

CITIZENSHIP

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CHALLENGES
SERIES

CHALLENGES
S E R I E S

CHALLENGE: CITIZENSHIP

Non venal edition

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Content

INTRODUCTION

A challenged and anxious society <i>José Antonio Zarzalejos</i>	13
--------------------------------------------------------------------	----

CHALLENGE: CITIZENSHIP

The Ethical Challenge of the New Citizenship <i>José Antonio Llorente</i>	19
------------------------------------------------------------------------------	----

GLOBAL CITIES

Latin America challenged by smart cities <i>Javier Rosado & Raimundo Diaz</i>	25
--------------------------------------------------------------------------------------	----

Citizen Engagement versus Tourism-phobia: The Role of Citizens in a Country's Brand <i>Juan Arteaga & Anel Hernandez,</i>	31
-------------------------------------------------------------------------------------------------------------------------------------	----

Mexico City: Keys and Challenges to Building a Smart City for Citizens <i>Alejandro Romero & Arie Ellstein</i>	45
--------------------------------------------------------------------------------------------------------------------------	----

Improving ourselves as citizens <i>Daniel Silberfaden</i>	53
--------------------------------------------------------------	----

The Major Challenges Facing Cities <i>Jordi Serra del Pino</i>	57
-------------------------------------------------------------------	----

TERRITORIES AND COMMUNITIES

- The dawn of the phygital consumer
David G. Natal & Julio Alonso 63
- Inbound Marketing: User-based Communications
Iván Pino & Diego Romero 71
- Grassroots: The Power of Organized Communities
Joan Navarro & Laura Martínez 77
- Liquid Democracy and Exponential Technology
for Transforming the World
Ana Lorenzo 83

PUBLIC AFFAIRS

- The Doria Effect: The Impact of Communication
on the Management of a City
Juan Carlos Gozzer & Thyago Mathias 91
- Latin America's New Wave of Populism—a
Movement More Alive Than Ever Before
Luisa García & Claudio Vallejo 101
- The Impossible Politics of Walls
José Antonio Zarzalejos 127
- Does Every Trump Have a Silver Lining?
Cecilia Soto 133

REPUTATION & SUSTAINABILITY

- The case of United: How Reputation Crises Have Changed
in Today's World. A good example of what you should
never do, and how an action causes a reaction
Alejandro Romero, Emigdio Rojas & Luis Serrano 139
- How to tell my truth? A fresh opportunity
Arturo Pinedo & Iván Pino 153

Communicating Sustainability: The Food Industry's Big Challenge <i>Juan Cardona, Carolina Pérez, Antonio Gomariz & Macarena de la Figuera</i>	159
The Responsible Talent Revolution <i>Goyo Panadero, Carolina Perez, Jon Perez, Alba Herrero & Alejandro Cerqueira</i>	167
EPILOGUE	
When we talk about fraternity <i>Jordi Sevilla</i>	181
LLORENTE & CUENCA	
About LLORENTE & CUENCA	187
About Developing Ideas	189
Organization	191

INTRODUCTION

A challenged and anxious society

José Antonio Zarzalejos

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Our society constantly faces successive challenges at a furious pace. But what are these challenges? The word - challenges - has two meanings, and both are valid for the purposes of what I wish to highlight in this introduction to a volume filled with papers and reflections on our environment.

One such challenge is unique to an arduous endeavor. This challenge entails a great burden of competitiveness and demand, and requires the skills of alertness, attention and concentration to be overcome.

When this energy of response is socially absorbed in a progressive way, the challenge becomes a creative stimulus. On the contrary, when challenges happen unexpectedly, testing the capacity of a society's cultural and emotional resistance, they generate collective pathologies, which are susceptible to objectification.

Unfortunately, we find ourselves more in the latter scenario. Hence, we are made into an anxious society, one that is consumed by great concern, intense excitement and extreme insecurity. These emotions are all in accordance with the definitions of anxiety.

The fundamental factor for this emotional distress, so evident in contemporary societies - especially developed ones - comes from the accelerated pace of changes that has made an unwaveringly adaptive attitude necessary. From the philosophical perspective, the late Zygmunt Bauman defined our times as “liquid” or ones in which events happen and fixed references cease to exist, creating a sense of anxiety and confusion.

We have entered a rhythm of rampant technological obsolescence. Technology overcoming its own limits is, without a doubt, one of the most worrying challenges of the 21st century thus far. The replacement of human employees with robots verges on the horizon, even though the digitalization of the economy promises a new generation of more sophisticated jobs. Meanwhile, as a prologue to the world of robots, a constant technological obsolescence imposes a resilience upon citizens who are neither prepared for nor in the condition to adapt.

The so-called social gaps that arise from this difficulty to adapt create large clusters of people, the “new technological illiterates.” It is not only a generational gap, but also one that has to do with training and education. At this greater pace of technological change, digital or not, it becomes necessary to find new dissemination policies that do not create pariahs. These outsiders cannot contribute to progress that is fueled

by new knowledge tools, lifestyle habits, mobility and communication.

The challenge for society, its citizens, companies and administration, consists not only, nor even principally, of maintaining the frenetic pace of innovation in the digital economy, but of making citizens part of these advances to avoid both technological exclusion and its inverse, technological enslavement. We have a varied symptomatology of anxious communities with mental pathologies expressed by feelings of frustration and isolation.

It must be pointed out in this context that while life expectancy is increasing in almost all countries of the developed world, as people age, their adaptability weakens. We cannot support a divided world -the young, the old- where some are completely adapted and empowered and others have lost all possibilities of social participation.

We must reflect on this challenge - the result of accelerated progress - that renders technology crucial to this discussion. A machine answers our phone calls, we have a digital signature, we shop online and we easily and instantly communicate from one side of the world to the other. We have ruptured the intermediary role of the media, and we have become the protagonists of debates through social cyberspace. But perhaps we have yet to ask ourselves questions on behalf of those for whom the future of this world is very different from the past, those who now find themselves drowned, not kept afloat, by this paralyzing swamp.

Society is filled with constant challenges. But which one is more important? Breathlessly keeping up with the technological marathon, or fostering this immense

transformation without abandoning members of our society who, due to generational, educational, geographical or even gender reasons, lack the lungs to keep up with the transformative voracity that characterizes the world today?

**CHALLENGE:
CITIZENSHIP**

The Ethical Challenge of the New Citizenship

José Antonio Llorente

Founding Partner and Chairman of LLORENTE & CUENCA

“Now, what I want is Facts”. This is how the famous novel, *Hard Times* (1854), by Charles Dickens, begins. Facts, realities, as Dickens’ Mr. Gradgrind says, is what we need at this time, what we need “now”.

Though it has been a century and a half since the novel was serialized in the weekly *Household Words* with great success, its opening phrase remains relevant to our times today. Facts. That is exactly what millions of citizens seem to ask for on a daily basis after listening to speeches, observing campaigns, reading reports, attending meetings, and receiving information from any company.

Our era has been shaped and has grown with two birthmarks on the citizenship’s body: the first one was imprinted with the pain and suffering of past crises; the

second, without any doubt, will be the one that opens the roads to the future.

The painful mark is a latent skepticism in each of the citizens, a deterioration of confidence in their institutions and companies, and even in their leaders. The crisis of 2007 to 2008 has been embedded in a deep corner of their collective memory and generates an instinctive rejection of the messages that arrive from the elites. Through blood and fire, citizens have learned that everything can fall apart and that one can only build something long lasting on a true and solid foundation.

The mark of hope is technological disruption. Citizens have at their disposal one of the most powerful tools in history. Opportunities are opening up, boundaries of the past are blurred and everything is changing at a dizzying speed. Nowadays, men and women, empowered by technology, have access to information and the ability to form opinions and organize themselves in nodes and networks, and, in short, to become aware that they will never be passive subjects of corporate political communication.

Data, conversations, relationships and information build a new virtual social system, a parallel society that blends with real society so tightly that it is impossible to distinguish one from the other. The current leaders want to influence, be present, and become protagonists of this new reality, of these new times.

However, today, influencing citizens and transmitting the desired message is much more complex than how it was yesterday. Having learned its lesson, as if it were a survival transformation, the spider web turns out to be waterproof for those who want to penetrate it with tools from the past. It closes instinctively when

it perceives pretense, spurious interests, or any suspicion of imposture.

The question is clear: how do we move in a changing and unknown territory, whose only cartography is what we draw as we move forward? The changes that society has undergone in the last decade have left obsolete paradigms that make a new conceptual framework necessary in order to understand and analyze the society in which we live. The categories of the past are useless: the scenario has changed, the main actors are others (no longer political or business leaders) and a different script is necessary.

The new protagonist of this ecosystem is the citizen. Men and women, placed in the center of the sociopolitical dashboard, have the capacity to generate messages, organize themselves and influence society with force, protecting themselves from manipulation with the umbrella of their painful skepticism.

The first exercise is to take a step back, shifting focus away to perceive the geography clearly. We can then see beyond the citizens and identify the territories of their conversations that form the communities made up of those men and women with shared interests. Then we must apply sympathetic and active listening to understand their concerns and desires, the cement that glues together those communities and the citizens who lead them. Finally, when this knowledge is gleaned, decisions will be made. How do we best influence these communities? How do we best transmit our messages? The questions are misguided: it is not about influencing or about transmitting, it is about joining.

Let us go back to Dickens, to his famous word choice: "Facts."

The only way to talk, to have a valuable presence and to eventually bestow influence upon citizens is to develop an ethical narrative based on commitment and transparency. In other words, replacing traditional unidirectional storytelling with storydoing and new forms of interacting and forging experiences with interest groups. Only with facts can we reach the hearts of communities, where the true interests of citizens lie.

The challenge now goes far beyond the achievement of notoriety, of capturing timely attention for a while. It is about having notability among citizens; it is about establishing our reputation as one that supports our narrative. It is necessary that what we say be based on facts. Our profession, until now installed in the plane of storytelling, must be introduced to the plane of facts. Only by being part of the decision-making bodies can we build a reputation strategy.

The new citizens demand ethical communication committed to the truth and the hyper-transparency imposed by the digital transformation that makes evasive truths found. What can be known will be known and for that reason, beyond slogans and campaigns, communication must be backed by certainty and safety, not duplicity. Turning the familiar phrase around, it does not only have to look like it, it must be it.

Undoubtedly, we tackle difficult challenges -such as time- that require, in general, professional knowledge, personal effort, ethical approaches, and, at times, audacity. Our profession must help to build a better, stronger and safer society. I am sure it can be done.

At the end of the day, and let me close with Dickens, "There is nothing so strong or safe [...] as the simple truth."

GLOBAL CITIES

Latin America challenged by smart cities

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Latin America is the developing region with the highest urbanization rate on the planet and the trend, indicated by the United Nations, that in 2050, 90 percent of its population will live in megacities. This represents a challenge for the states that have not managed to resolve the big problems of these huge urban agglomerations, which are poverty, insecurity, pollution and mobility.

The rising popularity of smart cities has led many to seek solutions to the technological challenges facing urban areas. Technology has historically been essential to social progress; for example, the steam engine kicked off the industrial revolution and the emergence of the

middle class. However, technology alone is not a solution to these challenges. What is more, the technological solutions to eradicate poverty, reduce inequality, control pollution and provide mobility may exist even now, although the problems remain. The lack of a solution, therefore, would seem to arise from non-technological reasons.

The tech community, probably out of self-interest, has imposed the narrative of a smart city based on performance indicators around managing municipal services, but claiming a city is smart based on the use of new technologies to manage these service processes is a reductionist approach. A city—understood as a collection of people and businesses that coexist in a geographic area—is smart when citizens' living conditions are optimal. Philosophers, architects and communicators must join forces to design this city and redirect the course that popular opinion has recently taken regarding the public management model. More concepts must be involved in the field of smart cities, such as life quality, resilience and even happiness. Some researchers have developed smart city rankings that take all this data into account, including educational level and life expectancy, but in most published methods, technological indicators take precedence.

Latin America's opportunity lies in the fact that urban management has become a hot topic thanks to the increasing popularity of smart cities. Five years ago, smart cities were curiously analyzed at business congresses and in growing numbers of scientific articles, as well as in meetings among municipal administrators. Google hits related to this topic have grown exponentially; additionally, the emergence of city rankings has caused

even mayors to feel obligated to compete, improving their areas to reach the cutting-edge of “smart” cities and avoid the pitfall of “dumb” cities. For citizens, the city is the main location for social interaction, and many key quality of life factors depend on whether or not they run well and smoothly. The establishment of in-depth conversations on municipal management in Latin America should lead to improvements in public services and a more harmonious coexistence.

Smart cities are classified according to six categories: Smart government, environment, economy, mobility, citizens and lifestyle. Latin America has room for improvement in all of these, but it also has models other regions might find worth examining.

The first category, “smart government,” refers to the availability of electronic services, as well as measures and policies that contribute to transparency and citizen participation in decision-making processes. When compared to Europe and North America, most Latin American countries are lagging behind in implementing these amenities. Colombia and Chile are the exceptions, as both have made progress in this area—at least regarding state-level administrations. Greater investments in smart government are recommended for the region, as they would result in long-term cost savings, both for the public administration and private sector. Additionally, the implementation of citizen participation initiatives would strengthen institutions.

There are case studies in Latin America that support this, such as Porto Alegre’s. In 1988, Porto Alegre became the first major global city to establish participative budgeting. There are also recent innovative projects, such

1 Smart Cities Ranking of medium-sized European cities, Giffinger et al. (2007)

as the Mudamos.org technological platform that enables Brazilian citizens to vote for bills online. It is also worth mentioning that Brazil and, especially, Mexico, hold prominent positions in the World Wide Web Foundation's Open Data Barometer.

"Smart environment" is about reducing environmental impact and implementing energy efficiency measures. There is a paradox in Latin America, which both has the planet's largest population of green lungs while, simultaneously, suffering from high pollution in its megacities. Medellin is an international case study for urban planning, as its last three mayors promoted environmentally friendly transportation systems and raised citizen awareness regarding environmental protection. IDB consultants for medium-sized cities like Cuenca (Ecuador), Trujillo (Peru) and Montevideo (Uruguay) have also been the source of transformations in urban environmental management. However, regional municipal leaders still need to commit to a firm and steadfast effort to support renewable energies, which would reduce natural resource consumption and improve the reliability of electricity, water and sewage distribution networks.

With regard to "smart economy," there are significant differences between countries. On the one hand, productivity is based on wages, and it is hard to find examples of business innovations that have impacted an entire city; As such, there is a clear need to strengthen research and innovation systems so they can better contribute to the development of the entire urban ecosystem. On the other hand, in a region where only Chile and Panama are among the top 50 in the Global Competitiveness Index, there is a clear need to

implement reforms to increase productivity and execute policies to support the development of innovative companies with international visions.

“Smart mobility” has become a major problem for Latin America’s megacities, as lack of public transportation infrastructures and systems, increased use of private vehicles and lack of political willingness to regulate it abound. That said, Bogota, with the implementation of the Transmilenio, and Curitiba (Brazil), with combined measures to relieve traffic congestion and implement an innovative transportation system, should serve as interesting examples for other large cities. Innovative business models arising from new technologies can enable financing for new infrastructures like these.

The increase in educational opportunities²[2] is one of the region’s most important advances of the century, as it offers recognition of and support to the most disadvantaged ethnic groups in cities like Rio de Janeiro. It helps create a new generation of open-minded “smart citizens,” people committed to improving their communities. They represent collective hope for a promising future in cities like Lima, Bogota and Quito. The continued promotion of educational and digital inclusion is essential for creating a sustainable, prosperous ecosystem.

Buenos Aires and Mexico City are cultural hotbeds. Tourism continues to grow in Panama City and San Jose (Costa Rica). The “quality of life” in Latin American cities has increased steadily during this century, but serious problems persist, including security issues and lack of health-care services. New technologies could solve

2 UNESCO: “The State of Education in Latin America and the Caribbean: Towards a Quality Education for All 2015,” p. 136

these problems, as seen in the emblematic case of Rio de Janeiro's Operations Center. Installed before the two major sporting events the city hosted in 2014 and 2016, it is probably the most complete and technologically advanced security system in the world.

Technology must contribute to resolving basic and recurring challenges in the region, as well as those specific to each area—after all, cities have their own unique personalities. Differentiation is the best way to compete for investment, talent and other resources; A city's personality is the result of citizens' active participation in making decisions about the future of their shared home.

The broad vision for smart cities—the one that sees opportunities for Latin America in the debate on municipal management, which does not focus solely on technology—requires enabling the ecosystem to achieve the objective of improving citizens' quality of life. Collaborative work between all the stakeholders involved (including governments, companies, researchers, the tertiary sector and citizens) is what will make cities progress quickly toward their goal of becoming smart, as well as help them all understand “smart” in a way that makes it real.

Citizen Engagement versus Tourism-phobia: The Role of Citizens in a Country's Brand

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In 2013, World Bank President Jim Yong Kim shared the central goal of the institution's strategy, a new vision called "Citizen Engagement." In short, he decided to choose which projects the Bank would support with the help of citizen feedback, giving civil society more weight when it came to decision-making. Furthermore, his aim was for 100 percent of the Bank's programs to have clearly-identified beneficiaries by 2018. Three years after this announcement, in January 2016, the World Bank presented some of what they learned during this process, including the fact that programs with higher levels of citizen participation were found to be more

effective and to generate a larger impact. Connected to this discovery, the Bank also found it is critical to have an understanding of what mobilizes citizen groups to participate in the initiatives, as, according to various studies, what draws them to participate goes beyond direct benefits to include psychological and other intangible factors, such as a sense of civic duty and belonging. In light of this, the World Bank concluded that, “we need to dedicate more resources to increasing the sense of citizenship among people and governments”³.

We are seeing this same trend in the corporate environment. As it stands, what entrepreneur or manager would not want satisfied, motivated employees for their company—people who internalize the company’s vision and values to make them their own and bring them into their daily work? In a general sense, this is the aim that the largest business and reputational pillars companies have been working on in recent years: talent engagement. Companies not only compete to attract and retain the best talent but also to convert employees into company fans. This has clear benefits: companies with highly-engaged staff have been found to achieve better financial results, higher levels of client satisfaction, and increased productivity.

In our ongoing digital revolution and hyper-transparent era, where a company’s, institution’s or association’s reputation is at the mercy of a YouTube video or a leaked email posted on social media, those publicly involved and represented in projects of all kinds are more relevant to reputation strategies than ever before, as they are the ones who best know the

³ “10 lessons on citizen engagement,” Soren Gigler, January 6, 2016. <https://www.weforum.org/agenda/2016/01/10-lessons-on-citizen-engagement/>

strategies' virtues and shortcomings. Perceptions held by company's stakeholders, regardless of their hierarchy or level, depend on performance and expressions; the internet has democratized influence. Richard Branson, CEO of Virgin, claims customers do not come first—employees do, with the idea that if you take care of your employees, they will take care of your customers.

Engagement and Country Brand

Just as with the World Bank or in the business world, countries also now have an opportunity to integrate citizens into their branding strategy to compete internationally to attract talent, both for investment and tourism. Citizen engagement—the emotional involvement of citizens and their conversations about their experiences—is key to maximizing the impact of a country's brand strategy in terms of credibility and reach. A country brand should be developed from within.

Sweden provides a globally known, emblematic example of this. Last year, the country launched a campaign called “The Swedish Number,” which involved the creation of a phone number anyone, in any part of the world, could call to reach a Swedish citizen who would answer questions about why it is a good country to invest in, work in or visit. This campaign used hyper-transparency as a tool to increase its own legitimacy, which was only made possible by true citizen involvement and engagement.

A country-brand strategy is not a logo with a cheesy tagline and costly advertising focused on hiding problems—rather, it is a way to understand the nation through starting with a vision, vocation, and philosophy for the country, then advancing from there to achieve

the desired goals. This strategy must cover both management and communication, impacting everyone's present and future benefits, bringing citizens into the center of the narrative and making decisions aligned with current context. This will involve careful positioning and government management, as the citizens are the ones who will star in this change and vision. They will translate both the positive and negative aspects to a variety of audiences, so citizens should be able to empathize with tourists or foreigners visiting their country. Spanish philosopher Jose Ortega y Gasset defined a nation as a dynamic system—much like a company—that is either integrating or disintegrating. According to him, “what defines a nation is a project of communal life; national groups do not live together to be together, but rather to do something together”⁴.

Where to Start?

The initial steps involve deciding what a country wants to become and who can help it achieve that.

1. Vocation

- What type of country do we want to be? What type of image do we want to build, and is it based on the attributes we currently have? What attributes are we willing to create?
- What perception currently exists, inside and outside of our borders? Does this complement or contrast the vision of what we want to be?

⁴ Ortega y Gasset, José (2006). *La España invertebrada*. Espasa-Calpe. ISBN 9788467021929.

Internal public figures, such as leaders of public institutions, entrepreneurs and citizens, have a special interest in their country's brand. These leaders are public assets and should participate in the creation of their national brand. If citizens and media are involved, these public figures become advocates and defenders of the country's brand, making it their own and communicating it themselves, allowing the brand to take on a life of its own. This strategy helps it spread organically and coherently, ensuring it is not just an artificial product, as is often the case with tourist institutions. If there is no alignment between the brand and the public, citizens will not communicate or promote it, creating a disconnect between the expectations visitors have and the reality they find.

