

DEMOCRATIC GOVERNANCE UNDER STRESS:

The case of Peru

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Introduction

The rapid spread of democratic forms of government throughout the world during the last two decades has prompted a sense of optimism regarding the prospects for democratic governance, respect for human rights and improvements in social conditions, particularly in the developing countries. However, these advances — viewed by some as heralding the definitive triumph of liberal democracy, and even as some sort of hegelian “end of history” — have now begun to show clear signs of stress. Latin America, a continent where democratic rule became widespread during the 1980s (in marked contrast with the situation prevailing during the early 1970s), is where the stress signs have become rather worrying, particularly because liberal democratic practices are being undermined in a particularly insidious way.

The transition to a new century is witnessing the subversion of democracy from within, as those who gained access though free elections maintain a thin veneer of constitutional rule while imposing authoritarian rule in practice. Moreover, in some cases, the very institutions that are supposed to guarantee the rule of law, protect the rights of citizens, and to institute checks and balances on the power of central government have been turned into instruments for the arbitrary exercise of power and for harassing political opponents.

It is often useful to examine some extreme cases and situations, for they can show in sharp profile the dangers that may emerge should trends continue unabated. While this applies particularly to what is happening with democracy in the developing regions, it may also provide insights for renewing governance in the established

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democracies of the industrialized nations. The notes that follow examine the case of Peru during the last decade of the 20th century, which provides a clear illustration of some of the problems faced by many developing countries in consolidating democratic governance and practices. As democratic governance is beginning to experience severe problems in other countries of the region, the experience of Peru in the 1990s may provide valuable lessons to strengthen democracy in Latin America. These notes end with some comments on the role that the international community could play in this task.

Background: a crisis of governance

Peru is experiencing one of the most complex processes of social transformation taking place in the Americas at the close of the 20th Century. Over a period of hundreds of years, many cultures have interacted in one of the most diverse geographies of the region. The European conquest of the Inca Empire was the traumatic foundation of Peru; a catastrophic event that established a definitive social rift between victor and vanquished. Three centuries of colonial rule defined the social, economic and institutional order that consecrated the original division. More than one hundred and seventy-five years of republican life did not alter the social topography of the nation; only the colors of the demographic landscape changed slightly. Suddenly, during the last fifty years, the pace of change began to accelerate: a number of crises, starting each at a different point in the nation's history, gained momentum and converged in a multiple crisis of near cataclysmic proportions, which came to a head during the 1980s and 1990s. A demographic explosion and massive migrations from rural to urban areas, which began in the 1950s, shook the country's foundations, completely altering the apparent order that prevailed during centuries.

The inventory of problems that Peru is facing as we enter into the 21st century is depressingly familiar. The economy has been stagnant for more than two decades with brief spurts of high but unsustainable growth. Incomes in the Lima metropolitan area were halved between 1985 and 1990 and, after a modest recovery in the early 1990s, began to decline again in 1996. Throughout the 1990s about two thirds of the working age population has been unemployed or underemployed, and by year 2000, for the first time in recent memory, half of the population will have spend a decade below the poverty line. After showing improvement during most of the 1980s, social

indicators—including nutrition levels, school attendance rates, and the incidence of contagious diseases—began to lose ground in the early 1990s. The 1980s also saw the emergence of Shining Path, the most vicious terrorist group in the hemisphere and, in response, the rise of repressive violence by military and police forces.

Peruvian society has undergone such a profound transformation that the average citizen's perception and understanding of social reality is partial, fragmented and distorted. Everyday violence has touched and shaken practically all Peruvians, badly affecting the sense of personal safety and emotional security. The rationality underlying economic reforms began in the early 1990s emphasizes the role of impersonal market forces, and requires a high degree of individual self-reliance to meet the demands of an increasingly competitive society. In a context of economic stagnation and widespread poverty, these two sets of conditions unleash contradictory forces that pull Peruvians apart: pressures towards individual and selfish behavior are poised against both the need to act in concert in order to improve the chances of survival and against deep-rooted traditions of collective action.

For all practical purposes, during the 1980s and early 1990s the Weberian concept that the State has a monopoly on the legitimate exercise of political violence, primarily through the armed forces and the police, was replaced in Peru by an “oligopoly”. A variety of groups—Shining Path, the MRTA, paramilitary death squads, self defence groups (“rondas campesinas”, “serenazgo”), private guards, and even drug traffickers—joined the armed forces and the police in claiming, for a variety of different reasons, “legitimacy” in their resort to violence. However, the defeat of Shining Path and MRTA terrorism in the early 1990s, which restored the hope that peace may usher in a period of democratic freedoms and practices, was followed by an extraordinary centralization of political power. As the decade of the 1990s closes, the government—and particularly the President and his close associates—exercise a degree of control over most aspects of Peruvian economic, social and political life that raises serious concerns. Only the formal trappings of a democratic order prevent the full extent of near dictatorial powers from coming into full view.

