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Peru’s Struggle with the Fujimori Legacy

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Despite strong levels of economic growth and the consolidation of democratic procedures, Peru continues to experience political instability, high-level corruption scandals, pervasive social conflict, and the exclusion of historically marginalized groups from the benefits of development. Why does this country struggle with so many aspects of governance after almost two decades of stable democratic rule?

Part of the answer lies in the long-term legacy of Alberto Fujimori, Peru’s autocratic leader from 1990 to 2000. After being elected to the presidency in 1990, he set out to systematically dismantle democratic institutions and implemented one of Latin America’s deepest-reaching packages of neoliberal economic reforms, leaving behind weakened political institutions and exclusionary economic structures. Partly due to the Fujimori family’s enduring political power, subsequent leaders have not been able to overcome this problematic legacy. This was shown once again at the end of 2017, when Fujimori was released from prison thanks to a controversial pardon.

Contemporary Peru is a cautionary tale for countries around the world led by what the late Argentine political scientist Guillermo O’Donnell called “delegative democrats.” These are elected leaders such as Fujimori who deconstruct political institutions, mostly through constitutional means, to consolidate their own power (hence power is essentially “delegated” to the executive).

The troubles facing Peru suggest that the negative ramifications of these regimes can last for decades after a country returns to democracy. Of course, it is important to note that none of these problems emerged solely as a result of Alberto Fujimori’s rule; weak institutions, social exclusion, and corruption existed well before 1990. They can

be traced as far back as the colonial period and through 150 years of alternating military and civilian governments. However, during his time in office, Fujimori’s antidemocratic actions exacerbated flaws in existing political, social, and economic structures in ways that continue to hamper the country’s progress today.

What is happening in Peru suggests that observers need to think systematically about the nature of political transitions after “delegative democrats” step down, much as scholars did when Latin American military regimes fell from power in the late 1980s and 1990s in places like Chile, Argentina, and Brazil. Many experts analyzed how the paths to and from those transitions affected countries’ development in the short and long terms. The legacies of leaders who were subsequently elected to power and then restructured the political system to serve their own goals in countries like Peru, Ecuador, and Venezuela have not yet been as thoroughly studied.

POLARIZED POLITICS

After Fujimori fell from power in 2000, an interim government led by Valentín Paniagua ushered in a transition back to democracy. Peru’s first indigenous president, Alejandro Toledo, was elected the next year and promised to restore institutions battered by Fujimori’s rule. However, neither Toledo nor his successors, Alan García (2006–11) and Ollanta Humala (2011–16), managed to reform institutions such as the judicial branch, political parties, and Congress. At the end of their terms, all three presidents were extremely unpopular. Most Peruvians viewed them as weak and corrupt leaders (and all three have since faced corruption investigations). None of them encouraged the empowerment of a civil society sector that could hold politicians accountable. Insecurity, conflict, and crime continued to worsen across the country.

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Despite these serial disappointments, hopes for strengthening Peru's democracy were placed in the current president, Pedro Pablo Kuczynski (popularly known as PPK), who promised in his 2016 campaign to respect and rebuild the country's fragile institutions. Kuczynski is a technocratic economist who lived in the United States for decades and promoted free-market reforms from high-level positions in the World Bank and the International Monetary Fund. After serving in several cabinet positions in the Peruvian government under Toledo between 2001 and 2006, Kuczynski ran for president for the first time in 2011, and was eliminated in the first round.

In the 2016 election, Kuczynski advanced to a June 2016 runoff against Keiko Fujimori—Alberto Fujimori's daughter. In the weeks before the showdown, protesters voiced skepticism about Keiko's commitment to democracy and transparency, while corruption allegations against her surfaced. Kuczynski barely won the runoff with 50.12 percent of the vote, a margin of just over 41,000 votes. It was the closest election in Peru's recent history.

Although she lost, Keiko's party, Popular Force, was dominant in the April congressional elections, winning 73 of 130 seats in Peru's unicameral legislature. Her brother Kenji, also a member of the party, retained his seat. Kuczynski's party, Peruvians for Change, took just 18 seats.

Kuczynski's administration has faced constant battles with the legislature. Popular Force has pursued an obstructionist strategy that appears aimed at destabilizing the government and even removing the president from power. It settled on this approach just six months after Kuczynski's inauguration, when Congress began to remove his cabinet members one by one.

Under the "interpellation" process, Congress summons cabinet members to testify before the entire body, which can then vote on a censure motion. If a majority votes for the motion, the minister is forced to resign. The only way to avoid the censure vote is to ask Congress to hold a confidence vote instead. But if they lose this vote, ministers must step down.

