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Synthesis and Way Forward for APEC: A Common Understanding of Inclusive Business and Future Actions for APEC

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APEC: A Common Understanding of
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Highlights

Need innovative policies to achieve inclusive growth

- Number of people in the region living on < \$1.25/day dropped from 52% (1.7B) in 1990 to 18% (722M) in 2011, however, 933 million are living on bet. \$1.25 and \$2/day
 - Gap between the rich and poor has widened between 1990 and 2014
- ➔ Need for economies to adopt policies to foster inclusive growth

Highlights

Inclusive growth needs inclusive business

- In reality, very few private sector companies target the base of the pyramid and very few target the BoP in a way that creates development and inclusiveness
- SMEs account for more than 95% of the region's businesses; contribute 70% of total employment; and 50% of GDP in majority of the economies
- Inclusiveness requires a specific type of companies, companies that not only engage the poor (BoP) but create quality jobs, & provide affordable goods & services to the poor → **inclusive business**
- Inclusive business is more than CSR, private sector solution, innovative business models provide in-scale, systemic solutions, sustainability

What is the role for APEC

- APEC has embarked on various initiatives to stimulate growth & development of SMEs
- Boracay Action Agenda envisions APEC as an enabler of MSMEs; to make development in APEC equitable and inclusive, MSMEs must fully and effectively participate in regional integration
- APEC: important mechanism for different countries to share information, knowledge, experience; venue to strengthen a region-wide culture of partnership & collaboration between government and business
- As part of the inclusive growth agenda, APEC can promote inclusive business, private sector solutions for the BoP
- Agribusiness, manufacturing, housing, and tourism

What can APEC do

- Through this forum, endorse Inclusive Business as part of the APEC agenda; shared commitment towards promoting Inclusive Business for building inclusive economies
- Future APEC dialogues to help understand constraints to IB implementation (finance, regulations, technology, etc) & formulate solutions and capacity building programs
- How to establish a system to identify private sector solutions to address the BoP (PH: IB accreditation system)
- Governments to integrate IB in their industrial promotion policies and programs: capacity building facilities (incubation), incentives for companies to pursue IB models

What can APEC do

- Develop and adopt an Inclusiveness Index to measure the level of inclusiveness of an economy in coordination with the ADB, IADB, WB, IFC, WEF, and UNDP.
- Endorse to the Governments of Peru and Vietnam to continue the IB work in APEC