are expected to esteem, and the depreciation and devaluation of these values, implicitly submitted to them by way of the dominant language through which a different and often contrarious reference and value system is imposed. <sup>34</sup>

The decision to introduce in the system of basic education one type of program similar for urban and rural areas meets the requirements of justice as well as the convincing advantages it contains above a differential system, often invoked on grounds of practicality. <sup>35</sup>

The announced re-orientation which I have briefly tried to summarize calls for some questions and observations.

28. How will the Government be able to assure effective equal opportunities? On the basis of the data presented above, it would seem that financial limitations could easily jeopardize the aims which at the theoretical level seem excellent. It would seem that the Government stands before a dilemma : either it recognizes the limitations and will therefore have

to question the schooling system as a formal institutionalized system to be developed and financed separately and requiring an outlay of funds with the unacceptable outcome as described above; or it will continue the old path, knowing that its proposals for equalizing opportunities will simply remain utopian. In the first case, if the Government accepts that it cannot continue extending the school system as an accumulation of physical facilities, it should look for ways to realize schooling through the whole gamut of means already available in the community (church, working place, factory, cooperative center, community center, service center, municipal office and the like) and come to a multi-purpose use system. In this way it could free investments for alternative, directly productive use and at the same time open up opportunities for the large majority of children entitled to education. Schooling in such a set-up would have then to be dissociated from "the School" as an institution apart, and the concept of effective opportunities should no more be primarily interpreted in terms of square meters of school space and the availability of tables and benches. As a preparation for working life schooling should then be tied up with meaningful activity by the young in the community as a base for and a starting point for learning and the preparation for employment, not only in terms of response to existing opportunities and effective demand, but also and perhaps more so in view of preparing them for and exploring new opportunities for creative and productive activity. 36

The complete separation between regular schooling on the one hand and "extension education" on the other hand should therefore disappear. I wonder, however, whether the prevailing obsession with and image of the school as an indispensable institution for cultural reproduction, transmission of norms and societal stability is not so ingrained that there would be enough courage to face reality and introduce the unorthodox way proposed. It is too little realized that the school as such is rapidly losing its role as the exclusive socialization agent, and that the continued insistence on its sole functionality makes it a barrier to the promotion of innovation and a new society.

Whereas in the past the school served primarily for transmitting the knowledge and values of the past, its role now becomes primarily to prepare for the future.

29. Therefore it seems to me that the Government in its proposals does not sufficiently break with the educational system as it has functioned up to now, and that as a consequence it inevitably introduces a set of constraints which will rapidly lead to loss of functionality and will also entail and impose financial burdens on the country which it cannot bear, thereby excluding or limiting alternative "directly productive" investments.

Furthermore, there is no reason to suppose that equal opportunities would automatically result from the rules laid down by the Government. It is rather unlikely that the dominant groups, either in city, town or rural areas, will simply resign to see their advantages disappear because of the Government's rightful wish for equality. The mutually reinforcing mechanisms supporting the positions of the dominant groups, in particular in the Sierra<sup>37</sup> can only be expected to give way thanks to the full implementation of the basic transformations already introduced or proposed, in particular through the Agrarian Reform, the Commercial Reform, the Reform of the Credit system and all those Reforms which specifically contribute to diminish the economic dependency of the marginalized majority on the dominant minority groups. These Reforms themselves, however, cannot be expected to change the existing patterns of relationships and the effects of the polarized social structure with its implications for values and behaviour. Only in as far as the newly emerging groups will be allowed to organize their own life and interests and formulate, articulate and organize their legitimate demands for equal opportunities, including a meaningful education for their children, will there be a possibility for significant changes in society. The quality of the demands in terms of rational content will very much depend on whether people have active "grass-roots" organizations of a territorial and functional nature (unions, cooperatives, community federations and the like) which can serve as channels of communication and negotiation with Government and other groups in society. The rationality and quality of the claims depend in turn on the degree to which these claims emerge from an analysis of needs on a wider scale, thanks to the process of interaction of local organizations with other groups and organizations in the same zone or area within the regional context. Finally the content and quality of the claims stem from the level of critical analysis by the population of their own reality and the right discernment of objective needs in terms of priorities. In other words, the realization of equal opportunities, opened up by structural transformation, depends for its implementation on the level of social mobilization, reached by the

population in question. Effective social justice emerges therefore with the emergence of people towards a state of critical conscience about their collective and individual rights, objective needs and alternative possibilities for action.

An adequate system of education can therefore only evolve in as far as it is preceded and accompanied by a process of active participation of the community on basis of their effective sharing in the economic, social and political power of the community. This participation should in turn serve and be utilized as an educational process.

30. The question arises as to the priorities in the educational system. From the manpower point of view, technical education and education for work at its various stages should have absolute priority. There is little reason to expect that this type of education will contribute to the forging of a new society in the terms suggested by the Peruvian Government, unless this education for work is tied up with an educational process as the progressive acquisition of a critical conscience as to one's group's personality rights and obligations, possibilities and perspectives in the world and the acquisition of a lively individual and collective sense of responsibility for the community's well-being as well as an understanding of the need for structural transformation. <sup>37.1</sup>

Besides this, the very Reforms introduced, in particular the Land and Industrial Reforms, impose the need for wide and intensive training in the practice of self-management.

31. This brings up the question of the methodology in the educational system. It has been frequently pointed out that the exclusive insistence on Peruvian education as a process of socialization into an established social system which, without further questioning, was assumed or suggested as valid, has more than any other factor contributed to eradicate in young people their natural quality for questioning and examining the world around them and developing their personality towards creative action.

In this form of education the pre-established content was handed out by its sacred guardians, the teachers, to the culturally assumed void personality of the children. The ruinous implications of this approach towards the child's personality and its creative capacity are now more and more realized. <sup>38</sup> However, transformation of the deeply ingrained teaching

practices which form part and parcel of a rigidly stratified social system in which teachers frequently belong to the locally dominant elites, in spite of their crucial potential in furthering change, poses very serious problems.

The replacement of a cultural pattern, in which paternalism and authoritarianism have been basic mechanisms for the maintenance of the polarized social structure, by a pattern based on the promotion of the democratizing processes of free exchange and dialogue with their implicit function of stimulating creative and autonomous action, presupposes and provokes a challenge to the whole social system as such and needs perhaps in its introductory stage firm action.

When we look at teacher training from this angle, this training should be radically altered and the function of the teacher as the promotor of societal change should be at the core of his preparation, just as is the case with all Government agents active in the field of development, particularly those directly engaged in work at the field level with the population, such as the agents of agrarian Reform, agricultural extension and co-operative organization. But above all, the teaching function is too important to leave it to the exclusiveness of the teachers. The training of men and women, truly elected by and from within the community and identifying with their interests, as agents of social transformation, should be a basic point in the overall Educational Reform strategy.

32. The creation of a new education and training system, flexible enough to promote and adapt to the specific needs of different groups and areas, requires a profound transformation of the existing institutional set up and in particular of the administrative and financial arrangements. Effective regional deconcentration, promoting initiative in relation to concrete conditions and in accordance with the specific regional requirements, is a primary requirement for the implementation of the Reform. Its progress in implementing the new forms of education, providing effective support to the newly emerging groups and their new power in society, will be a good yardstick for increasing progress in the overall process of development. In final analysis development will only have a real content if it implies the effective promotion of people. The period of implementation of the Educational Reform, set at five years, seems very short if one considers the great complexity of the problems invol-

ved and to be solved. Its meaningfulness and quality will depend on the degree to which it will be a progressive response to the need for fundamental democratisation as the real measure of social justice, converted from principle into praxis. This would mean that the educational system fulfills its role in as far as it disappears as an instrument of domination and becomes an instrument of authentic service to the community's vital interests as well as an instrument for releasing and promoting those forces and qualities which in statu nascendi are present in all people, but which are ignorantly supposed to be absent in a population which for too long has been the victim of underdevelopment and all its impoverishing consequences.

### 33. Towards a Policy and Strategy of Social Mobilization

The diagnosis of the state of social participation by the National Planning Institute<sup>40</sup> centers around the thesis that the economic system, marked by external and internal domination and resulting dependence, is at the roots of the processes of polarization which have marked Peruvian Society. This process of polarization, it is submitted, expresses itself chiefly in the relative absence among the majority of the population of access to the available resources and property, its un- and underemployment and low levels of income; in turn, this limits its capacity and opportunity to participate in the societal decisionmaking process through which the society is shaped, as well as in opportunities and services generated by the mentioned access to property, employment and income and indispensable for the development of community and personal life.

It is suggested in this diagnosis that the prevailing "vast system of internal domination" operates at the same time as a consequence and support of the subordination of the Peruvian economy to foreign decision-making centers and impedes in this way a process of autonomous and self-sustained growth. Hence the emphasis in the Peruvian national development strategy to approach both the need to diminish foreign dependency and the cancellation of internal domination simultaneously as two expressions of one single phenomenon. The Government's intention to break up the prevailing powerstructure and to redistribute societal power in its economic forms, as well as in its social and political expressions, in favour of the marginalized majority, are therefore at the core of its

policy for the creation of a new society, to be based on equality. The result of the conversion of an exclusive to an inclusive society would not only be a society with more justice, but also, in the view of the Government, a society of a dynamic and self-generating and supportive capacity in economic, social, cultural and political life.

34. The structural approach of the Peruvian Government implicitly contains, at least at the theoretical level, a rejection of the populist models applied in the past which, through the gradual segmentary inclusion of limited groups in the access to services and benefits in society, reinforced and consolidated the prevailing polarized social structure and with it the existing inequality. It is this type of approach, applied by Governments over the past decades, that a present democratic "representative" system of Government was utilized to promote and consecrate a "patron-client" type of relationship between Government/Parliament and the majority of the population, promoting their dependency, political neutralization and the pursuit of a lifestyle, consumption pattern and expectations set by the upper class and emulated by the dependent middle class. It is by the application of such a policy that past Governments expected to be able to preserve the existing social structure. The consequences of such a policy for Latin America and Peru have sufficiently been analyzed so as to prove their invalidity for creating a viable and dynamic society. Few Governments, however, have taken the consequence with, as a result, increasing instability, expressing itself among others in the increase of authoritarian patterns of Government as well as in protest and violence in a variety of forms.

35. The extreme disequilibrium between Peru's various regions, in particular that between the Coast and the Sierra, and the conditions and opportunities for participation in society and its development deriving therefrom are the outcome of a long historical process which starts with the progressive subordination of the original population of Peru from the Spanish conquest onwards. It is in this process of subordination that the orientation of Peruvian society, characterized by an autonomous form of development, is changed and replaced by a situation of exploitation or internal domination, which are the base and condition of Peru's "outward" dependency and domination.