Led by Popular Force and another opposition party, the American Popular Revolutionary Alliance, Congress censured Education Minister Jaime Saavedra in December 2016, accusing him of botching the country's preparations for hosting

the 2019 Pan-American Games. He was forced to resign after losing a confidence vote.

In May 2017, Congress called the minister of transportation and communication, Martín Vizcarra, to testify about a construction contract for the Chinchero airport near the southern city of Cusco. The opposition accused him of amending the deal in the contractor's favor. Vizcarra resigned. In June, Economy and Finance Minister Alfredo Thorne was ousted in connection with the same contract. Later that month, Congress summoned Interior Minister Carlos Basombrío to face a censure motion, but he survived the process.

In September, the administration decided to take a stand. Prime Minister Fernando Zavala called a vote of confidence in the cabinet. But he lost the vote, forcing him and the entire cabinet to resign. Kuczynski appointed a new cabinet, tapping Vice President Mercedes Araoz as prime minister.

IMPEACHMENT INTRIGUE

The opposition's strategy of uncompromising confrontation took a dramatic turn at the end of 2017, when Congress held impeachment proceedings against the president himself. On December 21, Kuczynski was called to testify about payments that one of his businesses received

from the Brazilian construction firm Odebrecht, which has become a byword for bribery across the region.

After hours of testimony by the president, Congress deliberated and voted. Because of several abstentions, most likely orchestrated by Kenji Fujimori, there were not enough votes to impeach Kuczynski. The opposition needed a two-thirds supermajority, or 87 of 130 votes; it mustered only 78 (19 voted no, and the rest either abstained or missed the vote). Lawmakers agreed that he would remain in office while an independent investigation proceeded.

The high cost of the president's political survival became clear just days later when Kuczynski announced on Christmas Eve that he was pardoning Alberto Fujimori on humanitarian grounds, allowing his release from the prison where he had been serving a 25-year sentence since being convicted of crimes against humanity and corruption in 2009. The pardon had been hinted at for months. After the impeachment trial, it seemed obvious that Kenji and Kuczynski had made a deal.

Deconstructed political institutions allow impunity and corruption to prevail.

Protesters immediately took to the streets to denounce the pardon. Although it may be appealed both in Peruvian courts and at the Inter-American Court of Human Rights, as of this writing Fujimori had been released to receive medical attention for a heart condition and other ailments. In a statement from his hospital bed on December 26, he thanked the president for the pardon and asked Peruvians to forgive him.

PARALYZED SYSTEM

Amid the legislative paralysis caused by this constant political combat, much-needed reforms have been neglected. Kuczynski campaigned on a promise to undertake a major judicial overhaul. It is widely accepted that the Peruvian law-enforcement system is broken, allowing crime and corruption to flourish with impunity. The attorney general's office has been plagued with corruption scandals; police are badly trained and underfunded.

The fact that the judiciary successfully tried and convicted Fujimori represented major progress both for human rights and for the rule of law in Peru. But the pardon suggests that these gains might have been only temporary.

Although the problems with Peruvian justice go back decades, Fujimori further weakened the judicial branch during his presidency. On April 5, 1992, he dissolved Congress and briefly assumed its powers. He fired several judges immediately after this "self-coup" and replaced them with his own appointees. Today, Peruvians distrust the judicial branch more than citizens in any other country in Latin America. But the current legislative gridlock prevents a reform process from moving forward.

The political impasse has imposed other costs on the nation. The government failed to organize reconstruction efforts after devastating coastal flooding caused by unusually heavy rains in early 2017 killed more than 100 people and damaged roads, bridges, and homes. More than one million people were directly affected. While political battles preoccupied Congress and the administration, desperately needed repairs were still being neglected by the end of the year, when the rainy season was poised to begin again in the foothills of the Andes.

The *fujimorista* party's strategy of destabilizing and paralyzing the government is facilitated by the perpetual weakness of most other political parties, a phenomenon that analysts and citizens have lamented for decades. Peruvian parties tend to be

ephemeral and personalistic, springing up as election vehicles for particular politicians. They often disappear after the elections. Members of Congress frequently switch parties as a result, adding to legislative instability.

Candidates must pay to get on party lists, and their campaigns are mostly funded by private investors who then call in favors after the election. The existing campaign finance laws are unevenly enforced and in need of comprehensive reform. Many private donors (usually companies that plan to bid on contracts) often support all the candidates running in an election, with the understanding that they will eventually be rewarded with construction or public works projects by whoever wins.

The *fujimorista* party, though it has changed names, is one of the few that has endured and gained strength. Keiko's popularity, the electoral success of Popular Force, and its strategy to paralyze the Kuczynski administration are all inextricably linked to her father's legacy.

