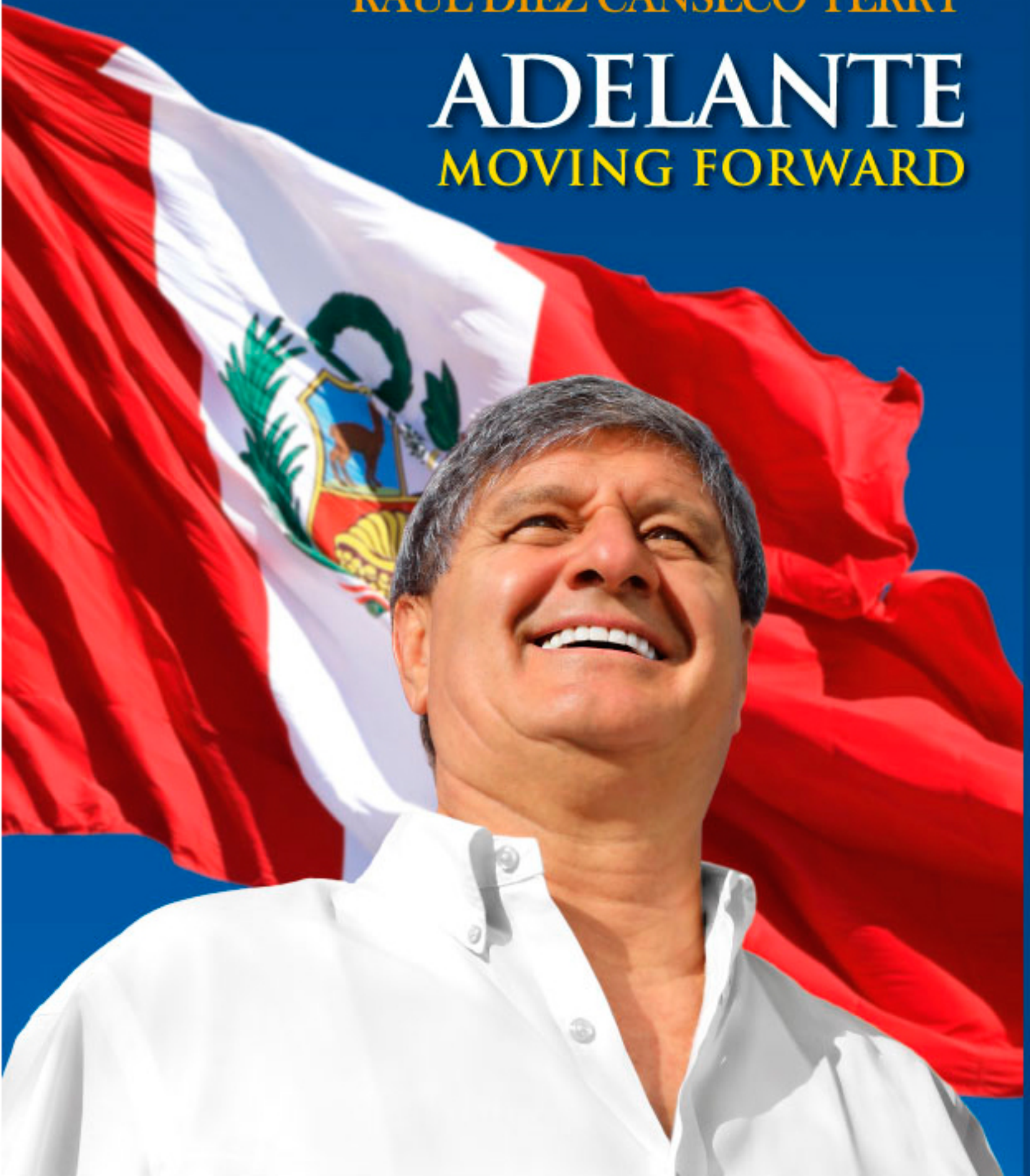


RAÚL DIEZ CANSECO TERRY

ADELANTE

MOVING FORWARD



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RAÚL DIEZ CANSECO TERRY



FONDO
EDITORIAL

Adelante

Moving Forward

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Av. La Fontana 750. La Molina

Teléfono: 3171000, anexo 3705

Chief Editor: José Valdizán Ayala

Editor: Luis Alberto Chávez, José Sotomayor

Coordination: María Olivera Cano

Copy editor: Rafael Felices Taboada

Design and layout: Sergio Pastor Segura

English translation and editing: Christopher J. Palasz

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*To the thousands of young people and their parents,
who throughout my life have trusted me
with the development of entrepreneurial projects,
to help build a country with a vision of the
future and opportunities for everyone.*

“Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning”

Winston Churchill

FOREWORD

Bogota, D.C. December 18, 2017

I applaud the publication of “Moving Forward”, a work based on the experience and career of an outstanding Peruvian, who embodies the fortunate symbiosis of a business leader and a public figure, always committed to the higher interests of his Country, Raul Diez Canseco Terry.

Raul has made service to others a core element of his existence. This characteristic has accompanied him in his business ventures and his initiatives in education and politics. He gave his service when he surveyed trails in the Amazon Region as an assistant topographer, service in the Peruvian Navy, service in the San Ignacio de Loyola Pre-University Study Program, today evolved into the university known as Universidad San Ignacio de Loyola – USIL, service in his own business ventures, service in the management of the government program in community kitchens, and service in senior government official posts he has held such as Vice Minister of Tourism, Congressman, First Vice President of the Republic of Peru, and Minister of Industry, Tourism, Integration and International Business.

Raul Diez Canseco’s ideas and decisions anticipated the challenges of the times. He is an example of the important, silent social revolution that is achieved when one works on behalf of private investment with social responsibility and in support of education as a basic tool used to open spaces of social mobility, to generate prosperity, justice and equality.

During his tenure in the public sector, and faithful to the legacy of President Fernando Belaunde Terry, he has devoted himself exclusively to serve the collective interest of Peruvian nation, traveling to every corner of the country while defending democracy and its values. As he puts it so well, “politics is the natural space for making the great transformations that a country needs”, and this is reflected by the indelible mark he has left on an industry as important to Peru as the Tourism Industry, to name one.

His long career has not been without challenges and fluctuations, but in all of them he has demonstrated solid leadership, derived from the coherency of his reasoning, solid convictions, his capacity for research, his discipline and his vocation for finding solutions to the great problems his Country faces.

I must thank him for his generous pages and references made about some aspects of the governments I presided. There is a bond between us based on sentiments of friendship that converge in the undeniable commitment that we both have toward the well-being of our people, and aptly summarized in one sentence: *“The best compensation of public service, is precisely that: serving”*.

I hereby present you with sincere enthusiasm, the book FORGING AHEAD, so that the new generations become inspired by the concepts and living example of the person who is telling his own life story.

A handwritten signature in black ink, appearing to read 'A. Uribe Vélez', with a stylized flourish at the end.

Álvaro Uribe Vélez

Lima, December 19, 2017

Dear Raúl:

I have read the original manuscripts of your new book with great interest, more so because it is such a personal work. Surely, memoirs are only written when a man reaches a crucial point in the course of his life and is able to look back with composure and clarity.

For this reason, I consider it a privilege that you chose to share them with me and make me one of their very first readers.

I sense that writing a book of this nature is no easy matter. Recalling a life can turn out to be a discomforting task, particularly if the aim is to make an assessment without concessions, with the equanimity that allows us the distance required to tell the facts. In this sense, I admire your willingness to explore the past to salvage experiences, which when examined under the light of maturity, take on a new meaning. After all, tallying up the score of a lifetime only matters to the extent that we can truthfully assess the value of our actions and achieve a better understanding of ourselves.

I thoroughly enjoyed the narration you provide of your childhood and adolescence, first in Chaclacayo and then in Lima, raised within a family that strove to instill sound values in you from an early age. During this learning phase of your life, swimming was one of your passions, a sport that you eagerly devoted yourself to in high school, and which would be decisive in shaping your character. "Swimming taught me to be competitive, to be consistent and persistent in the goals that one sets in life, to live and eat healthy, to be disciplined" you write. And you add an insight which, in my opinion, transcends the

field of sports, because it distinguishes the roles that one assumes as an individual and a member of society: "When you step up onto the starting platform and dive into the water like an arrow, you are in two races. The first race is against yourself, a test of the results of your hard work; it rewards your efforts and consistency. You alone see this race. The second race is the one that tests you against all the others, it measures your achievements

in comparison with the others, it assigns you a position in the order in which you reach the finish line. This is the race that everyone else sees”.

It also caught my attention that at age 17, instead of taking a break and wait for the date of your university entrance exams, you decided to take a job building the Marginal Highway of the Jungle, that ground breaking project undertaken by President Fernando Belaunde Terry that sought to improve Peru’s integration and development. So there you went, leaving behind the comforts to which a young man from Miraflores was accustomed, to work as a simple topographer’s assistant on the stretch of highway extending from Tingo Maria to Moyobamba. You stayed at a camp located in the middle of the tropical rainforest and had to cope with a hostile environment, with prevailing hot temperatures, heavy rain and diseases. That first job experience was like a baptism of fire because you endured the hardships of nature first hand. Your wounds from insect bites became infected and you needed to be evacuated from the area. However, those long months that you spent in the jungle were very instructive and enlightening.

Firstly, they permitted you to discover the most remote regions of Peru and made you aware of the enormous needs and shortcomings that affect the majority of our population.

Another life event that stands out is your completion of mandatory military service after finishing your experience in the Amazon. You were drafted because you happened to be unemployed at the time and had not yet been admitted to the university and so you were not exempt. Of course, there was always the possibility of resorting to trickery that well to do families used to free their sons from this obligation. However, your parents guided themselves by other principles. It is true that they went to speak with President Belaunde Terry, who was your uncle, but they did not do this to obtain an exemption. On the contrary, they asked that you be admitted to the Peruvian Navy, a branch of the armed forces for which they held a special affinity.

Indeed, you promptly joined the navy. For the second time you traveled to unknown regions of the country and were able fraternize with young recruits from different regions of the country while learning the naval arts. As you rightly say, the discipline, order and teamwork that you were accustomed to during your military service would become defining factors to execute your future projects with effectiveness.

“Later on, you talk about your university studies and your beginnings in business. “Life has taught me that entrepreneurship happens out of necessity and is carried out through opportunity”, you say with conviction. In effect, both of these circumstances presented themselves when, due to the military coup by General Velasco Alvarado, your father lost his job. Luckily, and owing to your good academic performance, Universidad del Pacifico granted you a scholarship so you could continue your college degree studies. Since money was scarce, at your mother’s suggestion you began teaching classes out of your parent’s garage to students who wanted to reinforce their math skills.

That experience would turn out to be the seed of a larger project, your first business venture, the creation of the Academia San Ignacio de Loyola. This institute offered training for students in preparation for their college entrance exams and functioned as an academic learning center that taught students to develop a spirit of study, research and discipline in accordance with the demands of a university system. From then on, the center experienced rapid growth and was an overwhelming success. The most surprising thing about this was that you were just in your second year of college and only 20 years old.

A half a century has passed since then. Your professional career continued an upward trend with your primary major achievement being the founding of Universidad San Ignacio de Loyola, in addition to other institutions and companies. From this perspective, it has been very interesting to witness first-hand the many changes and challenges that you have faced in your eagerness aimed at making your dreams reality. I concur with you that “being an entrepreneur is more than just starting a business; it is a philosophy of life, an attitude, a way of being that continuously seeks what is new, different, impossible”.

The title of the book, “Adelante-Moving Forward” not only alludes to the slogan coined by President Belaunde Terry, it also can be interpreted as a statement of intentions. As you say, politics has been deeply enrooted in your family for several generations. Moreover, you are not unfamiliar with this tradition, except for one peculiarity: in your case, the politician coexists with the businessman. Therefore, given your vocation for service, it is understandable that you would wish to achieve a position that might enable you to carry out projects that benefit communities. Over the course of this process of public service,

you were able to serve as a member of congress, a cabinet minister, a first vice president of the Republic, as well as a candidate for the offices of Mayor of Metropolitan Lima and the Presidency of Peru. You discuss all of this here, and in particular, all of the conflicts that explain your resignation from the Office of Vice President and your departure from politics.

I finish reading your memoirs with the feeling that they not only represent the end of a cycle but also a new beginning. Knowing your energy and tenacity, your creative drive and unbreakable will, I am sure that you feel ready to undertake new challenges and business ventures. All that remains is for me to thank you for having entrusted me with these insightful pages, which more than an intimate testimony, are a life lesson. I would like to take this opportunity to reach out and give you a fraternal embrace.

A handwritten signature in black ink, appearing to read 'Dionisio', with a long horizontal flourish extending to the right.

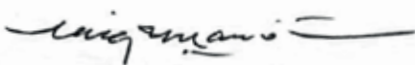
Dionisio Romero Seminario

Asuncion, December 29, 2017

It is both an enormous and gratifying responsibility that which my dear friend Raul Diez Canseco Terry has entrusted to me by asking that I write the prologue to this book. To prepare myself for such a task, I immersed myself in his writings, which allowed me to verify that the author applies the same passion and intensity in this autobiography as he transmits through every action in his life. Much like the first cable car, as Raul tells us, which he helped build on top of the Peruvian jungle, the journey through the book is dramatic and breathtaking, touching upon multiple scenarios, from the time of his childhood, his troubled youth, his overwhelming incursion into education, business and politics. But if there is a trait that stands out for me, and which he exhibits in all of those roles in his career, it is that represented by his qualities as an entrepreneur, which is precisely what led me to first meet him and cultivate his friendship, bonded in a common interest, quality education. We both fully agree that the future of our countries passes imperiously along this path, without which we would continue to endure the hardships of backwardness and underdevelopment. As he says so himself, the term “entrepreneur” did not carry the same meaning that we attribute it today, and which accurately describes Raul’s personality, i.e. one who looks around with an uneasy, defiant gaze, ready to discover challenges and opportunities and face them with decision and courage. He is willing to run risks, transmit encouragement and enthusiasm to those who accompany him and persevere regardless of all the obstacles. He applied this quality of entrepreneurship in all of his ventures, from the San Ignacio de Loyola Academy that he started in his youth, the introduction of highly reputable international franchises in Peru, and which put his eventful political life at stake, where he also acted with courage, clear vision and tireless commitment. My friendship with Raul goes back to the 1990’s, when we became partners to begin a venture in educational innovation in Paraguay, my country. At the time, Paraguay was at the dawn of an unprecedented democratic experience.

In 1989, after over a half century of authoritarian military regimes, the dictatorship of Alfredo Stroessner and the Berlin Wall fell. The cold war gave way to globalization, with new political and economic opportunities for our nations.

Raul recalls the difficulties that he had to overcome at the end of the 20th century, indiscriminate terrorism, the economic crisis, and as a response to both issues, the emergence of a new civil-military autocracy, after which democracy returns, although somewhat hesitant and uncertain. On these pages, he describes this process in detail, and he concludes his itinerary by picking up the topic that had been his initial impulse, the adventure into the field of education. It was precisely at that crossroad, that our paths crossed. Our coming together owed itself to my interest in replicating in Paraguay the educational experience that he spearheaded with the San Ignacio de Loyola Academy and Universidad San Ignacio de Loyola. In my case, unlike his, I decided with my wife Raquel Riart de Manzoni to start with the San Ignacio de Loyola School because the education system in Paraguay was entering into a long overdue process of reform. There were new initiatives emerging in the private education sector that cautiously dared to elevate the commitment to excellence, and it was in this context that we decided to position our school, without settling for mediocrity. Raul came on board as a partner in that venture, which has now reached maturity and is benchmark in Paraguayan education, from early years and primary education on through secondary, and then higher education, which today is the driving reality of Universidad San Ignacio de Loyola in my country. We envisioned and we succeeded in achieving that the graduates of the High School and University could aspire to study at any highly reputable College or University anywhere in the world, on an equal standing with other candidates, to then return and share the acquired knowledge with their country. This book 'Move Forward', fully summarizes a life-long career that has continuously sought to build the future with a projection that is not restricted to our domestic borders, but instead reaches out to the region and the world. I appreciate the things that Raul has said about me and about my family, because we are certainly agree on the values and principles that make up the backbone of our behavior.



Miguel Ángel Manzoni

January 2004

In the solitude of my library, I am writing my irrevocable letter of resignation from my position as Vice President of the Republic of Peru. I decided to leave the position to recover my honor, the most sacred asset anyone has in life.

They accuse me without any grounds, of taking advantage of my position to benefit private interests.

This wounds and deeply hurts me. On a personal level I am distanced from my children, some of my friends are no longer my friends. In some cases, they have judged me. In others, they sentenced me.

The emergence of the allegation against me triggered a cascade of events. They shook the facts until fallen leaves became a political tornado. In November of 2003, I resigned from the position of Minister of Foreign Trade and Tourism. This took two months to occur, but nothing calms the lycanthrope, that ruthless monster which politics sometimes becomes.

Homo homini lupus. Man is a wolf to man.

With unusual speed, the Oversight Committee of the Congress of the Republic investigates me and adopts a motion to initiate a legal process before the Subcommittee on Constitutional Accusations. They propose to bar me from practicing politics for 10 years.

My private life has vanished, and the intimacy of my feelings has been ventilated in all the media. They have published so many lies and half-truths that they have led the people I most love and myself to suffer, to live an actual *Via Crucis*. A daily newspaper has even gone far enough to falsely say that I attempted suicide. This is too much.

One cannot live this way.

Between the right that the people placed upon my shoulders at the voting booth and the duty to defend my honor that my father taught me, I chose the latter. *“The only thing I leave with you son, is your good name; carry it with you and defend it always”.*

November 2017

In due course, I decided to irrevocably resign from the Ministry of Foreign Trade and Tourism and the First Vice Presidency of the Republic to cast away any semblance of power and defend myself as an ordinary citizen before the justice system.

Without any political armor, to shield me.

Did I do the right thing? Did I act in haste? Should I have stayed in my position until the end of the mandate?

I respond to these questions here, in this book.

Defending my truth, yes, I met and crossed the circle of fire of justice.

I attended subpoenas, sessions for which I was summoned, proceedings and hearings, and while I encountered honest people – prosecutors, judges, court clerks, who perform their work honorably, I witnessed serious indications of political interference.

I spent 10 years of my life in court with lawsuits. I had never had a single problem with the justice system. My opponents sought my political elimination. Perhaps this was because they thought I might run for President, and they considered me a political hazard and a threat to their interests.

It was in the Supreme Court where I felt the strong arm of political pressure. At the first and second levels of authority, the courts ruled in my favor. But in the Supreme Court, the case went on appeal to the Civil Court, which decided in favor of the other side without any legal grounds, or logic that supported such decision.

Years passed and then the appeal came before the Civil and Constitutional Courtroom of the Supreme Court. The appeal was granted. The legal dossier returned to the Civil Court that ruled in my favor. However, the plaintiff appealed the sentence again and the case was redirected to the Civil and Constitutional Court.

Ten years after this process began in 2014, this court declared the appeal filed by SUNAT inadmissible and closed the case.

In the end, at the maximum level of authority of the Justice System, before 20 Supreme Court justices, I proved my innocence. There never was any tax exemption or economic benefit or traffic of influences.

I can truthfully say with my head held high, that I am a man who never in his life has been convicted of any dishonest act.

I have made many mistakes in life, just like any human being, but until the end of my days I will insist that these mistakes had nothing to do with corruption that might lack loyalty to the principles and values that my parents instilled in me, whom I think about every day, and to President Belaunde Terry who I will always admire.

The spotlessly clean family name I inherited from my parents remains intact and I leave it with my children. I did not tarnish my name, or my honor or my legacy.

Diciembre de 2017

Whatever happens, even on the most difficult days, time passes and everything heals. Today life has given me the opportunity to reconcile with my children, it has given me the gift of happiness to love again and form a new home.

I appreciate and love life just as anyone.

Today I write this testimony to tell my family, collaborators and friends that I only have peace in my soul and gratitude in my heart for everything that life has given to me.

The following pages provide an outline of the memories of my childhood and youth, my personal and professional experiences, and the knowledge and experience that I have been weighing and assessing over the course of my life in its different facets: as a human being, as an entrepreneur and as a politician.

Today I view life optimistically and I am grateful for everything life gives me from day to day, particularly the greatest joy of forming a family again.

I am truly a man who lives at peace with his conscience.

I feel calm and I can look at my children, my grandchildren and my wife in the eyes, and share the dreams, which thanks to God and the Blessed Virgin Mary, I was able to make come true.

I no longer ruminate on the past, because I cannot change it: I watched my own funeral while I was still alive. Yet I survived, and I continue to live, I repeat, completely at peace.

A handwritten signature in black ink, reading "Raúl Diez Canseco Terry". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Raúl Diez Canseco Terry

THINKING ABOUT PERU

I had just finished writing this book when the Congress began impeachment hearings against the President of the Republic. Peruvians were on the edge of their seats before the eyes of the world, watching what was happening to our young democracy.

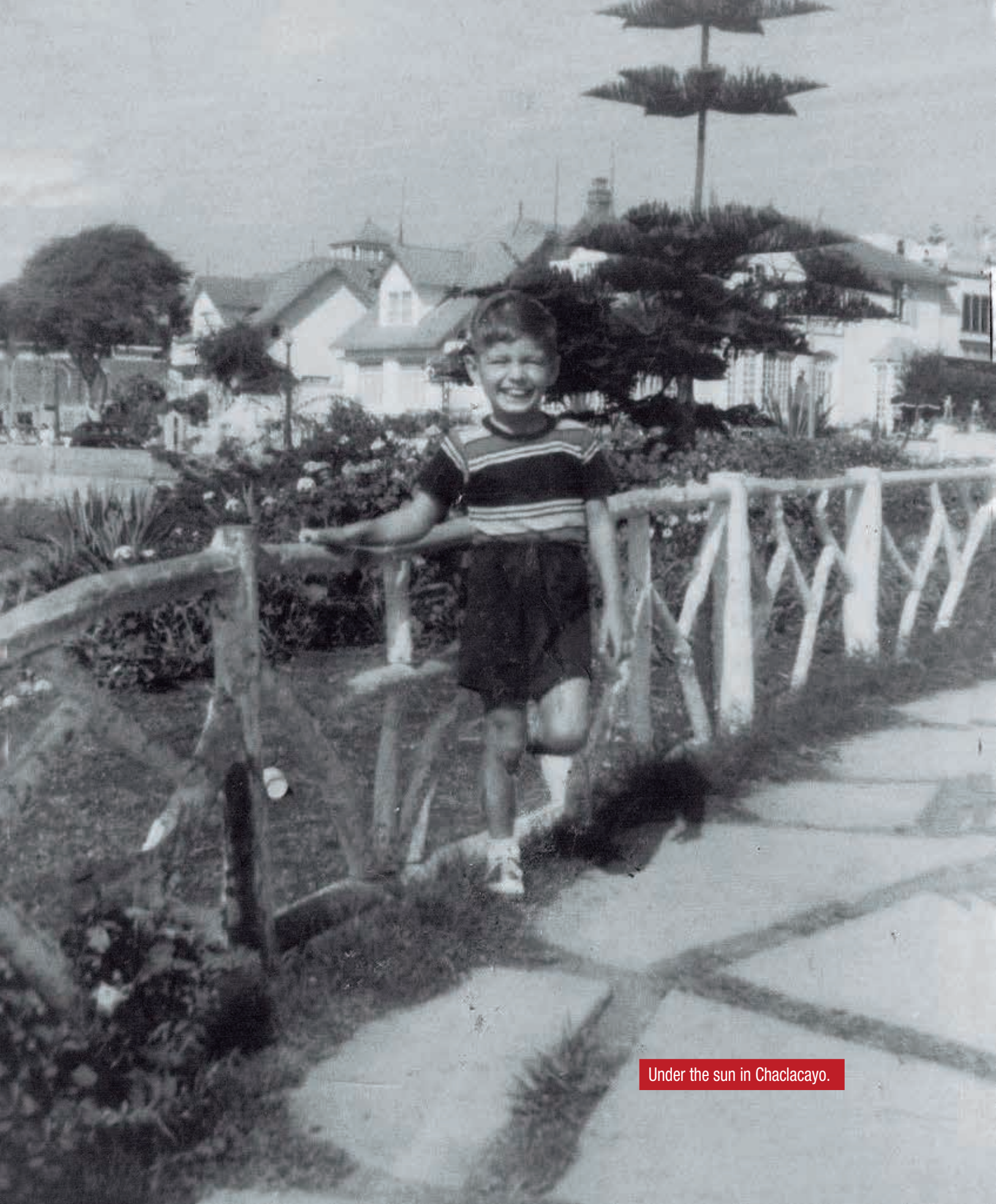
In the midst of this political crisis, I could not remain silent. This is why I was in the news media explaining why we need to calmly reflect upon this situation, respect due process and act while thinking of the country.

Finally, Peru overcame one of the most critical moments in its republican history and reason prevailed. This demonstrates that when we Peruvians want to accomplish something, we can. Here there are no winners or losers. What we have gained is time and opportunity.

Time for the Nation's institutions to comply with the due process that we have all demanded and perform the work as it is supposed to be done.

Opportunity for the President of the Republic to lead a process of unification and call upon the best Peruvians, without distinction to political color or creed, with values and love for Peru.

Now it is time to work for national unity and effective conciliation, expressed not only by written words of commitment, but action. Let us lead Peru to the Bicentennial!



Under the sun in Chaclacayo.

MY EARLY YEARS

WITH THE EYES OF A CHILD

The early years of life take place at a countryside home some 20 kilometers from Lima, where the sun shines all year round and one discovers the world. It is a country house where life evolves peacefully in the household.

In the mid-1950's, Chaclacayo was a peaceful haven. The days unfolded in an agrarian setting characteristic of Peru's highland provinces, where the rippling sounds of the Rimac River and the roaring bellow of the Central Railroad that passed by three times each day carrying mineral ore to from the Peru's interior to the Port of Callao, used to bring cheer to the routines of daily life.

My family used to live along this bend of the Rimac also known as the "Talking River". My father, Julio Raúl Diez Canseco Magill, General Manager of a cookie company called *Galletas Fenix*; my mother, Eva Terry Montes, a woman devoted to her children, of great strength and initiative; and the children, us: Rosario, Carlos and myself.

The rented house in Chaclacayo is the first one of which I have vivid memories. We used to live here because my brother Carlos, whom we affectionately nicknamed 'Calín', suffered from asthma and the doctors had recommended to my parents that they find a place with a milder climate to help facilitate his recovery.

Chaclacayo has a dry temperate climate and is the counter season of Lima; i.e. when it is cold in the capital, it's warm in Chaclacayo.

The homes had big yards that separated them from one another and were usually unoccupied from Monday through Friday. On weekends though, the curtains of the big windows on homes were open and bursting with laughter and fanfare.

Families used to come and visit and usually got together on Sundays for lunch. They fired from rock and roll on to waltzes played by *Embajadores Criollos*, while the young



My parents: Julio Raúl Diez Canseco Magill and Eva Terry Montes.

entertained ourselves by running through the neighbors' yards, exploring the hillsides, we road bikes, climbed fruit trees in search of bird nests or went swimming.

The best moments of my childhood were in this house, at the home of my small, united family.

My mother was the backbone of our home. Like the majority of women of the day, her life revolved around the family: our upbringing and the organization of the house. I always remember her as a warm hearted and extremely tidy person.

She was fair in distributing the tasks to help her with the housework and chores, and strict when it came to making sure that the work was done. My siblings and I had to make our own beds every day.

She spent hours sewing or knitting. Her talent for making clothing permitted her later on to start a small business in clothing sales. As a faithful servant of God, she found that reading God's Word always illuminated her life and ours.

My father, Raul, was a living example of the work ethic. He worked during his entire life.

Strong and frugal, I never heard him complain or express regrets about anything.

He was a quiet man, who spoke little and when he did, his words were reflections that remained recorded in my mind and heart like good lessons worth remembering. One day he mentioned that at work, he decided to buy one of the most modern pieces of machinery and equipment used to manufacture chocolates and that the manufacturers had invited him to visit the plant in Milan, Italy. He asked them how much did the trip cost including my mother as a companion. As soon as he learned that the fare was expensive, he nicely asked them to reduce the amount of their sales invoice by the amount of one ticket.



With my brother Carlin and sister Charito.

The factory belonged to the Prado Group and you can imagine how beautiful a trip it would have been for my mother, who had never boarded an airplane in her life.

Our father is one who taught his children the greatest lesson of our lives. Always carry your family name with honor.

Rosario, (Charito) and I would share our joys and sorrows with each other. During exam season at school, we commonly studied together. These long hours of study were memorable and completely devoted to our study tasks. My mother gathered us together and set strict hourly schedules for study and play. She possessed great math skills. She mastered the four basic operations: addition, subtraction, multiplication and division.



She solved equations, and made mental calculations with astonishing agility. She taught me this skill with numbers that would later become a defining factor in my life. She would calculate prices, costs and percentages in a flash. She never went to college and neither did my father. Opportunities for higher education were scarce and the conditions for academic study were quite different from what they are today. Like many parents with a solid primary and secondary school education, they educated the children and youth of my generation.

The Prado family lived in one of the plantation houses in Chaclacayo. They were one of the richest and most influential families that governed Peru for a long time. The Prado's owned an impressive stretch of pastureland. I sometimes got out of bed around dawn just to watch the horses ridden by their trainer Fortunato. On occasion, I tried to approach but Fortunato would wave me away with a gesture; he was a man with a somber expression and of few words.

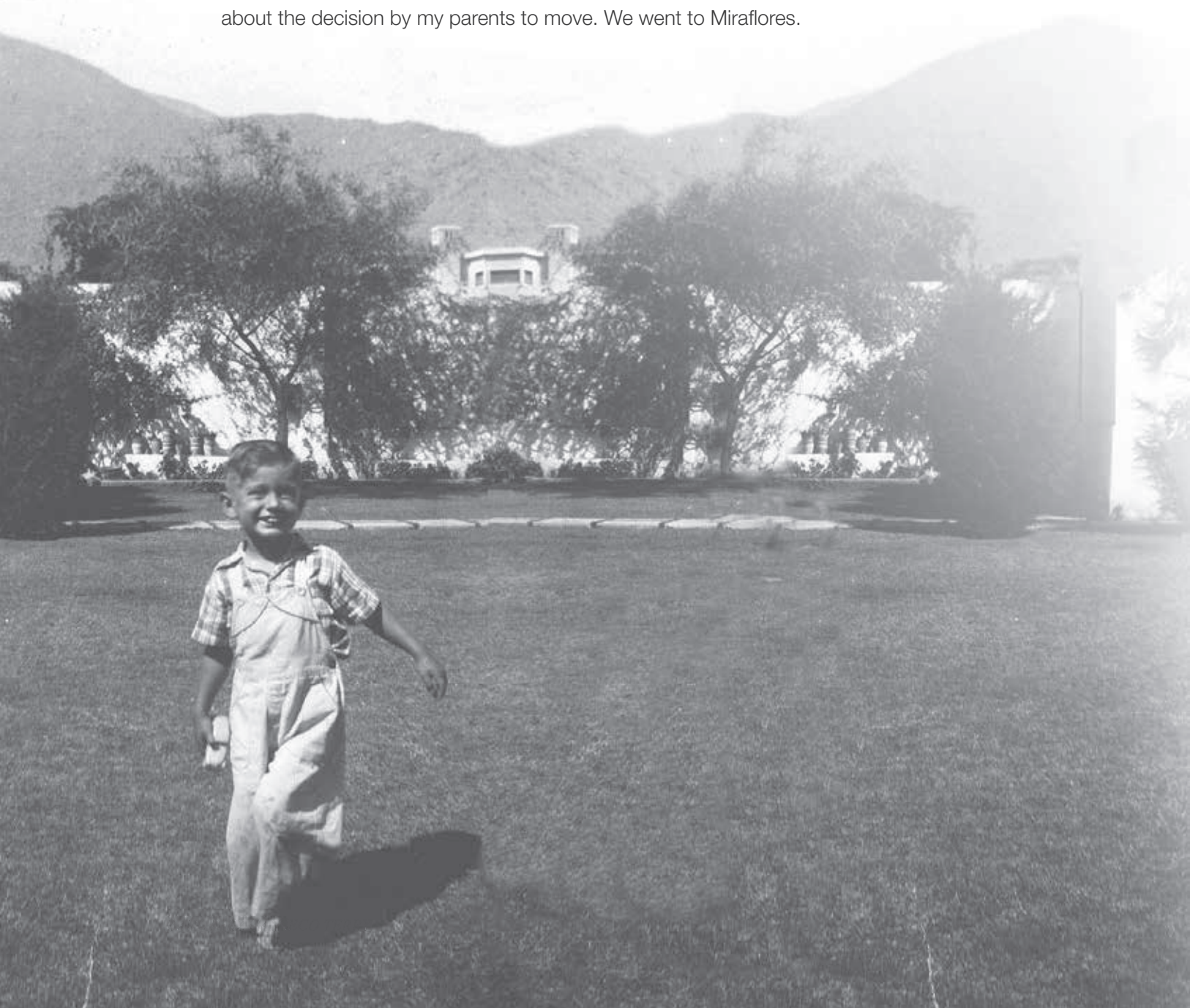
My mother had the habit of gathering clothing that the family no longer used to give it away in orphanages or senior citizen homes. One day, after having been refused yet again by Fortunato, I rummaged through these used clothes and found several of my father's ties. I took a couple and convinced the stable caretaker to accept them in exchange for letting me ride one of his steeds.

It did not cost me much to convince him. The ties were of very good quality and he was willing to accumulate his own collection through me. At the beginning, I only took a few short rides, but as time passed, I learned to ride the horses with certain skill. Riding the horses taught me to manage fear, that first sensation that is triggered when one is faced with the unknown. Later on, learning to swim taught me to conquer fear.

The house had a small pond, not a swimming pool, but a reservoir built with high walls made of concrete and cement. I remember standing at the edge of this reservoir and caught off guard when suddenly, my mother pushed me into the water to overcome my fear and learn to swim. I learned to swim during the first lesson. After that I would jump in by myself and swim with certain agility. This is how I discovered my passion for swimming and competition.

My parents never learned about my antics with the horses and ties. My sister Charito who is two years older than me was the only one who knew this secret. We were like Siamese twins and accomplices in all our adventures. We were more than just brother and sister. We were friends and confidants. We went everywhere together. Her friends were my friends and my friends, hers.

I would have liked to continue my childhood in Chaclacayo, but an accident brought about the decision by my parents to move. We went to Miraflores.



«Our house in Chaclacayo faced a steep hill. When we had a particularly difficult exam ahead of us, Raul and I would climb the hillside and pray on our knees before the Grotto of the Virgin Mary. After that we left a letter and prayed some more. Sometimes doing this gave us good exam results and sometimes it did not. We learned that in order for prayer to be effective, it must be accompanied by personal effort. God helps those who help themselves».

Rosario Diez Canseco Terry

«As a boy, Raulito was very mischievous. When he wanted a toy car, he would not say a word to me. He did not ask me to get it for him. On his own, he did a variety of things like binding and renovating books and then he sold them and bought the toy car himself. He was always that way. When my children grew up and wanted to throw parties, first they had to do something in return. They painted the dining room or maintained the back yard garden. I instilled the value of work in them».

Evita Terry de Diez Canseco (†)



LEARNING TO GROW

The move to the city coincides with personal development. This is the stage of adolescence filled with new scenarios and situations that bring such things as high school, the neighborhood, sports, and friends.

One night when my father was on his way home from work in Chaclacayo, his car crashed violently into the rear end of a heavy truck that had suddenly slammed on its brakes on the Central Highway. This highway connects Lima to the central mountain highlands of Peru and is still today a highly dangerous road, both because of imprudent drivers of public and private transportation and the lack of adequate Street lighting, signage and infrastructure maintenance.

The accident scared us all, particularly my mother, who relentlessly stated “*No more of this. We are moving to Miraflores*”. To her, the disastrous incident was a warning from the Almighty to return to Miraflores.

This is how we arrived at our new destination on the 600 block of Avenida Angamos.

This avenue was not the commercial business area that we see today but rather a peaceful neighborhood with spacious homes and interior gardens that preserved narrow shared property dwellings on its side streets.

Ours was a 2-storey house. The bedrooms were located on the second floor, and the living and dining room on the first. A beautiful fig tree grew in the backyard. My siblings and I looked forward to the fig season, in mid-December, just before Christmas and until February, to harvest them.

The Cieza Castellano family was our neighbor. Their house is the only one that preserves the architecture of the 1950's. Living there was Roxana, one of the daughters who my father would often ask to take Daniel to school. The other child in this family, Carlos

Alberto, the same age as 'Calin', joined the Navy and was an outstanding marine. However, in 1984 a terrorist ambush ended his life while he served his country in Ayacucho. He is a national hero.

Also living close to our house was Carlos Zimiga, one of my neighborhood friends. He was great conversationalist and quite friendly. Later on, we would start our first business venture together, this time as partners.

Facing our home on the corner with Calle Arica was a business called Oscar's that sold take away sandwiches and offered drive through service. However, if we wanted to spend a good afternoon outside the neighborhood, we went to *Oh, Qué Bueno* in San Antonio, a famous ice cream shop where we often purchased soft drinks, sandwiches and *butifarras*, or enjoyed sweets and ice cream. For the price of three soles, you could enjoy a sandwich, a soft drink and an ice cream.

On Sundays, the whole family went to church together on foot, walking two blocks, and then turning onto Av. Comandante Espinar until we reached a traffic circle called Ovalo Gutierrez, and entered Santa Maria Reina church to attend mass. Facing the church where a the parking lot of a well-known supermarket is now located was a place called Bar B&Q, popular for its chocolate-covered ice cream cones called 'zambito', hamburgers, French fries and games for kids.

My studies continued in Lima. My sister went to study at Santa Úrsula, a private girl's school founded in Lima in 1936 by the Congregation of German Ursuline Mothers, and my brother and I went to La Inmaculada School on Av. Colmena, in downtown Lima. This is an old Jesuit school established in 1878 where I was educated by exceptional teachers who in addition to being academically demanding, instilled a vocation in me to become an agent of change to serve others, especially the poor. My father and Pedro, my maternal grandfather, studied in these same classrooms.

I studied my final years of secondary school at the Maristas School of San Isidro, a religious school founded in 1927 by the Congregation of Maristas Brothers. There, I made great friends, who have regularly gotten together over the years even until today, although less frequently than before. Included among these friends are Francisco Miró Quesada Rada, Luis Caravedo, Manuel Luque, Bruno Espósito, Óscar Torres, and others.

One of the teachers we all remember for his educational and entertaining method of teaching is Luis Martell Rivera, who taught the Liberal Arts courses of History, Geography and Literature. In those days, he was only 22 years old, a young man recently graduated with his degree in Education from *Universidad de Educación Enrique Guzmán y Valle*, in La Cantuta, where he had scored first place on his entrance exam.

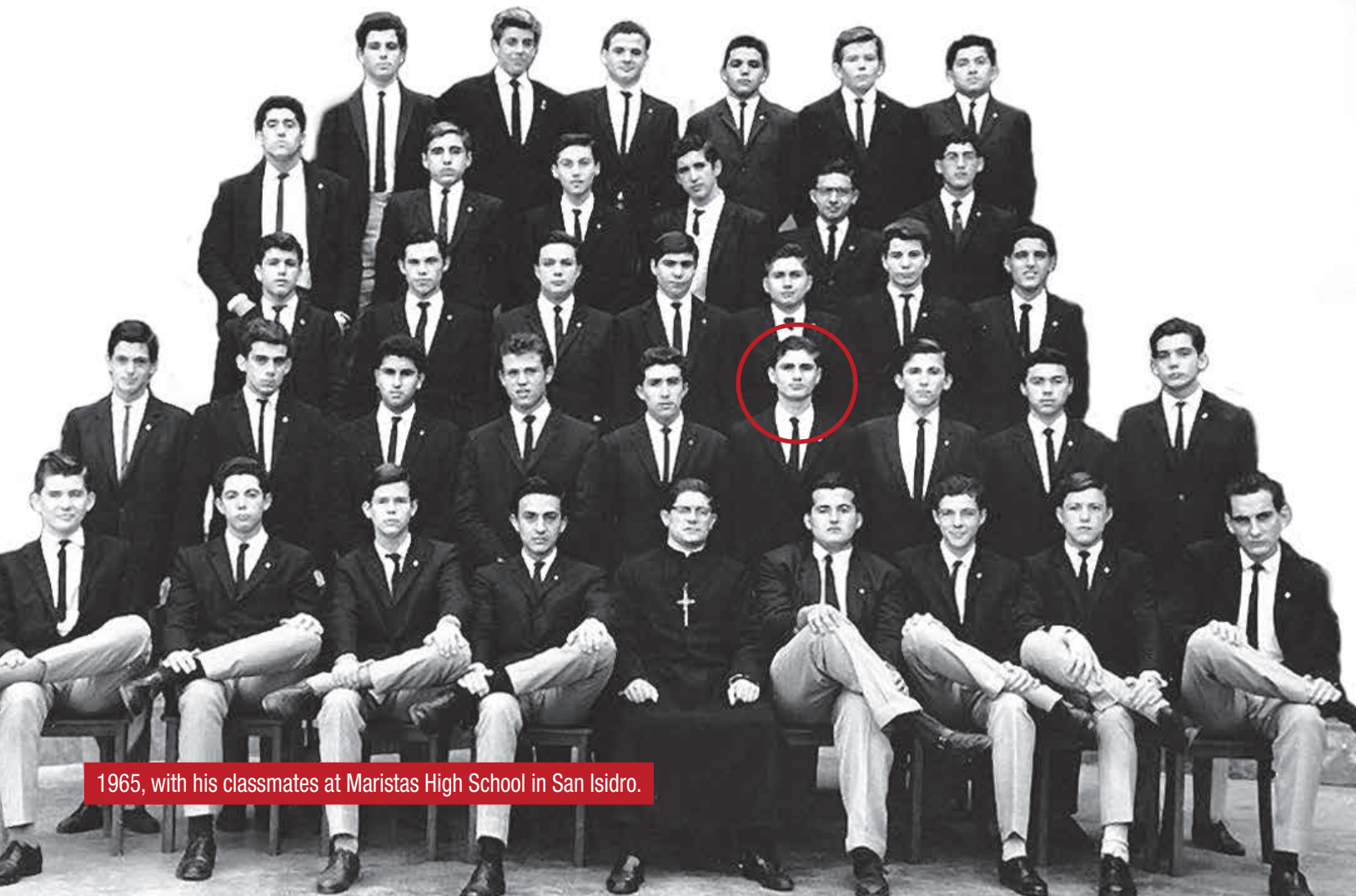
In honor of the Virgin Mary, it was the school's custom that students attend mass every day during the month of May. The rest of the year, we had to attend mass on the first Friday of every month. We had to fast, attend confession, and receive Holy Communion. After mass, the priests gave us chocolate and sponge cake to avoid fainting from hunger.



With my mother Eva, brother and sister, on the way to mass.

We were taught by many teachers of a religious order who we addressed as “Brothers”, like Francisco Martínez; Brother Miguel, an Italian who lived in Peru, or Brother Felipe, who taught English and who we nicknamed Piolin due to his premature baldness and his thin and fragile body shape. It was Brother “Piolín” who on November 22, 1963, suddenly entered our classroom with a remorseful face and reported news that left us paralyzed with shock: that in Dallas, Texas, they had shot and assassinated the President of the United States, John F. Kennedy.

We were in our third year of high school when this tragedy happened and moved us all. My thoughts immediately went out to my uncle, Fernando Belaunde Terry, who in July of that very year was sworn in as President of the Republic of Peru. Politics resonated within us in its cruelest and most barbaric form: assassination.



1965, with his classmates at Maristas High School in San Isidro.

In those days, there were no Co-Ed schools. Boys and girls studied separately. However, upon leaving school we all got together. Or, at least we tried to. The Maristas School was located on the corner of Camino Real and Choquehuanca. So when classes let out we used to walk as a group along Av. Conquistadores, stirring up a bit of noise along the quiet streets of San Isidro and Miraflores, which still had trolley cars, one and two-storey homes and small corner stores, run by Chinese, Japanese or Italians. There were no multifamily apartment buildings or disorderly traffic.

Friends left the group along the way according to where they lived. Manuel Luque turned off when we reached the El Olivar park, where he lived, very close to Constantino Revoredo; while Lucho Caravedo kept walking until reaching the 4100 block of Av. Arequipa, close to the Canout Theatre. I veered off when we got to Av. Angamos and Fernando Esparza went on until the other end of El Olivar Park.

Life went by between school and the neighborhood. Most of the time we did not have exams and we went to play basketball or soccer. In my case, I also practiced the sport of swimming.

Another friend of mine, who did not study at our school but at the Champagnat School in Miraflores, lived on the 700 block of Angamos. His name was Octavio Cabero, with whom I used to explore other streets. We would arrive together with the guys to a neighborhood made up of a single block, between Arequipa and Petit Thouars: the Payán neighborhood. It was a peaceful area where boys and girls our age lived. Over time we came to know each other, some fell in love, became couples and then families. Luis Caravedo was the organizer of the soccer matches, our forays along the beach, the movies and parties organized in homes. They danced just about everything, mainly rock, the twist, *merengue* and the *cha cha chá*.

On certain occasions, when I visited President Belaunde at the Government Palace, I would invite one of my friends to see a movie in a small cinema room that had prepared in the House of Pizarro. Some films were new releases, such as the Great Escape, with Steve McQueen, that we saw one afternoon in 1963.

Everything was going well in school until one day, I suddenly woke up with an intense pain in my abdomen, which became worse when I tried to get out of bed and walk.

My mother, worried about the possibility of my missing school, prepared a herbal tea thinking that it might be just a case of indigestion, but the pain persisted. They took me to the clinic located near our house and following a series of tests, they concluded that I was suffering from acute appendicitis and that I needed an emergency operation.

The intervention was relatively quick and I returned home soon after, but over the next few days, I suffered from fever, the chills and so they took me back to the clinic. They diagnosed a sepsis, the result of a piece of gauze that a doctor had mistakenly left inside my stomach. I needed another operation, which weakened me considerably. My recovery was slow to the extent that I was unable to complete my school year.

This forced period of rest was not an impediment to continue studying my lessons under the watchful gaze of my mother. From her I learned that time is money. One day she gave me an I.Q. test. Without telling me the results, she said to me in a firm voice, "From now on you are not allowed to bring home any grades below 15". My grades improved markedly and the Jesuits began to suspect that I was copying test answers. They gave me an oral exam to verify my grades and resolved their doubts. The old saying "spare the rod and spoil the child" was never applied at my house. What motivated me to study hard was the loving but firm nature of my mother. She employed tactfulness and wisdom to instill confidence in developing my knowledge and abilities.

The following school year I returned to the Maristas School more spirited and disciplined to continue practicing one of my favorite passions: swimming.

Every day, from Monday through Friday at 5:30 am, two sisters who were also swimmers, Ines and Concho Changanahui, picked me up from home to take me to the Campo de Marte pool to train.

Concho became an exceptional swimmer in the history of Peruvian swimming: she won four South American swimming championships. She broke 13 records at swim meets of a similar level, 41 individual national records and 9 national team records. Back then, Peru had a brilliant generation of swimmers.

In the summer of 1964 the Olympic Swimming Pool at Club Regatas Lima was inaugurated with a tournament called World Swim Stars. Entering this meet were swimmers from Argentina, Brazil, Chile, United States, Mexico and Ecuador.

Among the stars who came to Peru for this meet were Luis Alberto Nicolao, from Argentina, world record holder in the 100 meter butterfly, and Sharon Finneran and Donna de Varona, of the United States. Representing Peru were Juan Carlos Bello, Walter Ledgard, Consuelo Changanaqui and Augusto Ferrero Costa, among other prominent swimmers.

