

Nationalist candidate Humala rises in Peru election polls

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The meteoric rise of Ollanta Humala, a nationalist-talking former army officer, to first place in the polls two weeks before Peruvians elect a new president has taken the media and the country's ruling elite by surprise.

The polling firms Ipsos-Apoyo and CPI, show a virtual tie for first place. Humala holds a slight lead with 23.7 percent, having gained 6 points in one week. He is followed by Keiko Fujimori, with 20.9 percent, and Alejandro Toledo, who dropped 3 points to 20.4 percent.

Pedro Pablo Kuczynski with 17.7 percent and Luis Castañeda with 17 percent complete the list of the five candidates with any real chance of becoming the next president of Peru.

The leading newspaper *El Comercio*, speaking for the ruling elite, led its Tuesday edition with the title, "Economy suffers gouging as Humala rises in the polls."

The Lima Stock Exchange dropped 5.2 percent, an astonishing one day fall in a country where the government, backed by the media, is immersed in self-indulgent optimism, projecting a market growth of more than 25 percent for 2011. Likewise, the sol, the Peruvian currency, lost 2 percent against the US dollar, reversing a long term trend that had seen the dollar devalue against the local currency.

Ollanta Humala is the candidate of Gana Peru, a nationalist party calling for "change" and "order". It is appealing to Peruvians, including the large impoverished population in urban centers as well as rural regions, who are disenchanted with government corruption and what is commonly referred to in Peru as the neo-liberal economic model of the past 20 years.

Humala won the most votes in the first round of the 2006 presidential elections based on an ultra-nationalist program that included calls for nullifying the Free Trade Agreement signed between Peru and the US and expression of open support for Hugo Chavez in Venezuela and Evo Morales in Bolivia.

He lost in the second round to the Apra candidate Alan Garcia, who captured virtually all the votes of the Peruvian bourgeoisie and upper middle class of Lima, who fearing a "Chavez like" president decided to vote for the lesser evil.

Keiko Fujimori of Fuerza 2011 represents the continuity of the "free market" policies—privatization of national industries, deregulation of the financial sector and elimination of labor rights to attract foreign capital—that her father, former president Alberto Fujimori, initiated in the 1990s. "The candidates in Fuerza 2011 list," she explained, "are all successful business men and women capable of funding their own political campaigns."

Her father, however, is serving a 25-year jail sentence, having been convicted in 2009 of ordering death squad massacres while president.

Alejandro Toledo of Peru Posible was elected president in 2000 very much for his "caudillo" stand against Fujimori's corrupt and dictatorial regime and his appeal as the first Peruvian president from the indigenous population. But once in office, he continued Fujimori's economic model.

Most polling services agree that the candidate from the ruling elite, Pedro Pablo Kuczynski of Alianza para el Gran Cambio, whose popularity

over the past weeks was rising even faster than Humala's, may have peaked at 17.7 percent, putting him in fourth place.

Kuczynski leads an amalgam of right-wing and liberal parties—Partido Popular Cristiano (PPC—a split to the right from the Partido Demócrata Cristiano), Partido Humanista (of Garcia's former Prime Minister Yehude Simon), Restauracion Nacional (led by an evangelist pastor), and the little know Alianza para el Progreso.

Luis Castañeda of Solidaridad Nacional dropped to fifth place and is losing momentum. Lima's mayor until December of last year, Castañeda's program doesn't differ in any essentials from the present economic model.

The other five contestants to the presidency scored less than 3 percent combined.

Based on last month trends, a Lima newspaper predicted that by election day Humala could reach 30 percent, matching the number of votes he got in the 2006 election. Based on this projection, Keiko Fujimori and Pedro Pablo Kuczynski would be tied at 17 percent, followed by Toledo with 14 percent and Castañeda 13 percent.

According to most political commentators, the rise of Humala is explained by the fact that he is the only candidate "perceived" as proposing an alternative to the free market economic program and unrestricted openness to foreign capital advocated by the other four major contenders for the presidency, thus winning support from among the large majority of Peruvians who have not benefitted whatsoever from Peru's impressive growth rates over the last years.

Peru's GDP grew by 50 percent in the last five-year period—it was the highest in Latin America in 2007 and 2008. The Central Reserve Bank, the Ministry of Economy and the International Monetary Fund estimate growth rates between 6.5 and 7.5 percent for 2011.

Though some of these gains have filtered down to reduce poverty and illiteracy, social inequality has only intensified. In Lima, the large number of ocean view luxury apartments built over the last 20 years, the carefully groomed parks and clean streets in the bourgeois districts stand in sharp contrast to the two to three million limeños living in shanty towns that dot the mountains on the outskirts of the city, lacking paved roads, garbage collection, and water and sewer services.

Economists divide Peruvian society into economic sectors—from A, the wealthiest, to D, the poorest. At the beginning of the presidential race, Toledo held a comfortable lead based on strong support from sectors C and D in Lima, as well as an overwhelming majority in the Andes. This includes the poor southern region of the country, where Humala had won in 2006, in some areas with more than 80 percent of the vote.

Humala placed a distant fourth—10 percent compared to Toledo's 27 percent—only three months ago. This is explained, in part, by the splits and internal disputes within Humala's party.

Another factor contributing to Humala's initial low poll ratings is the influence of Peruvian and world media in shaping public opinion. The media are promoting Peru as an economic success story, highlighting

growth and hiding or ignoring altogether inequality and continuing social conflicts.

