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Intelligence Report

Office of Asian Pacific and Latin American Analysis

12 November 1998

Peru: Reelection Maneuvers Circumventing Democratic Institutions

[Redacted]

Summary

While two-term President Fujimori has refused to confirm publicly that he plans to run again in 2000, [Redacted] he and his allies are doing all they can to pave the way for a constitutionally questionable third term, *politicizing and circumventing democratic institutions in the process*. The 1993 Constitution allows two consecutive presidential terms, but Fujimori's supporters claim his first does not count because it began before the current constitution took effect.

- Congress—dominated by Fujimori's supporters—recently voted down an opposition attempt to force a public referendum on whether the President can run again and has changed the voting rules for the electoral tribunal to enhance the influence of pro-Fujimori members. It has also passed legislation—of dubious constitutionality—curtailing a probe into claims that the national voter registry has been politicized, [Redacted]

[Redacted]

Fujimori's apparent single-minded pursuit of reelection is damaging public confidence in Peru's democratic institutions, which polls show is already low. Facing sagging public approval ratings, he will probably resort to even more heavyhanded measures—such as expanding his use of the intelligence services to undermine opponents—as the election nears. [Redacted]

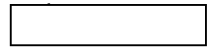
The weak and divided political opposition may look to the international community for assistance, such as political consultants, election observers, and political pressure on Fujimori to respect the democratic process. [Redacted]

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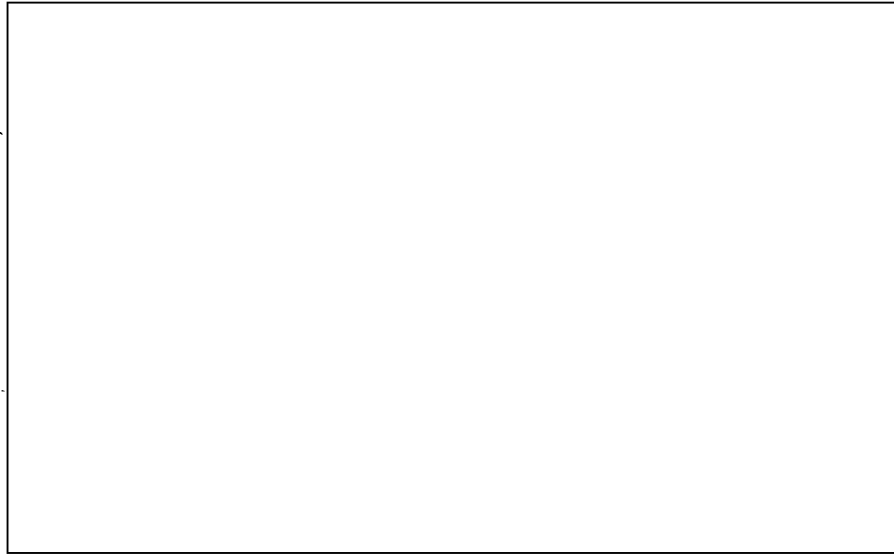
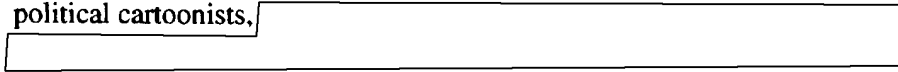
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Fujimori's maneuvering for a third presidential term has become grist for political cartoonists,



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While two-term President Alberto Fujimori (1990-present) says publicly that he has not decided whether to run again in 2000, [redacted]

[redacted] he is taking steps to ensure the option remains open.

