

8 DECENT WORK AND ECONOMIC GROWTH



SWEDEN AND DECENT WORK AND ECONOMIC GROWTH

MAIN MESSAGES

- **Unleashing the innovative power of the business sector to enable changes in society.** Business opportunities emerge when societies change. Creating conditions that enable the business sector to develop sustainably is critical for job creation, inclusive economic growth, prosperity and welfare, in both urban and rural areas. A diversity of entrepreneurs and businesses promotes an inclusive economic development in which a range of skills are utilized and developed in line with evolving market needs. Good conditions for research and innovation in both academia and the business sector are key.
- **Promoting social dialogue and strengthening the position of collective agreements nationally and internationally.** Social dialogue and collective agreements go hand in hand with the protection of decent working conditions and the reduction of poverty. They enable beneficial adaptability to new working methods while also increasing companies' competitiveness in a changing environment. People who feel secure in the labour market contribute to development.
- **Ensuring gender equality, women's participation and inclusion of persons with disabilities in the labour market.** The labour market should promote gender equality and counteract discrimination. Inequitable sharing of unpaid household and care work between women and men, as well as workplace discrimination and harassment, limit women's access to equal opportunities in the labour market. It is essential to challenge norms in order to increase women's economic empowerment and improve gender equality. Workplace discrimination and lack of accessibility limits opportunities for persons with disabilities to participate in the labour market on equal terms with others. In order to better utilize the skills and resources available in society, it is essential to promote a work environment that is open, inclusive and accessible to persons with disabilities.

SWEDEN ON TARGET FOR SDG 8:

A SOUND, INNOVATIVE BUSINESS CLIMATE, DIGITAL TRANSFORMATION, SOCIAL DIALOGUE AND GENDER EQUALITY PROVIDE OPPORTUNITIES FOR SUSTAINABLE GROWTH

In 2018, Sweden's GDP increased by 2.3 per cent. Sweden is dependent on trade with other countries. Exports of goods and services contribute to economic growth. In 2018, Sweden's exports were worth SEK 2 193 billion, an increase of 7 per cent compared with the previous year. Many Swedish companies now have sustainable business models in place that integrate the SDGs. The State's role is to ensure sound conditions to enable the business sector and other actors to develop their business in a sustainable manner. A strong entrepreneurial business climate promotes innovative and sustainable enterprises. Small- and medium-sized companies play an important role. Social dialogue, gender equality and women's participation in the labour market are key to future work.

Sweden at work nationally

A diversity of companies and entrepreneurs is crucial for a sustainable business sector. The ability to innovate and transform to remain competitive is critical for any company.

Many Swedish companies now have sustainable business models in place that inte-

grate the SDGs. Consumers, employees and investors count on Swedish companies to be sustainable. Swedish export promotion is characterised by high ethical standards, and Swedish companies are role models for the integration of social and environmental responsibility into business operations, both in terms of business models and the products

and services they deliver. According to the State's ownership policy, the conduct of state-owned companies must be exemplary and comply with the national plan and international guidelines for sustainable business.

Swedish businesses are committed to the implementation of the 2030 Agenda and the Paris Agreement. Implementation is often carried out in partnership and co-creation with key players, including government agencies, businesses and academia. The Swedish labour market model is based on a division of responsibility between the State and the social partners. The partnership is strengthened among national, regional and local actors.

Facing complex challenges in a globalised world demands new ways of working together to establish innovative and commercially viable solutions. Innovative digital solutions improve living and working conditions. Climate and environmental impacts are reduced through the development of smart cities and regions with digitally driven innovation in electricity networks and transport. In the digital sector, challenges include gender bias and socio-cultural constructions that discourage girls and young women from STEM (science, technology engineering and maths) studies and careers. These challenges need to be addressed to ensure that women have the same opportunities as men and that this important sector does not miss out on key competencies.

Gender equality and women's participation in the labour market are key to the future of work. Regarding women's employment in general, Sweden scores well. Our social protection systems, including child care and shared parental leave, and our tax system promote gender-equal labour markets. However, the gender pay gap remains a challenge. Women still earn 11 per cent less than men on average.

Foreign-born women and women with disabilities face additional challenges. Their employment rate is lower than that of Swedish-born women and women without disabilities. They are also more likely to be in involuntary part-time work or temporary work. Moreover, foreign-born women are also more likely to work in jobs below their qualification level.

