

International
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Organization



Time to Act for SDG 8

Integrating
Decent Work,
Sustained Growth and
Environmental Integrity



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and Environmental Integrity

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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.

INTRODUCTION

The 2030 Agenda for Sustainable Development offers an ambitious blueprint for far-reaching structural economic and social transformation based on human rights and the active engagement of all stakeholders, including workers, employers and civil society. If implemented properly, the 2030 Agenda will produce enduring benefits for the world's population, our livelihoods and the environment. Future generations will then be able to realize their full human potential in a peaceful and inclusive world.

In that context, there is an urgent need to reinvigorate the commitment of the international community to social justice and equality. The world is faced with major problems stemming from conflict, inequality, poverty and lack of decent work. These problems drive a vicious cycle of poor health and malnutrition, alienation and a general stifling of human development.

The evidence gathered by the Intergovernmental Panel on Climate Change (IPCC) (2018) likewise confirms the urgency of the 2030 Agenda. The IPCC calls on all countries to reduce the likelihood of global warming of 1.5°C or more by shifting to a path of sustainable development. If the fast-approaching tipping point is not avoided, then the world will face tremendous loss and damage, including food insecurity, water shortage, infrastructure destruction and displacement due to rising sea levels.

With its integrated balance of the economic, social and environmental dimensions of sustainable development, the 2030 Agenda provides a progressive and inclusive roadmap for tackling these formidable challenges. The 17 Sustainable Development Goals (SDGs) and associated targets that came into force on 1 January 2016 have now become the benchmark for development policies in all countries of the world. So far, however, progress has been too slow in many areas. To accelerate its implementation, a step change is required in the level of national and international commitment to the 2030 Agenda. Success depends on vigorous advocacy of all 17 Goals, close monitoring and scrutiny of progress, international coordination of policy design, mobilization of sufficient financial resources, and a determination to hold authorities to account. Realizing the 2030 Agenda's bold vision for the future requires the international community to act quickly, decisively and collectively.

The significance of SDG 8

This report focuses on SDG 8, which exhorts the international community to “[p]romote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. The significance of SDG 8 lies in three main reasons.

First, SDG 8 demands innovative thinking about the character of economic growth. A new approach must be found to promote “sustained economic growth” that takes a long-term view, supported by the diversification of productive activities and stable financial investments. Such an approach must also generate “inclusive economic growth” by delivering shared prosperity for all workers and communities within and among countries. Moreover, it must encourage “sustainable economic growth” in accordance with the collective obligation to protect our shared environment and preserve the planet. Accordingly, SDG 8 calls for policies and actions that meet the needs of the economy, society and the environment. Earlier periods of transformative change teach us that a dynamic of conflict and collective action typically arises in the economic and social spheres of life (Polanyi, 1944); to these we must now add the environment. The challenge for the global community today is to work together (through partnerships and social dialogue) to achieve a holistic approach to economic growth, which promotes social justice and environmental sustainability.

Second, SDG 8 emphasizes that looking at the world of work from the angle of social justice is fundamental to the new approach to economic growth for which we must strive. The descriptors of decent work in SDG 8 – full and productive employment, labour rights, universal social protection and collective bargaining – are borrowed directly from the mandate of the International Labour Organization (ILO), which, throughout its 100 years, has demonstrated, through research and global action, the positive role of decent work in fostering inclusive human development. The report of the ILO’s independent Global Commission on the Future of Work, *Work for a brighter future*, issued in 2019, argues that decent work must serve as the basis for a sustainable human-centred development agenda. The success of such an agenda depends on implementing and financing policies that are able to deliver long-term decent work as part of inclusive economic growth and on ensuring that these policies are tailored to countries’ different levels of development, resources and institutional capabilities.

The third reason for the significance of SDG 8 is that its attainment is closely linked to the other Goals – particularly those calling for the reduction of inequality (SDG 10), the promotion of peace, justice and strong institutions (SDG 16), the eradication of poverty and hunger (SDGs 1 and 2), the promotion of good health and well-being and gender equality (SDGs 3 and 5), and quality education (SDG 4). Thus, failure to make progress on the other SDGs would impede the attainment of SDG 8. Conversely, there is a strong case for arguing that SDG 8 is central to the entire 2030 Agenda. Only by embarking on an alternative trajectory of economic development, grounded in decent work and productivity growth (especially in those regions that currently lag behind), will the international community be able to achieve many of the other 16 Goals. In other words, SDG 8 is both a principal means of delivering the 2030 Agenda and a primary end.

Objectives and outline of the report

The central aim of this report is to evaluate the international community's progress towards SDG 8, and to describe some of the policy interventions that can be used to achieve that Goal by 2030. Drawing on the most recent data for the relevant indicators, Chapter 1 presents a comprehensive assessment of progress on the 12 targets under SDG 8. The evidence suggests that progress is slowing down in many areas, and that there is considerable variation across countries grouped by level of income. At the current pace, SDG 8 is unlikely to be achieved at the global level.

Chapter 2 starts by showing how SDG 8 straddles the economic, social and environmental dimensions of sustainable development and is therefore inextricably linked to many of the other Goals. To shed further light on obstacles to progress towards SDG 8, this framework of “dynamic interlinkages” is applied at the sub-regional level, which makes it possible to obtain insights into smaller groups of countries. The analysis reveals distinctive subregional patterns of performance in the three dimensions of SDG 8 and thus helps us to understand better the factors enabling or hindering the achievement of this Goal.

Building on the results presented in Chapters 1 and 2, the third and final chapter looks at the policy interventions that can facilitate accelerated progress towards SDG 8. It considers many overlapping areas of policy, which are visualized as a “policy spiral” that moves upwards from macroeconomic, innovation and sectoral policies, through wages, skills and social protection, to gender equality, labour migration and local economic development. The chapter focuses on strengthening labour market institutions so as to achieve inclusion, security and protection. Examples of good national practices are discussed to demonstrate that effective policy design and execution are consistent with strong progress towards SDG 8 and other interlinked Goals. Chapter 3 concludes by connecting the implications of the policy spiral analysis to the results and arguments of Chapters 1 and 2.

As the authors of this report, we hope that the three-dimensional vision of sustainable development, namely its economic, social and environmental character, will reinvigorate national and international efforts to design, finance and implement innovative policies supporting progress towards SDG 8. In many cases, it is already clear what policy mix should work best in a specific country 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 that are exacerbated by the current approach to economic growth. International cooperation and robust partnerships are key to overcoming this situation.

Strengthening commitment to the multilateral system is therefore a matter of the highest urgency. The international community must advance along a transformative path of sustained, inclusive and sustainable development that is guided by the principles of social justice and decent work. What is at stake is the future of the global economy and society, and indeed of our planet.

1. WHAT PROGRESS HAS BEEN MADE TOWARDS SDG 8?

Following the adoption of the 2030 Agenda for Sustainable Development in 2015, the United Nations Statistical Commission established the Inter-Agency and Expert Group on Sustainable Development Goal Indicators with the task of developing and implementing a new global indicator framework. The ILO has been involved in this process from the outset and is the custodian agency for nine of the 17 indicators listed under SDG 8.¹ Custodian agencies assume responsibility for the collection of data from member States, the compilation of internationally comparable data and the strengthening of national statistical capacities (ILO, 2018a).² Table 1.1 lists the SDG 8 targets and associated indicators, with an asterisk used to denote those indicators for which the ILO is the custodian agency.