Peru has become a social laboratory in which the good, the bad and the ugly coexist and contrast sharply; a country of paradoxes that defies conventional habits of thought. Peruvians have devised an enormous variety of creative responses to confront adversity. Community organizations, grassroots activism and self help movements give testimony to the resilience and ingenuity of those who have been most affected by the process of accelerated economic and social deterioration. Moreover, in the midst of the crisis, a stubborn streak of hope, together with a capacity for organization and expressions of solidarity, are transforming problems into challenges and opportunities. But this resilience cannot be taken for granted, nor can Peruvians withstand a continuous and precipitous decline in living standards without risking a total breakdown of the precarious social order now in place.

At the root of this paradoxical combination of crisis and creative responses lies a fundamental fact of Peruvian political life: *the formal institutional framework of Peruvian society has been incapable of accommodating the accelerated process of social change that has taken place during the last five decades.* The explosion of social demands—a consequence of rapid population growth and of the increasing unwillingness to tolerate social injustice—overran the capacity of government organizations, legislative institutions, the legal framework, the judiciary system, political parties, private enterprises, trade unions and many other entities that are part of the social fabric. Students of the Peruvian situation have variously described this phenomenon as “Popular Overflow and Crisis of the State”, the “Rise of the Informal Sector”, and a “Failure of the Élites”, but can best be described as a crisis of governance.

The decade of the 1990s: crisis and authoritarian response

The current political situation can be better understood against the background of the crisis of governance in Peru. The inability of the political system, and of political parties in particular, to respond adequately to the growing need for jobs, social services, security and a sense of order paved the way for a process of political disintermediation. As a very visible part of an inadequate political system during the 1980s, when the multiplicity of crisis converged, political parties became the obvious target for criticism. Their limited capacity to structure, process and reconcile a

variety of often contradictory demands from the population was thus reduced even further. As a result, political parties lost ground to a variety of pressure and interest groups that projected themselves directly on the national scene, and outsiders displaced traditional politicians.

The period 1990-1995

The 1990 Presidential election, in which two outsiders —Mario Vargas Llosa and Alberto Fujimori— faced each other in the second round, was a clear indication of the extent to which parties had lost legitimacy. Following Mr. Fujimori's election as President, the lack of viable political intermediaries in the Executive and in Congress led to a cacophony of political demands from many quarters. Rapidly shifting and unstable political alliances on specific issues, improvisation and reactive political behavior and conflicts and inflexible positions made it extremely difficult to agree on policies and strategies to confront the explosive combination of problems faced by Peru at the beginning of the 1990s.

However, considering such a messy and volatile political context, Mr. Fujimori must be given credit for backing a series of economic reforms introduced by his Ministers of Economics and Finance. Elected on a “no economic shock” platform, he revised drastically his electoral stance once he took office. He embraced an audacious program of reforms which began to stabilize the economy, although at the cost of a drastic reduction in incomes and a severe recession, which was compounded by drought during 1991-1992. The government liberalized trade, cut government expenditures, improved tax collection, reformed customs and resumed debt service to international financial institutions. As a result, hyperinflation was stopped, confidence was (precariously) restored, and the country returned to the international financial community in early 1993, after clearing its arrears with the International Monetary Fund and the World Bank.

The improvised character of Mr. Fujimori's government, and its lack of a well seasoned team of policy makers and managers, led in its early stages to accept many recommendations put forward by international financial institutions and a small team of overzealous and inflexible apologists of market forces. The extent to which Mr. Fujimori identified —albeit in a disingenuous way— with these policies is

exemplified by his widely publicized statement “*Yo soy un fondomonetarista*” (“I am an IMF standard bearer”) in a poor village of the highlands with the Director General of the IMF by his side. These policies led to a brief period of exceptionally high growth, particularly during 1994, although shortly thereafter the economy fell into a deep recession.

In Peruvian politics, the traditional, knee-jerk reaction to perceived instability or “political chaos” has been the emergence of dictatorships or authoritarian governments. Mr. Alberto Fujimori proved to be no exception. His political inexperience and authoritarian instincts became a major liability in dealing with the turbulent world of internal politics and the rapidly changing international scene. A tendency to confuse “governing” with “giving orders” drew him close to the armed forces early in his tenure, and laid the foundations for the coup of April 5, 1992. The capture of Abimael Guzmán, the Shining Path leader, in November 1992 gave a significant victory to the anti terrorist campaign of the government and helped to create a sense of greater security and optimism, particularly in the Lima metropolitan area. This presented a good opportunity for Peruvian society to begin exploring more consensual approaches to fighting terrorism. However, Mr. Fujimori did not take advantage of this opportunity to abandon his confrontational style of leadership and to foster a greater sense of national unity.