A key feature of the Swedish labour market is the role of social dialogue and collective agreements between employers and trade unions. One major advantage of a model based on collective agreement is that it ensures decent working conditions. Also, the rules and regulations are much more flexible and can easily be adapted to the specific requirements and conditions of different labour market sectors. This flexibility has contributed significantly to the competitiveness of the Swedish economy. The legitimacy of the Swedish model lies in the high level of organisation membership. About 75 per cent of all wage earners belong to a trade union and 82 per cent of employers belong to employer federations. However, the proportion of employees belonging to trade unions has declined in recent years.

Sweden at work globally

Sweden's efforts to support economic development globally focus on removing barriers, strengthening capabilities and enabling people to exercise their rights as economic actors to fully participate in, contribute to and benefit from economic development without compromising the ability of future generations to do the same.

The integration of a human rights-based approach, human security, gender equality and environment and climate considerations across the board is crucial. Sweden contributes to bridging the digital divide by ensuring equitable

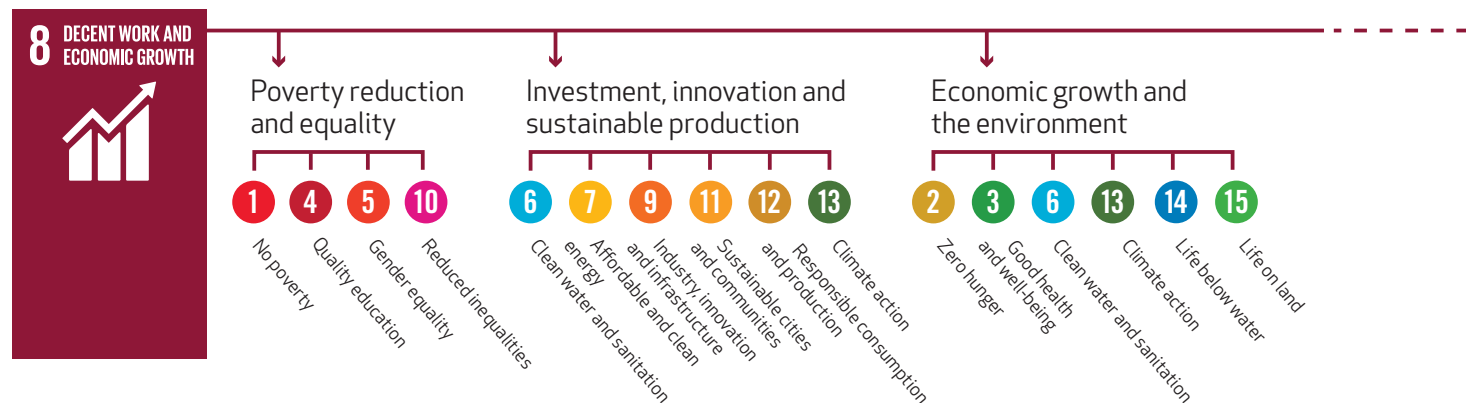
access to information and communications technology, supporting skills development and digital entrepreneurship.

Sweden is an important actor in the Aid for Trade initiative and especially supports the least developed countries (LDCs) in their efforts to integrate into world trade through trade policy, building productive capacity and infrastructure. One example is the Enhanced Integrated Framework (EIF), a multilateral partnership dedicated to assisting LDCs to use trade as an engine for growth, sustainable development and poverty reduction.

Swedish Leadership for Sustainable Development (SLS) is a network of more than 20 of the largest Swedish companies and the development finance institution Swedfund. The network has become a forum for valuable knowledge exchange, concrete projects and collaborative models for poverty reduction and sustainable development, with implementation of the SDGs focusing in particular on SDGs 8, 12 and 16 and their interlinkages. Swedish Investors for Sustainable Development (SISD) is a partnership comprising 18 institutional investors, pension companies and investment companies whose work centres on the role of investors in the 2030 Agenda. This network has served as an inspiring model for the Global Investors for Sustainable Development.

In 2016, the Swedish Prime Minister launched the Global Deal initiative. The aim of the Global Deal is to enable everyone to benefit from globalisation through decent working conditions, social dialogue, increased equality and greater economic growth. It also serves to create a platform for well-functioning relationships and to strengthen existing collaboration to enhance social dialogue between the social partners, in particular employers and trade unions. The OECD has recently taken over as host of the Global Deal with the support of the ILO.

