



**Asia-Pacific  
Economic Cooperation**

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## **Responsible Business in the Post-2020 Era: A Perspective from APEC's Putrajaya Vision 2040**

Submitted by: APEC Study Center - China



**Workshop on Building Capacity in  
Promoting Inclusive and Responsible  
Business for Sustainable Growth in Digital  
Society  
19-20 May 2021**



南開大學  
Nankai University



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# Responsible Business in the Post-2020 Era: A Perspective from APEC's Putrajaya Vision 2040

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# Outline

1. Responsible business and its economic value for firms
2. The prospect of the Asia Pacific region under APEC's Putrajaya Vision 2040
3. Key elements of responsible business in the post 2020 era
4. Recommendations for conducting responsible business in the post 2020 era

# Responsible Business and Its Economic Value for Firms

## ➤ Responsible Business

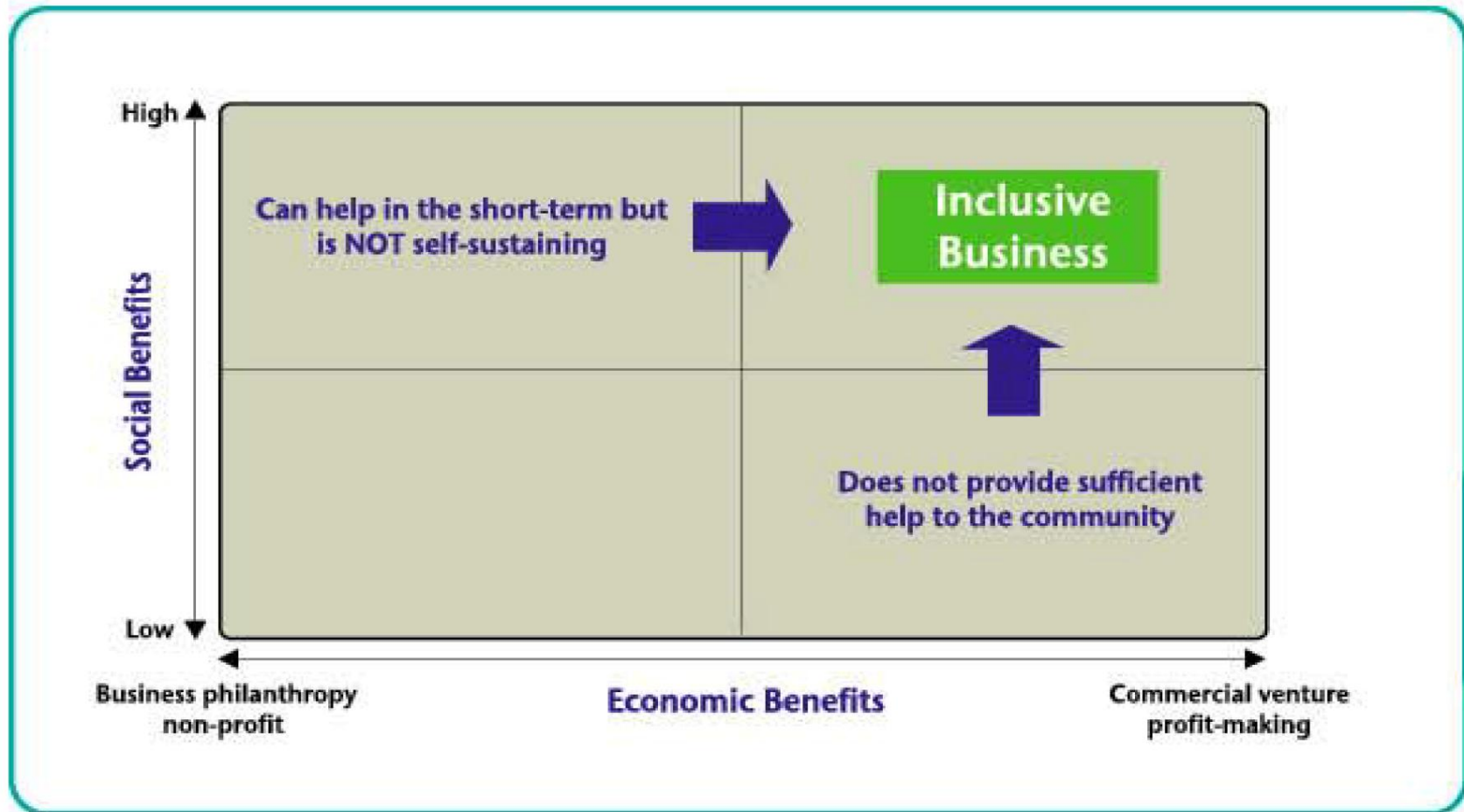
- CSR: Corporate Social Responsibility
- ESG: Environmental, Social and Governance (2004)
- IB: Inclusive Business (2011)
  - ◆ Provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid (BoP), making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers. ((Jenkins et. al., 2011)
  - ◆ Poverty Alleviation: by including lower-income communities within its value chain while not losing sight of the ultimate goal of business, which is to generate profits. (WBCSD and SNV, 2006)

