

A “Left Turn” in Latin America?

AN UNLIKELY COMEBACK IN PERU

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On 4 June 2006, Alan García of the American Popular Revolutionary Alliance (APRA) was elected president of Peru for a five-year term. García achieved an astonishing comeback. By all accounts—including his own—his 1985 to 1990 administration had been calamitous, and many Peruvians had said that they would never vote for him again. Only six weeks before the April 9 first round of the 2006 elections, opinion polls placed him a distant third. In that first round, however, García squeaked past free-market candidate Lourdes Flores of the National Unity (UN) coalition to finish second, and then in the June 4 runoff defeated fiery ultranationalist Ollanta Humala of the Union for Peru (UPP) coalition.

García appeared likely to join the ranks of what Jorge Castañeda has called the “right left” in South America (which includes Chile’s Socialist Party, Uruguay’s President Tabaré Vázquez, and Brazil’s President Luiz Inácio [“Lula”] da Silva).¹ Humala’s loss was in all probability a defeat for the “wrong left,” and dashed Venezuelan president Hugo Chávez’s hopes for a second ally in the Andean region. To simplify further what Castañeda himself acknowledges is an oversimplified classification, the “right left” retains the left’s longstanding commitment to social justice, but is now internationalist, committed to democracy, and respectful of free-market principles. In contrast, the “wrong left” is committed to social justice but is nationalist, authoritarian, and still wedded to “unreconstructed” statist economic policies.

The holding of free and fair elections represents a step forward for Peru in its uneasy return to democracy since November 2000, when the increasingly authoritarian and corrupt government of Alberto Fujimori (1990–2000) and his spymaster Vladimiro Montesinos imploded. Peru’s

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electoral authorities performed ably in 2006. Although the first-round runner-up was decided by less than 0.5 percent and the runoff by only 5 percent, these results were accepted by the losing parties. Despite considerable disgruntlement with their electoral choices, voters turned out in large numbers; citizens chose a candidate who respects democracy, rather than one whose proclivities appear authoritarian. García is also the leader of Peru's only strong political party, whereas Humala's coalition was improvised.

These favorable outcomes were far from predictable. Both Fujimori and Montesinos remained political players. At numerous junctures, Humala threatened to repudiate the elections. Despite Humala's lack of political experience, the credible charges against him of committing human rights violations in 1992, and his complicity in his brother's bloody 2005 attack against a police station, the retired military officer won the election's first round and came close to winning the second. The UPP coalition won a plurality of 45 seats in the congressional elections, also held on April 9. The support for Humala underscored that, despite Peru's recent robust economic growth, the peoples of the southern highlands—most of whom are impoverished and of indigenous descent—continue to feel resentful of their social, political, and economic exclusion.

Toledo's Record and Legacy

Under the government of Alejandro Toledo (2001–2006), for the first time in its history Peru simultaneously enjoyed economic growth, political peace, and one-person-one-vote democracy. Nonetheless, Toledo's approval ratings bordered on single digits, and Peruvians' support for democratic government declined.

Economic-growth rates during Toledo's government were at their strongest since the government of President Manuel Prado (1956–62). Between 2002 and mid-2006, real annual GDP growth averaged about 5 percent—a record that might have been the strongest in the region, surpassing even those of Chile and Costa Rica.² Inflation remained low, about 2 percent annually, and fiscal management was prudent. As copper, zinc, and gold mines initiated or expanded production, export earnings skyrocketed from about US\$7 billion in 2001 to more than \$17 billion in 2005. Economic forecasts are now upbeat, reflecting the advance of the giant Camisea natural-gas project, the development of a highway between Peru and Brazil, and likely continued preferential access to the U.S. market. (If the U.S. Congress does not approve the U.S.-Peru Trade Promotion Agreement—a bilateral free-trade agreement that the Peruvian Congress ratified overwhelmingly in June 2006—then the Andean Trade Promotion and Drug Eradication Act will probably be extended.)

