




Driving Economic Growth and Business Performance Through the
**Economic Empowerment and Inclusion
of Women in APEC Economies**

Prepared by the National Center for APEC and the APEC Business Advisory Council





About the National Center for APEC (NCAPEC): The National Center for APEC (NCAPEC) is the only U.S. business association focused exclusively on facilitating American private sector input to the APEC process. Representatives of NCAPEC often serve on official U.S. delegations to APEC meetings, capitalizing on the organization's excellent working relationships with U.S. government agencies as well as with business and government representatives from APEC's 21 member countries. Our programs are characterized by robust, candid discussions between business, government and academia on key trade and economic policy topics in the Asia-Pacific region. Membership is limited to U.S. corporations. The National Center for APEC also functions as a conduit for U.S. businesses into APEC by serving as the Secretariat for the three U.S. executives who are appointed members of the APEC Business Advisory Council.

About the APEC Business Advisory Council (ABAC): The APEC Business Advisory Council (ABAC) was created by the APEC Economic Leaders in November 1995 to provide advice on the implementation of specific business sector priorities, to respond when the various APEC fora request information about business-related issues, and to provide the business perspective on specific areas of cooperation.

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Message from the APEC Business Advisory Council

Women's economic empowerment is a fundamental element of the inclusive growth that APEC strives to promote and is vital to the future competitiveness of the Asia-Pacific region. As a venue for international collaboration between diverse public and private stakeholders, APEC presents an important opportunity to equip policymakers and industry leaders to effect further changes. With the right training, education and policies, APEC economies can further leverage their existing workforces as well as invest in future productivity. Addressing limits on women's participation in the workforce could potentially add up to US\$89 billion a year to the regional economy, according to a 2012 United Nations estimate.

As representatives of the private sector, we recognize that addressing the current lack of women's economic participation is a business imperative that impacts our bottom line as well the GDP growth in our economies. For example, having access to larger numbers of Science, Technology, Engineering and Math (STEM) educated women increases our pool of skilled employees. In addition, developing a leadership pipeline that strives to train, retain and promote women within our organizations enables our firms to perform better and more effectively serve customers by leveraging new perspectives. Addressing the barriers that prevent women-owned Small and Medium Enterprises (SMEs) from being successful will accelerate the economic contributions of women-owned firms.

Establishing the proper environment for advancing women's economic engagement is a multifaceted challenge. It will require initiatives within the public and private sectors. In order to enable policymakers and our peers in the private sector to more fully address these complexities, we aim to provide them with metrics that demonstrate the benefits of diversity, highlight success stories that can serve as useful examples, and strengthen the foundation for public private dialogues and partnerships on this important issue.

APEC has taken important steps to advance women's economic inclusion. It is increasingly clear that their advancement is not only a social imperative, improving their lives and the lives of the families, but an economic imperative as well. As representatives of the APEC Business Advisory Council (ABAC), we are pleased to contribute this report to help advance the conversation and encourage further action. In addition to providing metrics and case studies to create a framework for future thinking, this document represents a strong signal from the business community that engaging women in the workforce is a central part of APEC's mission to promote sustainable economic growth and prosperity in the Asia-Pacific region.



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Executive Summary

Women's economic empowerment is a critical imperative for the business community and policymakers. In addition to contributing to stronger and more inclusive societies, there is a compelling economic case for engaging women in the workforce. Research has shown that increasing the participation of women in the economy will enhance growth in economies throughout the region. Empowering women to more fully participate in the economy can occur at a number of different levels ranging from measures to encourage entrepreneurship and work in local communities to policies and practices designed to increase opportunities in education, middle management and business leadership roles. A variety of challenges exist across the region, but taking steps to engage women in the workforce will not only create new economic opportunities, but will also ensure that existing talent can realize its full potential.

Small and Medium Enterprises (SMEs) represent a substantial source of employment, productivity and innovation in the Asia-Pacific region. Many small businesses that are operated by women have encountered barriers to growth such as inadequate access to capital, lack of ownership of land and resources, restrictive concepts of the role of women in society, weak business networks and insufficient business training. Governments and financial institutions in each economy can work to identify obstacles such as the need for recognition of credit history and lack of collateral assets, and collaborate to put in place measures to ameliorate or remove these barriers. Existing barriers also



prevent the creation of new businesses through entrepreneurship. Expanding income levels through job opportunities or entrepreneurship can directly benefit local communities as women spend more of their available income in the local economy. The resulting benefits created at the household and community level lessens the need for government and NGO support and facilitates a more stable economic environment.

Attracting and retaining a talented workforce is critical for every business. Large multinational companies consistently experience a significant loss of talent, known as the "Leaking Pipeline." The proportion of women graduating with university degrees is not translating to similar proportions assuming roles in middle management, senior management, the executive suite and the board. At each level, the proportion of women in management and leadership positions declines. Some of the factors that cause the "Leaky Pipeline" can be addressed by solutions implemented within businesses. However, government policy can also play a role in creating solutions in areas such as child, elder and disability care, frameworks for work-life balance and leveraging role models to break down gender stereotypes. In many cases, business and government can partner in developing solutions that are suitable for each economy.



The lack of women at the most senior executive and board levels is stark and can be costly. Many studies over the last five years have shown that public companies across the globe with women in the boardroom outperform those without women on a number of key measures. Progress in achieving greater inclusion of women on boards has been slow but requirements to have companies report on their progress in gender diversity have been shown to facilitate improvements in women's empowerment at this level.

A number of programs, policies and initiatives driven by the business community in partnership with NGOs have successfully created opportunities for women and economic returns for small business owners and large multinational firms. Some areas of success have included the creation of new entrepreneurial business networks, efforts to incorporate talented women into management and board positions of large companies and integrating women-owned business into supply networks.

While business has a key role to play, governments must champion the economic empowerment of women and create policies that strive to close the economic participation gender gap in their economies. Practical steps governments can take include removing discriminatory legal and financial barriers, increasing access to education, business networks and government supply

programs, and developing frameworks that address the demands of work-life balance.

Ultimately addressing the many issues that prevent the full economic participation of women will require collaboration between the public and private sector. Successfully overcoming these obstacles will lead not only to improved business and economic returns, but also a more stable, prosperous society.

The subject of women's economic empowerment has recently gained prominence on APEC's agenda. High profile commitments and multi-year action plans, such as organizing the Policy Partnership on Women and the Economy (PPWE) and the creation of the San Francisco Declaration, a detailed policy framework developed by high level officials, have been instrumental in moving the agenda forward since the US APEC host year in 2011. However, continued advocacy on the part of the business community and government stakeholders will be required to sustain existing momentum and to ensure that APEC reaches its full potential as a multilateral platform for women's economic empowerment.