Stacking the Deck [redacted]

Fujimori and his allies have stepped up efforts in the last two years to remove institutional and legal obstacles to a reelection bid. In 1996, Congress, which is dominated by Fujimori's Cambio '90/Nueva Mayoría (Change '90/New Majority, or C-90/NM) political movement, passed a law stating that the limit of two consecutive terms set forth in the 1993 Constitution could not be applied retroactively to Fujimori's first term, which began in 1990. Earlier this year, the Supreme Court overturned a Constitutional Tribunal¹ ruling that Fujimori could not run again. Although the Constitution is vague on which body has the ultimate authority on this issue, the Tribunal was unable to dispute the decision because Congress impeached the members that opposed Fujimori's reelection. Congress has since taken other steps to keep the President's options open:

- In July, Congress changed voting rules for the electoral tribunal—the body that would adjudicate any legal challenge to Fujimori's candidacy—to enhance the influence of pro-Fujimori members, [redacted]. The next month, the electoral tribunal squelched the opposition's best hope for blocking a third run at the presidency by Fujimori when it ruled that Congress could decide whether to hold a public referendum on the issue. C-90/NM legislators subsequently overcame strenuous opposition to vote the plebiscite down—despite some 1.4 million signatures on a petition in support of a referendum.

This report is part of the Directorate of Intelligence's continuing efforts to monitor democratic consolidation in Latin America. It was prepared by [redacted] Office of Asian Pacific and Latin American Analysis. Comments and queries are welcome and may be directed to the [redacted] APLA, on [redacted].

¹ The 1993 Constitution established the Constitutional Tribunal as an autonomous, independent entity with jurisdiction over questions of constitutionality of laws and alleged violations of constitutionally guaranteed civil rights. The Supreme Court is the court of last resort and appeal for both civil and criminal cases, as well as those cases heard in military courts involving the death penalty. [redacted]

A Closer Look at Press, Opposition Harassment

[redacted] press reports indicate that the government has sought to influence and manipulate its press coverage during the past two years—at times through blatant intimidation:

- The Fujimori administration has offered bribes to some journalists to kill stories critical of the President or security services and has also sought to stop negative reports by threatening reporters or editors, [redacted]
- In January, journalist Jorge Arrieta, who reported on the wiretapping allegations and the high-profile human rights abuses by the security services in Fujimori's first term, fled to the United States, saying that he had been threatened by the intelligence services. Press reports indicate that Lima had issued an arrest warrant against Arrieta for falsifying his news stories, a crime under Peru's broad slander and libel statutes.
- Press reports last year alleged that the National Intelligence Service has hired thugs to physically assault journalists. [redacted] some of these claims appear credible, although the Fujimori administration denies them.
- Prominent journalist César Hildebrandt, who hosts [redacted] an antigovernment television magazine show, has reported receiving numerous threats over the last couple of years. Former Army Intelligence agent Leonore La Rosa publicly identified him last year as one of the journalists targeted for harassment by the security services.
- Last year, the Interior Ministry revoked the citizenship of Baruch Ivcher, the owner of a television station that broadcast allegations of abuses by the security services in [redacted] a clear case of intimidation. Because Peruvian law forbids foreigners from owning media outlets, Ivcher was forced to relinquish control of the station and later fled the country. The government is continuing efforts to seize Ivcher's other business holdings by prosecuting him in absentia for tax fraud. [redacted]

[redacted]

- In a move [redacted] of questionable constitutionality, Congress passed legislation in March curtailing the authority of the National Magistrates Council to investigate wrongdoing by judicial officials—effectively ending that body's probe into charges of politicization at the national voter registry. [redacted]

The voter registry, a nominally independent agency, has been plagued by allegations of politicization and other wrongdoing:

- The most serious charges include the allegation that SIN agents infiltrated the agency in preparation for possible fraud in the 2000 election, [redacted]
- The aborted Magistrates Council investigation discovered that, despite a constitutional prohibition,² some 51,000 military and intelligence officers were on the voter rolls, lending credence to opposition claims that members of the security services—considered one of the President's key constituencies—had voted illegally in the 1995 election. The security officials were later purged from the rolls.