Yet the benefits of growth were limited primarily to the top third of the income distribution and barely reached the poor, who make up 48 percent of the population. Unemployment remained stubbornly high. Real wages were stagnant, and job-security provisions continued to erode. Many poor Peruvians sought policy changes; they felt betrayed by Toledo, who was Peru's first president of indigenous descent since 1931 and as a candidate had highlighted his ethnicity and made a commitment to the poor. As prices for raw materials rose and many international companies' profits soared, large majorities of Peruvians believed that the taxes and royalties these companies paid should be increased.³

The Toledo government remained vigilant toward the Shining Path (or Sendero Luminoso, the Maoist insurgency), and the guerrillas did not resurge. Sendero remnants were estimated to number less than five-hundred people, operating almost exclusively in coca-producing areas. The military and police remained active in these areas and made several important arrests. Former Senderista leader Abimael Guzmán had been caught in 1992 and continued to serve a life sentence. Whereas more than 35,000 deaths were attributed to the Shining Path during the 1980s and 1990s, the U.S. State Department attributed fewer than fifty to the organization from 2003 to 2005. Yet Toledo's government received little credit for this achievement, in part because violent crime was perceived to be increasing.

Democratization advanced under Toledo. To understand the political violence of the 1980s and 1990s, the government appointed the Commission for Truth and Reconciliation in 2001; in 2003, the commission produced a detailed and rigorous, albeit controversial, report. The media, most of which had been mouthpieces for the Fujimori regime during its final years, became unshackled. Although judicial, police, and military reforms advanced haltingly, decentralization was achieved; elections for regional governments were held in November 2002 and regional governments were duly installed. A new law on political parties sought to reduce their prodigious number, requiring parties to win 4 percent of the vote in order to obtain any congressional seats.

The Toledo government tried to hold accountable Fujimori-era officials who were corrupt or guilty of human-rights violations. Recent estimates reveal that \$1.8 billion was stolen from state coffers during the Fujimori government.⁴ Prosecutors sought the extradition of Fujimori first from Japan, where the ex-president had fled in November 2000, and then from Chile, where he flew surreptitiously in November 2005. Montesinos, captured in Venezuela in 2001, was convicted on several charges and imprisoned. Also among the convicted were two finance ministers, a president of Congress, and several generals. In all, approximately 1,500 individuals were investigated on corruption charges, including many media magnates and politicians who had taken bribes from Montesinos.⁵

The democratic transition under Toledo was “unpacked”—there was no agreement between the outgoing authoritarian regime of Fujimori and the incoming democratic government. The Toledo government’s judicial investigations threatened a significant swath of elites. Some of these elites, dubbed “the Montesinos mafia,” still had money and friends in important positions and retaliated by scheming to bring about Toledo’s downfall, hoping that a new government would approve an amnesty. In part because of the mafia’s influence, media coverage of the president was unrelentingly negative. During coverage of Toledo’s 2005 state-of-the-nation address, for example, the country’s most important television news program repeatedly showed legislators snoring and yawning through the speech. Songs and subtitles ridiculed the president; newscasters commented that apparent Toledo supporters had been paid by the government.

How, in fact, should Toledo’s leadership be judged? On the one hand, Toledo set priorities and moved to execute them. Although his *Perú Posible* party won only 38 percent of the seats in the 2001 congressional elections, Toledo fashioned a legislative majority. During crises, Toledo focused intently and worked hard to resolve them.⁶ At the top levels of government he appointed highly qualified and respected professionals. On the other hand, Toledo faced problems related to his personal life. He was given to a lifestyle that many regarded as frivolous and insensitive to the poor; Toledo drank the best scotch and vacationed at a beautiful beach resort on Peru’s north coast. At the start of his term, he raised his salary to \$216,000 a year (which was repeatedly but inaccurately said to be the highest in Latin America).⁷ Due to popular protest, it was reduced to roughly \$144,000 a year, though Peruvians still considered this excessive.

By global standards, Toledo’s lifestyle and salary were not outrageous. There were no rumors of lavish property purchases or of secret Swiss bank accounts. But Peruvians were not measuring Toledo by global standards; in part, they were measuring him against Fujimori. On Montesinos’s orders, for years the Peruvian media had portrayed Fujimori as an austere workaholic, inaugurating one public works project after another in remote villages. Peruvians were also measuring Toledo by their assumptions of what was appropriate for people of indigenous descent. One pundit said that if Toledo had vacationed in the southern highlands, his approval rating would have gained 30 points.