Section 1: Harnessing the Potential of Women in the Private Sector — Building a Stronger Business Community

Engaging Women in the Workforce Expands Economic Growth

As Christine Lagarde, Managing Director of the International Monetary Fund said at the World Economic Forum in January 2013: “The evidence is clear, as is the message: when women do better, economies do better.”¹

The economic empowerment of women is central to the Asia-Pacific region’s future prosperity and competitiveness. Although circumstances for women vary throughout the region due to differing levels of economic development as well as existing cultural norms, there is a growing consensus among policymakers and leaders in the private sector that taking steps to more fully engage women in the workforce is not only a necessary element of a strong and healthy society, but also a business and economic imperative. Indeed, the UN has estimated that the region loses “up to US\$47 billion in output each year due to lack of female participation in labour markets.”²

This economic value is not speculative. Recent studies by some of the world’s leading economists have shown that expanded participation of women in the workforce will increase GDP growth. For example, Sandra Lawson, an economist at Goldman Sachs, found that narrowing the gender gap in employment could push income per capita in emerging markets as much as 14 percent higher than baseline projections by 2020, and as much as 20 percent higher by 2030.³

Ongoing research taking place in the Organization for Economic Co-Operation and Development (OECD) has produced similar conclusions. In a working paper released in December 2012,⁴ it was found that eliminating the

gap between male and female labor participation, as measured in 2010, would create a growth dividend of 12 percent by 2030.”⁴ Closing this gap by just 50 percent would provide a 6 percent growth boost across the OECD. For the six APEC economies included in the analysis, the resulting benefits of a 50 percent shift increased growth by 3.5 to 9.8 percent, with Japan and the Republic of Korea having the greatest potential GDP gains amongst this group.⁵

Even in some of the most developed markets, the challenges of aging populations, which results in a smaller working population, greater care needs and an increased burden on government finances means that empowering women in the economy is vital to maintaining a productive workforce and sustaining economic growth. Indeed, an April 2011 McKinsey Report, “Unlocking the Full Potential of Women in the U.S. Economy,”⁶ found that if the United States had not increased the proportion of women in the overall workforce from 37 percent to 48 percent over the period of 1970 to 2009, its economy would have been 25 percent smaller. Further, a 2010 Goldman Sachs study focused on Japan indicated that an increase in female labor-force participation rates to parity with men would add 8.2 million workers to Japan’s economy, virtually erasing the projected decline in the country’s working-age population, and boost GDP growth by 15 percent.⁷

Existing research also indicates that the developing economies present in the Asia-Pacific region have immense potential to gain from measures that further

“The evidence is clear, as is the message: when women do better, economies do better.”

Christine Lagarde, Managing Director of the International Monetary Fund, January 2013

1 Lagarde, Christine, “A New Global Economy for a New Generation,” World Economic Forum, January 2013

2 “Women’s empowerment vital for economic development and peace, Migiro says,” UN News Centre, May 17 2010, http://www.un.org/apps/news/story.asp?NewsID=34718&Cr=migiro#_UgAYOtK7L4U.

3 Lawson, Sandra, Goldman Sachs Global Economics Paper No: 164, “Women Hold Up Half the Sky,” March 2008

4 Thévenon, O. et al. (2012), “Effects of Reducing Gender Gaps in Education and Labour Force Participation on Economic Growth in the OECD”, *OECD Social, Employment and Migration Working Papers*, No. 138, OECD Publishing.

5 Australia, Canada, Japan, Republic of Korea, New Zealand, United States

6 Barsh, Joanna & Yee, Lareina, McKinsey & Company, “Unlocking the Full Potential of Women in the U.S. Economy,” April 2011

7 “Japan’s Secret Demographic Weapon,” Project Syndicate, October 2nd, 2012, <http://www.project-syndicate.org/commentary/how-women-s-equality-can-save-japan-by-ian-bremmer-and-susan-schwab>.

engage women in their workforces. A World Bank report, “Toward Gender Equality in East Asia and the Pacific,”⁸ citing a study commissioned for the World Development Report 2012, found that “in the East Asia and Pacific region, output per worker could be 7 to 18 percent higher across a range of countries if female entrepreneurs and workers were to work in the same sectors, types of jobs, and activities as men, and have the same access to productive resources.”⁹

The above studies suggest that working towards more equal participation in the economy will pay off in strong economic growth. In order to achieve these gains, each economy faces a variety of challenges to empower women to engage in economic activity, whether it is in employment, entrepreneurship, senior management or on the boards of large companies. Harnessing the potential of women in the economy by addressing these challenges can release substantial economic potential.



After Overcoming Startup Obstacles, Raising Capital Remains a Challenge

Warita Sinthuyont (Peach) started her graphic design and printing company, Sinthu Creation Co. Ltd., in 2003. Starting from scratch, the initial capital for the enterprise was obtained from family and friends. The company initially took on many contracts that were not within its overall business objectives, so it reestablished as a Social Enterprise (SE) with sustainability goals alongside business objectives. This was vital for ensuring a clear business philosophy. The company has developed steadily through carefully managing cash flows, which was initially a significant challenge.

A key obstacle for expanding the business has been obtaining additional capital, especially through collateral requirements. This has made expansion difficult and kept the company’s business development closely aligned to cash flows. Developing the business through having a clear competitive analysis and marketing savvy, including strong local networks, has allowed the business to prosper despite capital limitations.

Peach has found great value in business networks, which have been a great resource for learning and idea sharing. Although Thailand has faced some political uncertainty affecting the business environment, the atmosphere for women in business has strengthened recently, particularly with the appointment of a woman as Prime Minister.

Case study is based on an interview obtained through The Asia Foundation.

8 World Bank. 2012, *Toward Gender Equality in East Asia and the Pacific: A Companion to the World Development Report—Conference Edition*. Washington, DC: World Bank. License: Creative Commons Attribution CC BY 3.0

9 Ibid.



Enabling Community Level Entrepreneurship and Women Owned SMEs

Small and Medium Enterprises are a significant driver of economic growth and innovation. They account for around 90 percent of all businesses and employ as much as 60 percent of the work force within APEC's 21 member economies.¹⁰ The International Finance Corporation, in conjunction with McKinsey & Company, found that in developing economies women-owned enterprises represented a substantial portion of existing SMEs.¹¹ In spite of their high potential for growth, these enterprises face many financial and non-financial barriers not faced

by their male owned counterparts, such as a lack of land, of production facilities and of capital, especially of finance required for expansion.¹² Consequently, existing barriers that women face both to entrepreneurship and the growth of existing businesses remain a significant challenge and a missed opportunity.

The agricultural sector provides a good example of the problem posed by inadequate access to land. The Food and Agriculture Organization of the United Nations estimates that giving women the same access as men to agricultural resources could increase production on women's farms in developing countries by 20 to 30 percent, which could raise total agricultural production in developing countries by 2.5 to 4 percent.¹³ Across the economic spectrum, capital is a key constraint on women-owned businesses. The abovementioned IFC/McKinsey study found that in developing economies, women have lower access to finance than their male counterparts.¹⁴ The process of gaining access to capital can present a number of challenges that are subject to various local market conditions, but in most cases they include lack of land¹⁵ and resources, legal requirements for ownership of family assets to be in a man's name, the inability for women to open bank accounts in their own right and cultural barriers present in the banking business.

Supporting Economic Development in Local Communities

Pertamina, a large state-owned oil and natural gas company in Indonesia, has implemented a Small Medium Enterprise & Social Responsibility Partnership Program, also known as PKBL. Under the Partnership Program, Pertamina assists small businesses to develop into strong and self-sufficient enterprises, which creates a multiplier effect to improve the welfare of communities in the vicinity of Pertamina's areas of operation. In some cases, these enterprises may directly support the business activities of Pertamina and its business partners.