# Integration of Low-income Communities in the Value Chain



Source: WBCSD and SNV, 2006: 2

# Economic and Social Benefits of Inclusive Business



Source: WBCSD and SNV, 2006: 2

## Responsible Business and Firm Value

- Greater ESG/CSR performance can increase firm value
  - increase shareholder wealth:
    - ◆ by increasing cash flows (e.g. customers want to buy from firms that have good reputations in corporate responsibility, employees are more productive when they work for such firms, etc.)
    - ◆ by decreasing the discount rate
  - maximizing shareholder utility:
    - ◆ shareholders could value the environmental or social goods produced by high ESG/CSR profile firms

## APEC Action Agenda on Advancing Economic, Financial and Social Inclusion (November 2017)

- Building an inclusive, accessible, sustainable, healthy and resilient APEC community by 2030
- **Economic inclusion**: achieving full, productive and quality employment; **equal pay** for equal worker; equal **economic opportunity** for all members of society to meaningfully participate in their economy
- **Financial inclusion**: ensuring access to banking, insurance and financial services, and **increase financial literacy and capability of all to access finance**
- **Social inclusion**: achieving and sustaining income growth for all members of society, **especially women, and youth, persons with disabilities and other vulnerable groups**, and enable them to seize global opportunities



# APEC's Putrajaya Vision 2040

- A top-level design for the Asia Pacific economic cooperation in the post 2020 new era.
- The vision: An open, dynamic, resilient and peaceful **Asia-Pacific community** by 2040, for the prosperity of all our people and future generations.

# APEC's Putrajaya Vision 2040

## ➤ Main pillars/prior areas:

- *Trade and Investment*

- ◆ deliver a free, open, fair, non-discriminatory, transparent and predictable trade and investment environment.
- ◆ promoting the stability and predictability of international trade flows.
- ◆ further advance the Bogor Goals and economic integration in the region.
- ◆ promote seamless connectivity, resilient supply chains and **responsible business conduct**.

# APEC's Putrajaya Vision 2040

## ➤ Main pillars/prior areas:

- *Innovation and Digitalisation*
  - ◆ pursue structural reforms and sound economic policies to **promote innovation** as well as improve productivity and dynamism
  - ◆ **strengthen digital infrastructure, accelerate digital transformation, narrow the digital divide**, as well as cooperate **on facilitating the flow of data** and **strengthening consumer and business trust in digital transactions**

# APEC's Putrajaya Vision 2040

## ➤ Main pillars/prior areas:

- *Strong, Balanced, Secure, Sustainable and Inclusive Growth*
  - ◆ foster quality growth that brings palpable benefits and greater health and wellbeing to all, including **MSMEs, women and others with untapped economic potential.**
  - ◆ intensify inclusive **human resource development** as well as economic and technical cooperation to better equip our people with the skills and knowledge for the future.
  - ◆ promote economic policies, cooperation and growth which support global efforts to comprehensively **address all environmental challenges, including climate change, extreme weather and natural disasters,** for a sustainable planet.

# Prospect of Asia-Pacific Economic Cooperation

- The Asia-Pacific economic cooperation will become more pragmatic and people-oriented, considering the new opportunities and challenges brought about by the complex and evolving regional economic and geopolitical environment.
- Digital economy, inclusive growth, connectivity and sustainable development would be the most promising areas for APEC in the future;

# Prospect of Asia-Pacific Economic Cooperation

- APEC will continue to serve as an active incubator or coordinator in this aspect under a non-binding framework.
- The APEC cooperation process will play a more important role in global economic governance, and will have spillover effect on other international cooperation mechanisms.

# Key Elements of RB in the Post 2020 Era

- More inclusive and balanced
  - Women, Youth, MSMEs, others with untapped economic potentials
- More secure and sustainable
  - ensure food security through sufficient, safe, and nutritious food that continues to be available and accessible to people across the region, while reducing food loss and waste
  - transitions to cleaner energy
  - handle resources and waste more sustainably
  - tackle climate change, extreme weather and natural disasters, and strengthen emergency preparedness.
- More innovative and digital
  - Innovation and digitalisation empower inclusive economic participation by all

# Recommendations for Conducting Responsible Business in the Post 2020 Era

- Enhance awareness of the importance of RB and the necessity of conducting responsible business
- Explore responsible business models featured with more inclusiveness, sustainability and open-mindedness to a free market
  - product innovation: create life-enhancing offerings
  - supply chains: reconfigure the product supply chain
  - Marketing: educate through marketing and communication
  - Partnership: collaborate to form non-traditional partnerships



# Recommendations for Conducting Responsible Business in the Post 2020 Era

- Strengthen the capacity of responsible businesses via digital transformation
- Closer cooperation with ABAC, more attention on the opportunities created by APEC's projects and work



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**Many thanks for your attention.**