Toledo suffered from other personal and political weaknesses. He lost a great deal of moral authority in his first year when he refused to acknowledge paternity of his out-of-wedlock daughter. The *Perú Posible* party was a hodgepodge of politicians who often wrangled over government jobs, and Peruvians believed that the lower bureaucratic levels were full of incompetent party hacks. Accordingly, although it was Fujimori’s government that had stolen \$1.8 billion from the state (a sum virtually never mentioned in the media), Peruvians perceived an in-

crease in corruption under Toledo, and their dissatisfaction with the so-called “political class” intensified. In poll after poll, overwhelming majorities characterized politicians (which implicitly included democratically elected politicians) as thieves who break their promises and abuse their power. In a 1996 Latinobarometer survey, 62 percent of Peruvians said that they were not very satisfied with the way democracy works in Peru, whereas by 2005, the figure had jumped to 80 percent (versus a Latin American average of 61 percent). In a 1996 Latinobarometer survey, 63 percent said that “democracy is preferable to any other kind of government,” whereas in 2005, the figure was a mere 40 percent (versus a Latin American average of 53 percent). The decline in support for democratic values was the region’s most precipitous, save for Paraguay and Panama.

In short, by 2006 both the economic and political legacies of the Toledo government favored a political outsider who could credibly promise social justice and moral authority. This was hardly new in Peru, but the 2006 election was one of the few in which the incumbent party could not field a presidential candidate, and Toledo’s party won less than 5 percent of the vote in the following congressional election. (On the brighter side for Toledo, his approval rating was in the 40 percent range upon his departure from office, the highest approval rating ever recorded for an outgoing president in Peru.)

The Race Narrows

The early rounds of the 2006 campaign were full of surprises. First, Fujimori landed in Chile in November 2005 after almost five years in Japan, and was promptly arrested and prohibited contact with the media. This ended any possibility of his presidential candidacy. Although Congress had banned Fujimori from public office from 2001 to 2011, and though he faced prosecution on 21 criminal charges upon a return to Peru, Fujimori maintained that somehow these obstacles could be surmounted and in October proclaimed his presidential candidacy. Although the vast majority of Peruvians believed that Fujimori should be prosecuted, he continued to have the support of some 20 percent of the population. He likely left Japan for Chile in the belief that advancing a political campaign would be easier from a neighboring country. Meanwhile, the pro-Fujimori party Alliance for the Future (AF) was in place in Peru. Its presumed goal was to obtain a bloc of congressional seats in order to pursue favorable judicial treatment for Fujimori. Its presidential candidate was a long-time Fujimori stalwart, the tough-talking Martha Chávez; at the top of the party’s congressional ticket was Fujimori’s daughter Keiko. Keiko had been a gracious acting first lady for her separated father, and she claimed to have tried early on to persuade her father to break with Montesinos.

A second surprise was the contest's rapid narrowing from 23 candidates to three frontrunners: Flores, Humala, and García. Fujimori aside, this narrowing was largely due to opinion polls and media coverage. Polls affected media coverage, and vice versa. As early as October 2005, poll results dominated the headlines. This favored candidates with strong name recognition and solid party backing who were already campaigning—namely, Flores and García. But what the pollsters and the media downplayed was that, as late as mid-March, a whopping 40 percent of voters remained undecided.⁸ Presumably, these voters were dissatisfied with the frontrunners, but they were not receiving much information on other candidates, and they were being told that votes for candidates other than the frontrunners would be “wasted.” Accordingly, several qualified but relatively unknown candidates were hurt; one example was Susana Villarán, a former human rights leader and center-left minister in the cabinet of Valentín Paniagua (the interim president from the Fujimori government's November 2000 implosion until Toledo's July 2001 inauguration).

A third surprise was that Paniagua was not among the three frontrunners. In polls, Paniagua scored the highest of any candidate for honesty and commitment to democratic principles. In virtually everyone's view, Paniagua's interim government—perceived as center-left—had been successful. But Peruvians worried that Paniagua, who was 69 years old, lacked drive and energy. Also, his campaign lost months to negotiations with potential coalition partners; in the end, Paniagua's more-or-less centrist Popular Action (AP) party joined two small center-right parties to form the Center Front. This alliance did not help him. By late January 2006, Paniagua's poll numbers had fallen to 10 percent, and Lima's pundits gave him no chance to win.