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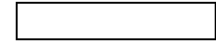
Politicizing the Security Services [redacted]

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
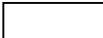
[redacted] some reporters claim to have been threatened and even

² The 1993 Constitution, like some other Latin American constitutions, prohibits all members of security services—military, national police, and intelligence—from voting. [redacted]




Poor Prognosis for Peru's Political Parties 


Peru's political party system has deteriorated significantly over the last decade:

- The reputation of the Alianza Popular Revolucionaria Americana (American Popular Revolutionary Alliance), Peru's "mass" party and still its largest, was tarnished by the corrupt and incompetent Alan García administration (1985-90), which presided over Peru's worst economic crisis this century and had little success against Peru's leftist insurgencies. 
 the party has been unable to distance itself from García since his term ended.
- Similarly, Acción Popular (Popular Action), Peru's second-largest party, has yet to shake the legacy of President Fernando Belaúnde (1980-85). An economic downturn midway through his term—exacerbated by Latin America's debt crisis—and his apparent inability to address the insurgencies that began under his administration undermined his credibility.
- Many leftist parties remain riven by ideological divisions and were stained in the 1980s by their occasional unwillingness to condemn categorically the insurgencies. 

Several of the independent political organizations that have emerged since the late 1980s are largely vehicles for personal political ambitions and lack the ideological foundation and party structure that characterize longstanding, stable institutions:

-  President Fujimori views political parties as an obstacle to honest and effective government. His Cambio '90/Nueva Mayoría (Change '90/New Majority) coalition remains little more than a loosely-organized movement through which Fujimori implements his agenda. Fujimori formed Cambio '90 in 1988 to promote his own political fortunes, and founded Nueva Mayoría in 1992 to broaden his political base.



- Lima Mayor Alberto Andrade ran in 1995 as the head of the grassroots Somos Lima (We Are Lima) organization, and has more recently tried to take the group national under the moniker Somos Peru (We Are Peru), apparently in anticipation of a presidential run in 2000. Somos Peru did not perform well in local races outside of Lima in October's municipal elections, however, suggesting it has yet to develop broader appeal. 

physically assaulted and that many journalists, disturbed by accounts of harassment, have begun to censor their stories to avoid the administration's wrath. []

Divided Opposition Poses Little Challenge []

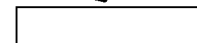
Even though public resistance to another term has been consistently high during the past year, the weak and disorganized opposition political parties are not currently in a position to block the President's reelection:

- Most opposition parties were largely discredited by their inability to deal with the economic and security crises of the 1980s, and the public's disdain for them is underscored by the large number of independent candidates that ran in the presidential election in 1995 and municipal elections in October.
- Longstanding partisan divisions hamper the ability of the more than 10 opposition parties represented in Congress to block or influence the administration's initiatives, and [] they have been unable to present a credible alternative to Fujimori's agenda. []

Moreover, the opposition has exhausted all apparent legal avenues to block a third run for the presidency. []

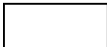
Opposition politicians, human rights groups and other nongovernmental organizations (NGOs) will have to overcome their intense partisan and parochial differences to agree on a consensus candidate—the most effective means to block a third term—to challenge Fujimori in the 2000 election:

- Lima Mayor Andrade, leader of the independent Somos Peru (We Are Peru) movement, is widely seen as Fujimori's most likely rival in 2000. In September, however, he disavowed any presidential ambitions—probably to enhance his prospects for winning reelection as mayor—and would have to work hard to build a national following.
- Opinion polls suggest that in a three-way race between Fujimori, Andrade, and any other contestant—such as perennial candidate Javier Pérez de Cuellar—the opposition vote would split, allowing Fujimori to emerge as the top votegetter. []




Fujimori Pulling Out All the Stops 

Given his actions to date, Fujimori appears willing to remove or circumvent any perceived obstacle to his reelection, regardless of the damage done to democratic institutions. He may calculate that, if he takes tough measures now, the controversy over a third term will have subsided by the time the campaign gets under way in earnest next year:

- With his popularity slipping, he is likely to grow increasingly reliant on the SIN, be even less tolerant of public reproach, and continue to depend on threats and harassment to silence his critics.
- Political opponents and domestic commentators warn that the SIN will gather intelligence under the guise of law enforcement to scrutinize and harass presidential opponents more openly. 

