

Policy Brief

September 2023

Sustainable Development, Decent Work and Social Justice An update on progress towards SDG 8

▶ Introduction

The 2030 Agenda as expressed in the 17 Sustainable Development Goals embodies the spirit and purpose of the Decent Work Agenda and its central role in advancing human-centred development and social justice. The strategic objectives of decent work – employment, social protection, rights and standards, and social dialogue – are reflected in many of the SDGs' 169 targets, most notably those of SDGs 1, 3, 4, 5, 8,10, 12 and 16.¹ Together, the SDG goals and targets framed an integrated global agenda to advance social justice and sustainable development in tandem in recognition of their strong interdependence and potential synergy.

SDG 8 is the goal that captures this interdependence and synergy best by explicitly addressing the economic, social and environmental dimensions of sustainable development. It encourages countries to pursue interrelated strategies that feed a cumulative dynamic process – a positive SDG 8 "policy spiral" which the ILO described in its 2019 report Time to Act for SDG 8: Integrating Decent Work, Sustained Growth and Environmental Integrity.²

The 2030 Agenda calls for both action from member States and renewed multilateral cooperation to achieve such balanced socio-economic progress in solidarity and with mutual responsibilities, so that no one is left behind. In this respect, it is useful to recall a principle stated in the Preamble of the ILO's founding Constitution: "the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries".



"Goal number 8, on sustainable economic growth and decent work for all, brings together the social, economic, and environmental dimensions of the SDGs.

These three aspects need to be addressed simultaneously if we are to succeed in our collective ambition of realizing sustainable development and social justice for all.

A world with equitable growth, social justice, and a just transition to greener economies for all is possible."

▶ **Gilbert Houngbo**, ILO Director General

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Halfway to 2030, the SDGs are in a dire state. The Special Edition of the Sustainable Development Goals Report 2023 reveals that "the latest global-level data and assessments from custodian agencies paint a concerning picture: of the approximately 140 targets that can be evaluated, half of them show moderate or severe deviations from the desired trajectory. Furthermore, more than 30 per cent of these targets have experienced no progress or, even worse, regression below the 2015 baseline."

Progress on SDG 8 fits this general pattern. In 2019, the ILO developed an integrated measurement instrument for SDG 8 including relevant targets and indicators from other SDGs, thereby enabling measurement of progress and prospects across these three dimensions (ILO, 2019a). This month the ILO released a follow-up report that updates and builds on that previous work by analysing the prospects for countries to achieve each of the economic, social and environmental aspects of SDG 8 by 2030 based on their performance between 2010 and 2022.³ The report traces the disappointing state of global prospects for achieving SDG 8 and identifies certain patterns and imbalances in these prospects across countries and across these three dimensions.

1.1 Latest trends of indicators representing the SDG 8 targets

The international community today is almost as far from reaching the targets of SDG 8 as it was in 2015. Prospects vary widely across countries and the three dimensions. The 2023 SDG Summit is therefore an important opportunity to generate commitment and policy action to accelerate and broaden progress towards SDG 8 and other Goals.

The COVID-19 pandemic, with its major impact on the economy and labour markets, undermined the rate of progress by disrupting some promising pre-crisis trends and exacerbating constraints on fiscal space due to increased debt levels. High inflation and the cost-of-living crisis, uncertain monetary policy paths, trade tensions and rising risks of debt distress – all exacerbated by geopolitical tensions – have added to the challenge. And while the global economy is projected to avoid a recession (IMF 2023), economic growth is far from the levels envisioned in the SDG targets.

The following discussion provides a snapshot of the latest available data relating to the outcome indicators of the SDG 8 targets. While global time series estimates exist for some of the headline indicators, only a snapshot of the latest available data across a limited set of countries can be presented for other indicators.

Data collection efforts need to be intensified to improve measurement of progress towards all of the targets of SDG 8 using all of the agreed indicators.

Target 8.1 - Sustain per capita economic growth with a target of at least 7 per cent per year in least developed countries: Global real GDP declined sharply by 4.1 per cent in 2020 amidst the COVID-19 pandemic, following an average rate of annual expansion of 2 per cent in the years 2014–2019 (IMF 2023). Despite a rebound, with growth exceeding pre-crisis rates in 2021, low projected growth implies that a gap of around 3 per cent with respect to the pre-crisis trend will remain over the coming years. Real GDP growth of least developed countries is expected to exceed 5 per cent in 2024 and 2025, much higher than the 3.9 per cent that was achieved on average in the years 2014–2019, but still below the target of 7 per cent.