It should in this connection be observed, that the colonial elite of



Spanish merchants, who had economic control, was quite opposed to Peru's Independence and in fact financed the Spanish troops at the time in order to prevent the loss of their trade. It was this elite which, after Independence, claimed the leadership of the country and played the decisive role in the formation of the State. <sup>41</sup>

It can be said that, in a certain way, the present state of underdevelopment of the Sierra has been preceded by a period of development, which came to an end with the fall in production and the closure of the mines in the past century. This development was in turn preceded by the growth of a textile industry which, on basis of the severe exploitation of the Indian labours provided by the landowners, not only produced for Peru but also for other parts of Latin America. This relative autonomous development of the Sierra at a time when the Coast did not yet show any signs of development was broken off when the Spanish Crown decided to cancel and destroy this industry in order to promote the Spanish textile Industry and create a market for it. A major blow to the development of the Sierra (or the development of its underdevelopment) came in the middle of the last century when the Peruvian Government decided to cease its support to the development and maintenance of communications in the Sierra and reserve State funds for the construction of roads in the coastal district and converging to coastal cities, in particular Lima. This measure coincides with the commencement of the export trade of coastal products, starting with guano, which provides the economic base for the political power of the Peruvian elite, who later, however, progressively rely on and combine with foreign investments, utilizing their control over the economy to acquire and strengthen their political and state control.

36. While the previous developments of the Sierra in the textile industry and in mining were supported by an exploitative agricultural production system, the interruption of the development of the Sierra consecrates this system which from then onwards provides the matrix for the traditional archaic social structure of this part of the country.

The seizure of the collectively held land of the Indian communities, which in the colonial period was partly prevented by their special status, was aggravated in 1824 when Bolivar declared the right of private property, and was again intensified when, at the beginning of this century, in view of the external demand for wool and the internal demand for meat, haciendas

were extended and new ones were created and a land-tenure system developed (high concentration of land in latifundia, extreme concentration of people in minifundia) which served as a base for the extreme dependency of the Indian population, to which the present Land Reform now tries to provide an answer.

While the Sierra economy stagnates and disintegrates, there emerges in the coastal districts new dynamic growth centers for agricultural products and in the Central Sierra for copper-mining, and with this new elites who strengthen their control on the State. With the development and increasing concentration of services and the emergence of industry, there is a gradual expansion of the cities, and in particular Lima. Also, a gradual organization of workers takes place, in the mines, on the plantations, as in the cities. In alliance with an incipient middle class of professionals, officials and people who have been displaced by the processes of land and technological concentration, these organizations progressively acquire improvement of their working and living conditions and press for participation in political life. <sup>42</sup>

The continued stagnation in the Sierra, the increasing perception by the Indian population of its unacceptable conditions, the growing population density as well as the increase in communications and mobility, together with the expansion of industry on the coast (particularly in Lima) and the speeding up of modernization processes and its concentration there, promote a large scale migration of the Sierra population to the Coast and Lima and lead at the same time to an increasing strain on the traditional social structure in the Sierra.

- 37- The increasing pressure by the peasants and hacienda workers in the Sierra for the recognition of their rights, and the increase of their claims to recuperate their land, combined with the perception of the local elites and mestizos in the Sierra of new opportunities on the coast, cause many local people to leave. This contributes to a diminishing of the pressure for subordination, inherent in the social structure. This and the grown awareness of rights and opportunities among the Sierra population leads to the emergence of a new group of people who, while maintaining proper identity and association with the Indian community, engage in new economic activities and occupations, such as services and small business, which increase their independence, income, status, mobility.

These people frequently support the claims of the Indian population, in particular where their own opportunities for advancement are further blocked by the mestizo population, and at the same time promote organization and interest defense.<sup>43</sup>

The increasing pressure by the poor majority population and in particular of the peasants' and workers' population of the Sierra for a more human life, led the Government of Belaunde (which came into power in 1963 and was taken over by the present Military Government) to extend its policy of gradual extension and distribution of services so as to appease this population and to avoid the necessity of structural reforms, which, although promised, are not carried out.

The policy of improvement becomes particularly clear in the major National Community Development Programme, initiated in 1965, the results of which are disappointing, as could be expected, since it largely focuses on projects for social improvement; and in as far as it promotes economic development, does so within the existing framework and can therefore not attack the roots of the problems. It serves, as a consequence, often not so much the poor population but those to whom these poor are subordinated.<sup>44</sup>

However, in spite of these shortcomings, the Project may be counted to have contributed significantly to loosen the system of tight subordination of the Indian population, as a result of the fact that it introduced a process of contending the monopoly position of the landlords and local elites and provided alternative opportunities for address and recourse, thereby diminishing the exclusiveness of dependence and control, at least at local level.<sup>45</sup> This community development programme can be considered as a particular form of the populist models, mentioned above.

38. The question may arise how the dominant group in the Sierra (the landlords) was able to retain control over the situation and to maintain and preserve the archaic social structure which served as the base for its political power. An answer may be found in that a deal was worked out with the new elites of the Coast (industrial agriculture, mining and industry) to assure the necessary labour reserve, thanks to the labour surplus produced by the archaic agrarian structure, in exchange for support by the coastal elites for maintenance of their position. Such an answer may be an explanation for the process in past decades,

but seems to have lost its validity now, in view of the nature of the modern production system, which relies less and less on labour and is more and more based on capital intensive methods. In that sense the situation of the unemployed, who could be considered as potentially employable, has changed. They can, in this context, more adequately be considered as people who become unemployable. 46

This brings up the question of the nature of Peruvian society. From a historical perspective it seems only correct to look at the development of the coast and the export system as a function of the underdevelopment. In other words, the opportunity for participation and marginality may have to be looked at as two poles of one and the same single historical process. It seems, however, that with the changing nature of industry and the introduction of new technology, which promotes patterns of concentrated growth, it has become questionable to interpret the relation between Coast and Sierra in terms of a causal relationship between development and underdevelopment. It would seem that on the contrary, the Sierra could be considered "superfluous" from the point of view of modern consumer industry, which produces for the existing market and is able to orient its production on basis of a pattern of needs. In that sense it can be qualified as having a dualizing result in that it leads to perception of the country as composed of a useful part (that which consumes and responds to the "stimuli of modernization") and a useless part (which does not need to be given attention in view of its limited acquitive power and market opportunities). Unquestionably, it is this process which contributes, by its very dynamics, to views which dichotomize the population into a "modern, dynamic, progressive" part and another "traditional, archaic and stagnant" part, as if these characteristics were natural attributes of the groups concerned, and not generated by the very structure of the growth process. Another element which has supported the tendency towards dualization has surely been the increasing reliance of the coast on assuring its own food supply and relying less and less on that from the Sierra, since this became more and more precarious, partly as a result of the continuation of its archaic agrarian structure. 47

Such an interpretation naturally leads to the view that, unless the Peruvian Government will explicitly allocate resources and functions to the Sierra and its population, this part of the country and its population would be further subject to a process of disintegration and minimal subsistence, also if an Agrarian Reform would be carried out

without being integrated with and supported by the development of Industries and Mining, which in the past only served as "islands of production and modernity" without any positive impact on the rest of the local economy.

The decision of the Military Government to initiate structural Reforms and to eliminate or diminish the power of the dominant groups (the traditional landlords in the Sierra, the owners of the industrial agriculture enterprises on the coast and those in control of the orientation of industry and mining) responds therefore to the absolute need to create conditions, countervailing both the progressive exclusion of the Sierra population from national life and the growth of a type of industrialization which, while leading to overconcentration and high profits, does not respond to the basic needs of the country and its majority population and tends to exclude them therefore from national life. Agrarian Reform and the Reform of Industry (and related Reforms, such as those of the Banking and Credit system) have therefore to be understood as basic conditions for national integration. It is in this perspective that growth (and the consecutive processes of modernization) can be understood as different from and even opposed to development. While growth tends to concentration and exclusion (in conditions of inequality), development is intended to achieve inclusion or, in other words, participation on equal terms (in the view of the Peruvian Government).

39. As indicated before, a central problem is the position of the Government vis-à-vis the own organization of the population. As has been indicated before, the Government has an extreme distrust of the system of unions which control the workers of the plantations on the coast because of the close ties of these organizations with the political party, which traditionally has been the enemy of the Army and which the Army wanted to keep out of Government power in view of its presumed anti-national development orientation.

As to the Sierra, the situation is also difficult. While, since their inception in the 1920's and their gradual incorporation in the economic and social system, the union organizations on the Coast have concentrated their activities on promoting increased wages and improvement of conditions of the workers, the unions which emerged in the Sierra in the fifties had a quite different objective, viz. the redress of more basic rights through the transformation of the prevailing social and agrarian structure,

although as local and dispersed organizations, they did not always formulate explicitly these objectives. They nevertheless served as the major instrument in the pressure for justice, which included the claim for recuperating land and improving conditions. These claims were expressed through invasions which marked Peru in 1950's and sixties, due to which in several parts of Peru, in particular in the South and in the Central Sierra, the Government was forced to meet the demands of workers and peasants. It was this veritable peasant movement which appeared to threaten the prevailing order and which was repressed by the Government through intervention of the Army and the Police. During the intervention the Army and Police acted in particular against the activities of several guerilla groups which supported the claims of the peasant population. The organization of the peasant unions, however, seems to have been carried out largely by the peasant groups themselves, with the support of groups and people outside the rural areas, but largely independent of the guerilla groups.

Although the Military recognized the legitimacy of the claims of the peasant movement and showed this by conceding invaded land and by initiating the Agrarian Reform, it nevertheless has an unquestionable fear for an autonomous peasant organization, in view of its demonstrated potential for radical action. Therefore the Government prefers not to promote such an organization on its own terms, and only in as far as it will act in accordance with its own prescriptions. In my opinion this fear of the Government does not only express the fear that the Agrarian Reform will not proceed orderly, but the hesitation also concerns the issue of the identity of the peasant population and its place in the Peruvian society.

In the history of Peru there have been numerous peasant rebellions which have often been expressions of claims for justice.<sup>48</sup> By these rebellions the peasants have surely attempted, moved by their leaders, to get not only justice, but also to obtain an autonomous identity in the face of the dominant groups and the "national" identity, expressed in the hegemonic culture and values of foreign (Spanish) origin, imposed on them.<sup>49</sup>

Peruvian history can be seen as a constant process of attempts by its successive elites to claim and promote such values as national values. Although the Military Government recognizes the need to affirm and promote the autonomous and authentic "Peruvian" values and identity,<sup>50</sup> the question arises what are these values and this identity and what should they do. Such a question leads inevitably to the recognition that the

Indian or peasant population is not only entitled to equality in national life, but that the acceptance of its own identity, consciousness and culture has to be central in a strategy for national development. <sup>51</sup>

In my opinion it is in particular these factors which help to explain the ambiguity and hesitation of the Government to permit and promote wholeheartedly the social mobilization of the marginalized majority population as a process for their autonomization. Partly perhaps in spite of itself, the Government belongs also to that part of the population which is dominant in its culture and values. It is the struggle for identity and the prevailing resistance towards it that have marked Peru's history and have also been a major concern of its intellectuals and intellectual movements.

The recognition of the basic human right to own identity, consciousness, culture and language forms an essential prerequisite for national integration as a condition for national development. At the same time, however, it should be recognized that such social and cultural integration as opposed to repression can only come into being when linked with a policy of structural transformation as the base for a process of the redistribution of power and true democratization of society.

40. In the outline of the middle term Plan, <sup>52</sup> officially approved by the Council of Ministers, the first generic objective of National Planning has been formulated as "the effective participation of the majorities in the basic decisions of the country by way of its intermediate institutions such as associations, co-operatives, etc. While the recognition of participation in the basic decisions of the country is quite a substantive acknowledgement, it seems at first sight rather surprising that the implementation of this policy is largely left to an etcetera. It is not unjustified, however, to assume that this etcetera rather precisely expresses the dilemma and ambivalence in which the Government finds itself and which was analyzed before.

