

Peru's President Vizcarra calls for referendum amid corruption scandals

Cesar Uco**14 August 2018**

In his July 28 Peruvian Independence Day speech to the nation, President Martín Vizcarra called for a national referendum based on four proposals: the reform of the National Council of Magistrates (CNM), the panel that appoints judges and prosecutors; ending the re-election of Congressmen; the prohibition of private funding for political parties; and the return to a bicameral national legislature.

Vizcarra, who assumed the presidency last March after his predecessor, Pedro Pablo Kuczynski, resigned in the face of an impeachment vote and amid a swirling corruption scandal linked to the Brazilian construction giant Odebrecht, admitted in his speech that “the judicial system has collapsed” and that the country faces “serious corruption of public administrative institutions.”

Since Vizcarra took office, the country has been rocked by a series of new scandals, including the leaking of audiotapes of powerful judges negotiating bribes from defendants in return for light sentences or acquittals. A series of high-level resignations has been accompanied by protests against corruption.

Vizcarra coupled his message with a denunciation of a “sexist macho culture” that has produced thousands of killings of women in the country during the last years—one of the most currently debated topics in Peru—and gave his support for a national policy of “gender equality.” The Peruvian pseudo-left received both parts of the speech with approval.

“Our goal is to build a strong, united, and globally integrated Peru; and we are moving forward on that path,” said the president, portraying Peru as a stable country for investment. In his effort to improve the country’s image in the eyes of foreign capital, he cited its hosting of the 8th Summit of the Americas last April and its assumption of the presidency of the UN Security Council.

Wall Street, however, has more concrete demands for the new Vizcarra government to create conditions for a

renewal of capital flows into the country.

These include not just the tackling of corruption, but a further deregulation of mining and, above all, the suppression of the class struggle and social opposition to the exploitative activities of the big transnational mining companies.

On the night following the presidential speech, the National Police of Peru (PNP) began a mega-operation in which 400 people participated, raiding 21 private homes and arresting 11 individuals implicated in a criminal gang known as the “White Collars of the Port,” which included lawyers, public servants and a former judge already under detention.

From their timing, the arrests appear aimed at generating support for Vizcarra and his referendum as he negotiates its terms with Congress, which is dominated by the right-wing *fujimorista* party, Fuerza Popular (Popular Force-FP).

The president’s message has received an overwhelmingly positive reception from the media and the political establishment, which views it as an attempt to save the reputation of the discredited state in order to be in a better position to satisfy demands imposed by foreign capital.

Vizcarra’s statement that “the judicial system has collapsed” points to the depth of Peru’s crisis of governability, which is partly a manifestation of the country’s recent economic misfortunes, led by the fall of global commodity prices, especially in the mining sector, which is Peru’s main source of exports.

Due to a recent increase in demand for mining products, investments in Peru have been recovering since 2017 (12.3 percent), after continuous declines of 50.8 percent in 2016, 11.2 percent in 2015 and 8.4 percent in 2014. Given the fragile world economic situation, dominated by trade war between major imperialist countries, the volatility of metal prices remains very high. The brief recovery could

lose its momentum, which would renew recessionary pressures on Peru.

To comply with foreign capital demands, Vizcarra must deal with growing social unrest.

In recent days, miners have been on strike at Milpo Company mines, where according to management, “the only pending issue is the request to incorporate 25 workers from the Tecnom contractor company to the Milpo payroll.”

During the course of the last 12 months, miners at projects worth billions of dollars have threatened or gone on strike. In addition to Milpo, this has included miners at the Southern Company (Grupo Mexicano) and Cerro Verde (Freeport-McMoRan Copper & Gold Inc., Arizona) as well as, in La Oroya, smelter workers who blocked the road to the north that connects Lima with Cerro de Pasco and Tarma, the gateways to the central jungle, which feeds the capital with timber and fruit produce.

Other sectors of workers who have gone on strike are the country’s 525,000 public school teachers and 250,000 employees of the public health sector. It is estimated that Peru needs 55,000 more health professionals.

According to the INEI (Instituto Nacional de Estadísticas e Información), currently more than 420,000 workers are unemployed. Lima’s unemployment rate in the first quarter stood at 8.1 percent.

While analysts have started to debate whether Vizcarra’s proposals are feasible, and the right-wing FP opposition has proposed adding measures such as the death penalty for pedophiles and a ban on same-sex civil unions—both unconstitutional—to the referendum, the Peruvian pseudo-left has hailed the president’s proposals.

Even before his Independence Day speech, they were trying, along with the media, to prop up the president’s image before a disenchanted population. In the days leading up to the speech, the new minister of justice declared that the government would revise former president Kuczynski’s pardoning of former president Alberto Fujimori (part of a filthy deal for stopping an impeachment vote last year); this prompted daily *Diario Uno* to place Vizcarra on its cover with the overline “He [Vizcarra] leaves the passivity and listens to the people” and the headline “Vizcarra confronts Fujimorismo”.

For much of its history, *Diario Uno* was identified with the “left” in Peru and published columns by pseudo-left figures and union bureaucrats. Now, it is so preoccupied with the stability of the capitalist state that it has no problem with lionizing a common right-wing politician.

Equally revealing was the response by former

presidential candidate and current face of the pseudo-left Veronika Mendoza, who in an interview hailed Vizcarra’s referendum proposals saying that he “has finally assumed his historical role before this crisis.”

Her initial comments were followed by a public letter this week sent to the president praising the referendum. “We have welcomed his initiative to propose a referendum to consult the public about the urgent reforms that our country needs, and we firmly believe that it is time to listen to the sovereign people,” she wrote.

Then she launched an attack against the leader of Fuerza Popular, saying the referendum will help bypass FP’s control over Congress. According to recent polls, Keiko Fujimori, the party’s leader, stands as Mendoza’s principal rival in the next presidential elections scheduled for 2021.

Finally, she added an appeal to the population to mobilize in support of the referendum: “It is important that citizens continue to participate and continue to mobilize and continue to pressure the Congress of the Republic and President Vizcarra himself so that he does not back down and that the referendum is really an opportunity to at least open a great national dialogue.”

It is clear from these comments that Mendoza is nothing more than a pseudo-left defender of capitalism. The purpose of her proposal is to divert the growing movement of the Peruvian working class back under the wing of a state that is controlled by foreign capital, along with Peru’s financial oligarchy and CEOs.



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