In 2012, under the Partnership Program, the Company disbursed loans amounting to Rp. 565 billion (approximately US\$55 million) to approximately 1,870 small enterprise partnerships and Rp.32.5 billion (approximately US\$3.1 million) in grants for the development of small enterprise foster partners. Most of the activities in PKBL involve partners and participants that are SMEs and mainly women-owned businesses.

Pertamina has also supported a program of Village Training, where Pertamina provides guidance and assistance in improving the economy of local communities. For example, in Tambakrejo Village and Village Ketaon Boyolali, small industries have been developed with this assistance and now produce quality products.

10 Source: Asia-Pacific Economic Cooperation (APEC)

11 International Finance Corporation, "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries," October 2011

12, 13, 14 Ibid.

15 The Food and Agriculture Organization of the United Nations (FAO) estimates that land ownership by women is significantly less than 20 percent in developing countries throughout the globe. The State of Food and Agriculture, 2010-11: "Women in Agriculture: Closing the Gender Gap for Development"

Non-financial factors can also affect access to financial assets, such as an inequitable legal and regulatory environment, lack of access to management training, financial institutions that have not had experience working with women-owned businesses and do not seek them out as a client group, and lack of other infrastructure such as credit bureaus that could facilitate long term access to funding. Microfinance has helped to bridge some of these gaps, but cannot take the place of more mainstream financial institutions in providing the funding and financial infrastructure needed to take these enterprises to the next stage of growth.

Expanding SMEs into Larger Regional and Global Markets

In many APEC economies, women who want to expand their businesses into larger markets face substantial obstacles. These challenges can often be addressed through business training and support, developing a stronger business network or joining support organizations and taking the steps needed to bring their growing businesses into the formal economy.

A lack of broad business networks can keep women entrepreneurs from reaching their full potential. Although some women's business networks exist, they are more prevalent in developed markets than developing ones. Further, women's networks often are not tapped into the larger and more influential business networks that men can access. This is partly due to the fact that women are operating in different environments than men and often

have different business and personal interests. Access to influential business networks can open significant new opportunities for women-owned enterprises.

SMEs interested in expanding need to identify new business opportunities and prepare to enter new markets. The key to this is not just developing good networks for market intelligence and potential partnerships, but having the training and expertise to develop business expansion plans and find these new markets. A lack of training in business management can create a hurdle for women interested in growing their businesses and subsequently engaging in commercial partnerships with larger companies locally and with multinational companies and accessing government procurement opportunities.

Large local firms and multinational businesses can foster new opportunities by understanding the benefits of having women-owned businesses in their supply chain for their global operations, as well as providing local benefits where they have operations in the local community. This can be a significant competitive advantage.

In some cases multinational companies have seen the advantages of expanding their supply chain reach or providing locally sourced goods for their local operations in developing market economies, particularly in retail and consumer goods. By reaching out to women-owned enterprises, new and potentially better suppliers can be found, enhancing the goods or services and competitiveness of the multinational or large local company and providing significant business benefits.



Facebook COO Sheryl Sandberg engages former Indonesian Minister of Trade Mari Pangestu in a discussion on the macroeconomic impact of engaging women in the economy at the first APEC Women and the Economy Summit in San Francisco (September 2011).

Enhancing the Products and the Supplier Base for a Global Retailer

In 2011, Walmart and the Walmart Foundation established the Global Women's Economic Empowerment Initiative (WEE), a five-year commitment to increase sourcing from women-owned businesses, empower women through job training and education, and a commitment to invest \$100 million in philanthropic grants to women's empowerment programming. The WEE initiative is driven by its potential to create both social benefits in communities and the positive impact it can have on Walmart's business model. As women make over 80 percent of consumer spending decisions, they are Walmart's core customer base. Since the company has an interest in developing products and services that are most relevant to its customers, Walmart sees empowering women suppliers as a competitive advantage. Women invest in their communities and families so empowering women economically is one of the best means to sustainable economic development. Walmart believes in the value and economic empowerment that healthy communities bring to its community centered stores. Therefore, they have a strong financial and business incentive to promote economic development by investing in women, who in turn will invest back into their local community.

To date, WEE has mapped both supply and demand barriers to increased sourcing from women-owned businesses and developed solutions to address these barriers. Through WEE, Walmart has identified new, innovative suppliers that make it a better, more relevant business. In many cases, brand new products and approaches to traditional goods have resulted from this program.

Walmart's suppliers often provide a gateway for growth for many women-owned businesses. But because of the company's scale, it can be a challenge for some small businesses to become primary suppliers. However, these businesses can potentially supply one of Walmart's primary suppliers at the second or even third tier. For that reason, the company encourages its suppliers to disclose their efforts to incorporate women-owned businesses into their own sourcing initiatives.

In spite of its success, the WEE's efforts to engage women in supply chains have encountered challenges. Internationally, determining a base line of women-owned business (WOBs) has been difficult due to a lack of good data. In many cases, certifying bodies that were created to gather this data are in the start-up phase. This process could be expedited through government incentives for WOBs to register and certify themselves for government procurement programs.

In addition to existing SMEs, it is also important to consider that several of the barriers mentioned above impact women seeking to establish new businesses. Although these barriers broadly impact women in a variety of social-economic contexts, unique benefits can be realized by enabling women to pursue community level entrepreneurship in developing economies. Not only can a female entrepreneur develop a business that uses her talents to grow earning potential, but successful entrepreneurship can also lead to employment of others in the local community, creating a multiplier effect that serves as an important stimulus to inclusive economic growth. This trend has been demonstrated and facilitated

through partnerships between local communities and multinational companies and Non-Government Organizations. Such partnerships can stimulate economic activity by encouraging entrepreneurial women to develop and grow new businesses by utilizing their local network and in many cases leverage training, financial resources and technology to create profitable outcomes. For example, a venture between Qualcomm and the Grameen Foundation has utilized mobile technology to successfully create a number of small businesses in Indonesia.



Mobile Microfranchising Creates Multiplier Effect

Over the last six years, Qualcomm's Wireless Reach™ and the Grameen Foundation have been collaborating with Indonesian organizations to evaluate, test and build the foundation for the Mobile Microfranchising and Inclusive Business Tools programs.

Under the Mobile Microfranchising program, a local small-business entrepreneur uses a microfinance loan to purchase a pre-packaged kit that includes a mobile phone and then re-sells the "airtime minutes" to neighbors. The mobile phone then serves as a platform for providing additional applications and services to further increase their revenues and profits. The Inclusive Business Tools program consists of a multi-tier suite of data services that can be accessed via two distribution channels: via Ruma Entrepreneurs, a human network of mostly women who own and operate mobile microfranchise businesses, and through commercially available phones and the mass market.

Local entrepreneurs can develop business by selling air time credits to users without them needing to travel to stores to buy airtime. Some other key applications of the program include Kerja Lokal (Local Work), which provides a job board of local informal sector job opportunities in aggregated format, Market Intelligence tools to allow local entrepreneurs to access information on local market needs in poor communities and TaroWorks, a Sales force tool for data collection and field management.

