

PRESIDENT HUMALA: WOULD YOU LIKE TO CREATE MORE JOBS FOR PERU'S YOUTH?

Apply Segura's positive attitude to mining formalization

FORMALIZATION OF YOUNG PEOPLE

BECAUSE THE IMPACT OF FORMALIZING INFORMAL MINING WOULD BE 16 TIMES GREATER

In the formalization of youth employment, there would be 91,000 young beneficiaries in 2015.

BECAUSE INFORMAL MINING ALREADY CONTRIBUTES MORE TO THE TREASURY

Young people's contribution has yet to be determined, but we expect it to be low because it involves youth with little training

BECAUSE FORMALIZATION, AS UNDERSTOOD BY INFORMAL MINERS AND THE ILD, IS MORE EFFECTIVE AND IN KEEPING WITH THE PERUVIAN REALITY

Segura's aim is positive in so far as it seeks to create jobs for youth.

But Segura could create more formal jobs if he supported the formalization of mining and if he got his colleague Pulgar to stop persecuting informal miners. That way he could put an end to social unrest and create a favorable environment for big mining, which is currently experiencing cancellations and reductions in investment or delays in big projects like Michiquillay, Conga, Río Blanco, Santa Ana and Tía María.

BECAUSE THE NEW PERUVIAN INFORMAL MINING CLASS HAS SURVIVED PULGAR'S ONSLAUGHT AND CONTINUES TO PRODUCE WEALTH WITHOUT GOVERNMENT SUPPORT

The aim of Segura's formalization is to create more formal jobs by cutting social benefits rather than by removing obstacles to doing business so businesses can grow and create more job opportunities. We may disagree, but at least it is a timid step in the right direction.

BECAUSE WHAT MINERS ARE ASKING FOR IS TO GROW AND PROVIDE NUMEROUS JOBS AND NOT ONLY CREATE TEMPORARY JOBS

The government's proposal, more than formalization, refers to compliance with legal regulations regarding job quality and less or not at all to streamlining the processes that spur business productivity, which is what really creates jobs.

BECAUSE THE MINER FORMALIZATION PROPOSAL CONTAINS THE NECESSARY MECHANISMS FOR GOVERNMENT TO IDENTIFY THE REASONS WHY THE ECONOMY HAS SLOWED

Segura's proposal empowers government in a paternalistic sense: it gives young people an exceptional and temporary regime to address the current situation exceptionally and temporarily without consulting with them about what options suit them best.

FORMALIZATION OF MINERS

In the formalization proposed by informal miners, there would be some 1,600,000 beneficiaries in 2015 (the informal chain of production, which includes mineral processors, contractors, financiers, and traders)

Informal miners have always paid taxes: Up to October, formal mining plants withheld from them 4% for income taxes and 18% for VAT. They also pay royalties to the owners of the claims and to rural communities.

For miners, it is to create added value by gaining access to the legal tools that allow them to combine the assets, work, and talent needed to develop new projects, explore mineral deposits, and optimize and increase their production capacity, this way creating more jobs. Their aim is to shorten the distance between Peru and North America, where they drill a thousand wells to Latin America's one, and therefore their wealth is real and not a distant potential.

They also need to have the persecutions stopped (there have already been 12 dead, 59 maimed and wounded, numerous facilities bombed, 56 leaders facing persecution) in order to have the time and peace to create more opportunities for all Peruvians.

If formalization were Pulgar's goal, he has failed completely. He has only regularized 5 informal miners (7 according to the Defender of the People). The truth is that to comply with the process he has set takes 1,260 days and costs more than US\$87,000, including opportunity costs.

The miners understand formalization to be the ability to access a legal framework that is so simple that once inside it allows them to create capital from our assets; access collateral-backed credit; contract securely; reduce risks through limited liability; reduce risks even further by obtaining insurance; formally constitute different rights over property in accordance with international standards.

The miners' proposal arises from their reality. It helps government put in place participation, consultation, feedback, suggestion, and proposal mechanisms so that it can systematically find out through direct accounts what the costs of legality are and how to replace them or eliminate them.

PRESIDENT HUMALA:

With all due respect, historically the integration of a nation has always been the responsibility of the Head of State. We, the so-called informal miners, along with our families, comprise more than 5 million Peruvians. We are the real Peru, in full entrepreneurial revolution. Do not let the State --during your government-- become our greatest enemy. It must integrate us.

True formalization is transverse, affecting different sectors and levels of government, and should be led by a Head of State, by you. You cannot leave the direction of formalization in the hands of a person who instead of finding intelligent ways to reconcile the natural capital of Peru with its human capital, all he does is put them at loggerheads. Segura is on the right path --at least he is seeking an accord.

"PUT YOUR THUMB DOWN AND CHOOSE THE SAFE OPTION"



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