In the meanwhile the Government has repeatedly emphasized that for the implementation of its policy of structural transformation it counts on the participation of all groups of the population which have the development of the country at heart as well as those for whose benefit the policy of the Government is more directly intended.

The need of the Government to count on the people's support for its policy and not to isolate itself and to neutralize the opposition to its policy of transformation (which does not only come from those who belong to the so called "oligarchical groups", but also from a major segment of the middle class as well as from the fact that any deepgoing changes in the society as a whole necessarily provoke resistances in view of the over-all consequences on the social structure as it has functioned and the values and comportment it has generated), obliges the Government to define and articulate a policy for social mobilization.

However, its tendency to view the realization of its development policy as if it were a technical exercise only, without at the same time and in the first instance being a political and social process, makes its action vulnerable. At the same time its rather exclusive reliance until now on seeking intermittent short term popular support and its tendency to proceed on the tacit assumption that if the "structural transformation policy is carried out and through according to schedule" the new society which it announces will automatically emerge, make its comportment on the one hand open for interpretation as a wish to continue in a new way a traditional populist policy; on the other hand, it may not realize sufficiently that development is not the outcome of perfect network planning, but the result of an integral process of economic, social and political change, arising as much from the transformation of the motivational value and cultural system of the whole population and its various groups, as from the structural transformation it has introduced. Social transformation cannot be assumed to come forth naturally from structural transformation. Neither can it be assumed that it should be undertaken, once the policy of structural transformation has been implemented. Unless the low opportunity, low income and low status groups or, in other words, the marginalized population can effectively assume its new role and can make use of the new opportunities, potentially open to them as a result of structural transformation, no real change will take place and the process will revert to the previous situation.

In other words, it is assumed that in the context of structural transformation, social mobilization as a process in which major clusters of old social, economic and psychological commitments are eroded or broken and people become available for new patterns of socialization and behaviour, cannot be left to its "spontaneous course", but has to be supported,



guided and induced, in particular in as far as the newly emerging groups are concerned. <sup>53</sup>

41. In March 1970, the President in an address to Army veterans stressed for the first time explicitly the need for social mobilization and appealed to the veterans to defend the Revolution while at the same time recognizing the right of the population to organize committees for defence of the Revolution and announcing the support of the Government for this.

Since then, many hundreds of such committees were set up in cities, towns and in the rural areas, on a territorial as well as functional basis (according to quarters, barrios, municipalities or within co-operatives, by unions, professional associations or other organizations). In the meanwhile the Government has limited its support by inviting these Committees to register. In such a way it did not commit itself to them, while yet promoting a base for potential support.

An analysis of the composition of the established committees and their manifest aims would surely bring out a great heterogeneity of objectives and motives, ranging from genuine support of the process of transformation and legitimate claims for the implementation of promised Reforms, to the organization of pressure groups to obtain facilities or services or the joining of the "bandwagon of the Revolution" by political leaders and political groups in order to assure a share in the future.

42. In that same month the Committee of Advisers to the Presidency (COAP), composed of a group of Generals and Colonels, representing the second highest decisionmaking and the principal policy preparing body after the Cabinet, requested the Planning Institute to prepare a proposal on social mobilization which would involve the integration of the existing development offices, attached to the Prime Minister's Office. <sup>54</sup> This request led to the preparation of a document in the Planning Institute which contains an analysis of the scope and content of social mobilization as well as a proposal for the Government's role in it. This document served as a base for discussion in the COAP and between members of the Cabinet and other Authorities. (Annex 1)
- This request is fairly typical of the Government's approach to the problem in that it primarily stresses the organizational aspects of the problem, leaving open the basic issues regarding the nature and scope of social

mobilization as well as its implications for the Government's Development policy. It should be pointed out that the document which was prepared suffers from several limitations, resulting from the limited nature of the request and the relative isolation in which it was prepared. No attempt was made to specify institutional arrangements but only the functional fields of action in support of social mobilization, on the understanding that such institutional arrangements should be formulated once the basic decisions with regard to a policy for social mobilization would have been taken.

43. The argument for social mobilization in this document is based on the assumption that the Government will continue to assume the leading role in the process of development in the period of transition during which the major structural transformations to lead to the re-distribution of societal power have to be carried out. It is argued that, unless the State has a relative degree of autonomous capacity for decisionmaking and action beyond the constellation and interplay of established interest groups, there can be no real possibility for a policy in the field of social mobilization and participation. It is maintained that structural transformation is no end in itself, but an instrument in organizing a society which allows for and promotes the effective participation of the majority population in the societal decisionmaking processes through which the society is oriented and shaped. Participation is understood as the effective opportunity and capacity of the population and in particular of its majority groups to have a real, equitable share in the control, production and utilization of resources and their management, as well as in the services and opportunities which arise and are generated thanks to the development of these resources.
44. A distinction is made between participation in the societal decisionmaking process and structural participation on which it is based, and participation in development as participation in development programmes and projects. <sup>55</sup> Structural participation becomes a possibility as a result of the policy of structural transformation which the Government carries out through the above mentioned Reforms. Such a structural participation becomes, however, only effective in as far as people start to take part in the decisionmaking process which has to provide them with the opportunity to request and obtain from the society and the Government the effective realization of the structural transformation proposed and to

assure for themselves an equitable share in the appropriation of the wealth, produced in society, under the different forms in which this becomes directly or indirectly available.

The inducement of participation in development programmes and projects is assumed to contribute only to authentic development, in as far as it is preceded or accompanied by structural transformation since in the opposite case it would only contribute to reinforce the processes of concentration and marginalization.<sup>56</sup> The same goes for a policy of aid, which promotes the provision of services on basis of the maintenance of a system which by its very nature tends to generate the lack of services or its undue concentration.

The position of the marginalized groups is seen as one fundamentally characterized by dependence. It is submitted that the very structure of domination and dependence tends to create in those dependent forms of expression and behaviour which are a natural response to their position and can be interpreted as forms of protest or resistance against the limited range of alternatives and opportunities imposed upon them by their dependency. Such characteristics as apathy, submissiveness, timidity, conformity, laziness are then to be understood as ways in which subordinated attempt to maintain their identity and act against their dependence. In the same way should distrust and aggressiveness be understood as forms of self-protection and consequences of dependency in which competition for artificially created or maintained scarce resources and opportunities between subordinates is often an essential element of the mechanisms to preserve domination or control.<sup>57</sup>

A policy of structural transformation and social mobilization allows those who are dependent, to assume an active role in society and to convert themselves from objects to subjects of own development and that of their country, through the development of critical consciousness, training and the acquired capacity for solidarity and organization.

45. The basic criteria to evaluate the presence and quality of social mobilization as the way to and the instrument for arriving at participation in society are defined as the quality and level of consciousness reached (regarding the own situation, opportunities and alternative ways of action), the degree of commitment (towards the need for transformation and change), the degree of organizational integration (internal as well as external) and finally the degree of power (in terms of the capacity for pressure,

negotiation and control in the social system). The process of social mobilization through which people become available for change, through re-orientation of their motivational and value system, reveals itself then in the degree to which people convert themselves from passive objects to active agents, as members of the societal units to which they belong or which they create.

46. In view of the fact that the levels and forms of consciousness and organization of the various marginalized groups differ in respect of concrete forms of domination and dependency to which they have been subject, as well as their degree of social mobilization reached (in terms of process), it is necessary to think of a policy which specifically focuses on the concrete problems of the groups involved and designs action, taking as a starting point the groups' specific perception of their own problems, their values and their specific forms of organization. <sup>58</sup>

This means that a uniform, standardized approach will necessarily create new forms of imposition, dependency and alienation among the people and will therefore defeat itself beyond the short run. This will be the more so in as far as such proposals are coming from above and not the outcome of a process of consultation and exchange with the people concerned, who should have a full share in the programming of their own future community, and production system and work, on basis of the overall government planning.

It is submitted that the State can only legitimize itself in assuming leadership in development beyond group interests, in as far as it supports and promotes processes of "fundamental democratization" which come about by the activation of passive units and the emergence of new active units. These processes of fundamental democratization are becoming potentially available through the policy of structural transformation, but become only actual or effective through the processes and actions of social mobilization. In other words, it is proposed that the State can only legitimize itself in its policy of transformation in as far as it promotes the effective elimination of various forms of domination, and dependency, in particular those of monopolistic control, and promotes the acquisition of effective autonomous social power by the newly emerging groups, so that they become able to participate actively in the shaping and development of their own society and community. <sup>59</sup>

Social mobilization is therefore seen as crucial in reaching the ends of structural transformation and it is proposed as an essential instrument of social planning and policy, <sup>60</sup> without which the emergence of a "qualitatively different" society cannot be expected.

47. As strategic fields or functional areas in a policy of social mobilization are proposed:

- communications (macro-communication as a base for information and orientation as well as in support of processes and actions of micro-communication)
- conscientization and training (for the formation of a critical consciousness and the capacity to interpret social reality, the causes of underdevelopment, the formulation of proposals for action and the search for and identification of ways to realize the proposed actions and for the responsible exercise of social power) <sup>61</sup>
- organization (in support of territorial organization, municipal, communal, neighbourhood, area, zone, region, as well as in support of functional organization - union organization, co-operative organization, committees of defense of the revolution, economic, social and cultural associations and organizations; also other types of interest organizations) through which people acquire consciousness of their own potential and force, start to understand and articulate their interests, canalize their collective actions and projects, promote, acquire and renew own leadership for the responsible exercise of power and obtain practical training for (self)organization, self-management, as well as to acquire technological experience, innovations and know-how
- social and economic equipment through the provision of which the territorial and functional units acquire the assets and services necessary for their development and the effective utilization of opportunities, and finally
- participation in development plans and actions. Although these last two functions cannot be considered as being as such direct functions of social mobilization, they have been included in view of their central place in any Government's development plan. It should, however, be remembered that they can only be conceived of as promoting social mobilization in as far as they are intended to support processes towards autonomy and are tied in with, precede, accompany or follow up measures for structural transformation.

It is suggested that social mobilization comes about or is achieved in as far as these strategic elements form part of an integrated approach in

which they mutually support and re-inforce each other.

It is stated in the document that the Government urgently needs to define an organic policy in the field of social mobilization, the elements of which are only in a partial, fragmented and inorganic way present in the Government's development services.

48. It is finally suggested in the document that social mobilization has a legitimate role to play in promoting the process of identification by the population and in particular its majority, with the Government's transformation policy, but that the Governmental action is only legitimate in promoting identification in as far as the ends of promotion coincide with the objective needs and interests of the population as recognized by the Government. Otherwise Government action would too easily serve as an instrument of manipulation. Under this angle, social mobilization, as a Government policy, emerges as development promotion, based on the recognition of people's basic and unalienable right to participate in the shaping of their own future and the management of their own and the country's affairs.
49. The proposal contains suggestions for the organizational set up of a National Office in support of social mobilization, based on the functions, outlined above. This office would have the central responsibility for promoting and supporting social mobilization while at the same time co-ordinating actions in the field of social mobilization in the various Sectors. It would be the central development office of the Prime Minister and its Director would be a member of the Cabinet. The Central Office would function as a supportive agency to actions, to be planned, directed and guided at the regional level, in support of action programmes at the provincial level (it is foreseen that the Provinces will become the basic development units, to substitute the present District system) and at the local level.