In addition to his more questionable efforts to set the stage for reelection, Fujimori is also likely to target social and infrastructure spending to shore up his support in the next two years:

- His decision to replace a longtime finance and economy minister with former tax agency head Jorge Baca in June was widely seen as a signal that he plans to prime the economic pump in the runup to 2000; an economic downturn due to worsening global economic conditions would constrain the administration's ability to do this, however.
- The El Niño reconstruction committee, with a preliminary budget of some \$6.5 million, could easily be exploited for pork-barrel projects.
- Fujimori might also use the Ministry of the Presidency to advance his reelection plans. Formed during Fujimori's first term to address pressing social needs, it has evolved into a super-ministry that controls some 24 percent of the national budget and has a broad range of responsibilities, including infrastructure and regional development programs. 

Despite his apparent determination to secure a third term, Fujimori's evident concern with maintaining a veneer of legitimacy may act as a brake on his antidemocratic impulses, preventing him from breaking completely with democratic convention. Domestic public opinion—critical if Fujimori hopes to win a third term—may serve as a curb. Polls reflect public disapproval of blatantly authoritarian actions such as the President's moves against the press. Nonetheless, such negatives may be offset by the President's handling of other issues; for example, his popularity surged when he

took a hard line against Ecuador during heightened border tensions in August and after the successful hostage rescue operation at the Japanese Ambassador's residence in April 1997. []

The record shows that the international community's reaction can occasionally influence Fujimori's behavior, albeit to a lesser degree than domestic opinion. While Fujimori is willing to buck international opinion if he perceives the stakes are high—as, for example, in his 1992 decision to close Congress and the Courts—he almost certainly recognizes that a negative reaction from the Organization of American States, Rio Group, and other regional organizations to any blatantly undemocratic actions would have implications for foreign investment and Peru's stature in the Latin American community. Fujimori is anxious to attract US and other foreign investment and tries to portray Peru as a stable country, and he might, therefore, be receptive to warnings of decreased financial assistance from international financial institutions. []

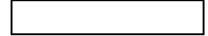
Nevertheless, he is unlikely to sacrifice his ambition for reelection for the sake of the international community. At best he may temper his methods in response to international pressure. []


Implications for the United States []

The willingness of Fujimori and his supporters to manipulate Congress, the judiciary, and electoral procedures to ensure that the President can run again undermines the consolidation of democracy in Peru. Fujimori's machinations are almost certainly contributing to the erosion of the legitimacy of democratic institutions in the eyes of the public, which already has a low opinion of most government institutions, as shown by various polls. The damage he will probably do to his image and public confidence in Peru's political institutions in securing a third term may limit his effectiveness, possibly prompting him to use more autocratic measures to implement policies. []

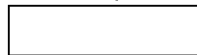
Opposition parties and domestic NGOs have already appealed to such groups as the Organization of American States to press the Fujimori administration to respect their political and civil rights, and further entreaties to international organizations and democratic governments including the United States are likely as the 2000 election nears. Opposition politicians may ask such international actors for technical advice on how to strengthen existing parties or how to establish new ones. Peru's human rights ombudsman—an independent official charged with defending both civil and human rights—has benefited from financial and technical support from international financial institutions and NGOs. Additional foreign aid could facilitate the ombudsman's continued efforts to educate the public about democracy and civil rights. []

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Such activities might, however, if widely publicized, antagonize Lima and reduce its willingness to cooperate with foreign governments and international institutions. Earlier this year, Congress briefly debated declaring the US Ambassador persona non grata after he made public remarks the administration interpreted as critical. 

