



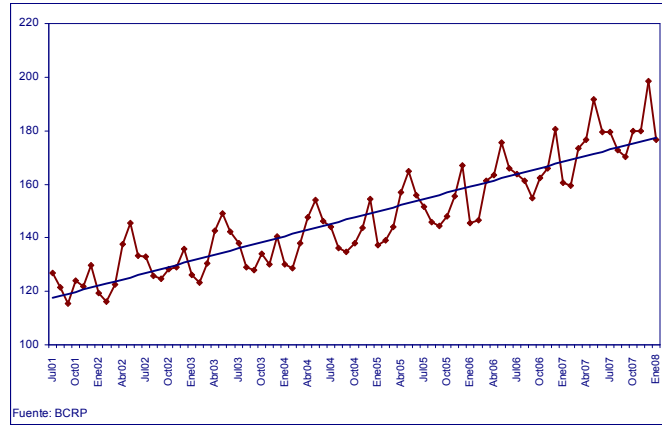
XIII APEC Women Leaders' Network Meeting

Peru: Innovation Management and SMEs' Competitiveness

Agnes Franco Temple
Executive Director
National Competitiveness Council of Peru
Arequipa, May 12th, 2008

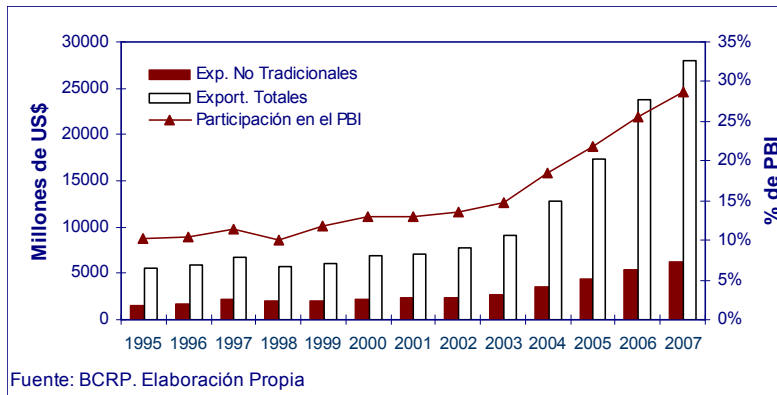
The Peruvian economy's
performance has been
outstanding but there are
significant challenges
ahead

Monthly GDP Growth (Index 1994=100)



GDP has grown at a vigorous pace for 82 months in a row since July 2001.

Export BOOM



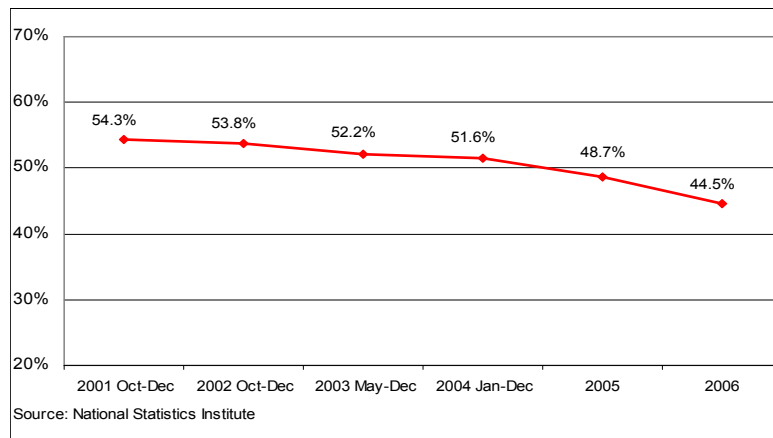
**Total exports have increased at 26% per year from 2001 to 2007.
Non-traditional exports have grown at an annual rate of 18% in the same period.**

Peruvian Exports

	World rank
• Fresh asparagus	1°
• Paprika	1°
• Fishing nets	1°
• Sawn timber	1°
• Fish meal and oil	1°
• Organic coffee	2°
• Fresh mangoes	7°
• Cochineal carmine	8°
• Artichoke and processed vegetables	8°
• Avocado	10°
• Ladies cotton shirts	17°
• Grapes	20°

Source: Ministry of Foreign Trade and Tourism

Peru: % population below poverty line



Yet poverty reduction in Peru has been relatively modest

Building a *hyper-competitive* economy to fight poverty with determination

- To reduce by half the present poverty level, the Peruvian economy must grow at annual rates between 7 and 8% for a decade.
- We have now the opportunity and the imperative to undertake a leapfrog in production, quality and productivity so that Peru becomes *hyper-competitive*.
- Undertaking this leapfrog requires production of more and better goods and services, with higher value added and a greater degree of differentiation, both in present and future economic activities.