The proposal contains the suggestion to establish provincial (in the first stage interprovincial) units with teams of specialists in the field of social mobilization. These teams will function in support of groups of promoters at the local level, to be selected by and "from within" the local communities. These promoters are to act as men of confidence of these communities, to help them in the preparation and implementation of

actions in the field of social mobilization and to promote an effective process of communication, exchange and integration between the communities and co-operation with the teams of social mobilization at the Provincial and Regional level. The teams at the provincial level could request the support of technical units in the various strategic field from the regional level and these units would be under their direction as long as they operate in their area.

As to the training function, it is proposed in the document that the National Office would run a national training center and regional training centers to function on an intersectorial basis and which would serve not only to train Government officials and workers, but also the various kinds of authorities as well as leaders of communities and functional organizations, on basis of active methods which take as their starting point and focus on concrete problems and needs for action. <sup>62</sup> In the meanwhile as to the Land Reform, the training has already been organized through the National Training Center, which has been organized by the Ministry of Agriculture and for which United Nation Technical Assistance has been requested.

In another proposal, worked out at the Planning Institute in the months of June and July, which is the subject of discussion by a Government Commission, it has been suggested to bring the system of support to social mobilization, as far as action by Government is concerned, under the responsibility of the Regional Development authorities, so that the policy and actions in support of social mobilization can be promoted as an intersectorial and integrated action and would at the same time receive and stimulate overall support. Annex 2

50. The document on social mobilization finally indicates that the establishment of a new National Office for Social Mobilization should not take place by simply pooling the existing Offices, but that these should cease to function in their present set-up and that their personnel should, on basis of a rigorous selection and training, be selected for the new National Office, on basis of the newly proposed organization along functional lines.

51. While it was the original idea of the COAP that social mobilization was only a matter of organizing committees for the defense of the Revolution, the proposal just summarized suggests that social mobilization should be

looked at under a much wider angle. It stresses also that a development policy, based on a paternalistic authoritarian approach is in fundamental contradiction to the ends of development and of social mobilization. These have to include the promotion of all manifest and latent capacities for autonomous and creative action by the organized population, in support of all actions promoting and leading to self-management, as the base for an authentic democratic society.

52. The fear of the Government, that a policy of social mobilization would, because of its own momentum, lead to developments beyond the objectives it has set for its transformation policy and that it might result in a widening and deepening of the process of structural change, is understandable. Yet, a policy for social mobilization, as a result of which people do not only acquire an understanding of their rights and learn how to formulate their claims and organize in function thereof, but also learn to look at their interests in the context of the interests of other groups and the society as a whole, is the best guarantee to achieve a more dynamic and at the same time viable society. There is enough evidence that conflict in a polarized society as Peru is likely to be there and the increase in as far as a process of equilization of opportunities is not allowed to take place. Conflict is then not in the first instance generated by those who seek for a legitimate share in societal power and opportunities, but by those, opposed to a redistribution of their power and the opportunities which derive therefrom.

It can be expected that newly emerging groups will try to acquire a legitimate position in their society. While they will try this by peaceful means, they may make use of force if their claims are being denied. This may then lead to violence. A policy of social mobilization in the context of structural transformation is therefore the best way for the Government to avoid violence, while protecting and promoting the legitimate claims of the newly emerging groups. The way leading towards a viable society, as the outcome of the reconciliation of individual and collective commitments and interests and as a dynamic positive societal process, can best be achieved in as far as a society becomes from exclusive inclusive and makes possible and promotes a process of constant exchange and communication between all people, on basis of equality between the various groups of which society is composed, as well as on basis of a permanent dialogue between the Government and the people. An adequate institutionalization of the possibility for this exchange and dialogue is an essential element



in the promotion of avenues to effective participation.

53. It would seem that the specific role of social mobilization, in connection with the policy of structural transformation, could be clarified if a distinction is made between the assets available in a community and how they are actually used. While the assets may be considered as representing the power potential or base and refer to the structural aspect of societal relations, power points to the dynamic and processual aspect in the relations system.<sup>63</sup> The redistribution of assets will not automatically be followed by or will not necessarily coincide with a redistribution in power, although in final analysis they ought to coincide. The marginalized groups do not automatically and immediately acquire effective power by acquiring new assets or access to the existing ones. An analysis of the socio-psychological situation of the marginalized groups clearly shows the desintegrating, incapacitating and weakening effects of the polarization process deep down in the personality as well as in the system of social relations inside the community and in their relations with the outside world. It is therefore that the process and action of conscientization, training and organization is of crucial significance if development is to be human development. Once again, however, it should be stressed that these conditions for development will only become significant as forces of change, in their integration and accumulative effect.

54. The fact that until now the Government has not expressed in a more explicit way its intentions with regard to its announced policy for social mobilization shows that it has not yet overcome its above suggested ambivalence and contradictory position. This would support the views of those pointing to the technocratic bias in the Government and its belief that the Reforms have been achieved once they have been introduced and have been "carried through" by the Public Administration.

It is also reasonable to assume that this delay reflects a deeper lying difference of view in the Cabinet on how the country's development policy should be realized. Since the Military Government functions as a collegiate Government, it cannot be expected that a policy is approved if there is opposition from one of its principal members. It is not unreasonable to submit that these differences of view are not only of an intellectual nature but have some relation both the world view and the social background of the authorities in question.

55. It is in the meanwhile in the context of the Agrarian Reform that, until now, most attention has been given to social mobilization. As pointed out before, there are, however, serious limitations in the approach of the Ministry of Agriculture and its services to the promotion of social mobilization.

The tendency among professionals and technicians of this Ministry to see agricultural development as an objective in itself unrelated to the overall of national transformation and the redirection of a new aim social order creates serious problems. The perception they have of their work as a merely technical activity, in terms of "extension" or "transfer" seriously undermines the purpose of the Government's policy and weakens and delays the process of transition towards a new society. <sup>64</sup>

56. It can be observed that an understanding of the need for social mobilization has continuously been gaining ground.

A special role in the diffusion of the need for social mobilization has been played by an active and influential group of progressive priests (the so called ONIS group) who, with the full backing of the Peruvian Episcopal Conference, have carried out a spearhead action in supporting the need for and the orientation towards "a new society". On various occasions they have come out with manifests in which they requested the Government to allow for and to support a process of vigorous social mobilization as a way to effective participation by the majority of the population, in the making of "the new society". Unless there would be room and opportunity for such participation, they submitted, it would not be possible to speak of an authentic revolutionary process and an opening towards this "new society". <sup>65</sup>

Attention must be given to the fact that also the authorities of the Roman Catholic Church in Peru have given their consistent and explicit support to the Government in its Reform policy, but at the same time have stressed participation as an essential corollary, outcome of the new interpretation by the Church of the meaning of human dignity and social justice.

A close identity can be observed between the basic tenets of the new "theology of liberation", spreading rapidly in Latin American countries, which stresses as the core of Christian belief as well as of the meaning

of development the liberation of man from the bonds of domination and its operationalization through the process of social mobilization and through his conscientization and organization for autonomous and creative action and participation in society. <sup>66</sup>

57. The Position and Role of the Public Administration in Development

The enhancement of the national capacity for decisionmaking and autonomous action, as well as the substantive increase in responsibilities for the State, which under the transformation policy is supposed to act as the principal promotor of development, with consequently extended functions in the direction, control and promotion in all Sectors, brings up the question to which degree its executive agent, the Public Administration, is capable or willing to assume these increased responsibilities, in particular those in the field of promotion. This complex question may for the purpose of this Report be approached and summarized from two angles: the capacity for support by the Public Administration as a composite of social groups or a social group, <sup>67</sup> belonging to a particular class and the functionality of the Public Administration from an organizational point of view.

58. As to the first point, it might be argued that Public servants, and in particular those in higher positions, at the central as well as the field level, in decisionmaking and executive functions, are members of the middle class, if that term can be used. It has been suggested that the middle class in Peru, with the exception of its higher level entrepreneurial and business groups, has no autonomous base in Peruvian society and that their principal avenue for bettering their situation through the process of individual mobility made them heavily dependent on the dominant groups with which they have maintained a patron-client type of relationship. Upward mobility and entrance in the Public Administration has been expressions of this system and were not so much based on professional competence and specialization, than on favouritism, related to political affiliation as well as relations through family and friends. Although in some Government Offices a new system of selection has been introduced and the way has been opened for young qualified people, <sup>68</sup> in most Government Offices the same system of the past prevails and the Military, who in many respects form a social group, apart with relative independence and autonomy in values and behaviour, have the same difficulties as their civilian compatriots in depersonalizing the bureaucracy and to apply anonymous selection criteria.

The "patron-client" system is strongly induced by the fact that demand for employment largely exceeds the offer. It is also stimulated by the absence in the Public Administration of any adequate civil service regulations or a statute. This inevitably includes insecurity and instability. There are many Government Offices where a majority of people, also those with years of service, do only have a short term contract, such as in the case in all the Offices of the Prime Minister and Cooperación Popular. While this situation reflects the fundamental dependency of the Public Administration in the past on the political system, its continuation under a Government which has assumed a relatively independent position vis-à-vis the traditional political parties and power concentrations and which should be in a position to count on a civil service, with full commitment of the development task, becomes highly dysfunctional.

59. It can be assumed that in the Public Administration there is a group without own resources or economic interests, which sees the strengthening and independization of the Public Administration as relatively good and a possible guarantee for their own future employment stability and therefore are likely to support, at least at theoretical level, the Government's development policy as long as it does not affect directly their consumption patterns, at least not too seriously. There is another group which sees the increased interference of the State in economic life and the various Reforms as a direct or indirect threat to their interest or those of their family or clan and can therefore not be expected to co-operate with the Government's reform policy, except at a verbal level. Among this second group can be counted numerous professionals in the Ministry of Agriculture, in particular in the Agrarian Reform Service. <sup>69</sup>

It seems of great importance that the Government gives prior attention to this problem, since the tacit assumption, that the Public Administration, or particular branches of it, can serve as the principal motor for the country's development, can in no way be taken for granted. Multi-pronged research and action on this matter is of the greatest urgency.