The fourth surprise was Humala's meteoric rise. He jumped into third place in November's polls, and into second in December's. If Venezuela's Hugo Chávez, Bolivian president Evo Morales, and Mexican 2006 presidential candidate Andrés Manuel López Obrador are the “wrong left” in Castañeda's classification, then Humala is the “very wrong left.” Humala's economic platform emphasized the nationalization of Peru's natural resources and the repudiation of the Peru Trade Promotion Act. Humala appeared authoritarian, having threatened to repudiate the elections and destabilize a Flores government. As a former army lieutenant-colonel, he enjoyed such strong support within Peru's military that one pundit said that he was not an “outsider” but “an insider” hailing from Peru's oldest political party—namely, the military. Humala was also a virulent nationalist who regularly denounced Chile; his family's ideology was “etnocacerismo,” named after General Andrés Cáceres, a Peruvian hero of the War of the Pacific (1879–83) who had resisted the Chilean invaders. Beyond all this, Humala had no political credentials and no coherent political party.

What was behind Humala's surge? First, he convinced many Peruvians that he would combat the corruption of Peru's political class, even threatening to issue the death penalty to public officials who stole. A second factor, albeit largely unspoken, was Humala's mixed ethnicity. He is neither indigenous nor white. Peru's population is 15 percent white, 45 percent Amerindian, and 37 percent mixed; Peruvians in recent years have sought out non-white presidential candidates, whom they probably trust more. In 2006, Humala was one of only two or three such candidates.

First-Round Cliffhanger

From December 2005 through March 2006, it appeared that Humala and Flores would be the two candidates to emerge from the April 9 first round. Yet Humala and Flores were both dealing with serious challenges. Previously undecided voters began to opt disproportionately for García, who was positioning himself as the candidate of "responsible change" (this was his key motto, whereas he called Flores the candidate of continuity and Humala the candidate of "irresponsible" change).

Humala's rise was checked by indications that he was an imposter.⁹ He proclaimed indigenous roots, but he had been born and raised in Lima and had studied at expensive private schools. He touted his nationalism, but he had traveled to Venezuela in January and was feted by Hugo Chávez. He stood for law and order, but in February he had been identified as "Captain Carlos" and accused of extrajudicial killings in 1992 in a hamlet in the coca-producing Upper Huallaga Valley. Investigative journalists pointed out that Humala's second vice-presidential candidate, Carlos Torres Caro, had served as Montesinos's lawyer, and that many candidates on Humala's congressional list had been charged with serious crimes. Journalists also investigated Humala's purported October 2000 uprising against the Fujimori government—the event that had initiated Humala's political career—and argued that it had actually been a smokescreen for Montesinos's escape from Peru.

A final disclosure concerned the New Year's Day 2005 attack against a police station in the remote province of Andahuaylas by Ollanta's brother, Antauro. Antauro charged that the Toledo government was corrupt and demanded the president's resignation. Four policemen were killed, and Antauro was arrested. Ollanta—who at the time was Peru's military attaché in South Korea—tried to keep his distance from his brother's failed rebellion, but taped messages from Ollanta indicated his knowledge and support of the attack. In March, Humala's parents' interjections further damaged his campaign. His father proposed an amnesty for imprisoned insurgency leaders Abimael Guzmán and Víctor Polay. His mother said that homosexuals should be shot.

In contrast to Humala, Flores was an experienced politician, respected among Peru's elites and internationally. While still in her twenties, she was a rising star in Peru's pro-free market and socially conservative

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Popular Christian Party (PPC). She was elected to Congress for the PPC in 1990, 1993, and 1995. She was the standard-bearer for the center-right UN coalition in the 2001 elections, losing a spot in the runoff to García by only 1.5 percent; the UN (which included the PPC, the staunchly Roman Catholic Renovation party, and the National Solidarity Party of Lima mayor Luis Castañeda Lossio) be-

came the third-largest bloc in Congress.

Flores was perceived as intelligent, responsible, and sensible; she sought to highlight these qualities in her campaign motto, "Peru in firm hands." Pledging continuity with the Toledo government's market policies but also austerity and good governance, she enjoyed overwhelming business and media support. She advanced several promising economic initiatives, such as renovating ports in order to make Peru an economic power in the Pacific Rim. Although some feared that she would be vulnerable to smear campaigns as a childless single woman, Flores's gender probably brought her as many votes among women as it cost her among men.