As of June 2012, more than 15,000 Ruma Entrepreneurs have served more than 1.5 million unique customers. More than 64 percent of the businesses are owned by women and 100 percent of Ruma Entrepreneurs are profitable. An estimated 47 percent of the entrepreneurs who stay in the portfolio for more than four months have moved above the poverty line, which the World Bank defines as US\$2.50 per day.

Successful partnerships along these lines can have effects well beyond the development of a new business. The fact that in many cases women have been shown to disproportionately spend their earned income on food, health, shelter and schools also multiplies the effect of women's business ownership in their local communities.¹⁶ Thus, not only does the empowerment of women create growth, it also has a stronger effect on overall local development in the poorest communities.

Talent Retention — The Challenge of the "Leaking Pipeline" for Large Businesses

As significant sources of employment, innovation and economic activity, large firms have a substantial role and interest in engaging women into their respective workforces. Existing evidence indicates that maintaining a diverse pool of employees that includes women in management and leadership positions is good business.

In many cases multinational firms have observed that

¹⁶ See Chen, Martha A. & Snodgrass, Donald, "Managing Resources, Activities and Risks in Urban India: The Impact of SEWA Bank," Assessing the Impact of Microenterprise Services (AIMS), USAID, September 2001

the global economy is transforming, as women become even more prominent in controlling household spending. As noted in the Harvard Business Review in September 2009, globally, “women control about US\$20 trillion in annual consumer spending, and that figure could climb as high as US\$28 trillion in the next five years. ... In aggregate, women represent a growth market bigger than China and India combined — more than twice as big, in fact.”¹⁷ The opportunity to reach these new consumers cannot be ignored, but creates new challenges.

Part of the capacity to grow large businesses and make goods and services attractive to this growing consumer group lies in understanding the needs of

The Leaking Pipeline

A term commonly used to describe the loss of talent caused by the steady attrition of women that occurs before they reach senior management positions in companies.

potential customers and putting in place a management team that reflects the mix of potential customers that the company is targeting. However, in many cases large, established companies have struggled to recruit, train and retain a work force with the right level of diversity and talent. This can lead to significant costs such as the lost value of developing key employees, additional recruitment costs, a reduced talent pool and weakened management ranks. In the case of women in particular, there remain substantial issues of lost talent, as women slowly leave the workforce over time, resulting in the phenomenon known as the “Leaking Pipeline.”

Senior levels of management should, in theory, have an even mix of men and women, given the proportion of graduates from universities has become close to even over the last thirty years, but the reality is that the number of women in senior management positions is significantly below 50 percent. For example, in its study of gender

in Asia, McKinsey & Co. found that despite estimated graduation rates of between 42 percent and 57 percent, the proportion of women making it into mid-to-senior management declined to between 6 percent and 23 percent, let alone the even more precipitous decline at the executive level.¹⁸

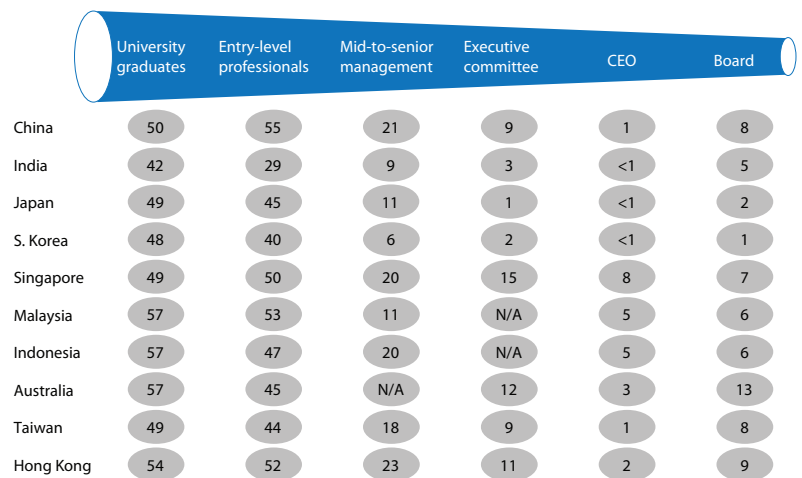
This loss of talent not only hinders the competitiveness of companies and the economy, but is also a costly waste of the investment that society and individuals have put into higher level education. The reasons for this trend are varied, but according to the Business and Industry Advisory Committee to the OECD some of the key factors are:¹⁹

- ◆ Family and work-life balance considerations
- ◆ Lack of access to, or high cost of, child care
- ◆ Demands of parental care
- ◆ Lack of role models
- ◆ Inadequate support from their companies (training, mentoring, networks)
- ◆ Gender stereotypes embedded in corporate culture
- ◆ Social norms that attach stigma to working mothers

In some economies, given social and cultural norms, women are often also expected to care for elderly parents or relatives with disabilities. When combined with child care needs, these additional expectations can prevent talented women from remaining in or reentering the workforce.

Losses along the corporate pipeline

Percentage women



¹ Estimates
SOURCE: McKinsey proprietary database, 2011; government publications; literature search

17 Silverstein, Michael J. & Sayre, Kate, “The Female Economy,” Harvard Business Review, September 2009

18 Süßmuth-Dyckerhoff, Claudia, Wang, Jin & Chen, Josephine, “Women Matter: An Asian Perspective,” McKinsey & Company, June 2012

19 American Chamber of Commerce in France and the Business and Industry Advisory Committee to the OECD, “Putting All Our Minds to Work: Harnessing the Gender Dividend; The Business Case,” May 2012

Leaking Pipeline — Different Challenges; Different Solutions

Deloitte* operates across the globe through individual firms in each market, and like many businesses, faces ongoing talent acquisition and retention issues across markets. The challenges are different in each market and the importance of recruiting and retaining a diverse workforce, including women, is a critical business issue.

Deloitte Touche Tohmatsu LLC (Deloitte's member firm in Japan) faces a shrinking population over the next few decades that will make talent needs acute. Japanese businesses that can recruit and retain the best talent will have a clear competitive advantage. Deloitte Japan sees women as a critical component of this challenge and was an early adopter of programs to attract and retain women.

It inaugurated the first "Women's Initiative" in 2005. In 2008, due to some concerns about alienating men in this process, the member firm then introduced "TWin," a program to promote work-life balance for all employees regardless of gender. TWin was aimed at two "wins" — an organizational win through two wins for individuals, one professional and one private. This was mainly designed to benefit women given the male-dominated nature of Japanese society and the challenges of continuing a career alongside the traditional responsibilities of child-rearing and elderly parent care. Equally, if not more importantly, the firm was also facing challenges regarding its ability to be innovative, and it is a well-known fact that diverse teams are generally more innovative than relatively homogeneous teams.

Deloitte Japan has also recently introduced a Diversity Development Office and developed a strategic diversity plan focusing on diversity communication, systematic diversity promotion, promotion of diverse work styles, and developing and promoting female talent. It currently employs 29 percent female Audit Staff who have passed the first CPA exam, 16 percent female Client Service managers and senior managers and 6 percent female partners. There is one female board member. These percentages compare favorably with other companies in Japan where the percentage of women in management positions averages 10 percent. The initiatives introduced by the firm, moreover, are expected to significantly change the diversity situation over the next few years, as the firm aims to plug the "Leaking Pipeline."