Target 8.2 - Enhance productivity through diversification, technological upgrading and innovation, and a focus on high-value added and labour-intensive sectors: While growth of output per worker has been declining over decades in high-income countries, there are now signs that this slowdown is also spreading to middle-income countries (ILO 2023b). This will reduce the pace of convergence in productivity growth. The situation is particularly dire for low-income countries, where labour productivity is 18 times lower than in high-income countries. Worse still, there has been no convergence in labour productivity growth over the past three decades between low- and high-income countries (ILO 2023b). Low productivity growth also limits the scope for widespread and sustained real income increases.

Target 8.3 - Promote decent job creation, entrepreneurship, and the formalization and growth of micro-, small and medium-sized enterprises: Globally, 8 in 10 enterprises operate in the informal economy around 2 billion workers were in informal employment in 2022, which amounts to 58.0 per cent of the employed. The incidence of informality declined slowly prior to the COVID-19 pandemic, from 60.2 per cent in 2010 to 57.8 per cent in 2019. As growth rates were stronger in informal employment than in formal employment during the recovery from the pandemic in 2021, the incidence of informal employment has slightly increased compared to the pre-crisis situation. On average, informality rates are higher in countries with lower GDP per capita. Given that the slower recovery in these countries was mainly driven by informal jobs, labour income in many developing economies remains below the pre-pandemic level and is now being further threatened by soaring inflation.

³ Accelerating progress towards ILO, Transformative Change and SDG 8: The critical role of collective capabilities and societal learning, 2023.

⁴ For more information and analysis see the ILO Monitor on the world of work series.

⁵ While measurement in this report is based on indicators, it aims to evaluate targets. Therefore, the target numbers are used during th data presentation, even though the underlying indicators are used. All data that is not referenced specifically comes from ILOSTAT or from the SDG database of the United Nations.

⁶ Note that this indicator refers to least developed countries (LDCs), which is a sub-group of low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets.

⁷ See also <u>ILO Monitor on the world of work. Tenth edition.</u>

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Target 8.4 - Improve global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation. Domestic material consumption shows a steady upward trend. Latest data however are from 2019.8 Global domestic material consumption per capita stood at 12.3 tonnes in 2019. The consumption per capita has been rather stable since 2013 but a growing population means that overall consumption is increasing. A related indicator is 9.4.1 which points in a similar direction: Global CO2 emissions per unit of GDP stood at 0.27 kg per \$US (in purchasing power parity) in 2019, down from 0.33 in 2010. Since global GDP expanded faster than the reduction in the CO2 intensity of GDP, global CO2 emissions have continued to increase since 2010. A much higher rate of decline is required to achieve emissions targets.

Target 8.5 - 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: The latest trends for indicator 8.5.1, which is needed to evaluate equal pay for work of equal value are not available. Nevertheless, the median hourly gender pay gap across 102 countries, in the respective latest year available, is approximately 14 per cent. However, this pay gap does not account for differences in characteristics such as education, occupation or work experience. The global unemployment rate, which related to indicator 8.5.2, is projected to decline to 5.3 per cent in 2023. The world has experienced a declining trend of unemployment since 2009 and, while unemployment rose massively in 2020, the pre-crisis trend has recovered (ILO 2023a). At the regional level, unemployment rates differ widely.9 In 2023, the global jobs gap, which is broader than unemployment and captures all workers who want jobs, is projected to stand at 453 million people (or 11.7 per cent), more than double the level of unemployment (ILO Monitor 11th edition).

Target 8.6 - Reduce substantially the proportion of youth not in employment, education or training: Globally, nearly one in four (23.5 per cent) young people were not in education, employment or training (NEET) in 2022. Although this is a slight decrease since 2020, it remains above the 2015 baseline of 22.2 per cent and hence far away from the target to "substantially reduce" it. Young women are twice as likely as young men to be NEET. NEET rates are also much higher in some subregions, in particular North Africa and South Asia (ILO 2023b). Young people aged 15 to 24 face much higher unemployment rates than adults (ILO 2022).

Target 8.7 - Eradicate forced labour, modern slavery, human trafficking and all forms of child labour: The latest estimates indicate that the number of children in child labour stood at 160 million worldwide at the beginning of 2020. This translates to almost one in ten of all children worldwide. Sub-Saharan Africa has by far the highest prevalence of child labour worldwide, with almost one in four children working in child labour. While the long-term global trend is decreasing, global progress against child labour has stalled since 2016. The latest global estimates indicate that 50 million people were living in modern slavery in 2021. Of these people, 28 million were in forced labour and 22 million were trapped in forced marriage. Unfortunately, the number of people in modern slavery has risen significantly in the last five years. In 2021, 10 million more people were in modern slavery compared to 2016 global estimates.