This chapter critically assesses international progress towards SDG 8 as defined by the targets and indicators under that Goal. The three sections consider separate groups of SDG 8 targets and indicators as they relate to sustained economic growth, inclusive economic growth and environmentally sustainable growth. This separation allows for a logical presentation of each target and related indicator(s), thereby facilitating a baseline understanding of progress. Chapters 2 and 3 deal with the intertwining of the various components of SDG 8 (and other SDGs).

For ease of exposition, the chapter presents data at a relatively aggregate level. In the bulk of the analysis, countries are clustered into low-, lower-middle-, upper-middle- and high-income groups.³ This is motivated by the fact that variables related to economic growth, employment, decent work and environmental impact are influenced by the level of economic development. Progress towards the separate SDG 8 targets is mostly presented as a “snapshot”, drawing on the latest data, in order to highlight the differences in progress between country income groups. Where data are available, the analysis also considers recent trends. The main message of the chapter is that while there are isolated pockets of achievement, an urgent acceleration of progress on multiple fronts is required to bring about the kind of transformative change needed to realize SDG 8. Now is the time to act.

1. For an overview of SDG 8, see www.undp.org/content/undp/en/home/sustainable-development-goals/goal-8-decent-work-and-economic-growth.html [accessed 12 June 2019].

2. In addition, the ILO is the custodian agency (or partner custodian) for various indicators under SDG 1 (1.3.1 and 1.a.2), SDG 4 (4.3.1), SDG 5 (5.5.2), SDG 10 (10.4.1 and 10.7.1), SDG 14 (14.c.1) and SDG 16 (16.c.1).

3. Appendix II lists countries by the World Bank income grouping for 2018. The least developed countries (LDCs) are considered separately in the discussion of target 8.1 owing to the specific growth target for LDCs.

The analysis is necessarily limited in three respects. First, it only covers those indicators that were officially included in the global indicator framework. Second, the stated SDG 8 targets are for the most part qualitative in character – a feature also shared by targets under other SDGs. For example, the SDG 8 targets define progress using phrases such as “improve progressively”, “substantially reduce”, or “achieve high levels”. Some targets do have tangible, quantifiable objectives (e.g. to achieve “at least 7 per cent gross domestic product growth per annum in the least developed countries”), but they are the exception. Third, only eight out of the 17 SDG 8 indicators are classified as Tier I, meaning that they are based on an internationally agreed methodology and that data are available and regularly produced by at least 50 per cent of countries.⁴ The remaining SDG 8 indicators are Tier II, except for indicator 8.9.2, which is classified as Tier III (see table 1.1).⁵

Table 1.1. Targets and associated indicators under SDG 8

TARGETS	INDICATORS (*ILO IS CUSTODIAN AGENCY)	UPDATED TIER CLASSIFICATION (MAY 2019)
8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	8.1.1 Annual growth rate of real GDP per capita	Tier I
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	*8.2.1 Annual growth rate of real GDP per employed person	Tier I
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	*8.3.1 Proportion of informal employment in non-agriculture employment, by sex	Tier II

4. SDG indicators are classified into three tiers in accordance with their level of methodological development and data availability. A “Tier I” indicator is conceptually clear and has an internationally established methodology with available standards, and data are regularly produced by countries for at least 50 per cent of countries and of the population in every region where the indicator is relevant. A “Tier II” indicator is conceptually clear and has an internationally established methodology with available standards, but data are not regularly produced by countries. A “Tier III” indicator has no internationally established methodology or, if it does, standards are not yet available, but the methodology/standards are being (or will be) developed or tested.

5. For example, while the unemployment rate is available for 183 countries, with 178 countries disaggregating the indicator by sex and 169 by age, a much smaller number of countries disaggregate by disability status. Also, data are rather limited for several indicators (e.g. average hourly earnings of female employees by occupation, age and persons with disabilities), while for a number of indicators, data obtained through an established and internationally agreed methodology are not yet available (Appendix I).

Table 1.1. (continued)

TARGETS	INDICATORS (*ILO IS CUSTODIAN AGENCY)	UPDATED TIER CLASSIFICATION (MAY 2019)
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 patterns, with developed countries taking the lead	8.4.1 Material footprint, material footprint per capita, and material footprint per GDP	Tier II
	8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	Tier I
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	*8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	Tier II
	*8.5.2 Unemployment rate, by sex, age and persons with disabilities	Tier I
8.6 By 2020, substantially reduce the proportion of young people not in employment, education or training	*8.6.1 Proportion of young people (aged 15–24 years) not in education, employment or training	Tier I
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	*8.7.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age	Tier II
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	*8.8.1 Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status	Tier II
	*8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status	Tier II

Table 1.1. (continued)

TARGETS	INDICATORS (*ILO IS CUSTODIAN AGENCY)	UPDATED TIER CLASSIFICATION (MAY 2019)
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	8.9.1 Tourism's direct contribution to GDP as a proportion of total GDP and of the GDP growth rate	Tier II
	8.9.2 Proportion of jobs in sustainable tourism industries out of total tourism jobs	Tier III
8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	8.10.1 (a) Number of commercial bank branches per 100,000 adults and (b) number of automated teller machines (ATMs) per 100,000 adults	Tier I
	8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider	Tier I
8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries	8.a.1 Aid for Trade commitments and disbursements	Tier I
8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the ILO	*8.b.1 Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy	Tier II

Source: Adapted from "Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development", available at: <https://unstats.un.org/sdgs/indicators/indicators-list/>.

1.1. Sustained economic growth and development

A first set of five targets under SDG 8 can be grouped under the label sustained economic growth. Target 8.1 promotes sustained per capita economic growth, thereby focusing on the creation of economic value and economic prosperity; special attention is devoted to national circumstances and, in particular, to least developed countries. A further four targets, namely 8.2, 8.3, 8.10 and 8.a, specify the enabling conditions for sustained economic growth. The underlying idea is that sustained

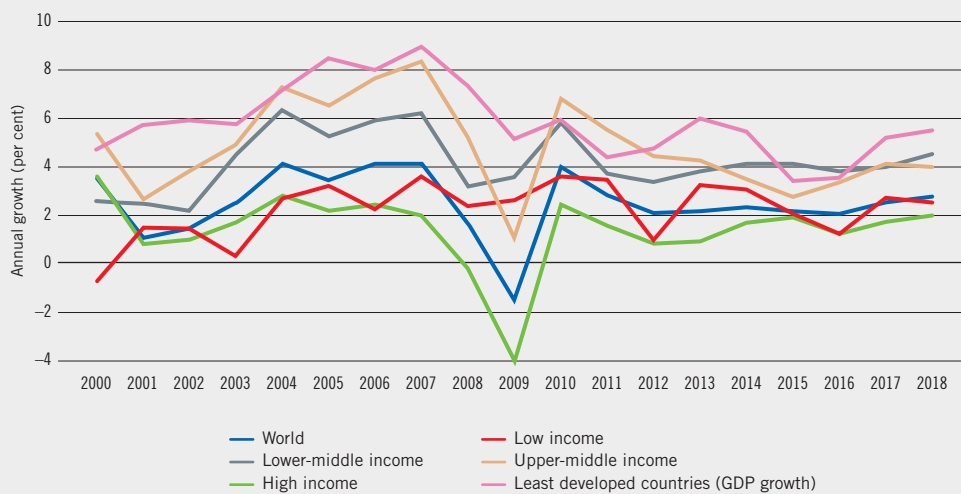
enhancement of economic growth is facilitated by structural transformation from low- to high-productivity activities, which requires diversification, technological upgrading and innovation (target 8.2). This in turn should be underpinned by development-oriented policies that support productive activities, encouraging the formalization and growth of small- and medium-sized enterprises (SMEs), entrepreneurship and access to financial services (target 8.3). The strengthening of domestic financial institutions (target 8.10) and an increase in Aid for Trade support for developing countries (target 8.a) further bolster the aim of sustained economic growth and development. The following analysis considers each of these five targets in turn.