Some of the schools in Lima entered their swim teams to participate in an interscholastic competition before the official tournament got underway. This is one of the best memories I have of my passage through swimming. I participated in the inauguration of an Olympic swimming pool and was the opening act for the great Nicolao. Swimming taught me to be disciplined and competitive. I learned that to triumph, one needs to make a firm commitment to do things well and quickly.

Unlike the youth of my generation who dreamed about changing the world by questioning the public order, I wished for a future that was more promising, more just and more equitable but I never bought into the hippie movement, or the long hair or the psychedelic and evasive world that came with it.



When I was young, I listened to classical music but also listened to Conniff, Pourcel and Aznavour.

I was a boy with short hair who enjoyed the classical music of Mozart, Beethoven, Bach and Verdi, and to listen to the instrumental music played by the great orchestras of the time, particularly that of Ray Conniff and Franck Pourcel, and the unmistakable voice of Charles Aznavour. Perhaps I was dreaming with my eyes open, but I had my feet firmly planted on the ground.

In a youthful context in which everything was subject to debate, politics was not foreign to me. My uncle Fernando Belaunde Terry had been elected President of Peru in 1963 and was of course the main character of debates in the classroom. However, for the very reason that I was the nephew of the nation's top citizen, my obligation to excel in my studies was always present. I was worried about which profession I was going to study and where.

Among the competencies I possess is my talent with numbers that I believe made me inclined to pursue a degree in Engineering or Architecture before the Humanities or Medicine. I had that much clear. When they interviewed me for the school yearbook of our graduating class of 1965, and asked me what profession I was going to study, I chose one: "Electronics". This was certainly the degree most associated with modernity.

What was unclear is where I would study. During the 1960's, tradition indicated that one studies Medicine at San Fernando de la Universidad Nacional Mayor de San Marcos or Universidad Cayetano Heredia; Literature and Humanities also at San Marcos; the Social Sciences at Pontificia Universidad Católica, and every Engineering degree program at the Universidad Nacional de Ingeniería, the famous UNI, very renowned for being academically demanding and where Fernando Belaunde was the first dean of the School of Architecture.

For this reason, upon finishing my high studies with the Maristas, I decided to apply at the UNI, confident of my high grades in mathematics. However, my scores were not high enough to pass the entrance exam. That was my first frustration. It proved that the young students who graduated from high school were not only disconnected with higher learning, but that high school did not prepare us for the university.

Peru was undergoing a cycle of modernization and economic growth that needed new professionals, especially in the fields of business administration, economics, finance

and business. However, for decades, higher education had remained suspended in traditional stereotypes, to the extent that up until the first half of the 20th century, Peru had only five public universities and one private one. The professionals who occupied the senior management positions of corporations were not graduates of these universities, but from abroad.

While the military government of Juan Velasco Alvarado had reformed education and divided secondary education into categories of common, technical and commercial, there was no transformation whatsoever that connected secondary school with the university.

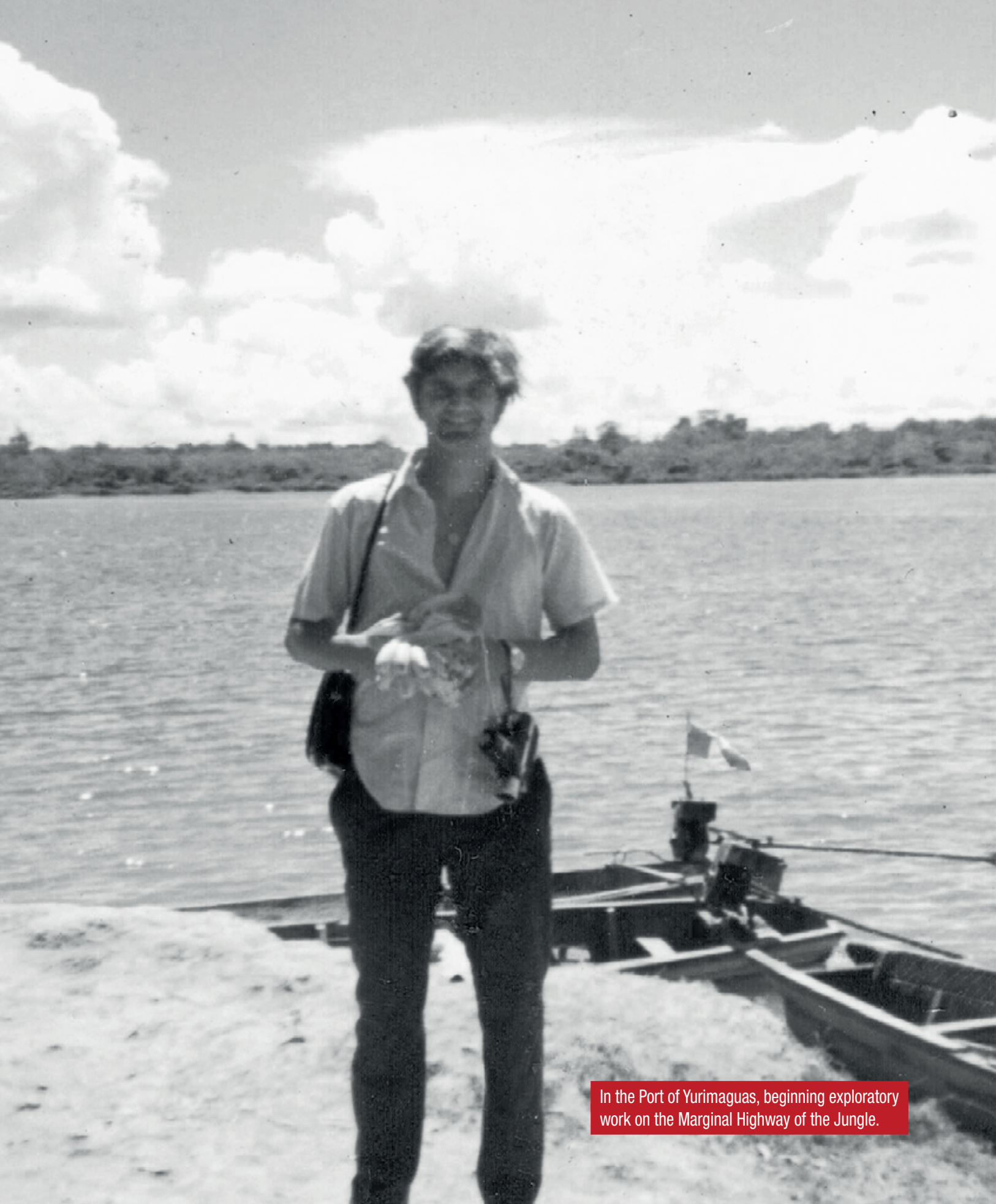
I felt discouraged. I had to wait a year to reapply to the university since the entrance exams were annual. Meanwhile, I decided to work and wait for a second chance to try. I had no other choice.

My parents spoke with President Belaunde and they asked him to give me the opportunity to work in one of the emblematic projects that the Government had started: the construction of the Marginal Highway of the Jungle.

Without further delay, with an uncertain but decisive future before me, I decided to pack my things and go work as a topographer's assistant in the jungle. For a time, this decision distanced me from my family, but at the same time, it enabled me to learn more about another reality, in many aspects both unknown and unexplored, the heart of the Amazon Region and its needs.

«Raúl always possessed a generous, open, selfless spirit that perhaps not everyone was able to perceive. However, with me, while we were together in high school, he was always generous. When I went to visit him at home, he always invited me cookies, candy or toffee. He is very charismatic».

Luis Caravedo, classmate at Maristas High School



In the Port of Yurimaguas, beginning exploratory work on the Marginal Highway of the Jungle.

BLAZING THE TRAIL

My first work experience happened after completing high school. In the midst of the densely vegetated jungle, a young topographer's assistant begins a journey of self- discovery.

Destiny took me to the tropical forest region. The year was 1966 and I was 17 years old. The first job was not in an office, but in a mobile camp that advanced as a path in the virgin jungle was cleared.

Overnight, following my unfortunate attempt to gain admission to Universidad de Ingeniería, I moved on to a hands-on learning experience of life as engineer.

I went from the comforts of the life of a young man in Miraflores, to the sacrificed life in almost the middle of the jungle. My job as an assistant topographer consisted in keeping a daily journal record of data on altitude, location coordinates and points of reference associated with the progress completion of the construction of the Marginal Highway of the Jungle.

Notwithstanding the hardships, it was exciting to be part of one of Fernando Belaunde's greatest dreams, the construction of an extraordinary and phenomenal work of that era.

The President had proposed the construction of a transcontinental highway. He had the wisdom and geopolitical vision to place Peru within the context of South American development plotting a highway from Arauca on the border between Colombia and Venezuela, all the way to the tropical forest region of Bolivia, where it would connect with the Santa Cruz railroad. The Amazon, Orinoco and La Plata – the three South American river basins, would be joined all along a road which would also enable the tropical forest regions to become integrated with Peru and add vast amounts of farm land.

In the book *La conquista del Perú por los peruanos (The Conquest of Peru by the Peruvians)*, Belaunde stated that one could not talk about complete food emancipation and supply, (which today FAO refers to as Food Security) without first expanding the agricultural frontier. This was the core objective of the Marginal Highway of the Jungle: land and its economic potential.

One year after initiating his first government term, Belaunde succeeded in reaching an agreement in Lima that Peru, Colombia, Ecuador and Bolivia would commence this wondrous construction project.

In our country, work began on the section of road between Tingo Maria and Moyobamba. It is hard to believe but there was no road connecting Lima and Pucallpa, and so the first topographical studies and surveys in the heart of the amazon rainforest were done along the stretches that joined Tarapoto with Juanjuí, Campanilla and Moyobamba, in San Martín.

It was in this area that I went to work. It was virgin jungle. As I mentioned, we lived in a camp, far from civilization. The closest settlement was an hour away from our rustic tents.

There I found out that in fact, that there are no stars in the rain forest. It was living in an unknown world, where solitude, disease, the rain and muddy bogs competed with man's stubborn and innate instinct for survival and the forces of nature. Torrential rainfall and frequent landslides often left us isolated.

Only the intense darkness, that descended every night like a blanket upon our heads, made us thing about and long for the family beneath the singing and strangest noises made by the Amazonian wildlife.

On weekends, the workers could leave the camps to visit the nearby villages and interact with the population. There they could enjoy the local food or drink a few beers. Some natives and even immigrants also hovered near the camp hoping to get jobs helping to open trails in the rainforest.

One of the food items that the workers from Lima most missed was french rolls at breakfast and lunch. My sister Charito, worked as a flight crewmember at Lansa

Airlines, brought me bread from Lima each time she arrived in Pucallpa. As soon as my fellow workers learned about my personal storage bin, they quickly became my friends. These are opportunities that life brings your way.

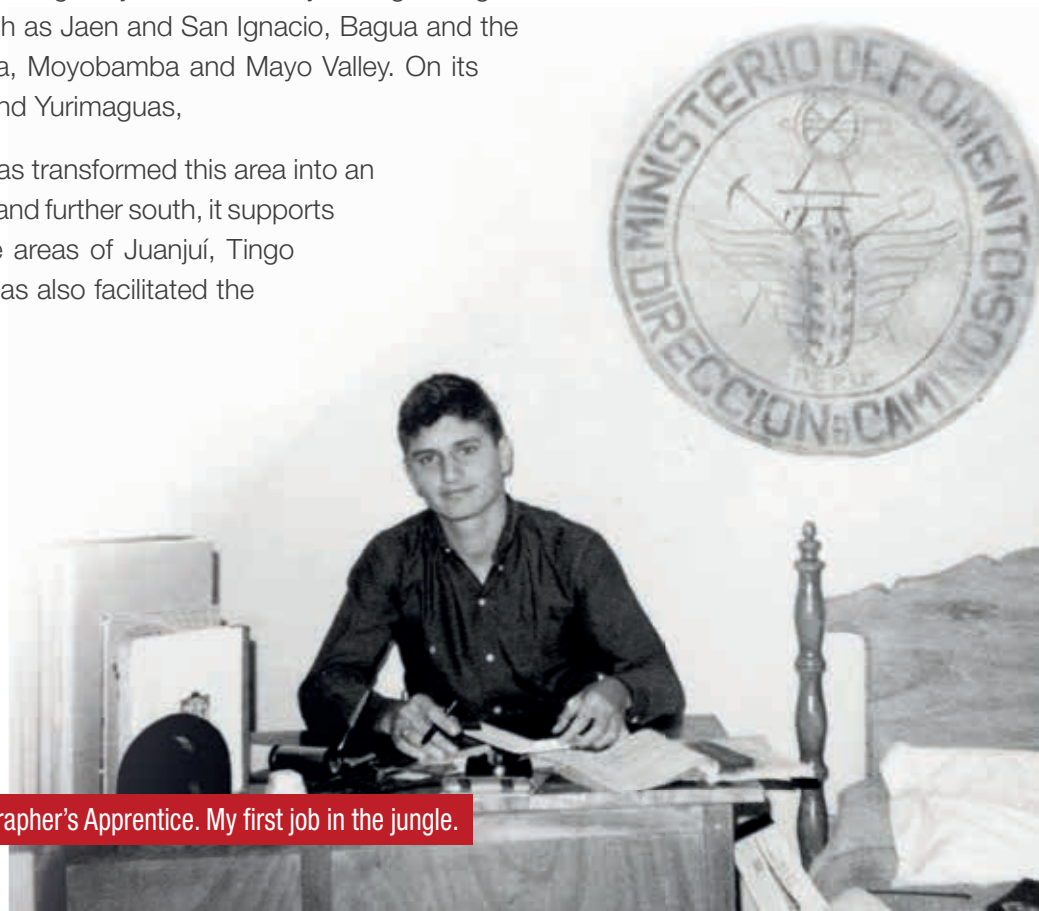
The Armed Forces were not foreign to civilizing actions. I was witness to how men from the Army, the Navy and the Air Force carried out such an important construction project in support of the development and integration of native populations.

The Army's work focused on building roads that penetrated the rainforest, thanks to which new farmland became available in the upper jungle region. For its part, the Navy carried out valuable social work. Their boats regularly traveled the rivers and tributaries of the Amazon region, providing medical and dental treatment, educational and technical services to the river based communities. The Air Force supported the establishment of colonization centers, providing transportation and supplies.

Velasco's military coup slowed down the construction of the Marginal Highway but in 1980, upon his return to democracy, Belaunde gave new momentum to this work during his second term as elected President of Peru.

The positive effects of the highway are seen today through the growth of cities and valleys such as Jaen and San Ignacio, Bagua and the Utcubamba Valley, Rioja, Moyobamba and Mayo Valley. On its way passed Tarapoto and Yurimaguas,

the Marginal Highway has transformed this area into an important regional hub; and further south, it supports the development of the areas of Juanjuí, Tingo María and Tocache. It has also facilitated the expansion of Satipo.



Topographer's Apprentice. My first job in the jungle.

The asphaltting of the Marginal Highway was completed in 2004 during the government of Alejandro Toledo, when I accompanied him as First Vice President of the Republic, and the road changed its name to the Fernando Belaunde Terry Highway, in tribute to the man who made a dream come true. He integrated a country through, forests, rivers and ravines. But that would come many years later.

Over a period of months at the camp, I endured stings and bites from heavy streams of insects and the ever-present threat of an attack by wild animals. Until one night without a candle, I was attacked by the *isangos*, small mites also known as *vinchuca* or red bugs, that nested beneath my skin over the course of a few days, cutting it. The cuts became infected and they had to transport me to Tarapoto and then Lima to heal.

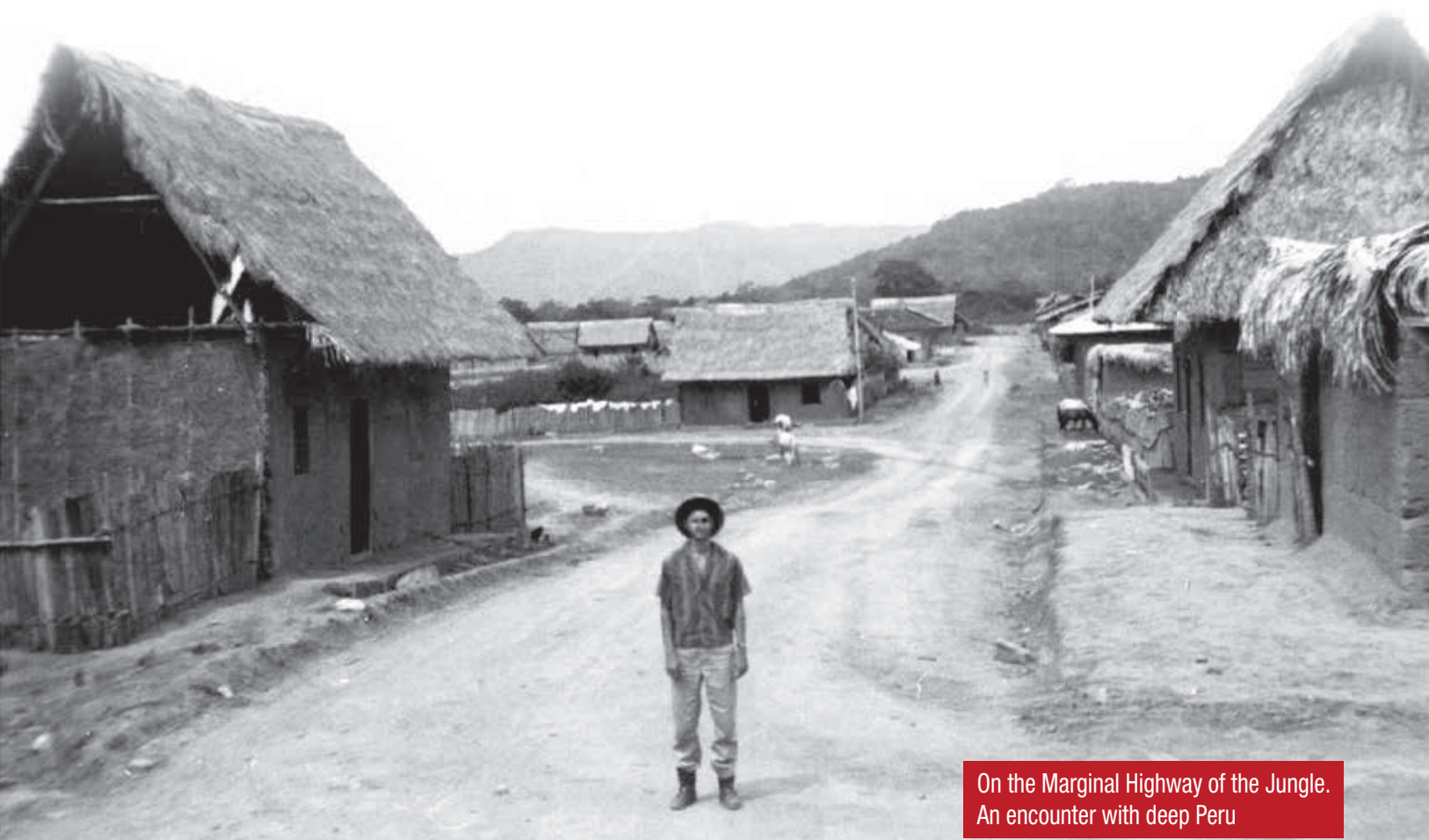
Upon my return to the capital, I received a call from my Country, Mandatory Military Service. This obligation is extensive to every Peruvian between the ages of 18 and 50. Regulations specified that in times of peace, this service was applicable to Peruvians between the ages of 18 and 23, selected by draw, enrollment and on a voluntary basis.

Under this law, the enlistment system is conducted through a draft system, one of the most questioned methods of military recruitment. Military trucks used to take undocumented people, and many had no choice but to serve in the barracks. People feared this draft system because the youth had to serve, unless they suffered from obvious physical or mental incapacities. Unemployed and no longer an active student, I had no way of obtaining an exemption from this obligation.

Thus, once more, my parents went to speak with President Belaunde.

«We have potentially doubled Peru's agricultural frontier. First, there are 1 million 500 thousand hectares within a 5 km radius of the pavement of the Marginal Highway of the Jungle, And second, there are inland waterways accesible by boat from different points along the highway, such as from Moyobamba to the Mayo River for example, where about 100 km of waterways in this region would provide an additional 500 thousand hectares of farmland».

Fernando Belaunde Terry, Ex-President of the Republic



On the Marginal Highway of the Jungle.
An encounter with deep Peru



S.M.O.

Military service becomes an opportunity to travel and see Peru. For months, the young sailor trains in an environment characterized by discipline and respect for the hierarchy.

I thought that my parents would speak to my president uncle to request an exemption from military service. Big mistake. It was the complete opposite. They went to ask that I be accepted in the Peruvian Navy, the branch of the armed services for which my family had a special affinity.

They assigned me to serve on the BAP Lobitos, a petroleum ship built at the SIMA shipyard in 1966, which formed part of the navy and was used as fuel supply facility on ports installed in Grau's Sea all along the pacific coast of Peru.

I readied my things, packed a suitcase and showed up at my unit in Chucuito, Callao. The first night I slept there, was a blank to me. I was thinking of my immediate future. For some recruits, life at sea was unknown and provoked fear. To me this uncertain future represented an opportunity. I began to enjoy my luck of having enlisted in the Navy.

Again, far away from family and friends, I learned the seafaring arts and practices alongside hundreds of ordinary seamen. The model of behavior and values such as integrity and leadership from the Hero of Angamos, Admiral Miguel Grau, inspired all of us who lived together day and night on the BAP Lobitos.

I hadn't been in the navy for a month when on October 17, 1966, in midafternoon, we felt an abnormal movement of the sea. A strong rise of the tide physically shook the sea.

Enormous waves suddenly rose up and threatened to collide with the petroleum ship, so we conducted maneuvers to place the ship's bow perpendicular to the waves to climb over them instead of letting them hit us on the port or starboard side.

It was an 8.1 magnitude earthquake that had pounded the central coast of Peru and seriously affected the cities of Huacho, Huaura and Barranca.

In Lima, the quake shook the districts of La Molina, Puente Piedra, Rímac, Lima Historic Center, and Barrios Altos. The radio transmissions we captured reported that the coast of Callao had disappeared and as an aftershock, they were expecting a tidal wave.

Our ship was navigating from Supe to Callao and the earthquake took us by surprise in the middle of our voyage. We asked ourselves "and now where are we going to safely dock our ship"? Finally, the captain decided to realign the vessel and head at full speed for the nearest port.

The news reported over 200 dead, 1,800 injured and 258 thousand affected. In Huara and Huacho alone there were over 1,000 injured. The next day, President Belaunde accompanied by his Ministers of the Economy and War, traveled to Huacho to witness the magnitude of the disaster on site.

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Registro de Inscripción Naval

Nombre y Apellidos DIEZ CANSECO TERRY RAÚL

ESTADO CIVIL

Nacido el 23 de Enero de 1948. Distrito de Lima
Miraflores Provincia de Lima

Departamento de Lima Domiciliado en Av. Augusto B. Leguía 691 Distrito de Miraflores Provincia de Lima

de Lima Departamento de Lima

Hijo de Raúl
 y de Eva

Oficio o Profesión Estudiante Estado Saltero

Número del Sorteo 2783 24014344

Número de la Libreta de Conscripción 295

Edad 20 años Ojos Regulares
 Raza Blanca Cejas Limpia
 Color Blanco Nariz Recta
 Cara Oval Boca Delgada
 Frente Mediana Labios Quadrada
 Cabellos Castaño Barba Se afeitado
 Piel Blanca Señales particulares no

Estatura 1 m 81 cent.

Sorteado de la clase de 1968

Número de inscripción en el Distrito 295

Número del talonario de inscripción

Fecha en que deberá pasar a	Fecha en que termina el servicio
1973	1998

DISPENSAS DEL SERVICIO

Indicaciones de los cuerpos de afectación

Grados de Instrucción

Civil (1) Superior 1º

Militar (2) ... Indicar por grados la superior y facultativa.

(1) Indicar con las palabras "ha servido" o no "ha servido", comprendiéndose entre los que no han servido a todos los individuos que no han pasado por las filas

Indicaciones de los cuerpos de afectación

Permanente

estar comprendido en el

por

Activo



Charito and 'Calín' on a visit to the Callao Naval Basedel Callao.

There are moments in our history in which tremors and earthquakes brought the people to their knees. For days on end, prayers never ceased in the doors of dilapidated churches, where images of the Lord of the Miracles had been placed, beseeching Him to placate His wrath.

Our ship served to carry aid to hundreds of affected people, and it was one of the few times I could get off the ship at the port. My superior officers generally never allowed me to do so. Every time that we sailed and reached land at some port or cove, I lined up just like all the other seamen and waited for them to sign my permission for shore leave.

But before I could even reach the ship ramp, someone stepped on my shoes, soiling them, to the welcome eye of the officer on-call who thundered:

–Aha, dirty shoes again, have you?... Diez Canseco, stay on-board!

Over time, I came to understand that I was not being treated as naive or made fun of, but was being protected, by express order of the President to not put me in harm's way in certain ports where life is not life unless you are handsome and carry a firearm. Venturing into tough neighborhood by mistake was often tantamount to playing with death.

When I was not being “disciplined”, I went ashore in more peaceful ports and visited the markets where I bought food and provisions for the mess hall, always accompanied by an officer: orders from the President were obeyed to the letter.

That was how I got to see the entire Peruvian coast.

We traveled to coves and ports up and down the shoreline. In every area we landed, I could observe the slow progress and poverty in the country's interior. The services were substandard, and the living conditions of the population had many limitations.

Every day at 4 am, before dawn, the clarion call signaled that the day was beginning with routines of naval exercises and procedures. These were intense days filled with work, discipline and orders. I performed the tasks that every seaman did without distinction. I washed dishes, helped in the kitchen, cleaned floors, bathrooms and the deck of the ship.

Doing chores, respecting orders, seniority and rank teach you the value of work and to fulfill your obligations and duties. Military life disciplines you and shapes you for your entire life. I also learned to train and educate my body. Those who were right handed used the left hand to eat, write, and comb our hair, while the southpaws did the same with their right hand. The objective was to master the use of both hands as a way to prepare the soldier to be ambidextrous in the event that he were to lose one of his hands.

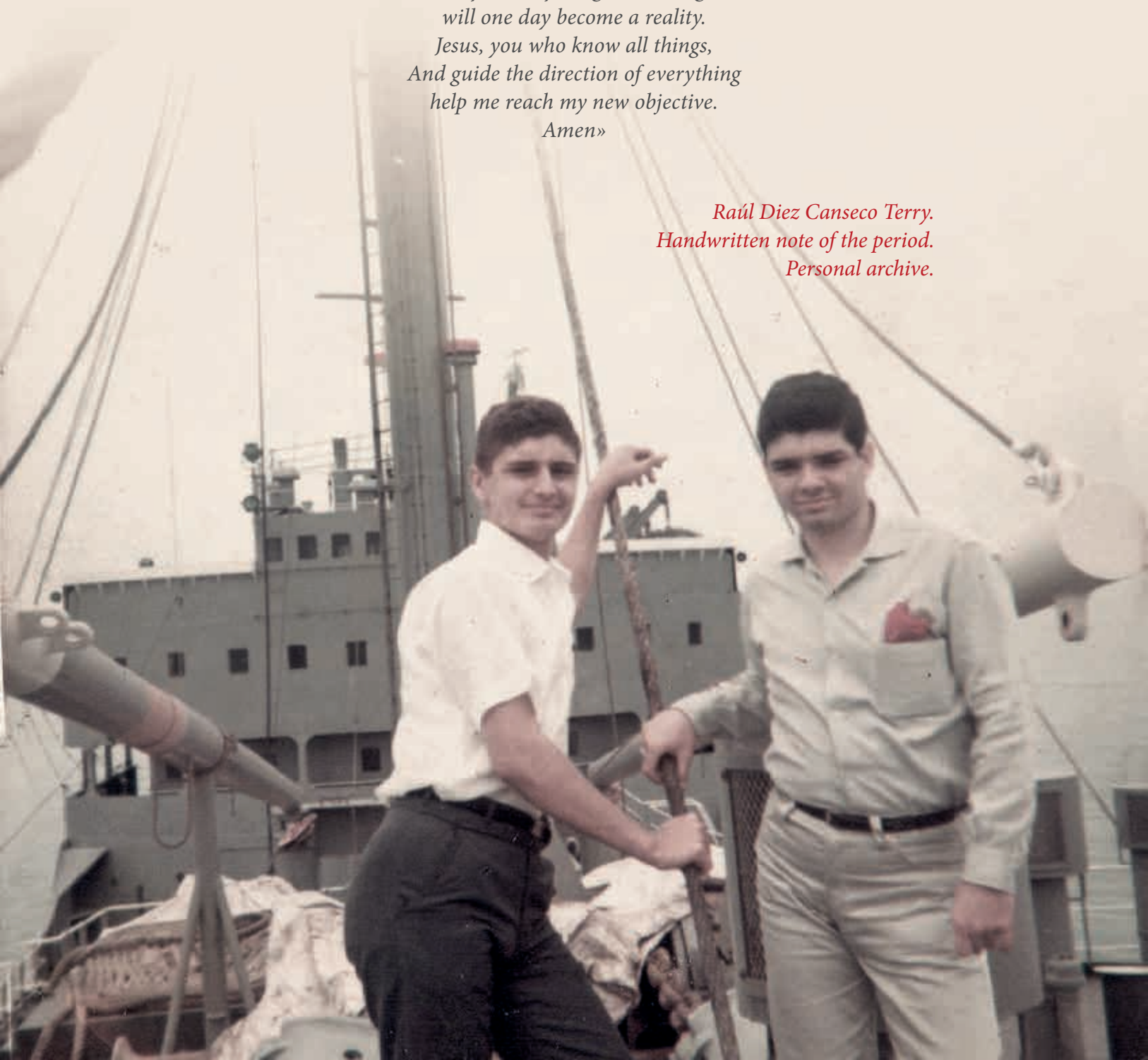
I had already become accustomed to navy life when one day I woke up with an intense pain in my stomach, nausea and vomiting. I went to the first aid station and the doctor diagnosed me with an inflamed hernia that needed immediate surgery, which to make a long story short, resulted in my discharge from the Navy.

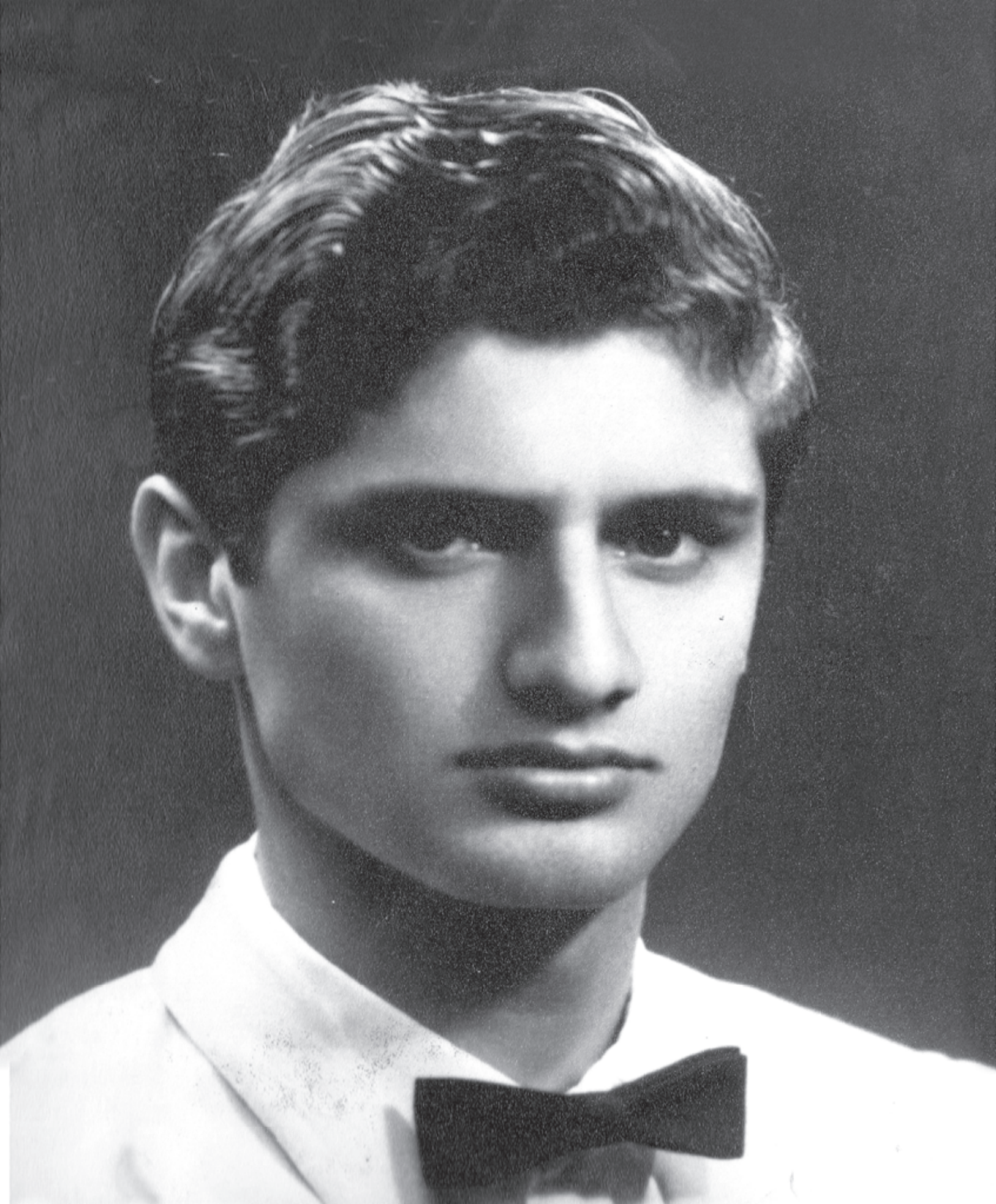
From the petroleum ship to the hospital and the hospital to my home. Following my recover, I went to visit my comrades in arms, who regretted my departure as much as I did. As in closing ceremonies, I felt like another phase of my life was ending.

I was crossing the border into a space between early youth and adulthood, where everything is determined, where everything depends on the next move you make... for you or against you.

*«I am happy
but that makes me afraid.
The fact is that it has been so long since I had one night of sound sleep
And a clear awakening.
Maybe everything I am living
will one day become a reality.
Jesus, you who know all things,
And guide the direction of everything
help me reach my new objective.
Amen»*

*Raúl Díez Canseco Terry.
Handwritten note of the period.
Personal archive.*





THE 67 OF '67

The university phase began in the midst of high academic standards and heavy competition. The country needs new professionals and the academic degree program in economics is one of the most promising at Universidad del Pacífico.

Following my sudden departure from the Navy, and back home, the days and nights became endless. Uncertainty was not what kept me awake at night, but the anxiety that I felt waiting for the date to take the university entrance exam again.

My experiences as an engineer's assistant, clearing trails to build a road through the Amazon jungle and then a seaman, would mark my existence. Both experiences helped me to learn that life is not easy. At a very young age, I had moved out of my comfort zone, assumed risks and responsibilities, and I learned to work with people of all ages and social strata.

Before my discharge, I had already made my decision to reapply to the university to work to vindicate myself, and so whenever I was "disciplined" to remain aboard the ship, I shut myself in my cabin and reviewed my notes and books to prepare for the next university entrance exam.

I continued my study preparation at home, because I did not have sufficient funds to pay for a pre-university academy.

It was clear to me that my vocation was leading me to a career in the sciences or business, something more related to numbers than language arts. At the time, Universidad del Pacífico (UP) was the brand-new private university run by the Society of Jesus.

In an era where the country was undergoing modernization, the university focused on teaching economics, management, business and law, and it rapidly earned an

excellent reputation, especially since the Society of Jesus assumed administrative and academic control. I decided to apply to this university.

My nights of seclusion, not going to parties or escaping to the beach finally paid off. I won admission to UP with an entrance exam score, ranking 12th out of 160 candidates. That year, 67 candidates were admitted to first year studies at UP. We were the 67 of '67.

At UP, unlike other universities, particularly public universities of the time, politics or political science was a subject of study and did not involve protests and propaganda. There was a course on National Reality and another in Sociology that introduced us to an overview of national and international problems, but nothing anywhere near the political clamor and volatility that occurred at other universities.

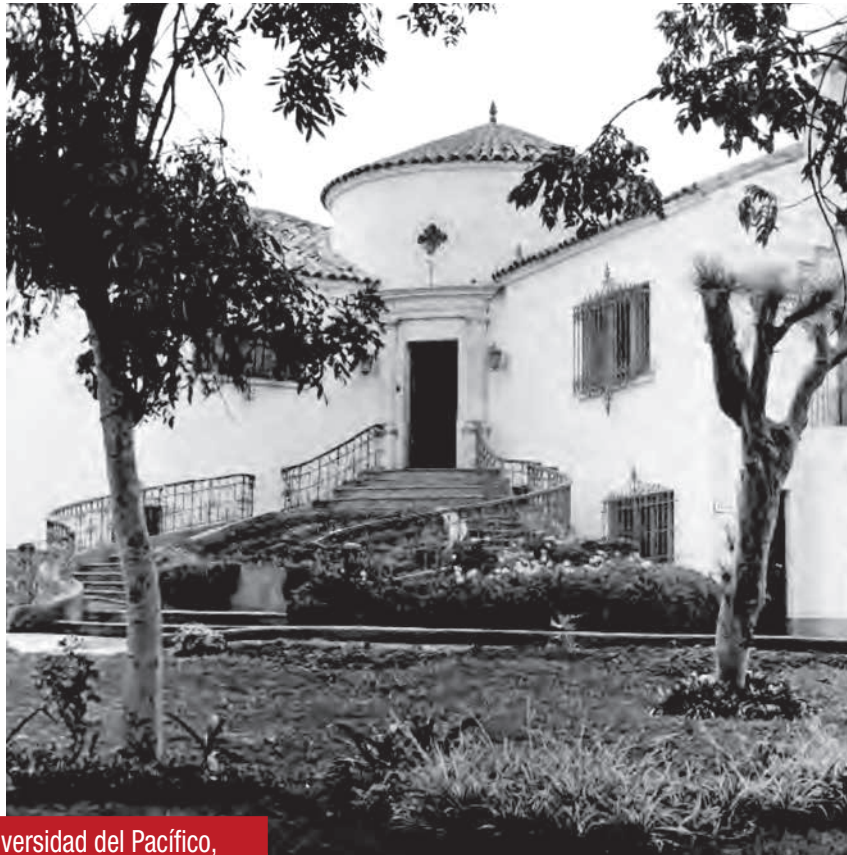
While it escapes my memory whether we ever took to the streets to protest or join acts of resistance to reject the military coup, I can say that we were a rebellious generation that was in disagreement with the status quo we had inherited. In spite of the economic modernization policies driven by the democratic governments of Manuel Prado and Fernando Belaunde, we were aware urgent problems persisted in our country, such as education, health, housing and agrarian reform that had not yet been addressed.

We pursued our studies in the midst of a nationalist, anti-oligarchic and anti-imperialist current imposed by the military who had installed a State-run regime, expropriated land, controlled the strategic industries in mining, energy, fisheries, banking and finance; promoted industrialization of goods and services to substitute imports, and controlled prices of the basic commodities through subsidies. Economically, the results were catastrophic.

At UP we understood economics as a science of generating wealth, as opposed to managing poverty. While there were no organized political parties in the university classrooms, we were very interested in confrontational doctrinal positions. I vividly remember that I was a member of a student group that met every Saturday to debate the issues of the country's political and economic history, and about the approaches proposed by each political party in this respect. These were friendly discussions, but they were also rigorous and uncompromising, which produced some rather intense and effusive exchanges of ideas and opinions.

Over the course of my academic degree program in Economics, my academic performance improved, always ranking in the top third of my graduating class. The first year I ranked 5th out of 35 students. The following year, I ranked 2nd. The third year, 5th again. The final year I ranked 2nd, and was named delegate for the School of Economics.

We studied Business Administration, Accounting, Economics, Economic Geography, History of Economics, Mathematics, Mathematical Analysis, Business Law, General Statistics, Industrial Psychology, International Economics, the Economics of Labor, Marketing, Applied Statistics, Monetary Theory, among other courses. From the Jesuit



Universidad del Pacífico,
1967, my Alma Mater.

influence we were also taught courses in Ecclesiology and Catholic Culture, listed as mandatory courses. I had an advantage over my fellow classmates when studying theory, because I had already acquired real life experience concerning Peru's realities.

As for the academic curriculum, – we have to say it – it was very difficult. Out of the 67 who originally started in 1967, only 45 successfully completed the program to graduate in 1970. In Economics 11 and in Business Administration, 34.

It was a brilliant graduating class. Carlos Boloña Behr became Minister of Economy; Henry Barclay Rey de Castro went to the Banco Central de Reserva, and I later recruited him to join Universidad San Ignacio de Loyola, as Vice President of Academic Affairs; Raymundo Morales Bermúdez is the current director of the Center for Scientific, Ecological and Academic Innovation at Universidad Peruana Cayetano Heredia; Ana Cox Álvarez del Villar, Vilma Massa Valles, Alda Rossi Velasco, Enrique Acha Cruz, Juan Moretti Vidal, Jaime Pedreros Fitzgerald, all friends, and all very competitive in their respective professional fields.

One of the teachers who changed my professional perspective was Estuardo Marrou. He taught Marketing. His classes were filled with unforgettable lessons that allowed me to learn about the development and behavior of the business world. Years later, Estuardo Marrou would become one of the great Presidents of Universidad del Pacífico.

Professor Marrou was not much older than we were. He had studied Business Administration at Pontificia Universidad Católica del Perú, but the strikes had discouraged him from continuing his studies there. One day he learned that a new university was opening near Lima Center that specialized in Administrative Sciences and Economics. He decided to take a walk down Jiron Camana and found himself in front of a new university, Universidad del Pacífico.

I was a student of UP's first graduating class. While there, I met another student by the name of 'Tito' Chocano, who would become good friends and partners with Marrou in a venture very similar to one I would start up years later.

One afternoon when Marrou and Chocano attended classes, they noticed that one of their teachers showed up driving a shiny new Mustang. They were quite surprised that a university professor could afford such luxury. It was Benjamín Sandoval Tirado,

who, in addition to teaching at UP, was the owner of the popular and always busy Academia La Sorbona, one of the oldest and successful pre-university preparatory academies in Lima.

Subsequently, Marrou and Chocano decided to venture into the same business as Professor Sandoval, and a short time later they opened an establishment on the 4400 block of Av. Petit Thouars, just one block behind the Sorbona Academy, putting into practice one of the principles of marketing. The best place to locate a business is next to your competition.

The new campus, for lack of a better name, was simply baptized as “The Academy” for the applicants who studied there to prepare for the UP admissions exam. Business boomed and grew rapidly.

While the academy moved forward, Marrou and Chocano finished their ungraduated studies and decided to pursue masters’ degrees in the United States. When they completed their studies, each decided to go their own way. Chocano remained in the United States as an international officer. Marrou chose to return and continued his career as a professor at Universidad del Pacífico. With this personal and professional reorganization, the Academy closed its doors.



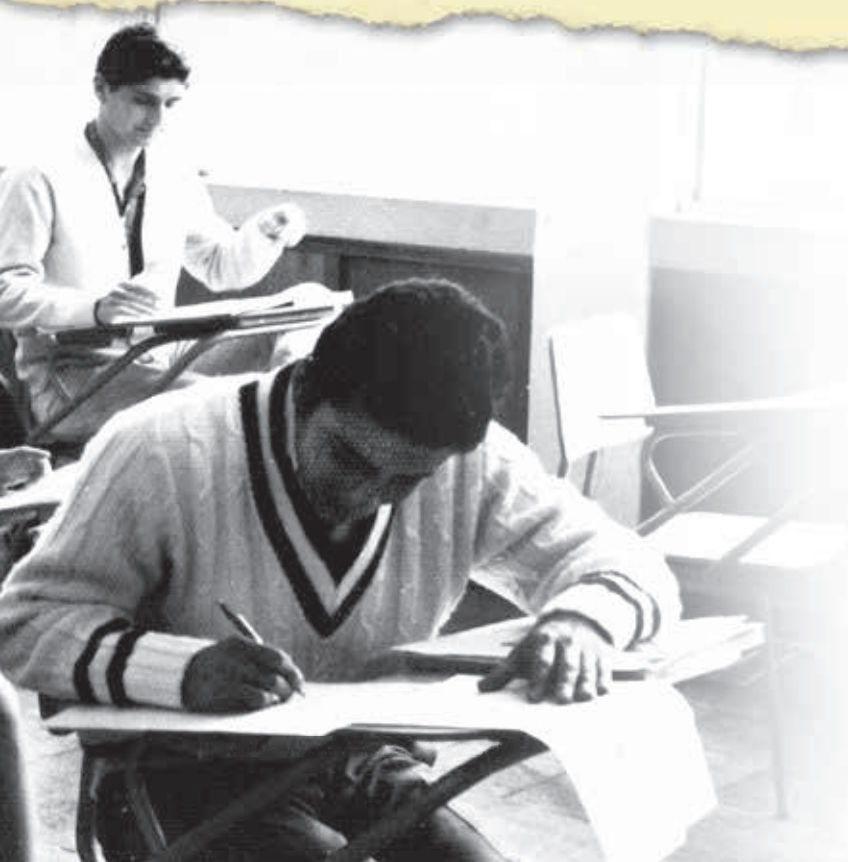
Students at Universidad del Pacífico.

“Raul’s university notebooks were the cleanest and most orderly in the class. They were big notebooks, with graph paper and spiral ring binding. I clearly remember his International Economics notebook. It contained titles, sub-titles, rectangles, underlined text, and notes written in the margins, perfect. I asked to borrow them to prepare for my final bachelor degree exam and he lent them to me. They helped me a lot”.

*Henry Barclay Rey de Castro
Economist, Universidad del Pacífico, Graduating Class of 1970*

“At all times, Mr. Diez Canseco demonstrated an understanding and cooperative attitude that showed uncommon maturity among people of his age. However, there was something else. Whenever a serious crisis arose, his reaction was very noble; following his conscience, he knew how to position himself squarely and bravely on the side of what he determined was fair, even when his behavior could have jeopardized his graduation”.

*Fernando Romero
Former President, Universidad del Pacífico.
Personal letter. June 02, 1971*



FERNANDO ROMERO
M. S. Ugarte Meccosa 350
Orrenfia - LIMA

November 28, 1972.

Raúl Diez Canseco
Miraflores

Dear Raúl:

I have finished reading your thesis and I am writing you immediately. I not only wish to thank you for your words of dedication, but also because of what they mean under the circumstances which are abundantly known by both of us. They represent a gesture that honors you for your bravery and loyalty toward a friend. I also would like to warmly congratulate you for your book. You have written something with depth, which is indicative of solid preparation, about a topic of great national importance. It is so good and given the current state of affairs that, I permit myself to advise you to publish it. First, however, I suggest that you send a copy to Doctor Baella, of El Comercio, who attended the meeting at CADE and is very interested in the topic.

I also thank you for the kind words of reference you made to me in the ceremony at The Academy. It was a revelation for me to learn what you do there. I have given it a lot of thought and I think you could succeed in capturing the interest of the Ministry of Education. If you wish, come and see me to discuss the matter. There is someone who might be interested in recommended it.

Again, many thanks and my sincere congratulations.

Warmest regards, from your old friend.



Fernando Romero



NEW VENTURES

THE ACADEMY

The first educational venture that changed the way that people perceive education emerges. More than a preparatory academy for college entrance exams, a school that trains you how to be successful during your university stage of life.

Life has taught me that entrepreneurship is born out of necessity and is carried out through opportunity. The former emerges from a limiting situation, economic hardship or a traumatic situation where it seems that there is no way out other than to act to survive. The latter, requires in-depth observation, a window of opportunity and the convergence of factors, at times imperceptible, that triggers an idea that leads to action.

Over the course of my life, I have experienced both sensations.

