

# Case Study

## Creative industries alleviate poverty in Peru



LIMA



### SDGs addressed

**8** DECENT WORK AND ECONOMIC GROWTH**17** PARTNERSHIPS FOR THE GOALS

This case is based on lessons from the joint programme, **“Inclusive creative industries: an innovative tool for alleviating poverty in Peru”** [Read more](#)

### CHAPTERS



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# I. SUMMARY

The intervention had the goal of contributing to the promotion of creative industries in Ayacucho, Cusco, Puno and Lambayeque, regions where much of the rural and indigenous population of Peru suffers from economic and social exclusion is concentrated. However, these regions have the potential to meet certain market demands, to generate inclusion, and to reduce poverty. The programme revolved around three main axes:

- Improving the institutional environment by promoting public policies for the promotion of creative industries, strengthening the lead institutions at the local and regional level, and to bolster public-private structures.
- Developing the abilities of small producers in sustainable creative industries, to contribute to increased income generation and market access through pilot projects and incubation centres for new businesses.
- The willingness of counterparties and strategic partners to ensure the availability of products, tools, instruments and valid methodologies for the promotion of creative industries, as a means of ensuring the sustainability of actions.



*The intervention contributed to the impulse of the creative industries in Ayacucho, Cusco, Puno and Lambayeque*

This case study presents the lessons learned, the results, and practical examples with the goal of improving the knowledge available on development programmes which promote inclusive economic growth.



## 2. THE SITUATION

Peru has experienced sustained economic growth in the last decade, and is now considered a middle-income country and not a low-income country. Despite this and the improvement in social indicators, this growth has not generated enough jobs, nor reduced poverty to the desired levels, especially in rural areas far from the country's centres of economic activity. It is estimated that one in two people of working age are in the informal sector, which produces two-thirds of the GDP of the country.

The programme is targeted to the poorest fifth of the country, in regions which have not seen economic growth – that is to say, where poverty indices have held steady or increased –but which show potential for development in what have been named “inclusive creative industries”, which include artisanal, agricultural, gastronomic, and rural community tourism sectors.



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## 3. STRATEGY



*Creative industries include the sectors of crafts, agriculture, gastronomy and rural community tourism*

The programme focused on reducing poverty through the development of sustainable and inclusive markets for the creative industries, in the realms of organic agriculture, artisanship, rural community tourism and gastronomy. The intervention focused on four regions – Ayacucho, Cusco, Puno and Lambayeque – and revolved around the following axes:

- Improving the institutional environment. On the one hand, by driving public policy to promote the creative industries and strengthen the institutions responsible at the local level. On the other, by reinforcing public-private alliances by actively participating in the value chain alongside associations and consortiums, as much at the business level as at the guild level (chambers of commerce).
- Developing the capacities of small producers in sustainable businesses, to contribute to income generation and market access through the incubation of new creative firms.
- The provision, by local counterparties and other strategic partners, of programmes with tools and methodologies for the promotion of creative industries, as a means of ensuring the sustainability and the potential for replication of the activities.



## 4. RESULTS AND IMPACT

The programme was conducive to a good institutional environment for the promotion of the creative industries and the market access of small producers, women and indigenous communities, with strong support from both public and private sectors. Its main contribution was in skills development and in increasing their capital in order to get a higher income. In terms of the results, the following should be noted:

- Eight studies were performed on the creative industries: 'Baseline'; 'Map of existing actors in the creative industries'; 'Study of the artisanal textiles industries market in Peru'; 'Inventory of the intangible heritage of Ayacucho, Cusco, Lambayeque and Puno'; 'Study of the existing regulations for the development of creative industries'; 'Study of the financial supply for creative industries'; 'Study of intellectual property and collective brands'; and 'Study on the study of textile iconography in the Pisac District'.
- The financing of 94 entrepreneurial initiatives and 3 consortiums of artisanal producers.
- 45 of the programme's support initiatives participated in the following national fairs: Innovate Peru, It's in Our Hands (Innova Perú, De Nuestras Manos), the Peruvian Gift Show, Mistura, and The Food Fair (Expoalimentaria).
- 12 tourism and gastronomic ventures in Puno and Cusco incorporated sustainable practices through family gardens to supply their businesses and to improve food quality for their households.
- In the Quinoa (Ayacucho) and Raqchi (Cusco) communities, where improved kitchens were installed, 10 artisan workshops were adapted to welcome tourists, and 13 gastronomical units were established.
- The creation of three collective brands for native cotton and honey products in Lambayeque.
- The training of 400 public officials and 435 participants in economic development.

- 93 professionals were certified by the University Of San Martín De Porres as Management and Development Trainers in Inclusive Creative Industries in the four regions.
- 60 professionals completed a Diploma in Creative Industries and Inclusive Business that was developed in two universities: USAT de Lambayeque and UNSAAC de Cuzco.

