

Global Compact Leaders Summit, July 6, 2007, Geneva

Global Compact Leaders Summit, Speech Carl-Henric
Svanberg, CEO Ericsson

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Speech, Carl Henric Svanberg

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Good morning Mr Secretary-General, ladies and gentlemen.

Let me first say that I am honoured to be standing before such a prominent audience here today. It's now been 7 years since the Global Compact's operational phase was launched at UN Headquarters in New York, and Ericsson has been one of the earliest supporters of this initiative.

I congratulate Georg Kell and his team for the hard work and all the governments, civil society organisations, trade unions and businesses that have helped shape and guide the progress.

Leaders know that nothing stands still in the world of business. This is as true of corporate responsibility as it is any other dimension.

Yesterday we heard about 'megatrends' that bring new realities to our door. Ongoing globalization is a phenomenon that offers both real challenges and opportunities. Now we need to focus on how we face those realities and get down to business.

The first two principles of The Global Compact are about ensuring that business should both support and respect the protection of international human rights; and ensure that business is not complicit in the abuse of human rights.

My key message to you today – in particular to fellow business leaders – is that we should not shy away from human rights. The role of business is not just to ask ‘what must I not do?’, but also to ask ‘what might I do?’ to engage with those most socially and economically marginalized in our global community.

First to say a little about what Ericsson brings to the table. Our industry, that of telecommunications, is dynamic by nature. We have been building the infrastructure around the world that allows people to communicate for more than 100 years. This service concerns all people in the world as communication fulfils a basic human need, and is a significant driving force for economic development.

Many of today’s global citizens have never had access to fixed line telephones and therefore the impact of the technology is dramatic – even life-changing.

More and more regulators, governments and other decision makers in high growth markets are realizing the contribution of telecommunications to economic growth.

Professor Leonard Waverman at London Business School has shown that for every ten percentage point mobile penetration increases, GDP growth increases by 0.6 points.

The Ericsson company vision is to be the prime driver in an all communicating world.

This year, our industry, will pass 3 billion phone subscriptions – equivalent to close to half the global population. We should reach 4.5 billion by 2010.

Many of the new subscribers will also have access to the internet for the first time – which literally opens up a whole new world for them. That is why it will be the mobile phone that can bridge the digital divide between the industrialized world and developing countries.

My being here today is not a philanthropic gesture. It is a strategic one.

We see this as both a business opportunity and as a way to enable people in emerging markets to gain greater social and economic benefits.

However, our greatest impact is not here in Switzerland. 80% of new mobile subscriptions will come from emerging markets. It is the impact that phones have at the 'bottom of the pyramid' that is one of our core business interests.

Here the mobile phone is used to satisfy basic needs by generating the extra amount of income that is so crucial for low income households to make ends meet.

Businesses can bring key technologies to people who have been without access to each other, to their families, to their customers, to their doctors, for countless decades. In remote areas of emerging markets we are rolling out solutions to connect people that do not have access to electricity, through use of alternative power sources such as solar and biofuels.

This is about the realization of many essential social and economic rights, such as health, education and work, that are also essential to development.

This realization is now part of our business model, not an extra, and it is intrinsic to our vision of being a prime driver in an all-communicating world.

As well as being a member of The Global Compact, Ericsson is a member of The Business Leaders Initiative on Human Rights, BLIHR. This Initiative has worked closely with The Global Compact to produce tools for business around the world, some of which are available here today in a number of languages.

Mary Robinson, our Chair in BLIHR, has reminded us that next year, 2008, is the 60th Anniversary of the Universal Declaration of Human Rights. 60 years have passed since Eleanor Roosevelt announced the Declaration to the United Nations General Assembly meeting in Paris on 10 December 1948.

At Ericsson we will be taking the opportunity of the 60th Anniversary year to reinforce awareness of the relationship between human rights and mobile technology, in particular the realisation of rights.

We will connect our technology to some of the basic rights found in the Universal Declaration of Human Rights.

We will look at our impact on the *right to education* in South Africa, Uganda and Tanzania, in a e-learning cooperation with Stanford University. We will look at how information can be exchanged among students and experiences shared, and how e-learning with mobile phones can be used to bridge the digital divide.

In China, we are enabling multiple information services that will help drive the sustainable social, economic and educational development in the Guangdong Mountainous Region.

In other parts of the world, we will look at mobile technology and health care, and how our technology might enable the *right to health*.

One has to look no further than the role remittances play across national borders. Migrant workers sending money home to families abroad can for

some countries be a high percentage of national GDP. Mobile phones can allow for micro payments and credit to be transferred in the blink of an eye without the need for costly intermediaries or a previous credit history, in effect enabling the *right to a livelihood*.

We think that telling our stories during 2008 will help inspire other businesses as well as generate wider awareness about human rights.

Being the prime driver means that we are connecting our corporate responsibility to our core business to promote social and economic development. In other words this is part of our business model and not charity.

The provision of humanitarian aid and the fostering of democratic development by the international community is greatly aided by a functioning telecommunications infrastructure that facilitates the free flow of information. As one of the world's largest providers of communications equipment and services, Ericsson serves a vital role in this process.

Ericsson Response, a global initiative aimed at developing a better, faster response to human suffering caused by disasters, is on permanent standby to assist humanitarian and relief organisations anywhere around the world. When disaster strikes, we can have a fully functioning support network up and running within 48 hours, providing vital communications support to UN and other humanitarian organizations. We were there for the Tsunami, the Pakistani earthquake, and many other disasters.

Our approach is about finding practical ways of implementing human rights within our sphere of influence. It is about responsibility but also realising opportunity. It is about helping to realise human rights and to protect them.

I hope that we can all use this day to focus on some of the solutions before us, to not be afraid of being provocative.

Business and Human rights is no longer about talking, it is about doing.
Thank you.