

Critics Label Peru a 'Business Republic' and 'Fictitious Democracy'



Lima, May 6 (teleSUR-RHC)-- A leading human rights lawyer and professor have denounced the high levels of big business influence in the Peruvian government. The criticisms come after one of the rare incidences of a business leader being sentenced for crimes committed in the country.

Last week, Lelio Balarezo was sentenced to four years in prison for fraud and tax evasion. Balarezo is the former vice president of the Peruvian Confederation of Private Institutions (CONFIEP), the umbrella group of all major Peruvian businesses.

At the time of the trial, he was also President of CAPECO, the Peruvian Chamber of Construction. Balarezo has sent a resignation letter to CAPECO. An arrest warrant has been issued for Balarezo who is seeking to evade justice by going into hiding.

Responding to these latest events, Professor Francisco Durand described Peru as having a "fictitious democracy" with 90 percent of all economic, corporate, and taxation legislation designed in small meetings between the executive and members of CONFIEP before being passed on for quick approval by Congress.

Durand also described Peru as “a Business Republic,” explaining that “it is basically a government that works very closely with big business and has established intimate relationships over the years, since 1990 up to now almost without changes. So under this type of republic, big business basically rules.”

The professor added that “unfortunately the executive is too closely tied with business interests.” The analysts believe that CONFIEP power extends to the judiciary to protect them from facing justice. It is in light of CONFIEP’s apparent extrajudicial power that the guilty verdict against Lelio Balarezo for fraud and tax evasion takes on greater significance. According to the court ruling, while Balarezo was CEO of the construction firm Bacongesa, the company manufactured 176 fake receipts, altered the amounts and names of genuine receipts, and presented canceled receipts among other tricks that allowed the company to avoid paying close to \$2 million in taxes.

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