



Fact Sheet

Citizens for Good Government: Unravelling the Knots that Bind Democratic Governance¹

The political crisis in Peru at the end of the decade-long administration of President Alberto Fujimori paved the way for the establishment of a well-grounded democracy. Elected in 2001, President Alejandro Toledo promised an inclusive, democratic government, and in July 2002 representatives of the country's main political groups and civil society signed a National Accord aimed at providing policy guidance until the nation's bicentennial in 2021.

Later that year, a group of citizens came together under the auspices of International IDEA to analyse the country's political situation and find ways of overcoming the obstacles to good governance in Peru. The group continued to meet on its own throughout 2003, identifying seven 'critical knots' which are obstructing democratic governance and making proposals for unravelling them.

The Citizens for Good Government Collective consisted of experts in various fields, union leaders and media figures, some of them independent and others active members of political parties. They, in turn, sought input from others through discussions held in various parts of the country.

The result is a series of seven proposals in two main areas—the institutions that govern relations between citizens and the power structure and serve as a channel for citizens' views, and priority public policies and the action of the state.

While the participants hold a range of ideological and political positions, their work reflects their shared commitment to and concern for the building of true democracy in this Andean nation. International IDEA published a summary of the work of the Citizens for Good Government in 2004, followed by a book analysing each of the 'knots' in greater depth.

Knot 1: How to Institutionalize a System of Representative Parties

Problem: In the nearly two centuries since independence, Peru has had only seven truly democratic governments. Political life has been marked by constant changes to the constitution, the dominance of political bosses instead of organized political parties, and a poor relationship between the parties and the citizens they are supposed to represent. With parties discredited, other forces—including the media, the church, the armed forces, and civilian or military figures—have filled the gap. Nevertheless, solid, genuinely representative political parties are vital to good democratic governance.

Proposals:

- Facilitate the formation of parties whose internal operations are clearly democratic and eliminate the

¹ This is a brief summary of an International IDEA book published in Spanish in 2004 under the title *Los Nudos Críticos de la Gobernabilidad: Propuestas para un Buen Gobierno* (ISBN 91-85391-13-1)

preferential vote for individual candidates.

- Establish transparent, democratic party financing mechanisms.
- Strengthen parties so that they, rather than individual personalities, play the leading role.
- Implement electoral reforms to return to a bicameral legislature, establish run-off elections at all levels and increase the minimum number of votes required to win elections.

Knot 2: How to Foster a Civil Society that is Committed to Good Governance

Problem: The discrediting of the country's political parties has led to the view that civil society is the 'good' face of democracy and parties the 'bad' side. Nevertheless, a decade of authoritarian government has left Peru's civil society fragile and lacking channels for participation. While the transition to democratic governance has increased the potential for civil society to flourish, institutional and cultural changes are needed to strengthen the role of civil society in a democratic regime.

Proposals:

- Foster a view of civil society as a source of initiatives and strengthen its role in the transition to democracy, the fight against poverty, the definition of long-term state policy and the decentralization of government.
- Restore a harmonious relationship between civil society and the political parties, and strengthen the parties' role as mediators.
- Foster the reform, modernization and decentralization of the state, ensuring access to information, and develop an inclusive, tolerant, pluralistic political culture.

Knot 3: How to Ensure that Free Media Contribute to Good Governance

Problem: The media have a profound impact on society, but their approach is coloured by the close ties between their owners and those in power, as was demonstrated during the 1990s. The relationship between the state and the media in Peru has been marked by a tendency to seek mutual commercial and political advantage and a failure to use the airwaves for an educational and cultural public service. Peru lacks a legal framework that would eliminate political patronage, government interference and the excessive influence of business interests on the media and their content, and thus foster the development of serious media that eschew sensationalism and superficiality and distinguish between information and opinion.

Proposals:

- Make access to the airwaves more democratic.
- Reduce government influence over media ownership and content.
- Foster higher-quality content and encourage the development of the media as a cultural industry. This requires more transparent licensing procedures, alternative mechanisms for regulating content, the regulation of advertising by private enterprise and the state, and legislation that clearly defines **infringements** and sanctions in accordance with civil and criminal law.

Knot 4: How to Ensure Sustained Economic Growth

Problem: Although there is a clear link between democracy and development, Peru's economic performance has been unable to improve adequate living conditions for large sectors of the population. The country's poverty and its social problems are largely due to flawed economic policy and the weakness of the institutions responsible for designing and implementing policy. While the country now enjoys macroeconomic stability, conditions must be established to stimulate growth, increase the number and quality of jobs, and overcome the poverty that afflicts half the population.