Trends in economic growth

Target 8.1 comprises one indicator (8.1.1) which measures the annual growth rate of real gross domestic product (GDP) per capita. The growth trends observed around the world since 2000 are punctuated by the global financial crisis of 2008–09, which hit upper-middle- and high-income countries especially hard (figure 1.1). The world economy as a whole enjoyed a high annual GDP per capita growth rate of around 4 per cent in the four years immediately preceding the crisis; during the following decade, the rate has been hovering at just over 2 per cent.

Throughout this period, average performance has been stronger among upper-middle- and lower-middle-income countries, but weaker among low- and high-income countries. This means that low-income countries are failing to catch up with the levels of economic growth achieved by developed economies: their average annual GDP per capita growth rate was just 2.4 per cent during 2011–18. This presents enormous challenges for the convergence of incomes across countries. During all but five of the 19 years presented in figure 1.1, annual GDP growth

Figure 1.1. Annual growth rate of real GDP per capita, global and by country income group, 2000–18 (percentages)



Note: For the least developed countries, the real annual gross domestic product (GDP) growth rate is shown instead of real GDP per capita growth. Aggregates are derived using PPP exchange rates.

Source: ILO calculations based on UNDESA (2017) and IMF (2018).

rates in the least developed countries (LDCs) fell short of the 7 per cent target required by SDG 8.1. The average annual growth rate for LDCs during the last eight years, 2011–18, was 4.8 per cent, which is significantly below target.

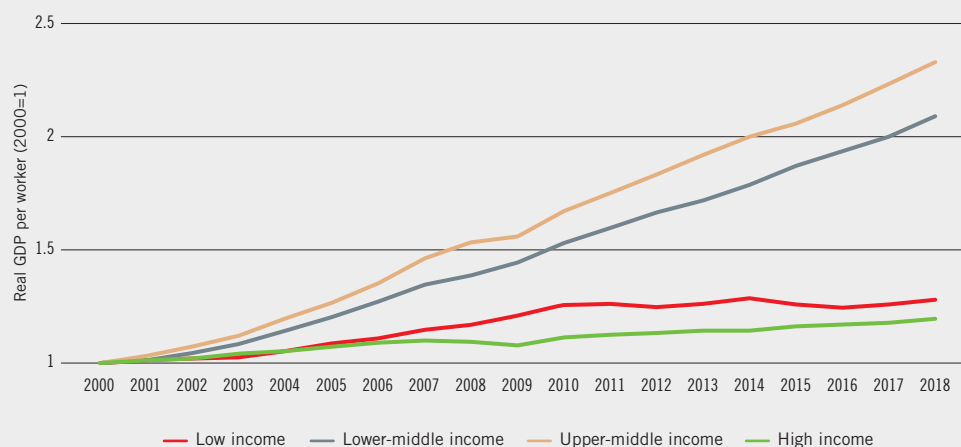
The relatively low average growth rates among high-income countries chime to some extent with calls for a “steady state economy” in wealthy countries as the only long-term means of staying within safe environmental boundaries (de Saille and Medvecky, 2016). Chapter 2 elaborates this argument further. Nevertheless, the summary on progress towards target 8.1 is one of uneven performance, characterized by a widening gap between low- and middle-income countries.

Trends in labour productivity: Catching up and falling behind

Target 8.2 calls for the achievement of “higher levels of economic productivity”. Indicator 8.2.1 monitors progress in the form of countries’ annual growth rates of real GDP per employed person, which is equivalent to labour productivity growth. In the world as a whole, this indicator shows a similar trend to that of real GDP per person (indicator 8.1.1). Labour productivity growth has recovered from the trough to which it plummeted in 2009, but has not yet returned to the higher rates observed in the years immediately preceding the crisis.

The variation in labour productivity growth rates experienced since 2000 across country income groups remains quite large (figure 1.2). Again, a clear split may be discerned. On the one hand, levels of labour productivity in middle-income countries (most of which are in Eastern and Southern Asia) continue, on average, to catch up with those of high-income countries. On the other hand, while levels in low-income countries were to some extent catching up with those of high-income countries until 2010, they have subsequently started to fall behind again.

Figure 1.2. Real gross domestic product per employed person, by country income group, 2000–18 (2000=1)



Source: ILOSTAT database, ILO modelled estimates, November 2018.

However, indicator 8.2.1 does not provide information on the extent to which “diversification, technological upgrading and innovation” contribute to improvements in aggregate labour productivity. Chapter 2 addresses this issue in the context of a framework that explains the interlinkages between SDG 8 and other SDGs which support sustained economic growth.

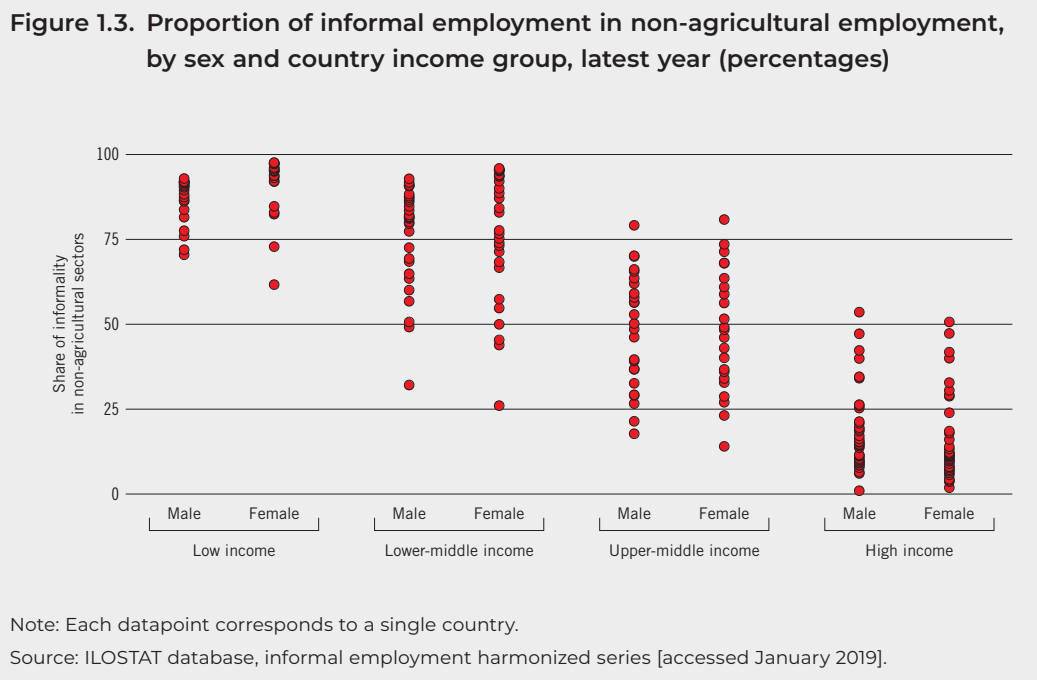
Informality: High rates persist in low- and middle-income countries

The pursuit of target 8.3 is potentially transformative because it emphasizes decent job creation and entrepreneurship, creativity and innovation, the formalization of micro-, small- and medium-sized enterprises (MSMEs) and access to financial services. It therefore goes far beyond simple capital accumulation as a driver of development. Structural economics argues that the dynamic transformation of productive structures, combined with appropriate pro-employment macroeconomic policy and stable economic conditions, is the key to promoting more rapid growth in the developing world (Ocampo, Rada and Taylor, 2009; Ocampo, 2016; Nübler, 2018). Target 8.3 would appear to be complementary to this alternative “new structural economics” vision.