International pressure forced a series of changes in Mr. Fujimori’s open-ended program of return to democracy. Elections for a Congress that combined legislative with constitutional reform duties were held in November 1992, in which candidates backed by the government obtained nearly 40 percent of the valid votes, enough to have a majority in the new Constitutional Congress. A new Constitution was ratified by a narrow margin —52.2 percent in favor to 47.8 percent against— in a referendum that took place in November 1993, and whose results were severely questioned by the opposition and many independent observers. Considering also the fact that about 37 percent of the voters abstained or canceled their ballots, the new Constitution was approved only by about one third of Peruvian citizens. In addition, just a few months after the new Constitution was ratified, several laws which violated the new Constitution were passed by Congress, a practice that continues to this day in a Congress dominated by government supporters.

While these changes at the political level were taking place in the first years of Mr. Fujimori's first term in office, the functioning of the Peruvian State began to experience profound transformations. The general direction of these reforms was to reduce the role played by the public sector in practically all areas of Peruvian social and economic life. The retrenchment of the State generated a variety of reactions in Peruvian society. The removal of burdensome regulations and excessive bureaucratic controls boosted private sector activity and received the enthusiastic support of the business community. At the grassroots level, community, religious and neighborhood organizations took over services and functions that had been previously provided by the State, such as providing security and basic health services, and also expanded their activities in food and nutrition assistance. The number of small scale and family enterprises in the informal sector grew significantly, allowing the generation of precarious and often self-exploitative forms of employment.

In addition, many segments of society began to actively explore new avenues for political participation, particularly in view of the collapse of established political parties. This changed beyond recognition the political intermediation mechanisms that existed in Peru until the late 1980s. The vastly changed situation was made evident by the fact that neither of the two top candidates in the 1990, and none of the three main contenders for the April 1995 presidential elections, belonged to established political parties. A similar situation emerged in the 1989, 1992 and 1995 municipal elections.

After considerable protest from political movements and parties, as well as pressures from a variety of national and international groups, municipal elections were held in January 1993. Candidates backed by the government and by established political parties suffered major setbacks, with independent candidates winning in many municipalities, including Lima. Municipal and congressional elections, held under the supervision of the Organization of American States, gave a veneer of formal legitimacy to Mr. Fujimori's regime. The congressional election campaign showed evidence of gross imbalances in access to mass media, with government-backed candidates enjoying advantages—for instance, practically free access to several hours

of prime time daily television coverage in the week before the election— that were denied to the opposition.

The lessons of the near defeat in the November 1993 referendum, and of the defeats in municipal elections, were swiftly assimilated by Mr. Fujimori and his advisers as he began his reelection campaign. He focused on the need for continuity in economic policies and on the implementation of social assistance programs, particularly in those parts of the country where the Government lost the referendum. Opposition candidates emphasized the persistence of severe social problems, the fact that one half of Peruvians live in poverty, and also attacked the lack of democratic institutions and Mr. Fujimori's authoritarian style of government.

The period 1995-1999

President Alberto Fujimori was comfortably reelected by a large margin in April 1995, following an electoral campaign in which the resources at the disposal of the State were fully mobilized to support his reelection bid. The large margin by which he won the election led to speculation that Mr. Fujimori may attempt to consolidate his electoral support base by reaching out to other political groups, and that he may begin to establish and strengthen the institutions that are necessary for democratic governance. The reasoning was that, with the defeat of Shining Path terrorism and with the economy stabilized, authoritarian behavior and the concentration of power were no longer necessary. Moreover, some political analysts pointed out that a more open, democratic and participative style of government was a necessary condition to advance and consolidate the policy reforms that Mr. Fujimori introduced in his first presidential term. However, as events following the April 1995 Presidential election have shown, these hopes proved to be unfounded.

The November 1995 municipal elections in metropolitan Lima produced a narrow victory of an independent candidate, Mr. Alberto Andrade, over the candidate backed by the government. Although Mr. Andrade declared himself in agreement with most of Mr. Fujimori's policies and actions, and while his campaign stressed the need for the mayor of Lima to have good relations with the President, the government and Congress refused to support him and tried to undermine his work. Attacks on the mayor of Lima, as well as on many other independent or opposition majors throughout

the country, continued unabated through Mr. Fujimori's second term, even though this not prevent Mr. Andrade from being reelected mayor of Lima in 1998 by a narrow margin over a government backed by the government. Incidentally, the defeated candidate, a former President of the Constituent Congress, was promptly appointed as Minister of the Presidency, which gave him control over budget transfers from the central government to all municipalities, including Lima.

