



Private Sector Development Impact Stories

Business Environment Reform



DCED

The Donor Committee for Enterprise Development

The [DCED's Impact Stories](#) webpage offers a collection of short stories about private sector development programmes that have created jobs and income for the poor at scale – according to self-reported results. These stories underline the great potential of the private sector to generate economic opportunities and improve the living conditions of the poor.

Impact Story: Simplification of Business Registration in Peru

In the 1980s, about 314,000 people in Lima's poor neighbourhoods depended on informal street vending. Informality involved high costs due to insecurity and the threat of eviction, yet the benefits of remaining informal remained compelling as the costs of accessing the formal sector were kept excessively high.

What has been done? The Institute for Liberty and Democracy (ILD) in Peru, in cooperation with the Centre for International Enterprise (CIPE), implemented various activities to allow poor entrepreneurs to enter the formal economy. Most importantly, it pushed the government to create a Unified Business Registry in 1990.

What has been achieved? The new registry coordinated the procedures of different agencies under one roof and drastically reduced national registration requirements. Between 1991 and 1994 alone, 382,100 new businesses were registered. The registered businesses saved the Peruvian economy \$692.5 million and created 577,770 new jobs in the formal sector. Meanwhile government tax revenues increased by \$1.2 billion.

[Source and more information: CIPE, 2009.](#)

[Click here](#) for more impact stories of Business Environment Reform programmes.