Target 8.8 - Protect labour rights and promote safe and secure working environments for all workers. including migrant workers, particularly women migrants and those in precarious employment: Between 2000 and 2016 the global rates of total deaths attributable to exposure to occupational risk factors decreased from 39.9 to 34.3 deaths per 100,000 working age population. Similarly, the global rates of total disability-adjusted life years attributable to exposure to occupational risk factors decreased from 1,878 to 1,636 per 100,000 working-age population. This shows a significant reduction in the total work-related burden of disease per head of population over the 16-year period (WHO and ILO 2021). The global average for SDG indicator 8.8.2 on national compliance with fundamental labour rights (freedom of association and collective bargaining)¹¹ in 2021 stood at 4.48,¹² showing little change from 4.46 in 2020. While globally there has been progress under SDG indicator 8.8.2 since 2015, the country level scores in several countries indicate continued worsening.

From 2020 to 2021, in 18 per cent of countries, compliance with freedom of association and the effective recognition of the right to collective bargaining worsened by an average of 0.53 points compared with 10 per cent of countries in which compliance improved by an average of 0.28 points (while it remained unchanged for other countries). For the period from 2015 and 2021, the situation in 43 per cent of countries has worsened by 0.55 points and in 35 per cent improved by 0.51 points.¹³

9 Globally, there is only a small difference in unemployment rates between men and women, but significant regional and country variations. The large gender gap in labour force participation rates reflects the fact that it is more difficult for women to access the labour market.

10 ILO, Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, 2022.

11 SDG indicator 8.8.2 seeks to measure the level of national compliance with fundamental labour rights (freedom of association and collective bargaining) which are enabling rights contributing overall to decent work and social justice. It is based on six International Labour Organization (ILO) supervisory body textual sources and also on national legislation. National law is not enacted for the purpose of generating a statistical indicator of compliance with fundamental rights, nor were any of the ILO textual sources created for this purpose. Indicator 8.8.2 is compiled from these sources and its use does not constitute a waiver of the respective ILO Constituents' divergent points of view on the sources' conclusions. SDG indicator 8.8.2 is not intended as a tool to compare compliance among ILO member States. It should specifically be noted that reporting obligations of an ILO member State to the ILO's supervisory system and thus ILO textual sources are different for ratifying and non-ratifying ILO member States.

- 12 Global and regional aggregates are weighted averages with weights derived from ILO labour force estimates
- 13 Average changes calculated at the country level are based on unweighted averages of country scores.

⁸ UNEP: Domestic Material Consumption.

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The number of international migrant workers has been continuously growing, reaching 169 million in 2019,¹⁴ while protection issues remain among the most urgent policy challenges.

Target 8.9 - Promote sustainable tourism that creates jobs: In 2021, the tourism share in global GDP stood at 2.5 per cent, much lower than the 4.2 per cent in 2019 and only showed a slight improvement in 2020. In 2022, however, the tourism sector recovered significantly, moving towards pre-crisis levels.¹⁵

Target 8.10 - Enhance access to financial services for all: In 2021, 76 per cent of adults globally had an account at a bank or a regulated financial institution, which is an increase from 62 per cent of adults in 2014. Payment of wages into bank accounts is an important driver of financial inclusion.

1.2. Prospects for achieving SDG 8 by 2030

SDG 8 is multidimensional in that it incorporates economic, social and environmental dimensions of sustainable development. It embodies the principle that sustainable development is only possible by advancing along all three dimensions (ILO 2019a). Imbalanced progress will ultimately hold back countries not only in the neglected dimensions but in all of them. The ILO has developed a wider and more detailed measurement instrument to evaluate the prospects for achieving targets across these three dimensions in a balanced or imbalanced manner (ILO 2019a). The instrument uses both indicators from the SDG 8 targets and a relevant representative sample of indicators from other SDGs when those provide added value in this area (Annex 1).

This wider analysis of the prospects for achieving SDG 8 estimates the likely degree of progress by 2030 if current trends continue. Indicators are evaluated on a scale of 1 to 5 based on the distance of their extrapolated performance in 2030 from the SDG targets. Setting all indicators on a common scale enables a direct comparison of prospects among the indicators and overarching economic, social and environmental dimensions, thereby revealing imbalances among these dimensions of SDG 8.¹⁷

1.2.1. Global prospects

Global prospects for SDG 8 are highly imbalanced across these 23 targets (figure 1.1). Overall, the environmental and social dimensions are extrapolated to be further from their targets by 2030 than the economic dimension. Imbalances also exist among the various indicators within each dimension, with some areas displaying significantly lower prospects than others.

Prospects for achieving SDG 8 are estimated to be "good" or "moderate" on only 8 of 23 indicators based on the 2010 to 2022 trend. In other words, the world is well off track on nearly two-thirds of these SDG 8 indicators of progress.