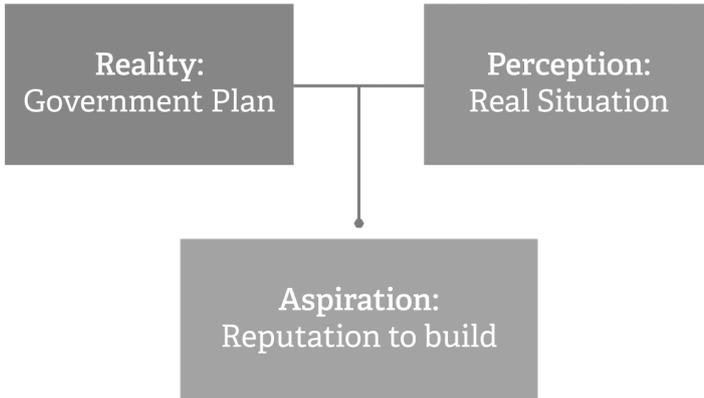
2. Catalysts for Change

- Analyze and establish the stakeholders, both inside and outside the country, to recruit as allies for the change. These could include citizens, academics, media, entrepreneurs, investors, government actors, NGOs, industry professionals, etc.

To define the two key elements of "Reality" and "Perception," it is necessary to use analytic and diagnostic tools. Ideally, a SWOT analysis should be carried out for the country to analyze its differentiators, study internal and external perceptions, identify relevant benchmarks and understand its national, regional and global context. All this information helps with decision-making, and once compiled, it is time to consult citizens, find allies, and

develop a strategy to integrate reality, perception, and aspiration to define the country's vocation:

Catalysts for change



Rational versus Emotional

As is the case of the World Bank, citizen engagement should not only appeal to rational sensibilities, but should also welcome emotional reactions.

- Emotional Reputation is where individual perception deviates from a country's collective image. This collective image is "public opinion," an intangible asset based on cultural, social, and political stereotypes, constructed with the help of history and, to a certain extent, personal bias or experience. Public opinion gives rise to an objective vision, permeating the country's brand development process. To create this reputation, countries must cultivate trust, image, notoriety and notability; in other words, the level of influence

of audiences familiar with its attributes and their qualitative sense of this knowledge. These are also critical when involving a country's citizens, as they are the ones who will have to live alongside the various audiences the country welcomes.

- Rational Reputation is built on governability, institutional quality, quality of life, and competitiveness. These are all visible and tangible, thanks to studies and rankings.

Message Tangibility

A change in philosophy and thought may translate into actions and activities, which could then move the country's positioning towards what is sought both internationally and at home. Examples include large sporting events, culture, architecture, exhibitions, rankings, prizes, studies, etc., but how can the philosophical revival of a country be demonstrated? How can we overcome past perceptions to showcase a country's new offerings and reality?

It is true that building a national image is subjective and may change over time. It is also true that its position and permanence depend on a highly important element: its association with tangibles. This presentation may take place through visible milestones for key audiences, drawing from the country's offerings, perhaps having a "Big Shot" who can help increase cultural value of different attributes and improve the country's reputation through alignment with the country's brand strategy. This improvement is very difficult to define; the country's past needs to be taken into account, but so

does its present and its desired vocation for the future. Ideally, milestones, management and discourse should all be read from the same page.

The Role of Citizens

Country management and communications have changed. We are moving closer to fully understanding concepts such as smart cities, citizen support 2.0, and open government. People do not simply communicate through digital means; the digital environment is increasingly a part of people's everyday environment, making the internet a key channel through which internal and external audiences can meet. On the internet, millions of people and entities around the world interact daily, extending the conversations and exchanges that take place in boardrooms, shops, universities and streets. Here, credibility is given to internet users themselves—they act as the final arbiters of what they see online every day. Therefore, it is necessary to create a strategy in which owned content, paid content and, above all, positive conversations among third parties and earned content are generated. These outcomes of strategic dialogs are what really lead to multiplier effects on conversations, drawing greater engagement and, therefore, increasing the legitimacy of messages between various audiences. As with the political field, a grassroots strategy is necessary to spark a social movement favorable to the country's positioning efforts. This strategy should take the feelings and values of most citizens -the ones who will legitimize these messages- into account.

Online opinions are a very powerful tool when it comes to promoting or discrediting ideas. The internet and its

channels should not be feared, but not disregarded either. An appropriate strategy must facilitate management of the internet and boost citizens' cyber conversations to fully involve and integrate them into the narrative.

Making a Measurable Strategy

As with companies, countries also have reputations that influence many areas. A good reputation has an undeniable economic effect, boosting exports, investments, quality of recruited talent, consumption levels and tourism. It also determines the credibility of the country's institutions, citizen respect toward its leaders, the country's role in the global community and the success of its public diplomacy.

In this context, exploring and measuring is necessary. Reputation is a relatively new, intangible asset for countries and their governments that have begun to explore their management on this broader level through basic measurement mechanisms. In general, management results first measure the relationship between a single stakeholder (media) and the local market is necessary to listen to alternate opinions, focusing on the most diverse groups possible. This inter-demographic discourse will allow for goals to be set and comparisons to be made between competitors and benchmark entities; for developing a country's brand strategy, this comparison is essential. To determine whether a strategy is good or bad, the competition must be clear in terms of reputation and position: sunny tourist paradises with perfect beaches, wonders of the world, or business tourism attractions? And whom is the country's publicity campaign targeting- foreign talent; entrepreneurs; university students; foreign investments in energy,

renewable energy, or raw materials; the foreign exchange market?

The Team: Combined Action

It is increasingly common to locate the “conductor of the orchestra” of the brand strategy in government organizations worldwide. This person prompts and supervises each action to forge a global vision for the country. They must be independent from current government management, and they tend to be responsible for the future vision of social development as well. Their role includes, but is not limited to, advising the government, stipulating the budget for future projects and making recommendations to boost social development. In other words, they supervise the country’s functioning, while maintaining the ability to “step away” from the government’s day-to-day activities to endorse a wider perspective that helps them maintain a medium and long-term strategic focus. From there, it is key for the country’s brand leader to respond to two questions each day: “What do we want to be as a country?” and, “What kind of country are we today?”

A leader can seek, for example, to have their country considered as a host for the Olympic Games or the World Cup, by showcasing its infrastructure capabilities, investments, culture, etc.; it is this “conductor” who creates management opportunities for the country and boosts this “quality-of-life” display in diverse sectors including tourism, infrastructure, health, and education—but to leverage these sectors for a country’s brand, conductors must know how to manage them properly. Just as Joan Costa said in her article, “Communications Management System for the Construction of a City or

Country Brand” (*Sistema de gestión comunicacional para la construcción de una marca Ciudad o una Marca país*), “The social environment is a force field—a field of concurrent, favorable (or adverse) tensions that, first of all, must be identified and, following that, require the development and application of creative strategies and tactics; These must be sufficiently efficient to achieve the activity’s goal”⁵.

This identification and development process is the essence of a country brand leader’s work.

However, this figure is only a manager, and powerful as they may be, they are only one. To better improve government management, they should get to know and involve their citizens through coordinating efforts between various institutions and bodies. This improvement should be communicated via a good PR team and reliable allies who seek to go beyond protecting and boosting the government’s image but to spreading the country’s image on a national and international level.

To achieve this virtuous cycle, numerous factors must converge. It is often complicated to unite them, but when they do line up, they comprise a great brand strategy for the country

- Solid Government Plan. It is no longer enough to appear to be a great country—first and foremost, you must be one.
- Connection between Country Objectives and Strategy. Link the country’s progress to existing strengths to boost them: “Do not try to reinvent the wheel.”

⁵ Sistema de gestión comunicacional para la construcción de una marca ciudad o marca país

- **Political Will.** It is essential for company CEOs to forget their individual labels and political alliances to act for the common good and seek what truly benefits citizens.
- **Include All Key Actors.** Create alliances between the country's opinion leaders, whether they live there or not.
- **Work from Within.** Involve people and citizens so they are proud of where they live: they are the public face of the country and will be the ones who should directly reap the benefits of successful branding.
- **Comprehensive Strategy.** Do not only involve only those responsible for tourism; this should be a 360-degree project that brings together all facets of society, industry and government.

Tourism-phobia

When, between the country's brand and its citizens, there is no real shared vocation and strategy with clear objectives; appointed leaders; a solid team; helpful resources; specific milestones and results; a thoughtful plan; and tangible, widespread benefits- a logo with a cheesy tagline could become a problem and could even be rejected by the citizens themselves. This citizen-administration branding schism has been the case in various European countries such as Italy, Greece, Holland, Spain, and Portugal, and in New York in the United States. Tourism-phobia is caused by a lack of citizen comprehension; if they can only perceive the

empirical inconveniences of attracting tourists and not the talent and investment it brings, the strategy will fail to foster integrated political and infrastructural development, innovation and competitiveness. Through effective strategies, citizens should be able to see the tangible benefits of tourism and, through welcoming tourists, feel they are taking active roles in promoting their country's brand and global success

Mexico City: Keys and Challenges to Building a Smart City for Citizens

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Firmly and confidently—that is how we would like Mexico City to move forward and consolidate itself as a smart city. But on this journey toward technological transition, there are aspects we must not forget if we wish to achieve this goal. The clock is ticking, which is where we would like to begin. Time is a factor we should not rely on.

Almost 70 years ago, the very first digital communication took place between four military computers, which eventually gave rise to what we call the internet. This expanded and grew so fast that it turned into a

lifestyle, connecting objects and entire cities, shaping even the economy.

It was the connectivity trend Kevin Ashton named the Internet of Things in 1999 that allowed connection and communications between devices, making it possible to store information and start innovative trends. With the third wave of the internet⁶, innovation became a constant process, as devices now had eyes and ears, allowing them to adapt and delve into our lives.

Alongside this brief but poignant panorama, we see the application of technology in countries' public lives. We refer to a city as "smart"⁷ when data derived from connected devices converges with public resource management to improve quality of life and the environment for a city's residents. The Inter-American Development Bank (2016) highlights how the integration of technological development makes cities more innovative, more competitive, more attractive and more resilient. In short, it improves citizens' lives.

According to IDB figures, 70 percent of the world's population—more than 6 billion people—will live in cities by 2050, according to the UN. Hence, it is increasingly important to achieve the appropriate integration of information technologies.

So, where does Mexico City stand?

Mexico City's potential

Let us begin with some interesting facts.

6 In this book *The Third Wave, an Entrepreneur's Vision of the Future* (2016), Steve Case indicates that the third wave is about the Internet being present and becoming a part of our lives; whereas the first wave was about infrastructure development and the second, access to information.

7 Colado, S. (2013). *Smart City: Towards Smart Management*. Marco: Mexico.

Mexico City is a national leader, reflecting the country's political, economic and social reality. This is where the country's three political powers are found: the executive branch, the Congress of the Union and the national Supreme Court of Justice. It is the second-largest municipality in terms of number of inhabitants⁸ and the number one contributor to the country's GDP⁹.

In terms of connectivity, 63 percent of Mexico's population, aged 6 and over, consider themselves as internet users—in other words, 70 million people, three-quarters of which own a smart phone¹⁰. According to PC World Mexico, an International Data Group (IDG) publication, total economic contributions from the mobile device industry will reach \$52 billion by 2020, representing over 3.8 percent of Mexico's GDP.

With these numbers, we are able to see the favorable conditions for creating a smart city, which is why we must look at what Mexico City's government has done. Last year, it led efforts to turn the city into a world leader. As recently as September 2016, the Secretary for Economic Development (SEDECO), in coordination with the National Autonomous University of Mexico and the World Bank, began to implement a "Connectivity Master Plan for Mexico City" in an effort to increase the city's connectivity and move toward becoming a true smart city for the future. The plan consists of:

- Identifying current connectivity infrastructure in Mexico City.

- Estimating demand for connectivity in Mexico City.

⁸ Mexico City only follows the State of Mexico, with 8,918,653 inhabitants (INEGI 2016).

⁹ Mexico City contributes 16.7 percent of the country's GDP (INEGI 2016).

¹⁰ INEGI. (2016). Internet figures. Taken from http://www.inegi.org.mx/saladeprensa/aproposito/2017/internet2017_Nal.pdf

Proposing a design for a Mexico City Connectivity Network.

Proposing a new design for the Mexico City Broadcasting System.

Analyzing government structure and identifying needs.

Please note this master plan includes an “organizational division”, which will be responsible for managing the infrastructure and designing a public/private association to operate the Mexico City Connectivity Network. This should consider the best examples of international smart cities, creating a plan that would make it possible to efficiently take advantage of existing infrastructure, foster synergies and boost autonomous and sustainable growth for new infrastructure, thus laying the foundation for Mexico City to become a smart city.

Mexico City wants to be a smart city, one that offers solutions to the problems afflicting urban areas, taking advantage of technology to simplify people’s lives and business operations, but a city that also goes beyond that to use the latest collective intelligence and collaborative social process (SEDECO, 2016) tools available.

In November, the Nokia Smart City Playbook recognized Mexico City as having the infrastructure necessary to become a smart city despite achieving only 3 out of 5 points in their assessment.

On the one hand, we have numbers showing a positive scenario regarding the growth rate in internet users and digital inclusion. On the other, we have a government willing to position the city as a leader. Yet from the perspective of these humble writers, there are three important challenges Mexico City faces and

that we must remember so as not to get lost on this technological path.

Mexico City's challenges

Despite the fact the Inter-American Development Bank has laid out a theoretical route for cities to become smart, we would like to offer three thoughts on the challenges facing Mexico City, as its move to become a smart city is no minor issue.

1. Human focus on technology

To present this first challenge, we refer to an idea put forth by Media Lab Researcher Luis Alonso from the Massachusetts Institute of Technology (MIT), who says innovation has no direct relationship with technology—rather it is about identifying the main problems and visions in each city. Mexico City reflects the immense inequality found in Mexico, which is more than an economic problem. Inequality is a part of nearly every sphere of social activity, including education, health-care, income and more¹¹.

Overall, growth into a smart city must focus on the fact that network-based knowledge must not only improve the lives of those connected, but also bring those who remain unconnected into the fold, creating public policies that truly cover the problems facing big cities and everyday citizens.

In the words of Enrique V. Iglesias, former president of the Inter-American Development Bank, the use of technology is a means and not the aim in and of itself.

¹¹ Paniagua, E. (2017). Smart Cities: The Key is Not Found in Technology. Taken from https://retina.elpais.com/retina/2017/04/27/tendencias/1493283914_759472.html

2. *Legislation and priority inclusion in government program*

The road to turning Mexico City into a smart city must not depend on will alone. Despite the fact Mexico City has laws to help promote connectivity, including the Law to Promote the Development of Mexico City as a Digital and Knowledge-Based City—passed in 2012—and the Law to Turn Mexico City into an Open City, this project's leadership must last longer than the head of government's six-year term and be deeply reflected in the goals and action plans in the 2019-2024 National Development Program.

Legislators must understand the major implications of a smart city and, based on this, legislate in advance. For example, the issue of cybersecurity must be handled well, with strategies in place to protect all parties and create a trustworthy system in line with the spirit of a smart city. There is no doubt this legislation must be highly innovative.

3. *Citizen participation*

Finally, we must not forget the real objective of smart cities is public value; in other words, not only meeting the population's basic needs in an intelligent manner, but also strengthening civic and democratic principles within society, including responsibility, transparency and participation¹².

Citizen participation is a cornerstone that must not be left aside. After all, it is we, the citizens, who are beginning this transformation and who constantly evaluate the results of information integration. Citizen

¹² Moore, M. (1995). *Creating Public Value*. Taken from <http://www.hup.harvard.edu/catalog.php?isbn=9780674175587>

satisfaction is the best way to calibrate a smart city's performance.

We live in times of change, where public administration must have a deep and dynamic knowledge of the regions comprising their societies. In addition, modifications in how governance is carried out and, above all, the advent of new communication processes among various stakeholders involved in decision-making will be key in consolidating Mexico City as a smart city¹³.

It was only over 60 years ago, right in the middle of the Cold War, that the idea of creating a network of military computers to access information from anywhere in the world first arose. At the time, it was impossible to imagine just how far the project, which used only four computers to share strategic information, would go.

Perhaps it is currently inconceivable for us to think just how far the potential of smart cities can go, and this is why it is time to reflect on the ultimate purpose of technological integration, giving preference to human sensibilities and citizen participation in policy development.

Moreover, we shall do all this because of the many benefits it will provide our citizens:

- Decreases time needed to complete procedures, thanks to efficient and simpler processes.

- Prevents subjective judgment and increases transparency in public administration, which increases trust among stakeholders.

- Facilitates a connection between citizens and the state, which creates public engagement.

- Lowers operational costs.

13 Inter-American Development Bank. (2016). The Road Towards Smart Cities. Taken from <https://publications.iadb.org/bitstream/handle/11319/7743/La-ruta-hacia-las-smart-cities-Migrando-de-una-gestion-tradicional-a-la-ciudad-inteligente.pdf>

Facilitates closer relations with citizens through the continuous access and flow of information.

Includes the greatest technological elements and automatic controls.

Fosters participatory democracy through increased citizen participation.

Helps improve citizen quality of life and reduces corruption.

The clock is ticking for Mexico City.

Improving ourselves as citizens

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A city is a space to express the society in which we live and simultaneously is the physical expression of what we are.

In the world we live in, the old boundaries of space and time are becoming increasingly tenuous. Although this phenomenon is not new, we can state that over these recent decades of definitive consolidation of the global economy, migratory flows, means of transport, the development of telecommunications and other advances in engineering and science, we have seen our cities undergo significant structural transformation

The city of Buenos Aires has a population of three million, is the center of a metropolitan area of 14 million and covers altogether a territory of four thousand hectares, or over 15 square miles. It is the principal business and

decision-making center and Argentina's second most important industrial center after Cordoba. Its planning has been marked by the recent profound transformations unique to metropolitan cities and manifest in their social and urban space. The privatization of public services, the impact of telecommunications and IT, economic reconversion, social segregation and novel trends in suburbanization are some of the new factors that emerge in the context of competition between countries, regions and territories. In within the framework of an open economy, they coincide with the need to reshape the role of Buenos Aires as an autonomous city and the capital of a nation.

Over a century after it became the capital (1880) and the delineation of its legal and administrative borders (1887), in 1996, Buenos Aires acquired the statute of autonomous city and the citizenry elected its Head of Government. The current urban structure arose from the large-scale transformations of the old center carried out by the generation of 1880. This project culminated in *the Plan de Estética Edilicia* (Aesthetic Building Plan) of 1924, the *Código de la Edificación* (Building Code) of 1944, the *Código de Planeamiento Urbano* (Urban Planning Code) of 1977 and subsequent amendments up to the present day, with a new urban code in the making.

Buenos Aires currently faces a number of challenges that it must resolve, most of which are real but some imaginary. It must confront these obstacles with the confidence that it is an exceptional city and that its basic structure resists the mistakes of the past and allows for corrections; these reforms can reverse the trends towards the fragmentation of the city and the individualization of both experience and social relations. The citizens can feel, act and react; people of all

social classes are establishing networks of interaction and recreating urban society from the ground up. They create relatively stable networks and generate community organizations and urban social movements that perform a fundamental role in the configuration of a contemporary city. Recovering the human dimension of the city and, with that, reaffirming the identity of those that inhabit it is a major issue that starts locally. Improving a city and its neighborhoods involves recovering the influence of its residents over decisions that affect the immediate environment in which they live. The first step towards the regeneration of that old invention is as important as it has been debased: what we call citizen democracy. It is essential, therefore, that the formation of the city be fundamentally subordinated to the real general interest and not simply to growth -devoid of development- with the indiscriminate occupation of areas according to the criteria of those promoting their urbanization.

It is impossible to think of a city that does not grow, that does not evolve and adapt at its own pace. The contrary would be to condemn our city to death. A city that renews itself, therefore, must, by definition, change. But the city cannot think of growing without a State that guides it and that helps drive private investment in quality public spaces, developing a project that is strong enough to promote permanent dialogue between urban shape and planning and architectural definition.

The challenge of these projects is the ability to integrate the variables of urban complexity and its subsequent management. Multiple stakeholders, a combination of public and private voices, planning instability and the rezoning that affects urban and architectural space

must be planned as a dynamic process with continuous emending and changing of the overall idea and the scaled start-up of work over time.

Buenos Aires must be a planned, interconnected city with a defined role dictated by an urban and environmental strategy. It needs codes for construction and organized urban planning that are up-to-date and agreed upon by the professionals, overarching institutions and residents. In addition, it needs a justice system capable of understanding urban issues and providing real legal certainty. It must have and promote good quality exemplary public works through open and transparent competition. An autonomous city as envisaged in the Constitution of 1994 has a transport policy, that manages and secures its own territory. A joint leadership with the Province of Buenos Aires would allow for productive discussion across the metropolitan threshold, and a creative and fearless leadership would be dedicated to plan the next 30 years.

To change and rebuild Buenos Aires according to present and future times, we must improve our quality as citizens, more aware of the loss stemming from our lack of involvement in what is common to all of us.

The Major Challenges Facing Cities

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Humankind's evolution is essentially a phenomenon of city-dwellers. It is in the cities where the important innovations and theories that have prompted our progress were developed. Indeed, one could argue that the urban environment is the most genuinely human ecosystem. Thus, cities have been essential to our history. But, a much more basic question is now being asked: Do cities have a future?