In February and March, however, Flores's candidacy was hammered by Humala and García. Their charge was that Flores was "the candidate of the rich," primarily because her first vice-presidential candidate, Arturo Woodman, is one of Peru's wealthiest businessmen. It did not help that Woodman had had dealings with Fujimori and Montesinos, nor that Flores's political circles were narrow and lily-white, and included other high-profile former Fujimori allies. Astoundingly, Flores did not rebut the charge that she was "the candidate of the rich." Nor did she retaliate with negative campaigning against García and Humala. Flores's entourage undercut her promise of good governance, and she faced more and more difficulty in channeling Peruvians' desires for change.

In late January, García stood at only about 15 percent in the polls and appeared to be a long shot. Although APRA is Peru's oldest and only institutionalized political party, with strong roots on Peru's north coast, it is perceived by many Peruvians on both the right and the left as a corrupt and opportunistic cult. Historically, APRA was also populist. It rejected Marxism but championed the "little man" against the oligarchy, and when in power sought to satisfy everyone through deficit spending. Elected to the presidency in 1985 on a center-left platform, García aspired to lead Latin America against debt payment, which outraged the international financial community. His expansionary fiscal policies led to quadruple-digit inflation, food shortages, and the worst

economic crisis in Peru's history. At the same time, the economic debacle fanned the flames of the Shining Path insurgency, which expanded into Lima. While García's counterinsurgency policies were criticized for different reasons by both the right and the left, he should be credited with the establishment of the Special Intelligence Group, which ultimately captured Guzmán.

García made rash, hot-tempered decisions. The most notorious was his attempt to nationalize Peru's private banks in 1987. Also, in June 1986 his government ordered the military to quell riots staged by Shining Path inmates in Lima prisons, and more than 200 Shining Path inmates were killed in the process. Peru's left in particular has long charged that García himself was complicit in these killings; their concerns were not assuaged by the appointment of retired navy admiral Luis Giampietri as García's first vice-presidential candidate for the 2006 elections. Giampietri had directed one of the prison assaults and had collaborated closely with the Fujimori regime.

Fujimori ordered García's arrest during his 1992 *autogolpe* (self-coup), but García managed to escape to Paris, where he spent the better part of the next eight years. Returning to Peru in January 2001, García came from behind in the 2001 presidential election to edge past Flores into the runoff, though in the end he lost to Toledo by six points. Still, after the 2001 legislative elections, APRA became the second largest in Congress, and García was Peru's most important opposition leader. For several years, García led voter preferences for the 2006 presidential ballot, but his lead dissipated. In July 2004, he made a controversial decision to support a national strike by the country's largest labor union; worse yet, during the march he kicked an APRA supporter, reinforcing concerns about his temper. Moreover, APRA's overwhelming victories in the 2002 regional elections proved problematic, as many APRA regional presidents would face corruption charges.

Nonetheless, most Peruvians still deemed García a brilliant and charismatic politician. García was introducing innovative economic proposals. In particular, his proposal for *la sierra exportadora* (the exporting highlands) integrated the left's concern with the poor and the "reconstructed" view that the way out of poverty was through the global free market. García proposed to expand vastly Peru's roads and irrigation canals and to offer low-interest loans aimed at dramatically increasing the export of some 26 highland-agricultural products. García advanced a plethora of additional reforms. He stipulated that the working day should be eight hours, with additional pay for overtime. He proposed a reform of the pension system and the elimination of temporary employment contracts that limited workers' rights. While Flores sighed that nothing could be done about international companies' windfall profits and while Humala advocated nationalization, García said that his government would negotiate new terms with company executives. While

Flores applauded the U.S.-Peru Trade Promotion Agreement and while Humala excoriated it, García favored it—though with conditions.

The results of the April 9 elections are reported in the Table. In the congressional contest, the UPP won a plurality, securing slightly more than one-third of the seats. This percentage was identical to that held by Toledo's Perú Posible party in 2001. As in the 2001 to 2006 Congress, APRA had the second-largest number of seats and the UN the third. Fujimori's party was fourth with 13 seats, an increase from 3 in the previous Congress. Paniagua's Center Front finished fifth. After weeks of uncertainty, both Perú Posible and the evangelist National Restoration party passed the 4 percent threshold and secured 2 seats each. Women fared quite well, winning 29 percent of the seats, an increase over 2001. Peruvians may also cast "preferential votes" for individuals on congressional tickets; under this provision, Fujimori's daughter Keiko starred, winning three times as many votes as any other candidate. The affable Keiko had campaigned with her outgoing new American husband and had enjoyed extraordinarily favorable media coverage.