During his second term in office, Mr. Fujimori and his close circle of advisers continued to exert an extremely high degree of control over the central government, local governments, the Judiciary, Congress, the Public Prosecutor's Office, the Office of the Auditor General and many autonomous public agencies. One consequence of this unprecedented concentration and centralization of power has been to polarize, and in some cases to stifle, debates on key issues for the future of Peru. Mass media have been pressured in not-so-subtle ways by the government, and the lack of alternative viewpoints has made it nearly impossible for them to offer a wider range of political options and views to readers, listeners and viewers. In particular, government control and influence over broadcast television—the only media through which two thirds of Peruvians have access to the news—allows Mr. Fujimori and his supporters to have unlimited access to prime time television. It also allows them to block attempts, even in the form of news reports or through political spots, that may convey the views of the opposition to citizens at large.

Following the April 1995 Presidential and Congressional elections the opposition in Congress remained fragmented and mostly ineffective. In those elections the established political parties, all of which are against the government, obtained less than 8 percent of the total vote (down from nearly 80 percent a decade earlier). The largest opposition group in Congress, "Union por el Peru" (UPP) headed by Mr. Javier Perez de Cuellar, obtained 16 out of 120 seats, which were held by congressmen with a great diversity of political views and no unifying ideology or message. As a result, over the next four years half of the members of this group resigned to join other parties. A similar situation has prevailed in other opposition parties and movements that are represented in Congress. The government coalition, "Cambio 90/Nueva Mayoria," started with 69 and increased its membership steadily with defectors from other movements, and now stands close to the 81 members mark

that would give it two thirds majority. Because its members follow government instructions without hesitation, the opposition is largely powerless to stop government initiatives in Congress.

Experience during Mr. Fujimori's second term has shown that the government majority in Congress is prepared to interpret, twist and change its own Constitution and existing laws for the sake of maintaining the government in power. An example of this willingness to change the rules of the political game to maintain Mr. Fujimori in power is the "authentic interpretation" law passed by Congress in late 1996 which, in spite of a Constitutional provision that limits the President to a maximum of two consecutive terms, would allow Mr. Fujimori to run for a third term in year 2000. This was followed by threats of unspecified legal actions to the members of the Constitutional Court if they declared the reelection law unconstitutional, and by the subsequent destitution of three members of the Constitutional Court who voted declare the authentic interpretation law "inapplicable" in the case of Mr. Fujimori's second reelection.

The government majority in Congress also passed a series of laws to ensure that one of the President's unconditional supporters remained as Chief Public Prosecutor beyond the legally established period. When an unlawful third term proved inviable, Congress passed a law that removed most functions of the Chief Public Prosecutor's Office, including the assignment of prosecutors to cases and the administration of the budget, and transferred them to a special commission created to reorganize that office. The former Chief Public Prosecutor was appointed to head the reorganization commission. As a result, the President and his close associates maintain total control of this agency, and the Chief Public Prosecutor has been relegated almost exclusively to a ceremonial role. The importance of the Chief Public Prosecutor's office is that, among other functions, it has to initiate and conduct legal procedures in cases of corruption by government officials. However, with the assignment of prosecutors to cases now in the hands of the commission controlled by an unconditional supporter, the government can ensure that "friendly" prosecutors will be assigned to investigate the cases that it is not interested in pursuing, a practice that has been common during the last four years. In addition, the same prosecutors

have shown exemplary zeal in pursuing those cases where opposition leaders are accused of even the slightest procedural or administrative errors.

When a public campaign was mounted to obtain the necessary signatures to request a national referendum on whether Mr. Fujimori should be allowed to run for a third term, the government moved swiftly to prevent this constitutional right from being exercised. It set a rather high level of signatures to be collected—1.2 million out of approximately 10 million registered voters—and when opposition movements reached that level, Congress passed a law stipulating that, in addition, the referendum had to be approved by at least a two-fifths of congressmen, a level the government majority knew the opposition would fall short of. Moreover, the organizers of the signature gathering campaign were later accused of falsifying signatures and threatened with penal actions.