If forecasts are accurate, by 2050 over six billion people will live in major cities, meaning that cities by then must be capable of overcoming these challenges:

Sustainability

Historically, the cities that have managed to be economically, socially and politically viable have progressed,

although normally at the cost of being environmentally unsustainable, which has forced metropolises to increase their ecological footprint to, often disproportionately, obtain the resources they need. However, this strategy has become unfeasible, and it will only be less and less. In the future, only cities that can generate their own resources will have a future. Cities must become self-sufficient, closing their production cycles to minimize the loss of resources. Cities can already produce much more energy than in earlier history -efficiently use the water that they receive, grow crops in vertical farms and reduce waste generation- but what is possible now may not be later depending on climate change. Many cities' capacity to sustain a growing population is called into question. A commitment to sustainability is increasingly becoming a requirement rather than merely an option.

Livability

The term "livability" is often understood as life quality, although in reality it refers to something more basic, and in this case, it could be described a city's capacity to make life worth living. This concept transcends the city's ability to ensure that a specific number of people can live in it. "Livability" implies that each one of these people can also have easy access to health, education, culture, entertainment, security, effective infrastructure and many other services. Social issues, therefore, should be included under the "livability" umbrella, such as the fight against social exclusion, the promotion of gender equality, the protection of minors, and so forth. One could say that if sustainability guarantees people's survival, livability makes it possible for human societies

to develop in healthy cities (in the broadest sense of the term).

Creativity

If cities are interesting it is not simply because they let many people live together, but because of what happens when so many people live together. A city becomes dense before anything else. Low density does not lead to the urban phenomenon and, at most, we will have suburbs and housing complexes that do not make true citizen life possible. However, where density is too high, the “livability” is affected, and the most probable outcome is that the urban agglomeration would cause various tensions that would make the city less attractive. No. A balanced density weaves complex social networks, leading to a concentration of talent and the emergence of innovation and creativity. Furthermore, if this density contains a high degree of diversity, these qualities will increase (although so will the risk of social conflict). In some way, an active and vibrant city has to move in dynamic equilibrium, not entirely free of tension. It would be tough for innovation to take place in a city that is too comfortable.

This last factor is particularly decisive in a world that needs transnational governability tools, but pro-State logic seems to prevent this from happening. Can cities become the new players that bring about a truly global system of governance? There are arguments that suggest this future may be possible, given that the large metropolises share similar circumstances and problems. Indeed, these similarities between cities are often greater than their similarities with the surrounding territory. Therefore, it makes sense for cities to try

to take on greater levels of self-governance so that they have the instruments they need to handle the challenges set out and become truly sustainable, livable and creative cities.

**TERRITORIES AND
COMMUNITIES**

The dawn of the phigital consumer

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We are going to do a little experiment. We will time ourselves to see exactly how long it takes us to buy something, for example, the latest novel by British author Ben Brooks, through our Amazon app. We open the app, search for the book, press buy (our card details are already saved); it asks for our digital fingerprint and a message confirms that we will receive the book in 24 hours (the advantages of Prime). In total, 30 seconds. Now let us do the test in a physical shop. We scan the shelves of the international literature section, we find the B's, we find the book, head for the till, wait in line, hand over our card, they ask us if we are a member and

we pay. In total, within a satisfactory purchase process, five minutes. However not only do we not reject the romance of a bookshop -the possibility of discovering new books, the act of touching the texture of the pages and the covers-we celebrate it. Sadly, these elements are lacking in the digital world, and, without doubt, in the coming years it will progressively work to acquire them through virtual reality or through the development of the new phygital business models—the joining of the disintermediation of the digital with the sensorial experience of the physical.

As consumers, we have learned to demand a unified purchase experience that tends towards the convergence of the infinite potential of the digital world and the tangibility of the physical. If buffering is not acceptable in the digital purchase process, nor are waiting periods when it comes to buying the stock of a product in the physical sphere. At a similar level, the experience of digital purchase cannot forego the immersive capacity and test options of the physical world. The convergence of the physical and digital affects all facets of our lives, but it manifests itself by impacting our experience as a consumer. According to a recent study by *Mindtree*, 60 percent of consumers recognize that they like to combine online shopping with physical shopping¹⁴. Beyond possible convergences, the phygital experience is an example of the need for brands to orient their activity towards a proposition that looks face-to-face at the consumer and transcends the sale of products, with the objective of generating services that function as ecosystems where the physical and the digital combine.

¹⁴ *Mindtree*, 5 Key Insights to Winning Today U.S. Phygital Shopper, 2015.

A unique experience

The most visible case of phygital convergence -where the digital becomes the physical- is Amazon Go. Amazon CEO Jeff Bezos has been saying for years that it would not provide physical sale spaces. Thanks to its mutation capacity and its primary mission of being the most client-oriented company in the world, Amazon began opening pop-ups based on technological gadgets, which now will add bookshops, and, most importantly, a new retail vision called Amazon Go initially launched to sell fresh produce. While its full roll-out continues to be delayed, its mission is clear. Through what has been defined as “just walk out” technology (a mixture of facial recognition, motion capture, sensors, QR codes and artificial intelligence), Amazon is proposing that our phygital experiences have the best of the physical world (the ability to touch the product and obtain it immediately) and the digital one too (speed gained through the removal of intermediary processes). The beta version –launched in Seattle that currently only Amazon employees can try– marks the possibilities offered by the phygital experience and sends the traditional purchase experience back to the 20th century.

With Amazon Go, a clear case of the shift from digital to phygital, it is certain that all e-commerce (a term that in this context seems outdated) advances with the need to acquire characteristics of the physical world that have proven key in purchase processes. In this sense, what is paramount is the acquisition of a spatiality that comes from immersive experiences, and, specifically, 360° virtual reality recordings. If physical shops are moving towards touch screens and the integration of apps or mobile payments, the digital ones

are progressively launching possibilities that present a product in an augmented reality: a virtual visit to the store, and now having the sensation of touching the stock - an immersive experience that allows us to enter the world of the brand and experience it from within. We do not have to go very far to find examples of this: some months ago, Massimo Dutti launched a VR function for their website, which allows visitors to use VR glasses to visit a store and experience the product more completely.

New connectors, new possibilities

Once the motivations and the needs that shape the increasingly phygital environment are understood, the keys to technological disruption, through which this process of coexistence of the physical and the digital is developed, must next be understood. Like when Morpheus introduces Neo to the Matrix in the 1999 dystopic film *The Matrix*, or when the protagonists of *The Chronicles of Narnia* enter and then leave the wardrobe to access a new kingdom, we as well as fictive characters have the urge to connect elements that prompt us to leap to the other side, to a new reality. The integration of technology allows us to take this leap naturally; the phygital experience does not cease to grow but will be experienced. The development of four connectors will prove key for this integration over the coming years.

- **Mixed reality:** As previously commented, one of the most pressing challenges faced in the construction of digital experiences and their integration in the physical world, is the acquisition of spatial characteristics. Virtual reality and 360° environments offer an oppor-

tunity for the digital purchase experiences to develop some of the indelible characteristics of the physical ones. However, it is more likely that the revolution will originate on the side of technologies that build mixed realities, allowing for the elimination of blocked vision and movement generated by virtual reality. Recent development of devices such as HoloLens by Microsoft or the success of the augmented reality game Pokemon Go, seem to be more useful and natural when combining a physical purchase experience with all the information and accessibility of the digital.

- Smart Data: after the explosion of Big Data as a concept, it is necessary for future efforts to further focus on Smart Data or Meaningful Data. In other words, it is paramount to shift from attempting to analyze mega-masses of information to working towards a structuring of data that, focused on a specific need or problem, no longer preoccupies itself with large blocks of information and ensures a more satisfactory user experience. As consumers we are expecting, more and more, that our data is focused on this use, and our demand for personalization will become ever greater. Our tolerance of error approaches zero.
- Artificial Intelligence: Just as today we connect to electricity, artificial intelligence will begin to infiltrate all aspects of our experience as users. The development of chatbots, fast becoming a feature of our day-to-day life,

is unstoppable. Apple's Siri, Amazon Echo's Alexa, and Google Home are leading this market. In his recent Ted Talk *How AI can bring on a second Industrial Revolution*, Kevin Kelly, Founder and Executive Editor of *Wired magazine*, prognosticated how artificial intelligence will grow to cover all aspects of our activity linked to efficiency, leaving inefficient humans and usurping the jewels of creativity and innovation.

- Internet of Things (IoT): For some time, we have been speaking of connected environments that at some stage of the journey started to look like an illusion. However, the development of other disruptors, mentioned previously, are turning into a reality all our devices joining together in an integrated service towards our experience as consumers. In their latest Fjord¹⁵ trends report, Accenture Interactive pointed out how the design of devices has increasingly evolved towards the design of the ecosystems within which we relate and consume. This evolution has been key in allowing the development of integration in which devices are only different facets of a superior experience.

Today, our experience as consumers does not begin or end in one world or another, but allows us to move forwards and backwards, like someone travelling between planets, through the use of these connectors and many more to come. Touch screens, beacons (devices

¹⁵ Fjord Trends 2017, Accenture Interactive

that function through a Bluetooth signal), RFID cards (devices that store all product information), smart changing rooms and Light ID (use of light to communicate with our mobile devices) will, over the coming years, drive an integrated consumption experience more oriented towards service than the mere collection of products. Not only companies like Amazon but textile giants such as DAFITI and Inditex have also created shops that epitomize the ROPO effect (Research Offline-Purchase Online), allowing us to touch, see and smell what we are ultimately going to purchase online. In a context of constant and accelerated digital disruption, other developments, such as driverless cars –another innovation poised to exploit our profile as consumers of services– make it necessary for us to go back to the basis of everything: the proposal that guides the proposition to the consumer. This form of progress will, over the coming years, cause us to see the triumph of brands that understand their relationship with their consumers as an integrated experience. An experience that, above occasional interaction, boosts the development of interconnected service platforms where the digital and physical are one.

Inbound Marketing: User-based Communications

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The era of digital communications requires people, governments and companies to reinvent and adapt themselves, which is why “infoxication” and “empowerment” must be taken into consideration. Infoxication is a problem due to the many sources of information that exist on any given topic, preventing users from finding what they seek and making it difficult to process the amount of data they receive (Cifuentes & Vanegas, 2016). This has led, in turn, to empowerment, in which users consume and share information without any validation from outside sources or detailed arguments, leading to

a vicious circle that increases in intoxication until consumers reach the point of infosaturation.

The solution to this challenge is to keep communications from becoming a part of the landscape in the digital ecosystem through “Inbound Marketing.” This strategy helps communications reach those it should, with useful and accurate information worthy of being shared. This form of marketing uses digital communication strategies based on technology, which can recognize and focus content on possible customers to best introduce a product or service (Steenburgh, Avery, & Dahod, 2011).

There are three basic requirements for applying this strategy:

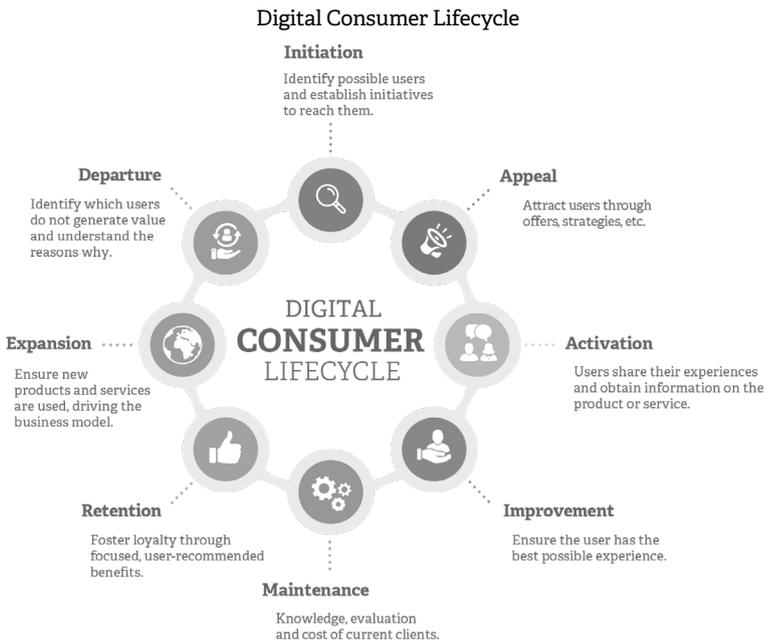
- User segmentation
- Understanding of the demand and the *Zero Moment of Truth*¹⁶
- Useful content

Additionally, Inbound Marketing uses three tactics to capture user attention: Transparency, Personalization and Empowerment. To start off, Capitec Bank exemplifies Transparency with the launch of a website on which customers could ask any question they wanted about the services provided by the bank at its branch offices. The bank found it highly successful, later saying, “*Asking ‘Why?’ helped us build a simpler, more affordable bank that gives you the power*”. (Capitec Bank, 2017)

¹⁶ Phrase coined in 2011 in the book *Winning the Zero Moment of Truth*, which explained how empowered consumers anticipate the messages driving them to make a purchase, causing them to further educate themselves based on their needs. This is inspired by a concept called *First Moment of Truth* which explains how users make the decision to purchase in the store. (Aichner, 2012)

A clear example of Personalization is Erica, a chat-bot similar to iOS's Siri, developed by Bank of America. Erica analyzes user information and recommends ways for them to save or invest their money. It is designed to respond to individual user concerns, provide recommendations and offer personalized service through the app (Noto, 2016).

To explain the Empowerment aspect of Inbound Marketing, it is necessary to recognize that the examples above contain many of the improvements that the digital ecosystem requires. But beyond empowering users with an app or initiative, there is a social aspect companies should recognize.



Source: Ilias & Tsachtani, 2015

Take the example of FirstGem, a service offered by FirstBank to women entrepreneurs by providing different benefits and events to support and develop gender equality in Nigeria. According to the bank, “FirstGem for Women will provide opportunities to enable women to achieve their financial goals and aspirations” (Business News, 2016).

Communication strategy based on users

-  **1.....**
Research Understand and analyze the offering and market to identify key actors and market needs the product can address; Focus on users, the company and the competition.
-  **2.....**
Define Define virtual user profiles to help develop a digital positioning strategy.
-  **3.....**
Strategize Develop an online positioning strategy based on Attraction, Conversion, Closure and Benchmarking.
-  **4.....**
Implement Disseminate marketing and press pieces, and even communicate directly with users.
-  **5.....**
Measure Define KPIs and develop a plan with daily, weekly and monthly targets. This is how improvement areas are continuously identified to ensure they are addressed.

Source: Prepared by the authors

Identifying users is one of the pillars of Inbound Marketing; therefore, it must be based on the digital consumer lifecycle and its eight stages (Ilias & Tsachtani, 2015):

But how can a user-based communication strategy be designed?

Model proposed by Salvador and Ikeda



Active Listening

Report regarding what users say, digital channels and what is happening in the sector.



Market Intelligence

Monitor behavior of the target audience when faced with various content to refine efforts.



Research new techniques

Both to improve products or services and for Inbound Marketing strategy, divided into:

- a. Segmentation and positioning.
- b. Improving the product or service.
- c. Recognizing whether users are interested by the information (or not).
- d. B2C communications with brand targets to expand actions.

Source: Salvador, A. & Ikeda, A., 2014

Useful and intelligent content arising from a personalized inbound marketing strategy must be linked to a LEAD to segment and capture data. Here we highlight a model proposed by Salvador and Ikeda:

Inbound Marketing, though logical in nature, requires the right digital team: one capable of interpreting user messages and needs and understanding the importance of correctly using data and LEADS. In addition, this team must understand that results will never be rigid, as Inbound Marketing is geared towards accommodating users and making communications efficient. This only occurs to the extent that, upon recognizing opportunities for corporate improvement, the team can help the organization prepare for the moment users develop a new demand, helping anticipate reputational crises. There is a possibility this demand has been formulated directly by a brand or company.

Grassroots: The Power of Organized Communities

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“Nothing about us without us”. It is this motto, used by South African activists fighting for disabled rights, that best captures the essence of the principle behind every grassroots campaign: the right for communities to join together and influence the issues affecting them daily.

Quoting the old saying “stronger together” seems like such a quick way to explain something so complex that can anticipate, organize, analyze and quantify. Grassroots campaigns have played an increasingly important role in recent years, obtaining the kind of political and media attention usually reserved for more traditional

lobbying. Aware of their potential, companies like Uber have capitalized on the collective strength of their users to combine communications, publicity and lobbying. In 2016, someone ordering an Uber in New York could also send a request to regulate the company's services through "De Blasio's Uber"¹⁷ directly to the city's mayor.

Grassroots organizers create the right conditions for citizens interested in advocating for a project to access the tools to meet, join, organize and influence decision-making. These campaigns, frequently used in the Anglophone world, are now on the rise for political campaigns and NGOs. It is helpful, therefore, to understand how these campaigns are created to identify when a grassroots campaign can be used in our favor to increase the visibility of a project's social license.

How to Inspire People to Action

Although social movements are nothing new, the theory behind grassroots organizing started in the United States, like so many other practices related to influence management, with two researchers from Harvard University: Marshall Ganz and Ruth Wageman. They observed how volunteer programs were organized top-down and by individual objective with no room for interaction, initiative or leadership. Volunteers would leave organizations because of this solitary and demotivating process, frustrated by a lack of major successes and not feeling involved in the project. The model developed by Ganz and Wageman suggests team members create relationships, take on leadership roles and be inspired

¹⁷ Images of de Blasio's Uber: <https://techcrunch.com/2015/07/16/uber-launches-de-blasios-uber-feature-in-nyc-with-25-minute-wait-times/>

by and leverage outside experiences as a motivating and driving force for change.

The 2008 Obama campaign¹⁸ experimented with the Ganz-Wageman system during the primaries in Iowa and South Carolina: organizing, empowering and mobilizing Obama's supporters through common goals. He won in both states, while he lost in states like New Hampshire where he ran a more traditional marketing campaign.

If we combine the phases of a grassroots campaign with community motivation, it becomes clear that the goal of a campaign is to move citizens away from lack of knowledge and organization toward the satisfaction of a victory, no matter how small. It is about inspiring people to act.

Phases of a Grassroots Campaign

1. Planning

During this phase, communities are unorganized, divided and lack the tools to act.

It is the way a campaign is explained—including how it can be won—that engages people in the process. For this reason, thorough knowledge of the communities is necessary, as it is key to understand what motivates them.

2. Recruitment

It is at this stage that our campaign initiative reaches the community and begins to generate interest, using

¹⁸ Video from Obama's campaign Organizing for Action- are you?: <https://www.ofa.us/about-ofa/>

messages with a strong emotional component and activities that foster interaction between communities.

3. Organization

At this stage, the unorganized starts to organize. Frequent communication with the community to find out what they think and listening to what they have to say, then acting on that information, is essential. Teamwork systems are established, training opportunities offered, and work becomes conceptualized as part of the development of a community rather than as a traditional list of associates and volunteers.

4. Take action

This is when action is taken, as communities now have tools, training, an understanding of the objective and the ability to work independently as leaders¹⁹.

5. Celebration and Evaluation

The celebratory stage, even for small victories, is necessary to help communities feel involved in the project and satisfied with its results, generating positivity that can be fed back into the community.

Grassroots as Lobbying

There is a growing number of active political stakeholders, influencers and interest groups. Since many have access to decision-makers -the media and networks- it comes as no surprise that messages are diluted, lost and forgotten. Consequently, the mobilization of third

¹⁹ <https://extranewsfeed.com/grassroots-diplomacy-how-to-make-dissent-stick-faeaa80451bb>

parties is a common practice in lobbying to increase a project's representation and legitimacy, bringing certain issues to the forefront of the political and media agenda.

Traditionally, alliances have been developed through industrial associations between corporate or institutional members who have not managed to mobilize their supporters, or, if they have, have done so under a unidirectional communications system in which they work via stagnant and hierarchical groups.

Grassroots campaigns are also a form of third-party mobilization but are based on an open organizational model in which activists assume responsibility, information is shared, and absolute control is relinquished in exchange for collaboration.

Leadership means creating the right conditions, so communities interested in advocating for a project have the tools to meet, unite, organize and act. Once such conditions are met, leadership is shared with the activists, fostering the collective power of community members to bring about progressive change.

The goal of a grassroots campaign should be concise, clear, shared by all members and measurable in the long run. We cannot approach it as a temporary initiative because it implies a deep social change with a strong motivational component.

The Irish Wind Energy Association (IWEA), developed a campaign to drive energy use provided by the readily-available wind in a country that, despite its many natural resources, imports over 85 percent of its energy.

Just like in any traditional campaign, they built rational messages based on the employment, safety and

eco-friendliness of this type of energy, but it only gained popularity through a highly emotional video²⁰.

It was Roosevelt who would end meetings by saying “You have convinced me. Now go out and make me do it”. It is true that social mobilization can raise certain issues in the political and media agenda, but its technical and social implications mean that we must be aware of when a grassroots campaign fits into an influence management project and when it does not.

It is all about developing projects that place their trust in the collective power of community members to use their life experiences, wisdom, competence and judgment to bring about a progressive change.

