

Shaped by War:

The Impacts of Intrastate Warfare on Public Social Policy

A Case-based Study of Peru, 1980-2000

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Abstract

This dissertation is concerned with the influence of intrastate warfare on public social policy. Focusing on Peru and the war period, I pose two main research questions: What changes to public social policy occurred during the civil war in Peru? What impact did intrastate warfare have on the development of public social policy during the war? In order to address these research questions, I draw on common theoretical approaches in comparative welfare research to propose different potential causal mechanisms linking intrastate war to the social policy and to derive theoretically supported case-specific expectations for Peru. I seek initial empirical evidence, in order to provide a first impetus for future theory-driven research. Adopting a qualitative, case-based research approach, I conduct a within-case analysis of Peru between 1980 and 2000, using process tracing in a pragmatic way as both a structuring logic and an analytical tool. I rely on various primary documents, including legislation and government publications, and secondary literature on the civil war and social policy in Peru, collected from archives and libraries in Peru and Germany and through desk-based research. The findings show that the intrastate war affected social policy in Peru in various ways, resulting in heterogeneous, segmented outcomes. Generally, a few war-relevant groups were prioritised, including the police and military, civil servants, and state-recognised peasant self-defence groups. These groups benefited from an expansion of social protection during the war, more generous and exclusive benefits, and, in some cases, from an earlier policy adoption. By contrast, social policy changes for the majority of the civilian population were later, remained insufficient compared to war-caused suffering, and, in some cases, led to retrenchment. The war acted as a direct stimulus for policy change by creating social needs that would not otherwise have emerged. However, most of the war's impacts on social policy were indirect, stemming from its influence on the various explanatory factors commonly studied in comparative welfare research. I found evidence of these influences with regard to institutions, political parties, power resources, political behaviour and attitudes, and external factors. This dissertation contributes to existing comparative welfare literature in several ways. By incorporating complementary insights from conflict literature, the thesis bridges a gap between these two currently separate fields of social sciences literature. My research demonstrates that intrastate warfare is another theoretical driver, particularly in non-Western contexts, that links both directly and indirectly to social policy. The thesis offers the first attempt to map these influences, their complex, non-linear interactions, and the resulting social policy outcomes in a typical case. The dissertation also enhances the limited and fragmented empirical knowledge of social protection in Peru, an understudied Latin American country.

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Chapter 1: Introduction

1.1 Relevance of the topic

In July 2025, former President of Peru Dina Boluarte signed a controversial law that brought heated debates about the civil war that had ended 25 years earlier to the surface once again. The law grants amnesty to members of the Peruvian police and military accused of human rights violations during the war. The step will overturn more than 150 court rulings and affect more than 600 ongoing court cases (BBC News 2025). Human rights organisations, including the Inter-American Court of Human Rights, as well as the families of victims of these crimes, strongly condemned the adoption of the law. They called it "a betrayal of Peruvian victims that undermines decades of efforts to ensure accountability for [wartime] atrocities" (Juanita Goebertus, cited by BBC News 2025).

The Peruvian intrastate war lasted from 1980 to 2000. It was a conflict over central government power, fought between the Peruvian government and two communist guerrilla groups: *Sendero Luminoso* (Shining Path) and *Movimiento Revolucionario Túpac Amaru* (MRTA) (CVR 2003). The two guerrilla groups did not join forces due to ideological differences, instead fighting separately against the Peruvian government. To this day, this intrastate war remains one of the longest and most brutal internal armed conflicts in Latin America (Schubiger/Sulmont 2019: 51). The war left more than 69,000 people dead or missing, and many more were injured. Up to a million Peruvians were also internally displaced during the 20 years of conflict (CVR 2003; Ministerio de la Mujer y Desarrollo Social 2008: 26–28). Over the course of the war, many civilians fell victim to horrendous human rights violations, including sexual violence, torture, and extrajudicial killings. These crimes were perpetrated by all warring parties, and especially by government forces, who are responsible for over 80% of the documented cases of war-related sexual violence (CVR Tomo VI 2003). However, many of these crimes have only been sparsely investigated and prosecuted to date, and dealing with the conflict and its consequences has remained insufficient. This is a key reason why the conflict remains a sensitive and contested issue in political and societal discussions in Peru to this day (Drinot 2019). It also explains why the recent adoption of the amnesty law has reignited these debates and sparked protests by families of war victims and human rights activists.

As the case of Peru shows, warfare causes immense human suffering among both combatants and civilians (Wimmer 2014). This suffering calls for social welfare, which lies at the heart of public

welfare systems.¹ These systems provide individuals and households with public support in the form of income and in-kind transfers, financed through contributions from wages or through taxation, in the event of life-course or employment-related hazards. Typically, these risks include work-related injuries and occupational diseases, sickness and maternity, old age, disability and survivors, and unemployment as well as family allowances. More broadly understood, social policy can also encompass other aspects, such as education, sanitation, and housing (Barrientos 2024: 3–4; ILO 2025). However, the large number of deaths, injuries and people displaced by the civil war must have presented an enormous challenge for the Peruvian public welfare system. How did it respond to this challenge? Did the demand for support caused by the war provoke the system to collapse, or did it maybe trigger an expansion of public social welfare to keep up with it? In other words: How did the intrastate war affect social policy?

Previous research has found that the war had a pervasive influence of the war on various aspects of political and social life in Peru (Soifer/Vergara 2019). For example, this includes the formation of indigenous-led NGOs in some areas particularly affected by the violence, reforms to the state security forces during the war that are still in force today, and societal struggles over the interpretation of the conflict. Although many of these developments occurred decades ago, their impact is still felt today (Drinot 2019; Paredes 2019; Soifer/Vieira III 2019). However, even a quarter of a century after the intrastate war ended, its impact on Peru's public social welfare system has not yet been studied.

Warfare as an overlooked driving factor of social policy development in Latin America

What does the literature on the development of social policy in Peru and in Latin America in general say about war? Social welfare policies in Latin America vary considerably throughout the region in terms of coverage, generosity, and outcomes. In other words, they differ in terms the social risks covered by the state for different population groups, the generosity of these social services and benefits, and the results they deliver in terms of social well-being (Mesa-Lago 1978; Pribble 2011). In various comparative studies, Peru has repeatedly and persistently been found to have one of the least developed and most exclusionary public welfare systems in the region, resulting in some of the worst welfare outcomes in the region. This is due to limited and unequal

¹ While I acknowledge that the state is not the sole provider of social welfare and that market and family can also play an important role, particularly in countries outside of the OECD world, my research focuses on the state. Therefore, I always refer to 'public social policy' when using 'social policy', or interchangeably 'social protection' and 'social security'.

access, low levels of coverage of the social insurance systems, and low benefit amounts and services (Cruz Ferre 2023). Existing structures favour those in the formal labour market over the large informal workforce and urban centres over rural areas, especially in the jungle and highlands. These structures also disproportionately disadvantage Peru's large indigenous population (Minteguiaga/Ubasart-González 2021; Samuel et al. 2020).

Previous research has examined various theoretical factors typically considered in comparative welfare literature to explain variations in social policy across Latin America. While much remains understudied, these studies have found that some of these common explanatory factors have had a different impact in Latin America than in Western countries, and that their relevance has varied over time (e.g. Niedzwiecki/Pribble 2025; Schmitt et al. 2015: 504). There is broad agreement on the crucial role of the economic development over time. Adverse economic conditions, such as the debt crises of the 1980s, resulted in the state withdrawing from social protection, whereas a favourable economic context went hand in hand with expansionary developments (Arza et al. 2022: 36–38). While the impact of different political parties in government is ambiguous, as both left- and right-wing governments across Latin America expanded social policies, booming economic development provided diverse governments with the financial resources necessary to create new programmes and include new social groups (Huber/Stephens 2012; Niedzwiecki/Pribble 2017, 2025). However, other scholars argue that left- and right-wing governments have affected the design of these policies differently (Sátyro et al. 2021). Similarly, findings on the type of political regime are inconsistent. On the one hand, it was authoritarian regimes that introduced the first national-level social protection programmes in several Latin American countries (Mares/Carnes 2009; Mesa-Lago 1978). On the other hand, the various waves of democratisation in the region during the 20th century paved the way for the inclusion of new social groups and social risks. Since 2000, growing electoral competition and social mobilisation have also led to increases in public social spending (Garay 2016; Pribble 2013). Higher public social spending has also been attributed to the influence of strong labour unions (Niedzwiecki 2015). In addition, the positive influence of organised labour has been highlighted in relation to the relatively early inclusion of workers in formal labour markets in segmented social security systems. However, it was initially the armed forces and civil servants who benefited first from social protection (Mesa-Lago 1978). More recently, labour unions have formed coalitions with social movements in favour of including formerly unprotected social groups, such as the unemployed or those working in informal labour

markets. However, in some cases, unions have opposed such an expansion (Garay 2016). Furthermore, there is plenty of empirical evidence on the constraining role of policy legacies on social policies in Latin America (Arza et al. 2022: 38–43; Niedzwiecki/Pribble 2025). For example, policy legacies have contributed to the “segmented expansion” that occurred after 2000, and has perpetuated existing inequalities in access to and generosity of public social protection in the region (Arza et al. 2022: 38–43).

In addition to these different domestic factors, various external influences have also shaped public social policies in Latin America, with mixed results. The role of trade relations, for example, is still a matter of academic debates. Some studies suggest that greater trade openness has a negative impact on public social spending (Segura-Ubiergo 2007: 148, 156–160). In contrast, others find that it increases public spending on education and social security (Avelino et al. 2005). Moreover, various mechanisms of policy diffusion, such as horizontal policy learning across countries and expert communities and the promotion of ideas and policy models by international organisations, have influenced social policy, particularly since the late 20th century (Osorio Gonnet 2019; Weyland 2007). During the neoliberal period of the 1980s and 1990s, for example, international financial institutions such as the Inter-American Development Bank and the World Bank often made loans conditional. In exchange, Latin American recipient countries were pressured to adopt neoliberal economic and social reforms, resulting in a wave of privatisation of social security systems (Huber/Stephens 2012: 155–158; Weyland 2007). Following the millennium, external actors have supported an expansionary turn by promoting the transfer of social assistance programmes, such as conditional and unconditional cash transfers. Such programmes have since spread across the region, including Peru, providing income transfers and social services to previously excluded social groups, e.g. poor families and the elderly poor. They are partly conditional, for example on having regular health check-ups or children attending school (Galvez Vargas 2021; Osorio Gonnet 2019). Furthermore, the influence of colonialism on public social policies has been analysed. Findings suggest that Latin America’s shared colonial past helps to explain patterns of social security adoption and similarities in the policy design, such as the predominance of social insurance policies throughout the region (Schmitt 2015).

In summary, existing research has identified how different domestic and external, economic, political and social influences, commonly studied in comparative welfare research, have shaped the development of social policy in Latin America over time (e.g. Arza et al. 2022, Niedzwiecki/Pribble 2025). However, this development, as well as the ways in which these explanatory factors have

worked, differs from that found in Western countries. Furthermore, additional driving factors such as colonialism have played a role in shaping social policy in Latin America (Schmitt 2015). However, the potential role of warfare in these developments has been overlooked in the literature on social policy in Peru and in Latin America in general. This poses a serious shortcoming given that internal armed conflicts have repeatedly occurred in this region over the past two centuries (Gleditsch et al. 2002: 623–624).

Intrastate wars in the focus of interdisciplinary conflict studies

By contrast, intrastate wars are a central focus of another, yet separate literature within interdisciplinary conflict research.² Numerous studies in this field suggest that civil wars have a profound and usually devastating impact on the welfare of individuals and societies in affected countries, in both the short-term and in the long-term (e.g. Cardenas et al. 2016; DeRouen Jr. et al. 2025; Ghobarah et al. 2003). These conflicts cause enormous suffering for combatants, as in wars fought between countries, but even more so for civilians, who usually make up the majority of victims in civil wars as they find themselves caught between the fronts within state territory. The civilian population is also forced to flee fighting areas and leave much of their possessions behind. This affected approximately 122.6 million people worldwide in 2024, which is more than three times as many as in 2000 (DeRouen Jr. et al. 2025: 3–5, 77–92). The movement of large crowds of displaced people and their forced living together in often cramped and makeshift temporary accommodation brings further misery. These circumstances often provide a breeding ground for hunger and the spread of infectious diseases, claiming additional victims aside from those killed in the fighting itself (Ghobarah et al. 2003). However, unlike in wars between states, all this suffering takes place within the same state’s territory, with violence perpetrated by actors from within this state and society (Cederman/Vogt 2017: 1998–2001). Moreover, much of the suffering caused by intrastate warfare occurs not only acutely during the fighting. Instead, it continues in the long term as injuries persist and negative impacts of war-caused destruction of schools reduces the educational outcomes and income of those affected even much later in life (Ghobarah et al. 2003; Lai/Thyne 2007).

The adverse consequences of civil wars on welfare outcomes also extend beyond the individual. For instance, such conflicts typically result in economic decline during wartime, thereby harming

² Although there is no universally accepted definition of the term, there is common ground that civil wars occur “within a sovereign state between an incumbent government and a non-state challenger” (Cederman/Vogt 2017: 1993).

the welfare of society as a whole (Blattman/Miguel 2010: 37–44; DeRouen Jr. et al. 2025: 3–5). Additionally, some scholars have identified internal armed conflicts as a reason for the comparatively weak institutional structures of Latin American states, which may have undermined their capacity to promote the social welfare of their citizens. These scholars argue that, unlike in other regions of the world, wars in Latin America have hindered state building by having an adverse or, at best ambiguous, influence on extractive state capacities (e.g. Cardenas et al. 2016; Centeno 2002; Thies 2005). With regard to Peru’s long and brutal civil war, this could account for its poor performance in terms of social welfare outcomes. However, this strand within the field of interdisciplinary conflict research has only studied the impact of intrastate warfare on social welfare outcomes. Consequently, the impact on the public social welfare system itself has been overlooked

The warfare-welfare nexus, or why does warfare matter for the development of social policy?

On the other hand, research from a different body of literature has found war to be a driving factor in the expansion of social policy. Building on the early work of Charles Tilly (1975) and Richard Titmuss (2018[1958]), comparative welfare scholars have argued that “war made welfare states” (Obinger et al. 2018c). At first glance, it seems paradoxical to link something as terrible and destructive as war to the rise of the modern welfare state, which aims to promote the social welfare of its citizens by addressing deprivation and social risks throughout life. However, a growing body of comparative welfare research puts forward precisely this connection – the warfare-welfare nexus- arguing that warfare has ultimately acted as a catalyst for the provision of social protection for combatants and civilians alike, particularly in the long term (e.g. Obinger/Schmitt 2011, 2020).

The rationale for a link between warfare and welfare is based on several potential mechanisms that seek to explain exactly how war affects social policy (Obinger/Petersen 2017). Firstly, modern mass warfare caused unprecedented levels of destruction and social need among combatants and civilians. This occurred on such a large scale that only the state was able to mobilise the necessary resources and capacity to respond (Obinger et al. 2018b: 17–24). The availability of the fiscal resources required for this was, in turn, also driven by warfare. Empirical evidence shows that wars spurred the introduction of new, often progressive, taxation (Scheve/Stasavage 2010). Initially, these taxes were introduced to finance the war effort. However, they were usually retained after the war ended. The increased fiscal resources that were now available could be used to reconstruct war-destroyed public infrastructure and to deal with the extensive and ongoing human suffering that mass warfare had caused among veterans and civilians alike (Obinger et al. 2018b: 17–24). War also promoted the expansion of institutional structures on a large scale, which helped

with tax collection. To wage modern mass wars, mass conscription became necessary. Consequently, states expanded their administrative structures to manage this task, often as preparation for a future war. Mass conscription also prompted states to improve the quantity and quality of recruits, leading to the introduction of various social welfare policies, including the introduction of pro-natalist measures to boost the birth rate, and the expansion of public health and education (Obinger et al. 2018b: 12–24).

A growing number of studies has provided empirical evidence in support of the suspected warfare-welfare nexus. This research emphasises the important yet frequently overlooked role of warfare role in the long-term expansion of the modern welfare state, as well as in explaining cross-country differences in these trajectories, in terms of life risks covered, the inclusion of increasingly large sections of the civilian population and the generosity of policies (Obinger et al. 2018c; Obinger/Schmitt 2020). While the evidence comes from various countries, it is still predominantly from a relatively small group in the Western world. More critically, comparative welfare scholars have largely focused on industrialised mass wars waged between countries, particularly the two world wars (e.g. Obinger et al. 2018b).

This means that the existing empirical evidence supporting the warfare-welfare nexus is almost exclusively based on a type of war that is comparatively rare in the contemporary world. The almost exclusive focus on interstate mass wars is particularly critical given that, since the end of the Second World War, the number of wars waged between countries has declined. In contrast, intrastate conflict has become increasingly prevalent in recent decades and is now the dominant form of organised violence (DeRouen Jr. et al. 2025: 1–3). Therefore, the lack of understanding of what happens to a public welfare system in the event of intrastate warfare also has an empirical relevance not just for Peru, but for many countries.

1.2 Research questions and main findings of the dissertation

Given the extent of the suffering caused by the two decades of civil war and the consequences already identified for various areas of state and societal life in Peru, it is highly plausible that the war also impacted the development of social policy. However, existing research does not offer a clear answer as to what this influence could be; instead, it provides arguments for both positive and negative impacts. This ambiguous situation therefore gives rise to the following questions:

- What changes to public social policy occurred during the civil war in Peru?

- What impact did intrastate warfare have on the development of public social policy during the war?

To address these research questions, I draw on common theoretical approaches in comparative welfare research to propose different potential causal mechanisms linking intrastate warfare (the cause of interest) to the development of social policy (the outcome of interest), with a focus on the war period. These theoretical considerations are also based on the idea that warfare affects both the demand for and the supply side of social policy by influencing politics and polity (Obinger et al. 2018b: 9–10). In other words, I consider how civil wars could influence common explanatory factors of comparative welfare research at the theoretical level and the resulting social policy developments that could be expected. Crucially, I use these theories as a heuristic and do not employ them in a strictly deductive manner. Instead, I use them to derive theoretically supported expectations for the development of social policy in the case of Peru, for which I seek initial empirical evidence. My intention is to provide an initial impetus for further theory-driven research, rather than developing an elaborate, full-fledged theory of the ‘intrastate war-welfare nexus’. To this end, I adopted a qualitative, case-based research approach. I conducted a within-case analysis of Peru during the period of intrastate war between 1980 and 2000, using process tracing in a pragmatic way as both a structuring logic and an analytical tool. The empirical analysis is based on various primary documents, including legislation and government publications, and secondary literature on the Peruvian civil war and social policy in Peru. I collected these documents from archives and libraries in Peru and Germany, as well as through desk-based research.

My analytical findings reveal a heterogeneous and gradual development of social policy, which led to diverse and segmented outcomes during the war, thereby reinforcing the existing characteristics of Peru’s exclusionary and segmented welfare system (Mesa-Largo 1978). Generally, wartime social policy change prioritised a few social groups that were relevant to the war effort over the majority of the civilian population. These groups included the police and military, civil servants, and, to a lesser extent, state-recognised peasant self-defence groups. The prioritisation of these groups is evident in various dimensions of policy change. They benefited from the expansion of social protection, more generous and exclusive benefits, and, in some cases, from an earlier policy adoption. By contrast, social policy for the majority of the civilian population changed later and remained insufficient in comparison to the suffering caused by the intrastate war. Moreover, wartime changes to social policy were not necessarily expansive. Instead, there is empirical evidence of the state withdrawing from social welfare. This resulted from the influence of the war on

several other theoretical factors and their complex interaction, which in turn affected social policymaking.

Overall, my results call for a more nuanced perspective on the relationship between warfare and welfare. They clarify that wars not only drive the expansion of social policy, but can also lead to the dismantling of public social welfare systems. My research also shows that the intrastate war affected social policy in Peru in various ways. On the one hand, the war acted as a direct stimulus for policy change by creating social needs that would not otherwise have emerged. On the other hand, the conflict had many indirect impacts on social policy, stemming from its influence on the various explanatory factors commonly studied in comparative welfare research. I found evidence of these influences with regard to institutions, political parties, interest groups, political behaviour and attitudes, and external factors.

This dissertation makes several contributions to existing comparative welfare literature. I address a gap in existing research on the warfare-welfare nexus by offering theoretical considerations for *intrastate* war in the context of a country in the Global South, focusing on the war period. In doing so, I also draw on insights from interdisciplinary conflict studies that previously existed separately. At the empirical level, my contribution lies in improving empirical knowledge of the development of social policy in Peru using the analytical lens of war. The following section outlines the remaining chapters of the dissertation.

1.3 Outline of the remaining chapters

In Chapter 2, I demonstrate how my research is linked to existing literature and pinpoint the research gap that I address. My thesis builds on several lines of previous research within the social sciences. These lines of research each contribute specific individual aspects to the relationship between intrastate wars and social policy, but so far they have not been combined. Comparative welfare literature covers public social protection and its determinants. One of its more recent strands focuses on the role of warfare as a driving factor. However, until now, intrastate wars have been neglected. By contrast, interdisciplinary conflict studies have examined civil wars, but have fallen short with regard to their influence on public social protection. A central aim of my thesis is to combine insights from these two bodies of literature, which currently exist largely separately from one another, in order to study the influence of intrastate warfare on social policy in the less-studied case of Peru.

Chapter 3 provides case-specific contextual information on the two main subjects under consideration – the intrastate war and social policy in Peru – and sets the scene stage for the subsequent chapters. Firstly, I will present basic information about the country and describe the political and economic situation in Peru before the outbreak of the civil war in 1980. I will also introduce the different warring parties involved in the conflict. It will become clear that the conflict broke out just as the country was embarking on a democratic transition, following a period of profound political, economic and social change. Secondly, I will provide an overview of the development of social protection in Peru up until the war, covering the period from the introduction of the first social welfare systems at the beginning of the 20th century until 1980.

Chapter 4 covers the theoretical framework of the dissertation. Building on common theoretical approaches in comparative welfare research, I will propose potential causal mechanisms that link intrastate warfare to social policy during wartime. In this chapter of the dissertation, I will consider how civil wars could influence the common explanatory factors of comparative welfare research at the theoretical level. I will also present theory-informed, case-specific expectations for social policy outcomes, incorporating contextual information provided in Chapter 3.

I turn to the research design and methodological approach in Chapter 5. I will elaborate on why I choose a qualitative approach and conducted a within-case analysis in my case study of Peru. I will also describe how I applied process tracing pragmatically, in line with the conception of Bennett and Checkel (2014a), using it as both a structuring logic and an analytical tool to analyse primary and secondary documents collected in archives and libraries.

Chapter 6 then deals with the development of social policy during the Peruvian intrastate war, considering the development of the conflict and the political and economic context. I will present the findings of my empirical analysis and discuss the theoretical driving factors at work. I will proceed chronologically, going through the five phases of the war one by one. In addition, I will assess whether the analytical findings offer empirical support for the case-specific expectations and mechanisms detailed in Chapter 4. I will also compare the role of the different theoretical driving factors in Peru's wartime social policy development over time. Chapter 6 shows that social policy development during the war resulted from a complex interplay of various factors of influence. These factors had direct and indirect impacts on social policy and the relevance of individual factors varied over time. The chapter also demonstrates that these driving factors, as well as their conjunction, led to diverse and segmented social policy outcomes, including expansion and retrenchment.

In Chapter 7, I summarise the main points in order to answer the research questions of the dissertation. I also draw implications from my analytical findings based on the case study of Peru and put them in relation to other potential cases of intrastate warfare. Another part of this chapter addresses critical points and unresolved issues that the dissertation leaves open. Finally, I propose avenues for future research.

Chapter 2: The state of the art and the research gap

In this chapter, I provide an overview of the existing research on intrastate warfare and public social policy, identify gaps in the literature, and clarify the contribution of my dissertation. My research builds on at least two major bodies of previous research within the social sciences, each of which separately contributes specific aspects. Firstly, comparative welfare literature addresses social protection and its determinants. One strand of this research focuses on the role of warfare and on Western countries, but neglects intrastate wars. Secondly, interdisciplinary conflict studies contribute knowledge on civil wars, but fall short with regard to their influence on public social protection. Table 2.1, included at the end of the chapter, summarises the research discussed in the first part. In the second part of the chapter, I summarise the contributions of existing literature, highlight gaps it leaves open and outline how my dissertation addresses these.

2.1. Research on warfare and welfare in the comparative welfare literature

Although the study of social policies and their driving forces lies at the core of the comparative welfare literature, warfare has largely been overlooked as a potential factor of influence (Obinger et al. 2018b: 1–2, 6–7; Wenzelburger/Zohlnhöfer 2015: 27–30). Nevertheless, some scholars argue that there is a link between warfare and welfare. Building on the early work of scholars such as Titmuss (2018 [1958]) and Tilly (1975), who sees mass wars as a trailblazer of modern nation-states in Western countries, they posit that, despite usually being rightly associated with enormous suffering and horror, warfare also drives the expansion of social policies (Titmuss 2018 [1958]: 44–53). Some scholars picked up this idea decades ago, conducting single case studies on the influence of warfare on the welfare state in individual Western countries, but their findings are ambiguous. For example, in his pioneering essay, Titmuss (2018 [1958]) argues in favour of a warfare-welfare nexus, referring to the case of the United Kingdom in the Second World War. He points to the various social policies that the British government implemented during the war to ensure the education and health of (potential) soldiers, as well as to satisfy the basic social needs of civilians and soldiers alike (Titmuss 2018[1958]: 44–53). Harris (1992) also studies the British case during the Second World War, but, in contrast to Titmuss, his account is more critical. He argues that, while conflict impacted British society and social welfare institutions, these impacts were not as unanimous, straightforward or extensive, especially in the long run, as Titmuss (2018 [1958]) suggests. Despite their mixed findings, these early single-case studies paved the way for the systematic comparative research on the warfare-welfare nexus that has only emerged relatively recently (Obinger et al. 2018a: 426–427).

Mass wars and taxation

Warfare is a crucial driving force behind the adoption of progressive taxation, providing fiscal resources for social policies. Scheve and Stasavage (2010, 2012, 2016), amongst others, provide empirical evidence of a positive relationship between industrialised mass warfare and the introduction of progressive taxation in Western countries. Their quantitative analyses reveal that mass warfare was a more important driving factor in this development than other potential explanations, such as the regime type. The authors argue that mass conscription triggered political demands from the population for progressive taxation to distribute war sacrifices more fairly throughout society, as “the mass of citizens agreed to fight while the rich agreed to bear a higher tax burden” (Scheve/Stasavage 2010: 530). This desire to distribute the burden of war more equally led to the introduction of considerably and persistently higher top income tax rates in countries that were involved in the World Wars (Scheve/Stasavage 2010: 542–558). Using a much larger global sample, Frizell (2021) also finds a generally positive link between warfare and the adoption of new taxes, except in Latin America. A more nuanced look reveals that wars led to the introduction of direct taxes in particular (Frizell 2021: 52–61). However, some scholars are sceptical about whether warfare spurs taxation. For example, Rasler and Thompson argue that it is the intensity of warfare that matters for state building (Rasler/Thompson 2017). Based on quantitative analyses of over 100 cases worldwide since 1870, they conclude that only high-intensity warfare has resulted in an increase in extractive state capacities. The authors attribute the disparate findings to an under-specified relationship between warfare and state-building in the existing literature. Nevertheless, the main finding that warfare has spurred progressive taxation remains valid (Rasler/Thompson 2017: 14–26).

Mass warfare and public social spending

Warfare not only influences public revenues, but also social spending. However, the frequently studied guns-versus-butter hypothesis, which assumes a trade-off between military spending and social spending at the latter’s expense, has produced ambiguous empirical results. Contrasting findings by Verner (1983) and Apostolakis (1992) illustrate this disagreement with regard to Latin America. These two quantitative studies focus on the same set of countries during a similar time period after the Second World War. Verner’s findings largely contradict the idea of a wartime shift in budgets from education to defence spending (Verner 1983: 81-89). By contrast, Apostolakis provides evidence in favour of such a wartime trade-off at the expense of public spending on social welfare, education and healthcare (Apostolakis 1992: 90-93). In addition, a recent quantitative

analysis by Zhang et al. compares industrialised and developing countries, but their results are similarly mixed. While Zhang et al. find no clear picture regarding emerging economies, they observe an increase in both military and social spending in developed countries (Zhang et al. 2017). Overall, the state of research on the relationship between social spending and other public expenditure during a conflict remains contested.

In the longer term, however, warfare contributed to an increase in social spending. Several studies indicate that many Western states increased their spending on the social welfare of veterans and civilians after the two world wars. For example, Dryzek and Goodin (1986) offer empirical evidence from Great Britain after the Second World War, finding that public spending on social security programmes covering large parts of the population increased considerably in the post-war period, reaching levels higher than those prior to the conflict (Dryzek/Goodin 1986: 14–21). According to the authors, the “pervasive uncertainty” that large sections of the British population had experienced during the war led to a profound shift in public preferences towards collective risk-sharing and redistribution (Dryzek/Goodin 1986: 25–27). Furthermore, Obinger and Schmitt add that the role of mass warfare in driving social spending lasted for about 25 years after World War II, though its extent varied throughout the Western world (Obinger/Schmitt 2018). The authors argue that the varying post-World War II spending figures can be accounted for by different war experiences in terms of countries’ involvement and war intensity (Obinger/Schmitt 2018: 502–511). However, considering only the impact of war on public expenditure provides an incomplete picture of the relationship between warfare and welfare (Dryzek/Goodin 1986; Obinger/Schmitt 2018).

Mass warfare and welfare legislation

Industrialised mass warfare has affected not only public social spending, but it has also pushed the establishment of various social welfare institutions. For example, establishing welfare ministries builds state capacities to address war-caused needs of the population comprehensively as well as efficiently. Petersen et al. (2023) demonstrate that mass warfare was the key driver in the creation of national welfare ministries in several regions of the world in the period surrounding the two world wars. By analysing 30 countries in North America, Eastern and Western Europe, and Oceania, Petersen et al. trace the establishment of such ministries back to the countries’ shared experience of a set of severe, interrelated crises resulting from the war, which affected many countries simultaneously. These crises included the two world wars themselves as well as further transnational political, economic, and social events that resulted from the mass wars, such as the Spanish

flu and the founding of the ILO. The authors conclude that while these further events had an impact and contributed to a cumulative, complex wartime crisis, mass warfare – and the First World War in particular – was the main force behind the creation of national-level welfare ministries (Petersen et al. 2023: 556-561). A case study on Japan also shows that the creation of a designated Ministry of Welfare shortly after the country entered the Second World War came as a reaction to the war. Shortly beforehand, the Japanese military had complained about improve the declining physical health of recruits and called for improvements of this situation (Kasza 2002: 422–423). The newly created Ministry of Welfare also acted as a catalyst for the introduction of further social policies on pensions, unemployment and housing, which were later gradually expanded to further parts of the population (Kasza 2002: 425–428). Additionally, also during World War II, Japanese policy-makers drew inspiration from Nazi Germany’s maternal welfare policies to promote policy learning and ensure the well-being and protection of (potential) mothers in Japan (Hou 2024).

Moreover, Japan was not exceptional in terms of war-triggered expansions of social policies. Further empirical evidence comes from Western European countries, such as France. Driven by a fear of being “outnumbered” by the enemy Germany, the country implemented various pronatalist policies after the First World War to increase the number of future conscripts (Dörr 2020). In Italy, in turn, compensatory social policies paid to veterans of the First World War and their dependants became one foundation for the subsequent development of the welfare state (Pironti 2020). Later, as suggested by quantitative studies, the Second World War was pivotal in the adoption of new family and unemployment programmes, as well as war-related pension reforms, in many Western countries during and shortly after the war (Obinger et al. 2018a: 428, 438–441; Obinger/Schmitt 2020). However, as seen with post-war social spending, these studies also reveal considerable variations in the expansion of civilian welfare programmes, which depend on countries’ war experiences during the First and Second World War. Countries that experienced higher levels of war intensity implemented more social reforms than those that were less affected by the two mass wars (Obinger/Schmitt 2020: 265–271). Overall, comparative welfare scholars present growing empirical evidence that mass warfare acted as a driving factor in the long-term expansion of social policies especially, although specific impact varies across countries (e.g., Obinger/Schmitt 2020).

The warfare-welfare nexus outside of the Western world

Much of the existing evidence on the impact of warfare on the expansion of social policies comes from a limited number of Western countries (e.g. Obinger/Schmitt 2020). However, the two world wars also affected other regions. This occurred not only through combat and recruitment, but the

wars also left a mark on the development of public social welfare, although research on this topic is extremely scarce. Nevertheless, findings from African colonies suggest that some of the impacts of the wars were already visible in the short term, but European colonial empires only increased their involvement in colonial social welfare in the long term (Schmitt 2020; Whitehead 1989). As Whitehead demonstrates with regard to Great Britain's African colonies, public spending on education decreased during wartime, as scarce resources were needed for the war effort instead. It was only after the Second World War that the British government increased its direct involvement in colonial education policy, as education was increasingly seen as key to the economic and social development of the colonial territories (Whitehead 1989: 271–274, 291–293). A similar slow development took place in French West Africa. Colonial war veterans, who shared experiences of suffering during the First World War, already formed as an interest group after the Great War. However, social policy reforms that benefited them, such as equalising the pensions of French and colonial veterans as well as the expansion of health and education services, did not occur until much later, after 1945. By that time, colonial war veterans had become a powerful group through their central contribution as part of the French Army during the Second World War. As a result, the French colonial government could no longer ignore the social welfare demands of colonial veterans, resulting in the social reforms after 1945 (Schmitt 2020: 217, 234–236). This limited available evidence from colonies of only two of the belligerent European colonial empires also hints to differences compared to the developed Western world (Schmitt 2020; Whitehead 1989). Overall, although much remains unclear, mass warfare shaped social policies in other regions of the world as well.

Civil wars and social policies

What stands out in the existing comparative welfare literature on the warfare-welfare nexus is the predominant focus on interstate conflicts, particularly the World Wars. However, it falls almost completely short when it comes to intrastate wars (Obinger et al. 2018a: 456–457). The only evidence in this area apparently comes from a study of the American Civil War (1861–1865) by the Skocpol (1993). Skocpol provides evidence of a long-term expansion of public old-age, disability, and survivors' pensions for American war veterans and their dependants. Initially, veteran benefits pensions were a response to the high and urgent social needs of Union soldiers and their families, which were directly caused by the intense civil war. In addition, these benefits were an essential "policy of persuasion" to encourage volunteers to join the military (Skocpol 1993: 92). In the dec-

ades following the Civil War, initial military pensions were gradually yet steadily expanded. Ultimately, they developed into old-age, disability, and survivors' pensions that provided benefits to an increasing number of military personnel and their dependants. These pensions also offered greater amounts than the initial military benefits. According to Skocpol, this long-term expansion of military pensions occurred when the Republican Party strategically used these pensions to secure the vote of various groups, including the heterogeneous group of war veterans, in the context of white-male mass democracy and intense electoral competition in the post-war period (Skocpol 1993: 88–90, 94–102, 112–114). However, Skocpol's pioneering historic analysis of the development of social policy in the context of civil war remains an exception in the field of comparative welfare research.

Summing up, the extensive comparative welfare literature has generally largely overlooked the potential role of warfare as a driving force (Obinger et al. 2018b: 1). Nevertheless, available research indicates that mass warfare contributed to the long-term expansion of social policy in many Western countries after 1945 (Obinger et al. 2018c). However, the extent of this influence was not uniform but varied across countries, depending on their war experiences and other contextual factors (Obinger/Schmitt 2020). Furthermore, very few scholars study non-Western countries (Schmitt 2020). Additionally, there are hardly any empirical studies focusing on intrastate warfare in this literature (Skocpol 1993). As a result, there are gaps in this literature with regard to non-Western countries and civil wars in particular.

2.2. Civil wars and public social welfare outcomes in the conflict literature

A great deal of knowledge on civil wars comes from interdisciplinary conflict literature, in which internal armed conflicts have been a central area of research for several decades. The study of civil wars has evolved into an extensive, lively field of research (Cederman/Vogt 2017: 1992–1995). However, many conflict scholars either use intrastate warfare as the dependent variable (e.g. Justino/Martorano 2018; Taydas/Peksen 2012) or neglect social policies altogether. Nevertheless, a small number of studies have examined how civil wars influence social welfare outcomes, including some that look at Peru. Existing studies find overwhelmingly negative outcomes for human development at both the individual and societal levels.

Impacts on social welfare outcomes at the micro-level

The conflict literature provides ample evidence of the adverse impact of civil wars on various social welfare outcomes at the level of individuals. For example, Ghobarah et al. (2003) find that

civil wars continue to result in civilian deaths and disabilities even after they end, with women and children being the most vulnerable. Their quantitative analysis of a global sample of countries suggests that these additional long term deaths and disabilities stem from infectious diseases and the breakdown of social norms, which likely contributes to increased criminal activities that causes additional casualties (Ghobarah et al. 2003: 195–201). Moreover, Sexton et al. offer complementary evidence from the Peruvian intrastate war illustrating how these conflicts have negative impacts on health outcomes of individuals in the long term (Sexton et al. 2019). Sexton et al. examine the impact of anti-government violence committed by remaining splinter rebel groups against soldiers on public spending patterns and health outcomes at the local level. Their findings reveal that attacks during budget negotiations lead to a budgetary shift from social spending to defence spending. This results in poorer health outcomes by decreasing women's access to postnatal services and health facilities (Sexton et al. 2019: 358–365). Their analysis covers a period of low-level and locally limited dissident violence in Peru. This was far less intense than the experiences during the decades of intrastate warfare in the late 20th century, making such budgetary shifts and the resulting negative consequences for health outcomes even more likely (Sexton et al. 2019: 358). Similar negative and persistent negative impacts of civil wars have also been found for educational outcomes at the individual level. For example, León's quantitative study of Peru shows that direct exposure to wartime violence reduced educational attainment of individuals (León 2012). Exposure to violence in early childhood had irreversible negative consequences for educational outcomes, reducing the individual's chances in life even many years later (León 2012: 991–994, 1014–1021). Moreover, such devastating long-term impacts of civil wars on educational and health outcomes of individuals lead to poorer labour market achievement and, consequently, lower income in the long term (Galdo 2013). Galdo's micro-quantitative analysis of Peru shows that exposure to wartime violence during the early childhood led to impairments in health and schooling, which decreases individuals' earnings later in life. These adverse effects were particularly pronounced for certain groups; women and urban residents were disproportionately negatively affected (Galdo 2013: 795–820).

Additionally, due to these negative impacts of intrastate war on human capital and income levels, intrastate wars contribute to increase poverty, making individuals worse off in the long term. Civil wars also worsen poverty levels due to the destruction of physical capital, and changes in households' demographic structure and their economic activities (Justino 2012; Mercier et al. 2020). Mercier et al. (2020) show this for the case of Burundi between 1993 and 2007. The authors find that the civil war worsened households' poverty in the long term through at least three channels of

influence: Exposure to violence during the war led to deaths of household members and food scarcity due to loss of livestock. The war also forced Burundian households affected by violence to shift their economic activities towards subsistence farming. These adverse impacts of the war persist, as in the case of deceased household members, which results in war-induced poverty to consolidate over a long period of time (Mercier et al. 2020: 20–29). In addition, mass displacement caused by civil war disrupts family networks and local communities, who previously provided support, causing vulnerable individuals and households to slip into poverty (Justino 2012: 687). Furthermore, civil wars affect civic attitudes and prosocial behaviour, as Price and Yaylacı (2021) conclude from reviewing previous literature. Recruitment into warring groups and exposure to violence between opposing groups increase societal polarisation and perceptions of insecurity in individuals. In this way exposure to wartime violence has an overall negative impact on social trust and tolerance of individuals and promotes parochial altruism towards one's own group and reduce individuals' willingness to cooperate with others outside their group (Price/Yaylacı 2021: 285–296). These negative influences on behaviour and attitudes towards those outside an individual's own groups could affect their preferences for social policies, for example reducing the willingness to share risks collectively.

Impacts on social welfare outcomes at the macro-level

Furthermore, civil wars result in poor welfare outcomes for entire states and societies. This is due to their negative impact on the provision of basic public goods and services. For example, Lai and Thyne (2007) demonstrate this in relation to the public education system. They find that civil wars harm the public education system through the wartime destruction of public infrastructure and loss of personnel. This negative impact on both educational spending and enrolment figures continues in the post-war period, thus leading to persistently lower educational outcomes. This has considerable economic and social consequences for society as a whole, which can in turn trigger the resurgence of civil war (Lai/Thyne 2007: 280–290). Moreover, De Juan and Bank (2015) find, that in the case of Syria, the authoritarian regime strategically targeted the provision of public goods to its supporters. This was in exchange for the loyalty of these supporters in order to ensure political stability during the civil war. De Juan and Banks demonstrate the targeted provision of public goods through quantitative analysis of subnational variation in electricity provision. They reveal that electricity provision favoured the regional strongholds of the regime, which were subsequently less likely to oppose the regime violently (De Juan/Bank 2015: 92–93, 101–102). Additionally, the government can utilise the targeted distribution of public

goods to regain control in previously contested areas. For example, Kreiman (2022) offers both quantitative and qualitative evidence in a recent study focusing on Peru during the civil war between 1980 and 2000. He shows that, immediately following the defeat of its main challenger, the Peruvian government constructed electricity grids and sent state bureaucrats to areas that had been under the control of the rebels. By doing so, the government sought to restore its legitimacy by demonstrating its commitment to the well-being of the population, as well as to expand administrative structures in these regions (Kreiman 2022: 14–20). Targeted provision of public goods during wartime creates structures that increase inequalities across the population in the access to these goods and services, such as electricity grids, education and potable water. As Dahlum et al. demonstrate through quantitative regression analysis, this has a negative impact on social indicators, such as infant mortality rates, in disadvantaged regions with poorer access. These inequalities in access to public goods and services often persists after the end of the conflict, thereby fuelling discontent among the disadvantaged groups of the population. These exacerbated societal divisions, in turn, increase the likelihood of conflict resurgence (Dahlum et al. 2019).

Furthermore, civil wars have considerable negative impacts on the economic performance of war-torn countries, as Blattman and Miguel (2010) conclude in a review of economic literature. These adverse influences arise from the destruction of human and physical capital and declines in investment, and potentially negative impacts on institutions such as property rights. Economic costs of war-caused loss of human capital (e.g., due to deaths, negative health and educational outcomes) are particularly persistent, hampering economic recovery in the post-war period (Blattman/Miguel 2010: 37-41). To sum up, conflict literature implies that civil wars have predominantly adverse, often long-lasting consequences on various social and economic outcomes and, therefore, social welfare of individuals and societies affected.

2.3. Summary of the state of the art and the contribution of the dissertation

The preceding review of the state of the art shows that different previous lines of research offer specific insights into the potential relationship between intrastate warfare and social policy. In this section, I will summarise the contributions of this existing research and point to the remaining gaps. I then outline how my study of the impact of the civil war on the social policy in Peru contributes to addressing the gaps in existing research.

2.3.1. Contributions and remaining gaps in the literature to date

The dissertation draws on insights from two separate bodies of previous research within the social sciences, each contributing specific aspects. A relatively small and recent strand of the vast comparative welfare literature addresses the potential influence of war on public social welfare (Obinger et al. 2018b: 1). This line of research suggests that although mass warfare caused immense suffering and destruction, it played a key role in the expansion of social policy. Apart from a few exceptions, empirical evidence for the role of warfare as a driving force mainly comes from numerous Western countries, where the two world wars contributed to the long-term expansion of social spending and welfare legislation in the decades following 1945. This expansion was observed to benefit both combatants and civilians (e.g. Obinger et al. 2018c; Schmitt 2020). However, the available evidence also implies that the extent to which warfare drove social policy expansion varies. Rather, it differs across countries, depending on individual war experiences, such as duration and intensity of conflict. In addition, warfare complements other common explanatory factors studied in comparative welfare research (Obinger/Schmitt 2020).

At the same time, previous warfare-welfare research in comparative welfare literature faces several limitations. It is methodologically biased and focuses primarily on a limited number of countries and mass warfare. A first shortcoming is that macro-quantitative studies predominate. Quantitative research could show that warfare had a positive effect on the long-term expansion of social protection (Obinger/Schmitt 2018). However, quantitative approaches cannot examine how warfare causally link to welfare. Consequently, the causal processes underlying the relationship between war and social policy remain understudied, and it is unclear how exactly wars influence public social welfare and produces certain outcomes (Obinger/Petersen 2017). A second limitation is that the existing empirical evidence has a geographical bias, as the majority of empirical studies focus on less than 20 countries in Western Europe (e.g. Obinger et al. 2018c). This is problematic, because although the few existing studies find that the world wars also led to an expansion of social welfare policies in non-Western countries, initial findings suggest that these developments differed from those found in the developed western world. For example, they were much more limited in scope than in western countries (Schmitt 2020; Whitehead 1989). However, much more research is required to understand what these differences in the role of warfare in social policy developments around the globe are and what outcomes they led to with regard to welfare legislation. The third shortcoming of comparative research on the warfare-welfare nexus concerns the neglect of intrastate warfare. This stands in contrast to the fact that the number of civil wars has increased

globally since 1945 (DeRouen et al. 2025: 1-3). To date, only one seminal study investigates influence of intrastate war on social protection for combatants, using the American Civil War of the 19th century as case study. The findings show that welfare benefits for veterans and their dependents were gradually expanded in the long term (Skocpol 1993). However, the generalisability of these findings is questionable, because this nineteenth-century war took place in a very different context. For example, the political and welfare institutions in place were very different to those that existed one century later. In addition, Skocpol's study focuses on welfare benefits for veterans, thereby leaving it unclear what impact the war had on social policies for the majority of the civilian population.

While civil war has played almost no role in comparative welfare research to date, a separate body of interdisciplinary conflict literature deals with these conflict and their social and economic consequences. This research examines how civil wars influence human development outcomes at micro and macro levels, and a small number of these studies focus the case of Peru (e.g., Galdo 2013).

