



APEC Women and the Economy Summit

Secretary Hillary Clinton

San Francisco, CA, September 16, 2011

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Good morning everyone. Thank you. Thank you so much. Oh, it is absolutely a P1
pleasure to see all of you here today and I've been getting reports about the
conference, and I am so excited to join you today to talk about what we are focused on
here at this Summit on Women and the Economy.

5 Now as this summit comes to a close, we will adopt a declaration for the first time in P2
APEC's history that will affirm this organization's and each member economy's
commitment to improving women's access to capital and markets, to building women's
capacities and skills, and to supporting the rise of women leaders in both the public and
private sectors.

10 Now there will be a temptation on the part of those observing or covering this P3
summit, perhaps on the part of those of us attending it as well, to say that our
purpose is chiefly to advance the rights of women, to achieve justice and equality on
women's behalf. And that is, of course, a noble cause to be sure and one that is very close
to my heart. But at the risk of being somewhat **provocative** at the outset, I believe our



15 goal is even bolder, one that extends beyond women to all humankind. The big challenge we face in these early years of 21st century is how to grow our economies and ensure shared prosperity for all nations and all people. We want to give every one of our citizens, men and women alike, young and old alike, greater opportunity to find work, to save and spend money, to pursue happiness ultimately to live up to their own God-given

20 potentials.

That is a clear and simple vision to state. But to make it real, to achieve the economic expansion we all seek, we need to unlock a vital source of growth that can power our economies in the decades to come. And that vital source of growth is women. With economic models straining in every corner of the world, none of us can afford to

25 perpetuate the barriers facing women in the workforce. Because 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. Because when everyone has a chance to participate in the economic life of a nation, we can all be richer. More of us can contribute to the global GDP. And the gap between the

30 developed and the developing countries would narrow significantly as productivity rises in economies from Haiti to Papua New Guinea.

But that great, global dream cannot be realized by **tinkering** around the edges of reform. Nor, candidly, can it be secured through any singular commitment on the part of us here. It requires, rather, a fundamental transformation, a **paradigm** shift in how

35 governments make and enforce laws and policies, how businesses invest and operate, how people make choices in the marketplace.



The transformational nature of this undertaking that lies ahead is, in my view, not unlike other momentous shifts in the economic history of our world. In the 19th century, many nations began moving from an agricultural to an industrial economy. Then
40 the inventions and mass productions of that era gave rise in the 20th century to the information age and the knowledge economy, with an unprecedented rise in innovation and prosperity. P6

As information transcends borders and creates opportunities for farmers to bank on mobile phones and children in distant villages to learn remotely, I believe that here,
45 at the beginning of the 21st century, we are entering the participation age, where every individual, regardless of gender or other characteristics, is poised to be a contributing and valued member of the global marketplace. P7

In some APEC economies, this transformation has been underway for quite awhile now. In others, it has begun more recently. But in all, progress has been too slow
50 and too uneven. But there is no doubt that the increasing numbers of women in the economy and the rising productivity gains from improving the distribution of their talents and skills has helped fuel significant growth everywhere. And economies that are making the shift more effectively and rapidly are dramatically outperforming those that have not. P8

So if we are serious about this undertaking, if we really want to achieve parity for
55 women in the workforce, both that they participate and how they participate, then we must remove structural and social **impediments** that stack the deck against them. P9



Now, I don't urge this because it is the right thing to do, though I believe that it is, but for the sake of our children and our nations, it is necessary to do. Because a rising tide of women in an economy raises the fortunes of families and nations.

60 Now, my husband often says, in making the argument that everyone should be involved, that we don't have a person to waste. I think that's true. When it comes to the enormous challenge of our time, to systematically and relentlessly pursue more economic opportunity in all of our lands, we don't have a person to waste, and we certainly don't have a gender to waste either. **P10**

65 So let's look at the evidence. The case for unlocking the potential of women and including them more fully in the economic life of our nations begins with the accounting of how women already are driving growth. The 21 economies of APEC are among the most dynamic in the world. Together, we represent more than half of total economic global output, and more than 60 percent of women in the APEC economies are **P11**

70 part of our formal workforces. They're opening stores, they're running businesses, they're harvesting crops, they're assembling electronics, and designing software.