Elements of the development process

- **More of the same:** productivity increase
- **Improving the same:** quality improvement of the same product
- **More sophisticated products:** from poor countries' goods to rich countries' goods



Increase technology, information and knowledge intensity of products

Hausmann y Klinger, 2007

The Innovation Challenge and the Human Element: Entrepreneurship ... and Gender

Peru: Firms size

Size	Number (%)	Employment (%)	GDP (%)
High	0.02	4	28
Medium	0.34	5	18
Small	1.54	7	9
Micro	98.00	55	26
Independ.		18	9
Others		22	10
Total	100.00	100	100

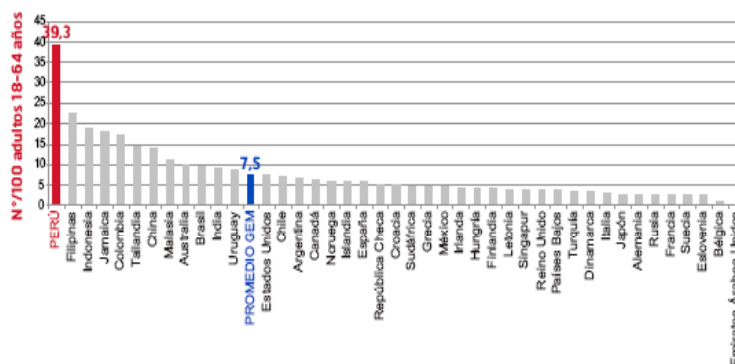


Number of firms, employment and participation of GDP show that entrepreneurial activity is essential for growth, development, and competitiveness in Peru.

Innovation & Entrepreneurship

- GDP accelerated growth requires a great deal of constant **innovation**
- Entrepreneurs play a key role in the innovating efforts:
 - They can change the way firms compete in a given industry
 - They create a favourable environment for innovation
- And there is certainly a critical role for **women** in this building process

Female Entrepreneurship Activity (TEA) GEM 2006



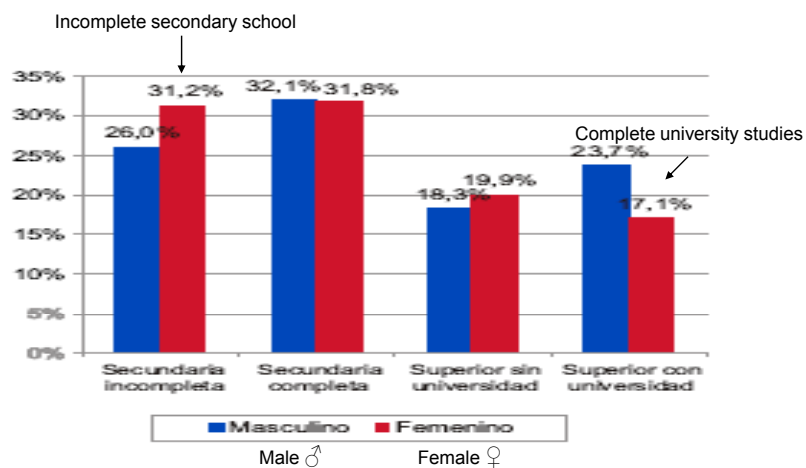
Peru's female entrepreneurial activity was the highest in the GEM 2006 sample (as well as total entrepreneurial activity).

Percentage of entrepreneurs involved in entrepreneurial activity according to entrepreneurial process stages, GEM Peru 2006

	% male	% female
Potential entrepreneurship	39,8	38,8
Early-stage entrepreneurial activity	40,2	37,7
Established business ownership	12,2	9,7
Closed business	8,1	9,6

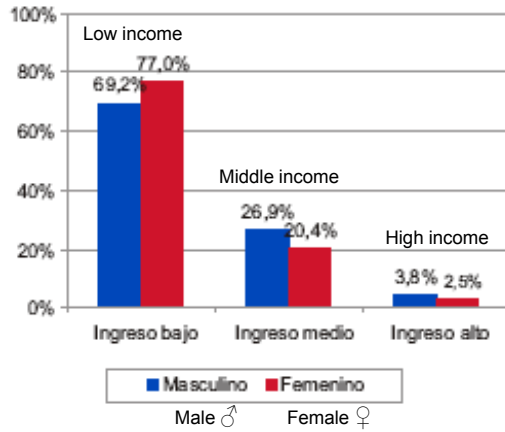
Female entrepreneurs have a lower rate of success than male counterparts.

Early-stage entrepreneurs' educational level GEM Peru 2006



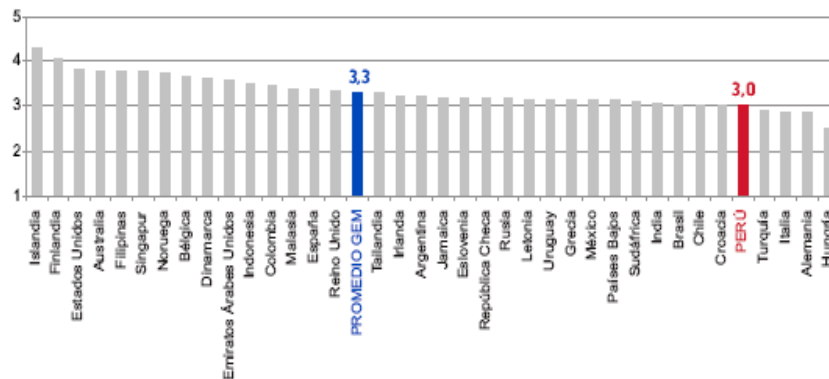
Female entrepreneurs are less educated than their male counterparts.