The Second Round

Many Peruvians were unhappy with their two second-round choices. Still, almost all political analysts ultimately decided that García was the "lesser of two evils," often saying that if García became president, elections would be held in 2011—but not necessarily so if Humala won. In a post-election University of Lima poll, the most frequent explanations for Humala's loss were, first, "because he is authoritarian"; second, "because of the intervention of Hugo Chávez"; and third, "because he is very radical."

García and Chávez clashed during the first month of the campaign leading up to the June 4 runoff, stimulating nationalistic resentment of Chávez and his support for Humala.¹⁰ On April 12 in Washington, D.C., Toledo signed the U.S.-Peru Trade Promotion Agreement. In response, at a meeting of several Latin American presidents on April 19, Chávez announced that the Andean Community of Nations was dead and that Venezuela would withdraw from it. García then said that "Chávez was asking that Peruvians and Colombians not negotiate with the United States when 80 percent of Venezuela's exports go to the U.S., and Venezuela has the equivalent of a free trade agreement for its oil." Chávez lost his temper, unleashing a torrent of insults against García; the former president was "a swine, a gambler, and thief." Chávez reiterated his hope that his "compadre" and "compañero" Humala would win. At this point, Toledo repeated his request that Chávez stay out of Peru's elections. Chávez in turn called García and Toledo "two alligators from the same swamp." At about the same time, Bolivia's Morales called Toledo a "traitor [to indigenous peoples]" and Venezuelan officials derided

TABLE—RESULTS OF PERU'S 2006 ELECTIONS

POLITICAL PARTY—PRESIDENTIAL CANDIDATE	PRESIDENTIAL RACE		CONGRESSIONAL RACE
	FIRST ROUND 9 April 2006 (% valid vote)	SECOND ROUND 4 June 2006 (% valid vote)	9 April 2006 (# of seats of 120 total)
Union for Peru (UPP)—Ollanta Humala	30.6	47.4	45
American Popular Revolutionary Alliance (APRA)—Alan García	24.3	52.6	36
National Unity (UN)—Lourdes Flores	23.8	—	17
Alliance for the Future—Martha Chávez	7.4	—	13
Center Front—Valentín Paniagua	5.8	—	5
National Restoration—Humberto Lay	4.4	—	2
Perú Posible—No presidential candidate	—	—	2
Other—14 additional presidential candidates	3.7	—	0
Citizen Participation			
Blank votes (percent of all votes cast)	11.9	1.1	
Null votes (percent of all votes cast)	4.2	7.4	
Did not vote (percent of all eligible voters)	11.3	12.3	

Source: Peru's National Office of Electoral Processes (ONPE) at www.onpe.gob.pe. Figures may not add to 100% due to rounding.

him as a “U.S. puppet” and “Bush’s office boy.” Both countries withdrew their respective ambassadors, and Chávez threatened to cut diplomatic relations with Peru if García won. Such insults among Latin American political leaders are rare, and most Peruvians were shocked. In an Apoyo poll, 61 percent reported a negative opinion of Chávez and only 17 percent a positive one. García repeated that Humala was advised and financed by Chávez and said that only he could prevent Peru from becoming a “colony of Venezuela.” At García’s campaign rallies, crowds chanted, “Chávez, out of Peru.”

Although Humala tried to bounce back by portraying himself as a victim of the U.S. government and García as Washington’s candidate, these gambits failed; to its credit, the U.S. embassy stayed outside the fray. Pre-April 9 Apoyo polls had forecast that García would lose to Humala (when most Flores voters were probably saying that they would nullify their ballots), yet García surged to an 8-point lead on April 24 and to a 14-point lead on May 5.

For various reasons, García’s margin of victory in the second round was only 5 points. By June 4, the García-Chávez clash was less salient. Also, García had become the establishment candidate, who in Peru almost invariably fares worse in the election itself than in early opinion polls. Furthermore, as García moved to the right to attract Flores and Fujimori voters, he lost others who then considered him too far to the right or too opportunistic. García’s platform became more business-friendly; he be-

gan supporting the U.S.-Peru Trade Promotion Agreement and adopted Flores's call for the renovation of Peru's ports. At the same time, García made some populist promises that could prove difficult to fulfill, such as providing potable water for half a million Lima residents in six months.