By contrast, the challenges in China are quite different. Deloitte China employs a majority of women (61 percent) of whom 52 percent are managers and 30 percent partners. However, the huge growth in work in the professional services field in China means on-going talent recruitment and retention will remain vital in the foreseeable future. Trends in recruitment and retention are continuously monitored and challenges dealt with as they arise. Succession, development and work-life balance are deeply embedded into business practices and talent processes and monitored on a continuous basis.

For the Deloitte global network, diversity is a strategic business imperative in relation to clients, talent, and growth. Deloitte believes that future-fitness, as a global business network, depends a great deal on the ability to leverage diversity in all its dimensions. Diversity strategies, which are adapted to meet specific, identified needs across markets, will ensure that the organization responds optimally in today's dynamic world.

* Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

In other cases, large businesses may not identify and develop the existing talent within their ranks. In some cases, women may be more reluctant to promote themselves than their male counterparts due to existing cultural norms or may not be offered opportunities for advancement, resulting in many promising candidates simply not being "found" and put into the pipeline for further development opportunities.

Effective strategies to plug the "Leaking Pipeline" include actively setting internal goals for the development

of female employees, developing new approaches designed to identify existing talent for development opportunities and ensuring that promising female employees are incorporated into management succession planning lists. Proper succession planning is good business, as it ensures that existing talent that has been developed through company investment is fully recognized and leveraged. Sometimes it takes focused effort by a company to "plug the leak" in the talent pipeline, but the rewards can be substantial.

Strengthening the Pipeline

In an effort to address the departure of female employees and low levels of women in its management ranks, Bank of New Zealand (BNZ) has focused on developing its talent pipeline, targeting its efforts on the high-caliber women in the middle levels of management. In the early stages of this process, BNZ appeared to have a low number of women being identified as potential candidates for management and leadership positions, which prompted the company to begin benchmarking, conduct surveys to better understand needs and attitudes, and ask managers to reevaluate their assessment tools. Managers were challenged on whether they were effectively recognizing existing talent in their teams. The BNZ Talent Team worked across all areas of the company to identify women with strong leadership potential.

Through this process, the Talent Team was able to better identify talented women in its ranks and better understand their aspirations and circumstances. For example, research indicated that one of the more significant challenges many women faced was the need for a flexible working environment. As a result, BNZ's Talent Team is building support and development opportunities for this group of talented employees. As of July 2013, women now make up 52 percent of BNZ's identified talent group (up from 35 percent 12 months ago). Following a review of succession plans BNZ now has 24 percent of its succession lists for executive and critical roles featuring women. This matters for their long term business prospects. CEO Andrew Thorburn indicated that prior to implementing their diversity program, "we looked at the number of women who were starting businesses in New Zealand or were significant decision makers in financial decisions, and we just weren't reflecting that in the way that we designed products and services or the way we trained our staff."¹

¹ BNZ wins UN gender equality award," Business Day, July 3rd, 2013, <http://www.stuff.co.nz/business/industries/8393792/BNZ-wins-UN-gender-equality-award>

Senior Executive Leadership and Board Diversity

In addition to the "Leaking Pipeline" trend that persists within various management ranks, an acute problem can occur at the most senior levels of management and on company boards. This is where the slow, but steady leak in talent retention is felt, as public boards and senior executive teams in markets throughout the world, including APEC, still have very low levels of gender diversity. The existing gap in leadership is clearly demonstrated in the above mentioned study by McKinsey of talent leakage in Asia,²⁰ the number of women making it to executive level ranks was between 1 percent and 15 percent, despite estimated college graduation rates of between 42 percent and 57 percent. Those making it onto boards were at levels between 1 percent and 13 percent, according to the study.

This gap matters to business — existing evidence suggests that increasing the proportion of women

on boards and senior executive teams creates a direct performance benefit. Indeed, Bart and McQueen²¹, in a study of 624 board directors, found that women achieved significantly stronger scores on tests for complex moral reasoning, which supports better decision-making when balancing competing interests, such as the interests of the company and other stakeholders. Further, the different skills and experiences of women provide a complement to the skills and experiences of men, creating a more robust and challenging management mindset, deterring group-think.

Existing evidence suggest that more diverse leadership at the highest level can lead to better performance. In a landmark 2011 report, Catalyst found that Fortune 500 companies with a high proportion of women on their boards outperformed those without women by 26 percent on their return on invested capital (ROIC - a measurement of how efficiently a company is using its money to generate returns) over the five years of the study. For companies which had sustained high numbers

²⁰ Süßmuth-Dyckerhoff, Claudia, Wang, Jin & Chen, Josephine, "Women Matter: An Asian Perspective," McKinsey & Company, June 2012

²¹ Bart, Chris and McQueen, Gregory, "Why Women Make Better Decisions," International Journal of Business Governance and Ethics, Vol. 8, No. 1, 2013

of women on their board (at least four out of five years), this outperformance of ROIC leaped to 60 percent.

The Credit Suisse Research Institute recently found similar performance trends in a study of 2,360 companies from around the globe. The study found that companies with at least one woman on their board outperformed those with no women over the six years prior to the release of the study. It also found that companies with one or more women on the board had delivered higher average returns on key performance and stability measures.²⁵

In the Asia-Pacific region, Corston-Smith Asset Management examined 3,054 companies from 1997 to 2010 in five APEC economies: Singapore, Thailand, Indonesia, the Philippines and Malaysia. The study found that women on boards positively contributed to corporate performance and that having three or more women on boards enhanced this contribution even further.²⁶ This result shows the enormous potential for improvement, given the percentage of women on boards in these five countries is currently below 10 percent.²⁷

The performance benefits suggested by the evidence above are reinforced by the fact that the presence of women in key leadership positions sets a tone for organizations and visibly demonstrates that the talent of female employees will be recognized as an asset, further enabling a company to attract a better pool of high-quality employees.

There are several significant barriers to increasing the participation of women in these leadership positions, particularly on boards, including a lack of networks that will lead to board appointments, poor search policies, lengthy tenure of existing board members, narrow requirements for board membership that can exclude women, and insufficient desire on the part of boards to look outside typical channels. Large companies and their boards are beginning to see the competitive advantage

of having more women in executive and board positions, but progress has been relatively slow, particularly in the Asia-Pacific region.

However, some promising trends are beginning to change the situation. Many women are getting experience on not-for-profit boards and NGOs, as well as State-Owned Enterprises, where governments can ensure greater inclusion of women in executive management and on boards. Networks for corporate directors that are present in some economies are providing training and education, networking opportunities and even mentoring to enhance the prospects for more women on boards.



Then US Secretary of State, Hillary Clinton, addresses attendees of APEC's second high level conference on Women and the Economy in St. Petersburg's Catherine Palace (June 2012).