60. The process of social mobilization should serve as a basic instrument for establishing and promoting in a concrete way the accountability of the Public Administration the people it is supposed to serve. <sup>69</sup>

It may, however, be that, as a result of growing pressures, the Public

Administration may show a tendency to withdraw from a system which allows for involvement of the population in the preparation and implementation of development actions and that this is being done through the technocratification and bureaucratization of the planning process as a way to guarantee renewed inaccountability.<sup>70</sup>

Such a danger can only be averted by a gradual institutionalized transfer of responsibility and control to the people itself and the progressive substitution of the Public Administration as a highly centralized, bureaucratized system, directed and managed from above by a decentralized system, as well as by the promotion of self-management and transfer of responsibility for development programmes to the Local Authorities<sup>71</sup>

(who should maintain control of and supervision on the development agents and have their own personnel - the new Municipal Law will move into this direction) or the various types of functional organizations, such as co-operative unions or peasant federation.<sup>72</sup>

The introduction of such an approach emphasizes the urgency of massive training of grassroots' leaders and their institutionalized co-operation with the development service on a basis of their autonomous election by their communities.<sup>73</sup>

Such a development, however, has still to start in Peru, where in the past there has been exclusive attention to the role of the outside government agent in development, even at the grassroots' level, except for action by community leaders in the projects of Cooperaci6n Popular, which because of their adhoc character did not help to develop new leadership beyond the short-term perspective. The absence of institutionalized involvement of the community and their leaders may be interpreted both as a consequence of the wish by the Public Administration to maintain the commodious state of inaccountability, and an expression of the low level of appreciation of the capacities of the population, which in turn has to serve in justifying the existing system and implicitly the system of control it carries with it.<sup>74</sup>

61. As to the organizational capacity of the Public Administration to respond to the requirements of development promotion, perhaps one of the most serious bottlenecks is the extreme degree of centralization and centralism, phenomena closely linked to the historical process of concentration of functions in Lima.<sup>75</sup> It is difficult to imagine the depth and width of the dichotomy which separates Lima from the rest of the country, in particular from the Sierra, which for those born and reared in Lima is further

away in cultural and psychological terms than the United States or a European country. This dichotomy, at the same time expression of the lack of integration in the country, as well as of the processes of external and internal domination, has very serious effects on the quality and efficiency of the Public Administration in the interior. The extreme disbalance in the allocation of personnel to the Capital on the one hand and the interior on the other, the excessive dependency by those in the field on the logistic and financial support from the central offices and the excessive control, greatly demoralize all those having responsibilities and working outside Lima. Actions, well planned and programmed, rarely meet with timely implementation as a result of the lack of swift support from the center.

Another problem is the heterogeneity of sectorial development zones and the absence of any authority at the regional level, which is in a position to direct, orient and promote the development of a system of inter-sectorial programming and co-ordination<sup>76</sup> and which at the same time supports the involvement of the variety of territorial and functional groups within a region in the preparation and implementation of development programmes and projects.<sup>77</sup>

62. The paper on Regional Administration (annex 2), which I prepared in the planning Institute, contains specific proposals for a policy of regional deconcentration, the homogeneisation of sectorial development zones and the establishment in these zones of regional development authorities, who can at the same time act as "chief development commissioners" and political representatives of the Government (leaving to a regional director of the Ministry of the Interior the questions of law and order). The proposal not only suggests transfer of authority to the regional development administration, but also deconcentration of finances. Unless deconcentration implies deconcentration in the field of finance, it will not lead to any significant change. Finally it is proposed that the system of social mobilization, described above, would directly be linked to the regional development authority, so as to promote its integrative function and support to the various Sectors and rally overall support for it.

The need for a system of regional administration with a regional development authority, which co-ordinates the Sector on basis of a system of well defined and real deconcentration, was once again demonstrated at the occasion of the earthquake, which led to the establishment of a National Com-

mission with autonomous decisionmaking capacity. This commission, established its own extensive system of administration, superimposed on and duplicating the existing system of services in the Region in lieu of strengthening this. The virtual absence of the Commission in the earthquake zone, except for rapid visits, and the continued dependency from Lima, as well as the introduction of administrative and personnel norms, quite different from those applied in the Sectors and existing Office, created serious problems in the effective and rapid solution of pressing problems.

63. It is assumed that implementation of a system of regional administration development along the lines, suggested in the above cited paper, could substantially improve the functioning of the Public Administration. The question remains, however, whether any personnel, entrenched in the Capital with all its attractions and commodities of urban life, is prepared to leave the Capital, unless for a short time or for a few days. The introduction of a good system of incentives for working in the interior could be of help. But more is needed to desinflation the domination of the Capital. Also firm deconcentration is only one element in an overall national policy for the development of the rest of the country and its interior. Such a re-orientation is closely related to the substitution of Peru's process of growth, which, induced from the outside (inducido desde fuera), profoundly contributed to the distortion of the country's economic system, which in turn has expressed itself in the phenomena of concentration and marginalization by an orientation "from within and inward" (desde y hacia adentro). Regional development administration is no end in itself, but can be an effective instrument in as far as the Government is prepared to implement a national development policy, based on the development and mobilization of the country's economic potential, primarily for its own development, and on the inclusion of the marginalized population in the national economic, social and political system.

The acceptance of the system of regional development authorities, the homogenization of sectorial development zones and the introduction of over-all regional deconcentration can be expected to meet with stiff resistance from various quarters in which willingness to release power or influence is rather limited.

Recent developments in Peru suggest that the Government is becoming more and more aware of the fact that a Public Administration, which really serves the country, is an absolute must to realize its policy. The call by the President (in his address to the country at the commemoration of Independence, last July) on the population to demand service of the Public Administration and to denounce officials who do not comply with their task is new in Peru and establishes new possibilities to enforce accountability.

The follow-up of this advise does, however, not diminish the danger of substitution of the previous dominant groups by a new, bureaucratic, technocratic elite, which may create new forms of dependency and submission. This danger has already been observed in several areas of the interior. The major instrument against such a development will have to be a wide action of conscientization, which makes the people aware of their rights and the right to request the co-operation and service of the agents of the agents of the Public Administration.

64. Social Mobilization in the context of a New Orientation in Community Development

In the First Inter-American Conference on Community Development, which took place in July of this year in Santiago de Chile, under the auspices of the Organization of American States an official statement was approved by all Delegations, called the "Declaration of Santiago". This Declaration stresses the view that development and underdevelopment have come about as and are expressions of one single process and that economic and cultural dependence in Latin America, internally as well as towards the outside, are the fundamental cause of its underdevelopment.

The Declaration furthermore says that:

- although the programmes of community development in Latin America have tried to provide an answer to the poverty, backwardness and distortions in the economic and social systems and national cultures, generated by the process of underdevelopment, it has become more and more difficult for these programmes to be effective and that they risk to deal with the effects of underdevelopment and not with its deeper underlying causes.



- Development requires changes in the economic, political and social structures, so that the incorporation of the marginalized sectors in the process of development of whole society will be possible.
- Community Development cannot be conceived only as an instrument in the service of economic growth nor as a corrective on the disequilibria which are being produced by such growth. Its essential contribution to a global development should be to incorporate in society the marginalized people and groups who should participate in the crucial phases of development by expressing their will, taking part in decision making and in action.
- Community Development is to be considered as an integral process of social, cultural and economic transformation and at the same time as a method to bring about and to achieve the mobilization and structural participation of the people in order to assure full satisfaction of their economic, social and cultural needs.

65. It has indeed repeatedly been emphasized that prevailing models of development in Latin America lead to a more and more untenable situation and that drastic transformations are needed in order to open the way for a dynamic process of development.<sup>78</sup> It has also been recognized that, whereas in the past community development too often has played the role of a substitute for structural reforms or as a way to avoid or postpone the need for such reforms, it can play a vital role in as far as it is oriented in support of structural transformation and people's mobilization for effective participation in society and its development.

Structural transformation may have to involve changes which modify the existing systems of relationships and provide support to the formation or promotion of new interests hitherto not recognized, or perceived. This may lead to give up to idea that condition of equilibrium or harmony of interests should automatically be assumed.

This has also been explicitly recognized by the United Nations in a document on future policies for community development,<sup>79</sup> in which it is stated that the view of a basic harmony of interests and aspirations may not always be a valid assumption on which to base action for development and that, where conflict prevails as a consequence of incompatibility of interests, it may be more realistic to abandon the assumption of the existence of an organic community and deal with the situation more

realistically, in stead of trying to solve the problems which have arisen simply by human relation techniques. Too rigid notions about the organic community and the assumption of solidarity and identity of interests may then obstruct, it is suggested, the process of development. It is also stated that an overemphasis on consensus may block the road to development and innovation, since it may provide a means whereby the dominant groups in the community can control those who threaten the existing order by challenging the traditional goals and means and that for this reason consensus should not be viewed as a positive quality regardless of the goals around which it is formed.

This view suggests therefore that conflict, if properly channeled, may have a legitimate function in the development process and that it may be of vital importance in as far as it permits the coming about of the necessary transformation and the emergence and promotion of new groups and their organization for equitative and effective participation. <sup>80</sup>

It would seem that Peru has come into a situation where community development in this sense not only can but has to play a indispensable role if the process of transformation is intended to lead to a more viable and human society. Without the mobilization of its marginalized population for participation the process of transformation will not have any real effect, may even revert or lead to the creation of a society which may be managed and controlled by new power elites, such as the bureaucracy or also the Army itself which in another form may foster even unintendedly new forms of dependency, with all their regressive implications.

This does not preclude, but rather emphasizes the need for a firm Government in the first period of transition. Firmness does, however, not necessarily need to coincide with authoritarianism and the absence of participation by the people in the management of their own affairs and the control over the making of their own society and future.

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18. Orlando Fals Borda, "Formación y Deformación de la Política Cooperativa en América Latina" (conference paper at the symposium, cited under 15); an interesting analysis of the effects of the culture of dependence on cooperative organizations in Latin America.  
Hildebrando Castro Poyo, Del ayllu al cooperativismo socialista, mentioned by Fals Borda as the first Latin American who tried to find a cooperative formula which would have a relation to the structural and cultural base of the Indian communities. His study was first edited in 1936.
19. In emphasizing the absolute need for the Government to assume responsibility for the basic industries as national enterprises, the Government clearly breaks with the traditional thesis in this regard, suggesting that smaller countries could not proceed by themselves and would necessarily have to depend on outside support. This position of the Peruvian Government was fully supported by Celso Furtado in September 1970, as an adviser to the Government in formulating the regulations for foreign investment within the Andean Market. He said on that occasion: "There exists no relation at all between the size of the country, its volume of population and its independence. During many years the thesis was that certain industries as, for example, a steel industry, could not be established if its production would be less than 250,000 tons. Experience has demonstrated that it is possible even to establish it for a production of 150,000 tons, not only profitable but also on basis of successful competition with major plants. Moreover, what is more important than the scale of production is the criterion to what degree it contributes to social development, because a country can develop its gross national product, as Brazil during several years did to 9% per year without any positive impact on its social development". This observation by Celso Furtado can not be interpreted as an attack on processes of concentration inevitable and necessary from a technological point of view. It is, however, surely directed against the fact that capital which is made available by the State to subsidize basic industry and other forms of industry directly or through tax facilities, technological and other support, largely benefits a small group of owners or entrepreneurs while little benefit accrues to the majority of the population who, through their work, directly participate in the development of such industry.
20. Bases para un Programa de Desarrollo Nacional a largo plazo, toma 1: Estrategia del Desarrollo Nacional (Instituto Nacional de Planificación, Lima, October 1968). Fernando Cardoso y Enzo Faletto, "Dependencia y Desarrollo en América Latina, ensayo de Interpretación Sociologica" (ILPES, Santiago, 1969, preliminary text).  
Theotonio dos Santos, Tomas A. Vasconi, Marcos Kaplan y Helio Jaguaribe, "La crisis del Desarrollismo y la Nueva Dependencia", essays in the series América-Problema (No. 2, Instituto de Estudios Peruanos, Lima August 1969).  
Oswaldo Sunkel, Política Nacional de Desarrollo y Dependencia Externa, (Instituto de Estudios Peruanos, Lima, April 1967).
21. Mathilde Savoye, Lineamientos para la Promoción industrial de los grupos de productores de base en función de la Conyuntura Peruana (Desco, Lima. October 1969). This study gives concrete proposals on how to approach the highly inorganic, atomized position of the unemployed and underemployed population in the barriadas ( a parallel is made between the characteristics and consequences of the "industrial minifundio" situation and the "agrarian minifundio"). An effort is also made to design a system which would lead to the pooling of small producers in major units with all the advantages this implies. Such a system, designed to reduce un- and underemployment and to

enable capitalization by these groups of producers would, however, not seem feasible unless in the framework of a general industrial and employment policy of the Government which allows the type of industries proposed to produce a certain range of goods which permit and ask for a relatively high degree of labour input. Designation of such industries with high labour use coefficients would include, on the one hand, those industries whose production leaves them relatively independent and others which can be complementary to those with higher levels of technology. Definition of an employment policy will only be possible when the investment pattern in the coming years is clear, in view of the New Industrial Law, and the opportunities and effects of Peru's possible entrance in the Andean Common Market.