The associated indicator 8.3.1, which measures the proportion of informal employment in non-agricultural employment,⁶ captures only one dimension of target 8.3. It is nevertheless an important dimension. First, a low informality rate is also a reflection of effective and inclusive institutions that benefit the whole of society, and which are essential to promote innovation and creativity (Acemoglu and Robinson, 2012). Second, MSMEs that are formally registered and hire workers formally are at risk of unfair competition from enterprises that are either informal and/or hire workers informally. Formalization creates a level playing field, which contributes to rising productivity. For example, a recent report suggests that around half of all enterprises in Burkina Faso and more than one in four enterprises in South Africa face strong competition from informal enterprises, which adversely affects their productivity growth (ILO, 2018c; World Bank, 2019). Third, informal employment is far less likely to meet the requirements of decent work, and this generates a negative feedback loop that prevents the achievement of the workplace conditions required for innovation and creativity, both of which are fundamental to sustained economic growth (see Chapter 2). Workers who are informally employed frequently lack access to social protection, income security and basic rights at work, and this undermines the enabling conditions for job transitions (e.g. from low- to high-technology enterprises) and entrepreneurship (ILO, 2017a).

In fact, informal employment is the reality for around three in five workers worldwide (61 per cent). Figure 1.3 indicates that much still needs to be done in order to formalize the global economy. As a result, progress on target 8.3 is poor. Of the 112 countries for which data are available, the majority have more than half of their non-agricultural workforce in informal employment. There seems to be a negative relationship between the share of informal employment and a country’s income level, but it is not straightforward. The datapoints for countries from the various country income groups overlap considerably; several countries in the

6. As noted in ILO (2018b, p. 19), in order to obtain a comprehensive picture of the extent of informality, it is necessary to consider the informality rate in agricultural activities, which is high in many countries.



upper-middle-income group, for example, exhibit high informality rates that are comparable to those of low-income countries. Although the informality rates for men and women are at first glance relatively similar, closer inspection reveals that in 69 per cent of the countries surveyed the incidence of informality is higher among women (see ILO, 2018b).

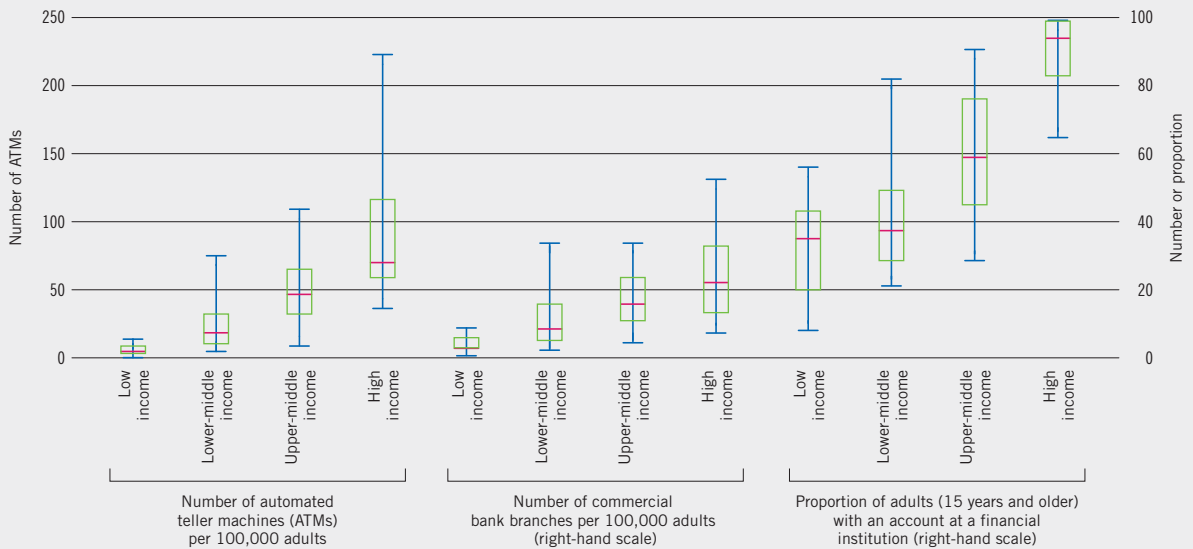
Access to financial services: Disparities across country income groups

Target 8.10 calls for all citizens to have improved access to banking, insurance and financial services, which is to be achieved by strengthening the capacity of domestic financial institutions. More than two in five workers worldwide are employed in the rural economy, and for such workers financial services are often beyond reach. Many of them live in poverty, are employed informally, depend on small landholdings for their livelihood and have limited access to credit and insurance (Bhatt, 2015).

Investment in digital infrastructure can help rural workers (especially women, who face additional constraints) to enjoy the benefits of mobile banking and obtain much-needed credit and insurance (Benería, Berik and Floro, 2015). Target 8.10 is closely linked to target 8.3, which calls for helping MSMEs to grow through access to financial services. Hence, such access is seen as a growth-promoting factor from the perspective of both the demand and supply sides of the economy.

Target 8.10 has three associated indicators for tracking the capacity of financial institutions to service all citizens. Two of these are sub-indicators of indicator 8.10.1, namely: (a) the number of commercial bank branches per 100,000 adults; and (b) the number of automated teller machines per 100,000 adults. Indicator 8.10.2 measures the proportion of adults (15 years and older) with an account at a bank

Figure 1.4. Three indicators measuring the accessibility of financial services, by country income group, latest available year



Note: Each box-and-whisker plot shows the median value and two ranges of values, which contain, respectively, 50 per cent and 90 per cent of the country observations. The lowest and highest “whiskers” therefore represent the 5th and 95th percentiles, which encompass the central 90 per cent of datapoints.

Source: United Nations Global SDG Indicators Database [accessed November 2018].

or other financial institution or with a mobile money service provider. Although trend data are available for some countries, a more general global snapshot can be obtained by using data from the latest available year in all cases (figure 1.4). The overall pattern is one of extreme disparities in access to financial services (measured using all three indicators), depending on a country’s income level. For example, only one in three adults in low-income countries (taking the median value) has a bank account or equivalent, compared with over nine in ten adults in high-income countries. The greatest inter-country variability on this measure is to be found among lower-middle- and upper-middle-income countries, which suggests that proactive policy reform to improve citizens’ access to financial services can indeed make a significant difference.