22 Carter, Nancy M. & Wagner, Harvey M., "The Bottom Line: Corporate Performance and Women's Representation on boards (2004-2008)," Catalyst, March 2011

23 Ibid.

24 Credit Suisse Research Institute, "Gender Diversity and Corporate Performance," August 2012

25 Performance measures: equity, lower gearing, better average growth and higher price/book value multiples. Stability Measures: lower volatility, providing enhanced stability in corporate performance and in share price returns

26 Corston-Smith Asset Management, "The ASEAN 5 Gender Diversity Project," November 2012

27 Gladman, Kimberly & Lamb, Michelle, "2013 Women on Boards Survey," GMI Ratings, April 2013 and other sources

Section 2: Unlocking Business Potential through Government Policy

As this report demonstrates, there is a clear economic link between the empowerment of women, inclusive economic growth and a successful business community. Large firms can take steps to internally implement gender into their leadership structures and business plans, but these efforts should be reinforced by public policy, as a 2012 report by the OECD Business and Industry Advisory Council (BIAC) states: “Integrated and coherent public policy frameworks, which promote and support women’s economic empowerment and advancement in the workplace, are fundamental to successful gender diversity initiatives in companies. Government leadership at the highest level should champion women’s economic empowerment, and governments should actively support business in the development of policies addressing women and work by setting the right framework conditions.”²⁸ As significant economic stakeholders, the business community has a role in advising and partnering with government to effect mutually beneficial changes.

Policymakers can take meaningful steps to enable success across the business spectrum. Reducing financial and non-financial barriers for entrepreneurial growth and opening up government procurement to women-owned firms can encourage the expansion of existing SMEs and stimulate the creation of new businesses. Governments can also invest in their workforces and equip more women for success by supporting business networks and training programs, and providing the investment and encouragement needed to engage more women in STEM education. Policy frameworks related to work-life balance, child care and care for elderly relatives can bolster existing workforces by providing additional flexibility for women. Finally, governments can help raise awareness and highlight successes by visibly championing women’s economic empowerment.

Overcoming Barriers to Entrepreneurial Growth

There is enormous growth potential that can be realized through policies and practices that engage women in the economy and the business community has a powerful incentive and opportunity to take actions that empower women in their workforces and supplier networks. However, effective action by business can be complemented and enabled by smart government policies that are designed to alleviate or remove barriers to female entrepreneurship.

In particular, restrictions on ownership of property by women or unequal treatment in divorce or inheritance laws can be addressed by changes in government policy. Adopting policies that will facilitate the growth of women-owned businesses will ultimately allow a country’s economic assets to be more fully utilized.

As previously noted, women-owned enterprises face considerable barriers to growth that are not as prevalent for enterprises owned by men, such as access to key resources (land, production facilities and capital) and non-financial factors (inequitable legal and regulatory environments, limited access to training, lack of focus on women-owned businesses by financial institutions and difficulty establishing credit records). A number of these factors may be improved by government action or facilitation.



²⁸ American Chamber of Commerce in France and the Business and Industry Advisory Committee to the OECD, “Putting All Our Minds to Work: Harnessing the Gender Dividend; The Business Case,” May 2012

Rebuilding a Business as a Woman Owner

Geraldine (Dina) Estacio owns DJM Grandeur, a pharmaceutical, cosmetics and supplements export business in the Philippines. Originally a husband and wife business, DJM Grandeur became a woman-owned business after Dina's husband left for the United States after their divorce, leaving behind a family business on the brink of collapse. Dina, a chemist by training, decided to continue with the business despite its significant unpaid debts and internal hostility from staff loyal to her ex-husband. She patiently rebuilt the business with the help of her mother and sister.

Dina faced many hurdles. For example, local banks would not recognize the considerable credit record she built with her ex-husband, as Dina had reverted to her maiden name after the divorce and the banks would not recognize her previous credit history under her married name. She instead had to use credit card financing to keep the daily operations intact whilst rebuilding.

In order to grow the business, the company sold its existing property to build a factory warehouse, but still needed assistance for purchasing production equipment. The Philippine's Department of Science & Technology assisted through the Small Enterprise Technology Upgrading Program by providing interest free financial assistance for three years. The extra financing allowed DJM Grandeur to produce their products in company owned production facilities rather than rented facilities, enabling the company to reduce costs, control its production schedule and increase capacity to build its export business.

Case study is based on an interview obtained through The Asia Foundation

Although securing credit can often be more difficult for small enterprises—which is where women-owned enterprises are most concentrated—many non-financial barriers also exist. For example, women may not be entitled to own land, even jointly. While they may run the business, the actual ownership may be in the name of a husband or another male family member. Not only can this cause problems in making the best decisions for the business, but a lack of assets can also present substantial problems in accessing additional capital for expansion. Inheritance differences, different treatment in divorce situations or even a general inability to open a bank account can be a constraint. Not every country faces all of these issues, but many economies have one or more of these constraints on women-owned enterprises, limiting their potential for economic growth. Various government actions can help to ameliorate these conditions.

Identifying Women-Owned Businesses

Implementing policies that are designed to support women-owned businesses requires data to ensure that government actions are adapted to varying circumstances and to measure outcomes to determine future actions. However, a lack of data on women-owned firms presents

a significant challenge in several economies. Often, governments do not prioritize the capture and tracking of this data, nor has it been attractive for women-owned enterprises to identify themselves to facilitate the collection of this data. Indeed, the collection of systematic data, even in the large economies of the OECD has been described as "fragmented."²⁹ As a recent report of Booz & Company noted:

"In all areas of women's economic empowerment, there is a need for detailed, frequently updated, and gender-disaggregated data—so interested parties can better understand the issues that women face and more effectively frame solutions. This includes data on access to capital, property rights, and small and medium-sized enterprise (SME) ownership, among other issues."³⁰

Without systematic collection of information about women-owned enterprises, it is not possible to understand where those businesses are, whether existing programs are effective in expanding those businesses and how an economy is benefiting from the growth of these businesses.

A critical step for any economy is to start identifying women-owned enterprises and tracking their development. This is no easy task, as many of these businesses are quite small and operate in the informal economy. Providing the

29 OECD "Report on the Gender Initiative: Gender Equality in Education, Employment and Entrepreneurship," May 2012, p. 61

30 Aguirre, DeAnne et al, Booz & Company, "Empowering the Third Billion: Women and the World of Work in 2012," p. 24

right incentives and policy frameworks can encourage these businesses to come into the formal economy. For example, incentivizing the transition to the formal economy through access to government procurement (see below), as well as providing business training and access to market assistance programs can help facilitate this transition. In the long run, having more women-owned businesses in the formal economy not only sets up those businesses for more rapid growth by enabling them to take advantage of greater opportunities to network and develop partnerships, but can also strengthen government finances through an expanded tax base.

Governments are Heavy Users of Businesses in Procurement

Government procurement is a significant area of potential growth for women-owned businesses. In most economies, the government is one of the biggest users of outside suppliers, typically accounting for the largest share of public expenditures aside from government salaries and social benefits. Generally this makes up 14 to 20 percent of a country's GDP, which on a global basis is approximately US\$1 trillion annually.³¹ This purchasing of goods and services is managed through extensive procurement

programs, which tend to overwhelmingly favor male owned businesses. In many cases, this trend is caused by a lack of awareness within government agencies of the potential for women-owned businesses to serve as suppliers, and a lack of management training and "procurement readiness" on the part of women entrepreneurs. Developing programs that prepare more women-owned businesses for government procurement programs can result in mutual economic benefit for both parties.