My first venture –now I know it– combined both perspectives: necessity and opportunity. It happened one day that my father told the family that he had lost his job. He was the manager of *Galletas Fenix*, a factory owned by the Prado family, the neighbor that lived across the street from our rented house in Chaclacayo.

The military government under Velasco Alvarado had conceived a misnamed nationalist policy and it triggered a series of confiscations and expropriations of land, business and properties.

Many families lost their assets and had to close down their businesses. The Prado family was among those affected. One day the cookie factor closed its doors and my father was left without a job.

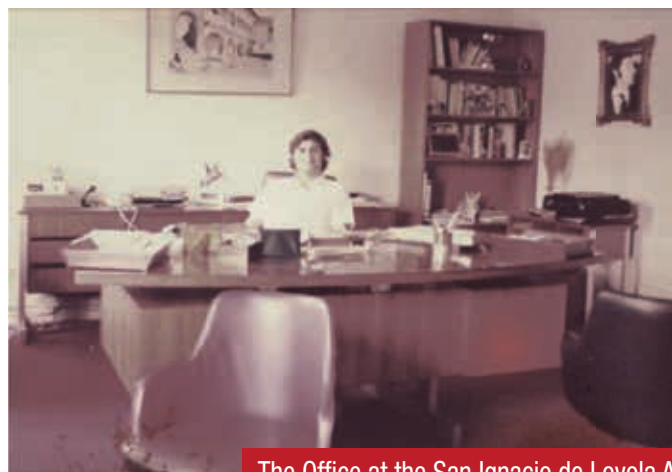
This was an economic blow for my family. I was in my second year in the Economic academic program and my university studies were now in danger. If it had not been for the help from the Rector of Universidad del Pacifico, Father Raimundo Villagrasa, S.J., the story of my life might have turned out differently.

Generously, the university granted me a scholarship until I completed my degree, on the condition that I maintained solid academic performance, which naturally, I did. But there were still many other needs to deal with at home.

My mother suggested that I start teaching math classes. I had some teaching experience. My sister Charo remembers that when I taught a summer school course in the garage of our house at a table we set up there, to neighborhood kids, a course designed to help them refresh their knowledge of math from school.

Opening a Pre-University preparatory academy however, required a larger effort. One day, with Father Villagrasa's blessing, I went to speak at La Inmaculada School, administered by Father Benito García, S.J., to invite students to prepare themselves for their upcoming university entrance exams in my academy. I was able to convince 16 students who brought 4 more friends with them. Thus, I started this venture with 20 students.

Father Guillort, S.J., from the Nuestra Señora de Fátima parish in Miraflores, allowed us to use their retreat house without charge. He also opened the doors to the convent. When I told him that I did not have the resources to pay the rent, he said, *"Don't worry. We know about your problem. You have been a Jesuit student, as were your father and grandfather, Pedro Terry, and so no one here is going to charge you"*.



The Office at the San Ignacio de Loyola Academy

By coincidence in 1969, the university organized a contest that encouraged students to submit business development ideas. I presented a study entitled *“Aspects to consider for the success of an Academy”*. It was a summary of my own experience and a blueprint of what today would be a market study, where I analyzed student needs, the existing gap in the educational system. It explained that a preparatory academy should seek to both ensure admission to university, but also to stay there, which meant teaching students a new methodology of study. I won the contest with that work.

When I found out that Professor Marrou had closed his academy, I went to see him. He was surprised at my decision to open a pre-university academy. The majority of my peers were seeking internships or a job in a company to gain experience, but not start up their own business.

The word entrepreneurship did not exist at the time, defined as your own business. The professor told me how he had decided to open the academy and he encouraged me to continue. And to my surprise, he gave me the resolved question banks and materials for all the entrance exam courses to Universidad del Pacifico. Viewed in perspective, that material was gold dust. In the summer of 69, while I was in my 2nd year of studies in Economics, we were ready to take the leap, and we were the first exclusive pre-university academy for UP.

In gratitude for the valuable support provided by the Jesuit priests, we christened this first venture as the San Ignacio de Loyola Preuniversity Preparatory Academy (ASIL).

The academy began to grow rapidly. News of its successful results with entrance exams passed by word of mouth among young people. By the summer of 1970, we moved to the premises of Maristas School in San Isidro. We taught in the same classrooms that were used to teach classes to high school students and where, not long ago, I had been a student myself.

The high school's faculty lounge was shared with the academy's teachers. During summer vacation months, the school was virtually empty and we taught classes during the day, but once the new school year began, we moved the Academy's courses to a night schedule.

The need for our own premises to conduct our operations without restriction became an urgent need. Augusto Sotomayor, a law student at Universidad Pontificia la Católica who had joined the academy to work with us, obtained a house at Avenida Arequipa 4310. It was our first rental location and it marked the beginning of our lift off.

I met Augusto through a friend we had in common. One day he introduced him to me and since then we have been inseparable as friends. We cultivated a friendship that turned into a fellowship, which has been indestructible over the years until this very day. Augusto developed his own career, and in time, he became one of the most decent, respected and honest Notaries that Peru has ever had.

Since its foundation, ASIL was a laboratory of ideas in Business Administration and Marketing, and a breeding ground for Human Resources, with its young teachers and administrative staff. The best students that passed through the academy, returned shortly after as heads of practice, teachers or tutors, even while still university students.

I was fortunate to find valuable and enthusiastic people that shared the dream of creating a different kind of academic learning center, which allowed them to prepare students while providing them with work opportunities and continue their university studies and graduate with their degrees.

We did not operate as a preparatory academy alone. Instead, we were primarily a training institute. This distinction is essential to understanding the unique element of this venture. We had study groups to strengthen course subjects, just like they had at the university, and with tutors to provide students with personalized attention.

In addition, we organized motivational, artistic and cultural activities. Albarracín remembers the theater contests that we used to organize with the students. About 30 sketches registered for entry to the contest, we selected half of them and they presented their sketches at festivals on weekends, on the patio of Virgen de Fatima church. The families of the kids attended. We had audiences of up to 1,000 and 1,200 people per performance.

In preparation for the academy's anniversary on November 10, Augusto Sotomayor rented the auditorium at the Virgen del Pilar church and organized crowded question



With ASIL teaching and administrative staff.

and answer competitions between the students, in the best style shown on popular television quiz shows.

We were pioneers in the topics of generating internal communication, or Brand identification dynamics, with theater, music and sports festivals long before a local supermarket organized these festivals and which later evolved into processions that paraded the streets of Miraflores.

In the academic environment, we instituted the Mock Entrance Exams every Sunday, also as entrance exam simulations. Students were subjected to every phase of an admissions test, from the first day they entered the classroom, al aula, proceeding from methods to answer test questions on to checking their scores with the same computer system used at universities.

This permitted us to conduct a “natural selection” of students. Those who achieved higher scores went to classrooms A or B. This way we were able to better modulate our teaching methods, adjusting them to the level needed by each group of students and progressively achieve increasingly better results.

ACADEMIA SAN IGNACIO DE LOYOLA
R.M. 3134-10-11-70

La Academia agradece a todos sus alumnos la confianza depositada en ella y asimismo, se complace en presentar los resultados obtenidos.

UNIVERSIDAD DEL PACIFICO

De los 40 postulantes que aprobaron el Examen de Ingreso, 33 fueron preparados por esta Academia, obteniendo los siguientes puestos:



MARIANA OLAECHEA
1er. PUESTO

154 puntos (récord) sobre un máximo de 180 puntos.



YOLANDA VELASCO
2do. PUESTO

151 puntos



ELIZABETH MERINO
3er. PUESTO

126 puntos

49 Figueras, Luis	239 Gonzales, José
79 Campos, Débora	259 Olarescu, Mihai
99 Espinoza, Manuel	269 León Prado, María
109 Labrousse, Alberto	289 Alcora, Ludovico
119 Zarak, Guillermo	299 Picasso, Mariella
129 Ayllón, Carlos	311 Losno, Juan
139 Corazao, Carlos	329 Cisneros, María
149 Sologuren, Rosanna	339 Chicof, Lilliana
159 García, Carlos	349 Málaga, Marcos
169 Tagliabue, Sara	359 Romero, Carlos
179 Valdez, Cecilia	369 Finazzi, Roberto
189 Martínez, Jorge	379 Barúa, Alicia
199 Lázarte, Alfredo	389 Maggi, Fernanda
209 Testino, Mario	399 Aguirre, Arnaldo
219 Buchuk, Roberto	409 Dammert, Carlos

UNIVERSIDAD DE LIMA

De los 56 alumnos preparados por nosotros, ingresaron 54, obteniendo el 2º PUESTO con la señorita GRACIELA ELEJALDE.



UNIVERSIDAD CATOLICA

En Ingeniería, obtuvimos el 100% de ingreso; en Economía el 85% y en Letras, el 50%.

La Dirección de ASIL, agradece la colaboración y dedicación de sus profesores Augusto Sotomayor, Luis Salazar, Gloria Hartinger, Alfredo Liosa, Carlos Diez Canseco, Jorge Pazos, Ricardo Yori, Felipe Penny, Toribio Arce, Carlos Zúñiga, Jorge Tataje, Fernando Boloña y Giovanni Montalbetti, sin los cuales no hubiera sido posible el éxito que se ha obtenido.

La Academia comunica que el comienzo de sus Ciclos preparatorios para el Ingreso a la Universidad Católica (Agosto) y a la Universidad de Lima (Agosto) se iniciarán el lunes 17 de Abril. En lo que respecta al ciclo de preparación para la Universidad del Pacífico, las clases comenzarán el martes 2 de mayo.

El número de vacantes por ciclo es de 25.

MATICULA E INFORMES: AV. AREQUIPA 4310 - MIRAFLORES
Horas de Atención: 9 - 1 p.m. y 3.30 - 7 p.m. TELEFONO 45-6616

RAUL DIEZ CANSECO TERRY
DIRECTOR

Nº 85842

One of the first successful promotional campaigns of San Ignacio de Loyola Academy.

As I mentioned, our specialty at the beginning was preparing for the UP entrance exams. The university's entrance fee was very expensive. We placed ads in the newspapers with our success, which produced increasingly more students who wished to enroll with us. Soon we had to expand our entrance exam preparation services to other universities such as Lima and Católica, a project that we developed with the disinterested support of Manuel Luque Cananave, who had been my friend in high school, in addition to universities Ricardo Palma, UNIFÉ and Montemar.

The enthusiasm and the confidence that we had in the preparation of the students was so engrained in the academy that on the date of entrance exams, we would rent buses to transport our students to take their admissions tests. Along the way, we would motivate them so they would feel like winners. And they were.

Upon finishing my undergraduate degree studies in Economics in 1970, I worked full time at the academy. The universities were in turmoil. In February 1969, the military regime adopted Decree Law 74737 that ordered the intervention of every university in the country, removing almost all of their officials and assumed a profound change in their organization and system of governance.

The law unleashed what would fall just short of chaos in every institution of higher learning, particularly the national universities.

Fortunately, the academy kept growing. The successful results of the applicants for university admission was our best letter of recommendation.

Over the years, ASIL became a true family. Carlos Zúñiga, Luis Salazar, Toribio Arce, Augusto Sotomayor, Alfredo Llosa, Juan Albarracín, José Martínez, Juan Alfaro, Jorge Tataje, Juan Carmona, María Chamocho, Alejandro Desmaison (who would later become the first General Manager of KFC, a franchise we brought to Peru), Willy Valdivia (who was our last director at San Ignacio Academy and who today is the Executive Director representing us in the venture project, Universidad San Ignacio de Loyola in Asunción, Paraguay), Octavio Cabero, María Fernanda Alvarado, Norma Macera, and Manolo Guzmán. The above are just a few of the names that I can recall right now.

The young man Daniel Diez Canseco helped us at the printer with stencils and my brother 'Calín', who I love so much, was head of publishing. In those days, our secretary, who did anything and everything, was María Chamochumbi Durán, who still works with us at Universidad San Ignacio de Loyola. There were many other people who came and went over the course of time, all of whom I thank for their dedication, effort and contributions in the institutions development.

Hand in hand with my dedication to the academy, I started other ventures and put my professional education to use. A partner and I joined forces to develop promotion and sales campaigns for household appliances, that included giving other goods to the customer as a gift. It was a small company with very little capital, but very dynamic and creative for purposes of marketing and sales.

One of our first successes was having Sunbeam, the famous brand name from the United States as a client. We developed a product that consisted of offering a gift of a set of glasses or a tray with teacups for the purchase of a Sunbeam mixer or blender. We would be responsible for purchasing the gift components and final distribution to the client. This way, everybody won.

Next, we created another company dedicated to the promotion and sale of insulated thermos bottles that were plastic on the outside and stainless still on the inside that enjoyed significant demand for many years.

However, the political and economic situation in Peru in the 70's continued to get worse. The political vein was always there, until it started beating.

«At the time the academy was formed, the majority of us were beardless underage men. In 1969, Raul turned 21 but Carlos and I were 19. We called parent teachers meetings when the parents were twice our age, and sometimes more. We sat down at a table and spoke to them about what they should do with their children, and what they should not. And, we were not even professional psychologists or teachers. We were so bold! And do you know how those meetings ended? In applause! ».

Augusto Sotomayor, Ex Notary Public of Lima

«It was the year 1973. I remember it perfectly. We were in a board of directors meeting, doing the accounting and evaluating the potential outlook for growth of the academy. We were still young men, between 20 and 25 years old. Everyone spoke and gave their opinions. Suddenly, in a very serious tone, Raul said, “You will see. I can say to you right now that someday, the institution that we are managing, San Ignacio de Loyola, will be a university. That I can assure’. I am not sure whether he said this to inspire us or if he truly believed it and had a plan for it. But he said it. And he did it».

Toribio Arce, USIL – United States



With the first graduating class of university admitted candidates who prepared themselves at San Ignacio de Loyola Academy.



POLITICAL ROOTS

As life goes by, politics, slowly but inevitably begin to gain importance. Not just in its purest form of governing, but also on its most painful side of the struggle for power and its consequences.

My political roots come from both parents and date back centuries. On my mother's side, the Terry family, the main stock appears in Ireland and its branches extend toward Spain, Italy and America.

Francisco Antonio Terry arrived in Peru in the middle of the 18th century to settle here permanently. Following him were, José Antonio Terry and Álvarez Campana, Pedro Terry Salazar, Teodorico Terry and finally, Pedro Terry García, my maternal grandfather.

I personally remember my uncles Jorge and José Terry Montes. The latter lived in a house next to my grandmother Eva Emperatriz, in Miraflores, when I had already moved there to accompany her. He reached a position as Government Director during President Belaunde's first administration. Because of his democratic convictions, he was persecuted by Velasco Alvarado, jailed and then exiled by the military dictatorship.

On my father's side of the family, my earliest relatives are three brother generals. Pedro, Manuel and Francisco Diez Canseco. General Pedro Diez Canseco was the brother-in-law of Field Marshall Ramón Castilla and Marquesado (governor between 1845-1851, 1855-1858 and 1858-1862) and Second Vice President of the Republic. He was part of the Supreme Commendation on up to three occasions: 1863, 1865 and 1868.

Manuel Diez Canseco became a member of parliament and senator, though he died very young at age 45.

Francisco was Prefect of Lima and Second Vice President of the Republic in the Administration of José Balta (1868-1872). He courageously suppressed the revolution of the Gutierrez brothers who made an attempt on the life of President Balta.

Colonia de Alemania
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VENTANAS LISTER S.A.
RIVERA 1014 TEL. 81-4221, 81-4222

LA PRENSA

El Diario de la Mañana de Mayor Circulación

Lima, Jueves 2 de Octubre de 1968

FARMACIA UNIVERSAL
DE TURNO ESTE SEMANA
PRECIO: Dos Soles

GOLPE MILITAR

Sacan a FBT de Palacio; Rodean el Congreso Ulloa Sindica a Velasco Como Jefe del Golpe

Marina y FAP Respaldan Al Presidente Dice Gabinete



En Capitan y un Teniente de Ejército, sacan a Velasco del Palacio por Desaparición.

Rumorean que la Marina Enviaría Fuerzas en Contra

A las 6:45 a.m. se reanuda en la Plaza Bolívar que una dotación de la Marina se habían ocupado de los tanques del Ejército.

Este rumor coincidió con el hecho de que un tanque avanzaba rumbo hacia las calles adyacentes al Congreso. En principio se pensaba hacia el edificio del Poder Legislativo.

En la Plaza Bolívar habían seis tanques de tres cañones y uno de seis de 20 milímetros y uno de rangos armados de ametralladoras.

La puerta principal del Congreso estaba abierta y junto a ella había estacionado un autobús negro.

Se informó que el General a la Luis Llanos de la Marina se sorprendió cuando el estacionamiento. El estacionamiento.



Uno de los Tanques que Ocupaban Palacio de Gobierno.

El Ejército volvió esta madrugada al Palacio de Gobierno y al edificio del Congreso Nacional, en un golpe de estado contra el régimen constitucional y el Presidente Fernando Belaúnde Terry, quien fue sacado a viva fuerza de su residencia a las 2:52 a.m.

Al mismo tiempo, otras unidades tomaron empalmeamiento sobre los cuarteles de radio y otras posturas estratégicas.

A las 4:30 de la mañana, la Fuerza Armada, bajo el nombre de Junta Revolucionaria, emitió un manifiesto en que dice que es el poder para defender el país y sus valores nacionales y que por lo tanto el Gobierno ha perdido su legitimidad.

El Ministro de Hacienda, Manuel Ulloa, presidente del Consejo Velasco, presidente del Comando Conjunto, ex ministro del Gobierno y secretario de la FAP, se limitaron a decir que el golpe de estado es una decisión de los militares, en el diario "Exposición", donde se refieren a los militares.

El APRA y Acción Popular respaldan al Gobierno, según se expresó. Hasta esa hora se mantenía en las oficinas al Presidente Velasco.

A la vez de la mañana salió a las calles el batallón de Comandos de la Marina, formado por 100 hombres y un número igual de voluntarios y se dirigieron a la Plaza de Armas.

Inmediatamente, la Guardia Revolucionaria se presentó en la Plaza de Armas, donde se encontraron con los tanques de la Marina y el Ejército. Se les ordenó que se retiraran de la Plaza de Armas y se les permitió pasar al Congreso.

Que se presente la que son estos "Comandos" - "Movimiento" - A pesar de ser una fuerza revolucionaria, se les ordenó que se retiraran de la Plaza de Armas y se les permitió pasar al Congreso.

El oficial de más alta graduación del grupo de vanguardia, el coronel Carlos, que se sentó al lado de la asamblea, que había sido disuelta que había

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Comunicado de Revolucionario

COMUNICADO N° 1
EL GOBIERNO REVOLUCIONARIO
MARIO HAZO CONOCER A LA
CIUDADANA LO SIGUIENTE:

Carlos Diez Canseco de la Romaña, my grandfather, was a local councilman of Cutervo, Jaén, Huari and Dos de Mayo, and later Prefect of Huancavelica, Huánuco and council member for Lima. He also suffered political persecution and exile on various occasions because of his political activities.

In modern times, Javier Diez Canseco Cisneros was my first cousin, a leftist congressional representative and senator, founder of *Partido Unificado Mariateguista* (PUM), recognized leader of Izquierda Unida, now deceased. He was a politician consistent with his ideas and actions. He gave up all the comforts that the family could give him to live in austerity. He was at my side in 2004 and helped me write my letter of resignation from the position of First Vice President.

Politics has always been a topic of after dinner conversation at home. In addition to listening to long conversations about power and the art of governing, the event I most like to remember is the first presidential campaign of Fernando Belaunde, in 1956, passionately supported by my parents. I remember my mother riding a motorcycle through the streets and markets in Chaclacayo with me behind her, passing out flyers for Acción Popular. I was eight years old.

In the 1962 campaign, I was already 14 years old, and I helped my sister and cousins, the children of José Terry, my mother's brother, to paint walls, and not infrequently, we had to defend ourselves with paintbrushes from the groups supporting APRA and Odrismo.

When the military coup against Belaunde's government occurred, I was 20 years old and a university student. That early morning of October 3, 1968, at my grandmother's house, I heard the telephone ring and then a voice saying that the President was being overthrown. The call was made to have them call my uncle Jose Terry, Interior Government Director, who lived in the house next door, and warn him to be on guard.

My uncle had the Police and all the Prefects across the country reporting to him as he held a position of trust in the Government structure. He was deeply loyal to Belaunde. Uncle Pepe was one of the primary targets of the coup. Velasco ordered his imprisonment.



My sister Charo, accompanying Rafael Belaunde in bidding farewell to Fernando Belaunde after the military coup of Velasco Alvarado.

His children –my 11 cousins – and the whole family took action and we organized protest marches that were joined by popular mobilization marches in different parts of the country. Notwithstanding and Armed Forces, with their guns at the ready, suppressed any attempt at holding democratic protests.

Velasco was angry with the family. My father's brother and my baptismal godfather, Santiago Diez Canseco, Manager at Banco Popular, was also imprisoned, first in the Carceleta, then El Sexto and finally in the penitentiary in Lurigancho. I accompanied my father to visit him and bring him his lunch. It was the Government's intent to involve Mariano Prado, the owner of Banco Popular, in criminal financial practices and conspiracy against the regime.

There I witnessed my uncle Santiago's composure to avoid compromising anyone unfairly. He was held in prison at Lurigancho for two years where he suffered a heart attack and was sent to Carrión Hospital in Callao. There was no way to accuse him and one day they finally sentenced him to two years in prison for negligence and since his time served had exceeded this period, he was released.

**“ Given the lack of advertising media,
I printed the flyers used to summon the public
to the protests myself.**

July 26, 1974 was a dark day for national journalism. Media companies were seized, including La Prensa, El Comercio, Ultima Hora y OJO, the expropriation of which was added to the daily newspapers Expreso and Extra, the weekly magazine Caretas and the radio broadcasting stations Radio Noticias and Radio Continente.

Again, my cousins, Pepe Terry's sons and the whole family went out to protest. March claiming abuse began in Parque Kennedy, in Miraflores, and soon they expanded throughout the district. In the provinces there was also public unrest by the people who rejected the arrogance of the regime.

Given the lack of advertising media, I printed the flyers used to summon the public to the protests myself. We protested against the rights of the freedom of the press, free expression, information and opinion. They were memorable days.

All my cousins were victims of the injustice inflicted by the dictatorship. Semich Terry, Director of Radio Nacional, was summoned for trial to harass him. His brothers Jose and Tomas and party leaders such as Luis Felipe Alarco, Ricardo Monteagudo, Felipe and Miguel Alva, and Alejandro Acosta, were arrested and taken to the police guardhouse El Potao, in Rímac. There were over 400 arrests made on that occasion. Among them was a young man Martín Acosta, who was forced to leave the country and was exiled in Bolivia, then he moved to Ecuador, Colombia and finally to Venezuela where he remained until 1977.

In those times, Acción Popular (AP) acted in hiding. On May 31, 1974, two months before the incidents of Parque Kennedy, the Government had declared the party illegal in circumstances in which an ordinary session of the party's national convention was being held. The excuse was to associate the political organization with a protest movement devised within the Navy.

Official Statement N° 52 issued by the Ministry of the Interior directly accused Acción Popular of planning both in Peru and abroad, *“a counterrevolutionary campaign filled with treachery and lies ...seeking to damage the reputation of the Revolutionary Government and the unity of the Armed Forces invoking the people to participate in subversive acts...”*

This same government press release was ordering, *“the expatriation of Javier Arias Stella and Javier Alva Orlandini, prohibit all party activities and close their political offices”*.

The Government closed the local AP office in Miraflores, and the national party convention had to conclude its activities at the home of Norka del Carpio. We had fallen into a dark period of violation of rights and paralysis of political and economic freedom, which would to some degree also mark my destiny.

In 1975, Peru's situation deteriorated even further. Popular discontent had reached the police force, put off by the Armed Forces regime for considering it as no more than low pay auxiliary force. On February 5th of that year, a police strike broke out and Lima was completely unprotected. A series of riots and the sackings of business establishments were violently suppressed by the Government.

The “Great Lima Protest” deepened the political crisis and many companies and business owners left the country in search of safe haven and better opportunities. Our family, intimidated by the Government, had no other path other than to follow their same steps.

A trip, no matter how close the destination, begins with the first step, and this step is the beginning of a new life. Ecuador was the country chosen. It was hard for me to make this decision. It was a type of self-exile, made together with my recently formed family and a new start. Sometimes, misfortune is necessary for us to take control of and build our own destiny.



Popular unrest escalated in 1975, and many families emigrated to Ecuador.



In Louisville, USA, With Colonel Harland David Sanders, creator of Kentucky Fried Chicken

TO UNDERTAKE IS TO PERSEVERE

Once the Revolutionary Government of the Armed Forces was installed, many families suffer harassment and persecution and are forced to leave Peru and settle in the country on our northern border to start over.

The 70's was the decade of military coups in Latin America. Similar to Peru, in Ecuador, General Guillermo Rodríguez Lara cut short the constitutionally elected government of Velasco Ibarra in 1972, overthrowing it by force.

However, and simultaneous to this interruption of our northern neighbor's democracy, an oil boom began an era of relative economic prosperity. Thus, Ecuador became the preferred point of arrival for many Peruvian businessmen who were harassed, persecuted or simply expelled by the military government of Juan Velasco Alvarado.

Among the people who helped many of Peru's citizens arriving in Guayaquil or Quito is Antonio Baduy and his beloved wife Meche. He is a Lebanese man, who was stationed in Ecuador and who knows and loves Peru very much. He had forged friendships with Peruvian families who were in the same industry as he was, processing plastic articles.

My dear friend Antonio Baduy acted almost as if he were an honorary consul. He welcomed entire families and helped them settle in the city. He organized meetings and luncheons. He sought out contacts so that the new arrivals could reestablish their lives in the least possible amount of time.

When I arrived in Ecuador, Luis Salazar one of my senior managers at the academy, had already established himself in Guayaquil. He was a sales manager at a plastic and glass factory, and with my arrival, we reactivated a desire to have our own business. With Luis, I formed a marketing and promotion company that had considerable success with large corporations such as Coca-Cola, Unilever and Rexona. Today,



After 40 years, I returned to the Church of Urdesa (Guayaquil) accompanied by Cristóbal and Ignacio. (On the right) reencounter with my lifelong friend, Antonio Baduy.

Lucho has the representation of products with the iconic brands Marvel, Cartoon Network, Disney, and others of great value in the Market. He also manages a company with offices in different countries of South and Central America.

I proved that consumption and marketing share common traits anywhere in the world, as long as the quality standards and essential characteristics of the good or service are maintained. This is how I came to discover the fascinating world of franchises.

In the mid 70's, Guayaquil was a small city, not the modern metropolis it is today. Economic growth transformed the downtown area of the city, particularly the residential area in the Urdesa area, into a prosperous commercial zone. There you could find a series of stores that offered a series of products ranging from clothing and home products, to food and beverage services, movie theaters and general entertainment.

Urdesa became a commercial zone filled with restaurants that offered Ecuadorian, Mexican, American and Arabic food. On weekends, I used to take walks in this area with my generous, dear Lebanese friend and his family. That helped me to discover what was then a new business model in many parts of the world, franchises.

Of course, now much progress has been seen in this business model and today, there are Peruvian brands that are successful franchises.

In the late 70's, investors had to pay considerable attention to risk management when engaging in this type of business, particularly if the only thing you possess is the urge and will to have your own business, but lack the required amount of capital.

If there was anything that possessed a taste that I can never forget, it was Kentucky Fried Chicken. As if it were yesterday, I remember leaving Sunday mass in Urdesa and seeing a group of people patiently waiting in line, one after the other, to enter an establishment from which they left carrying a red box that exuded the smell of chicken.

Of course, we took our place in line and tried the product. We loved it. It was something new, crunchy on the outside, tender and juicy on the inside. I became a regular customer of KFC while asking myself if such a business would work in Peru, a country where rotisserie chicken roasted over a wood fire was the predominant preference of consumers.

The origins of the recipe of this dish in Lima takes us back to the restaurant called La Granja Azul, located in the town of Santa Clara, some 20 kilometers east of the capital. They roasted the chicken over charcoal or wood flames on a special rotisserie spit that rotated many chickens at a time. At the end of the decade of the 1950's on Av. Benavides, another restaurant opened, called El Rancho, which served chicken this way. El Rancho became a favorite owing to its friendly rural atmosphere that enabled consumers to avoid traveling all the way to Santa Clara.

In its early stages, the consumption of rotisserie chicken was limited to the middle class, but starting in 1970, consumption became widespread as one effect of the economy policy of the military regime. The lack of foreign currency to import food caused a shortfall of several essential food items, one of which was beef. The Government decreed that beef be sold only 15 days each month, and that entrails and offal be sold during the other 15 days. These included tripe, liver, beef heart, basic products for our home cooked meals, which was later labeled as Peruvian "Creole Food", and of enormous success for the national identity of our cuisine. This made people seek out other alternative food products and they found it in chicken.

The fact that at the time, rotisserie chicken and broaster or fried chicken were two of the most consumed dishes in Lima's restaurants did not discourage us. We went to



the US Embassy and Consulate in Guayaquil searching for information about this new type of business.

There we discovered the word *Franchise*, described as a business model in which a company (in this case the franchisor), transfers or grants a license to another party (the franchisee) to use its commercial brand for a given period of time and at a defined location. In exchange, the franchisee must pay a sum of money (royalty) as compensation for its use.

In addition, it minimizes the risk of starting a new and unknown business, since the market research, cash flow management, production process and marketing of the business has already been developed by the franchisor. It was a “Turnkey” business. However, it would require exemplary work and discipline in order to comply with quality standards. This way, the product served at one restaurant is the same anywhere in the world.

An idea crossed our minds to set up a small business to work with KFC, a brand that possessed high profile international visibility, but was unknown in Peru. However, I had the hunch that the selling fried chicken prepared, served and marketed in the KFC style would be a success. As the days passed, my hunch turned into an intense passion to win the franchise, at all costs and I decided not to rest until getting it. I wrote countless letters to different offices and individuals in the company to ask for information and never received a response.

At the KFC restaurant establishment in Guayaquil, I inquired how I could get in contact with those in charge of franchise operations. They commented that the head office in the USA was sending a phantom or mystery shopper who acted like a regular customer, making a purchase or eating the product in the restaurant, and then identifying himself to the onsite manager.

I waited for the day, until it happened. The *mystery shopper* appeared at the KFC restaurant in Urdesa and invited me to sit down to speak with him. I was astonished when Guenter Hueschmann, Regional Manager for Latin American and the Caribbean,

told me América Latina y el Caribe, introduced himself and told me that he was surprised by the perseverance of my letters requesting information and details about how the franchise operated and asking for an opportunity to obtain the franchise license. It was friendship at first sight. We got along well together, but the only thing he said to me was that if I am that interested in the business, he would send me the information soon.

A few weeks later, I received a box full of forms with a series of requirements to fulfill. My attention focused on the form with the title “Investment and financial references”. The startup capital required for this business was substantial, more or less USD 200, 000 at the time and I had no credit references, or savings or real estate property or collateral security. Nothing other than my zeal and the hope that he would give me a chance.

Then, it occurred to me to replace the title of that form with another title: “Reasons for obtaining the franchise”, and I listed my expectations of the business in Lima and the effort I would invest in the business if they agreed to grant me the license. What most mattered to me was that they be aware of how much passion I would put into the work I would perform.

It was no easy task. I learned that in Peru, the powerful Bertello Group, of Banco Comercial, was among the bidders to obtain the franchise license. I had no chance at all of competing with them. However, such was my persistence that one day, Hueschmann called me and told me that the reason that businessmen could not decide immediately whether to invest or not was because there was no certainty as to who would win the general election in 1980.

Peruvian businesspeople and bankers had their reasons to postpone the negotiations. The political outlook was uncertain. We were coming out of a military government that had been very hostile with United States companies and the US Government, to the point of prohibiting the use of business names in English and forbidding the transfer abroad of royalty payments. Moreover, the polls were giving great odds that Armando Villanueva, of the Partido Aprista, would win the elections. However, I was convinced that Ex-President Fernando Belaunde would win.

Good faith is not enough in business. It is necessary to demonstrate it. Hueschmann sent a letter to the bidders, among them the Bertello Group, notifying them that if they did not have a response before the elections, that their applications would be excluded. Then he opened a new door, which, frankly, was a very good sign for my interests. He set a date for a meeting when he would give me the final answer.

I did not wait for the previous appointment or the date to arrive, and making a financial effort, I traveled to Louisville, the capital of Kentucky in the United States, to visit him at his office. Once the moment arrived, when he entered his office, he was surprised to see me there waiting for him. He had offered me the option if the others did not respond; of course, none had done so. However, I had no way of knowing it.

Still bewildered by my persistence and confidence, he handed me a letter that granted me a period of 90 days to find partners and obtain the USD 200,000 needed to start the business. Very excited, I put the letter in my briefcase and returned to Lima.

Back in Peru, Ex-President Belaunde had a good chance of triumphing in the elections and returning to the Government Palace. In the political environment, people were breathing airs of democracy and freedom, and economic expectations were very favorable.

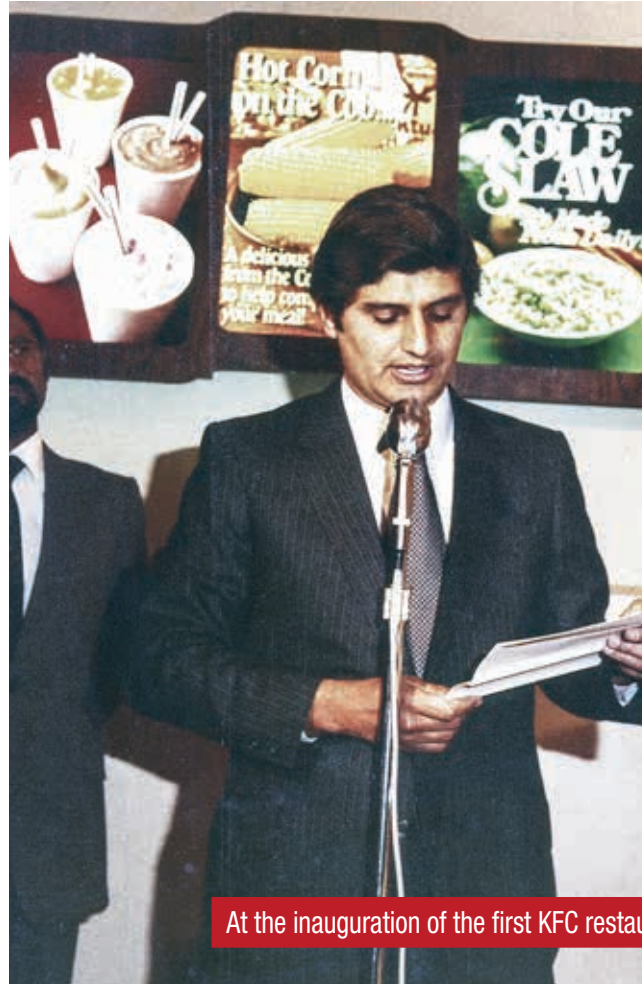
Disregarding the fact it was summer, in 1979 I began to seek out my friends one by one to enthusiastically invite them to participate in the project. Notwithstanding, as the days passed, my spirits seemed to fall and lose the vitality I started with after hearing numerous negative and unoptimistic responses. They argued that it was insane to compete with chicken cooked over firewood or charcoal, or broaster chicken that was widely accepted by the population of Lima.

Nevertheless, I insisted, I resisted and I persisted. When the doors kept closing one by one, I found a friend who convinced his father to invest in the business. Then another partner would join, and I remained a minority shareholder. This is how I overcame the first big challenge of funding.

The second big challenge was to find the proper location to set up the first KFC restaurant in Lima. The agreement said that the location and choice of local suppliers had to be approved by the head office. A special study had to be done because there was no background history in Peru on this type of business. For reasons having

to do with sales strategy and company franchise guidelines, KFC restaurants had to be located on the corner of two avenues with a high traffic level of people. This requirement was novel and it led us to make formal inquiries at municipalities about the necessary ordinances that would make it possible to move existing premises located right on street corners.

No obstacle broke my spirit. Then, the stars aligned and while it had more to do with my persistence and resistance, they granted us the KFC franchise license. I started this business with a 38% stake of the company's share capital. With three partners, we managed to open the first KFC store in May 1981. It was located on the 4300 block of Avenida Arequipa where the San Ignacio de Loyola Academy had operated. President Belaunde attended the inauguration accompanied by his personal aide, Colonel Angel Aguilar (†), who would be a pivotal person in my life.



At the inauguration of the first KFC restaurant in Peru.

The first management staff of KFC came from the ranks of ASIL. Juan Albarracín was manager, Alejandro Desmaison, assistant manager, and the head of maintenance was Jorge Tataje. Ingrid Valega, my secretary at the academy, was also the first one in the new company.

My partners at KFC were also directors and teachers at ASIL: Carlos Zúñiga and Luis Salazar. The first taught language arts, and the second was phenomenal in algebra and trigonometry. Alejandro Desmaison had worked as a test corrector and in time became secretary general of the academy when we reached an enrollment of over 1,000 students. He studies Business Administration at the University of Lima and upon completing his degree, went to work at KFC where he started out as assistant manager at the Av. Aviation location, then, he became, manager, then general manager, and now, 35 years later, he is a director.



Founders and partners of KFC in Peru. Left to right, Alfredo de Ferrari (hidden), Carlos Zúñiga, Raúl Diez Canseco and Luis Salazar.

The success of KFC was positively stunning. In first eight months, sales were USD 1 million. That year, 1981, we did not close on Christmas or New Years Day. The line of customers waiting to be served was endless and extended around the block on Av. Arequipa. I personally waited on tables, greeted and spoke with customers.

The arrival of franchises in Peru brought with it a new business model and a modern customer service concept. *Self-service* did not exist in the country. Customer service was done by young university girls and boys who worked to earn income to help them with their studies. We changed the working habits of young people.

Our stores were impeccable and the chicken and other food ingredients were top quality. Except for the precooked potatoes and the secret formula sauce, the rest of the ingredients were from local suppliers. The chicken had to weigh a maximum of 850 grams. The diet of the chickens on farms could not exceed 7% fishmeal. We reached the point when we were buying 150,000 chickens per month. The flour used to prepare the chicken was local. We went directly to the Nicolini factory to evaluate a specific type of flour and tested its use at our stores. Absolutely everything was standardized.

Monitoring all the details, working hard and evaluating the achievements, every business prospers. In June '83, when we were still in the first wave of KFC growth, we brought Pizza Hut to Peru. One year later, we opened Burger King. We had chicken, pizza and hamburgers, the three options of the new form of food - Fast Food- that we brought to Peru.

Since childhood, I have always been grateful to people, and much more to the Almighty, the Blessed Virgin and Saint Ignatius of Loyola, who have listened to my prayers and filled my life with satisfaction. During the process of creating my business ventures, a deep gratitude has always existed with San Ignacio de Loyola. The legal names of the companies that we formed are all acronyms of the name of the founding saint of the Society of Jesus. KFC was called DELOSI S.A. (From Loyola San Ignacio), Pizza Hut was SIGDELO S.A. (San Ignacio de Loyola), Burger King was SIGDEL S.A. (San Ignacio de Loyola), and Chili's was SAIDEL S.A. (San Ignacio de Loyola). As you can see, our beloved saint accompanied us and blessed us throughout our entire period of existence and entrepreneurial business development.

I cannot end this important part of my life without first thanking three people of whom I will always have an indelible memory. Carlos Zúñiga Quiroz, who was both my neighbor and my road companion in all of the ventures during this golden period. Carlos was not a person of great wealth, but he was a person of noble human and spiritual gestures, who was always at my side in both the happy times and during the difficult moments of my adolescence.

My other partner was Luis Salazar Mourré, Lucho, who I have known since he was an exceptional student with highly gifted intelligence. He never took notes on what he dictated. And, if for any reason someone asked him to repeat his dictation, he responded as if he had recorded it. Lucho was a test corrector, teaching assistant, assistant director and finally, director general of San Ignacio de Loyola Academy. I had also convinced him to emigrate to Ecuador when I went there for a time to work, where we also founded a marketing and sales promotion company. He was the first person I motivated to come on board with the idea of bringing KFC to Peru. He was one of my partners for whom I held enormous esteem.

Finally, in spite of the fact that he does not like to be mentioned, I must give recognition to very important partner, Alfredo de Ferrari Morello, who at the time extended a generous hand, thanks to whose father we obtained the resources needed to start up the KFC project. Alfredo also opened the door to an important bank in Lima to obtain letters of credit and import the equipment we needed. Without him, this part of the story of my life would have been impossible to tell. I must also mention that during those times, he was also a very special friend to me.

Without friendship, the world of business ventures is a desert. As you can see, this project that revolutionized the world of franchise businesses and the sale of fast food in Peru, almost 40 years ago, began with four young entrepreneurs without any financial resources, but who had more than enough spirit and the desire to forge our own destiny.

Many years have passed and I am divesting myself from that business. However, can there be any doubt? It marked my life.

Today, because of KFC, Pizza Hut, Burger King and Chili's, new and innovative business concepts have been developed in Peru, many of them successful and are now being exported as franchises to the world. Moreover, I must highlight our contribution to job creation for thousands of young people of every social status, particularly university students in whom I have always placed my trust in building a better Peru.

Destiny does not usually send important emissaries but instead uses humble messengers. Having consolidated two major ventures in the fields of education and the food industry in such a short time, my personal and entrepreneurial growth was propitious. Nothing could foresee what the stars had instore for me, to be called upon to serve the most under privileged families in my country and fill the stomachs of children, elderly and mothers who live in the poor neighborhoods surrounding the great capital city of Lima.

«If Raul has to transport one thousand people on a given date to the top of a mountain, he is going to say, "Ok, what time do you want them there, at 12 Noon? Good. How do you want them?" Then he asks for the details and on the agreed upon day, at 12 Noon you are going to find the one thousand people as requested. To accomplish this, he is going to work tirelessly for the next three days and he is going have a group of people and a team to work with him and get the job done».

Alejandro Desmaison, Director, KFC



ACCION
POPULAR

YES, I AM A
POLITICIAN

VIOLETA, LOVE AND COURAGE

A cycle of personal intense emotions and inexplicable signs of faith begins, along with the chance to commence a period of public service hand in hand with Violeta Correa, providing support to mothers from the most vulnerable sectors of our population.

The year 1983 was a period of profound emotions, all of them engraved by fire on my heart and my mind. On the family front, my father became ill, and had a face-to-face encounter with Ignacio de Loyola –the saint–, a miraculous symbol in every venture that I have started throughout my life.

It happened on March 8, 1983. Having committed nearly all of the family savings to pay for a high-risk surgical procedure that could save my father’s life, we were able to sign him in to one of the best hospitals in the United States, the Fort Lauderdale Miami Hospital. We had taken him there.

That day, while awaiting news on the outcome of his surgery, a group of doctors came out of the operating room and announced some sad news for Peru. The great singer songwriter of Peruvian “criolla” music, Chabuca Granda had just died on the operating table.

Anguish gripped the whole family upon learning that the same group of doctors would be operating on my father that very afternoon. I aimlessly wandered the hospital corridors like a robot. My sense of time or space lost, I suddenly found myself at the door of a chapel. I went in. The image of the saint San Ignacio de Loyola was there.

–No, you can’t take him away–, I said to him aloud.

–Leave him with me a few more years. Let me give back to him as a son, part of all that he gave me as a father. I promise that you will always have me as your servant in everything I do–!

The operation was successful. My father left the hospital on foot and he accompanied me for many long years more to the joy of all of his loved ones.

That summer of 1983, the academy was bursting with students, to the extent that we needed to rent new premises to add more classrooms. That quarter, the academy's profits were exactly the same amount that my father's operation had cost. Not one cent more and not one cent less. This was one of many mysteries San Ignacio manifested to me.

That same summer of 1983, not even my grandparents could have recalled any time in their lives when there were such torrential rains or flooding that pounded the northern coast of Peru with such unheard of brutal force. According to news stories, the latest such phenomenon on record dated back to 1925 during Leguía's government.

That year, nature's colossal fury was unleashed. Torrential rains that had lasted months virtually flooded Tumbes, Piura and Lambayeque. According to the damage report, 113, 000 hectares of farmland were affected, 1,685 km of highways destroyed, 36 bridges damaged and 15,000 homes swept away.

While torrential rains, flash floods and overflowing rivers raged on the north coast, in the south there were record levels of drought. The 'Mega-Niño', whether through massive excess amounts of water or lack of it, affected more than 17 of Peru's Departments. That year, the GDP fell -13%. Across the country, of Peru's nearly 19 million total population, 1'330,000 people were affected.

Still sensitive from my father's miraculous recovery, and aware of the plight of thousands of families, I decided to donate 10,000 ears of corn I had purchased for the KFC stores. It was a contribution to the program designed by the Government to ease the hunger of most needy. The program was directed by President Belandre's wife, Violeta Correa.

Violeta knew of my experience in managing fast food restaurants, and called me to her office and with a smile on her lips as she asked me to help her to manage the Community Kitchen program. This calling changed my life.

Visiting the Condevilla Señor Community Kitchen was my first task. I arrived at the kitchen run by Rosa Silva. I had never met her. The first time I had seen her was when during a visit to the Palace of Government, her energetic voice had surprised me at the door, confronting security and demanding she be admitted to attend a meeting convened by Violeta Correa. It turned out that the guard was asking her to show her Accion Popular ID card. I mentioned the incident to Violeta, who became confused and said, "Poverty and the needs of our people do not have political colors. Reprimand the palace security and let everyone through!".

I led a group of humble mothers in and Violeta had the courtesy to introduce me in very affectionate terms:

–Let me introduce you to Raul. He is very eager to work. He is going to spend some time with you and teach you how to manage our community kitchens so that they can become self-sufficient. Don't worry. He may be young, but he knows many things that you can learn, she said.



Shopping with the mothers at the community kitchens in the Mercado Mayorista (wholesale food market).

This is where I learned Rosita's story.

She was –and, in some way, all women like her are – a young mother who escaped poverty because she realized that eventually, the ghost of poverty would upset the lives of her children.

She arrived in Lima as a child, when her mother invaded the vacant lots of Villa María del Triunfo. She was married at age 16, without finishing high school, to a neighbor who had learned how to dig ditches, raise columns, build walls and roofs and participate in the inauguration of modest houses. He has also helped with soil removal for the street and sidewalk construction, as well as the first structure that housed the 'Mothers' Club' in his area.

During her busy and hurried errands, Rosa entered the construction of a community center run by a government program called Cooperación Popular, which lacked the required workers to complete the construction on time. The head foreman in charge of construction asked for help from the Mother's Club and thanks to the assistance received from these wonderful women, the community was inaugurated on schedule. That day, this strong willed antagonistic leader touched Violeta's heart.

Rosita accompanied me to visit the Condevilla Señor community kitchen in the highly populated district of San Martín de Porres. Here, since settlements were situated on



Violeta Correa, community kitchen organizer.

"The best smell is the bread fresh out of the oven," she thought.

the outlying perimeter of the nation's capital, poverty was everywhere and far more severe. Whoever does not have a job does not eat. Searching for food was a daily nightmare.

The answer to this stressful situation came from the women. They were the ones who came up with a creative emergency solution to feed their children. They organized themselves around their kitchens, in their modest homes and prepared economically priced menus, soup, main dish and a beverage for a truly nominal price.

Arriving at the Condevilla community kitchen, feeling the tenderness of the children of these mothers and witness the solidarity of women in facing poverty and satisfying a basic need of their children, feeding them, made an enormous impact on me. That night I could not fall asleep. The next day I made a decision I will never regret. I resigned from my position as general manager of KFC and reduced my role to that of a board member.

I accepted Violeta's assignment and I went to work full time, *ad honorem*, managing the community kitchens that she had created with so much love and effort. Since then, I have never distanced myself from these wonderful women.

