



**SPECIAL SESSION OF THE WIPO SEMINAR SERIES ON
“THE ECONOMICS OF INTELLECTUAL PROPERTY”**

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**The Informal Economy in Developing Countries: Hidden Engine of
Innovation and Source of Intellectual Property?**

organized by
the World Intellectual Property Organization (WIPO)

Geneva, May 20, 2014

PROGRAM

Prepared by the International Bureau of WIPO

Tuesday, May 20, 2014

- 13.00 Sandwiches served outside of Room B
- 13.15 – 13.20 Welcome address and introduction by:

Mr. Carsten Fink, Chief Economist, Economics and Statistics Division (ESD), World Intellectual Property Organization (WIPO), Geneva
- 13.20 – 13.40 **Introduction and Overview of the Project’s Findings “The Informal Economy in Developing Countries: Hidden Engine of Innovation and Source of Intellectual Property?”**

Speakers: Mr. Jacques Charmes, Emeritus Research Director, French Scientific Research Institute for Development (IRD), Paris

Mr. Sacha Wunsch-Vincent, Senior Economic Officer, ESD, WIPO
- 13.40 – 14.20 **Presentation of Country Studies on “The Informal Economy, Innovation and IP”**

Informal Manufacture of Home and Personal Care Products in South Africa

Speaker: Ms. Erika Kraemer-Mbula, Senior Lecturer and Research Fellow at the Institute for Economic Research on Innovation, Tshwane University of Technology, Pretoria, South Africa

Herbal Medicine in Ghana’s Informal Sector

Speaker: Mr. George Owusu Essegbey, Director, Science and Technology Policy Research Institute (STEPRI), Council for Scientific and Industrial Research (CSIR), Accra, Ghana
- 14.20 – 15.00 **Project Findings and Conclusions for Policy and Future Analytical Work**

Speakers: Mr. Jeremy De Beer, Associate Professor, Faculty of Law, University of Ottawa, Ottawa, Canada

Mr. Herman Ntchatcho, Senior Director, Department for Africa and Special Projects, Development Sector, WIPO

Mr. Sacha Wunsch-Vincent

The session will start with a light sandwich lunch at 13.00 p.m., on Tuesday, May 20, 2014, at the headquarters of WIPO, 34, chemin des Colombettes, Geneva (Conference Room B) and will be a CDIP side event.

Further background to this project can be found on the next page.

Background Development Agenda Recommendation 34 Project: “Intellectual Property and the Informal Economy”

The informal economy (IE) represents a significant share of output and employment in many developing countries. Furthermore, evidence suggests that innovation increasingly takes place in the small enterprises that constitute the IE.

Yet, little is known about how new processes, products and other innovations are generated, monetized and diffused in the IE. Even less is known about what incentives operate in that sector and what prompts individuals and communities to innovate. The role of intellectual property rights (IPRs) and other appropriation mechanisms in the IE are poorly understood.

The following five key research questions need to be addressed:

- What is the role of the informal sector in economic development?
- How does innovation occur in the informal economy, how is it diffused, who are its actors and associated innovation impacts?
- How do inventors and entrepreneurs in the informal economy reap the benefits of their innovations? What forms of appropriation such as secrecy or intellectual property rights are in use? To what extent does the absence of appropriation harm the scalability and impact of innovation in the informal economy?
- What is needed by the statistical community to more accurately capture and survey informal sector innovation in developing countries?
- What are suggested policy recommendations to improve innovation impacts in the informal economy?

To address this gap, this CDIP project on “Intellectual Property and the Informal Economy” implementing recommendation 34 of WIPO’s Development Agenda produced two outputs¹:

- A conceptual study which synthesises the main findings on above questions from the literature and the below country case studies²; and
- Three case studies which explore IP in innovation in the IE contexts of herbal medicines in Ghana, metal manufacturing in Kenya, and the chemical sector in South Africa.

The objective of the project is to lead to a better understanding of how innovation occurs in the IE and to explain the role of IP in this context. The plan is to offer policy guidance – both in assessing how IP policy instruments influence innovation in the IE and what IP-related policy measures could help expand output and employment.

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¹ WIPO Development Agenda Recommendation 34 “With a view to assisting Member States in creating substantial national programs, to request WIPO to conduct a study on constraints to intellectual property protection in the informal economy, including the tangible costs and benefits of intellectual property protection in particular in relation to generation of employment.”

² WIPO (2013). The Informal Economy, Innovation and Intellectual Property - Concepts, Metrics and Policy Considerations, WIPO Economics Working Paper No. 10, 2013, http://www.wipo.int/export/sites/www/econ_stat/en/economics/pdf/wp10.pdf. More details at http://www-dev.wipo.int/edocs/mdocs/mdocs/en/cdip_8/cdip_8_3_rev_study_inf_1.pdf.