Connecting the dots¹



Source: Stockholm Environment Institute

SDG 8 seeks to promote economic growth, employment and decent work for all to achieve many positive impacts, such as poverty alleviation, equality and health. SDG 8 contributes to investment in education and innovation, cleaner technologies and more sustainable means of production. However, if economic growth is not sustainable, there is potential for negative trade-offs with other goals, in particular the environmental goals. These trade-offs could pose major challenges.

Poverty reduction and equality

Reducing poverty and creating jobs – especially in relation to underrepresented groups – requires access to income and resources, (SDG 1) promoting gender equality (SDG 5), reducing inequality (SDG 10) and having access to quality education (SDG 4).

Investment, innovation and sustainable production

Economic growth enables greater investment in infrastructure, buildings, technology and research and innovation. Progress on SDG 8 could consequently contribute to innovation (SDG 9), the expansion and development of renewable energy (SDG 7), water and sanitation services (SDG 6), cleaner production (SDG 12), more resilient and sustainable means of transport (SDG 11), and climate adaptation and mitigation (SDG 13). However, economic growth that is not sustainable could make achieving several other goals difficult.

Economic growth and the environment

Economic growth is a prerequisite for social development. However, in the long term, greater economic activity could present a challenge for resource-intensive sectors, such as the agricultural sector (SDG 2). It can also affect health risks (SDG 3), and put pressure

on fresh water resources (SDG 6) and marine and terrestrial ecosystems (SDGs 14 and 15). Unsustainable economic growth is closely linked to rising greenhouse gas emissions and accelerated global warming (SDG 13).

Economic growth and rising incomes can help to alleviate environmental pressures through access to cleaner technologies, increased resource efficiency and better environmental governance structures. Limiting or reducing the environmental impact of economic activities and promoting environmentally sustainable growth, using green technologies and circular economy principles, will open up new avenues to prosperity without compromising the prospects of future generations.

¹ This section is based on analysis by the Stockholm Environment Institute (SEI). For more information on SEI's SDG work, visit the following website: <https://www.sei.org/sdgs-agenda-2030/>



Sweden and empowering people and ensuring inclusiveness and equality

Sweden is well placed to implement the 2030 Agenda. The peaceful and democratic conditions that have long characterised our country, our openness to collaboration and cooperation with others, at home and abroad, strong local self-governance and a dynamic business climate have combined to create a solid foundation for peace, sustainable development and the welfare of our people.

However, Sweden is also working hard to address existing inequalities; it is committed to reducing income disparities, providing equal opportunities for people with disabilities, LGBTI people, minorities and newly arrived immigrants, achieving equity in health services and providing equal opportunities for lifelong learning throughout the country. Segregation and housing affordability are growing challenges in urban areas. Despite explicit feminist policies, women and men in Sweden are still not paid equally for equal work. Sweden still has a great deal of work to do.

To tackle these challenges, new partnerships are being formed and there is a growing awareness of the urgency to act now. Swedish municipalities and regions are committed to sustainable development. Large parts of the Swedish business community see sustainability as a competitive advantage. Sustainability is increasingly being integrated into the core of business models and is driving new innovations. Trade unions are pushing for social dialogue and decent working conditions. Civil

society is paving the way through its own efforts and by pushing decision-makers to act. More than ever before, young people are recognised as key to transformative change, and the large and growing number of older people are actively contributing to society in many different ways. The Swedish research community contributes cutting-edge research on sustainable development. More than 60 Swedish government agencies have signed a joint declaration of intent to implement the 2030 Agenda and are now finding new ways to collaborate to deliver on the Sustainable Development Goals.

Sweden's ambition is to be a leader in the implementation of the 2030 Agenda. Implementation involves a step-by-step approach towards a modern and sustainable welfare state, nationally and as part of the global system. Multilateral cooperation is perhaps more important than ever in the modern era. Sweden's development cooperation focuses specifically on supporting the implementation of the 2030 Agenda, the Paris Agreement and the Addis Ababa Action Agenda on Financing for Development. Sweden's ODA amounts to 1 per cent of its gross national income (GNI). Sweden is active in many different international organisations and international financial institutions and wholeheartedly supports the ambitions for reform and modernisation of the UN system so that its operations contribute to the implementation of the 2030 Agenda.



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