Prospects for only four indicators are evaluated as "good" assuming recent rates of progress can be maintained. Providing access to financial accounts and electricity, as well as the pace of reduction of working poverty (which uses an absolute international poverty line of US\$1.90 as a threshold) are bright spots of progress. The challenge is to sustain the rate of progress of the past decade until 2030, which is a huge task in the case of working poverty (ILO 2023b)18 and electricity.¹⁹ Furthermore, escaping extreme poverty is the absolute minimum objective - advancing decent work requires much more progress in all dimensions. Only a small part of the global population lives in countries where natural resource rents make up a significant part of GDP, meaning that, globally, this indicator also scores as promising.

Improving upon the nine indicators scoring only "poor" requires far stronger economic and social policy coordination and implementation. Gender gaps are deeply entrenched in societies' norms and values (ILO 2017 and 2019b). Youth NEET rates also exhibit large gender gaps (ILO 2022). Environmental protection needs to be actively pursued, with much greater advances required to decouple economic growth from environmental degradation. Achieving universal social protection requires the extension of coverage to so far unprotected people, including those in the informal economy, contributing to their transition to the formal economy, as well as increased and sustainable public financing.

¹⁴ ILO Global Estimates on International Migrant Workers. Results and Methodology.

¹⁵ The travel and tourism sector contributed 7.6 per cent to global GDP in 2022. This is a solid recovery following the slump of the COVID-19 pandemic. Nevertheless, the contribution remains below the 10.4 per cent that was achieved in 2019 (WTTC 2023).

¹⁶ Technical meeting on COVID-19 and sustainable recovery in the tourism sector, Geneva, 25–29 April 2022.

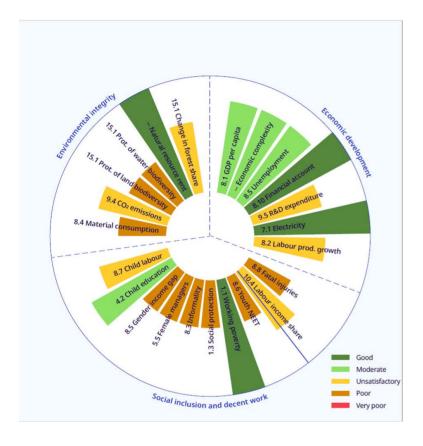
¹⁷ Data gaps limit the choice of indicators and data collection needs to be strengthened to obtain a more precise measurement of the prospects of achieving the SDG targets. The ILO itself is the <u>custodian agency</u> for 14 SDG indicators across 5 of the 17 Goals.

¹⁸ The number of workers living in extreme poverty – meaning on less than US\$1.90 per person in purchasing power parity terms – has been rising in low-income countries (ILO 2023b), meaning that working poverty will not be eliminated. The trend decline in global working poverty rates will slow down with every middle-income country that approaches very low rates of working poverty.

¹⁹ Global preliminary estimates suggest that the number of people without access to electricity changed little between 2019 and 2021, and it even increased in sub-Saharan Africa (IEA 2022).

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Figure 1.1: Global prospects for achieving SDG 8 by 2030 across indicators



1.2.1. Country prospects

Shifting the analysis to clusters of similarly performing countries at different levels of GDP per capita provides a clearer picture of the nature of the challenges humanity is facing in achieving balanced progress across the economic, social and environmental dimensions of sustainable development. The ILO analysis grouped countries into eleven such clusters and found that major differences exist among and within these groups with respect to both the level and pattern of prospects.²⁰

In sum, global progress towards SDG 8 is well off track even when evaluated at this more disaggregated level. Ten of eleven such clusters of countries are projected to miss a large majority of the 23 targets. The one cluster whose prospects are estimated to be "good" or "moderate" in most of them, cluster 11, is nevertheless likely to fall short in over a quarter of countries. Table 1.1 summarizes the profiles of countries in these clusters.

Note: Figure 1.1 shows global weighted averages of the 23 indicators, recast into the scales 1 to 5. Most indicators have been averaged using population weights, except for unemployment (labour force), Youth NEET (population aged 15 to 24), labour productivity, informality, working poverty and gender income gap (employment), child labour (population aged 0 to 14), female managers (total employment of managers). Countries with missing data for a certain indicator are ignored in the construction of the average, which is equivalent to assuming the global average of that indicator for the countries with missing data. Source: ILO calculations

Table 1.1: Patterns of average prospects in dimensions by clustered country groups