My contribution was helping them to manage the community kitchens with business criteria. At first, they would cook only after receiving private and Government donations. In time, they learned to efficiently manage their meager resources and obtain the capital to buy themselves the food products they needed to cook.

In those days, I woke up at 4 a.m. and accompanied them to the Wholes Sale Produce Market of Lima, called La Parada, to buy vegetables, groceries and meat products. I organized them into districts and I would assign a truck and a product distribution route. Having started at a level of between 100 and 150 daily menus, we ended up selling 1,000 menus per day. 10% of the menus were given away free of charge to the sick and orphans.

Rosita moved up from first being a community leader to a zone leader, then a metropolitan leader and finally a regional leader. She was managing as many as 106 community kitchens in Lima and Callao.

If the best type of love comes from children, the best smell is of bread fresh out of the oven. That was Violeta's thinking when she equipped the community kitchens, with ovens to make bread and serve breakfast to schoolchildren. She sent me to Villa El Salvador, one of the primary hubs of the small and medium sized businesses in the metalworking industry of Lima, to inquire about the characteristics of this equipment. There I met Antonia Surco.

Antonia was a tall, robust woman and confident of her decisions. She gave me detailed information about oven types, trench depth, amounts of rebar and steel material, number of bricks and even which quality of cement to use.

You would be surprised to hear all that I can do. These brown hands have done it all. Mr. Raul, she said as she showed me her calloused hands.

Antonia was part of *Cooperación Popular*, a program that Belaunde had implemented in his first administration and through which it delivered material resources, engineers and technical advisors, to organized communities, and the local population built civil construction works of interest to the community. Antonia had personally participated in hundreds of projects. She took training courses; she won a scholarship for one of Violeta's programs and travelled to the United States where she still resides.

Violeta taught me to love this other face of Peru, those thousands of men and women who left their places of origin in search of better opportunities in the capital. A Peru, which had exceeded the State's capacity, as was pointed out by José Matos Mar, who had been ignored for a long time.

Violeta's efforts addressed the food emergency. It was clear however that what was needed to permanently overcome this problem, was an economic model that created wealth, jobs, provided access to more and better opportunities, and that channeled the natural force I discovered in the popular sectors, their capacity for work and savings, and particularly, that quality possessed by the women, entrepreneurship.

This experience made a strong impact on my life and served as a starting point of my political career.

«Violeta gave us an incentive to start working, they were food products. Raúl taught us to turn this food into capital. He was concerned about how we should cut the chicken and fish. He taught us to keep Revenue and Expense Ledgers. He checked the books to work out the sales. He helped us learn not to depend on the Government and be self-managers».

Rosa Silva, former president of Cocinas Familiares de Lima y el Callao (Family Kitchens of Lima and Callao)





FERNANDO, BODY AND SOUL

The political teachings and the values they embody go hand in hand with two figures who practiced them with honor, loyalty and decency. Six months before the end of Belaunde's second Government, I assumed the responsibility of government post as Vice-Minister for Tourism.

My experience in the soup kitchens run by homemakers along with the dire conditions that prevailed in extremely poor neighborhoods of Peru taught me that politics is the natural arena for implementing the great transformations that a country needs.

When one assumes a responsibility in the Government, he or she has the authority to take action on the reality seeking to transform it for the benefit of the most poverty-stricken. I learned these life lessons from two people I admire: Fernando Belaunde and Violeta Correa.

Belaunde was an example of a continuous pilgrimage on behalf of Peru, of constant, persistent, tenacious commitment to propose, convince and win people over before, during and after he was in power.

A vivid example of Belaunde's civic courage is recorded early in his political career, on that epic day of June 01, 1956. A summary of this episode is as follows. Belaunde was in Cajamarca when he was informed that the National Jury of Elections (JNE) was refusing to register his candidacy to as President of the Republic in representation of the Frente Nacional de Juventudes Democráticas (National Front of Democratic Youth). He immediately returned to Lima and, in front of the Acción Popular party headquarters on Calle Tarapacá, he decided to lead a march to the Government Palace. When he had reached the Church of La Merced in the historic center of Lima, he was met by the police who attempted to prevent him from reaching the *Plaza de Armas* (main square of Lima). The two sides inevitably clashed.



Water cannons sprayed water at Belaunde. It was there that, brandishing the flag, he gave the famous "Ultimatum of La Merced" speech, an act referred to throughout history as "the water cannons vs the flag bearer." The authorities conceded and he was then allowed 30 minutes to register his candidacy at the JNE. The university students accompanying him, including many youth from the provinces, did not move until the JNE had responded to his ultimatum. Their attempted veto of the new candidate failed, and his candidacy was finally accepted.

Belaunde was robbed of the election in 1956, and a month later was already traveling across the country to start his new campaign. He ran in 1962 and again in 1963, when his victory was finally acknowledged. His example showed that one should never give up, but instead persist in the pilgrimage, in the dissemination of ideas, and not bow down in the face of adversity.

Belaunde was a man who never harbored grudges. Revenge lowers the victim to the same level as the aggressor, whereas forgiveness demonstrates the former's superiority. The events surrounding General Hoyos Rubio are a splendid example of this.

Hoyos was the head of the Rimac Armored Division, which on October 3, 1968 entered the Government Palace to overthrow Belaunde. Twelve years later, in 1980, when Belaunde had returned to power by democratic means, Javier Alva Orlandini, Vice-Minister and Senator, demanded of the Minister of Defense, Jorge Muñiz Luna: *"General Hoyos must go into retirement, as he was the one who ordered the tanks into the Palace and violently drove Belaunde out."*

Later, General Muñiz carried a resolution ordering the retirement to the president. Belaunde looked at it in surprise, since he had not instructed this. *"General, what position is Hoyos entitled to, in accordance with his military rank?"* Muñiz, disconcerted, replied, *"Mr. President, if we do not remove him from his position, you will have to appoint him Head of the Joint Command, as that corresponds to his rank."*

I heard the entire conversation, as I happened to be in the Government Palace. Belaunde added, *"Cancel this resolution, and bring me the documents to promote General Hoyos. Tell him that I would like to speak to him at 4pm, but do not tell him the topic of discussion."*

Born in Cajamarca, Hoyos joined the Army as a volunteer soldier and then studied at the Military School in Chorrillos. Throughout his career, he served in the various garrisons of the Peruvian Army, and as Brigadier General, he had served as Minister of Food during the government of Velasco Alvarado.

General Hoyos arrived at 4 pm. Belaunde handed him the decree and asked him to read it. *"That will not be necessary, Mr. President, I already know what this is about. I only wish to say that I acted on orders from my Commander."* Belaunde insisted: *"General Hoyos, if you do not read it then I will."*

Hoyos began to read it, and as he reached the resolution, tears rolled down his cheeks. It was his appointment as Head of the Joint Command of the Armed Forces.

General Hoyos Rubio was the most loyal man ever to serve a President. He and Belaunde became very close friends. In 1981, Hoyos was responsible for the campaign in the Cordillera del Cóndor, conducted at the Falso Paquisha base in the confrontation with Ecuador. In June of that year, while he was making a command visit, an airplane crash cut short his productive life. Belaunde attended his funeral and cried on his coffin.

The President did not consider public recognition a precious treasure, but he highly valued the loyalty and good faith of his friends. One day I found him deeply saddened by news that he had just heard. He said the following: *"How sad it is to reach the end of a presidency and find out that people betrayed you."* I promised him that at the end of his term I would accompany him on his journey across Peru. He gazed at me with nostalgia and we embraced. We had not done so in a long time.

As I mentioned earlier, his faithful companion Violeta allowed me to participate in government administration. Thanks to her I became an *ad honorem* public servant, and very familiar with the population's immediate needs.

Fernando and Violeta were my second parents. I witnessed both of them during their time of glory, in full exercise of their power, governing the country like missionaries, imbued with mystique and love for Peru. I also enjoyed their company in the peaceful rest of political retirement, in the intimacy of their home.

There were only six months of his government left when I joined the public sector, in a race against time. For a long time, the Minister of Industry, Álvaro Becerra, had presented a project to the Executive Branch that involved transferring the Trade Sector, then part of the Ministry of the Economy and Finance, to his ministry. Belaunde accepted and this is how the Ministry of Industry, Tourism, Integration and International Negotiations (Mitinci) came into being.

At the time, the Vice-Minister of Tourism, Raúl Ortiz de Zevallos (†), a brilliant man, a close colleague of President Belaunde and great confidant of Minister Álvaro Becerra Sotelo, was moved to the Ministry of Trade, thus leaving a vacancy for Vice-Minister of Tourism.

Álvaro Becerra had seen me working in the housing projects with Violeta and in a number of personal tasks for the President, such as moving 500 Cubans who had invaded the Peruvian Embassy in Havana in 1980, and whom the Government brought to Lima. They were living in overcrowded conditions under the Santa Rosa Bridge in the center of Lima. My mission was to coordinate their transfer to Pachacámac, where a housing complex had been built for them.

I coordinated with the Navy, who provided support in the form of vehicles. The press, seeing that the Cubans were being transported in large trucks belonging to the Armed Forces, reported that they were being displaced against their will. However, they were astounded to observe the Cubans' delight upon realizing that Belaunde had commissioned housing for them.

Becerra suggested to President Belaunde that I be appointed Vice-Minister of Tourism and brought him the corresponding supreme decree.

"Is this my nephew Raúl Diez Canseco Terry? The one who works with Violeta?" he asked, as Becerra later recounted.

"Yes, Mr. President. That is him."

"Hold on Minister, what experience does this young Diez Canseco have in the public sector that qualifies him to become Vice-Minister?"

"The same experience that I had, Mr. President, when you appointed me as Minister."

Belaunde proceeded to initial the supreme decree that appointed me to the position, barely six months before the end of his term. Public officials usually take six months to familiarize themselves with their sector. I did not have that luxury, and I applied the work pace that I was accustomed to in the private sector straightaway, starting work at 7:45 am.

There was not enough time to commission any physical construction projects. I decided to solve three specific problems in the sector to make tourism more dynamic.

San Isidro, January 17, 1985.

ALVARO BECERRA SOTERO
Minister of Industry, Commerce,
Tourism and Integration


Distinguished Minister:

I wish to take this opportunity to thank you once more for the special deference you showed me by selecting me as one of your closest collaborators, a designation which already commits me to you and the country.

Moreover, I hereby request that you instruct the relevant office that the remuneration assigned to the position of Vice Minister of Tourism that I occupy, is to be cancelled. I do this because I have come to work Ad honorem, so that in this way I might contribute my small grain of sand during these grave times that Peru is going through, many of which stem from international causes.

For me, Mr. Secretary, the greatest compensation that I can have is the satisfaction and honor of being able to work for my country, particularly for the benefit of the most under-privileged.

Sincerely,


RAÚL DIEZ CANSECO TERRY
Vice Minister of Tourism

RDT/mvd.
17-01-85



The letter waiving remuneration as Vice-Minister of Tourism.

My first initiative was to call all the advisers and officials in the Vice-Ministry, interview them one by one, draw as much benefit as possible from their experience in the sector, and compare their ideas with mine. I remember many young technical staff and old public officials, all highly trained, a little nervous at first, but clearly very competent in their posts and hoping for the opportunity to put their knowledge into practice. One of them, whom I immediately admired for his quick thinking and action, was the director general of Tourist Infrastructure, Ramiro Salas.

Over time, Ramiro and I forged a close friendship, and became akin to brothers. Years have only strengthened the affection that I feel for him, a loyal, noble man with an unbreakable spirit, like his wife, Patty Rodríguez, a woman of great intelligence, mettle and sensitivity.

Ramiro was born in Cusco. He trained as an architect, and became a multilingual tour director. In addition to Spanish, he speaks Quechua, English, German, French and Italian. He is the ideal man for such as position of strategic leadership. He told me that to attract international tourism we had to cut the Gordian knot: facilitate access to Machu Picchu, Peru's most valuable archaeological heritage site.

He started by telling me that tourists staying in Cusco had to get up at 5 am, take the train at 7 am, travel for five hours and reach the overcrowded and chaotic town of Aguas Calientes, where they took a bus to reach the Inca citadel, explored it for a few hours then traveled back, arriving in Cusco at 10 or 11 pm. It was a touristic visit requiring athlete-level stamina.

Ramiro suggested the following solution: designing a shuttle-style transport system that would allow tourists to travel to Machu Picchu at different times of day, which meant having a faster method to reach Urubamba from Cusco, continue on to Ollantaytambo, and then head to Machu Picchu.

The system would require putting a series of railroad cars that Peru had acquired from Spain into operation, and had been left standing unused and almost completely forgotten in the port of Matarani in the Department of Arequipa, nearly 600 km from Cusco.

"Fantastic, let's do it!" I replied to Ramiro after his technical explanations.

I saw his eyes widen when I asked him to travel to Arequipa the next day to arrange the use of the railcars. *“Leave a photo of yourself at home, because your family is not going to see you for the six months that I am Vice-Minister”*, I added before he recovered from the surprise. We literally worked at full steam to redesign the transport system to Machu Picchu.

We constructed a new line from the Tourist Hotel in Urubamba to facilitate visitors’ journey. We encountered a thousand and one problems in the implementation. The wheel axles of the railcars turned out to be a little too wide; therefore, we had to adjust them to the size of the installed railroad tracks. We signed an agreement with the Shipyard Marine Industrial Services (SIMA) to assemble the cars, and another with Enafer Perú to adapt the railway line to new technical specifications.

In five months, transport to Machu Picchu became significantly easier.

Tourists could now travel from Cusco to the Sacred Valley, stay in a splendid hotel belonging to Entur Perú in Urubamba, and travel comfortably from there by train, followed by a bus, to reach the country’s leading archaeological heritage site, one of the wonders of the world.

The system was inaugurated by President Belaunde on June 25, 1985, one month and a few days before the end of his term. Today a plaque that records this event is still hanging in the Ollantaytambo station.

The second objective stemmed from an excellent idea of Violeta Correa. She argued that one of the reasons why the capital looked so neglected was because the cultural riches that reflect its true value were unknown. In her discussions with the work team at the Vice-Ministry, she spoke enthusiastically about Lima’s monumentality, not only during the Colonial and Republican eras, but also in Pre-Hispanic times, and she thought it essential that children learn about this rich heritage.

This is how we started to design the Los Peregrinos de Lima Program (The Pilgrims of Lima), directed by Juan Segalá. Starting at 9am every Sunday, buses would leave different location points in the city, to transport students free of charge to visit the main tourist attractions of Lima, including museums, churches, public squares and monumental buildings.

Along the way, we would hand out snacks to the children and teenagers, thanks to the generosity of private sector donations adolescents. Our guides were students from Cenfotur, an institute specializing in tourism. This was one of the most promising programs, because it served to raise awareness about Peru's history among students, reinforcing their identity as citizens and as Peruvians.

Unfortunately, the following presidency administration suppressed the program with the stroke of a pen. I have always wondered what would have happened, had it continued to operate. Perhaps more young people would have learned more about their city, and loved and respected it more.

The third project was not in Lima, but along a section of the Libertadores-Wari highway, in the Department of Huancavelica, on the road to Ayacucho.

A while ago, Belaunde, who knew the roads of Peru like the back of his hand, had initiated a national project to build a chain of tourist hotels. One of these was in Huaytará, a village that was formerly an Inca enclave, built in the era of Pachacútec, and which made it possible to expand the Inca presence to the coast, to the present day sites of Pisco, Chincha and Ica.

This village features the San Juan Bautista de Huaytará Church, the only one of its kind. Its foundation is an architectural structure with walls of sculpted stone, and trapezoid shaped windows. When the Spanish arrived, a church was built on top of this foundation, thus making it a work of Incan and Colonial art. An architect



Registering the program Los Peregrinos de Lima designed to raise student awareness about the history and heritage of our capital city.

himself, Belaunde admired that mixed-culture architecture for the way in which the characteristics of different cultures were harmonized into a religious monument. He had supervised the hotel plans, to ensure that the construction work would be completed. However, the project's advancement was paralyzed by bureaucratic delays, which are sometimes the reason why a government's decisions do not meet their expected results.

We set our sights on finishing this project, and we did. Throughout this process, I suggested a few ideas and sector – related projects that would pursue me my entire life.

I will always remember the honesty and the discreet prudence and frugality with which Fernando and Violeta lived after leaving power.

I was fortunate enough to have lunch with them every Monday in their small apartment on Conde de la Monclova in San Isidro District.

Occasionally, the tranquility of their lifestyle was disrupted by the tumultuous political events affecting the country, but most of the time they lived in an atmosphere of sober solitude that often characterizes former presidents.

This is one of the paradoxes of a politician's life: when their terms ends, the lights of power go out and very few "friends" visit them.

It is the solitude of power.

My public activity had just given me my first opportunity to serve my country. Once this experience ended, I decided that it was the moment to adopt a political career as a long-term vocation. It was time to register with a party, and become an activist.

At the end of his second government, Belaunde created a commission to reorganize Acción Popular, overseen by Sandro Mariátegui, consisting of seven members. I was one of those seven.

«One day, Fernando gave me a pair of extremely worn shoes, with a hole in the sole of the shoe. He asked me to get them repaired, and I took them to a shoemaker in Surquillo. On the way, my cell phone rang; it was Raúl Diez Canseco. He was calling from London to ask what present he could buy for his uncle Fernando. I told him what I was doing, and when Raúl arrived in Lima, he appeared with two pairs of shoes. When Fernando tried them on, they did not fit. He said that they seemed a little small. Raulito looked at me as though to say, “You gave me the wrong size.” He put his hand in the shoe and it was full of cotton. When he removed it, the president tried them on again, and they fitted perfectly, like gloves.

Before every Fathers’ Day, Christmas or birthday, Raúl would call me to ask what he could give his uncle Fernando or aunt Violeta. I always had the perfect answer. Fernando had a very small, 14-inch television in his bedroom that he used to watch the news. At that time, televisions had a little door that one opened to change the channels, and that door was held in place with scotch tape. This was the television of the President of Peru! That year, a TV became his Christmas present. Raulito brought him a new television, installed it and tossed out the old one. He cared deeply about his uncle».

Edwin Huaranga, Assistant to Fernando Belaunde Terry

VOTA POR LA RENOVACION



**RAUL
DIEZ CANSECO
TERRY**

SECRETARIO GENERAL
DEPARTAMENTAL DE LIMA
1987 - 1989



ACTIVIST IN ACCIÓN POPULAR

Belaunde's second mandate ends, and with it, the solitude of power stands up like a shadow. The party is faced with new responsibilities, and it is time to test loyalties and commitments by undertaking new roles.

I had never been active in a political party during my youth, but I have lived within Acción Popular my whole life. The party's blood has run through my veins from the moment I was born.

I cannot deny that I have always been interested in politics. I have already recounted how at university I belonged to a study group that organized debates on history, politics and political doctrine. We were the generation of the military coup, and this probably produced a slump in our active political training.

The experience in Violeta's community soup kitchens reaffirmed my convictions of solidarity with the poorest Peruvians. When you witness the needs of people who live on sandy terrain, lack running water and electricity and are unable to feed their children adequately or send them to school, you only have two options: to remain impassive and immobile, and hope that this reality will not affect you; or to fight against it and try to change it.

It is a feeling of responsibility that drives you to act, that goes beyond your personal and family commitments, and impels you to protect just causes, social responsibilities, greater obligations, which remind you that this heart wrenching situation cannot continue and must be improved.

I once spoke about this to President Belaunde, who knew how to respond to this type of concerns.

"Change can be achieved", he said, and added "Democracy is the only way to do so. To accomplish this, you need to become an activist in a political party, and gain power.

From that day on, Belaunde transformed my life plan into Peru's life plan.

The first pages of this plan began to fill up with my experience as Vice-Minister for Tourism, in which I set the goal of efficiently managing the tourism services that the Government provided. Yet as I grew familiar with the power associated with public service, I also saw its human facet of its expression, and the sunset and solitude in which it ends.

Today I understand that exercising power wears a person down, and that presidents pass through three clear phases: reaching power in a crowd, governing in austerity and retiring into solitude.

Belaunde was no exception.

I accompanied him as he left the Government Palace, on July 28, 1985, and drove him to the location that he requested: Callejón de Huaylas, in the Department of Ancash.

"I leave you with your freedom intact", Belaunde had said to Luis Alberto Sánchez, a few minutes earlier, as he handed the torch of power to his successor, Alan García Pérez.

We were accompanied on this journey by Matilde, a close friend of Fernando and Violeta's, then married to Sandro Mariátegui (†), a prominent politician in Acción Popular. Finally a close friend of both the regrettably recently departed Carlitos Pestana.

Along the way, the memories of Belaunde's government, the things that were accomplished and those that remained pending scrolled by as flashbacks of a recent past that was being left behind, but had to remain in the present to teach us life lessons.

During the journey, I felt that Belaunde was a man who governed Peru from the heart.

Belaunde spoke, quoting authors, laws and situations perfectly from memory. He knew the history of every village, snowy peak and lagoon that we passed on our way. He spoke of the grandeur of the Peruvian people, not with nostalgia, but with pride. He also shared the teachings that he was leaving for future generations, and that Acción Popular had embodied in its doctrine and program.

“*Fernando Belaunde was more than a politician. He was a Peruvian scholar, and loved his country deeply. No one like him had discovered in their homeland, in its people and history, the philosophical foundation to support their proposals for the country.*”

Fernando Belaunde was more than a politician. He was a Peruvian scholar and loved his country deeply. No one like him had discovered in their homeland, in its people and history, The philosophical foundations to support their proposals for the country.

The geographical and climatic difficulties were a factor that helped Andean people develop the capacity to solve problems in a unique fashion. They combined the rational and the mythical, the natural and the scientific. The contribution of their knowledge, the balance of man to earth and the survival of the individuals from all backgrounds, free of famine, made Pre-Hispanic cultures into societies based on living in harmony with nature's elements.

During that journey, as I listened to the former President of Peru and the conceptual roots of Acción Popular, I decided to take an active role in the party. Belaunde was certain that AP should continue its struggle and, to that end, overcome the electoral defeat of 1985.

The devastating floods in the north of Peru, which coincided with the droughts in the agricultural fields of the south, the external debt crisis and rising inflation caused by policies during the military regime, the drop in the international prices of commodity exports and the early days of armed struggle by the Maoist group Shining Path, were the bill that Acción Popular had to pay during this election process.

A group of leaders was tasked with restructuring the party under the leadership of former senator Sandro Mariátegui. Thus Edmundo del Águila Morote, Jorge Díaz León (†), Raúl Freundt, Javier Velásquez, Graciela Espinoza, Nina Martán, Luis Enrique

Gálvez and myself assumed the honorable duty of redesigning and modernizing the party's infrastructure, organization and thinking.

Every week, part or all of the delegation would travel to Peru's interior. This allowed me to roam the country from Tumbes to Tacna and from Lima to Loreto, identifying regional and provincial leaders, creating party committees, inaugurating headquarters and signing up new activists and supporters who were keen for a party rooted in the earth-based message of our Andean civilization, yet with an open mind to the global changes of modern society.



The central headquarters, on Paseo Colón, the symbol of so many battles and victories, was renovated. We installed a library open to the public, where young people could find material for their studies. We also built a cafeteria that brought in revenue for the party, and started to purchase land for our party bases, primarily in the provinces.

One year later, the changes were remarkable, and party members were starting to gather again. On June 1, 1986, we scheduled a meeting in Iquitos. Some considered that it was too soon. Alan García's reign as president had almost begun, and the more cautious voices recommended that we avoid stirring things up.

Belaunde asked us not to summon people to the airport, so that they could gather in the square. This however turned out to be impossible. Entire families expected his arrival. Iquitos was overflowing with supporters. The caravan that flowed from the airport to Plaza 28 de Julio was so large that it is still remembered today.

This homage to Belaunde stemmed from his identification with the Amazon, the construction of the Marginal Highway of the Jungle and, in particular, Law 15600, which granted tax benefits to the region, which years later, upon entering Congress, I had to defend staunchly to ensure that they were maintained.

One year later, the party's National Convention approved the new structure of Acción Popular, laying the foundation for the party's transformation. Edmundo del Águila was elected Secretary General, and I became Secretary for the Department of Lima. The leaders of the new National Executive Committee (CEN) included Valentín Paniagua, Juan Incháustegui, Jaime D'Althaus and Carlos Delgado.

Over the course of those years, when there was no discussion in Peru about the internal democracy of political organizations, or anything resembling party regulations, we took a step ahead to forge democracy from the bottom up, by proposing the democratic internal election system: one member, one vote.

As a corollary we organized an ideological convention in Chiclayo to debate the party's philosophical and political bases, using the thinking that Belaunde had published in his book *El Peru como doctrina (Peru as a doctrine)*, which embodies a humanist proposal to recall the grandeur of our original civilization while drawing on the most advanced aspects of global thinking.

Having thus revamped the party, we embarked on the municipal campaign of 1989. The grass roots organizations of Acción Popular nominated me as a pre-candidate for mayor, but I turned this down in a public letter, to show my support for party unity. Acción Popular nominated Juan Incháustegui as the candidate for Lima, in partnership with Fredemo (Democratic Front, the party founded in 1988 by author Mario Vargas Llosa). Ultimately, we lost the provincial election, but won votes from over 50% of the districts in Greater Metropolitan Lima.

This campaign put the new organization and operation of the party to the test.

We were ready for the 1990 presidential campaign.

Our objective was for Belaunde to accept candidacy to represent us again. We worked with that goal in mind. However he had other plans, and confessed that as an elderly man (he was already 78 years old), it was neither sensible nor responsible for him to expose the country to the uncertainty or anxiety associated with his health. In Cusco, he finally announced his decision.



With author Mario Vargas Llosa, in a warm reception by the crowd during the 1990 election campaign.

That day, the bright sun warmed up the stones of the pavement of Plaza Huacaypata. Peru was asking for a lesson in loyalty, commitment, selflessness, and love, he said to a crowd of 60,000 souls gathered there. It was the moment for renewal, he announced. He had decided to decline the candidacy. Before the large crowd, he delivered a vibrant speech, bringing the chapter of an entire lifetime devoted to Peru to a close. He turned down the candidacy and left us all with our hearts in our hands.

His idea was to promote new generations of politicians.

We were immediately overwhelmed with the arduous and detailed task of building consensus and political unity under the umbrella of Fredemo, which consisted of Acción Popular, Partido Popular Cristiano (PPC) and Movimiento Libertad, and this process culminated in the appointment of Mario Vargas Llosa as the presidential candidate in 1990.

That was also my first experience as a candidate in a popular election.

«In his work, Raúl Diez Canseco indicates that the human being is the supreme purpose of society and the State; he explains the differences between formal and actual inequality, arguing that it is easy to eradicate the former, but impossible to change the latter with a decree.

In this context, democracy had to be both fair and effective. Therefore, we must pursue a social and economic system that enables us to preserve the freedom and wellbeing of every Peruvian, build an effective democracy in both the economic and social dimensions and lay the foundation to ensure that every member lives in a society characterized by fairness, plurality and solidarity, and offers an equal opportunity for every Peruvian to fulfill their destiny.

Underlying these words are the characteristic elements of Acción Popular's ideology: humanism, democracy, social justice and solidarity».

Dr. Francisco Miró Quesada Rada, former director of the newspaper El Comercio



Attack carried out against the KFC restaurant on Avenida Arequipa in the early 1990s.

DEFEATING TERROR

In 1980, while the recovery of democracy emerges in Peru, a cycle of armed violence unleashes terror in the countryside and city. This is the era of anti-politics, the last repercussions of which can still be felt today, and which has claimed over 69,000 lives.

The 1980s and early 1990s were years of fear and terror, of radicalism and violent ideologies. Peru had harbored extreme philosophical positions in the 1960s, and became home to guerrillas and the Guevarista insurgency. The long dark era of military governments in Peru and Latin America quashed many armed movements in the region. However, they did not resolve the root causes of exclusion and poverty that gave rise to these groups.

In the 1980s, Peru returned democracy and political parties awakened from their lethargic state.

One event, however, caught the nation's attention.

On the eve of the elections, on the night of May 17, 1980, an unknown group of people attacked the village of Chuschi in the Department of Ayacucho, and burned the ballot boxes and voter registration records. This act symbolized the beginning of the war against the Peruvian State.

In December of that year, dogs were hanged from lampposts along Avenida La Colmena in Lima, with a sign stating “*Teng Siao Ping, hijo de perra*” (*Teng Siao Ping, son of a bitch*), a rejection of the policy of economic openness pursued in China. It took us a while to understand the message and subsequent magnitude of these insane acts. Peru had entered a spiral of violence from which no one would emerge unscathed.

The Maoist organization Shining Path was later joined by the Movimiento Revolucionario Túpac Amaru (Túpac Amaru Revolutionary Movement, also known as MRTA), a Marxist

and anti-imperialist terrorist group with inspired more by Cuban influences than Chinese ones. Those were years of hatred and disharmony, of selective assassination and car bombs. Those decades plunged the country into a long dark night, from which no one could guess we would ever emerge.

They were times of suffering and terrorist blackmail.

A wave of violence washed over the country, and before we knew it, the war moved from the countryside to the city. Faced with the State's ineffectiveness in protecting its citizens, private security companies appeared, and men in brown uniforms replaced the police in businesses and public buildings. Middle-class residents placed barbed wire along the tops of the walls of their properties, and the wealthiest sectors installed electric fences and surveillance cameras. Houses, parks and streets were fenced in, giving neighborhoods the appearance of giant prisons.

Going out to a restaurant or simply for a walk involved security planning, changing routes and in extreme cases changing cars.

The country lived in an atmosphere of fear and insecurity.

If there was one thing that the public came to expect without fail at the end of the year, it was power outages. The Shining Path members were blowing up the electric towers that surrounded the city, causing huge blackouts. In the middle of the darkness, huge torches lit up to form the hammer and sickle on the Cerro San Cristóbal located between the Rímac and San Juan de Lurigancho, 500 meters from the Government Palace.

Terrorism was knocking on the doors of the city.

MRTA, on the other hand, based its attacks in the city, jungle and semi-tropical forest regions. Their methods seemed more like combat fighter groups like the FARC in Colombia, although with logistics that are more modest, organization, and militancy, and fire capacity. MRTA financed their terrorist activities through kidnapping and blackmailing businessmen.

I experienced the latter method to its full extent.

““ *The first feeling that you experience when faced with threats and extortion is fear. It is the anxiety provoked by the idea that they could harm your family. The second feeling is impotence. You feel defenseless and vulnerable.*

On Friday March 1, 1985, after attending an interview at Canal 5 Panamericana Televisión, and while on the staircase of the building, I ran into the famous fortuneteller who worked in Lima, named Coty Zapata. I greeted her, and without a word, she grasped my arm and looked at the palm of my hand. Suddenly, her expression changed.

“What did you see, Coty?” I asked.

“No, nothing”, she stuttered.

I saw panic behind her frozen smile, triggered by whatever she had “seen” on my palm.

“Raúl, please be careful”, she advised me, and walked away. She did not say another word.

Minutes later, I reached the headquarters of KFC. My secretary handed me a manila envelope with my name on it. At that moment, I understood Coty’s fright. Inside the envelope was a threatening message from MRTA and a book filled with different denominations in soles, a message for me to “collaborate” with their cause. These were demands for payment of war quotas that they were sending to different companies, forcing them to pay or face violent consequences.

The first feeling that you experience when faced with a threat and extortion is fear. It is the anxiety provoked by the idea that they could harm your family. The second emotion is impotence. You feel defenseless and vulnerable.

In the Navy, I had learned to confront this type of activity: face the threat with intelligence; that is, act methodically. They taught me that the only thing to be afraid of is fear itself.

I called Colonel Angel Aguilar, former aide to President Belaunde, who had trained at the Los Sinchis police force base and was an expert in tactical operations, such as parachuting, intelligence, rescue and subversive combat. Aguilar was the head of police security in the south district of Lima. I had met him at the Government Palace, when I was visiting with my partners Alfredo de Ferrari, Carlos Zúñiga and Luis Salazar, to invite the President to the inauguration of the first KFC restaurant on Avenida Angamos, and he was the first person that I encountered in the anteroom of the presidential office. He received us in a friendly manner, and from then on, we maintained a friendship that grew with time. Sadly, he died a year ago.

Colonel Aguilar recommended me not to give in to the blackmail.

"If you pay now, there is no way to avoid paying again, in increasing amounts", he said firmly.

I decided that I would not concede to the blackmail. This provoked the terrorists to take savage measures. On March 20, they blew up three KFC restaurants, on Avenida Javier Prado, Avenida Arequipa and Avenida Benavides. These were synchronized attacks, all at the same time.



They were times of suffering and terrorist blackmail.

The next day, the daily newspaper *La República* reported on the events with the following headline: “Terrorist commando blows up three Kentucky Fried Chicken restaurants.” The article elaborated that the MRTA started their escalation of terror at the Javier Prado establishment, “throwing Molotov cocktails inside, causing panic among the diners and workers.” The attack took place at 8:05 pm.

“A few minutes later, the same extremist group entered the restaurant on the 4300 block of Avenida Arequipa, where they forced the customers and employees inside and ordered them to sit down on the floor, telling them that nothing would happen to them. After dousing the establishment in gasoline, they ordered the hostages to leave without a sound.

The night of terror continued. “Ten minutes later, another attack occurred when the group, armed with machine guns and revolvers, incapacitated the private security guards posted outside the restaurant on 5200 block of Avenida Benavides. There, unlike the previous attacks, the employees received an anonymous phone call warning that the establishment would be attacked, which surprised them since everything appeared normal. Within a few minutes, the attack took place...

According to the terrorists’ demented strategy, KFC “represented the imperialist capital of the United States”, as they wrote in their leaflets. How mistaken they were! The only *gringo* at our restaurants was the logo bearing General Sander’s smiling face. Everything else was Peruvian investment.

We took several hits and MRTA’s firepower increased each time. They started with gasoline in 1985, progressing to dynamite and finally used ANFO, the plastic explosive in 1992. Thankfully, there were no casualties, just material damage, and nothing that determination and courage on the part of some workers could not repair quickly. If they attacked a restaurant, our response was to open the next day, if possible.

As many people were doing at the time, I once asked myself, if it was worth remaining in Peru, exposing my life and that of my family. As time went by, two of my partners left to live in Argentina. It was no wonder. Other business people moved to Miami or Europe.

On the day that they blew up our KFC outlet on Avenida Arequipa, I understood that I had to stay, and face it somehow. The prestigious agency J. Walter Thompson was

responsible for our advertising, managed in Peru by the publicist Fernando Otero, who was on several boards of directors, many of which were dedicated to promoting mining investments and supporting firefighters and the war against drugs. He can boast dozens of successful advertising campaigns, some of which sought to raise awareness on the advantages for Peru of promoting private investment, whether national or foreign.

That year, Otero had been elected President of the Peruvian Association of Advertising Agencies, and was also the target of terrorist threats. One morning, he woke to find his house had been the object of a graffiti attack. They had left the following message in red paint, which left little down as to their intentions against him: *"Death to snitches!"* Another day Luisa Fernanda, one of his daughters, called him in terror after finding a package in the inside garden of her house. When the police arrived, they found several sticks of dynamite inside a box.

Fernando Otero was facing same dilemma as I was, flee the country or stay and face the consequences. His international directors recommended that he leave, but his reasoning was similar to mine when I made my decision, any person who took over our position would suffer the same threats and blackmail. There was no other way. We had to stay and confront terrorism.

I have recounted the history of the advertising campaign that we produced in response to the terrorist onslaught in my book *El arte de emprender (The Art of Entrepreneurship)*. We published a full-page announcement in several newspapers that stated:

"We are Peruvians, let us work!"

Our response to terror was always the same: continue to work. Every time that the terrorist groups attacked a restaurant, we responded by repairing it immediately and announcing we were open for business in advertisements. The customers reacted by coming to KFCs in droves.



¡Somos Peruanos déjenos trabajar!

Los trabajadores, empleados, proveedores y accionistas de los restaurantes Kentucky Fried Chicken y Pizza Hut, comunican al público en general que son empresas:

100 % PERUANAS.

Delosi S.A. y Sigdelo S.A. son empresas formadas hace más de 10 años por capitales nacionales en las que trabajan cientos de familias peruanas, y que pagan una licencia a Kentucky Fried Chicken y Pizza Hut Internacional para usar sus marcas en nuestro país.

Por tanto, cada vez que se atenta contra uno de nuestros locales, se está destruyendo el trabajo y esfuerzo de cientos de peruanos. Delosi S.A. y Sigdelo S.A. son empresas integradas por gente que cree en su país y se esfuerza cada día por dar un futuro mejor a sus hijos.

¡Somos Peruanos déjenos trabajar en paz!



César Chacaltana, a loyal man.
27 years walking side by side for Peru.

The “war quotas”, death threats and attacks on law enforcement alerted me to what degree the terrorist threat had escalated.

After reminding me again not to pay, Colonel Aguilar recommended that I take serious measures to ensure my personal safety. I asked him to help me with this.

“Do not worry. I will send my right-hand man... my ‘jackal’”, he said.

That was how I met César Chacaltana, a non-commissioned police officer, whom I initially hired for three months and who has now spent 27 years with me. He is my shadow. The man whom we affectionately call “jackal” was also trained as an anti-subversion officer at the Escuela de Suboficiales de Mazamari (Mazamari School of Non-Commissioned Officers). He was a “Sinchí”, a commando, a leopard who works alone in silence, and whose motto is, *“Only those who are willing to die for a noble idea deserve to live.”*

This noble and loyal non-commissioned officer of the Peruvian Police Force had fought against terrorism and drug trafficking in the emergency zones of the jungle, Puno, Ayacucho, Huancavelica and Tocache, and this training and direct action gave him remarkable experience in combat and managing tense situations.

That stage of my life was characterized by intense action and alarm. We would frequently change routes and cars during journeys. We would modify my routine to avoid being too predictable and becoming a prey to the terrorists. In his free time,

“Jackal” taught my driver avoidance maneuvers and rapid exits, and how to study streets. As the danger intensified, we ramped up the level of security. We employed codes to indicate if it was convenient or not to go to a location. If I was addressed by my full name, this meant that, regardless of how much I wanted to visit a place, it was not advisable to do so.

It was not always possible to comply with the strict security measures. At times, when it was imperative that I be at a given place, as happened many years later on December 29, 2001, when I was serving as Vice-President during the fire in the Mesa Redonda Market in the center of Lima, or on March 22, 2002, after a car bomb was detonated at the El Polo Mall in front of the United States Embassy, only three days before President George W. Bush’s visit to Lima.

The newspaper *La República* gave the following report about this senseless terrorist attack:

“At 10:30 pm, one of the vehicles exploded in front of Banco del Crédito, causing the death of several passersby and provoking tremendous panic in the vicinity. A Serenazgo (community police) squad car from the Surco municipality rapidly reached the scene, and Officer Rafael Barzola stepped out of the truck with an extinguisher to try to put out the flames. A second car bomb then exploded in front of the restaurant of the Pharmax pharmacy, and this violent act killed the brave Serenazgo instantly, throwing him against the pavement.

This dantesque vision was a sharp reminder of the worst years of Shining Path barbarism. The bloodied survivors were calling for medical help, and many people, overcome by terror, were running in all directions, looking for shelter and their family members.

Half an hour before the first explosion, at 10 pm, three agents of the Embassy Protection Unit (UPE) had been alerted to a car bomb by an anonymous phone call. Another call was made to the Serenazgo of Surco district, which was why the squad car had been dispatched to the location.

When the three guards at the United States Embassy inspected the vehicles parked around El Polo Mall, they observed smoke emitting from a white van, probably stolen. They were examining it when the explosive detonated. Police officer Saúl Díaz Herrera died on the spot. His two colleagues suffered severe injuries and were taken to the Tezza Clinic, one block away. At around 1 am, it was reported that another Serenazgo officer had died in the operating room.

The explosions were so violent that one of the victims, an unidentified youth, was thrown 50 meters and left lying in front of the United States Embassy.

It appears that the assassins used ANFO, which links the authors of the attack to the one carried out at the Telefonica's store the Los Olivos District, in which the same substance had been used. People felt the explosions within a radius of several blocks, and a number of private homes suffered damages. One of the most severely affected premises after the Banco del Crédito was the Banco Santander Branch Office located opposite it.

The first estimates by police experts calculate that the car bombs were loaded with dynamite and at least 80 kg of ANFO, which explains the tremendous force of the blasts. In the aftermath of the attack, police presence was stepped up significantly.

Within minutes, the police had closed off the zone while units of the Emergency Squad, Águilas Negras, SUAT, UDEX, DINCOTE and several firefighter teams entered the area.”

The Minister of the Interior, Fernando Rospigliosi, declared full alert. I was assuming the President's responsibilities, as Toledo was on a trip to Mexico. I immediately arranged patrols in strategic locations of the city. The security at the Government Palace, Congress and other public buildings was reinforced with Special Forces.

I swiftly travelled to the location of the attack and stated to the press that I rejected and condemned the cowardly and criminal act. I was not concerned for my personal safety, as it was more important for citizens to trust their leaders. I wished to show Peruvians that we were not afraid of terror.

I felt the same way when I lost one of my most loyal employees, Mr. Reyes, who lived in the District of Villa María del Triunfo. Nothing that we did could save him from stomach cancer. He died in the first days of July 1992, a few months after receiving the diagnosis.

When I decided to attend his wake, I was advised not to do so, because the previous day Shining Path had marched through that neighborhood with banners and weapons. This had spread terror among the locals. Despite the warnings, I decided to go. When I reached the house, I saw walls freshly painted with the hammer and sickle in the characteristic red of the group. I entered the wake, offered my condolences to my colleague's wife and children, and left asking myself like Zavalita in *Conversación en la Catedral* (*Conversation in the Cathedral*, a novel by Mario Vargas Llosa): "At what point did Peru get into this godforsaken mess?"

As though to answer my question, on July 16th of that year at 9:20, a Datsun without license plates, containing 400 kg of dynamite combined with ANFO exploded on Calle Tarata in the District of Miraflores, killing 25 people, injuring 155 others and leaving five people missing.

War, in all its insanity, had taken hold of the city.

«There is a characteristic few people possess, that you will observe in Raúl, the capacity to lead a number of different teams, and monitor the tasks that each person is carrying out. He is highly versatile in this respect. He knows how to choose the right people to help him, though he has also been disappointed on a few occasions».

Fernando Otero, Publicist, Former Director for Latin America at the Walter Thompson agency Peruvian Congress 1990. Representative for Lima.



Peruvian Congress 1990. Representative for Lima.

IN THE ELECTORAL ARENA

THE TEN (DIEZ) IN DIEZ CANSECO

The 1990s see the early days of a career as a Congressional Representative. However, tensions between the Executive and Legislative Branches are intensifying. The closing of Congress on April 5, 1992 brings this stage to an end.

I was a congressional representative in Peru's last bicameral Congress of the 20th century. On the eve of the 1990 election process, I asked the Political Committee of Fredemo (Democratic Front), led by Mario Vargas Llosa, to assign me a number on the parliamentary list, and they gave me the number 10 in the list for Lima: the Diez (Ten in Spanish) in Diez Canseco. It was what I predicted.

I carried out my campaign in the outskirts of Lima, in the working class neighborhoods of the new Lima, where three out of four inhabitants lived on the hills, sprawling sand dunes or dangerous ravines. Residents settled in housing built from matting, cardboard and plastic, and lacked basic utilities.

The root of poverty lay in the economic precariousness of the families, the scant and poor-quality education received by their children, and the absence or insufficiency of public services. However, in these conditions of poverty or extreme poverty, the priority for all mothers was to provide food for their children.

Life has shown me that we often discover our destiny along the roads we travel. After many years had passed, I returned to the neighborhoods where mothers organized the community kitchens, and I reencountered many of them. The figure of Violeta Correa and her backbreaking days of work had not been forgotten: on the contrary, they were often remembered happily. A smile on the face of a poor person means a great deal. It lasts for just a moment, but sometimes its memory never fades. They offered me their decisive support.

The pulse of family entrepreneurship was throbbing in these areas, giving rise to various types of workshops and rudimentary factories, which later grew, modernized and merged to create veritable commercial and industrial emporiums in wood, metalworking, leather and textiles. These commercial conglomerates are found today in North Lima, Central Lima, East Lima and South Lima.

"Feeding our people will bring the joy back to our country", said one of the first advertisements that we published in the newspapers on the second week of January 1990. *"I am committed to working to feed the working class"*, another declared in the first week of April. We carried the campaign across Lima, through improvised settlements, popular residential districts and community kitchens.

Alimentando a nuestro pueblo...

Raúl Diez Canseco

Trabajando junto a la comunidad, como miembro de un equipo comprometido con los mismos ideales, se hizo realidad el Proyecto de Alimentación Masiva para los Pueblos Jóvenes, en beneficio de miles de peruanos.

Raúl Diez Canseco conoce las necesidades de los más pobres, y desde el parlamento trabajará para solucionarlas.

Raúl Diez Canseco es el diputado que Lima necesita.

El gran cambio!

FREDEMO **DIPUTADO**

...se devolverá la alegría al país.

At that time, Peru had a population of 22 million people, and we had a Legislative branch consisting of 180 congressional representatives and 60 senators. In order of merit, using preferential voting, I came in fourth with 49,143 votes. In summary, Lima was represented by 14 members of *Fredemo*, 9 from *Cambio 90*, 7 from *Frente Independiente Moralizador* (FIM), 6 from *Partido Aprista Peruano* (PAP), 2 from *Izquierda Unida* (IU) and 2 from *Izquierda Socialista* (IS). Politically it seemed to be a balanced representation.



Swearing-in ceremony as a Representative of Congress in 1990.

We had barely settled into our seats when, on August 8th, 1990, Fujimori's government decreed a series of economic measures, which were announced by the then prime minister and minister of the Economy, Juan Carlos Hurtado Miller, who ended with a phrase that would remain engraved in the memory of Peruvians. "May God help us."

The value of the Peruvian currency was reduced to dust; a 84 octane gallon of gasoline soared from 21,000 to 675,000 intis (a thirty fold increase), and the products in the basic shopping basket also skyrocketed. A can of milk rose from 120,000 to 330,000

intis, a kilo of white sugar from 150,000 to 300,000 intis, and a kilo of pasta from 200,000 to 775,000 intis.

The measure was known as the “Fujishock”, an economic response to the fiscal and monetary management disaster inherited from Alan García’s government. Peru, with such unprecedented hyperinflation, had been declared ineligible for credit throughout the world.

This was a change in direction for Fujimori, who during the election campaign had promised that he would not make any economic adjustments. However, reality dictated that there was no alternative but to act swiftly and drastically to avoid a final collapse. For the poorest Peruvians, the shock was akin to undergoing an operation without anesthesia.

The day after the minister’s message, not a single community kitchen could open. The country went numb. In the street, people drifted about like robots. There were outbreaks of violence in some provinces; in Lima, several markets were looted. A state of emergency was declared for half of the country, and the Armed Forces were sent out to face angry opposition to the economic measures.

In the following days, the director of the community kitchens, Rosa Silva, came to find me in the Congress, but did not find me. She then went to my house, in Avenida Angamos, where she learned that I was at the house of my grandmother Eva Emperatriz, who I had loved like my own mother. Eva’s death was a huge blow to me. Rosita did not know what to say to me. She offered her condolences. As I reciprocated with an embrace, I whispered in her ear, *“My grandmother has found eternal rest, but our people are suffering in these times. Go to be with them. Ask all the community kitchens to open and get ready. Tomorrow I will go with you to La Parada market.”*

Many community kitchens had closed during García’s government due to the use of food received as aid for political purposes. Unlike Violeta, APRA sought to politicize and link social assistance to their party members. It only helped women who identified with their party. I asked those humble women, who saw the specter of hunger hang over their families again, to open the community kitchens.

As a congressional representative, I focused my first tasks on legislative measures that would help protect the family budget. In the first week of September 1990, after being elected chairman of the Industry Commission of the Chamber of Deputies, I presented a bill to defend consumers from exploitative charges for electricity, water and telephone services. I also drafted another bill that obligated mass transport companies to publish their cost structure to justify any increase in ticket prices.

