

## » Peru: the dreams of President Kuczynski

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**T**he inauguration speech given by the brand new President of the Republic, Pedro Pablo Kuczynski, was atypical for its length - just 38 minutes, half the average of his speeches in the last five years - and for its references to his family roots.

It was atypical because it was meant to share his vision of the country by the bicentennial year, 2012, with millions of Peruvians. A vision of development, optimism, hope, and, above all, union. *"I have come here not to render accounts, but to inaugurate a mandate which you have entrusted me with. I bring thus a message of hope"*, were Kuczynski's first words.

It was also atypical because it was more a political than a financial speech, despite the President's background. From the beginning, the almost 2,400 words of Kuczynski's speech sought to establish a dialogue with citizens, with those who voted for him and those who did not, but who are also *"represented in this Parliament, the symbol of democracy"*. The President knows that this dialogue is necessary for a successful government that has the democratic support of the Parliament, where his party - Peruanos por el Cambio - is only in a minority.

*"Yes to peace, yes to union! No to conflict, no to division"*, was the President's first appeal to the fulfilment of his dreams: *"And what is that dream? Freedom and independence from foreign powers to build a prosperous country under the rule of law: equality, equity, and fraternity among Peruvians; access to opportunities, economic but also human growth through a great education, access to healthcare*

*based on people's needs, access to prevention and collective healthcare; access to a justice that is relevant and predictable, as well as the security conditions to achieve the longed-for peace on our streets and in our homes"*.

These words were carefully selected by Kuczynski to generate emotions among the people, to generate the connection with the people that he needs to drive the Parliament to support the reforms which the chair of the Council of Ministers, Fernando Zavala, will be bringing to the Legislative in fifteen days, when he will request its vote of confidence.

Kuczynski then reviewed the advances made in the 200-year history of the Republic, and gave his own version of a social revolution. *"I want Peru to be a more modern, more equal and supportive country in five years' time"*, he said. These are strong words, which voiced by a liberal economist like Kuczynski can only generate support.

The President then didactically explained one by one the meaning of the dreams which he described. For example, he asked: *"How can we put more money in the Peruvians' pockets?"* and then gave his answer: *"By associating access to essential services which are now scarce and non-existent, and thus extremely costly for the poorest. By eliminating the gaps in the access to healthcare and social security and by making people's safety the main goal of any change or reform. By seeking the complementarity of both private and public sectors, connecting us by using modern technologies"*.

After the emotional gap, Kuczynski started to discuss the main priorities in his agenda. He started with the fight against corruption, to which he declared he was fully committed, to the extent that he warned public servants and their assistants not to *"fall in the indignity of corruption. I will be merciless. Anyone who succumbs will be brought to Justice, which shall be profoundly reformed"*.

Kuczynski's speech was short but emotional and political. His stance against corruption proves it: his discourse was emotional because it connected with one of citizens' strongest demands; and it was political because the President, skilfully, not only posited the need for a reform of the Judiciary, but he also laid bridges with the Legislative to fight against a scourge that affects the entire nation. *"We also need a special authority to fight corruption with all the independence and autonomy required to do so and we will have it with the Parliament's cooperation"*.



Source: Andina

It was interesting that the part of Kuczynski's first presidential speech devoted to his programme started with the sixth of what he called "my State commitments". This is to "free our country from corruption, discrimination, insecurity, crime, transparently fighting against these historical scourges".

Corruption, discrimination, insecurity: three aspects which usually appear in any social perception surveys conducted in Peru. Kuczynski is aware of this, and stated that "being a modern country means being a country with no discrimination. We should be aware that we are a country that is thousands of years old and a cradle of civilisation. 200 years of Republic and thousands of years of history. And part of that history, our civilising and cultural roots, have been despised and rejected. This must change and is indeed changing, but it must change more quickly and more profoundly. Being a modern country means having equal opportunities for both genders. This means full respect for the dignity of women and their rights, respect for a full life, for equal pay for equal work, and for women's participation in politics".

He then expounded on his aspirations regarding security by stating that by 2021 "we will be living in a safe country, a country where families will go out to study or work without fearing that their home will be burgled; towns where parents won't need to monitor their children for fear of their being assaulted or killed".

Without going into details, he said that his government has "a good plan and an excellent team to implement this". However, the first measure he announced in his speech was the increase in the bonuses for the National Police and the Army, which will take place in September and become part of their pensionable salary.

"We need the Police to know that all reforms will be made to make the institution more honourable, and also that we have faith in professional policemen, whose services we acknowledge and to whom we are grateful", he stressed.

At this point, Kuczynski also referred to his dream of "living in towns with fewer bars, less confined and with more public spaces and parks, which will bring citizens together in free and safe areas". This is, apparently, a municipal issue, but the President highlighted this as part of a transversal security policy that generates a waterfall of changes in citizens' attitudes and their quality of life.

### BRINGING WATER AND SANITATION TO ALL PERUVIANS

Health - the third of his State commitments - was another issue discussed during Kuczynski's first presidential speech. According to the President, his government intends to simplify healthcare services and make them more efficient by consolidating them within "a modern, universal national healthcare system".

Even though he did not specify which measures would be taken, logic dictates that President Kuczynski might promote the unification of the State's various healthcare services - police and military healthcare, Minsa healthcare, the Comprehensive Health Insurance, and even EsSalud - which, being managed individually and in parallel, generate huge extra costs and provide low-quality services.

