



CENTRE FOR INTERNATIONAL AND DEFENCE POLICY



COUNTRY PROFILE INFORMATION

FOR

PERU

Country Information

Historical Background

- Peru became a Spanish colony in 1533 with the defeat of the Inca Empire by Spanish conquistadors. The country declared its independence from Spain in 1821, defeating the remaining Spanish colonial forces by 1824. Peru only became democratic in 1980 after years of changing government types and military rule, however quickly began to face economic growth issues as well as the growth of a violent insurgency. In 1990 Alberto Fujimori was elected president, bringing economic reform as well as curtailing guerrilla activity in the country. Although a stabilizing force for the country, Fujimori relied on authoritarian measures to ensure national security, and began to see mounting dissatisfaction in the late 1990s with an economic downturn, leading to his eventual resignation in 2000. In 2001 a temporary government oversaw new elections, which resulted in Alejandro Toledo Manrique becoming the new head government, Peru's first democratically elected president of indigenous ethnicity. In 2006 Alan Garcia Perez was elected president, bringing further reforms to the economy to ensure its continual growth. In June of 2011 former army officer Ollanta Humala Tasso was elected president, who continued the successful economic policies of the previous three administrations. The 2016 election runoff brought Pedro Pablo Kuczynski to power, a career banker and seasoned Peruvian political participant. Kuczynski defeated Keiko Fujimori, the daughter of Alberto Fujimori, and now leader of Peru's right-wing party Fuerza Popular. Kuczynski's narrow victory, by less than 0.25%, was heralded by many as a victory over the rise of populism in Peru.

Geography: Total: 1,285,216 square km (1,279,996 Land/5,220 Water)

- Climate type: Varies from tropical in the east to dry desert in the west. It is temperate to frigid in the Andes.
- Terrain type: Western area is a coastal plain, high and rugged area in the central Andes area, and lowland jungle in the eastern Amazon Basin area.
- Resources: Copper, silver, gold, petroleum, timber, fish, iron, coal, phosphate, potash, hydropower, and natural gas.

- Strategic importance: The source of the Amazon River is located within the country, the country has a long coastline on the Atlantic, and it separates the southern tip of South America from the north.

Government: Constitutional Republic.

- Executive Branch: President Pedro Pablo Kuczynski and First Vice President Martin Vizcarra.
- Legislative Branch: unicameral Congress of the Republic of Peru or Congreso de la Republica del Peru (130 seats; members directly elected in multi-seat constituencies by proportional representation vote to serve 5 years).
 - o Political Parties and Leaders;
 1. Peruvians for Change: Pedro Pablo Kuczynski. Elected President in 2016 Presidential election.
 2. Alliance for Progress (Alianza para el Progreso)(APP): Cesar Acuna Peralta. Note: Acuna was barred from 2016 election for violating electoral procedures.
 3. Fuerza Popular (formerly Fuerza 2011): Keiko Fujimori.
 4. National Solidarity (Solidaridad Nacional)(SNL) Luis Castaneda Lossio.
 5. Peru Posible (PP): Alejandro Toledo Manrique.
 6. Peruvian Aprista Party (Partido Aprista Peruano)(PAP): Alan Garcia Perez. Has since dissolved on Aprilth 2016.
 7. Peruvian Nationalist Party: Ollanta Humala. Party opted to not participate in 2016 presidential election in order to preserve its status as an official party.
 8. Wide Front (Frente Amplio): Coalition of various left-center parties. Coalition was spearheaded by Veronika Mendoza in 2016 election.

Judicial Branch;

- Highest Courts: Supreme Court, which consists of 16 judges that divided into civil, criminal, and constitutional-social sectors.
- Lower Courts: Court of Constitutional Guarantees, Superior Courts or Cortes Superiores. These are specialized civil, criminal, and mixed courts, two types of peace courts in which professional judges and selected members of the local communities preside.

Population: 31,376, 670 million (2015 estimate)

- Labour force: 16.55 million.
 - o Unemployment rate: 7.6% (2014 estimate).
- Population below the poverty line: 21.8 % (2015), down from 25.8% (2012 estimate).

Economy;

- Peru has a varied and stable economy due to its varied topography and access to different types of resources. There are important mineral resources found in

the mountainous and coastal areas, as well as excellent fishing grounds in Peru's coastal waters. Metals and minerals account for almost 60% of Peru's exports, and there have been concerns concerning the effects declining world prices will have for the industry, concerns that also extend to Peru's reliance on imports of foodstuffs. While the Peruvian government has been successful in reducing poverty, it still faces massive inequality between residents. The government has also faced challenges in meeting the infrastructure requirements of a growing economy, as well as reduced environmental regulations to promote foreign investment in the mining sector. Peru's production of carbon has skyrocketed as a result of this economic growth, reaching 1.87 metric tons of carbon per capita in 2013.

