



30 July 2023

The Honorable Jennifer Klein
Chair, APEC Women and the Economy Forum

Assistant to the President &
Director, Gender Policy Council
United States

Dear Ms. Klein,

It is my pleasure to convey the APEC Business Advisory Council's key recommendations to the APEC Women and the Economy Forum.

The APEC Putrajaya Vision and Aotearoa Plan of Action undertake to ensure that APEC economies "will foster quality growth that brings palpable benefits and greater health and wellbeing to all, including micro, small and medium enterprises (MSMEs), women and others with untapped economic potential". More must be done to meet that promise for women, including Indigenous women, in the region.

Women play a vital role in APEC economies, including as active drivers in economic recovery and in building resilience for our communities following the global pandemic. Their economic empowerment strengthens economies and creates prosperity for whole communities. Women contribute across all sectors in APEC's economic development, but their full potential remains unrealized. While advancing gender equality in the Asia-Pacific has been estimated by McKinsey to add \$4.5 trillion to the region's Gross Domestic Product, the World Economic Forum's Global Gender Gap estimates that at the current rate of progress, it will take 169 years to close the current global gender gap for economic participation and opportunity. Empowering women's participation and supporting women-led businesses is imperative in rejuvenating and strengthening the APEC region.

Collective and coordinated effort through public-private collaboration is key to creating an environment which expands economic opportunities for women and allows them to thrive. Greater progress must be made towards the goals set out in the La Serena Roadmap for Women and Inclusive Growth (2019-2030), to accelerate women's economic and social participation, noting that they were disproportionately impacted by economic hardship, including greater levels of job loss, as a consequence of the pandemic. The APEC Women in the Economy Dashboard recognizes the critical role played by women in the economy and the need to act to address barriers to their economic participation. The Global Gender Gap Report 2023, noted that achieving gender parity in leadership, in both business and government, are two key levers for addressing gender gaps. We note however that there is a lack of data on women in leadership roles in the private sector, and that it is incumbent on business to play its role in advancing women's participation in this regard.

This year, ABAC is pursuing a work program under the theme “Equity. Sustainability Opportunity.” to respond to the challenge of maintaining the economic vitality of the Asia-Pacific region, and ensure the benefits of a strong and prosperous economy are shared by all, including women.

OPPORTUNITY

Formalization, access to support and women-led MSMEs

Formalizing businesses into the economy is a vital and often overlooked aspect of economic inclusion. Women-led businesses constitute an increasingly large section of the informal sector, making it almost impossible for them to receive critical support to improve the viability of their businesses and undermining their ability to fully contribute to their communities. Lack of support ensured that informal MSMEs and their employees were disproportionately impacted by the pandemic, with many of those impacts continuing.

Women entrepreneurs make up a significant proportion of MSMEs, contributing substantially to job creation and economic growth. Provision of persistent, intentional and tailored support to women-led MSMEs through access to finance, business networks, and capacity building programs will foster innovation, productivity, and economic resilience. APEC can support women by facilitating knowledge sharing and best practices to promote their entrepreneurship and MSME development.

Recommendation:

- Establish persistent, intentional and tailored support for women-led MSMEs, based on robust disaggregated data and analysis.

Digital transformation

Digital inclusion is essential for women’s economic empowerment. Accelerating digital transformation as a result of the pandemic has resulted in both significant opportunities and tremendous challenges. These have affected women as workers and entrepreneurs, and as owners of MSMEs. The pandemic accelerated the adoption of digital technologies to facilitate remote work arrangements, access to healthcare and government services, participation in global supply chains, education and almost every aspect of life. That transformation has also heightened the digital divide, where those who are unable to access the opportunities afforded by technology are significantly disadvantaged, with women too often included in that group.

As technology continues to accelerate, including through the development of artificial intelligence (AI), it is essential that APEC economies strive to ensure that women have equal access to digital resources, connectivity and digital literacy and skills training to support their workplace choices, their businesses and access to new opportunities. Women should be supported to achieve successful digital transformation of their businesses, including through training programs to deepen their understanding of cyber risks and cybersecurity; on the latter, ABAC has developed a Cybersecurity Self-Assessment Toolkit for MSMEs which can help. ABAC further notes the significant opportunities for women afforded by advancing the application of AI in digital health.

Recommendation:

- Ensure that digital literacy is prioritized in capacity building programs for women, including Indigenous women, and that they have tailored support with regard to cybersecurity and utilization of AI in digital health.