22. Amitai Etzioni, "Power as a societal force", chapter in The Active Society (The Free Press, New York 1968). Proposals for self-management made by the Christian Democratic Party in Peru have been based on a system allowing for a maximum differentiation in income of 3 to 1. There are indications that the Government, in introducing its model for co-management, has been strongly influenced by ideas prevailing in this group (which in turn has drawn on ideas worked out by other Christian Democratic groups in Latin America, in particular the one in Chile).
23. C.M. Wils, "Industry and Industrialists in the Metropolitan Area of Lima-Callao, Peru" (a preliminary research report, Institute of Social Studies, The Hague).
24. Gunnar Myrdal, The American Dilemma (New York 1942). The analysis of such factors in which objective and subjective, macro and micro "economic" and "social", structural and cultural, sociological and psychological factors intermingle and fuse, brings out the nature of underdevelopment as a total phenomenon asking for a total approach in reversing the state of and process towards underdevelopment.
25. The phenomenon of "cholification", the emergence of a new "own Peruvian" culture, is often positively valued by those who conceive development as a process from within in contrast to "occidentalization".
26. Jorge Barvo Bressani, Mito y realidad de la Oligarchia peruana (IEP, Lima, 1966).  
Francois Bourricaud, Poder y Sociedad en el Perú Contemporaneo (Buenos Aires, 1967).  
Anibal Quijano, "Naturaleza, situación y tendencias de la Sociedad Peruana contemporanea" (Universidad de Chile, mimeo, 1967).
27. Theories on the Peruvian oligarchy show deep divergencies, in interpretation. Bravo Bressani, the major Peruvian theoretician on the subject, emphasizes in his analysis the basically dependent nature of the national oligarchical groups which "do not have an own autonomous power base" and are largely intermediaries of foreign dominant groups. The Frenchman Bourricaud has emphasized the autonomous nature of the Peruvian power nucleus (the exporting groups), as if it would act largely on its own strength and initiative. While Bourricaud's thesis does not give sufficient weight to the primary role of foreign investment in nearly all productive sectors, that of Bressani would seem to leave out of consideration the point that economic power-holders cannot act independently but only insofar as they effectively relate to the political power structure. Hence, the emergence of the thesis of the existence of powerful national interest groups which have reinforced their position thanks to the links which they have been able to establish with foreign interest groups (as well the diversification of investment which they have sought). The new situation which emerges from the Reform introduced by the present Government, asks for complete review of all interpretations hitherto prevailing. It is interesting to note how use of the term "oligarchical groups" by the Government has gradually changed. While it was first employed as a term to denote and

denounce all those opposed to the Government's policy and who were supposed to have or to maintain links with economic power, at a later stage it was more restrictively utilized and only in reference to the small group of "unpatriotic bad Peruvians" in the center of economic power concentration. Such a restrictive use clearly indicates the need of Government to seek the support of industrial entrepreneurs and not to isolate itself, particularly in view of its wish to ensure support for the Industrial Reform. Such action by the Government lends support to the thesis of Anibal Quijano who, contrary to both previous authors, has identified the industrials as forming the new "hegemonic" group among Peruvian elite.

28. Anibal Quijano, "El Marco Condicionante de los Problemas de Participación" (Santiago 1969). This essay has been edited on the responsibility of the author without any commitment to the CEPAL to which the author is attached.
29. The Declaration of Vina del Mar contains a precise and articulated summary of all the legitimate grievances of Latin America countries vis-à-vis the industrialized countries.
30. Reforma de la Educación, Informe Preliminar (Ministerio de la Educación, Lima, April 1970).
31. Ivan Illich, "Y hay quien dice: no más escuelas!" interview by José Rivero, academic director of the International Institute of Solidarity (of the Konrad Adenauer Foundation) in Lima in Carretas, May-June 1970. Ivan Illich is director of the Intercultural documentation counter (CIDOC) in Cuernavaca, Mexico. Ivan Illich, "La educación y su institucionalización en América Latina, el mito liberal y la integración social" (essay, CIDOC, Mexico).
32. As would seem to the thesis of Ivan Illich.
33. Perhaps more than any other consideration, this calculus brings out the extraordinary promotion of inequality in opportunities through the prevailing educational system.
34. The viability and great pedagogical quality of the bilingual method has been amply demonstrated by linguists of the Summer Institute of Linguistics Inc., an American Institute which for a number of years has been working in many Indian areas in Latin America, and among Indian Groups in the Peruvian jungle. The system works through teachers selected from the various monolingual groups. The method has been strongly and repeatedly commended by successive American Indigenist Congresses to the Governments but was never introduced. The elimination in Peru of quechua as a public language started with the suppression of the revolution against Spanish exploitation around the year 1780, led by José Gabriel Concorcanqui, and Tupac Amaru, an educated mestizo landowner of the Cuzco region and a descendant of the Inca nobility. The inferior status acquired through its progressive elimination as an official language has been a central factor in the destruction of the own culture and society of the indian population who, in their dependency and in order to protect themselves and to secure upward mobility, were forced to depreciate their own culture and language.
35. Social Change and Development, the chapter on "educational Policy" (Cf. note 7)
36. Emphasis on practical work as a preparation for life is only realistic in the context of a process of total transformation which effectively provides opportunities to local communities. The re-evaluation of practical invol-



vement is also directly related to the prevailing valuation of theory of knowledge. The view of "we shall not know what we do not do" stands in profound contrast to the elitistic emphasis on the acquisition of knowledge for its own sake and the closed intellectual formation as prevailing in most countries.

37. Julio Cotler, La mecánica de la Dominación interna y del Cambio Social en el Perú (Instituto de Estudios Peruanos, Lima 1970)  
Fernando Fuenzalida, Enrique Mayer, Gabriel Escobar, Francois Bourricaud, y José Matos Mar, "El Indio y el Poder en el Perú" (Essays No.4 of the series Perú, Problema, Instituto de Estudios Peruanos, Lima, 1970).
- 37.1 Paulo de Tarso Santos, Educación y Desarrollo en América Latina, separata de "Necesidades Educativas de una Sociedad en Desarrollo" (ICIRA, Santiago, July 1969).
38. Carlos Cueto Fernandez, "La educación como forma: un voto en contra" (essay, Lima 1970).  
Paulo Freire, "La concepción bancaria de la Educación y la deshumanización, la concepción problematizadora de la Educación y la humanización" (conference, Santiago 1969), and "La educación como práctica de la libertad" (ICIRA, Santiago, 1969).
39. Such a possibility can only be visualized in the context of a deepgoing change in the whole of dominative/dependency relationships between the center, Lima and the interior regions
40. "Lineamientos Basicos de Política de Desarrollo a Mediano Plazo" (Instituto de Planificación, Lima, 1970)
41. The Peruvian economist Vergilio Roel is preparing a study on the Economic History of Perú in which, on the thesis of documentary evidence, he analyzes the decisive role which Indian troupes and leaders played in the fight for Independence, how these leaders and their claims were eliminated after Independence, and how the writing of the official history of Peru became gravely biased and distorted.
42. Cf. Peter Klaren, "La Formación de las haciendas azucareras los orígenes del Apra" Perú Problema (No.5, Moncloa, Lima, 1970).
43. Enrique Mayer: "El contexto social de los relaciones interétnicas", essay in El Indio y el poder, Perú Problema (No.4, IEP, Lima 1970).  
Anibál Quijano, El movimiento campesino del Perú y sus líderes (Lima, 1965).  
Wesley C. Graig, "The peasant movement of la convención, Peru; Dynamics of rural labour organization" (mimeo, Cornell University, 1966).  
Anibal Quijano shows in his analysis that the "cholos", because they form a new group whose position in society is rather unstructured, who have relative freedom with regard to traditional norms and forms of behaviour, and who also have acquired more education, demonstrate a relative independence vis-à-vis the dominant mestizo population. It was they who generated and led the peasant movements in the Sierra during the past decade. Graig also shows that this group exercised in first instance the initiative in the movement in the valley of la Convención.
44. J. Kuitenbrouwer, "3rd Report on Peru" (see note 1): "... As to the economic impact of the Project, through the supervised credit programme, the large majority of beneficiaries indicated that their income has not increased in a significant way. This is not surprising since data



indicate that the average area cultivated by loan receivers with irrigated land amounts to about 2 acres and that of beneficiaries with unirrigated land only 1 acre. This latter group is close to four times as numerous as the first. This suggests that the average units of loanholders lies considerably under the minimum for a family unit, set in the Agrarian Reform Law at 6 acres.

It is not exaggerated to conclude that agricultural credit in the Project has essentially had a subsistence function. As to the small-scale live-stock credit, other investigations indicate that its use has been mainly speculative and that it has not led to capitalization. Of the total of 8400 credits extended during 1969 for a total amount of more than \$2 million, 87% has been used for small-scale credits and the rest for medium and long-term credits. Of the total amount of credit funds invested during the course of the Project, close to \$3½ million, of which somewhat more than \$2 million from the Inter-American Bank loan and the rest from national counterpart funds, about 45% has not been repaid in due time and of this amount perhaps 50% only would be recuperable.

The evaluation indicates that from November 1966 to the end of 1968 only 17 cooperatives were formed and recognized, with a total membership of around 2000, with a contribution in the social capital of their cooperatives of less than \$10 as an average.

From my own observation I must add that many of the cooperatives have in the past been set up with the exclusive objective to take advantage of the Law, granting them tax facilities and that, with few exceptions, they have primarily served the more well-to-do farmers and townspeople but not the small peasants. This situation is gradually changing thanks to the re-organization of ONDECOOP. Already significant advances have been made in the organization of central cooperatives in several of the Joint Action Zones which are expected to play a major role in providing multiple services to the pre-cooperatives and cooperatives, being organized as a result of the Agrarian Reform in the ex-haciendas and which will also be organized in the comunidades as proposed in the Land Reform Law and the new "Estatuto de Comunidades". It now appears evident that in the traditional social structure the cooperative organization was doomed to a precarious and marginal role. The cooperative credit, allotted through the Project, amounted only to about \$125,000 until the end of 1969. This reflects the marginal attention, which cooperative organization received. The limited physical resources of the population in the comunidades, coupled with the high risk due to adverse climatological conditions and the extension approach used, made the allocation of credit little meaningful.

Credit has been allotted on a strictly individual basis, not as an instrument for promotion of change in the production system but in the style of a simple moneylender.

Rare are the cases where credit has been used to organize joint production groups, to make an effort for land consolidation and to extend the credit in function of joint programming and action. It is clear that the extension service needs to undergo a very fundamental change in its methodology if it is to contribute to the process of Land Reform.

