

Peruvian voters approve referendum proposals touted as answer to corruption

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In a national referendum held last Sunday, Peruvians overwhelmingly approved three out of four proposals that have been touted as the answer to the systematic corruption prevailing in every area of the ruling establishment from politicians, including former presidents and leaders of Congress, to leading business figures.

President Martin Vizcarra had promoted the referendum. He assumed the presidency on March 23, after his predecessor Pedro Pablo Kuczynski (PPK) was forced to resign over evidence linking him to the Brazilian construction giant Odebrecht, which has been at the center of a continent-wide corruption scandal. A video emerged allegedly showing the president's supporters attempting to buy political support to block his impeachment.

Over one year ago, it was revealed that Odebrecht had been winning state contracts to build roads and bridges by bribing officials. The total amount spent in kickbacks and other illegal payments in Peru was over US\$40 million.

The referendum was first called by Vizcarra, a right-wing defender of Peruvian big business and foreign capital, in his speech to the nation on July 28. Peruvians were asked to answer yes or no to four constitutional reforms:

1) Replacing the corrupt and discredited National Council of the Judiciary with a new institution, the National Committee of Justice; 2) Regulating political campaign financing; 3) Prohibiting consecutive reelection to Congress; and 4) Establishing a bicameral congress.

The first three proposals were approved by roughly 85 percent of the voters, while the fourth was rejected by over 90 percent.

Peru has been rocked in recent years by a series of

corruption scandals involving influence peddling, using bourgeois political parties for money laundering and government officials, heads of major political parties and businessmen receiving bribes and kickbacks.

The judiciary was controlled by an inner circle led by former Supreme Judge Walter Rios, known as the Band of White Collars of the Port. The police obtained audio recordings of judges trading lighter sentences for professional advancement.

Congress, controlled by the right-wing *fujimorista* Fuerza Popular (FP) party, was rife with similar scandals. As an example of the many cases of congressional corruption, in December 2017 Kenji Fujimori, together with a group of FP dissidents, voted against impeaching the then-president and former Wall Street investment banker Kuczynski in exchange for a presidential pardon for his father, former president Alberto Fujimori.

The elder Fujimori was serving a 25-year sentence for having ordered the paramilitary “Grupo Colina” to conduct massacres of students and professors at La Cantuta University, and an attack perpetrated in a working-class neighborhood, Barrios Altos, where 15 people, mistakenly linked to the Maoist Shining Path group, were murdered, including an eight-year-old boy.

Though not a member of Congress, the leader of FP, Keiko Fujimori, controlled it. She has not only lost political influence with the referendum results, but is currently being held in preventive detention for 40 days in connection with alleged illegal campaign contributions. The party itself is threatened with a major split.

In the executive branch, corruption reached the top, implicating five former presidents who have ruled Peru from 1985 to the present:

* Alberto Fujimori (1990-2000), sentenced to 25

years for crimes against humanity.

* Alejandro Toledo (2001-2006), who received a US\$25 million kickback from Odebrecht in exchange for multibillion-dollar deals, is currently living in California under the protection of the US government.

* Alan Garcia (1985-1990 and 2006-2011), who, claiming political persecution, sought asylum in the Uruguayan Embassy, until he had to leave when that country denied his request, is accused of illicit enrichment and obstruction of justice related to the Odebrecht scandal.

* Ollanta Humala and his wife Nadine (2011-2016), accused of receiving money for their presidential campaign from Odebrecht and Venezuela, were subject to preventive incarceration until the Constitutional Tribunal declared this measure was illegal.

* Completing the list is the former Wall Street banker PPK (2016-2017) who was forced to resign last March to avoid charges that would have sent him to jail.

As expected, the media is portraying the referendum results as blow against corruption, a personal triumph of Vizcarra and a defeat for the *fujimorista* FP in Congress.

The real motives underlying the referendum, however, are quite different than those promoted by the media and the government.

One week ago, Peru's annual Conference of Executives (CADE-Executives 2018) saw the government and top business figures agree to put up a common fight aimed at the destruction of living standards of the working class. The government claims that Peru's labor costs are too high compared to its global competitors and need to be reduced significantly.

Vizcarra's proposal is to cut or eliminate all benefits except salaries. This will not happen without fierce opposition by the millions that constitute the Peruvian working class.

The referendum and the supposed crusade against corruption are aimed at providing a cover for the coming offensive against the working class.

Even as the government tries to use the referendum results to line up the political parties behind this coming confrontation with the working class, new charges have been leveled by former president Garcia that Kuczynski's second vice president, Mercedes Aráoz, and his campaign manager, today's President

Vizcarra, received 6 million soles that no one can account for. He is calling for an investigation into PPK and the current president himself.

Vizcarra is counting on crucial support from two bourgeois left parties in his government's campaign against the Peruvian workers. Their ecstatic reaction to the referendum results has aligned them closely with the government. Indira Huilca from Frente Amplio declared that "the people had sanctioned *fujimorismo*," while Veronika Mendoza from Nuevo Peru backed Vizcarra, calling for "a new Constitution for a new Peru." She added that the referendum demonstrated "that in democracy it is the sovereign people who command."

As Vizcarra seeks to refurbish the image of a bourgeois state that had lost all credibility in the eyes of the working class and the poor, Mendoza has taken upon herself the job of providing him with a left cover, concealing from the working class the sharp threats posed by the current government's policies.



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