This line of research provides evidence of an adverse impact of civil wars on various social and economic outcomes at both the individual and societal levels, which negatively affect social welfare. This includes educational and health outcomes, which are detrimental to human and economic development. Civil wars also have an overall negative impact on behaviour and attitudes towards those outside an individual's own groups, such as social trust and tolerance, thereby reinforcing societal divisions (Price/Yaylacı 2021). Importantly, many of these destructive effects on economic and social developments of the countries and societies affected persist in the post-war period. Inequalities in the access to public goods and services created during wartime often remain in place after the war ended, resulting in poorer social indicators, such as higher poverty levels. This fuels discontent among these disadvantaged groups of the population, thereby exacerbating societal divisions. Ultimately, these negative consequences may lead to a renewed outbreak of conflict (Dahlum et al. 2019; Mercier 2020). Conflict research therefore overwhelmingly suggests adverse influences of civil war on social welfare outcomes. This contrasts with the research on interstate wars, suggesting that impacts of interstate and intrastate wars are not the same (Besley/Persson 2008; De Juan/Bank 2015; Lai/Thyne 2007). In addition, this line of research has not examined social policies or the public social welfare system as a whole.

2.3.2. Contribution of the dissertation

This chapter has demonstrated that different strands in the previous literature contribute individual aspects regarding the potential relationship between intrastate war and social protection. While comparative welfare research has covered warfare as a potential driver for social policy, it has largely neglected non-Western contexts and the specific role of intrastate wars. Conversely, conflict literature has covered civil wars and their social and economic consequences, yet has overlooked their impact on public social welfare systems. Therefore, research that addresses both intrastate war and social policy is currently lacking. This dissertation addresses this gap. While I intend to primarily contribute to comparative welfare, I draw on complementary insights from the conflict studies. Consequently, my research bridges the gap between these two currently separate fields of social sciences literature. Moreover, as outlined in Chapter 5, I adopt a qualitative approach because it enables the investigation of causal processes (Trampusch/Palier 2016). In this way, I expand knowledge of the poorly understood mechanisms between warfare and welfare (Obinger/Petersen 2017).

Furthermore, I also contribute to the comparative welfare literature by focusing on the empirical case of Peru. Firstly, by studying the impact of warfare on social policy developments in a non-Western country, my research expands the currently limited geographical focus of studies on the warfare-welfare nexus. Additionally, I will study social protection for both combatants and civilians, recognising that civilians constitute a larger proportion of both the population and war victims (Blattman/Miguel 2010: 41; DeRouen et al. 2025: 1-3). Including civilians also allows me to advance beyond Skocpol's (1993) pioneering study of veterans' welfare in the context of the American Civil War.

In summary, the dissertation addresses several gaps in the existing comparative welfare research by studying the impact of intrastate warfare on the development of social policy in Peru using a qualitative approach. In addition, my research incorporates insights from conflict literature, thereby bridging the gap between two currently separately fields of social sciences research.

Table 2.1: Studies cited in the state of art, by order of arguments

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
Warfare is a crucial driving force for the adoption of progressive taxation.	Scheve/Stasavage (2010, 2012, 2016)	Positive relationship between industrialised mass warfare and the introduction of progressive taxation; Mass conscription triggered political demands for progressive taxation in the population to distribute war sacrifices more fairly → higher top rates of income taxes in countries involved in the world wars	Interstate mass warfare	Quantitative Western countries 1850-1970
	Frizell (2021) War and Modern Taxation	Generally positive link between warfare and the adoption of new taxes across the globe, except in Latin America	Interstate wars, Civil wars	Quantitative (Logit regression), Global sample 1816-2012
	Rasler/Thompson (2017) War Making and the Building of State Capacity: Expanding the Bivariate Relationship	Only high-intensity warfare spurs taxation; Underspecified relationship between warfare and state-building in the existing literature	Interstate wars, Civil wars	Quantitative (OLS regression), 102/106 countries, since 1870
There is a trade-off between military spending and social spending at the expense of the latter (“guns vs. butter”).	Verner (1983) Budgetary Trade-Offs between Education and Defense in Latin America: A Research Note.	Mixed results: budgetary shift from public spending on education to the military in one country, but an increase of both military and social spending in ten countries and no impact at all in seven	Not specified	Quantitative (Multivariate regression), 18 Latin American countries, 1948-1979
	Apostolakis (1992) Warfare-Welfare Expenditure Substitutions in Latin America, 1953-87	Evidence in favour of budgetary trade-off: wartime rise of military expenditure came at the expense of public spending on social welfare, education and healthcare	Not specified	Quantitative (Multivariate regression), 19 Latin American countries, 1953-1987

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
“Guns vs. butter” (continued)	Zhang et al. (2017) Does military spending promote social welfare? A comparative analysis of the BRICS and G7 countries	Mixed evidence, increase of both military and social spending in the developed countries and mixed results in the emerging economies	Not specified	Quantitative, 12 industrialised and developing countries 1993-2011
Warfare drives public social spending in the post-war period (long-term).	Dryzek/Goodin (1986) Risk-Sharing and Social Justice: The Motivational Foundations of the Post-War Welfare State	Increase of public social spending on social security programmes covering large parts of the population in the post-war period, to a higher level than before WW II; Shift in public preferences towards collective risk sharing and redistribution	Interstate mass warfare	Quantitative, Great Britain, Western countries, World Wars I and II
	Obinger/Schmitt (2018) The impact of the Second World War on postwar social spending	Mass warfare drove post-war public social spending on both veterans and civilians throughout the Western world, long-term impact until 1970; Cross-national differences in social expenditure dynamics in the post-war period due to different war experiences of countries (e.g., belligerent vs. neutral)	Interstate mass warfare	Quantitative (Panel regression), 18 Western countries, 1950-1980
Warfare drives welfare legislation and institutions (introduction and subsequent expansion of welfare programmes, ministries).	Petersen et al. (2023) World Wars and the Establishment of Welfare Ministries	Many countries created independent national-level welfare ministries during or immediately after WWI, as a reaction to the countries’ shared experience of a “shockwave” of severe, interrelated crises driven by warfare (two world wars and further transnational political, economic, and social events resulting from the wars).	Interstate mass warfare	Quantitative (Multivariate regression analyses) 30 countries (North America, Eastern+Western Europe, Oceania) 1900-1950
	Kasza (2002) War and Welfare Policy in Japan	Military pushed for the introduction of a Ministry of Social Welfare, subsequent social policies (pension, unemployment and housing policies) and their gradual expansion during WWII	Interstate mass warfare	Qualitative, Descriptive case study, Japan 1937-1945

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
Warfare drives welfare legislation and institutions. (continued)	Hou (2024) Protecting the health and welfare of Japanese women: Yoshioka Yayoi and her visit to Nazi Germany in 1939	The Japanese government promoted voluntary social policy transfer (policy learning) in the area of maternal welfare policies from Nazi Germany during World War II to ensure the well-being and protection of (potential) mothers.	Interstate mass warfare	Qualitative, Descriptive case study, Japan 1937-1945
	Dörr (2020) Finis Galliae and the Nexus between Fears of Depopulation, Welfare Reform, and the Military in France during the Third Republic, 1870-1940	Fearing being “outnumbered” Germany, France implemented various pronatalist policies (e.g., child benefits, maternal protection) after World War I to increase the number of births and thus the number of future conscripts.	Interstate mass warfare	Qualitative, France 1870-1940
	Pironti (2020) Warfare to Welfare: World War I and the Development of Social Legislation in Italy	Social policies aimed at war victims of the First World War (soldiers, veterans, their dependents), also shaped the later development of the Italian welfare state; Introduction of programmes, greater state intervention in social policies and labour market	Interstate mass warfare	Qualitative, Italy, World War I

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
Warfare drives welfare legislation. (<i>continued</i>).	Obinger et al. (2018c) Warfare and Welfare: Military Conflict and Welfare State Development in Western Countries	Supportive evidence, but no uniform impact of warfare on social policies: Differences between belligerent and neutral countries (war experiences matter) and due to the political and economic contexts Taken together, the case studies imply that the underlying causal processes and the concrete impacts of industrialised mass warfare on public social policies (soldiers and civilians) vary across the cases studied.	Interstate mass warfare	Qualitative and quantitative, 14 Western countries around the two world wars
	Obinger/Schmitt (2020) World war and welfare legislation in western countries	World war mattered for the timing of civilian welfare legislation; Cross-national differences in timing of policy adoption due to different war experiences of countries (e.g., belligerent vs. neutral)	Interstate mass warfare	Macro-quantitative (multivariate regression), 16 Western countries, 1880-1955
	Skocpol (1993) America's First Social Security System: The Expansion of Benefits for Civil War Veterans	Long-term expansion of public pensions for war veterans and their dependents	Civil war	Descriptive case study. America, 1861-1865 and subsequent post-war period
Warfare has affected the development of public social policies in non-Western countries.	Schmitt (2020) The Warfare – Welfare Nexus in French African Colonies in the Course of the First and Second World War	Short term: Recruitment of people and material for European battlefields hampered the development of social policy. French West-African colonial veterans had formed as an interest group after the First World War, but social policy reforms (e.g., equalising the pensions of French and colonial veterans) only came after 1945	Interstate mass warfare	Descriptive case study, French West African colonies, World Wars I+II

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
Warfare has affected the development of public social policies in non-Western countries. (continued)	Whitehead (1989) The impact of the Second World War on British colonial education policy	Negative impact in the short term: decrease of education spending; Long term: British government increased its direct and active involvement in education policy in the post-war period, when education was more and more seen as the key to the economic and social development of the territories.	Interstate mass warfare	Descriptive case study, British African colonies, World Wars I+II

<i>Civil war studies</i>				
Civil wars have negative impacts on diverse micro-level social welfare outcomes.	Ghoborah et al (2003) Civil Wars Kill and Maim People—Long After the Shooting Stops	Negative impact on long-term health outcomes: Infectious diseases, but potentially also the breakdown of social norms that contribute to increased criminal activities lead to additional civilian deaths and disabilities even in the post-war period, with women and children being most vulnerable.	Civil war	Macro-quantitative (Multivariate regression analysis), 177 countries in 1999
	Sexton et al. (2019) How Government Reactions to Violence Worsen Social Welfare: Evidence from Peru	Peruvian intrastate war has negative impacts health outcomes even after its ending: Rebel attacks during the budget negotiation lead to a budgetary shift from public social spending to defence, which decreases the women's access to postnatal services and health facilities, thus resulting in poorer health outcomes at the local level	Civil war	Quantitative, Peru, 2008-2012

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
Civil wars have negative impacts on diverse micro-level social welfare outcomes (<i>continued</i>).	León (2012) Civil Conflict and Human Capital Accumulation: The Long-term Effects of Political Violence in Peru	Negative impacts on educational outcomes: Direct exposure to wartime violence reduced educational attainment of individuals (statistically significant result). While the negative effects decrease somewhat over time, but when the exposure to wartime violence happened during early childhood they are irreversible.	Civil war	Micro-quantitative, (Multivariate regression) Peru 1993 and 2007
	Galdo (2013) The Long-Run Labor-Market Consequences of Civil War: Evidence from the Shining Path in Peru	Negative impacts on long-term labour market achievements: Increase in violence leads to a 5% decrease in adult earnings, negative effect has disproportionately affected women individuals living in urban area	Civil war	Micro-quantitative (Difference-in-difference), Peru 2006 and 2007
	Justino (2012) War and Poverty	Previous research suggests that civil wars sustain poverty due to destruction of human and physical capital, negative impacts on income, and disruption of community- and family-based support structures.	Civil war	Literature review; Various countries worldwide
	Price/Yaylacı (2021) What Exactly are the Social and Political Consequences of Civil War?	Civil wars negatively affect social trust and tolerance of individuals, and promote parochial altruism because recruitment into warring groups and exposure to violence between opposing groups increase societal polarisation and perceptions of insecurity in individuals.	Civil war	Literature Review; Various countries worldwide;

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
	Mercier et al. (2020) Violence exposure and poverty: Evidence from the Burundi civil war	Exposure to violence during civil war increases poverty due to deaths of household members, loss of livestock, and shifts of economic activities towards subsistence farming	Civil war	Mixed-methods; Burundi, 1993-1998 and 1999-2007
Civil wars have negative impacts on diverse social welfare outcomes at the macro-level.	Lai/Thyne (2007) The Effect of Civil War on Education, 1980—97	Negative impact on the provision of public goods and services: Civil war reduces enrolment and spending figures, partly also in the post-war phase; These negative influences on the public education system are due to the destruction of public infrastructure and loss of personnel, but not budgetary shifts from education to military spending.	Civil war	Macro-quantitative, Global sample, 1980-1997
	De Juan/Bank (2015) The Ba'athist blackout? Selective goods provision and political violence in the Syrian civil war	Negative impact on the provision of public goods and services: Subnational variation in electricity provision reveals that the Syrian authoritarian regime selectively provided electricity to its supporters during the civil war in exchange for loyalty	Civil war	Quantitative, Syria 2011-2012
	Kreiman (2022) The incursion of Leviathan: wartime territorial control and post-conflict state capacity in Peru	Negative impact on the provision of public goods and services: After the defeat of Sendero Luminoso, the Peruvian state targeted the distribution of public goods and services to areas had been under control of the insurgents, in order to restore state legitimacy and control in these regions.	Civil war	Mixed methods, Peru, 1961-2007 data

Argument	Study	Main findings	Warfare	Methodological approach, countries and time coverage
	Dahlum et al. (2019) The conflict – inequality trap? How internal armed conflict affects horizontal inequality	Civil wars contribute to higher post-war horizontal inequality and lead to a vicious cycle of instability and public discontent (persistent “conflict-inequality trap”)	Civil war	Macro-quantitative; Global sample 1989-2018
Civil wars have negative impacts on diverse social welfare outcomes at the macro-level (<i>continued</i>).	Blattman/Miguel (2010) Civil War	Civil wars negatively affect economic growth: Previous literature agrees in a considerable decline of wartime economic growth due to destruction of human and physical capital, decline in investment. Loss of human capital (e.g., deaths, negative health and educational outcomes, labour disruptions) in particular hampers post-war recovery.	Civil war	Literature review of economic research on civil war and economic performance; Worldwide

Source: Own depiction

Chapter 3: Setting the scene – contextual information on the intrastate war and social policy in Peru

This chapter provides contextual information about Peru. The first part of this chapter covers the intrastate war, and the second part of the chapter deals with the historical development of public social policy in Peru.

3.1 The Peruvian intrastate war

The Peruvian civil war was the longest conflict in the country's history since independence from the Spanish colonial empire in the early 19th century, and also one of the deadliest and most fatal internal armed conflicts in Latin America (Schubiger/Sulmont 2019: 51). Over its duration from 1980 to 2000, more than 69,000 Peruvians died directly due to the fighting, and up to one million more people were internally displaced. The majority of these victims were civilian (CVR Anexo 2 2003; Ministerio de la Mujer y Desarrollo Social 2008: 26–28). In this section, I focus on the context in which such a brutal conflict could arise. After briefly providing basic information about the country, I describe Peru's political and economic situation before the outbreak of the intrastate war and also address the context of the Cold War (section 3.1.1). Then, I provide details about the main warring parties in section 3.1.2. A detailed description of the course of the conflict, however, will be part of the later analysis.

3.1.1 The domestic political and economic situation, and the international dimension of the conflict

The domestic context

Peru is the fourth largest country in Latin America in terms of territory. In 1980, it had a total population of around 17.36 million, more than a third of whom were indigenous, according to estimates (World Bank 2025). Additionally, around 41% of Peruvians were under 15 years old in 1981, around 55% were aged 15 to 64, and around 4% were over 65 years old (Verdera 1997: 11). The country is characterised by three different geographic regions that differ in terms of climate, landscape, and cultural aspects. Firstly, the coastal areas (*costa*) are located in a long strip in the west of Peru, bordering the Pacific Ocean. Even in the late 1970s, this was the most populous part of the country, and the Peru's capital city, Lima, lies in this region. The second region is the highlands (*sierra*), which are located in central Peru and include the Andes Mountains. Thirdly, the jungle (*selva*) region is located in the north-east of the country and forms part of the cross-border

Amazon Rainforest. Although the *selva* is the largest regions, covering more than half of the country's total territory, it was the least densely populated in 1980. The *sierra* and *selva* regions are primarily inhabited by Peru's large indigenous population (Murakami 2023a: 107–113). Administratively, the country is divided into 26 departments, which are further divided into provinces at the local level. In the 1970s, Peru's main economic sectors were mining, fishing, manufacturing, and agriculture. However, the share of the agricultural sector had declined since industrialisation took off in the 1950s. Moreover, ca. 40% of the economically active population worked in the informal sector (Murakami 2023a: 115–120, 124–125).

Peru was part of the Spanish colonial empire for more than 200 years before gaining independence in 1821. Since adopting its first constitution following independence, Peru has maintained a presidential system, with the president serving as both head of state and head of government. Throughout the first half of the 20th century, there was high political instability, with various and civilian and military governments in succession that were often short-lived (Murakami 2023a: 135; Tuesta Soldevilla 2005). By the time the intrastate war broke out in 1980, Peruvians had just emerged from turbulent times. Following a military coup in 1968, the country had been under a left-wing military dictatorship until shortly before the outbreak of the civil war. During this autocratic period, the Revolutionary Government of the Armed Forces, led by General Velasco Alvarado (1968-1975), implemented far-reaching structural reforms to increase the state's influence over the Peruvian economy and society. These reforms included, amongst other things; a shift in economic policy towards industrialisation for import substitution; agrarian reform to break up land ownership structures still dating from the colonial period; an alternative, state-controlled social mobilisation system; and a massive expansion of universal education (Parodi Trece 2007: 99–136; Sagasti et al. 2007: 160–162). However, the state's fiscal deficit and inflation rates grew rapidly as a result. As the military government was unable to counteract this, massive strikes and protests occurred by the late 1970s. Eventually, the social unrest led to an end to military rule, paving the way for the adoption of a new constitution in 1979, and for the return to democratic elections a year later (Parodi Trece 2007: 146–150). The general election of 1980 marked the return to democratic and civilian rule. More than twenty political parties competed in these elections. These included large, well-established parties such as the centre-right party *Acción Popular*, which subsequently provided the president and the majority in parliament, and the centre-left party *Alianza Popular Revolucionaria Americana* (APRA). Smaller parties such as the conservative *Partido Popular Cristiano* (Christian People's Party), the recently formed left-wing *Izquierda Unida* party alliance, and other left-wing parties also stood for election (Murakami 2023a: 198). The 1979

constitution also provided for a substantial expansion of voting rights. Previously, voting rights were dependent on literacy, resulting in the exclusion of marginalised groups such as indigenous and rural populations. These groups became eligible to vote for the first time in 1980 (Morón/Sanborn 2006: 12–13; Schubiger/Sulmont 2019: 52–53).³ Furthermore, the voting age was lowered to 18, which increased the electorate in 1980 even further (Defensoría del Pueblo 2009a: 26).

The international context of the Cold War

The Peruvian intrastate war occurred in the broader context of the Cold War. The rivalry between the Eastern and Western blocs is known to have influenced Latin America, including Peru (Brands 2010). Decades before the outbreak of the Peruvian war in 1980, the Cuban Revolution had already inspired Peruvian communist movements to rebel. For instance, between 1962 and 1965, the Marxist-Leninist guerrilla group “Revolutionary Left Movement” attempted to initiate an armed communist revolution in Peru (Brands 2010: 26, 37–43). Although it was brought down, these communist organisations were precursors of the guerrilla groups that later fought in the civil war from 1980 onwards (CVR Tomo II 2003). Furthermore, the US influenced Peru throughout the Cold War period. This included diplomatic efforts and financial and material support, as well as military training and ideological education through initiatives like the School of the Americas and the National Security Doctrine, which both influenced the Peruvian police and armed forces. According to estimates, almost 4,000 police and military personnel received training from the US between 1946 and 2001 (Brands 2010; Wiehl 2020: 64–66). This influence is reflected, for instance, in the handbooks used by the Peruvian armed forces, and became later apparent in the manner in which government forces conducted counterinsurgency campaigns during the civil war, including the persecution of (suspected) *guerrilleros* (Wiehl 2020: 64–66). Moreover, Peru participated in Operation Condor, a secret military and intelligence cooperation between South American military regimes. This initiative is believed to have been influenced by the anti-communist and counterinsurgency policies of the US in the 1960s, and it later received material support from the US. The group exchanged intelligence data and cooperated in the cross-border pursuit and killing of political opponents, primarily from the left (McSherry 2002; Wiehl 2020: 64–66).

³ Voting in Peru is mandatory. In addition to lifting the literacy condition, the 1979 constitution reduced the voting age to 18 years. As a result, the number of registered voters in 1980 was three times higher than for the last general election before the military dictatorship in 1963 (Morón/Sanborn 2006: 10–12; Tuesta Soldevilla 2005: 471).

3.1.2 Who were the warring parties?

Between 1980 and 2000, the Peruvian state was confronted with armed opposition from several leftist guerrilla groups. This conflict is considered to be a civil war fought for control of the central government. While it is not classified as an ethnic civil war, the indigenous population of Peru was disproportionately affected by its atrocities (Schubiger/Sulmont 2019: 56–59). I will now describe the main parties involved in the conflict, starting with the insurgents and then the state actors.

The non-state challengers

During the civil war, two guerrilla groups fought the Peruvian government independently of each other. The better-known group was the Marxist-Leninist-Maoist *Sendero Luminoso* (Shining Path, *SL*), which started the war in 1980.⁴ The revolutionary group originated in the Ayacucho region, located in the central *sierra*, where it had strongholds and initiated its “popular war” against the Peruvian state (CVR Tomo II 2003: 135).⁵ *Sendero Luminoso*’s central goals included overthrowing the capitalist Peruvian state by force and unleashing a revolution of peasants and workers in Peru that would eventually spread worldwide (CVR Tomo II 2003: 128). The group was hierarchical organisation led by former university professor Abimael Guzmán. In contrast to the workers and predominantly indigenous peasants whom the group claimed to be fighting for, many of *Sendero Luminoso*’s members also had a university background, particularly in the early days of the war (CVR Tomo II 2003: 18–21). Estimates of the numbers of members vary, but the Truth and Reconciliation Commission (*Comisión de la Verdad y Reconciliación*, CVR) conservatively estimates between 520 at the start of the civil war in 1980 and up to 2,700 at the peak of *SL*’s power in 1990 (CVR Tomo II 2003: 13). Other estimates put the number of fighters at between 6,000 to 7,000 at their peak (Murakami 2023a: 212). In any case, it was not a mass movement (Wiehl 2020: 20). Despite its comparatively small size, *Sendero Luminoso* was disproportionately brutal during Peru’s intrastate war. According to the CVR, it was responsible for more than half of all war victims (CVR Anexo Estadístico 2003: 21,22). Most of these victims were indigenous people and peasants from rural regions – the very people whom the group claimed to fight for and

⁴ The full name of the group was *Partido Comunista del Perú-Sendero Luminoso*, which highlights *SL*’s origins as a splinter group of the Communist Party of Peru. The CVR report (2003) includes a detailed tracing of this origin.

⁵ In fact, the origins of both the *Sendero Luminoso* and the Movimiento Revolucionario Túpac Amaru date back several decades before the outbreak of the civil war (CVR Tomo II 2003: 13–26, 379–386; Meza Bazán 2012: 39–198).

whom it had intended to play a central role in its envisioned revolution (Central Committee Communist Party in Peru (1982) cited by Arce Borja/Talavera Sanchez 1990: 35–36, 46–48; CVR Anexo Estadístico 2003: 27–31, 87–101).

The Marxist-Leninist *Movimiento Revolucionario Túpac Amaru* (*MRTA*, Revolutionary Movement Túpac Amaru) was the second guerrilla group to challenge the Peruvian government. Unlike the Shining Path, it is considered a more “typical” Latin-American guerrilla group (Meza Bazán 2012: 11–12). It began its own armed struggle in 1984 and did not join forces with *Sendero Luminoso* due to ideological differences (McCormick 1993: 6–10; Meza Bazán 2012: 11–13).⁶ At its peak, it is estimated that the *MRTA* had between 4,000 and 5,000 members (Murakami 2023a: 213). Many of the *MRTA*’s fighters originally came from various radical left-wing groups and political parties, and the group’s leadership changed several times during the course of the conflict (Meza Bazán 2012: 246). The Revolutionary Movement Túpac Amaru itself initially had links to various left-wing political parties, but later turned its violent struggle against the entire Peruvian state system. The group justified its “revolutionary war” to take over central political power in Peru by referring to the unequal economic situation and the exclusion of large sections of the population, as well as the brutality of *Sendero Luminoso* (CVR Tomo II 2003: 384–394; Meza Bazán 2012: 11–13). Initially, the *MRTA* had strongholds in Lima, engaging in armed propaganda activities and occasional assaults. However, it later temporarily expanded its activities to other parts of the country, carrying out more extensive actions (Breuer 2014: 16, 28–38). Most of the group’s actions occurred between 1987 and 1990, after which they levelled off for a few years (McCormick 1993: 22). Figures from the CVR show that, in stark contrast to the Shining Path, the *MRTA* was responsible for only around 2% of all war victims (CVR Anexo Estadístico 2003: 21).

The Peruvian government and the government forces

The second party to the conflict was the Peruvian government, whose forces included the police and the armed forces, as well as state-armed peasant self-defence groups that were incorporated later on. The police were the central state actors in the initial years of the civil war.⁷ Three important police departments involved in the fight against the guerrilla groups were the Counter-

⁶ In contrast to the extensive scholarly interest in the Shining Path, information on the *MRTA* has been much more limited. One of the most detailed accounts of the group and its activities during the civil war in Peru is the report of the Comisión de la Verdad y Reconciliación (Breuer 2014: 20–22).

⁷ In 1980, the police forces consisted of three branches: Guardia Civil, Guardia Republicana, and the Policía de Investigaciones. In 1988, these branches merged into the Policía Nacional de Perú.

Terrorism Directorate (*DIRCOTE/DINCOTE*), a specialised counterinsurgency unit initially comprising fewer than 300 police officers but growing to over 1,000 by the late 1980s; the General Intelligence Department, comprising over 200 additional members; and the Special Operations Unit later on (CVR Tomo II 2003: 164–241). According to the CVR’s estimates, 6.6% of the war victims can be attributed to the Peruvian police forces (CVR Tomo II 2003: 238).

After the Peruvian Armed Forces entered the conflict, they took on a leading role within the government forces, although the police remained heavily involved.⁸ Until 1999, military service was mandatory for all male citizens. Key units within the military during the war included the Political-Military Commands, which were specialised structures responsible for coordinating and implementing counterinsurgency operations, and the Joint Command of the Armed Forces for Internal Defence, a military body responsible for coordinating counterinsurgency operations between the different military branches and the police. Additionally, the armed forces’ intelligence units worked closely with the National Intelligence Service (*SIN*), a civilian agency that also played an important role in counterinsurgency (CVR Tomo II 2003: 247–377). The CVR estimates that 26% of the war victims can be attributed to the Peruvian state forces. This makes them the second-largest perpetrators after *Sendero Luminoso* (CVR Anexo Estadístico 2003: 84–86).

Furthermore, in the 1990s, peasant self-defence committees (*Comités de Autodefensa*, or *CAD*) started fighting for the Peruvian government in the 1990s.⁹ While their roots can be traced back to self-organised peasant groups of the 1960s and 1970s, the *CAD* initially emerged in the 1980s as autonomous, mainly indigenous peasant self-defence groups, in response to the widespread violence against the population in remote highland and jungle regions where the war was concentrated at that time (CVR Tomo II 2003: 437–450). In the early 1990s, the *comités de autodefensa* became a central pillar of the Fujimori government’s counterinsurgency campaign. The government armed them, placed them under military command and officially recognised them (CVR Tomo II 2003: 455–456; Rénique/Lerner 2019: 36–39, 44–45, 49–50).¹⁰ By 1993, there were a total of 4,205 *comités de autodefensa* with over 235,000 members (Joint Command of the Armed Forces, cited by del Pino 1996: 181).

⁸ The Peruvian armed forces consist of the Peruvian Army (*Ejército del Perú*), the Peruvian Navy (*Marina de Guerra del Perú*), the Peruvian Air Force (*Fuerza Aerea del Perú*) (CIA 2024).

⁹ Not all peasant self-defence groups collaborated with the Peruvian government during the war. Previous research usually distinguishes between the *rondas campesinas* in general, and the *comités de autodefensa*, a particular subset of groups that were armed by the Peruvian state and fought on its side (CVR Tomo II 2003: 437).

¹⁰ Legislative Decree 741 of 1991 implemented this official recognition of the *CAD*, their armament and subordination under the command of the armed forces.

Overall, government troops surpassed the guerrilla groups in terms of both troop strength and equipment. This makes the conflict an irregular civil war, characterised by a “relative asymmetry between states and rebels, [in which] rebels have the military capacity to challenge and harass the state, but lack the capacity to confront it in a direct and frontal way” (Kalyvas/Balcells 2010: 418).

3.2 Public social protection in Peru before the intrastate war

In this part, I first give an overview of the development of social policy in Peru prior to the outbreak of war in 1980. I concentrate on the social welfare system at the national level and its development from the first comprehensive legislation at the beginning of the 20th century until the outbreak of the civil war. I also refer to major changes in the political and economic context during this period. Figure 3.1 included at the end of the chapter provides a timeline covering the political and economic development as well as social policy. Then, I summarise main characteristics of the social welfare system in Peru in 1980, which are also included in Table 3.2 at the end of the chapter, and cover selected social indicators.

3.2.1. The development of public social protection in Peru until 1980 and the political and economic context

The first comprehensive legislation on public social security in Peru dates back to the early twentieth century. Initially, only a few individual laws regulated old-age and survivors’ pensions for military personnel and civil servants, as well as occupational safety regulations and workers’ compensation for a few specific industries (Mesa-Lago 1978: 113-116). However, in the mid-1930s, comprehensive social security systems were gradually introduced at the national level for the armed forces and civil servants, meaning that Peru was neither a pioneer nor a latecomer to public social protection among the Latin American countries (Mesa-Lago 1978: 114, 116–117). In 1935, the Ministry of Public Health, Labour and Social Welfare was created. From 1936 onwards, successive military and civilian governments introduced policies providing sickness and maternity care, as well as old-age and disability pensions. Most of the civilian schemes were created by military governments. Separate social security systems were established for the military on the one hand and for civil servants on the other, based on the principle of social insurance linking coverage to the occupational status. The armed forces had the lowest contribution rates (1.5% of the insured personnel’s payroll for pensions, while healthcare was funded entirely by the state), but received the most generous protection. Next came civil servants (Mesa-Lago 1978: 116–126).

Over the next quarter of a century, until the 1960s, parts of the urban middle classes were gradually granted the access to the public social security system. Politically, this was an unstable period, with democratic and autocratic civilian and military governments alternating. The gradual expansion of social protection was driven by growing export-oriented industrialisation and urbanisation, as well as the formation of powerful labour unions (Sagasti et al. 2007: 155–158). The increasing influence of organised labour in key economic sectors such as mining and fishing led to the creation of social security systems for specific groups of blue- and white-collar workers, including fishermen, miners, and railway workers. These groups had separate systems based on the principle of social insurance (Mesa-Lago 1978: 116–126). The first schemes, introduced in the 1940s, covered health and maternity care, and hospitals were built to cater for either white-collar or blue-collar workers. Old-age, disability, and survivors' pensions for these groups were introduced gradually in the early 1960s. The main schemes for white-collar workers and blue-collar workers that covered pension and healthcare were the Employee's Social Security and Workers' Social Security. Some particularly well-organised subgroups, for example teachers and public registrars, were granted further, more favourable special provisions. However, their schemes were generally less generous than those of the military and the civil servants. Furthermore, during the 1950s and 1960s, pensions and healthcare provisions of the armed forces and civil servants were gradually improved further by successive military and civilian governments. For instance, military hospitals and military pensions were improved. Civil servants' old-age, disability and survivors' pensions were also increased, and later a system of additional lump-sum benefits for old age, disability, death, and dismissal was later introduced alongside these pensions (Mesa-Lago 1978: 118–132). In the mid-1960s, the civilian Belaúnde government considerably increased investment in the public infrastructure for providing social services, for example urban housing programmes and the construction of hospitals, schools and universities, in response to pressure from the middle classes. Although roads and schools were also built in rural regions, many of these efforts focused on urban areas. Despite these developments, Peru's economic and social development lagged considerably behind that of other Latin American countries (Sagasti et al. 2007: 159–160). By the late 1960s, there was a "labyrinth" of various segmented social security systems with numerous advantageous special regulations for certain occupational groups, and even sub-groups (Mesa-Lago 1985: 162–164).

Another military coup in 1968 brought the left-wing military government of General Velasco to power, which started an unprecedented wave of reforms. In an effort to address the convoluted coexistence of existing social security systems, it initiated the unification of many of the various

existing pension schemes, which was implemented in 1973. The newly created included the former Employee's Social Security and Workers' Social Security. The unification eliminated previously existing differences in contribution rates. However, the separate systems of the armed forces, the police, and certain groups of civil servants were retained (Mesa-Lago 1978: 142).

The Velasco government also initiated further reforms. Between 1968 and the mid-1970s, it massively increased state intervention in the economy and society. The military government created public enterprises in sectors such as the mining and industry, and realigned the previously export-oriented economy towards import-substitution industrialisation. It also increased state control over media and incorporated social mobilisation into state-controlled structures. To achieve this, the military government created, for example, the National System of Social Mobilisation, the Nacional Agrarian Society, and the Revolutionary Workers' Association to organise different parts of the Peruvian society. The left-wing Velasco government also implemented extensive social reforms. These included progressive land reform in 1969, breaking up land ownership still inherited from the colonial period; strengthened employment protection for workers against dismissal with the Labour Stability Act of 1970; promoting public employment throughout the country; and a massive expansion of public basic health and education (Education Act of 1972), including literacy campaigns that aimed at rural populations in particular (Parodi Trece 2007: 105-108; Sagasti et al 2007: 160-161). The military government aimed to improve access to basic social services in healthcare and education by decentralising their provision and by investing services in the necessary public infrastructure (Mesa-Lago 1978: 118-126; Sagasti et al. 2007: 155-170). However, in practice, this effort was limited, as these services remained disproportionately concentrated. Almost two-thirds of this public investment went to the coastal region and urban areas, particularly the Peruvian capital, Lima (Parodi Trece 2007: 114).

Furthermore, the social reforms contributed to a rapid increase in the fiscal deficit and inflation rates, as well as growing trade imbalances, which took a toll on the Peruvian economy. Between 1973 and 1979, external debt more than doubled and public debt nearly tripled, while inflation rates grew from 4.2% in 1972 to 73.7% in 1978. In order to contain public expenditure and combat the economic deterioration, the military government adopted an economic adjustment programme in cooperation with external lenders in 1978 (Parodi Trece 2007: 139-146). These developments brought to an end to the expansion of social policy in the second half of the 1970s, and social spending on health, education and the social security systems decreased during this period (Segura-Ubiergo 2007: 233-235). This deteriorating situation triggered major social unrest, as illustrated

by the rising number of strikes and nationwide protests in the 1970s (Parodi Trece 2007: 136). Ultimately, this resulted in the collapse of the military government and paved the way for the drafting of a new constitution in 1979, as well as the transition to democratic civilian rule through the 1980 elections (Sagasti et al. 2007: 160–162).

3.2.2. Snapshot of the social security system in 1980 and selected descriptive indicators

By 1980, Peru had national-level, social insurance-based social security systems providing support in the event of work injury and occupational diseases; sickness and maternity; old-age, invalidity, survivors pensions (see Table 3.2). However, there were no family allowances and no social insurance in the event of unemployment (Barrientos 2004: 143). White collar workers and blue-collar workers in the formal labour market had access to these programmes through the Peruvian Institute of Social Security (IPSS). Contributions to the IPSS were made by the insured persons, employers and the state (see Table 3.3 below). Regarding labour regulation, Peru had strong employment protection in the event of dismissal (“employment stability”) for those in the formal labour market. Peru’s regulation of dismissal was among the most restrictive legislation in Latin America. However, this strict protection only took effect after the employee passed a threshold of three years of continuous employment with the same employer. Prior to this, dismissal possible after advanced notice and with lay-off compensation. In contrast, the regulation on flexible employment contracts was comparatively permissive (Marshall 1991: 5–7, 1994: 58–65). Civil servants as well as the police and armed forces each had separate social security systems, with greater generosity of benefits and better-equipped hospitals (Mesa-Lago 1985: 324). While concrete figures are hard to come by, the coverage of social security programmes in Peru was generally lower than in countries of the regional pioneers of social protection (incl. Argentina, Chile, Uruguay) (Mesa-Lago 1991: 361). Instead, the Peru’s exclusionary public social welfare system is similar to that of other Andean countries in the 1970s (Barrientos 2024: 258). In 1968, only 11.6% of all Peruvians were covered by a public pension or healthcare insurance scheme (Mesa-Lago 1978: 134). In 1980, this figure had only increased to ca. 17% of the total population (Mesa-Lago 1985: 326). Restrictive dismissal protection covered only 15% of workers. Most of them worked in the manufacturing sector. There were also many exceptions, for example, most public employees, workers in the construction sector, or part-time workers were not covered (Angell 1981: 11–12).

The urban informal workforce and rural agricultural workers were not covered by the social insurance-based systems and labour protection. In other words, the overwhelming majority of Peruvians (ca 66%) were excluded from public social protection and protective labour legislation, which

concerned the rural and indigenous population in particular (Barrientos 2004: 122–124; Minteguiaga/Ubasart-González 2021: 104). They only had access to a tax-financed public healthcare system, which provided basic healthcare services for the 57% of the population who had no access to the IPSS or private insurance. However, healthcare facilities under this system were poorly equipped and disproportionally concentrated in urban areas, while the most under-developed regions in the jungle and highlands had the most limited de facto access (Mesa-Lago 1991: 373–374; Parodi Trece 2007: 181). Moreover, Peru guaranteed universal access to public education through a network of public schools and universities offering preschool, primary, secondary and tertiary education. However, de facto access was lower (Parodi Trece 2007: 178-179; Sagasti et al. 2007: 161, 172-173).

Selected social indicators mirror the highly exclusionary and unequal access to social welfare. In 1980, social spending as a proportion of GDP was 4.6%, which was considerably lower than the regional average for Latin America (11.2%). The largest proportion of social spending went towards education (3.0% of GDP), followed by healthcare (1.1%) (Parodi Trece 2007: 176-179). Peru's poor child mortality rate was among the highest, and life expectancy among the lowest of Latin American countries, with a child mortality rate of 101.3 for 1,000 births and life expectancy of 58.6 years at time of birth in 1980 (Mesa-Lago 1985: 161; Parodi Trece 2007: 181). In terms of educational indicators, 58.4% of the population had reached the pre-school or primary level, while 10.2% had completed tertiary education. A total of 18% of Peruvians were affected by illiteracy. Among women, this figure stood at 26.1%, while in rural regions it was as high as 39.6% of the population (Parodi Trece 2007: 178). Moreover, in 1980, 46% of Peruvians counted as poor, but the situation was even worse in rural areas, where the figure reached up to 65% (Figueroa 1999: 233).

Figure 3.1: Timeline of the development of public social policy and the political and economic context in Peru, ca. 1935-1980

Source: Own compilation based on Mesa-Largo (1978), Sagasti et al. (2007), Segura-Ubiergo (2007), Murakami (2023a)

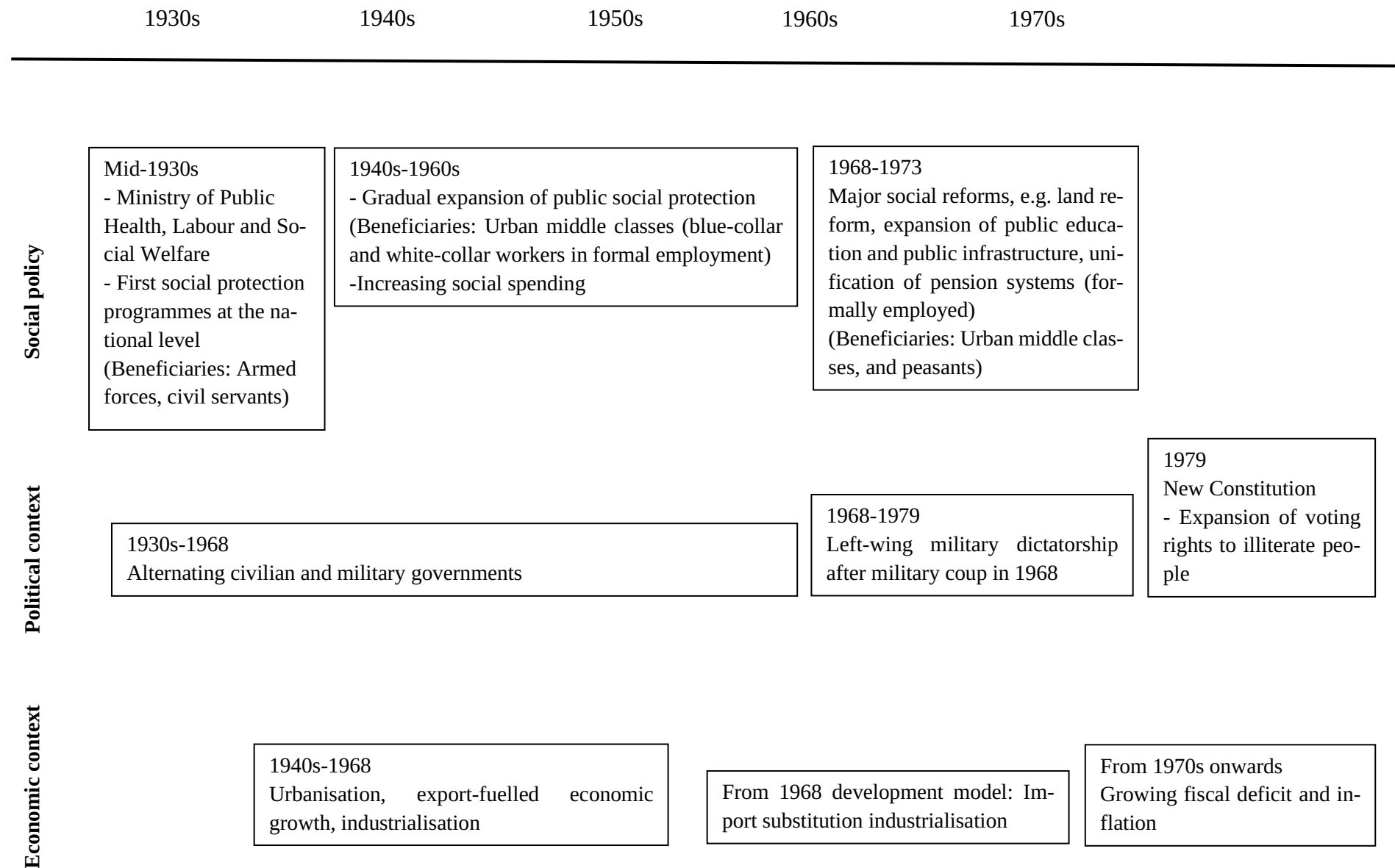


Table 3.2: Overview: Coverage of social protection systems in Peru in 1980

Programmes	Beneficiary groups	Coverage rate, % of population
Work injury and occupational diseases (social insurance-based)	Separate systems for: - Armed forces and police (greatest generosity) - Civil servants - White-collar workers and blue-collar workers (formal labour market) (IPSS system)	17 (only IPSS)
Sickness, maternity (social insurance-based)	Separate systems for: - Armed forces and police (greatest generosity) - Civil servants - Formal labour market employees (blue-collar and white-collar workers, public and private sectors) (IPSS system)	17 (only IPSS)
Old age, invalidity, survivors pensions (social insurance-based)	Separate systems for: - Armed forces, police (greatest generosity) - Civil servants - Formal labour market employees (blue-collar and white-collar workers, public and private sector) (IPSS system) - Exclusion of informal workers	17 (only IPSS)
Labour regulation	Strong employment protection for workers in formal labour market - Regulation of temporary contracts - Strict regulation of employment dismissal (“employment stability”) - Severance compensations (employment termination) - Maternity leave	15% (workers in formal labour markets)
Public healthcare (basic services) Tax-based	Those excluded from social insurance, e.g. informal workers, but de facto concentration of facilities in urban centres	57%
Public education	Universal access (de jure), but de facto concentration of schools and universities in urban centres	De jure: universal De facto: lower

Unemployment insurance	None	-
Long-term care	None	-
Family allowances	None	-

Sources: Own depiction based on Angell (1981), Marshall (1991, 1994), Mesa-Largo (1978, 1985, 1991), Parodi Trece (2007)

Table 3.3 Statutory contribution rates to the IPSS, as % of the insured's payroll

Contributor Programme	Insured employee	Employer	State	Total
Work and occupational hazards	-	4.0	-	4.0
Pensions	2.5	5.0	1.0	8.5
Sickness and maternity	2.5	5.0	1.0	8.5

Source: Mesa-Lago (1985): 328

Chapter 4: The theoretical perspective on potential impacts of the intrastate war on the development public social policy in Peru

The causal processes underlying the warfare-welfare nexus, i.e. *how* wars affect social welfare, remain poorly understood, but it is plausible that policymakers face different war-related challenges before, during and after a conflict (Obinger/Petersen 2017). Focusing on the period of war, I propose various potential causal mechanisms that link intrastate warfare to the development of social policy. In other words, I examine intrastate warfare as the cause of interest and social policy as the outcome of interest. To propose potential mechanisms linking these, I draw on common theoretical approaches of comparative welfare research, building on the idea that warfare affects the demand for social policy and the supply side of social policymaking by influencing politics and polity (Obinger et al. 2018b: 9–10). I do not use these theories in a strictly deductive way, but rather as a heuristic to derive theory-informed expectations for the development of social policy in Peru during the civil war.

The chapter is structured as follows: In sections 4.1.-4.5, I present potential mechanisms between intrastate war and social policy, going through common comparative welfare theories one by one. I begin with functionalist arguments, then move on to institutionalist approaches, followed by arguments based on power resources, potential mechanisms based on political behaviour and attitudes, and finally, external influences. In section 4.6, I summarise my theory-supported expectations for the case of Peru.

4.1. Functionalism-based arguments

From a functionalist perspective, intrastate warfare may have ambiguous impacts on the development of social policy. One line of argument suggests that governments face an increase in the demand for social protection due to the war, while another points to a negative impact on the fiscal resources available to meet this demand. Consequently, governments should face with the challenge to prioritise social policies. The following sections outline these considerations in detail.