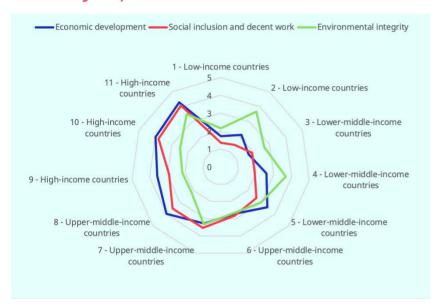
Country		Economic	Inclusion and	Environmental	Number of	
group	Country income group	development	decent work	integrity	countries	Dominant region
1	Low-income countries	Very poor	Very poor	Poor	9	Africa (67%)
2	Low-income countries	Poor	Very poor	Moderate	19	Africa (95%)
3	Lower-middle-income countries	Very poor	Poor	Unsatisfactory	7	Africa (86%)
4	Lower-middle-income countries	Unsatisfactory	Poor	Moderate	14	Africa (64%)
5	Lower-middle-income countries	Moderate	Unsatisfactory	Unsatisfactory	31	Asia and the Pacific (55%)
6	Upper-middle-income countries	Unsatisfactory	Unsatisfactory	Unsatisfactory	17	Americas (47%)
7	Upper-middle-income countries	Moderate	Moderate	Moderate	14	Americas (50%)
8	Upper-middle-income countries	Good	Moderate	Poor	17	Europe and Central Asia (47%)
9	High-income countries	Moderate	Unsatisfactory	Poor	7	Arab States (86%)
10	High-income countries	Good	Moderate	Poor	18	Americas (44%)
11	High-income countries	Good	Good	Moderate	31	Europe and Central Asia (90%)

Note: Criteria "very poor" to "good" are based on the unweighted averages of each dimension for the respective country group. "Very poor" implies an average lower than 1.8, "poor" an average between 1.8 and 2.6, "unsatisfactory" an average between 2.6 and 3.3, "moderate" between 3.3. and 4.0, and "good" above 4.0. The dominant region is the one that constitutes the plurality of countries in the group among all the regions.

²⁰ For further information on the composition and projections regarding country clusters, see Appendix B of Accelerating progress on SDG 8: The role of collective capabilities in promoting productive transformation with social justice ILO, 2023

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Figure 1.2: Imbalances of average prospects for SDG 8 across three dimensions, by country cluster group



Notes: The figure shows the average score in each dimension of prospects of achieving SDG 8 by 2030 for each of the country cluster groups.

Low-income countries in cluster 1 display dire prospects in all dimensions of SDG 8. The only indicator to score at least "moderate" is material consumption per capita. But again, this is a consequence of the low prospects of economic development. The poor score for natural resource rent, along with the poor score for GDP per capita, suggests that this country group contains some relatively resource-rich countries that fail to translate the revenues earned from such activities into progress towards SDG 8 in all dimensions. One also needs to consider that some of the countries are experiencing armed conflicts.

Low-income countries in cluster 2 display highly unbalanced prospects for SDG 8, with moderate prospects for environmental integrity but very poor prospects for social inclusion and decent work. The low scores for access to electricity and economic complexity, along with very poor scores for the majority of the social indicators, show the structural deficits that persist and need to be tackled to improve prospects for SDG 8. Unemployment shows a moderate score to a large extent also because the absence of social protection systems pushes people into subsistence activities, mainly agriculture, to make some kind of living.

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Lower-middle-income countries experience differing prospects for SDG 8, with countries in cluster 3 unable to sustain a virtuous cycle of economic and social transformation, and strongly imbalanced prospects in favour of the economy in countries in cluster 5. Many social indicators are at a poor or very poor level across all three country clusters of lower-middle-income countries, the situation in cluster 3 being particularly dire. Country clusters 4 and 5 are guite similar, with cluster 4 showing higher prospects in terms of environmental and social indicators but lower prospects regarding economic indicators. Lower-middle-income countries present, on average, at least medium prospects for environmental indicators. In particular, the contribution of natural resource rent to GDP is very low, reducing the exploitation of the environment.

Country cluster 6 of upper-middle-income countries lacks significant prospects in terms of economic and social indicators. Labour productivity growth is very poor, economic complexity and research and development expenditures are poor, and there is high unemployment and very high youth NEET rates. The cluster includes a number of oil exporters.

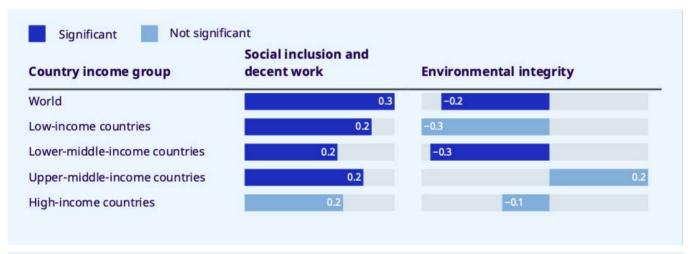
Country clusters 7 and 8 achieve similarly high prospects in terms of social indicators but differ with regard to economic and environmental prospects. While country group 7 shows balanced progress across the three dimensions, country group 8 shows high economic prospects but scores low in the environmental dimension.