For his part, Humala became somewhat less intemperate. He retreated from his call for the nationalization of Peru's natural resources and from his endorsement of the leftist military government of Juan Velasco Alvarado (1968–75). Apparently, he urged reticence on his parents. He emphasized a new pledge to slash gas prices by 30 percent, which was credible given Chávez's likely support of a Humala-led government. But the UPP candidate also continued to signal that he was not afraid to break rules: The most spectacular example was his behavior at the start of the May 21 presidential debate (the only debate of the campaign). With millions of Peruvians glued to their television sets, Humala arrived more than fifteen minutes late, and then lied, saying that he had been tardy because the road had been blocked by García supporters, when in fact he had been videotaped at a convenience store. Humala also placed a Peruvian flag on his podium and would not remove it, even at the request of the moderator (who finally removed it himself).

Two days before the debate, for reasons that are not entirely clear, Montesinos jumped into the campaign.¹¹ In an audiotape smuggled from his cell, the former spymaster charged that Humala had collaborated in Fujimori's fraudulent election and that Humala's October 2000 uprising had been a smokescreen for Montesinos's escape from Peru (as investigative journalists had suspected). The immediate question became which presidential candidate would benefit from Montesinos's charges. Although presumably it would be García, during the debate Humala implied that García had made a deal to pardon Montesinos when he became president. Although overall García appeared to win the debate, questions about a García pardon for Montesinos persisted.

Ultimately, García prevailed (see the Table). There was a deep regional divide. García won handily in Peru's relatively prosperous coastal area, including Lima. In the interior, Humala won all but two departments, and in the southern highlands—Ayacucho, Huancavelica, Cusco, and Puno—he averaged 75 percent of the vote. Turnout, almost 90 percent in both presidential rounds, was the highest for any election since Peru's 1980 return to democracy, save for 1985. (Peru has a system of compulsory voting, though it is not strongly enforced.) Blank and invalid votes, which had increased sharply in 2001, returned to average historical levels.

Prospects for Democracy under García

Peru's elections have implications for Latin America's recent leftward trend. The left was predominant, and what Castañeda calls the "wrong left" was strong—but not as strong as the "right left."

By historical standards, the right and center-right did not fare badly. In elections during the 1980s, Flores's PPC averaged 11 percent of the vote. In 1990, when the PPC and Popular Action were allied under Mario Vargas Llosa, this coalition won 33 percent in the first round. In 2006, Flores's UN, Fujimori's AF, Paniagua's Center Front, and National Restoration won a combined 41 percent of the vote. Probably more Peruvians than ever before favor free-market economics, and a slim majority appears to support the U.S.-Peru Trade Promotion Agreement. If Flores had fielded a more appealing entourage, she might have won.

Humala appeared to be a "very wrong left" leader. In contrast to López Obrador and Morales, Humala was a military man with no political experience. He was a disciple of Chávez and in important respects an impostor. Especially because of his shady political allies and his hostility toward Chile, he was a very risky choice. Yet if not for Peru's runoff rule, he would now be president. Humala might also have been elected had it not been for Chávez's heavyhanded intrusions into the campaign. While Chávez's support for Humala—financial or otherwise—probably helped the UPP candidate in the early months, the Venezuelan president's April vitriol provoked nationalistic reactions. Savvy Latin American politicians, in particular Mexico's Felipe Calderón, quickly noted the popular desire for an electoral process free of interference not just from the United States but also from another Latin American nation. Chávez is the first Latin American president with the resources and the ambition to support presidential candidates outside his own country, and in 2006 he hoped to add both Humala and López Obrador to his camp; now his only possible addition appears to be Nicaragua's Daniel Ortega.

The 2006 elections may herald a reinvigoration of democratic values in Peru. Turnout was excellent, and the election authorities were respected despite the close runoff race. In a June 2006 poll conducted by the Catholic University's public-opinion institute, 67 percent of Peruvians said that "democracy is preferable to any other form of government"—a large jump from 2005 figures. Upon García's inauguration on July 28, a majority of Peruvians were guardedly optimistic. But has García in fact changed? Are Peruvians' hopes likely to be fulfilled?