The parliamentary debate centered on the government's economic management. On one hand, Fujimori's regime was making efforts to reinsert Peru into the global economy, but in the political arena, it was harshly critical of Parliament and the parties, which it described as traditional and obsolete. The media sought to exacerbate this confrontation between the two branches of Government.

I agreed with the economic measures, the privatization of bankrupt public companies and international openness, and I argued the importance of foreign investment for economic growth, but without submitting the country to cumbersome obligations.

During those first weeks in Parliament, I was anxious to take part in the debate. However, I remember a phrase by Ernest Hemingway, who said that it takes two years to learn how to speak and sixty to learn to keep quiet, and I wondered: When is the most appropriate moment for a political novice who has recently entered Congress to do so?

During a visit to Belaunde in August, after the "Fujishock", I told him that I had asked for permission to take the floor in Congress, and was soliciting his advice.

I brought him my speech, and he did not even look at it. He folded it and said, "*Dear Raúl, I believe your question should not be what I should I say, but rather, is this the right time to speak.*"

I therefore told him enthusiastically what I was preparing, and that I thought it was a suitable moment. Belaunde replied, "*Here is my advice: you should only speak when what you have to say is more important than your silence.*"

I took my speech, placed it in my pocket and did not speak for several sessions.

I chose to write instead.

In a newspaper article, I argued that without foreign investment, repatriation of capital and a policy of healthy competition, it was impossible for Peru to move forward. I used the example of China, which had taken decisive steps to break out of its isolation and open itself to the world. The country had managed to shake itself from its ideological and political dogmatism to create specific systems of promotion designed to attract investment, by guaranteeing the repatriation and profitability of capital and making hiring labor and commercial contracting easier. The architect of this remarkable change that awakened the “Chinese Dragon” was Deng Xiaoping, successor of Mao Tse Tung.

Upon invitation of the Chinese Communist Party and thanks to Eduardo Orrego, I was able to travel to China and observe the modernization of its economy, which was based on four key pillars of transformation: agricultural, industrial, defense and science, and technology, within a framework of gradual openness. Since that starting point, China has tripled its national income per capita and lifted almost 800 million persons out of poverty. Every year between 2012 and 2016, 13.9 million Chinese citizens have risen out of the poverty each year.

In economic terms, I was advocating a policy of commercial openness and the penetration of new markets. In political terms, I was proposing a new concept of economic and social entrepreneurship based not on populism and uncontrolled subsidizing, which had caused Peru so much damage, but based instead on support in the form of essential resources provided by the Government, to foster small and micro business startups.

Moreover, the harsh language that President Fujimori was using against the political parties and their representatives in Congress, almost from the moment he had entered the Casa de Pizarro (Government Palace) was surprising at best. His statements to the media displayed confrontation with the political class, which I found incomprehensible and unnecessary.

My friend Rafael Rey, however, considered that the long, unproductive and often fruitless debates in Congress frequently seemed to prove the president right.

On August 28th, 1990 in Tacna, during the patriotic celebrations commemorating its reincorporation into Peru, the President criticized the parliamentary activity that, for the

second day running, was keeping the whole cabinet in Congress debating the general government policy, which had been presented by the Prime Minister and Minister of Economy, Hurtado Miller.

Some of the phrases that the President employed left no doubt about his confrontational stance:

“Without trying to give advice to anyone, it would be appropriate for them to ask the population what they expect from these long debates in Parliament.”

“The marathon days of discussion only serve to generate large volumes of debate records.”

“I am not against the parties, but against the manner in which politics is conducted, which the people have always rejected.”

“In June, the majority of the people voted against a political style characterized by demagoguery and cronyism.”

As Fujimori’s criticism of the political class became increasingly abrasive, on October 12, 1990, after 11 weeks in power, I published an article in the newspaper *Expreso*, where I wrote the following. *“The verbal excesses of President Alberto Fujimori and the latest measures that he has decreed, denote an attempt to legislate behind Congress’s back, and his confrontations with the political powers could have grave historical repercussions, as they risk the collapse of the constitutional order.”*

Unfortunately, the passage of time would confirm that Fujimori had resolved to interrupt and break-up constitutional order.

One month later, the President himself made another misguided statement in which he confusedly spoke of *“clergy coups and military coups.”* The Minister of Defense, General EP (r) Jorge Torres Aciego, immediately came out to clarify the misunderstanding. This had the opposite effect, compounding the suspicions surrounding the intentions of the head of state.

Furthermore, the military tone of his intervention on the steps of Congress, before a crowd of journalists, only fed concern that something was afoot. *“The Armed Forces are more cohesive than ever, and fully support the democratic government*

elected by the people; as a result, there is no need to speak of a coup d'état", he said upon leaving the Senate. He had gone there to coordinate rank promotions in the military that were due at the end of the year with the President of the Senate, Felipe Osterling Parodi.

In early 1991, Fujimori's government attempted to repeal Law 15600, which had declared the Peruvian jungle a tax-free zone for 15 years. This decree had been announced by Belaunde in Iquitos in September 1965, and was due to expire in December 1990. The Government was proposing to eliminate it, and Congress called the Minister of Economy to question this decision.

At that moment, I took the floor. This is recorded in the Parliament archives.

My words were as follows:



Participating in the Chamber of Deputies of Peru's last bicameral Congress of the 20th century.

“The Minister of Economy came to teach us a lesson on equality. This demonstrates that he knows nothing about Peru. Indeed, if he were familiar with the Peruvian jungle, where the inclemency of nature is terrible, where there is no drinking water, where some areas can only be reached by plane, where teachers travel by boat for hours to their schools. This means that the inequality being touted by the Government actually involves treating unequally those who have unequal living conditions.”

The project to repeal the law was shelved.

The Minister refused to speak to me for many months, and I learned a lesson. While it is sometimes preferable to express what we think and not remain silent, we have to preserve good manners and respect for our political adversaries. If we do not, we will spend the rest of our lives regretting it.

For the whole of 1991, I was involved in my congressional work on tourism, custom-free zones, economic openness and strengthening the industrial sector. In terms of oversight, we promoted an investigation into the misuse of the dollars from the Single Foreign Exchange Market (MUC), which ultimately filed a constitutional accusation against César Vásquez Bazán, former Minister of Economy and Finances in the APRA government. It had been demonstrated that during the electoral campaign he squandered approximately 300 million dollars to give the false impression of wellbeing, and save his party from electoral disaster.

In the legislative field, our proposal to create a National Investment Council, later named, *Pro Inversión*, to facilitate and foster the attraction of investment in development projects throughout the country, was received favorably.

We also presented a bill to promote social tourism, by creating a Vice-Ministry of Tourism and stimulating regional governments to produce plans and programs for social tourism in their constituencies.

The confrontation between the Executive and Legislative branches became increasingly frequent and bitter. As though to illustrate the proverb *“there is no smoke without fire”*, in March 1991 President Fujimori gave an interview to the Spanish newspaper *El Mundo* in which he admitted what had only been rumor pronounced with a hushed voice: there was a document circulating among the Armed Forces that discussed the

need to install a civilian-military government. The political class immediately manifested their rejection of the idea.

In those circumstances, talk of a civilian-military government was more than disturbing. In the summer 1992, a few weeks shy of the internal coup of April 5th, I finally carried out an act that I now believe may have changed the course of history. I arranged a secret meeting between legislators of various political parties and President Fujimori. The meeting aimed to end the political climate that had kept the country in an acute state of tension.

I contacted the Minister of Transport and Communications, Jaime Yoshiyama, a man close to the president, and told him that several senators and deputies were keen to hold a direct dialogue with the head of state.

I remember entering the Palace in Yoshiyama's car through the door opposite the railroad station. 30 congressional representatives attended the meeting.

Fujimori received us in the Great Dining Room. I sat to his left, Lourdes Flores to his right.

"Mr. President, the members of Congress are not obstructionists. We would appreciate knowing why you describe us in that manner, and if there is any reason, we are willing to talk about it", I said to initiate the dialogue.

Fujimori was taking notes and sipping mineral water. That evening he was very reserved. He did not make any gesture that indicated his mood, or approval or rejection of the contributions made by each parliamentarian.

The meeting lasted until 2 am. The President's demeanor did not change during that entire period. Our questions that night were met with deafening silence.

Before I took my leave, he said:

"You must now be very satisfied, because the meeting that you were pushing for has finally taken place."

“On the contrary, Mr. President. I am leaving more concerned than when I arrived. None of our concerns have been resolved, none of our questions received a convincing answer, and we do not know if you approve of the bills presented by the Executive branch to the Congress”, was my polite reply.

I departed, disappointed with the meeting.

I stepped into Jaime Yoshiyama’s car and, on the way home, I had the feeling that Fujimori had decided to carry out the internal coup to settle the controversies, which would represent a defeat for reason and the collapse of democratic order. My political sixth sense was proven right. On Sunday April 5, 1992, Fujimori dissolved Congress.

I assume that Vladimiro Montesinos convinced him that this was the best measure, and the swiftest method to resolve the crisis. Opinions on the topic of the internal coup still engender heated debate. An Ipsos survey in 2017 revealed that, for 50% of the population, closing Congress was a necessary measure; 40% believe that other alternatives should have been chosen; and 19% did not respond. According to the survey, Lima residents display the highest level of approval, with 55%.

Though the internal coup d’état broke the constitutional order, the perspective of those who suffered the ravages of terrorism and the economic crisis must be listened to. There was a collective psychosis, and the economic catastrophe was devastating.

However, 25 years later, the impacts can still be felt in the barren political parties, precarious institutions and lack of citizen participation.

There is still much work to do in the category of strengthening democratic institutions.



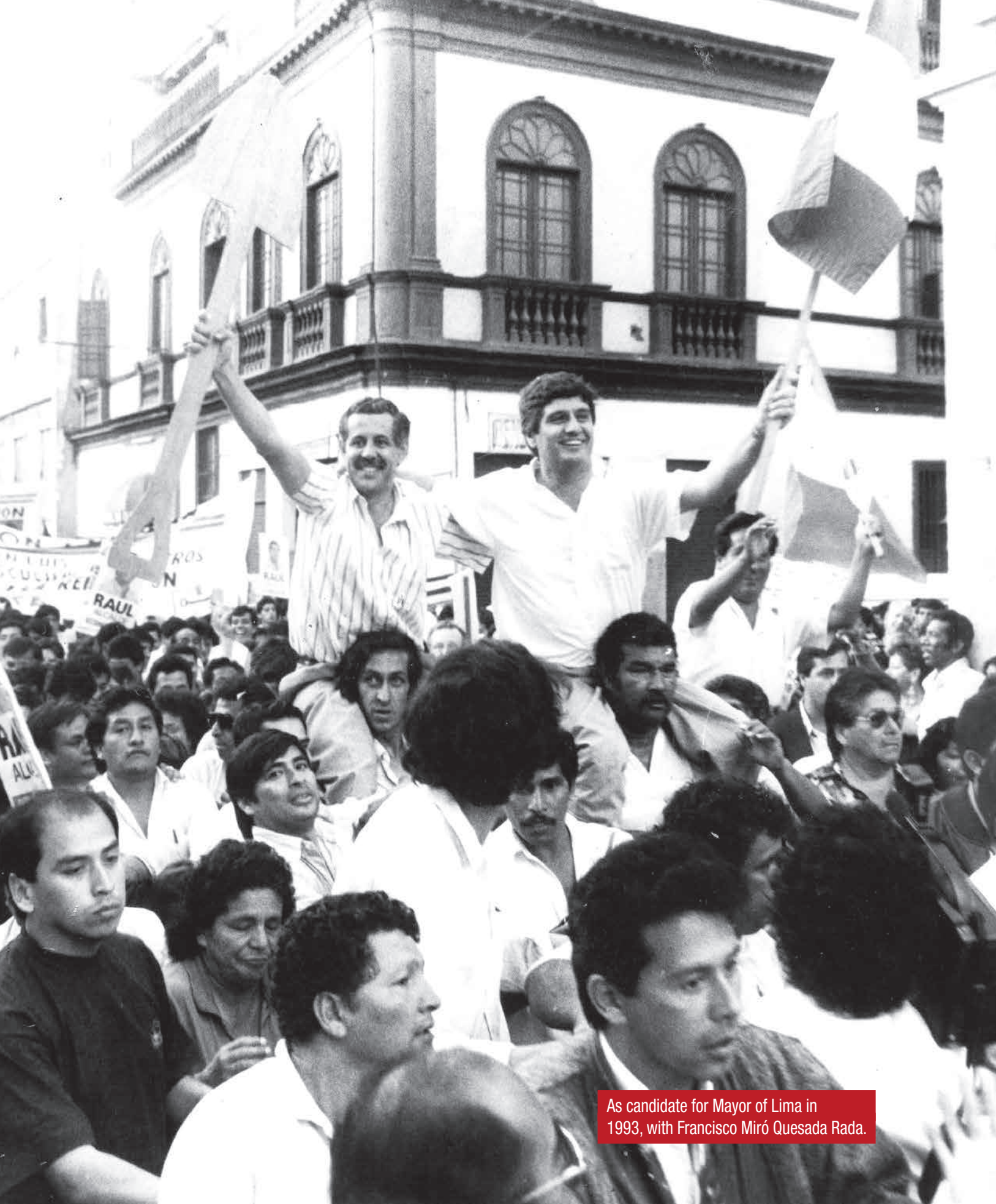
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My political sixth sense was proven right: on Sunday April 5th, 1992, Fujimori dissolved the Congress.

The alleged Civilian-Military Junta is condemned. Parliamentarians reject rumors of coup d'état. (...) NOTE: Populist congressman Raúl Diez Canseco stated that the proposal to create a civilian-military government is deeply concerning. We are in a democratic government elected through free elections by the citizens, who chose this government through their representatives in the Executive branch and Parliament.

«Democracy, no matter how imperfect, is the best system to achieve our country's development and progress. It is highly concerning that the President has admitted this intent in the context of a confrontation between the Executive and Legislative branches of government, triggered by the head of state».

*Congressional Representative Raúl Diez Canseco.
Daily newspaper Última Hora, March 26, 1991.
Political Section, p. 3.*



As candidate for Mayor of Lima in 1993, with Francisco Miró Quesada Rada.

A LIMA FOR EVERYONE

New figures and movements emerge on the political scene: the independent candidates. The political parties suffer the consequences. This was the context, when I assumed the candidacy to run for the Office of Mayor of Metropolitan Lima.

Every day since he founded 'RBC Televisión' (Red Bicolor de Comunicaciones) in 1986, Ricardo Belmont switched on the lights in his studio, one block from Plaza Manco Cápac in La Victoria district, and broadcast his TV program, which invited Peruvians to phone in their opinions and speak frankly.

He was – and still is – a television personality, who has a way with words, diction and intonation is worthy of a TV commentator. Belmont is a broadcaster who presented a radio opinion program that had subsequently become a television show, where he alternated political commentary with thoughts and famous phrases or quotes that he called “pills to lift your spirit”

He had his own sense of humor and spoke in a down-to-earth tone. The audience viewed him as a good-natured person who had “savvy”, an attribute that would make him a successful political figure.

The name of his program was *Habla el pueblo (The people speak)*, an open platform that for years channeled the popular discontent of many persons who were unhappy with politicians and politics.

With his spontaneous and direct manner of speaking, the “Colorao” (ginger haired) Belmont earned the Peruvians’ affection. His move into politics was a social phenomenon, and for those studying politics, the first wake-up call for the political establishment.

In 1989, he founded the Movimiento Cívico Independiente OBRAS, ran as a candidate for Mayor of Lima and defeated all other political parties, even the Fredemo candidate,

Juan Incháustegui, by a huge margin. His triumph was so overwhelming that he even won in districts where he had no candidates running for the district municipal seat.

Politically, his political letter of introduction was to identify himself as an independent that kept his distance from the “traditional” parties. This was a preamble to the victory of Alberto Fujimori in 1990, who as an agricultural engineer was an unknown entity in Peruvian politics, and yet was elected President.

The next upcoming municipal elections were due to take place in November 1992. However, with the dissolution of Congress in April of that year, they were postponed until January 1993.

In 1993, Lima was the overflowing representation of Peru.

The capital had close to 7 million inhabitants, 2 million of whom lived in poverty and half of those in extreme poverty.

Of the 1.5 million existing homes, at least 200,000 lacked electricity and 400,000 did not have water and sewage services. Thousands of families were fleeing to the capital from the terrorist violence in the provinces, and invading public and private land to establish precarious houses to live in.

My candidacy for the municipal seat after the internal coup of 1992 was like swimming against a tide of despair.



There was no order, planning, common vision of the city or spirit for development.

The historical center of Lima became abandoned, dirty, unsafe and violent. Public transport was already, and remains, chaotic. Unemployment drove people to thousands of informal activities, such as street vending and clandestine factories.

At the Acción Popular headquarters, we would discuss the country's problems every week, and the municipal management of Metropolitan Lima was always on the agenda. There was a great deal of enthusiasm for selecting a mayoral candidate to represent the party in the next municipal elections.

Many of my colleagues formed work teams, and began to visit district committees to secure support for their list of pre-candidates. However, Fujimori's internal coup inspired a vigorous rejection of this rupture of the constitutional order, and after a broad debate, Acción Popular decided not to participate in the election process of the new Democratic Constituent Congress (CCD), which distanced many of our leaders from political practice.

In these circumstances, and with very few colleagues willing to take over the responsibility of organizing a work team, creating a municipal government plan and presenting a candidacy for Lima, I assumed the candidacy for mayor as a party commitment, prompted by the political group to which I belonged.

It was a difficult decision. It meant swimming against the current of despair, but I understood the convenience of keeping the party active. It was not the first time that I was faced with an adverse situation. My experience in private activity had made me a hardened executive, and I think that my brief stint in public service had yielded positive results in the areas of community kitchens and the promotion of national tourism. Therefore, I decided to accept the challenge.

One of my first initiatives was to summon a group of specialists who helped me to identify, organize and formulate solutions to the city's problems. I met every week with the professionals and technicians to discuss and advance what ultimately became a working document that, as I read it again today, continues to be relevant in many respects: the Municipal Government Plan for Lima.



Paniagua, Incháustegui, RDCT, Del Águila and Acurio Velarde, emblematic figures of Acción Popular.

Those pages contained the platform for the modernization that Lima needed. Domingo Palermo, Francisco Miró Quesada Rada, Juan Incháustegui, Miguel Romero Sotelo, Edgardo Quintanilla, Augusto Martinelli, Luis Ortega Navarrete and Valentín Paniagua Corazao collaborated on this task, as members of the Government Planning Commission.

The recurring issue in every assessment of Lima was the hypertrophy created by centralism, a concentrated, disordered and chaotic growth that the figures helped us understand. The capital of Peru comprised 72% of industrial establishments, 70% of commercial activity and 90% of bank loans. This made it a magnet for migration.

Starting in the 1960s, Lima experienced staggering growth. Every year, its population increased by 250,000 inhabitants, the equivalent of the entire population of Cusco. There was no way to provide recent arrivals with basic utilities and infrastructure. In summary, Peru's economy, and its problems were concentrated in Lima.

The most important and urgent issues were water, sewage, energy, wholesale supplies and public transport. These problems were compounded by the need to design large-scale technical projects with financial backing. Without plans, studies or funding, there could be no solution to the capital's municipal problems.

I therefore asked the team of advisers to prepare innovative plans and projects for Lima. The results still surprise me.

We realized that, in the immediate future, relations would be between cities rather than countries. It was calculated that by the new century there would be no less than 21 "large metropolises" with populations of 10 million inhabitants. Of these, 18 were in

developing countries. In view of the speed with which we were expanding, Lima would likely become one of these megacities, as it indeed did.

Mayors consequently had to be creative managers and efficient executors to meet the soaring demand for citizen services.

We were the first to bring up environmental protection. We brought the topic of recycling, directly from Curitiba, Brazil, a city of 2.2 million persons that had revolutionized municipal public management. Curitiba was an example of the fundamental change the world was undergoing.

The architect for change had been its mayor, Jaime Lerner, an architect and friend of Eduardo Orrego Villacorta, also an architect, who he held in high esteem.

We travelled with members of our technical team to speak to Lerner, and identify the progress he had achieved in the development of his city. He received us in his office, and among the topics that we discussed, one had great potential for Lima: organized and classified waste collection, known as recycling.

Lerner had begun in 1970 with low-cost programs to construct green areas, reconvert the final disposal of solid waste, promote the construction of dignified homes for poor residents and develop modern transport systems in the city.

We proposed taking a comprehensive approach to the issue of waste, by transferring street sweeping and the collection, transport and final disposal of waste to private companies.

We decided that the municipality needed to apply new, modern and efficient methods to collect 5,000 tons a day in separate operations for waste originating in domestic homes, hospitals, parks and gardens. It also needed to construct waste transfer plants and coordinate the final disposal into sanitary landfills.

Inspired by this international experience in good municipal practices, for our human settlements we designed a program called “Garbage that isn’t garbage”, which consisted in exchanging garbage for food vouchers in the Family Warehouses. This entailed collecting products to be pre-classified at home and recycled once week.

It also removed the paternalist and political connotations associated with food assistance, and managing instead to educate and clean the city.

With regard to public transport, we concluded that if we used 100 passenger capacity units, we would help to solve the chaotic system, bring more order to traffic and reduce environmental pollution. As for wholesale supply, we proposed the completion of the new Santa Anita wholesale market, and building four more wholesale markets in the north, south, east and west areas of Lima.

The press and political analysts acknowledged that we had the best government plan for the city.

Ricardo Belmont was reelected to serve as mayor for another three years. A few weeks before, Pablo Gutiérrez, former mayor of Chorrillos and Fujimori's candidate for mayor of Lima, withdrew from the race to avoid a humiliating defeat. The president then swiftly "jumped on the bandwagon" and expressed his support for Belmont, who the surveys predicted to win the election.

On election day, a car bomb and mortar blasts at a polling station left one victim and several wounded persons. The election results again turned out to be an overwhelming win for the independent candidates.

On the night of January 29th, after learning the election results, I went to Belmont's house to give him our municipal government plan. A handshake marked the end of that electoral campaign.

I learned a great deal during that period, and notably the frustrations associated with a political career, first with the closing of Congress, then with the unsuccessful candidacy for the mayor's office.

Naturally, failures in rapid succession affected me, but they were quick lessons about how well I could do for my country under highly adverse circumstances, and that I should never stop trying.



Handing Accion Popular's Lima municipal government development plan to Ricardo Belmont, Mayor of Lima.

Indeed, the political wheel never stops spinning. If you win, you have to work for those who elected you, and if you lose, you have to reflect on what failed, and continue to prepare and propose fresh alternatives to resolve Peruvians' urgent problems.

Politicians are not made for defeat; they can be destroyed but never defeated. Two years after that experience, I once again embarked on a new journey, to face a new challenge, the Presidency of the Republic.

«Raúl was a figure who already had a certain presence on Peru's political and social scene. When he stepped out into the arena, people looked at him. His meteoric career allowed him to sail through the stages. However, in my opinion, he should have stayed in politics. I still see him in politics. He has concerns. If the right opportunity emerges, he will assume his responsibility again».

Domingo Palermo, former Minister of Education



COME HELL OR HIGH WATER

The general election could not have been more bizarre. In the middle of the campaign, a military conflict erupted with Ecuador. It was then alleged that the State apparatus had been used in Fujimori's re-election campaign. Acción Popular was deregistered as a political party, and re-registering it entailed a Herculean task.

Fujimori ran for reelection in the 1995 general election. His international image had been severely tarnished following the 1992 internal coup, yet his measures to defeat the Shining Path terrorist group and the hyperinflation of the APRA administration were the two achievements valued most highly by the residents of the poorest neighborhoods of Lima and other departments that year.

At that time, I was serving as secretary general of Acción Popular, and our natural candidate was former president Fernando Belaunde. However, he declined the position and stated that he no longer wished to stand as a presidential candidate, having done so in 1956, 1962, 1963 and 1980.

I therefore poured all my energy into reaching a consensus on a presidential candidacy, under the leadership of Doctor Javier Pérez de Cuéllar. I argued repeatedly in favor of this option, and even held several meetings with Alfredo Barnechea, who was closely linked to the former secretary general of the United Nations. Unfortunately, this was not possible. Doctor Pérez de Cuéllar decided to establish the party Union for Peru, and run for election with his own list of candidates.

In a number of private conversations, Belaunde had subtly intimated that all members of Acción Popular had a "civic duty to fulfill." He proposed that I stand as presidential candidate for Acción Popular after a heated discussion in Huancayo.

I requested that he give me time to think it over. Belaunde, however, argued that it was time to hand over the position, and that a party member should assume this responsibility.

My political aspirations in this field consisted in heading a parliamentary list and surpassing the 50,000 votes that Acción Popular had secured for Lima in 1990. Nevertheless, the party had already made its decision: on September 17, 1994, the party's national plenary formalized my candidacy for the Presidency. My running mates were Juan Incháustegui Vargas, as first Vice-President, and Edmundo del Águila Morote, as second Vice-President.

To become a presidential candidate in Peru, first one has to know the country: follow its Pacific coast, stopping at every cove and fishing village from Zarumilla in Tumbes department to Santa Rosa in Tacna department; ascend the snowy peaks of the Andes; roam its cities; reach the rural lands, home to high-Andean communities; plunge into the jungle and navigate its rivers on a raft for hours to reach the most remote villages.



1995. Edmundo del Águila, Raúl Diez Canseco and Juan Incháustegui, members of the presidential line-up.

Being a candidate turns one into a traveller, as Belaunde had been. He covered the entire span of the country, and became familiar with not only the geography but also the history and specific needs of each village. I have never forgotten a civics lesson that he gave in 1956 to a group of youths from the National Youth Front, which had invited him to become their presidential candidate. *“Neither you nor I can launch a candidacy. We have to travel across the country beforehand to take the pulse of public opinion, and determine if it is receptive or not.”*

Fate decreed that I would take the post. I documented the campaign, from the first meeting in Piura on September 3, 1994 to the close of the campaign in a central venue on Colón Street on April 5, 1995, and turned that log into a book. Day by day, village by village. It accounts for the teachings, hopes and dreams that fed into my vision of the country.

Two days before the campaign rally was held, I penned a letter to Belaunde. It included the following two paragraphs:

“After interminable months, never-ending days, hours of intense activity and thousands of minutes of great strain and frequent solitude, I must confess that I have done everything in my power to achieve a just victory for us, and thus vindicate our party, so unfairly treated by this government.”

“Mr President, I wish that I had greater strength, more ample financial resources and, of course, more time and personal capacity to carry to Peru the message that you, 38 years ago, carried to its villages, of a solidarity that is the backbone of our thinking and doctrine.”

It was far from a clean campaign. Fujimori, as the presidential incumbent, held all the advantages. Moreover, the conflict with Ecuador mid-campaign was a distraction from the proposals, and focused the debate on issues of sovereignty and borders.

In December 1994, one week shy of Christmas, my entourage was attacked at kilometer 470 of the road linking Tingo María and Huánuco. On December 18, 1994, the newspaper *La República* described the incident: “Shots fired at Raúl Diez Canseco”, ran the headline. Inside, the article recounted that “the life of the presidential candidate for Acción Popular, Raúl Diez Canseco, his 12 year-old daughter and members of his

campaign team ran into grave danger when a military patrol fired several rounds at the vehicles in which they were traveling.”

It was certainly no ordinary campaign. Multiple complaints of proselytism and use of State resources were levied against public officials, and in certain cases led to fiscal complaints to the judicial authorities. The smell of fraud hung in the air. I publicly denounced the cases of schoolbooks given out in schools, which contained a photograph of the candidate-president Fujimori, and the use of members of the Armed Forces to distribute electoral propaganda.



The denunciation regarding Huánuco, known as the “Huanucazo” or “Huánuco Bombshell”, is the most egregious of all, as it was demonstrated that ballots were modified to favor the candidate of the governing party. This occurred again in the post-voting stage, when complaints were lodged regarding the disappearance of electoral material.

The election results on Sunday April 9 were astounding: the candidate-president won in the first round. Our share of the vote was a mere sliver of the support that we had witnessed in streets and squares across Peru. It was implausible that our results should be so low.

I immediately decided to place my position as secretary general of Acción Popular at the disposition of the party. Nevertheless, I considered it necessary to make a public statement to the media. I said the following:

“My fellow Peruvians,

As our forefathers used to say, the customs of war are to defeat and be defeated.

Today it was my turn to lose.

During these difficult moments, I would like to offer my deepest gratitude to the generous people of Peru, who opened their doors to me during my campaign. I must acknowledge that I did not succeed in convincing them.

I would also like to thank the activists and friends of Acción Popular, who allowed us to conduct a campaign based on articulating a single proposal to the country.

I am appealing to the members of Acción Popular to persist in our ideas and values, which are the backbone of our organization. We will build on them to fulfill the new challenges arising from the current situation. (...)

The population has delivered its verdict. I hope that the peoples’ expectations are met and may Peru emerge as the winner.

Finally, as for myself, I accept political responsibility for these results and must tell you sincerely that I have learned a lesson.”

Indeed, the lesson was learned!

The first lesson was that we did not have time to process and analyze the defeat. On television, the election results were announced but I was thinking about everything that had occurred and what our next move would be. The election results did not alarm me. I knew that the Government had manipulated the entire process, but was unaware of quite how brazenly they had done so.

In some cases, the manipulation took a crude form. For instance, in the jungle not a single vote was cast for Acción Popular, despite it being the party's native bastion. Votes were not declared void; they were simply suppressed. In Requena, Nauta and a few other districts of Iquitos, where we had committees and open district headquarters, we did not receive a single vote! It was astonishing, but electoral fraud was the *modus operandi* in Peru at the time.

Sometimes a defeat can carry more dignity than a triumph. We were not competing in a clean and fair democracy; we were facing a candidate who was single-mindedly pursuing reelection.

I was immersed in these thoughts, barely half an hour since the official results had been announced, when I stated my decision to the campaign manager:

“First thing tomorrow, we must visit the National Jury of Elections (JNE) to buy the forms required to re-register the party. I was elected to serve a legalized party. The least that I can do is to recover its legal plenitude.... and I will.”

Straightaway. That was our next move. Without pausing, not even in defeat.

On the next day, Monday April 10, the officials at the National Jury of Elections were taken aback to find members of Acción Popular waiting to purchase the forms for electoral registration. They refused to serve us, claiming that the election results were not official yet. Seeing our persistence, and as there was no legal basis for denying us the tools to re-register, they fulfilled our request, and we began the titanic task of collecting signatures throughout the country.

Belaunde, Violeta, my parents and the activists went out into the streets to request signatures and re-register Acción Popular, while the other parties were processing their electoral defeat. One week later, we received the first batches of signatures, from every corner

of Peru. We had to set aside a room to process, classify and store the data. Our engineers developed software to enter the information and transfer it to the computers rapidly and simply. The work was feverish, intense and diligent. For weeks on end, we worked all day, and more than a few nights as well.

Around a month after we had embarked on this task, we heard the news: the Government was preparing a bill that would finalize its suppression of political organizations. It proposed increasing the number of members necessary to register a political party from 1% to 5%. This translated to around 480,000 signatures, four times the number of members required at that time, i.e. 180,000. The government patently wished to raise the hurdle for the registration of political parties, not to ensure stronger and well-supported organizations, as they claimed, but to minimize the number of political actors in the arena.



In December 1994, one week before Christmas, my convoy was attacked at kilometer 470 of the road between Tingo Maria and Huánuco.

“*Lourdes, I need time to take my last signature sheets to the National Jury of Elections and finish typing up the documents needed to re-register Acción Popular.*”

The bill was drafted on May 4 and submitted a week later to the Administrative Office of the Congress with the signatures of the parliamentarians Martha Chávez and Juan Hermoza Ríos. All procedures in the Constitution Committee were waived, and its original text was substituted by another that also contained seven articles, the last of which indicated that its effective date was no longer the day following its publication in the Official Daily Newspaper *El Peruano*, as with all other legislation, but “the day of its publication”.

I remember that on the night of the debate, Thursday May 11th, pandemonium broke out at the session of Congress. The discussion was harsh, relentless and often confrontational. Meanwhile, at our computing center, we had finished inputting the data onto the sheets that, to our surprise, were overflowing from our storerooms and exceeded our capacity.

We had to submit the final batches on time to the JNE. If the law were passed before we had handed in the signatures, the new law would enter into effect and we would need four times as many members, which entailed tremendous costs in time and effort.

In a moment of utter despair, I called Lourdes Flores, a highly regarded activist of the political party Partido Popular Cristiano, who was an active participant in the Congressional debate, and said to her,

“Lourdes, I need time to take my last signature sheets to the National Jury of Elections and finish typing up the documents needed to re-register Acción Popular. Prolong the debate, give a longer speech, get sick, throw yourself on the floor, anything, but ensure that the debate lasts until after midnight.”

On the night of Thursday 11th May 1995, Lourdes gave one of the longest speeches of her political career. The mood in the Congress reached an acute degree of irritation. The debate became so tense that the parliamentarians of the opposition walked out of the chamber in protest. The clock was growing closer to midnight and, inexorably, a new day was dawning.

The Congress rapporteur called up a list and the vote was held: 43 votes for the bill, one against (Rafael Rey). The legislator Xavier Barrón submitted a request for reconsideration, but did not obtain the two thirds of the qualified number of parliamentarians required by the Congress regulations. Ultimately, the bill passed. It was already after half past midnight.

That same day, at 9am, we walked into the JNE with our last batch of signatures. While they were consulting with various offices, and checking one by one the diskettes containing the electronic information, the activists' usually steady nerves began to belie the tension. We were sent from one office to another.

Nobody in the JNE wanted to deal with the final forms. Ultimately, they ran out of arguments, and had no other choice but to accept the last documentation. The postmark of the JNE's Office of Documentary Administration indicates the day and time of reception: 12th May 1995, at 2:30 pm.

The events that followed deserve to be recounted, because it is a conflict between legal and mathematical logic, which we waged day after day with pen and paper in hand.

On Friday 12th May we submitted the file requesting the re-registration of the party, with a total of 141,744 signatures. On Monday May 15th, an unofficial report indicated that we had only secured 98,910 valid signatures. The following day, we presented an appeal to correct the surnames and first names, comprising 5,080 corrections, for which we had verified a total of 103,990 signatures. On Saturday May 20th, the JNE officially informed us that 91,941 signatures had been approved. On Monday the 22nd, we submitted 11,636 additional signatures and an appeal comprising 5,702 names and corrected electoral identification cards.

That same night we learned, again off the record, that the JNE had recorded 104,000 signatures that had been submitted. Based on that figure, I tabulated out on a piece of paper that I still possess - I have the compulsion, or arguably the virtue, to keep everything – the following figures:

91,941 signatures approved on 20th May from the first batch.

5,032 additional signatures after corrections.

8,295 signatures approved from the additional batch submitted.

There was a total of 105,268 signatures, which means that during the review of signatures only 415 were cancelled, and the final total came to 104,853 valid signatures.

On Tuesday May 23, 1995, the National Jury of Elections had no choice but to publish Resolution N° 276-95-JNE, which certified the approval of 104,853 valid signatures submitted by *Acción Popular*, the exact number that we had calculated.

It had taken barely a month to achieve what had seemed impossible: collecting the signatures necessary to re-register *Acción Popular* as a political organization. From the moment we decided that we would not rest after the election results, we mobilized party muscle in a coordinated fashion, and lifted ourselves from the quagmire of election defeat.

The media reported on my response to the news: *“The re-registration of Acción Popular is a testimony of its vitality as a political party and, at the same time, heralds a new era and fresh prospects for Peru.”*

“ I am appealing to the members of Acción Popular to persist in our ideals and values, which are the backbone of our organization. We will build on them to fulfill the new challenges that the current situation warrants (...)





PERU FIRST

BACK TO THE PALACE

Time passes, and Peru struggles to reestablish democracy. The political parties find new energy, and the population rewards them with their votes. RDCT is elected first Vice-President on the winning formula.

From the outset, the 2000 presidential elections faced a severe crisis of credibility. The string of deficiencies and irregularities attributed to the government, which presented a presidential incumbent candidate for a third term, fed the widespread perception that fraud was inevitable, regardless of the results.

Fujimori was reelected, having ran as the only candidate in the second round, following the withdrawal of Alejandro Toledo as candidate of the Perú Posible party. It was July 2000, and dissatisfaction with the social and political circumstances was palpable among the population. These factors sparked a number of mass demonstrations, one of which was named “Los Cuatro Suyos”, alluding to the Four Regions of the Ancient Incan Empire, and lasted almost three days, culminating on July 28th of that year.

The leader of the Perú Posible party called for the demonstration, and delegations from various corners of the country set up in squares and streets, joined by groups of indignant Lima residents.

On that day, as the swearing-in ceremony took place behind closed doors, discontent raged in the streets. Buildings were vandalized, including the Ministry of Education and the National Jury of Elections, and an arson attack on the Banco de la Nación caused the death of six persons. The new regime responded with resistance and repression, and clung to power until September 14th, when Peruvians learned that Vladimiro Montesinos had paid US\$15,000 to the parliamentary member of Perú Posible, Alberto Kouri, to leave its party and join the governing party’s ranks in Congress. This was the beginning of the end.

In an unexpected speech to the nation, Fujimori announced that new elections would be held, promised that he would not run as a candidate and declared that the Service of National Intelligence would cease its operations. Shortly afterwards, Francisco Tudela resigned his position as Vice-President as did the Attorney General, accused of corruption. Montesinos was pursued relentlessly, but evaded capture. The general commanders of the Armed Forces and ministries, however, appeared in compromising videos.

The end was nigh for Fujimori. On November 13th, he boarded the presidential plane and traveled to Brunei to attend the APEC summit. That same day, the president of Congress was censured and three days later Valentín Paniagua was sworn in as the new president of the Parliament.

On 19th November, Fujimori resigned by way of a fax sent to the Presidential Palace. Three days later, on November 22nd, Paniagua was sworn in as the new President of Peru, and was tasked with holding elections in April 2001.

That momentous stage in Peruvian political history remains fresh in my mind.

And so it was that one day in the summer of 2001, my phone rang. It was Alejandro Toledo, inviting me to meet him for breakfast at the Tiendecita Blanca restaurant in Lima. There was only one item on the agenda for this meeting: to discuss the electoral process of that year.

We spoke at length about Peru, the international context and the possibilities of winning the elections. Toledo graciously proposed that I run alongside him, for first Vice-President. I accepted the invitation and told him that as an activist and leader of Acción Popular, I was committed to respecting the party norms and rules, and that Fernando Belaunde should be consulted.

Belaunde had known Toledo since his exile, caused by the military government in the 1970s when he was invited to lecture at several universities in the United States. The two had always had an amicable relationship. The former president even sent a written recommendation to help Toledo to continue his university studies.

““ *I later went to Belaunde’s flat. On the way there, I reflected on the reasons Toledo had to propose that I be his running mate.*

I had known him personally since the presidential elections of 1995, when he ran for his party, País Posible, and I for Acción Popular. I genuinely regarded him amicably for achieving professional success through education, and remaining loyal to his Andean roots. I shared this high regard with Belaunde Terry.

As soon as we finished our breakfast, Toledo went to Belaunde’s house, to speak to him and tell him that he was considering me as his Vice-Presidential running mate. This news was received rapturously by the architect and his wife Violeta. The former president promised Toledo that he would process the authorization from Acción Popular. My candidacy was sealed with an embrace and smiles. Violeta even joked:

“Don’t regret your decision later!”

Later, I went to Belaunde’s flat. On the way there, I mused about the reasons Toledo had to propose me as his running mate. I reached the conclusion that my connection with the women organizing the soup kitchens and young entrepreneurs, as well as my links with the business sector, had tipped the scales in my favor while Toledo prepared his campaign strategy.

Once I reached the flat in Conde de la Monclova, I was greeted with a hug from both Fernando and Violeta. They were delighted, and encouraged me to work on behalf of Peru.

President Belaunde submitted my application to Acción Popular’s Political Committee, which was composed of the former general secretaries, Gastón Acurio Velarde, Javier Arias Stella, Sandro Mariátegui Chiappe and Javier Alva Orlandini, among others. I obtained a unanimous authorization from the highest levels of authority of the party, and never resigned from Acción Popular. The Political Committee granted me the

proper permission, and I still have the letter dated January 10, 2001, signed by the secretary-general of the party and its president, Fernando Belaunde Terry.

Perú Posible received the most votes in the first round, and in the second received 53.1% of valid votes, against 46.9% for APRA, led by Alan García.

After winning the elections, Toledo met with a series of people to prepare to form his first cabinet. When I accepted to run as his Vice-President, I had expressed my interest in playing an active role in his government, and in particular on issues in which I had obtained experience throughout my life, such as education, entrepreneurship, tourism and international negotiations.

I have always worked with courage and hope in pursuit of a new, improved society. This involved creating work groups during the campaign and for the Government Plan's proposals, notably education, a topic on which the country desperately needed to narrow disparities and better train its human resources. It was for these reasons that I was keen to become the Minister for Education in Toledo's cabinet.

Moreover, few people know that I formally asked President Toledo to appoint me President of the Council of Ministers and official Government spokesperson. I was aware of what a weighty responsibility it was, but trusted my own experience to coordinate the policies, actions and duties of all the ministers correctly. However, the president had already decided to offer these responsibilities to Roberto Dañino, which I only learned much later.

The cabinet was starting to take shape, and I am honestly still unaware why Toledo did not call on me. But as the saying goes, "If the mountain will not come to Mohammed..." I spoke to a relative of the president, and told him sincerely that I hoped to work actively in the Executive branch, as I was keen to give back to my country a little of the great deal that it had given me. Moreover, I wanted to put into practice the skills that I had been preparing my entire life.

REPUBLICA DEL PERU



Jurado Nacional de Elecciones

Credencial

Don Raúl Díez Canseco Terry

ha sido elegido y proclamado
Primer Vicepresidente Constitucional de la República
para el periodo 2001-2006

Lima, Junio 2001

Manuel Sánchez-Palacios Parra
Presidente

Adelaida Bolívar Astivia

Carlos Valdearroya

Gustavo Jato Vallenas

Ramiro De Valdeva Cane

Fernando Ballón-Landa Córdova
Secretario General

Toledo called me shortly afterwards, and told me that he had already assigned the post of Minister of Education. He suggested the Tourism sector, in recognition of my experience in the field. I was thus appointed Minister of Industry, Tourism, Integration and International Negotiations (Mitinci), which, jointly with a superb, young and professional team deeply committed to promoting Peru, we later transformed into the current Ministry of Foreign Trade and Tourism (Mincetur).



When our administration took office, we were faced with an acute economic crisis and the repercussions of corruption scandals in the state apparatus, where the Armed Forces were also implicated. One of Toledo's many beneficial activities was his extensive travel. He succeeded in improving Peru's image on the international stage. For instance, on his tour of the United States and Europe he was offered credit and donations destined to finance social programs and economic revival. Indeed, the first years of Toledo's term saw numerous foreign trips.

During his absence, I stood in for the head of state and was in charge of the Presidential Office, in accordance with the constitution. I would see the president off and welcome him on his return to the Air Base N° 8 every time that he carried out an official or work trip abroad. Upon his return, he always received a file containing my written report of my activities while he was away. I would hand it to him as soon as he descended from the plane, saying, "Everything is in order, Mr. President."

I served a total of 60 days as president of Peru over the course of 29 months of public duty, from July 2001 to January 2004, when I left the Government definitively. This was in addition to my 946 days as first Vice President of the Republic and 865 days as a State Minister.

During that period, and thanks to the freedom that President Toledo granted me, I was able to develop public policies in Trade and Tourism – the sectors of my ministry - as well as other areas that were not in my direct jurisdiction and authority, such as Housing, and for which I was supported by the Prime Minister and the relevant Minister.

Since the time when Belaunde had implemented a social housing policy during his two periods of government – developing the *Banco Central Hipotecario* (Central Mortgage Bank), creating the *Banco de la Vivienda* (Housing Bank) and *Banco de Materiales* (Construction Materials Bank), urban residential land development, building residential chalets for the middle class and creating a social mortgage system – housing construction in Peru had been virtually paralyzed.

This was the subject of a conversation with Miguel Romero Sotelo, an eminent architect from the National University of Engineering, who in the 1970s designed the plans for Villa El Salvador, perhaps the only city in Peru born from a land invasion that

was planned from the beginning to offer families not only a space to live but also so that they would have access to work, study and leisure.

Miguel Romero served as Vice-Minister for Housing, and together with our team we devoted ourselves to designing a new housing policy for Peru. The State had to cease to construct buildings, and instead assume the role of promoting investment and facilitating construction permits, and allow the private sector to design, build and sell homes. In this manner, the latter would shoulder the greater responsibility and risk.

We called the National Housing Plan “Housing for Everyone.” It also gave birth to a subprogram designed for users from a variety of socio-economic backgrounds: *Mi Vivienda*, “My Home”, *Techo Propio*, “My Own Roof”, *Techo Propio Deuda Cero*, “My Own Roof-Debt Free”, *Mejoramiento Integral de Barrios*, “Comprehensive Neighborhood Improvement” and *Generación de Suelos Urbanos*, “Generating Urban Land”.

The most pressing issue was the financial aspect. On one occasion when President Toledo was on a foreign trip, I summoned the main representatives of national banking and financial institutions to the Palace, to show case the Government’s new housing policy, and foster trust in the sector. The Romero, Brescia and Santander groups, were among those in attendance.

Social housing programs were not a priority for these stakeholders, so I presented a comprehensive investment plan. My first request was to stimulate investment in construction and provide favorable loans to families. We would open a portfolio of investments on 500,000 hectares of land, which would possess all the basic services required by the population. This zone was located along the axis of Av. Argentina and Av. Colonial, once Lima’s industrial belt, which had fallen into disuse, and still featured the shells of the former factories that were used as storerooms, warehouses, overcrowded workshops and informal commercial premises.

I then presented the pilot project for “My Own Roof” in Martinete, on a 3-hectare plot of land on the left bank of the Rimac river, between the Huascar and Huánuco bridges, a few blocks from the Presidential Palace. There, a garbage dump was transformed into a decent housing project for low-income families.



With Miguel Romero, Vice-Minister for Housing, we dedicated our time to designing Peru's new housing policy.

Other projects were “My Home in Surco” and three others called “Comprehensive Neighborhood Improvement”; one in San Juan de Lurigancho (eastern Lima), another in Villa El Salvador (southern Lima) and another in Puente Piedra (northern Lima).

What most impressed the bankers was the sincerity and transparency of the projects. We had taken the models from three Latin American countries: “Metro-Housing Program” in Colombia; “Housing Bonus” in Brazil; and “Chile Neighborhood Program” in Chile. The second statement – partly serious, partly in jest – was that if none of this worked, we would re-establish a development bank. They all burst out laughing; it was an idea straight out of the 1970s.

One by one, the entrepreneurs manifested their support and confidence in the various programs. Having set the ball rolling for large-scale loans for housing construction, during the coming months we kept the President busy inaugurating condominiums and handing apartment keys to their new owners. From then on, economists, opinion leaders, investors and the general public began to refer to a “construction boom” and “real estate boom.”

Carrying out these projects threw up a number of challenges. To begin with, the National Zoning Regulation was modernized, limiting the use of urban land and impeding vertical growth in Lima, which eventually became an obstacle for construction.

We also overcame a number of taboos regarding the average construction dimensions for homes, and proposed changes in the regulations in place at the time. Most families aspired to living in an apartment of 120 m² or 150 m², but the payment conditions were not within their budget. Using a plot of land of 36 m², we proposed building modular houses of 52 m², with two floors of 26 m². Each building cost US\$ 8,000, and to acquire one the interested party received a US\$ 3,500 bonus from the state to pay the difference in monthly installments over an extended period. These features were used to construct the Martinete Housing Complex, homes in a working-class neighborhood with access to public utilities, water supply, drains, electricity and gas.