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High-income countries show varying prospects for social and environmental dimensions but they generally score at least high in the economic dimension. Gender equality is a deficit in all high-income countries, and cluster 9 - constituting mainly countries from the Gulf Cooperation Council of the Arab States - has additional shortcomings in social protection coverage, NEET, informality and the labour income share. While material consumption is still high, countries in clusters 10 and 11 have started to reduce CO2 consumption per unit of GDP. Importantly, though, many firms in high-income countries attempt to meet emission targets not only through technological innovation, but also through outsourcing of CO2 emissions to countries without such targets (Dai 2021). Furthermore, countries in cluster 10, which includes many non-European high-income countries, tend to score significantly worse in the environmental dimension than the mostly European countries of cluster 11. Country cluster 9 is strongly imbalanced towards economic targets and also reveals deficits with unsatisfactory economic complexity and very poor labour productivity growth.

Globally, progress in the economic dimension is associated with progress in the dimension of social inclusion and decent work, but with retrogression in the dimension of environmental integrity. However, the relationship between the economic and the social dimension tends to be significant only for low and middle-income countries, while for high-income countries it is not significant (figure 1.3). Furthermore, the estimated coefficient of the relationship between the economic and social dimensions is rather small (around 0.3). This implies that progress towards SDG 8 needs to be pursued actively in all three dimensions, and that a focus on a single dimension will likely lead to significant progress only in that dimension.

Figure 1.3: Relationship of progress in the social and environmental dimensions with the economic dimension world and country income groups



Note: Lightly shaded bars indicate that the coefficient is not statistically significant. The figure shows the estimated coefficient of the relationship between average progress towards SDG 8 in the economic dimension and the social or environmental dimension. The coefficients are derived using ordinary least squares and all country data. Positive estimated intercepts (not shown) imply that environmental integrity could increase at the same time as economic development increases, but the higher the economic progress, the smaller the increase will be.

1.2.3. The impact of the COVID-19 crisis on prospects of achieving SDG 8 by 2030

The COVID-19 pandemic, and recent environmental, economic and geopolitical crises, have undermined the prospects of reaching the targets of SDG 8 across most related indicators. However, the setback is small relative to the major gaps in the prospects for most indicators, meaning that the crises are not decisive for the failure to achieve SDG 8 at the current rate of progress.²²

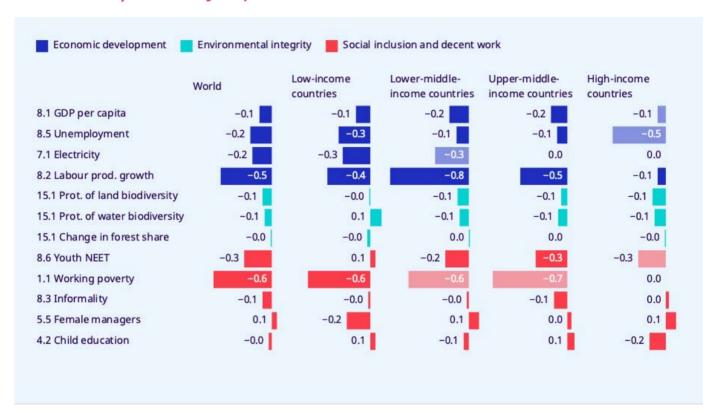
There have been discernible negative impacts though.: For example, working poverty is the indicator most impacted, with the COVID crisis breaking years of a declining trend (figure 1.4).

Labour productivity growth has also been heavily affected. For many of the indicators, the impact of the COVID-19 crisis has not been very significant compared to the massive gaps in prospects of reaching the targets of SDG 8 that existed before the crisis.

The COVID-19 crisis revealed the importance of social protection and many countries responded by expanding social protection measures (ILO, 2021b). However, many of those measures were temporary. Accelerated and sustained efforts and mobilization of domestic resources are needed in strengthening social protection systems and other policy measures for SDG 8 to achieve meaningful progress by 2030.

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Figure 1.4: Impact of COVID-19 crisis on prospects of achieving SDG 8, world and country income groups



Note: Figure 1.5 shows the implied fractional change in the prospect scores of the indicators of SDG 8 when evaluating progress in 2022 compared with 2018. A negative score is obtained when the rate of progress is lower over the period 2010–2022 than the period 2010–2018, meaning that the extrapolated value of the indicator in 2030 is now further away from the target than what would have been extrapolated in 2018, the latest year analysed in the previous report on SDG 8 (ILO 2019a). For example, the gap to target for Youth NEET increases by 1.3 percentage points, which is 27 per cent (rounded to 0.3) of the percentage point range of 5 between the values for the scores of 2 (25 per cent) and 3 (20 per cent). A change in the fractional score does not necessarily imply a change in the score, as the implied extrapolated value might still fall within the same score for prospects. Only indicators with sufficient availability of time-series data are shown. Opaque fill, as shown for target 8.5. High-income countries, means that the indicator is extrapolated to nevertheless achieve the SDG target by 2030, though at a later date.

