

Ministry for Foreign Affairs, Sweden

Minister for Trade Anna Hallberg's speech in the opening plenary of the 2019 UN Forum on Business and Human Rights; November 25<sup>th</sup>, 2019

*“Stepping up government leadership: from commitments to action”*

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Excellencies, distinguished guests, ladies and gentlemen,  
I am very pleased to be with you today at this important meeting.

The United Nations Forum on Business and Human Rights concerns matters close to my heart: the respect and promotion of human rights in the business sector.

I have spent almost my entire life in the business sector and was appointed Sweden's minister for trade three months ago. Therefore, it is extra special for me to talk about governments as a catalyst for business respecting human rights.

I am here today because Sweden's government has a strong commitment to protect and fulfil human rights and fully support this theme for the forum. Let me share with you seven key areas for the Swedish government's work.

I will start with social dialogue. In 2016, the Swedish Prime Minister initiated the **Global Deal** partnership. The Global Deal is a multi-stakeholder partnership hosted by the OECD in collaboration with ILO, promoting an enhanced social dialogue. We believe this is crucial to foster decent work and quality jobs globally. By extension, we believe it contributes to greater equality and inclusive growth.

In Sweden we can see that almost everyone benefits from increased trade and open global markets. We have a social security system that is engineered for coping with change. For example, if a company decides to close its operations at a factory, our answer is not mainly to try to stop it, but to handle the consequences in a way that protects the workers and the society.

Change is not a threat – it's an absolute necessity! But status quo and locking in old production methods is a threat to any company and any state.

We have a social safety net that steps in. We offer retraining so that workers can find new jobs in more profitable and modern sectors.

Thanks to this system, Swedish trade unions are pro-change and pro free trade. We have strong unions and our Swedish businesses want strong unions. They appreciate unions as partners of the social dialogue. This partnership between employers and employee organizations has also been a key factor behind many successful Swedish companies.

Workers win by gaining influence, improved working conditions and better opportunities for education and social welfare.

Companies win from a constructive working atmosphere, an openness to change, increased

productivity and stronger consumers.

Society wins from inclusive growth and social stability.

It's a win-win-win situation. I call upon other states, organizations and companies to join the Global Deal initiative.

The second area is feminism. The Swedish government is a **feminist government**. We emphasize the human rights of all women and girls as absolutely essential for sustainable economic development. This is not just the right thing to do. It also makes sense economically. Gender inequality is always wasteful.

The third area is corruption. For the Swedish government the **fight against corruption** and bribery is key to sustainable development and the fulfillment of the Agenda 2030. Corruption is devastating for the business sector and for societies. Companies are less interested in investing in countries or regions with widespread corruption. This blocks economic development and undermines democracy.

Governments have a responsibility to build strong institutions, support the rule of law, and implement legislation on anti-corruption. In the Swedish Government's *Drive for Democracy*, an initiative aimed at responding to recent threats and challenges to democracy, fighting corruption is an important component.

The fourth area is **Global Value Chains**. Global value chains are a key component of the globalized economy, and they must be sustainable in all their parts. A chain is only as strong as its weakest link. In global trade, a chain of production can only be considered responsible and sustainable if it is so every step of the way.

We believe the Agenda 2030 presents a golden opportunity to gather the private sector to further develop ways to ensure that these **global value chains** respect human rights.

The fifth area is **National Action Plans**. It is essential for every country to implement and follow up **National**

**Action Plans** for Business and Human Rights, in order to implement the United Nations Guiding Principles on Business and Human Rights. Sweden supports countries in Asia and the Pacific in this regard. I am pleased to see that Thailand has developed a National Action Plan and I would like to congratulate Thailand on being the first country in Asia to adopt a Plan.

The Swedish National Action Plan, launched in 2015, was followed-up in 2018 with a report on recommendations. Now, we are taking the National Action Plan one step further by launching a Swedish Platform for International Sustainable Business. We want to further improve our work in this field by developing one unified platform for Government initiatives.

The sixth area is about **Sustainability Reporting**. The EU demands sustainability reporting for all companies having more than 500 employees. We have strengthened this requirement in our national legislation. In Sweden, we require all companies having

250 employees or more to provide a sustainable development report.

This was important to spark change and awareness in an initial phase. But today many Swedish businesses are proactive and have placed sustainability in their core business model. They now have extensive sustainability reporting – beyond legislation requirements – to boost the companies' business and shareholder value.

Consumers demand socially responsible production and companies take own initiatives to improve sustainability. Government action was necessary as a catalyst of change, but when the demand comes from consumers and markets it gets so much stronger.

The seventh area is **state-owned companies**, which must be role models in terms of sustainable business. The Swedish government has therefore made human rights an integral part of the corporate governance of Swedish state-owned enterprises by strengthening the follow-up of the UN's guiding principles. We have introduced crystal clear requirements in the state

ownership policy, skill-enhancing measures and improved tracking of the companies' work in this field.

Lastly, our government will soon launch our new **Export- and Investment Strategy**. When we devised this strategy, it was clear to us that Sustainable Business would have to be at its absolute core. Sweden wants to show that trade is compatible with sustainability and respect for human rights. Sustainability is not an obstacle for trade, it will enhance trade.

A sustainable business sector, with human rights as a corner stone, is absolutely necessary for any country's future welfare.

Thank you!