The Economist points out that the increase in employment of women in developed countries during the past decade has added more to global growth than China has, and that's a lot. And in the United States, a McKinsey study found that women went from **P12**

75 holding 37 percent of all jobs to nearly 48 percent over the past 40 years, and that in sheer value terms, these women have punched well above their weight.



The productivity gains attributable to this modest increase in women’s overall share of the labor market accounts for approximately one-quarter of the current U.S. GDP. That works out to more than three and a half trillion dollars, more than the GDP of Germany and more than half the GDPs of both China and Japan.

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So the promise is clear. What then is the problem? If women are already making such contributions to economic growth, why do we need a major realignment in our thinking, our markets, and our policies? Why do we need to issue a declaration from this summit? Well, because evidence of progress is not evidence of success, and to be sure, the rate of progress for women in the economies of our region varies widely. Laws, customs, and the values that fuel them provide roadblocks to full inclusion.

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In the United States and in every economy in APEC, millions of women are still sidelined, unable to find a meaningful place for themselves in the formal workforce. And some of those who get to enter the workforce are really confined by very clear signals to a lower rung on the job ladder, and there’s a web of legal and social restrictions that limit their potential. Or they are confronted with a glass ceiling that keeps them from the most senior positions.

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Only 11 of the CEOs of the Fortune Global 500 companies are women. That’s less than 3 percent. Some women in the APEC region don’t have the same inheritance rights as men. So they can’t inherit property or businesses owned by their fathers. Some don’t have the power to confer citizenship on their children, so their families have less

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access to housing and education, and they must constantly renew residency permits making it harder for them to work. Some are even subject to different taxes than men. Too often they are denied access to credit and may even be prohibited from opening bank

100 accounts, signing contracts, purchasing property, incorporating a business, or filing lawsuits without a male guardian. Some women earn almost as much as men before they have children but less afterwards and even less if they are single mothers.

These barriers and restrictions, some formal, some informal, erode women’s abilities **P17** to participate fully in their economies and to support their families whether as

105 employees or entrepreneurs. Now, these barriers are certainly not unique to this region, the Asia Pacific region. Variations of them can be found everywhere in the world. But because this is the most dynamic economic region in the world, what we do will have an impact on everywhere else.

Some barriers are left over from a different time and haven’t changed to reflect new **P18** economic realities or concepts of justice. Some seek to preserve an economic order

110 that ensures that men have the higher paying jobs to support their families. And some reflect lingering cultural norms, the belief that women need to be protected from work that is thought to be dangerous or unhealthy for them.

In truth, what is dangerous is denying ourselves the level of economic growth we **P19** need to build stronger societies. And what is unhealthy is for women to be denied

115 the chance to contribute fully to that growth, because that denies everyone, first and foremost their families, a chance at greater prosperity.



Now, economic orders do not perpetuate themselves. They are made and remade through countless decisions, small and large, by economic policymakers, political leaders, and business executives. So if we want to see opportunities for women improve, we must begin with sound economic policies that explicitly address the unique challenges that limit women. And here's why: A Goldman Sachs report shows how a reduction in barriers to female labor force participation would increase America's GDP by 9 percent. We admit we still have such barriers. It would increase the Eurozone's by 13 percent – and they need it – and Japan's by 16 percent. Unlocking the potential of women by narrowing the gender gap could lead to a 14 percent rise in per capita incomes by the year 2020 in several APEC economies, including China, Russia, Indonesia, the Philippines, Vietnam, and Korea.

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Of course, rising income means increased spending, which in itself helps to fuel more growth. And here, too, women make a strong contribution. A Boston Consulting Group survey concludes that, globally, women will control \$15 trillion in spending by the year 2014. And by 2028, BCG says women will be responsible for about two-thirds of consumer spending worldwide.

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Digging a little deeper into the data, we can see positive benefits that flow from both the quality of spending and the quantity of saving by women because multiple studies have shown that women spend more of their earned income on food, healthcare, home improvement, and schooling for themselves and their children. In short, they reinvest, and that kind of spending has a multiplier effect leading to more job

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growth and diversified local economies. And that, in turn, can help ensure better

140 educated, healthier citizens as well as provide a cushion in the event of market downturns.

The research also shows that women are stronger savers than men. Data – does that **P23** surprise any of the women in the audience? Data from 20 semi-industrialized

145 countries suggest that for every one percentage point increase in the share of household income generated by women, aggregate domestic savings increased by roughly 15 basis points. And a higher savings rate translates into a higher tax base as well.

