



"INTERNATIONAL SEMINAR ON DEVELOPMENT: THE EXPERIENCES OF MEXICO AND CHINA. What can we learn"

Panel 4 Innovation and Economic Development. Impact on Development.

**Innovation and Development.
A Mexican case.**



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Content:

1. Development → Growth.
2. Inclusive innovation.
3. Social innovation
4. Case: Cuetzalan Co-operative: “Tosepan”
5. Economic Theory
6. Tosepan & Economic Theory
7. **Towards a concept of culture innovation.**

DEVELOPMENT (UNDP)

eliminate poverty and achieve sustainable human development,

an approach to economic growth that emphasizes improving the quality of life of all citizens

while conserving (**cultural traditions**), environment and natural resources for future generations.

cultural traditions, added by author

How is innovation related with?

Innovation & Development

1. The contribution of innovation to **economic growth** and **well-being**
2. The impact of **globalisation** on development and innovation
3. **Inclusive** innovation
4. **Education**, skills and human capital, play a crucial role for innovation.
5. **ICTs** for development, drastically reduce the cost of accessing or diffusing information.
6. Institutional frameworks for innovation policy.

(OECD DSTI) May 2012

INCLUSIVE INNOVATION

Reducing **gaps** in living standards between the richest and poorest groups:

1. Differences in innovation activities and new technologies translate into **productivity gaps**. → **inequalities in wages that** have an impact on the distribution of income:
2. Producing **cheaper** (often simplified) versions of existing often sophisticated products for purchase by lower-income groups (“grassroot or **frugal innovation***” or “innovation for low and middle-income groups”).
3. Some innovations facilitate grassroots **entrepreneurship** and could help integrate previously marginalised groups into circuits of economic activities, and thus be **self-sustaining**.
4. It often involves either the exploitation of **traditional knowledge** (agriculture, craftsmanship) or (**Blending tech**) an adapted use of modern technology (mobile phones are the archetype).
5. There is often value in **local** innovations that are born out of necessity and can help improve living standards more than some **technical innovations**.

***Frugal innovation** or frugal engineering is the process of reducing the complexity and cost of a goods and its production.

Source (OECD DSTI) May 2012

Where innovation goes?

Social innovation

- 1. The new innovation paradigm is the openness of the innovation process to society.**
- 2. With companies, universities and research centers, **citizens** and **clients** are new actors in innovation processes.**
- 3. Innovation becomes a social phenomenon, which increasingly impacts all forms of life.**

Vienna Declaration: Nov . 10, 2011

www.socialinnovation2011.edu

Challenges for innovation.

Innovation	Entrepreneurship
1) Deep evolution of the couple: innovation-diffusion	1) Diversification of ϵ .
2) Planning Technology trajectories	2) Knowledge ϵ related with R&D investment
3) Technological, Institutional and organizational Change	3) Distribution of ϵ 's Risks
4) Economic origin to new scopes: Institutional, Social, political, cultural, environmental.	4) Organizations adopt the entrepreneurial's characteristics: ϵ University: ϵ Government, ϵ community.

4. Case: Cuetzalan Co-operative: “Tosepan”

CUETZALAN
◆ *Un destino como ninguno* ◆



Co-operative: Tosepan kali (United in Our House)

threatening	solution
large hotels	small touristic service providers
department stores	modest merchants
“death projects”: mining, oil and hydroelectric dams	Energy autonomy
Recover what poverty and need have taken away from us	We fight for “wellfare”: our history, our language, our food, our knowledge and the traditions of the people
Basic needs	Co-operation (open community)

Source: Cobo, Rosario, Lorena Paz, Armando Bartra (2018) *¡Somos Tosepan!*, 40 años haciendo camino. Union de cooperativas Tosepan y Circo Maya Fundación Rosa Luxemburgo

Intellectual Property

In 2016, two artisans, from San Pablo el Grande, Hgo Mexico, filed a lawsuit against the renowned **Nestle** company, for the plagiarism of tenango embroidery drawings in collection cups, despite the fact that artisans have the Copyright (Indautor). 30 Julio 2019. Jalife Caballero.



Foto: Beta Móvil

Carolina Herrera's catalog included costumes inspired by indigenous designs originating in Mexico. Other cases are the Spanish firm Intropia, which imitated a Huipil Chinanteco from Oaxaca; the case of tennis Nike that was inspired by Huichol art, or the Argentine firm Rapsodia, accused of plagiarizing Zapotec iconography.

The Federal Law on Copyright>

“the use of literary, artistic, folk art or artisanal works is **free**”, as the only obligation is **to mention** the community or ethnic group, or where the region of the Mexico Republic, of which it is proper.

Jalife, M 19/06/2019.

Economic Theory

Field	Innovation	Author
The collective action	Trust Reputation Reciprocity	Elinor Ostrom (1990)
Public policy	The right kind of innovation not only builds companies-but also builds countries	Christensen, Clayton M., Efosa Ojomo, Karen Dillon (2019)
Community	To developed communities	
Peasant agriculture	the price is formed based on the cost price of the peasant units, (also the innovations).	Batra, Armando (1979)

Christensen, Clayton M., Efosa Ojomo, Karen Dillon (2019) *The Prosperity Paradox: How Innovation Can Lift Nations Out of Poverty*, Publisher: Harpe, January 2019

Ostrom, Elinor (1990) *The Evolution of Institutions for Collective Action*, University of Cambridge.

Batra, Armando, *La explotación del trabajo campesino por el capital*, Macehual, Mexico, 1979

Design principles for CPR (Common Pool Resource) Institutions.

1. Clearly defined **boundaries**.
2. Congruence between **appropriation** and **provision** rules and local conditions.
3. Collective-choice **participative** institutional arrangements.
4. Monitoring.
5. Graduated sanctions.
6. **Conflict-resolution** mechanisms.
7. **External recognition** of rights to organize.
8. Appropriation. provision. monitoring, enforcement. conflict resolution, and governance activities are organized in multiple layers.

Ostrom, Elinor (1990), Table 3.1

TOSEPAN

The desirable future scenario

1. Territory.
2. Food sovereignty
3. Cultural identity
4. Harmony with nature
5. Health
6. Government of all.
7. Solidarity economy
8. Education with our values
9. Energy autonomy
10. Family living and decent housing.

Source: Tosepan 2018

Conclusiones Innovation & Development

Object	Science - technique- Technology-Innovation/ -entrepreneurship-Diffusion
innovation`s scopes.	ECONOMIC-Social, Political, Cultural Sectorial (Good&Servicies), Regional
Community economy	The internal commerce on the community is based on their cost production price in a common barter exchange. Then there is a value transfer with the external commerce.
Variable	Endogenous
Specific concepts	Blending techniques and Technologies, frugal innovation
Culture innovation entrepreneursip	it is the collective action to preserve traditions which is based on: cooperation , a community quality of life, cultural inventions (which need a kind of IPR)and their own governance.