

Peru's Toledo ends presidency on upswing

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LIMA, Peru - Alejandro Toledo grew up shining shoes in a slum, earned a Stanford University graduate degree and a World Bank job, and five years ago became Peru's first democratically elected president of Indian descent. His presidency ends Friday with Peru's economy looking its best in decades.

Yet his poll numbers reflect the depth of Peru's social divide and Toledo's failure to deliver on his promises to better the lot of the poor.

Things could be worse for him. His approval rating has rebounded from 10 percent six months ago to more than 30 percent, enough to prompt hints from him that he may seek the presidency again when he becomes eligible for re-election in 2011.

But the jump is attributed largely to upper- and middle-class Peruvians who have benefited from his economic policies, and to a feeling that the two men who qualified for the June runoff to succeed him looked even worse.

"Toledo," pollster Luis Benavente said, "is ending his term without an economic crisis and with macroeconomic successes, an export boom, solid GDP growth, a trade deal with the United States and institutional stability."

Peru's economy has grown by 20 percent since 2001 - 6.5 percent last year alone - with inflation totaling just 10 percent during that time. Toledo boasted during the election battle that "for the first time in 60 years, the campaign has not revolved around a debate on how to resolve the economic crisis."

But unemployment has remained high - reliable figures aren't available - because growth came largely in sectors like mining that generate few jobs.

Some experts say Toledo's poll numbers got better when the choice for his successor came down to a runoff between two candidates many revile - Alan Garcia, who drove Peru's economy into ruin during his 1985-90 presidency, and Ollanta Humala, a radical nationalist.

Garcia won, but generated little of the optimism that had washed over Peru when Toledo took office after a decade of autocratic rule under corruption-tainted Alberto Fujimori.

Toledo led massive street protests against Fujimori, the poor initially seeing him as one of their own, and he began his administration with approval ratings near 60 percent.

But that support quickly evaporated as Toledo became dogged by scandal, including investigations of close aides and siblings involving charges of influence-peddling and nepotism. One nephew was found guilty of rape. Toledo's outspoken Belgian wife warred with the news media.

With his penchant for designer suits, \$150 bottles of Johnnie Walker Blue Label scotch and weekend getaways to a beach resort, Toledo was accused of leading a profligate lifestyle in a nation beset by poverty.

His wife was criticized for taking expensive trips abroad, and Toledo for awarding himself Latin America's highest presidential salary. Under intense public pressure he cut it from \$18,000 a month to \$12,000.

Perhaps what hurt him most was his attempt to avoid recognizing a daughter who had been born out of wedlock.

His support plunged to single digits two years ago amid calls for his ouster.

Opinion polls showed Peruvians viewed him as an inept leader who lied when he promised to create 2.5 million jobs if elected.

In recent months those harsh views have begun to fade, although opinion surveys show most Peruvians are glad to see Toledo leaving office, especially the poor, who feel they have not benefited from Peru's economic growth.

"He created a lot of hopes with his promises of jobs, but let us down when he didn't keep them. He treated the government as if it were his estate and benefited his whole family," said Robert Verastegui, 37, an out-of-work machinery operator. "People are happy to see him going."

In an interview with a Lima television station, Toledo, the son of impoverished migrants from the Andean highlands, said there was another reason.

"There is a silent, hidden racism in Peru. Many people find it hard to digest that there is a president in the Government Palace of this ethnic makeup," said Toledo, who is short and dark-skinned with chiseled Indian features.

Gustavo Gorriti, a writer who was a key Toledo campaign adviser but later became a harsh critic, thinks such explanations gloss over the frustrations felt toward a president who was expected to be a moral compass after Fujimori's corrupt regime.

"That is the difference between having been a good president, as I think he will be considered in the future, and the great president he could have been," Gorriti said.