Aid for Trade: Still limited despite strong growth in donor countries

Launched by the World Trade Organization in 2005, and specifically mentioned in target 8.a under SDG 8, the Aid for Trade initiative seeks to mobilize resources to address the obstacles related to supply-side capacity and trade infrastructure that constrain the ability of developing countries and LDCs to engage in international trade. In particular, Aid for Trade has proved to be a very effective means of raising exports in the poorest countries (Lammersen and Bejraoui, 2018). The total volume

of global commitments and disbursements under Aid for Trade more than doubled between 2006 and 2017, with commitments rising from US\$26 billion to US\$57 billion and disbursements from US\$20 billion to US\$43 billion (OECD DAC, 2018). Despite these significant increases in absolute terms, however, the relative level of Aid for Trade support, as a share of the donor countries' GDP, remains well below 0.1 per cent.

Summary

The overall picture of global progress towards sustained growth, encompassing the five SDG 8 targets analysed in this section, is one of stark and seemingly worsening disparities in performance among countries grouped by level of income. Low-income countries are falling behind middle-income countries in terms of GDP and productivity and failing to close the gap with high-income countries. This suggests that many countries are still not achieving sufficient diversification of their productive activities, supported by stable financial investments and citizens' access to financial services – a diversification that would drive long-term, sustained growth and development. The persistently high shares of workers in informal employment in many countries call for greater efforts to implement policies and institutions that can support decent, formalized work.

1.2. Inclusive economic growth and decent work for all women and men

A second set of four SDG 8 targets relates to inclusive economic growth. Decent work is crucial to achieving inclusive economic growth, since such work is more than just a source of income and social protection. Chapter 2 explains how decent work, as defined and advocated by the ILO, provides people with social identity, dignity and self-respect, thereby fostering a culture of learning and human and societal development. Accordingly, target 8.5 recognizes “full and productive employment and decent work” as an objective and, moreover, extends this objective to “all women and men”, including “young people and persons with disabilities”. This horizontal inclusiveness, together with the equality principle of “equal pay for work of equal value”, is vital for social cohesion. Labour market inclusion needs to start as early as possible, which is why target 8.6 calls for a significant reduction in the proportion of young people not in employment, education or training. Lastly, target 8.7 (eradicating forced labour, modern slavery, human trafficking and child labour) and target 8.8 (upholding labour rights and promoting safe and secure working environments) are concerned with guaranteeing fundamental rights and protections that all people ought to enjoy in the world of work.

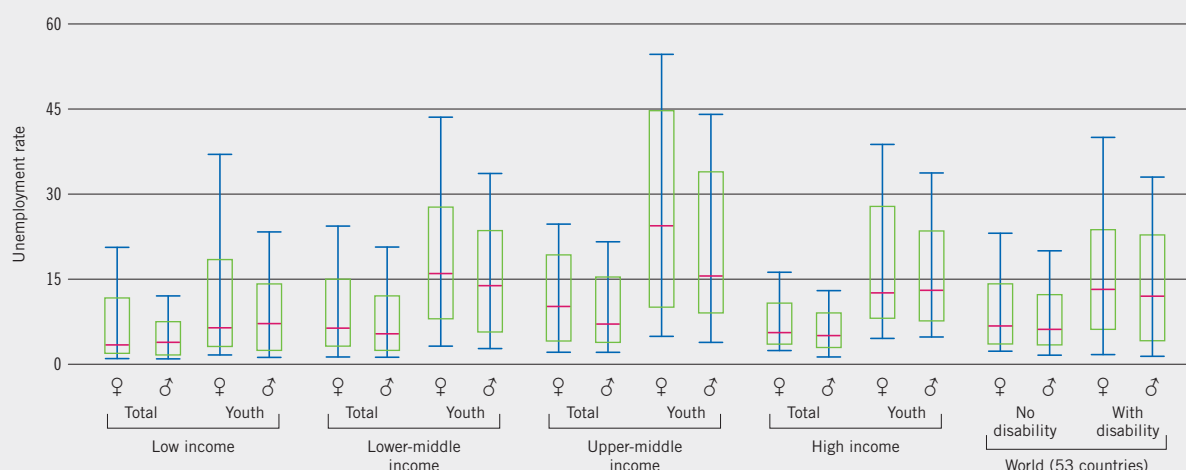
Employment deficits and wage gaps: Great disparity within and across countries

While decent job creation and entrepreneurship are one component of target 8.3, target 8.5 is uniquely dedicated to the achievement of “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.” This target is

arguably at the heart of SDG 8. As Chapters 2 and 3 elaborate, the achievement of this target simultaneously requires policy efforts to foster and sustain aggregate demand (to achieve full employment⁷), structural transformation with learning, industrial and technology policies driving the patterns and pace of economic change (for productive employment), effective labour institutions (for decent work) and a commitment to address inequalities (including equal pay for work of equal value). This is an ambitious and fundamental social and economic policy agenda.

Target 8.5 comprises two indicators, which monitor the unemployment rate and the gender pay gap. Specifically, indicator 8.5.2 measures the unemployment rate, by sex, age and disability status. The unemployment rate is the statistical measure most widely used to assess the deficit in full employment. Figure 1.5 shows that unemployment rates vary considerably across countries, and also by demographic group, which means that certain people are more vulnerable to joblessness. A significant number of countries have aggregate unemployment rates in excess of 10 per cent, even in the low-, lower-middle- and high-income groups, where the median aggregate unemployment rate is in the order of 5 per cent. The median aggregate unemployment rate is highest in upper-middle-income countries, at a little over 8 per cent. The difference between the median

Figure 1.5. Distribution of unemployment rate by age, sex, disability status and country income group, 2018 (percentages)



Note: Each box-and-whisker plot shows the median value and two ranges of values, which contain, respectively, 50 per cent and 90 per cent of the country observations. The lowest and highest “whiskers” therefore represent the 5th and 95th percentiles, which encompass the central 90 per cent of datapoints. “♀” stands for female, “♂” for male. Unemployment rates by disability status are based on the latest year reported in 53 countries for which data are available, including 29 high-income countries. “Total” refers to persons aged 15 years and older, “Youth” to those aged 15–24 years. Source: ILOSTAT database [accessed January 2019]; ILO modelled estimates, November 2018.

7. Full employment is achieved when every person who seeks employment and is available is also able to find a job. This does not imply an unemployment rate of zero, because there can still be frictional unemployment, which occurs when workers leave one job to look for another.

and the 95th percentile is largest in lower-middle-income countries, where these values are, respectively, 5.4 per cent and 22.5 per cent.

Unemployment rates are higher for women than for men in most countries. Also, across all country income groups, young people aged 15–24 years experience a higher unemployment rate than the rest of the working-age population. Moreover, it is notable that the dispersion of unemployment rates is much larger for young people than for the aggregate labour force, and even more so for young women. The highest median unemployment rate among young women is observed in upper-middle-income countries: at 24 per cent, it is a full 9 percentage points above the median unemployment rate for young men in that country income group. Women and men with disabilities are also much more likely to be unemployed; their median unemployment rates are roughly twice as high as those of persons without a disability.

It is important to recognize the limitations of the indicator used to measure unemployment. The definition of unemployment is based on individuals in the labour force. However, many workers may find themselves outside the labour force, either because they have become discouraged from seeking paid employment or because socio-economic constraints or social norms prevented them from entering the labour force in the first place (ILO, 2017b and 2018d). Also, specific groups of people, such as persons with disabilities, may choose not to enter, or to leave, the labour force and no longer seek employment because they experience discrimination or are not offered a fair wage. In addition, their difficulties may be compounded by limited public policy support for family care, youth apprenticeships or disabled workplace access (Périvier, 2018). Therefore, in order to assess the full extent of

Box 1.1. New statistics for “labour underutilization”

The 19th International Conference of Labour Statisticians adopted, in 2013, several important new standards for labour statistics. The traditional measure of unemployment is now reported as one of several elements in a wider measure of “labour underutilization”. The measure of unemployment itself is unchanged, except for changes to the way it is measured: notably, the option to exclude the job-search criterion in certain contexts has been removed, and the reference period for availability has been expanded.