Public Support for New Business Associations and Networks Can Build Capacity

Another key barrier that can be addressed by government is supporting business networks for women and encouraging their involvement with general business associations that have traditionally been the domain of male owned enterprises. By lending government support to starting up new associations and networks, new business relationships can develop between women entrepreneurs and their male counterparts. Male owned companies can benefit from having a greater range of potential partners or suppliers, providing more options for providing superior goods and services. Men can and should be part of the solution.

The Importance of STEM Education and Community Development

"Chevron recognizes the need for skilled workers in its operations, including women. It is supporting the development of STEM education, as well as building strong communities around its operations through small business support programs.

Fostering gender equality and empowering women in the workplace is a driver of business value and success. As a company we're committed to reflecting in our workforce and supplier base the rich diversity of the communities where we operate. By respecting the unique talents, experiences and perspectives of our workforce and suppliers, we gain a flexibility and ingenuity that help us excel.

Our success in the Asia-Pacific region depends on the talented workforce that we hire and develop for long term careers in the nine economies across the region where we operate. Our industry is very high tech, and we need the best and the brightest — and we need many women — engineers and scientists to continue to unlock new sources of energy.

We are seeking to inspire a generation of girls, starting at an early age, to pursue their education in the fields of science, technology, engineering and math — the key disciplines today known as "STEM" and become the future generation of technical, business and political leaders in the Asia-Pacific region. We are also empowering women in our university partnerships and in many of our local communities where we operate with small business and micro finance programs to create sustainable livelihoods and ultimately stronger communities."

Melody Meyer, President, Chevron Asia-Pacific Exploration and Production Company

31 Transparency International-USA "APEC Procurement Transparency Standards in the Philippines, A Work in Progress," June 2011

Education and Training

Government programs that support greater access to business training for women entrepreneurs can facilitate faster growth in women-owned businesses and their economies. A lack of training in core areas such as STEM education and business management can also be an impediment for women in the region, resulting in lack of women employed in key growth areas, such as science and technology.

Economic research by Goldman Sachs shows that “female education is linked to higher productivity, higher return on investment, higher agricultural yields and a more favorable demographic structure.”³² The world faces significant challenges in ensuring there are sufficiently educated workers in the key research and development fields, particularly education in the areas

Access to business and management skills training is key to ensure that women who run SMEs are prepared for the challenges of expanding and running a larger enterprise.

of Science, Technology, Engineering and Mathematics, the so-called STEM fields. Traditionally, women have not tended to have access to STEM education, reducing the size of the available talent pool feeding into the requisite employment fields. As the reliance on STEM fields of operation grows, economies that facilitate training and education for women in these areas will have a larger talent pool, creating greater employment opportunities for women while enhancing the attractiveness of those economies to the global economy.

Access to business and management skills training is key to ensure that women who run SMEs are prepared for the challenges of expanding and running a larger enterprise. Just as “procurement readiness” is vital for women-owned businesses to break into the market for supplying government, “growth readiness” is also an important step for women entrepreneurs to be able to take the next step in the expansion of their firm.

32 Ibid.

Government policies to provide greater access to business training for women entrepreneurs, especially in the areas in which they are operating their businesses, can facilitate faster growth of women-owned businesses.

Championing Women’s Economic Empowerment

Visible government support for the empowerment of women is a vital aspect of driving increased participation of women in all parts of the economy. This includes the creation of support programs designed to facilitate training and networking. In addition, it is vital that governments publically recognize substantial achievements by businesses in empowering women. These positive business results provide instructive examples that other businesses can utilize and highlight the competitive advantage of empowering women. Statements by officials and high profile figures demonstrate buy-in and commitment to the broader community, building a greater understanding of the practices that facilitate the empowerment of women and the benefits associated with their successful implementation.



Delegates discuss policy between sessions at APEC’s second high level conference on Women and the Economy in St. Petersburg (June 2012).

Government Initiatives — Nadeshiko Brand in Japan

In one of a number of initiatives to empower women in Japan, where traditional levels of empowerment have been relatively low, in February 2013, the Japanese Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange jointly chose 17 large listed companies for the “Nadeshiko” Brand. The Nadeshiko Brand is awarded to enterprises which “encourage women to play active roles in the workplace, including the development of environments in which such women are able to further their careers.” This designation gives visibility to companies empowering women and highlights them as role models for other Japanese corporations.

One of the Nadeshiko companies chosen was Nissan Motor Co., Ltd. The company adopted a global diversification strategy, including incorporating it into personnel evaluation, placement policies and other areas of routine operational activity. One of the greatest challenges has been to increase the participation of women in senior decision-making roles. The company has initiated mentoring and career advisors specifically for women. Changing corporate thinking about the role of women has seen early success in increasing women’s participation in management from 1.6 percent in 2004 to 6.7 percent in 2012.

The participation of women in product development has translated into car models specifically tailored to the needs of women. One model developed by a female led team reached its target sales within three months and was the highest selling gasoline-powered vehicle for five weeks in a row. Not only is empowerment now seen as an important part of the company’s culture, it is reaping real results.

Governments can also collaborate with businesses that are successfully empowering women internally or through external initiatives and partner with business associations to develop best practice resources with business associations. Drawing attention to useful best practices, principles and case studies can further aide businesses seeking to further engage women in their own workforces, supply chains and communities.

Government policies play a key role in advancing the economic empowerment of women. Ensuring that discriminatory financial and legal barriers to participation and growth are removed, seeking out women-owned businesses as suppliers, developing policies that addresses work-life balance challenges, and investing in the education and training of women for the jobs of the future are all part of the needed policy framework that will ensure greater equitable growth for their economies.

Some recommendations for governments to consider are as follows:

Recommendations for Government Action

Identify Barriers and Develop Enabling Policy Frameworks

- ◆ Systematically collect data on women’s ownership of businesses at all levels of the economy, including

ownership levels within these businesses, how profits are utilized within the family unit, and growth in businesses over time to monitor progress and to judge the effectiveness of programs to support women-owned businesses

- ◆ Work with financial institutions to determine specific barriers to financing women-owned businesses, including any government policies that make access to capital more difficult
- ◆ Examine and improve the legal and regulatory framework for business to ensure women have similar access to capital and other means of production that enable business expansion
- ◆ Develop policies to support the provision of child, disability and elderly care to encourage and enable women to remain in the workforce
- ◆ Implement policies that make formal work a viable option for women with dependents

Education, Training and Outreach

- ◆ Provide training opportunities specifically for women entrepreneurs to enable them to take advantage of government procurement and global supply chain opportunities

- ◆ Facilitate the growth of business networking opportunities for women through direct government support or working with existing networks to incorporate more women into their ranks — this can include specific outreach programs
- ◆ Provide training and education on business principles to enable the successful growth of women-owned businesses
- ◆ Take measures to facilitate the education and training for women to help them attain the skills they need, especially encouraging access to STEM fields of study
- ◆ Communicate government support for strategies that encourage gender-balanced norms and address the effect of cultural norms that are inhibiting the participation of women in the economy
- ◆ Set specific targets for incorporating women-owned businesses into government procurement programs



Create Networks and Connections

- ◆ Work with medium sized and large businesses in the economy to link them with women for possible partnership and supplier opportunities
- ◆ Provide visible government support for women's economic empowerment at the highest levels through high profile statements by senior officials and public acknowledgment of successful initiatives taking place within the business community

Section 3: Leveraging the Discussion in APEC — Building Consensus and Taking Action in a Diverse Region

APEC is well positioned to serve as a platform to promote and facilitate women's economic empowerment. It has the ability to convene government representatives ranging from heads of state to working level officials and a broad mandate to facilitate regional economic integration and technical cooperation. Its member economies consist of the largest and most dynamic in the world, representing developing and developed economies, including representatives from Latin America, North America and the majority of Asian economies on the Pacific Rim, each bringing a number of public and private sector perspectives to the table. This is vital as circumstances for women in the region vary dramatically due to the range of cultures, demographic trends and political structures represented by APEC's 21 member economies. To be effective, governments will need to reach consensus on broad frameworks for action that are supplemented by targeted solutions tailored to individual economies. As a nonbinding forum, APEC provides a platform where all members can participate equally, and challenging issues can be discussed with an eye to identifying best practices and capacity building needs.

