
The Peruvian Experience in Developing Technological Innovation Centers – CITEs – of Handicraft and Tourism



Importance of Peruvian Craft

- ★ **It involves at least 2 million people located in the rural and urban-outskirts of the country. We have some 100,000 workshops registered.**
- ★ **It contributes to modify the economic structure of the regions, by the diversification of productive activities.**
- ★ **It is a job-generating activity that requires small capital investment; 35% of the sale price comes directly from the labor force.**
- ★ **It brings women and young people into productive activity.**
- ★ **It privileges to the use of Peruvian or regional raw materials.**
- ★ **Peruvian Handicraft is quite assorted and works 32 different lines.**

PERUVIAN HANDICRAFT POTENTIAL



Handicraft and Tourism CITEs

Underlying Concepts

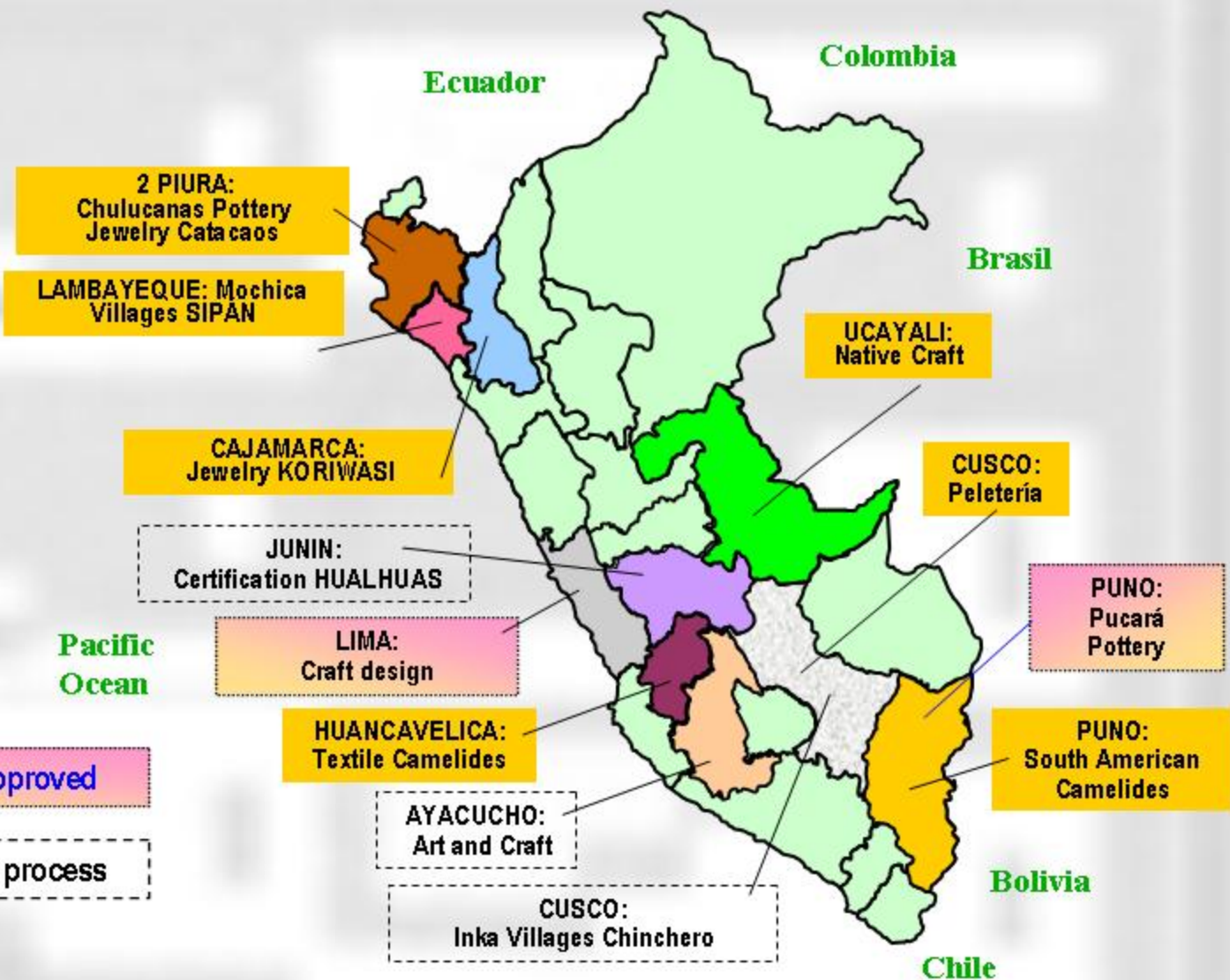
- ➔ **Competitiveness**
 - ➔ **Home, foreign, tourist markets**
 - ➔ **craftsmen, craftsmen associations, enterprises**
 - ➔ **Innovation and technological transference**
 - ➔ **Quality improvement**
 - ➔ **Improvement and new design generation**
 - ➔ **Integral training**
 - ➔ **Broadening, diversification of the exportable offer**
 - ➔ **Participation in business show and national or international business fairs**
- ⊕ **Improved the connection between artisan and market**
 - ⊕ **Enhance welfare of artisan based in their job**

¿What are the Handicraft and Tourism CITEs?