The wider measure of labour underutilization also includes time-related underemployment and a measure of the potential labour force. The latter is a newly defined group that captures persons not employed who express interest in the labour market but who do not fully meet the criteria to be classified as unemployed. This group includes, for example, discouraged jobseekers and others who may face a variety of personal, social or economic barriers that limit their labour market access.

A new set of indicators of labour underutilization – LU1, LU2, LU3 and LU4 – have been developed to facilitate a more comprehensive monitoring of changes in labour markets than is possible if one uses the unemployment rate alone. These indicators are also better for capturing differences between urban and rural areas, women and men, young people and adults, and between other focus groups for policy-makers. To allow for the full measurement of unpaid forms of work, the 19th International Conference of Labour Statisticians also introduced new statistical definitions, basic measurement guidance and headline indicators for own-use production work, volunteer work and unpaid trainee work.

Source: Report of the International Labour Organization on recent developments in work and employment statistics, prepared for the 49th session of the Statistical Commission of the Economic and Social Council (United Nations document E/CN.3/2018/18).

“labour underutilization”,⁸ as a more robust measure of the full employment deficit, it is necessary also to consider people who are outside the labour force (box 1.1; see also Altbeker and Bernstein, 2017; ILO, 2018d).

In summary, there is still a long way to go if full and productive employment is to be provided for all. Many countries continue to face high unemployment rates, and even in cases where these are low, women, young people and persons with disabilities face considerable challenges in finding employment. The new measure of labour underutilization provides a more effective lens with which to scrutinize employment deficits in different national contexts (see box 1.1).

Being in employment is no guarantee of escaping poverty and social exclusion: equal access to decent work is just as important as having a job (ILO, 2019a). Significantly, in many countries people have no choice but to take up any available job owing to the absence of alternative sources of income. Unemployment rates in those countries may be low, but the prospects for decent work are poor (ibid.). The one indicator illustrative of decent work under target 8.5 concerns equal pay for work of equal value – “Average hourly earnings of female and male employees, by occupation, age and persons with disabilities”; other decent work indicators appear under other SDG 8 targets (see below). Many women face wage discrimination in addition to disparities in employment access and the risk of unemployment. This adversely affects their lifelong income opportunities and social protection status, including pension level, and therefore goes against the principles of economic justice. At an aggregate country level, the gender pay gap depends on a complex set of individual, occupational and organizational characteristics, on labour market institutions and mechanisms (including social dialogue), on industry structure (including global value chains) and on class and gender relations in society (Rubery and Grimshaw, 2015; Blau and Kahn, 2017; ILO, 2018e).

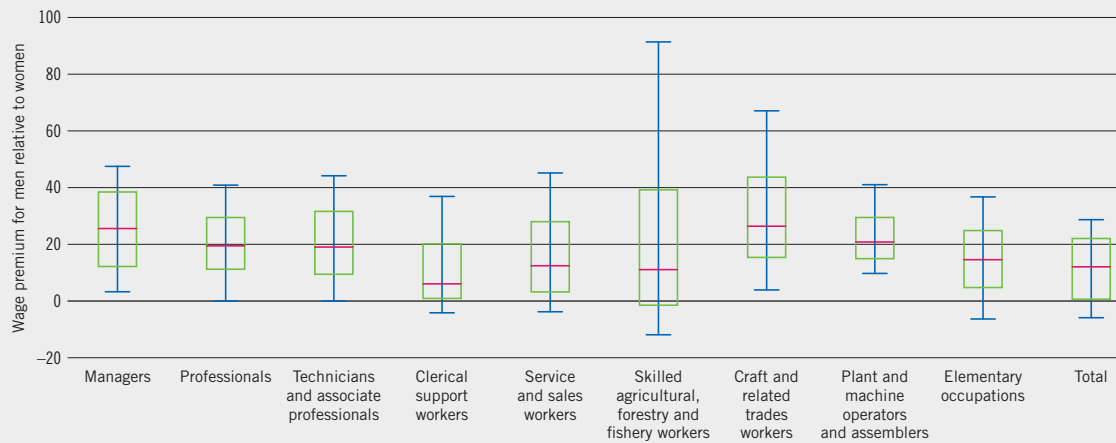
Indicator 8.5.1 does take some of the productivity differentials between workers into account, since it requires the average hourly earnings of women and men to be measured for different occupations. If the measure of average hourly earnings is used, the median gender pay gap is smallest in clerical support occupations (6 per cent) and largest in managerial occupations and in crafts and related trades (around 26 per cent) (figure 1.6).⁹ There is, however, significant dispersion: men enjoy a wage premium of more than 20 per cent in many countries across the various broad occupational groups.

The disadvantage of monitoring only gender pay gaps within occupations is that it ignores the overall position of male- and female-dominated occupations in the overall wage distribution. It is quite feasible for all occupations to register zero gender pay gaps, but for the aggregate level to display a wide negative gap owing to composition effects: women are likely to concentrate in lower-paid occupations and men in higher-paid ones. Indeed, there is considerable evidence that trends in average occupational earnings are in fact influenced by the female share of the occupation (Reskin and Roos, 1990).

8. Resolution I adopted by the 19th International Conference of Labour Statisticians on 11 October 2013 defined a set of measures of labour underutilization. See: www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_230304.pdf.

9. The available data cover mostly high-income countries. In low- and middle-income countries, the gender pay gap can in fact be wider among unskilled and low-skilled workers (ILO, 2018e).

Figure 1.6. Wage premium for men relative to women, by occupation, latest available year (percentages)



Note: Each box-and-whisker plot shows the median value and two ranges of values, which contain, respectively, 50 per cent and 90 per cent of the country observations. The lowest and highest “whiskers” therefore represent the 5th and 95th percentiles, which encompass the central 90 per cent of datapoints. The data for the various occupations are based on 49 countries, the data for the total economy on 62 countries.

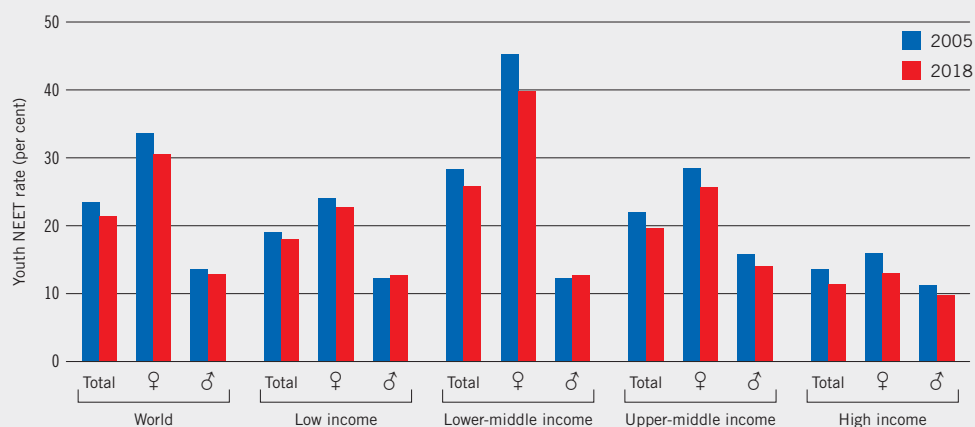
Source: ILOSTAT database [accessed January 2019].

