

PERU'S LEADER USES 2ND CHANCE TO REWRITE LEGACY

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LIMA, [Peru](#), Oct. 1 — Sixteen years ago, Alan García exited the ornate presidential office here with a 7 percent approval rating and an economy teetering from 7,000 percent annual inflation. He also left an array of nationalist policies that would make today's crop of South American populists, like [Hugo Chávez](#) of Venezuela, blush.

Now, two months into a new term as president, he has a 58 percent approval rating and is recasting himself as the region's anti-Chávez. He says he is eager to build a different legacy from that of the food shortages, the confrontation with foreign lenders and the Maoist insurgency that operated with ease in this coastal capital when he was in office the first time around. "I attended my own funeral in the 1990's, after a youthful presidency," Mr. García, 57, said Saturday in an interview, describing years of attempts to restart his political career as he battled charges of corruption and mismanagement. "God, in whom I firmly believe, and the Peruvian people have given me a second chance."

Even in a region known for allowing its politicians another turn at power, Mr. García's resurrection is rare. Banished into exile and scorned for nearly a decade after his first term, he won a narrow victory in June against Ollanta Humala, a former army officer whom many voters saw as a lackey of Venezuela.

Mr. García is now surprising many people here by aggressively pushing market-friendly policies, a shift that he plans to highlight in a meeting with President Bush in Washington on Oct. 10. Mr. García says he laments the relatively low levels of recent American investment in Peru, though Chinese and Spanish economic interests have climbed markedly in recent years.

One of his first moves was to negotiate personally with Texas oil executives to advance plans for a \$3 billion gas-export project. He also sent Hernando de Soto, an economist and author, as an envoy to Washington to push for the approval of a free trade agreement with the United States before the end of the year, when trade preferences for exports like asparagus and tuna are set to expire.

Packing his cabinet with fiscally conservative technocrats, Mr. García has not only tried to appear as a counterforce to Mr. Chávez. He has also distanced his words and policies from those of less fiery leftists in South America, like President [Néstor Kirchner](#) of Argentina.

Trading insults with Mr. Chávez has allowed Mr. García to portray himself as a moderate. In their most recent spat, Mr. Chávez said Mr. García had used “fraud” to win the election. Though Mr. García carefully tries to avoid referring to Mr. Chávez by name, his feelings about Venezuela’s president are clear.

“If oil was at \$9 a barrel, no one would listen to what comes out of that country,” Mr. García said. The tension with Mr. Chávez points to the shrewd instincts Mr. García has shown since entering politics in his 20’s after studies in Spain and France. Jorge Bruce, a psychoanalyst and commentator, said Mr. García was “unpredictable in that he changes with incredible ease.”

“He has decided to evolve politically but at his core he remains a born populist,” Mr. Bruce said.

Mr. García’s populist tendencies seem to have been submerged, however, as he reaches out to Washington in several delicate areas. Coca cultivation in Peru, the second largest producer of cocaine after Colombia despite years of eradication efforts, remains a sore point. Though he said cocaine producers thrived because demand in the United States and elsewhere was strong, Mr. García said he had made an offer to Mr. Bush to speed extradition of more than 24 detainees in Peru said to be members of the Tijuana cartel, which oversees shipment of cocaine to the United States through Mexico.

“Take them off my hands,” Mr. García said, referring to his fears that drug violence could escalate in Peru after the recent killing of a judge who was trying people suspected of being members of the cartel. “Unfortunately, I haven’t yet received a response.”

Such gestures might seem at odds with the Mr. García of the 1980’s and 1990’s; he was prevented from traveling to the United States for years as he struggled, ultimately with success, against charges of corruption.

“Ironically here’s this president who is now extremely accommodating to foreign investment, but without such a strong focus on social issues,” said

Michael Shifter, vice president for policy at the Inter-American Dialogue. “He’s haunted by his disastrous first government.”

Mr. García’s drift toward the center has been eased by his inheriting an economy thriving from demand for exports, like silver and zinc. Still, details are sparse as to how he will address persistently high poverty levels while he speaks with admiration of Roosevelt’s New Deal. Social spending in Peru is just 8 percent of gross domestic product, far behind other countries like Bolivia and Colombia, according to the Apoyo Institute, a research organization.