Notwithstanding significant advances in reforming the administration of the Judiciary, two thirds of judges and a similar proportion of prosecutors remain appointed on a provisional basis. Their appointment needs to be renewed periodically by the reorganization committee of the Judiciary which is under the control of government stalwarts. Questionable practices—for example, replacing at the last moment judges who tried a case by provisional judges who often sentence in an arbitrary manner—are quite frequent. A recently created independent “Judiciary Commission” (Comisión de la Magistratura) to nominate judges was able to perform its functions as envisaged. As a result its members resigned in 1998 and a loan approved by the World Bank to support Judiciary reform was cancelled. In addition, the jurisdiction of military courts has been extended to cover matters that are not strictly related to the conduct of military affairs. Retired armed forces officers have been brought to and tried in military courts for expressing their opinions on political matters; drug traffickers have been prosecuted in military courts because of their supposed links with subversive groups; and any accusation of “high treason” is referred to military courts of justice. As a result, confidence in the Judiciary remains at a very low level,

Another feature of the political scene during Mr. Fujimori’s second term in office has been growing number of accusations regarding corruption in high

government officials, most of which have been ignored and cast aside by Congress and the Public Prosecutor's Office. Some of these accusations led directly to Mr. Fujimori's inner circle of close associates, including Mr. Vladimiro Montesinos, the strongman of the National Intelligence Service. No explanation was given when a TV station exhibited Mr. Montesinos' tax return showing that, in spite of "working full time" as a government advisor in intelligence matters, in 1997 his income from his professional law practice reached US \$700,000. When he was accused by a drug dealer of receiving bribes to allow the operation of his associates in exchange for collaboration in the fight against "Sendero Luminoso," he was promptly exonerated—without any attempt at examining the charges—by the Chief Public Prosecutor who stated that she knew that Mr. Montesinos was "an honorable man who need not be investigated." The only, highly publicized, corruption trial involves the former head of the Children's Support Program (INABIF) an elderly woman with frail health, whose main problems appear to have been administrative incompetence and gullibility.

The controversial activities of the intelligence services were brought to light in two well-publicized incidents. One involved the highly irregular detention of a retired army general who was partly responsible for bringing to light the activities of the "death squads" attached to the intelligence services, and showed the disregard of due process and the arbitrary behavior of military courts. The other involved two members of the intelligence branch of the army who apparently had leaked to journalists information about kidnappings and assassinations. Both were tortured, one was found dead and the other is recovering in exile in Sweden.

The December 1996 takeover of the Japanese embassy by the "Movimiento Revolucionario Tupac Amaru" (MRTA), a group of subversives which was supposed to be completely defeated, showed that, in spite of many significant advances in the fight against subversion and terrorism, there still remained isolated pockets of armed resistance capable of striking important blows against the State. It was painful reminder that triumphal attitudes in the part of the government—the President had declared a few weeks earlier that defeating terrorism had been a "piece of cake"—could be highly counterproductive. The highly successful and daring rescue of the hostages by army commandos—which left all 14 terrorists, one hostage and two

army officers dead— led to a rather out of place competition between the President, his intelligence services advisor and the Commander in Chief of the Armed Forces to claim credit for the success of the operation.

In the economic realm, the vulnerability of the Peruvian economy to external shocks became obvious with the Asian, Russian and Brazilian crisis of 1997-1998. While the government has managed to maintain economic stability, the lack of a long-term perspective, the inconsistencies and contradictions that have surfaced in many areas of economic policy, added to a growth strategy based almost exclusively on the export of primary commodities have combined to create a curious economic situation. As increases in volume compensated for lower prices export revenues have not declined significantly. Imports, on the contrary, showed a sharp reduction as internal demand contracted. The financial system, which relied on short-term capital flows and bank loans, is under great stress as are the vast majority of firms that produce for the domestic market. Indeed, the government had to create special lines of credit to help banks deal with their bad loan portfolios, as well as to assist private firms to strengthen their capital base. However, these measures did not manage to spur economic growth. Most tellingly, in late 1999 market research firms had to create a new category to describe the characteristics of the very poor in metropolitan Lima, which represent nearly 15 percent of the population and whose total household income (for a family of four) is about US \$160 per month.

The current scene

As the year 2000 elections approach, the combination of dire economic circumstances, growing popular unease and protests, and total government control of the State apparatus have led to a systematic harassment of political parties and movements in opposition. The government appears determined to remain in power no matter what, and is using the Judiciary to pressure opposition candidates, the police and intelligence services to gather information on opponents, and its hold on mass media (burdened by debt to the tax and social security authorities) to deny access to those not in the government's camp. It is also pressuring grass-roots organizations to support the government under threat of withholding the supply of basic foodstuffs used in popular kitchens, and organizing counter demonstrations in political rallies held by the opposition.

It is important to remember that during most of his the President has maintained a rather high level of approval in public opinion polls. Following his reelection, in 1995-1996 his approval ratings ranged between 50 and 70 percent, before going down to between 20 and 30 percent during most of 1997-1998 — although they went way up after the successful rescue of the MRTA hostages at the Japanese embassy. During the second half of 1999 they have recovered to a level of 40-45 percent. These relatively high levels of approval are primarily a consequence of the government's successes in the control of inflation and in the fight against terrorism, as well as of a general perception among many low income people that the President "is like them" and that nobody could do better than him. Nevertheless, according to pollsters popular support for Mr. Fujimori remains quite fragile and could evaporate as a consequence what is perceived as government ineffectiveness in reducing unemployment and underemployment, the persistence of widespread poverty and the rise of crime, and an instinctive reaction of Peruvian citizens against what is perceived as an excessive concentration of power and a desire to remain indefinitely in office.