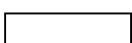
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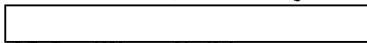



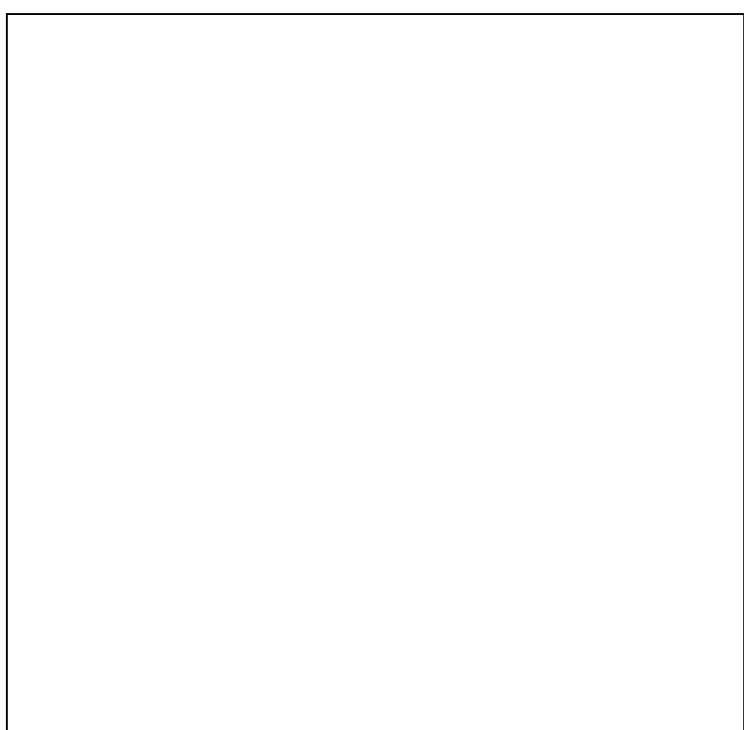
A Word of Caution About Public Opinion Polls