20 <https://www.youtube.com/watch?v=eqKZkcxekR8>

Liquid Democracy and Exponential Technology for Transforming the World

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It would take rivers of ink and hours of scrolling to cover just part of economic and political history, all of which repeatedly show us how the participation of civil society and accountability of the governments is needed to achieve a more solid and transparent democracy. There is nothing new under the sun.

What appears to be new are the exponential changes of the 21st century. The popular term, which is often used today to refer to our changing reality, “liquid modernity,” was first coined by Zygmunt Bauman in 1999 to describe the absence of shape in an unstructured world where there is no security of employment, wellbeing is increasingly more fragile, and globalization dilutes local culture.

It is precisely this concept that feeds “liquid democracy,” a term that, among others, was defined by Steven Johnson in his 2012 book *Perfect Future*. The *Financial Times* journalist explains how the internet generates a decentralized techno-social structure—the famous peer-to-peer networks, such as the Wikipedia project—capable of overcoming what he calls “the hierarchical centralism of the State.” Thus, liquid democracy connects with activists and entrepreneurs who seek solutions to the challenges of liquid modernity under the principles of equality, cooperation and participation.

The new paradigm of liquid democracy is therefore about democratizing citizens and citizen-izing democracy: giving citizens a greater role by recognizing the possibility of voting for decisions and making proposals, while also giving them the option to transfer their vote to someone more specialized or someone they trust.

The Uberization of Democracy: the Blockchain Revolution and Citizen Participation

Just as Uber is revolutionizing markets, it seems that blockchain technology, as well as turning upside-down sectors of the economy like traditional banking, is doing the same with democracy. But what is blockchain? Blockchain is a protocol that makes it possible for people to create trust through intelligent encrypted codes. Blockchain allows for the registering of operations that are distributed and synchronized between many computers of which cannot be altered without consensus.

If this technology is going to change anything, it is the way we will participate in democracy. Experts like Stefan Junestrand maintain that blockchain can improve public administration management, allow the

collaborative economy to operate with greater security for all concerned and contribute to sustainability policies within the framework of smart cities. For his part, the author of *Blockchain Revolution*, Dan Tapscott, argues that with this protocol, big data could be used for prediction of markets, meaning it could be used to predict, for example, the effect of specific public investments on unemployment rates. A real revolution.

These new forms of participation already exist in many places. Without looking too far afield, the Local Council of Alcobendas is going to allow citizens to vote for the allocation for budgetary provisions by using blockchain technology. Another example of disruption is the case of the app Sufragium, the biggest voting community, that identifies people through official documents, encrypts their votes and, moreover, allows for direct communication between citizens and local authorities such as councils.

Nevertheless, if we take a step forward in terms of participation, we find that the country with the highest level of electronic democracy in practice is Estonia, where, in April of this year, 30 percent of voters cast their ballots in the general election using their smartphones. This is a good solution to the problem of low participation and disaffection in politics.

Other initiatives of citizen engagement—that are no less important although perhaps less disruptive in terms of technology—are public consultations launched on their respective websites by various Ministries of the Spanish Government. This is the case of the Ministry of Agriculture that is planning to consult civil society and experts on the proposed bill to prohibit plastic bags in 2020, or the Ministry of Industry’s bill to define the

characteristics of tenders for major ICT projects. By using free software, participatory budget platforms have been launched by the City Council of Madrid with Decide Madrid that is focused on challenging citizen participation based on three pillars: relationship with councils, participation in municipal projects and fostering citizens' proposals; and by the City Council of Barcelona, with Decidim Barcelona, whose website combines virtual and face-to-face forums of debate.

Technology at the Service of the Common Good: BigData4Good and Apps4Citizens

French economist Jean Tirole, winner of the Nobel Prize, explains his theory of economy of the common good as follows: "The economy is not at the service of private property and individual interests, nor are those who want to use the State to impose their values. The economy is at the service of the common good in order to bring about a better world."

This exact definition is pursued by technology with a social impact.

Then there is the Social Innovation Cluster, SIC-4Change, which aims to transform the way in which social problems are tackled and resolved. At its collaborative event, BigData4Good identifies possible uses of big data for social entrepreneurs, NGOs and the public sector such as the World Food Program from the United Nations in Pakistan, which registers donations of food and money to each family in a public blockchain to facilitate control and transparency of the assistance provided.

Similarly, platforms like Apps4Citizens that bring together numerous initiatives in their web repositories

promote the use of applications for citizen participation. Such are the cases of JoinIn, the first citizen collaboration app that allows users to create social initiatives or to join existing ones and RefAid, an app that helps refugees and migrants that contributes to coordinating humanitarian work.

This is only an example of how emerging technologies can be applied in order to solve the big challenges facing humanity. Because, as Peter Diamandis, founder of Singularity University, claims, “The biggest global challenges are precisely the best business opportunities” that generate enormous shared value for society.

PUBLIC AFFAIRS

The Doria Effect: The Impact of Communication on the Management of a City

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In May 2016, a survey on the world's leading economies by the German NGO GfK Verein²¹ ranked Brazil (along with Spain and France) as the country where its citizens least trust their politicians. Like in the case of Spaniards, only 6 percent of Brazilians trust politicians. When asked specifically about mayors, a scant 10 percent of Brazilians approved of their city's leadership.

Over the past year, the corruption scandals in Brazil, brought to light through the "Lava-Jato" trials, have done

²¹ *Brasileiro é quem menos confia em político, diz pesquisa mundial*. Estado de S. Paulo, May 11, 2016. <http://politica.estadao.com.br/noticias/geral,brasileiro-e-quem-menos-confia-em-politico-diz-pesquisa-mundial,10000050380>

little to improve this perception. Moreover, approval of the country's leadership is now at an all-time low.

Ex-ministers, ex-governors, ex-secretaries, former members of congress and entrepreneurs are now in prison facing long-term trials and penalties.

To give a simple example, five of the six members of the Rio de Janeiro Court of Accounts (responsible for overseeing state expenditures) were recently accused of—and arrested for—receiving bribes in exchange for tax breaks, an unprecedented event that left the state of Rio de Janeiro virtually without auditors, bringing the administrative machinery to a halt.

In a scenario such as this, how is it possible that João Doria, the mayor of the largest and most important city in Brazil, has managed to reach record popularity in little over 100 days after taking office, better than all his predecessors?

According to a survey by the newspaper *Folha de São Paulo* that evaluated the 100 days of the mayor's term²², 43 percent of the people of São Paulo rank Doria's management as good or very good—a first for any of the city's mayors.

This article is not an evaluation of Mayor João Doria's management, nor the fulfillment of his Government Plan. It is a brief overview of some of the keys to how the current mayor of São Paulo has leveraged communication as a way to manage his reputation and maintain a direct dialogue with his people.

22 *Em três meses, Doria tem aprovação recorde, mas 20 % já o rejeita*. *Folha de São Paulo*, April 8, 2017. <http://www1.folha.uol.com.br/cotidiano/2017/04/1873919-em-tres-meses-doria-tem-aprovacao-recorde-mas-20-ja-o-rejeitam-em-sp.shtml>

The Politics of Narrative Beyond Just Messages

Against all odds, João Doria was elected mayor of São Paulo in the first round, with 53 percent of the votes. No poll prediction had hinted at such a resounding victory.

His candidacy for mayor of São Paulo was Doria's first time running in an election. As a newcomer to politics, Doria is best known for his work as a journalist and as one of the city's wealthiest entrepreneurs: Founder and President of Grupo Lide and specialized in high-level business networking.

Aside from the circumstantial (albeit no less important) conditions of his rise to mayor, beyond beginner's luck, two of the key factors of the process—which he has managed to maintain over his first 100 days in office—have been to present himself as a manager rather than a politician and to efficiently use communication to convey this narrative.

Like Barack Obama in the United States, Antanas Mockus's first term as mayor of Bogotá, Justin Trudeau in Canada and José Mujica in Uruguay, Doria's strength comes not from creating a key message ("I'm a manager and not a politician") but rather from building and executing a government narrative around that concept.

And because this type of storytelling takes a massive amount of work to manage, communicating this narrative must be both effective and efficient.

The Keys to Storytelling

As Professor Fernando Schüler suggests²³, Doria has succeeded in "turning communication into a tool of

²³ Schüler, Fernando. Joao Doria, o prefeito espetáculo. In the Época magazine, April 2, 2017 <http://epoca.globo.com/politica/noticia/2017/04/joao-doria-o-prefeito-espetaculo.html>

governance". This alone would suffice to account for much of his popularity. But how did he do it?

Defining the Narrative's Main Character

The character's name is João Doria, a workaholic who only sleeps three hours a day and has a packed schedule starting at seven in the morning. Nor does he rest on weekends, and he forces his team to keep up the same pace. He hates long meetings and established fines for secretaries who arrived late to scheduled meetings.

Unlike other mayors, Doria spends most of his time outside the office: a surprise visit to a hospital, cleaning a street dressed as a city cleaner, or using a wheelchair to demonstrate the inaccessibility of train platforms. He has also painted city walls gray in a crusade against graffiti and took a bus ride just like millions of São Paulo's workers do every day.

In this narrative, this Mayor is the hero built in opposition to his predecessors: bureaucracy and all that represents inefficient city management (the villains). It is in this way that the Mayor generates empathy with his target audience (Brazil as a whole²⁴) and creates an emotional bond with them (positive or negative).

Mayor Doria has personified people that coexist in the day-to-day life of the city; not a character who kisses children or cuts ribbons, but rather one that stars in roles requiring management and action.

24 According to federal deputy Heráclito Fortes, many people in the interior of Piauí (northeastern Brazil) constantly ask for "that Doria", a man of which they all speak extremely well. In João Doria comemora popularidade no Nordeste. Exame, 12/03/17. <http://exame.abril.com.br/brasil/joao-doria-comemora-popularidade-no-nordeste/> According to federal deputy Heráclito Fortes, many people in the interior of Piauí (northeastern Brazil) constantly ask for "that Doria", a man of which they all speak extremely well. In João Doria comemora popularidade no Nordeste. Exame, 12/03/17. <http://exame.abril.com.br/brasil/joao-doria-comemora-popularidade-no-nordeste/>

In one of his first decisions as mayor, Doria declared war on the city's graffiti, painting the walls of major avenues gray, as mentioned, and erasing urban art works by artists of the sort of *Os Gemeos*.

In a recent interview, the mayor admitted to failing to separate artistic graffiti from urban vandalism, regretting the measure²⁵, thus adding an additional element to his character: humanity. A mayor who is wrong and says that he is?

Turning Details into Stories

Stories that become part of narratives are crucial for keeping the audience's attention. Many times, these stories are generated from small details. The following two examples should suffice:

The first refers to the published policy in which the mayor decreed an end to the formal treatment of city employees. Terms like "most excellent" will no longer be used, only terms such as Mr. and Mrs.: "Call me simply mayor or João the Worker," announced Doria on his Facebook page.

A model that, incidentally, Doria decided to follow after witnessing the informal treatment used at the office of mayor Horacio Larreta (another businessman-cum-politician) in Buenos Aires.

The second example was the suspension of the city's *Official Gazette*. Printing the *Gazette* was a minimum expense within the city's entire budget. However, in times of crisis, these details turn into stories that shape the public opinion, in the same way that Doria did by selling the mayor's official cars and cutting costs.

²⁵ *Doria se arrepende e diz que avaliou mal os episódios dos grafites da 23 de Maio*. Forun, April 7, 2017. <http://www.revistaforum.com.br/2017/04/07/doria-se-arrepende-e-diz-que-avaliou-mal-o-episodio-dos-grafites-da-23-de-maio/>

One of the hardest things to do in any narrative is to keep the audience's attention over time. The use of details as sources of constant stories, help maintain this tension.

Creating Scenarios that the Public Can Relate To

Another important element in good storytelling is getting the audience to relate to plot points and scenarios.

One of the pledges of Doria's government has been the need to generate more agreements with private companies. This is not a new idea and obviously refers to certain developments like privatization.

Not that privatization is not one of the objectives of Doria's Government Plan, but it certainly is a facet that generates public tensions.

Thus, the mayor's storytelling functions first to forging an emotional connection with the public. An example of this is the agreement Doria's government signed with McDonald's to employ the homeless.²⁶ The pilot project contemplates a 40-hour emotional training course in order to rebuild the self-esteem and confidence of people who live on the streets of São Paulo.

Private initiatives are integrated into city management by including them in scenarios that citizens can relate to. According to the mayor, over five thousand jobs have been generated with similar initiatives, turning this initiative into one of the most visible stories of Doria's project with a huge media and social media impact.

²⁶ *Doria faz parceria com Mac Donald's para empregar moradores de rua.* Estado de S. Paulo, March 17, 2017. <http://sao-paulo.estadao.com.br/noticias/geral,doria-faz-parceria-com-mcdonalds-para-empregar-cem-moradores-de-rua,70001703285>

Appealing to Humor

At the end of March, Amazon launched a video ad campaign for its Kindle reader that showed fragments of stories projected on the gray walls painted by Doria in his “war” against graffiti artists. “We covered the gray with stories,” the video said at the end²⁷.

Doria—in a humorous response that imitated the ad’s video format (released on social media)—recorded a video with a message for the American company, which he posted on his social media accounts. “If Amazon has such love for São Paulo and for Brazil, then help our city by donating what the population needs and make it a happier city”²⁸.

Two companies immediately responded. Saraiva, an important chain of bookstores in Brazil, took to social media to express its interest in joint projects. Kabum, an online electronics store, also announced that it would donate computers and tablets to the city. Amazon was not far behind and also announced on its Facebook page that it would donate Kindle readers and free books to schools.

Through humor and social media, the people of São Paulo saw how their mayor turned around a campaign that was a clear criticism of his policies.

(Last But Not Least) Using Transmedia Storytelling and Interaction

Many of these stories and details would not be as well-known if they were not woven into the social media strategy that made it possible for the mayor to reach more people using various formats.

²⁷ See ad at <https://www.youtube.com/watch?v=yiAfYd6zrCY>

²⁸ Watch video at <https://www.youtube.com/watch?v=0h6hMlos17w>

After his first 100 days in office, the mayor now has over two million likes on Facebook and 300,000+ followers on Twitter. Doria has opted for a strategy based on direct dialogue with citizens, via social media: using text, photos and videos.

In its first three months in office, he has published more than 145 videos on Facebook. His post about his visit to McDonald's (as part of the aforementioned project) has already been viewed over six million times. Not bad for a mayor.

This strategy of 2.0 channels, which prioritizes videos of Doria staring at the camera and "conversing" with the public, has been key in making his narrative go viral.

According to a study commissioned by Exame magazine, 55 percent of the people of São Paulo recognize that Doria is a mayor who is closer to the citizens than his predecessors²⁹.

At the beginning of the election, Doria's profile was that of a successful, elite and wealthy entrepreneur, far removed from ordinary citizens and the needs of the city. A good narrative and a strong social media strategy have helped reverse that image.

Some specialists also single out the fact that Doria has kept his social media accounts personal and his posts to his own accounts not those of the city mayor. He finances the management of his personal accounts from his own pocket, bringing him closer to the public³⁰.

29 *O que explica o sucesso de Joao Doria nas Redes Sociais*. In the Exame magazine, April 11, 2017. <http://exame.abril.com.br/brasil/o-que-esta-por-tras-do-sucesso-de-doria-nas-redes-sociais/>

30 According to Átila Francucci, the creative director of João Doria's campaign, this strategy of personal social media accounts turns "the people around him every day into managers. This is something that nobody had done before: to have an immense personal exhibition space". Exame, *op. cit.*

Communication, a Management Tool

A journalist like Doria recognized the role that communication can (and in many cases, must) play in city management, just as it does in any company.

Due to his massive popularity he is now considered an option for the presidential race of 2018, a possibility that Doria has ruled out for the time being.

However, little progress has been made on his structural agenda of 118 pledges made at the beginning of his term. Despite his positive image, the percentage of people who think he is a bad mayor also jumped from 13 percent to 20 percent in his first three months in office.

Just like in a company, good communication does not necessarily mean that management results are positive.

Communication should not be interpreted as an exercise in propaganda or the sale of a product (whether good or bad) but rather as a management tool, which, when properly leveraged, opens channels of dialogue with society and conveys a narrative that brings city leaders closer to citizens.

Well-implemented communication helps build the needed trust and transparency between those who govern and those who are governed, helping identify those spaces of conversation where people can discuss ideas and projects. Clear, consistent, well-structured communication is a key management tool.

Ultimately, communication is what helps build and convey the basic storytelling for a manager. The results of any Government at the end of its term are those that ultimately define whether the created narrative is a believable story with a happy ending or a just another weekend blockbuster.

For now, the way in which the mayor of São Paulo is managing his communication and his reputation is something that is worth following closely, very closely.

Latin America's New Wave of Populism— a Movement More Alive Than Ever Before

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Latin America prepares for an intense wave of elections in coming months, which will be decisive for the continent. While the region waits to see what will happen in Venezuela, countries like Chile, Honduras, Costa Rica, Paraguay, Colombia, Mexico, and Brazil will hold their presidential elections in 2018. Against all odds, populism is still a factor in this political scenario, and, instead of falling apart, is more alive than ever.

Beyond its wave of ideological momentum in Europe and the Americas, populism has started to produce similar leadership formulas wherever it sets up shop. New populist leaders have charisma, authoritarian leanings, political incorrectness and rhetoric around playing their

part in the whole. They also share an aversion to nuance, a stark division into “good” and “evil”; a visceral rejection of the political classes, which they consider merely a powerful mafia; and the surprising ability to capitalize on all types of protest votes, using them to their own benefit.

Introduction

The outcomes of various electoral votes since 2015 have spread the perception that populism and populist-demagogic movements at both ends of the spectrum -at their peak in Europe and the United States with leaders such as Donald Trump, Marine Le Pen, Podemos, and Syriza- are actually beating the retreat in Latin America. Latin American elections in the last two years, beyond the specificities typical of each nation, would seem to reveal and confirm this ideal.

As a result of Mauricio Macri’s 2015 victory over “Kirchnerism”, the idea of a populist withdrawal has already been aired by Italian academic Loris Zanatta, who wrote the following in the *La Nación* newspaper: “Now that the favorable economic cycle is behind us, the open economies of the Pacific Alliance are generally proving to be more robust and dynamic than the nationalist and autocratic economies in the countries bordering the Atlantic. Thus, to understand the new climate that—according to certain signs—would seem to be blossoming in Latin America, it is better to measure by their nature the political regimes. By doing so, we can see the broad support populist regimes have enjoyed until now deflating the demand for normal democracies, with no adjectives, growing”³¹.

³¹ Loris Zannata in *La Nación*: *Se desinflan los populismos de la región*, 2015 <http://www.lanacion.com.ar/1843963-se-desinflan-los-populismos-de-america-latina>

Latin America election calendar

OCT ARGENTINA Elecciones legislativas generales

NOV **19** CHILE Elecciones presidenciales y parlamentarias

26 HONDURAS Elecciones generales (presidenciales, 128 diputados nacionales, 20 diputados al Parlamento Centroamericano / alcaldes, vicealcaldes y regidores (concejales))

BOLIVIA Elecciones jurisdiccionales (miembros del Tribunal Constitucional Plurinacional, del Tribunal Supremo de Justicia, del Tribunal Agroambiental y de Consejo de la Magistratura)

DIC **17** CHILE Segunda vuelta elecciones presidenciales

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2018 CALENDARIO ELECTORAL AMÉRICA LATINA celag.org

FEB COSTA RICA Elecciones presidenciales y legislativas

MAR **4** EL SALVADOR Elecciones legislativas y municipales

11 COLOMBIA Elecciones legislativas (102 escaños del senado y 166 curules de la cámara de representantes)

ABR PARAGUAY Elecciones generales (presidenciales, parlamentarias, gobernadores y parlamentarios del Parlasur)

COSTA RICA Segunda vuelta elecciones presidenciales

MAY **27** COLOMBIA Elecciones presidenciales

JUN **17** COLOMBIA Segunda vuelta elecciones presidenciales

MÉXICO Elecciones federales (presidenciales y legislativas / 128 senadores y 500 diputados federales)

OCT **7** BRASIL Elecciones presidenciales, gobernadores y parlamentarias (diputados y senadores)

PERÚ Elecciones regionales y municipales (25 presidentes regionales, 195 alcaldes provinciales y 1643 alcaldes distritales)

VENEZUELA Elecciones presidenciales

CENTRO ESTRATÉGICO LATINOAMERICANO DE GEOPOLÍTICA celag.org

facebook.com/celaggeopolitica
twitter.com/celaggeopolitica

Source: <http://www.celag.org/calendario-electoral-de-america-latina-2016-2017-2018/>

Nonetheless, as we will try to demonstrate in this article, the looming end of populism in Latin America is actually a mirage, a false perception. Here, we will look at populism as a way of interpreting the political game, one in which populists claim the total representation of a “people”, formed only by the populist leaders’ supporters, while the opposition lacks legitimacy and is accused of being unpatriotic.³² This approach, far from being on the decline in Latin America, continues to flourish and is now brandished not only by parties, movements and leaderships linked to 21st century socialism, but also by groups on the right of the political spectrum, providing greater opportunities to win elections and obtain electoral impact.

The strands that Latin American populism is made of are enduring, persisting into the current regional situation. Indeed, there are clear signs of new populist forms and leaderships emerging from the fatigue certain governments are suffering, as well as the deceleration and growing disenchantment toward inefficient and ineffective states not suitably addressing the growing middleclass’ needs, leaving them feeling let down.