EQUITY

Women in STEM education and careers

As technology increasingly drives every aspect of the economy, ensuring that women are strongly represented in science, technology, engineering and mathematics (STEM) roles is critical for regional prosperity and growth, and of fundamental importance for business to thrive. This year, ABAC has undertaken a study to identify gaps in women's participation in STEM education and employment, and barriers that impact participation. ABAC collaborated with private sector networks, and partnered with LinkedIn, to access data which builds on information available from the public sector, together providing a more detailed picture of obstacles for women's engagement in technology-based industries. This work complements the work of the APEC Women in STEM Metrics Project.

The ABAC study has revealed that while the proportion of female STEM graduates is increasing slowly over time, there is still work to be done to encourage women and girls to pursue maths and science subjects, including through developing curricula that emphasizes the importance of these subjects, provision of scholarships for those from disadvantaged circumstances, and providing strong role models and mentoring in STEM fields.

Results also indicate that women with STEM degrees do not join the STEM workforce at the same rate as men, and that when they do they earn less, drop out at higher rates and are underrepresented in leadership roles. Even when women join the STEM workforce, their retention in those roles can be a challenge, and it will be necessary for businesses to introduce policies to incentivize their continuing engagement. Disappointingly, women researchers are less likely to be credited in publications and patent applications and more likely to be rejected in peer reviews, and have fewer industrial partners. While women's representation on boards in STEM sectors increased by 10% between 2015 and 2021, it remains at an average of 23%, which is significantly and unacceptably short of parity.

The 2020 Women in Tech Report found that only 2.3% of venture capital investment in the US goes to women-owned start-ups and World Intellectual Property Organization data across 17 APEC economies shows that women make up only 20% of named inventors receiving patent protection. There is very little data available on women-owned MSMEs in STEM, despite the significant role played by women-led MSMEs in the region. Collection of additional data across the region, including in relation to women in leadership roles, Indigenous women and women-led MSMEs, will be critical in addressing the significant lost economic opportunities all these figures represent.

Recommendations:

Education

- Develop curricula that is gender sensitive and emphasizes the value of math and science subjects for all students, especially girls and students from disadvantaged backgrounds, and provide scholarships in STEM fields for disadvantaged girls and women.
- Collect and report sex-disaggregated data on the proportion of female STEM teachers/professors in secondary, vocational, and tertiary education institutions, and publish data on female enrollment and completion rates (especially vocational).
- Evaluate schools and teachers on their success in encouraging girls to select math and science subjects in secondary school.
- Promote policies that contribute to parity in hiring and pay for female STEM teachers and faculty.

Workforce

- Set guidelines or quotas for women's leadership in publicly-funded research.
- Consider mandating female representation on corporate boards.

Entrepreneurship

- Require venture capital firms to publish data on the number of female-owned and/or led firms they fund and the value of these deals as a percentage of their portfolios.
- Publish gender-disaggregated data on patent and trademark protection applicants; and target programs to teach women inventors/researchers/business owners how they can apply for intellectual property protection, including MSMEs.

Enabling Environment

- Advocate parental leave policies which benefit all parents equitably and policies that encourage affordable quality childcare and flexible working arrangements to help women stay in STEM jobs.
- Enact laws and enforce those laws against sexual harassment and discrimination, including for women of diverse backgrounds.
- Promote women as senior managers in government STEM agencies to set an example for the private sector and combat stereotypes.

SUSTAINABILITY

Creating an MSMEs ESG Inclusion Framework

Women entrepreneurs are active agents in achieving inclusive and sustainable economic growth. MSMEs make up approximately 97% of regional businesses, with many of those enterprises led by women. Women-led MSMEs, as significant contributors to APEC economies, and integral to global supply chains of large companies, can make substantial contributions to the United Nations Sustainable Development Goals through adoption of sustainable practices in their businesses. The

United Nations Department of Economic and Social Affairs (2020)¹ reports that women employees and women leaders in business prioritize sustainability, a result also supported by the study conducted by ABAC.

Recommendation:

- As part of the development of an accessible Environmental, Social and Governance (ESG) Framework for MSMEs, ensure that women-led MSMEs, including Indigenous women-led businesses, are supported to participate.

We look forward to working together with the APEC Policy Partnership on Women & the Economy, APEC economies, private sector entities, civil society organizations, and international institutions collaborating with APEC to ensure women in APEC are supported to participate and fulfill their potential to contribute to the region's economic prosperity and continuing recovery.

Yours sincerely,



Dominic Ng
ABAC Chair 2023

¹ United Nations Department of Economic and Social Affairs (2020) Micro, Small and Medium-sized Enterprises (MSMEs) and their role in achieving the Sustainable Development Goals (SDGs)