Early-stage entrepreneurs' income level GEM Peru 2006



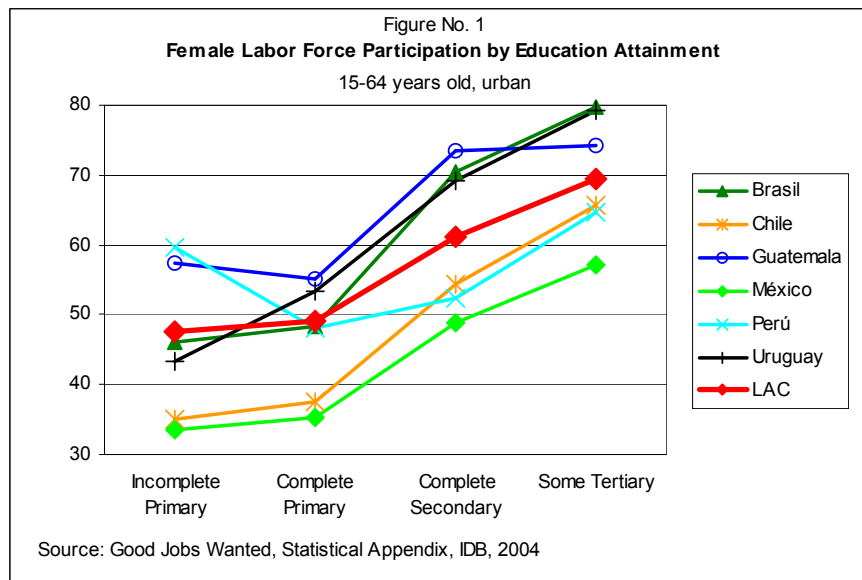
Female entrepreneurs tend to earn lower income than their male counterparts.

Experts' scoring for institutional support for women, GEM 2006



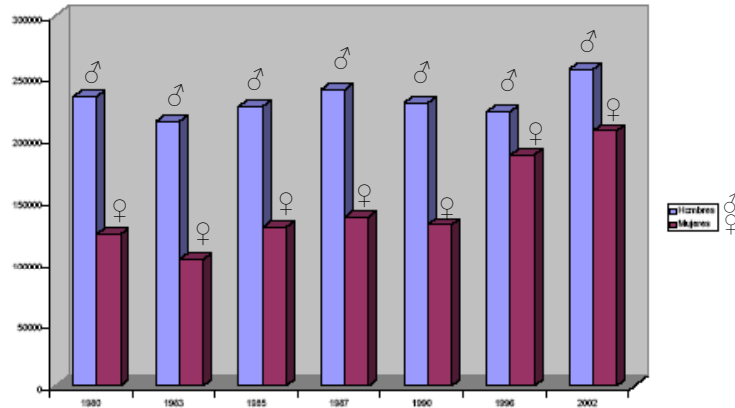
Peru is among the 5 countries with the least institutional support for female entrepreneurship.

Education: investing for human resources upgrading and better job opportunities



Education provides strong means for women's higher participation in economic activity.

Peru: university enrolment by gender 1980 -2002



Source: National Assembly of University Deans, Garavito & Carrillo (2004)

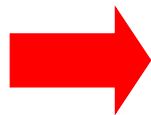
Women's enrolment in university increased from 34,5% in 1980 to 44,6% in 2002.

Government efforts to
improve equal
opportunities for women

Objectives of the Millennium

- This will imply to significantly reduce poverty, hunger, diseases, illiteracy, degradation of the environment and discrimination against women.
- We need more than that....

- We must offer prosperity to men and women
- Has need of answer to present needs
- We require: Education, Training, Developing entrepreneurship for Innovation and Development
- For women: there are changes in paradigm
- Timesaving infrastructure and policies



Roles of government and the private sector

National Plan for Equal Opportunities for Women and Men 2006-2010

Law 28983 (March 2007)

- Takes into account the agreements reached in the Convention to eliminate all forms of discrimination against women: CEDAW
- Legal, institutional and public policy framework at the national, regional and local levels
- Guarantees women and men their rights to equality, dignity, free development, wellbeing and autonomy.
- Fights discrimination in all aspects of public and private lives, promoting full equality.

Global approach

There is substantial room for improving, supporting and enhancing women's participation in the workforce, in the entrepreneurial activity, with concomitant contributions to the productivity and competitiveness of the region's economies and the impact on reducing poverty.

Basic Conditions:

- Time-saving infrastructure and policies
- Citizen security and domestic violence policies
- Day care services
- Education

Entrepreneurship Conditions:

- Labor policies
- Training
- Property rights policies
- Developing entrepreneurship

Social inclusion, poverty reduction, and wealth creation very much depend on improving women's life conditions, providing them with equal opportunities, and offering mechanisms and legislation to help increase their work efficiency and productivity, and competitiveness of the region's economies.

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