Increasing demand for social policy

Wars increase demand for social policies by generating social needs among combatants and civilians on a massive scale (Obinger/Petersen 2017). Fighting leads to injuries, disabilities, and deaths, creating social needs on a large scale that would not have occurred without the conflict and that require persistent support. Firstly, this concerns combatants, i.e. those directly involved in the fighting, and it is plausible that the government only provides compensation for the fighting forces

on its side. In the case of Peru, the central government forces comprised the military and the police, who were later supported by peasant self-defence committees (*CAD*). They were constantly exposed to the risk of death or injury due to the war. This is why I expect an expansion of death and disability benefits to compensate them for bearing these risks. However, I anticipate an earlier expansion for the police and armed forces because they fought against the insurgency immediately following the onset of the civil war. By contrast, the *CAD* only fought against the rebels as part of the regular government forces much later, so that in their case, war-related risks were likely later recognised by the government. Therefore, the peasant self-defence committees should be compensated later than the police and military.

Moreover, civil wars cause various social needs among the civilian population. Civilians usually make up the majority of war victims. Caught between the fighting of both warring sides, they also suffer from war-related injuries and death, particularly the longer and more brutal the conflict becomes (Blattman/Miguel 2010: 41–42). Intrastate wars also trigger the (forced) displacement of civilians, creating additional acute needs. Mass migration generates an immediate need for temporary housing, as well as an ongoing need for food and income support, since those affected have to leave their homes and other possessions behind (Blattman/Miguel 2010: 41–42). Displacement also facilitates the spread of diseases, as migration across regions, hunger and malnutrition are on the rise, which “kills and maims” even more people. This reinforces the need for food support and for ongoing healthcare, as initially temporary housing and camps with poor sanitary conditions often become permanent, posing a threat to the displaced and local population alike (Ghobarah et al. 2003: 191–192). Additionally, large-scale displacement triggers demographic shifts that tear families and local communities apart. These disrupt kin- and community-based support structures that previously accommodated existing social needs. Due to their large scale, these structures must now likely be replaced by the state who is more likely to create the necessary structures (Bove et al. 2016: 553; Wood 2008: 547). Finally, displacement disturbs regional formal and informal labour markets, by causing a shortage of labour in the regions of origin and an oversupply in the recipient regions (Blattman/Miguel 2010: 40–42; Collier 1999: 168–170). This, in turn, creates a further need for compensation and income support. Therefore, I assume that the Peruvian civil war led to a growing demand for social policy, to deal with those various war-caused needs among the civilian population. I expect demand for policies addressing conflict-related death and injury as well as policies dealing with needs arising from mass displacement. This should have led to a demand for healthcare and death support, as well as for housing, food and income support for

displaced Peruvians who had left their homes and other property behind and needed to secure a livelihood in their place of refuge.

Reducing resources for social policy

Civil wars often bring about a deterioration in the economic situation, which in turn hinders the expansion of social policy by constraining financial resources (Collier 1999). Intrastate warfare impedes GDP growth because the fighting damages or destroys public and private infrastructure, such as roads, bridges and factories, thereby disrupting production. Damage or destruction to public infrastructure for the provision of social services, e.g. schools or hospitals, directly undermines the state's capacity to provide these services, and as a result, public health and education. This, in turn, harms the country's human capital, thereby impeding long-term economic development (Justiniano 2012: 679; Lai/Thyne 2007). Additionally, war-caused displacement and death negatively affect the labour force, causing production costs to rise as the labour supply declines. Capital- and transaction-intensive sectors of the economy, such as construction, transport, finance and manufacturing sectors, are particularly affected (Blattman/Miguel 2010: 37–42). This makes an adverse impact of the intrastate war on the economic development in the case of Peru likely, as these sectors are among the most important in the Peruvian economy (Murakami 2023a: 120–125). Intrastate wars also raise uncertainty and insecurity among investors, resulting in shrinking public and private investments. The increased risk for investors also makes external borrowing more difficult, which thereby constrains both current and future public budgets (Collier 1999: 168–169, 178–179). This, in turn, limits the scope for expanding social policies in the short and long term.

Moreover, intrastate warfare is also likely to reduce public revenue, and thus the resources available for social policies by having an adverse impact on taxation. Although civil wars can spur the introduction of new taxes, this occurs to a lesser extent than in the case of interstate wars (Besley/Persson 2008; Giroux 2012). Additionally, tax collection is hindered by the dynamic conflict situation within the state, where control over territory changes repeatedly and insecurity looms. In regions under rebel control, state taxation cannot be enforced at all. Furthermore, corruption tends to flourish during times of war, which undermines extractive state capacities and thus reduces public revenues from taxation (Schwartz 2020). With regard to Peru, the intrastate war probably

further weakened the state's already low extractive capacities (Arce 2005: 18).¹¹ Therefore, decreasing public revenues due to the civil war should have limited the financial leeway of the Peruvian government to expand social protection.

Furthermore, resources for social policy can also be reduced through wartime budget shifts. Warfare requires an immediate increase of military spending, for example to pay for military equipment, and devours enormous monetary sums during the conflict period (Obinger et al. 2018b: 17). However, the aforementioned economic deterioration and decline in public revenue caused by war make it difficult to finance these acute requirements by increasing the overall public budget. Instead, limited resources need to be reallocated within the current public budget to increase military spending. This can lead to a shift from “butter to guns”, whereby an increase of military spending comes at the expense of social spending (Blattman/Miguel 2010: 40). Such a focus on defence is especially likely when pressure grows to respond to an imminent threat of insurgency. For example, following rebel attacks against government forces, restoring physical security becomes immediately important (Sexton et al. 2019). During the Peruvian civil war, this should have made budget shifts from social spending to military expenditure especially likely, when the government forces were on the defensive and facing defeat at the hands of the rebels.

Assuming that intrastate warfare reduces the resources available for social policy during the war, it is plausible that the government therefore has to prioritise, i.e. focus its limited resources based on criteria such as urgency or importance. Given Peru's already constrained fiscal situation prior to the outbreak of intrastate warfare, this is highly probable (Sagasti et al. 2007: 160–162, 167). Prioritisation could involve focusing on particularly pressing war-related social needs, such as injuries or diseases that affect combatants and civilians alike. In this case, the government should have prioritised improving healthcare. Prioritisation could also entail focusing on social groups particularly affected by the war. Here, the government combatants are a likely choice due to their especially high war-related risks. In this case, prioritisation could mean adopting social policies for them first or providing more generous benefits or services to compensate for these greater risks.

4.2. Institutionalism-based arguments

Civil wars challenge existing state institutions and disrupt established rules and structures, which creates grey areas in which new centres of power can emerge (Schwartz 2019). The next section

¹¹ A major tax reform in the early 1990s led to a gradual improvement in domestic tax collection over time in Peru (Arce 2005: 18, 20–22). However, social expenditure data does not necessarily reflect this additional revenue automatically.

presents how institutional instability caused by intrastate war can trigger centralisation of power in the government in order to combat the threat effectively. This in turn can add pressure on the government to secure legitimacy for its decisions through social policy outputs, as elaborated in the subsequent section.

Centralisation of power in the executive

Intrastate wars pose a direct and pressing threat to the existing state institutions because the rebels oppose the integrity of the existing political system. This can trigger a centralisation of political power in the executive (Schwartz 2019: 49–58). In the face of this pressing and existential threat, the government must react as quickly as possible. Concentrating decision-making power in the executive facilitates this, as it helps to circumvent inhibiting institutions, such a parliamentary veto power or judicial procedure. The government may therefore declare a state of emergency or impose martial law, suspending existing legal frameworks such as constitutional rules. It may also rule by decree, which grants the executive extraordinary powers that it does not possess in times of peace. In turn, a war-triggered suspension of peacetime legal frameworks weakens legislative control and limits judicial checks, creating institutional ambiguity (Schwartz 2019). It opens up an opportunity for the centralisation of power in the executive, as decision-making on war-related issues gains importance rapidly. This power is often concentrated in designated executive authorities, for example the Ministry of Defence or security councils (Pion-Berlin/Dudley 2020). This enables swift decisions regarding the mobilisation of combatants and facilitates dealing with sensitive issues like counterinsurgency strategy (Schwartz 2019: 49–58, 116–118; Thaler 2024: 5). The government can also justify centralising power in the executive as a means of preventing rebel infiltration and ensuring the success of counterinsurgency efforts (Schwartz 2019: 49–51).

In the political system of Peru, the executive branch already holds a strong position during peacetime. Not only does the president serve as the head of state and government, they also serve as the head of the Peruvian armed forces, whose vital role in the civil war was vital (CVR Tomo II 2003; Tuesta Soldevilla 2005). This makes further strengthening of the executive branch during wartime, to support the war effort, highly likely in the case of Peru. Therefore, I anticipate that the war led to centralisation of power in the executive. Consequently, the government's influence on social policymaking should have increased.

Erosion of existing state institutions

Violent attacks during the civil war indicate that the state has lost its capacity to ensure physical security (Justino 2012: 688–689). This endangers political stability and thus the political survival of the government, which is already under pressure due to the insurgent challenger (Bueno de Mesquita/Smith 2009). In such circumstances, the incumbent government will typically respond with repression in an attempt to eliminate the challenger, restore its political authority, and demonstrate its coercive capacities (Fjelde/De Soysa 2009). However, repressive measures carry the risk of fuelling violence and thus reinforcing political instability (Höglund et al. 2009: 538–539, 545). Furthermore, fighting or the threat of violence causes imminent insecurity, which also affects elections during the conflict. It hinders electoral candidates from campaigning, and direct attacks on polling stations can deter voters from casting their ballots. The insecurity can also facilitate electoral fraud, as electoral management bodies may be too weak, or it may become too dangerous for them to oversee the orderly conduct of elections (Höglund et al. 2009: 535–536, 541–545). In addition, there is often a lack of clear legal regulation on how to deal with disturbances during elections, leaving administrative authorities uncertain about how to respond (Morley 2018). Moreover, when the incumbent government excludes the (armed) opposition, this can exacerbate the underlying political or social divisions that fuel the conflict. This can erupt into violent protests, providing those excluded with an alternative means of achieving their political goals and thus intensifying the war (Höglund et al. 2009). If voters cannot or will not vote, for instance out of fear of violence or in protest, voter turnout declines, which weakens the validity of the election results. This reduces input legitimacy, as the election winner can only rely on the support of part of the population and the election process is neither inclusive nor participatory (Bueno de Mesquita/Smith 2009; Scharpf 1998: 2–4).

In this situation, the government must rely on alternative sources of legitimacy to secure regime stability. One such source is output legitimacy, which refers to the acceptance of a political system based on its performance and effectiveness in delivering policy outcomes and solving pressing problems (Scharpf 1998: 2–4). Social policy is a well-known tool for strengthening output legitimacy (Roller 2019). Healthcare programmes and building schools, for example, are visible and tangible social welfare outputs that make the performance of the government perceivable. By expanding the provision of social welfare to address injuries, displacement, and other suffering during the civil war, the government additionally demonstrates its capability to deliver essential social services in difficult times, as well as its willingness to respond to urgent wartime needs (Roller 2019: 869–871). Therefore, I expect that the Peruvian government to have used social policy to

strengthen its output legitimacy, particularly in the form of quickly visible policies such as food support or healthcare provision.

4.3. Power resource-based arguments

Social policymaking is also shaped by the “power relations of social groups and their political influence” (Ebbinghaus 2019: 119). In turn, civil wars affect collective actors in different ways. Changes in power relations due to the war should affect social policymaking. As outlined in this section, intrastate wars likely increase the influence of those who fight on the side of the state, but weaken opposition actors.

Strengthening of actors relevant for fighting the insurgents

Governments rely on a group of core supporters for their political survival. During times of intrastate war, the security forces fighting for the government become an essential part of this group because they are crucial for withstanding and eliminating the acute, existential threat posed by the rebels (Bueno de Mesquita et al. 2003). In exchange for their loyalty, the government provides its core supporters with exclusive access to private goods, such as particularly generous social protection (Bueno de Mesquita et al. 2003). Intrastate warfare makes it even more urgent for the government to maintain the loyalty of its core supporters at any price, as the internal challengers pose an imminent danger to the political survival of the government.

Additionally, the government will likely do everything in its power to enable the government forces to defend the state. Crucially, this should include expanding their organisational capacity, since the state’s very existence depends on the strength of the government forces to defend the territory and defeat the insurgency (Schwartz 2019: 41-43, 51-52). For example, it is plausible that the government directs much of its financial resources towards military spending and improves equipment and training. It can also include expanding organisational structures, such as intelligence services that support counterinsurgency efforts. The expansion of organisational capacities of the military goes hand in hand with growing political influence, as the government depends on the military to implement repressive measures, contain unrest, and govern in combat zones due to the war-caused insecurity (Sullivan 2016). To ensure success in defeating the rebels and thus securing political survival, the government could grant the armed forces extraordinary powers by declaring martial law, thereby strengthening the military further (Schwartz 2019: 49–51). In short, the civil war should reinforce the military’s importance within the group of core supporters by

strengthening its organisational capacities. This, in turn, puts pressure on the government to secure the armed forces' support.

The war-related organisational strengthening of the security forces in response to the war leads to an additional motivation for the government to expand their social protection, as this also makes a military coup more likely (Bell/Sudduth 2017). The military possesses the necessary capacities and access to weapons, both of which should increase due to the civil war as described. At the same time, however, the war undermines the welfare of the security forces as they risk their lives and wellbeing fighting the insurgents. This reduces their satisfaction and support, pressuring the government to expand exclusive compensatory social protection, in order to maintain the military's loyalty (Bell/Sudduth 2017: 1435–1437). However, the limited financial leeway resulting from the war makes considerable benefit increases difficult in the short term. Consequently, expanding old-age pensions should become the government's likely choice (Knutsen/Rasmussen 2018). Such pension programmes provide a credible promise of future government commitment in exchange for the military's loyalty. This is because they appeal to a wider group of potential supporters since the covered risk of growing old affects more people than other group-specific risks. In addition, their coverage can be limited by policy design, which allows the government to focus resources exclusively on a specific target group – the core supporters. Furthermore, the due date of old-age pensions is in the future, which increases the core supporters' certainty about future access to exclusive social protection. Codifying pension programmes helps to make this future commitment more credible, as it makes them more “transparent, stable and predictable” (Knutsen/Rasmussen 2018: 663–669). Increasing the security forces' future stake in the existing political regime thus not only raises the threshold for a military coup, but also boosts their morale to defeat the insurgency that poses an existential threat to this political regime (Bell/Sudduth 2017: 1435–1437).

Nevertheless, the security forces are not the only core support group on which the government crucially relies for political survival. While civil servants are not essential for fighting the insurgency militarily, they are essential for maintaining the functioning of the state in both peacetime and wartime. They carry out various public tasks, including tax collection, which becomes even more important during the war due to the limited access to external sources of revenue mentioned above (Collier 1999). Civil servants are also essential for implementing social welfare policies that address the war-caused social needs of combatants and civilians, for example food support or healthcare. Thus, they are crucial for visibly demonstrating (sufficiently) strong state capacity to

provide public services. This supports the government's political survival in the threatening situation posed by intrastate warfare (Fjelde/De Soysa 2009). In short, civil servants are likely another group of the government's core supporters, not only in times of peace but also during the civil war. Therefore, the government has to continue to provide civil servants with access to private goods, such as social protection, during the intrastate war to secure their ongoing loyalty. In principle, the same argument should apply to them as to the security forces: that an expansion of old-age pensions is likely. As described above, these programmes create a credible future promise of government commitment in exchange for loyalty and cover a common risk. They can also be designed to target civil servants. Old-age pensions also raise civil servants' interest in supporting the current political regime. If the insurgents were to defeat the incumbent government, the existing political regime would collapse, and civil servants would lose these privileges (Knutsen/Rasmussen 2018: 663–669). To prevent this, civil servants will thus support the incumbent government and thereby maintain the functioning of the state.

Moreover, the civil war itself may strengthen groups, as warfare triggers mobilisation and the formation of interest groups that organise around war-related issues, for example veterans, civilian war victims and their survivors, and other self-organised community-based groups (Kaplan 2017; Kouvo/Mazoori 2011). These groups are formed based on shared war-related interests, such as demands for social protection to compensate for war-related suffering. They then work to enforce these demands vis-à-vis the government (Schmitt 2020b). Additionally, governments frequently utilise existing social networks to combat insurgents (Wood 2008: 544, 548). It is plausible that this incorporation strengthens these groups' impact on policymaking, as they gain influence by supporting the government's war effort.

Taking into account the theoretical considerations in this section and that intrastate warfare makes prioritisation of social policy more likely (see above), the Peruvian government should have focused on expanding social protection for those most essential to the war effort first of all. This includes the government forces and civil servants. I assume this because the conflict likely strengthened the organisational capacities and the influence of the police and military in pushing for social protection, as described above (CVR Tomo II 2003). Furthermore, the military in particular has repeatedly exerted considerable influence over policymaking in Peru over time (Mesa-Lago 1978: 113–159). Hence, they could probably build on these experiences to influence social policy to their advantage during the war. Civil servants should also be prioritised due to their crucial role in maintaining the functioning of the state in times of war, which should also make

them part of the government's core supporter group. I expect the wartime prioritisation of these groups to be reflected in the design of social policies, for example in the form of benefit amounts or more generous services, or exclusive access to social protection. Since the introduction of the first comprehensive social security systems, the police and armed forces, and civil servants have benefitted extraordinarily from their systems. Not only were they among the first groups to be granted public social protection, they also received particularly generous benefits and services (Mesa-Lago 1978: 113–116, 125–127). However, since their introduction, the social security systems of the police and armed forces, and those of civil servants, have also been separate in Peru. War-related policy changes will likely reflect these long-standing differences, too. Therefore, I anticipate the adoption of separate social policies for the security forces and civil servants. Besides those government forces that were central since the onset of the war, the intrastate conflict created another war-related interest group with a role in the war-effort, for which I expect expansionary social policy. The conflict prompted peasant self-defence committees to defend their local communities against the guerrilla groups. These *CAD* later played a decisive role in defeating *Sendero Luminoso* in the *Sierra* and *Selva* regions, supporting the side of the Peruvian government (CVR Tomo II 2003: 437–462). Therefore, the civil war first brought the *CADs* to the attention of the government, and their later role in the defeat of *Sendero Luminoso* should have improved their position to demand public social welfare.

Weakening of actors associated with the insurgents

Other actors are weakened by warfare, particularly the opposition, for the reasons outlined in this section. This likely also reduces their influence on social policymaking. Governments frequently introduce repressive measures in response to challenges, including insurgency, in order to eliminate the threat (Sullivan 2016). Repressive measures, such as detention, restrictions on freedom of assembly and freedom of speech, become part of counterinsurgency efforts in order to defeat the rebels. However, this opens the door to far-reaching suppression, as the incumbent government can also use these measures against its other opponents (Davenport 2007; Höglund et al. 2009: 545). For example, restricting the freedom of assembly also limits the organisational capabilities of the political and societal opposition, hindering their ability to mobilise and subsequently to challenge the incumbent government (Bueno de Mesquita/Smith 2009). Counterinsurgency can also serve as a pretext for the persecution and imprisonment of other opposition actors due to the suspension of peacetime rules, such as constitutional rights. The government can exploit the resulting institutional grey area to adopt repressive measures initially intended for counterinsurgency

against other political opponents (Schwartz 2019: 49–51). This is also plausible because repressing other opposition actors demonstrates strong coercive capacities and deters other potential opponents, which is important in an unstable situation such as a civil war (Pierskalla 2010: 134–136).

War-related organisational strengthening of government forces during the war further also facilitates the suppression of the opposition, as it provides the necessary capacities and resources to implement coercive measures on a grand scale (Tilly 1975). In addition, war-related suspension of peacetime rules makes it hard for those affected to resist governmental repression, for example if constitutional rights are suspended. This lowers the threshold for the government to use coercive force not just to fight the rebels, but also to eliminate other opposition actors (Schwartz 2019: 49–58). Besides repression, governments can also try to co-opt some oppositional actors on purpose, in order to divide the opposition (Brenner 2015). In order to buy opponents' support, the government can offer financial incentives. This collaboration undermines the reputation of the co-opted, and increases frictions with other, non-collaborating opposition actors. Over time, this fragmentation weakens the opposition as a whole, and thus their capacity to challenge the government (Brenner 2015).

In the case of the Peruvian intrastate war, the government was challenged by guerrilla groups that hold extreme left wing views. This should have led to weakening the legal political and social left, as it should have made them prone to repressive measures to combat the insurgents. They were probably victim of state repression and excluded from elections. I therefore expect that their impact on social policymaking declined during the war. As left-wing political parties tend to advocate for inclusive state-provided social policies that benefit large sections of the population (Huber/Stephens 2012; Pribble 2013), I assume that social protection during the war became less inclusive, by limiting access. Taking into account the likely prioritisation mentioned above, programmes are likely to be focused on already privileged social groups of the upper-middle classes (military, police, and civil servants). In contrast, lower classes should not be covered by wartime social policy changes. Organised labour in Peru has typically only pushed for the expansion of social security for a comparatively small part of the labour force, that is workers in the formal labour market who they represent (Mesa-Lago 1978: 126–127). Thus, I expect that social policy changes in favour of their constituency become less likely.

4.4. Political behaviour and attitudes-based arguments

Another theoretical factor of influence for social policymaking is political behaviour and political attitudes (Busemeyer/Neimanns 2019). Through its impact on this factor, warfare indirectly shapes social policy.

Reinforcing societal division

Firstly, intrastate wars influence political behaviour and attitudes in ways that reinforce societal division. They encourage supportive behaviour and attitudes towards in-group members – that is, people within one’s own community or identity group – but have an adverse impact on behaviour and attitudes towards out-groups (Price/Yaylacı 2021). If opposing groups engage in violent inter-group confrontation during the war, it strengthens group identity within the affected communities (Horowitz 1985). This can foster altruistic and cooperative behaviour among members of the in-group (Price/Yaylacı 2021: 290–293). In contrast, such wartime violence negatively impacts attitudes towards those who are not part of the in-group. It reduces trust between societal groups, particularly towards members of the opposing group, and somewhat towards “unspecified others” (Price/Yaylacı 2021: 286–288). Exposure to intergroup political violence can also lead to exclusionist political attitudes towards out-groups by causing psychological distress and by raising the perceived threat posed by opposing groups (Canetti-Nisim et al. 2009). In terms of social policy, this could result in people favouring social protection that supports only those within their community (the in-group) and not those belonging to opposing groups, leading to more exclusionary social policies. Civil wars also influence voting behaviour by strengthening the group identity of communities, because this intensifies the polarisation of preferences. During elections, community members will vote according to their group identity, and thus elect candidates who best advocate for their group’s interests (Horowitz 1985). The longer and more brutal the war, the more likely voters are to support radical positions, thereby reinforcing polarisation between opposing groups (Höglund et al. 2009: 538–539). Together with the aforementioned negative impact on attitudes towards outgroups, this makes exclusionary social protection again more likely during the war, as policymakers should subsequently meet voters’ expectations.

This could probably apply to Peru, given that its civil war was among of the longest and most brutal internal armed conflicts in Latin America (Schubiger/Sulmont 2019: 51). This makes war-time violence between supporters and opponents of the guerrilla groups highly likely, which should have reduced people’s trust in those outside their own communities. As a result, existing

societal divisions, for example between those living in rural regions versus urban areas or between indigenous and non-indigenous Peruvians, could have deepened due to the war (Schubiger/Sulmont 2019: 57–59). This could consequently have made Peruvians less likely to support more inclusive social policy that would benefit outgroup members as well, and more likely to favour limited expansion that focuses on their own social groups. For example, they might have voted for electoral candidates who advocate this position (Horowitz 1985).

Securing sufficient support among the general civilian population

Furthermore, while some specific interest groups are likely to be prioritised regarding the expansion of social protection, it makes sense for the government to provide social welfare for the general population as well. Insufficient provision of public goods such as social welfare runs the risk of dissatisfaction with the government and therefore jeopardises regime stability. However, it does not have to be particularly generous social policies; it just needs to satisfy a sufficiently large proportion of the population to maintain trust in the government and prove its capacity to provide essential social services (Bueno de Mesquita et al. 2003). In this way, the incumbent government can secure sufficient support and prevent people from joining the insurgent, which would otherwise threaten its political survival (Bueno de Mesquita/Smith 2009). Basic social services or modest subsidies for food or fuel, for example, would help to reduce grievances, while (re-)building public infrastructure such as schools, healthcare facilities and roads would provide visible evidence to the general population that the government attends to social welfare (Roller 2019).

In addition, the incumbent government competes with the insurgents for the support of the population (Lyall et al. 2013). Both warring parties depend on the civilian population, including recruiting combatants, sharing intelligence, and as a source of taxation and legitimacy. Therefore, a key to victory in war is the “relative success each [side] enjoys in winning support from the civilian population” in turn is (Lyall et al. 2013: 680). Social policy is a well-known tool for winning the ‘hearts and minds’ of the civilian population. Therefore, rebels also often provide social services such as healthcare, education, and sanitation in areas under their control. This helps them to boost support among the civilian population and also strengthens their leverage in negotiations with the government (Heger/Jung 2017). Competition with rebels over the provision of social service could prompt the government to improve social services in single contested areas or to target specific social groups whose support it wants to strengthen (again) (De Juan/Bank 2015; Yoltar/Yörük

2021). Strategically channelling resources or simply making effective promises regarding the future provision of social services can turn popular support in favour of the incumbent government (Mikulaschek et al. 2020).

Given the length and brutality of the intrastate war in Peru, the government was certainly under pressure to maintain sufficient support from the general population during the conflict. Therefore, I assume that the Peruvian government improved social welfare. Food aid, housing and health programmes could be particularly likely, as these policies can quickly and visibly address war-related social needs. I also expect that there was competition between the government and the rebels to provide social services to the general population, which implies that the government expanded support programmes during the war.

4.5. External influence-based arguments

Domestic governments typically have to take into account external actors, who also impact the development of domestic social policies (Obinger et al. 2013; Schmitt 2020a). It is plausible that intrastate wars affect these external influences, too. Overall, external actors are likely to exert greater influence over social policy during a civil war. In the following sections, I first present potential impacts on relations with foreign donors, followed by policy transfer.

Relationship with external actors

Intrastate wars can impact the relationship between the domestic government and external actors in different ways. On the one hand, they can trigger an influx of foreign aid, which should increase the influence of external actors on domestic social policymaking (Doucouliagos 2019). For example, external donors provide financial and technical support, such as food aid and basic healthcare, to address humanitarian needs created by the conflict. However, providing foreign aid allows external donors to pursue their own economic and strategic interests and political goals. For example, this can include protecting trade and military interests, which can lead to more generous foreign support when the domestic government and external actors cooperate in the military sphere (Doucouliagos 2019: 700–702; Milner/Tingley 2010). However, foreign aid can constrain the recipient government's (future) room for manoeuvre, thereby increasing the influence of the external donors on domestic social policymaking (Dobbin et al. 2007: 455–456). For instance, financial support may take the form of loans that must be repaid, tying up future fiscal resources. Additionally, donors can link their support to other conditions, such as increased exports to the recipient country and the adoption of certain policies (see below) (Brech/Potrafke 2014; Molenaers et al. 2015).

On the other hand, civil wars can disrupt the relationship between external actors and the domestic government when transnational social norms break down during the course of the conflict (Dobbin et al. 2007: 450–454). Civil wars often result in human rights violations against the civilian population, including by government forces. This breach of norms triggers outrage within the international community, which is based on the obligation to respect human rights, and provokes a reaction to restore compliance. Actors within the international community can use foreign aid as leverage to pressure the domestic government into compliance. For example, they can threaten to temporarily cut off their support and make resumption conditional on restoring compliance with human rights norms (Lebovic/Voeten 2009). If foreign aid is (temporarily) suspended during the war, the domestic government cannot compensate for this in the short term due to limitations on its fiscal resources caused by the war (see above). The resulting lack of funding makes the termination of social programmes likely, thereby exacerbating the suffering of the civilian population.

Policy transfer

Warfare can affect policy transfer, i.e. “the processes in which knowledge about policies, administrative arrangements, institutions and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political setting” (Dolowitz/Marsh 2000: 5). War increases a domestic government’s dependence on external actors, for example due to its reliance on foreign aid to address humanitarian needs of the civilian population or on technical and material support to fight the insurgency (Doucouligos 2019: 700–702; Milner/Tingley 2010). This dependence, in turn, raises the likelihood of policy transfer. Domestic policymakers can deliberately learn from how other governments have reacted to insurgent threats. However, while voluntary transfer such as policy learning does occur, policy transfer is more likely to be the result of pressure and coercion in times of crisis such as war (Dolowitz/Marsh 2000: 9, 17).

Firstly, such conditional policy transfer takes place when external actors link their technical and financial support in the fight against the insurgency to the domestic government’s adoption of certain ideas, which can include social policy reform (Dodlova 2020). Secondly, policy transfer may form part of ceasefire negotiations between the government and rebels, with the adoption of certain ideas being one of the conditions for the armistice. Coercive policy transfer also occurs during warfare in the context of territorial change, when new rulers impose policy models on oc-

cupied areas (Obinger et al. 2018b: 19–20). In the case of an intrastate war, insurgents can replace existing social policies with policies based on their own ideas in regions under their control. Conversely, the government can do the same in recaptured territories (Heger/Jung 2017).

The Peruvian government could have consciously sought inspiration from other Latin American countries that had also fought against guerrilla groups, such as Colombia, Guatemala and El Salvador, in order to learn from their experiences and thus promote policy transfer. Additionally, Peru's civil war occurred during the Cold War. This makes it more likely that the Peruvian government could have received external support from Western actors with explicit anti-communist views who backed the fight against the far-left guerrilla groups for ideological reasons. In particular, the US government is known to have tried to strengthen its political and military influence in Latin America during this period, partly to protect its own security interests (Wiehl 2020: 64–67). It is probable that they also endeavoured to implement a similar strategy in the case of Peru, which should have increased the influence of anti-communist external actors on social policymaking in Peru. This could have spurred conditional policy transfer, linking technical and financial support from external actors to the adoption of policies promoted by these actors.

4.6. Summary of theory-informed expectations for Peru

From a theoretical perspective, intrastate wars are likely to affect social protection in various ways, both directly and indirectly, through their potential impact on the other theoretical factors that shape social policymaking (Obinger et al. 2018b: 9–10). This section brings together the theory-informed expected outcomes for the case of Peru that I have mentioned in the previous sections of this chapter. Table 4.1, located at the end of the section, offers a visual summary of these expectations, which I will evaluate against the empirical evidence in Chapter 6.

The intrastate war probably presented the Peruvian government with a dilemma. It caused immense suffering, which should have increased the demand for social welfare to such an extent that the state would have had to address it. At the same time, however, it likely reduced the government's financial resources available for this purpose (Collier 1999). Therefore, firstly, I expect to see a decline in total public social spending during the war period, particularly following critical moments of the conflict. Nevertheless, I also expect social policy to be expanded during the war period, although this should have involved prioritisation due to the limited financial resources. It is plausible that the Peruvian government prioritised expanding social policy for those relevant to the war effort because the conflict posed an existential threat to its political survival (Bueno de

Mesquita et al. 2003). Thus, I assume that the armed forces and the police were prioritised in terms of wartime social policy, due to their importance as key government forces in defeating the *guerrilleros* and because the war probably further strengthened their influence. The Peruvian government should have improved healthcare and pensions for the police, military, and their dependents because such programmes compensate for war-related suffering and can additionally also credibly promise future welfare benefits (Knutson/Rasmussen 2018). In addition, the expansion was likely comparatively generous, since the police and armed forces had benefited from comprehensive social security systems prior to the civil war, setting a higher bar for wartime improvements (Mesa-Lago 1978: 125–127). I also assume that the *comités de autodefensa* were prioritised only after they joined the fight against the guerrilla groups for the government. This should have strengthened their position in demanding compensation for deaths and injuries sustained in combat against the guerrilla groups. Moreover, I would expect civil servants to be among those for whom the Peruvian government prioritised social protection during the war. Civil servants were among the most influential social groups that had been able to push for social protection in the past, remained crucial in maintaining state functioning in the war period (Mesa-Lago 1978: 125–127). In their case, too, an expansion of pensions is a likely choice for the government, as these programmes offer the promise of future welfare benefits. However, I anticipate the adoption of distinct policies for civil servants and government forces due to the long-standing legacy of their separate social security systems (Mesa-Lago 1978: 113–159).

Moreover, I expect those war-relevant groups to be prioritised along different dimensions of policy change. This could be reflected in an increased share of public social spending or an earlier timing of policy change compared to other groups. Prioritisation may also become apparent if a war-relevant group receives higher or more comprehensive benefits or services than others, i.e. greater generosity. Additionally, looser eligibility rules that make it easier for war-relevant groups to receive social welfare benefits or services easier would also constitute prioritisation. Alternatively, prioritisation could entail limited coverage of a particular policy tailored to war-relevant groups, thereby granting them exclusive access to social protection (Bueno de Mesquita et al. 2003).

Despite the expected prioritisation of groups relevant to the war effort, I anticipate some expansion of social policy for the general population in Peru. Firstly, the government could not completely ignore its social needs caused by the war, in order to ensure regime stability and to prevent people from supporting the guerrilla groups (Bueno de Mesquita et al. 2003; Mikulaschek et al. 2020). For this reason, I particularly anticipate the adoption of policies providing support in the form of

healthcare, food and housing. Such programmes address the war-related social needs of civilians (e.g. disease, displacement and hunger) and produce perceivable and tangible social welfare outputs quickly. This should have allowed the Peruvian government to strengthen its output legitimacy and demonstrate (sufficiently) strong state capacity, even in times of war (Roller 2019). Additionally, “buying-off” sufficient popular support with social policy should have been important for the government, as I presume that it was competing with the guerrilla groups over the provision of social services. However, any expansionary development should be limited. Firstly, financial resources will be very limited due to the war, especially given the expected prioritisation of war-relevant groups. Moreover, I assume that the war had a negative influence on the political behaviour and attitudes of Peruvians, making them less inclined to support more inclusive social policy changes. Instead, they were probably more likely to favour limited expansion exclusively for their own social groups, for example by voting for electoral candidates who hold corresponding positions.

Furthermore, wartime policy changes, including the prioritisation of war-relevant groups, were likely driven by a centralisation of power within the executive that served to support the war effort. The Peruvian executive already has a relatively strong position within the political system during peacetime (Tuesta Soldevilla 2005). The war likely reinforced this position to facilitate and accelerate decision-making in view of the existential threat posed by the guerrilla group, as well as to support counterinsurgency efforts. Consequently, I expect the government’s influence on policy-making, including social policy, to have increased during the civil war.

Additionally, it is plausible that the Peruvian government used repressive counterinsurgency measures not only against the guerrilla groups, but also against its other opponents. I assume that this was particularly the case for the legal left opposition. Since the guerrilla groups held extreme left-wing views, this ideological closeness could have made the legal left vulnerable to the repressive measures that were implemented to combat the insurgents. Therefore, their influence on social policymaking should have declined during the war. Left-wing political parties tend to advocate inclusive, state-provided social policies that benefit large sections of the population (Huber/Stephens 2012; Pribble 2013). This reaffirms my expectation that social protection became less inclusive during the war and that programmes likely focused on relatively small, war-relevant social groups of the upper-middle classes (military, police, and civil servants). In contrast, the lower classes were likely not be addressed by wartime social policy expansion. In addition, organised labour in Peru has typically only pushed for the expansion of social security for a comparatively

small part of the labour force: namely, workers in the formal labour market whom they represent (Mesa-Lago 1978). Thus, I expect that social policy changes in favour of their constituency are less likely.

Finally, the influence of external actors on social policymaking in Peru may have increased due to the intrastate war. I anticipate an influx of foreign aid to combat the insurgents and to provide humanitarian support, such as financial and technical support, food aid and basic healthcare. Increased interaction with external actors because of the civil war could also have driven policy transfer (Dobbin et al. 2007: 455–456; Doucouliagos 2019). The Peruvian government may have voluntarily turned to other Latin American countries that had also fought against guerrilla groups, or to Western actors with explicit anti-communist views. Conditional policy transfer should also have become more likely as growing reliance on external support should have made the Peruvian government more susceptible to pressure from external actors. This could have influenced wartime social policy, if the war disrupted the relationship with external actors, for example in the event of sanctions following human rights violations. Foreign aid could then have been used by external actors as a lever to exert pressure on the Peruvian government, making foreign support conditional on the adoption of policies promoted by these external actors.

Table 4.1: Potential causal mechanisms and expected social policy outcomes during the intrastate war for the case of Peru

Potential mechanisms ¹²	Expected case-specific social policy outcomes
During the war, intrastate war leads to:	
Functionalist arguments	
Increasing demand for social policy among combatants and civilians	• Expansion of death and disability compensation for government combatants • Expansion of death compensation, housing, healthcare, income and food support for civilians
Reducing resources for social policies	• Decline in total social spending • Budgetary shifts from social spending to military spending • Prioritisation of the remaining resources for social policy ○ Social needs: healthcare

¹² Despite of their separate presentation in table 4.1, the potential causal mechanisms may interact in empirical cases.

	○ War-affected groups (government combatants) and thus limited expansion for remaining civilian population
Institutionalist arguments	
Centralisation of power in the executive	• Increasing influence of executive on social policymaking
Erosion of existing institutions	• Expansion of social policy with tangible and quickly visible outcomes to increase output legitimacy(healthcare, food support)
Power resource-based arguments	
Strengthening of actors relevant for fighting the insurgents	• Prioritised expansion of social policy for war-relevant groups (government forces, civil servants, comités de autodefensa) ○ Separate pension programmes, healthcare
Weakening of actors associated with the insurgents	• Declining influence of left actors on social policymaking (left-wing parties, organised labour) ○ Less inclusive social policies, focus of expansion for upper-middle classes (military, police, and civil servants)
Political behaviour and attitudes-based arguments	
Reinforcing societal division	• Exclusionary social protection, as voters prefer to support only those within their community (in-group)
Secure sufficient support of the general civilian population	• Expansion of housing, healthcare and food support • Competition in expanding social service provision between government and guerrilla groups
External influence-based arguments	
Relationship with external actor	• Influx of foreign aid: financial and technical support for counterinsurgency, food aid and basic healthcare • Disruption: Suspension of foreign aid
Policy transfer	• Social policy learning from Latin American countries also fighting guerrilla groups and Western actors with an anti-communist stance • Conditional policy transfer linked to foreign aid

Source: own depiction

Chapter 5: Introducing the research design and methodological approach

In this chapter, I first outline my research objectives. In the second section, I describe the research design and the methodological approach, before going into detail about the case selection of Peru and the data sources used. I then describe the procedure of data analysis in the fourth section.

5.1. Research purposes

In this dissertation, I aim to address the research gaps in the previous literature that I identified in Chapter 2, at both the theoretical and empirical levels. One of my objectives is to expand theoretical knowledge of the potential causal links between intrastate war and social welfare, as this relationship has largely been overlooked (Obinger et al. 2018a: 456–457). While I seek to offer a more nuanced understanding of how intrastate war influences the development and outcomes of social policy, I do not claim to fully unpack the potential causal processes in detail. My research is focused on providing initial insights that serve as a basis for future research rather on making definitive causal claims. I therefore concentrate on plausibility, not causal certainty.

Moreover, I aim to strengthen the limited and fragmented descriptive empirical knowledge of the development of social policy in Peru. While I will discuss my choice of this case in more detail below, existing research has only treated the Peruvian intrastate war as a contextual factor, not as a potential influence on social policymaking. By explicitly applying the analytical lens of war, I will address this shortcoming. This also serves my research objective of contributing to a more nuanced understanding of the impact of warfare on social policy in non-Western contexts, in order to address the research gap at the empirical level identified earlier.

5.2. Research design and methodological approach

In this section, I outline why I adopted a qualitative, case-based research approach for studying the relationship between intrastate war and public social policy in a single-country study, and how I applied process tracing pragmatically. This approach enables me to investigate the potential causal links between intrastate war and the development of social policy, as well as the resulting social policy outcomes, which fits my research goals.

By conducting a qualitative case study, I complement existing research on the warfare-welfare nexus. While few case-based studies have examined causal mechanisms linking interstate mass war and welfare, it remains largely shaped by cross-national, quantitative analyses (e.g.

Obinger/Schmitt 2018, 2020). This large-N research has provided valuable insights into correlations between warfare and social welfare, but it typically relies on aggregate data and cannot offer insights into the underlying causal links of the relationship. A qualitative within-case study of a single country offers distinct analytical advantages in this respect. It enables an in-depth investigation of temporal sequences, contextual factors, and the role of actors in these processes, which are essential for studying how causal processes unfold and the outcomes they produce in specific cases, something that cannot be captured in correlational analyses (Mahoney 2001). Qualitative single-country studies can therefore enhance the internal validity of an investigation and strengthen the ability to “mak[e] valid descriptive or causal inferences” (Pepinsky 2019: 194–195). A case-based perspective also implies a mechanistic understanding of causation. In contrast to variance-based research, it focuses on the processes through which causes produce outcomes (Trampusch/Palier 2016: 438, 441). It thereby enables a more nuanced understanding of how intrastate war led to particular social policy outcomes. This aligns with the central aim of the dissertation, that is studying the causal links between intrastate war as the cause of interest and public social policy as the outcome of interest.

Process tracing builds on precisely such a mechanistic approach to studying what happens between a cause and an outcome. It thus provides a “methodological toolkit” particularly suited to in-depth, within-case analyses of complex causal processes such as social policymaking over time (Moon/Roumpakis 2024: 83). Unlike a variance-based perspective, which derives causal inference from the evidence of difference-making across cases, process tracing relies on mechanistic, within-case evidence that examines the presence or absence of hypothesised causal mechanisms (Beach/Pedersen 2019: 33–34; George/Bennett 2005: 22–25). In practice, process tracing approaches typically combine inductive and deductive characteristics, though the relative weight emphasis given to each varies depending on the specific research aims (Trampusch/Palier 2016: 443).

I applied process tracing pragmatically, as both a structuring logic and an analytical tool for linking the theory-informed case-specific expectations and hypothesised mechanisms presented in Chapter 4 to the empirical evidence in a systematic manner. I thus followed Bennett and Checkel’s (2014a) conception of process tracing, as a flexible, evidence-based methodological approach to analysing complex causal processes in single or small-N studies. Process tracing enabled me to develop a plausible causal narrative based on empirical evidence rather than proving deterministic causal pathways in a methodologically rigid way. This also means that I did not disaggregate the

proposed mechanisms into individual causal steps or traced them in every detail empirically. This is due to the previous theoretical gap regarding the potential links between *intrastate* war and social welfare, as earlier work has exclusively focused on mass interstate wars (Obinger/Petersen 2017). Instead, I remained at a higher level of theoretical abstraction and examined whether there was any within-case empirical evidence for the potential mechanisms and the expected case-specific outcomes (Beach 2022: 4). Nevertheless, this suffices to achieve my research objective of providing an initial impetus for further theory-driven research. Furthermore, my pragmatic use of theory-informed process tracing still allowed for the possibility of equifinality, whereby different causal pathways can lead to the same outcome (Bennett/Checkel 2014b: 19–21).

5.3. Case selection and sources of data

Case selection

My focus is on Peru between 1980 and 2000, which corresponds to the duration of the intrastate war as defined by the Peruvian Truth and Reconciliation Commission (CVR 2003). Peru is a promising case for my analytical approach because it offers features that are theoretically relevant for studying the causal relationship between intrastate war and social policy, as well as within-case variation, empirical richness, and substantive relevance.

Firstly, the case of Peru meets the theoretical prerequisites for analysing causal links between intrastate war and social policy using process tracing. For process tracing to be applicable, a case has to be typical, so that the proposed causal mechanisms can be fundamentally present. In other words, a typical case suitable for studying the causal relationship between intrastate war and social policy using process tracing has to show both the cause and the outcome of interest, and that the former precedes the latter (Beach 2020: 13–16). It serves to “typify or illustrate a causal relationship of interest” (Gerring 2017: 105). The case of Peru meets these prerequisites of a typical case, making it suitable for process tracing analysis of the causal links between intrastate war and social policy. Previous research has identified changes in social policy during the war period between 1980 and 2000 (e.g. Parodi Trece 2007; Sagasti et al. 2007). However, the possible role of war in these developments has not been explicitly examined, and this forms the focus of my analysis. To iterate, a typical case suitable for process tracing requires the presence of the theorised cause and outcome of interest, with the former preceding the latter. The universe of typical cases therefore comprises all cases that also fulfil these causal prerequisites at the theoretical level, i.e. those involving a civil war and subsequent social policy change. However, cases that are typical at the

theoretical level can show differences at the empirical level, for example in the length of a particular civil war, or what social policy change looks like empirically. In Chapter 7, I will come back to this point and discuss the transferability of the empirical findings on Peru to other potential cases.

Secondly, the case of Peru offers empirical richness and within-case variation, which supports my research approach. The war's duration of two decades provides a long timeframe for analysis. This is conducive to the analysis, as for example the presumed influences of institutional factors often take time to develop and become apparent, necessitating a sufficiently long analysis period to capture them (Peters 2019). At the same time, the conflict dynamics varied over time, involving distinct phases of onset, intensification and counterinsurgency (CVR 2003). The political and economic context also changed profoundly due to the conflict over the war period, as I will describe in Chapter 6. This within-case variation offers an empirically rich context for structured analysis, enabling me to analyse the resulting impacts on social policymaking over time. Hence, choosing Peru allowed me to trace the variation in conflict dynamics and the subsequent political and economic development, as well as the social policy changes that followed.