These short observations sum up the major conclusions of the evaluation. In synthesis, the orientation as well as the impact of the Project have been predominantly social and its contribution to creating conditions for economic development of the sierra population in the Joint Action Zones has been marginal.

Unquestionably the Project has contributed to improve services to the population necessary for a human existence; as such, it has provided some relief and for a tiny minority real improvement, but it has not helped to change the conditions which are basically responsible for their

miserable situation.

It should also be observed that the Joint Action Zones selected for the Project are predominantly minifundio zones with a population of comunidades and that where haciendas existed within the Zones, these were not subject to attention by the Project except for the application on a very small scale of Title 15 of the previous Land Reform Law, designed to avoid the need for a real Land Reform.

It would, however, be unfair to concentrate criticism for its limited function on the Project itself. Primarily, the Project should be looked at as the expression of a philosophy of development of the previous Government and the social forces determining development policy at the time. As such, the Project reflected the idea that with a multiplicity of small-scale improvement actions the process of development could be generated (the honest opinion of those who believe that in the context of Latin American development can be equated with improvement and modernization), while for another group in Peruvian Society the Project might have served as an instrument in a holding operation, designed to postpone or leave aside the basic changes of a structural nature the country needed. In terms of community development theory, the Project reflects the thesis that the problems of the country can be solved by approaching them as a set of local problems, basically expressing themselves in a lack of services. By improving these services the problems would be solved. This thesis stands in profound contrast to another one which looks at the existence of local problems as the expression of a crisis in the way in which the elements of social system or structure relate to each other and which considers these local problems as the local dimension and expression of an over-all national problem of a structural nature which, among others cause the lack of goods and services in society and prevent a majority of people in society to put their spiritual, motivational and intellectual potential at the service of themselves and the local and national community. Whereas in the first concept, underdevelopment is primarily understood as a lack of development with autonomous roots, in the second concept the thesis prevails that underdevelopment does not stand by itself but is related to and is a function of processes of development, the same which produce concentrations of social, economic and political control, participation and communication (spurious participation and incommunication in terms of the interests of those belonging to the underdeveloped part of the population) which by their very nature tend to maintain the state of underdevelopment. It would seem that this last thesis underlies the development policy of the present Peruvian Government".

45. Julio Cotler, "Actuales Pautas de Cambio en la Sociedad Rural del Perú", essay in Dominación y Cambios en el Perú Rural (IEP, Lima, 1969). The author distinguishes between those processes which tend to change the terms (terminos) of the dependency relationships of the peasantry and those which only tend to modify the relative rate (tasas) of dependency within the established terms. He suggests that peasant mobilization and organization in Peru tended to modify the terms of relationships in view of their radical nature, whereas the increased presence of government services has helped to modify and diminish the relative rate of dependency by its demonopolizing influence. My observations during field work in the sierra lead me to corroborate this last thesis. It should be stressed that the Government services in no way represent any homogeneity in orientation and interest representation.
46. José Nun, "Marginalidad y Participación Social", (paper at the symposium on Social Participation organized by the I.L.O. International Institute of Labour Studies). This lucid Marxist analysis tries to demonstrate that

social marginality, expressing itself in many ways of being and behaviour (e.g. the culture of poverty) should not be understood as having its roots in the cultural, psychological conditions of people, but in the marginalizing nature of the economic structure and system.

47. Dr.H.v.d.Wetering, *La Reforma agraria: Un enfoque dirigo a medir su impacto en la economia provincial* (IOWA Mission, May 1970, Lima, Peru). This study suggests that coastal reliance for foodsupply on the sierra is much less than is generally assumed. It suggests that unless the Government explicitly reserves a certain production function for the sierra, the (vertical) accelerated agricultural modernization process on the coast would make the sierra superfluous for agricultural production.

48. Jean Piel, "Les mouvements paysans au Perou de la fin du 18ème siècle à nos jours" (Institut Francais d'études andinas, Lima).

49. I would like to suggest that domination and dependence be looked on as processes which, from a cultural, social and psychological point of view, tend to induce and sustain each other in an accumulative way, so that each one acquires its own internal dynamics as a consequence of the process of internalization. This explains the apparent "natural quality" of systems of patronage, in their manifold manifestations which reinforce domination and dependence and which have led many social scientists and observers to perceive acceptance of such relationships by the dependent as a response to a fundamental human need of particular groups of people, thereby disregarding its relationship to structural conditions. I believe that the psychological security and stability provided by once assumed roles in the social system, and their maintenance function with regard to the prevailing social structure, cannot be overemphasized. Recognition of the demoralizing and disintegrating effects on the human personality of dependency relationships as an expression of structurally conditioned inequality is, in my view, crucial in a diagnosis to serve as support for a policy in the field of social mobilization. It would seem that insights acquired in modern psychiatry on the causes and effects of dependency could be of great help in clarifying the destructive force of asymmetric power relationships and in justifying the need for fundamental democratization in overcoming the dehumanizing effects of dependency and in releasing and activating the creative potential in people.

Allan H.Holmberg, Some Relationships between Psychological Deprivation and Cultural Change in the Andes (Cornell, Conference, Cornell 1966).

Charles A.Valentine, Culture and Power (Chicago 1968; a critique on Oscar Lewis' theory on the Culture of Poverty).

K.T.Erikson "Patient Role and Social Uncertainty", in *Psychiatry*, No.20.

Erikson analyses the emergence, consolidation and deepening of dependence in the mentally ill through the process of role allocation, internalization and commitment.

A.Kubany, "Anxiety, Yes - Illness, No", *E.T.C.*26, 1969. Kubany shows how by the very act of naming and labelling people may induce self-denigration (the function of selffulfilling prophecy). The usually profound contempt which mestizos in the Sierra of Peru tend to have vis-à-vis the Indian population expresses itself in a form of address which is highly derogatory.

Jones Maxwell, The Therapeutic Community (New York, 1963).

The famous English psychiatrist reformer has shown that the practice of democratization is essential in helping people to overcome their (serious) problems of life.

The function of language in the promotion and maintenance of dependence would appear crucial. On the function of language, see: Edward Sapir,

Language (New York, 1939).

50. A central passage in the first major policy address by the Prime Minister of the Military Government in October 1968 stresses this need of own identity and culture. It returns in all pronouncements which emphasize the need for Peruvian solutions and approaches.
51. Own identity and consciousness are in this context to be considered as the fruit of the processes towards autonomization in which the effects of domination, such as lowered consciousness, internal disintegration and atomization, lack of self-confidence and initiative, will be overcome. Here is also the assumption that there cannot be productive participation in service of self and society unless on equal terms.
52. See footnote 40.
53. Solon L. Barraclough, "Comments on Concepts of Agricultural Development and Strategy Implications for Behavioral Change" (intervention in conference on Strategies for Behavioral Change in International Agricultural Development, Cornell, January 1968).  
Solon Barraclough emphasizes the dysfunctionality of development, technical assistance and extension approaches taken out of societies which have already gone through deepgoing re-orientation of the societal structure, to societies where such transformations have as yet not taken place (Cf. footnote 55).
54. The National Community Development Office, the National Office for Young Towns (barriadas) and the National Office for Cooperative Organization. Aside from these it was proposed to include also the National Fund for Economic Development, Cooperación Popular (the instrument for rural development under the previous government) and the offices of the Ministry of Agriculture concerned with the diffusion of the Agrarian Reform and the communal and cooperative organization of the peasant population.
55. Rodolfo Stavenhagen, "Marginality, Participation and Agrarian Structure in Latin America" in Bulletin of the International Institute for Labour Studies, June 1970.  
Rodolfo Stavenhagen singles out as participation in the fundamental sense all "types of activity whereby any identifiable, low status social group manages to express its needs or states its demands, to defend its common interests, to achieve certain economic, social or political objectives, or to influence public authorities, either directly or indirectly in a certain direction".  
"The essence of participation, in our opinion, is not so much the fact that it may be linked to development (in its various meanings) as the fact that it may become an instrument whereby certain socially determined needs are expressed in an organized fashion by a low status or unprivileged (exploited, oppressed, dependent, marginalized) social group. This organized expression of needs is in itself one of the principal potential features of social and political development. Participation, than, should be understood not only as participation in a given system, but may also refer to organized (for example revolutionary) action which rejects the prevailing social structure and attempts to change it".
56. Cf. José Nun, footnote 15.
57. Julio Cotler graphically presents the dominant/dependence system by a triangle with an open base in which the dependents are indicated by a

multiplicity of unconnected lines from the base towards the top where they converge. Competition for the same (by monopolization) limited resources or for the allocation of resources becomes then an instrument for the preservation of dependence. Cotler describes how, through the process of organization, the dependents come to perceive their joint interests, start to relate, and the "verticalisation" of relationships is weakened as a new process of horizontal interaction emerges and their atomized state diminishes. Processes of monopolisation at the macro level would appear to have a similar structure:

cf. John Galtung, Political Development and the International Environment, an essay on imperialism (Oslo 1970).

58. The urgency of such a differential focus has clearly shown up in the initial stages of formation of new (living and working) units or communities in the agrarian reform. The grouping of people with different past ways of life and work, systems of production, dependency relations, outlook and values needs the greatest care; e.g. the grouping of pastors and agricultural workers, the grouping of tenants of an hacienda and (surrounding) minifundistas, the grouping of several "comminadas" which have developed hostile relationships in the past as a result of the mechanisms of domination (see footnote 57). Assumed uniformity and identity of values can easily prevent or undo the newly formed units. Recognition of heterogeneity can then help to design with the people a system in which the primary social and economic units have their distinct identity within the framework of the larger community. In particular, the sudden imposition of industrial forms of organization on subsistence farmers may have very negative effects.

Cf. Dov Weintraub, op.cit.

Cf. C.Santos de Moraes, footnote 17.

Heterogeneity in population composition in settlements has also been observed as a major cause of social and economic problems in settlements in Ceylon.

J.Kuitenbrouwer, "Verslag van een onderzoek in Ceylon naar het Shramadana en Youth Settlement Programma" (the Hague, June 1966).

59. The question of legitimacy needs to be raised irrespective of the prevailing political system. It would seem that those societies with political systems based on a formal democratic representation system also come in for such questioning in view of the growing concentration of power and the marginalization of the population with regard to decisions over their own life and their community's wellbeing. The search for new systems of direct democracy through self-management and co-management seems then a response to needs in the authoritarian orthodox socialist bureaucracies as in the free-market countries with representative democratic systems.

Henri Lefebvre, "Les Marxiste et la Notion de l'Etat" (No.42-43 Cahiers du Centre Socialiste, Paris).

Ralph Milliband, The State in Capitalist Society (New York, 1970)

André Gôrz, Le Socialisme Difficile (Paris, 1968)

Roger Garraudy, La Reconquête de l'Espoir (Paris)

Julio Silva y Jacques Chonchol, El Desarrollo de la Nueva Sociedad en América Latina (Santiago, 1969).