This new face of populism, whose immense majority resides on the fringe of 21st century socialism, continues to be filled with authoritarianism, committed to protectionism, run by charismatic leadership and characterized by institutionalization. As political expert Andres Malamud stresses:

“Populism promotes a direct relationship between the leader and the masses. To evade parliaments and political parties, populist leaders build dissonance and

³² Jan-Werner Müller in *What Is Populism?*, University of Pennsylvania Press, 2016 <http://www.upenn.edu/pennpress/book/15615.html>

take their stand firmly on one side: that of the people. The generic name for populism is Manicheism. More than institutions or the elite, the enemy of populism is nuance”³³.

In short, though we have seen the defeat of Kirchnerism in Argentina and Chavism in Venezuela’s legislature, as well as the difficulties Correa had holding onto power in Ecuador, these do not represent any kind of end to Latin American populism. It is actually the complete opposite—as head researcher at the Royal Elcano Institute Carlos Malamud said, “There will be new types of populism in this new wave, although of a different character than what prevailed since 1998 and continued with great strength until Hugo Chavez’s death in March 2013”³⁴.

This article will analyze the changing political cycle the region is experiencing and how, along with the alternatives of the rising center-right and declining center-left, other types of positions begin to emerge from right-wing populism, developing parallels to the persisting shipwrecked remains of 21st century socialism—left-wing populism.

The stages of populism in Latin America

Populism in Latin America has historically proven highly resilient, skilled at mutating over the course of the 20th and 21st centuries. Susanne Gratius described how the original “classic” populism emerged in the 1930s’ and 40s’ with Juan Domingo Peron and Getulio Vargas. It saw a revival after many analysts, experts and

33 Andrés Malamud, in *La Nación: Un mal momento para salir del populismo*, 2017 <http://www.lanacion.com.ar/1983269-un-mal-momento-para-salir-del-populismo>

34 In *Real Instituto Elcano* by Carlos Malamud: *El populismo y la nueva coyuntura política en América Latina* <http://www.blog.rielcano.org/populismo-y-nueva-coyuntura-politica-en-america-latina/>

academics considered it dead in the form of neoliberal populism in the 90s', marked by Carlos Menem, Alberto Fujimori and Abdala Bucaram. This led to a new facet of populism in the last decade known as 21st century socialism, whose main face was Hugo Chavez. Thus, populism continued to show its ability to resist its demise, maturing in the fertile soil of political and institutional crises, as well as the economic and social crises that wound up becoming excellent breeding grounds, ideal for the germination, growth, development and even mutation of populist ideas.

Some of the new world's populist paradigms, such as those of Donald Trump, the ultra-right Marine Le Pen and left-wing Podemos, cannot be explained without the context of the political and socioeconomic crises these countries have recently experienced. Likewise, the crises of the 30s' and ensuing changes in the social model (urbanization) and economic model (industrialization) are behind phenomena such as Peronism in Argentina and Vargism in Brazil. The current crisis, which kicked off in 2008, explains the emergence of phenomena like Trump in the United States, Le Pen in France and Podemos in Spain, as well as Golden Dawn and Alexis Tsipras—at least until he took office as prime minister—in Greece.

The populist discourse is simple, direct and easy to understand, constructed by leaders with excellent oratory skills. It tends to be effective because it says aloud what many think to themselves. It does not appeal to reflection or analysis, but to instinct; it channels and fosters accumulated social rage and rancor. And Latin America is a hotbed that favors these forces; Citizens' are disenchanted and dissatisfied with an ineffective

state and a corrupt party system that does not suitably meet their needs. There is a large population that has socially progressed but, with the current low economic growth, fears losing the terrain it has gained by not fully integrating into the emerging middle class.

Populism may appear extinguished, as happened in the region in the 60s' and 70s, or receding, as it is now, but it contains a message that ends up seeping back through cracks left by cyclical crises and traumatic socioeconomic changes. After the crisis of the 80s' (the "Lost Decade"), Menem's and Fujimori's "neo-populism" arose; after the "Lost Half-Decade" (1997-2002), Chavism and the "21st century socialists" appeared. Now, as Emili J. Blasco points out, "There is a change in the economic situation, which is being reflected by political changes. This does not mean it will spread to all countries. Some governments will go through bad times and others will be definitively done away with, although I do not think we will see the end of populism at this time"³⁵.

The Apparent Populist Downturn in Latin America

The defeat of Kirchnerism during Argentina's 2015 presidential elections, of Chavism in Venezuela's legislative elections this year, and of Evo Morales in Bolivia's referendum have all served to create a false sensation that populism was and is on the decline in a region where the majority of election results show defeats for governments close or linked to "21st century socialism". The growing difficulties for Nicolas Maduro's government in Venezuela since 2016 or Lenín Moreno's tight 2017 victory in Ecuador have only strengthened

³⁵ In ABC by Emili J. Blasco: *El populismo entra en vía muerta en el continente* http://www.abc.es/internacional/abci-populismo-entra-muerta-201512080239_noticia.html

this feeling, ignoring Daniel Ortega's overwhelming re-election in Nicaragua.

What is happening in the Latin American political panorama is the fall of a particular method of governing. In 2015, Mauricio Macri's victory over Peronist Daniel Scioli sparked a new era in the region, marked by the influx of center-right governments—a trend only strengthened by Jimmy Morales' victory against "social democrat" Sandra Torres in Guatemala and the triumph of the Democratic Unity Roundtable over the United Socialist Party of Venezuela (PSUV) in the Venezuelan legislative elections.

As political scientist Steven Levitsky says: "(This) withdrawal... has two main causes, (where) the first is... the natural fatigue engendered by three or four presidential terms of governance (...). After three terms, governments lose their political reflexes; they become distanced from the people, and corruption grows. Even when they are not that corrupt, as is the case with Chile's *Concertación*, the people get tired. Sooner or later, this weariness affects all governments. Twelve (Argentina) or 13 (Brazil) years in power is a lot. Nothing is permanent in democracy. Nobody governs forever"³⁶.

Populism, in the version connected to 21st century socialism, is experiencing a clear contraction, much more pronounced since 2013, following its progression since in 2005. Hugo Chavez was very much alone in Latin America for six years (1999-2005), aside from his alliance with Fidel Castro's Cuba. But in the middle of the last decade, Chavism started to win allies in the region: Evo Morales in Bolivia in 2005, Daniel Ortega in Nicaragua in

³⁶ In *Confidencial* by Steven Levitsky: *¿El fin del giro a la izquierda?* <http://www.confidencial.com.ni/archivos/articulo/21384/iquest-el-fin-del-giro-a-la-izquierdan>

2006 and Rafael Correa in Ecuador in 2007. Since 2009, Chavez's anti-imperialist and anti-neoliberal proposal, expressed in ALBA, Petrocaribe and more, continued to expand, with new allies like Manuel Zelaya in Honduras and Fernando Lugo in Paraguay. Furthermore, he had the sympathy of Lula da Silva in Brazil and a similarity to Kirchnerism in Argentina.

Election results 2015-2017

YEAR	OPPOSITION VICTORIES	RULING VICTORIES
2015	<ul style="list-style-type: none">  ARGENTINA (PRESIDENTIAL)  GUATEMALA (PRESIDENTIAL)  VENEZUELA (LEGISLATIVE) 	
2016	<ul style="list-style-type: none">  BOLIVIA (REFERÉNDUM)  PERU (PRESIDENTIAL)  COLOMBIA (REFERÉNDUM)  CHILE (LOCAL)  BRAZIL (LOCAL)  MEXICO (LOCAL) 	<ul style="list-style-type: none">  DOMINICAN REPUBLIC (PRESIDENTIAL)  NICARAGUA (PRESIDENTIAL)
2017		<ul style="list-style-type: none">  ECUADOR (PRESIDENTIAL)

Source: in house

The latest defeats or clear withdrawals indicate the burgeoning decline of this type of government in favor of an about-face. There is a predominance of center-right political parties, movements and leaders, as well as the emergence of another class of demagogic and populist leadership, now distant from the early 21st century socialists that preceded them. These new populists have—as described by Flavia Freidenberg in her modern classic study titled *La tentación populista* (The Populist Temptation)—a series of precise characteristics: “Populism (is) a leadership style characterized by direct, personalist and paternalist leader-follower relationships, in which the leader does not recognize

organizational or institutional mediation, speaks on behalf of the people and discursively relegates their opposition to ‘the others;’ followers are convinced of the leader’s extraordinary qualities and believe that, because of them and/or the material and symbolic value they have, the leader will improve their own personal status, or that of their surroundings”³⁷.

The populism linked to 21st century socialism may have stopped spreading or be in decline, though populism in general—the emerging populism that follows more right-wing stances—has optimal opportunities for development, as the political and socioeconomic conditions that spurred the last decade’s populist surge continue to persist in the current situation, in one form or another. University of Salamanca Professor Manuel Alcantara recalls how the success of Chavism, and similar movements, was due to a number of contributing factors. Like the period from the end of the 90s’ to the first decade of the 21st century, at present, Latin America continues to experience some of the particular shortcomings that fed—and continue to feed—a revival of different types of populism:

Populist Systemization According to Alcantara

1. Political disaffection

In the professor’s words, the onset of the new millennium saw “a severe crisis in political representation, which translates not only into a loss of society’s trust

³⁷ Flavia Freidenberg: ¿Qué es el populismo? Enfoques de estilo y una nueva propuesta de definición como un estilo de liderazgo, Ibero-American Institute <https://www.sintesis.com/data/indices/9788497564823.pdf>

in political parties, and thus a rejection of them, but also of traditional professional politicians.”³⁸

Similarly, today we are witnessing a distancing between representatives and the represented; There is an extreme mistrust of the “political class,” disenchantment with parties and traditional participation routes and a marked lack of trust in governments. As UNAM Faculty of Political and Social Sciences Professor Jose Woldenberg states regarding Mexico:

“Like never before, I am seeing people with very little hope. You get the impression that, for many, civic duty ends after voting... Clearly, we have a deficit of citizen responsibility as a country. Very few Mexican citizens regularly participate in any organization, whether human rights, electoral observation or environmental defense, making up a minority.”³⁹

Indeed, only around 40 percent of the Latin American population expresses satisfaction with the democratic quality of their respective countries, according to a study by Chilean consultancy Latinobarómetro⁴⁰. This is what French Political Scientist Pierre Rosanvallon describes as “democratic malaise,” characterized by the growing loss of the importance of elections, decreasing centrality of administrative power (and its public policies) and the lack of connection people feel with public servants and institutions.

38 CIDOB, Manuel Alcantara Saéz: América Latina después de Chávez <https://es.scribd.com/document/261039605/Alcantara-Saez-M-America-Latina-Despues-de-Chavez>

39 Reforma magazine, R. Miguel de la Vega interviews José Woldenberg <http://www.reforma.com/aplicacioneslibre/articulo/default.aspx?id=552435&md5=caddabdf328cb86b21622705e4e8631&ta=0dfdbac11765226904c16cb9ad1b2efe>

40 Latin American public opinion: <http://www.latinobarometro.org/lat.jsp>

2. *Doubts about the existing model*

Although the region is not going through a severe economic crisis, like during the Lost Half-Decade (1998-2003), the current economic deceleration and slowdown has called into question the “oil company-export model, in which the political class had the right to profit from rentier distribution channels”⁴¹.

The Lost Half-Decade resulted in third-wave populism (“the new populism”), and the current stagnation the region is suffering has caused dissatisfaction with an inefficient state and a stagnant economy that offers few opportunities for social improvement, creating a fertile breeding ground for a new populist wave—this one situated on the right side of the political spectrum.

3. *Growing social divide*

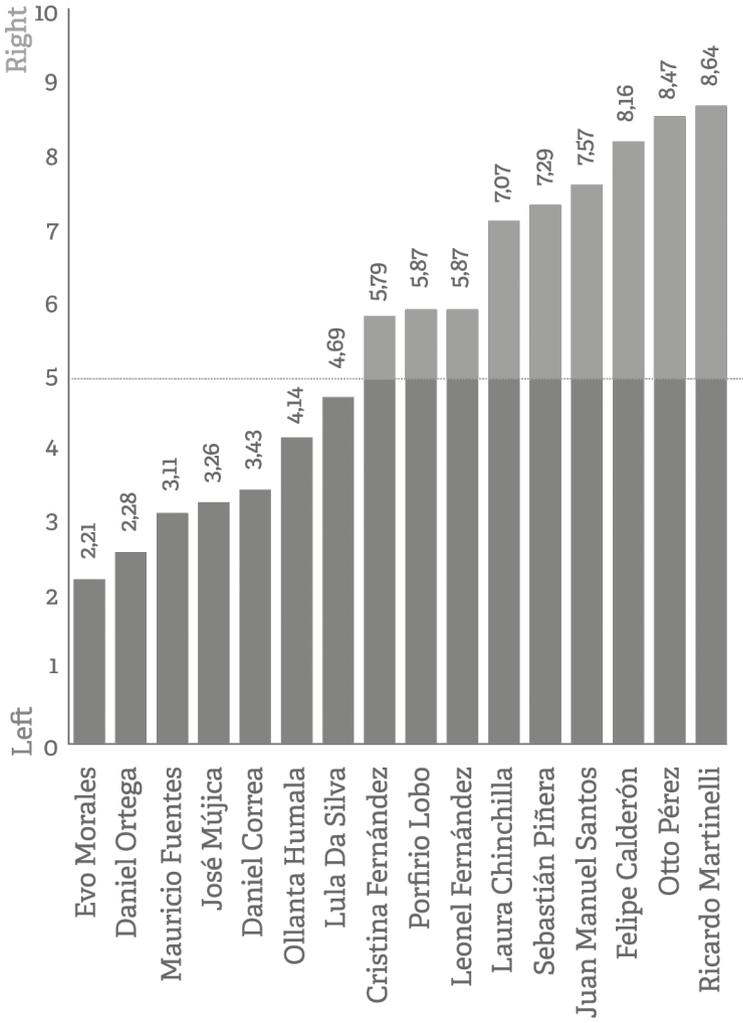
Alcantara states that, after the Lost Half-Decade, “a severe conflict regarding the relationship between the economy and society became clear, as well as regarding the state’s role in handling them both”⁴².

In the present situation, social mobilizations, led by the emerging middle class (as can be seen in Chile, Brazil and Guatemala), are applying pressure to obtain more effective and efficient states that channel their demands toward better public services—such as transportation, security, education and health—and greater transparency.

41 CIDOB, Manuel Alcantara Saéz: *América Latina después de Chávez* <https://es.scribd.com/document/261039605/Alcantara-Saez-M-America-Latina-Despues-de-Chavez>

42 CIDOB, Manuel Alcantara Saéz: *América Latina después de Chávez* <https://es.scribd.com/document/261039605/Alcantara-Saez-M-America-Latina-Despues-de-Chavez>

Ideological stance of presidents



Source: PELA (1994-2015), citado en Alcántara Sáez, Manuel, «América Latina después de Chávez», en *CIBOD*, n.º 38, mayo de 2013

4. *Disappointing reforms*

Two decades ago, according to Alcantara, “the failure to shrink the enormous inequality was recorded and had even deepened, partly due to disappointing application of structural reforms backed by international financial institutions”⁴³.

At present, the slowdown has endangered the social status and gained ground, not only regarding the reduction of poverty and inequality, but also the consolidation of the middle classes. The most vulnerable sectors of these middle classes run the risk of social setbacks due to lean economic growth.

This overall context is what explains the current and future survival of populism, even though it is turning up under other guises and with different characteristics. Indeed, emerging center-right alternatives (Mauricio Macri in Argentina) now coexist with center-left parties and coalitions (Michelle Bachelet’s New Majority government in Chile) and two types of populist-leaning movements, as Alcantara summarizes in this chart:

Survival of New Populist Movements and Governments

Among the governments that rose during the explosion of Chavism in the last decade, each with their own characteristics and features (Evo Morales in Bolivia, Daniel Ortega in Nicaragua, Correa in Ecuador), there are surviving forces that clearly espouse the most recent populist tradition. This is the case with Mexico’s Andres Manuel Lopez Obrador (AMLO) and with Kirchnerism in Argentina, represented by former president Cristina

43 CIDOB, Manuel Alcantara Saéz: *América Latina después de Chávez* <https://es.scribd.com/document/261039605/Alcantara-Saez-M-America-Latina-Despues-de-Chavez>

Kirchner, who ran for Senate this year to pave the way for her return to the Argentine presidential residence, the Casa Rosada, in 2019. They are the remains of what Susanne Gratus described as the third populist wave or “new populism” which has ruled the political landscape over the last decade.

AMLO, a favorite for winning the Mexican presidential elections in 2018, relies on demagogic discourse that encompasses all the features common to this type of populism. For example, the dichotomous and Manichean presentation of a reality fundamentally divided between “good and bad,” exemplified by his accusation that the traditional political class is corrupt: “All of them have turned their backs on our movement, and I foresee new betrayals, because betrayal always comes in groups, never arriving alone. Those who betray are the zealots, the corrupt—not the people.”

AMLO’s discourse has been constructed with the goal of creating a common and easily-identifiable enemy: the “power mafia,” made up of the traditional parties and political class. He presents them as a “mafia” that has betrayed the people, a mythologized abstract and symbol of Republican purity, for whom the leader—in this case AMLO—represents and embodies. After the election in Edomez this June, AMLO has seen his position for next year’s elections strengthened.

AMLO and His Three Pillars

His proposal is held up by the three pillars:

1. His Great Charisma. All populism requires charismatic leadership with a direct and non-institutionalized relationship with their followers.

Claiming that he speaks on behalf of and as the embodiment of the people, one of AMLO's great strengths is how attractive his discourse is to the working classes. It is based on pointing out faults in traditional political class, denouncing corruption and brandishing a message with an extreme nationalist flavor around defending itself—very important in this situation, with Donald Trump right across the border, upholding policy that does not favor Mexico's interests).

2. Citizens Disenfranchisement with Traditional Parties. Populism grows to the extent that democratic institutions are weak, and a crisis supports the emergence of demagogic governments. In this regard, public exhaustion with all other political forces has elevated opinions about AMLO. The PAN governed for two six-year terms (2000-2012) and the PRI since 2012, but neither of the two administrations has managed to channel the population's desire for change or to carry Mexico toward sustained high-level growth. The prevailing belief seems to be that "it's his turn" or "now it's AMLO's time," reflecting public opinion that the time has come to give a party (Morena) that, along with the PRD, has not governed Mexico since the PRI government ended a chance to lead the country.

3. The Mirage of Expectations. A possible AMLO government would start with a serious problem, arising from his populist demagoguery. His promises for change and regeneration create revolutionary expectations that would be very complex to realize. AMLO has created a party centered on himself (in reality, a political power that has nothing without him) that has an underdeveloped structure, with few and heterogeneous policies. This means an AMLO government would immediately

run into the current divisive reality: He would not have a majority in the Chambers; he would have little backing among governors, as the majority are in the PRI and PAN parties; and he would face difficulties shaping a solid and coherent governing team.

AMLO would try to offset these weaknesses by relying on his ability to popularize a utopia based on a mythical reconstruction of Mexican history. He aspires to recreate a mythologized republican past based on the Benito Juárez era: one in which moral and ethical values were placed above material interests and in which corruption—theoretically—did not exist. This utopian and quixotic world, which many of his followers dream of recreating, would involve managing complex situations from the very start of his term, requiring significant compromises to deal with Mexico's tough regional and global reality.

These difficulties may lead AMLO to take short-term measures aimed solely at maintaining his levels of social support. It would be a government with continuous and dramatic hurdles to jump, and he would try to compensate for the situational obstacles his office would continuously run into by paralyzing the reforms from Peña Nieto's term, committing to raising nationalist social and political spending with regard to the United States, trying to prove itself a firm nation and overreacting to Donald Trump's initiatives.

It is unlikely AMLO will unleash a wave of expropriations or adopt a policy based on 21st century socialism if he takes office. It is much more probable his government team would be marked by improvisation and uncontrolled ups and downs, a result of the unproductive heterogeneity and collective inexperience of the people

at his side. This would be especially true if his government, which would already remove foreign investments, is congested by his first anti-reformist measures and espouses an official line almost certainly marked by a lack of a single and coherent narrative.

Appearance, Emergence, and Rise of Anti-Elite Populism in Latin America

Alejandro Ordonez: “I will brandish politically incorrect discourse, challenging the established powers”.

Populism linked to 21st century socialism prevailed in Latin America since 1998, followed by the left-wing rentier populism we have seen since 2015—but this is now facing the appearance of a new wave of populism situated on the right side of the political spectrum. This has been strengthened by the international emergence of success stories to emulate, at least in part, such as the one embodied by Donald Trump in the United States. This populism is characterized by one concrete feature: a rejection of the ruling political class (the majority of which are linked to 21st century socialism) and of traditional parties, which they feel are far from their roots. This element was present in the three previous types of populism but is particularly pronounced in this fourth wave.

There have already been cases in the region that contained similar characteristics to those the new U.S. president later popularized: leaders coming from outside traditional parties, who were not involved in politics, were related—in one way or another—to mass media and grew alongside crises or out of the collapse of old party systems weighed down by corruption.