Thirdly, the case of Peru is substantively relevant. From a comparative perspective, Peru is an under-researched case in the previous literature on social welfare developments in Latin America, with only very few single case studies focusing on the country (e.g. Parodi Trece 2007). This means that specific empirical knowledge of the development of social policy in this country is still scarce (Mares/Carnes 2009: 94–95). Furthermore, none of the existing studies have explicitly examined the influence of the Peruvian intrastate war on social policy; they merely mention it as a contextual factor, if at all (e.g. Parodi Trece 2007; Sagasti et al. 2007). Therefore, selecting Peru enables me to examine how warfare as a potential driver of social policy works in a less-studied context. I focus on the national level, since the war was directed against the central government, and decisions on counterinsurgency and social protection were made at the national government level. Moreover, the civil war that took place between 1980 and 2000 was the longest conflict in Peru since it gained independence from Spain in 1821. This makes it a crucial historical period for the country (Schubiger/Sulmont 2019: 51). In addition, the war's impact continues to shape the Peruvian society to this day. The persistent societal and political consequences of the conflict are still being debated in contemporary Peru, a quarter of a century after its official end (Soifer/Vergara 2019). By examining how social policy was shaped by the conflict during the war, I contribute

to academic debates and improve knowledge of the wartime legacies of social policy in contemporary Peru.

Data sources

As the Peruvian civil war already ended more than two decades ago, both primary and secondary data are available. For my research, I relied on various types of documents. I retrieved these documents through visits to archives and libraries in Peru and Germany, as well as through desk research. In Peru, I collected primary and secondary data from the library of the Institute of Peruvian Studies, the National Archives of Peru, the archive and the library of the Peruvian Congress, and the National Library of Peru, all based in Lima. I retrieved additional secondary literature from the library of the Ibero-American Institute in Germany.

The documents I analysed included the final report of the Peruvian Truth and Reconciliation Commission and its supplementary material – still the most comprehensive report on the conflict – as well as legislative and executive documents (laws and decrees) relating to social protection and counterinsurgency, government reports on social policy, and data on public spending and economic development. I also consulted existing analyses of social policies, particularly those by Peruvian scholars, as well as previous academic literature on the civil war.

Using these documents as a data source posed relatively few ethical challenges. Firstly, they were produced with the intention of being used for both external and internal communication. Secondly, visiting archives and libraries is an unobtrusive way to collect data (Bowen 2009: 31–32). This was particularly important in the case of Peru, given that the civil war remains a sensitive and disputed topic for many Peruvians (Drinot 2019). I will critically discuss the limitations of the analysed documents in Chapter 7.

5.4. Procedure of data analysis

The analysis of the empirical data analysis was an iterative process. The outcome of this process presented in Chapter 6 is a chronological, causal narrative that links the evolving intrastate war and the subsequent change in the political and economic context to changes in social policy over time. It is then matched against the theory-informed expectations outlined in Chapter 4.

I went through the empirical material several times. First, I organised and structured it, and then I assessed and connected information across documents. Before the first round of going through the empirical material, I knew that not all of the content of the collected documents would be relevant

to my research questions. I used coding in an informal, pragmatic way, supported by MAXQDA24 software, to systematically process the variety of documents and to identify parts of the content that were relevant for my research questions and to organise them. Coding functioned as a supporting step, to systematically organise the empirical evidence relating to particular mechanisms and outcomes for the subsequent pragmatic process tracing. In other words, the purpose of coding was organisational, not interpretative; it served as a tool to structure and manage data. I used it to filter and retrieve information, rather than developing a sophisticated, interpretive coding framework. The codes functioned as descriptive tags to locate and manage relevant information across documents rather than as analytical categories in their own right. I also used several codes for the same passage of a document if it contained multiple relevant pieces of information. The length of coded text passages varied depending on how much a document's content related to my research focus. Sometimes, a code comprised just a few sentences from a document, while at other times it consisted of several passages. I coded both textual and numerical data.

With regard to the codes, I used the hypothesised mechanisms and case-specific outcomes developed in Chapter 4 as a starting point, expanding and refining them as I repeatedly went through the empirical material. Some codes refer to a specific social policy outcome, for example disability pensions. If the data implied that different groups had access to this type of programme under separate, group-specific policies, as was the case with disability pensions, I refined the code by introducing subcategories for each beneficiary group (e.g., police and military, civil servants, *comités de autodefensa*, and the remaining civilian population). I also occasionally added codes inductively to capture specific social programmes that emerged from reviewing the documents. These did not exactly match the expected outcomes, but were nevertheless relevant to the research questions, such as the burial grant for police and military personnel. Regarding codes that build on the potential mechanisms, I coded empirical traces consistent with these mechanisms. For instance, I encoded numerical data, such as casualty figures, and text passages listing regions affected by displacement as “war-caused social needs”.

After filtering and organising the relevant parts of documents, I employed process tracing pragmatically, as an analytical tool to connect the empirical data across the documents, linking this empirical evidence to the theory-informed expectations and proposed mechanisms in a structured way. To achieve this, I revisited the coded passages multiple times, focusing on different aspects each time. First, I constructed a chronological timeline of the war, then linked the changes in social policy to it, as well as the political and economic developments, adapting it where necessary. Here,

I focused on empirically substantiated connections. I stopped this iterative process once after I had assessed all the correspondingly coded text sections and they did not yield new evidence.

Based on this iterative process of data analysis, I developed a chronological account. It is structured along the five phases of the Peruvian civil war, largely following the periodization of the Peruvian Truth and Reconciliation Commission. For each phase, I systematically brought together descriptive evidence on war events, social policy change, and changes to the political and economic context. I then assessed whether and the empirical evidence supported the expected outcomes, and whether and how any of the hypothesised mechanisms, or the combinations thereof, produced these outcomes. In this assessment, I considered the plausibility of the empirical evidence. The threshold for supportive evidence for the hypothesised mechanisms and the expected case-specific outcomes was explicitly minimal, and I treated empirical evidence as indicative rather than conclusive. I considered an expected social policy outcome to have occurred if there is at least one piece of supporting empirical evidence for it. For example, in case of the assumed adoption of a policy that includes the benefit/service for the theoretically expected social group(s). Where prioritisation was expected, it had to be apparent in at least in one of the aspects described in Chapter 4 (earlier, easier or exclusive access, higher generosity of benefits/services, larger share of social spending). I considered evidence to be supportive of a hypothesised mechanism when it indicated a temporal and a plausible causal connection between war developments and subsequent changes to social policy. In other words, I examined whether conflict-related events or processes (e.g. an escalation of the war, mobilisation of the military, the emergence of specific social needs) preceded and also plausibly influenced the subsequently observed adoption or change of social policy. This approach is consistent with the causal pathway under investigation: intrastate war as the factor of influence and social policy as the outcome. At the same time, I explicitly included other potential explanatory factors of social policy development in my analysis, by examining the potential influence of the war on them. Overall, my findings provide initial empirical patterns rather than definitive causal claims. This aligns with my research aim of providing an initial, empirically grounded impetus for research on the links between intrastate warfare and social policy, rather than testing the proposed mechanisms in detail.

Chapter 6: The empirical perspective on the development of social policy during the Peruvian intrastate war

In this chapter, I outline and discuss the development of social policy during the Peruvian intrastate war. The chapter is organised chronologically according to the five phases of the conflict, largely following the Peruvian Truth and Reconciliation Commission's (2003) periodisation. The findings for each phase are presented in the same way in the sections 6.1. to 6.5.: First, I present the development of social policy embedded in the development of the war and the political and economic context for each phase and I then discuss which of the potential mechanisms of Chapter 4 shaped this development. In the final section 6.6 of the chapter, I summarise the discussion on the development of social policy during the intrastate war.

6.1. First phase: Onset of the intrastate war (1980 – 1982)

The first war phase, from 1980 to 1982, covers the outbreak of the conflict and the government's initial responses. The next section presents the development of social policy in the context of the course of the war and the political and economic developments of the first two years. This is followed by a discussion of the key factors influencing the social policy in this phase.

6.1.1. Social policy development in the context of the war and the political and economic development

The first phase of the intrastate war was marked by the return to democracy following the collapse of the military dictatorship that had ruled the country for the last twelve years. On the day of the first democratic elections since the 1968 military coup, the *Sendero Luminoso* guerrilla group initiated its armed struggle against the Peruvian state by burning ballot boxes in the Ayacucho department located in the highlands of southern-central Peru (CVR Tomo II 2003: 128; Stern 1998: 3). The *guerrilleros* had deliberately chosen election day to start their “people’s war”, with the aim of overthrowing “bureaucratic capitalism” in Peru by force and sparking a revolution among peasants and workers in Peru that would eventually spread worldwide (Arce Borja/Talavera Sanchez 1990: 184–187). Although the guerrilla group managed to cause some unrest in Ayacucho, its interference with the election was ultimately limited and did not prevent the transfer of power to a civilian government at the national level (CVR Tomo II 2003: 128).¹³

¹³ Many people in Ayacucho were predominantly indigenous peasants who were only allowed to vote for the first time in the 1980 election after the Constitution of 1979 removed the literacy requirements for voting (Schubiger/Sulmont 2019: 52).

The 1980 elections had brought Belaúnde back to the presidential office. The response of his new government to the uprising in Ayacucho was purely repressive: it sent in the police forces. Having been overthrown by the military coup in 1986, Belaúnde deeply distrusted the armed forces and was reluctant to rely on them to quell the unrest. The Belaúnde government did not attempt to pacify the uprising in Ayacucho through social policy. His government underestimated the threat posed by the *guerrilleros*, as the conflict was initially confined to a few remote regions of Ayacucho, hundreds of kilometres from the capital and seat of government, Lima (Defensoría del Pueblo 2009a: 45, 66–68).

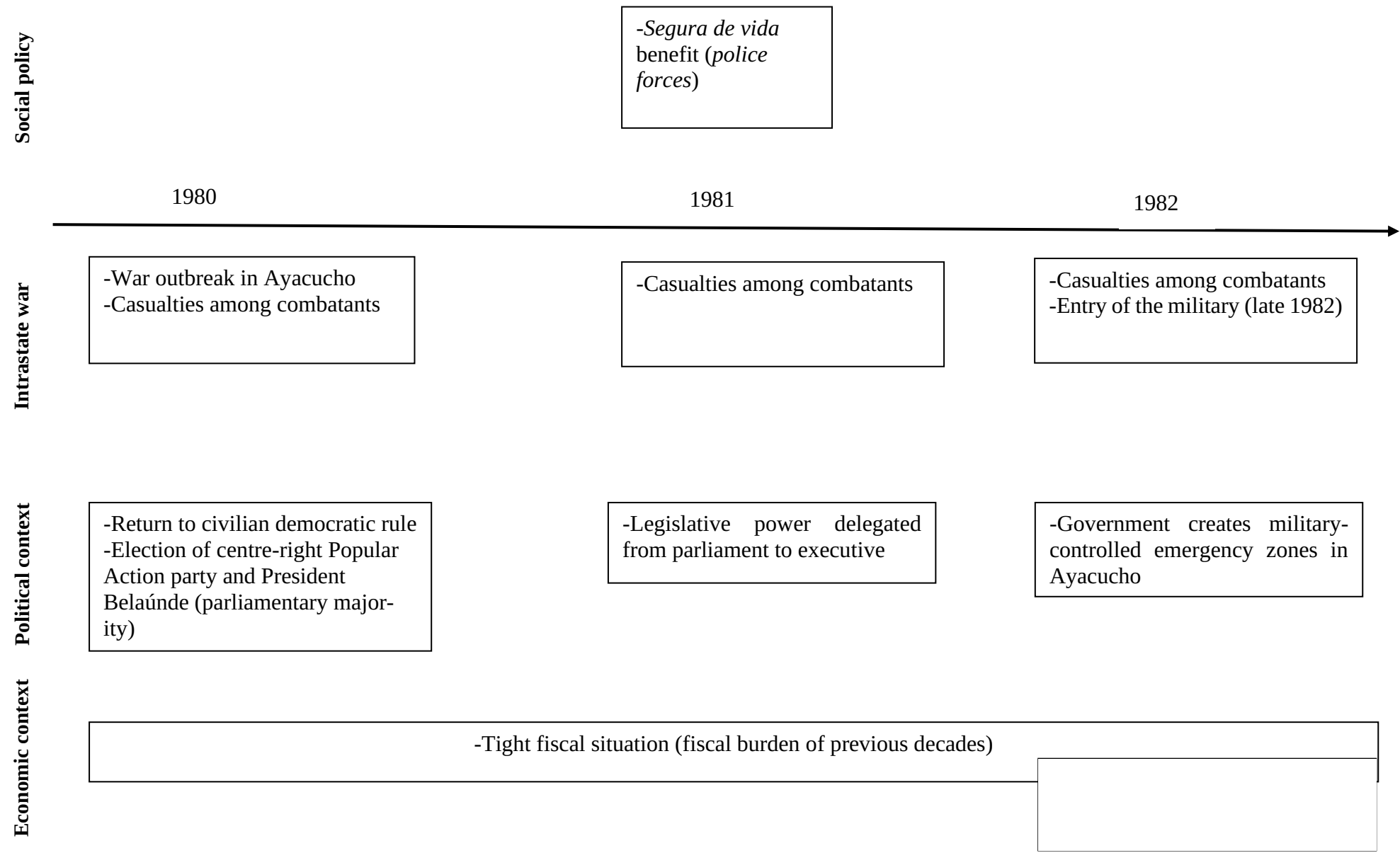
However, the advance of the *guerrilleros* soon led to growing pressure on the Belaúnde government, triggering a limited expansion of compensatory social policy for the police forces. The government's reluctant response to the onset of the conflict allowed *Sendero Luminoso* to gain initial support from parts of the predominantly extremely poor indigenous population in Ayacucho and expand their power within the department. The police forces were unable to stop the advance of the guerrilla group, as they were inadequately equipped and trained to defeat the insurgents. Instead, they fell victim to targeted attacks by the *guerrilleros* (CVR Tomo II 2003: 13, 33). In view of the growing number of casualties among the police, the Belaúnde government was forced to act. However, it also had to deal with the poor economic legacy of previous decades, which restricted its scope to expand social policy. By the time Peru returned to democracy in 1980, the economic situation was precarious. Public external debt had grown massively during the previous military dictatorship, rising from 737 million USD in 1968 to 5,764 million USD in 1979, while annual inflation had increased more than tenfold over ten years (Contreras 2014: 504; Murakami 2023a: 208). This tight economic situation hindered the centre-right Belaúnde government from increasing the existing regular pensions covering invalidity and death (Lago 1992: 267). Instead, it introduced a new one-off benefit with an initial low amount: the *seguro de vida* for the police forces. This was granted to police personnel who became disabled or had died in an “act of service or as a consequence of it”, but excluded civilian personnel. Initially, the lump sum benefit was equivalent to 60 minimum living wages and was provided in addition to the unaltered invalidity and survivors' pensions (Supreme Decree 002-81-IN of 1981). The government's quick response to the increasing casualties among the police forces was facilitated by the increased scope for action it had gained following the temporary delegation of legislative powers from the Peruvian parliament earlier in 1981, in order to accelerate policymaking (Law 23230 of 1981).

Just one year later, in 1982, the Belaúnde government used its extended legislative powers to increase the amount of the police's *seguro de vida* benefit for the first time, raising it to 300 times the minimum living wage (Supreme Decree 051-82-IN of 1982). This occurred amid growing concerns that the police was unable to swiftly suppress the uprising in Ayacucho and were instead becoming victims of targeted guerrilla attacks on police stations and similar infrastructure (CVR Tomo I 2003). Meanwhile, partly in response to the impending conflict, annual economic growth dropped from over 5% in 1980 and 1981 to just 0.1% in 1982 (see figure A6.1 in the Appendix).

The first phase of the civil war ended in late 1982 with the military's entry into the conflict. Prior to this, *Sendero Luminoso* had demonstrated the government inability to contain the insurgency by successfully attacking a prison and freeing its inmates, thereby showcasing its growing power. Following this incident, and in light of the deteriorating economic situation, President Belaúnde declared a state of emergency in the department and deployed the military to Ayacucho (CVR Anexo Cronología 2003: 61–69; Wiehl 2020: 98–99). As a result, individual constitutional rights such as freedom of assembly were suspended, control in the emergency zone was handed over to the military, including over the local civilian authorities (Law 24150). This granted the armed forces “de facto very broad powers” (Degregori/Rivera Paz 1993: 7), including the power to decide the arming and training of local civilians, interfere in local economies and remove local politicians (Defensoría del Pueblo 2009a: 66–68, 75–77). Conversely, civilian control of the armed forces' actions in these emergency zones was minimal. While this contrasted with the recent return to civilian democratic rule, the Belaúnde government was under tremendous pressure to find a quick solution to end the violence (Mauceri 1991: 83, 91–92).

Figure 6.1: Social policy development in the context of the war and the political and economic development, first phase (1980-1982)

Source: Own compilation



6.1.2. Discussion of the driving factors

During the first phase of the war, there was very little social policy change focusing on the police as the central government force in the wake of the conflict's outbreak. This early development reflects in an increase of social needs among the police caused by the war, as well as economic constraints. Following the onset of the war, the initial guerrilla attacks largely targeted the police and were confined to a limited area of the Ayacucho department. At the time, the attacks were also limited in scope. Nevertheless, they caused casualties and injuries particularly among the police. The resulting war-caused social needs **increased the police's demand for social policy**, which triggered the introduction of the *seguro de vida* benefit to compensate them for war-related death and disability.

However, this expansion was limited in terms of both coverage and generosity due to financial constraints, which **reduced the resources available for social policy**. Initially, these stemmed from the unfavourable economic legacy of the military dictatorship. This financial limitation was soon exacerbated by the economic downturn triggered by the war, as the police were unable to quell the unrest in Ayacucho as quickly as the government had anticipated. The limited financial leeway accounts for why the *seguro de vida* lump sum benefit was introduced exclusively for the police, initially at a low amount, instead of increasing the amount of existing regular pensions covering invalidity and death (Lago 1992: 267). The limited focus on the police is due to their role as the only government forces at that time, since the military joined the conflict later.

Remarkably, there was no policy change in favour of the civilian population in the first phase of the war. Firstly, civilian casualties were still comparatively low as the first guerrilla attacks primarily targeted police stations and other symbols of state authority (CVR Anexo Estadístico 2003: 22). Secondly, political considerations played a part. Immediately after the outbreak of the conflict, the centre-right Belaúnde government failed to address the extreme poverty that was a driving force of the war through social policy measures. Given the recent democratic transition and the adverse economic legacy of the previous military dictatorship, the government did not consider the long-standing poverty in Ayacucho to be its most pressing challenge at that time, thus misjudging the situation. Moreover, Belaúnde's centre-right Popular Action party mainly represented the urban upper and upper-middle classes, rather than the predominantly extremely poor and indigenous Peruvians living in Ayacucho that had been unable to vote before the 1980 election (Defensoría del Pueblo 2009a: 45, 66–68).

Furthermore, power shifts that shaped social policy development in later phases began in the short first phase of the intrastate war. Firstly, within the first year of the war, parliament delegated legislative power to the government, centralising power in the executive in line with the constitutional framework started. This facilitated the rapid adoption of the *seguro de vida* benefit for the police. However, the consequences of this shift became more apparent over time. Secondly, a war-related strengthening of the police and military was triggered, which also unfolded over time. With the outbreak of the war, the government became dependent on the security forces as the central actors in addressing the insurgency militarily.

6.2. Second phase: Militarisation of the intrastate war (1983 –1986)

The second phase, which lasted from 1983 to 1986, was characterised by the militarisation of the war. The next section covers the development of social policy in the context of the course of the war and political and economic developments, summarised by figure 6.2 at the end of the section. The driving factors of the social policy development in this phase are then discussed.

6.2.1. Social policy development in the context of the war and the political and economic development

Increasing violence, economic deterioration and ongoing prioritisation of the government forces' social protection

During the second phase of the civil war, a new phase of militarisation began, with violence escalating to reach an initial peak in 1983. More and more civilians fell victim to the war, and human rights violations by all warring parties increased in the emergency zones. These violations included indiscriminate arrests, torture, sexual violence, massacres and targeted killings of civilians (CVR Tomo VI 2003). In 1984, a second guerrilla group, the *Movimiento Revolucionario Túpac Amaru (MRTA)*, entered the conflict. Although it did not join forces with *Sendero Luminoso* due to ideological differences, the *MRTA*'s entry into the war opened up further fronts as it had strongholds in urban centres. The intensification of the war was evident in the destruction of public infrastructure and private property as *guerrilleros* deliberately attacked electricity grids, roads, police stations and banks (Carbajal Pérez/Uriarte Otoya 1993: 17). This posed new challenges for the state. Public and private investment declined, as domestic and external businesses faced not only the destruction of property, but also with the extortion of protection money, resulting in growing insecurity among investors (Parodi Trece 2007: 204–205). This led to labour disruptions and hin-

dered production and tourism in the contested areas. In turn, this decreased tax revenues and worsened the already precarious fiscal situation of the Peruvian government (Carbajal Pérez/Uriarte Otoyá 1993: 17–18, 150–151).

In addition to these threats, the intrastate war reinforced the negative impact of other external shocks on the economic development, resulting in a sharp economic downturn that further reduced the government's financial resources. In parallel to the conflict, Peru also faced further challenges to its economy, including a drop in international prices, the onset of a debt crisis in the Latin America, and a particularly severe El Niño event in 1982/83 that badly affected the important fishing industry (Lago 1992: 269–270).¹⁴ Additionally, these development triggered strikes in sectors such as textiles and construction, further disrupting production and exacerbated the economic decline (Tanaka 1998: 157). Each of these shocks posed a serious challenge to the Peruvian economy in isolation, but together with the civil war, they triggered an even greater economic deterioration. Within three years of President Belaúnde's term in office, GDP growth plummeted sharply by around 19 percentage points to -13.2% in 1983, pushing Peru into an economic crisis (see Figure A6.1 in the Appendix) (Murakami 2023a: 206–207, 2023b: 19). In response, the Belaúnde government implemented a structural adjustment programme involving tough austerity measures, which further restricted the financial scope of the government. Therefore, due to the limited available resources, the Belaúnde government had to prioritise public expenditure. Given of the escalation of the intrastate war, it prioritised military expenditure over social spending. Consequently, military spending rose from 21.3% to 31.7% of total government expenditure between 1980 and 1985, while social spending fell from 20.1% to 16.7% (see Table A6.2 in the Appendix, Parodi Trece 2007; Perú INEI 2000).¹⁵ The Belaúnde government also focused on expanding social protection only for the police and armed forces as they were essential for combatting the guerrilla groups. In view of the sharp rise in the annual inflation rate, from 60.8% in 1980 to 125.1% in 1983, the government introduced an in-kind house allocation benefit (see Figure A6.1 in the Appendix, Murakami 2023a: 206–207). Dependents of deceased military and police personnel who died “serving in the fight against the subversion of the country” were granted ownership of houses from public building programmes and were exempt from all related taxes. Those eligible were the surviving spouse, underage children, or the economically dependent parents of the deceased police

¹⁴ El Niño is a climate phenomenon that leads to a warming of the water in the eastern Pacific ocean and can cause extreme weather events in Peru, for example heavy rainfall and resulting landslides.

¹⁵ If measured as percentage of the GDP, the increase in military spending is even more pronounced (see Table A6.2 in the Appendix).

or military member. Those who owned a house were excluded (Law 23694 of 1983 and Supreme Decree 037-84-VC of 1984). In addition to this, the Belaúnde government once again opted for one-off benefits instead of regular payments, in order to keep the fiscal burden of the compensatory social policies within limits. The *seguro de vida* benefit for the armed forces, introduced in 1984, is a case in point. Similar to the already existing benefit for the police, it provided a lump sum in addition to existing invalidity and survivors' pensions for military personnel who were disabled or had died due to the war, explicitly including civilian personnel of the armed forces. Military personnel was eligible under the circumstances of "armed action or as a consequence of it", and their benefit amount was more generous – equalling 15 tax units (Supreme Decree 026-84-MA of 1984).¹⁶ However, despite the upcoming elections, the Belaúnde government still did not address the deteriorating situation of the poorer sections of the civilian population. The lower classes in particular suffered from the strict austerity measures and the further rising inflation, which reached 158.3% in 1985 and reduced household real income (Murakami 2023a: 206–207).

Election of a left-wing government and its subsequent social policies for the civilians

Change was in the air at the 1985 elections, in view of the ongoing war and the worsening economic situation. Poor voters in particular were dissatisfied with the centre-right government of Belaúnde and his Popular Action party. During the election campaign, the left-wing APRA party presented itself as a democratic alternative to the insurgents, offering the hoped-for change. Its presidential candidate, García, promised top-down redistribution of wealth and an improvement in the economic and social situation of the lower and middle classes in order to defeat the guerrilla groups politically. These promises won over enough voters to bring APRA to power for the first time since its foundation in the early 20th century (Defensoría del Pueblo 2009a: 130; Parodi Trece 2007: 234).

Unlike his predecessor, García opted for heterodox economic policies to stimulate economic growth, which worked in the short term. Rather than continuing the exclusively repressive strategy, he emphasised the importance of improving the social situation of Peruvians, particularly the poor, in order to defeat the guerrilla groups (CVR Tomo I 2003: 67–68). To fight poverty as a driver of the conflict, the García government therefore introduced various support programmes for the poor, with total expenditure amounting to 2% of GDP between 1985 and 1987 (Lago 1992: 274). For

¹⁶ The value of a tax unit is adapted each year, therefore varying over time.

example, it created the Programme for Temporal Employment Support, which focused on the urban poor. This programme provided temporary employment in public works and offered a monthly payment equivalent to the minimum wage for 48 hours of work per week. In total, the programme employed 500,000 workers, three quarters of whom were women. Other programmes for the urban poor provided food support. For the rural poor, other food support schemes such as the Food Security Programme (*PRESA*) were created to guarantee fixed prices. Other programmes subsidised agricultural products and offered peasants interest-free credit schemes (Parodi Trece 2007: 208–238). García’s approach also included further redistributive policies to cater to poorer and middle class voters, and to boost internal demand and economic growth (Cameron 1991; Graham 1990). Examples include introducing price controls and subsidies for petrol and potable water (Lago 1992: 273–277). Initially, this strategy appeared to be successful, with the Peruvian economy growing rapidly to reach 10.8% in 1986. In fact, this was the highest annual growth rate in over 25 years (Murakami 2023a: 206–207). Social spending, fuelled by economic recovery, rose to 21.6% of total public expenditure in 1986 – a level similar to that at the beginning of the war (Parodi Trece 2007: 176, 238).

However, the escalation of violence that accompanied the militarisation during the second war phase created new challenges for the government, prompting a further expansion of social protection for specific groups. Firstly, despite the armed forces taking control of the emergency zones, guerrilla attacks on police stations and military posts continued incessantly, resulting in an increasing number of casualties among the security forces (CVR Tomo I 2003: 66–67). Despite its approach to defeat the *guerrilleros* in the political sphere, the García government heavily relied on the military and police in the short term to defend the Peruvian state. To avoid dissatisfaction, the government gradually expanded the existing invalidity and survivors’ pensions for the police and military personnel to compensate for the high risk they faced in fighting the *guerrilleros*.¹⁷ In 1985, the government adopted an “economic promotion” which increased the amount of the pensions every five years up to a maximum amount depending on rank, capped at the equivalent of 35 years’ service for male personnel and 25 years for female personnel. However, this initial regulation only applied to personnel who had become disabled or had died “in act of service, [...] or as a consequence of it” (Law 24373 of 1985). In 1986, the eligibility criteria for the regular increase to the invalidity and survivors’ pensions (economic promotion) were expanded to include police and

¹⁷ Eligible dependents for the survivors’ pension were the surviving spouse, underage children, or the parents, if they had depended on the deceased police/military member.

military personnel who died in “armed action or as a consequence of it”. Their invalidity and survivors’ pensions were also raised by an additional 14% of their basic remuneration (Law 24640 of 1986). These gradual changes resulted in a regular increase in the amount of invalidity and survivors’ pensions for the police and armed forces in the future (Law 24640 of 1986). This preserved the immediate financial leeway of the García government to concentrate on the poverty alleviation policies for civilians described earlier.

Furthermore, civil servants and other public authorities at the local level were increasingly targeted by the guerrilla groups, threatening the functioning of the state (CVR Tomo I 2003: 66–67). In response, the García government introduced a new exceptional compensation for disabilities resulting from such attacks. This exceptional compensation was granted as a lump sum to civil servants in the event of disability caused by the war, independently of other benefits. The minimum amount equalled seven tax units, but could be higher depending on the extent of the disability (Art. 243 of Legislative Decree 398 of 1986).

Figure 6.2: Social policy development in the context of the war and the political and economic development, second phase (1983-1986)

Source: Own compilation

Social policy

-House allocation benefit
(military and po-

1983

-*seguro de vida* benefit (military)

1984

-Food aid and temporary income support
-Price caps and subsidies (civilian population)

1985

-Regular future increases of invalidity and survivors' pensions (police and military)
-Exceptional compensation for disabilities (civil servants)

1986

Intrastate war

-Militarisation
-Increasing number of casualties and injuries among combatants and civilians
-Increasing destruction and damage of public and private infrastructure
-Displacement of civilians

-MRTA entry

Political context

-Belaúnde government adopts strict structural adjustment programme

-1985 election: Left-wing APRA government under President García promises redistribution and social improvement

Economic context

-Economic downturn due the war and its reinforcement of other external shocks

-Heterodox economic policies → short-term economic upswing

6.2.2. Discussion of the driving factors

The development of social policy during the second war phase was characterised by the gradual and segmented expansion of social protection. Initially, the focus remained exclusively on the government combatants. In the second half of this phase, however, support measures for the civilian population were introduced, although differences emerged between civil servants and the rest of the civilian population. This development resulted from the interplay of various driving factors, which will now be described.

Throughout the second phase of the war, even though the fighting was still confined to specific regions at that point, the conflict created a growing number of social needs among combatants and civilians alike, thereby **increasing the demand for social policy**. On the one hand, this was because the number of combatants grew with the entry of the armed forces on the side of the government and the MRTA as a second challenger. This led to an increase in attacks, resulting in more injured and deceased combatants, and therefore creating the need for healthcare, disability support and support for surviving dependents. On the other hand, the number of civilian casualties grew because the militarisation of the conflict led to intensified fighting in the areas where the government had declared a state of emergency and where the security forces had taken control. The intensifying violence from all warring parties in these zones also triggered migration, creating additional social needs for housing and food support among the displaced.

Initially, however, the Peruvian government only focused on gradually expanding the social protection for the security forces. An important driving factor for this was the negative impact of the war on economic development, which **reduced the resources available for social policy** and thus restricted the financial leeway of the government. Firstly, ongoing guerrilla attacks and fighting that damaged and destroyed public and private infrastructure, harming production. Additionally, literally years had passed since the outbreak of war, yet the Belaúnde government had still not managed to stop the insurgency. This caused insecurity among investors and investment declined (Carbajal Pérez/Uriarte Otoyá 1993: 17–18, 150–151). These adverse impacts on economic development also negatively affected social policy, as the close connection between the two is a well-known pattern in Peru, where economic deterioration has usually limited the leeway for expansionary social policy (Parodi Trece 2007).

Moreover, the civil war exacerbated the adverse impact of several external shocks to the Peruvian economy on economic development. In other words, the intrastate war acted as a magnifying glass

in times of economic crisis, deepening the recession and further constraining the government's ability to expand social policy in line with increased demand from civilians and combatants. The structural adjustment programme adopted by the Belaúnde government in response to the economic downturn further reduced the available resources for social policy. In addition, the militarisation of the conflict prompted budgetary shifts in favour of military spending to finance the increased deployment of police and military and necessary equipment. Consequently, social spending declined (Murakami 2023a: 208–209; U.S. ACDA 1991, 2003).

Given the narrow financial leeway, the Belaúnde government focused on expanding social protection for the military and police for a number of reasons. Firstly, the security forces were essential in defeating the guerrilla groups, and the government was under increasing pressure to end the insurgency as quickly as possible, as the negative consequences were already becoming apparent (e.g. on the economy). Compensating the police and military for the risks they faced in combat helped to maintain their moral, ensuring they continued to fight. Secondly, taking control of the emergency zones ***strengthened the security forces' position*** and increased the government's dependence on them. Even though only a few areas were under a state of emergency at that time, this reinforced the government's need to secure the support of the security forces. This was especially important given that relations between President Belaúnde and the armed forces had been tense from the outset, as the military coup in 1968 had ended his first presidency. Therefore, social protection served to compensate the police and military for war-caused injuries and death, as well as to secure their loyalty. This explains why benefits were introduced to which the military and police had exclusive access, such as the in-kind benefit housing allowance. These exclusive benefits demonstrate their increased relevance during wartime and the pressure on the government to secure their support in view of the growing threat posed by the *guerrilleros*. At the same time, instead of making existing regular pensions more generous, the government introduced lump sum benefits, as seen with the *seguro de vida* benefit. This illustrates the government's dilemma in having limited financial resources that due to the economic deterioration, while also facing tremendous pressure to secure the support of the security forces.

However, prioritising the police and armed forces exclusively exhausted many of financial resources available to the Belaúnde government for social policy. Consequently, the government did not address the war-increased social needs of the civilian population. This insufficient response to the misery among the general population fuelled the conflict. It enabled the guerrilla groups to

gain support, particularly from the poor. This was because the election of Belaúnde had improved their economic or social situation (Parodi Trece 2007: 243–300).

This changed after the centre-left *APRA* party took over the government, shaping the development of social policy in the second half of this phase. The *APRA* party and its candidate García responded to the ideological challenge by attempting to defeat the *guerrilleros* politically through social policy. *APRA*'s ***election campaign based on promises related to the war***, including the introduction of redistributive social policies and support programmes for marginalised and poor Peruvians (Defensoría del Pueblo 2009a: 130; Parodi Trece 2007: 234). Unlike its predecessor, immediately after taking office, the García government implemented various support programmes for the civilian population in 1985 and 1986, including temporary income and food support, as well as price caps and other subsidies. These policies served to ***secure sufficient support from the general population*** and to defeat guerrilla groups politically (Defensoría del Pueblo 2009a: 130; Parodi Trece 2007: 234). Some of these policies catered to the voter base of *APRA*, namely the middle and lower classes, who particularly benefited from fuel subsidies (Cameron 1991; Graham 1990). Further support programmes addressed war-caused social needs such as hunger and were explicitly aimed at peasants in particularly poor departments such as Ayacucho and Junín, where the guerrilla groups had initially gained support. The aim was to win the support of these peasants back and address poverty as a cause of the conflict (Defensoría del Pueblo 2009a: 130; Parodi Trece 2007: 234). The introduction of these support programmes for the civilian population was also driven by the short-term economic growth produced by President García's heterodox economic policymaking (Murakami 2023a: 206–207). This broadened the government's financial room for manoeuvre, at least for the rest of the second war phase, enabling it to address some of the war-caused social needs of civilians.

In addition to those support programmes for the general population, the García government catered for civil servants in particular. This reflects their role as a core group of supporters who were indispensable for political survival. Civil servants were essential for maintaining the administrative functioning of the Peruvian state, which is why the government had to ensure their loyalty in view of the growing instability triggered by the war. Civil servants' symbolic status as representatives of the state increasingly made them victims of attacks and killings by the guerrilla groups, thus raising their demand for compensation for suffering while performing duties for the state (CVR Tomo I 2003: 66–67). This provided the impetus to improve invalidity benefits provided to civil servants and other public functionaries as well. The government was under particular pressure

to respond because securing the support of civil servants was crucial. This led to the introduction of lump sums provided in the event of death or injury. The policy design was again the result of limited financial resources, as one-off payments require fewer resources than regularly paid pensions. Additionally, the introduction of separate benefits for the civil servants built on their existing access to their separate social security systems.

Despite the economic improvement, constraints remained because the García government still had to deploy fiscal resources in order to continue fighting the insurgency militarily. By that point in time, the war had taken on a life of its own: the guerrilla groups had advanced despite the military's involvement, and the spread of violence had intensified with the resulting militarisation of the conflict. This also meant that the *APRA* government continued to depend on the police and armed forces and had to secure their ongoing support after taking office. Therefore, the centre-left government continued to expand social protection to compensate them for war-caused injury and death, in order to demonstrate its commitment to the welfare of the security forces. At the same time, the government opted to introduce a regular adjustment (“economic promotion”) to their disability and survivors’ pension in the future. Deferring the actual increase in the future helped to focus resources on the civilian population in the short term without jeopardising the necessary support from the police and armed forces. This also incentivised them to defeat the guerrilla groups in order to receive these regular benefits in the future.

Overall, the development of social policy during the second phase of the war resulted from an interplay of different mechanisms, which had both direct and indirect impacts. While increased social needs due to the war triggered an expansion of social policies, the conflict also limited the financial resources available to address these needs. Against this backdrop, political influences affected by the war, including political parties and interest groups, shaped the development of social policy.

6.3. Third phase: Spread of the intrastate war throughout the country (1986 – 1988)

The third war phase lasted from 1986 to 1988. During this period, the conflict swept across large parts of the country. The next section traces the development of social policy in the context of the course of the war and political and economic developments of those years, visually summarised in figure 6.3 at the end. This is followed by a discussion of the key driving factors of the social policy development in this phase.

6.3.1. Social policy development in the context of the war and the political and economic development

Failed attempts to regain civilian control

The third phase of the intrastate war was characterised by the ongoing advance of the guerrilla groups. In response, the García government declared a state of emergency in a growing number of departments throughout country, which consequently came under military control. However, as the number of emergency zones under the armed forces' control increased, they also expanded their influence on policymaking. This became particularly visible in counterinsurgency, where they effectively held a “virtual monopoly on decision-making” over the civilian government (Mauceri 1991: 83). While Peru's armed forces relied on foreign support, e.g. from the US, Argentina, Italy and Israel, Peruvian civilian authorities were completely excluded from counterinsurgency planning and implementation (CVR Tomo II 2033: 181-184, 306-328). In an attempt to re-establish civilian political and administrative control over counterinsurgency, the García government initially tried to regain control, but eventually failed. On the one hand, the government initiated the reorganisation of the police forces to strengthen them and to regain control over counterinsurgency (CVR Tomo II 2003: 273–277). It also increased the amount of the *seguro de vida* benefit of the police again, this time to 600 times the minimum living wage, to boost support (Supreme Decree 015-87-IN of 1987). However, this amount still differed from the unchanged *seguro de vida* benefit for military personnel. The government also introduced a bonus payment equivalent to 100% of the main remuneration of the police officers involved in investigating and prosecuting guerrilla groups (5th complementary disposition of Law 24700 of 1987). This occurred against the backdrop of an economic downturn (see below), which made securing the support of the government forces even more important. On the other hand, the García government simultaneously attempted to reduce the influence of the armed forces by replacing senior military personnel, and to strengthen civilian control over the armed forces by creating the Ministry of Defence in 1987. Nevertheless, in practice, the armed forces remained dominant, controlling the ministry's day-to-day business and deciding what information was passed on to the Minister of Defence and the President (Defensoría del Pueblo 2009a: 45, 66–68, 133–135; Vidal et al. 1993: 60). In short, the García government's initial attempts to reduce the influence of the military failed. Ultimately, the escalation of the war brought an end to these efforts, as the government could not take the risk of weakening the armed forces. Instead, the government felt compelled to cater to the military, as will be described further below.

Selective expansion of social protection for security forces and civil servants amidst renewed economic deterioration

The initial success of García's heterodox economic approach tipped in 1987.¹⁸ This triggered an economic downturn, which was further aggravated by the intensifying civil war and its negative consequences for production and employment. Consequently, annual GDP growth plummeted rapidly, falling from +10.4% in 1987 to -8.1% in 1988, and then to -12.4% in 1989 (see Figure A6.1 in the Appendix, Murakami 2023a: 206–207). Tax revenues decreased accordingly, from 14.9% of GDP in 1985, when García took office, to just 5.4% in 1989 (Lago 1992: 277). This considerably tightened the government's financial scope of action. Meanwhile, public debt had grown to 18 million USD by 1988, which was twice the figure for 1979. As GDP declined, the proportion of debt repayment increased. The foreign debt-to-GDP ratio more than doubled, rising from an average of 51% between 1980 and 1984 to 103.5% in 1989 (Lago 1992: 267, 277). This further restricted the government's financial leeway, as large portions of the declining revenues were swallowed up by debt repayment. At the same time, the civil war intensified, putting enormous pressure on the García government to maintain military spending while also trying to improve the social situation of the poor (Murakami 2023a: 206–207). Confronted with this dilemma, García unilaterally suspended debt repayments. However, this decision backfired. External lenders lost any confidence in the García government and Peru was isolated from international financial markets (Lago 1992: 282–286). This severely restricted access to external borrowing, resulting in higher interest rates and even higher debt repayments. García's attempt to increase his current leeway had created a future burden for the public budget, thus limiting future social spending.

García's heterodox policies aimed at boosting internal consumption also fuelled inflation, which increased enormously in subsequent years. Between 1987 and 1990, inflation rose from 114.5% to 7,649.7% (see Figure A6.1 in the Appendix, Murakami 2023a: 206–207, 2023b: 19). This extreme rise in inflation negatively impacted wages and income; by 1988, real wages and real income had dropped by 40% compared to 1979 (Lago 1992: 277). This also affected the police and armed forces. It is estimated that 40% of army conscripts defected in 1989 (Arce Borja/Talavera Sanchez 1990: 3). However, support from the security forces was indispensable for the García government as the guerrilla groups advanced. The government was therefore under extreme pressure to prevent dissatisfaction among the police and military at all costs, as victory for the guerrilla groups would

¹⁸ The economic downturn from 1987 onwards was part of a complex development that extended into the next phase of the war. For this reason, I also include descriptive figures from later years in this section.

have jeopardised the existence of the Peruvian state. The García government addressed this dilemma by gradually increasing social policies for the state security forces and civil servants, whose support was also needed to ensure the state's continued functioning. However, the government opted for one-off payments and future pension increases to reduce the immediate strain on the public budget. In 1987, the eligibility criteria for invalidity and survivors' pensions for the police and military were loosened again by explicitly including more war-related circumstances of death and disabilities suffered in "armed action", "terrorist attacks" related to their service, and "fighting against internal subversive enemies in the emergency zones" (Supreme Decree 013-87-SGMG-G of 1987). Later, in 1988, the future amounts of the invalidity and survivors' pensions were indirectly increased by broadening the basis on which these pensions were calculated to include bonuses and additional remuneration beyond the "pensionable remuneration" (Law 24916 of 1988). Regarding the second specific group of civil servants, the García government granted a bonus payment to those involved in investigating and prosecuting *guerrilleros*. Those working in the judicial branch and in the office of the General Attorney received an additional payment equalling 100% of their main salary in recognition of their high risk (5th complementary disposition of Law 24700 of 1987).

Limited support for the civilian population in view of displacement, extreme inflation and rising poverty rates

Meanwhile, due to the intensification and spread of the intrastate war, an increasing number of Peruvians fled the contested zones. In total, between 600,000 and one million people were displaced by the conflict. The majority of them were women and children, around 70% of whom were indigenous (Ministerio de la Mujer y Desarrollo Social 2008: 26–28). They mostly came from departments in the central southern rural highlands, where the war first spread, namely Ayacucho, Apurímac, Huancavelica and Huancayo, as well as from the northern and central rural jungle region. Around 45% of those displaced moved to other departments, typically settling in the urban suburbs of the provincial capitals or Lima (Coral 1994; Ministerio de la Mujer y Desarrollo Social 2008: 26–28). However, this war-triggered displacement caused problems for employment structures and disrupted labour markets. Migration led to a labour shortages in the regions of origin, whereas in the receiving regions, the influx of predominantly unskilled workers increased competition for jobs. In sectors such as domestic work, the labour supply began to exceed demand, causing wages to decrease and having a negative impact on the income of Peruvian households (Coral 1994: 17–18).