Integrating women more effectively into the way businesses invest, market, and **P24** recruit also yields benefits in terms of profitability and corporate governance. In a McKinsey survey, a third of executives reported increased profits as a result of investments

150 in empowering women in emerging markets. Research also demonstrates a strong correlation between higher degrees of gender diversity in the leadership ranks of business and organizational performance. The World Bank finds that by eliminating discrimination against female workers and managers, managers could significantly increase productivity per worker by 25 to 40 percent. Reducing barriers preventing **155** women from working in certain sectors would lower the productivity gap between male and female workers by a third to one half across a range of countries.

Now, these gains are achieved because removing barriers means that the talent and **P25** skills of women can be deployed more efficiently. And in our globalized world



today, this is a competitive edge that is more important than ever. All of this underscores

160 my primary point: When we liberate the economic potential of women, we elevate the economic performance of communities, nations, and the world.

Take just one sector of our economy – agriculture – to illustrate what I mean. We **P26**
know women play an important role in driving agriculture-led growth worldwide.

165 Agriculture is a powerful engine for development, as we have seen in the remarkable rise of China and India. And in several APEC economies, women comprise nearly half of the agriculture labor force. They sustain every link in the agricultural chain: They plant the seeds; they care for the livestock; they harvest the crops; they sell them at markets; they store the food, and then they prepare it for consumption.

170 But as for the role of women in agriculture nowadays, despite their presence in all of **P27** these kinds of jobs, they have less to show for all of their work. Women farmers are up to 30 percent less productive than male farmers, and that’s not because they are working less or are less committed. It’s because women farmers have access to fewer resources. They have less fertilizer, fewer tools, poorer quality seeds, and less access to training or to land. And they have much less time to farm because they also have to do **175** most of the household work. When that resource gap is closed and resources are **allocated** equally – and better yet, efficiently – women and men are equally productive in agriculture. And that has positive benefits. In Nepal, for example, where mothers have greater ownership of land because of their inheritance rights, there are fewer severely underweight children.



180 So what we have here is an opportunity to accelerate growth in developing economies while, at the same time, producing more and cheaper food for our planet. Close the resource gap holding women back in developing economies, and we could feed 150 million more people worldwide every year, and that's according to the Food and Agriculture Organization, and that's in addition to the higher incomes for families and the more efficient markets and the more agricultural trade that would result.

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The same kind of impact can be seen in other sectors in our economies, because we know that the entrepreneurial spirit of women is strong. More than half a million enterprises in Indonesia and nearly 400,000 in Korea are headed by women. They run fully 20 percent of all of China's small businesses. All across Asia, women have and continue to dominate light manufacturing sectors that have proved crucial to the region's economic takeoff. And economists predict that women-owned businesses, which now provide for 16 percent of all U.S. jobs, will create nearly a third of the new jobs anticipated over the next seven years.

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So with that kind of evidence at hand, it is little wonder that the World Economic Forum's Gender Gap Report finds a direct correlation between the gender gap and economic productivity – the lower the former, the higher the latter. As Klaus Schwab, the executive chairman of the World Economic Forum concludes, "Women and girls must be treated equally if a country is to grow and prosper." The declaration we will adopt here today can begin to close that gender gap, by making it possible for more women to unleash their potential as workers, entrepreneurs, and business leaders.

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And the goals in this declaration are very specific. We commit to giving women access to capital so women entrepreneurs can turn their ideas into the small and medium enterprises that are the source of so much growth and job creation. We urge examining and reforming our legal and regulatory systems so women can avail

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205 themselves of the full range of financial services. And such reforms can also help ensure that women are not forced to compromise on the well-being of their children to pursue a business career.

We must improve women's access to markets so those who start businesses can keep them open. For example, we need to correct the problem of what's called

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210 information **asymmetric** problems, meaning that woman are not informed about the trade and technical assistance programs that are available, as we just discussed in agriculture.

There are two State Department programs that we are using to try to model a lot of these approaches. A program called Pathways to Prosperity connects policymakers

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215 and private sector leaders in 15 countries across the Americas. It's aimed at helping small business owners, small farmers, craftspeople do more business, both locally and through regional trade. And the African Women's Entrepreneurship Program reaches out to women that are part of the African Growth and Opportunity Act countries to provide them with information and tools to take advantage of what AGOA has to offer.