Foreshadowing what was yet to come, the phenomenon of Jimmy Morales in Guatemala in 2015 was remarkable. Now, in the present scenario, there are other figures who could become populist leaders, emerging from an anti-establishment right wing. These include people like Jair Bolsonaro in Brazil, Alejandro Ordonez and, in some ways, Uribe in Colombia and Fujimori in Peru.

These leaderships grow because there is a breeding ground: low economic growth and social and political malaise regarding inefficient administrations. This environment favors protest votes against whoever is in power: in the majority of cases, this is center-left or 21st century socialist governments, which explains the about-face toward right-wing options and options from outside the system. These leaders are born from the ennui of a large portion of the population who felt like they were not considered in the decisions affecting them. As Peter Hessler wrote in his recent *New Yorker* article “How Trump is Transforming Rural America”:

“The calculus seemed to have shifted: Trump’s negative qualities, which once had been described as a means to an end, now had value on their own. The point was not necessarily to get things done; it was to retaliate against the media and other enemies. This had always seemed fundamental to Trump’s appeal, but people had been less likely to express it so starkly before he entered office”.

The protest vote is currently being channeled in two different ways in the region: Via candidates from the traditional opposition parties and support for outsider candidates.

Opposition victories in Latin America have been happening regularly in recent years, especially since 2015, primarily (but not exclusively) affecting leaders and presidents considered left-wing (Kirchner in Argentina, for example). These defeats of the different lefts (Brazil's PT and Chile's New Majority in the 2016 local elections; Chavez in the 2015 Venezuelan legislative elections) are accompanied by the rise of center-right personalities, such as Mauricio Macri in Argentina and Pedro Pablo Kuczynski in Peru.

An example of the second method—support for outsiders—was Jimmy Morales, who, facing the collapse of the Guatemalan party system and political class in 2015 due to the La Linea scandal, emerged from outside the system to take his victory in the second round of presidential elections. Morales became the dark horse in Guatemala's 2015 elections for three primary reasons, explaining the success of this television actor turned politician:

1. Morales successfully positioned himself as the only candidate who could convey an image of renewal from old politics, which were linked to clientelism and corruption. He was, in some ways, the advance of Trump and the new wave of populist politicians in Latin America.

Daniel Hearing, professor at Francisco Marroquin University, stated that a comedian with no money or political experience who tested the waters for the next election turned out to be in the middle of all of this. With the favor he was given for not being a politician, he only had to smile to become the most credible of all candidates. He was not corrupt or a thief—but not by much.

2. He managed to channel citizen malaise regarding the political parties and class with a message that particularly resonated with the urban electorate, especially in the capital and among the middle classes, which mobilized against corruption.

Indeed, the discredit the Guatemalan political class suffered (and still suffers) due to numerous corruption cases and disenchantment with institutions is what eased the emergence of this new figure in the country's political panorama. Citizens' malaise, which caused a multitude of protests from April to September 2015—as well as the fall of Otto Perez Molina—ended up being channeled by Jimmy Morales.

With no political experience, his persona was enhanced by the image he projected: a man distant from the elite, with no shadow of corruption. The faults he was accused of, including lack of political experience and knowledge about the state, he wisely knew to transform into virtues in his favor—he was not involved with the reviled traditional politics.

3. He placed the topic of corruption as a priority on the national agenda, an area where he was the clear winner when compared with Manuel Baldizon, who had a long history in politics; or Sandra Torres, who held important positions in previous administrations and was linked to political clientelism.

The example of Morales, viewed from this perspective, became a foreshadowing of what was to come. Popular players and political outsiders grew their electoral base by brandishing anti-establishment messages that impressed citizens tired of the traditional party system and its corruption. These types of leaders—Morales in Guatemala; the governor of Nuevo Leon in Mexico,

Jaime Rodriguez Calderon, aka “El Bronco,” Trump in the United States—raise great expectations for change and renewal but eventually run aground when the current turns against them.

The Trump phenomenon, an example of successful personal and non-institutional leadership, with a message that mobilized an electorate that felt alienated from traditional parties, has rippled and expanded across the world, including Latin America. He has become a paradigm to imitate for people who, distanced from large parties and popular due to their media presence, try to take office via direct, politically-incorrect discourses that are intentionally sensationalist and polarizing. Furthermore, the message is extremely personalist. Though it comes from the right wing, it maintains certain parallels to the methods—and partly substance—of the left-wing populisms of the past.

This “Trumpist” or “anti-elite” populism is currently on the rise in Latin America. It will progress strongly in some countries, others will continuously distance themselves from it and in yet more it may remain as a seed to sprout in the future. Failing party systems burdened by corruption (Brazil), highly-polarized societies over certain topics (Colombia), and countries with brewing disaffection with an inefficient state and a political class that does not meet the population’s needs (Peru) are all breeding grounds for the germination, maturation and success of this new type of populism.

There is no shortage of examples of these types of leaders: in October 2015, the BBC’s Brazil office warned that the 2018 presidential race “could have a Brazilian

Trump”⁴⁴, speaking with respect to Federal Deputy of Rio de Janeiro Jair Bolsonaro, with surveys putting him among those with the highest number of intended votes, along with Marina Silva and Lula da Silva. “In 2018, Brazil will continue in the same vein”⁴⁵, said Bolsonaro after learning of Trump’s win. One of the keys to his rise—according to Datafolha CEO Mauro Paulino—is that over the years, Bolsonaro has managed to implant his messages and create a personal brand that incorporates extreme-right values: violent punishments for crime, homosexuality, feminism and the like.

However, there are more contenders for the title of “Latin American Trump.” Alejandro Ordonez, former district attorney in Colombia, strives to lead—or at least integrate—a large right-wing coalition,⁴⁶ starting with an anti-peace agreement, to prevent Santos from winning again or a leftist turn in the country.

His ideas, methods, and mannerisms are in some reminiscent of Trump, who he did not hesitate to defend:

“It is a proposal for conservative thought. It is a conservative revolution, similar to the ones led by Reagan and Thatcher. And now we can say Trump is doing it, despite himself. As I have said, old orthodoxies and paradigms are breaking in Western democracies, and not a moment too soon. In the United Kingdom with Brexit; in France with Macron and Le Pen, who both came from outside the establishment; and in Colombia with the

44 BBC: “Los presentadores de *The Apprentice* que se han lanzado a la política como Donald Trump,” 2017 <http://www.bbc.com/mundo/noticias-internacional-38923270>

45 La Tercera: “Jair Bolsonaro, el populista que aprovecha la crisis de Temer” by Fernando Fuente, 2017 <http://www.latercera.com/noticia/jair-bolsonaro-populista-aprovecha-la-crisis-temer/>

46 In *Semana*, “Voy a hacer una campaña políticamente incorrecta,” Ordóñez <http://www.semana.com/nacion/articulo/elecciones-2018-entrevista-a-alejandro-ordonez/528617>

Oct. 2 plebiscite. Trump is a benchmark for political affairs, because he is one of the few politicians who does what he promises. He confronts the establishment. There are things we may not agree with in his personal life or eccentricities, but I aspire to say what I think, do what I say, and fulfill what I promise. I have had the thoughts I do since I was a little boy, and I have never been ashamed of it or apologized for who I am. I will brandish a politically-incorrect discourse, challenging the establishment. That will be my campaign.”

Conclusions

Latin America is experiencing a new political cycle fed by economic prosperity and marked by three dynamic elements moving in parallel:

1. Weakening options linked to the various left-wing parties in the region.
2. Increased strength of center-right options.
3. Survival of two types of populism, negating the hypothesis that this style is declining. One form of populism is close to the 21st century socialist approach, and the other is situated on the right with a clear anti-elite message.

These new populist movements may or may not win elections, but they are a palpable presence in the political arena—and they are growing due to the worsening economic climate, which has threatened the social improvements achieved since 2003. It is also nourished by public disaffection with and criticisms of corrupt political parties and politicians, then further strengthened by states and administrations that are ineffective and inefficient in designing public policies. Populism channels this desire for public services—such

as education, health, transportation and security—to work and run better.

The inefficiency, weakness and precariousness of institutionalization processes has opened the door to rising populist sentiment, advocating for a strong, personalized concentration of power to stand against institutional weakness. The malaise around a dysfunctional state translates into backing alternatives with a heavy personalist outlook.

These right-wing populisms base their success on brandishing flags left-wing parties have waved for over a decade: they build a dichotomy between “good and bad,” people and oligarchy. Enrique Gil Calvo speaks of how populism aims to grow:

“Collective identity appeals to common aversions, as Laclau theorized. This creates a populist identity characterized by its negativity, as it needs to manufacture an enemy of the people—this is the base on which its political success depends... Populist reasoning tends to exacerbate antagonistic conflicts.”

In short, demagogy and populism are far from falling into decline or disappearing from Latin America. Indeed, everything points to its reappearance with a different mask, as well as developing a global presence. This is thanks to the current fertile conditions of economic stagnation, success stories to imitate (Donald Trump) and charismatic leaders who aspire to take advantage of this new populist momentum.

In reality, there is nothing new under the sun, and as Moises Naim would point out: “The most interesting thing about Trump, as a political product, is not how exceptional he is, but how common he is in these anti-political times. Terrible simplifications proliferate

as society's uncertainty and anxiety grow, which is why they are a global trend today. They are everywhere. But Trump is the most dangerous manifestation of this trend. And that in itself is indeed exceptional.”

The Impossible Politics of Walls

José Antonio Zarzalejos

Journalist and Former Director of ABC and El Correo

On January 23rd this year, not long after he had taken his place as the president of the United States, Donald Trump signed an executive order instructing his country's immediate exit from the Trans-Pacific Partnership (TPP) and for the renegotiation of NAFTA, which, after coming into effect in 1994, the U.S.A. has held with Canada and Mexico. In the first case, the new Republican mandate aborts, from its first stages, the agreement that his predecessor, Barack Obama, achieved with eleven countries (Japan, Australia, Canada, Malaysia, Mexico, Peru, Vietnam, Brunei, Chile, New Zealand and Singapore). This decision by the North American president was of huge importance. The TTP encompasses a market of 800 million people and close to 40 percent of the world's economy. The "why" of this immediate executive order (a determination which had already been

advertised in his electoral campaign) was explained by Trump with blunt phrases: “We must protect our borders from the ravages of other countries making our products, stealing our companies and destroying our jobs.”

Similarly, although in a more explicative way, he justified the start of the NAFTA renegotiations, which are going to go down a different line from that of the Trans-Pacific Partnership. Effectively, just last April when Trump was celebrating his first one hundred days in the White House (with the lowest popularity ratings of any inaugurated president in recent decades), and after having called the trade agreement with Canada and Mexico “the worst in history,” the Republican recited himself: “I was going to terminate NATFA [...] the president of Mexico [...] called me and, also the Prime Minister of Canada, [...] they asked me to renegotiate. I will.” Trump’s correction, inspired by his most realistic economic advisers, has a lot to do with the free fall of the Mexican peso and Canadian dollar which does not benefit the North American. Canada and Mexico are the second and third trading partners of the United States and the economic turbulence of the breaking of NAFTA was being formidable.

Likewise, the building of a wall along the Mexico/US border has been put off, despite resounding statements from the White House of the contrary. The Mexican authorities are putting up a hard resistance to Trump, which does not achieve the formula for the neighboring country to co-finance the physical barrier between the two countries. It was initially claimed that it would be paid for by Mexican taxpayers in the United States. However, Peña Nieto has taken note and has rigorously

adjusted border surveillance to avoid large migratory movements towards the north; something which deeply irritated the United States administration. But the Mexican society is putting up a serious resistance towards Trump's policies. In this sense, the analysis by Pamela K. Starr, director of US-Mexico Network, is very illustrative, warning that "Mexico has an importance to the United States that, apart from Canada, no other country has." It is essential in the management of the waters they share and environmental policies. It is relevant for the energy markets and crucial for the creation of millions of jobs for US nationals. But, above all, Mexico is important for the United States in terms of national security: it is an essential ally against external threats to the U.S.A. that could enter via the southern border. Starr, in her assessment, added that there are "three factors that play in Mexico's favor: its geography, its multi-party democracy and its national feeling." All of these remarks have proven very accurate due to the fact that if Trump was thinking of intimidating the Mexicans, he is getting a discrete but efficient response.

The corrections of the new president's protectionist policies are simultaneous with the adjustments in the international policy plans that he had outlined: he has authorized military intervention in Syria, upsetting his former friend Vladimir Putin, he has created tense relations with North Korea and calmed those with China, a titan that has re-situated itself on the global stage, with its "capitalist authoritarianism" becoming an advocate for free trade, representing a sarcastic turn in the worldwide ideological coherence. As Jacques Rogozinski, a respected Mexican analyst from *El Financiero*, explained, the free trade agreements, in general, need some

amendments because they unquestionably cause undesirable effects, but from there to its cancellation is an unnavigable stretch. The Mexican economist confirms that the so-called “losers to globalization” have become ravages, electorally speaking, both in the United States and in the United Kingdom, encouraging “nationalist and isolationist” aims. Rogozinski lists up to twenty free trade agreements that the United States has signed and that would explain, at least partially, for the undesirable effects of these agreements on the world’s economy.

According to this economist: “One study from the Massachusetts Institute of Technology and another from the Economic Policy Institute highlight that ever since China was accepted into the World Trade Organization, around 2.4 million jobs have been eliminated in the United States and the trade deficit with China grew from 80 thousand million to nearly 370 thousand million dollars”. He also gives the following example: “In 2011 the trade deficit of the United States was 13 thousand million dollars, but the following year the government signed a free trade agreement with Korea and in 2015 that gap increased to 28 thousand million”. And when referring to NAFTA, the figures are equally expressive: “In 2015 the United States went from having a surplus of 1.350 million dollars to a deficit of more than 58 thousand million... in exchange”, continues the Mexican analyst, “global and offshore companies have achieved record gains, benefiting their shareholders and those that live where they generally house their corporate accounts”.

The serious problem that arises from isolationist and protectionist policies in the fields of economy and trade are that they are a consequence of a populism that is a

reaction to the excess globalization. This has led developed societies to create a type of working class due to the effects of offshoring; the devious competitiveness of unregulated countries and, with the exploitation of labor, those others that handle an abusive tax dumping. Different from the European populism, specifically the French and the Nordic, which feeds much more off the xenophobic perceptions and protectionism of cultural identity, the U.S. version incorporates other variables of a socio-economic nature. Trump's slogan, "America first", introduces the idea that the imperialist hegemony has impoverished the country in the collective consciousness of North Americans. It is not a new speech in the U.S.A.: its isolation has been a constant in its history over the past two centuries and was formed within the political science of the Monroe Doctrine under the slogan "America for the Americans". We are not against a totally unknown collective behavior of the white, Anglo Saxon protestant (WASP) North Americans. But what is new is its radicalism and, especially, the misleading analysis of Trump's populism that has not taken into account the deep and irreversible changes that globalization has caused and those that need to be counter-balanced or rectified but not beaten as an intrinsically perverse phenomena.

The policies of physical barriers, be those regarding Mexico or to those of the other extreme between Palestine and Israel, or trade barriers do not work. Not only do they deteriorate co-existence, but they also erode the economies involved. The United States and the United Kingdom of Great Britain—"Trumpism" and Brexit—have adopted collective decisions based on emotively charged electoral speeches. When the mentors get into

power, reality disproves their theoretical estimations. A correction of protectionism seems to prevail: Trump is not able to express his radical measures on practically any aspect, and the country's economy is presenting serious malfunctions. Theresa May has had to call an election to deal with the United Kingdom's exit from the European Union whilst she observes how the British macro-economic data deteriorates. Surely should free trade impose homogeneous conditions of competitiveness, common regulations and outlaw abuse, the isolationist populism could not go against the sign of the times.

Does Every Trump Have a Silver Lining?

Cecilia Soto

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I am not particularly into believing the popular wisdom that phrases such as “every cloud has a silver lining” allegedly conjure up. But in the case of Donald Trump’s triumph, maybe it is possible to affirm that, thanks to his threats and grotesque hand slapping, he has shaken the Mexican conscious, especially in terms of the more than six million undocumented Mexicans that live in the United States and the unresolved issues of the North American Free Trade Agreement (NAFTA).

This effect can be clearly seen when compared to the high number of deportations that were carried out during the eight years of Barack Obama’s government. Despite the record amount of deportations, the activism and initiatives in defense of the Mexican migrants happened little by little. In Obama’s smooth way, his discourse was always in favor of human rights, and

his pretext to proceed with the deportations as a demonstration of political will towards the Republicans in order to get approval for the integral migratory reform and the Department of the Army Allocation Committee Ammunition (DAACA) initiative, numbed the reflexes to defend our communities abroad. Nearly three million deportations took place during these eight years, but there was no important budgetary change for the Ministry of Foreign Affairs to strengthen the labor of the protection of the consulates.

Likewise, there were no budgetary improvements along the lines of the Ministry of the Interior or of the National Institute of Migration, destined to the protection of migrants. On the contrary, in the comfortable agreement with the Obama administration, the Mexican government took on the sad role of “Chief Deporter” of Central American migrants and proceeded to militarize the southern border: The Southern Border Plan.

Donald Trump’s unexpected triumph was a shock of thousands of volts, and one of which was healthy. The illusion that Trump would assume a presidential attitude was soon shattered: every appointment, every Executive Order, every memorandum... they proved that the anti-Mexican verbosity employed throughout the campaign would continue to be present in the public policies of the new administration.

In the civil society, two noticeable initiatives emerged: The Agenda Migrante, driven by Eunice Rendon, Jorge Castañeda, and Hector Aguilar Camín; and Operation Monarch in the Republican Senate. In the United States, the years of work and experience gathered in the most active Mexican consulates—which immediately provided a great wealth of information about the possible modus

operandi of the coming deportations—allowed for the activating of contact networks with well-organized Mexican and Central American communities settled “on the other side.”

In the Mexican Congress, where we have not managed to move a millimeter of the budget received in tax to foreign affairs, what has been achieved is the administration’s commitment to dedicate the thousand million pesos that the National Electoral Institute had renounced to the construction of a new building for consulates. Members of the Commissions for Foreign Affairs, from both Chambers, go over the consulates and interviews with local police, U.S. authorities, Immigration and Customs Enforcement (ICE) and owners of detention centers, to make them aware that we are against the violations of rights of Mexicans and Central Americans, and we are entering into dialogue with the local and federal legislators by uniting our strengths against anti-Mexican initiatives, like in Arizona, and supporting Sanguinary City initiatives such as in California.

In particular, the Agenda Migrante became a forum in which Mexican governmental authorities from both sides of the border, migrant organizations (also from both sides of the border), legislators, journalists and lawyers specializing in migration, came together. This initiative gained the trust of migrants who were at risk of being deported. We listened to their testimonies, their experiences and frustrations when trying to go back and live in Mexico— their stays in detention centers, their specific petitions for legal defense to lengthen their stay in the United States, legal orientation to protect their children and property in the case of

deportation, obtaining appropriate identity papers that work in Mexico and opportunities for reintegration.

The reality soon hit that this was a far cry away from adequately serving the migrants. The initiatives and good intentions take time to be implemented, bureaucratic habits are difficult to break and there is an ever-increasing number of deportees with a different profile to those deported in the previous administration, who have been living in the United States for longer, being well integrated in their communities and not having committed any relevant crimes, proves what the Mexican authorities and initiatives need to do and the challenges they face.

In terms of the North American Free Trade Agreement (NAFTA), I would only add that the arrival of president Trump has also been useful to put pressure on the abysmal salary gap between the United States and Mexico. Many of us have reported the precariousness of the minimum wage and we have campaigned for it to be improved, but this has only been taken seriously when this indefensible injustice threatens the continuity of NAFTA. Perhaps we have to thank the worst president in the recent history of the United States for waking Mexico up.

**REPUTATION &
SUSTAINABILITY**

**The case of United: How Reputation Crises
Have Changed in Today's World. A good
example of what you should never do,
and how an action causes a reaction**

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We live in a state of permanent change. Today's reality is that we are all actors and are all embroiled daily in events and occurrences that happen both in our surroundings and globally. Crises come in different guises, but they all arrive unexpectedly. There are many situations in which a company could see itself involved in a crisis out of the blue. Communication during

crises is very complex, as it triggers a series of negative attitudes from different stakeholders, ones of whose public opinion may be the most important. Airlines are not free from crises either, as reputational disasters stem from adverse interactions with their customers. We have recently witnessed how the crises that have occurred at some of the main US airlines have ended in total catastrophe.

Social networks today play a very important role. It suffices to watch the example of United to understand the lightning-fast breakage that the mishandling of a slippery situation can cause and the speed at which events are ramped up in real time.

The images of a passenger being violently removed from the airplane who had been comfortably sitting in his seat on a United flight from Chicago to Louisville, Kentucky, have made their ways all around the world. The airport security guards literally dragged him down the aisle of the aircraft. His crime was to refuse to get off the plane after the airline decided that—due to the fact that the flight was overbooked, and nobody wanted to accept compensation for not flying—he had to stay behind. In this specific case, what happened is even more shocking if we recall that this was no new situation for the airline. United had its reputation damaged years earlier in 2009 when it refused to compensate for the damage caused when it broke the guitar of a passenger during a flight. The country singer—after receiving no response to his demands—decided to record a wonderful protest song that he posted on YouTube. Dave Carroll went viral, causing damage to the brand to the tune of millions of dollars on the stock exchange. With what the company lost, it could have bought Carroll more

than 51,000 guitars. It merits mention that this was a ground-breaking crisis in the 2.0 world.