However, the uneasiness with which most Peruvians watch and experience the performance of Mr. Fujimori's government has not been transformed into support for opposition groups, which have not been able to take full advantage of Mr. Fujimori's errors and hesitations. While two political figures, Mr. Alberto Andrade, the mayor of Lima, and Mr. Luis Castañeda, the former head of the Social Security Agency, have emerged to challenge Mr. Fujimori, it its not known whether they will be able to resist the full scale attack that is being mounted by the President and his close circle of advisors using all the resources of the State at their disposal.

Some of the problems of the opposition are the result of focusing primarily on finding a person to lead the fight against Mr. Fujimori, rather than on developing a set of credible programmatic alternatives that could respond to the concerns of the electorate. Nevertheless, the rather high degree of anxiety shown by some of Mr. Fujimori's close associates just a few months away from the next Presidential election, and the fact that opinion polls show that most Peruvians are against another

reelection, indicate that there is ample room for the opposition to develop strategies to defeat Mr. Fujimori's attempt to remain in power for a third term.

This brief review of the political situation during the 1990s shows that there exists a real danger of consolidating a new form of authoritarian rule closely resembling the dictatorships Peru has had in the past, but with all the external trappings of a democracy. The disregard for the rule of law, for openness and transparency in the conduct of government affairs, the concentration of power, the gradual but steady spread of corruption and the persistence of serious social and economic problems, clearly show the need for efforts at strengthening democratic institutions and developing political and policy alternatives that could attract the support of Peruvian citizens.

Deterioration of the social fabric

The broad historical processes outlined in the preceding sections, both with their long term and short-term dimensions, have unleashed forces that must be taken into account in the design of development strategies, institutional reforms and measures to improve the prospects for democratic governance in Peru.

A precarious social order is now in place in which diversity has become fragmentation, segmentation and dissociation, and in which there is confusion, ambiguity, uncertainty and fuzziness. The crisis of governance, in which social demands have overrun the response capacity of institutional arrangements, has led to a proliferation of partial perspectives and of aspirations to special treatment, particularly in the form of government favors, which impede concerted action and reinforce fragmentation. In turn, this leads to overlaps and frictions between the different spheres of action of individuals, groups, organizations and institutions, to which the growing response is some sort of segregation. Proximity and contact do not foster communication, but rather mistrust and rejection of "the other".

Impatience becomes generalized and leads to demands for immediate gratification, even if it is vicarious or imagined. Instant results are expected and "to act", in and by itself, is transformed into "to produce results" thus giving rise to a rapid sequence of "actions" that produce "effects" that often exist only in speeches or

mass media reports. Time lags between actions or interventions on the one hand, and results or consequences on the other, are ignored; the distinction between “movement” and “action” is blurred; and improvisation and superficiality become the norm, and even a virtue. This leads to a loss of the sense of history and of a perspective of the future; life becomes a series of isolated moments, of short-terms without reference to what has been and what will be. Visions of the future and strategic thinking give way to reactive and shortsighted behavior, which are dignified with the name of “pragmatism”, particularly in government actions.

In such a social setting, identities are constructed in a negative way: because of not being this or that; because of not having done one thing or another. Positive referents for the construction of identities at the individual, group, organization or institution level are very scarce, abstract, remote and difficult to link to daily life. The lack of positive referents to identify with makes it difficult to engage with others in the pursuit of common objectives, reinforces the tendencies towards defining oneself by exclusion, and leads to a general loss of values —particularly among the young.

Low self-esteem becomes the norm and self-denigration, with a twist of aggressiveness, almost a daily ritual. This gives rise to a sense of futility and powerlessness, as success and improvement are perceived the result of chance or patronage, rather than ability and diligence. But economic instability keeps this profound sense of frustration in check, for few dare to run any risk of imperiling their precarious access to the means of survival by engaging in widespread protests or concerted political action. As a result, an unstable and dangerous equilibrium is reached between two contradictory impulses: the “nothing left to lose” syndrome that leads to violent action, and the “save what little we have” attitude that breeds passivity.