APEC has clearly defined women's economic empowerment as critical to the region's future economic success. During the US APEC host year in 2011, a substantial foundation was created for further work through the formation of the Policy Partnership on Women and the Economy (PPWE), a public private body that meets regularly to exchange information and develop policy recommendations, and the establishment of an annual high profile ministerial conference organized each year by

the current host economy. Former US Secretary of State Hillary Clinton used the first such meeting in San Francisco to state that "by increasing women's participation in the economy and enhancing their efficiency and productivity, we can bring about a dramatic impact on the competitiveness and growth of our economies," and announced the creation of the San Francisco Declaration, a broad framework for future discussions and recommendations in APEC that was developed in close

collaboration with her peers in the region. The Declaration committed APEC to “take concrete actions to realize the full potential of women, integrate them more fully into APEC economies, harness their talents, remove barriers that restrict women’s full economic participation, and maximize their contributions toward economic growth.” It goes on to highlight barriers related to access to markets and capital, women in leadership, and capacity and skills building as core areas of focus for further work. Russia and Indonesia have followed suit by continuing to support the PPWE’s objectives and including a ministerial level public-private Women and the Economy conference in their APEC schedules. Other APEC economies have also made substantial contributions, such as Japan’s decision to host the first regional conference focused on women’s leadership as a step toward implementing the San Francisco Declaration.

In parallel to public-private discussions taking place within the PPWE, the APEC Business Advisory Council (ABAC) bolstered its advocacy efforts on this issue in 2011, most notably through the creation of the ABAC Women’s Forum, a working group of business executives focused on promoting measures that further engage women in the workforce. ABAC has since made women’s economic empowerment a central theme of its regular outreach and interactions with APEC Ministers and Leaders. The APEC CEO Summit, a primarily business driven forum that traditionally closes out each host year with dialogues between heads of state and senior industry representatives, has also increasingly been leveraged to engage business leaders and policymakers in meaningful dialogue on the economic benefits of engaging women in the economy and as a platform to announce industry led initiatives focused on improving conditions for women in the region.

Expanding APEC’s Impact

With new partnerships and institutions beginning to move beyond their nascent stages, continued advocacy from the public and private sector is needed to ensure that APEC continues to expand its role as a platform for women’s economic empowerment. As former U.S. Secretary of State Hillary Clinton noted in her 2011 speech in San Francisco, “will and effort” will be needed to

advance the Declaration and continued effort needs to be applied to not only assert what should be done, but also to measure and track results. The international business community has an important role to play in this process, but further outreach and education will be needed along with inclusive, results driven frameworks.

Although APEC has taken significant steps in its effort to address the issue, women’s economic empowerment is not universally perceived as a means to achieving positive outcomes in business and economic growth. Business leaders and policymakers need to be exposed to current data and success stories that clearly frame the empowerment of women as both a mechanism to achieve equitable and inclusive growth and promote corporate social responsibility as well as an essential element of competitive companies and economies. Consequently, governments should leverage APEC to make high level economic indicators, business case studies and metrics easily accessible to a broader audience, including, but not limited to participants in meetings focused on women’s economic empowerment. Also, further resources should be dedicated to identifying areas where additional data is needed. When data that clearly illustrates links between women’s empowerment and innovation, better corporate performance and economic growth is broadly highlighted, it enables industry stakeholders to advocate for change both within their own organizations and within their respective economies.

Data and metrics should be used to guide the development of programs that can be implemented by individual companies. However, what may work in Japan, for example, may not be applicable in Brunei. To translate declarations into practical solutions, economies should work with businesses to develop initiatives that will bring about change most effectively within their individual economies. The potential economic contribution of women in the region remains largely untapped and business has an important role to play in the process of expanding women’s economic participation. With continued focus to create the right frameworks and objectives, the private sector will be able to further complement the already substantial progress that has been achieved through APEC’s efforts to promote women’s economic empowerment.



Delegates participating in APEC's second high level conference on Women and the Economy in St. Petersburg, Russia (June 2012).

Recommendations

Recommendations for APEC

- ◆ **Implement the San Francisco Declaration** — The landmark 2011 San Francisco Declaration serves as a framework for addressing policies to enhance women's economic empowerment. APEC economies should continue efforts to develop capacity building activities that encourage implementation of the Declaration. The Declaration's areas of focus (Access to Capital, Access to Markets, Capacity and Skills Building, Women in Leadership) should include recommendations and guidance for work on how technology can be leveraged to further empower women.
- ◆ **Continue to Mainstream the Issue** — Given the cross-cutting nature of the issue, women's economic empowerment should be discussed in APEC's sector-specific groupings. APEC meetings focused on areas such as trade, health, transportation and finance present opportunities for exchanges with the business community targeted at specific areas of policy. APEC stakeholders should work together to incorporate sector specific public-private dialogues into Ministerial meetings to ensure that the barriers to women's empowerment are addressed across sectors.
- ◆ **Engage Industry through Multiyear Initiatives** — APEC's capacity to convene and build meaningful partnerships between public and private sector stakeholders should be leveraged to the fullest extent possible. As demonstrated by the adoption of

initiatives such as the UN Women's Empowerment Principles,³³ companies of all sizes are well positioned to partner with policymakers to identify and address barriers to women's economic empowerment. Such collaborative efforts can be made more effective by structuring engagement through multiyear frameworks with targeted deliverables. APEC and the PPWE should expand efforts to leverage the unique role of business in the APEC process to develop frameworks with tangible targets and benchmarks that demonstrate progress.

- ◆ **Use a Data-Driven Approach to Policy Development** — Metrics and research that highlight the link between women's economic empowerment and economic prosperity are central to ensuring that policymakers and business stakeholders fully understand the benefits of good policies and practices. APEC should coordinate efforts across governments, industry and non-governmental organizations to determine where additional data is needed and promote efforts to fill gaps.
- ◆ **Engage Local Business Communities** — Further work is needed to educate local business communities about the benefits associated with women's economic engagement. ABAC encourages APEC economies to organize business-driven dialogues designed to share statistics on the benefits of engaging women in the workforce, share best practices and expand local business advocacy.

³³ The Women's Empowerment Principles are a set of Principles for business offering guidance on how to empower women in the workplace, marketplace and community. http://www.unglobalcompact.org/Issues/human_rights/equality_means_business.html



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