In order to understand the full extent of gender pay gaps, it is necessary to take as many measurable, underlying factors as possible into account. A new estimation method (ILO, 2018e) estimates gender pay gaps within relatively similar subgroups – with respect to age, education, working time and economic sector – and constructs a weighted average. The result is a “factor-weighted gender pay gap”. Compared with the standard measure of the raw gender pay gap, this measure rectifies certain statistical complications that arise from the uneven representation of men and women across the wage distribution. Data obtained using this new estimation strategy for 70 countries that cover 80 per cent of wage employees worldwide suggest that the gender pay gaps across countries vary from 10 to 25 per cent (ibid.).

NEET: Young people not in employment, education or training

Target 8.6 calls for countries to “substantially reduce the proportion of youth not in employment, education or training [(NEET)]”. Importantly, this target must be achieved by 2020, reflecting the urgency of generating adequate employment opportunities for the next generation of workers. When young people find themselves in a NEET situation, it means they are not gaining skills that are valued in the labour market, which reduces their future chances of finding employment. In the long run, this both condemns young people to social exclusion and undermines the ability of an economy to grow over a sustained period (ILO, 2017c).

Figure 1.7. Young people not in employment, education or training, by sex, global and by country income group, 2005 and 2018 (percentages)



Note: “Young people” refers to those aged 15–24 years.

Source: ILOSTAT database, ILO modelled estimates, November 2018.

Indicator 8.6.1 measures the proportion of young people (aged 15–24 years) with NEET status. At a global level, the youth NEET rate decreased by a mere 2 percentage points between 2005 and 2018. At this pace, the above target will not be achieved by 2020 (see figure 1.7). In 2018, more than one in five (21 per cent) of young people worldwide were NEET. Also, the youth NEET rate has so far not decreased substantially in any of the country income groups, either among young women or among young men.

NEET rates among young men are fairly similar across country income groups. Differences in the aggregate rates are primarily driven by differences in the female NEET rates. Although the global gender gap in youth NEET rates closed slightly between 2005 and 2018, by 2.5 percentage points, in 2018 the NEET rate for young women (30 per cent) was still more than double the rate for young men (13 per cent). The gender gap is especially wide in lower-middle-income countries, where young women are more than three times as likely as young men to have NEET status. Gender disparities are even more striking if one considers the NEET rates for geographical subregions. In Southern Asia and the Arab States, the female NEET rate is more than 40 per cent, while for young men it is less than 15 per cent.¹⁰

The overrepresentation of women among young people in a NEET situation is strongly linked to family care responsibilities, such as childcare, care for the elderly and care for disabled persons or those living with HIV. But it is also sometimes a result of outdated gender stereotypes concerning early-age marriage, young women’s access to education and the rights of married women to enter into, or to continue, paid employment (ILO, 2019b). For young men, by contrast, NEET is typically a problem of unemployment. Policy responses to high NEET rates must therefore be tailored to specific gender issues (Elder, 2015). Moreover, as mentioned in target 8.b and its associated indicator 8.b.1, countries should develop

10. Data from ILO modelled estimates based on indicator 8.6.1 and the ILOSTAT database.

and operationalize a national strategy for youth employment as part of a national employment strategy to address this urgent problem (see Chapter 3).

The challenge of ending child labour worldwide remains formidable

Target 8.7 relates to the fundamental rights of workers and calls for “immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”. This target comprises one indicator (8.7.1) which focuses on the eradication of child labour by 2025 (see table 1.1).¹¹

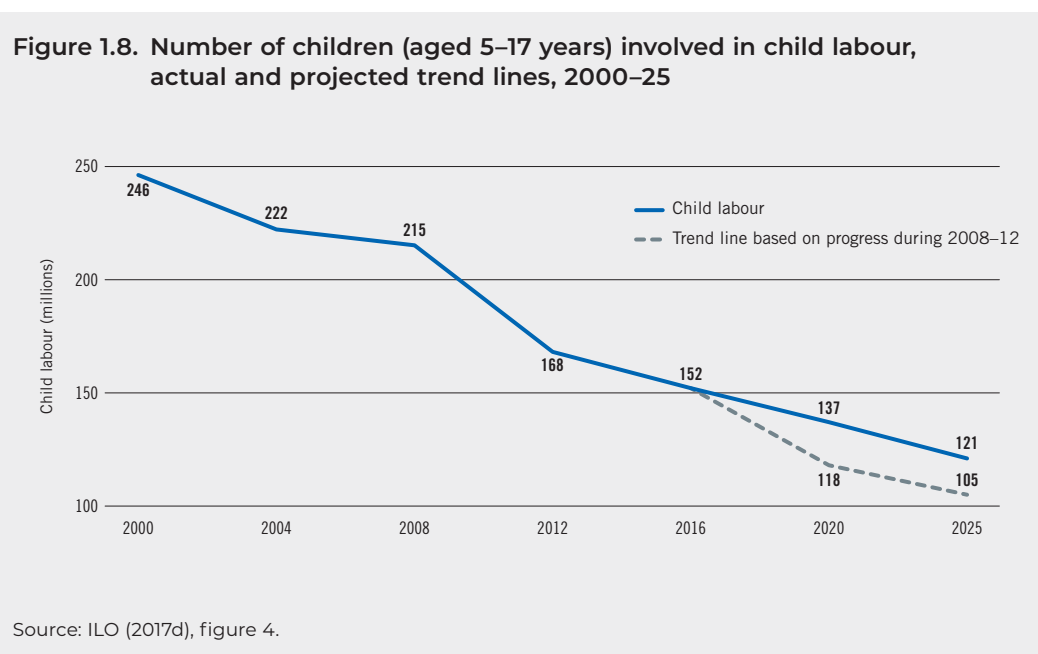
The data on child labour are now much more comprehensive and up to date. The most recent estimates for 2016 draw on data from 105 surveys, including China for the first time, and cover almost three in four children worldwide (ILO, 2017d).¹² According to these estimates, there were 152 million children aged 5–17 years in employment in 2016 (including 114 million children aged 5–14), 73 million of whom were working in hazardous conditions. Worldwide, this translates into an incidence of child labour of almost one in ten children – an alarming statistic.

Great strides have been made in reducing child labour worldwide. The overall number of child labourers decreased by approximately 94 million between 2000 and 2016 (ibid.). However, progress has slowed down in recent years (figure 1.8). Moreover, even at the rate of progress observed between 2008 and 2012 – the fastest on record – there would still be more than 100 million child labourers in 2025, the year by which child labour is meant to have been eradicated in accordance with SDG target 8.7. This shows that it is critical to accelerate progress in order to eliminate child labour by 2025.