The loss of human, financial, physical and organizational resources leads to institutional disintegration, which is accelerated because of the continuous modification of legal norms and changes in administrative procedures. In addition, few institutions have managerial and technical replacement teams, particularly in the public sector. As a consequence, a progressive and generalized reduction in performance standards takes place, mediocrity becomes acceptable and transforms

itself into the norm, and excellence becomes something unreachable—and even dysfunctional—in group and individual behavior. Institutional weaknesses erode the sense of leadership, leaders are the object of envy and supposed to be “brought down and shown their place” and, without replacement teams, leadership in organizations and institutions becomes sporadic and intermittent. Little wonder that “leaving the country” is one of the main aspirations of many young people.

In an attempt to avoid and elude the uncertainty, ambiguity, fragmentation, improvisation and related manifestations of the deteriorating social fabric, individual and collective reactions are characterized by a flight to the normative domain of the what “should be”. Efforts to respond to the crisis of governance are directed towards the design of normative proposals, almost always disconnected from a messy and contradictory reality. The traditional preference for solving social problems through the enactment—or elimination—of laws and other legal devices reinforces the displacement of concerns towards the sphere of precepts, prescriptions and rules. This flight to the normative domain (often under the guise of “concrete” normative proposals) makes unnecessary the links with a turbulent and messy reality. In addition, it tends to put those who make normative statements on a superior plane, without the responsibility for putting them in practice.

However, together with all these manifestations of the deterioration of the social fabric, there is a multiplicity of positive responses—many quite effective and well organized, and others rather unstructured, amorphous and even futile—which are struggling to be recognized, replicated and expanded. Numerous acts of ordinary heroism in small scale suggest there is a latent potential of values and creativity that could and must be tapped. There is still the capacity to regenerate the Peruvian social fabric that lies now in tatters.

Some consequences for governance structures

These various aspects of the deterioration of the social fabric lead to certain features of the structures through which power and authority are exercised in Peru as we move into the 21st century. These include the prevalence of authoritarian behavior, the lack of adaptive capabilities, the lack of channels for political mobility,

the legitimation of authority exclusively through results, and the perversion of the legal system.

Authoritarian behavior

Authoritarianism permeates all the structures for the exercise of power (and not only those of government). The capacity to respond to social demands is personified in the ruler at the highest level, and a “pure” non-mediated relation is established between the ruler and his people, who are treated as “mass”. Political mediation takes place through symbols, thus replacing mediation through institutions: the ruler “knows” what his people want and how to give it to them. Television and public opinion polls contribute to create the illusion of a direct connection between popular demands and the capacity of the ruler to satisfy aspirations and wishes; as a result, people tend to mortgage their hopes in the authoritarian figure, endowing him with supposedly extraordinary powers. Micromanagement and interference become the rule in the public sector, and even the President intervenes in decision about minutia.

Such a context favors the functioning of “total institutions” that provide their members with values, principles, guidelines for action, norms and standards of behavior (Armed Forces, Church, Shining Path). In an authoritarian context, the diverse manifestations of the deterioration of the social fabric (corruption, drug traffic, crime, violence, repression) corrode and weaken even further the fragile structure of political intermediation, thus reinforcing authoritarianism.

Lack of adaptive capacities

The combined effect of the tendency to escape towards the normative domain, with the authoritarian character of power structures and the political disintermediation process described earlier, lead inevitably to the progressive isolation of the ruler and its close circle of associates. Signals are filtered and processed in a biased way, and the manipulation of indicators (approval levels in opinion polls, “spontaneous” gatherings of supporters) replaces the information obtained and processed through institutional channels.

Information given to the general public is screened and distorted to avoid showing the government in an unfavorable light, and when this is not possible it is outright suppressed. Those who provide alternative sources of information are often discredited or labeled as “bad Peruvians” bent on damaging the image of the country abroad. This is particularly the case with information on human rights abuses, on social indicators and on economic performance. Listening to figures, data and information of their own all the time, government officials and supporters become convinced by their own propaganda and engage in self deception on a massive scale.

As a consequence, there is no capacity to display adaptive behavior that could introduce partial changes to maintain the government along a stable course. Moreover, even if there is the intention to do so, there is a lack of institutional channels to introduce minor adaptive corrections. The final result is a total delinking for the power elite from the events on the ground (no “reality check”). As a consequence, there is no feedback to maintain the system within certain parameters by means of partial adjustments, and change takes place only through catastrophic feedback in which there is a “total correction” that destroys the authoritarian system of government—but would probably replace it with a similar one.

Lack of channels for political mobility

Authoritarianism, the incapacity to adapt and political disintermediation make access to the highest levels of government a very difficult proposition. The authoritarian ruler guards jealously his monopoly of linkages with the people, defending it from political rivals and from institutions that could provide channels for political mobility. Hence the efforts to destroy institutions (political parties, government agencies, independent organizations) and if this is not possible—as is the case of “total institutions” such as the Armed Forces and the Church—at least to coopt and manipulate them.