Low-income countries have shown the least resilience to the COVID-19 crisis in terms of prospects of reaching SDG 8. This country income group has been set back in areas where prospects were already lacking. While the declining trend in working poverty has slowed down similarly across low and middle-income countries, the rate of progress remains sufficiently high in middle-income countries to likely reach the working poverty target by 2030 – but not so in low-income countries. The slowdown in labour productivity growth also hits low-income countries particularly hard, as that country income group faces huge productivity gaps relative to high-income countries and has failed to achieve notable convergence over the past decades (ILO 2023b).

1.3. Conclusions and Policy Recommendations

This analysis demonstrates that, absent significant policy changes, none of the country groups is expected to reach all of the SDG 8 targets by 2030.

Country prospects are imbalanced, with some dimensions of SDG 8 showing greater likelihood of being achieved than others. The ILO's report on SDG 8 from 2019 (ILO 2019a) presented a framework emphasizing that achieving SDG 8 requires simultaneous progress in the economic, social and environmental dimensions. Even though the COVID-19 pandemic caused major labour market disruptions, a fairly strong recovery in combined with insufficient progress before the pandemic imply that the pandemic is not the main reason for the poor prospects of reaching SDG 8 and related targets. Despite all the available knowledge and resources, member States are likely to fail, on a broad front, to achieve the targets of SDG 8 if they does not take dedicated, sustained and increased measures for acceleration with the cooperation in support of the multilateral system.

This conclusion underscores the importance of the UN Secretary-General's call for urgent and committed action by member States to rescue the SDGs at the SDG Summit and its follow-up.

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Such action is particularly critical for SDG 8, since decent work and social justice are deeply interconnected with the achievement of other SDGs. By the same token, greater action and progress on SDG 8 will boost achievement across these other aspects of the 2030 Agenda. This potential synergy underpins the rationale for the Global Accelerator on Jobs and Social Protection for Just Transitions, a High-Impact Initiative of the UN system.

High Impact Initiative (HII) - Global Accelerator on Jobs and Social Protection for Just Transition

A UN initiative led by the ILO; co-leads: UNDP, UNICEF, UNEP, UNWOMEN, FAO and WFP.

- Supports member States with the aim to create 400 million decent jobs and extend social protection to 4 billion people through integrated policy solutions backed by adequate financing and whole-ofgovernment approach.
- Provides the most direct way for countries, development partners and IFIs to accelerate (or fast-track) progress toward achieving many interlinked Sustainable Development Goals (SDG 1.3, 3.8, 5.4, 8.5, 10.4, 13 and 17)
- Emphasis on promoting decent work in the green, digital and care economies; and whole of government and whole of society approach.

Main HII deliverables are:

- 1. Illustration through pathfinder countries of effective integrated policies to support just transitions;
- 2. Reduction of coverage and financing gaps for social protection and other decent work deficits:
- Achievement of results under the Global Accelerator that provide "a proof of concept" feeding into the World Social Summit in 2025;
- 4. Provision of a platform for governments, UN agencies, IFIs, social partners and civil society to join forces to promote more and better investments in decent jobs, universal social protection and just transitions for all and to promote social justice.

Low-income and lower-middle-income countries face the most dire prospects for achieving the social dimension of SDG 8 and the related goals. Country cluster groups scoring low in economic development also tend to score lower in the social dimension. Accordingly, these are the country groups in which multilateral action towards decent work, universal social protection and social justice is most needed.

At the same time, progress on the environmental dimension of SDG 8 and related goals needs to be reinforced by implementing policies for a just transition towards environmentally sustainable economies and societies for all. To this end, at the 111th International Labour Conference (June 2023) the ILO's tripartite constituents – governments, workers, and employers - committed to tackle environmental and climate challenges while safeguarding the rights and well-being of workers and endorsed a reinvigorated framework for action built on four elements: (i) promoting inclusive, sustainable and job-rich economies (ii) advancing social justice; (iii) managing the process of just transition; and (iv) financing just transition.²⁴ In addition, sustainable enterprises, micro-, small and medium-sized enterprises, and the social solidarity economy are crucial to deliver on a just transition and SDG 8 more generally.

For a growing number of developing countries, it will be important to address unsustainable debt burdens and enhance fiscal space as proposed by the Secretary-General's SDG Stimulus to Deliver Agenda 2030.²⁵ This will be necessary to enable them to invest in the integrated policies, systems and institutions underpinning SDG progress, notably in social protection and labour protection, employment and informality, youth employment and gender equality.