60. Social policy in the context of development of societies as that of Peru would have to mean, in my concept, in first instance a policy which integrates structural transformation and social mobilization. In second instance it would refer to a policy for the social services and only in third instance, to a social welfare policy (in the more restricted orthodox sense of the word). It is proposed that social policy which is confined or which limits itself to the latter types of policy can only serve to postpone authentic

development inevitably helps aggravate prevailing processes of polarization and marginalization and can only become an effective support to development in as far as it is linked up (preceded or accompanied) by a social (societal) policy orientation of the first type. The usual equation of social policy in underdeveloped societies with social welfare and social services is a clear illustration of the mechanistic transfer of "adjustment models" to contexts which primarily ask for transformation as a way to equalization. Structural transformation and social mobilization, often conceived as two opposite ways to development, should not be looked at as opposite options or alternatives but as two essentially complementary approaches of a societal development policy in which structural transformation is directed towards bringing about equalization and democratization through redistribution of economic power, the access and utilization of available or potentially available resources. Social mobilization focuses on making such equalization and democratization effective by the systematic promotion of people's active involvement and sharing in the processes of decisionmaking, control and management.

61. Such an orientation forms part of the training policy of the Training Center for Land Reform, ICIRA, in Santiago, a joint project of the Chilean government and F.A.O.  
Tarso Paulo de, "Reforma Agraria y Cambio Estructural - el Papel de la Capacitación" (paper for F.A.O.-meeting of experts on Rural Sociology in Buenos Aires, November 1969).  
In the report of the F.A.O.-mission to Peru to evaluate the requirements for technical assistance for the Land Reform, training in the exercise of "social power" is considered as part of training in support of structural change "in order to reach the peasants' full participation sharing in power, income and culture within the context of the official Agrarian Reform policy".  
F.A.O., informe de la Misión de la F.A.O. para Evaluar los Requirimientos de Asistencia Técnica para la Reforma Agraria Peruana (Santiago, Oct. 1969).  
Jacques Chonchol "Del Aislamiento a la Unidad - Progresos del Campesino Chileno", Ceres, Vol.I, No.3, May-June 1968.
62. The orientation of such a proposal was first formulated in an Anteproyecto para un Centro Nacional de Moreilización (Lima, 10 June, 1969). The acceptance within Cooperación Popular was upheld in view of the new conditions and requirements which the Agrarian Reform, promulgated at the end of the same month, created.
63. Amitai Etzioni, The Active Society, a theory of societal and political processes (New York, 1968).
64. Such a perception also helps to preserve the dominant position. If the work of the officials were to involve (existential) communication, it might lead to identification of objective constraints resulting from the social structure (e.g. lack of opportunity in access to resources) and the rationality (seeming irrationality) of the people's response in the given context. It might also mean recognizing the validity of the people's demands, technology and unwillingness to innovate under the given circumstances (in particular the constraints in risk-taking under conditions of poverty). Such a type of relationship might lead to a process of communication which would involve a process of democratization, undermining the authority and status of the official.  
Cf. Paulo Freire, Extension of Communication, (Icira, Santiago, 1968).  
Among the majority of professionals and technicians in the Ministry of Agriculture, in the center and in the field, prevails an image of Agrarian



Reform which associates it exclusively or predominantly with technological change, increase of production and productivity and the introduction of social change in terms of improvement through increase of services, consumption and other benefits of the developed world.

Land Reform is not primarily seen as a basic instrument for a new type of society, based on the redistribution of societal power through a redistribution of opportunities, to have access to resources and services and to participate in the shaping of one's and the country's future. The acceptance of such views should imply that improved technology and services should be introduced on the basis of a new structural system and that beneficiaries should be helped to become conscious of their potential and responsibilities and to organize.

The absence of a structural concept of Land Reform in practice goes hand in hand with a predominantly authoritarian, paternalistic and technocratic attitude among officials who look at the people as objects of Government measures, but not as people who have to be helped to take their destiny in their own hands and to assume increasing responsibility. Ignorance and incapability of the rural population are not understood as consequences of the system of exploitation and subordination, but serve on the contrary to explain their inferior status and position in society. Without change in this image of the Reform, its results must necessarily be doubtful.

The great emphasis on technological primacy is reflected in the organization of the field services of the Ministry; each is concerned with its own specialty, without being based on a unifying normative concept which acts as an integrative force, reducing the unavoidable dispersion in concepts and motivations of fieldstaffs. While formal reorganization of the Public Administration, still under way in the Ministry of Agriculture, helps to rationalize action, it will have little effect if not accompanied by a new image of society among its agents.

It is recognized that the normative and cultural frame of reference of most professionals and technicians does not help them to identify with the rural workers and peasant population. Also, a majority of them is directly or indirectly tied to landed interests, in particular in the Sierra towns, which makes it less easy for them to serve the process of change with entire conviction and dedication. Land Reform is naturally felt as a threat to their status and position and income or that of their friends, acquaintances or relatives. Above all, landed interests produce a wide network of multi-dimensional control which Land Reform threatens to disintegrate.

It seems indispensable that the Government should take measures in personnel policy to induce officials to dissociate from their landed interests, in particular in the environment of their own work. Above all, however, there appears to be critical need for promoting a new image of the scope and function of Land Reform among officials and to help them to acquire a new methodology of working with the rural population, with, as a starting point, a real understanding of their position, problems and behaviour.

Cf. J. Kuitenbrouwer, 3rd report.

65. Signos de Renovación (Documents of the Episcopal Conference on Social Action, Lima 1969).

In these documents, containing statements by the bishops of Peru, "participation" is related to a process of people's liberation in history "as a process of emancipation of man towards a society in which he will be free from any servitude, in which he will not be an object, but the agent of his own history". There are many instances in which priests actively cooperate with groups of workers or peasants in agrarian reform, such as in the organization of committees which have been set up by farm workers (about 150) in the Valley of Huaura, north of Lima.

These committees, organized with the active cooperation of a group of Peruvian, French and American priests in collaboration with the Catholic Rural Institute for Education which has a training center in the area, press for compliance labour laws and where possible for expropriation. Recently, a number of committee leaders were dismissed by the owners, formally backed by dispositions of the labour laws.

66. Gustavo Gutierrez "Notes for a Theology of Liberation" in Theological Studies Vol.31, no.2, July 1970.  
Gustavo Gutierrez is a foremost Latin American theologian and principal adviser of the Peruvian Bishops. He served as such at the Roman Oecumenical Council. He writes in his Notes: ... "What ultimately brings Christians to participate in liberating oppressed peoples is the conviction that the gospel message is radically incompatible with an unjust, alienated society. They see clearly that they cannot be authentic Christians unless they act". And ... "the prophets spoke of a kingdom of peace. But peace supposes the establishment of justice (Is.32:17), defense of the rights of the poor, punishment of the oppressor, a life without fear of being enslaved". Such a statement can in practice only be taken as an expression of views of a small group within the church and in no way as of the Church as a whole.
67. Jaime Petras, "Negociadores Politicos en Chile, los empresarios, la clase media", special edition of La Burocracia, monthly review, January-February 1970
68. At the Ministry Of Industry, where many young economists have been contracted on basis of a selection through interviews with a selection commission in which the Minister directly took part. In the Dirección de Comunidades of the Ministry of Agriculture quite a few young qualified sociologists have entered the service to replace the old staff. This was perhaps one of the most archaic units in the Public Administration. In the Ministry of Education some important transfers have also taken place. These changes have understandably created serious tensions.
69. Up to recently, students at the Agricultural University la Molina were largely recruited from families with landed interests. The major emphasis was largely on training for management and administration of haciendas and estates. Virtually no attention was paid to the problems of plantation workers, Indian peasants, and the workers' population in the Sierra. There has been little room in the curriculum for the study of critical sociology, particularly political sociology.
- 69.1 In August 1970 several offices of the Ministry of Education in Cuzco, who had denounced irregularities and had been dismissed by the Regional Educational authorities, were re-installed by the Ministry which dismissed the Regional authorities. An important role in this was played by unions and peasant federations who demanded that the Government intervenes. The "campagna de moralización" is considered by the Government as essential in the improvement of Public Administration. However it will only be effective in-as-far as it is pressed for from below. An interesting proposal was developed by the Coordinator of the Joint Action Zone in the Valle de Mantaro, an integrated development project zone of the National Community Development Office: Sistema de Organización Campesina para el Desarrollo del Valle del Mantaro, by Ing. Guillermo Bendezu, 1969. Bendezu's thesis is that the Government's services, by working with the population as if it were only an aggregate of individuals and not members of corporate communities, and by substituting themselves for the potential



leadership in these communities (only in the Valle de Mantaro are there 234 recognized "comunidades"), have seriously contributed to the disintegration of these communities and to their state of dependency. He proposes a system, practically identical to that applied in Comilla, East Pakistan.

70. "Le Développement Rural dans les Pays d'Afrique Noire", Vol. IV, SEDES (Paris 8, 1965).
71. As in the case in Yugoslavia for instance.
72. As in the Comilla Project where full emphasis is on innovation through the training of local leaders elected from the village; government workers at the field level have been withdrawn after the conclusion that, in view of their personality and cultural bias, they were rather dysfunctional in their work. "Papers of the Seminar on the Comilla Project, Pakistan" (Institute of Social Studies, The Hague, March-April 1968). It would be interesting to study the effects of this on the social mobilization of the people of the area.
73. The incorporation of village leaders in Public Administration has traditionally neutralized the articulation and organization of demands by village communities and groups. The suggested orientation would weaken the system of patronage and brokerage prevailing in the Sierra communities. It should be noted that in the past, Indian communities, according to the law representation in Municipal Councils (of the central townships), had seldom made use of their legally available rights which would be of little avail in the face of the overriding power of the mestizo population).
74. Rodrigo Montoya, Algunas Notas sobre el Callejón de Huaylas después de la Tragedia. (Lima, July 1970, Centro de Estudios y Promoción del Desarrollo) The distribution of emergency aid after the earthquake at the end of May 1970, according to this qualified anthropologist, largely favoured privileged groups in the population forming part of local elites or dominant groups. The rural population received a disproportionately small share of the total aid. A principal cause in the unequal distribution was the fact that distribution was organized and carried out by the local authorities, "who largely belong to the dominant groups". It was found that in places where the population took direct charge of the distribution, a much fairer distribution took place. When officers in charge of the zone were informed about this and asked to allow the population to organize the distribution, their reaction was "This is not possible. Who would control the distribution?"
75. David Slater, "Urbanisation and the Peruvian Social System" (Research Seminar Institute of Latin American Studies, University of London, March 1971)
76. In the agricultural sector this situation has already changed considerably; rather far-reaching deconcentration has been introduced and regional directors no longer depend on the various departments of the central ministry, but are solely responsible to the Minister and the Director Superior (Deputy Minister). The functions of central departments have become those of technical service units to the field. The effects of this deflation of the centre are manifold.
77. Lawrence Moore "La Definición de Areas Interregionales de Desarrollo Rural" (paper for a seminar on the social aspects of regional development, Santiago, November 1969).

78. While much analysis dramatically suggests the need for drastic and deep-going transformation, government policies are virtually always based on a gradual piecemeal approach. From a historical point of view, more support may be found for the thesis that radical transformation can lead to dynamic development better than gradual processes, and that the advantages may outweigh the disadvantages (cf. footnote 13).  
W.F. Wertheim, Evolution and Revolution, Sociology of a World on the Move (Amsterdam 1967).  
Barrington Moore, Social Origins of Dictatorship and Democracy (London, 1967).

79. "Policy Issues Concerning Community Development" (draft, United Nations, New York, 1967).

80. Lewis Coser, The Functions of Social Conflict, 1956; Continuities in the Study of Social Conflict, (New York, 1968).

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