- GDP currently sits at 189.111 billion as of 2015, but has dipped down from its peak in 2014, which was 201.021 billion. GDP growth has also slowed significantly – the Peruvian economy was growing at a rate of 8.5% in 2010, but is projected by the World Bank to slow to 3.6% by 2019

Police Force²

- The national police force of Peru is the Peruvian National Police (PNP), which averages 103,000 members split between officers and commissioned officers. Peru also has a specialized police force that deals with crime against foreign visitors, called the Policia de Turismo.
- Peru's police force has been scrutinized by the Truth & Reconciliation Commission for its role during the country's 20-year armed conflict. The Commission estimated that almost 70,000 people died or were subject to "enforced disappearing" during that period. Known as ruthless enforcers of state authority during that period, the PNP allegedly carried out 20 extrajudicial killings between 2009 and 2015

Military²

- The Peruvian Military is made up of three branches; the Peruvian Army (Ejercito Peruano), the Peruvian Navy (Marina de Guerra del Peru, MGP: which includes naval air, naval infantry, and the Coast Guard), and the Air Force of Peru (Fuerza Aerea del Peru, FAP).
 - o Active Personnel: 120,660. Reserve Personnel: 272,000.

¹ World Bank Organization. "Peru: Country Profile." Worldbank.org. <http://data.worldbank.org/country/peru> (retrieved June 23).

² "Peru 2013 Crime and Safety Report," OSAC: U.S. Department of State, Diplomatic Security, May 28, 2014. Available from <https://www.osac.gov/pages/ContentReportDetails.aspx?cid=1574> "Peru Military Strength," Global Firepower, January 2015. Available from:

http://www.globalfirepower.com/country-military-strength-detail.asp?country_id=peru

³ "Peru 2017 Crime and Safety Report," OSAC: U.S. Department of State, Diplomatic Security, January 2017. Available from:

<https://www.osac.gov/pages/ContentReportDetails.aspx?cid=21169>

⁴ Human Rights Watch. "Peru: Events of 2016." Hrw.org. <https://www.hrw.org/worldreport/2017/country-chapters/peru>

Land force: 85 tanks, 890 Armored Fighting Vehicles, 12 selfpropelled guns, 243 towed-artillery, and 80 multiple-launch rocket systems.

Air force: 239 total aircraft, 43 fighters/interceptors, 85 fixed-wing attack aircraft, 89 transport aircraft, 39 trainer aircraft, 72 helicopters, and 16 attack helicopters.

Naval force: total naval strength is around 60 ships including 6 frigates, 6 corvettes, 6 submarines, and 5 coastal defense craft.

Military age of service is 18-50 years of age for males and 18-45 years of age for females on a voluntary military service basis.

Security and Social Issues

While Peru is relatively stable, there are numerous security issues in the country that are of concern for foreign interests.

1. Criminal Activity ³

Crime is a constant problem in urban and rural areas. There are numerous reports of petty crimes, such as pickpocketing, theft from unoccupied vehicles, and the theft of electronics becoming common. Violent crimes have also increased over the past few years, and Peru's murder rate is increasing, with 1,914 murders in 2016, almost 400 more homicides than in 2015, which had 1,533 on record.

Peru has a significant counterfeit currency which includes Euro's, Nuevo Soles, Bolivianos, and Pesos Chilenos. Peru is also ranked as one of the top producers of counterfeit U.S. currency in the world. There is also a large credit card fraud market in Peru, as well as a market for document counterfeiting.

Robberies have also become a key area of concern in Peru. Nearly 157,786 robberies were officially documented in 2016.

2. Terrorism/Guerrilla Activity

- While the Peruvian government has made significant strides in combating domestic terrorism it remains a threat. Many areas of Peru are not considered safe, and travellers should use caution when travelling in the country. Below is a list of terrorist organizations operating in Peru and the types of roles they play;
 1. Sendero Luminoso (SL, Shining Path): Peru's largest and most active domestic terrorist group, which recently began narcotics operations. Peruvian police and military forces have clashed with SL members, resulting in casualties on both sides. For example, in 2012 the SL shot down a PNP helicopter, killing the co-pilot and wounding the crew chief. The SL operates mainly outside of major urban areas or tourist destinations, with many of the violent operations consisting of raids on small villages to obtain supplies or to increase the SL's recruitment. Over the past few years the Shining Path have suffered considerable losses to its leadership structure,

most notably the loss of three of its high ranking leaders in 2013, and has limited the effectiveness and cohesion of the organization.

2. Movimiento Revolucionario Tupac Amaru (MRTA): Not considered a militarily viable terrorist organization since its last major action occurring in the 1997 Japanese Embassy hostage crisis.