The El Mirador real estate project, comprising 1,500 buildings with an ocean view, in Pachacútec, Ventanilla, won the Rafael Leoz de España Prize, which was awarded to its architect Romero. Its message was “The city grows through investment, not invasion.”

This paradigm shift in the public sector helped to transform others, such as incorporating young persons into high-level decisions in the Executive branch, and providing them with seats in the Council of Ministers by creating the National Youth Council (Conaju).

We had committed to this during the campaign, and made good on this promise on July 28, 2001, the Peruvian Independence Day, when the President’s message to the country announced the pre-publication of the law creating this youth council. Young people became the drivers of change. At that time, the country had over 16 million men and women under the age of 29, who represented 62.5% of the population. I supported the draft legislation to create the Conaju in June 2002, after leading the presentation of the preliminary design through a broad debate in all regions of Peru. On July 28th of that year, the bill was enacted by Alejandro Toledo.

However, things do not always go according to plan. Governing requires firmness, but also flexibility and good deal of patience. We admittedly faced difficult problems, and resolved some by rising to the occasion.



With the creation of Conaju, young people became the drivers of change.

2002 was a particularly tumultuous year. In June in Arequipa, the Arequipa Civic Front (FACA) opposed the Executive branch's measure to privatize the Arequipa Electricity Company (Egasa) and Egesur of Tacna, and summoned the population to several protest events.

On June 13th a hunger strike began in the atrium of the Cathedral, and on the following day an indefinite strike was announced in Arequipa. Public transport ceased to operate, businesses stopped serving customers and school and academic activities ground to a halt. Demonstrations and confrontations with the police became increasingly frequent.

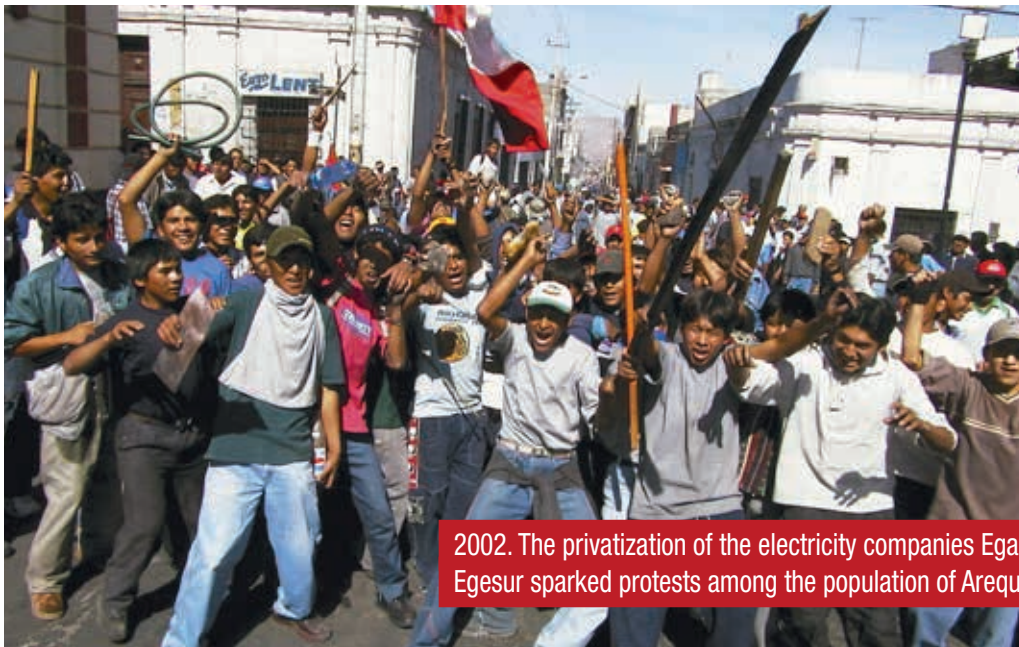
On June 16th, the Government declared a state of emergency, and control of Arequipa fell to the Third Military Region, under General Óscar Gómez de la Torre. The next day, seven mayors and one councilor, alongside Juan Manuel Guillén, burgomaster of Arequipa, joined the leaders' hunger strike.

This social protest was later referred to as the “Arequipazo” or “Arequipa Showdown.”

I met with President Toledo. I found him in his office, alarmed by the news and tense political situation. There was a definite anxiety in the Government Palace. The situation was liable to cast doubt on the viability of the Government's projects. The president had trusted a survey carried out in Lima that took it for granted that Arequipa residents would accept the process of privatizing the two state companies. This was in sharp contrast with the reality on the ground in Arequipa, where 90% rejected the initiative, according to local media.

I decided to ask the President for permission to attempt mediation, as there was a risk that the conflict would spread throughout the entire south Andean region, with the departments of Cusco, Puno, Tacna and Moquegua threatening to give in to similar paralysis. All I asked for was support and full power to act as a mediator.

First, I called an old friend, Monsignor Fernando Vargas Ruiz de Somocurcio, who had long served as archbishop of Arequipa and was popular among the population, and asked for his help. He granted my request. That same day, he secretly boarded an Air Force plane with one of my colleagues, and flew to Lima. Minutes later, he landed at the La Joya military base. The airport of Arequipa had been attacked.



2002. The privatization of the electricity companies Egasa and Egesur sparked protests among the population of Arequipa.

After several hours of dialogue with the main protest leaders, he had realized that the persons behind the uprising, including the Mayor of Arequipa, Juan Manuel Guillén, and the Broad Civic Front were willing to negotiate with the representatives of the Executive branch. Monsignor Vargas returned in the early morning to the Government Palace and, after relating his initial discussions, said that we could travel to Arequipa.

Onboard an Antonov plane, flanked by officials and advisors, we flew with the ministers Aurelio Loret de Mola (Defense), Diego García Sayán (Justice), Fernando Carbone (Health) and Nicolás Lynch (Education). We reached an Arequipa beset with tension. It took us almost an hour to drive from the airport to the San José College, where the meeting would take place. The highways were blocked by picket lines, not to speak of the countless barricades. Residents stood on their roofs, striking saucepans and brandishing signs opposing the Government.

Rocks and bricks were thrown repeatedly at our bus. Several times, my bodyguard César Chacaltana had to protect me with his body from the projectiles raining down on our vehicle. Clearly, the agitators did not want to negotiate with the delegation. Chaos had taken over the city.

Crowds surrounded the San José de la Inmaculada School where the dialogue ultimately took place. We had to spend the night there, as it was too great a risk to enter the city. In that climate of tension and unease, the negotiations were fraught and at times fruitless. At one point, Guillén told me that the situation had become unmanageable and had slipped out of his and his leaders' hands. I then realized that there was no choice; we could not pursue the privatization of the electricity companies Egasa and Egesur.

After two days of interminable discussions, with barely any rest and in constant consultation with President Toledo, we finally reached an agreement. We recognized the right of Arequipa's population to make decisions regarding the future of their electricity companies, and gave the Judicial Branch the authority to resolve the legal protective action taken against the privatization.

The signature of the Arequipa Declaration restored the social peace that had been on the verge of shattering in southern Peru. One can only imagine what might have happened if our mission had failed and we had not put out that fire.

However, it must be said that the “Arequipazo” weakened the privatization program and toppled the ministerial cabinet fronted by Prime Minister Roberto Dañino. The protest was marked by acts of violence beyond the barricades, lootings and there were reports of disruption of public and private property. Losses generated by these disruptions were estimated at 2.5 billion soles, which slowed the growth of the region.

Life within a democracy does not require uniformity in the way of thinking, but common sense is crucial to resolve problems in the face of differences. Consequently, we need to rebuild our democratic institutions through the rule of law and dialogue with the population, regardless of how much time this demands of us.

Politicians spend hours reviewing documents, analyzing studies, listening to proposals, approving or rejecting projects, solving problems, facilitating or unblocking processes and making decisions. It is a full-time job. We only see the streets of Peru through car windows, traveling from one official ceremony to another, or when walking home. And yet during those journeys, we remain connected to the living organism that is the State, which we feed and sustain with our decisions, answering the telephone, giving instructions, listening to advice and dictating guidelines.

Every night before returning home, from the windows of my office in the Petro Peru building, I gazed at the Vía Expresa highway. Below, the red taillights of the cars flowed by, the city’s outline was lit up by lampposts, and in the distance floated the almost ghostly lights of the houses climbing the hills. In winter, the fog crept up the windowpanes, isolating me from Lima.

When I was not involved in my First Vice-President duties, I was immersed in the activities of the Ministry of Foreign Trade and Tourism.

“Raúl is, more than anything, a transformer. Many people have visions, but do not act on them. Raúl thinks and executes. As Toffler said, the world is not divided between left and right, but between the fast and the slow. Fast people know how to do things and use cutting-edge technology, while slow people are stuck in a time warp. Raúl is fast because he projects himself. He is always a pioneer, interested in the latest, newest ideas.

Miguel Romero Sotelo, Dean of Architecture at USIL

ATPDEA

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PROMOTING THE COUNTRY

My duties as first Vice-President were supplemented by those I had as a State Minister. New challenges had emerged, most notably the doubling of exports and promoting Peru globally as a gastronomic and tourist destination. Discussions were initiated for the key Free Trade Agreement between Peru and the United States.

I had two offices in the Executive branch: the one I occupied as first Vice-President, on one of the top floors of the Petro Peru building in the San Isidro District, and my office as Minister of Foreign Trade and Tourism, in the Corpac building behind the Ministry of Interior, only a few blocks away. From the moment I was sworn into the Government until the day, I left, with the exception of my domestic and international trips, my life unfolded between those two offices and the Government Palace.

Although the Vice-President is only required to replace the president in his absence, every day I was visited by individuals asking for help regarding one topic or another related to the functioning of the state. Since I was also in charge of the Ministry of Industry, Tourism, Integration and International Negotiations (Mitinci), I thought that I could only use that one office for all of my official duties but I was wrong. I had to split my time schedule between the Ministry and the first Vice-Presidency.

It was clear to me that it was crucial that the country become properly integrated into the global economy. Up until then, all efforts had focused on promoting Peru principally in the Andean Community. To achieve my objective, I first proposed a reengineering: disbanding the Mitinci and creating the Ministry of Foreign Trade and Tourism (Mincetur). We had an ambitious vision: to foster the competitiveness of companies linked to foreign trade and the tourism industry throughout the world.

To that end we created the National Competitiveness Council, a public-private work commission that received input from the Mitinci, the Ministry of Transport and Communications, the Chancellery, the Comex Group, the Lima Chamber of Commerce

and ADEX, among others. One of the Council's first initiatives was creating a project to turn Peru into a hub, a nucleus of operations and investments across South America.

As time passed, we built on this vision to attract global port operators to the concessions of the southern and northern shipping ports in Callao, which involved an investment of around 3 billion dollars.

We sought to ensure that our exports had the best conditions of access to world markets, and defend our interests within the framework of international trade negotiations. The first step to achieve this was negotiating and/or renegotiating international treaties and agreements, the first of which was with the United States.

Peru had approved the Andean Trade Preference Act (ATPA), which provided advantageous tariffs for our exports, in particular textiles, a highly promising sector. This agreement expired on May 16, 2002. We therefore wasted no time in traveling to Washington D.C to renew and expand the ATPA.

In the United States Congress, I held initial meetings with the Democrat Senate leaders and prominent Republicans and Democrats of the House of Representatives, as well as the co-chairpersons of the congressional group interested in supporting the Andean cause, called Andean Caucus.



Mincetur's objective was to promote the competitiveness of Peruvian companies involved in foreign trade and tourism.

The fruits of these first meetings appeared in October 2002, when President George W. Bush signed a proclamation declaring Peru eligible, a decisive step to put into practice the benefits of the Andean Trade Promotion and Drug Eradication Act (ATPDEA).

This new law renewed and expanded the benefits to new products, including the clothes produced using Andean regional material, which was a crucial detail for Peru, since benefits would be distributed throughout the country.

In concrete terms, this allowed Peru to secure the authorization of over 6,300 tariffs for entry onto the US market, and exports of Peruvian products to the North American market increased by 25% compared to the previous year.

Our objective was to double exports of not only small companies but also involve the “PYMES”, small- and medium-sized companies. We created Septimex (D.U. 050-2002), export insurance, through a US\$50,000 support fund. This enabled banks to loan capital to this type of company, which were receiving purchase orders insured abroad.

Luis Torres, currently the Director of Export Promotion at Promperu, the body responsible for promoting Peruvian exports and tourism, expressed his satisfaction with the results achieved. It reported over 100 million dollars in reversed fees, with a low default rate, clear evidence that Peruvian entrepreneurs only needed confidence and capital to stimulate their work.

This model exceeded the technical review by the World Trade Organization, and is currently an insurance policy for working capital (pre-shipment) and commercial risk insurance (post-shipment), thus becoming a platform to export both goods and services, and a shining example for the Pacific Alliance.

When Toledo’s cabinet entered the government, exports amounted to about 6 billion dollars; by the end of his term, they were just shy of 20 billion dollars, tripling in five years. If we discount the high prices of minerals during that five-year period, non-traditional exports increased steadily, which is explained by the rise in exportable supply.

We held numerous trade fairs to show case the products available for export, with the participation of companies in the agricultural, agro-industrial, fishing, aquaculture, footwear, wood, manufacture and handcraft sectors. In Lima, the large trade fair Peru Exporta was organized in Avenida La Marina and assembled over 1,000 export businesses from every corner of Peru. Attending the event were more than 600 regional buyers in addition to 5,000 daily visitors.

The spirit of this fair remains strong at the North, Center, South and Amazonian fairs, all under the auspices of Promperu.

Producers are grouped by product type: grapes, mango, avocado, asparagus, banana, etc., and the Peruvian Association of Agricultural Producers Syndicates (AGAP) was founded. Out of the 5.3 billion dollars in exports in 2016, these export associations represented over 3 billion.

At international trade fairs, Peru's cuisine was one of its most appealing cultural expressions, making the country a gastronomic paradise and privileged touristic destination.

We promoted Peruvian cuisine through primary tourists itinerary points: Buenos Aires, Quito and Sao Paulo (2001), in addition to Lafayette in Paris, Río de Janeiro and London, and we participated in gastronomic festivals in Zurich, New York, Panama City, Frankfurt and Montreal (2002); the Hotel Ritz in Madrid (2003), Japan and China (2004).

At the Frankfurt food fair, a Gesell camera was installed to observe the behavior of Germans trying the various dishes prepared using yellow potato by the renowned chef Adolfo Perret. The flavors of our prawn and octopus *causa limeña* with olive sauce, *papa a la huancaína*, *papa rellena*, purée and native potatoes served with an array of sauces were a real hit with festival visitors.

This study demonstrated that the wide acceptance of our cuisine abroad was a boom, and a pillar of the growth of non-traditional exports.

Pisco was similarly well received.

I vividly remember an incident with the President of Colombia, Andrés Pastrana, who made a technical stop at the Air Base N°8 in Peru in late 2001, on his way to Chile.

As a great connoisseur of our sophisticated national drink, the Colombian president asked for a *pisco sour* cocktail while he was waiting for his flight to resume. However, this was a problem since this stopover took place at a military airport.

I asked President Pastrana to stop again on his return flight to Colombia, and he did. On that occasion, I called the renowned *pisco* promoter Johnny Schuler, and asked him to receive the illustrious visitor with a refreshing glass of *pisco sour*. Schuler recalls, "A 20-minute technical stop became a long and cordial encounter."

Our grape distillate can proudly compete among the greatest of the world, and national *pisco* producers have been crowned with golden medals in competitions exclusively organized for fine liquors.



With Andrés Pastrana and his wife. The Colombian President was delighted with the Peruvian *pisco*.

Defending the designation of origin of *pisco* was one of the endeavors that our sector pursued. After all, *pisco* should certainly not be confused with *aguardiente*!

An intense campaign to promote this beverage was launched in the main cities of the world, and simultaneously, we sought to boost its value on the Peruvian market. In November 2002, the National Institute for the Defense of Competition and the Protection of Intellectual Property (Indecopi) published a new technical regulation that specified the degree of actual alcoholic strength of *pisco*, which ranged between 38 and 48 degrees.

The regulation also determined the three main characteristics that define *pisco* in Peru and differentiate it from any other drink. It is produced in a process that involves the distillation of fresh grape must, specifically prepared for making *pisco*, and not previously fermented wines or vintage must; its distillation is carried out in discontinued alembics, to preserve the essential constituent elements; and water cannot be incorporated to lower its alcoholic strength after the distillation.

In Peru, *pisco* is distilled; it is not left to rest, and no water or other artificial compounds are added. Chilean liquor, on the other hand, is produced by fermenting the juice or vintage musts, then letting it rest for up to 50 days to “clarify” it, after which the distillation taken place.

All the specific differences and characteristics of our national drink were established as technical norms. We also approved changes in the tax system. The modification was made from application of the selective consumption tax to *pisco ad valorem* (20%) to *ad volumen* (1.5 Peruvian soles per liter), which created an incentive for greater production.

Moreover, to develop the research and standardize quality and productivity standards in the sector, we installed a CITEvid in Ica and a modern chromatography laboratory to measure the components of Peruvian *pisco*.

To complement this, we introduced postage stamps depicting the history of our distilled grape, which were part of the program to disseminate the image of *pisco* as a Peruvian denomination of origin.

Finally, in coordination with the Chancellery, we decided that at all official events, both internal and external, *pisco* would be offered as a toast instead of the traditional wine.

We also transformed the tourism sector.

Peru received no more than 600,000 tourists a year. Within three years, over 1.5 million tourists were flocking to the country.



At that time, Peru received no more than 600,000 tourists a year. Our first challenge was to reach one million visitors. Within three years, we had exceeded 1 million tourists. To meet this objective we implemented a series of plans, programs and activities both in Peru and abroad to promote tourism.

In Peru, we signed the Multilateral Agreement on the Liberation of International Air Transport (MALIAT) on May 1, 2001, in Washington, United States, during the transition government of Valentín Paniagua.

On October 17th of that year, while President Toledo was in Asia and I was carrying out the presidential duties, I initiated the Supreme Decree 081, thus adhering to MALIAT “in order to promote an international aviation system, for the transport of both passengers and cargo, based on competition between airlines on the market, with minimal interference and regulation.”



The Kuelap cable car was one project for the Amazon Region that Jorge Chavez sought to implement for nearly ten years.

In China, this decree prompted the Chinese Bureau of Tourism to declare Peru a touristic destination, and treaties were signed for sustainable development with Japan, Korea and the Philippines.

The Open Skies Agreement triggered a constitutional accusation against me in the Parliament, which involved two years and eight months of investigations. The outcome of this was that in 2006 the Permanent Commission of the Congress approved the conclusions and recommendations of the Sub-Commission of Constitutional Accusations, which declared that the denunciation submitted against me and Luis Solari, former minister of Health and in charge of the Chancellery when the Supreme Decree 081-2001-RE was issued, was unfounded.

The approval of the Law N° 27889 (2002), which created the extraordinary tax on national touristic promotion and development, and was proposed by the Vice-Minister of Tourism Ramiro Salas, was a financial instrument of the first order. It sought to finance activities and projects aimed at the diversification and development of tourism products described in the National Tourism Development Plan for Peru (2001-2006) and the Multi-sectoral and Inter-institutional Comprehensive Plan for Tourism Development.

Yet none of this would have been possible without a dose of “Vitamin P” – power – that shock of adrenaline that you feel when you occupy a high-level Government position and serve your country.

Jorge Chávez, an engineer born in Rodríguez de Mendoza, will know what I mean. We had not met in a long while, but saw each other at a public ceremony. I greeted him and after asking him what he was involved in, asked him to accompany me the next day on a trip to the village of Chachapoyas in the Amazonas region.

“I will expect you tomorrow at 5am at the Air Base N° 8”, I said, and made my leave.

Tourism technicians had analyzed the potential of the region, the cradle of an ancestral culture with excellently preserved archaeological remains called Kuélap. We travelled with a group of ministers, technicians and advisors to carry out a multi-sector incursion and to conduct an on-site assessment of the feasibility of the project to estimate the value of this tourism route.

There were no direct flights from Lima to Chachapoyas, and it took us many hours to reach the site. One can fly from Lima to Cajamarca and follow this with a nine-hour drive. Another route is to fly to Tarapoto, then endure an eight-hour drive. The most complicated journey involves flying to Chiclayo, followed by an 11-hour drive. All these options entail traveling along highly dangerous roads.

Jorge Chávez accompanied us, and on our drive back we stopped at Nuevo Tingo, where we decided that the most practical method to promote tourism development in Kuélap was to build a cable car.

At that time, there were only two companies in the world capable of building that form of transport: one Austrian, one French. Chávez was tasked with visiting both and a few others in other countries. Ultimately, we decided that with a little imagination, our engineers could do the preliminary studies.

These studies and consultation processes set the foundation for the Master Plan for Tourism Development in the Valley of Utucamba, which then became a development program that included a number of works and improvements, currently managed by the Peruvian-Japanese Cooperation Fund (JICA). It also included the asphaltting of highways between the airport and Chachapoyas and between Caclic and Luya, the Regional Museum, the Quiocta cave, the Yumbilla waterfall and the Historical Village of Levanto. Through the Copesco Plan, we arranged investment in the restoration of the Kuélap Fortress and other monuments in the valley, as well as urban development of villages with touristic value.

None of these plans and programs included the Kuélap cable car. This may be hard to believe, but this is often the case with bureaucracy. In subsequent years, this project became the subject of obsession for Jorge Chávez, who conducted in-depth research and studies on cable cars, and championed the project for almost ten years.

During the government of President Humala, he finally tendered and began construction on this work, which we have always considered a cornerstone project for the Amazon region.

“ One never knows where an idea will lead. At first, few people can understand a business endeavor. The persistence, discipline, faith and passion that you pour into a project are fundamental.

Over time, we were vindicated. From January to July 2017, the 4.2 kilometer long Kuélap cable car transported over 50,000 Peruvian and foreign passengers.

Chávez used the know-how acquired to found his own company to design and construct cable car transportation. He was in charge of implementing the Huaros Project across Peru, which involved small cable car transportation applications used to cross-rivers and deep ravines located in the Andes Mountains and tropical rainforest regions. He is currently building a cable car in Medellin (Colombia), a 20 million-dollar project.

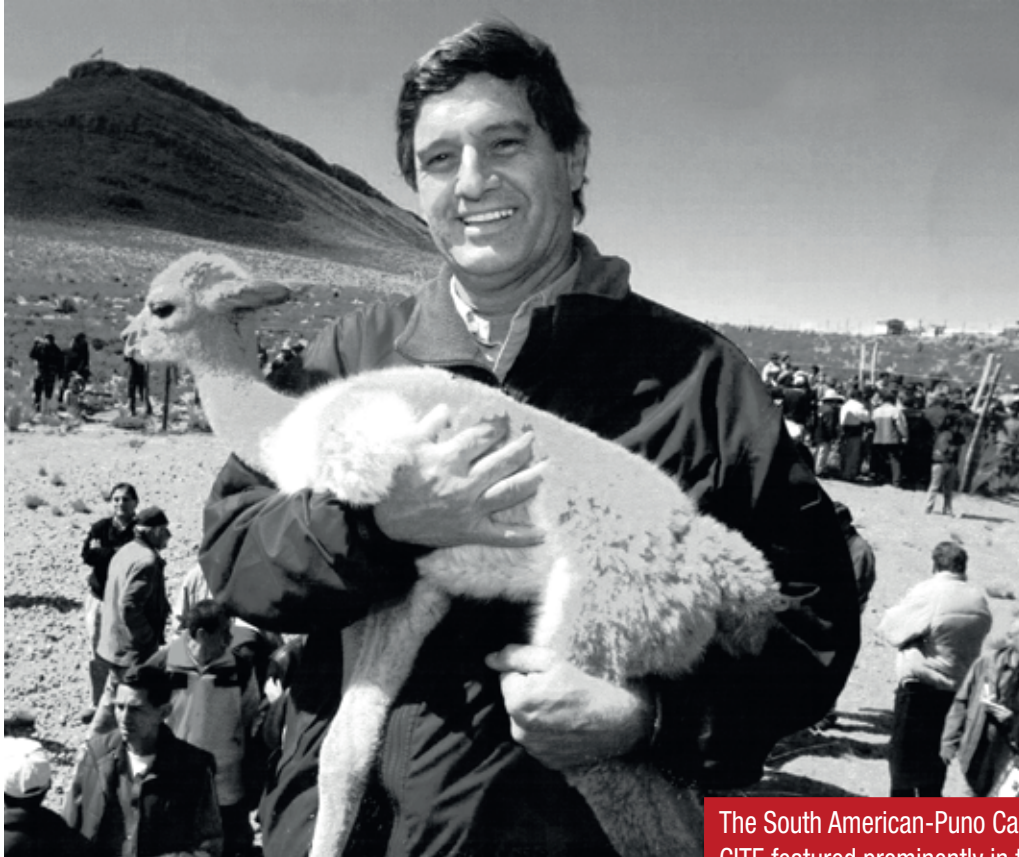
One never knows where an idea will lead.

At first, few people can understand a business endeavor. The persistence, discipline, faith and passion that you pour into a project are fundamental.

These guidelines were embodied in the National Plan for Handcraft Development, which we introduced to promote the work of thousands of families dedicated to textile production using camelid, fiber, ceramics, leather and jewelry.

To implement it, we created the Technological Innovation Centers (CITE) for Tourism and Handcrafts throughout Peru, actual laboratories to help to diversify national production. We made significant advances in developing and exportable supply of new artisanal products, designed in compliance with the market requirements.

A few shining examples are the Touristic Artisanal CITE in Sipán-Lambayeque, created by formally setting up cooperative handcraft associations in Etén, Túcume, Incahuasi and Uyurpampa, and by installing two arboretum made from native cotton in a variety



The South American-Puno Camelid CITE featured prominently in the major international fairs.

of colors: one in the Sipán Royal Tomb Museum and the other in the Sicán National Museum. The Koriwasi-Cajamarca Jewelry CITE, where machinery and equipment valued at US\$265,000 donated by the Yanacocha Mining Company was installed; and the Jewelry CITE of Catacaos-Piura Civil Association, which participated in national and international fairs in Guayaquil, Ecuador and the AF'L'artigiano in Fiera, in Italy.

The South American-Puno Camelid CITE was featured prominently in the international fairs in Las Vegas, USA, Inter Selection in France and AF'L'artigiano in Fiera, in Italy. The Huancavelica Camelid Textile CITE participated in international fairs in Las Vegas,

USA and the AF'L'artigiano in Fiera, in Italy. Finally, the Chulucanas-Piura Ceramics CITE developed very successful exclusive collections for the Milan Fair.

The artisans only needed assistance in reaching global markets. The quality of their products was widely accepted, and demonstrated irrefutably that Peru is a country of opportunities.

At the First South American Meeting of Tourism Ministers, held in Lima (2003), it was suggested that a joint tourism promotion strategy be designed by South American countries in response to the global crisis. The outcome was the creation of the South American Program for South Americans. In Brussels, Belgium, the meeting "Peru, Strategic Partner of Europe" was organized, with the participation of 21 diplomatic missions, to promote tourism, foreign trade and investment.

In 2004, we gave the Copesco Plan a dual scope: regional and national.

The touristic development projects driven by the Copesco Plan were financed by the fund and the extraordinary tax for the promotion and development of national tourism. This made it possible to execute a variety of investment plans aimed at showcasing tourism resources, adapting city squares, streets, promenades and beaches; building tourist hotels, museums, exhibition rooms; renovating archaeological centers, churches, museums; and installing and maintaining tourist signposting in cities and on highways throughout the country.

The plan took particular care to integrate the border cities of Aguas Verdes, Tacna and Desaguadero, ports of entry for visitors from neighboring countries and potential markets for developing receptive tourism.

Some examples of the work carried out between 2001-2004, the product of a joint and coordinated effort between the Tourism sector and the regional governments, include our intervention in the following projects: Cuarto del Rescate in Cajamarca Department, the archaeological complexes of Levanto, Revash and Kuélap in Amazonas Department, Chan Chan, Huaca Cao Viejo and Magdalena de Cao in La Libertad Department, Huaca Rajada in Lambeyque Department; Chavín in Ancash Department; Kotosh in Huánuco Department; Caral, Pachacámac and Áspero-Puerto Supe in Lima; Tambo Colorado in Ica Department; and Wari in Ayacucho Department.

Among the main tourism development projects implemented were: in Lima, the Caral Master Plan, and technical assistance for the identification of touristic destinations in the Lurín, Rímac and Chillón river basins, in Arequipa Department, the Tourism Development program of Arequipa and the Colca Valley, and the Church of San Agustín; in Cuzco Department, the Urban Reorganization and Cultural Development Plan for Machu Picchu Village and the Master Plan for Choquequirao; in Puno Department, the Tourism Recovery of Lake Titicaca, in Ancash Department, the Chavín-Pashas and Cabana Tourism Project, and in Lambayeque Department, the Historical Sanctuary of the Pómac Forest.

The greatest reward for service to citizens is exactly that: serving. However, your family inevitably pays the price of the long days and nights that you devote to your duties. Key moments of your children's lives are missed, never to be recovered.

The family circle may crack, but the love for your children remains intact.

You never cease to be a father and grandfather.

«I worked closely with the Vice-President on pioneering trade agreements, starting with the expansion of the Andean Trade Promotion and Drug Eradication Act (ATPDEA) and above all the launch of the bilateral trade agreement with the United States (FTA). In order to institutionalize these efforts, the Ministry of Foreign Trade and Tourism, a personal initiative of Raúl Diez Canseco, was established. In addition to his democratic convictions and faith in the free market, he stands out for his genuine vocation for public service, his tremendous energy and the tenacity that he pours into every one of his endeavors.».

Roberto Dañino Zapata, former President of the Council of Ministers (2001-2002)

«Many of the decisions adopted when Raúl was minister and first Vice-President remain public policies to this day. I believe that he had the vision of projecting Peru twenty or thirty years in advance. Community involvement, innovation, export promotion and the promotion of tourism first emerged under his management. Globalization became a reality, and he drove us to look beyond the region, to gaze out at the world without fear».

Luis Torres P, director of Export Promotion at Promperú



PRESIDENTIAL ADVICE

The current relationships between countries require an active participation by the heads of states in forums and events. This gives rise to presidential diplomacy, direct negotiations between government leaders.

In the modern and global world, the President plays a crucial role in strengthening the bonds of friendship and cooperation between all nations of the world. This can be to attract capital and investment, open new markets, negotiate new treaties, foster technological and scientific exchanges or accelerate cooperation mechanisms in various areas. Indeed, Section 11 of Article 118 of the Political Constitution of Peru indicates that the President of the Republic is responsible for “directing foreign policy and international relations, and celebrating and ratifying treaties.”

Our Constitution differentiates the terms “foreign policy” and “international relations”, and this is a judicious separation because the former refers more to the behavior of states on the international stage, whereas the second involves bodies that can be separate from the state, such as business and social organizations or trade unions, which act with other institutions or states in the framework of global interaction processes.

As it was eloquently put by Ambassador Oscar Maúrtua de Romaña, who became the Chancellor in President Toledo’s government, “the head of state can direct the external behavior or foreign policy of their nation but cannot “conduct” international relations because these are the result, among other factors, of the interaction between the various foreign policies of each one of the stakeholders in the international system. In any case, the leader of a nation can influence international relations or an area of them, but cannot define the general course that they take.”

Clearly, a head of state can have more or less capacity to manage international relations, to have a positive influence or impact on specific areas of general interest for their nation. These are the advantages of what is referred to today as “Presidential Diplomacy.” President Toledo used this type of policy extensively because, he told me, he sought to stimulate the economy, and to this end, he had to attract capital from all over the world and open new markets.

While I was in charge of the Presidency, and through direct assignments from the President, I directly experienced the positive impact that prudent, accessible and amicable, yet firm and decisive management of international relations can have for a country.



With Luis Moreno, President of the International Development Bank, and Álvaro Uribe, then the President of Colombia.

The most valuable lesson that I learned from the high dignitaries with whom I cultivated a friendship is not derived from their words but their example.

This was illustrated when I travelled to Colombia for the swearing-in ceremony of President Álvaro Uribe.

The intelligence services had sent information warning of a possible attempt on Toledo's life during that ceremony. Therefore, after discussing this with him, and in view of the importance of the event and our keenness to strengthen our friendship with Colombia, the president requested that I travel there in his place.

President Uribe is a fascinating political figure. He has served at every level of political administration. He was a councilor and mayor of Medellín, senator, governor of Antioquia and finally president of Colombia. On May 25, 2002, he was elected in the first round, for the first time in the country's history, having obtained 5,862,655 votes, or 54,51%.

On the day of the swearing-in, Colombia was still struggling with political violence that had reigned for over 50 years. It was the longest standing armed conflict in the northern hemisphere, with over 260,000 deaths, tens of thousands of displaced persons and personal tragedies that affected almost every Colombian.

The origins of the armed violence can be traced back to the early 20th century, with the confrontation between liberals and conservatives. The assassination of the liberal candidate Jorge Eliécer Gaitán in 1948 was the most poignant expression of this fratricide war.

The internal conflict lasted until the late 1950s and known as the era of The Violence, which claimed over 200,000 lives. That period saw the emergence of the Revolutionary Armed Forces of Colombia (FARC), which began as a movement by farmers displaced during The Violence, then became an armed army with a communist ideology.

Today, after 34 years of negotiations and renegotiations, several attempts, scant progress and numerous failures, Colombia has reestablished peace. This was not the case when I attended the ceremony to transfer power from President Andrés Pastrana to Álvaro Uribe in August 2002. On the day that I arrived in Bogotá there were shootouts and bombs in the streets.

I was impressed to see Uribe waiting for his guests at the door of the Nariño Palace, as though to say: “This president is not going to flee out of fear.” This turned out to be true.

His work focused principally on implementing the democratic security policy, maintaining the presence of the state and ensuring security for the civilian population. He sought to recover credibility in the institutions among the population and strengthen democracy.

I have kept a close friendship with President Uribe over the years. I have visited him several times, and he has visited me many others. Through him, I met the Nobel Peace Prize Laureate of 2006, Muhammad Yunus, who revolutionized microcredit and microfinance for small entrepreneurs. We drew several useful ideas from that meeting, which we incorporated into the “Creer para Crear” (Believing to Create) program, implemented later.

Having worked indefatigably for years, despite all the difficulties that he faced, Uribe left the government with a high approval rating in opinion polls. I spoke to him on the day that he handed the position to President Juan Manuel Santos.

“What is the key to your success, President Uribe?” I asked.

He took me by the arm, and taking me to one side, he replied:

“It is very easy, Raúl. Look: our government had the best people in Colombia

He told me that when won the elections in the first round he hired a consultancy firm, which used headhunters to find the professionally and technically best-qualified men and women for the government positions, offering good salaries, in line with those on the market.

They suggested three candidates for every post, and I chose one. Politics was never involved, i.e., there was no offer of the favor of a government post that some expect when their party wins the elections. I had the best people of Colombia.”

Of course, this does not mean that activists cannot hold public office. On the contrary, if they are prepared for the post, they have every right to do so, and they will be paid generously. Consequently, I have always believed that activists’ first duty, before

“*This was the case with Vicente Fox, the President of Mexico, who helped us considerably to determine how to promote the consumption of our national drink, pisco.*”

learning the ideology, is studying a technical or professional subject and reaching a degree of excellence. We have to cast away this romantic vision of politics.

The vocation of public service has its limits. Only the best candidates should serve in a government.

On other occasions, I was able to assess the government experience of presidents and break down the steps involved in implementing a state policy in Peru. This was the case with Vicente Fox, the President of Mexico, who helped us considerably to determine how to promote the consumption of our national drink, *pisco*.

Mexicans are the architects of the success of tequila throughout the world; we wanted to do the same with *pisco*. We had already developed a series of marketing programs, such as celebrating Pisco Day and publishing a book on the drink, but this had not succeeded in increasing domestic consumption.

Therefore, one day, President Fox invited me to the presidential palace Los Pinos with this single item on the agenda. I remember that he was waiting with all the marketing directors of ProMexico, the powerful government body responsible for coordinating strategies to promote Mexican exports throughout the world, by supporting exporting activity among companies established in the country and coordinating actions to attract foreign investment.

“So your objective is to position *pisco* on the world market”, President Fox stated, and added: “Who do you think drinks the tequila that we produce in Mexico? Mexicans, of course!”

He proceeded to share his formula:

“You have to modify the taxes. This will increase production and consumption. Then, once you have positioned *pisco* at home, the remainder will sell itself as a result.”

The Minister of the Economy at the time was the current President of Peru, Pedro Pablo Kuczynski (known as PPK, also the initials of his political party). Our national production was barely 350,000 liters a year, and that figure had not increased for the last five years. I explained this to PPK, and he understood. Naturally, we had to change the taxes. At the end of Toledo's term, *pisco* production was close to 1 million liters a year. We also proposed tasking the Center for Technological Innovation of Grapes (CITEvid) with increasing production and improving the quality of the drink for the domestic and international market.

Annual *pisco* production has currently reached 10.5 million liters. We have grown at a rate of 1 million new liters every year for the last decade! There are 523 *pisco*-producing companies, which are exporting to the United States, Chile, Spain, Holland and the United Kingdom. We are also making inroads in new markets, such as India, Israel, Belgium, Norway and the Dominican Republic.

Our relations with representatives of the United States government were remarkable, especially in the area of trade.

The Office of the United States Trade Representative (USTR) was created in 1962 by President Kennedy. Initially, its mission was to negotiate all the trade agreement programs. In 1974, the Congress gave it the additional responsibility of designing and coordinating trade policy, and in 1980, President Jimmy Carter delegated it the power to manage all trade policies. From then on, the official directing the USTR is the main representative of the United States before the international trade bodies.

In 2003, Robert Zoellick was appointed representative of the USTR by President George W. Bush and, as part of his responsibilities, he concluded the negotiations to convince China and Taiwan to negotiate within the World Trade Organization (WTO), promoted the free trade agreement with Central America and was President Bush's representative to negotiate the FTA with Peru.

In the second week of September 2003, Zoellick and the trade ministers of 148 countries participated in the Fifth Ministerial Conference of the WTO, hosted in Cancun, Mexico. This was the most important trade forum designed to negotiate matters relating principally to tariffs, subsidies and protections on agricultural products.



In coordination with the Chancellery, we decided that *pisco* would be served when toasting at official events.

It did not reach an agreement. The international media began to describe it as the Cancun failure. However, it saw the birth of a new block of less developed countries, led by Brazil: the G21, composed of Argentina, Bolivia, Brazil, China, Chile, Colombia, Costa Rica, Cuba, Ecuador, Egypt, Guatemala, India, Mexico, Nigeria, Pakistan, Paraguay, Peru, the Philippines, South Africa, Thailand and Venezuela.

Though we initially joined this block, we had a clear national, regional and global strategy for trade policy. The Strategic Export Plan for 2003-2013 had fixed our objectives: intensify the diversification and growth of our exportable supply, and consolidate and promote the expansion of companies, products and services for the foreign market.

Importantly, since December 4, 1991, the Andean countries (Peru, Bolivia, Ecuador and Colombia) had enjoyed an exemption granted unilaterally by the United States, designed to support the fight against the illegal drug trade.

Approximately 5,600 products were transported freely into the United States, without paying tariffs. This mechanism was known as the Andean Trade Preference Act (ATPA), and that first stage did not include textiles or garments.

The ATPA expired on December 4th 2001, and in October 2002 it was renewed under the name Andean Trade Promotion and Drug Eradication Act (ATPDEA). It included 700 new products, among which were textile products made using regional materials, such as alpaca, llama and vicuña wool. Our goal was to sign a Free Trade Agreement with the most powerful country in the world.

Ambassador Carlos Alzamora Traverso came out of retirement from the diplomatic service to lead the negotiating team of ATPA.



Andean countries exported 140 million m² of cloth a year, of which 90% were from Peru and Colombia. The new quota proposed started at 300 million m², and it was clear for both countries that the United States was the best option for a trade agreement. We certainly did not aim to work against it.

Symptomatically, three weeks after the fruitless meeting of the WTO in Cancun, Colombia announced its withdrawal from the G-21. It was early October 2003, and the Office of the United States Trade Representative was highly active, as were the international phone calls. After the Cancun event, Zoellick scheduled a series of contacts to promote regional contacts for trade and tariff preferences. He spent that first week of October in Central America and visited El Salvador, Nicaragua and Costa Rica, which also stated that they were withdrawing from the G-21.

A delegation was tasked with promoting the participation of Peru in the following round of discussions of the Free Trade Area of the Americas (FTAA), which was held in November of that year in Miami, USA. I received it in my office, on the 17th floor of Mincetur.

“How is it that Peru is demanding greater access to the North American market, and simultaneously participating in the G-21, which is opposed to our trade policies?” the head of the US delegation asked at one point.

By then, the G-21 was perceived not as it had initially been envisaged, as a group of countries gathered for agricultural trade interests, but as one of a political nature, opposed to the United States and Europe. This had never featured in our plans.

“You can regard it as a state policy of my country. Peru will now withdraw from the G-21”, I replied.

The directors of the various business associations and my advisory team, who were accompanying me, were momentarily perplexed, while the visitor immediately dropped his critical demeanor. From then on, the meeting took place in a gracious, more trusting tone, which facilitated Peru’s attendance at the following round of FTAA discussions.

A letter send from my office to Ambassador Zoellick on October 2nd ratified this position. It reaffirmed that:

“Peru signed a document on agriculture which represented a wide range of trade interests for developing countries and Peru in particular based on the assumption that the group of countries that signed the document (a group later referred to as the G-21) would participate in and promote a fruitful and constructive dialogue in pursuit of a global and fair agreement on agriculture that would be mutually beneficial to all member countries of the WTO.

This was not the case, and the Peruvian government has no intention, through its participation in the G-21, to hinder the process, but instead has always aimed for the group to play a conciliatory role to overcome differences in the agricultural sector.

In view of this, Peru will no longer remain a member of a group that sponsors extreme positions that obstruct the progress of the Doha negotiations. Peru will not be associated with proposals that foster differences, to the detriment of consensus. Therefore, following the Cancun Conference, we have also withdrawn our participation from that group.”

I believe that this is the only time that President Toledo was angry with me. I had to explain to him the reasons for my decision. There was no time to lose. We had to choose one of the two paths, and there was no other option. I even suggested that, if he did not agree with my position, I would send another letter that reasserted Peru's membership of the G-21, though I warned him that if we did this he could forget about signing a Free Trade Agreement with the United States.

“Alright, Raúl. There is no need to do that”, the president replied, thus confirming my decision.

One week later, on October 8 2003, I travelled to Brazil to promote tourism and bilateral relations, with the Vice-Minister for Tourism, Ramiro Salas, on an itinerary that included a visit of the Embraer plane factory in Sao Paulo. I suddenly received a phone call from Robert Zoellick himself.

At the time, it was raining cats and dogs in Sao Paulo.

The conversation with Zoellick was tense, confrontational at times, and lasted around an hour.

That same day we were due to leave for Río de Janeiro. The rain had reached Biblical proportions, but we boarded a small twin-engine military jet with a double propeller. We almost did not make it. The plane was buffeted about like a feather. At one moment, a lightning bolt paralyzed the plane's controls, for several interminable minutes. The lights switched off. We thought that the end was nigh. However, God was watching over us, and the plane was able to land, with difficulty, in Río de Janeiro. Ramiro later told me that the pilots were severely reprimanded for having flown in those weather conditions.

Time eventually demonstrated that we had made the right decision. On November 18, 2003, Zoellick officially announced his intention to initiate negotiations for a FTAA with Colombia, Peru, Ecuador and Bolivia.

Over time, our position became clearer. We had a strategic relationship with Brazil, and a trade partnership with the United States.

The recent history of our relationship with the US Government featured a tragic event in March 2002. On the eve of the official visit of President George W. Bush, the terrorist group Shining Path attacked the Embassy of the United States.

President Toledo was then in Monterrey, Mexico, taking part in a UN conference on development finance. As was the custom, I was occupying the presidential office.

I remember that the agenda for that day included monitoring the "Mi Vivienda" program and preparing for President Bush's visit. We coordinated with local authorities to paint berms, manicure gardens and hang flags across the city.

That night I was at home when the criminal attack took place at the El Polo Mall.

The minutes from the Council of Ministers from that day states that at 11:10 pm I travelled to the location of the attack, accompanied by police cars from my security detail. At 11:50 pm I spoke on the phone to the Ambassador of the United States in Peru, John Hamilton, and gave him detailed information on the event.

As I was analyzing the situation, I received a phone call from President Toledo, who was concerned with the general situation of the country, and in particular the



victims. The attack had claimed ten lives and left many injured persons and extensive material damage.

The most likely outcome was that President Bush would cancel his trip to Peru. This would be a terrible political blow for the government, which was the Shining Path's end goal.

"Mr President, I am not yet able to give you a full picture of the political situation in the wake of the attack", I told him.

I immediately contacted the President of the Council of Ministers, Roberto Dañino, to transmit a historical decision, with the consultation and approval of President Toledo.

At midnight, an emergency Council of Ministers was held at the Government Palace. The meeting lasted until 2:35 am. Ten minutes later a statement prepared by the President of the Council of Ministers was read in the Press Room of the Palace.

On the morning of Thursday March 21st a Permanent Council of Ministers was summoned at 9 am. This was 48 hours before President Bush was due to reach Peruvian soil.

The country underwent a series of shutdowns and strikes. The trade unions were especially active, and a day did not pass without them demonstrating in the streets, brandishing banners and slogans.



At 9 am I was already in the Government Palace with the representatives of business associations, trade unions and political parties, in order that, in the framework of the National Agreement, we could secure the support of civil society and a wholehearted rejection of the attack on the US Embassy.

I also summoned the owners and directors of the media companies, to request that they withhold their criticism for a period and organize an awareness campaign to bring the country together.

“It is time to stand united, because if we do not, we risk losing everything”, I remember saying.

The television campaign, which was directed by José Sotomayor, an old colleague and media expert, exceeded my expectations, and it did not cost the State a single cent.

When Toledo called me again and asked what the likelihood was of President Bush proceeding with his trip to Peru, I answered with utter conviction:

“Mr President, please tell Mr Bush that we Peruvians are ready to welcome him.”

The visit took place without a hiccup. It allowed us to renew the Andean Trade Promotion and Drug Eradication Act (ATPDEA) in October 2002.

We soon got to work on broadening this benefit and formalizing it in a far-reaching document: a Free Trade Agreement with the United States. Many meetings were

scheduled with multi-sector negotiation groups, until, near the end of President Toledo's term in April 2006, the agreement was concluded and signed in New York by representatives of both countries. The Congress ratified it in June 2006, and the Chamber of Representatives of the US approved it in November 2008. Peru and the United States approved its implementation in January 2009, during the government of President Alan García.

These are the benefits of pursuing a State policy. Representing your country in international missions is sometimes a source of satisfaction. At other moments, you have the opportunity to live intense, unforgettable moments, which remain with you your entire life.

One example was being received in private audience in Rome by Pope John Paul II, leader of the Catholic Church, and head of the Vatican State.

The Holy Father had visited Peru twice: once, in February 1985, during the government of Fernando Belaunde, when I saw him in the family audience the pope held with the President; and again during the government of Alan García in 1988, for the Eucharistic and Marian Congress of the Bolivarian countries.

On that first visit it was Miguel Cruchaga Belaunde who accompanied the Pope during his five-day stay in our country, visiting eight cities. Those were tense moments: terrorism, the economic crisis and the time delays of the El Niño phenomenon hit Peru hard.

"Lima suffered a power outage last night after the collapse of three high-voltage towers in Yanacocha (Chosica), and two transmission lines in the Mantaro Valley. When the Pope returned from Trujillo, he found a city in the dark...'", recounted the newspaper *El Comercio* on February 5, 1985.