Coming back to our unfortunate passenger, made to vacate involuntarily, those images that stunned passengers recorded on their mobile devices enabled the incident to travel the world faster than an airplane (and higher than United's reputation). Social networks acted as fire powder, waking up the following day as the most important trending topic on Twitter in the United States, with 1.2 million mentions. Some examples of the criticisms United received included pithy comments like: "If there aren't enough seats, get ready for a beating," and "Congratulations @United, now you're more hated than the president. What a feat." The hashtag #NewUnitedAirlinesMottos became popular on Twitter for users to express their rage against the company. In parallel, the video recording attracted great attention in China, a strategic market that is extremely important to United. The incident became the main trending topic on Twitter China, attracting over 100 million visits.

What was United's response to the event?

A mere apology for overbooking the flight. The social networks exploded even more with the insensitive response of United's CEO, who wrote a letter to his employees saying that he supported their actions. This mistaken response from United to an event shows that there are still some large companies that have not reacted to change and think that they can keep on doing and undoing whatever they please as they had done in the past. To the contrary, today the power is in the hands of the people. United should have moved more quickly to limit the damage caused by the video that went viral.

And for their part, the statements of the company and the CEO should definitely have been different.

The next case shows a similar situation, but with completely different results. Little more than three weeks after the United incident, American Airlines was also involved in a problematic customer service situation, when an airline employee 'hit' a pregnant woman on the head with a baby carriage before take-off and was confronted by another passenger. The altercation, in which we can see the woman crying inconsolably and the other passenger who gets up to defend her, was quickly recorded on video and spread on the social networks by other passengers who defended the assaulted passenger, denounced the employee and asked for his name.

American Airlines immediately sympathized with the passenger and issued a press release in which it apologized and said it was sorry for any pain that may have been caused to the passenger, her family and the other passengers who were affected by the incident. They stated that the episode does not reflect company values and lastly stated that the staff member involved in the altercation had been suspended until what had happened on board the aircraft had been investigated.

Perhaps American Airlines learned a lesson after what had happened with United and the calamity they worsened. In this respect, American was much faster to respond with an official communiqué in which one sees a fairer, friendlier and more conscious response, which in turn minimized the impact of the incident.

For the United case, the repercussions ended up being serious. The Tuesday after the incident, the airline's shares fell by 4 percent on the New York Stock

Exchange. Their reputation went up in flames in one afternoon. In China, it is likely that not a single person would want to set foot in a United plane ever again. They were forced to reach an amicable agreement with the affected party to close the unfortunate incident that, in these types of out-of-court settlements, can be officially closed—though not in regard to its reputation—with high financial compensations.

After these vicissitudes, it seems that United has learned its lesson. Recently, the US airline released an apology statement after a video of a 71-year-old man who was pushed to the floor by a customer service worker was posted. The sin committed by the beaten traveler? Approaching the United Airlines employee because he was unable to read his ticket. In this case the airline's apology, which it mentions that such behavior is totally unacceptable and does not reflect the fundamental values of the airline, nor its commitment to treat all customers with respect and dignity, in addition to commenting that the aggressor no longer works in the company, was much more sincere and authentic. The apology came two years late, however, as the incident occurred on July 21, 2015.

What Has Changed? Why Does What We Did Before No Longer Work?

1. The empowerment of citizens, consumers and customers is now at the center of our decisions:

In this new world, we are all actors and reporters. Social networks mean that consumers and the general public take control of the conversation 24 hours a day, using multiple screens. Power is in the hands of the people.

The people decide what can and what cannot be done. Today, cyberspace is where connections are made, and brands and companies are built up or destroyed. The challenge: to participate in the conversation and create the suitable narrative for a company, based on the shared proposition given by the citizen, with consumer and customer at the heart of all our decisions. Companies must be authentic, diligent and transparent when they react to events and situations that could easily become exacerbated.

2. The CEO is no longer an unknown; we know them; we can contact them; we can converse with them directly:

The age of invisibility is over, as technology has made everyone transparent, including the CEO. The ways of connecting via multiple channels on social networks have multiplied. People want to generate engagement and empathy with company leaders, posing an opportunity for CEOs that lets them be a part of the dialogue, interacting proactively with consumers and becoming influencers. They must be ready to have a participative role on social networks, which will let them defend their companies' intentions and help to control positive or negative conversations.

We can cite some of the top CEOs with the greatest presence on social networks, primarily on LinkedIn and Twitter, who are truly catalyzing an impact and are admired for their capacity to interact with their customers:

- Richard Branson, Chairman & Founder of Virgin Group and active blogger, has become the most followed influencer on LinkedIn, creating thought leadership content.

- Bill Gates of Microsoft focuses on creating content on social entrepreneurship, science and philanthropy in Africa and in developing countries.
- Jeff Weiner, CEO of LinkedIn, who is very active on Twitter, posts and initiates varied content on technology, social networks, recruiting and leadership.
- John Legere, CEO of T-Mobile US, who constantly participates on Twitter with his users, generating entertaining opinions with messages that highlight the differentiation of the T-Mobile brand.
- Tim Cook, CEO of Apple, who not only cultivates dialog on new products and activities with his employees and clients, but also frequently publicizes his human side, participating in campaigns against sexual and racial discrimination.
- Mark Zuckerberg, and founder and CEO of Facebook, interacts with his followers on his own social network, stimulating opinions on the future of technology and social networks.

3. Internal communications no longer exist; the borders between both disciplines have disappeared, and what we say in-house must be the same as what we say to the outside world:

The days when messages went from one to many no longer exist. In this new world, the source of change comes from hyper connectivity, as there are no communication barriers. Messages and communications go

from “everyone to everyone,” so that it is important to integrate the different aspects of communication—and the different internal and external actors—into a single and common purpose: connecting with everybody and assuring that the message is uniform. In the United case, we saw that no company employee defended or stood up in favor of the company.

4. The speed of information and its immediate propagation on social networks is much faster and reaches much farther. There is no longer a local crisis:

The “always active” world of social networks does not wait. 69 percent of crises spread internationally within the following 24 hours. We must respond quickly. We must prepare for the worst, including unexpected crises. As mentioned, the case of United is an example of how the incident travelled the world in fractions of seconds, turning into a trending topic in the United States the day after it occurred.

5. You’ve got to be it, not just seem like it. The age of aesthetics is over, welcome to the age of ethics:

Within everything that comprises ethics, transparency is centerfold, as it is one of the dominant forces in the world of today. We have more power through the multiple ways of connecting, but we are also more vulnerable. This means that our greatest asset is our reputation. We’ve got to be coherent and do what we say. We have to “walk the talk.”

6. Worlds 2.0 and 3.0. Are we ready to react? Ours is the age of interaction and conversation:

We live in the era of permanent updating, in which we all want to be part of the conversation wherever we live, by working together, giving our opinions and communicating with each other. Now media is in the hands of the people, and there is no control over what they do or over what they say. Whoever does not jump on the speeding train will be left behind. In this regard, we saw how United never even took part in the conversation. The company confined itself to taking its own stance on the incident, as it had always done in the past, without understanding that in today's world, you must listen to people, interact with them, respond to and join their media conversations.

7. Do our own employees believe in our corporate history? If the answer is yes, then we do have true brand ambassadors:

In today's world, in which we must continuously adapt and evolve, in which we all have leading roles and are participants in the conversation, the empowering of our employees is fundamental because they represent a mainstay of the organization. For this reason, it is essential to identify a shared high-level proposal that will let the organization inspire in order to attain its employees' collaboration, to convert them into true brand ambassadors, in order to point and propel the organization down the road toward transformation.

8. The authentic and true DNA of an organization must be external as well as internal:

To effectively communicate with different audiences, an organization needs to reach the place where consumers are today and must understand cultural nuances and the preferences of the subgroups of different demographic sectors. In order for a message to have impact, it must be authentic in order to stand out and win consumers' hearts and minds. United's DNA and both past and current stories show that many things have to change. We recently saw how only weeks after the airline suffered a global image crisis after forcibly deplaning Dr. David Dao, it was obliged to change the entry codes to flight cabins on its planes, admitting that the codes may have accidentally been published on the internet.

9. Companies must recognize the value of making amends in a timely manner and give themselves a second chance:

What many do not take into account is that the opportunity to make redresses and correct mistakes in a timely manner must be employed to minimize the impact of a crisis permeated by an initial inappropriate response, thus by claiming blame converting the risk into an immediate opportunity. In the United case, CEO Oscar Muñoz had the chance to make amends and did not do so. On the contrary, he worsened the situation when he criticized the attitude of the passenger who was removed from the plane. This had repercussions for the airline and for his personal situation. He will no longer be promoted to Chairman of the Board, and there has been an adjustment to his compensation package,

which will now be dependent on improving the airline's customer service, care and experience.

10. The visual world, our current world, is a world of engagement, where what I see is what I believe:

Before we all started walking around through life like true journalistic photographers, armed with our pocket cameras, the United incident with the passenger would have just been an unfortunate blip, a short bad time, for those who witnessed it and for the poor passenger. United would almost definitely not even have made a public announcement about it, and it would have been hard to believe if someone told you about it. However, in this new world of the digital and technological revolution, the visual is made palpable and attractive, and it creates permanent links to any circumstance, experience or event, generating tremendous impact on people, making them react and take a stance on what they see.

In general, people seek and are constantly exposed to unified experiences in which the digital world and the physically tangible converge and where both worlds are connected to only one. This trend is exemplified extremely well in the United case, and in incidents with other airlines, where the physical presence of the passengers who witnessed the incident played an important role, since in fractions of seconds they recorded it, took photos of it and added it to the digital ecosystem.

The video is the future; 74 percent of all internet traffic is video. This movement—revealing the amazing power of images and storytelling—will continue to grow quickly in upcoming years. Approximately 80 percent of users who go to a website watch videos, while 20

percent read text contents. Videos encourage users to mobilize, whether this is by sharing them on their social networks, making a purchase or filling out a form.

The Solution to a Crisis? Being Prepared

A crisis can explode anytime. Being prepared is the key to success, and this requires intense planning that prioritizes the development of preventive actions that place the company in the best position to manage the crisis when and if it occurs.

When faced with an emergency, it is essential to have an expert crisis communications team that responds quickly and prioritizes trust and credibility for the company to save their image.

It is fundamental to have an expert team on the topic with a specific methodology based on these parameters:

- Identify what could happen and what the consequences could be
- Define an action strategy to respond to a crisis
- Detail a procedure and develop the mechanisms and tools required to be successful during the crisis
- Train the team in charge of this mission to assure their efficiency if it is needed
- Change from a written culture to a digital and audiovisual culture, with digital actions and conversations that must be ready for a crisis

It is important to stress that employee empowerment and preparation to defend the brand is absolutely essential for correct management, centering on what is most important when the time comes to take action.

Crises are inevitable, so what is important is to be prepared. And this is what makes training so important, in communications, in the use of technologies, social networks and possible situation simulations, putting into practice the employees' ability to immediately respond to negative events.

This new environment obliges companies to responsibly plan crisis communications by having an effective and immediate communications strategy and to implement comprehensive prevention programs and manage follow-through.

The crisis communications plan defines the actions needed to improve the company's position with the media, authorities, emergency services, the local community, other stakeholders and other parties. Likewise, the criteria must be set out for developing a crisis guide, which details internal crisis communications procedures, including: problem detection, activating an alert, urgent actions, organization of responsibilities, rules for interacting with the media and all audiences that are involved in a crisis ecosystem.

In this regard, airlines still have a long takeoff ahead of them. It does not matter how many advertising campaigns are made to try to recover United's position and try to arrange this negative event, the horrible image of the passenger dragged down the aisle has remained burned onto the retinas of people around the world.

How to tell my truth? A fresh opportunity

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In his compilation of articles *Viajes imaginarios y reales de la existencia* (*Imaginary and Real Travels of Existence*) during the time of French King Louis XIV, Álvaro Cunqueiro (1911-1981) wrote of a so-called “false Cabinet”. Headed by Finance Minister M. Colbert, renowned chroniclers set about writing fantastic descriptions of nonexistent countries on the African and Asian coasts. Once the country was described and an inventory of its natural resources taken—always with an emphasis on the meekness of indigenous people and their monarchs’ generosity—the expedition was then promoted in order to attract investment. Once the money was obtained, it

was actually used to fund expeditions to other highly dangerous and hostile countries of West Africa and the Orient. The illustrious Galician journalist and writer thus shows us that the temptation to replace reality with appeals to emotions and personal beliefs—which is how blogger David Roberts has defined post-truth—is as old as humanity itself.

But if post-truth is not new, it is not real either. The suffix “post” denies the very essence of the concept, given that it means to show us that it would be following on from periods in which the truth prevailed. In other words, everything that predated—in the political, economic and social world—the moment when Roberts came up with this term, would have happened during an era of sincerity. Does anyone believe that? Is anyone still gullible enough to defend the veracity of George Bush Jr.’s statements in relation to Iraqi arms, or those of Zapatero denying the ferocity of the economic crisis, or the false promises or rally-style outbursts of many in recent decades? The answer is obvious: they should not exist, although... be careful! So often have we associated post-truth with Trump, Farage and others of the same species, that we run the risk of clearing the names of the perfidious hundreds or thousands that came before them, even though it may have not have been called post-truth then. For them, it was simply a question of “lies”, “manipulation” and “demagogy”.

Another risk, although no less dangerous, is to believe that the triumph of “alternative facts”—as defined by Trump’s current presidential adviser, Kellyanne Conway—is only attributable to those who practice it. The media, political, educational and social environments have provided the essential fertilizer for the outbreak

of this phenomenon. The progressive degradation of arguments has opened doors to frivolity, inconsistency and total lack of rigor. While we constantly hear concepts such as transparency, engagement or ethics, the flow of communication now crosses a logic vacuum where anything rational is discredited. And there are those that can be held responsible. They are the media outlets that, due to the profound crisis affecting them, have gambled on de-professionalizing their newsrooms, exchanging experience and authority for job instability and low costs. They are abandoning their news selection criteria based on social interest and substituting them for what the audience wants (based on the power of the click and trending topics). They may also have championed causes—whether political or corporate—far off from what citizens are really interested in. As a consequence, readers, listeners and spectators are increasingly skeptical—before the futility of their role models—and opt for the convenience of approving only news that best suits their beliefs or desires.

Social networks are also responsible as, together with undeniably positive contributions, they are nevertheless provoking an unprecedented degradation of content quality. Eye-catching and fast impact replaces reasoning; audacious and surprising headlines win over any trustworthy idea that opposes it; video is killing words. Influencers, YouTubers and bloggers have taken over the places of any expert or authority, and the citizen is completely mesmerized by the overwhelming emotional pull. So, in that case, why do we need the truth?

This unusual circumstance gives rise to the question, what can be done by those who wish to transmit their

ideas or actions in an intelligent, straightforward and honest way? What options do they have to convey their messages in a way that will be heard and accepted? The way forward is certainly not to adapt to the wave of trivialization, but rather to follow the slower and more complicated path of generating trust. It is true that excessive communication is based on adjusting our message to the context and using the formula that our recipients accept. These conditions do not necessarily imply a process that deteriorates our content quality. New ways and multiple channels are today essential in order to reach our desired interlocutors, who are no longer merely passive recipients. The same should be true for the exchange of positive ideas and comparable, true facts that help to build credibility that is beneficial for everyone who takes part in the dialogue.

The nature of the internet itself provides underlying opportunities for communication by applying the same rules that we used for mass media that we do not always take advantage of. It is no longer enough to declare the veracity of our messages to ensure its trustworthiness, something that used to be guaranteed just by publishing it in a media channel. Now, more than ever, it is necessary to work from the source — from corporate communications— on the strength of the arguments that we want to make public, by implementing a firm verification system. But the same goes for the ability to respond to different issues that may arise in online conversations. And this is inherent to the internet's nature because it has empowered all individuals to access an enormous wealth of information (and misinformation) and share it incrementally through their personal connections on social media.

Access to information and the ability to disseminate that which was previously restricted to a few players: media, social organizations and public administrations. Veracity and responsibility (which comes from the Latin “responderere”) have always been ethical requirements in corporate communications. But now, they have evolved into practical conditions for the performance of business functions. Both have become urgent obligations which are beginning to transform companies themselves. They have been integrated into some of their processes and resources, the media’s own guidelines (with respect to veracity) or those of social organizations (with respect to responsibility). Large consumer goods companies like Red Bull and Lego have become communication groups. And other emerging brands, like Whole Foods or Tesla, build their business model on mobilizing causes such as organic foods or sustainable mobility, respectively.

Beyond these concrete examples, trends indicate that the post-truth phenomenon, accelerated by technological disruption, is also finding answers in deep organizational changes. These go far beyond communication techniques and formats (storytelling) and are much more related to interactive methods and experiences with their interest groups (storydoing).

Communicating Sustainability: The Food Industry's Big Challenge

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1, 2, 3, 6, 12, 13, 15 and 17. Understanding the rule of this numerical series can take you time you would probably prefer to spend on something else. That is why we will

give you the solution to this puzzle: there is none. It does, however, represent some of the Sustainable Development Goals (SDGs) that comprise the strategic plan for the promotion of sustainable agriculture created by the United Nations. If we study the plan's indirect goals as well, we can see that stunted sustainability efforts are a transversal issue that affects everyone.

An Always-Existing Challenge

From the beginning of existence, humans have always struggled with sustainability. The means of obtaining and producing food, with agriculture at the base of the chain to a greater or lesser extent, has undergone constant transformation. Similarly, the way we eat and the diets we follow have been evolving and have, to a variety of degrees, followed temporary trends. Companies, leaders of our industrial world, must work to secure sustainable food sources and increase productivity.

Once food goes beyond a concern related to the satisfaction of the physiological needs of pure survival and safety, people begin to worry about the way in which food is produced. Questions such as quality, environmental commitment, animal welfare and nutritional balance become aspects that influence consumers' decision-making when it comes to filling their shopping baskets. At this point, the sustainability of the value chain also comes into play. The SDGs reflect all these developments in consumer priorities and their impacts on communication.

The Food and Agriculture Organization of the United Nations predicted back in 2009⁴⁷ that by 2050, while

⁴⁷ High-Level Experts Meeting, *How to Feed the World in 2050: World Agriculture and Perspectives on 2050* http://www.fao.org/fileadmin/templates/wsfs/docs/Issues_papers/

the world population would have increased by a third, cropland would have grown much more slowly. The chance of truth in their foretelling renders it necessary to develop production models that will allow us to both meet the demand for food and guarantee sustainability.

Many various companies, governments and institutions are already working intensely to minimize current and future obstacles through successful sustainability projects, even though still many consumers are not, at this time, aware of the problem or the solution.

And this is the challenge that is being faced by the business sector. Not only does the business sector have to communicate and spread awareness these problems, but it must also work to find a solution.

Communicating Sustainability: A Competitive Advantage

According to the FAO⁴⁸, “To be sustainable, agriculture must meet the needs of present and future generations for its products and services, while ensuring profitability, environmental health and social and economic equity.” Sustainable agriculture must guarantee global food security and simultaneously promote healthy ecosystems through the support of sustainable land, water and other natural resource management.

The agents of food chain production and distribution are aware that sustainability is not only essential for the maintenance of its activity, but it also becomes a differential value. Besides being able to extend productive activity over time, sustainability constitutes a competitive

Issues_papers_SP/La_agricultura_mundial.pdf

48 Food and Agriculture Organization of the United Nations. *Sustainable Agriculture*. <http://www.fao.org/sustainable-development-goals/overview/fao-and-the-post-2015-development-agenda/sustainable-agriculture/en/>

advantage for building reputation upon consumer recognition of food that is sustainably produced.

When sustainability guides the behavior of the agents of food production and distribution, and these middlemen are capable of communicating their green efforts adequately, sustainability turns into a reputational building element. A reputation is the set of shared beliefs in communities that contribute positively or negatively to a company's results; there are five variables that comprise reputation according to the *Reputation Relevance*⁴⁹ model: contribution, integrity, transparency, credibility and image.

The influence of sustainable efforts on reputation can be illustrated with the following example. conventional and organic agriculture models differ in their processes. These can be complementary or coexist with each other. However, the principles that govern sustainability must be applied in the same way and must be assessed by using key performance indicators (KPIs). They measure the appropriate management of resources per unit of production, as the final products are what society demands and consumes.

Without further quantifying these indicators in each agricultural production model, we can notice that the organic model has worked better in the area of beliefs, linking them to the values of sustainability in the consumer's cognition.

From a nutritional point of view, there is no evidence of any difference in the quality of the nutrients between organically produced food and conventionally produced food. The small differences in the contents of nutrients

49 LLORENTE & CUENCA. *Great Acceptance of Reputation Relevance*. <http://www.comunicacionyreputacion.com/en/great-acceptance-of-reputation-relevance/>

detected are biologically plausible and relate mainly to the differences in the method of production⁵⁰.

Despite no direct nutritional benefit, organic agriculture has been capable of generating shared beliefs on a greater scale regarding its link to food production sustainability than other models. According to a survey carried out by The Sustainable Agriculture Technology Platform⁵¹, the organic production model is perceived as more sustainable as a smaller-scale consumer of natural resources.