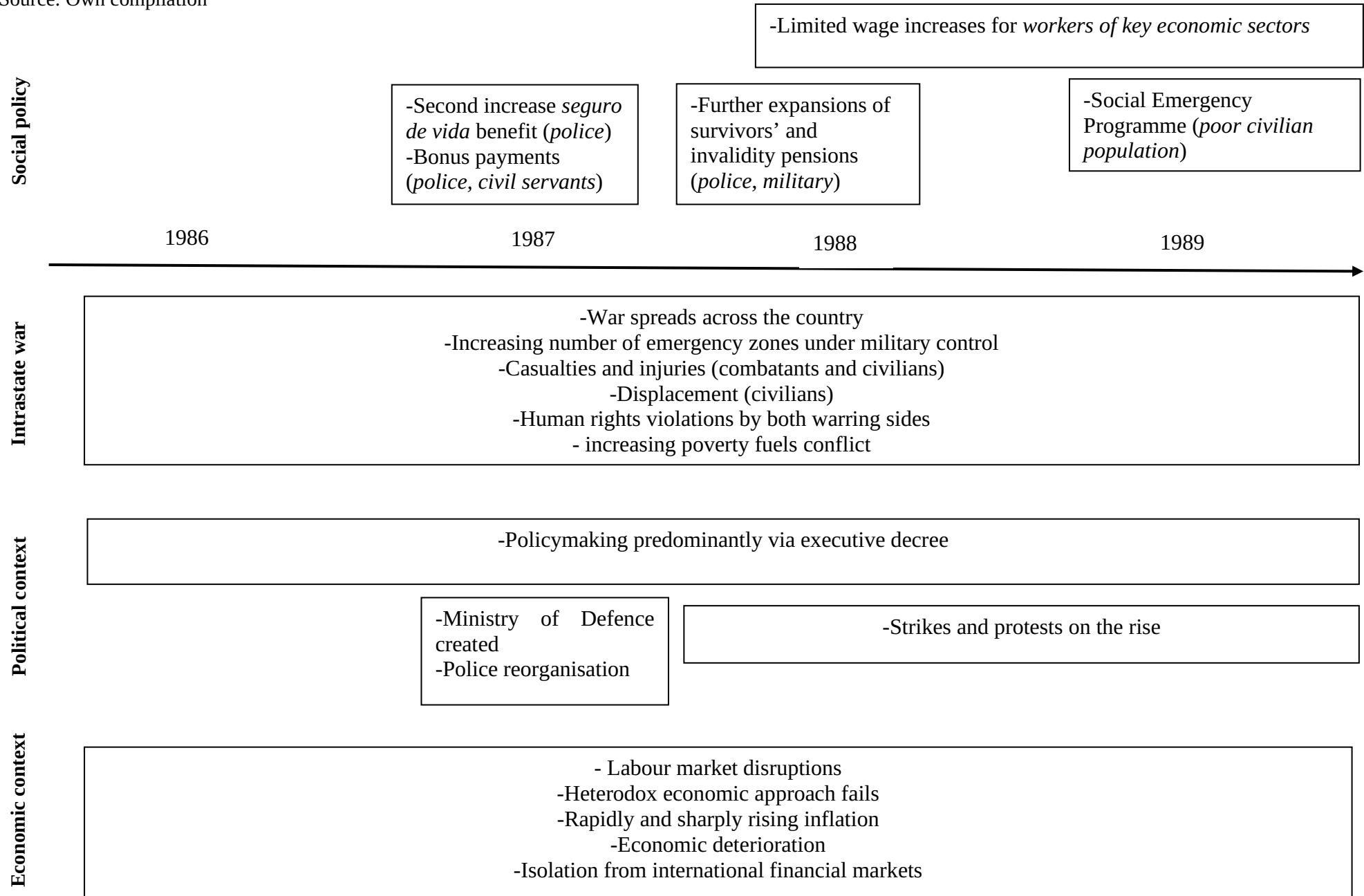
In view of the severe economic downturn and the escalation of the war, discontent among Peruvians grew. Extreme inflation and the resulting decline in real wages hit upper-lower and middle-class Peruvians hard, but particularly the poor, despite the ruling *APRA* party's commitment to improving their situation in order to fight the guerrilla groups politically. Levels of underemployment and unemployment rose, and the proportion of people in the informal labour market increased. The ongoing migration caused by the conflict spreading throughout the country further aggravated this development. In Lima, for example, unemployment increased from 5.3% to 8.3% of the economically active population between 1986 and 1990, while underemployment rose from 42.6% to 73.1% in the same period (Murakami 2023b: 124–126). From 1987 onwards, discontent erupted into nationwide protests and strikes involving numerous economic sectors. The García government responded with a two-pronged strategy. On the one hand, it adopted repressive measures, such as the arrest of striking workers and violent clashes with the police (CVR Anexo Cronología 2003: 128–154). On the other hand, the government increased wages in both the public and private sectors to appeal to its core voters, particularly those working in key economic sectors. For instance, powerful mining unions declared a general strike in 1988 to demand higher wages. This important sector was responsible for over 50% of Peru's exports at that time and therefore the labour outage hit the already struggling Peruvian economy hard (Tanaka 1998: 157–159). In response, the government increased the minimum legal wage for miners by 25% (Supreme Decree 030-89-TR of 1989). A similar increase in the minimum monthly legal remuneration was adopted for banking sector employees (Supreme Decree 062-90-TR of 1990). However, these adjustments were modest, and protests and strikes continued in subsequent years as inflation and conflict-related violence continued to rise. At the same time, the intrastate war increasingly took a toll on organised labour. More and more union representatives fell victim to persecution, targeted attacks and assassinations by all warring parties. For example, the General Secretary of the General Organisation of Workers of Peru who was killed by *Sendero Luminoso* (Burt 2011: 23–24; CVR Anexo Cronología 2003: 96, 99). On the other hand, organised labour came under ideological pressure. *Guerrilleros* attempted to infiltrate unions, and organised labour's reputation was undermined due to the unclear distinction between the two in terms of personnel and content (Guzmán cited by Arce Borja/Talavera Sanchez 1990: 167; Defensoría del Pueblo 2009b: 38–44).

Another consequence of the economic deterioration was the rise in poverty levels, affecting even parts of the middle classes. By 1991, 53.6% of Peruvians were living in poverty, with 22% of these experiencing extreme poverty. In some regions, the situation was even worse, with up to 67.9% of

people living in extreme poverty, alongside an additional 20.8% experiencing non-extreme poverty in the rural highlands (Parodi Trece 2007: 232–233). In these regions, the intrastate war and poverty were intertwined from the very beginning of the war. In the departments of Ayacucho, Apurímac, Huancavelica and Junín, levels of extreme poverty had been particularly high for a long time, fuelling the outbreak and initial spread of the conflict in these departments. As the conflict worsened the economic situation, poverty levels grew further, leading to more discontent and social unrest among the population in these departments. This fuelled support for the guerrilla groups, restarting the vicious circle of poverty and conflict. Despite the severe economic downturn, the García government continued to attempt to break the cycle, leading to the introduction of a new emergency programme in 1989: the Social Compensation Programme. Aimed at low-income groups in rural and urban areas, the programme provided a number of very basic services and modest benefits, including food support and access to primary healthcare (Supreme Decree 023-89-PCM of 1989). However, like other public support programmes, such as the Temporary Employment Support Programme, it was soon terminated due to a lack of funding. Consequently, rather than breaking the cycle of conflict and misery, García's failed heterodox economic approach had exacerbated it (Pastor/Wise 1992: 94–95).

Figure 6.3: Social policy development in the context of the war and the political and economic development, third phase (1986-1989)

Source: Own compilation



6.3.2. Discussion of the driving factors

In the third phase of the war, the development of social policy remained segmented. Above all, throughout this phase, social protection for the government forces, as central war-relevant actors, was prioritised and expanded. This included gradual adjustments to their compensatory pensions in the event of death or injury. In contrast, the expansion of social protection for the civilian population was minor and did not reach the scale of the previous second phase in terms of coverage or generosity. Compensation for war-related death or injury was not expanded for any civilian group. Emergency support programmes providing very modest food support and basic healthcare were introduced for the poorest. Some civilian groups received limited pay rises, including workers in certain key sectors of the formal labour market and certain civil servants.

A key driver of this development was the negative impact of the intrastate war on economic factors. This contributed to a rapid economic downturn, severely restricting the government's financial leeway and the resources available for social policy. On the one hand, economic deterioration stemmed from the government's heterodox economic policymaking, which eventually failed, and its subsequent handling of economic decline. The government's unilateral suspension of foreign debt payments further damaged the already fragile trust of external lenders due to uncertainty caused by the war. On the other hand, the spread of the conflict throughout the country aggravated the economic decline by leading to the further destruction of public and private infrastructure and ongoing mass displacement, which negatively affected both formal and informal labour markets. In short, the civil war had a negative impact on the economic development in several ways, severely **reducing the government's resources for social policy**, which is reflected in all social policy changes during the third war phase.

Firstly, the geographic spread of the war to more and more regions triggered an ongoing high **demand for social protection in the event of war-caused injury or death among the combatants**. The police and military faced the guerrilla groups in all regions of the country, including urban centres along the coast, highland regions, and the jungle. This resulted in an increase in casualties among government forces, prompting the government to raise the amount of the *seguro de vida* benefit again and relax the eligibility criteria for invalidity and survivors' pensions. This policy changes was designed to **secure the support of the police and armed forces** as those who were able to defeat the guerrillas militarily, as the spread and intensification of the fighting had made the government had even more dependent on them. However, rapidly increasing inflation rates posed a serious threat to the loyalty of the police and military by diminishing the real value of

military spending and their real income (Mauceri 1991: 100; Obando 1998: 397–398). This was further complicated because it became evident that the intrastate war had ***strengthened the military's influence on policymaking***, thereby increasing the pressure on the government to secure their support. This strengthening was the result of the military's growing organisational capacities and relevance as a key government force in the fight against an increasingly threatening insurgency that posed a visible danger to the government's political survival. This is particularly evident when comparing the situation of the armed forces at the beginning of the war. In 1980, the armed forces were in a weak position following the collapse of the military dictatorship just beforehand. Shortly thereafter, however, the Belaúnde government laid the foundation for the armed forces to rapidly regain power when it handed them extensive power in emergency zones, including over civilian authorities, to stop the *guerrilleros*. From that point on, the government's dependence on the security forces grew steadily, but with a particularly large increase during this phase. As the conflict spread to more and more parts of the country, the government declared more and more areas as emergency zones, placing them under military control where constitutional rights applied only to a limited extent. Consequently, the armed forces expanded their power thanks to the civil war, enabling them to take increasing control over civilian life across Peru. This was further reinforced by the fact that they also controlled counterinsurgency operations by that point, making the government even more dependent on the military for planning and implementing the counterinsurgency approach (Mauceri 1991: 83). At the same time, the García government's attempts to restrict the growing power of the military all failed (Defensoría del Pueblo 2009a: 45, 66–68). This illustrates how the civil war enabled the armed forces to recover their strength remarkably quickly after the low point of the collapse of military rule in 1979, within just a few years. The government's decision to extend death and injury compensation amidst the rapid economic decline implies that the security forces' war-related power increase also affected wartime social policymaking. Expanding pensions for them served a further purpose because, unlike the previously expanded lump-sum benefits, pensions promise future payments. However, defeating the guerrilla groups, however, was a prerequisite for the military and police to receive these regular payments in the future. Therefore, by expanding pensions, the government also attempted to increase the security forces' stakes in the survival of the political regime (Bueno de Mesquita et al. 2003; Knutsen/Rasmussen 2018).

By contrast, the social policy changes affecting the civilian population were much more modest. This reflects the government's dilemma in the face of massively growing social needs and limited

financial resources. As the civil war spread throughout the country, the number of civilian casualties rose and displacement intensified, with more and more Peruvians being forced to abandon their homes due to the violence. In short, the war **triggered further need** for healthcare, food, housing and other support on an even larger scale than before. Add to this the misery that economic deterioration entailed, which the conflict exacerbated further. Given this situation, it made sense for the government to introduce emergency support policies, such as the Social Compensation Programme, to help the most vulnerable parts of the civilian population. Firstly, this prevented protests that would have caused further instability and likely benefited the guerrilla groups. Furthermore, protecting the most vulnerable was probably important for a left-wing government such as García's from an ideological viewpoint, as it aimed to combat the *guerrilleros* militarily and politically. The policies provided food support and basic healthcare, albeit on a modest scale given the limited generosity of these benefits. They also focused on one particularly vulnerable section of the civilian population: low-income sectors in rural and urban areas. As a result, the support programmes were insufficient to address the considerably increased war-related suffering of civilians due to the government's very limited financial resources.

The financial leeway for expanding social policies aimed at the majority of the civilian population was further restricted because the government had to cater for the security forces and its other core supporters. **Securing the support of civil servants** remained important from the government's perspective, given their vital role in maintaining the functioning of the state increasingly controlled by the military. In addition, the massive increase in inflation also negatively affected the real salaries of civil servants, threatening their loyalty to the government. This motivated the introduction of the bonus payment to counteract this threat. The limited scope of the bonus payment, that is only civil servants involved in prosecuting insurgents, can be explained by the interplay of several factors. These include financial restrictions due to the enormous economic deterioration, as well as civil servants' relevance to the war effort by ensuring administrative functionality, which at the same time made them particularly vulnerable to retaliatory strikes by the guerrilla groups.

Furthermore, organised labour exerted some influence over social policy during this war phase, albeit limited in terms of social policy outcomes, primarily due to the financial constraints. Growing unemployment and rapidly increasing inflation rates due to economic deterioration related to the war mobilised workers to strike. This added to political instability and pressured the government to react, as the strikes further weakened the economy. These workers were also among the

key electorate of the ruling *APRA* party, on whose electoral support it relied (Cameron 1991; Graham 1990). The government also faced infiltration of the labour movement by the guerrillas, which added to the pressure to respond to the demands for compensation from organised labour (Defensoría del Pueblo 2009b: 38–44). However, the government lacked the financial resources to expand social policy comprehensively. This helps to explain why, despite the pressure from labour unions, the government did not introduce an unemployment social insurance for those in the formal labour market, as such a scheme would have been costly. Instead, the García government reacted moderately by raising the legal minimum wage in some key economic sectors that were particularly important for Peru's economic development. However, since only the legal minimum wage was raised, the increase was very modest, meaning that workers' wages did not keep pace with the galloping inflation. In addition to fiscal limitations, the inadequate response likely also reflects the growing organisational *weakness of organised labour caused by the war*. Labour unions were subject to attacks, intimidation and targeted killings of their representatives, a situation that was exacerbated by the spread of the war (Burt 2011: 23–24; CVR Anexo Cronología 2003: 96, 99).

Overall, rapid economic decline related to the intrastate war dominated the development of social policy in the third phase of the war. By reducing the available financial resources, it hindered the left-wing government's efforts to improve the economic and social situation of the lower and middle classes. However, in view of the spreading civil war, the government was forced to expand social policy primarily to support the war effort – and consequently its own political survival (Bueno de Mesquita et al. 2003).

6.4. Fourth phase: Period of extreme crisis during the intrastate war (1989 –1992)

The fourth war phase between 1989 and 1992 saw the escalation of several interlinked crisis. The next section presents the development of social policy in this complex context of war, political and economic developments, which are summarised in figure 6.4. This is followed by the discussion of the key driving factors of the social policy in this phase.

6.4.1. Social policy development in the context of the war and the political and economic development

At the beginning of the brief but intense fourth war phase, the ongoing economic crisis and increasing political instability interacted with the war to create a context of multiple extreme crises. This, in turn, paved the way for major political and economic changes that also had a lasting impact on social policy.

Continuing advance of the guerrilla groups and further expansion of social protection for the police and military

The fourth phase of the war saw the advance of the guerrilla groups reach an unprecedented level. Their attacks on infrastructure and humans occurred multiple times a day throughout the country, resulting in levels of destruction and casualties that were unparalleled. Even wealthy neighbourhoods in Lima were no longer safe; for example, a car bomb placed by *guerrilleros* exploded in the middle of the day in the upper-class district of Miraflores (CVR Anexo Cronología 2003: 217). This critical situation also became visible in terms of deaths and disappearances, which, between 1989 and 1992, remained consistently at their second-highest level (CVR Anexo Estadístico 2003: 22). The number of politicians, civil servants, and other local political authorities among the victims also reached a new high in 1989. For instance, several provincial mayors belonging to the *APRA* party were murdered by *Sendero Luminoso* in the summer of 1988 alone (CVR Anexo Cronología 2003: 131–133). In response to the increasing number of targeted attacks on and killings of these functionaries, the García government expanded existing invalidity pension and survivors' pensions for civil servants by explicitly including war-related injury or death in their eligibility criteria. An invalidity pension was thus provided to those who became temporarily or permanently disabled due to “terrorist attacks” by guerrilla groups. The pension's amount equalled their full gross salary at the time they became disabled, but was capped at a maximum amount depending on their occupational group. Survivors' pensions equalled to the deceased's gross salary and were paid to the surviving spouse, minor children, or surviving dependent parents (Supreme Decree 051-88-PCM of 1988). However, the policy changes did not increase the amount of the pensions.

Moreover, the progress of the guerrilla groups led to another expansion of compensatory benefits for the police and armed forces that was in line with their growing importance in recent years due to the nationwide spread and intensification of the war. By 1990, a third of Peruvian territory and half of the population were living in emergency zones under military control (Defensoría del Pueblo 2009a: 144; Degregori/Rivera Paz 1993: 13). Nevertheless, despite the repressive measures employed by the government forces in these zones, the guerrilla groups appeared to have gained the upper hand. In response to the growing number of casualties among the police and military, the García government introduced a one-off death grant in 1990. This amounted to three times the average total remuneration in the event of death on duty, and two times in the event of off-duty death. It was paid as a lump sum to the dependants (Art. 10 of Supreme Decree 213-90-EF of

1990). The government also extended eligibility for the orphans' pension to include unmarried adult children who were in continuous primary, secondary or tertiary education (Supreme Decree 058-90-PCM of 1990). These extensions were therefore relatively moderate, as the government was simultaneously facing the aforementioned economic crisis and wanted to focus on alleviating poverty. However, the threat from the guerrilla groups was imminent, putting pressure on the García government to invest more in order to maintain support from the police and armed forces. This led to another benefit being expanded in the same year. To reward them for the high risk involved in fighting the insurgency, the García government created a monthly "special bonus" for police and military personnel serving in the emergency zones. The amount was up to one full monthly minimum legal income, depending on the beneficiary's rank (1st Complementary Disposition, Supreme Decree 213-90-EF).

Election of political outsider Fujimori amidst multiple crises at the height of the war

Meanwhile, Peru experienced a series of interacting crises that reinforced each other, triggering lasting changes to the institutional framework and the landscape of actors, which shaped social policymaking in the subsequent years. While the intrastate war had posed a threat to the fragile democratic structures since its onset, the situation came to a head towards the end of the 1980s. *Guerrilleros* repeatedly attacked the offices of political parties and of public authorities, assaulting and killing electoral candidates and party representatives. The legal (far) left was particularly affected, including the United Left party, which provided many local functionaries and national-level MPs in the 1980s. *Sendero Luminoso* saw them as direct competitors. For example, *Sendero Luminoso* killed the popular district mayor of a district in southern Lima, María Elena Moyano (Burt 2011: 23; Defensoría del Pueblo 2009a: 36–37). Furthermore, the guerrilla groups had grown so powerful that they were able to interfere in elections to an unprecedented extent. For instance, they successfully disturbed the 1989 municipal elections with attacks and calls for boycotts, thereby demonstrating their power (CVR Anexo Cronología 2003: 102–104, 170–171). State actors were also involved in the developments that undermined civilian democratic rule. For instance, opposition politicians accused the military of illegally interfering in elections in numerous emergency zones throughout the country (Murakami 2023a: 204–205). In addition, the political opposition – particularly the far-left – and journalists became the target of indiscriminate arrests, persecution and torture at the hands of the government forces in emergency zones. For example, the Universidad Nacional del Centro in Junín was stormed by the police and armed forces in 1989

to violently prevent an armed strike and arrest suspected “terrorists” among the students and professors (CVR Anexo Cronología 2003: 96–99, 163–165). The perpetrators of such human rights violations included a paramilitary group with presumed links to the democratically elected García government. However, contrary to its earlier announcements, the García government failed to prosecute allegations against the state security forces (CVR Anexo Cronología 2003: 35; Defensoría del Pueblo 2009a: 64–65). This further weakened the fragile democratic structures introduced only a few years earlier (Murakami 2023a: 204–205).

Against this backdrop, general elections took place in 1990. Despair prevailed among Peruvian voters at that time. García’s heterodox economic approach had failed, leaving the country isolated from the international financial markets and with soaring inflation rates. His government was also plagued by corruption allegations, further tarnishing the reputation of the *APRA* party (CVR Tomo I 2003: 289). Like his right-wing predecessor Belaúnde, García’s left-wing government had also been unable to stop the brutal war or improve the economic and social situation of Peruvians in a sustainable way. In short, the situation appeared hopeless to many Peruvians as the brutal civil war raged on seemingly endlessly, reinforcing the deep economic crisis in which the country found itself.¹⁹ Consequently, voter turnout in the 1990 election was much lower (68.1%), with a considerably higher share of invalid votes (27.3%) than in any other national-level election between 1980 and 2000. Voters also punished the established centrist political parties that had governed for the previous ten years, namely Belaúnde’s right-wing Popular Action Party and García’s left-wing *APRA* Party, rejecting their failed attempts to stop the insurgency (Tuesta Soldevilla 2005: 465–473). The intrastate war also challenged the legal left within the democratic framework. Their ambiguous position, with unclear substantive and ideological boundaries separating them from the guerrilla groups, led to fragmentation within left-wing political parties by the late 1980s. This blurred the lines between them and the guerrilla groups in the public eye (Defensoría del Pueblo 2009a: 269–293; Muñoz 2019: 207–211, 217). As a result, the majority of voters supported the outsider presidential candidate, Alberto Fujimori, who had no connection to the established political parties and whose campaign centred on defaming these parties and their representatives as corrupt and incapable of ending the intrastate war (Defensoría del Pueblo 2009a: 19).

Economic structural adjustment and expansion of targeted social policies to fight poverty

¹⁹ MRTA declared its “total war against the democratic system” after the first round of the presidential election in 1990 (CVR Anexo Cronología 2003: 181).

Following his election, President Fujimori was confronted with the war, enormous inflation, Peru's isolation from international financial markets and a deep recession. His immediate priority was therefore to achieve the country's rapid economic recovery. Fujimori found support for this goal in the Peruvian business sector. Due to their close ties with international financial institutions such as the IMF, members of the business elite acted as presidential advisors to Fujimori and were routinely appointed to key ministries such as the Ministry of Economy and Finance, which was crucial for social policymaking (Mauceri 1995; Morón/Sanborn 2006). From Fujimori's point of view, several steps were necessary to achieve Peru's economic recovery, namely economic reforms and an end to the civil war (Boloña Behr 1993). Shortly after taking office, his technocratic government implemented a radical neoliberal structural adjustment programme developed by the Ministry of Economy and Finance in collaboration with external actors, including the IMF.²⁰ However, this radical structural adjustment programme fuelled further general strikes across the country, prompting a repressive response from the government in the form of restrictions on the right to strike (Tanaka 1998: 157).

Shortly afterwards, with the financial and technical support of external donors, the government also began to adopt poverty alleviation policies to mitigate the impact of the economic "shock therapy" and avoid further fuelling the conflict. Firstly, the Fujimori government took over long-standing non-governmental, community-based food support programmes for low-income families and provided them with financial support. These programmes included the so-called "Glass of Milk" committees, which provided milk to schoolchildren and became a government programme of the same name, as well as community kitchens and other grassroots social organisations (Law 25307 of 1991). Secondly, the Fujimori government created new targeted social programmes. The National Compensation and Social Development Fund (*FONCODES*) succeeded García's terminated Social Emergency Programme and became a flagship of the Fujimori government. It financed projects to rebuild public infrastructure, such as roads and buildings, and to create public employment (Du Bois Freund 2004: 12–27). Between 1991 and mid-1995, *FONCODES* spent over 400 million Nuevos Soles annually on community-based projects, including the (re)construction of schools, health posts, rural roads, and electrification projects. An additional annual amount of over 100 million Nuevos Soles was provided for centrally designed "special projects", such as providing peasants with basic equipment or communities in jungle regions with motorised canoes

²⁰ For details on the processes of policy learning from external actors, see e.g. Ortiz de Zevallos et al. (1999) and Weyland (2007).

(Schady 2000: 292). The second flagship programme of the Fujimori government was the National Food Assistance Programme (*PRONAA*), which also provided food support to the poorest (Du Bois Freund 2004: 12–27). Spending on this programme increased rapidly, rising from 46 million Nuevos Soles in 1993 to 89 million Nuevos Soles one year later, reaching 118 million Nuevos Soles in 1995 and 158 million Nuevos Soles in 1996 (Portocarrero et al. 2000: 40–41). Soon, however, there were various targeted programmes with similar aims but under the responsibility of different ministries. In addition, these programmes only provided very modest benefits for the poor and extremely poor, as the government channelled a substantial part of its financial resources into fighting the guerrillas, and the austerity measures posed an additional limitation (Du Bois Freund 2004: 12–13, 27).

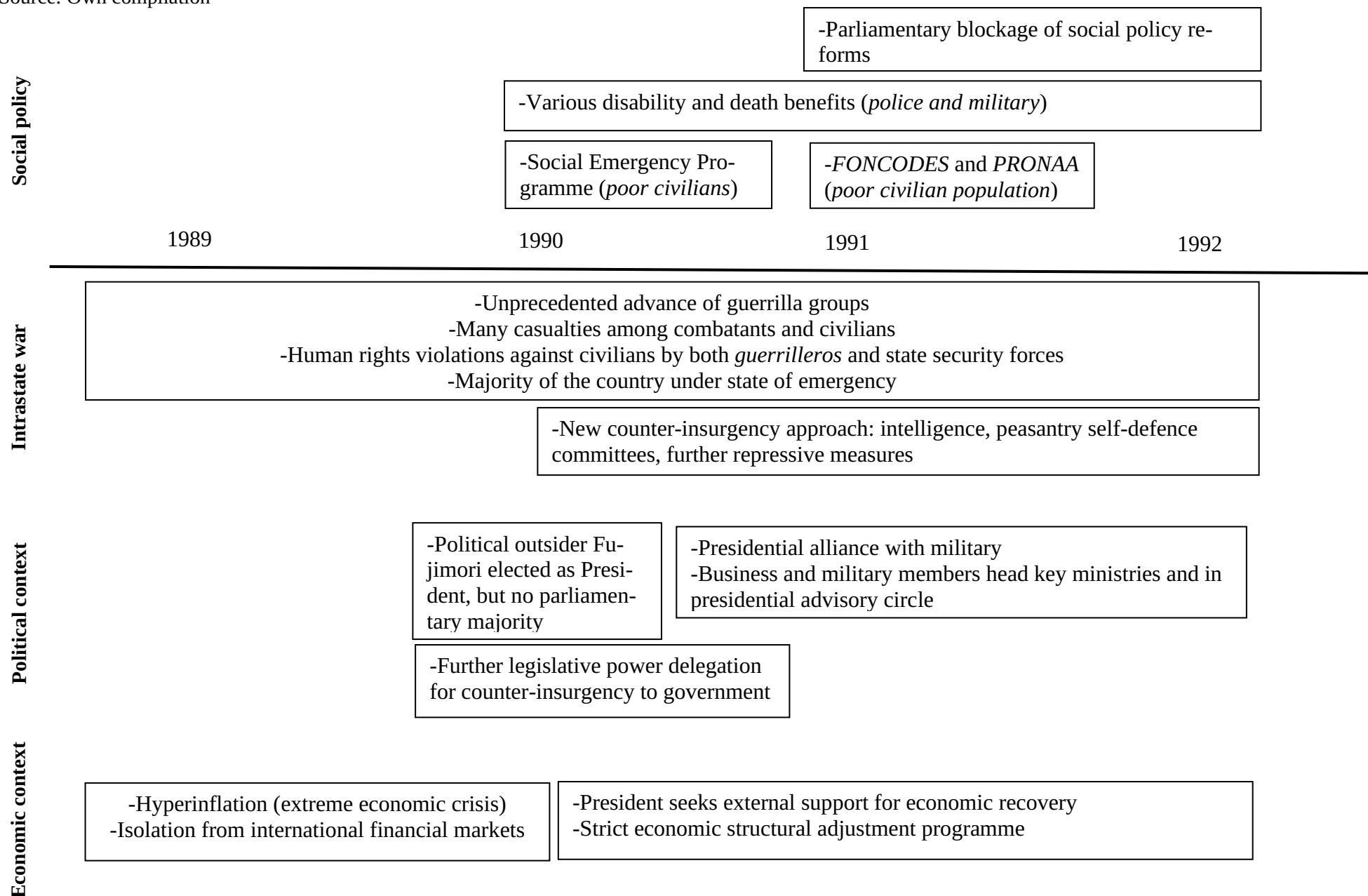
President Fujimori's alliance with the military and the ongoing expansion of their social protection

Besides implementing far-reaching economic reforms, the Fujimori government was as determined to end the intrastate war to achieve economic recovery (Boloña Behr 1993: 57–58). To this end, Fujimori forged an unparalleled tight alliance with the military, which remained the most important actor in the field of counterinsurgency. Immediately after his election, President Fujimori sought to establish close ties with the armed forces. He appointed a former military officer with extensive connections to his inner circle of advisors. Another current military officer was given the position of Minister of the Interior, making him the first military in this office since the return to civilian democratic rule (Degregori/Rivera Paz 1993: 16; Vidal et al. 1993: 24–25). The Fujimori government also delegated additional responsibilities from the police and other civilian state authorities to the armed forces, such as guarding prisons and assisting with tax collection. This expanded their presence into civilian areas (Mauceri 1991: 20, 24–25). To this end, President Fujimori exploited the extensive legislative power transferred to the executive by the opposition-dominated but highly fragmented parliament to deal with the economic crisis and the intrastate war (Law 25327 of 1991). Fujimori also catered to the government forces by improving social protection in order to strengthen his new alliance with the military (Mauceri 1995; Obando 1999). His government extended the survivors' and disability pensions for the police and military by including "in armed action" as an eligibility criterion. In addition, the president could reward police and military personnel who had distinguished themselves in the fight against *guerrilleros* by granting immediate promotions of up to three ranks, i.e. higher salaries with immediate effect.

These changes also meant that the police and armed forces accrued higher future amounts for disability and survivors' pensions (Legislative Decree 737 of 1991).

Figure 6.4: Social policy development in the context of the war and the political and economic development, fourth phase (1989-1992)

Source: Own compilation



6.4.2. Discussion of the driving factors

In the fourth phase, previous trends continued, albeit under more challenging economic and political conditions. On the one hand, the prioritised expansion of social protection for the military, police and civil servants continued. This included various lump sum benefits as well as regularly paid benefits in the event of war-related disability or death, which were extended separately for these groups. On the other hand, there was a constant ebb and flow of various emergency programmes, which were often short-lived, in order to provide food and limited basic social services to the civilian population, particularly those affected by (extreme) poverty.

Ongoing prioritised expansion of social protection for the police and military

The ongoing prioritised expansion of social protection for the security forces is the result of various economic and political factors interplaying with each other. Firstly, the ongoing high level of war-caused social need among the government forces was an important trigger factor for this development. There was an immediate and urgent **demand for social policies among combatants** on a large scale, as the fourth phase of the war was the most intense period with an unprecedented level of casualties. Many members of the police and military were affected by deaths and injuries because the guerrilla groups continued to launch targeted assaults against them throughout the country. Indeed, the *guerrilleros* appeared to have gained the upper hand, threatening the government's political survival like never before during the civil war. Consequently, **securing the support of the police and armed forces** was of the utmost importance to the Peruvian government. This resulted in the prioritisation of expanding social protection for the police and military to compensate for death and injury. Firstly, they remained the key government forces fighting against the insurgency. Secondly, the war had also **strengthened the position of the security forces** to successfully push for social policy. By that time, the military controlled large parts of Peru, due to the near country-wide expansion of emergency zones, effectively monopolising decision-making for counterinsurgency. After the change in government in 1990, the military's influence increased even further when it took on an even more important role in the Fujimori government. Not only did the armed forces remain vital for defeating the guerrilla groups, but they also gained direct access to policy-making by being appointed to the government and the President's closest circle of advisors. Their competencies in counterinsurgency were further extended, with the military taking over additional civilian tasks such as tax collection (Mauceri 1991: 100; Obando 1998: 397–398). This again emphasises the government's urgent need to secure the support of the security forces to avoid risking

their discontent. This could explain why the Fujimori government created a special bonus for security forces in emergency zones, compensating for the decline in the real value of military spending and real salaries due to the extremely high inflation, which endangered the loyalty of the police and armed forces.

At the same time, this phase clearly illustrates the aforementioned effect of intrastate war acting as a magnifying glass in times of economic crisis. The Peruvian government was also faced with considerable constraints on its financial leeway due to the economic crisis and austerity measures, which **reduced the resources available for social policy**. The rapid progress of the guerrilla groups exacerbated the economic decline triggered by President García's failed heterodox economic approach, resulting in a downward spiral of mutual reinforcement. Later, the strict economic structural adjustment programme of the succeeding Fujimori government also limited the expansion of social policy during the fourth war phase. This, in turn, accounts for the design of the compensatory benefits. With very limited financial resources available and under pressure to secure the loyalty of the police and military, the government had to continue compensating for their war-related suffering. This led to the introduction of additional benefits that were provided as a lump sum (e.g. the death grant). This demonstrated government activity in view of the many casualties among combatants, while being cheaper than increasing regularly paid benefits.

Social policy for civilians: prioritised expansion for civil servants, and discontinuous development for the remaining majority of Peruvians

Between 1989 and 1992, more Peruvians suffered death, injury or displacement than in any other phase of the war, and most of them were civilian victims (CVR Tomo I 2003). This caused acute social needs on an unprecedented scale, creating an enormous immediate **demand for social policies among civilians**. All warring parties used extreme violence and committed human rights violations against civilians. This was of particular concern in the military-controlled emergency zones, which covered large parts of the country as the conflict had spread throughout Peru. The escalating violence also drove further mass migration of civilians, reinforcing their urgent demand for housing, health and food support. The extreme economic deterioration in this phase caused rapidly growing poverty levels, which also drove acute demand for such support (Parodi Trece 2007: 222–232).

At the same time, the remaining **financial resources** available to alleviate the suffering of the civilian population were very **limited** due to the government's extremely narrow financial leeway

and prioritisation of social protection for the police and military. Therefore, as before, the Peruvian government had to decide which of the war-related needs of civilians it would prioritise. In the context of simultaneous extreme crises and growing political instability, securing the support of civil servants was urgent in this phase, as the government relied on them to maintain the administrative functioning despite the extreme circumstances. However, civil servants continued to be subjected to targeted guerrilla attacks due to their role as public authorities, which posed an ongoing threat to their loyalty. The violence had escalated to such an extent that, this time, the government had to provide more than the one-off payments previously granted to compensate for war-caused injuries and deaths. Consequently, the government included the civil war in the eligibility criteria for existing invalidity and survivors' pensions for civil servants. This gave civil servants access to these benefits in the event of war-related suffering, thereby demonstrating the government's ability to respond to the acute war-related needs of civil servants (Roller 2019). Moreover, this could secure future support from civil servants, as the policy change raised their interest in the political survival of the existing political regime (Bueno de Mesquita et al. 2003). However, despite the extremely high inflation rates, the government did not increase the amount of the pensions for civil servants, in contrast to what it had previously done for the security forces. This reflects a compromise between needing to secure the loyalty of civil servants and the government's extremely limited financial scope for expansion at that time, as there were insufficient resources for a more generous expansion. It also shows that even though civil servants were among the groups prioritised during the war, the government had to prioritise the government forces even more, given their growth in power because of the war (see above).

Despite prioritising social protection for the security forces and civil servants, the government still had to address the massively **increased demand for social policy** due to casualties and displacement caused by the war among the majority of the civilian population. However, various support policies were introduced and then discontinued in this phase, due to the narrow financial leeway resulting from the economic crisis exacerbated by the war. Another reinforcing factor was that the conflict increased the Peruvian government's dependence on external financial and technical support. However, this **influx of foreign aid** was jeopardised by the **disruption of the relationship between the Peruvian government and external actors**. This was partly due to García's unilateral suspension of Peru's foreign debt repayments, which cut Peru off from external lending. Furthermore, the Peruvian government came under pressure due to the horrendous human rights violations perpetrated by government forces against civilians, which provoked criticism from external do-

nors. The US, for example, made further assistance conditional upon improved human rights compliance (Defensoría del Pueblo 2009a: 166–170; Paredes 2019: 192). Therefore, the war-triggered break with external donors reinforced the government's financial limitations caused by the extremely severe economic crisis. As a result, the government was forced to discontinue support programmes such as the Social Emergency Programme, which it had introduced shortly beforehand and which had at least partially addressed the suffering of civilians. In other words, the civilian population was largely left to cope alone with the rapidly growing war-caused need for food, healthcare, and other income support, leading poverty levels to grow even further (Parodi Trece 2007: 222–232). The García government's inability to address these enormous social needs of the Peruvian population added to the other crises unfolding in parallel – the extremely brutal civil war and the catastrophic economic downturn.

The context of multiple economic and political crises, coupled with the government's insufficient response, fuelled the unbroken advance of the guerrilla groups. It became increasingly clear that the civil war was *eroding Peruvians' trust in the existing institutional structures* and undermining Peru's democratic transition since 1980 (Defensoría del Pueblo 2009a: 39; Tanaka 1998: 21). This had been happening for several years as successive right- and left-wing governments had failed to restore physical security since the onset of the civil war almost a decade earlier. In addition, state actors themselves undercut this transition process when police and armed forces perpetrated human rights violations against civilians in the emergency zones and the government tolerated this misconduct (CVR Tomo VI 2003). The Peruvian population was therefore exposed to horrendous violence within the framework of civilian democratic institutions. This situation was exacerbated by the government's failure to prosecute of these crimes and provide compensation to civilian victims (Murakami 2023a: 313). In addition to their inability to end the violence, the governments of the 1980s were unable to deliver sustainable economic and social progress for most Peruvians. In short, the civil war resulted in a situation where neither right-wing nor left-wing governments could bring about lasting improvement within the framework of the democratic system, causing the trust of Peruvians in established political parties to collapse (Tanaka 1998). This helps to explain why political outsider Fujimori was elected, having campaigned on a promise to end the war with a new approach (Defensoría del Pueblo 2009a: 19). However, due to the ongoing severe economic and political instability, his government faced even greater pressure from the outset to *secure sufficient support from the general population*. Against this backdrop of immense tension, the introduction of various social programmes such as FONCODES and the food

support scheme *PRONAA* helped stabilising the situation internally and thus ensure the government's political survival (Bueno de Mesquita et al. 2003). These policies also helped to address some of the civilian population's war-related needs, such as hunger, and mitigate the impact of the harsh austerity measures adopted by the government to stop the economic downturn. They also served to demonstrate government activity to the civilian population and deliver on the promise of a new approach to end the war (Defensoría del Pueblo 2009a: 19). However, the generosity of benefits and services provided by these social programmes were very modest and only targeted a subgroup of the Peruvian population (the poor and extremely poor). Consequently, they did not match the level of social need caused by the war among the civilian population. This was partly due to the government's severely constrained financial leeway, but was also the result of policy transfer.

A greater role of external influences

The election of Fujimori also marked the beginning of a change in social policymaking that took external influences to a new level. Embracing the neoliberal *zeitgeist* promoted by some external donors enabled the Fujimori government to reconnect with these external actors, such as the US. This was crucial in securing external technical and financial support to address the poor social situation in Peru, as well as continuing the fight against the insurgents. The strict structural adjustment programme was adopted as a result of ***policy transfer***, which helped to regain the trust of external lenders in the Peruvian government and to support the country's economic stabilisation (Du Bois Freund 2004). With support from external donors, the adoption of austerity measures was accompanied by social emergency policies designed to mitigate the negative impact of structural adjustment and therefore avoid fuelling insurgency. The ***transfer of neoliberal policies*** had a profound influence on the design of these social emergency policies and other programmes introduced later. These policies involved targeting and focused on investing in Peru's human capital. They aimed to improve the efficiency and effectiveness of social spending, as well as the quality of basic social services such as primary healthcare and education. The intention was to invest in Peru's human capital for long-term development (Consejo de Ministros 1995; Ministerio de la Presidencia 1996). Therefore, the political and economic instability related to the war is crucial to explaining why the Peruvian government embraced this market-oriented, neoliberal approach to social policy from external actors.

The increasing influence of neoliberal ideas on social policymaking was further promoted by the negative impact of the civil war on left-wing parties, who were thus unable to counteract these

ideas with a universal approach to social policy. Over the previous phases of the war, the conflict had harmed left-wing parties both organisationally and ideologically. Since the war began, their representatives and infrastructure had been targeted in physical attacks and attempted killings. On the one hand, these attacks were carried out by the guerrilla groups, particularly *Sendero Luminoso*, who viewed left-wing parties as competitors. On the other hand, the state security forces harassed them with indiscriminate arrests, persecution and torture (CVR Anexo Cronología 2003: 96, 99). In the early years of the war, the legal political left was still able to achieve electoral success, providing elected officials at local, regional and national levels, including in central government responsibility. However, this changed in the fourth phase of the war. By the 1990 elections, the organisational basis of left-wing parties had been weakened by the attacks from all warring sides (Muñoz 2019: 216–218). In addition, their ability to organise was restricted by strict counterinsurgency policies in the numerous emergency zones and intensified state repression of the legal left (Muñoz 2019: 216–218). Additionally, the guerrilla groups posed an ideological challenge to left-wing political parties due to their shared ideological orientation. Proximity in terms of people and substantive positions blurred the lines between some left-wing parties and the *guerrilleros*. Peru's diverse left-wing political parties handled this in an ambiguous way, which fuelled their persecution by all warring parties. This also reinforced internal disagreement among the legal political left, eventually leading to its fragmentation and deepening ideological splits (Defensoría del Pueblo 2009a: 239–240, 269–278; Muñoz 2019: 207–211, 217). Furthermore, President García's mishandling of the severe economic crisis not only discredited the reputation of the *APRA* party, but also left-wing parties in general. In the eyes of many Peruvians, left-wing parties became synonymous with economic crisis and extremely violent guerrilla warfare (Defensoría del Pueblo 2009a: 239–240, 269–278; Muñoz 2019: 207–220).

The resulting ***weakness of the left-wing parties*** affected the development of social policy. The war-related organisational and ideological damage undermined their chances in elections. Following *APRA*'s loss of government responsibility in the 1990 election, left-wing parties were unable to promote social policies with broader coverage and greater generosity. The organisational and ideological weakness of the political left also facilitated the ***policy transfer*** of neoliberal ideas promoted by external actors such as the IMF and donors like the US. This paved the way for a radical shift from heterodox economic policymaking to a neoliberal structural adjustment package (Ewig 2004; Weyland 2007). Regarding social policy, this change is also evident, for example in the policy design of targeted support programmes for the civilian population, such as *FONCODES*.

Targeted social policies contrasted with the greater role of the state that the political left had promoted during the García presidency (Defensoría del Pueblo 2009a: 130; Parodi Trece 2007: 234).

Comparing the support programmes for the civilian population introduced by the left-wing APRA government with those of the subsequent Fujimori government highlights the declining influence of left-wing parties on social policy following the change in government. The García government implemented support policies for the lower and middle classes for ideological reasons, but these programmes eventually failed due to severe budget constraints and the prioritisation of the police, military forces, and civil servants in the context of war. In contrast, the Fujimori government introduced explicitly targeted poverty alleviation policies out of sheer necessity, to prevent fuelling the civil war and to improve relations with external actors.

Visible influences of war-triggered institutional shifts on social policymaking

Furthermore, although war-triggered institutional shifts had been unfolding for years, institutional factors only gained visible influence over social policymaking after the change in government. Since the onset of the war, parliament had repeatedly delegated legislative power to the executive in accordance with the constitutional framework. This development had increasingly **centralised power in the government** and reduced the parliament's influence, though it did not eliminate it from social policymaking entirely (Morón/Sanborn 2006: 31–33). Until 1990, the parliament's decreased influence had not played a prominent role in social policymaking. The Belaúnde and García governments in the 1980s each had the backing of the majority of MPs, enabling them to pursue social policymaking largely unhindered and by executive decree. By contrast, Fujimori could not count on the same parliamentary support after his election in 1990, as his government faced a highly fragmented, opposition-dominated parliament. The context of an extremely escalated war and a simultaneous economic crisis explains why the parliament nevertheless transferred legislative power to the Fujimori government in order to facilitate the fight against the guerrilla groups. However, this support was short-lived, as the opposition-dominated parliament soon used its remaining veto powers to block several key policy proposals of the Fujimori government. This concerned executive decrees on economic issues and measures related to the civil war, as well as the planned pension reform, which was delayed until the final phase of the war (Morón/Sanborn 2006: 14–19, 31–33; Schmidt 1998: 111–113). This shows that, despite the war-related shift that reduced its influence, the Peruvian parliament could still influence social policy at that time. Given this remaining institutional veto power of the parliament, the government adopted social policy changes predominantly in the form of executive decrees (Morón/Sanborn 2006: 40). This includes

the social emergency programmes for the civilian population, such as its two flagship programmes *PRONAA* and *FONCODES*. Moreover, following the change in government, another shift in power occurred within the executive as social policymaking became increasingly concentrated in the hands of a smaller number of actors within the government. Building on its key role in planning the structural economic reforms, the drafting of proposals for social policy change was increasingly confined to small, isolated teams within the Ministry of Economy and Finance. This ministry also supported the government's priority goal of economic recovery. Between 1990 and 1992, the reform of the social security systems and the liberalisation of employment regulation were designed in isolation within the Ministry of Economy and Finance under the direction of a small number of technocratic experts (Ortiz de Zevallos et al. 1999).

Overall, the development of social policy during the fourth war phase resulted from the complex interplay of various influences. Functionalist factors also set the parameters for social policymaking in the fourth phase, given the enormous social needs arising from the intensified war, and the severely limited financial resources resulting from the economic crisis on the one hand. Other factors were initiated in earlier phases but their influence showed at this later stage. This is evident in the conflict's negative impact on public behaviour and attitudes, war-related institutional shifts, and external actors, all of which shaped social policy during the fourth war phase.

6.5. Fifth phase: Final phase of the intrastate war (1992 – 2000)²¹

The final and longest phase, spanning from 1992 to 2000, witnessed several pivotal developments, in terms of both the war and social policy, including the defeat of the guerrilla groups and major changes to the political and economic context, as well as to social protection. These developments are elaborated on next and summarised in Figure 6.5 at the end of the section. Then, a discussion of the key driving factors of the social policy development in this phase will follow.

6.5.1. Social policy development in the context of the war and the political and economic development

Presidential self-coup and dualist development of social policies

²¹ The CVR marks the capture of the *Sendero Luminoso*'s leadership in September 1992 as the point at which the war transitioned from its fourth to the fifth phase, but I deviate from this periodisation. Instead, I use the presidential self-coup in April 1992 as the starting point. This point in time marked a radical change in the institutional framework that paved the way for the defeat of *Sendero Luminoso* in the first place. As I will show in this part, it also had a profound impact on the development of social policy.

At the beginning of the final phase of the war, the political crisis reached its peak. When the government attempted to adopt strict and far-reaching “anti-terror legislation” to support the counterinsurgency operations, the majority of opposition MPs blocked the policy proposals. In turn, Fujimori exploited this to discredit the political opposition, particularly the left-wing, accusing them of supporting the insurgency and equating them with the guerrilla groups (Defensoría del Pueblo 2009a: 269–271; Muñoz 2019: 218–220). The parliamentary blockage of key policy initiatives of the Fujimori government added to the ongoing intrastate war and the still fragile economic situation (Morón/Sanborn 2006: 14–19, 31–33; Schmidt 1998: 111–113). This pushed the country towards another crisis in the political sphere, which erupted when President Fujimori staged a self-coup in April 1992, announcing the dissolution of parliament and the suspension of the constitution. He justified this drastic step by citing the parliament’s rejection of stricter counterinsurgency legislation, which he claimed would jeopardise the defeat of the guerrilla groups and therefore threaten Peru’s economic recovery (Morón/Sanborn 2006: 18–19; Parodi Trece 2007: 282–283). A clear majority of the Peruvian population supported this step in the hope that Fujimori would succeed in ending the war as quickly as he had in curbing the extreme inflation (Murakami 2023a: 312–315, 341–343).

