

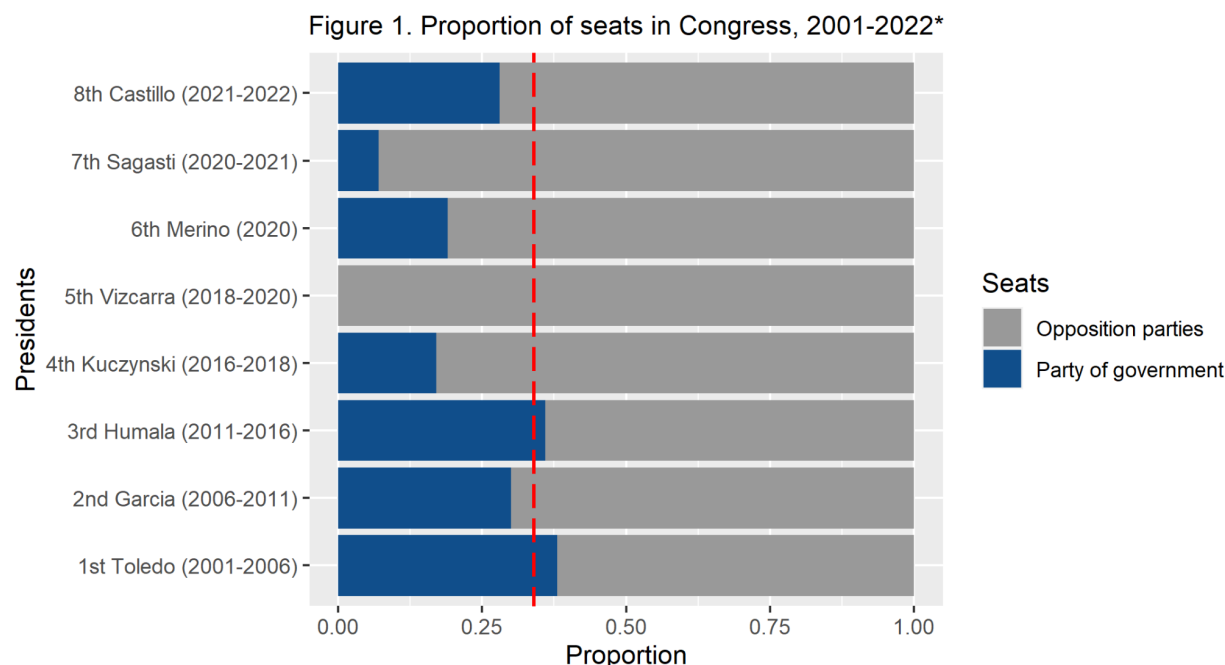
Representation or Governance: Peru at Crossroads

Peru is experiencing its most profound and extended political crisis since the return to democratic rule in 2000. On March 27, barely eight months after taking office, President Pedro Castillo defended his government against a second ouster attempt by the Congress. This event is yet another chapter in Peru's political crisis that began in 2016, which resulted in the deposition of three Presidents (Mr. Kuczynski, Mr. Vizcarra, and Mr. Merino) and the dismissal of the Congress, all within a single 5-year long government term. Meanwhile, Peru debates its fate under unprecedented public health and economic challenges imposed by the COVID-19 pandemic.

The political crises highlighted serious questions about the Peruvian political system's ability to promote stable governance, with electoral norms coming under serious scrutiny. Electoral systems regulate the various stages of the voting process and significantly impact the dynamics of a country's democratic political life. The Peruvian electoral system follows a single ballot, multiple-vote election dynamic, which means that citizens can vote simultaneously for their preferred candidates for Congress and the Presidency regardless of their political party provenance. However, this system facilitates critical institutional weaknesses in a post-election governance period, as it splits citizens' political preferences among several minor political parties in Congress and diminishes the robustness of the official Congressional caucus. Actually, it has contributed to a severe conflict between the executive and legislative powers with far-reaching impacts on political institutions: low legislative support for Presidents, instability in governance, and falling trust in democratic institutions.

Poor legislative support for Presidents challenges the continuity in governance and policy-making. For example, during 2001-2016, the President's party secured 30%-38% seats in Congress¹, which allowed the government to effectively negotiate with the Congress (Fig 1). In contrast, in the 2016 elections, the party of President Kuczynski only won 15% seats, a challenge also faced by subsequent governments. This made it extremely difficult for any government to preserve its winning coalition and form strategic political alliances. The subsequent power struggle within Congress led to the Opposition pressuring the President to quit the government or invoking the controversial 'permanent moral incapacity' clause, which allows the Congress to legally oust the President from office with at least 66% of votes.

President Kuczynski resigned from office in March 2018, and his successors, Mr. Vizcarra (ousted in November 2020) and Mr. Merino (resigned in November 2020) shared the same fate. Similarly, the current President Mr. Castillo is struggling to stay in power.

