

Peru's President Kuczynski facing impeachment

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Peru's Congress voted last Friday to begin a debate over the impeachment of President Pedro Pablo Kuczynski over his involvement in the massive bribery scandal that has engulfed the political establishment, not only in Peru, but throughout much of Latin America. Exposed as a result of the "Lava Jato" corruption probe into bribes and kickbacks involving Petrobras, these spreading scandals stem from the international activities of one of the Brazilian state-owned energy giant's main contractors, the construction conglomerate Odebrecht.

The Congress, controlled by the right-wing opposition Fuerza Popular, led by Keiko Fujimori (daughter of Peru's former dictator Alberto Fujimori), voted 93-17 to begin a debate on impeachment. The margin in favor of initiating the debate was more than enough to sustain an ultimate impeachment, which requires 87 votes in the 130-member Congress.

Earlier last week, it was revealed that Odebrecht had paid Kuczynski US\$5 million in consulting fees between 2004 and 2013, when he was economy minister and head of then-president Alejandro Toledo's cabinet. Both Odebrecht and Kuczynski have claimed that the payments were legal. Toledo is now a fugitive from Peruvian justice, fighting extradition from the US to face his own bribery charges.

Virtually every leading figure in Peruvian bourgeois politics has been implicated in the spreading scandal. Former president Ollanta Humala and his wife have been jailed under preventive detention as prosecutors prepare a case against them. Keiko Fujimori, the leader of the right-wing opposition is under investigation, as is Lima's former mayor Susana Villaran, who was backed by the Peruvian pseudo-left.

In addition, warrants for the arrest of five top business executives involved in the Odebrecht scandal

have implicated the most powerful sections of the Peruvian bourgeoisie.

If Kuczynski, a former Wall Street financier, is brought down by the scandal, under the constitution he would be replaced by Martín Vizcarra his first vice president. Vizcarra, however, is also under investigation for his involvement in a corrupt contract with a Peruvian-Argentine consortium to build an airport near the city of Cusco. Formerly the transportation minister, he resigned from his post earlier this year and was subsequently sent to Canada as the Peruvian ambassador after the airport scandal broke.

If, as many believe, he were to be rejected as Kuczynski's successor following an impeachment, the presidency would pass to the second vice president and current prime minister, Mercedes Aráoz.

Significantly, even as the crisis is discrediting Peru's entire political establishment and state apparatus, Aráoz has been moving to concentrate more power in the hands of the executive branch of the government.

On Thursday, December 7, the Peruvian prime minister formally presented a request to the opposition-led congress seeking special powers to essentially rule by presidential decree. The initiative is being presented as a necessary measure for the fight against corruption as well as to simplify the process for an economic stimulus and dealing with natural disasters.

Araoz's proposal would give the executive branch the power to introduce or alter any legislation in the country without the involvement of congress, effectively weakening the democratic principle of the separation and balance of powers between the different branches of government.

Peru has historically been one of the poorest and most unequal countries in Latin America, with poverty,

especially among indigenous communities of the Andean highlands and Amazon jungle.

Only a decade ago, Peru's economy was referred to internationally as the "Peruvian Miracle." Through over four decades of pro-market policies, the benefits of this "miracle" have accrued only to investors, both Peruvian and international, who used the resource-rich economy to enrich themselves by deepening the essential feature of capitalist society: social inequality.

Today, one in five Peruvian children suffers from chronic malnutrition, despite the much celebrated progress. A razor-wire-topped "Wall of Shame" divides Lima's poor population of Pamplona Alta from the exclusive development Casuarinas. Workers living in Pamplona Alta often have no running water, no plumbing and live on subsistence wages of about \$3 per day. Many Pamplona residents have never been on the other side of the wall.

Oxfam has estimated that a poor resident in Lima pays 10 times as much for water as someone living in better-off areas like Casuarinas. Security walls and gated communities have proliferated in Lima, highlighting the ever-increasing social divide between poor and rich in the country. Poverty in rural areas remains high and reaches 60 percent in some areas.

President Kuczynski has been facing an abysmal 27 percent approval rating. In turn, he has systematically sought to deflect popular anger by blaming natural disasters for the prevailing social conditions and threatening that they will only worsen should international capital be denied carte blanche and flee the country. Against this backdrop, the corruption scandal is revealing a massive political crisis of the entire establishment.

Aráoz's initiative fits in this context and should be understood as an ominous warning to Peruvian workers. Promoted under the veil of an "extreme measure" to fight corruption, it is more fundamentally the product of the world economic crisis brought about by the inherent contradictions of international capitalism, with Peru's economic conditions driven largely by its trade and financial relations with major economies like the US and China.

Aráoz's request for dictatorial powers is the logical outcome of Peru's dependence on foreign capital. What is being prepared is a massive attack on workers under the false guise of combating corruption. The expansion

of the executive branch will return the country to conditions that resemble the Fujimori era, when rampant free market pro-capitalist policies were coupled with harsh repression and the suspension of basic democratic rights.

Aráoz's initiative came just a few months after congress granted her new cabinet a vote of confidence following a vote of no confidence in the previous government of Fernando Zavala last September.

The Peruvian so-called "left" parties support the reactionary essence of the proposal. Nuevo Peru's spokesman Alberto Quintanilla didn't oppose Aráoz's request. "[W]e have differences in economic matters, because there's nothing [in the proposal] about minimum wages or the domestic market," stated Quintanilla.

In essence, Nuevo Peru is in basic agreement with the undemocratic takeover, but they are trying to prepare its introduction by deceiving the working class, packaging it together with a minimum wage hike, but then emboldening a state that will attack workers' living standards and democratic rights through the implementation of executive orders targeted at removing any limitations on capitalist exploitation.

Aráoz's proposal is scheduled to be voted upon next year.



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