Following the presidential self-coup, the executive gained full control of social policymaking. Without parliament to act as a veto player, the Fujimori government was now able to adopt the reform of the social security systems (Morón/Sanborn 2006: 19). There was considerable to implement the reform, as the Peruvian public social insurance system was on the verge of collapse. Contributions had decreased considerably due to the worsening employment situation in the late 1980s, causing the schemes to slip deeper and deeper into a deficit (Ortiz de Zevallos et al. 1999: 36–42). Furthermore, external actors such as the IMF had previously promoted reform of Peru’s social security systems and changes to labour regulations alongside economic structural adjustment reforms. However, the president’s self-coup had severely damaged the still fragile trust of the international financial community and external donors. Embracing the neoliberal zeitgeist and pursuing the proposed social reforms thus helped Fujimori to win back the support of the international financial community and external donors, which he still needed for Peru’s economic recovery (Ortiz de Zevallos et al. 1999; Weyland 2007).²² Consequently, the Fujimori government loosened the strict labour protection for private sector employees. This led to the flexibilisation of

²² The external influences on the reform of the social security systems, and how these interacted with other domestic factors apart from the civil war, have been covered (e.g. Mesa-Lago/Müller 2002; Weyland 2007). Therefore, I focus on the role of the intrastate war in these processes.

employment regulation, for example by relaxing employment termination rules in the private sector, and the restriction of collective bargaining and strike rights (CVR Anexo Cronología 2003: 217; Legislative Decree 728 of 1991). In late 1992, the Fujimori government used the suspension of Parliament to finally implement the pension reform that had previously failed to pass through the opposition-dominated parliament. This policy change led to the introduction of a private pension system alongside the existing public scheme, which remained unchanged. Current workers in the public and private sectors of the formal labour market could choose to either remain in the old social insurance system on a pay-as-you-go-basis or join the new system, which was based on individual savings accounts managed by private entities. In this case, previous contributions to the old system were recognised. The self-employed could join the private system voluntarily, but informal and rural workers remained excluded. Under the private system, compulsory contributions from the insured employee equalled 13% of their payroll, plus an additional “solidarity contribution” to the public system equalling 1% of their insurable remuneration. This made employees’ contribution rates to the new system nominally higher than under the old public system (unchanged contribution rate equalling 9% of their payroll), but those who switched to the private system received a salary increase to compensate. There was no mandatory employer contribution under the new system, but employers could contribute voluntarily. The retirement age under the private system was 65 for both sexes, which was higher than under the unchanged public system (60 for men and 55 for women) (Decree-Law 25897 of 1992).²³ The reform benefited higher-income white- and blue-collar workers in the formal labour market, as joining the private scheme provided an attractive alternative to the near-collapsing public scheme, and their prospective benefits were more in line with their contributions under the private scheme. One year after the reform, the private schemes covered around 600,000 Peruvians, whereas the old system still counted well over one million affiliated workers (Ortiz de Zevallos et al 1999: 36, 39, 48). However, the partial privatisation did not affect the separate pension systems for the police and the armed forces (Ortiz de Zevallos et al. 1999: 35).

Defeat of Sendero Luminoso, economic improvement and continuing expansion of social protection for the police and military

However, the self-coup had led to a harsh reaction from the international community, which condemned the autocratic turn and threatened to suspend its support for the Peruvian government.

²³ At the time of the policy change, life expectancy at birth was 64.4 years for men and 69.2 years for women (Porto-carrero et al. 2000: 23).

This is discussed further below (Murakami 2023a: 312–315, 341–343). This external pressure reinforced President Fujimori’s need to strengthen his position within Peru. The ongoing civil war meant that the government continued to rely on the state security forces to avoid exacerbating political instability. The Fujimori government thus resorted to a tried-and-tested method of improving the social protection of the police and armed forces. Apart from exempting them from the privatisation of the pension system, the government primarily catered to the police and military by compensating them for the high risks they faced in the ongoing war. Firstly, the housing allocation benefit, which had previously only been granted in the event of the death of police or armed forces personnel, was extended to those who had suffered “permanent and absolute invalidity” in the fight against the insurgency. However, these newly included beneficiaries had to contribute financially. To receive a house under the housing allocation benefit, they had to pay a capped amount of no more than 1% of its value (Decree-Law 25964 of 1992). Secondly, the government extended the police’s *seguro de vida* benefit to include civilian personnel and increased the amount to 15 tax units to align it with the amount paid to the military. However, the eligibility criteria, which varied between the police and armed forces, were not yet aligned (Decree-Law 25755 of 1992).

In addition to increasing intelligence gathering, the updated counterinsurgency approach of the Fujimori government also relied on arming peasant self-defence committees (*CAD*), which was accompanied by their official recognition and regulation by the state. The government relied especially on the *CAD* in inaccessible highland areas, where the police and military struggled to gain access and faced a particularly high risk from the guerrilla groups. However, arming the *CAD* also created a new risk, as the war had made peasant communities distrust the state even more. Consequently, the Fujimori government placed the *comités de autodefensa* under strict military control. It also addressed this potential threat by promising the *CAD* “the right to public welfare support” for the first time (Defensoría del Pueblo 2002: 71–72)+Supreme Decree 077-92-DE of 1992).²⁴

In September 1992, the government announced the capture of *Sendero Luminoso*’s leadership, marking a successful outcome to the intensified efforts in the fight against the insurgency. This heralded the subsequent defeat of the more brutal of the two guerrilla groups, signifying a partial victory for the Peruvian state. Within one year the capture of *Sendero Luminoso*’s leadership, the number of attacks by the guerrilla groups had fallen by a third, reaching the lowest level in ten years in 1994 (Murakami 2023b: 59). While violence decreased considerably, especially in rural

²⁴ Apart from the cited brief declarations, the decree lacks further details on the kind and extent of the mentioned welfare benefits for the *CAD*, which contrasts sharply with the extensive regulation of their functioning in the decree’s remaining 79 articles.

regions, it did not stop completely. The MRTA *guerrilleros* and some remaining *Sendero Luminoso* splinter groups still posed an ongoing existential threat to the state, particularly in urban areas such as Lima. For instance, MRTA repeatedly abducted and killed business entrepreneurs in 1993 (CVR Anexo Cronología 2003: 228, 234; CVR Anexo Estadístico 2003: 90, 105). Consequently, the government adjusted social protection for the police and military again to encourage them to continue fighting the *guerrilleros*. This led to the eligibility criteria for the *seguro de vida* benefit being aligned so that both the police and the armed forces could receive it if they became disabled or died in “armed action”, while on duty or as a result of it (Supreme Decree 009-93-IN of 1993). In addition, the Fujimori government introduced a further one-off burial grant (*sepelio*). This was paid to the dependants of deceased police and military personnel, including civilian personnel, who were killed on or off duty due to guerrilla activity. The amount varied between 667 and 1,500 Nuevos Soles, depending on the deceased’s rank. However, if the death occurred while the deceased was on duty, their police or military branch could cover higher actual costs (Supreme Decree 140-93-EF of 1993). The urgency with which Fujimori needed to secure support became apparent after the failed coup attempt by a handful of former high-ranking military officers in late 1992. His self-coup had made the president even more dependent on the armed forces, who had reinforced their position as a “cornerstone” of Fujimori’s rule thereafter (Mauceri 1991: 20). Therefore, Fujimori decided to accommodate the armed forces by authorising extensive arms purchases, for which his government adopted more than 20 secret decrees. President Fujimori also tolerated the military redirecting budget funds to the National Intelligence Service, which was by then under the military’s control. An estimated total of 822.8 million USD was redirected between 1992 and 2000 (Palomino Milla 2004: 69–70).

Elections in 1993 and 1995 and divergence between social policy expansion and retrenchment

The defeat of *Sendero Luminoso* boosted public support for autocratically ruling President Fujimori. In contrast, the Peruvian president encountered harsh condemnation from the international community following his self-coup, including important external donors and investors such as the US and international financial institutions (Murakami 2023a: 341–359). They threatened to impose economic sanctions on Peru and suspend support for the Fujimori government in its ongoing fight against the remaining *guerrilleros*. Fearing that this would jeopardise his government’s previous successes in economic recovery, the Peruvian president relented and announced the election of a Democratic Constituent Congress in November 1992. Fujimori’s party, *Cambio 90*, won the majority of seats in the Democratic Constituent Congress and defended this majority in subsequent

elections until the end of Fujimori's second term in 2000 (Morón/Sanborn 2006: 33–44). This Congress drafted a new constitution, which was approved by voters in 1993. The presidential party's parliamentary majority enabled it to dominate the drafting process (Murakami 2023a: 346–359). The resulting 1993 constitution adopted a neoliberal perspective, replacing the strong interventionist role of the state set out in the suspended 1979 constitution with a supporting function. This also strengthened the role of the markets, including in social affairs (Cameron 2019). Although the 1993 constitution gave parliament with similar institutional power to control the executive as the 1979 constitution, the number of chambers was reduced from two to one (Schmidt 1998: 113–114). This change to a unicameral legislature reduced the number of institutional veto points. Fujimori had learned this lesson from the parliamentary blockade prior to his self-coup, which had hindered key policy initiatives of his government, such as the stricter counterinsurgency legislation and the pension reform (Morón/Sanborn 2006).

At the same time, the Fujimori government had to promote the nascent yet fragile pacification that followed its partial victory against *Sendero Luminoso* because the guerrillas had not yet been defeated. To this end, the government turned to social policy. As at the beginning of Fujimori's term of office, improving the economic and social situation of the population, as well as reducing violence, was key to finally breaking the vicious circle of war and poverty. Focusing on Peru's long-term economic and social development would also help to achieve the President's ambitious goal of putting the country "on the path of hope" by the turn of the millennium (Fujimori 1997: 8). The economic improvement that followed the far-reaching economic reform package and the defeat of *Sendero Luminoso* helped the Fujimori government with this. After years of recession, the annual GDP growth rate reached +6.4% in 1993 and +13.1% in 1994. Furthermore, inflation decreased considerably from a peak of 7,649.7% in 1990 to 56.7% in 1992 and then to 10.2% in 1995 (Murakami 2023a: 206–207). Fuelled by this economic recovery, the government was able to increase social spending considerably. It directed much of this increase towards support programmes for the civilian population. For instance, following the defeat of *Sendero Luminoso*, the Fujimori government adopted targeted social policies to encourage the displaced to return from the crowded temporary places of refuge to their home regions. To promote this "repopulation", the government focused social spending on the departments most affected by the war in the southern-central highlands: Ayacucho, Apurímac, Huancayo and Huancavelica. In 1993, it established the "Repopulation and Development Support Programme", which financed public infrastructure projects such as roads, schools, electricity and basic healthcare facilities, and provided limited food assistance (Ministerio de la Mujer y Desarrollo Social 2008: 36–39)+Supreme Decree 073-93-PCM of 1993).

Public expenditure on these repopulation efforts increased rapidly, rising from four million Nuevos Soles in 1995 to 45 million Nuevos Soles just one year later (Portocarrero et al. 2000: 41). Another targeted programme, the “Basic Health for All Programme”, aimed to improve access to and the quality of primary healthcare for the extremely poor. Priority was given to those in repopulation areas in the southern-central departments, specifically Ayacucho, Apurímac, and Huancavelica, as improving basic healthcare in these departments was considered part of “national pacification” (Ministerio de Salud 1998: 13). Public spending on this programme was 57 million Nuevos Soles in 1994, but this figure increased considerably in subsequent years, reaching 216 million Nuevos Soles in 1995 and 248 million Nuevos Soles in 1996 (Ministerio de Salud 1998: 21). These financial resources went into the reactivation of health posts that had been abandoned or destroyed due to the war. They were also used to improve equipment and build new primary healthcare facilities, as well as to invest in the education of local healthcare teams to promote public health at the community level (Ministerio de Salud 1998: 8–10). For healthcare workers, the programme also created better-paid jobs than those in the public system, but they were regulated under the recently relaxed employment relations (Ewig 2004: 231–233). Similar to the “Basic Health for All Programme”, another programme focused on improving basic education. This programme was also targeted at the poorest Peruvians in those repopulation departments, and it expanded from 38 million Nuevos Soles in 1995 to 80 million Nuevos Soles in the following year (Portocarrero et al. 2000: 40–41).

In the 1995 elections, Fujimori did not face strong opposition candidates, as the multiple crises of recent years had weakened the established left- and right-wing parties (Tanaka 1998). However, despite the previous economic improvement and the decline in violence, a comparatively large proportion of voter was undecided before the election (Murakami 2023a: 448–450). To secure his reelection, Fujimori repeatedly referred to his successful fight against the *Sendero Luminoso* during his first term in office in his campaign. He also promised to continue the social and economic development of Peru (Murakami 2023a: 443–450). To this end, Fujimori had direct control over a large proportion of public social expenditure through the Ministry of the Presidency. Since its reactivation in 1992, the ministry had been directly subordinated to the President (Decree-Law 25556 of 1992). Following his self-coup, President Fujimori had seized the opportunity to transfer responsibility for major social programmes from line ministries and non-state actors to the Ministry of the Presidency and thus place them under his direct control. This included the important food support programme “Glass of Milk”, as well as the government’s flagship social programmes, namely the National Programme of Food Assistance and *FONCODES* (Portocarrero et al. 2000:

47–49; Thorp et al. 1995: 24–25). Fujimori used his direct influence over these key social programmes to strategically cater to poor voters, particularly in regions where previous election results had been poor (Schady 2000).

President Fujimori’s strategy of buying off voters with social policies proved successful. He won the 1995 general election by a landslide, achieving almost two thirds of the vote in the first round, and also securing a comfortable parliamentary majority for his party (Murakami 2023a: 443–447).²⁵ This meant that his government was now able to continue reforming the social security systems without fearing another blockade by MPs (Morón/Sanborn 2006: 14–19, 31–33). Firstly, the government dealt with the pension system again by correcting imbalances, which had emerged since the first reform in 1992, between the public and private systems. Between 1995 and 1996, the government modified the public pension system, which had remained unaltered until then, to match the higher contribution rates and tighter eligibility criteria of the private system. These changes to the public pension system increased the retirement age from 60 years for men and 55 years for women to 65 years for both sexes, gradually raised employee’s contributions to 13% of their payroll, and removed employer’s contribution. In addition, the “solidarity contribution” paid by employees enrolled in the private system was eliminated, thereby reducing their contribution rate to 13% of the payroll and making the private system more attractive to workers (Law 26504 of 1995). Following of these changes, more than three-quarters of those insured subsequently opted for the private system (Mesa-Lago/Müller 2002: 692–693; Parodi Trece 2007: 408–409). Secondly, the Fujimori government reformed the healthcare system by adopting legislation to increase competition in healthcare provision. While the 1997 Modernisation of Health Social Security Law did not replace the public healthcare system, it did increase competition in primary and secondary healthcare by creating so-called Health Provider Entities (Law 26790 of 1997). This introduced a much greater market-based approach to healthcare provision than would have been permitted under the suspended 1979 constitution, but was now possible under the 1993 constitution (Ortiz de Zevallos et al. 1999: 22–34). However, more complex and thus expensive healthcare remained fully in the hands of public services. Due to this, the employee’s contribution was split, with one quarter of the 9% payroll contribution going to the Health Provider Entity and

²⁵ However, despite the return to regular elections, Fujimori’s second term of office was still considered to be “semi-authoritarian” (Defensoría del Pueblo 2009a: 152–153; Morón/Sanborn 2006: 9–10).

the remaining three quarters going to the public system. Provider selection took place at company/organisational level instead of at the level individual employees (Ewig 2004: 238–240)+Law 26790 of 1997).

The final years of the war: The MRTA's hostage-taking and a piecemeal expansion of social policy

Despite the defeat of *Sendero Luminoso*, the war was not over. In late 1996, the *MRTA* demonstrated that it still posed a serious threat by taking hostages at the Japanese embassy in Lima. Japan had been one of the top five countries to provide economic support to the Peruvian government since 1990, and President Fujimori had family roots there, both of which were reasons for the *MRTA* to choose this target. In exchange for hostages, the *guerrilleros* demanded the release of imprisoned comrades (Murakami 2023b: 62–67). The hostage-taking eventually lasted several months until the Peruvian security forces stormed the embassy and captured several *MRTA* leaders, decisively weakening the guerrilla group. Probably due to its long duration, the hostage crisis led to a small increase in military spending in 1997.²⁶ Nevertheless, the partial victory against the remaining *guerrilleros* supported a positive economic growth rate, enabling the government to increase social spending on the targeted social support programmes such as “Basic Health for All” while also raising military spending (Murakami 2023b: 19).

In the final years of the war, the government finally honoured its promises to the peasant self-defence committees who had contributed decisively to defeating *Sendero Luminoso* at the beginning of the decade. This followed pressure from the *Defensoría del Pueblo* (Defensoría del Pueblo 2002: 71, 109).²⁷ Subsequently, the Fujimori government introduced one-off compensatory benefits for the *CAD* in the event of temporary or permanent disability, death, or loss of property. However, the regulation adopted during the war did not specify exact amounts (Supreme Decree 068-98-DE-S/G of 1998).

Meanwhile, the government forces gradually defeated the weakened splinter groups of the *Movimiento Revolucionario Túpac Amaru*, who still carried out isolated attacks but no longer posed a major threat as they had done previously (CVR Anexo Cronología 2003: 285, 290–292; CVR Tomo II 2003: 423–424). This enabled the Fujimori government to address further consequences of the conflict already during the last stretch of the war. Targeted attacks and intimidation during

²⁶ The increase in military spending in 1996 and 1997 was probably partly a reaction to the brief *Cenepa* War between Peru and Ecuador in the Amazonas region in early 1995, which lasted a few weeks. This conflict ended with a negotiated ceasefire, the Montevideo Declaration, and the withdrawal of troops.

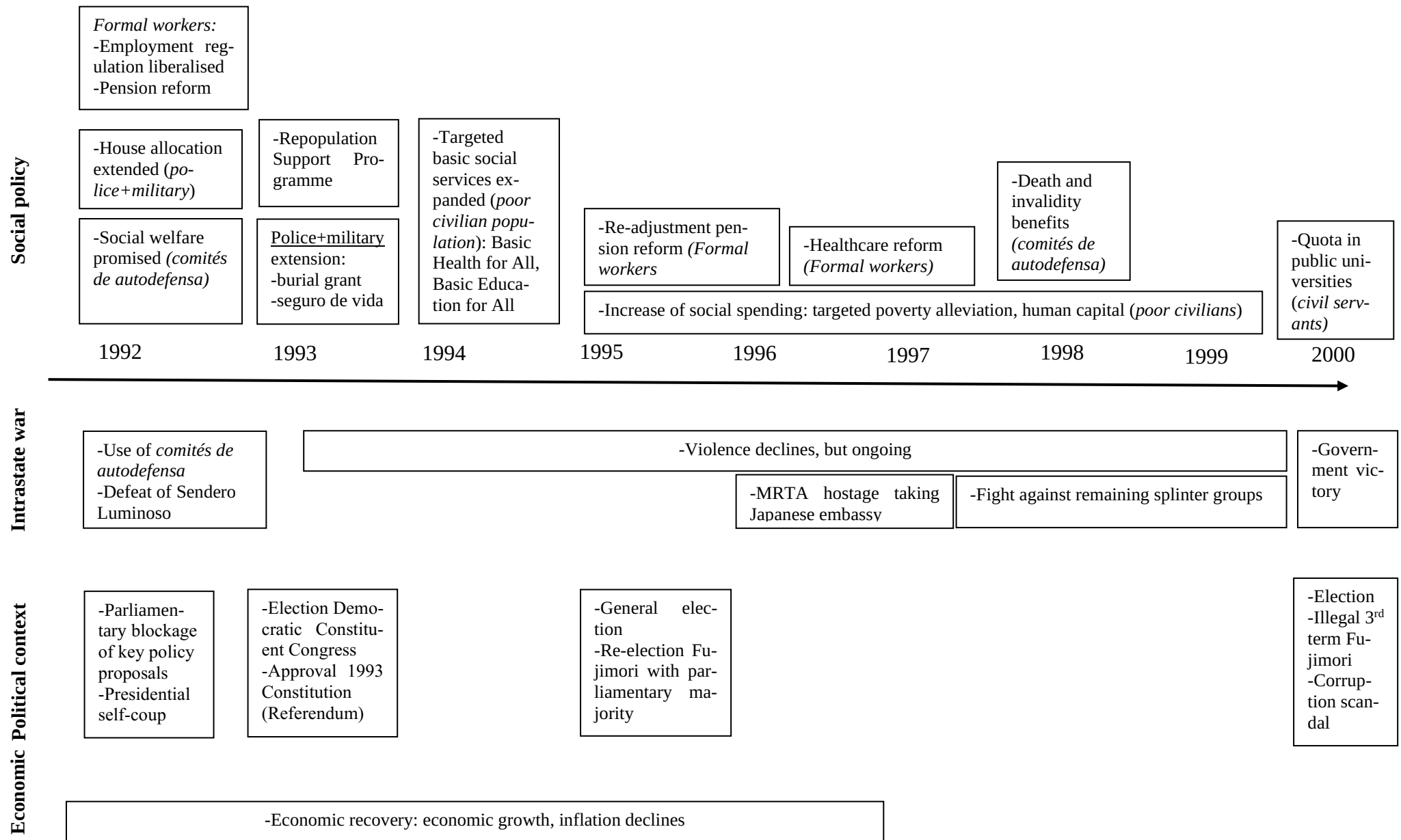
²⁷ The *Defensoría del Pueblo* is an ombudsman established under the 1993 constitution to promote the political and social rights of disadvantaged Peruvians.

the war's more intense phases had left many civil servants unable to fulfil their duties, endangering the future administrative functioning of the state. Therefore, to qualify the necessary new personnel, the Fujimori government instructed public universities to allocate a proportion of places on specialisation courses to civil servants and their children (Law 27277 of 2000).

In the 2000 election, Fujimori ran for a third consecutive term of office, which was unconstitutional. The right-wing party alliance *Perú 2000*, for which he was standing, gained the parliamentary majority; however, domestic and international observers raised accusations of electoral fraud (Tuesta Soldevilla 2005: 468, 474). As a result, Fujimori's presidential election opponent, Alejandro Toledo of the centrist *Perú Posible* party, withdrew in protest during the second round and urged voters to boycott the election. Nevertheless, the second round of the presidential election was held and won by Fujimori. At the same time, a corruption scandal came to light in which one of the closest advisors of Fujimori since his first term in office was a key figure. In response to the unconstitutional re-election and the corruption scandal, protest marches against Fujimori erupted across Peru. As the pressure increasingly mounted, Fujimori eventually resigned and fled to Japan, which also marks the end of the war (CVR Anexo Cronología 2003: 325–342). Neither the *Sendero Luminoso* nor the *Movimiento Revolucionario Túpac Amaru* posed a dangerous threat to the Peruvian state by that time (CVR Tomo I 2003: 60).

Figure 6.5: Social policy development in the context of the war and the political and economic development, fifth phase (1992-2000)

Source: Own compilation



6.5.2. Discussion of the driving factors

Social policy change during the final phase of the war was characterised by a series of parallel developments. On the one hand, there were expansionary changes, with the continuing prioritisation of compensatory social protection for the security forces. This included extending existing benefits for them, as well as introducing additional new benefits, one example being the death grant. Additionally, the *comités de autodefensa*, as another specific beneficiary group, were granted separate compensatory benefits. Furthermore, additional targeted support programmes for the impoverished civilian population were created during this phase. From the mid-1990s onwards, spending on these programmes increased considerably, primarily due to a substantial rise in spending on basic social services and other policies promoting human capital development (Parodi Trece 2007: 430-434). On the other hand, alongside this targeted expansion, retrenchment of social policy took place during the fifth war phase. The Peruvian state scaled back its involvement in social policy by partially privatising the social security systems and liberalising employment regulation. This affected those in the formal labour market, whereas the police and military were exempt from privatisation (Ortiz de Zevallos et al. 1999: 35).

Functionalist factors: Ongoing demand for social policy versus growing but still limited financial resources

The demand for social policy continued to grow during the final phase of the war. However, its nature changed following the defeat of *Sendero Luminoso*, the most brutal of the warring parties, as the number of casualties declined considerably (CVR Anexo Estadístico 2003; Murakami 2023a: 376). Nevertheless, fighting continued until the end of the war. Consequently, both combatants and civilians continued to fall victim to war-related deaths and injuries, creating an ongoing need for support in the event of death or disability, and thus **increasing the demand for social policy**. This prompted the government to continue expanding social protection for the police and the military, for example by increasing the generosity of the *seguro de vida* benefit and introducing another death grant to support them and their dependants.

Moreover, it was during the fifth and final phase of the war that the war-caused social needs of civilians were addressed on a larger scale, at least for the poorest sections of the civilian population. Due to the decreasing violence, the return of displaced Peruvians began in this phase on a larger scale even before the war ended. This created additional social needs relating to the repopulation of abandoned areas, and therefore **increased the demand for social policy** that promoted

the return of the displaced, for example financial assistance, food support, and the rebuilding of roads and other public infrastructure. This was particularly necessary in the areas in the central highlands like Ayacucho, which were affected by the war earliest and therefore most severely. Access to social services in these departments had already been poor prior to the outbreak of the conflict, and the years of fighting had only worsened the situation, because the few available schools and healthcare facilities were often damaged or abandoned. In the fifth war phase, these war-related needs among civilians were addressed by poverty alleviation policies, and promoting the return of those displaced by the conflict played a crucial role in several of these programmes. A prime example is the *PAR* programme, which explicitly aimed to achieve “repopulation and development in emergency zones”, by financing the rebuilding of public infrastructure, including schools, electricity and basic health facilities, as well as providing modest emergency food support. The *PAR* programme also concentrated on the departments most affected by the war: Ayacucho, Apurimac, Huancayo and Huancavelica (Ministerio de la Mujer y Desarrollo Social 2008: 36–39). Promoting the return of the displaced was also a criterion for prioritising departments when other support programmes targeting the poor and extremely poor were rolled out, for example the Basic Health for All programme (Ministerio de Salud 1998: 13). Through these programmes, the Fujimori government addressed at least some of the war-caused social needs among the civilian population.

As before, economic factors influenced the development of social policy, by defining the government’s financial scope of action. However, the amount of these resources increased over the course of the final war phase, despite them still being limited. In the early years of this period, driven by the government’s successful progress in defeating the *guerrilleros* and the previously implemented economic structural adjustment policies, Peru’s economic recovery began. This led to rapid economic growth, sharp decline in inflation and improved tax collection, thus generating an increase in financial resources that paved the way for the massive growth of social spending from 1995 onwards. Specific figures vary because there is no consistent definition of what is included in data on public social spending across primary and secondary sources. However, they unanimously support that the increase in public social spending from the mid-1990s onwards was considerable and unprecedented for the duration of the intrastate war (e.g. Ministerio de Salud 1994; Parodi Trece 2007: 430–434; Portocarrero et al. 2000). Despite the ongoing prioritisation of war-relevant groups (e.g. police, military), the Fujimori directed a considerable portion of this substantial increase towards the civilian population. Available data on individual civilian support programmes show this rapid growth in spending, for example the *FONCODES* (public infrastructure, basic healthcare

and food support) and *PRONAA* (food support) programmes (Portocarrero et al. 2000; Schady 2000). This investment in the reconstruction and rebuilding of public infrastructure and in improving Peru's human capital also boosted production and therefore supported the country's economic recovery (Murakami 2023a: 208-209). In addition, this development signalled to investors and business actors that the Peruvian government was optimistic about swiftly defeating the remaining *guerrilleros* and was already envisioning Peru's long-term development. Nevertheless, despite the considerable increase in spending on civilian support programmes, these policies only provided modest benefits and basic services to a small section of the civilian population, typically the poor (e.g. Portocarrero et al. 2000). Given the accumulated war-increased demand for social policy since the initial years of the conflict, this response was therefore inadequate in terms of both coverage and generosity.

The war's role in promoting external influences

Furthermore, external influences played an important role in this phase. This became evident firstly with the expansion of targeted social policy and the reform of social security systems, both of which were driven by ***policy transfer*** from external actors. While the reform of the social security systems was urgent due to their imminent collapse, policy learning from neighbouring countries and its promotion by other external actors such as the IMF led to the outcomes of partial privatisation and relaxed labour protection (Ortiz de Zevallos et al. 1999: 36–42). Embracing the neoliberal zeitgeist helped President Fujimori to win back the support of external lenders, which he needed for Peru's economic recovery and ongoing counterinsurgency efforts (Ortiz de Zevallos et al. 1999; Weyland 2007).²⁸ Pressure on President Fujimori to maintain their support grew again after his self-coup because it threatened the still fragile trust that his government had earned from the international financial community and external donors by adopting strict economic structural adjustment policies. Following the self-coup, external donors, e.g. the US, had threatened to withdraw their technical and financial support for fighting the guerrilla groups, which the Peruvian government continued to rely on. Therefore, implementing the promoted privatisation of social protection was also an attempt of the Fujimori government to improve its ***disrupted relationship with these external actors*** (Murakami 2023a: 346–359).

²⁸ The external influences on the reform of the social security systems and their interplay with domestic factors other than the civil war has been covered elsewhere (e.g., Mesa-Lago/Müller 2002; Weyland 2007). Therefore, I focus on the role of the intrastate war in these processes.

Manifested shifts in power relations: weakness of the legal left and strength of the government forces

The adoption of neoliberal policy ideas was also facilitated by the negative impacts of the intrastate war on left-wing actors. The conflict had **weakened labour unions** for years by undermining both their absolute and relative power. However, the resulting impact on social policy became visible in the final war phase when the Fujimori government cut back social protection for organised labour's core constituency by reforming the social security systems and labour protection. Over time, the war undermined the organisational strength of labour unions through targeted attacks and assassinations of union representatives and infrastructure by all warring sides (Mauceri 1995: 16; Schubiger/Sulmont 2019: 57). Since 1980, the guerrilla groups attacked labour representatives in an attempt to weaken and take over labour unions, while the police and military harassed them with indiscriminate arrests, persecution and torture (CVR Anexo Cronología 2003: 96, 99). Increasingly strict counterinsurgency policies in the emergency zones also restricted labour unions' ability to organise, aggravating their repression by state actors (Muñoz 2019: 216–218). The war-triggered displacement and economic decline also weakened much of the organisational basis of organised labour, disrupting the formal labour market and leading to a rising share of poorly organised informal workers (Alexander 2007: 127–154). Consequently, the proportion of the labour force organised in unions decreased from around 17% in 1981/1982 to around 7% in 2000 (Moron/Sanbórn 2006: 56). In addition, the civil war caused ideological damage to Peruvian labour unions. The guerrilla groups attempted to infiltrate unions to win the support of workers. There was also an ideological and personal overlap between at least some labour unions and the guerrilla groups, and some unions did not explicitly distinguish themselves (Defensoría del Pueblo 2009b: 38–44). This ambiguous positioning undermined the reputation of organised labour in general and provided a target for state repression and defamation. For example, the Fujimori government falsely equated the large indigenous Peasant Union of Peru (*Confederación Campesina del Perú*) with the *guerrilleros* (Paredes 2019: 179). Finally, organised labour's influence on social policymaking also declined in relative terms because the direct influence of Peruvian business actors grew during the presidency of Fujimori. Fujimori relied on the support of Peru's internationally well-connected business elite to stabilise the economy and regain access to the international financial market (Arce 2005: 41–48; Mauceri 1995: 17–20). The strengthened influence of business interests is evident from the appointment of Peruvian business representatives to key ministries involved in social policymaking at that time, for example the Ministry of Economy and Finance, and as presidential advisors. Together with the increased influence of external actors and

war-triggered institutional shifts (discussed further below), this contributed to the neoliberal turn in social policymaking under Fujimori, particularly following the presidential self-coup. The business-oriented Ministry of Finance and Economy in particular pushed for the liberalisation of employment regulation and the privatisation of social security systems covering those in the formal labour market and largely drafted the policy proposals in isolation. By the time of the adoption of these changes, organised labour had been weakened organisationally and ideologically to such an extent, that it could not prevent the dismantling of its constituency's social protection (Lust 2019: 258–259; Ortiz de Zevallos et al. 1999).

Moreover, the strengthened position of the security forces, which had been growing since the early war period, continued to play a role in the fifth phase of the war. This resulted in their ongoing prioritisation in terms of social protection. The government had to ***secure the ongoing support of the police and military*** in order to combat the insurgency and establish political stability, both of which remained relevant until the end of the war. The military also was a central political factor within the government, in the role of ministers and as a part of the President's closest circle of advisors. In addition, the government's existing dependence on the armed forces increased further after they supported President Fujimori's self-coup (Mauceri 1995; Obando 1999). Overall, this explains why the government again prioritised the social protection of the security forces throughout the final phase of the war. This is illustrated by the repeated creation of exclusive benefits, such as the death grant, and the expansion of existing benefits in terms of coverage and generosity, for example as the *seguro de vida* benefit. This ongoing prioritisation during the fifth war phase is also reflected in the exemption of the separate social security systems of the police and military from privatisation in exchange for their support in backing the self-coup, given their important role as central government forces (Ortiz de Zevallos et al. 1999: 35).

In the fifth phase of the war, the *comités de autodefensa* also became a beneficiary group for which the government created separate social policies to compensate for hardship caused by the war. However, these benefits were expanded considerably later and less generous than those provided to the police and military, as well as civil servants. Several aspects must be considered when explaining this outcome. Firstly, due to the war, the government had to secure the support of the *comités de autodefensa*. In view of the critical war situation in the early 1990s, the Fujimori government had made the *CAD* an integral part of the counterinsurgency effort. However, arming the peasant self-defence committees also posed a risk, given that previous human rights violations by

state actors had made peasant communities particularly distrustful of the state. From the government's perspective, recognising the *CAD* was first and foremost a necessity to defeat the *guerrilleros* in their rural strongholds. Incorporating the *comités de autodefensa* also enabled it to access areas where state presence had previously been absent and to regulate the committees, thereby increasing governmental control over them (CVR 2003 Tomo I and IV; Mauceri 1995: 16). Thus, the position of the *CAD* was strengthened due to their official recognition because it institutionalised their relationship with the Peruvian state and signalled a departure from many years of previous neglect (Rénique/Lerner 2019: 44–45, 49–50). However, this was partly offset by long-standing structural disadvantages that limited the *CAD*'s strengthening, particularly compared with the war-triggered strengthening of the police and the military. Firstly, their influence on policymaking was likely undermined by the fact that, like many other indigenous Peruvians, they had only been granted broader political rights a few years earlier with the adoption of the 1979 Constitution (Minteguiaga/Ubasart-González 2021: 104). Secondly, peasant self-defence committees had a much lower starting level with regard to their previous access to public social protection, as they had been excluded for most of the time. This also stand in stark contrast to the military and the police, which had benefited from especially generous social security systems already before the war (Mesa-Lago 1978).

The wartime development of social policy that benefited the *CAD* mirrored their comparatively restricted strengthening due to the civil war. While Peru's indigenous peasant communities had generally suffered disproportionately severely and early on from the conflict, their social welfare had long been ignored by the government (CVR Anexo Estadístico 2003: 86). It was only at the height of the war in 1992, when the *CADs*' support became necessary due to the catastrophic situation, that the Fujimori government promised to compensate them for war-caused injuries and deaths. However, these promises did not materialise for several years. This can be explained by the fact that the war-triggered strengthening of the *CAD* stagnated shortly thereafter, following the defeat of *Sendero Luminoso*. Unlike the police and armed forces, the *comités de autodefensa* never gained access to, or close personal ties with, the Fujimori government (Mauceri 1991, 1995). This restricted the *CAD*'s ability to pressure for more generous social policies and enabled the government to delay fulfilling its promises for years. Following the pressure of the *Defensoría del Pueblo*, the Fujimori government eventually granted compensatory benefits in the form of lump sum payments in cases of war-related invalidity, death, or loss of property. Thus, peasant self-committees were not included in the police and military's privileged social security systems, but instead their benefits were introduced separately. The generosity of the compensatory benefits provided to the

CAD was also considerably lower than that of the benefits and services granted to other prioritised social groups (police and military, and civil servants). This illustrates again that the war strengthened the *CAD* only to a limited extent while the government was at its most vulnerable; however, it was too limited to overcome the existing institutional barriers of their long-lasting exclusion from social protection. Nevertheless, even the delayed access to modest benefits represented an improvement for the *CAD* in absolute terms, given that the predominantly indigenous peasants were among the many Peruvians who had largely been excluded from public social policy for decades (Minteguiga/Ubasart-González 2021: 104). Overall, the civil war led to a limited expansion of social policy for the peasant self-defence committees due to their comparatively brief yet crucial role in defeating *Sendero Luminoso*. However, this did not override the long-term structural disadvantages of the *CAD*, which is why they remained excluded from the existing social security systems and were granted only comparatively modest benefits.

Impacts on political behaviour and attitudes: The need to buy off the support of the civilian population due to its eroded trust

Furthermore, the negative impact of the conflict on Peruvians' political behaviour and attitudes made it necessary for the Fujimori government to secure sufficient support of the civilian population with the help of social policy during the final war phase. The introduction of targeted support programmes for the poor population was driven by the rapid growth in poverty levels in previous years (Parodi Trece 2007: 222–232). As discussed above, spending on these programmes increased considerably from the mid-1990s onwards, fuelled by improving economic development which generated the necessary financial resources. These programmes served to promote pacification following the defeat of *Sendero Luminoso* and prevent the resurgence of the guerrilla groups in the ongoing war. In addition, channelling much of the substantial increase in social spending towards the provision of basic social services and policies that promote human capital development supported the government's vision for Peru's future. The Fujimori government aimed to make the short-term economic recovery sustainable, by investing human capital and thus the country's long-term development. At the same time, the political developments surrounding the presidential self-coup increased immediate pressure on the government to ***secure sufficient support from the Peruvian population***, as this ultimately marked the failure of the democratic transition and the final collapse of the 1979 Constitution. Initially, the majority of Peruvians supported Fujimori's drastic step, illustrating that the war had ***eroded Peruvians' trust in the democratic institutions*** established in 1980. They simply hoped that the autocratic turn would enable Fujimori to finally end to

the war, replicating his previous success in curbing the extremely high inflation (Murakami 2023a: 312–315, 341–343). Their hope was not disappointed when *Sendero Luminoso* was defeated just a few months later. Although this partial victory of the government helped to boost the President's approval ratings in the short term, the war was not yet over in 1992 (Murakami 2023a: 312). Therefore, ***securing sufficient support among the civilian population*** in a sustainable way was crucial for the Fujimori government in order to prevent a renewed outbreak of violence, which would also have jeopardised economic recovery. Thanks to the economic improvement and subsequently increased social spending, the government could direct many of these resources to programmes targeting (parts of) the civilian population to improve their economic and social situation, thereby supporting pacification (Murakami 2023a: 312).

Additionally, channelling social spending to poor voters served electoral purposes. As Fujimori ran with a new party in every election, his respective parties lacked a core constituency. This was in contrast to the established political parties, which had cultivated their ideological orientations for decades (Tanaka 1998). In view of this, Fujimori used targeted social policies that were introduced due to the war, such as *FONCODES*, to win votes (Schady 2000). However, the benefits provided by these programmes were very modest, especially compared to those of the separately existing social security systems. In addition, this development reproduced the existing separation of social protection. Rather than extending the coverage of existing social security systems with more generous and comprehensive protection to the excluded majority of Peruvians, the government instead created a patchwork of individual programmes that were easier to terminate if funds became scarce (Ewig 2004).

Institutional factors: Collapse of democratic rule

Furthermore, institutional factors indirectly yet decisively influenced social policymaking, as became apparent in the final war phase. Firstly, the ***centralisation of power in the executive*** triggered by the war reached a climax, subsequently facilitating the adoption of the social security reforms. However, this process was complex and non-linear. Even before the fifth phase, the intrastate war had already spurred the government's growing role in social policymaking when parliament repeatedly delegated legislative power to the executive in accordance with the 1979 Constitution (Morón/Sanborn 2006: 31–33). In the fifth phase, however, the civil war contributed to an increase in power of the government that was not covered by the constitution but went beyond it. This occurred because the conflict amplified political instability, which led to the presidential self-coup

in 1992 (Mauceri 1995: 7). During the subsequent eight months, until the election of the Constitutional Democratic Congress, the executive's influence on social policymaking reached its peak throughout the entire war period. This was because the self-coup immediately removed the opposition-dominated parliament as an institutional veto player and suspended the 1979 constitution, thereby making the government the centre of power for social policymaking (Morón/Sanborn 2006: 31–33). Consequently, from the government's perspective, neither the parliament nor the constitution posed any restriction for social policymaking. Subsequently, in late 1992, the Fujimori government was finally able to push through the pension reform and the relaxation of employment protection, which MPs had previously blocked (Ortiz de Zevallo et al. 1999: 36–54).

The self-coup also paved the way for the adoption of the 1993 Constitution, thus manifesting lasting institutional shifts with profound impacts on social policymaking. Firstly, the 1993 Constitution, which is still in force today, adopts a more neoliberal perspective than the 1979 Constitution that was suspended. This again reflects the aforementioned growing influence of neoliberal ideas, which external actors promoted, on Peruvian policymaking (see above). The 1993 Constitution allows for a greater role for the market rather than the state in social affairs (Cameron 2019). This enabled the Fujimori government to implement the reform of the healthcare system, strengthening the market-based provision and increasing competition in healthcare, between 1996 and 1997. It also paved the way for the later adjustments to pension reform in 1996 and 1997, which served to make the private scheme more appealing to eligible workers (Ortiz de Zevallos et al. 1999). Secondly, the 1993 Constitution reshaped the power relations between parliament and government. Although it still provides parliament with similar institutional control powers over the executive as the 1979 Constitution, the number of parliamentary chambers was reduced from two to one. This lasting institutional shift strengthened the power of the executive in policymaking vis-à-vis the legislature in the long term (Schmidt 1998: 113–114). This largely remained a theoretical issue until 2000, as the Fujimori government had a supportive parliamentary majority. Had that not been the case, however, the change to a unicameral parliament would have reduced the potential institutional constraints on the government by reducing the number of veto points. This also reflects a lesson learned from the parliamentary blockade of the attempted social security reforms prior to Fujimori's *autogolpe* (Morón/Sanborn 2006: 18–20).

Moreover, during the eight months of absolute centralisation of power following the self-coup, President Fujimori expanded his direct influence over social policy. Until then, the institutional

responsibility for individual social support programmes had been highly fragmented across different ministries, each involved in the process of policymaking and implementation, including the Ministries of Economy and Finance, and Health (Parodi Trece 2007: 420). Fujimori changed this by making the Ministry of the Presidency a central ministry for the implementation of social policy, transferring institutional responsibility for many of his government's social programmes to this ministry under his direct control. This included programmes such as *FONCODES*, which were introduced in response to the civil war in order to address the resulting destruction and hardship (Portocarrero et al. 2000: 47–49; Thorp et al. 1995: 24–25). By centralising power over these programmes in the Ministry of the Presidency, Fujimori was able to use the resources of these targeted programmes strategically to secure sufficient support among Peruvian voters in later elections and remain in office (Schady 2000). During Fujimori's second term, as discussed, above the government further increased social spending on poverty alleviation while dismantling the public social security systems as described above, thereby deepening the dualist development of social policy (Ortiz de Zevallo et al. 1999; Portocarrero et al. 2000).

Overall, the development of social policy during the long fifth phase of the war was characterised by several parallel trends of expansion and retrenchment. These changes were driven by the complex interplay of various factors of influence. Within the field of tension arising from functionalist drivers – the increased demand for social policy versus the available financial resources – institutional factors and shifts in power relations interacted with the negative impact of the war on political behaviour and attitudes, as well as external factors. While some of these factors were triggered in previous phases of the war, but their influence on the development of social policy only became apparent in the final war phase.

6.6. The bigger picture: summary discussion of the findings

This final section of the chapter summarises the discussion on the development of social policy during the intrastate war. The first part of the section deals with the group-specific development of social policy during the war, assessing whether the results provide empirical evidence for the case-specific expectations outlined in Chapter 4. The second part discusses the role of the different theoretical factors in the wartime social policy development over time. Figure 6.6, included at the end of the chapter, provides a general depiction of the various direct and indirect influences of the intrastate war on wartime social policy in Peru. Figures 6.7 to 6.11, also found at the end of the chapter, offer visual summaries of the group-specific developments described here. Each figure depicts the various mechanisms by which the civil war links to social policy outcomes for the

police and military (Figure 6.7), civil servants (Figure 6.8), CAD (Figure 6.9), and the civilian population (Figure 6.10a for expansion and Figure 6.10b for retrenchment).

6.6.1. Heterogeneous, segmented social policy outcomes

Social policy did not develop uniformly during the war period, with evidence for both expansion and retrenchment occurring and outcomes varying over time and between social groups. Generally, groups relevant to the war effort were prioritised, namely the police, the military, civil servants, and, to a lesser extent *comités de autodefensa*. This prioritisation is evident in changes to social policy during the intrastate war. This section summarises the findings on the outcomes of wartime social protection development for each group. I begin with the prioritised, war-relevant groups: the state security forces, followed by civil servants and then the *comités de autodefensa*. Finally, I summarise the outcomes for the remaining majority of the civilian population.

Military and police

The police and the military played a pivotal role in the Peruvian government's fight against the guerrilla groups. This made them crucial to the war effort, resulting in them being prioritised in terms of wartime social policy.

Firstly, the war-related prioritisation of the police and armed forces became apparent in terms of the early timing of wartime policy change and continuous expansion of their social protection. Government forces were the first group to benefit from an expansion immediately after the conflict's onset, with the introduction of the *seguro de vida* benefit. This expansionary development generally continued throughout the entire war period, with improvements of existing benefits or the introduction of new benefits for the police and armed forces in every phase of the war. Moreover, contrary to the general trend of declining total public social spending during times of economic deterioration, the government used its scarce resources to expand social protection for the police and armed forces. This occurred repeatedly during the first decade of the war (Murakami 2023a: 208–209; Parodi Trece 2007). This again demonstrates the prioritisation of the government forces in terms of policy change timing, driven by their particular relevance to the war effort.

Secondly, the government's prioritisation of the police and military is evident from the comparatively extensive coverage of their war-related social risks. Wartime changes to their social protection addressed the full range of their social needs directly caused by the conflict, such as injury, disability and death. To this end, the government introduced new policies (e.g., the *seguro de vida* benefit) and adapted existing benefits by explicitly including the intrastate war as an eligibility

criterion (e.g. in the case of disability pensions). Moreover, the police and armed forces had access to the greatest number of war-related compensatory benefits and services, including exclusive policies such as burial and death grants and the in-kind house allocation benefit.

