



International  
Labour  
Organization



# Time to Act for SDG 8

Integrating  
Decent Work,  
Sustained Growth and  
Environmental Integrity



# EXECUTIVE SUMMARY

This report presents a detailed analysis of Sustainable Development Goal 8 (SDG 8), one of the 17 Goals of the United Nations 2030 Agenda for Sustainable Development. SDG 8 exhorts the international community to “[p]romote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. The report seeks to improve understanding of SDG 8 at the empirical, conceptual and policy levels by: (a) charting empirical progress towards the 12 targets under SDG 8 and comparing performance across country income groups; (b) developing a conceptual mapping of dynamic interlinkages between SDG 8 targets and specific targets under other SDGs, and exploring on that basis major patterns in the various world regions; and (c) describing a positive spiral of policy interventions and institutional support that can enable countries to achieve SDG 8 by 2030.

The SDG 8 targets are closely intertwined with the goals of the International Labour Organization (ILO). Thus, the reference in SDG 8 to “full and productive employment and decent work for all” borrows terminology from the ILO’s Decent Work Agenda (1999), while the ILO Centenary Declaration for the Future of Work (adopted by the International Labour Conference in June 2019) borrows the SDG 8 phrasing of “promoting sustained, inclusive and sustainable economic growth” in its strategy for a human-centred approach to the future of work. By emphasizing the needs of society and the environment, this strategy opens up a transformative path towards economic growth and development.

## **What progress has been made towards SDG 8?**

Despite isolated pockets of achievement, progress towards SDG 8 is slowing down in many areas of the world. An urgent acceleration of efforts is required to bring about transformative change in support of SDG 8 in its three dimensions of sustained, inclusive and sustainable growth.

The performance of countries in terms of achieving sustained economic growth is highly uneven. Since 2000, growth in both gross domestic product (GDP) and labour productivity has been higher in lower- and upper-middle-income countries than in low- and high-income countries. Moreover, least developed countries are falling short of the specific SDG 8 target of sustaining annual GDP growth of at least 7 per cent. Progress in reducing informality is poor, and informal employment continues to be the reality for around 61 per cent of workers worldwide. While

informality rates vary greatly with income levels, there are particularly large differences among countries in the lower- and upper-middle-income groups. Access to financial services is also highly uneven among countries, but again there is a positive correlation with their income level. In general, the patterns observed confirm that achieving higher income levels contributes to improved performance on other SDG 8 indicators. Nevertheless, the variation in SDG 8 performance within country income groups suggests that the character of growth also plays an important role.

Inclusive growth and decent work for all women and men constitute the social dimension of SDG 8. Progress in that dimension is measured in terms of equality, fairness and justice within societies. The evidence suggests that most countries still have a long way to go. Unemployment is too high in many countries, and there are persistent gender wage gaps and decent work deficits across the world. In addition to women, young people and persons with disabilities are also at a great disadvantage. Even in countries with a low risk of unemployment, these population groups face severe challenges when it comes to finding employment and enjoying equal access to decent work and equal pay for work of equal value.

Indeed, young people face major decent work deficits in all countries. Among both low- and middle-income countries, the share of young people not in employment, education or training (NEET) is similar. Moreover, the NEET rate is significantly higher for women: for example, in lower-middle-income countries, women's risk of having NEET status is almost three times as high as men's. Overall, the global share of young people with NEET status has hardly fallen since 2005.

Workers' rights are human rights, and respect for workers' rights and compliance with labour standards are the foundation of decent work and social justice. The available data for measuring progress in this dimension of SDG 8 show that the prevalence of child labour has declined at the global level, but that without radical action, it will not be eradicated by 2025, the year fixed by the relevant target under SDG 8.

Lastly, SDG 8 takes into account the environmental dimension by emphasizing the importance of a transition towards responsible consumption behaviour. Despite the adoption of the 2030 Agenda by all countries in 2015, the available data suggest a continued and alarming upward trend in global material consumption per capita, fuelled in particular by Asia and Latin America. Africa has, overall, the lowest material consumption per capita, mainly as a result of its relatively low levels of production, income and demand.

## **Dynamic interlinkages**

The inadequate progress in the three dimensions of SDG 8 referred to above calls for a radically different approach towards both the analysis of progress and the development of effective policies and institutions. Drawing on insights and evidence from across the social sciences, this report explores the dynamic interlinkages between SDG 8 targets and those of other SDGs in order to identify possible synergies and trade-offs. As is made clear by this novel framework, SDG 8 lies at the heart of the 2030 Agenda: it straddles the economic, social and environmental dimensions of sustainable development and is therefore inextricably linked to many

other Goals. This means that failure to make headway on SDG 8 would impede progress towards other Goals, including the eradication of poverty (SDG 1), reducing inequalities (SDG 10), promoting peace, justice and strong institutions (SDG 16), ensuring good health and well-being (SDG 3), and achieving gender equality (SDG 5). Conversely, progress on the other SDGs is a precondition for advancing towards SDG 8.