3. Narcotics

- In 2013 Peru was the world's largest producer of cocaine and the second-largest cultivator of coca. The majority of cocaine produced in the country is transported to adjacent countries for domestic use or shipped to Europe, East Asia, and Mexico. The Peruvian government has made substantial efforts to curb the growth of the narcotics trade, and have been successfully following the requirements of their counter-narcotics strategy. While developments have been mostly positive, the country is beginning to see an increase in domestic narcotics consumption, an starting to see infrastructural issues for the treatment of narcotics users. Part of the strategy to combat the production of narcotics in the country is to target the chemicals used in the production process. Considerable effort has been to regulate and control chemicals that can be used, yet infrastructure and monitoring constraints have made these efforts only partially successful.⁴

The U.S. government estimates that 53,000 ha of coca were cultivated in Peru in 2015, which is a 14 percent increase from the previous year's estimate of 46,500 ha. Further, the PNP's anti-drug unit has seen its budget slashed from \$17 million in 2015 to \$12.3 million in 2016. Curiously enough, the budget cuts come amidst swirling allegations of corruption and collusion between police forces, the judiciary, and traffickers. The new Kuczynski administration has attempted to mitigate these issues by implementing a series of anti-corruption policies, aimed at eliminating state corruption.⁵

4. Civil Unrest

- There are instances of political unrest in Peru, resulting in manifestations that have turned violent. For example, in 2013 there were several national protests against the government and their policies by a variety of labor and indigenous groups. Demonstrations typically occur surrounding important social or political sites, and can cause disruptions to traffic and business. Oftentimes national protests will block the Pan-American Highway, the thoroughfare connecting northern Peru with the south. Demonstrators will often notify the government and police authorities if they plan on blocking roadways. Militant political groups, such as the Shining Path, have

⁴ "2015 International Narcotics Control Strategy Report (INCSR): Country Report: Peru," U.S. Department of State (2015). Available from <http://www.state.gov/j/inl/rls/nrcrpt/2015/vol1/239005.htm>

⁵ "2017 International Narcotics Control Strategy Report (INCSR): Country Report: Peru," U.S. Department of State (2017). Available from: <https://www.state.gov/documents/organization/268025.pdf>

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become less prominent in political affairs, instead becoming more concerned with the narcotics trade and increasing their revenues.

5. Resource Issues

Mining: The majority of security issues facing the mining industry revolved around demonstrations and protests at mining sites. In the past protests have turned violent, and there is a strong anti-mining sentiment developing in the country with the potential of undermining investor attraction to the country. There also exists an illegal mining sector, particularly gold mining, which is hard to combat given the levels of corruption in remote areas and the profit it can afford individuals. This illegal sector is particularly damaging to communities and the environment since there is no incentive for the miners to rehabilitate the land afterwards.

Forestry: Large scale forestry has had a negative impact on Peru, due mainly to weak regulations and control of the industry in remote regions. Additionally, there is a large illegal logging industry that has had major impacts on protected areas, particularly in the eastern parts of the country. Forestry has raised concerns with indigenous populations, who have become increasingly vocal of the damages the practice has on their communities and regions. The Peruvian government has been slow to engage with indigenous communities, instead dealing only exclusively with private business that want to develop the land for logging.

Water: Water resources are abundant in the eastern part of the country, however are scarce along the coast where the majority of the population resides. The government has undertaken efforts to move water from the interior to the coast yet there is a threat that the measures will not be able to keep up with the growth of the coast. There have also been protests against mining companies and their water use practices, with mining having a significant impact on the quality of water.⁸

6. Environmental Concerns

Earthquakes: Earthquakes are not only common in Peru, but can be extremely dangerous, causing damage themselves and leading to subsequent natural disasters. Previous earthquakes have led to disruptions in communications, access to drinking water, electricity services, and loss of life.

Floods and mudslides: Floods and mudslides are a frequent issue in Peru, mainly occurring during the rainy season and affecting the Andes and jungle regions in the east. These events can lead to transportation issues, loss of basic utilities, as well as loss of life in extreme cases.

⁶ <http://www.state.gov/j/inl/rls/nrcrpt/2015/vol1/239005.htm>

⁷ <http://invisibleperu.com/deforestationstudy/>

⁸ "Country Profile: Peru," compiled from "Water Resources Allocation: Sharing Risks and Opportunities," OECD Studies on Water (2015).

7. Human Rights⁹

Peru has various reports of human rights abuses with violence against women and children, trafficking in persons, and corruption being the major ones. Secondary human rights abuses include harsh prison conditions, abuse of detainees and inmates by security forces, lengthy pretrial detention and trial delays, media intimidation, limits on religious freedoms, incomplete registration of internally displaced persons, discrimination against women, and socio-environmental conflicts that frequently became violent. There was also discrimination against individuals with disabilities, members of racial or ethnic minority groups, indigenous persons, LGBT groups, and persons with HIV/AIDS. Other issues include a lack of labor law enforcement and the exploitation of child labor, with particular issues in the informal sector. While these issues remain at the core of the collective debate in Peru, the new administration has moved to try and improve disability voters' rights, as well as open up a more constructive space for LGBT groups. While progress on these fronts can be slow, the incoming President's willingness to open dialogue is encouraging.

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⁹ "Country Reports on Human Rights Practices for 2016 - Peru," United States Department of State, March 3, 2017. Available from: <https://www.state.gov/j/drl/rls/hrrpt/2016/wha/265608.htm>