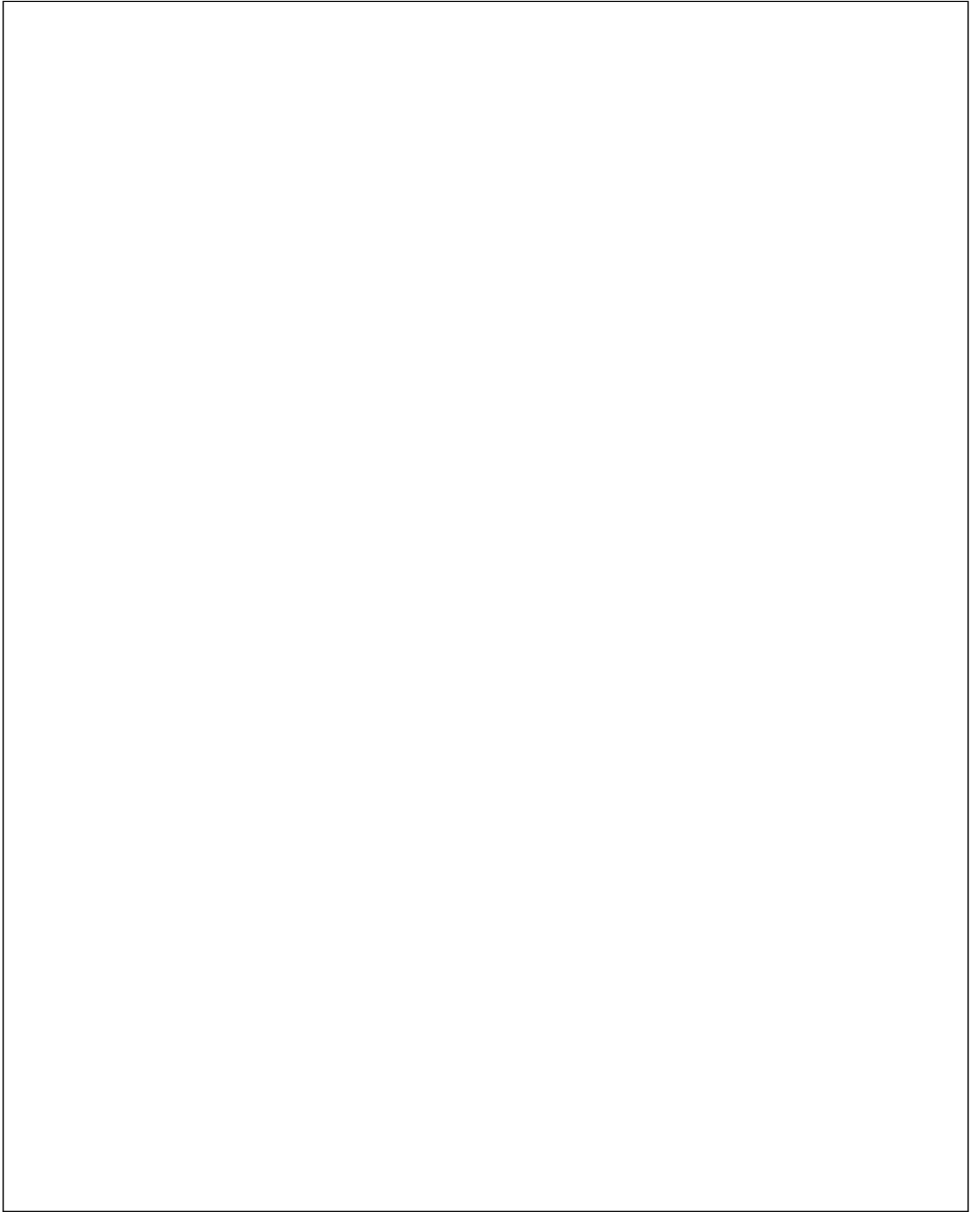


While most Peruvian opinion polls show that the President's popularity is sagging under the weight of opposition to another term, such surveys—including those cited in this report—are generally limited to large cities and do not reflect his support among the rural poor and indigenous people—a key political base. Moreover, although newspaper criticism of Fujimori is widespread and both reflects and influences elite opinion, readership is relatively limited in a country with 12-percent adult illiteracy. Peru's three leading newspapers—*El Comercio*, *La Republica* and *Gestion*—have a combined daily circulation of less than 1 million copies, while leading weekly newsmagazine *Caretas* has a circulation of about 185,000

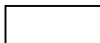


 By contrast, some 9 million citizens—out of about 12.5 million eligible voters—participated in the last presidential election. Voting is mandatory in Peru, but press reports suggest authorities rarely enforce penalties for not voting. 

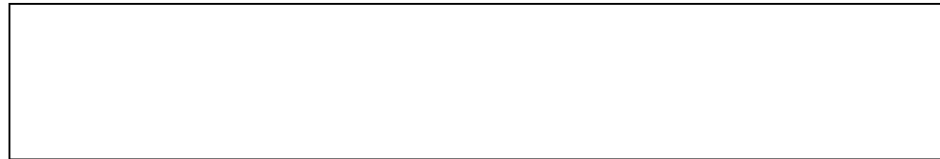


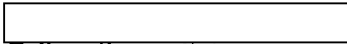





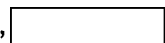

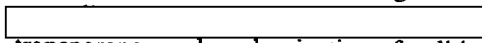

Appendix: Changing Dynamics of Fujimori's Inner Circle 

Fujimori's recent heavyhanded moves and subsequent low public approval ratings have stemmed in part from his highly centralized leadership style:



- The media and political opposition have criticized him for what they describe as authoritarian tactics, noting that the President's inner circle encourages his use of such practices.
-  apparent inadequate staff work, Fujimori's proclivity for politicking at the expense of studying issues, his aversion to political parties, and his heavy dependence on public opinion polls for feedback are factors that have contributed to his poor image. 