García's ideology has evolved in numerous respects. He has shifted his economic positions and has appointed as finance minister a strictly orthodox economist. While García had always sought partnerships with other Latin American nations and is now strengthening Peru's relationships with Chile and Brazil, his internationalist outlook no longer excludes the United States. Although García has always respected the electoral process, during his first administration he was challenged by human rights dilemmas; if all goes well, political violence will remain minimal during this administration, and he will not have to confront human rights problems. García has acknowledged the stereotype of

APRA as corrupt and has signaled his intent to combat any such proclivities.

García appears to have matured personally. He was only 36-years-old when he was inaugurated in 1985, and he is now 57. Over the years he has developed a respected group of APRA colleagues; in particular, Jorge del Castillo, García's prime minister, seems to be a reliable sounding board. Yet as García's infamous 2004 kick showed, he can still be impetuous. Peruvians continue to worry about his ego, his honesty, and his ability to focus.

García still faces formidable obstacles. He must contend with vigilant political opposition from Humala, who is now preparing for the November 2006 regional elections. The AF is an important congressional bloc and will press hard for favorable judicial treatment for Fujimori and his allies. Of crucial importance, García made a multitude of promises, and he will be walking a tightrope in trying to fulfill them without overstepping market constraints. In contrast to García's first term, APRA does not enjoy a congressional majority. This is a good thing in the view of many analysts, as García will have to negotiate. APRA itself remains disciplined, and García was able to appoint some non-Apristas to cabinet posts without an APRA backlash. For the moment, García appears likely to secure approval for his initiatives from all parties except Humala's UPP. Over the longer run, given the fragility of Peru's political parties, the outlook is uncertain; the UPP is already in disarray, and both the UN and Center Front coalitions have suffered defections.

García emerged victorious because he promised what most Peruvians wanted: democracy and social justice, but also a respect for the market. Keeping this promise will not be easy. In contrast to the time of García's first administration, however, Peru's economy is now growing robustly, the country is by and large at political peace, and García has a good deal more experience. Under the García government, Peru's deep socio-economic divides may at least be bridged, and its democracy may move closer to consolidation.

NOTES

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1. Jorge G. Castañeda, "Latin America's Left Turn," *Foreign Affairs* 85 (May-June 2006): 28-44. Beyond overgeneralization, other criticisms include that the authoritarianism and nationalism attributed to the "wrong left" could be considered "rightist" and that "right left" leaders campaigned to the left but are governing at the pragmatic center. See Michael Shifter, "Chávez Should Not Steer U.S. Policy," *Financial Times*, 7 April 2005; and Sidney Weintraub, "Latin America's Movement to the Left," *Issues in International Political Economy* 75 (March 2006): 1-2.

2. The data in this article on Peru's economy are drawn from CEPAL (Comisión Económica para América Latina y el Caribe) and from the *Economist*, "Country Report: Peru," from numerous issues.

3. See the National Engineering University survey reported in Ana Núñez, "El país pide a candidatos," *La República* (Lima), 24 March 2006, 2.

4. *Economist*, 30 July 2005, 34. Estimates by historian Alfonso W. Quiroz are even higher.

5. *El Comercio* (Lima), 25 June 2003.

6. See Gustavo Gorriti, "Sucedió en el Pardo's Chicken," *Caretas*, 20 July 2006, 30-31.

7. The salary of Mexico's Vicente Fox was higher; see George W. Grayson, "Mexican Officials Feather Their Nests While Decrying U.S. Immigration Policy," at www.csis.org/articles/2006/back306.html.

8. Inés Flores, "A la caza de 41% de indecisos," *La República*, 14 March 2006, 2.

9. For details and sources on the information in this paragraph, see Cynthia McClintock, "Ethnic Politics in Peru and the Presidential Candidacy of Ollanta Humala," paper presented at the Latin American Studies Association meeting, Puerto Rico, 15-18 March 2006.

10. Among the various reports, see "With Friends Like These," *Economist*, 13 May 2006, 44, and "Solito Se Jaranea," *Caretas*, 4 May 2006, 16.

11. For an insightful analysis of Montesinos's likely motives, see ConsultAndes S.A., "Peru Key Indicators 06-269," 14-21 May 2006, 4-5.