THE STRONGMAN

Alberto Fujimori led the country from 1990 to 2000 as a strongman, shutting down and reconstructing democratic institutions to consolidate and centralize his power. As a Japanese-Peruvian and former university official, his outsider status appealed to voters who were tired of established politicians and parties when he first ran for the presidency. Peru had experienced several years of extreme economic crisis and terrorist violence, and voters were looking for a change. Of course, after decades of alternating between military and civilian rule, some were seeking a decisive leader.

The impact of domestic terrorism on this period of Peru's history cannot be overstated. The largest terrorist group at the time, the Shining Path, had operated in the highlands of Peru since 1980 and began to attack places in and around Lima a few years later. Inspired by Mao's ideas and tactics, the Shining Path proclaimed its intent to create a new revolutionary order embodying communist ideals. The group's vicious tactics included assassinations and car bombs. Another terrorist organization, the Túpac Amaru Revolutionary Movement, was also active during this period, though much smaller in terms of membership. Fujimori's promise to bring order to the country resonated with many who feared the continued spread of terrorism.

This previously unknown candidate also assured voters that he would not restructure the economy. However, one of his first acts in office

was to implement a package of policies known as “Fuji-shock,” privatizing several state-owned companies, revaluing the currency, and deregulating foreign direct investment to promote exports of Peru’s rich natural resources.

In the name of advancing his antiterrorism agenda, Fujimori shut down the legislature in 1992 and called a constitutional assembly. It wrote a new constitution that set up a unicameral legislature, which was dominated by his party. The president and his top adviser, Vladimiro Montesinos, the head of the national intelligence service, worked to implement what they called a “direct” democratic system that would allow Fujimori to bypass political parties and directly engage the people. Most of the established parties collapsed. Fujimori also shut down regional governments and replaced them with appointed presidents. Meanwhile, he gave paramilitary forces carte blanche to use brutal methods. Death squads eliminated civilians accused of links to terrorist groups.

Typical of delegative democrats, Fujimori argued that these radical moves fell within the confines of his constitutional powers as an elected executive. Actually, he was taking Peru’s long history of corruption and clientelism to new heights. He and Montesinos allegedly looted vast sums from the state treasury to fund their schemes. Transparency International has estimated that up to \$600 million disappeared during their decade in power. They bribed legislators, judges, and media owners to ensure their support. Fujimori’s regime is considered the most corrupt in the country’s history.

Videos of Montesinos bribing congressmen and judges were leaked to the media in 2000. Both he and Fujimori fled the country but were eventually extradited and put on trial in Peru. Fujimori was convicted in 2009 of crimes against humanity in a case focused on his orders to the special forces that had killed dozens of innocent people during his war on terror. The case was a landmark for international human rights advocates: he was the first former president to be tried and found guilty of such crimes in his own country.

The country undertook a truth and reconciliation process to examine the internal conflict during the 1980s and 1990s, but when the carefully researched and detailed report was finally released in August 2003, some politicians sought to dis-

credit its findings and it never succeeded in healing the wounds left by the conflict. Many of Fujimori’s allies remain in powerful positions. And many citizens still credit him for establishing strong economic growth and eradicating terrorism.

When her parents divorced in 1994, Keiko became Peru’s first lady at the age of 19. Today, she is the direct heir to her father’s political dynasty. Although she recently distanced herself publicly from him, it is widely assumed that his network finances her party and campaigns. Her political style follows his populist model. Her party is popular in rural areas and among the urban poor. She appeals to anti-establishment voters while drawing support from socially conservative forces such as the Catholic Church, as well as from business sectors including those associated with mining and external trade.

CONSTANT CORRUPTION

Peru is trapped in a cycle of political instability, which prevents a focus on strengthening democratic institutions. This situation is directly linked to Alberto Fujimori’s legacy. Intertwined with the instability are incessant corruption scandals linked to political officials at the highest level.

Almost two decades after Montesinos was caught bribing politicians and executives, a culture of corruption continues to plague Peru. In 2017, Ollanta Humala and his wife Nadine Heredia were arrested on money laundering charges. The government issued an international warrant for the arrest of another former president, Alejandro Toledo (currently living in the United States), citing bribery allegations. Kuczynski’s impeachment trial was based on allegations that his consulting businesses had received illegal payments during his stint as minister of economy and finance. Keiko Fujimori is also under investigation for allegedly receiving bribes.

Most of these charges are linked to Odebrecht. The construction firm’s former chief executive was arrested in 2015 in a Brazilian investigation into allegations of widespread bribery. That led to several related international probes. In 2016, Odebrecht and a subsidiary, Braskem, entered a guilty plea in a US federal court for violating the Foreign Corrupt Practices Act. Odebrecht admitted to paying \$29 million in bribes in Peru between 2005 and 2014, in addition to bribing officials in

Fujimori’s antidemocratic actions continue to hamper the country’s progress today.

other countries across the region. Since then, several Peruvian corruption investigations have been opened, implicating dozens of nationally recognized politicians.