The unexpected resignations in the fall of 1996 of two key members of his inner circle—de facto chief of staff and presidential brother Santiago Fujimori and Presidency Minister Jaime Yoshiyama—appear to have left Fujimori without advisers able or willing to provide him with forthright, politically savvy advice:

- Santiago was the President's only candid in-house critic,   With his brother's departure, Fujimori lost an adept adviser who brought consistency to staff work and who was apparently good bureaucratic check on senior appointments, decrees, and international financial agreements.
- Yoshiyama was flexible, pragmatic, knowledgeable, and one of the few officials who could make the government work across ministries,  he advocated increasing the transparency and modernization of political institutions—shortcomings for which the opposition and media vehemently criticize the administration. 

With his inner circle shrinking and the recent replacement of Army Commander Hermoza, Fujimori is left with national security adviser and de facto chief of the National Intelligence Service (SIN) Vladimiro Montesinos as his primary adviser:

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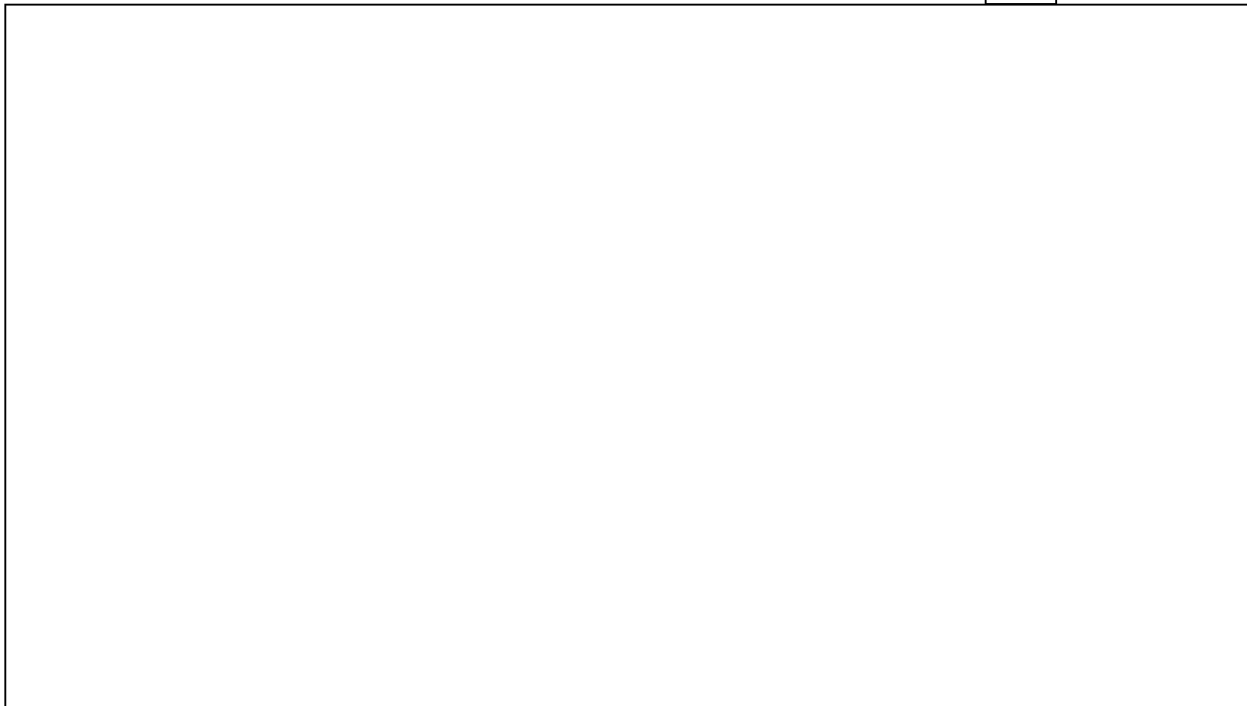