Sustained economic growth is achieved through a virtuous circle involving transformative change in the economy and society with multiple channels driving a dynamic process towards SDG 8. Experience shows that growth cannot be sustained if it is based mainly on cyclical demand, the export of natural resources, or mere factor accumulation. Rather, sustained growth requires structural transformation, diversification and innovation to support long term growth in productivity, income levels and decent work opportunities. Structural transformation, in turn, results from the enrichment and enhancement of a society's knowledge base, including socially shared mindsets and technical knowledge and skills. The virtuous circle centred on SDG 8 therefore calls for progress on multiple complementary targets under different SDGs: (a) SDG 9 (quality and resilient infrastructure; industrialization) and SDG 7 (provision of reliable and clean energy) to accelerate structural transformation, and (b) SDG 1 (social protection), SDG 4 (education), SDG 5 (empowerment of women and girls) and SDG 16 (quality institutions) to fuel the enhancement of a society's knowledge base through learning and experience.

Inclusive economic growth requires progress on the complementary set of targets under SDG 8 that relate to full and productive employment, decent work, labour rights and social protection. Decent work is both a major outcome and a driver of a human-centred agenda for inclusive growth, which is about ensuring that each member of society can participate in the creation of economic value and enjoy the benefits of growth. Accordingly, progress on SDG 10 (reduced inequalities) is key to ensuring that productivity gains translate into higher incomes and wages for all. Also, by increasing opportunities for on-the-job learning and by empowering women and girls, inclusive growth coupled with decent work enhances the diversity and sophistication of a country's knowledge base, and of the economy.

Sustainable economic growth is the result of successful integration of economic, social and environmental targets in a balanced manner. Empirical evidence points to the continuing trade-offs between economic and environmental targets. Countries should continue to strive for economic growth but decouple it from environmental degradation by adopting technological innovations and changing consumption behaviour. However, echoing the increasing concern of the international community on environmental degradation, this report calls into question the growth-based approach for wealthy countries, since the global ecosystem is at risk of becoming unstable within less than a decade. This would have grave and unprecedented consequences for human society, including the realm of jobs, employment and decent work. The urgency of striking a balance between the economic, social and environmental dimensions calls for new policy choices to be made at the national and global level. Guided by the principle of social justice, such policies should seek to achieve balanced progress on the various targets for sustained growth, social inclusion and decent work, and environmental integrity.

This report presents a novel mapping of dynamic interlinkages to evaluate progress towards SDG 8 in a holistic manner. For each of the three dimensions of

SDG 8, this approach bundles interlinked targets and presents the SDG 8-related performance of the world's 11 subregions in the form of rose charts. It allows one to see at a glance specific patterns of balanced or unbalanced progress within and across the economic, social and environmental dimensions. Some differences across the subregions can be explained by variation in income levels, others by region-specific characteristics such as natural resource endowments, institutions and social capabilities.

## **An integrated policy agenda to promote SDG 8**

Given the slow and limited progress on many targets under SDG 8 and also on complementary targets under other SDGs, what can be done? The report proposes a number of key policy interventions that can help speed up progress towards SDG 8. It considers many overlapping policy areas, which are visualized as a policy spiral that moves upwards, thereby illustrating the integrated and consistent approach that is necessary to create enabling conditions for a cumulative and circular process towards SDG 8.

An upward policy spiral implementing the Decent Work Agenda goals offers a tested approach to promote SDG 8. The integrated approach embraces three distinct elements: (a) national employment policies; (b) labour standards and labour market institutions; and (c) social dialogue, partnerships, enhanced capacities at the national level and robust monitoring mechanisms.

The policies and institutions discussed in the policy spiral relate pre-dominantly to targets under SDG 8; however, they also take into account the linkages to wage policies under SDG 10 and to social protection under SDG 1. The policy spiral therefore includes pro-employment macroeconomic and sectoral policies, together with measures to promote wages, skills, technology and innovation, that enable countries to move towards full and productive employment and decent work, and to raise productivity (SDG targets 8.2 and 8.9), employment (8.5 and 8.6), labour income (10.4) and economic growth (8.1) while reducing informality (8.3). Combined with institutional mechanisms that, in accordance with international labour standards, ensure health and safety at work, uphold labour rights (8.7 and 8.8), provide social protection for all (1.3), and promote gender equality (8.5.1), the policy spiral is fully aligned with the ILO's Decent Work Agenda. As far as social dialogue is concerned, independent and strong employers' and workers' organizations reinforce democratic ownership, inclusiveness and accountability, all of which are relevant to the implementation of the 2030 Agenda.

Examples of national practices demonstrate that with the appropriate design and implementation of policies, strong progress towards SDG 8 can be achieved. In many cases, it is already clear which combination of policies would work best in a specific national context. What is often lacking, though, is the institutional and financial capacity and/or political will for implementation. The scale of effort and resources required also varies in different countries. In part, this reflects the existing diversity in levels of development. However, these variations also result from the vast inequalities between and within subregions, which are exacerbated by the current approach to economic growth. International cooperation and robust partnerships are key to overcoming this situation.

## Conclusion

This report concludes that it is essential to speed up progress towards SDG 8. To that end, a comprehensive and integrated policy agenda is required that takes into account the dynamic interlinkages between SDG 8 and other Goals. The ILO's Decent Work Agenda and its integrated approach to employment policies, labour standards, labour institutions and social dialogue are key reference points. The international community must advance along a transformative and balanced path towards decent work, sustained growth and environmental integrity.

Strengthening commitment to the multilateral system is of the highest urgency if the vision of "sustained, inclusive and sustainable economic growth" is to be realized. National and international efforts should be reinvigorated to design, finance and implement innovative policies that support progress towards SDG 8.