Proposals:

- Introduce structural reforms and refinements to increase investment and sustainability, reduce the degree of dollarization, and ensure the existence of strong institutions that sustain economic policy.
- Increase domestic production and exports, along with second-generation reforms linked to social policy for alleviating extreme poverty, ensuring equal opportunity and increasing the capacities of the

workforce.

Knot 5: The Lack of Comprehensive Social Policies for Combating Poverty

Problem: Macroeconomic policies alone will not bring about economic, social and cultural development. They must be accompanied by comprehensive social policies aimed at eliminating poverty, inequality and exclusion by establishing a safety net for the poorest and improving living conditions. Education and health must be seen as the foundation of development and democracy.

Proposals:

- Develop a National Accord to set priorities for social policy aimed at development.
- Ensure that social policy is oriented towards the establishment and protection of universal rights that do not depend on the economic or political situation of the moment, giving citizens the opportunity to participate in the management and oversight of social services.
- Implement social policies for developing economic capacity and opportunity.
- Foster reform of the state and decentralization with clear rules that increase transparency, citizen participation and the effectiveness of government.

Knot 6: Reform of the State for Efficient Public Administration

Problem: In the 1990s public administration was marked by corruption and the erosion of democratic institutions, with a resulting loss of public trust in a system that was unable to provide basic services, ensure public order or protect its citizens. Reforms are needed to ensure that the state protects the common good, promotes employment, looks out for the welfare of consumers, provides public services, promotes private investment, fosters economic and social development and the free circulation of goods, promotes scientific research, protects the environment, ensures the sustainable use of natural resources, provides infrastructure, promotes integration and respects the country's pluralistic, multi-ethnic identity. This requires short-, medium- and long-range reforms, as well as the modernization of public administration.

Proposals:

- Implement reform of the state, including short-term reforms for education, health and other basic services and infrastructure, and strategic planning for national development.
- Introduce medium-term reforms to increase revenues.
- Develop effective decentralized mechanisms for combating poverty.
- Implement judicial and civil service reforms, and establish mechanisms for transparency and ethical oversight.
- Introduce long-range reforms to foster conditions that are conducive to private investment, and sound macroeconomic policy.
- Reform the armed forces.
- Introduce processes for consensus building and participation.
- Reform the political system to address the relationships among the state powers, as well as the political parties and the electoral system.
- Modernize the public administration for more efficient and effective delivery of services.

Knot 7: Gradual, Effective Decentralization

Problem: Peru's public administration and economy have historically been concentrated in the capital, creating a gap between 'Lima' and the rest of the country, especially poor rural areas. At the same time there has been a highly dispersed, inefficient system of local government. Unfortunately, efforts at decentralization have focused on the election of regional authorities instead of addressing the underlying issues, such as local and regional economic development.

Proposals:

- Include policies for gradual decentralization in the National Accord to foster consensus about and confidence in the process.
- Promote a framework for decentralized investment.
- Foster the integration of macro-regions and the merging of districts.
- Ensure that decentralization respects cultural values.
- Foster democratic governance in the country's regions.
- Promote competitiveness.
- Stimulate local fiscal management and the development of medium-size cities.
- Establish strategies for communication about the decentralization process.

Who are the Citizens for Good Government?

The current members of the collective include constitutional law expert Violeta Bermúdez Valdivia; lawyer Cecilia Blume Cillóniz; economist Élmer Cuba Bustinza; lawyer and journalist Juan de la Puente Mejía; lawyer Raúl Ferrero Costa; economist Pedro Francke Ballve; labour leader Juan José Gorriti Valle; sociologist Nicolás Lynch Gamero; anthropologist and business leader Susana Pinilla Cisneros; business administrator Rómulo Pizarro Tomasio; political scientist Carlos Roca Cáceres; sociologist and journalist Rafael Roncagliolo Orbegoso; economist Raúl Salazar Olivares; civil engineer and economist Javier Tantaleán Arbulú; journalist and political analyst Juan Carlos Valdivia Valencia; and lawyer and public policy expert Verónica Zavala Lombardi. Gustavo Gorriti Ellenbogen, Rosa María Palacios McBride and Carlos Monge Salgado participated in the collective's early stages.