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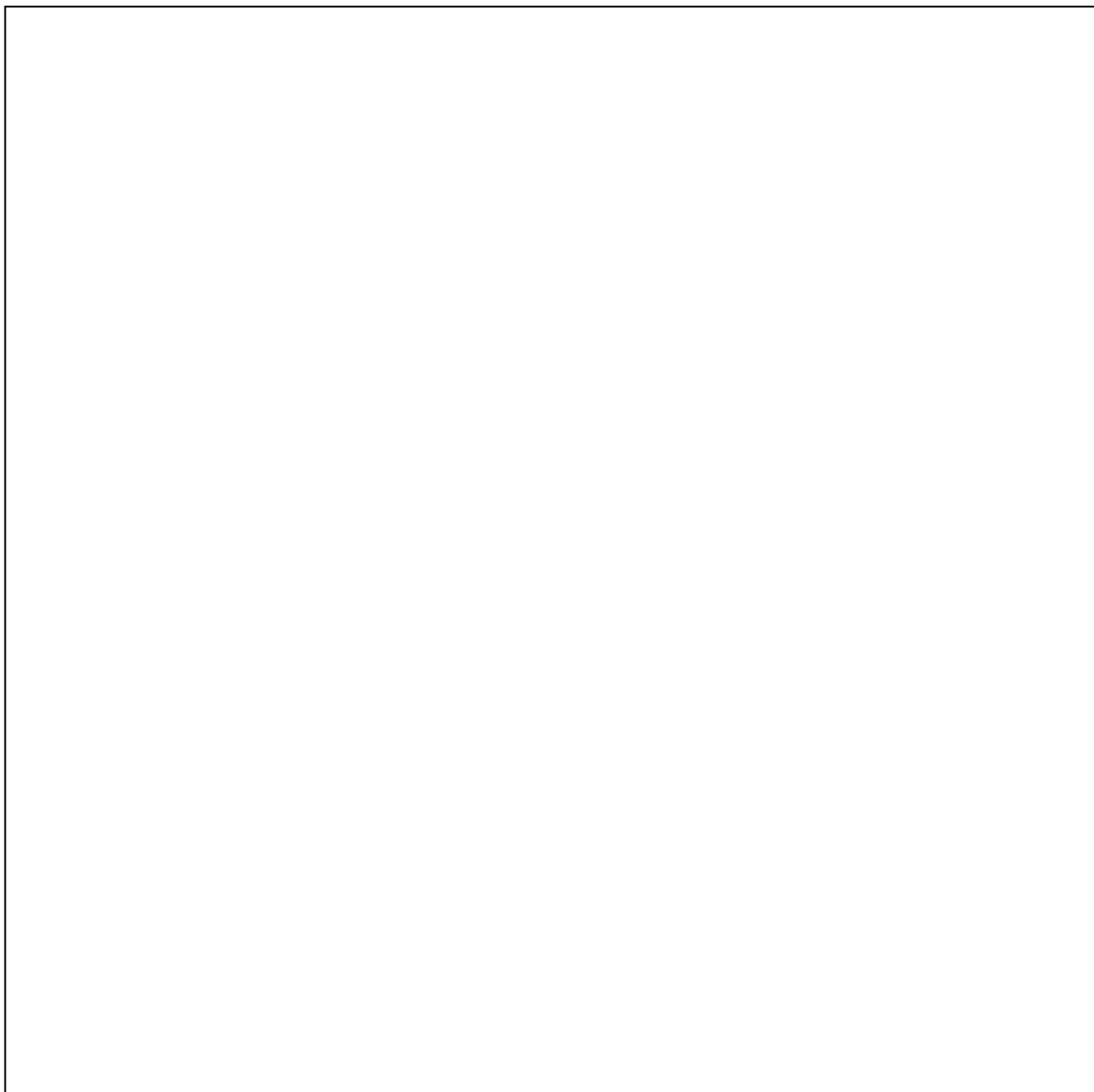
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