Corruption is nothing new in Peru. However, Fujimori's strategy for consolidating power included methodically weakening institutions and setting up secret networks of supporters inside them. These weak institutions and the *fujimorista* networks persist to this day. Peruvian citizens view corruption as the country's biggest problem—one that keeps getting worse.

SOCIAL EXCLUSION

Another legacy of the Fujimori years is social conflict and exclusion. Both have proved to be extremely persistent in Peru, even with relatively high levels of economic growth. Peru is considered to have one of the stronger economies in South America and has emerged as a favorite of international investors. Recently, however, growth has slowed down; by the end of 2017, estimates put growth for the year at 2.8 percent, marking the fourth consecutive year of less than 5 percent growth—subpar for a developing economy. The slowdown has been linked to a downturn in international commodities prices, since much of Peru's growth in the past decade was generated by the mining sector.

Relatively impressive growth numbers tended to obscure two pernicious tendencies. First, social conflict has become common in many areas of the country. Most conflicts are directly linked to environmental concerns, usually involving mining activities. For example, in the southern Apurímac region, locals have protested against the Bambas copper mining project, which is managed by a Chinese company, MMG Limited. Communities close to the mine have accused the company of breaking promises regarding transportation routes and environmental safeguards. Protests turned violent in 2016, leading to the deaths of a handful of activists in clashes with the national police. Yet no Peruvian government in recent history, including Kuczynski's, has taken a strong stand against mine operators, due to the country's economic dependence on the sector.

Second, despite sustained economic growth, many Peruvians continue to be excluded from prosperity and opportunity. An economic model

that privileges open markets and trade has neglected to fairly distribute the country's gains.

Women face higher levels of unemployment than men, and a wage gap persists. Women around the country also have lower levels of secondary and higher education, which contribute to high rates of domestic violence, human trafficking, and femicide. While Peruvian police have been more successful in recent years in capturing traffickers, there is still impunity in the courts: very few are convicted.

Indigenous and Afro-Peruvian populations are also excluded from social programs and economic gains. Peru has a number of indigenous communities in the Amazon region and in the country's highlands. These populations often have restricted access to public services, including education and health care; where there is access, services are often of lower quality. Higher levels of poverty are prevalent among Peruvians who speak the indigenous Quechua, Aymara, and

Amazonian languages. Less is known about Peruvians of African descent because there is no official estimate of the total number of Afro-Peruvians; the 2017 census was the first ever to ask about citizen's ethnic identification. As of this writing, official numbers are still

not available, but the studies that do exist clearly show that Afro-Peruvians earn less and have reduced access to education compared with the national averages.

Social conflict and the continued exclusion of historically marginalized groups can also be linked to Alberto Fujimori's legacy. His neoliberal economic reforms increased the country's reliance on international investment in the commodities sector, which allowed some parts of Peruvian society to benefit disproportionately from growth. Additionally, the *fujimorista* party's ties to extremely conservative groups, including elements in the Catholic Church and business elites, have blocked progressive policies that could challenge the status quo, such as reproductive health access and marriage equality. The Ministry of Education has proposed a reform that would allow the public school system to adopt a curriculum that addresses gender equality issues. But the conservative majority in Congress, backed by the Catholic Church, prevented the measure from moving ahead.

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PERNICIOUS LEGACY

All of these problems existed before Alberto Fujimori became president. Corruption has permeated all aspects of Peruvian politics and society for centuries. Women and minorities historically have been left out of the country's political and economic structures. And Peru, like most countries, has always experienced social conflict.

However, one might have expected these problems to be receding, given the fact that free and fair elections and economic growth have been the rule since 2000. Instead, Fujimori's regime—arguably bequeathed to his daughter—left structures and leaders in place that have prevented reform efforts from gaining strength. The persistence of political instability, corruption, and exclusionary treatment of minorities can be understood, in part, as a result of Alberto Fujimori's systematic efforts

to dismantle the political system and impose neo-liberal reforms that have privileged growth in the mining sector over social safety nets.

Peru's recent history shows that “delegative democrats” leave a mark on their countries for much longer than we might anticipate. Decades after these rulers step down or are pushed out, their legacies continue to hinder democracy and development. Systematically deconstructed political institutions can allow impunity and corruption to prevail indefinitely. Corrupt and antidemocratic networks can fund and promote allied political candidates. Growth models that lopsidedly benefit the rich and powerful can exacerbate existing conflict and inequalities. It is worth remembering these lessons from Peru when considering similar regressive trends elsewhere in the region and around the world—even in the United States. ■