In this situation, political mobility takes place through periodic explosions (“huaycos” would be a better and more Peruvian word), that disarticulate the whole structure for the exercise of political power and push towards leadership positions whoever is in the right place at the right time. A second channel for political mobility consist of “capillary mechanisms” of uncertain effectiveness and slow filtration, that

would permit a gradual political ascension over a long time that apparently does not threaten the authoritarian ruler. However, as reports of government efforts to wiretap and shadow journalists and rather unknown political figures indicate, even this second channel is considered a potential menace by those in government.

Legitimation through “results”

Authoritarian rulers usually seek legitimation through the results they obtain, or claim to obtain. Without the legitimacy given by the respect for rules, procedures and due process that characterize democracies, they appeal to the results produced by the authoritarian exercise of power: they substitute the “rule of outcomes” for “the rule of law”.

However, because of the impossibility of producing satisfactory results on a permanent basis, and taking advantage of the demands for immediate gratification, the ruler tends to substitute “results” for a series of “actions” or “movements”, which acquire value on their own. This leads to some sort of “Ponzi scheme” of political promises, which is unsustainable in the medium term. Hence the efforts to control the flow of information to the general public, particularly through the direct and indirect control of broadcast television, and to distort and suppress data and events that may expose the scheme. Moreover, this amplifies the processes of catastrophic feedback and explosive political mobility.

Perversion of the legal system

As the government tightens its control of the State apparatus, and particularly of Congress, the Judiciary, the police and the armed forces, it begins to use them as instruments to exercise power without limits. Laws are passed to serve specific interests, to punish adversaries and to maintain control of the public sector. This questions the credibility of Congress and erodes even further public confidence in State institutions. The courts are used to threaten and pressure political opponents, and also to secure bribes and other payments from litigants. The Public Prosecutor’s Office is used to investigate opposition leaders, to exonerate government officials and supporters from any accusation, and for personal gain by its members. The police and the armed forces are used, in various ways, to carry out the designs of government officials rather than to guarantee security and protect the people.

The result is a perversion of the legal system, which becomes an instrument for the arbitrary exercise of political power. Instead of being the last resort to defend the rights of citizens, the Judiciary becomes a mechanism to impose the will of those who control the government apparatus. The damage done to public institutions is incalculable, as citizens cannot recognize the State as something they can identify with and which belongs to them.

Concluding remarks: a role for the international community

Mr. Fujimori's regime during the 1990s conforms to the type of governance structure described in the preceding section, and has emerged against the background of the historical convergence of a multiplicity of crises that were incubated over long and varying periods. The prospects for political development and democratic governance depend on the extent to which it will be possible to address adequately the multiple manifestations of the current crisis of governance, and to revert the deterioration of the social fabric.

The complex and paradoxical processes of social transformation under way in Peru will unfold well into the next century. The primary tasks ahead are to restore a fully working set of democratic institutions, reverse economic decline, improve social conditions and maintain security. In parallel, it will be necessary to begin the slow process of reconstituting the social fabric and of changing the conditions that have led to the establishment of authoritarian governance structures. These are tasks for Peruvians to accomplish. Other countries and international institutions have an important but supporting role in these processes.

The end of the Cold War has altered in a fundamental way the parameters to evaluate national conduct and good international standing. In assessing how far to insist on policy changes in return for support and assistance, the international community must strike a difficult balance between respect for internationally upheld standards of human rights and democratic practices on one side, and respect for national autonomy and sovereignty on the other.

The international community has a vast array of options to provide development assistance, ranging from financial resources channeled through multilateral institutions, to direct assistance to local non-governmental organizations, and to support for the provision of social services by the government. In exchange, it can expect, among other things, that the political and economic behavior of the recipient governments and institutions be consistent with internationally agreed standards of human rights and democratic practices. In the case of Peru, without interfering in the country's internal affairs and taking into account its special characteristics, it should be possible to persevere in the efforts to bring Peru closer to a fully working democracy in which human rights are scrupulously respected.

The international community can also expand its support of local independent institutions, seeking to counterbalance the concentration of power in government hands. This implies strengthening a variety of organizations—from community and grassroots movements, to professional and business associations—that have become a clear expression of the creativity of Peruvian civil society.

Whether the early years of the next century will lead to a more humane, secure, democratic and prosperous society will depend, in the first place, on the actions of Peruvians. The support that the international community can provide, and the requests it can make in exchange, will play a significant but subsidiary role. As the leading powers in the Western Hemisphere, the United States and Canada should be expected to wield influence and keep actively engaged in the economic, political and social affairs of the region, and especially in a country like Peru where so much is at stake. Moreover, the experience of Peru could provide insights on how to approach the possible emergence of similar cases in the region.