There are other models of agricultural production that are complementary and respond to different needs, although they are related, such as Conservation Agriculture⁵².

The objectives are essentially geared towards productive sustainability and, beyond that, the mitigation and adaptation of agriculture in relation to climate change⁵³.

Conservation agriculture is barely known among consumers; it has the opportunity to occupy a new space related to sustainability that generates value through the reputation of all the agents of the production and distribution chain.

How Do Sustainable Companies Act?

There are many reasons that may lead a company to differentiate itself through engagement in sustainability efforts, but there are three that will play a fundamental

⁵⁰ *The American Journal of Clinical Nutrition* "Nutritional quality of organic foods: a systematic review." <http://ajcn.nutrition.org/content/90/3/680.full>

⁵¹ Plataforma Tecnológica de Agricultura Sostenible. <http://www.agriculturasostenible.org>

⁵² Asociación Española de Agricultura de Conservación Suelos Vivos. *Fundamentos de la AC*. <http://www.agriculturadeconservacion.org/index.php/agricultura-de-conservacion/fundamentos-de-la-ac>

⁵³ Asociación Española de Agricultura de Conservación Suelos Vivos. *Beneficios de la Agricultura de Conservación en un Entorno de Cambio Climático*. http://www.agriculturadeconservacion.org/Estudio_AEAC.pdf

role in the immediate future: 1) the generation of alliances, 2) sustainable innovation, and 3) communication.

1. The Generation of Sustainable Alliances

Companies, more than ever before, are mobilizing to incorporate the criteria of sustainability into their work models based on the fundamental maxim: to generate development and wealth without compromising future generations. However, this great premise, which involves the transformation of an important sector, as important as that of agriculture, cannot be done if not in collaboration with three large groups.

- Other companies, as allied drivers of real change and sustainability.
- The scientific community (universities, social and environmental organizations) as key agents in the development of innovation.
- The government, through policies that favor sustainable growth, delivering campaigns to raise awareness among citizens.

We are talking about multisector alliances whose ultimate purpose is to resolve a systemic problem, one that affects all of us. But in order to function correctly, they must modify traditional working models to conceive new ones still formed from the following values:

- Trust: The crucial starting point to any multi-lateral enterprise.
- Long-term vision: You cannot expect change to happen overnight in such a well-established sector, despite the race against time

imposed by climate change. The implementation of innovation requires testing and learning processes and permeation time in the industry and among society.

- Collaboration, not competency: A model that is completely different from the traditional one requires a change in mentality and constitutes an investment of great effort to affect the way we relate to companies within the same sector. It conditions the way we present ourselves to the world, and, of course, the challenges, obtained results, as well as our concept of reward.

This working model, which may appear utopian, has been implemented within the agriculture sector for years, which is why companies that want to stay in the market must work to solve the great impediments arising from the international community that block the road to sustainability. There is no other business roadmap with such valuable, forward-thinking structure as this one.

2. Sustainable innovation of the most traditional sector

Sustainable innovation will involve the whole value chain to develop projects and products with the capacity to respond to and remedy big global challenges.

Some companies have already begun to develop this type of practice through initiatives such as:

- Treatment and reuse of wastewater for cultivation and fostering biodiversity (green filters).

- Agricultural systems employing cultivation lands as storage and to capture CO₂.
- Actions that favor the pollination of crops to protect sustainable beekeeping.
- Smart apps that seek to sustainably manage resources.

3. Communication

Without a doubt, a sector so complex and so present in the day-to-day consumer life, must place priority on communication and dissemination. Explaining and measuring with precision are decisive elements to implement so that companies in the agricultural and food sectors can translate their differential value and ensure their transcendental role in the sustainability of resources, the planet and human life.

The challenge is on the table. It up to us to devour it and replace it with plates of sustainable produce. There are many measures to make, but through communication, we will be able to transform an agricultural model that has remained unchangeable for centuries.

The Responsible Talent Revolution

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Few would disagree that CSR is spelled with a T for Talent. Corporate Social Responsibility has gone from being an accessory to being part of a company's fundamental purpose. Brands should aspire to create better

societies—and that is something today’s consumer takes as a universal truth. If we take this as an axiom, then it is an easy extension to see that the company’s fundamental purpose must be in line with the desires of the professionals—talent—comprising it.

On a global level, companies find themselves at an inflexion point. The fourth industrial revolution is, perhaps, the biggest revolution of all when it comes to the professional world. Technological development and the emergence of new business models are bringing about, and will continue to bring about, changes of such a magnitude that they have forced us to rethink the relationship between companies and society from an ethical point of view. This new era has great emancipatory power, but only if we can find the right language and policies for everyone.

Although the general belief is that the industrial revolution will mean diminishing importance of people in favor of automation and robotization, an analysis that looks to the past, present and future clarifies two things: that work is one of the essential pillars of our lives and that people, a.k.a. talent, play a fundamental role in organizations⁵⁴.

However, the future turns out, people will be necessary, and regardless of how robots might feel about it, the only way to attract and retain human talent will be through a strong social and human side of companies.

What does this entail? It means that without a doubt, and for reasons we will explore later in this article, the companies that will thrive in the future will be those whose fundamental purpose responds to

⁵⁴ Brad Keywell Co-founder and CEO, Uptake (WEF)

social demands and connects employee expectations to achieving a greater goal.

Do not lose perspective

A quick glance at history reminds us that the first “companies” emerged 12,000 years ago, when humans transitioned to a settled agricultural lifestyle. Capable of producing assets to satisfy our needs for food, shelter and protection, it became necessary to allocate roles for producing, conserving and processing these elements. Professions emerged alongside the exchange of goods and services; a single person could no longer provide all their own needs.

In Greece and Rome, work was a heavy load reserved for slaves, something that changed during the Middle Ages when people took responsibility for key production activities. The Renaissance, with its artists, introduced an interesting idea that is very more in vogue than ever: Work can be a form of personal fulfillment.

Adam Smith, the steam engine, Karl Marx and Henry Ford’s factories are some of the key puzzle pieces that have created our current work environment, framing it as a way of life through which a person is fulfilled, and one that contributes some elements to society and consumes others.

In short, what we cannot forget is that companies must make sense even while providing a solution to human needs, regardless of their evolution along Maslow’s pyramid and added levels to the base. This is precisely why it would be strange for them to carry out their activities while turning their backs on society or relegating their human and responsible facets to a small department flavored as an NGO.

Diversity and transparency as a responsible business strategy

We live in times where standardizing what was previously viewed as a bold decision is not the norm. Let us take transparency as an example. There was a time when companies that dared openly communicate aspects that traditionally remained behind closed doors were innovators and pioneers, viewed as exceptionally trustworthy. Today, it would not be acceptable—or could even be illegal⁵⁵—for a company to be anything less than fully transparent regarding its most crucial affairs. The same things that might lead a person to send in their CV, or not, can also lead a consumer to buy or boycott, or lead an investor to invest or divest.

This same process is being repeated with another fundamental pillar of CSR: diversity. Today, diversity is a badge of honor for companies that have concerned themselves with reflecting the world around them⁵⁶, without using filters or quotas. However, this initial pioneer effort will ensure that, like those that bet on transparency, diversity will become the norm, and anything less will soon become deplorable.

The process companies are undergoing regarding diversity reflects the paradigm shift taking place in Corporate Social Responsibility (including a revision of its name) and its undeniable impact on all critical aspects of business life and health, with a special emphasis on talent. CSR has ceased being a simple initialism, instead becoming part of the fundamental purpose at the very heart of organizations. In recent years, we have seen it

55 "600 empresas españolas, pendientes de la nueva Directiva de transparencia europea" (Expansión, 2017)

56 Apple Diversity Report <https://www.apple.com/diversity/>

go from being a department with NGO-like airs, often with barely one professional, to a fundamental part of business strategy and stakeholder relations. This will only increase with time.

“The future is the dream of those who invent it”⁵⁷

Today, we see an encouraging phenomenon in which CSR is undergoing a transformation similar to that of transparency, moving from “accessory” to “essential.” It has gone from being a single department to being part of an organization’s purpose, occupying a position at the core of its activity. This is business sustainability by its broadest definition and at its maximum expression. But CSR also defines a fundamental purpose, encompassing how a company acts, communicates, employs, develops, competes and offers rewards. It is reflected by interest group perceptions and irretrievably affects all decisions.

The talent perspective

With respect to employees, corporate social responsibility is one of the decisive factors when it comes to communicating company values, mission and vision. Sharing this fundamental purpose makes it easier for employees to feel fulfilled in their day-to-day work, helping them understand how their work makes the world a better place⁵⁸.

A total of 84 percent of young people say they would not work for a company whose values they did not share⁵⁹. Since millennials will represent 75 percent of the labor force by 2025, it is evident that the intangible

⁵⁷ Salvador del Rey, Professor of Labour Law.

⁵⁸ Corporate Social Responsibility and Employee Engagement: Enabling Employees to Employ More of Their Whole Selves at Work (Ante Glavas)

⁵⁹ KPMG, 2017.

aspect of companies is crucial when it comes to attracting the necessary talent to survive.

It is impossible to know what percentage or generation will adhere to these results in this near future, but everything currently indicates that top talent will search for a professional experience that supports their personal values.

The barrier that has separated professional and personal life for decades is being eroded at an accelerating pace. “When a person is completely committed to their work, the line between these two aspects of their life is much thinner”⁶⁰. Work has increasingly become a defining part of our personal decisions and, therefore, our personalities. Given this, company values must be on the same level as an employee’s.

This technological revolution has broken the thin line separating our two selves, which is precisely why companies must offer ways for people to bring their whole selves to work⁶¹ and leave entirely satisfied with their experiences.

This implies that people should not put aside their passions, interests, tastes and feelings when they walk through the front door; on the contrary, they should be able to channel all their humanity in the workplace. Ultimately, bringing your whole self to work truly implies bringing all our passions, interests, ideals and thoughts to the table—everything that definitely makes us human.

It is here where CSR can play a fundamental role in articulating its values and what it expects from employees. This certainly represents a change, allowing

60 Montse Ventosa, President of Truthmark

61 Bring your whole self to work | Mike Robbins | TEDxBerkeley

professionals to bring their passions to work. However, this is true only when a company's CSR policy is linked to its mission and fundamental purpose. It cannot be simply a "do good" spirit, a greenwashing strategy or something based on advertising.

Purpose and engagement

Today's professionals, and especially young professionals, need something more than a paycheck at the end of the month. They need to feel proud of what they are doing and know their efforts contribute meaningfully to a company whose values they share.

This contribution to the greater good makes professionals feel better about themselves, improving self-image and leading to greater identification with the organization, with all the resultant benefits in terms of talent engagement.

With this in mind, it is not particularly surprising to hear that 80 percent of people ages 13 to 25 want to work for a company concerned about its impact on and contribution to society⁶². This data does, however, constitute an alarm bell for companies who still see CSR as a simple resource or even a necessary evil. The best talent, capable of committing to leading a company and achieving great things, requires its efforts serve a purpose greater than business objectives—a nonfinancial purpose.

CSR is now the vehicle that makes it possible for talent to contribute everything that makes them human, working with the authenticity and loyalty inherent to their own convictions. It gives them greater meaning,

62 Cone Millennial Cause Group

going beyond what is found in the daily work itself to feed their perceptions of contributing to a greater good.

How to integrate csr into your company

As we have discussed throughout the text, in a future with increased digitalization and robotization, it is the human side of talent that will make the difference. Companies will have to work to attract and retain committed talent that, increasingly, seek positions where employees can bring their whole selves to work. In this context, CSR must be integrated into the very heart of the company. Without attempting to provide a magic formula, we would like to mention some key aspects of this process.

1. Defining company purpose

Integrating CSR into company strategy and purpose must begin with an honest analysis of corporate impact. Ask yourself, “What is my role as a company in the social structure?” All businesses generate goods and services that impact the environments and people around them, generating changes in how we relate to the world.

Dove, for example, was able to see how access to its products has a major impact, going beyond greenwashing, aesthetic or environmental questions to launch a daring campaign seeking to improve the self-esteem of women around the world.

2. Building a narrative

It is fundamental to build a powerful narrative around the proposal, one that permeates company discourse with all interest groups. CSR should be integrated into

this narrative as one of the pillars for building confidence, reputation and employee engagement.

CSR communications must, therefore, form part of the corporate narrative, with a special emphasis on addressing both existing and prospective talent. It must also be part of the company's expansion strategy.

3. A new leadership model

To bring CSR to your company's strategic center, it is key to be able to rely on the support and drive of senior management. Leadership style is evolving away from authoritarian to a transformative, collaborative one oriented toward generating excellence and talent. CSR is weighted increasingly high in this model, as seen in the 2015 Harvard Business Review, which included ESG (Environmental, Social and Governance) criteria for the first time in its "Best-Performing CEOs in the World" ranking.

To drive a sense of responsibility in an organization, the leader must make use of their leadership skills, understood as their capacity to influence others to reach an objective or complete a shared project⁶³.

4. Involving talent in the transformation.

The role talent must play allows staff to articulate their personal passions and expectations through their work. As such, it is important to develop a CSR strategy that offers employees opportunities to feel company values directly.

Traditionally, companies have responded to this need through voluntary corporate activities with little or nothing to do with employees' day-to-day work.

⁶³ Chemers, 1997

But today, the trend is to integrate responsibility and purpose into the routine, creating a culture and business organization in which employees “feel inspired to make responsible decisions, share knowledge and act in accordance with social values and collective company interest”⁶⁴.

5. Transforming the organization

Organizational transformation can contribute to facilitating responsible behavior models and linking talent to corporate purpose. Mechanisms such as codes of ethics and regular evaluation, promotion and remuneration in a framework that includes CSR criteria have proven to be efficient in this goal. In Spain, 82 percent of companies already link variable remuneration to these principles for senior-level management⁶⁵.

Bringing talent closer to the heart of the company

In the Corporate Register, there are currently over 89,000 CSR reports from over 14,000 companies. Although necessary, this shows the importance of exploring new ways to communicate sustainability. Companies are increasingly generating dialogue around their activities, taking advantage of new platforms, such as social media, for example.

Deeper employee relationships open the door to creating a transparent, emotional and participatory dynamic that generates debate and conversation. In this scenario, crowdsourcing can become a fundamental tool for innovation.

⁶⁴ Bong et al, 2015

⁶⁵ 3ª edición del Observatorio de la ISR, que ha sido elaborado por el Club de Excelencia en Sostenibilidad, Georgeson y Endesa.

To give an example of empowered professionals who actively participate in their company's CSR, it is worth looking at AMD's "green teams." These groups of professionals have volunteered to participate in a program designed to identify and foster new, environmentally sustainable practices in their day-to-day work. Among these teams, 96 percent of the members state that contributing to a cause at work substantially improves their commitment to the company and workplace engagement.

Companies must make an effort to properly communicate their sustainable goals to talent, as well as attempt to involve employees in CSR efforts as much as possible. They must make it clear that CSR reflects essential and profoundly held beliefs rather than a specific attitude on a specific social matter.

"Involve" is, perhaps, the key word here. However, it is understood primarily in the spirit of co-creation. CSR must be part of the purpose, and it is essential for an organization's professionals to be able to influence it. This stops it from depending too much on them, an attitude that often leads to abuse of corporate volunteering, but also allows employees to bring their personal cause to work, combining it with corporate purpose. It is this dual purpose that should be articulated in the Corporate Social Responsibility strategy.

CSR is not a fad or a trend. It is the way companies choose to perform, and the best talent is committed to it. Attracting and retaining it largely depends on whether they can share in it, so companies must step up.

EPILOGUE

When we talk about fraternity

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I think Aristotle was the first one to say that the human being is a social animal, in other words, that one's behavior is inscribed, from birth, in a set of standards, traditions and rules that are imposed externally. From then until now, the public debate has revolved around three issues: the relationship between the individual and the peer group; the delimitation of the reference group in which one is registered and, from there, which are those group norms that determine one's behavior. Let us look at it in more detail. The identification and recognition of a social entity that we call individual, with their own profiles and, sometimes, differentiated with respect to the group, is something quite recent in the history of humanity. In fact, even today, the subject is discussed and, above all, even those who accept the

existence of individuals as the foundation of social construction cannot fail to recognize, equally, that there are group attitudes and behaviors, for example in electoral ballots, in sports or in consumption. Thus, there are talks about “young people”, “elderly” or “women” as collective actors with the enough joint identity to strongly overlap, the specific person that makes up each of these groups. For that reason, although technology allows personalizing, for example, the offer of products and services, it continues to exist “something” common that clusters behaviors by large groups. In this way, the information provided by the so-called big data is the most obvious example.

This connects with the second issue to which we have referred: what is the reference group, above all, when we all have plural identities? We are all born in a family that is grouped with other families in something similar to a tribe that lives, in turn, in something broader that is now called nations. Hence, for the most part, language, culture or traditions come to us. However, if we are members of a union it will be because we are workers. We will put our nation before others if we are nationalists. In addition, we team up with other fans to attend a concert by our favorite singer or travel to a certain country. For some, during many years, the prevailing membership group was the “social class” to which it belonged (“proletarians of all countries” or “money has no borders”) even above the nation of birth. We then belong to many groups, sometimes excluding and sometimes not. Sorting individuals according to a reference group is fundamental to understanding their vision of the world and their behavior, as it is to understand that one can belong to several groups at

the same time, and that the entry and exit of some of them is more fluid than others are.

From there, we have to define the rules that determine each group from which we classify individuals. For example, if we order them as contributors to the public treasury, we will expect from them a certain behavior that will be different from users, consumers or suppliers. Therefore, we assume that a taxpayer or a consumer goes around with a calculator in hand, analyzing the costs-benefits accrue to him, of each of the options that he faces with his purchasing power and his desires or preferences. However, if his facet as a citizen prevails, determined by rights and obligations that are the same for all, he will be influenced not only by his income or wealth, but also by a certain sense of “fairness” or innate “justice” that can make him reject something, even if it benefits him personally, because he does not consider it “fair”. The citizen demands rights, such as being taken into account among others, while the consumer only asks for goods that he or she can pay. It is not the same. The citizen, although part of the group defined by the equality of laws, lives as an individual and, therefore, wants personal experiences, unique ones and his alone because he is aware of his own individuality.

All this began with the famous slogan: “Freedom, equality, fraternity”, which is identified with the French Revolution and which must be developed as “freedom for what, equality of what and fraternity among those”. In a democratic society, articulated around rights and freedoms enshrined in constitutions, fraternity is what defines the group on which these rights and freedoms are applied. These rights and freedoms, thought in

their origin as extended to all humankind as a group, human rights proclaimed by the UN are considered the backbone, of citizens as opposed to other facets of the human being. It is what has been called “constitutional patriotism”.

Fraternity has changed the conscience of the individual. What is more important for this reflection, it has changed the behavior, the level of expectations and demands with respect to other citizens, the State or companies. A taxpayer will request efficiency in the management of public affairs. A consumer will demand good value for money in the goods and services he or she wants to buy. In addition, citizens enforce their rights in such a way that fraternity, converted into citizenship, transform the company themselves, this one being part of the citizenship with collective rights and duties since citizens do not limit the exercise of their rights to the public sphere. However, citizens also await them in the private sector and, what is more important, they expect that companies also have an active role in guaranteeing rights such as data protection or the right to be forgotten.

In a world where citizenship has become the main identity of human beings, the citizens define social and economic relations by placing themselves above all other characteristics. This is reflected in the way of managing the companies that have to incorporate this key fact, in their way of addressing what, until now, were only consumers, or workers, or suppliers or shareholders.

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About LLORENTE & CUENCA

LLORENTE & CUENCA is the leading Communication and Public Affairs management consultancy in Spain, Portugal and Latin America. The team is integrated by 18 partners and almost 500 professionals who provide strategic communications consultancy services to companies in all business sectors targeting the Spanish- and Portuguese-speaking markets.

Our international development strides allowed us to obtain rank 57 in the Global Top 250 PR Agency Ranking 2017, a list published every year by The Holmes Report; and 51st in terms of global revenue according to PRWeek's Global Agency Business Report 2017.

Providing sophisticated communications counsel for reputation management, M&A and capital market transactions, media relations, investor relations and corporate crises, its partner firms have established relationships with many S&P 500, FTSE 100, SMI, CAC 40, IBEX 35 and DAX 30 companies.

About Developing Ideas

Developing Ideas, the Thought Leadership Unit of LLORENTE & CUENCA, identifies, defines and conveys the new paradigms of society and communication trends from an independent perspective, generating global knowledge regarding the countries in which the firm operates, with a special focus on Latin America.

Since its founding in 2011, each year it produces more than 70 publications on corporate, economic, political, and social intelligence. Many of these publications are written in collaboration with business schools, leading political and corporate institutions, and industry professionals, all in accordance with its guiding principle of Sharing is Power.

Thanks to its powerful broadcasting reach among its 30,000 contacts, as well as its distribution via leading institutions and the media, Developing Ideas has consolidated itself as a pioneer center in the creation of relevant knowledge and independent thinking for decision makers in Spain, Portugal, and Latin America, where the entity is present. International references, such as the Mercury Awards or the International Business Awards, have recognized its efforts by granting several awards to its flagship UNO journal as well as to

the Developing Ideas website. In addition, its Thought Leadership model was a finalist in the SABRE Awards.

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