

Preface

Micro, small and medium-sized enterprises (SMEs) are a fundamental component of the social and economic fabric of Latin America and the Caribbean. They provide jobs, incomes, goods and services to millions of families. Indeed, small shops, restaurants and workshops dot the landscape across the region. As such, they have a key role to play as the region addresses its key challenge of increasing productivity. SMEs and entrepreneurs are also important contributors to innovation and dynamism. These firms will be essential for the region to achieve more competitive economies, more inclusive societies and to bridge the existing gap with other dynamic regions such as emerging Asia. SMEs will also be key for Latin American countries to escape the so called “middle income trap” and to achieve economies that are diversified, adding value and less dependent on primary goods.

Against this backdrop, SME development is a marked priority for Latin American policy makers, who have identified economic growth, formalisation, and diversification as primary policy objectives in recent years, in alignment with overall national development plans. Indeed, the seven countries covered within this study, which includes the four members of the Pacific Alliance (Chile, Colombia, Mexico, Peru), as well as Argentina, Ecuador and Uruguay, have accumulated, to varying degrees, significant SME policy experience, including efforts to improve overall business environments and to provide targeted support to firms. Yet, there are challenges for policy planning, implementation and impact assessment, especially as governments attempt to balance multiple objectives related to economic transformation, employment generation and the reduction of poverty and inequality.

The OECD Regional Programme for Latin America and the Caribbean contributes to this effort by bringing and adapting the OECD working methods of production of relevant and timely statistics, policy assessment, policy dialogue and policy advice to the region on this important topic. This study, which is the first application of the SME Policy Index methodology in the region, is the result of collaboration between the OECD and CAF - Development Bank of Latin America, in co-operation with the Latin American and Caribbean Economic System (SELA), the “Foundation for the Strategic Analysis and Development of the SME” (FAEDPYME), and policy makers in each of the seven participating countries.

We are confident that this study will add value to the regional debate and SME policy reform efforts, thanks to the framework that it provides for assessing and benchmarking progress in the design and implementation of SME policies against internationally-recognised good practice. By examining the policy environment for SMEs across a broad range of areas, as well as transforming what are largely qualitative inputs into numeric information that can be compared across time and across different economies and regions, it constitutes a valuable tool to provide guidance for policy reform and development on the basis of these findings. The comparative nature of the analysis brings to light opportunities for peer learning, which are supported by policy recommendations at both regional and country levels.

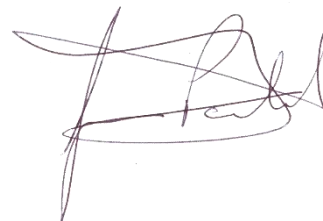
We are proud to jointly bring this work to Latin America, benefitting from the experience of OECD members and other emerging regions, and look forward to continuing this fruitful collaboration to enhance SME development as an important driver of sustainable growth in the region.



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