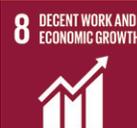


# DECENT WORK



INTRODUCTION

SDGS IN FOCUS THROUGH OUR WORK: ▼ SDG 8.2 ▼ SDG 8.5 ▼ SDG 8.7 ▼ SDG 8.8

The core of Swedfund’s mission is to create job opportunities so that people can take themselves out of poverty. The jobs we are creating must be decent with good working conditions.

For Swedfund, a decent job must meet the ILO’s eight core conventions (see page 68) and the ILO’s basic terms and conditions of employment. These relate to freedom of association and the right to collective bargaining, regulated working hours, minimum wages and health and safety, elimination of forced or compulsory labour, abolition of child labour and elimination of all forms of discrimination.

To create decent job opportunities, we must convert jobs in the informal economy to work in the formal economy. The lack of regulation in the informal sector increases the risk of poverty and vulnerability. This is often risky work, with long working days and low wages without the opportunity to negotiate and affect terms and conditions. In many cases, there is a lack of a social security net and social rights such as healthcare, childcare and care for the elderly. In some countries, the proportion of people in the informal economy is 80 percent of all workers. A large informal sector militates against building inclusive growth in a society.<sup>1</sup> Women and young people are particularly vulnerable, since they work in the informal sector to a greater extent. Swedfund’s investments,

such as in the textile industry or in the hotel and services sector, provide tools to advance the transition from the informal sector to the formal.

For us at Swedfund, working conditions are not a soft issue. They are definitely a hard issue: When we analyse the possible investment, we carry out an analysis of the current situation and the opportunity to make improvements. If we proceed with the investment, we link our requirements for improvements to our financial conditions for disbursement. We work in challenging markets, where ILO’s terms and conditions are not always adhered to. This makes our work particularly important.

## 4 OUT OF 5

WORKERS IN DEVELOPING COUNTRIES ARE IN VULNERABLE FORMS OF EMPLOYMENT.<sup>2</sup>



ILO’S SOCIAL UNREST INDEX (DISSATISFACTION WITH THE SOCIO-ECONOMIC SITUATION IN SOCIETY) IS INCREASING IN EIGHT OUT OF ELEVEN REGIONS IN THE WORLD.<sup>3</sup>

“IF WE DON’T CREATE JOBS FOR AN EXTRA 1 BILLION PEOPLE IN AFRICA BY 2050, WE’RE SITTING ON A TICKING TIME BOMB.”

**FRED SWANIKER**  
FOUNDER AND CEO AFRICAN LEADERSHIP GROUP, 2016<sup>4</sup>

## 2 OUT OF 3

OF THE WORKERS IN SUB-SAHARAN AFRICA LIVE IN POVERTY EVEN THOUGH THEY ARE EMPLOYED.<sup>5</sup>



IN SOUTH ASIA, 82% OF ALL WOMEN HAD VULNERABLE WORK IN 2016, COMPARED WITH 72% OF ALL MEN.<sup>6</sup>

## 1.4

BILLION PEOPLE IN THE WORLD WORK IN VULNERABLE JOBS.<sup>7</sup>

WHAT SWEDFUND DOES

### THROUGH INVESTMENT:

- ▼ We contribute to increasing the number of job opportunities through investment in the private sector. This takes place directly or through financing banks and funds who finance SMEs, where the majority of all jobs in our markets are generated.
- ▼ During our Due Diligence, we look at whether the company complies with the ILO’s core conventions and the ILO’s Basic Terms and Conditions of Employment. If we identify deficiencies, we address them through an ESGAP (Environmental Social Governance Action Plan), with a set target date for rectifying the situation. ESGAP forms a part of the investment agreement with the portfolio companies.
- ▼ By developing financially sustainable businesses, we create the conditions for continued and additional employment in companies that survive and progress.

▼ During the latter part of 2017, Swedfund gradually introduced a model to enable us to measure the indirect jobs generated by our investments.

### WE MEASURE RESULTS:

- ▼ We measure the number of jobs in our portfolio companies, and one of our objectives is that they must increase over time.
- ▼ We measure and set standards for the portfolio companies’ compliance with the ILO’s Core conventions and the ILO’s Basic Terms and Conditions of Employment.

### GOVERNING POLICY & RESPONSIBILITY:

- ▼ Swedfund’s Sustainability Policy
- ▼ The investment managers

FOOTNOTES DECENT WORK

1 Swedish Government publication 2016/17:71 Page 3.  
2 ILO World Employment and Social Outlook – Trends 2017, page 2.  
3 ILO World Employment and Social Outlook – Trends 2017, page 10.  
4 Fred Swaniker, TED Global 2016.  
5 ILO World Employment and Social Outlook – Trends 2017, page 2.  
6 ILO World Employment and Social Outlook – Trends 2017, page 24.  
7 ILO World Employment and Social Outlook – Trends 2017, page 2.

FOOTNOTES GENDER EQUALITY

1 Boston University. Are Women the Key to Sustainable Development? Sustainable Development Insights. 2010, page 7.  
2 CEO Gender, Corporate Risk-Taking, and the Efficiency of Capital Allocation. 2016, page 2.  
3 hglobalcitizen.org 10 reasons why investing in women and girls is so (2014). Downloaded 20 February 2018.  
4 The power of parity: How advancing women’s equality can add 12 trillion USD to global growth McKinsey Global Institute. 2015, page 1.  
5 The power of parity: How advancing women’s equality can add 12 trillion USD to global growth McKinsey Global Institute. 2015, page 2.  
6 http://www.unwomen.org commission on the status of women fact and figures 2012. Downloaded 20 February 2018.  
7 ILO World Employment and Social Outlook – Trends 2017, page 8.  
8 http://www.jamombud.se/omjamstaldhet/internationalt/. Downloaded 20 february 2018.