After three years of intensive negotiations and dialogue bringing together not only governments, civil society but also millions of ordinary people around the world, UN member states have unanimously agreed what UN Secretary-General Ban Ki-moon has described as the “most inclusive development agenda the world has ever seen”.

The 2030 Agenda embraces the three dimensions of sustainability – economic, social and environmental. It has 17 Sustainable Development Goals (SDGs) that will build on the progress achieved under the Millennium Development Goals (MDGs). It was formally adopted by world leaders gathering at a United Nations special summit on 25-27 September in New York.

The 2030 Agenda for sustainable development puts people and planet at its centre and gives the international community the impetus it needs to work together to tackle the formidable challenges confronting humanity, including those in the world of work.

**Decent work: Key to sustainable development**

It is estimated that over 600 million new jobs need to be created by 2030, just to keep pace with the growth of the global working age population. That’s around 40 million per year. We also need to improve conditions for the some 780 million women and men who are working but not earning enough to lift themselves and their families out of USD 2 a-day poverty.

The importance of decent work in achieving sustainable development is highlighted by Goal 8 which aims to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.
Decent work and economic growth

Roughly half the world’s population still lives on the equivalent of about US$2 a day. And in too many places, having a job doesn’t guarantee the ability to escape from poverty. A continued lack of decent work opportunities, insufficient investments and under-consumption lead to an erosion of the basic social contract underlying democratic societies: that all must share in progress.

Putting job creation at the heart of economic policy-making and development plans, will not only generate decent work opportunities but also more robust, inclusive and poverty-reducing growth. It is a virtuous circle that is as good for the economy as it is for people and one that drives sustainable development.

**Targets for Goal #8: Decent work and economic growth**

- **8.1** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least [7 percent gross domestic product growth per annum in the least developed countries](#).

- **8.2** Achieve [higher levels of economic productivity through diversification, technological upgrading and innovation](#), including through a focus on high-value added and labour-intensive sectors.

- **8.3** Promote [development-oriented policies](#) that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the [formalization and growth of micro-, small- and medium-sized enterprises](#), including through access to financial services.

- **8.4** Improve progressively, through 2030, [global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation](#), in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

- **8.5** By 2030, achieve [full and productive employment and decent work for all women and men, including for young people and persons with disabilities](#), and equal pay for work of equal value.

**Global facts:**

- Employment growth since 2008 has averaged only 0.1% annually, compared with 0.9% between 2000 and 2007.

- Over 60 per cent of all workers lack any kind of employment contract.

- Fewer than 45 per cent of wage and salaried workers are employed on a full-time, permanent basis, and even that share is declining.

- By 2019, more than 212 million people will be out of work, up from the current 201 million.

- 600 million new jobs need to be created by 2030, just to keep pace with the growth of the working age population.
Indonesia and SDGs

The Government of Indonesia played a significant role in developing the SDGs and was a leader among middle income countries in the negotiations that took place at the United Nations in New York over the last few years. At the international level, Indonesia has also made very strong commitments to decent work and played a critical role in ensuring that labour and employment issues were included in the SDGs. Indonesia has also been active at the country level in supporting the SDG negotiations.

In addition, the Government of Indonesia would integrate SDGs to the National Mid-Term Development Plan (RPJM) with the National Development Planning Agency (Bappenas) as the coordinating body for the implementation of the cross-sectoral SDGs. A joint committee comprising representatives from ministries, government agencies and civil society has been established.

Decent work in Indonesia

Decent work is central to efforts to reduce poverty and is a means for achieving equitable, inclusive and sustainable development. ILO’s mandate is to promote opportunities for all women and men to obtain decent and productive work in condition of freedom, equity, security and human dignity. The Decent Work Country Program (DWCP) translates the mandate into the ILO Contribution in Indonesia towards the national achievement of national development strategies such as RPJMN and the SDGs.

Over the last decade, Indonesia has undergone tremendous economic, social, and political changes leading to a more democratic and strengthened rule-based system supported by labour market, labour law and social security reforms that have changed the landscape of decent work. As a growing G-20 economy at over 6 percent a year and per capita income of around USD 4,000, Indonesia has emerged as a middle income country, with a strengthened role and responsibility to advocate economic and labour issues. Indonesia will have immense opportunities and challenges to further advance the decent work agenda in the coming years.

Employment trend of Indonesia:

- Labour force in Indonesia 122 million, overall unemployment is 7.6 million (unemployment rate is 6.2 %)
- Indonesia’s labour market has continued to expand in 2014 and 2015, with employment growing and unemployment declining. Unemployment has been trending downwards in recent years, and was below 6 per cent in 2015.
- Indonesia has a demographic bonus of having a large youth population as productive workforce. Currently their potential is not being properly utilised. Young account of 50 percent of “unemployed”, most of them have never worked before.
- The Gini Index, which measures the degree of inequality of distribution of family income, was 0.32 in 2004, but rose to 0.41 in 2013 and stayed at the same level until today,
- While minimum wages have been increasing, growth in average wages has been slower and over time the gap between average minimum wages and average wages has narrowed. For example, in 2001 the simple average minimum wages for Indonesia was 58.5 per cent of the national average wages and by August 2014 this ration had increased to 76.5 percent.
- Minimum wages fixing tends to “crowd out” wage fixing through collective bargaining. This can constrain genuine bargaining and weaken unions, and hamper attempts to genuinely link wages and productivity. This may undermine enterprises efficiency in the medium and long term.
- Indonesia needs more jobs – decent and sustainable jobs – one of the solution would be to create and promote sustainable enterprises.

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