So intoxicated was the ruling elite with its “success” that in mid-February, an editor of *El Comercio*, Juan Paredes, in a political analysis piece wrote: “From 2006 to the present, social discontent has gone through fundamental changes and decompositions, to the point that it is not anymore intransigent and angry as in past times.” Paredes added that economic growth had succeeded in “giving social dissatisfaction another face.”

In another piece, Paredes writes that the importance of political parties with ideological programs is on the way out. Neither Fujimori, Toledo nor Humala came “from a party properly built as such.” Instead, today it’s about management success. Castañeda is known as a “successful manager,” and Kuczynski as an “economist of outstanding performance,” writes Paredes.

Thus, many in the ruling elite and the population in sectors A and B felt secure and relieved not to see any leading presidential contender who would challenge in any way the economic policies followed since 1990—under presidents Alberto Fujimori, Alejandro Toledo and Alan Garcia—that have made so many in the top layers of Peruvian society extremely rich.

The success of the Peruvian model depends on exports of high priced minerals, fuelled by China’s growth, which allow mining companies to make huge profit margins, the banks to fund consumer spending and the government to collect more taxes to finance limited social programs.

Equally, Peru benefited from capital inflows as the US and European economies faced the need to implement drastic budget cuts to make their working class pay off debt to the international banks.

When Pedro Pablo Kuczynski, or PPK as he is known, climbed 8 points, from 6 to 14 percent, between early February and the middle of March, the ruling elite was delighted.

Born in Peru, the son of a Polish doctor working in the Amazon jungle, PPK left for England at an early age. Since 1961, he has split his professional life between working for the World Bank and the International Monetary Fund and the private sector.

At one point, he ran an international mining consortium, but spent most of his time in banking, including as founder and partner of a private equity fund specializing in Latin American investments.

He returned to Peru to work as minister of economy and prime minister under Toledo. PPK favored transnational corporations and foreign capital, facilitating their reaping of fat profits off the exploitation of the country’s national resources and cheap labor.

The re-emergence of Humala as the leading candidate has panicked the ruling elite and the wealthy. It is clear that none of the candidates will reach an absolute majority in the April 10 election. This means a second round between the two candidates getting the most votes.

Polling firms asked the question: “Who would you vote for if the choice is between Humala and one of the other four contenders?” Results indicated that Humala would lose to Toledo, Fujimori or Castañeda, but would win if he faced PPK. This led a *Peru 21* political analyst to write a column titled, “PPK: The best candidate for Humala.”

With it highly likely that Humala will end up among the top two, voters are beginning to look at the second round as the decisive election. As result, many PPK supporters may have second thoughts and decide to cast their vote for someone with a better chance of defeating Humala.

The ruling elite and those who have become astonishingly rich from the implementation of the neo liberal model live oblivious to the immense inequalities that pervade Peruvian society, providing an objective impulse for the majority of Peruvians to look for change.

Lacking a genuine working class alternative, popular discontent is finding a distorted expression in Humala’s rise in the polls.

Exposing the country’s cruel wealth inequality doesn’t fit *El*

Comercio’s outlook on Peru. Any rhetoric in favor of change or criticizing capitalist “free market” policies is met with extreme hostility. As expected, the right and its leading newspaper are running full page articles saying, “Ollanta Humala has not changed.” *El Comercio* claims Humala is a “wolf in sheep’s clothing.”

But the reality appears to be the opposite —Humala is a sheep dressed as a wolf.

This became apparent when cables released by WikiLeaks revealed that Humala had visited the American ambassador in Lima once a year, since the last election in 2006, assuring Washington’s representative that he is a “pragmatist” not a “leftist”. His last reported visit was in April 2009, at the height of a confrontation between the Apra government of Alan Garcia and the Amazon indigenous people that eventually turned into a full scale mobilization against the government. Humala explained to the American ambassador that he was not a radical anymore and was ready to accept the Free Trade Agreement, which he so vehemently had opposed during his election campaign, and encourage foreign investment. He presented himself as a force for “stability” in Peru.

Humala has moderated the tone of his nationalism and identifies himself now not with Venezuela’s Chavez, but with Lula, the ex-president of Brazil, who went from being a leader of the metalworkers strikes to the foremost defender of the Brazilian capitalists and their drive to conquer markets in other Latin American countries and internationally.

According to *Reuters*, since taking the lead, Humala is making a concerted effort to “calm foreign investors.” He assured reporters that if elected president he would honor the “independence of the Central Bank and the legal security of contracts signed with private enterprises.”

“From the moment these were signed (the trade agreements), they cannot be unilaterally questioned or revised, except when specific clauses allowed for it or when flagrant illegality preceded its adoption,” Humala said

Acting on the advice of Brazilian political consultants, presumably operatives in Lula’s Workers Party, Humala has significantly changed his image.

Political analyst Mirko Lauer, writing for *La Republica*, argues that a Humala government will resemble more the governments of Lula in Brazil and the “Concertacion” in Chile, than Chavez in Venezuela.

The three Workers Party administrations in Brazil and 20 years of “Concertacion” governments in Chile have worked diligently to defend the interests of the national bourgeoisie and promote the unrestricted penetration of their respective countries by foreign capital.

On Sunday, April 3, a televised debate will take place between the top five contenders for the Peruvian presidency.



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