Thirdly, the police and the armed forces generally received more generous war-related social welfare benefits than civilians, again reflecting their prioritisation during the conflict. This remains the case, although limited data availability prevented a more detailed analysis of observed adjustments over time for some policies, including the *seguro de vida* benefit, the burial and death grants, as well as the exclusive house allocation benefit. Nevertheless, the available empirical material still implies repeated improvements over the course of the war, including during economic crises. Several war-related benefits and services for the government forces were provided as lump sums, such as the aforementioned burial and death grants. However, the police and armed forces (or their eligible dependants) also received regular pensions in the event of war-caused death or disability, which aligns with my theory-informed expectations. Apart from civil servants (see below), only the police and the military were eligible for this kind of regularly paid benefit. Unlike civil servants, the police and armed forces also received regular future increases to these pensions, making them the only groups to benefit from this “economic promotion” (Laws 24373 and 24640). However, it remains unclear whether this prioritisation is directly reflected in increased social spending on the social protection of government forces in the public budget, which is due to the limited availability of consistent, detailed spending data. Contrary to my expectations, there is also no evidence of an expansion of *old age* pensions during the war. This may again be due to limited data availability, as social policymaking frequently occurred through executive decrees during the civil war, a type of legislation to which I have had the least access. On the other hand, the police and military were unaffected by retrenchment during the war. Their social security systems were exempt from the partial privatisation of existing pension systems (including old-age pensions) and healthcare systems in the 1990s, instead retaining their separate, more privileged systems (Mesa-Lago/Müller 2002: 692–693). This exemption means that the social welfare of the police and the military continued to be entirely the responsibility of the state, unlike in the case of the other social groups. This further speaks in favour of the government forces’ prioritisation, even if, in this case, it does not refer to expansion but of protection against the withdrawal of the state from social protection. Overall, there is ample evidence from throughout the entire war period that supports the expectation that prioritisation of social protection for the military and police was prioritised.

Civil servants

Peruvian civil servants benefited from the prioritised expansion of social protection during the civil war due to their relevance for maintaining the administrative functioning of the state. Compared to the majority of the civilian population, the expansion of wartime social policy for civil servants clearly stood out. Firstly, civil servants had access to compensation in the event of war-related death or injury, whereas the rest of the civilian population did not. This included disability and survivor benefits, which were separate policies from those of the government forces, as expected. The findings regarding the wartime prioritisation of civil servants are, however, more mixed for other dimensions of social policy change. While social policies catering to civil servants became more during the war period, they generally remained lower than similar compensation of the police and military. For example, most of the war-related benefits and services for civil servants were provided as lump sums, e.g. the exceptional compensation granted in the event of war-caused disability (Art. 243 of Legislative Decree 398 of 1986). In addition, although existing disability and survivors' pensions for civil servants were extended by explicitly including the war as an eligibility criterion, the amount of their pensions did not increase regularly in the future, as it did for the police and armed forces. Moreover, due to the limited availability of consistent and detailed spending data, it is unclear whether the expansion of war-related compensatory measures for civil servants was reflected in the public budget through a (relative) increase in social spending on this beneficiary group.

Additionally, evidence on the timing of policy changes shows that the expansion of civil servants' social protection only began several years into the conflict, during the militarisation phase. This timing was later than that for the police and military, but slightly ahead of the remaining civilians. Subsequently, the expansion of civil servants' social protection continued gradually but sporadically, particularly in comparison to the government forces. Therefore, in the case of civil servants, wartime prioritisation of social policy primarily refers to their continued privileged access to separate, more generous social protection in comparison to the majority of the civilian population. Nevertheless, the overall empirical results still correspond to the expected outcome of their prioritisation during the war.

Comités de Autodefensa

Self-defence committees of indigenous peasants are a special case in terms of social protection prioritisation during the war, as this was far more limited than for the police, the military and civil servants. The CAD became a war-relevant group solely due to their pivotal role in supporting the government at a moment of extreme crisis in the early 1990s by contributing decisively to the

defeat of *Sendero Luminoso* (CVR 2003). This was at a considerably later stage than the other prioritised groups, and additionally limited to a relatively short time period, as their role again declined shortly afterwards. The timing of the adoption of their compensatory benefits in the late 1990s was also very late, happening several years after the government had initially promised them social welfare (Supreme Decree 068-98-DE-S/G of 1998). Furthermore, despite their crucial contribution to the war effort, the *comités de autodefensa* remained excluded from the existing social security systems. This reflects their long-standing structural disadvantages as predominantly indigenous peasants who had been excluded from social protection before the war (Minteguiaga/Ubasart-González 2021: 104). Rather than including the *CAD* into existing schemes, the government created separate lump-sum benefits to compensate them for war-related death, injury and property loss. In addition, the regulation that was finally adopted did not specify amounts of these benefits, raising doubts about its actual implementation (Supreme Decree 068-98-DE-S/G of 1998). Compared to the other war-relevant groups, this does not suggest prioritisation of the *CAD*.

Nevertheless, there are at least some indications that suggest that the *comités de autodefensa* were prioritised with regard to wartime social policy. Firstly, compared to their situation prior to the intrastate war, the formal introduction of state-provided social welfare benefits in 1998 represented a clear improvement for the members of the *comités de autodefensa*. For the first time, these peasants gained access to state-provided compensation in the event of death, disability, or loss of property, thanks solely to their brief yet crucial contribution to the war effort. Secondly, prioritisation is also evident when the *CAD* are compared not to other war-relevant groups, but to the rest of the civilian population, who remained excluded from those compensatory benefits. Therefore, there is some support for the expectation that the *CAD* were prioritised as a result of the war. However, in their case, prioritisation does not relate to the timing of social policy change or the generosity of benefits/services compared to the government forces or civil servants. Instead, prioritisation becomes evident by comparing the wartime outcome with the exclusion of the *CADs* before the war, and with that of the majority of the Peruvians during the war.

*Civilian population*²⁹

In contrast to the expansionary outcomes for the prioritised groups, the civil war resulted in ambiguous and rather negative social policy outcomes for the remaining majority of Peru's civilian

²⁹ By 'civilian population', I refer only to the remaining majority of civilians who were neither civil servants nor members of the *comités de autodefensa*.

population during the intrastate war. This is evident, firstly, in the timing of policy adoption. The Peruvian government introduced the first civilian support programmes in the mid-1980s, several years into the war, and did not begin the greatest expansion until the 1990s. This timing was considerably later than for the prioritised government combatants and civil servants. This also contrasts with the growing demand for social policy among civilians that the conflict caused already in its initial years, due to, for instance combats and its negative impact on the Peruvian economy (CVR Tomo II 2003: 13, 33).

Furthermore, the expansion of social policy that occurred did not match the war-increased demand. Although support programmes for civilian were introduced, they were insufficient as these policies only addressed some of the social needs caused by the war. Most programmes provided food support and basic healthcare, as well as investing in the necessary public infrastructure (e.g. *FONCODES*, Repopulation and Development Support Programme). In a few cases, they also offered price subsidies and income support. This aligns with my theory-informed expectations. By contrast, no specific compensation was granted in the event of war-related deaths or disabilities apart from basic healthcare. Victims of human rights violations committed by the state security forces also received no compensation. Contrary to my expectations, there was also no evidence of an expansion of housing support for Peru's civilian population. This was partly offset for by non-governmental actors, which sometimes provided community-based housing support at the local level (Coral 1994: 18–20).

In the mid-1990s, social spending increased considerably as a proportion of the total public budget, with much of it going into targeted social support programmes providing food support and basic healthcare for the poor and extremely poor, as well as the necessary public infrastructure (e.g. Ministerio de Salud 1998). This suggests a shift in the government's social policy focus towards the civilian population. Although consistent overall public budget figures were unavailable for the analysis, growth in spending on civilian support was nevertheless indicated by spending data on individual programmes, which showed a rapid increase usually starting in the mid-1990s (e.g. Ministerio de Salud 1998; Portocarrero et al. 2000).

However, the generosity of wartime support for the civilian population was generally very modest, particularly compared to the social protection provided to government forces and civil servants, and the programmes' coverage limited. Policies for the civilian population instead granted only low benefit amounts and basic social services, as seen with the "Basic Health for All" programme. Furthermore, the access to civilian support programmes was usually limited to segments of the

civilian population, especially in the case of policies introduced during the 1990s. Rather than providing universal access, most of these programmes targeted subgroups of the civilian population, often the poor and the extremely poor, as with the “National Programme of Food Assistance (*PRONAA*)”. While the proportion of the Peruvian population affected by poverty increased during the civil war, large sections of the population were therefore excluded from programmes that offered even modest support (Parodi Trece 2007: 232–233). Some civilian support programmes also explicitly applied war-related targeting criteria, focusing on departments particularly affected by the conflict, encouraging the return of war-displaced Peruvians (e.g. “Basic Health for All” and the “Repopulation and Development Support Programme”). Thus, although social policy for the civilian population expanded during wartime, this expansion remained much more limited. This is evident from comparatively late timing of policy adoption, targeted access and therefore limited coverage, and modest generosity of the benefits and services provided.

Moreover, different sections of the civilian population were affected by the retrenchment of social policies during the war. In the late 1980s, this occurred in the form of the termination of programmes providing food and income support to poor Peruvians in particular, and the expiration of price caps and subsidies, which affected the lower and middle classes in particular (Parodi Trece 2007: 234). Later, in the 1990s, those working in the formal labour market faced the dismantling of their social security systems due to the partial privatisation of pension and healthcare systems, as well as the liberalisation of employment protection legislation. Although this only affected a small proportion of the working-age population – around a third in the case of the relaxed employment regulations and pensions – this change nevertheless represented a paradigm shift in social security (Parodi Trece 2007: 395, 416).

Overall, the diverse, group-specific empirical outcomes of wartime social policy in Peru support many of my previous theory-informed expectations. The findings also imply that the intrastate war deepened the existing segmentation of social protection among social groups. This reproduced and consolidated a pattern in the historical development of social policy that had already been observed in Peru (Mesa-Lago 1978: 113–159).

6.6.2. Comparison of the role of the different influences in the wartime development of social policy over time

The heterogeneous and segmented social policy outcomes during the war period in Peru resulted from the interaction of both direct and indirect impacts of the intrastate war. Some of these influences shaped social policymaking throughout the war, while others unfolded over time. In this section, I revisit the role of the theoretical factors and mechanisms discussed in Chapter 4 in the light of the empirical findings. I begin with the functionalist drivers that influenced social policymaking throughout the war period, before moving on to the other factors, whose influence varied over the course of the war: institutions; power resources; political behaviour and attitudes; and finally, external influences.

6.6.2.1. Functionalist driving factors that were decisive throughout the war period

Throughout the civil war, social policy was shaped by functionalist drivers. The war-triggered increase in the demand for social policy among combatants and civilians acted as the impetus for policy change, while the reduction in available resources due to the war limited the government's scope of action in addressing this demand. In line with my theory-informed expectations, the Peruvian civil war created various acute social needs among combatants and civilians that would not have emerged without the conflict. This increased demand for social policy throughout the duration of the war, although the specific social needs of combatants and civilians varied. Combatants primarily required compensation for bearing the risks of death and injury associated with fighting, resulting in demands for disability and survivors' benefits. The civilian population also suffered war-related death and injury as they were caught between the warring parties. In addition, civilians were affected by war-related displacement, creating further demands for food, housing, and income support. As violence escalated and spread to more and more parts of the country, causing more and more casualties and civilian displacement, these war-triggered demands continued to grow. As the Peruvian social protection system in place at the time was insufficient to keep up with those various needs, the continuously growth in the demands of combatants and civilians provided the impetus for social policy change throughout the war.

The extent to which the government actually responded to these growing demands was, in turn, shaped by the negative impact of the intrastate war on economic factors. The empirical findings imply that this had a profound influence on social policymaking throughout the war by limiting the government's financial scope for action. The expected negative impact of the intrastate war

was empirically observed for most of the war period, reducing the financial resources available for social policymaking. Empirical evidence was found for many of the theoretically assumed channels of influence. From 1980 to around the mid-1990s, the conflict hindered economic development, for example through its various adverse consequences for production output and the labour markets, caused by destruction and displacement (Carbajal Pérez/Uriarte Otoyá 1993: 17–18, 150–151). There is also some evidence in favour of the anticipated wartime shift in the public budget from social spending to military expenditure, for example during the Belaúnde presidency in the early years of the conflict (also see Table A6.2 in the Appendix). Furthermore, the civil war exacerbated the negative impact of other shocks on the Peruvian economy, as if acting as a magnifying glass. This was evident in the early 1980s when the war aggravated the adverse impact of several external shocks occurring simultaneously, and particularly in the late 1980s, following the failed heterodox economic policies of García government, which brought Peru to the brink of economic collapse. In short, the war's negative influence on the Peruvian economy depleted the government's financial resources as expected, thereby reducing its leeway to expand social policy. This is why the Peruvian government often opted for lump sum benefits rather than regular pensions, as with the death and burial grants for the police and armed forces. It is also why the government deferred benefit payments to the future, for example the regular future increase in pensions for police and military personnel ("economic promotion"). However, in the first half of the 1990s, the improvement in the economic situation following the partial relaxation of the war situation again had a decisive impact on social policymaking, enabling an unprecedented increase in social spending. This rapid economic recovery was fuelled by the defeat of Sendero *Luminoso* in 1992 and the subsequent considerable decline in violence, highlighting the influence of changing war developments on the economy (Murakami 2023a: 208-209). In turn, economic recovery and decreasing violence spurred the subsequent massive growth in social spending, used primarily for the expanding civilian support programmes (e.g. Portocarrero et al 2000, Parodi Trece 2007).

Overall, the development of social policy throughout the war period was influenced by functionalist driving factors. On the one hand, the war caused massive social needs affecting both combatants and civilians. The resulting demand for social was offset by the available resources to address these needs. For most of the war period, the financial leeway of the Peruvian government was limited due to the war's negative impact on the economy. As expected, this led to social policy being prioritised, as the Peruvian government was confronted with the dilemma of increased demand for public social welfare far exceeding available financial resources. The way in which the

government dealt with this dilemma was influenced, in turn, by other theoretical factors, which I will discuss below.

6.6.2.2. Other factors that were decisive at times

Many of the impacts of the intrastate war on the development of social policy in Peru operated indirectly, through its influence on theoretical factors, and unfolded at different times. Building on the structure of Chapter 4, I will discuss the impact of the war on institutions, power resources, political behaviour and attitudes, and external influences, as well as the resulting indirect impacts on social policy.

A) Institutions

The civil war led to institutional shifts that unfolded their influence on social policymaking over the course of time. Firstly, the conflict triggered institutional changes that resulted in different rules and structures to those in peacetime. As expected, power became more concentrated in the executive. This process began in the 1980s with repeated delegations of legislative power from the parliament to the government, which were within the constitutional framework, to support the war effort (e.g. Law 23230). This led to social policy being increasingly made via executive decree (Morón/Sanborn 2006: 32–40). The centralisation of power in the executive reached an unprecedented and absolute level following the presidential self-coup of 1992, which was an institutional change that went beyond the constitutional framework. The self-coup occurred because the conflict amplified political instability in previous years, resulting in the blockade of counterinsurgency policies and social reforms by parliament and, ultimately, in the presidential self-coup (Mauceri 1995: 7). The subsequent climax of power centralisation in the executive was because the 1979 Constitution and Parliament were suspended, thereby removing the institutional veto points that had previously inhibited policy change, and ushering in a period of autocratic rule (Morón/Sanborn 2006: 19). Consequently, social policymaking was often isolated within small teams in individual ministries (Ortiz de Zavallos et al. 1999). In turn, power centralisation in the executive facilitated and accelerated social policymaking, thereby contributing to many of the social policy outcomes (see also Figures 6.7, 6.10a and 6.10b). Control over many social support programmes also became centralised in the Ministry of the Presidency, thereby increasing the President's direct influence over these programmes (Decree-Law 25556). The autocratic turn following the self-coup and the suspension of the 1979 Constitution both illustrate the war-triggered erosion of existing institutions that unfolded over time. They also paved the way for the adoption of the 1993 Constitution,

which permitted a greater market role in the provision of social protection (Cameron 2019). Together, the autocratic shift and the 1993 Constitution provided a supportive institutional framework that later enabled the government to partially privatise of social security systems and liberalise employment protection, albeit in conjunction with other factors (also see Figure 6.10b).

B) Power resources

The intrastate war altered the power resources of different actors, which subsequently contributed to the diverse social policy outcomes described earlier. While the conflict strengthened the influence of certain actors due to their relevance to the war effort, it reduced the influence of those associated with the guerrilla groups.

Strengthening the war-relevant actors: the government forces, civil servants and CAD

The Peruvian police and armed forces were a key group whose influence and relevance to the war effort grew alongside each other. Although this strengthening of the government forces occurred over time, it was a swiftly unfolding process enabled by the war. This is made even clearer considering that the armed forces were weak when the conflict broke out in 1980, shortly after the collapse of the military dictatorship. However, due to the intrastate war, they were able to regain and expand power quickly within a few years. Key aspects here were that the military took over counterinsurgency operations and control of the emergency zones. As the conflict intensified and the number of emergency zones under military control increased over time, the influence of the police and military over the Peruvian government grew (Defensoría del Pueblo 2009a: 45, 66–68; Mauceri 1991). As expected, this made the Peruvian government forces a crucially war-relevant group, leading to their prioritisation in terms social protection expansion throughout the war, even in the most difficult economic conditions (see above and Figure 6.7). However, this war-triggered increase in power only reached its climax during Fujimori's presidency, when he appointed military personnel to his inner circle of advisors and to his government (Mauceri 1995; Morón/Sanborn 2006). This gave the military direct influence on policymaking. Regarding social policy, this power climax is most clearly reflected in the subsequent exemption of the police and armed forces from retrenchment in the course of the neoliberal reforms of the social security systems (Ortiz de Zevallos et al. 1999: 35).

Another group that was relevant to the war effort was civil servants. Their influence on wartime social policy was also strengthened as a result. Their relevance stemmed from playing a vital role in maintaining the administrative functioning of the state amid the challenging situation of war.

While civil servants had already been established as an important social group before the war, securing them access to particularly privileged social protection, that role became pivotal as the conflict intensified and spread geographically (Mesa-Lago 1978: 113-.159). This was partly due to the government facing growing pressure to maintain the support of civil servants, given that the power of the security forces was growing simultaneously and posed a risk to civilian rule. Therefore, the government could not afford to lose the support of civil servants as a group of crucial civilian supporters. However, the increasing number of guerrilla attacks on civil servants because of their role as state representatives threatened their loyalty. Unlike the government forces, civil servant were not obliged to risk death or injury for the state. This is why the government extended social protection for civil servants, including death and disability benefits, although the limited financial leeway posed restrictions (see above and Figure 6.8).

Unlike the police, the military and civil servants, state-recognised peasant self-defence committees only gained in importance because of their role in helping the government to defeat the guerrilla groups. However, in comparison to the other war-relevant groups, their strengthening due to the war occurred much later and was considerably more limited. The increased relevance of the *comités de autodefensa* was largely limited to the short period between their official recognition by the Peruvian government and the defeat of *Sendero Luminoso*, to which they made a decisive contribution. Furthermore, the strengthening of the *CAD* due to the civil war was insufficient to offset their long-standing structural disadvantages as predominantly indigenous Peruvians who had long been politically and socially excluded (Minteguiaga/Ubasart-González 2021: 104). Consequently, they lacked the influence that other prioritised groups had had on social policymaking, including before the war. The limited war-related strengthening of the *CAD* explains, in turn, why the government promised them social welfare improvements but was able to postpone the adoption of actual policies for several years. Nevertheless, this limited and delayed expansion of public social policy still put for the *CAD* in a better position regarding public social welfare compared to before to the civil war as well as compared to the majority of the civilian population (see also Figure 6.9).

Weakening of left-wing political parties and organised labour due to their association with the guerrilla groups

Ultimately, the war had a negative impact on left-wing actors due to their association with the insurgents, resulting in their declining influence on social policymaking over time. This negative impact was reflected in the organisational and ideological weakening of left-wing political parties. Initially, however, during the second phase of the war, the conflict contributed to the electoral

success of the left-wing *APRA* party, which won based on its war-related promises (Defensoría del Pueblo 2009a: 130; Parodi Trece 2007: 234). Soon afterwards, the transition to a left-wing government was apparent in social policymaking (see also Figure 6.10a). It became apparent when the *APRA* government began to expand social policies (subsidies, food aid) to support the civilian population, particularly those in the lower and middle classes who were among *APRA*'s key electorate (Cameron 1991; Graham 1990). Other left-wing parties also achieved considerable success in elections during the first decade of the war, subsequently taking on political offices, particularly at local and regional level (Muñoz 2019: 202).

However, the electoral success of left-wing parties was short-lived, as the intrastate war increasingly weakened the legal left in several ways. This later affected social policy, especially during the fourth and fifth phases of the war. As expected, the conflict adversely impacted left-wing political parties due to their association with the guerrilla groups (Muñoz 2019). Over time, the war undermined their organisational capacities due to targeted attacks by guerrilla groups and repressive actions by the police and military. Partly resulting from their overlapping ideological alignment with the guerrilla groups, the conflict also caused ideological damage to these parties, increasing fragmentation of the legal political left. Additionally, it stemmed from the failed economic policies of left-wing President García, which led to the extreme economic crisis in the late 1980s, further aggravated by the escalating war (Muñoz 2019: 208-218). Over time, the resulting weakening of left-wing parties caused by the war reduced their influence, which became evident in changes to social policy throughout the 1990s. After García was voted out of office, no left-wing party formed the government until the end of the war, resulting in a decline in their influence over social policy development (Tuesta Soldevilla 2005: 463-464, 468, 473-474). Furthermore, the ideological damage to left-wing ideas facilitated the neoliberal policy changes seen in the 1990s (Weyland 2007): This promoted the shifts towards the targeting of social policy as an alternative to universal policies. In conjunction with external influences, the weakening of the legal left due to the war contributed to the adoption of targeted social support programmes for the poor civilian population (see Figure 6.10a).

In addition to the left-wing parties, organised labour's power resources were also weakened over time by its association with the guerrilla groups, resulting in similar organisational and ideological damage. The conflict undermined organisational strength of labour unions in several ways, resulting in a considerable decline in union membership (Moron/Sanbórn 2006: 56). Targeted guerrilla attacks, repressive measures adopted by the government, and the deep economic crisis of the late

1980s also gradually compromised the organisational strength of Peruvian labour unions. This gradual process coincided with the escalation of the war, which is why the resulting decline in influence of labour unions on social policy only became apparent in the 1990s. The retrenchment of social security systems and the liberalisation of employment protection adopted during this period affected their core constituency of workers in the formal labour markets (Lust 2019: 258–259; Ortiz de Zevallos et al. 1999). At that time, organised labour’s influence on social policymaking also declined in relative terms, with the influence of Peruvian business actors growing in parallel. During Fujimori’s presidency, domestic business representatives were directly involved in social policymaking; for example representatives were appointed to the key Ministry of Economy and Finance (Morón/Sanborn 2006: 56). They supported the policy transfer of neoliberal policies from external actors, which is discussed further below. Coupled with these external influences, the absolute and relative weakness caused by the war meant that Peruvian labour unions were unable to prevent the relaxation of employment regulations and the dismantling of state-provided social protection that affected their core constituency (Ortiz de Zevallos et al. 1999) (see Figure 6.10b).

C) Political behaviour and attitudes

The civil war had a negative influence on the political behaviour and attitudes of Peruvians, which eventually contributed to the neoliberal shift in social policymaking in the 1990s. This negative impact unfolded over time, as the conflict gradually eroded Peruvians’ trust in democratic institutions (Murakami 2023a: 204–205). At the beginning of the war, the country was in the midst of transitioning to democratic civilian rule after twelve years of military dictatorship. Following an unprecedented extension of voting rights, Peruvians who had previously been politically excluded were permitted to vote in a democratic election for the first time (Schubiger/Sulmont 2019: 52). However, during this vulnerable period of transition, the *guerrilleros* initiated their armed struggle against the “new” Peruvian state, as evidenced by their disruption of the election. While this did not affect the outcome of the 1980 election overall, it likely raised doubts about these newly created democratic structures among some Peruvians (Murakami 2023a: 194–202). This is also supported by the fact that the guerrilla group initially received support from sections of the local population (CVR Tomo II 2003: 29–36).

The intensification of the civil war in subsequent years reinforced doubts about the democratic transition in the civilian population. In line with the 1979 constitutional framework, the democratically elected Peruvian government created emergency zones under military control. This allowed government forces to commit terrible human rights violations against civilians in these zones under

the pretext of counterinsurgency against (suspected) *guerrilleros* (CVR Tomo VI 2003). Furthermore, the failure of the consecutive democratic governments of Belaúnde and of García to prosecute these crimes further undermined Peruvians' trust in democratic rule (Murakami 2023a: 313). Both governments formed by established right- and left-wing parties also failed to end the intra-state war, further eroding Peruvian voters' trust in these parties and their representatives. Ultimately, this distrust resulted in Peruvians supporting the political outsider Fujimori, who had no ties to established political parties, in the 1990 election. This also led to the subsequent collapse of the system of political parties (Tanaka 1998). Fujimori's election, in turn, brought a president into office who initiated a major shift towards a neoliberal approach and had a profound influence on social policymaking in the 1990s. In this way, the negative influence on Peruvians' political behaviour and attitudes enabled the design of subsequent social policy changes (see Figure 6.10a).

The negative impact of the war on the political attitudes of Peruvians towards democratic rule culminated in their broad support for President Fujimori's autocratic turn following his self-coup (Murakami 2023a: 312–315, 341–343). These developments, in turn, shaped social policy outcomes in the years leading up to the end of the war. For instance, lacking an established voter base, President Fujimori relied on targeted social spending to secure sufficient electoral support (Schady 2000). This also aligns with my previous expectation for social policy to be used to strengthen the output legitimacy of the Fujimori government following the president's self-coup (Roller 2019). Fujimori's autocratic turn also paved the way for lasting institutional shifts, such as the adoption of the 1993 Constitution, which facilitated the transfer of neoliberal policy from abroad, including the reform of the social security systems (see below and Figures 6.10a and 6.10b) (Ortiz de Zevallos et al. 1999).

However, I have found no clear empirical evidence of the other influences of the war on political behaviour and attitudes that I had expected. Firstly, this relates to the supposed competition between the government and the guerrilla groups over providing social services to the civilian population. The lack of reliable evidence may be due to the fact that the analysed data sources largely represent only the government's perspective. Based on these documents, I was unable to determine whether the government expanded social policy in response to an earlier expansion of social services by the guerrilla groups. Secondly, I found evidence of the expected outcome of exclusionary social policy for the civilian population, such as targeted support programmes. However, based on

the analysed documents, it seems unlikely that the negative influence of the war on political behaviour and attitudes played a role in producing this outcome. This assessment would have required other types of data better suited to capturing preferences, such as survey data.

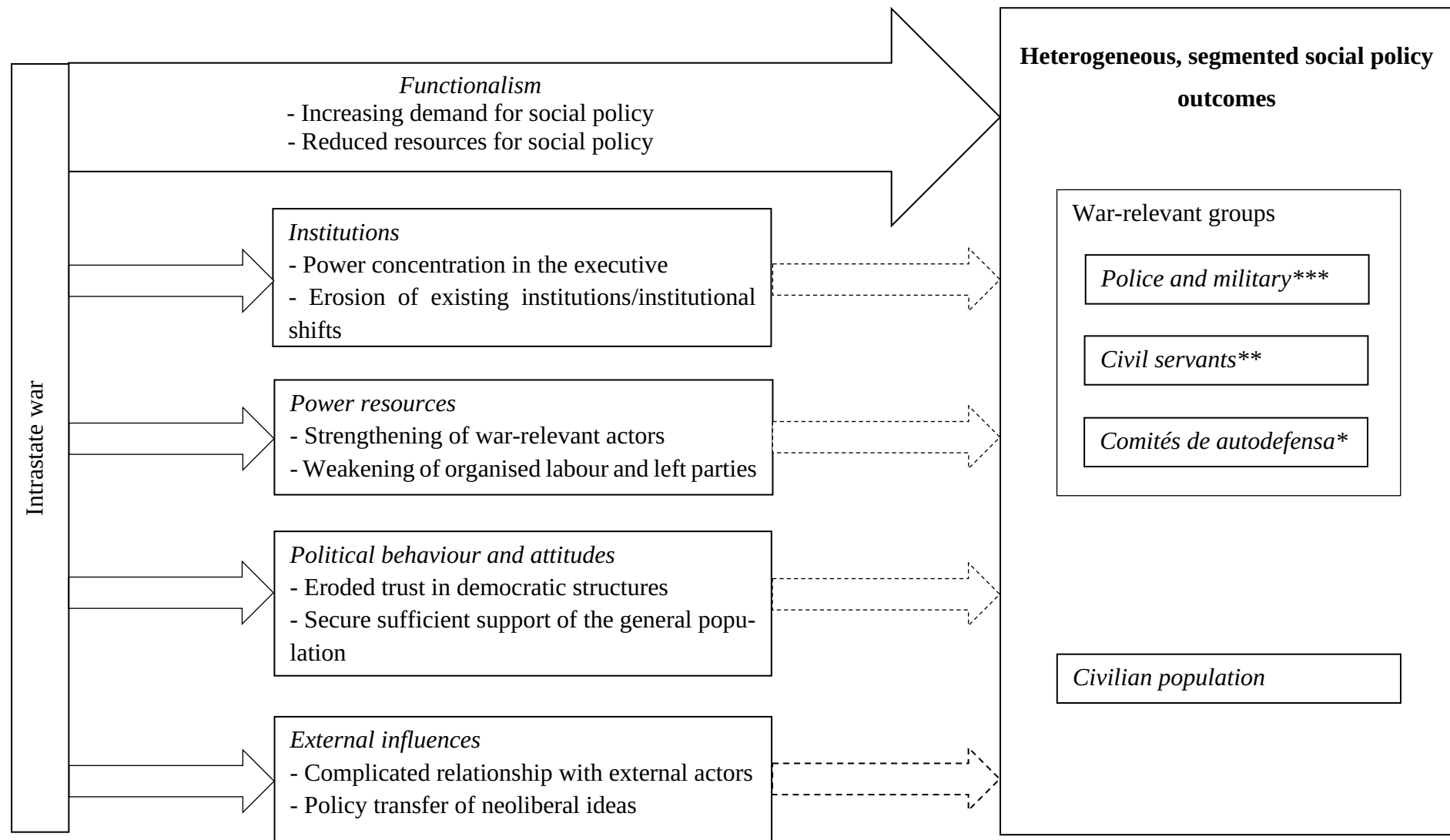
D) External influences

The indirect impact of the war on social policymaking through its influence on external factors was decisive for the period between 1990 and 2000, as it promoted the neoliberal shift that resulting in the retrenchment of social protection and established targeting. The civil war enabled this by disrupting the relationship between the Peruvian government and external lenders and donors. This happened, firstly, through the war's negative impacts on economic factors, such as the disruption of production, targeted guerrilla attacks against infrastructure like foreign banks and embassies, which deterred external investors (Carbajal Pérez/Uriarte Otoyá 1993: 17–18, 150–151). This came to a head in the late 1980s with the escalation of the war in terms of its geographical spread and the number of casualties (CVR Anexo Estadístico 2003: 22, 32–36). The relationship between the Peruvian government and external lenders was also worsened by President García's unilateral decision to suspend repayment of external debts (Lago 1992: 282–286). This led to the severe economic crisis, which the civil war reinforced further, and improving the relationship with external lenders became essential for economic recovery (Boloña Behr 1993). Secondly, violations of human rights perpetrated by the government forces, as well as President Fujimori's self-coup each provoked condemnation from important external supporters, such as the US government. However, at the same time, the war also increased the dependency of the Peruvian government on this external support (Murakami 2023a: 341–359; Paredes 2019: 192). This increased dependency on external actors for support in counterinsurgency, humanitarian aid, external lending, and economic recovery was decisive in the transfer of neoliberal policies to Peru in the 1990s. By adopting policies promoted by external actors, the Peruvian government attempted to win (back) their support and improve its relationship with external donors and lenders. This resulted in the adoption of a targeting approach to social policy and spending, poverty alleviation policies, as well as the partial privatisation of social security systems and the liberalisation of employment regulations (Ortiz de Zavallos et al. 1999; Weyland 2007). As described above, the transfer of neoliberal ideas in particular was further facilitated by the discrediting of left-wing ideas due to the war. Adopting neoliberal policies served not only to improve ties with external lenders, but also as an attempt by the Fujimori government to distance itself from anything associated with the opposing guerrilla groups (Muñoz 2019). Moreover, the neoliberal shift in social policymaking policy transfer was

later codified in the 1993 Constitution, which, as previously discussed, was also made possible by the war through a complex series of causal steps. This allowed the impact of the transfer of neoliberal thinking on the development of social policy to persist (Cameron 2019) (see Figures 6.10a and 6.10b).

Overall, the intrastate war shaped social policymaking in Peru over the course of its duration in various ways, affecting it directly as well as indirectly through its impact on the other theoretical factors commonly studied in comparative welfare research. While some of the war's impacts influenced social policymaking throughout the war period, most unfolded over time in later war phases. These impacts also interacted in complex, nonlinear ways, resulting in the heterogeneous and segmented social policy outcomes described in this chapter and summarised again in Figures 6.6 and 6.7.

Figure 6.6: Direct and indirect impacts of the Peruvian civil war and social policy outcomes.

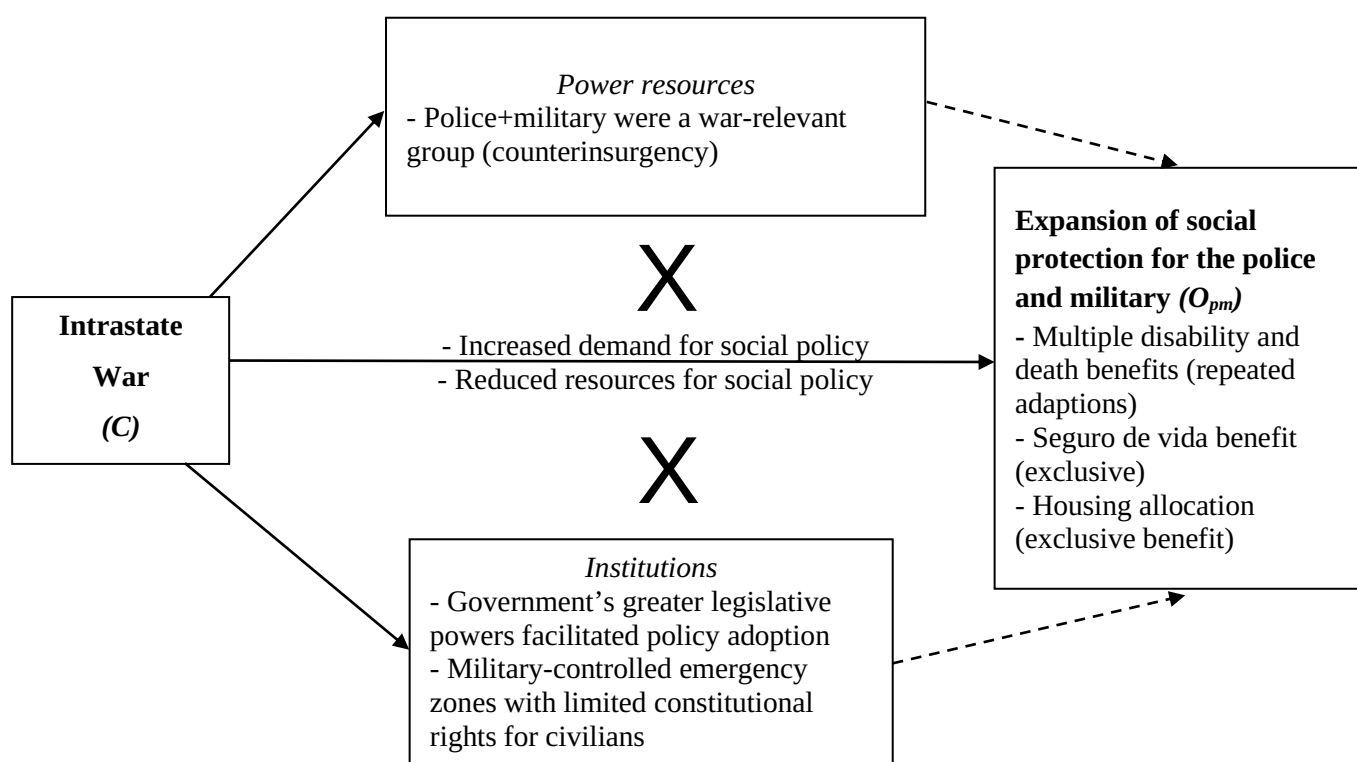


* War-relevant groups prioritised in some form in wartime social policy compared to the majority of the civilian population, number of asterisks indicating higher priority.

—> Direct influence of intrastate war; - -> indirect influence of intrastate war

Source: Own depiction.

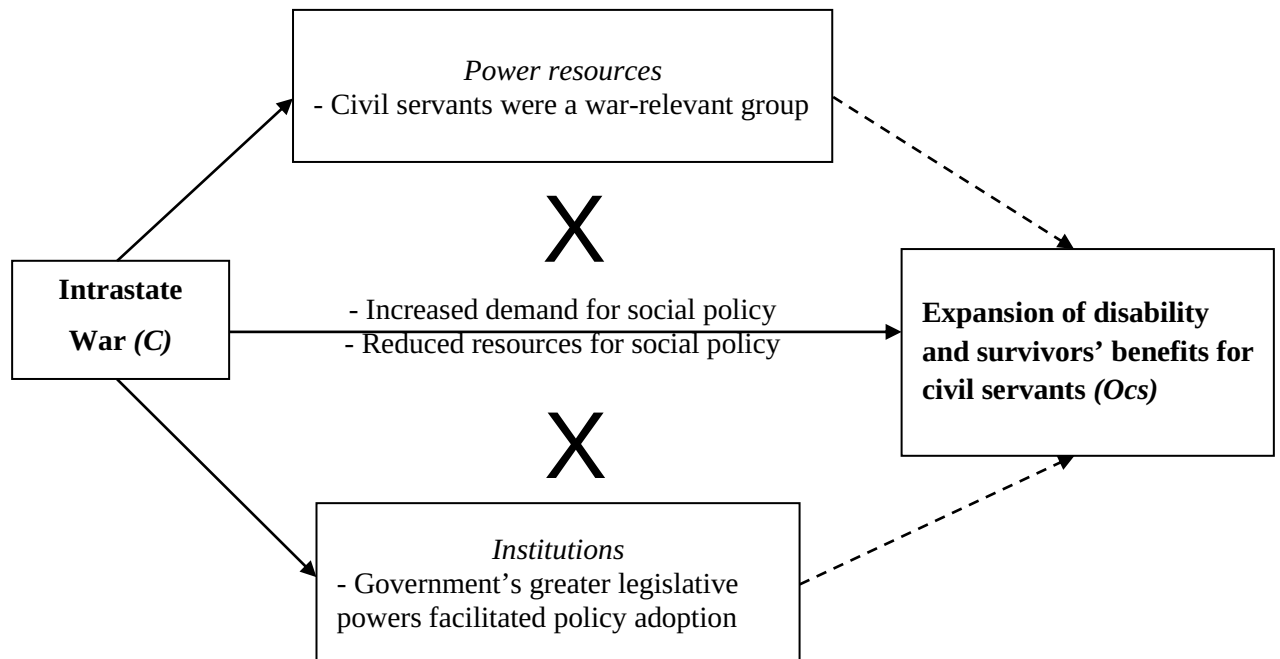
Figure 6.7 Direct and indirect influences of the intrastate war leading to the expansion of social policy for the police and military during the Peruvian civil war



C Cause; O social policy outcomes; —→ direct influence; - - -→ indirect influence; X interaction

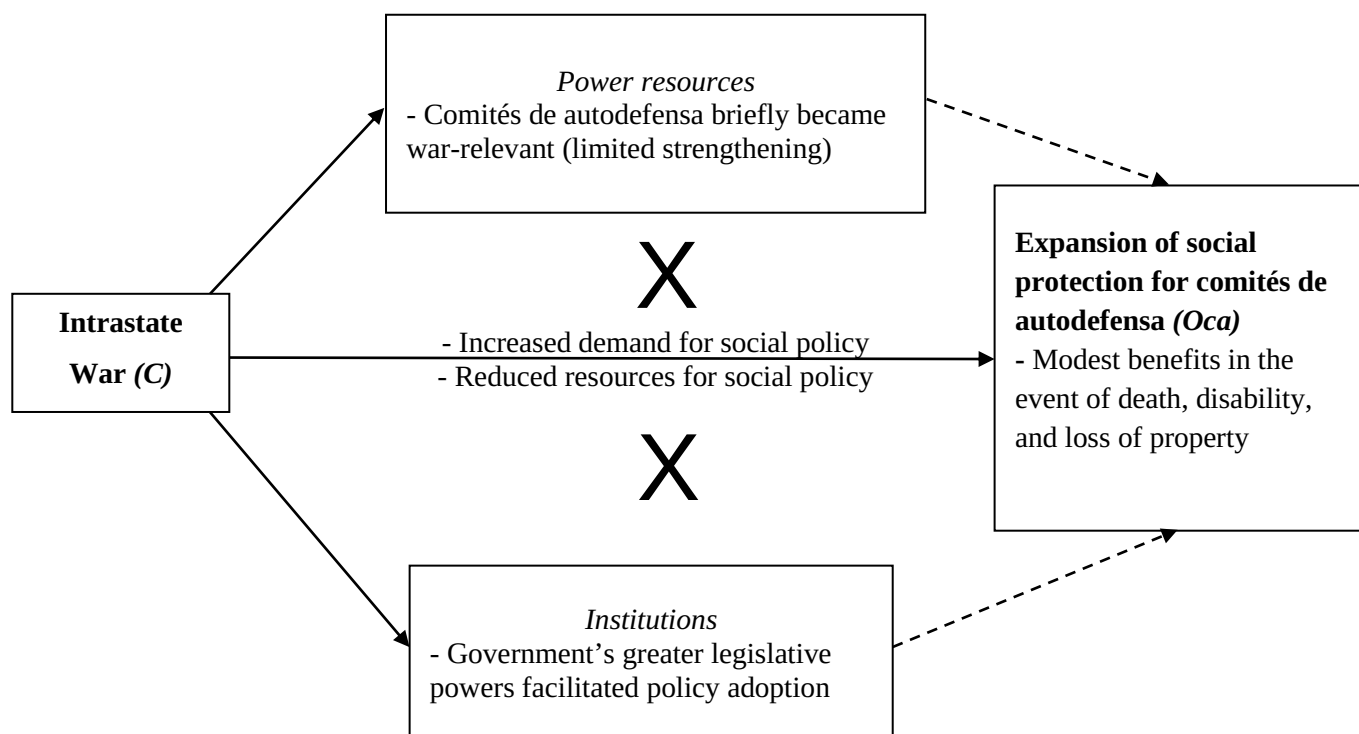
Source: Own depiction.

Figure 6.8 Direct and indirect impacts of the intrastate war leading to the expansion of social policy for civil servants during the Peruvian civil war
Source: Own depiction.



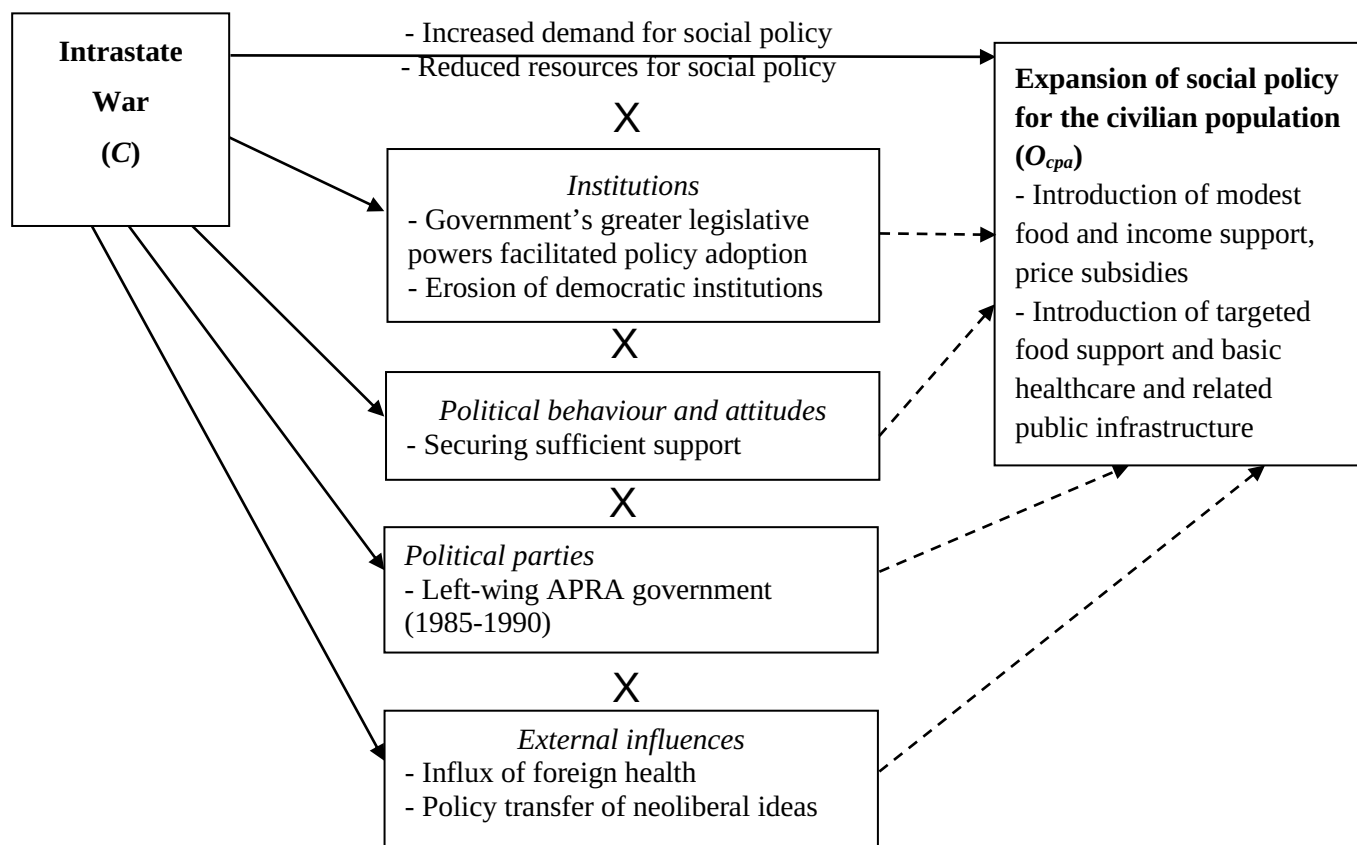
C Cause; O social policy outcomes; —→ Direct influence; - - -→ indirect influence; X interaction

Figure 6.9 Direct and indirect influences of the intrastate war leading to the expansion of social policy for comités de autodefensa during the Peruvian civil war
Source: Own depiction.



