

Peru's president and former Wall Street financier resigns amid corruption scandal

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23 March 2018

Faced with a spiraling corruption scandal and imminent impeachment, Peruvian President Pedro Pablo Kuczynski resigned as president Wednesday, one day before a scheduled impeachment vote that would have certainly ended its crisis-ridden government.

The trigger for the resignation was the release of footage showing two pro-government congressmen led by Kenji Fujimori, the son of former president Alberto Fujimori and brother of Keiko Fujimori, leader of the main opposition party Fuerza Popular (FP), attempting to convince FP congressman Moises Mamani to vote against the impending impeachment.

The reasons for this new attempt to remove Kuczynski from power, as well as the first failed one of December 21, lie in the revelations by executives of the Brazilian multinational Odebrecht that they had bribed virtually the whole Peruvian political establishment for nearly two decades, with Kuczynski being the most obvious case of profiting from a “revolving door” between government office and private business.

Kenji Fujimori led a bloc of dissenting FP congressmen that voted against the first impeachment, defying the orders issued by his sister Keiko to all FP members in Congress, where the party holds an absolute majority. It was later revealed that Kenji had negotiated in secret with Kuczynski to release his father from prison in exchange for the votes needed to forestall impeachment. Fujimori's father was released three days later, after serving only eight years of a 25-year sentence for human rights crimes and corruption committed under his autocratic regime (1990-2000).

Since then, Kenji had broken with his sister and FP and established an “independent” caucus with his bloc of dissenting FP congressmen, becoming the main political ally of the president and accompanying him on

tours across the country.

In the footage—recorded with a hidden device by Mamani—Kenji and Congressmen Bienvenido Ramírez and Guillermo Bocangel made clear that if Mamani jumped ship with them and voted against the impeachment, he could profit from investment contracts that the executive power would allocate to Puno, the province he represents. At another point in the video, the president's personal lawyer arrives and gives Mamani the cellphone number of the minister of production for coordinating the corrupt deal.

Fuerza Popular convened a press conference on Monday 20 where it revealed the contents of the tape.

With the government in flames after this attack, Keiko Fujimori delivered the final blow, not only to Kuczynski's tottering government—with an abysmal approval rating of 19 percent—but also to the political career of her brother Kenji, who on the same day had announced the formation of his own political party with the clear aim of vying with his sister for “*fujimorista* legacy.”

While Keiko sought to bring down Kuczynski's government in order to stall corruption inquiries over her own Odebrecht-related scandals, there was clearly a consensus among the ruling elite that the 79-year-old former Wall Street operator Kuczynski had become a destabilizing factor for capitalism in Peru.

The clearest indication of this was the surge on the Lima stock market Wednesday, after the news that Kuczynski had resigned. The daily *Gestión* reported that “market agents stated that the resignation would calm the political uncertainty and considered it positive that Vice President Martin Vizcarra would take power.”

From its inception, politicians and the media had predicted that Kuczynski's government would be weak and isolated.

He won the 2016 presidential elections—by a margin of just 30,000 votes—against Keiko Fujimori thanks to the support of the pseudo-left Frente Amplio (FA), then led by Veronika Mendoza and Marco Arana. They backed him as the supposed “lesser evil” who would block the return to power of the *fujimoristas*. He had little genuine public support, viewed widely as the “gringo” who had spent much of his life outside the country, enriching himself on Wall Street, acquiring US citizenship and working for both the World Bank and International Monetary Fund.

Then, during his first year in office, with a congress firmly dominated by the opposition FP and its revanchist leader Keiko Fujimori, the pseudo-left FA came to the defense of Kuczynski and his ministers, arguing that every attack from the *fujimoristas* was an attempt to undermine the government and seize power.

It was during this time that the followers of Veronika Mendoza decided to split from FA and form their own caucus inside Congress and a movement (Nuevo Perú) toward becoming a new party. They made this move after concluding that Mendoza had become the most visible face of the “left” inside Peru, due to her having placed third during the last elections, and because FA was led by Marco Arana, whose ecological party Tierra y Libertad formed the backbone of the FA coalition.

Nuevo Peru (“New Peru,” NP) proved to be an even more compromising caucus than Arana’s FA. During the first attempt at impeachment, the NP refused to support the measure, arguing that it was an operation mounted by the *fujimoristas* to overthrow the government and seize power. The abstention by the NP’s caucus during the vote, along with the support won through the negotiations with Kenji Fujimori, saved Kuczynski.

Three days later, this so-called “left” caucus expressed shock over the president’s pardoning of Alberto Fujimori, saying he had broken his promise to them (they were reportedly told that Kuczynski wouldn’t pardon him) but, revealingly, still refusing to apologize for abstaining in the impeachment vote.

However, with popular indignation growing over Fujimori’s pardon, particularly among the youth, they began to be seen as the real culprits in the entire affair.

Their decision to support the new impeachment process was an attempt to save face after the backlash they suffered for supporting Kuczynski and thereby

facilitating Fujimori’s pardon.

Arana, like Mendoza, backed Kuczynski as the “lesser evil” in the last elections. Despite being demonized by the right-wing media as a dangerous extremist, he has made clear his own commitment to stabilizing Peruvian capitalism. During a television interview in which he was asked why he wanted to impeach Kuczynski, he declared bluntly: “We need to restore credibility.”

Vice President Vizcarra is expected to assume the presidency in the coming days. Both the NP and FA will no doubt continue their own integration into the establishment by supporting him against *fujimorista* “aggression.”



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