Wonderful anecdotes also emerged from that visit. One of those most celebrated by the Pontiff, as Miguel Cruchaga once told me, was his presence in Iquitos and the massive welcome by the local residents, who at one point chanted:

"The Pope is a charapa (native of the Amazon), the Pope is a charapa!"

I had insisted on a private audience with the Pope in the Vatican, but the officials of the Chancellery and the Vatican State warned me that he was in poor health. “Please come anyway”, they said, “and if the Pope recovers you can be sure of an audience with him.” When I finally arrived in Rome, they informed me that John Paul II wished to see me. He was indeed seriously ill. Being so close to him made me tremble and sob.

I will never forget his words on receiving me:

“Mr Vice-President, the Pope is a charapa.”

Three months after my meeting with Saint John Paul II, the Almighty called him to his kingdom.



«The G-21 was created during an international meeting of the World Trade Organization (WTO) in Cancun, with the purpose of pressuring the United States and the European Union to eliminate agricultural subsidies. In that context, it was convenient for Peru to suppress the agricultural subsidies of the United States. However, but this could never become a topic that might breakdown the negotiations. Peru could not place itself in a radical position to break off negotiations, like Brazil and India had.

Brazil assumed a radical position. We therefore were faced with the dilemma of continuing to support the G-21 or leaving the group and favoring a more moderate option. In view of the geopolitical interests of that time, we decided that it was more convenient, looking towards the future, to support a stable relationship with the United States and the European Union.

Brazil, a deeply protectionist country, was keen to create obstacles in that relationship with the US, which was far from our position. If one analyzes this decision in the light of what we have achieved today, we can judge that Peru made the correct choice. We chose to favor the future of the country. Another outcome of this was that, subsequently, the United States signed a Free Trade Agreement with Peru.

Remember, at that time Peru was only exporting asparagus. Today, with the open trade we have achieved with the United States, we have a diversified exportable supply in agriculture that represents our main export sector after mining. We currently export avocados, citrus fruits, grapes, piquillo peppers and mangos.

Before Raúl entered the Government, the Ministry of Industry, Trade and Integration restricted its vision to the Andean Community. When Raúl assumed his position, we had the world in our sights. The Ministry of Foreign Trade and Tourism, however, was a conceptual change, not just a new name. Raúl laid the foundation for placing foreign trade on the country's agenda. He altered the direction of the ministry».

Alfredo Ferrero, Minister of Foreign Trade and Tourism (2003-2006).

«In 1996, I met Raúl Diez Canseco in Chicago, at the Democratic Convention, where Bill Clinton was running for a second term. From that moment on, we became lasting friends.

Raúl expanded his contact base on the international stage. He also played an important part in the struggle to defend democracy. At that time, I had been appointed Ambassador of the United States to the Organization of American States by President Clinton and therefore we were in frequent contact. Peruvian leaders did not fight against Fujimori, but for democracy.

When Raúl became first Vice-President, we continued to increase our contact and friendship. I saw him actively promote Peru as Minister of Foreign Trade and Tourism. I particularly remember his work to develop non-traditional exports. He demonstrated enormous energy and decision-making capacity. I also recall the phase when the Inter-American Charter was written, and where I had significant participation. Here Peru's case enabled us to obtain a document that would protect and save democracy in times of crisis.

Raúl has proved himself to be a democrat, a man with a global vision, and willing to take risks, which is after all the definition of an entrepreneur.».

*Luis Laredo, former Ambassador of the United States
at the Organization of American States (OAS).*



PALACIO DE JUSTICIA

SLANDER AND CONSPIRACY

Years after I resigned as first Vice-President and Minister of Foreign Trade and Tourism, an agent of the Intelligence Service revealed the hidden scheme behind the event. It was a conspiracy at the highest level.

Chess is a metaphor better suited to war than politics. It is a competitive game involving cunning, strategy, tactical movements, and advancing and capturing chess pieces. The game ends with the toppling of the king.

No game can accurately represent politics. This is perhaps because it is not only a game. Instead, it involves not only power, but also astuteness, deceit and, frequently, disloyalty, traits that are difficult to depict on a board of 64 squares. In politics, defeat is merely an angle, a circumstance of power. As we know, it is not a setting in which deaths occur.

My exit from the government of President Alejandro Toledo had all the components of a calculated stratagem to generate a political and media storm to distance me from power without a real motive.

I was accused of favoring private interests by approving a supreme decree that supposedly exonerated a company from paying General Sales Tax. As I have explained countless times, I have committed many mistakes in my life, but I will never cease to insist that there was no corruption involved, because I did not benefit from it, neither did I provide benefit to others.

The facts speak for themselves.

The media and political lynching to which I was subjected commenced with Supreme Decree 047, promulgated on April 3, 2003 by the Ministry of Economy and Finances under the direction of Javier Silva Ruete, and the Ministry of Foreign Trade and Tourism.

The provision specified that “the sale of goods and services including the sale of food and/drink to passengers in authorized premises located in the International Zone of Peruvian Airports” would not be subject to General Sales Tax.

The norm would facilitate the provision of appropriate services to tourists using the international zones in Peru’s air terminals. There was no objection to this measure.

As months passed, the Government’s stability was undermined by a number of accusations made against the sectoral decisions of various ministers. The criticism of my management came both from the opposition and circles close to the government, and intended to affect my politically active profile I projected in my duties as Minister and Vice-President.

The press undertook to investigate me. On Wednesday November 5, 2003, a journalist from the newspaper *Correo* called me to say that he had a serious accusation against me. I remember asking him to give me the opportunity to issue a rebuttal and expose my arguments, and if these did not convince him, he was welcome to publish the information.

Through a colleague of mine, I agreed to meet the *Correo* journalist the next day at 7 am at the Tiendecita Blanca, a time-honored restaurant in the center of Miraflores district. I prepared all the documentation and waited.

The journalist did not come to the meeting; instead, with an uncommon media maneuver, he published the accusation. That day, *Correo* featured the following headline: “*Raúl’s sins.*”

I was accused of signing a norm to exonerate companies located in airports from paying General Sales Tax, and granting them supposed tax benefits.

That day, I summoned a press conference to denounce a campaign of political demolition against me, which sought my “political assassination.” I stated that the Supreme Decree did not create a system of exemption, and certainly not an exemption for any company, as the legal provision did not exempt anything or legislate on tax matters.

“*From that moment on, a torrent of lies and half-truths was unleashed, which lasted for weeks and months. The media noise had begun, and nobody wanted to listen to reason any more.*

I was unable to do so, because Article 74 of the Constitution states, “taxes can only be created, modified or exonerated, and an exemption only established, by law or legislative decree.” N°047 was a Supreme Decree that specified the scope of the law.

A supreme decree cannot supersede a law or legislative decree. Under any circumstances.

At the end of the conference, I offered Peru an apology for the errors committed while exercising my political duties. I expressed the hope that citizens would understand that my acts were guided by good faith, regardless of the judgment that each person believed that they deserved.

With unusual haste, that same day two congressional representatives from Frente Independiente Moralizador (FIM), a party allied with Perú Posible in the government, presented a constitutional accusation against Javier Silva Ruete and me for these alleged crimes.

I immediately called President Toledo, who was at home. I went to see him and explained what was happening. He told me not to worry and to attend the meeting in Washington to negotiate the Free Trade Agreement with the United States, on which I had worked so assiduously. I thus travelled confidently that weekend with Alfredo Ferrero, Vice-Minister for Foreign Trade and Tourism.

From that moment on, a torrent of lies and half-truths was unleashed, which lasted for weeks and months. The media noise had begun, and nobody wanted to listen any more.

When I returned, I found that the problem had escalated to unmanageable proportions. This prompted me to speak to the president again and express my willingness to resign from the Ministry.

In a letter to the Head of State, which was read to the press on Monday November 10th, I explained the reasons why I was leaving Mincetur, to demonstrate my responsible attitude and my promise to attend the Oversight Commission of the Congress “to establish the truth based on facts”, without these false accusations damaging the government.

I also, emphatically argued that I was the victim of a campaign that was prying into my private life.

I suggested that the President appoint Alfredo Ferrero, who had served in other governments and had an impressive academic and professional background in foreign trade affairs to replace me. Initially he did not agree with my recommendation, but I convinced him that if he wanted to maintain continuity and integrity in the sector, regardless of whether or not we liked it, Ferrero was the best candidate. He ultimately consented.

Having left my post in the ministry, I travelled abroad. On November 26th, a personal photograph of me on a beach in the United States appeared on the front page of the newspapers *El Comercio* and *Correo*. My private life was once again the center of the press’s attention. The campaign against me was still underway.

When I returned to Lima, in the first week of December, I met a senior director from the daily newspaper *El Comercio*, and expressed my surprise that the newspaper was lowering itself to publishing such sensationalist stories.

I remember the words that I used. *“If Aurelio Miró Quesada (20th century Peruvian author), a person about whom I cared deeply, who received my articles personally, and always had the generosity and decency to correct them, were still alive, this event would put him back in the grave.”*

I asked him how they could purchase photos of my private life from paparazzi. I was astounded when he replied that they had been sent for free. I demanded that he told me who and he replied *“The editor of Correo.”*

The editor of a newspaper had purchased private photos to share them with its competitor and publish them on the same day. That went against the rules of journalism. Scoops should not be shared.

The next day, I met with the owners of *Correo*. A manila envelope with the photographs had been anonymously delivered to their offices. It was a game of intrigue.

Who followed me to take the private photographs?

That question revolved in my mind for a long time. Years later, an agent of the Intelligence Service came to see me and revealed the mystery.

Refusing to give his name, he repented his actions and told me that he had followed orders from above to carry out the mission.

“It was an official mission”, he said.

I felt betrayed and a victim at the same time. The black pieces of the twisted chess game had made their move.

My adversaries’ only goal, I concluded, and proved with time, was to distance me from the government, because I had become an obstacle for many people within and outside the President’s immediate sphere of influence.

I once said to Toledo, “*You thought that I was working to destabilize you and take over the Presidency.*” He recognized that he had been mistaken, and that he later realized that the first Vice-Presidency was in danger. How true were Cervantes words when he said that truth walks but falsehood flies, and that when you become aware of the deception, it is already too late.

Christmas and New Year were a time of solitude and reflection. The recent events were a momentous life lesson.

“*Therefore, I am irrevocably resigning from my post, to face the process without political armor, and unveil the truth.*”

Peace and harmony did not delay in disappearing. On January 22, 2004, Congress reopened the case. I was accused of violating the Constitution and of alleged criminal acts of negotiation incompatible with my position. The objective here was to make me ineligible to exercise politics for a period of ten years.

To be faithful to my principles on Friday January 30th I resigned as first Vice-President to face the constitutional accusation, without the protective shield of power or association with the regime.

My cousin Javier Diez Canseco was beside me while I wrote the resignation letter, and helped me with it. This was a noble gesture that made me appreciate the value of family even more. When one member experiences problems, no ideology or political loyalties can keep other family members from offering their support.

My letter, dated January 30, 2004, read as follows:

“After serious and responsible reflection, I have made the decision to irrevocably resign from the Office of the First Vice-Presidency of Peru, the post to which I was elected by popular vote. I would like to inform the Peruvian people of this, as I have informed the President in writing.”

The objective of this irrevocable resignation is not, and cannot be, to evade an open process of investigation in the National Congress, which I will attend whenever formally requested. Charges are laid against me that I consider that I have not committed, and which seriously affect me as a person and politician.

I believe that there is an attempt to judge and sentence me politically before a proper analysis of the background and evidence can be carried out, in accordance with due process. It is therefore necessary that the processes continue without it being argued

that I am using any political shield by exercising the duties of Vice-President. I hope that the analysis can be conducted from a strictly legal angle, without political interests distorting the sound judgment of the persons investigating the facts. As a result, I am irrevocably resigning from my post, to face the process without political armor and unveil the truth.

I do not wish to be an instrument to jeopardize the process of democratic transition that the people of Peru have fought hard to win with so much effort and expectation. Neither do I want to be a tool to bring down what began in a tortuous and complex manner: democracy. The latter, with its virtues and defects, is besieged by those who wish to suppress a moralizing process, which is today under threat. I have no doubt that, from within the regime itself, we should recognize our errors and the evidence that we failed to change styles of behavior that have vilified the endeavors of politics in the eyes of millions of Peruvian men and women.

By making this decision and facing each of the accusations made against me as an ordinary citizen, I hope to contribute with humility to strengthening our democratic institutions, the necessary transparency and the oversight of political activity.

I hope that it can be demonstrated that the ruling of the Tax Courts, and the earlier decisions made by SUNAT (the tax authorities) demonstrate that since the 1990s, disputes regarding the quality of businesses selling food in international areas of airports are exempt from paying General Sales Tax. It was clearly established that suppliers did not retain the aforementioned tax from these businesses. This will prove that we did not create this issue from public office, but instead it was legislated a long time ago, as confirmed by the Resolution of December 5,5 2003 by the Tax Courts, which resolved the appeal by SUNAT and was issued after the judgment of the Oversight Commission of the Congress.

I believe that it will be demonstrated that the proposal on the Open Skies Treaty was promoted and endorsed by our Chancellery. This was not an area of competition or specialty. I cannot ignore the fact that this procedure was also followed by previous governments with a text similar to that in the agreement with the United States, and that the same was done later in a similar agreement with the People's Republic of China, without requiring Congress's approval. Thus, in terms of responsibilities, proper

procedure and the public administrative control are among the possible errors that may have been committed, shared between the Executive Branch and the Congress, as in those cases the Congress made no observations.

I am aware that it is not easy to be listened to under the country's current circumstances. I am trying to eliminate the barriers to being heard, by demonstrating that I am not clinging to any political office.

This was not an easy decision to make, as I have a duty both towards those who trusted to me to become first Vice-President and the citizens of Peru. However, I cannot continue to serve in a post when I am accused of having used it for improper purposes. I prefer to leave it to reaffirm that, above all, I want Peruvians to evaluate the facts as dispassionately as possible. Ultimately, more important than any function is being able to live with peace of mind, and maintaining the right to invaluable personal dignity.

I would like to thank the Peruvian people for giving me the opportunity to serve in a post of tremendous responsibility, and to be part of a Government team that has worked with professional integrity. This effort has included the increase of our exports and tourism, deepening our trade relations with Brazil and MERCOSUR, a Free Trade Agreement with the United States, creating the Plan Nacional de Vivienda and the National Youth Council, among others.

Despite the work accomplished thus far, I am sorry if I have contributed involuntarily through any of my actions to generate a feeling of frustration with respect to the change that the vast majority of Peruvians were expecting. I beg that you take into account my 25 years of commitment to the ideals of democracy, development, youth and social justice in our country.

I would like to thank all those who worked with me to serve Peru. I will continue to work hard, as I have always done, to help the most needy.

I trust that the Lord, who recognizes the truth, will judge me properly, and that the men and women of Peru will listen to me before they sentence me, and do so dispassionately. Then they can issue their judgment, in full exercise of their rights.

I will continue to dream of a Peru characterized by fairness, solidarity and entrepreneurial youth.

Again, as I have done repeatedly during these two and half years, I wish to thank the President and friend Alejandro Toledo, for the opportunity that he gave me. I know that at this stage he will not understand my decision, which could be misinterpreted in the light of the difficult circumstances of the country. On the contrary, I believe that it will give him the space to strengthen his government and the hope that the people of Peru and political parties, which suffered so deeply to reestablish democracy, will be able to create the necessary spaces to make further progress.

My sincerest thanks.”

I left my letter at the Government Palace, in an envelope with a wax seal and then called President Toledo, who was in Puno, to announce my decision. He was in a meeting, therefore had to almost shout to request that I did not resign, that I should wait, as he wished to speak to me.

“Raul, please do not resign. I will be back in Lima soon”, he said.

I had already scheduled the press conference in the Office of the First Vice-Presidency, and I postponed it.

Meanwhile, the President of the Council of Ministers, Carlos Ferrero, a remarkable man, came to visit me and invite me to his house. Toledo would go there directly from the airport to speak to me.

At Ferrero’s house, I waited for the President in the library. We spoke frankly and directly, as we always had. At one point, I said:

“Mr. President, how can I stay if I am surrounded by traitors? Will you get rid of them?”

“Names, Raúl, give me names.”

I gave him the names. Toledo listened and did not say a word.

Suddenly, we were all surprised to hear my resignation letter being read on *Radioprogramas del Perú* (RPP), the leading broadcaster in Peru. Nobody knew how the letter had reached the radio station.



Rafael Rey,
former congressman.

The President accepted my decision to leave.

Today, life has enabled me to understand that I did not make a mistake. In that play of presidential “thrones”, many supposed “friends” did not like President Toledo, and wanted to topple him no matter what. Some realized that I was not the means to their end game, and knocked on the next door.

After my resignation, they asked my successor:

“Mr. Vice-President, what would you do if President Toledo were removed from his post?”

“I am ready to do whatever the Constitution indicates”, he replied.

My resignation did not calm spirits in the Parliament; neither did my request for an appeal of Supreme Decree 047. The case was examined in the Oversight and Comptroller Commission, in the Sub-Commission of Constitutional Accusations, in the Permanent Commission and in the Plenary of the Congress. The sanction they sought was to impose a ten-year period of eligibility to practice politics..

The Congressional Debate Transcript archives contain the records of this process. It is not my intention to detail every one of the interventions, other than that of the congressional representative Rafael Rey, which is substantive in its argumentative logic.

“...If a minister approaches a citizen to explain to him that Sunat, in his point of view, is interpreting the law improperly and wishes to charge General Sales Tax, when in reality he is exempted from this tax, and the

man asks the minister to clarify this norm, it is not incompatible with the exercise of his functions to ask that the matter be looked at by his sector, and then ask the Ministry of Economy and Finances to do the same. Moreover, if that Ministry responds favorably to the citizen's request, what then is so questionable about the explanatory decree?

How is it possible to state that he has committed a violation of the constitution?

Does this therefore mean that when a citizen, and friend at the same time, requests something to which they are entitled from a minister, and that minister happens to be a friend of theirs, the minister has to deny him his right or refuse to allow the ministry to fulfill its duty?

It would be absurd to think this way. Consequently, in this case, there is no violation. Technically, it is clear that the Ministry of Foreign Trade and Tourism had to intervene, and it did.

On December 14, 2004, after a passionate debate in the Congress, and following a protracted, exhausting and grueling political and legal battle, the constitutional accusation was dropped.

Furthermore, the Judiciary, in a process that reached the final appellate court and had lasted 10 years – including its advances and setbacks - in the end reached the same conclusion: there was no irregularity, error or crime in the tax provision of Supreme Decree 047. The sale of good and services in the duty-free stores in the airports were and still are exempt from General Sales Tax.

The accusation had been based on the incorrect premise that the aforementioned provision established sales tax exemptions, when in fact it merely specified a preexisting exemption.

Time finally proved me right, and demonstrated my innocence without any more help than my conscience and the support of the person who I love most: Luciana. My resignation as first Vice-President freed me to defend myself and tell the truth. One by one, the accusations were disproven, and the lies and slander were silenced by the facts and unvarnished truth.

“*Time finally proved me right, and demonstrated my innocence without any help other than my conscience and the support of the person that I love most: Luciana.*”

Many friends have asked me if I made the right decision to resign. Some believe that I should not have done so, that I was not obliged to strip myself of a title that the people had conferred on me in the ballot box. That said, in politics your credibility is everything; you cannot accept or allow your name and honor to be tainted. In those circumstances, I thought of my father's words. *“The only thing that you must always defend is your name.”*

Upon reflection, as I am doing while writing these pages, I acknowledge that I was not a very good disciple of President Belaunde during that episode of my life. When I accepted the candidacy for the first Vice-Presidency, with the wisdom of his years and affection towards me, he recommended that I not request a post in the Executive branch because “sooner or later they will call on you.”

I must admit today that I made the mistake of not listening to the warning of a person who knew so much, and above all, the man that I loved most.

I must confess that it saddened me to leave the government. Admittedly, while it gave me great satisfaction, it also hurt me deeply. This is the reason why I am one of the few people who witnessed his own funeral while still alive.

Time passed and, as the poet would say, all of one's life experiences settle in your soul.

It was already 2006, and my mother fell gravely ill. My heart was overcome with sadness.

I could remember a similar situation when I was a child. The doctors diagnosed her with severe myasthenia, a highly painful neuromuscular disorder. They recommended she be treated in the United States. Accompanied by my grandmother, my mother travelled to the US and I remained alone with my father.



With my parents: Evita Terry de Diez Canseco and Julio Raul Diez Canseco Magill

“HERE IS MY MOTHER”

Raulito

My dear son, from the bottom of my heart, I say to you that you are not alone, not now, not ever. You will always have me at your side, as well as all those who truly love you.

*Never let your spirit be broken, the blood of fighters runs in your veins (the same was true of Fernando) I don't want to give up the struggle because you are wounded. I know it is hard, and that it is very painful, but I don't care. Hold your head up high and **KEEP MOVING FORWARD***

Blessings, your mother!

And may God and the Virgin Mary protect you!

Letter written by my mother Evita Terry de Diez Canseco (1924 – 2006) on her 80th birthday, which was at the same time as the painful moment of my resignation to the post of First Vice President of the Republic.

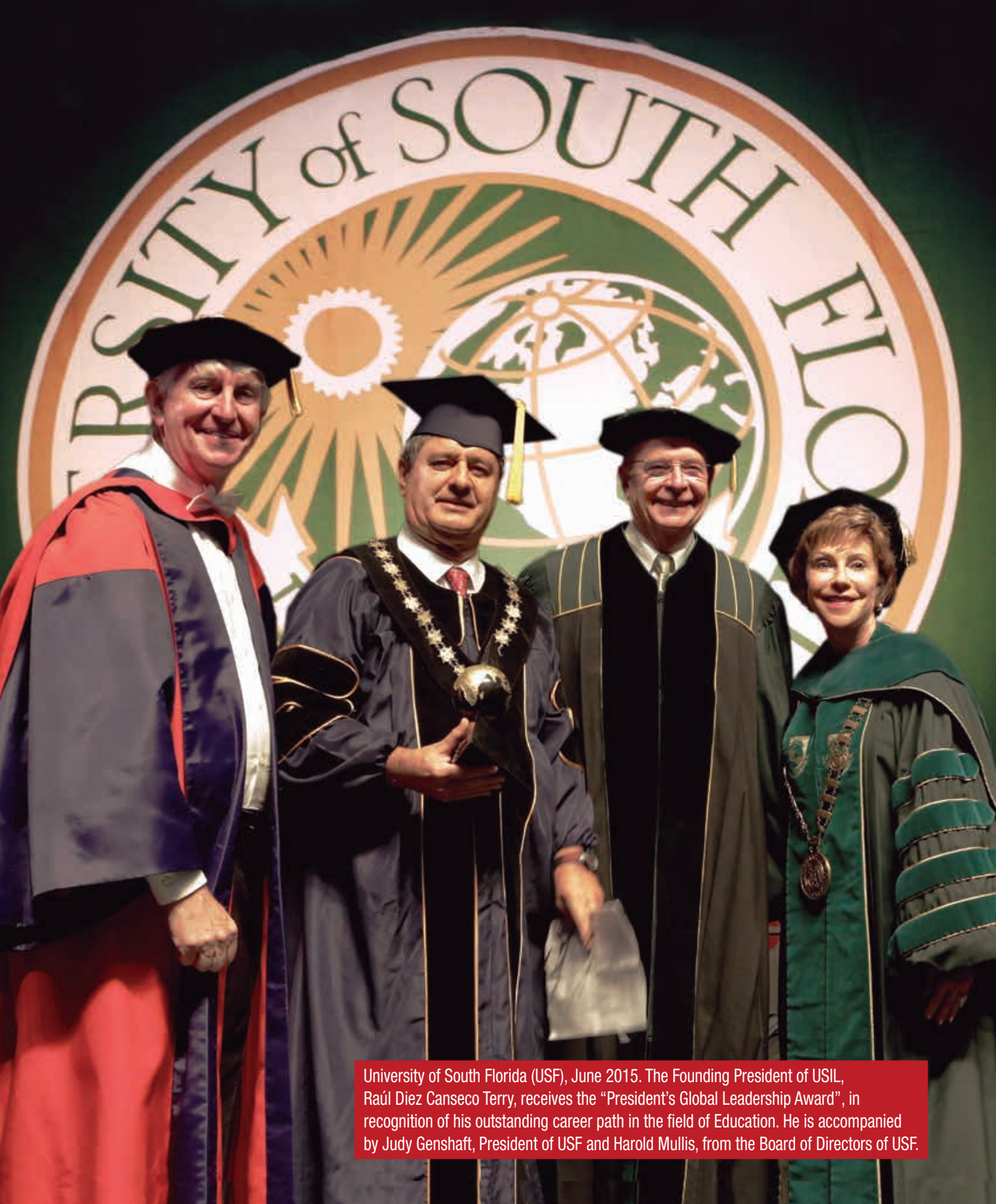
We were all expecting her to return soon, but the wait became longer and longer. We spent a year without her. My father had to work, and we had to distribute ourselves among relatives. I went to one house, Charito to another. My brother “Calin” suffered most from my mother’s absence.

When he could, he sent us CDs with recordings of her voice. We would get together to listen to her and, as her voice seeped into our hearts, we ended up in tears, including my father.

My mother suffered from a series of illnesses. She would groan from her aches and pains, but I never heard her complain about the ailments that afflicted her. She found consolation in reciting the rosary every day, and lamented the fact that her ill health was making us suffer.

The year 2006 will always remain etched into my memory. At her bedside, I promised that I would take care of my brothers and sisters, especially Calin. Tears flowed from her closed eyes, and she drew her last breath in my arms.

Distanced from politics, I returned to the starting point from which I had begun my life, what my mother had always encouraged me to follow a venture in the field of education.



University of South Florida (USF), June 2015. The Founding President of USIL, Raúl Díez Canseco Terry, receives the “President’s Global Leadership Award”, in recognition of his outstanding career path in the field of Education. He is accompanied by Judy Genshaft, President of USF and Harold Mullis, from the Board of Directors of USF.

ENTREPRENEURS
TRAINING
ENTREPRENEURS



Receiving the Priyadarshini Academy Award at the Global Awards for his contribution to the fight against poverty and promotion of an entrepreneurial culture, Mumbai - India, 2010.

ENTREPRENEURS IN EDUCATION

Since the academy's foundation, the USIL Educational Corporation has evolved in quality by leaps and bounds, and now covers every level of academic education: preschool, elementary, junior high school, technical education, undergraduate school university education and graduate school.

San Ignacio de Recalde School had its origin in a small rented house in San Isidro, then moved to small premises in Miraflores district. It opened its doors with 198 students. The junior high school was the direct result of the experience I had acquired with the Academy.

I had realized that between junior high school and university level there was a gap, a displacement that made it difficult for students to pass the admissions test to institutions of higher learning. Academies for pre-university studies filled that void.

High schools did not teach mathematical or verbal reasoning, though almost 50% of questions on university admissions exams included these subjects. Mastering these skills was frequently the difference between enrolling in university and not.

Based on our experience with the youth at the SIL Academy, we knew that if we wanted to overcome this gap between the two educational levels, we had to prepare pupils starting in junior high school.

Our rapid growth allowed us to expand our installations a few years later to an 11,000-m² property in Santiago de Surco. We have since added another vast, 30,000-m² campus in Huachipa, our ecological headquarters, where we are considering installing a processing plant to encourage student interest in the aromatic herb and processed coffee industries.

Today, San Ignacio has 2,200 pupils and is considered one of Lima's most emblematic schools, with courses taught entirely in English and French. Laboratories and scientific fairs that allow students to develop their capacities for research and innovation.

This leap forward has always defined our trajectory in education. In 1983, when a new education law incentivized technical education, we created the first San Ignacio de Loyola Technical Institute of Higher Education, designed to train specialists in computing, develop skills in programming languages, computing systems and technical support for electronic data processing systems, and carry out digital control of automatic processes, which were new specialties in high demand in the employment sector.

Currently, our USIL Entrepreneur Institute has a modern campus in northern Lima and another campus in the Magdalena District, where young persons can study appealing subjects such as Business Administration, International Business, Hospitality Services, Network Administration and Communications, Computing and Information Technologies, Accounting, Graphic Design, Technical Nursing, Gastronomy, Marketing, Digital Media and Publicity and Integral Security.

The courses are ongoing so that once the student completes them they can continue their studies at USIL and earn a Bachelor's degree. The Government would benefit from instituting a policy involving this approach where technical programs are connected to university programs.

Education is a continuous process of meeting objectives, competency-based learning and developing capacities and abilities.

My most cherished dream has always been to promote the development of a university.



Toribio Arce remembers in detail, a conversation that we had in 1973, when I told him that one day the academy that we were then running would become a university. 23 years later, that idea became a reality.

In 1996, Domingo Palermo, then the Ministry of Education in Fujimori's government, published the Legislative Decree 882, which produced a notable change by promoting private investment in that sector. Prior to the introduction of that law, only Congress could create a university, and the State did not have the funds to do so, or the appropriate human resources to manage sectors as important as education.

There was tremendous demand for the creation of new educational spaces in Peru, but there was no legal framework in place to safeguard sponsor investment. If a private promoter was interested in establishing a university, first he had to go through a five-year trial period, after which the university assembly took control of the institution and expelled the promoter. Under this scenario, there was no legal security to investing in education.

Legislative Degree 882 allowed us to realize our idea of creating a high-quality university that not only addressed the professional education demands of the best and largest companies, but also provided the suitable teaching materials and academic, technological and infrastructure support necessary to train today's and tomorrow's entrepreneurs.

We submitted the application to create the university a year before the bill was introduced. Consequently, when the Legislative Decree 882 was published in the official daily *El Peruano*, we had already taken a bold first step toward establishing our institution of higher learning.



The University's first pavilion at Campus 1, was built on a 1-hectare plot of land in La Molina in a record time of six months, working one and a half shifts, from Sunday to Sunday. I enjoyed supervising the construction work and witnessing the emergence of the classrooms, laboratories, library and teachers' offices.

The San Ignacio de Loyola University opened its doors for the first academic semester of 1996 with 52 classrooms, where the first courses were taught: Tourism and Hospitality Administration, Agro-industrial Engineering, Computer Science and Marketing. It was a race against the clock, which I remember today with satisfaction and pride.

Many persons believed in the project: notably our teaching staff at the Academy, which was the core of our first group of university lecturers. This line up included a brilliant mathematics teacher, a graduate of the Universidad Nacional de Ingeniería, an idealistic, loyal, and caring man with left-wing ideas, José Martínez, known as Pepe Martínez.

We became firm friends and kindred spirits. I entrusted him with supervising the education of my first son, Raulito, with an emphasis on mathematics, but Pepe took it much further. He treated this responsibility as if Raulito were his own son, and prepared him not only for university, but also for life. My son was deeply fond of him.

I have a photograph that delights me every time that I see it, transporting me to a place where fulfilling your children's dreams is like making your own dreams come true. In the image, Martínez and Raulito are celebrating his entrance into university. One is rejoicing as a teacher, the other as a "cachimbo" (newly accepted college admissions candidates).

My great friend Pepe Martínez carrying out the traditional haircut of my dear son Raulito.



God took Martínez from us early. He departed in body, but remains with us in spirit and in my prayers. I am certain that he is also in my son's prayers.

The university introduced new changes to the Peruvian education system.

One of our first initiatives was to innovate the methodologies for enrollment and the curricular structure, which comprised a format of two years of general studies and three of specialization. The new approach was that students would follow their degree courses from the first semester, combining them with general studies, in addition to intensive English lessons over the course of the five-year program duration.

The main element that distinguished us was incorporating the entrepreneur culture. USIL students received training in business management and administration starting from the first day of classes.

From the very beginning, Economics and Business Administration were two of the degree courses that integrated us further into the entrepreneurial stream. During our first years of operation, we were identified as the university that trained business people, though we always wished to position ourselves as the university that trains entrepreneurs, because we viewed ourselves, and still do, as an academic institution that fosters innovation and change, and not limited to merely starting a business.

That year, Jorge Talavera joined us as an associate in the launch of the Graduate School. He was its first director, and together we organized the first Master Degree Program in Business Administration (MBA) in Peru, including a dual degree in partnership with the Laval University in Canada.

Jorge had previously worked for many years in Chile, where he became Dean of the Business School of the Universidad Adolfo Ibáñez. Because of his efforts, Peru was able to secure a visit from the father of competitive strategy, Michael Porter, to participate as a panelist at a conference.

While he was working in Chile, Jorge observed that, although Peru and Chile had a similar population and economic growth, the demand for Graduate studies in Economics, Administration and Marketing differed markedly. While Peru had only three universities, the situation in Chile was much more diversified. Having analyzed

the growth of education services for senior executives, and comparing the economic dynamics of each country, he reached the conclusion that Peru had a niche of considerable demand to meet.

He was right. The USIL Graduate department was a roaring success from the very beginning. We credited the Masters' Degree Program in Business Administration, MBA for this, because the program was very well received.

Other innovations also prospered. One of these was high technology for interactive live conferences, featuring renowned international lecturers, the first of its kind in Peru. These were not video classes, as was commonplace at the time, but live participation with professors from all over the world, connected with our students through a live transmission system, with ISDN-RSDI direct interaction, which we brought from the Massachusetts Institute of Technology (MIT) in the United States.

One simple but crucial change was reorganizing the class schedules, as at the time Master Degree classes were taught twice a week, three hours each day. We proposed teaching three times a week, thus increasing the teaching hours by 50%, reducing the total length of the Masters' program to 18 months. We also invited foreign professors to teach at the university for two weeks, Monday to Friday, in the first semester, and another two whole weeks in the second semester.

Since the Graduate School was created at almost the same time as the Undergraduate one, our students in the MBA program were the first to graduate, before their Bachelor's degree counterparts. The first graduating class of the Undergraduate School was on its fifth anniversary. Among these students were my son Raulito and Jorge Talavera's son Karem. Jorge Talavera ascended from the position of Director at USIL Graduate School to President of USIL.

Handing graduation diplomas to our children was one of greatest satisfactions I have experienced in my life.

A few years later, close to 2008, as Javier Alva, Head of Marketing at USIL recalls, following a number of studies and focus groups, we concluded that the entrepreneurs in our university required training from other entrepreneurs, which gave rise to our distinctive slogan, "Entrepreneurs training entrepreneurs."

USIL Consecration Mass dedicated to the Holy Virgin Mary, and Blessing of the Platform Shrine of the Lord of Miracles

On May 18, 2016, a Marian month, we consecrated the Universidad San Ignacio de Loyola to the Virgin Mary, in an emotional ceremony on its La Molina campus, which began with the mass celebrated by Cardinal Juan Luis Cipriani Thorne, Archbishop of Lima and Primate of Peru.

Before a thousand people, comprising students, administrative staff and teachers, Cardinal Cipriani emphasized that the Church and universities sought to serve man in a disinterested manner, by responding to his highest moral and intellectual aspirations.

It was an act of renewal of faith that does not interfere with the freedom of teaching or impose Catholic religion in the university. Science and faith are not incompatible. On the contrary, they have an ongoing dialogue because both seek truth. One can study, learn and practice faith in a free and personal manner. That day, they also blessed a new platform holding the image of the Lord of Miracles, which was carried in a procession by a group of USIL students to the facade of the university chapel.



There is much debate regarding whether an entrepreneur is just a person who is capable of setting up a business. However, many youth do not seek to become business owners, but work in a company and develop their entrepreneurial spirit there. An entrepreneur is, essentially, a person capable of creating change. They are in a permanent process of innovation. It is not only wanting, thinking, or dreaming of doing something new; it requires having the attitude and aptitude to do so. Put symbolically, being an entrepreneur is looking beyond the horizon.

Thinking that way helps us to encapsulate, in a slogan, the spirit of our university: we are entrepreneurs training entrepreneurs, and at the same time, we are entrepreneurs for the world, global entrepreneurs, without borders.

I have had many achievements throughout my career and experience in educational entrepreneurship. One of these occurred through a person that I did not know, but who with time became a type of spiritual adviser who lent me a hand several times, in many areas. I am referring to Miguel Angel Manzoni, one of the most successful businesspeople in Paraguay.

Miguel Angel was born in Asunción in 1940. He was the sixth of ten children: eight daughters and two sons. The son of diplomat parents, he spent his first years in a succession of countries, including Bolivia, Mexico and Argentina. When it was time to enroll in university, he chose to study Law. His father then recommended that he study in Asunción.

“If you want to become a lawyer, you have to study in your own country”, he said.

However, Miguel Angel had another vocation: to become a businessman. In the second year of his Law studies, he founded his first company. By his fourth year of studies, he was already an accomplished businessman. In 1966, he graduated from law school. Although he had never served as a private lawyer or litigated a single case in the courtroom, his profession enabled him to create companies that became large, such as the environmental consultancy firm Monitor y Electromón.

Through the latter company, he obtained the entire oversight process, and a number of engineering projects for the famous Itaipú Dam, a bi-national construction project between Paraguay and Brazil on the Paraná River and considered one of the largest engineering projects of its kind in the world.

45 years ago, he married Raquel Riart, a teacher with whom he has five children. She devoted herself to their family, and sometimes, when speaking to Miguel Angel, I sensed that she had unfulfilled goals in her own career and her country. The couple decided to establish a school in Paraguay.

One day, one of my partners in those days travelled to Asunción and, while he was speaking to Manzoni, he told him about our project to create a school with a name that carried much significance in Paraguay: San Ignacio de Loyola. Manzoni was keenly interested in our proposal and sent one of his managers to Lima to learn about the details of the project directly. When the manager returned to Paraguay, he told Miguel Angel what he had observed, and the latter called me to make an offer.

He was interested in transferring USIL's know-how to his country. I remember saying that we were very flattered that he had thought of us, and that we were also considering expanding San Ignacio de Loyola to his country, but that instead of just exporting our experience, we wanted to be part of the project.

I had never met Miguel Angel.

Soon after, we proposed that he establish the company, splitting ownership evenly at 50%. We had insufficient capital so Manzoni gave us a loan to set up the San Ignacio de Loyola School in Paraguay. He never charged us any interest, and in time, we paid the investment back from the company profits.



Miguel Angel Manzoni and his wife, Raquel Riart.

At present, SIL Paraguay is a prestigious bilingual school, ranking among the most prominent academic institutions in the country and it made considerable impact because it offered something that was not available there, a technical Bachelor's degree.

Miguel Angel and I eventually met, and became close friends. He treats me as a member of the family. When my partner and I ceased to work together, I suggested that he acquire that part of the company, but he generously responded that he could not buy it in such complicated circumstances. Instead, he lent me a considerable sum to purchase those shares without asking for any guarantee, promissory note or signature.

It was a magnanimous and altruistic gesture, based purely on trust, which I will never forget.

Such is Miguel Angel Manzoni, a detached, moral man and devout Catholic, who gave me a statue of the Virgin of Schoenstatt, which stands today on Campus 1 of USIL.

The school in Paraguay is managed by his wife, Raquel Riart de Manzoni, a qualified teacher and an entrepreneur at heart.

I have tried to reciprocate all the generosity that I have received over time, whenever possible, by improving educational quality for young people or expanding possibilities for them to gain access to education, even if they lack the financial resources.

The first opportunity to do so was a 65 million-dollar agreement that USIL signed with the International Development Bank – a pioneer in its field in Latin America – used to invest in improving the expansion of the university's infrastructure (equipment, laboratories, etc.). Above all, we used to provide financial assistance to young people who had the proper profile to pursue a degree, but not the financial means. Of that sum, 25 million dollars came from the IDB and 40 million from the Banco de Crédito del Perú.

As I mentioned, the agreement created a Guarantee Fund for Student Loans, which gave young people access to financing to pay their studies and finance their degrees. USIL underwrote the student – that is, it assumed the risk of the guarantee – and the

student received a long-term loan with a very low interest rate, which they only began to repay when they started work and developed professionally.

It was a remarkable achievement for the IBD to choose us to be the first university in Peru to offer this kind of student loan fund. I would like to thank the vision and intelligence of a high official, Luis Alberto Moreno, a Colombian by birth and Latin American at heart, President of the IDB, who with diligence and leadership underwrote us from the start. The Banco de Crédito also demonstrated its trust in us again, and showed its commitment to education.

The model had had so much success that the IBD has replicated it in other universities across Latin America.



With Luciana de la Fuente de Diez Canseco, Hillary Clinton and Luis Alberto Moreno, president of the IDB, who awarded a generous loan to USIL in 2013.

“Raúl is a fascinating man. He is deeply loyal and has become my younger brother. We share a real sense of brotherhood. He is an insightful man, who wins you over. He possesses many values, which are orderly and prioritized. He does not hide anything. He is a very open and affectionate man, with a big heart. He is a facilitator of human relationships. He is an authentic man.”

Miguel Angel Manzoni, founding president of San Ignacio School Paraguay.

“I have only words and feelings of gratitude for USIL. I spent ten years of my life at that institution: five years as Graduate School Director and five years as President of the Undergraduate School. We achieved great things. I would like to mention one detail: I consider myself a rational man, not temperamental. I have never cried, not even when my parents passed away. Yet on the day that I resigned from USIL I could not contain myself; the tears fell from my eyes.”

Jorge Talavera Traverso, Rector, Universidad ESAN.

“I admire Raúl’s capacity for entrepreneurship. And this is an objective opinion. He is always thinking of new ideas to undertake, change and improve. He also has many international contacts and relations. He is always interested in listening and learning new things, and bringing that knowledge to Peru. In this regard, he is an admirable patriot.”

Pablo Rivas, Executive President, Global Alumni.

*“I met Raúl when I was the director of Casa de América and he came to present his book *The Art of Entrepreneurship*. We got along well from the very start. I admired his ability to look for talent. And the best talent possible. He also has a tremendous capacity to work. He possesses an innate intelligence and leadership skills suited to organizing teams.*

Tomás Poveda, USIL Representative, Europe.



Francesco Vani D' Archirafi, CEO of CITI Holding JA Worldwide Board of Governors and Ashees Advani, CEO of JA.

Fostering the entrepreneurial spirit

Junior Achievement Perú is a non-profit educational association that aims to provide children and young persons between Ages 5 and 25 with training in entrepreneurship to enable them to achieve their potential. We seek to develop in young entrepreneurs the skills and values necessary for future professional success.

We began with the program *La Compañía*, designed for junior high school students. Today we have over 20 educational programs based on three fundamental pillars: Preparation for Work, Entrepreneurship and Financial Education.

I have been a member of the governing body of *J.A. Las Américas* for many years. Last year, based on the brilliant results of the *J.A. Perú*, the world summit of the organization *J.A. Worldwide* was held in our country. It was the first time that a meeting of this scale had been held in Latin America. Our achievements are reflected in the over 952,000 classes organized with the participation of over 170,000 pupils from all across Peru.



The Believing to Create Program was launched in 1998. Present here among others: Gastón Barúa, ambassador, Dennis Jett, Beatriz Boza, Alfredo Barnechea and Álvaro Carulla.

BELIEVING TO CREATE

The entrepreneurial spirit is something singular, regardless of whether one is involved in a large, medium or small business or project. It is an inner force that drives them to build on their dreams and bring ideas to life, and this sets them apart from others. They are convinced that they can change the world. And they do, starting with their own world.

There are two types of people: those who pass through your life and those who leave their mark on you. The latter become models of inspiration, either because you admire them and they ignite a spark in you to imitate their actions, or because their aura transcends the professional field in which they work.

Dionisio Romero Seminario is one of these figures whom I have always admired, both for his extraordinary in business and on a personal level. He radiates a tremendous presence of integrity and tranquility as he listens carefully and then clearly articulates what he thinks. I value him as a successful yet modest and humble entrepreneur.

In 1968, when I founded the Academia San Ignacio de Loyola, I decided to open a bank account to manage the first earnings that it generated. The Banco de Crédito del Perú (BCP), part of the Grupo Romero, was already a prestigious bank firmly rooted among the public and customers, which included my own family. I decided to open my own account at its offices in the Downtown Lima.

Throughout my life, I have had many encounters with the person that I want to describe here. I cannot exactly remember the date when I personally met him, but I have vivid memories of our meetings, so much so that every time that I needed the objective advice of a leader, I paid him a visit.

One of the meetings that I remember the most took place when I was searching for a partner to serve as counterpart to the 25 million-dollar loan that the IDB had granted us to invest in infrastructure, laboratories and educational loans for students - the first

of its kind in Latin America. I visited Dionisio and secured the support of BCP, which lent us a hand and supplied an additional 25 million dollars.

At the most difficult moments of my life, when I needed a friend's advice, he was always there. While not a family member, he treated me as though I was one. I will be eternally grateful to an entrepreneur who truly showed such commitment to Peru.

In addition to Dionisio, Walter Bayly Llona, general manager of BCP, never hesitated to support me in circumstances when USIL was trapped by a credit transaction because of the property separation that I was undergoing in my personal life. I owe him a great deal for allowing San Ignacio e Loyola to continue to operate and grow as an academic institution.

In one unforgettable meeting, Walter summoned the bank lawyers, listened to them then said:

“So you think that there could be a risk here. There is none. Where can I sign? I assume responsibility for this.”

My parents taught me to be grateful. And indeed, I must acknowledge that the program *Creer para Crear* (Believe to Create), which we initiated with Pro Bienestar (PROBIDE), the association that I founded in 1998, would not have been possible without the intervention and commitment of the business leader of the Grupo Romero.

He believed so firmly in the project that when his son Dionisio Romero Paoletti returned from graduate studies abroad, Dionisio the father called me to ask me to meet him and tell him in detail about this project, to foster the entrepreneurial ideas of the young people we were encountering throughout Peru.

Every company in the Grupo Romero became involved with *Creer para Crear*. As a matter of fact, we held our first award presentations to encourage young entrepreneurs at the BCP offices, in the auditorium located in La Molina District.

I have always admired the promoter role that Banco del Crédito has played in educational, social and cultural spheres, and the significant efforts that it puts forth through institutions to contribute to Peru's development.

For these reasons, in May 2010, Universidad San Ignacio de Loyola paid tribute to this man, awarding an honorary doctorate degree to this man, who has done so much for his country.

That day, while standing before the auditorium, I voiced my contention that the principles and values embodied by Dionisio Romero inspire us to imitate him in what we call good business practices and social purpose.

“Quality in production, faith in country, commitment to service, ethical behavior, institutional identity, support for workers, in addition to other values such as the social responsibility that drives the implementation of sustainable projects, shapes corporate ideals that are constantly and consistently translated into the well-being of the consumer and clients.”



Ceremony awarding an honorary doctorate degree to Dionisio Romero Seminario, President of the Board of Directors of BCP, entrepreneur, businessman and visionary, with his son Dionisio Romero Paoletti.

In his acceptance speech, Dionisio delved into his life experience, and instead of revealing the secrets about how to manage a company and be successful, he discussed the personal manner in which he understood the success of a company.

“Do you want an easy recipe for success? Choose any kind of business, put together a winning and competent team, and dedicate yourselves to guiding them and recognizing them as people. That is it. That is the best recipe. However, for some reason, 100% of business owners say that people are important, but only 10% devote their attention to them.”

Remember, the most important decision that a business must make is which leaders will manage the company. That was the lesson he left with us that evening: people are the most important component of a sustainable and profitable enterprise.

In his own way, he has followed this advice. This taught me that if you choose the right partners who are committed to the vision and values of the company you wish to lead, no obstacle can stand in your way. This encourages you to be humble in success and a giant when confronting obstacles.

Dionisio did not just inspire my life. His decision to support Creer para Crear changed the lives of thousands of young people who dreamed of setting up businesses and bent over backwards to finance their projects.

On one visit to Washington D.C, I observed the changes that occur in a person's life when they receive help from someone who understands them.

I had attended a hemispheric forum on entrepreneurship at the Organization of American States (OAS) with Daniel Diez Canseco, when a young man suddenly approached us, held out his hand and, with a frank expression, said:

“Raúl, Daniel, welcome to the OAS. You changed my life. It is thanks to you that I am here. I would like to thank you for that.”