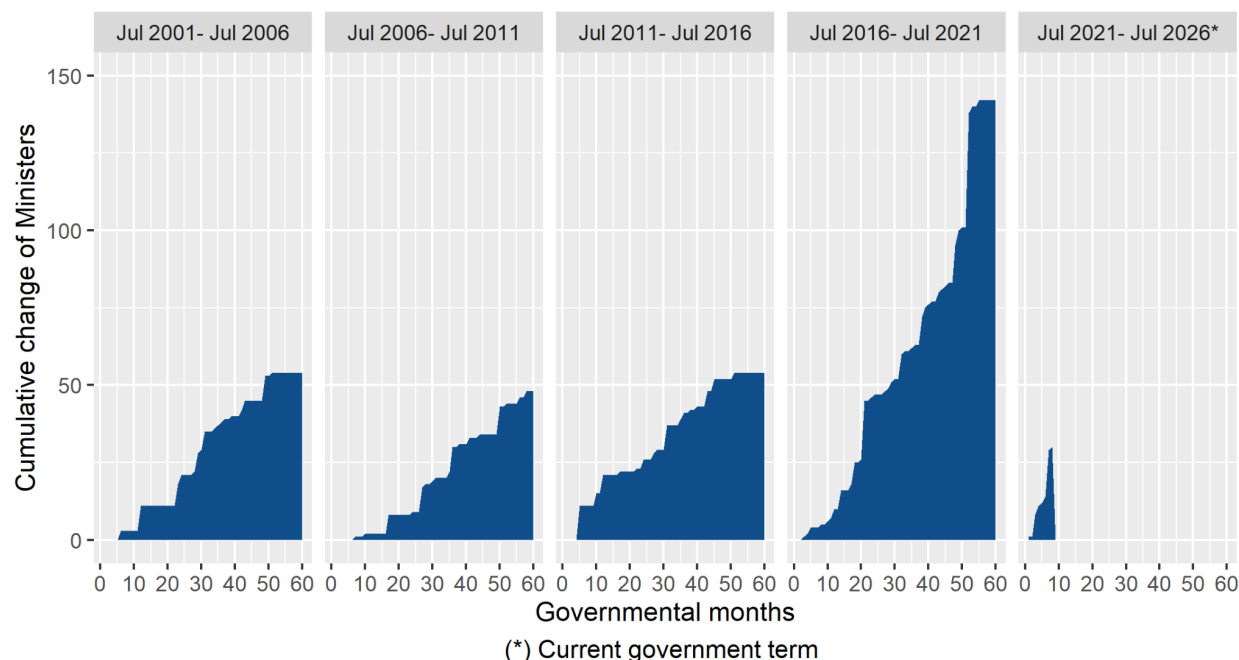


(*) The red dotted vertical line represents the minimum votes required (i.e., 34%) to preserve the Presidency if a ouster caucus is proposed by the Congress

Source: Observatory of Governance - National Jury of Elections of Peru (collected on February 15th, 2022)

Furthermore, the weakened official winning coalition in Congress eroded the government's capacity to provide a stable governance in Ministries. In the early years of Peru's democracy (2001-2016), an average of 10 Ministers were appointed/shifted annually². This figure shot up to 28 Ministers per year during the 2016 - 2021 political crisis (Fig 2). Vital ministries such as Health, Education, and Development and Social Inclusion were most severely impacted, slowing down the implementation of crucial public policies related to economic and social development, and COVID-19 management. This instability has created unprecedented obstacles in public administration, and adversely affected public confidence in the government's ability to provide stable governance. In summary, during the crisis period, the Peruvian government faced as many high-authority rotations as the previous 15 years combined (Fig S2). Unfortunately, Mr. Castillo's government is headed down a similar road.

Figure 2. Cumulative change of Ministers per month on each government period, Jul 2001- Mar 2022



Source: 'Diario Oficial El Peruano' web page (collected on February 13th, 2022)

A greater concern is Peruvians' weakened faith in political institutions given continual disputes between the executive and legislative powers. The approval of democracy score in Peru fell by 33% since the crisis began and is now 43% lower than the global median³, highlighting a worrying trend of shrinking legitimacy of democracy and its institutions. On the domestic front, the Congress' approval ratings reached a historical low in 25 years, with 92% of Peruvians dissatisfied with their politicians' performance⁴. This declining public trust in public institutions is a significant concern for the young democracy that emerged from a brutal dictatorship only two decades ago (1992-2000), and needs urgent redressal.

To mitigate the risk of political instability produced by a power imbalance, Peru should implement a single-ballot, single-vote system. Such a system will empower the government by generating an inertial vote: voting for the President also means voting for their political party. Thus, when Peruvians vote for a political party, they elect representatives from the same political party to the Congress and Presidency⁵. For instance, utilizing the single-ballot, single-vote, we estimated that the current President Castillo would have had 27% more legislators, a total of 47 representatives in Congress. This might help the President's party reach closer to the minimum 34% votes needed to maintain Presidential office, minimizing the

constant threat of the President's removal, and placing the government in a better position to maintain stronger political alliances.

The benefits of greater governance and political stability that the single ballot, single vote system provides considerably outweigh the price of lower political participation. One obvious critique of the change is that it would limit the representation of Peru's different cultures and impose majority preferences on the country's people. Some may even believe that such limits endanger democracy. Nonetheless, allowing minor political actors to hold the government hostage in the name of "equality and justice" poses a greater threat to democracy because it undermines public faith in Peru's institutions, diminishes popular support for democracy, and jeopardizes an already weakened government capacity to implement sustainable public policies.

After two decades of democracy, Peru finds itself at a crossroads. By choosing to hang on to an electoral system that is designed to fail in a multicultural country like Peru, the country's leaders are gambling away years of progress on social causes, freedom, and economic development. Among crucial political reforms needed to promote a healthy governance, an urgent electoral change is needed to help Peru in breaking out of the governance stagnation of the past six years and let them hold on to their hard-won democracy.

Sources:

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