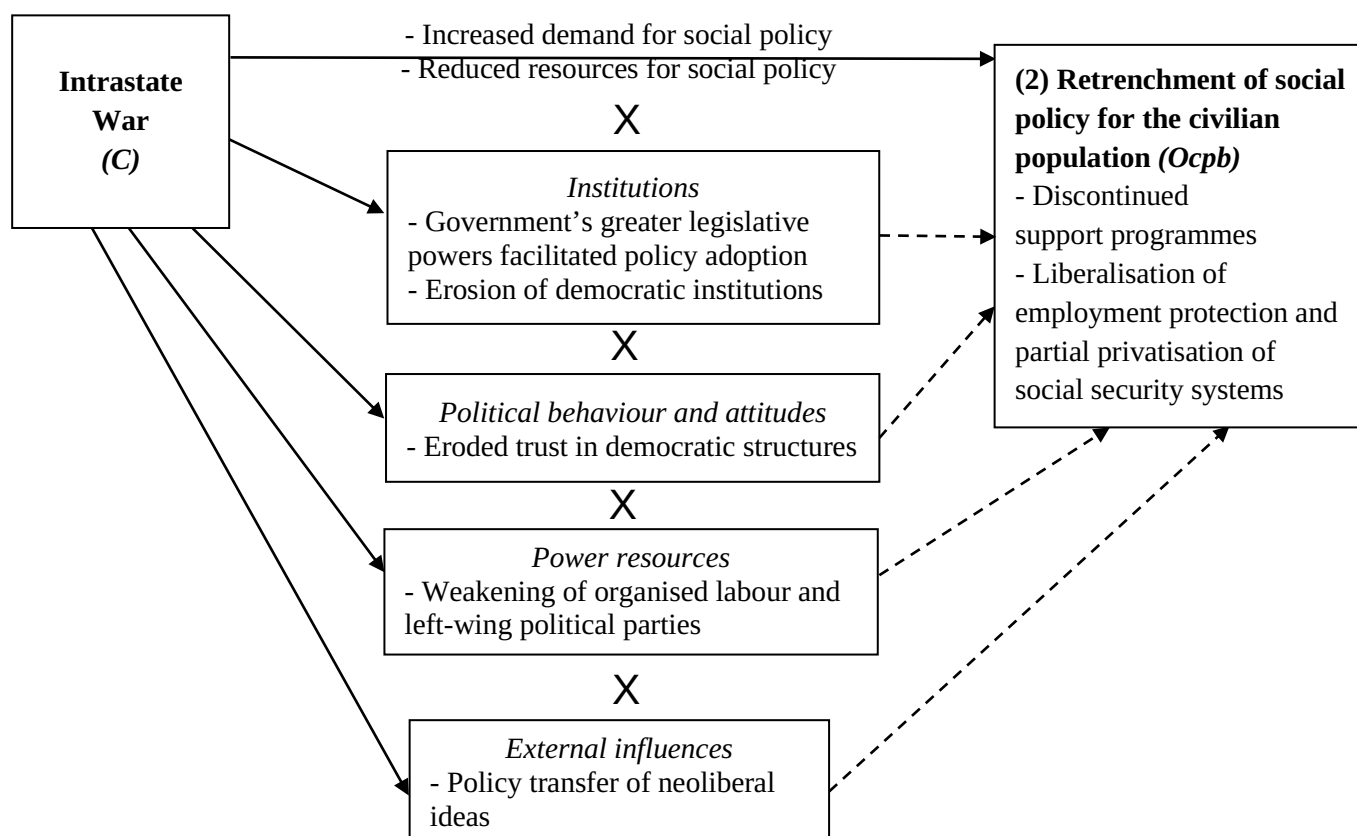
C Cause; O social policy outcomes; —> Direct influence; - - -> indirect influence; X interaction

Figure 6.10a Direct and indirect influences of the intrastate war leading to the expansion of social policy outcomes for the civilian population during the Peruvian civil war
Source: Own depiction.



C Cause; O social policy outcomes; —→ direct influence; - - - → indirect influence; X interaction

Figure 6.10b Direct and indirect influences of the intrastate war leading to retrenchment of social policy outcomes for the civilian population during the Peruvian civil war
Source: Own depiction.



C Cause; O social policy outcomes; —→ direct influence; - - - → indirect influence; X interaction

Chapter 7: Conclusion and outlook

The final chapter of the dissertation brings together the considerations of the previous chapters of the dissertation and provides a critical assessment. First, I return to the research questions posed in the introductory chapter and summarise my empirical findings in order to answer them. Figure 6.6, included again at the end of Section 7.1., offers a visualisation. The second part of the chapter discusses the implications of these results and the extent to which they extend beyond the case of Peru. I then critically reflect on the research project, addressing challenges and limitations. In the final section of the chapter, I highlight the contributions that the dissertation makes to existing comparative welfare literature and offer an outlook for future research.

7.1. The intrastate war in Peru: Not just one impact of the war, but many that lead to segmented social policy outcomes

The dissertation has addressed the understudied topic of the influence of intrastate war on the development of social policy. I have posed the following two research questions, focusing on Peru during the war from 1980 to 2000: What changes to public social policy occurred during the civil war in Peru? What impact did intrastate warfare have on the development of public social policy during the war? These questions arise from the research gap left by previous research, which has examined both aspects of the topic separately. While the comparative welfare literature has focused on social policy and the role of warfare as a potential driving factor, it has largely overlooked non-Western countries and intrastate wars. In turn, interdisciplinary conflict studies have examined civil wars and their consequences, but not public social welfare systems. To address those research questions, I conducted a qualitative case-based study of Peru between 1980 and 2000. I used process tracing pragmatically as both a structuring logic and an analytical tool, conducting a within-case analysis based on various primary documents and secondary literature.

What changes to social policy occurred during the civil war in Peru?

Regarding the first research question concerning changes to public social policy during the Peruvian civil war, my empirical findings reveal heterogeneous developments and various, segmented outcomes. There was both expansion and retrenchment/contraction of social protection. Additionally, the wartime development of social policy varied across social groups, with those relevant to the war effort benefitting from prioritisation. This prioritisation was evident in different dimensions of social policy change, including the timing, coverage, and generosity of policies. First of all, the Peruvian police and armed forces were prioritised due to their central role in fighting

against the guerrilla groups as government forces. Evidence of their wartime prioritisation was apparent in various dimensions of policy change. The government forces benefited from the earliest and continuous expansion of social protection. This expansion began immediately after the war started with the introduction of the first compensatory benefits, and continued throughout the war, including in difficult economic times. Wartime policy changes affecting the police and armed forces were also the most comprehensive and most generous. The Peruvian government addressed all their war-related needs, such as death and injury, and they had exclusive access to certain compensatory programmes, for example death grants and housing allowances. The Peruvian military and police also received the highest benefit amounts of all social groups and these amounts were adjusted repeatedly over the course of the war, for example in the case of disability and survivors' pensions.

In addition to government forces, other actors within the civilian population relevant to the war effort also benefited from prioritisation in terms of social protection. Civil servants were prioritised because they were essential for maintaining the administrative functioning of the Peruvian state during the war. Although these changes were adopted later and were less generous in terms of benefit amounts compared to those received by government forces, civil servants still benefited from an expansion of separate death and disability benefits during the war. Therefore, compared to the rest of the civilian population, civil servants received access to more and higher benefits to compensate for social needs caused by the war. In this way, the conflict reinforced their existing privileged position in terms of social protection.

In turn, self-defence committees of indigenous peasants represented a special case. Although they also became a war-relevant group, this occurred later, when they were recognised by the Peruvian government. Unlike the government forces and civil servants, the peasant self-defence committees were therefore not relevant from the outset of the war, but only for a limited period of time. Consequently, the expansion of their social welfare benefits during wartime happened very late, and the benefits they were finally granted were much more limited than those of the other prioritised social groups. Nevertheless, this represented an improvement for members of the peasant self-defence committees, which only came about because of the civil war. They received separate compensatory benefits in the event of war-related death, injury or loss of property, from which the rest of the civilian population remained excluded. This was also the first time that these indigenous peasants had ever had access to state-provided compensation in the event of death and disability.

Finally, the development of social policy during the war had ambiguous, but rather negative, outcomes for the remaining majority of the Peruvian civilian population. Although some expansion of social policy occurred, these policy changes did not match the increase in demand caused by the war, in terms of either coverage or generosity of the policies. Even though the Peruvian government introduced support programmes for civilians, this only happened several years into the war. These programmes were also insufficient, as they only covered part of the war-caused social needs among civilians and provided very low benefit amounts, particularly in comparison to those granted to the government forces and civil servants. Most of these policies offered food support and basic healthcare, and only a few offered limited income support. However, other war-related suffering endured by the civilian population, such as death or loss of housing due to displacement, was not compensated for. In addition, support programmes were usually limited in terms of their coverage as they often only focused on the poor. Even though the proportion of the Peruvian population living in poverty grew during the civil war, large sections of the population therefore remained excluded from support programmes that provided at least very modest benefits and services. Additionally, the civilian population was affected by social policy changes that were contractive during the war. These changes included the termination of support programmes and retrenchment of social protection for workers in the formal labour market.

Overall, during the twenty years of intrastate war in Peru, the development of social policy varied across social groups. It especially benefited a few groups that were relevant for the war effort, namely government forces and civil servants. Most of these groups were already privileged in terms of social protection prior to the war, and policy changes during the war deepened this segmentation. Their prioritisation was evident in various aspects of policy design. By contrast, the majority of Peruvians experienced heterogeneous, rather negative, and overall insufficient outcomes as a result of wartime social policy change.

What impact did intrastate warfare have on the development of public social policy during the war?

With regard to the second research question, my analytical results show that the intrastate war had not just one impact, but many. These impacts partly interacted with each other in complex ways, and varied over time in their relevance for the development of social policy. In addition, the war's influences shaped social protection directly and indirectly. This means that the conflict triggered policy change itself, but it also exerted influence by impacting other theoretical drivers that affected social policymaking (see Figure 6.6).

In terms of direct the impact, the intrastate war triggered various social needs among combatants and civilians that would not have emerged without the conflict. These needs usually occurred immediately and were visible instantly. Combatants' needs predominantly arose due to the fighting itself, i.e. death and injury, which had to be compensated for with healthcare and death and disability benefits. While civilians also suffered from death and injury caused by the war, they were particularly affected by mass displacement. This increased their demand for not only death and disability compensation, but also for healthcare, housing, food and income support. These various war-caused social needs acted as an important stimulus for social policy change throughout the war period by increasing the demand for social protection among combatants and civilians. However, the extent to which the government actually responded to these demands was also influenced by the intrastate war. One reason for this was that the war limited resources for social policy provision in more than one way. The conflict negatively impacted the economic development due to war-related destruction and insecurity. It also aggravated the negative consequences of other shocks to the economy, such as natural disasters and debt crises, acting as a magnifying glass. Furthermore, the intrastate war triggered budgetary shifts in the public budget from social spending to military spending.

However, the civil war mostly had an indirect impact on social policy by affecting other theoretical factors, such as institutions, interest groups, political parties, political attitudes and behaviour, as well as external factors. Firstly, the conflict triggered institutional changes that resulted in different rules and institutional structures to those in peacetime. This included shifts within the constitutional framework, such as the declaration of a state of emergency. Other institutional changes beyond the constitution also occurred, ultimately resulting in the collapse of democratic rule. These war-related institutional changes meant that the executive was increasingly able to dominate social policymaking, a trend that was most pronounced in the 1990s when it temporarily had a monopoly. Furthermore, the intrastate war altered the landscape of actors that were able to influence social policy. On the one hand, it strengthened the executive through institutional shifts and war-relevant actors. Above all, this concerns the police and military, who, as central government forces, quickly gained power due to the war. The strengthening of government forces and civil servants due to war led to them being repeatedly prioritised in terms of wartime social protection. On the other hand, over time, the intrastate war weakened the legal left opposition, including organised labour and left-wing parties, and the Peruvian parliament. The war's negative impact on left-wing political parties also demonstrates its influence on political parties. This undermined left-wing parties'

organisational capacities in both absolute and relative terms, and caused ideological damage, reducing the influence of left-wing parties on social policymaking. Later in the war, the war-related weakness of left-wing parties and organised labour facilitated the transfer of neoliberal policies. This had a decisive impact on social policymaking in the 1990s, leading to the retrenchment of social protection and the introduction of targeted social policies to address civilian suffering during the war. Moreover, my empirical findings indicate that the civil war in Peru had an adverse impact on political behaviour and attitudes. It undermined Peruvians' trust in democratic structures, ultimately leading to the collapse of these structures and paving the way for government dominance in social policymaking in the 1990s. Furthermore, the intrastate war influenced social policymaking by affecting external factors. For example, it increased the Peruvian government's dependence on foreign technical and financial support for counterinsurgency and social programmes, while human rights violations by government forces interrupted the influx of this support. These growing dependencies, in turn, made the Peruvian government more susceptible to pressure from external actors, driving the transfer of neoliberal social policies in the 1990s.

Overall, the heterogeneous, segmented social policy outcomes during the war in Peru were the result of the complex, non-linear interaction of various influences of the civil war, which it exerted in part through its influence on other theoretical factors commonly studied in comparative welfare research (see Figure 6.6). A comparison of certain social indicators shortly before and after the war illustrates the ambiguous outcomes of this development. Poverty rates increased from 46% in 1979 to 54.8% (2001), with even higher levels in rural regions (Parodi Trece 2007: 173, 181). The decline in child mortality from 101.3 in 1,000 (1980) to 43 in 1,000 (2000), by contrast, reflects the focus on basic healthcare (Du Bois Freund 2004: 42, 48).

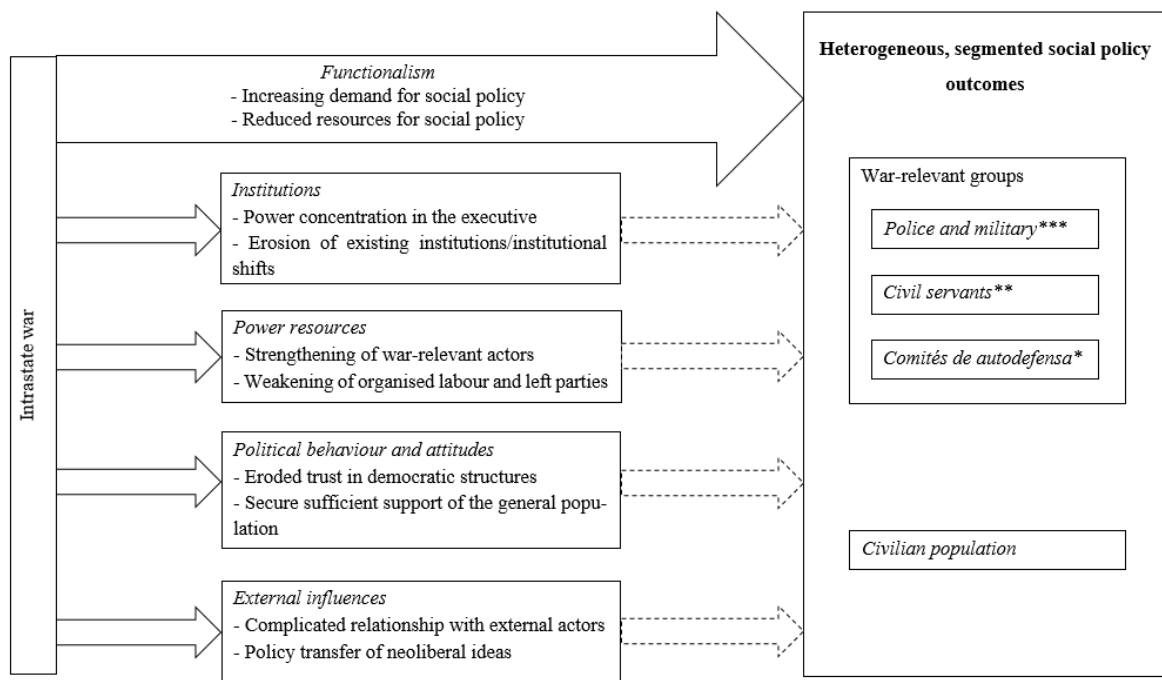


Figure 6.6: Direct and indirect impacts of the Peruvian civil war and social policy outcomes.

* War-relevant groups prioritised in some form in wartime social policy compared to the majority of the civilian population, number of asterisks indicating higher priority.

—> Direct influence of intrastate war; -> indirect influence of intrastate war

Source: Own depiction.

7.2. Implications and transferability beyond the Peruvian case

In this section, I discuss the implications of my research. I begin with implications for social policy development in Peru, before considering briefly, how far the findings extend beyond this case. I also address how intrastate warfare could fit into the framework of the theoretical drivers commonly studied in comparative welfare literature to explain social policy.

With regard to Peru, the findings clearly demonstrate that the intrastate war was more than just a contextual factor or marker of time. In fact, the war was an important factor of influence that contributed profoundly to the heterogeneous social policy outcomes between 1980 and 2000. However, it must be emphasised that most of the impacts of the intrastate war operated indirectly, by influencing other driving factors of social protection, including institutions, power resources, political parties, political behaviour and attitudes, and external influences (see Figure 6.6).

By explicitly analysing the role of the civil war on these other drivers, as well as their complex, non-linear interactions over time, the dissertation complements existing research on social policy development in Peru. For instance, previous research has shown that the partial privatisation of social security systems in the 1990 resulted from neoliberal policy transfer promoted by various

external actors (Weyland 2007). My results add to this by showing how the intrastate war facilitated this policy transfer. This was particularly evident in the war-caused weakening of left-wing political parties and organised labour due to their association with the guerrillas. It was also apparent evident in the Peruvian government's dependence on foreign support in counterinsurgency during the war, making it more susceptible to pressure from external actors. Ultimately, these impacts of the civil war contributed to the transfer of neoliberal economic and social policies which dominated the second decade of the war. The analytical lens of war therefore enabled me to refine knowledge on social policy development in Peru between 1980 and 2000. My qualitative research approach also shed light on the complex, entangled interplay between the civil war and other theoretical drivers considered by comparative welfare scholars. This revealed that, while the war was not the only factor shaping this development, it was an important one.

Furthermore, although my research focused on Peru, the implications of my findings extend beyond this case, within certain limits. Since such mechanism-based explanations and the resulting outcomes are context-specific, the characteristics of the Peruvian case define boundaries for the scope of my findings and the extent to which the mechanisms can be transferred to other cases (Falleti/Lynch 2009). Firstly, with regard to causal mechanisms, Peru is a typical case for studying the links between intrastate warfare and social policy, as both the cause and the outcome of interest are present. While my findings are not applicable to non-typical types of cases, in which either parameter is absent, the mechanisms for which I found initial empirical evidence in Peru could be fundamentally present in other typical cases (Beach 2020: 13–14). However, this does not mean that these mechanisms are actually empirically present in every other typical case, nor that they lead to the same social policy outcomes. Further boundaries for transferring mechanisms beyond the case of Peru relate to the relevant context. However, my research was intended as a first attempt in studying the causal links between intrastate war and social protection. Consequently, based on my findings, it cannot be conclusively determined, which of the contextual factors from the Peruvian case are relevant for these mechanisms to operate.

Nevertheless, at a higher level of abstraction, the dissertation suggests how intrastate warfare could be incorporated into a theoretical framework to explain social policy (see also Figure 6.6). I laid the foundation for this the presentation of my theoretical considerations in Chapter 4, and my empirical findings presented in Chapter 6 supported these. Firstly, I conceptualised intrastate war as another cause, or independent variable in quantitative terms, that influences social policy. Secondly, I theorised that intrastate war links directly as well as indirectly to social policy. On the one

hand, the direct impact stems from civil war creating various social needs that would not have emerged without the conflict, while also reducing the available resources to address these needs (topmost arrow in Figure 6.6). On the other hand, intrastate warfare affects social policy indirectly, through its direct influence on other factors, including institutions, political parties, power resources, political behaviour and attitudes, and external influences (dotted arrows in Figure 6.6). Usually in comparative welfare literature, these factors are studied as theoretical driving factors, but in the framework presented here, they are included as mediating factors. This means that the war influences these factors, which in turn affect the public social welfare system. Therefore, the war indirectly influences social policy. For example, the Peruvian civil war directly affected the power resources of organised labour due to targeted attacks on labour union representatives and increased state repression. The indirect influence of the war on social policy follows from the further consequences of the weakening of organised labour. Over time, this resulted in a declining influence of labour unions on social policymaking, and, as a result, the weakened unions were unable to prevent the retrenchment of social security systems in the 1990s. Thirdly, wartime social policy outcomes usually result from the complex, often non-linear interaction of various direct and indirect influences of warfare. This is illustrated by the example of the expansion of lump-sum disability benefits for civil servants during the war (see Figure 7.1). This results from the complex interaction of the war's direct impact and its indirect influences on social policy, which operated through institutions and power resources over time. On the one hand, the conflict directly increased the demand for such benefits among civil servants due to guerrilla attacks that caused injuries, while also reducing the resources available due to budgetary shifts from social spending to military spending, resulting in a lump-sum benefit (middle arrow in Figure 7.1). On the other hand, several indirect influences were at play. Firstly, civil servants were a war-relevant group, which is why they were prioritised by the government (topmost dotted arrow in Figure 7.1). Prioritised policy adoption was facilitated by the extensive legislative powers that Parliament had granted to government due to the war (lower dotted arrow in Figure 7.1). Therefore, these mechanisms jointly explain why civil servants were prioritised during the war and why the disability benefit was provided as a lump sum. This example also highlights the advantage of for qualitative research approaches, such as the pragmatic process tracing used here, in tracing and unravelling these interactions.

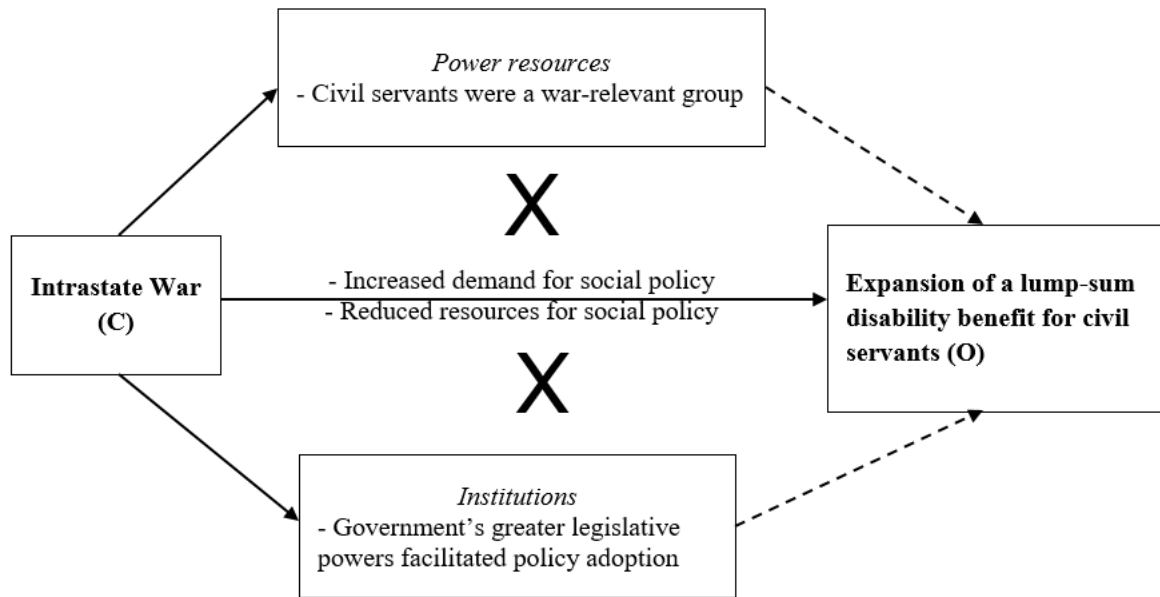


Figure 7.1: Interacting direct and indirect influences of the intrastate war explain the expansion of a lump-sum disability benefit for civil servants during the Peruvian civil war

C Cause; O Outcome; —→ direct influence; ----→ indirect influence; X interaction

Source: Own depiction.

Consequently, my research supports the general claim of comparative welfare scholars that “warfare matters” for social policy (Obinger et al. 2018c). That said, the findings suggest a more nuanced version: the *kind of warfare* also matters. A key characteristic of these conflicts, and a central difference from interstate wars, is that they occur within the state’s territory. In other words, the challenger emerges from within this state and society (Blattman/Miguel 2010: 43). Based on my findings, this difference is also relevant with regard to social policy development during the war. Admittedly, some impacts are similar in the case of interstate wars and intrastate wars, such as the social needs triggered by the enormous suffering of combatants and civilians during the war. This provided a stimulus for an expansion of social policy to address these needs (Obinger et al. 2018b: 10). However, I also present evidence that partly challenges the prevailing claim in comparative welfare literature that warfare leads to an expansion of public social welfare systems. While I found an expansion of social protection, this was mostly limited to a few groups relevant to the war effort. The resulting deepened segmentation of social protection that left many Peruvians excluded from comprehensive public social welfare during the war is one of my central results. This means that the majority of the population received no public welfare support during the war,

despite the enormous suffering caused by the conflict. I also found evidence that the state withdrew from its role in providing social protection, such as the partial privatisation of the social security systems in the 1990s, which once again affected war-relevant groups less than others. Therefore, my empirical results reveal that intrastate war acts as a driving force for the expansion of social policy, but also leads to the retrenchment of public social welfare systems. Consequently, while my research confirms that warfare influences social policy, it paints a more nuanced picture of this influence at least, in the short-term during the war period.

7.3. Critical reflection: Challenge and open issues

In this section, I provide a critical assessment of the research project by discussing challenges encountered during the research process and addressing issues that remain unresolved.

During the research process, I faced the challenge of limited data availability. This was particularly the case with regard to data in the form of executive decrees. This is problematic given that social policymaking during the civil war was frequently carried out through such decrees. Restrictions in data availability primarily affected supreme and executive decrees adopted within eight months after the presidential self-coup in 1992. Moreover, some legislation has been classified (Defensoría del Pueblo 2002: 10). Consequently, it has not been published in the official publication “El Peruano”, in which legislative acts are usually made public. These documents are probably kept in military archives that I, as a foreign civilian, could not access. In some cases, however, I was able to analyse information concerning those decrees when it was included in legislation compendia published by Peruvian authorities, e.g. the Defensoría del Pueblo and the Ministry of Women and Social Development. These compendia summarise the content of individual supreme decrees, or sometimes reprint the entire legal text. Due to these data limitations, I could not analyse some wartime social policy changes in more detail, for example with regard to specific contribution rates, or eligibility criteria. Overall, however, data limitations were moderate. I was still able to use process tracing in a pragmatic way in order to provide a plausible account of wartime social policy developments in Peru based on the accessible empirical material.

Another challenge concerned the data analysis procedure, occurring the coding stage that served to prepare and sort the empirical material. During coding, it became apparent that some of the proposed mechanisms that I used as codes overlapped at the theoretical level. This meant that I was unable to precisely determine the influence of different mechanisms involved. However, as I propose several mechanisms for each of the theoretical factors commonly studied in comparative

welfare research, I was still able to plausibly assign influences at this higher level. In some cases, there was also an overlap at the empirical level. This was probably because I intentionally did not break down the individual mechanisms into single causal steps, which would have enabled a more fine-grained coding of the empirical material. However, one aim of my research was to provide an initial impetus rather than make definitive causal claims. The focus was on plausibility rather than causal certainty. Despite these challenges, I was ultimately able to achieve empirical results that sufficiently met this key research objective.

Furthermore, there are some aspects that I have not considered in the dissertation. Firstly, I focused on the period during the war. However, this only covers part of the potential influence of intrastate war on the development of social policy. There are also strong indications that civil war may have further impacts in the post-war period. For example, I found empirical evidence that wartime institutional shifts had an impact on social policymaking over time. War-triggered institutional changes gradually strengthened government forces, leading to their prioritisation in terms of wartime social policy expansion. However, institutional shifts are typically difficult to reverse entirely (Hall/Taylor 1996: 937–942). This makes it highly likely that the influence of wartime institutional changes continued after the war ended. Additional support for the idea that intrastate wars may have different impacts in other phases comes from the strands of existing literature on which I have built. Previous research on the warfare-welfare nexus implies that many of warfare's influence have fuelled to the long-term expansion of welfare states in the post-war period and that the underlying mechanisms at work vary between war phases (e.g. Obinger et al. 2018b). For instance, taxes introduced earlier in the war, coupled with post-war economic growth linked to the reconstruction of destroyed infrastructure, fuelled increasing public social spending and the expansion of veterans' and civilians' welfare programmes for decades in the post-war period (Obinger/Schmitt 2018; Skocpol 1993). Furthermore, conflict studies have shown that the long-lasting consequences of civil wars usually extend well beyond the end of the fighting. Consider, for example, persistent social needs caused by war-related injuries and diseases, which prolong human suffering long after the civil war has ended (Ghobarah et al. 2003). This ongoing demand for social policy could trigger a further expansion of social policy in the post-war period. However, actual expansion probably hinges on whether the reduction in financial resources improves in the post-war period, thereby making the necessary resources available. This depends on factors such as the speed and extent of economic recovery in countries affected by civil war, an area in which existing research provides inconclusive findings (Blattman/Miguel 2010: 37–42). Moreover, gov-

ernments can utilise social policy to promote peacekeeping in the post-war period. Increasing social spending can promote pacification and prevent a renewed outbreak of the hostilities if it addresses the population's underlying grievances (Taydas/Peksen 2012).

Furthermore, I focused on a single country because my aim was to provide an initial impetus for studying the link between intrastate warfare and social welfare. While my analysis of Peru offers initial empirical evidence for the proposed causal mechanisms, it is highly likely that further causal links exist. For example, the consequences of intrastate wars, such as war-related economic decline and mass displacement, often extend beyond the war-torn country to affect neighbouring countries as well. The economic costs of civil war, such as reduced investment or trade disruptions, frequently spill over (Murdoch/Sandler 2004). Additionally, people flee not only within the state territory, but also across state borders. Consequently, the war-increased demand for housing and healthcare also travels to neighbouring countries, which could trigger social policy expansion to address these needs in these countries (DeRouen Jr. et al. 2025: 98–100). A more theory-building approach to process tracing than I adopted would have been helpful to identify mechanisms from the empirical data (Trampusch/Palier 2016: 444–445). However, this would also require including additional data sources to broaden the basis of empirical material, which was difficult given the prevailing sensitivity surrounding the civil war in Peru (Drinot 2019).

Studying on a single country also meant that I was unable to consider the heterogeneity of intrastate warfare that conflict scholars have highlighted. Civil wars differ in terms of challenger identity and its objective for the rebellion amongst others. Besides conflicts primarily fought over central government control, as the Peruvian war, there are separatist civil wars or those erupting due to ethnic division, amongst others (e.g. Balcells/Kalyvas 2014; Cederman et al. 2010; Sarkees 2010). It seems plausible that this heterogeneity affects the causal links to social policy as well as the resulting outcomes during the war. Consider separatist civil wars, for example, where the non-state challenger fights for the secession of part of the state's territory. One example is the Sri Lankan Civil War (1983–2009), in which the Liberation Tigers of Tamil Eelam fought for an independent Tamil state. In this type of conflict, the government could have allocated resources for social policy to the regions experiencing the uprising in an attempt to pacify them. Alternatively, other conflicts are fought along ethnic cleavages, as has repeatedly happened in Sub-Saharan Africa (e.g. Sierra Leone since 1991) (Cederman et al. 2010). These conflicts are more likely to break out, “the more excluded [an ethnic group is] from state power and the higher their mobilizational capacity” is (Cederman et al. 2010: 87). In this type of civil war, the prioritisation of war-

relevant groups during wartime could be based on the ethnicity of the incumbent government, leading to the deliberate exclusion of the opposing ethnic groups from social policy. This aligns my proposed mechanisms based on political behaviour and attitudes. Therefore, these mechanisms could play a more prominent role in ethnic civil wars than in the Peruvian case.

Moreover, similar shortcomings due to analysing a single country emerge with regard to the diversity of social policy. The analysis of Peru showed that the context of the previously existing public welfare system was important for development during the war. For instance, the separate social security systems for the military and police, and civil servants left policy legacies that set a direction for wartime social policy change. However, countries in Latin America and the Global South in general vary in many aspects of their social welfare systems, including the timing of policy introduction, coverage rates and the public-private mix of welfare provision and financing (Schmitt 2020c; Schmitt et al. 2015, 2020). Given that causal mechanisms are context-specific and that their interaction produces specific outcomes, different social policy legacies prior to the war should therefore lead to different outcomes during the conflict (Falleti/Lynch 2009). However, it was not possible to capture this through a single-country study.

Additionally, I have not explicitly adopted a gendered perspective. Civil wars often disproportionately harm women and girls, who are at higher risk of becoming victims of targeted sexual violence and human trafficking (DeRouen Jr. et al. 2025: 100–104). Despite this, I have not investigated the development of wartime social policy in Peru with a focus on potential gendered impacts and outcomes. The disproportionate impact on women and girls could have been (partly) alleviated if the targeted poverty alleviation programmes prioritised them as a particularly vulnerable group, or if specific programmes were introduced to support female war victims. Adopting a gendered perspective would thus have enabled me to identify inequalities in the access to civilian support programmes providing healthcare. This is also important given the long-term negative consequences of civil war on labour market outcomes in Peru, which run through adverse impacts on health outcomes, amongst others (Galdo 2013).

7.4. Contributions of the dissertation and outlook for future research

This dissertation makes several contributions to existing comparative welfare literature. In this final section, I will highlight these contributions before suggesting avenues for future research.

From a theoretical perspective, my research demonstrates that intrastate warfare matters when seeking to understand in the development of social policy, particularly in non-Western contexts.

Additionally, the dissertation provides initial insights as to how intrastate war could be incorporated into theoretical frameworks to explain social policy development over time. I demonstrate that intrastate war is another potential driving factor that links both directly and indirectly to social policy. My research offers the first attempt to map these direct and indirect influences and their complex, non-linear interactions, as well as the resulting social policy outcomes to which they lead in a typical case. Furthermore, from an empirical perspective, my findings enhance the limited and fragmented knowledge of social policy development in Peru, a Latin American country that has received relatively little attention. The dissertation demonstrates that the Peruvian intrastate war was not just a contextual factor. Rather, the conflict influenced social protection in multiple and profound ways during the war. By explicitly considering the civil war alongside the other theoretical factors commonly studied by comparative welfare scholars, my research also connects and complements previous explanations for the social policy development in Peru between 1980 and 2000.

Finally, the dissertation sets out a starting point for further research into the intrastate warfare-welfare nexus. One possible avenue for future study could be, for example, to extend the analysis of the social policy development in the Peruvian case to the post-war period. This would allow studying whether the beginning recovery of the Peruvian economy, which fuelled the expansion of targeted civilian support programmes in the mid-1990s, continued after the war ended, and, if so, whether it has promoted a further expansion to cope with ongoing social needs caused by the war (Ghobarah et al. 2003). A long-term perspective would also better enable analysing the impact of institutional changes triggered during the war. This would allow investigating, for example, which of these institutional shifts remained in place after the end of the war, such as those that increased the influence of the military, and to what extent these shifts continued to affect the post-war social policy development.

Further research is also needed to confirm, modify, and complement the mechanisms linking civil war and social policy and examine what outcomes these mechanisms and their interaction lead to in other cases. On the one hand, this refers to other cases with characteristics similar to those of the Peruvian case. One such case could be the civil war in Guatemala (1960-1996), during which the government was also confronted with an insurgency by left-wing guerrilla groups. As in Peru, this conflict was characterised by a long duration, a focus on rural, hard-to-reach regions, and severely repressive state reactions (Krujic 2008). Additionally, the domestic and international contexts in the Guatemalan and Peruvian show similarities. For instance, both conflicts are set against

the backdrop of the Cold War and both countries experienced unstable and alternating democratic and authoritarian governments during the war. They also had a poorly institutionalised political party system and a strong presidency under democratic rule, as well as a similar level of economic development and an economic structure dominated by a large informal workforce. Both countries also underwent increasing economic liberalisation in the 1990s (Bendel/Krennerich 2005; Jones 2011). As outlined above, the civil war influenced these political and economic contextual factors in Peru, which in turn shaped wartime social policy. Guatemala could be another typical case with sufficient similarities to Peru to assess to which extent my findings are transferable (Beach 2020: 13-14). Consequently, a qualitative study of the Guatemalan case could help to confirm and refine the mechanisms for which I found initial empirical evidence, examine the social policy outcomes these mechanisms produce, as well as identify relevant contextual factors. On the other hand, future studies should use the heterogeneity of civil wars (e.g. Balcells/Kalyvas 2014; Cederman et al. 2010; Sarkees 2010) and also consider the worldwide diversity of public social welfare systems (Schmitt et al. 2015). For example, conducting theory-building research based on cases from different time periods and geographical regions could help to identify additional causal links. This would expand theoretical understanding of the intrastate warfare-welfare nexus by shedding light upon further ways in which intrastate war affects other theoretical drivers commonly studied in comparative welfare literature.

Further research should also explicitly consider the gendered impact of intrastate warfare and study its consequences for social policy. To this end, a gender perspective must be adopted at the theoretical level with regard to potential mechanisms and expected case-specific social policy outcomes. For instance, given that women and girls are more vulnerable to targeted sexual violence and human trafficking (DeRouen Jr. et al. 2025: 100–104), the mechanism of war-caused social needs could be refined to better capture their resulting specific needs, such as healthcare and psychological support. Attention should also be paid to the extent to which war-triggered institutional changes affect women and girls disproportionately. This would enable the identification of potential structural disadvantages resulting from these wartime shifts that are likely to persist into the post-war period, thereby continuing to affect females even after the war has ended (Schwartz 2019).

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1) Laws

Law 23230 of 1981 Poder Ejecutivo derogará o modificará normas legales. Lima: Congreso de la República del Perú.

Law 23694 of 1983 Autorizan al Poder Ejecutivo a adjudicar viviendas a los deudos de los miembros de las Fuerzas Armadas y las Fuerzas Policiales que fallezcan o hayan fallecido en cumplimiento del deber. Lima: Congreso de la República del Perú.

Law 24150 of 1985 Establecen normas que deben cumplirse en los estados de excepción en que las Fuerzas Armadas asumen el control del orden interno, en todo o en parte del territorio. Lima: Congreso de la República del Perú.

Law 24373 of 1985 Herederos de los miembros de las Fuerzas Armadas y las Fuerzas Policiales que hayan fallecido o fallezcan en actos de servicio, se acogerán al beneficio económico correspondiente a la remuneración de la clase inmediata superior cada cinco años a partir de producido el deceso. Lima: Congreso de la República del Perú.

Law 24640 of 1987 Sustituyen varios artículos del decreto ley 19846. Lima: Congreso de la República del Perú.

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Law 24916 of 1988 Interpretese que el haber a que se refiere el artículo 2º de la Ley 24373, comprende las remuneraciones, bonificaciones, asignaciones y aguinaldos que perciben los miembros de las Fuerzas Armadas y las Fuerzas Policiales en actividad. Lima: Congreso de la República del Perú.

Law 25307 of 1991 Declaran de prioritario interés nacional la labor que realizan los Clubes de Madres, Comités de Vaso de Leche, Comedores Populares Autogestionarios, Cocinas Familiares, Centros Familiares, Centros Materno Infantiles y demás organizaciones sociales de base, en lo referido al servicio de apoyo alimentario que brindan a las familias de menores recursos.

Law 25327 of 1991 Delegan en el Poder Ejecutivo facultades legislativas. Lima: Congreso de la República del Perú.

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Law 27277 of 2000 Ley que establece vacantes de ingreso a las universidades para las víctimas del terrorismo. Lima: Congreso de la República del Perú.

2) Legislative decrees and decree-laws

Legislative Decree 398 of 1986 Promulgan Mediante Decreto Legislativo el Presupuesto del Sector Público Para el año 1987. Lima: Government of Peru.

Legislative Decree 728 of 1991 Dictan Ley de Fomento del Empleo. Lima: Government of Peru.

Legislative Decree 737 of 1991 Establecen incentivos y reconocimientos excepcionales y extraordinarios a miembros de las Fuerzas Armadas y Policía Nacional del Perú Lima: Government of Peru.

Decree-Law 25556 of 1992. Ley Orgánica del Ministerio de la Presidencia. Lima: Government of Peru.

Decree-Law 25755 of 1992 Otorgan al personal de la Policía Nacional el beneficio establecido por el Decreto Supremo 026-84-MA. Lima: Government of Peru.

Decree-Law 25897 of 1992 Crean el Sistema Privado de Administración de Fondos de Pensiones (SPP), conformado por las Administradoras Privadas de Fondos de Pensiones (AFP). Lima: Government of Peru.

Decree-Law 25964 of 1992 Comprenden dentro de los alcances de la Ley N° 23694 al Personal de las Fuerzas Armadas y Policía Nacional que resulte con invalidez permanente y absoluta, ocasionada en cumplimiento del deber. Lima: Government of Peru.

3) Supreme Decrees

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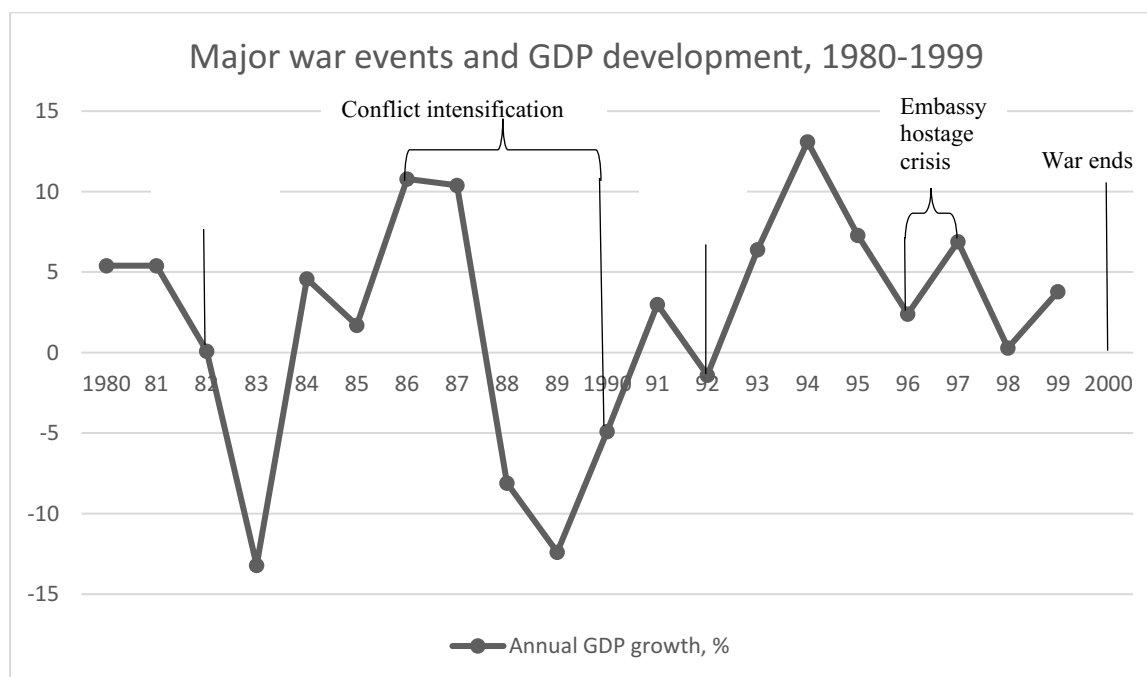
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Appendix Figure A6.1 Major war events and annual GDP development in Peru, 1980-1999



Own depiction based on CVR 2003 and Murakami (2023a: 206-207, 2023b: 19)

Appendix Figure A6.2: Public military spending and social spending in Peru, 1980 – 1999

→ Year Spending↓	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Military, % of GDP	5.0	4.2	4.6	4.8	5.6	6.5	6.7	5.2	n.a.	n.a.	2.3	1.7	2.2	2.1	1.9	1.9	1.8	2.3	2.3	2.4	n.a.
Military, % of TS	21.3	19.0	22.1	21.2	26.5	31.7	34.1	27.6	n.a.	n.a.	10.7	9.9	11.1	11.0	12.5	10.2	11.7	12.9	12.6	12.3	n.a.
Social, % of GDP	4.6	4.5	3.9	4.0	3.9	3.7	4.4	3.2	2.8	3.1	2.3	2.1	2.8	3.2	2.8	6.6*	6.0*	6.4*	6.4*	6.6*	n.a.
Social, % of TS	20.1	21.1	19.2	16.9	16.8	16.7	21.6	18.0	20.7	21.6	15.9	17.2	19.2	22	19.7	39.9*	40.4*	44.2*	42.2*	43.3*	n.a.

Notes: TS – Total public spending (national government), GDP – Gross domestic product.

Parodi Trece (2007): Social spending includes education, health and work and others.

*Different data source Peru INEI 2000 social spending includes health, education and poverty alleviation programmes

Sources: Own depiction based on: Data on military spending U.S. ACDA (1991, 2003) World Military Expenditures and Arms Transfers 1990, 1999-2000; data on social spending Parodi Trece (2007) for 1980-1994 and *Peru INEI (2000) for 1995-1999.