I was surprised, of course, and tried to remember where I had met him before. Daniel, however, recalled perfectly. He was one of the finalists of the first contests that we organized in the late 1990s and early 2000s, Creer para Crear, whereby we offered support to young people with promising business ideas and projects, but who lacked funding.

Luis Viguria, like many talented youth, had graduated in Economics from a private university and, notwithstanding his excellent qualifications, he struggled to find employment. He and a friend, Roberto Vargas, developed an innovative business idea: helping to make money profitable instead of depositing it in a bank. The projects consisted in developing software to offer online assistance to all types of savers: aggressive, moderate or intermediate, to enable them to become investors and earn ample income from a diversified and attractive “investment portfolio.” The innovation was the online assistance, offered in real time. They presented this proposal to Creer para Crear.

Luis’s online financial advice project did not win the competition, but it allowed him and his partner to meet representatives from companies and the financial system. They held meetings with a series of business and institutional organizations that, before the contest had ended, offered the financing for his proposal. This is how they came into contact with the Ibero-American Fund of Young Entrepreneurs, under the auspices of then Prince Felipe of Spain.

Viguria travelled to Madrid to show case his new business idea. When he returned, he accepted an internship at the OAS, which lasted three years. When that was completed he was hired for a year as a project adviser, then appointed manager, followed by director. He is now the CEO of the Young Americas Business Trust (YABT), an international non-profit organization that works with the Secretariat General of the Organization of American States to promote the economic and social development of youth in the western hemisphere and throughout the world.

PROBIDE took a chance on the young entrepreneurs who had no financial guarantees for their projects. Our initial support came from Peruvian companies, then, as the project grew and yielded results, cooperating institutions joined forces, such as the International Development Bank, the Andean Development Corporation (CAF) and the Community of Madrid.

I must recognize that Alfredo Barnechea introduced me to Enrique Iglesias, President of the IBD, a great Uruguayan and Latin American who did so much for his country, Peru and the Hispanic region.

When Creer para Crear was still an incipient project, I visited several business leaders to describe the project and share my enthusiasm for trusting young entrepreneurs. I met the Wong family, entrepreneurs who revolutionized the retail industry with their supermarket chain.

They received me in their office in San Antonio, Miraflores District. All five brothers were present.

I proposed that they select and underwrite projects for up to 20,000 dollars. I would be responsible for organizing the contest, training the participants and preselecting the projects, so that the Wong family could choose one with full transparency.

When I had completed my presentation, my closing speech was more or less as follows:

“As you will understand, my dear friends, I have not come to ask for money, but for a gesture of trust in Peruvian young people. If successful, visionary and entrepreneurial businesspeople like yourselves do not believe in our youth, then it has no future.”



Casa de América, Madrid, Spain. Presentation of the book *El arte de emprender* (*The Art of Entrepreneurship*). With Enrique Iglesias, former president of the IBD, and José María Aznar, former President of Spain.



The brothers Efraín and Erasmo Wong accepted the proposal of Creer para Crear and showed their faith in Peru's youth.

The Wong brothers offered their assistance and trust to young people.

Similarly, Dionisio Romero enthusiastically supported the initiative and chose one project. In that manner we managed to identify and foster business projects in various regions of Peru, which confirmed that we indeed had a pool of youth talent keenly pursuing people and companies to share their dreams.

There are a thousand and one marvelous stories to tell – what specialists call success stories. One example is Luis Antezano, who lived for many years in Lima but moved back to Chupaca, Huancayo following the death of his father, to take responsibility for his family and land.

One day, while he was walking through the countryside, Luis observed some farmers washing carrots in a bend of the river Cunas, a time-consuming manual process of washing, selecting and placing them in baskets to sell in Lima. He thought that this should be a more rapid, mechanized and efficient process. It took him eight months to produce a concrete idea: building a mechanical carrot washer. He became the target of ridicule from the locals. His attempts to operate the equipment, built from a truck engine, failed repeatedly. Yet he persisted and never gave up on his dream. When the machine was finally ready, the results were remarkable.

Luis went to Indecopi (the Peruvian Institute for Competition and Intellectual Property) to patent his invention. There he learned about Creer para Crear. He presented his project and was shortlisted as a finalist. The Wong Group decided to underwrite his project. He used his prize money to introduce a modification in his invention: the machine not only washed but also selected and bagged carrots.



These are many more stories of entrepreneurship, featuring young people who dared to do things differently.

Claudia Gonzales, from Industrias SISA in the Sisa Valley in the province of El Dorado, San Martín department, transformed *sacha inchi* (a species of nut native to the Amazon) into an organic snack, which is sold in an array of flavors: crunchy, natural, cheese, ají (Peruvian hot pepper), candied and puffed. Today, this product is exported in the form of paste, creams and sauces to France, Belgium, Spain and the United States.

Dante Chávez, from the Department of Cusco, saw an opportunity in the animals that the Police confiscated in connection with illicit trafficking, and designed a project to establish a zoo in Cochahuasi. He used the entrepreneur manual that the IDB posted

on the PROBIDE website to carry out his investment project, then presented himself at our institution, which helped him contact a bank to secure funding.

When the animal sanctuary opened, two macaws and a turtle were its main attractions. On the first day, it charged 2 Peruvian soles per entrance ticket. Two years later, the forces of Nature were took their toll on the sanctuary. The riverbanks overflowed and the mud destroyed the cages and storage areas. Despite this setback, Dante and his family continued to fight for their idea.

Today they organize educational campaigns on protecting native species, one of Peru's most valuable natural resources. The main attraction is the Andean condor. Guided tours are offered with guides speaking English, French, Portuguese and Italian as well as Spanish.

These stories illustrate the fact that entrepreneurs are not born but made. It is not an easy career path. It requires technical tools and financing, but the primary attributes that differentiate an entrepreneur is perseverance, passion, strength and affection that they pour into fulfilling their dream. All these qualities taken together simultaneously.

PROBIDE is about to embark on a new stage.

Just like life, we evolve. The Fourth Industrial Revolution, or Industry 4.0, is upon us, relentlessly, a world in which machines interact and where a fusion occurs between robotics, genetic engineering, telecommunications, industrial design and artificial intelligence.



Clearly, technological innovation is the foundation of this development. These circumstances prompt us to review the systems we use to learn and develop skills. The demands are tremendous in the face of a highly technological global market. These changes cut across society and have an impact on how we understand politics, the economy and business.

Consequently, at USIL we are developing a new area of technological entrepreneurship to foster *startup* projects across Peru. The modus operandi has changed, and so have the characteristics of business. The world has become interlinked, interconnected by bytes, a virtual world that is increasingly real. Today we speak of angel investors, mentors, incubator projects.

Today's entrepreneurs do not begin with merely an original and innovative idea, but also have a technological base, on which they invariably operate. We are now focusing on this, and seek to take advantage of the technological platform, which is global.

Nowadays we have access to Internet and extensive technology in our smartphones and computers. We are on the verge of passing from 4G on cellphones to the 5G generation, which will be combined with the Internet of Things (IoT), integrating us further into the realm of machines. We are surrounded by programmers, and independent developers. The magic consists of joining together and trying to generate solutions to everyday problems. This was how Uber came to be.

We aim to support that talent for creating solutions. To borrow Fukuyama's words, we want to strengthen that social capital that nations possess, and which we must build from day to day.

A country is great when its social capital is solid and when concepts such as obligation, compliance, reciprocity, discipline and trust are woven into the fabric of society, in social actors, people and institutions.

To this end, Creer para Crear also means believing to innovate, believing to solve problems, believing to grow, believing to develop.

As we celebrate the Bicentenary of Peru, in the words of Vallejo, "*Peru, at the foot of the orb*. Immersed in globalization, in an economy that has showed promising signs for years but which today requires, more than ever, that we all strive to recover its

dynamism. Sustained growth of between 6% and 7% is required to close the economic and social disparities that still plague our society.

We cannot allow the fact that, after 27 years of monetary and fiscal discipline, there are still five regions in Peru with over 20% chronic infant malnutrition. We aspire to becoming a member of the Organization for Economic Cooperation and Development (OECD), but many Peruvians still lack access to drinking water and sewage services. There are still youth without social insurance, who work in conditions of semi-slavery, locked in with chains and padlocks.

Traveling across Peru village by village, as Belaunde taught us to do, will allow us to realize that development has been overlooked in many areas of the country. It is our responsibility to eradicate this situation of social disadvantage. The State has to provide the opportunities that the most underprivileged lack.

Decentralization, imperative for development, had gradually become a burden. We have to redefine the process, and find ways to apply padlocks to the cancer that is threatening to turn Peru into a failed state: corruption.

Corruption has degraded politics. It is the reason why honest men and women steer clear of public activity. It is a serious problem because, if the decent sections of society reject politics, to whom are we entrusting this tremendous responsibility?

The determining factor to change this is knowledge. Education and professional and/or technical training are the most effective tool to achieve development. It is therefore vital that the national budget allocations to science and technology be increased.

Companies and their role in society have also changed. We are no longer powerless in the face of organizations established solely for profit. Today we need institutions that respect the environment and create value for the setting in which they operate.

Economic freedom has triumphed throughout the world. The walls erected by man have fallen, but others try to raise new walls, for reasons not associated with ideology, but fear. Democracy remains, if not the best, then the least worst of all systems of government, provided that it is founded on freedom and independence of powers.

There is no democracy without justice, just as there is no justice without law and privileges.

We need men and women who demonstrate solidarity, who return to the origin of politics and public service, who feel that being responsible for local, regional or national affairs is, above all, an honor but also a responsibility and a challenge.

We require a generation of new missionaries of politics. Well-trained young people, professionally and technically, with a keen social sense, high self-esteem and a desire to change their country.

We need new values and talent, for a new Peru.

“Above all, Raúl demonstrates leadership. That is the most crucial quality for an entrepreneur. Moreover, he is dynamic, spirited, full of energy, above and beyond his character. This helps him to do many tasks at once. He gets up at 6 am and goes to bed at 10 pm every day, and has always displayed that same energy, for years. It’s one of his qualities that few if any other people have.”

Daniel Diez Canseco Terry, Executive Director, PROBIDE.

“Raúl is an open person, a natural listener, accessible and always willing to lend a hand. He is always thinking of what to do, how to do it. When he talks about entrepreneurship, he does not dwell on theory, but immediately moves into practice. That is a real skill, because he teaches by example. His own experience of life and his constant support for various initiatives make him not just an entrepreneur but a successful entrepreneur.”

*Luis Viguria, Executive President of Young Americas Business Trust (YABT) –
Organization of American States (OAS)*

Guinness World Records

Nothing is impossible. With that slogan to motivate us, we strive to position our most emblematic natural products on the world market. Through the implementation of activities that test our organization skills, team work and delivering results in food production, we have been setting records under the supervision of the most famous international brand for amazing accomplishments: the Guinness World Records

Antonio Tacchino Del Pino, Vice-President of Relations with State Organizations at Universidad San Ignacio de Loyola (USIL), states that the objective of these competitions is to show case our natural products, and their nutritional, gastronomic and health qualities. In addition and for years to come, we will strive for more!



October 28, 2015

'The largest quinoa salad in the world', at the Frost Art Museum of the Florida International University (FIU), in Miami, United States.



November 27, 2016

'The largest plate of stuffed rocoto (Peruvian rocoto pepper) in the world', in the Plaza de Armas of Arequipa.



November 12, 2017

'The largest olive salad in the world', in the Parque Perú, Tacna.



SCHOLARSHIPS FOR TALENT

A fabulous opportunity for young people with talent and limited economic resources emerged, in the form of a new and promising Government policy: Beca 18 (Scholarship 18). The Universidad San Ignacio de Loyola enthusiastically threw itself into the task of selecting, training and placing these youths into the country's productive apparatus.

Perú has many talented young people. I have met them throughout my life in every region and in many disciplines: in academia, the arts and in sports. It is the best human resource the country possesses. In order for talent to bear fruits, it must be cultivated. If the land is not fertilized, i.e. if the conditions in which talent can flourish are not properly prepared, the effort will yield barren results.

This had unfortunately been the case for thousands, perhaps millions of young people whose talent faded away due to lack of opportunities or support.

There is almost universal access to basic education in Latin America; what is concerning is its quality. In terms of reading comprehension and mathematics, notwithstanding some improvement, the PISA tests indicate that our country ranks near the bottom vs other countries. In these conditions, children cannot understand what they are reading, cannot interpret maps and graphs or establish logical sequence that constitute basic skills for their full insertion into an increasingly technological job market. This problematic situation is also seen in junior high school: in Peru, only 37% of adolescents go on to higher education.

Other countries set up programs offering financial support long before we did to enable the most outstanding students to study. Argentina, Brazil, Chile and Colombia are a few examples. However, as the saying goes, it is never too late, and we have now set the ball rolling.

The program Beca 18 (Scholarship 18), initiated under President Ollanta Humala, has become a state policy designed to guarantee educational opportunities for students

from poor or extremely poor homes, but also considers other factors associated with vulnerability, such as the adolescent's place of origin, ethnic group, family and educational trajectory. Being poor and belonging to certain ethnic groups is frequently a factor of exclusion. This is a reality that must change if we aspire to a development with the people and for the people.

At USIL, when we learned that the program Beca 18 had been implemented, we began to work to capture young talent from all over the country, and make their training at our university a unique experience that changes their lives.

As I write, of the over 21,000 students in our classrooms, 3,500 are benefiting from Beca 18. Our team, ranging from the University's President to the promoters, travelled across every region and organized information events on the program, then scheduled entrance exams supervised by the Government Agency Pronabec, to allow young talent to study at USIL.

For the students selected, enrolling at USIL changed their lives. We immediately introduced them to a system of specialized tutorials, so that could adapt to the new conditions that they would face in the city. We hired psychologists and sociologists. The students were taught practical life skills ranging from using the Metropolitan Mass Transit System and the Electric Train public transportation system to withdrawing money from an ATM machine, going to the supermarket and visiting museums, libraries and cinemas.

Our commitment and concern for these students was comprehensive and permanent. We supervised the rooms that they rented during their studies, and occasionally visited them in their living quarters to ask if they needed anything or additional support that would make them feel at ease.

Another wonderful effect of Beca 18 is the melting pot of young people from different places gathered in the classrooms, corridors and libraries of the university. We strive to cultivate the concepts of coexistence and tolerance. The students are now fully integrated. They dress the same way, listen to the same music and have the same aspirations to go out into the world and succeed. Coming together and mixing is the only way for Peru to move forward.

Many of these students graduate with honors and feel that, now that they have an education, they should give something back to the country that gave something to them; the best way to do this is to work on familiar topics in their regions of origin.

Thus, our commitment is not limited to their professional training at USIL. These examples give me great satisfaction and motivate me to travel across the country every week, even at the age of 70, to meet leaders in every region and introduce them to our Beca 18 graduates, who are ready to work in their provinces. The response is positive and encouraging. Companies have a need for the most competent young people available to work in their area, and scholarship recipients are proud to return to their homeland as highly qualified professionals, be reunited with their families and contribute to the development of the areas where they were born.

I see myself in them every time that I receive the thousands of *cachimbos* (newly accepted candidates for entrance to university) enrolling in the university. Indeed, being an entrepreneur is a life philosophy, an attitude, a way of being that constantly pursues the new, the different, and the impossible. Being an entrepreneur is *doing*. Not just thinking. It is making dreams come true.

«God put me in Raúl's path. It was 1982. I met him in my land: Carhuaz, Ancash department. I was finishing junior high school and Raúl asked me if I would like to study computer science and computing. At that time, I did not have any idea what those subjects were. I wanted to become a historian at Universidad Nacional Mayor de San Marcos. After two unsuccessful applications, I went to look for him, then did preparatory studies at the Academia San Ignacio and enrolled at the Instituto SIL. I graduated as the second top student in my class, in order of merit.

That was how I began working at the Academia San Ignacio, first as a typesetter, after which I was promoted and eventually became head of computing. I subsequently taught courses on programming language at the Instituto. Later, I studied a Bachelor's degree in Education, followed by a Masters' degree in University Teaching. I then transferred to the Universidad San Ignacio de Loyola.

I am currently Director of Services and Academic Records, having spent 32 years working at the organization. I will be eternally grateful to Raúl, because he changed my life».

Juan Alfaro, Director, USIL Academic Services and Records

WALT DISNEY WORLD®

Where dreams come true

The *Disney International College Program* represents the ideal opportunity for students who reach the pre-selection process overseen by the USIL Office of the Vice President of International Relations and selected by the *International Recruiting Team* of the *Walt Disney World*.

This is an extraordinary and exclusive program that has offered our students their first international work experience for the past 10 years, through paid internships that enrich their professional and personal lives forever.

This incredible opportunity allows our young entrepreneurs to interact with people from different cultures, expand their knowledge and become fluent in English. Being part of a team working at the world's largest entertainment company is also experiencing a dream come true.





With Kristi Breen, Vice-President of Disney International and Campus Recruiting, Disney Cruise Line Recruiting at The Disney Company and José María Aznar, former President of Spain, patrons of San Ignacio College (now San Ignacio University) and Coloring Dreams, in El Doral, Miami, United States.



Every year, USIL students travel to the United States to work at Disney World. Here with its president George A. Kalogridis.



USIL came first in the interoceanic sailing competition called Copa Galápagos 2017. At the head of this team was our former student Raúl Diez Canseco Hartinger, a fiercely ambitious entrepreneur who fulfilled one of his dreams: forming a highly competitive international group and representing Peru on the world's oceans

BRIDGE TO THE FUTURE

Change is a constant dynamic. We entered the 21st century as Corporación Educativa San Ignacio de Loyola, the only educational institution in Peru to offer the entire range of educational levels, from early childhood learning to doctoral studies. We are now prepared to sail into the fascinating world of digital education and healthy living.

In the last 15 years, Higher Education in our region has grown exponentially. Between 2000 and 2013, the number of young people of ages 18 to 24 enrolling in a university has doubled. This expansion in Higher Education has given rise to a new and complex panorama.

This was a period of economic growth, fiscal abundance and the expansion of the middle class. Access to university for young people increased, particularly those from low and medium socioeconomic backgrounds.

These “new” students are currently a crucial element of the new educational reality. The following questions arise: What are they studying, and what should they study? In what kind of world are we living, and what kinds of career does this new world demand?

Since the beginning of 2000, Latin America has seen the creation of approximately 2,300 academic institutions of higher education and 30,000 programs. This means that at least one quarter of all higher learning centers and one-half of all programs have appeared within the past 17 years.

The 2016 meeting of the World Economic Forum (WEF) indicated that at least 35% of skills required for the jobs in all the industries combined would change by 2020. Sooner rather than later, this trend towards modernity will also reach our countries, meaning that we must change our approach to education.

The World Economic Forum in Davos 2016 identified ten skills that we must prioritize when training human resources in response to this new world: solving

complex problems, critical thinking, creativity, human resources management, team coordination, emotional intelligence, analysis and decision-making, guidance, negotiation and cognitive flexibility.

Education remains the best tool that populations possess to achieve development. Fostering specialized and advanced capacities promotes productivity and contributes to general economic growth.

Just think of the technological wave spreading all over the world.

As technology advances, the structure of employment changes and, accordingly, so do academic programs and the methods of training these professionals.

A result of this technological impact is that people are changing jobs and even their professions more frequently. Consequently, we must consider creating new courses or academic degree programs, and redesign existing ones. According to experts, education will not be divided into age groups, but rather be part of a permanent and continuous process.

We will study our entire lives!

Most countries in the region have implemented mechanisms to ensure educational quality and accredit their respective university levels. In Peru, the National Superintendence of University Education (Sunedu) is responsible for these processes. In November 2017, of the over 140 universities in the country, only 24 had complied with the certification and licensing process.

On October 8, 2017, a Sunedu resolution was published in the Official Journal *El Peruano* that granted Universidad San Ignacio de Loyola the institutional license required under University Act, thus benefiting our almost 21,000 students, distributed over 87 programs (54 undergraduate and 33 graduate) on five campuses.

One factor playing a part in obtaining this license was our 256 academic cooperation agreements with universities on all five continents, in 29 countries, and our training of over 5,000 students on our campuses in Lima and Cusco, since 2007.

But the questions remain relevant. What kind of new degree programs should we create? In which direction should our USIL ship sail? How should we make this shift so that we remain compatible with the new world that is emerging?

One week after Sunedu informed us that we had been granted the license, we called a meeting in Cajamarca with our governing board and advisors to define our Strategic Plan.



Technological Institute of Singapore. As a result of the technological revolution, people are changing jobs and even professions, more frequently.

Before the work sessions began, we played a video of a ship on the high seas. The metaphor suggested that the journey we take to our destination depends on us, our efforts, and our ability to work as a team.

The meaning was clear:

The future is today.

To start with, many words are no longer in common use, and others have emerged that did not exist a few years ago: mobile internet, the cloud, increasing processing power, big data, alternative energies, the Internet of Things, the collaborative economy, robotics, autonomous transport, artificial intelligence, 3D printing and biotechnology. All these new technologies have changed our outlook on life, business, the economy, politics and society.

The education of the future will not rest solely on knowledge. Today, knowledge is not an issue since it is abundantly available. In a single second, so much information appears online that it is impossible for the human brain to process it all.

The technological component is one of the factors that we must consider today. The other is the type of lifestyle that is leading us to internal imbalance, to an increase in non-transmissible diseases and changes in the environment.

On this subject, I must give recognition to the clearheaded vision of my darling Luciana, who has successfully introduced me to a new perception of health.

The figures clearly back her up.

The demographic trends in Peru indicate that we are rapidly becoming a country with an elderly population. According to data from the National Institute of Statistics and Informatics (INEI), life expectancy will rise from 74.6 years in 2015 to 79.3 years in 2050.

The population under the age of 14 years will fall from 27.9% to 18.5%, while the number of people above 60 will double, from 9.7% to 21.8% in the population pyramid. Doctors are keenly aware that an aging population will display high rates of chronic illnesses.

In reality, we are already experiencing a pandemic of non-transmissible illnesses. Of every four deaths recorded throughout the American continent, three are caused by that kind of ailment.

The origin of these illnesses lies – as Luciana has stated in our discussions on health – in our lifestyles.

“We eat foods with a high calorific content, drink sugary beverages in excess and hardly practice any physical activity.”

1.5 million Peruvians suffer from chronic diabetes. Another 1.5 million are affected by it but are still undiagnosed and untreated. Cancer is the second cause of death in Peru. Almost 50,000 new cases occur every year, half of which are fatal.

Luciana has turned words into action, through “Modo USIL” (The USIL Way), a new lifestyle from the home to the corporation.

At home, with our children, we have changed our view of diets, meditation and exercise, to adopt a lifestyle based on the functional balance of components and nutrients contained in all foods, and achieve a balance between working and resting the body, mind and spirit. We have introduced our colleagues at San Ignacio de Loyola to these practices.

Doctor Antonio Escribano, to whom USIL awarded an honorary doctorate for his research on nutrition, performance and health in athletes, is one of those who have developed this combination of a healthy lifestyle and sport the furthest.

Through his work and bestselling books, such as *Learn to Eat and Control your Weight*, *Eat Well, Live Longer and Better* and *Smoothies for Life*, he has contributed to improving the quality of life of thousands of people, and steered sports towards the training of elite athletes.

We want the Peruvian football team to benefit from this high-level performance, and thus strengthen our relationship with sport. We are supported in this endeavor by Enrique Vidal, a close friend of many years and the director of the USIL television



SELECCIÓN ESPAÑOLA DE FÚTBOL

R F E F



CAMPEONES
COPA DEL MUNDO 2010

R F E F

CAMPEONES
COPA DE EUROPA 2012

With the Spanish physician, Antonio Escribano, M.D. to whom USIL awarded an honorary doctorate for his research on athlete nutrition and health.

channel, which broadcasts the successful program on the Peruvian current events and the economy, “Los desayunos de USIL y Correo” (Breakfast with USIL and *Correo*).

The Peruvian Government is taking steps to join the Organization for Economic Cooperation and Development (OECD). If we are seriously committed to this goal, Peru must, improve, its health indicators, among other aspects, and therefore, professionals treating the population.

The conclusion is that in general we need to strengthen the training of human resources in health. We particularly need more doctors. To be eligible for the OCDE, Peru needs to triple the number of medical doctors in Peru, from 12.7 to 30 doctors per 10,000 inhabitants.

Drawing on these arguments and applying a problem-solving approach, we presented to Sunedu our technical dossier as a formal request authorization to open a new academic degree program in Human Medicine.

Moreover, the Entrepreneur Institute, diligently managed by Mariella Sánchez, opened the Nurse Training School, through an agreement with the Grupo Auna, a healthcare service provider that offers some of the best medical services in the country. Our students did their internships at the Clínica Delgado along with the 13 sites of this medical group, and at Oncosalud, a medical institution specializing in cancer treatment, under the direction of Dr Carlos Vallejos, former Minister of Health, and friend and primary physician of Fernando Belaunde.

This advancement of Health Sciences at USIL strengthened the value chain that we have been building at the university since its foundation. Many years ago, we started with the Agricultural Engineering Degree Program, which suggested producing organic foods, followed by Food Engineering, which teaches the proper methods to process food, Gastronomy, which presents food appetizingly, and Nutrition, which studies a healthy approach to diet.

In 1998, we inaugurated our School of Culinary Arts, one of the first of its kind in Peru. Twenty years later, Peruvian cuisine has had a tremendous success worldwide. Three of our publications have been selected to participate this year in this prestigious competition Gourmand World Cookbook Awards, which is held in Yantai, China.



The Academic Degree Program in Human Medicine, which focuses on prevention and healthy living, perfectly complements this virtuous circle or “Tree of Life”, as Luciana calls it.

Her television program *Divina Manzana* (Divine Apple), broadcast across Latin America from Miami, discusses these topics. Luciana is currently studying for a doctorate in Nutrition at USIL, which has allowed her to organize various successful seminars in partnership with the United States Institute of Functional Medicine, and bring renowned specialists to Peru, including doctors Patrick Hanaway and Shilpa Saxena.

In Peru, Dr Federico Martínez is pioneering Functional Medicine, which he defines as *“a different approach that doctors should take to treat all the health requirements of the 21st century. We are facing an epidemic of chronic illnesses that are affecting our societies, and still lack a methodology to evaluate our patients properly. If we concentrate solely on the symptoms, we have no impact on the recurrence rates for chronic illnesses.”*

In general, the economy has changed. One person convinced of this is Pablo Rivas, executive director of Global Alumni, with whom we are developing a comprehensive program to transform our conventional teaching matrix toward a virtual education model. We are already living in the digital economy.

Since the so-called “dotcom bubble” in 1999, the Internet crisis in 2001, and the emergence of intelligent phones, we are interacting in an entirely different world. Today, the economy is interconnected, “prosumers” are seeking more services instead of goods, and what is more is that they are seeking high-quality services.



With Luciana de la Fuente de Díez Canseco and Doctors Patrick Hanaway, Shilpa Saxena and Federico Martínez at the inauguration of the First International Symposium on Functional Medicine in Peru.



San Ignacio University. First venture of a Peruvian in Miami, and accredited in the United States.

Assets are at the disposal of services. Uber, for example, is the largest taxi company and does not own a single car, and Amazon is the largest book distributor that does not own physical bookstores.

This marks a radical change in the economy. Yet, according to Pablo, teaching methods have changed very little or hardly at all, at least in the last 2,000 years. *“We follow a traditional agora system, whereby a person transmits knowledge to a group of people.”*

This encourages me to believe that we must transform the manner in which educators teach and pupils learn. The university model has to change aiming to train professionals and technicians with a high level of employability.

We must teach and develop specific skills in response to a rapidly changing world. With Global Alumni, for instance, we have already developed programs for Executive Education, Marketing Digital, Analytics or e-Commerce, which are available for our students.

It is likely that in the future, conventional undergraduate level education will continue to be primarily provided in the classroom, while graduate degree level studies will be semi classroom, semi-online classes or virtual. This can be observed in the United States, is already starting in Europe and will eventually occur in Latin America.

This forces us to standardize our educational product, open up to the world and become universal, as Tomás Poveda, former Director of Casa de América in Spain, currently Vice-President for Europe at USIL, put it so simply:

“All universities are universal, global, and that is what San Ignacio de Loyola has always strived to become.”

We have created an office for representation in Europe, to reinforce USIL's institutional relations. We have over 100 partnerships with European higher education organizations with dynamic research activity. One concrete example is the project to teach Peruvian cuisine at the School of Gastronomy of the City Council of Trujillo in Spain.

To expand this knowledge, we must include digital transformation. I-GASTROLAB USIL will have a strong digital component, because knowledge is currently located in the technological space, the cloud, which will allow educators in La Molina district in Lima to teach students in Trujillo (Spain), at the San Ignacio University in Miami, the Universidad San Ignacio de Loyola in Paraguay or any other part of the world.

Naturally, the basis for this development is technological innovation. This is the reality that lies ahead and we must be prepared to face it. These circumstances prompt us to review the systems that we use to learn and develop skills.

The credit granted by the IDB in 2013 was our first milestone for institutional growth, a decisive step in the process to expand USIL, to transition from being an educational organization with a local and national scope, with a significant international presence, to a new definition of educational organization with a global scope. By providing this financing, the IDB, a multilateral body that aimed to invest in developing the Education sector of an emerging country, demonstrated its firm support for our management approach and shared objectives.



This first credit enabled us to introduce high standards in the administrative management of the corporate governance. The funds received from a multilateral organism require compliance with very strict regulatory norms, in line with the Sustainable Development Goals (SDG) approved by the United Nations.

At San Ignacio de Loyola we assumed these commitments to reconfigure the entire organization in line with these parameters, which seek to create a world with opportunities in education and health, and reduce poverty. We aimed for a more tolerant world, with well-paid work and respect for the environment.

The SDGs were integrated into our four institutional pillars: Entrepreneurship, Research and Development, Social Responsibility/ Sustainability and Globalization.

The building at Lima North, one of the campuses of the Entrepreneur Institute, was constructed in accordance with eco-efficient technical norms to save water and energy, to have a minimal impact on the natural surroundings.

Today, this building holds a Leed Gold certification and is one of the most modern in Lima in terms of design, construction, operations and maintenance, thus offering a space for high-performance, healthy and profitable study and work. The underlying theme is that we must adapt to change.

The demands are tremendous in the face of a highly technologized global market. These changes cut across society and have an impact on how we understand politics, the economy and business.

To pursue this institutional development cycle, our team of executives spent over a year studying the mechanisms to take this new leap forward. The first step was to find a partner to share our vision of our future direction and projections, to begin a process to strengthen our corporate assets.

We achieved this a few months before the 50th anniversary of the USIL educational experience and a few weeks before my 70th birthday.

This financial engineering involved an investment fund, Kandeo, which, after competing against a dozen first-rate international bidders, agreed to provide capital to join the San Ignacio de Loyola Educational Corporation, the only one in Peru offering the full suite of education levels, from early learning – with Coloring Dreams in El Doral, Miami, and Lima, Peru – to doctoral studies.

This process unfolded in two stages: the first, undertaken principally by our Legal, Business Development and Finance departments, consisted in preparing the legal, financial and organizational structures in order to receive the additional capital as effectively as possible. The second stage entailed negotiating, adopting agreements and formalizing these in the respective legal contracts and documents required by this kind of operation. In this stage, in addition to our own team, we benefited from the legal advice of a prestigious law firm in Lima and financial advice from recognized specialists.

None of this would have been possible without the intense and sometimes exhausting work carried out by a group of colleagues whom I now wish to acknowledge:

Juan Manuel Ostoja, whom I met when he was an organizer at Peru Exporta (Peru Exports), the last mega-event held in the former Feria del Pacífico (Pacific Trade Fair)

to promote Peru's exports, and who has worked at Universidad San Ignacio de Loyola for ten years, currently as General Director.

Diego Castrillón Dioses, a brilliant former graduate of the Economic and MBA Programs at USIL and currently the Corporate Vice-President for Business Development and Innovation at our organization, who led the long negotiation process with ten investment funds alongside Juan Manuel Ostoja.

María Julia Garay, who was in the second graduating class of the Academia San Ignacio de Loyola, and who holds the strategic post of Corporate Vice-President of Finance at the university.

César Díaz, a young and dynamic lawyer, Corporate Vice-President of Legal Affairs of our organization, who undertook the delicate task of supervising the structure and legal aspects of the process of setting up the investment fund.

Juan Carlos Fonseca, former undergraduate and graduate student at USIL, former professor at his alma mater and currently our Vice-President of Administration and Operations.

I would like to express my recognition and gratitude to them all for the work that they carried out. You have USIL in your DNA.

This second growth milestone, to which we decided to incorporate the Kandeo investment fund following a process of evaluation and due diligence, enables us to renew and reinvigorate our educational provision with a particular emphasis on innovation, digital transformation and health. It has also entailed adding new degree programs and strengthening existing ones.

Making education and health in Peru more dynamic, in-depth and modern requires a stable political outlook, a democratic government bold enough to undertake the economic and political reforms necessary for development, and an inclusive society that responds to change.

Discussing the role of companies and society, Michael Porter highlighted the principle of "shared value", which means creating economic value in a manner that also creates value for society, by addressing its needs and challenges.

VISION OF THE FUTURE



Predicting future changes in society, the economy and politics is a complex task. However, understanding that such changes involve everyone, particularly the poor and the weak, is an even greater challenge. Carlos Magariños, the current ambassador of Argentina in Brazil, is one of those prominent professionals who have that global, advanced vision of things. I met him when he was Director General of The United Nations Industrial Development Organization (ONUDI), and I convinced him – while I was Minister of Foreign Trade – to accompany me to Huancavelica and visit the High Andean communities that possess one of the finest resources on the planet, vicuña wool.

Rural farmers were shearing the animals with shards of broken glass. The visit served to promote a rural community aid program that would enable them to export the fleeces and the fiber of vicuñas and alpacas directly to designers and manufacturers without passing through intermediaries. They were introduced to the technology of shearing machines and community inhabitants were trained on how improve sales by separating and sorting the fine fiber of their camelids by thickness and not just weight. This technological change represented an economic change for those communities and in the end, it brought about a significant social change.

Today, Magariños is a member of the USIL Advisory Board and in September 2015, he was distinguished with an Honorary Doctorate Degree by our university in recognition of his outstanding professional career in the fields of industrial development, trade and the environment throughout the world. He is the founder of Prospectiva 2020, a business development firm with offices in Lima, Mumbai, Mexico D.F., Buenos Aires and Vienna. This firm identifies future investment scenarios in biotechnology, information technologies, communications, energy, agribusiness, and the environment.

As he likes to say, more than an era of change, we are facing a change of era, a new reality that is emerging before our eyes, the result not of events anymore, but of steady, progressive processes that have taken several decades to materialize and which mark the dawn of a new era in the economy and international society.

USIL INTERNATIONAL ADVISORY BOARD

It is a group of global leaders who have undertaken to provide guidance to this university in the process of consolidating its academic leadership and obtaining national and international recognition.



In October 2016, the International Colloquium was organized on the topic, "Education and Development toward 2021".

From left to right: Allan Wagner, Kaye Chon, Hernando de Soto, Ramiro Salas, Modesto Montoya, Andrés Pastrana, José María Aznar, Luciana de la Fuente de Diez Canseco, Pedro Pablo Kuczynski, Raúl Diez Canseco Terry, Enrique Iglesias, Carlos Magariños, Enrique García, Ismael Benavides, Enrique Riera, Raúl Delgado and Juan Manuel Ostoja.

In a country with as many needs as Peru, business and trade organizations need to reassert their leadership and ensure that success goes hand in hand with social progress.

This means that shared value must become a new approach to the growth of an organization, a company or a country.

Creating shared value does not only involve generating profits; it also entails establishing a new relationship with society, with benefits for everyone. It includes looking at the human being comprehensively, not only an agent of production.

This is one of the reasons I have reactivated my participation in politics. I belonged to Acción Popular my entire life and I am still a member. As I often say to people who know me: “The blood of Acción Popular runs through my veins.”

I supported the election of Edmundo del Águila Herrera as Secretary General of Acción Popular, because I believe in renewal and change, but I also believe in the new generations who pursue shared interests, common good and equality of opportunities for all.

Corruption in politics is a double betrayal. It betrays the trust that the population places in politicians, and betrays politics as an instrument of democratic coexistence. Corruption erodes citizens’ trust, destabilizes the political system and, in the end, undermines the democratic system.

Finally, I am particularly indebted to the many individuals without whose help these memoirs would not have been written, and in particular the director and editor of the Editorial Fund at USIL, José Valdizán Ayala and Luis Alberto Chávez, respectively, who enabled me to narrate my life on these pages.

EDUCATION: INVESTMENT FOR DEVELOPMENT

«USIL is an educational corporation that stands out among Peruvian academic institutions. It is a thriving and emerging organization that has succeeded in positioning itself among the “Top Ten” in the country within a period of just 20 years, after having started from scratch and leveraging the institution that is today celebrating its 50th anniversary of operations.

As a result of the recent accreditation received from Sunedu, the corporation has plans to expand both its educational provision and its geographic coverage in the market, to respond more effectively to demand in Lima, consolidate its presence across Peru and promote its university campuses across the world, in particular in the United States, a country which has become a source of feedback on the most demanding and outstanding educational practices in the first world, and permits USIL to offer a double degree.

Education will remain thoroughly impacted by technology. Academic activity will constantly be absorbed into the digital world, and the teaching practices most likely to be assimilated by the virtual world will continue their virtualization process.

From the very beginning, Kandeo has pursued investment opportunities in the educational sector in order to contribute to implementing and/or developing financing mechanisms, to enable low-income students to access high-quality education and obtain jobs that help the growth of the countries where they work. Our investment thesis is to seek participations, principally in companies in Colombia, Mexico and Peru.

In addition to all the well-deserved praise for its entrepreneurial vision and the achievement of establishing successful and reputable comprehensive education in Peru, one can underscore the transparency and honesty that has characterized its value on the market.

In this regard, our message for Raúl is to remain a visionary and perseverant, to not give up his plans and projections, which not only contribute to offering the market a better educational provision, but also help to develop a country that needs it so keenly».

*Eduardo Michelsen Delgado,
Kandeo Investment Fund*



With Eduardo Michelsen Delgado, CEO Managing Director, and Eduardo Michelsen Cuéllar, Chairman of the Investment Committee at the Kandeo Fund.



RAMIRO SALAS BRAVO

The friend who gives you everything without asking you for anything

«More than friends, close brothers, tireless dreamers, unbreakable fighters...

This is what Raúl and I are: we have spent almost half of our lives fostering the connection derived not from blood, but from the good fortune of having met.

This friendship is based on differences and agreements, but above all on how we complement each other and the constant pursuit of a shared dream: a better Peru.

This ideal was the first bond between us, and strengthened our friendship every day, because it has encouraged us to work together, from the quarries of tourism, where it all began, to the present, in education, our passion.

I therefore feel lucky to have a friend like Raúl, with whom I have cultivated a friendship that goes beyond sincere affection, complicity, sincerity, commitment and unconditional support, because it is based on genuine loyalty, which has kept it intact throughout all those years.

They say that life acquires meaning through friends. When one has the privilege of being Raúl's friend, this sentiment takes on a new dimension».

*Ramiro Salas Bravo
President, USIL*

AUGUSTO FERRERO COSTA

A prudent adviser and loyal friend

«In the late 20th century, I began to provide advice to Raúl Diez Canseco Terry as a major shareholder of various companies, including Universidad San Ignacio de Loyola. Ever since, I have maintained a very warmhearted relationship with him.

Between 2001 and 2004, he assumed the Presidential responsibilities several times, and I am a witness to his work in that post. I remember what a pleasure it was for us to experience the positive impact on the country of prudent, accessible and friendly management, as was demonstrated by Raul.

In recent years, it has been a delight to work with him and Luciana on university, political, business and family affairs. They are both accomplished entrepreneurs, and truly enthusiastic managers.

I have particularly fond memories of staying at the Peruvian Embassy in Rome on the Piazza del Pantheon, and visiting all the sites of interest in the city.

He makes you see that entrepreneurs live in a permanent process of innovation. They do not merely want, think or dream of creating something new. They require attitude and ability to do so. They take on new challenges, they throw themselves into new projects, always go a step further than others go. They also propose new objectives and hurdles for themselves.

Put symbolically, Raúl is an entrepreneur who looks beyond the horizon».

*Augusto Ferrero Costa,
Justice of the Constitutional Court*





“ *A bird perched in a tree is never afraid that the branch will break, because it places its trust in its own wings rather than the branch.* ”

Oriental thought

THE TREE
OF LIFE

NEW DAWN

*Does the wave have no shape?/and in another it collapses /
only to emerge, round / Its movement is its shape.*

*Octavio Paz
By the sea.*

What I went through following my resignation as Vice-President in January 2004 was a terrible ordeal. I had to leave the country for several years, and suffer separation from my loved ones and friends. I only returned to Peru to attend the court dates, a process that dragged on for a full decade. Ultimately, I learned the truth,

but it is one thing to experience disgrace, and another to properly express what I felt.

Those were long years, during which the few close friends I cherished the most disappeared. I derive no satisfaction from resentment or hatred. Forgetting is the only forgiveness.

Those tragic days allowed me to discover the light that I had never perceived during happier times. When you reach the bottom of the well of solitude, the kind words of a friend are enough to lift you up. What I am able to say with assurance is that today I live in peace, and it is that sense of ease that brings me joy. I thank God and my dearly beloved Holy Virgin for this.

Now, I am stopping to contemplate and reflect at this juncture of my life. Bertrand Russell wrote that to be happy in this world you need to be aware that man is not an isolated individual, but a part of humanity.

We are all part of this constant flow that stretches beyond our lives, to those we love and those who love us.

If God permitted me to go back in time and asked me what I would like to change, I would reply.



“You have given me so many beautiful things that I would repeat everything again.”

I would kiss my mother again and pray by her side on those long, sad nights.

I would train as a sailor again, and count the stars in the darkness.

I would travel through the virgin jungle again, and feel the wonders of Creation.

I would choose my own destiny again.

I would teach the youth at the Academia San Ignacio de Loyola again, they who believed in me.

I would believe again in the youth who dreamed with their eyes open, created companies in Peru and projected themselves into the world.

I would again believe that education is the best tool to address poverty and inequality.

I would work with Violeta again, to help the humble mothers in Peru's community kitchens and centers.

I would agree again with Fernando Belaunde when he told me that democracy is the only pathway to follow to effect change in the land of my birth.

I would travel again across my country, village by village, absorbing the energy and learning the lessons of fraternity from our forefathers.

I would serve my country again, in the position the population so decides.

I would cross the desert of misfortune again if, at the end of it, I reached the oasis of peace and love where I am now.

Because if being happy means losing everything that life gave me, and risk not having it, I would rather suffer again to regain everything that I earned.

I have discovered that the days and nights are shorter when you love life.

Because along that path of encounters and discrepancies, sounds and silences, I have found a haven of peace.

It is not just about living, but being happy and enjoying the blessings that life bestows on us.

Speaking of life, as we so often do, on long evenings, on lonely beaches, on the edge of cliffs by the ocean, walking through the countryside or in the shadow of the trees, my Luciana once said:

“Life is like a mountain.”

As children, we see it from a distance, and do not know what awaits us if we decide to climb it. Life urges us to climb it. We aspire to reach the top, but often destiny intervenes and places obstacles in our way. For some, the climb is a tortuous one. For others, it does not require much effort. Yet no matter what you do, how much you have, how you advance, the road always leads upwards. You always move forward, because otherwise you would fall. As you climb, you understand that the magic of life is not reaching the summit, but the climb itself.

At one moment of my life, I stopped in my tracks. I did not have the strength to continue.

Luciana was my encouragement and my guide.

She was by my side during the darkest, most dramatic years, the months of despair and the days of solitude. She was the celestial spirit, the ray of light that shone into my life through the darkest night.

Luciana was that light. Luciana's light. God put her on my path, I am certain of this.

Thanks to her, I learned that there is no obstacle, large or small, that cannot be overcome. You have to learn to get back up, repeatedly without being sidetracked by injuries. You have to learn to forgive, but not forget. You must not bear grudges, as President Belaunde told me. I learned a great deal from him, but not enough to emulate him.









Bosnia-Herzegovina, October 2017.
Pilgrimage to the Virgin of Medjugorje.

That is what I felt as I followed on the Route of the Rosary, guided by Father Emerson, on the way to reach statue of the Virgin of Medjugorje in Bosnia-Herzegovina: the stones along the way are obstacles to be overcome, but also lessons to learn.

With my Luciana, I have dared to believe in life again. I have witnessed life become richer, healthier and more colorful by her side. Horace, the great thinker, wrote that every day is a little life of its own, and every morning for me starts with a glass of green juice and a colorful salad.

I have a wonderful wife in Luciana and our two sons, Ignacio and Cristóbal; my elder children, Raúl (married to Ximena), Jana (married to Michael), Pamela (married to Diego) and Milagros; and my grandchildren, Alec, Anael, Salvador, Rafael, Mateo, Sofía and Raulito Jr., the son of Raúl, who with his wife, Ximena, honored me by giving my name to the last of my grandchildren. They all nourish my spirit with their love and affection.

Raul, Jana, Pamela, Milagros, Ignacio and Cristobal are my energy to move forward. Seeing them together is a gift, and the greatest happiness that God has given me at this stage of my life.

I am delighted to know that the few friends that I have left have always trusted in me. They have never judged me, never added insult to injury, never accused me, but instead opened their hearts and wrapped me in a warm embrace.

One of these friends is Ramiro Salas, a Good Samaritan who gives everything without asking for anything, and is a treasure to find. I pray that God will give me the opportunity to return the tremendous affection that he and his wife Patty have always given me.

One of the joys of friendship is knowing whom you can count on. Throughout life, you will be indebted to the friend who trusts in you blindly in moments of adversity. That person is Augusto Ferrero Costa, a friend that anyone would be grateful for, as he shines with his talent and wisdom. His companionship and prudent advice, like the afternoon shade, have expanded throughout my life.

I will always remember Ramiro and Augusto with appreciation for their humanistic spirit and with gratitude for having trusted me. When friendship and gratitude come together, words are superfluous.

I offer thanks from deepest reaches of my heart, to the friends who were by my mother's side during such painful times, who gave her comfort when I was absent, and wiped away her sad tears in silence.

My mother never cried in front of me. However, when she left us to join my father, my dear brother Charito told me of her sadness, weeping and pain, when she learned of the unfair accusations to which I was subjected.

When words elude you, your siblings are your strength and refuge. Charo, "Calin" and Daniel, thank you for being my rock in difficult times. To my nephews Francis and Percy, Charo's children, whom I watched grow up very close to me, thank you.

Family is the first and last support that you have; they are the backbone and our strength when facing the difficulties that life throws at you.

A few people fought to see me thrive again. I would like to dedicate this book to them. With every page, every comma and every breath:

Thank you.

Thank you for convincing me not to give in, for showing me that justice, however delayed, will be served, and that God is greater than we can imagine.

“AS THOUGH IT WERE THE LAST HAIL MARY OF A LONG ROSARY, I WILL CONCLUDE BY THANKING THE VIRGIN FOR THE OPPORTUNITY I WAS GIVEN TO MEET THE PERSON WHO, IN THE MOST TURBULENT HOURS OF MY LIFE, RESTORED IN ME THE HOPE OF SEEING A NEW DAWN: MY LUCIANA.”

Dear Ignacio and Cristóbal:

When you read these pages, you will learn something about what I did in this life. I must confess that I have devoted part of it to responding to Peru's many needs. I know that sometimes this has taken me away from you, as it did from your four elder siblings. I hope that you have understood and been able to forgive me.

Today I am regaining those moments of immense happiness of having all six of you together, embracing and loving each other.

Finally, when I cross that mountain on the last leg of my journey, I want to tell you that you have four siblings and my Luciana, who will accompany, love and care for you beyond my lifetime.

Lima, January 23, 2018