By the end of the intervention, counterparties and strategic partners of the programme already had products, tools, and validated methodologies for the promotion and sustainability of the creative industries. The adoption of 11 municipal ordinances, 1 provincial ordinance and 3 regional ordinances for the promotion of inclusive creative industries created a favourable environment for building partnerships.

The regional government of Cusco included the promotion of inclusive creative industries in its 2012-2021 Regional Competitiveness Plan by assigning a budget of two million Peruvian soles for this purpose. Also, together with the provincial government of Puno, funds were provided to put together profiles of public investment projects in the creative industries. Furthermore, the Capachica (Puno) and Incahuasi (Ferreñafe) municipalities hired staff who could follow the progress of the financed projects to ensure the flow of funding through the PROCOMPITE programmes (Project to Strengthen Competitiveness of Rural Entrepreneurial Associations). In addition, complementary funds were allocated through PROFONANPE (Fund for Promotion of Protected Natural Areas of Peru), AGRO RURAL (Rural Agricultural Production Development Programme), and the TeleFood campaign.

The Regional Government of Lambayeque committed to monitoring the 14 projects developed in the region, and the chambers of commerce of Lambayeque and Ayacucho opened a one-stop shop to formalize associations and microenterprises.



## 5. CHALLENGES

- While the participation of different United Nations agencies proved to be a very effective multidimensional method in terms of results, the number of participating agencies in this intervention generated incompatibilities and communication problems. This points to a need to design programmes with a smaller number of agencies (three or four at most) and to create a joint administrative agenda which defines shared channels and procedures in order to reduce costs and to manage more efficiently. It must be ensured that from the start that the programme uses a strategy for communication between clearly defined actors, which enables them to transmit an understanding of this to all recipients which goes further than that encountered at promotional events. It is also necessary to provide national coordination with effective mechanisms to ensure that each of the agencies fulfils their obligations, in order to guarantee the success of programmes.
- The allocation of funds to the agencies and their direct administration was a delaying factor, particularly with non-resident agencies whose accounting and administrative systems were not well-adapted to the structure of the programme. This led to civil servants in the country having to make appropriate agreements on financial reporting, which resulted in a lack of control over their budgets and delays in payments.



*Small producers capacities in sustainable businesses were developed*

- The rotation of personnel in medium or long-duration initiatives – those longer than two years – creates information gaps and long periods of adaptation, which can only be corrected with permanent information strategies and the maintenance of an institutional, active memory. Systems to avoid the loss of human resources and expertise created during the programme must be developed, in order to guarantee sustainability, alongside the organizational procedures that have been initiated and good practice.



## 6. LESSONS LEARNED

- The programme is a successful reference of the abilities and the impact of the United Nations when its agencies work in a coordinated and multidimensional manner. Each one brought its own knowledge and experience. Of course, in order for the intervention to be successful, it is very important that clear roles are assigned and agreements established about communal objectives, followed by mutual learning by the connected agencies and institutes. The private sector and the value chain must hold an important place in inclusive processes for market access. The Chamber of Commerce is a strategic partner for linking with the private sector and generating scale economics. Through this institution, the programme achieved remarkable and replicable results in regions like Lambayeque.
- To ensure better appropriation and sustainability, it is important for development programmes to be linked to, or involved with, national strategies that are already in place, or established public policies.
- All development experience must take a bottom-up approach, in which the development of various interventions involves consultation, validation and implementation with the community. To achieve greater levels of impact, appropriation and sustainability, it is necessary to emphasize the local level, linking communities, local partners and regional consultations in the processes of planning, monitoring, and evaluating activities.



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## 7. SUSTAINABILITY AND POTENTIAL FOR REPLICATION

The development practices and models in promoted creative industries may serve as a point of reference for other projects being carried out in Peru, and in other countries. This intervention is especially relevant for community participation and empowerment, mainly of indigenous groups. Civil society organizations, indigenous representatives and women's groups were actively involved in contributing to the process. This appropriation is key for the sustainability of the actions. This worked well in decision making, a process in which communities were not considered simply as beneficiaries, but as collaborators and managers of their own development.

Also, regional and local governments demonstrated a major interest in the experience of the Programme, and allocated funds in diverse ways, approved legal tools, and supported the associations.

The intervention made the environment more favourable to the promotion of creative industries and the creation of partnerships. The institutions

showed the technical capacity and commitment to leadership to expand the programme's activities. In order to develop sustainable businesses, the allocation of economic resources was accompanied by skills building, both of which contribute to the economic sustainability of entrepreneurial activities and for them to continue to enter into supply chains.



*To achieve higher levels of impact, ownership and sustainability are necessary to be prioritized at local level*