At this point, the President expressed his wish that by 2021 anaemia will have completely disappeared and child mortality will continue to decrease. "Peru cannot afford to lose one single Peruvian or lose one single brilliant mind because they were not breastfed, have not received vaccinations, food, services, or because their mother became pregnant as a teenager". Kuczynski's words should be understood

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beyond social justice and as part of what the "demographic bonus" means and Peru's continuing to experience its economic and social implications for 30 more years.

In his speech, the President emphasised his commitment to public healthcare in rural areas: "My commitment started in my childhood. The memory of my father practising medicine in remote areas, restoring dignity to the poorest patients, has been with me all of my life. I cannot betray his legacy and I will not betray you", said a visibly emotional Kuczynski.

Along this line, the President stated his determination to improve work conditions and salaries for healthcare professionals so that "they can reach the remote areas that the State sometimes does not reach".

### PROVIDING A HIGH-QUALITY PUBLIC EDUCATION SERVICE

When discussing education, the President of the Republic referred to his multidisciplinary training to describe his vision for 2021: "All Peruvian children will have free access to a high-quality initial, primary, and secondary education, and opportunities to access university and technical degrees, as well as to take postgraduate degrees in prestigious institutions".

He also highlighted subjects which were overlooked by other governments. Art, sports, and civic education - he said - will be mandatory subjects promoted by the State, "as well as science, humanities, and foreign languages". It should be stated that the presidential speech included the need to train the new generations in the knowledge of "our millennium-old culture and its two great languages, Quechua and Aymara".

Kuczynski also stressed the need to eliminate the gap of professionals needed by the country for accredited universities that provide high-quality education, a process which the Minister for Education, Jaime Saavedra, has been promoting since his involvement in the government of the former president Ollanta Humala.

"An educated people does not go wrong, a country of educated citizens defends its freedoms, has opportunities, respects others, and wants peace. A young person who has received a high-quality education finds many opportunities and many paths", said Kuczynski, calling for teachers to share his vision.



Source: Andina

## BUILDING THE INFRASTRUCTURE FOR DEVELOPMENT

Infrastructure development was one of the most expected points, as during his campaign Kuczynski had announced the development of large projects. Along this line, he stated before the Parliament that by 2021 *“infrastructures for development will have been built as were never expected”*.

As with other issues, he gave no details, but he did announce the construction, expansion, and modernisation of ports, airports, and roads, as well as the development of the Lima suburban train and oil pipes. Of particular interest was his mention of Iquitos. Choking up, Kuczynski said: *“I will not forget Iquitos, the town of my childhood, currently isolated, which we will connect by land with the rest of the country”*. Given his words, Loreto will have celebrated the President's formal support to the construction of the Iquitos-Yurimaguas railroad.

When talking about civil works, the President restated the partnership with regional authorities, to whom he said: *“I share your demands for works and progress”*. To reach this goal, he announced that in the next six months, halted projects will be re-activated, removing *“the multiple obstacles to private investment, which the country awaits and welcomes with open arms”*.

Also of particular interest was his mention to compliance with environmental laws, as well as to respect for citizens' views on the impact of projects. However, he said that *“we will seek to persuade and explain, even if I have to go community by community, the costs and benefits which investment in basic and extraction industries bring in terms of jobs and taxes for the country”*. If we remember the halted Conga and Tia María mining projects, it must be agreed that the challenge taken on by the President is huge. He is aware of this, and stated that we need to get along with each other as a country, settling conflicts through dialogue.

## FORMALISING THE COUNTRY AS MUCH AS POSSIBLE

Another of the main lines in the Peruanos Por el Cambio government plan is the plan against informality, which is closely linked to the collection of the taxes required by the country to implement its development plans.

According to Kuczynski's speech, by 2021 we will be paying fewer taxes, but the State will collect more through the implementation of a formalisation plan which *“open doors to everyone, particularly small companies, which are the vast majority in Peru, making it easier to access benefits which they currently do not have”*.

For this reason, he announced the launch of the Tu empresa programme, which will generate *“a true revolution in access to formal credit, reducing the high costs faced by the companies that currently generate most jobs in Peru”*. The President did not go into details regarding the programme, or whether it will supplement or compete against the private microfinance market in Peru.

Business formalisation, said Kuczynski, will work together with job formalisation, reaching at least 60% of workers. *“It is not sustainable that two out of three Peruvians are informal workers with no benefits. It is not only illegal, but also unfair and immoral”*, he said.

To meet this ambitious goal, President Kuczynski announced that from January 2017, the General Sales Tax will be reduced by one percentage point - from 18% to 17% - and that a special tax treatment will be created for small and medium enterprises to be formalised. This was perhaps the most controversial point of his speech, for, at a time when the year is expected to close with a public deficit nearing 3%, the new President is opting to give up on the collection of about 1,100 million soles.

Agriculture was also mentioned in the presidential speech. The President stated that the agricultural industry will be transformed to prevent Peruvians who escaped poverty from falling again into it. Consequently, he announced the continuation, improvement, and expansion of social programmes.

To end his first speech, the President stated his personal vision for Peru as a serious State, with the best business climate in the continent. A country that is a beacon of regional civilisation and which by 2021 will be part of the exclusive club of OECD countries.

Then, in the midst of applause, he said that he was certain that his first Council of Ministers will receive the confidence vote from the Legislative to launch the government plan that enabled him to win the election. *“These are the dreams that a President has as he is sworn in. My wish is for all these dreams to become a reality shared by the 32 million Peruvians who will enjoy its benefits. I know I can do it, but I know that I can't do it alone. I need help. And I need the help of this Parliament that is an emblem of democracy”*, he stated.

To conclude, the new President remembered the motto *“that founded our country: One Republic, strong and happy in union”*. We wish you every success, Mr President.



Source: Andina



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