220 And then finally, we must support the rise of women leaders in the public and private sectors because they bring firsthand knowledge and understanding of these

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challenges, and their perspectives will add great value as we shape policies and programs that will eliminate barriers to bring women into all economic sectors.

Several businesses already are taking significant steps to meet such goals. Goldman Sachs is training the next generation of women business leaders in developing economies with its Ten Thousand Women campaign. Coca Cola's "Five by Twenty" campaign aims to support five million women entrepreneurs worldwide by 2020. And just this week, Wal-Mart announced that it will use its purchasing power to support women entrepreneurs by doubling the amount of goods it will buy from women-owned businesses globally to \$20 billion by 2016. In addition, Wal-Mart will invest \$100 million to help women develop their job skills, including women who work on the farms and factories overseas that are Wal-Mart suppliers.

Now, these programs are just the start of the type of permanent shift we need to see in how businesses worldwide invest in women.

Now, I do not underestimate the difficulty of ushering in what I call the participation age. Legal changes require political will. Cultural and behavioral changes require social will. All of this requires leadership by governments, civil society, and by the private sector. And even when countries pursue aggressive structural reforms to get more women into their economy and enhance their productivity, they don't always produce the results that we would like to see. So we have to stay with this. Persistence is part of our long-term plan.



And while economic orders may be hard to change, and policy strategies—no **P38**

matter how good—can only get us so far, we all have to make a choice, not simply

to remove the barriers but to really fill this field with active investment and involvement

245 from all of us. Those of you who are here today are leaders from across the APEC region, and it is your choice to come here, it is your choice to focus on women and the economy

that will send a message rippling across APEC. And the countless decisions that will be

taken by leaders and citizens to encourage young girls to stay in school, to acquire skills,

to talk to that banker, to understand what it means to give a loan to a woman who will

250 work her heart out to produce a result for herself and her children. And when we do that, we are going to really make a big difference in helping elevate the age of participation for women.

And there are many other areas we have to be attentive to. Our medical research **P39**

dollars need to be sure that we are equally investing in women as men. Our tax

255 systems have to ensure that we don't either deliberately or inadvertently discriminate against women. And women should be given the same opportunities to be productive

and contributing members of society.

But big and bold ideas, I think are called for in our world today, because a lot of **P40**

what we're doing is not achieving the outcomes that we are seeking. There is a

260 **stimulative** and ripple effect that kicks in when women have greater access to jobs and

the economic fortunes of their families, their communities, and their countries. Many

people say that there are all kinds of benefits that will flow from this, but I want to be

somewhat modest in our goals. Yes, I do think it will produce more food and more



educational opportunity and more financial stability for more families around the world,
265 and that will have dividends across the full spectrum of society.

But our declaration will be meaningless if we don't put our will and effort behind it. I **P41**
think this summit just might make the history books if people look back in years to
come and say, that meeting in San Francisco with all of those important people from
across the Asia Pacific said something that had never been said before. They didn't just
270 assert that involving women was the good thing to do or the right thing to do. They put
their heads together and came up with a declaration committing themselves to really
tackle the obstacles, because it will benefit the people we all represent.

And then we need to measure our progress to be sure that we are tracking what we **P42**
care about. We obviously do that in our own lives, but it's important we do it across
275 our countries and our regions. And I am sure that if we leave this summit and go back to
our governments and our businesses and focus on how we're going to improve
employment, bring down national debts, create greater trade between us, tackling all of
that, and always in the back of our mind keep in focus what more can we do to make sure
women contribute to those results, we will see progress and we will be in the lead at not
280 only asserting what we think should be done, but in measuring and tracking how well we
are doing.



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So I thank you for gathering here in San Francisco, mindful that we're on a long journey together. I look out and I see friends from across the region representing countries that have been so amazing in the progress that you have made in the last 50 years, even in the last 30 years. It will take time. It will take our concerted effort. But I am convinced that if we come into pursuing the promise of this participation age and unleashing and harnessing the economic potential of women, we will see a new and better future.

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That is why I am honored to be here representing the people of the United States, bearing witness to what begins right here in San Francisco, on September 16th, 2011. This is the beginning of a very promising future for us all. Thank you very much.