Definition:

- ✓ **Increasing competitiveness.**
- ✓ **Innovation and technological transference.**
- ✓ **Integral training.**
- ✓ **Broadening and diversification of the exportable offer.**
- ✓ **Effective articulators of the offer and demand**
- ✓ **Welfare level improvement**

PERU:
Location of the
Hand Craft and
Tourism CITES



Creation schedule, projects approved

Profiles ready and evaluation process

Main Lines of Action of the Handicraft and Tourism CITEs in 2006

- 1. Applied research in technological innovation.**
- 2. Technical regulations, geographic indicator and other intellectual property tools.**
- 3. Promotion of the private investment.**
- 4. Commercial Promotion.**
- 5. Equipment.**
- 6. Strengthening of local and institutional capabilities.**

Chief Actions that have Promoted the Development of the Exportable Offer

1. Digital catalogs
2. Web Page: www.arteturcites.com.pe
3. Easier access to markets

¿What kinds of CITEs Handicraft and Tourism are there? ¿How are they created?

- **By origin, there are two kinds; they are created differently:**
 - ✓ **PRIVATE: Not-for-Profit Associations**
 - ✓ **PUBLIC: Supreme Resolution**
- **Its creation responds to:**
 - ✓ ***Intensive and efficient use of a handicraft resource (skill, raw materials, etc.) that constitutes a competitive advantage of the respective locality or the region.***
 - ✓ ***Motivation of local development expressed by local entities of the civil society (NGO Local Government, Academia, etc).***
 - ✓ ***Role of the MINCETUR: promote handicraft development.***
- **Once the CITE is created, it is the basis for the development of its respective production chain.**



**CITEs Handicraft and Tourism:
Main Results
2003, 2004, 2005 and I semester
2006**

Goals Achieved in 2003, 2004, 2005 and I-Half in 2006

Projects Components	Year 2003		Year 2004		Year 2005		1st Half year 2006	
	Nº	Achievement	Nº	Achievement	Nº	Achievement	Nº	Achievement
Development of a working plan, budget, management and monitoring.	106	113%	208	181%	177	137%	88	117%
Development of exportable offer	28	147%	113	192%	169	352%	43	187%
Participation in fairs, shows and business roads	18	150%	69	157%	87	147%	28	104%
Training courses, workshops and seminars	103	102%	207	171%	265	158%	65	96%
Articulation of production, commercialization and such	309	186%	1,109	285%	594	121%	199	66%
TOTAL	564	138%	1,706	234%	1,292	144%	423	85%

Beneficiaries per year

CITEs HANDICRAFT AND TOURISM	2004	2005	1st half. 2006
CITE Textile Camelides - Huancavelica	18,227	17,908	5,408
CITE South American Camelides – Puno	41,875	34,868	6,653
CITE Filigree Jewelry Catacaos – Piura	1,133	533	278
CITE Chulucanas Pottery – Piura	465	748	202
CITE Alpaca Fur Sicuani – Cusco	1,010	1,571	553
CITE Mochica Village Sipán – Lambayeque	5,382	5,384	3,188
CITE Jewelry Koriwasi – Cajamarca	173	210	234
CITE Native Craft Ucayali	-	904	390
TOTAL BENEFICIARIES	68,265	62,126	16,906

Evaluation Cost-Effectiveness of the CITEs in the I Half 2005

The action of the Handicraft and Tourism CITEs has allowed the craftsmen to, in a percentage of:

- 1. 90%, improve the quality of their products.**
- 2. 42%, reduce production costs.**
- 3. 86%, improve the quality of raw materials.**
- 4. 82.2%, improve sale possibilities.**
- 5. 77.1%, improve production processes.**
- 6. 81.6%, boost the creation of new products.**
- 7. 33%, have the possibility of exporting.**
- 8. 26.4%, export under direct support of the CITE.**
- 9. 98%, put into practice the training received.**
- 10. 91.3%, transfer the training received.**

Main results... (continued)

Each 1 dollar invests for the government...	Net benefit for artisan was...	\$ 4.83	1 st half 2006
		\$ 3.84	2005
		\$ 1.63	2004
		\$ 3.05	Average net benefit 2004 – 1 st half. 2006

Some Considerations about Intellectual Property Rights in the Handicraft

- **Protection tools homologue to international standards that we propose for revision in the framework of APEC.**
- **Recognition of authorship and collective knowledge by means of respect for the registers of: authors, geographical indicators, collective marks.**
- **Recognition of the cultural patrimony of each country**