The need for integrated policy responses for SDG 8, decent work and social justice to accelerate progress across the 2030 Agenda calls for renewed and broadened cooperation. To this end, the ILO is in the process of forging a Global Coalition for Social Justice to increase cooperative action and political leadership for making social justice a stronger driving force towards a more equitable and sustainable future.²⁶ Decent work is key to sustainable development. While the Decent Work Agenda has been fully integrated into the multilateral system in SDG 8 and in other SDGs, competing priorities involving often difficult trade-offs hamper progress. The Global Coalition for Social Justice presents an important opportunity to integrate tripartism and social dialogue more firmly into a networked multilateralism for better and more sustainable socio-economic development outcomes.

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One potential example of the positive benefits of the Global Coalition could be stronger global support for the goal of universal social protection. In that regard, the ILO estimates that the implementation of one element of a global social protection floor, namely pensions for older persons, in line with the provisions of the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Social Protection Floors Recommendation, 2012 (No. 202), would have profoundly positive social and economic effects especially in low-income and lower-middle-income countries, resulting – amongst many other positive effects, especially on gender disparities – in a 14.8 per cent increase in the gross domestic product (GDP) per capita of those countries in ten years.

A Global Coalition for Social Justice would aim to elevate the role of social justice as a top global policy imperative. It would serve as a catalyst and a conduit for initiating or accelerating action in policy areas where the realization of the ILO's mandate for social justice requires solidarity and coordination with other partners to tackle the multiple challenges facing the world of work and sustainable development.

A Global Coalition – initiated and forged by the ILO's tripartite partners – would engage the multilateral system and international community more deeply and tangibly in supporting national efforts to strengthen social contracts and accelerate progress towards the goals of the 2030 Agenda.

In conclusion, this policy brief has shown that increased multilateral and national action is needed to accelerate progress toward SDG 8 to strengthen both the pace and pattern of sustainable development and the whole of the 2030 Agenda. The integrated nature of the 2030 Agenda and SDG 8 requires integrated policies and whole-of-government and whole-of-society approaches. Social dialogue can be a critical driver of such coherence and effectiveness in policy formulation and implementation. Actors in the world of work have much to contribute to the shaping of transformative and sustainable socio-economic development pathways based on international labour standards to ensure that no one is left behind.





"I see such a Coalition as a crucial force to help advance the Sustainable Development Goals and meet the challenges of today and tomorrow."

► António Guterres, UN Secretary General

²⁶ This economic transformation would in turn reduce poverty by 6 percentage points and gender-based labour income gaps by 3.6 percentage points. Income inequality would also decrease, with the bottom 40 per cent of the income distribution earning an additional 2.5 per cent of total income. The costs are not insurmountable. For example, for low-income and lower middle-income countries, the annual cost of providing old-age pensions set at the national poverty line would be equivalent to 1.6 per cent of GDP. For sub-Saharan Africa, the annual cost would be US\$23.3 billion, which represents 1.4 per cent of GDP and approximately 12.5 per cent of global annual official development assistance.

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Annex 1

The dimensions of SDG 8, and associated SDG and non-SDG indicators used to assess achievement

Economic development

- Extrapolated income grouping (World Bank classification) of GDP per capita, with additional highest category at US\$35,000 (constant 2017 US\$, purchasing power parity adjusted) (indicator 8.1.1)
- Labour productivity growth (8.2.1)
- Unemployment rate (8.5.2)
- Percentage of adults with an account at a financial institution (8.10.2)
- Research and development expenditure as a percentage of GDP (9.5.1)
- Percentage of the population with access to electricity (7.1.1)
- Economic complexity (non-SDG indicator)

Social inclusion and decent work

- Labour income share (10.4.1)
- Percentage of youth not in education, employment or training (8.6.1)
- Working poverty rate (living on less than US\$1.90 per day per person) (1.1.1)
- Social protection coverage (1.3.1)
- Informal employment as a share of total employment (8.3.1)
- Share of female managers among all managers (5.5.2)
- Ratio of women's hourly labour income to men's (8.5.1)
- Completion rate of upper primary education (4.1.2)
- Percentage of children aged 5 to 14 years engaged in child labour (8.7.1)
- Rate of fatal occupation injury (8.8.1)

Environmental integrity

- Domestic material consumption per capita (8.4.2)
- Carbon dioxide emissions per unit of GDP (9.4.1)
- Percentage point change in forest area as a share of total land area (related to 15.1.1)
- Proportion of protected terrestrial key biodiversity areas (15.1.2)
- Proportion of protected freshwater key biodiversity areas (15.1.2)
- Natural resource rent as a share of GDP (non-SDG indicator)

► Annex 2

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