Eradicating child labour requires a far greater degree of political commitment from stakeholders in addition to a wide range of social and economic measures addressing this complex issue. Alliance 8.7, a global partnership of international organizations, United Nations specialized agencies (including the ILO) and other stakeholders, was launched in 2016 and serves as a valuable coordinating hub for efforts to measure, monitor and support interventions aimed at ending forced labour, modern slavery, human trafficking and child labour. The effectiveness of various policy interventions aimed at eradicating forced labour, modern slavery, human trafficking and child labour (target 8.7) has begun to be understood better in recent years, as data of higher quality have been obtained by new studies (e.g. de Hoop and Rosati, 2013; ILO, 2017d), including case studies of countries that have been successful in this area, for example Uzbekistan, where the systematic use of child labour in the cotton harvest has been largely eliminated (ILO, 2018f; see also Chapter 3).

¹¹ A detailed definition of child labour is provided in ILO (2017d). The methodology presented there classifies child labour into three categories: (a) children aged 5–11 years who work at least one hour per week; (b) children aged 12–14 years who work at least 14 hours per week (excluding permissible light work); and (c) persons aged 15–17 years who work in hazardous industries or occupations, or for long hours (defined as 43 or more hours during the reference week). This methodology therefore creates a subcategory of child labour (10 per cent of all children) within the wider category of child employment (14 per cent of all children).

¹² ILO (2017d) and the data presented in it are part of an inter-agency programme under Alliance 8.7 to measure and monitor progress towards SDG target 8.7.



Protecting labour rights and promoting a safe and secure workplace are an ongoing challenge

The protection of labour rights and the promotion of safe and secure working environments, both of which are envisaged under SDG target 8.8, are central to achieving decent work for all workers. Target 8.8 also explicitly cites the need to ensure protection for “migrant workers, in particular women migrants, and those in precarious employment”. Labour rights represent a fundamental basis upon which countries can build to achieve social justice. The bulk of empirical evidence that is available today points to a strong link between labour rights and advances in sustainable and inclusive development (for a review, see Grimshaw, Koukiadaki and Tavora, 2017).

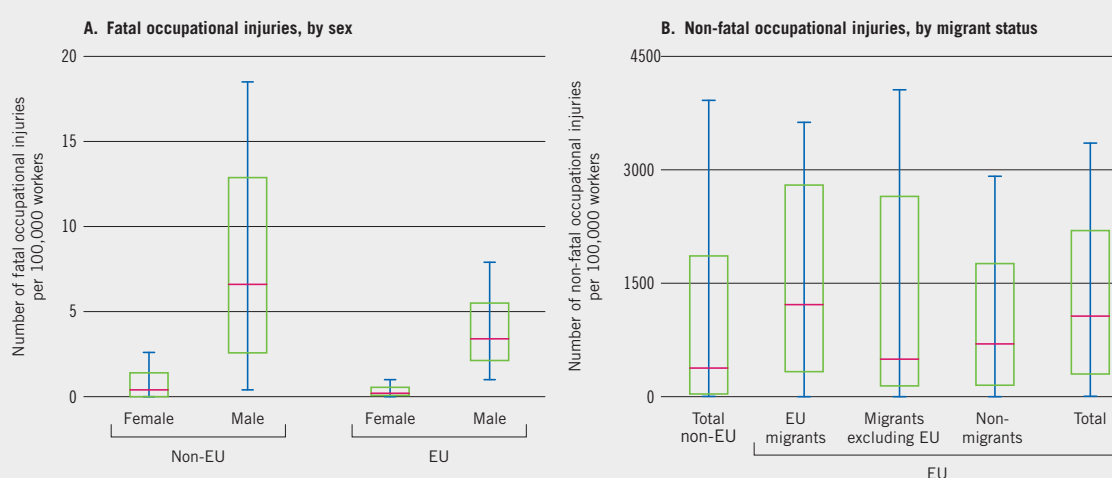
Since the adoption of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), more than 70 years ago, a growing number of ILO member States have ratified these two instruments. At the time of writing, the two Conventions had secured 155 and 166 ratifications respectively. Indicator 8.8.2 on national compliance with labour rights underlines the importance of assessing the extent to which member States are enforcing compliance with the Conventions, including the degree of coverage of workers in both the formal and the informal economy. There have been important advances in the statistical methodology for this indicator. Thus, the indicator was upgraded from Tier III to Tier II and the ILO was confirmed as its custodian agency by the 20th International Conference of Labour Statisticians in October 2018. Data for 2015–17 will not become available before the end of 2019 and so cannot unfortunately be reported here (see box 1.2).

Monitoring the safety of the world’s workplaces involves measuring the frequency rates of fatal and non-fatal occupational injuries (indicator 8.8.1). Overall, the median rate of fatal occupational injuries was 5.7 per 100,000 workers in the reference year

Box 1.2. Labour rights in the framework of the Sustainable Development Goals

It is now possible to measure progress on SDG indicator 8.8.2 (national compliance with labour rights) by using a new method of constructing indicators related to rights of freedom of association and collective bargaining that was adopted by the 20th International Conference of Labour Statisticians in October 2018 (ILO, 2018n). The method is based on the coding of violations of the rights of freedom of association and collective bargaining as defined by the ILO supervisory bodies in six ILO textual sources and also by national legislation. The ILO sources are as follows: reports of the Committee on Freedom of Association; reports of the Committee of Experts on the Application of Conventions and Recommendations; reports of the Conference Committee on the Application of Standards; country baselines under the ILO Declaration annual review; representations under article 24 of the ILO Constitution; and complaints under article 26 of the ILO Constitution. Central to the method are 180 evaluation criteria representing different violations of rights of freedom of association and collective bargaining, with weighting for the evaluation criteria derived from the Delphi method of expert consultation. The key premises on which the indicators are based are: (a) definitional validity – the extent to which the evaluation criteria and their corresponding definitions accurately reflect the phenomena they are meant to measure; (b) transparency – how readily a coded violation can be traced back to any given textual source; and (c) inter-coder reliability – the extent to which different evaluators working independently are able to arrive consistently at the same results. The method is applied to all ILO member States using 2015 as the baseline year.

Figure 1.9. Rates of fatal and non-fatal occupational injuries, European Union and rest of the world, latest available year (since 2010)



Note: For the purposes of this figure, the European Union (EU) group includes Norway and Switzerland, even though they are not EU Member States. Number of observations – panel A: 31 (non-EU), 30 (EU); panel B: 46 (non-EU), 30 (EU). Each box-and-whisker plot shows the median value and two ranges of values, which contain, respectively, 50 per cent and 90 per cent of the country observations. The lowest and highest “whiskers” therefore represent the 5th and 95th percentiles, which encompass the central 90 per cent of datapoints.

Source: ILOSTAT database [accessed January 2019].

(based on the available data for 77 countries since 2010; see figure 1.9, panel A). Disaggregation by sex shows that the risk is greater for men than for women, which reflects men’s greater likelihood of working in hazardous industries. Some countries outside the European Union (EU) have a rate of fatal occupational injuries among male workers that exceeds 10 per 100,000 workers. The median rate of non-fatal occupational injuries is 1,228 per 100,000 workers. There is a disparity

between workers with migrant and non-migrant status – a key concern of indicator 8.8.1 and an important focus of the ILO's efforts to address decent work deficits (see ILO, 2017e and 2019g). For instance, migrant workers on construction sites are more likely than non-migrant workers to suffer from heat stress.

Because of data limitations, the rate of non-fatal occupational injuries by migrant status in figure 1.9, panel B, is presented only for EU countries. Among these, the median risk of incurring such injuries is highest for EU migrants and lowest for non-EU migrants, although the highest risks are reported for non-EU migrants in some countries.¹³ Outside the EU, the median rate is lower than in EU countries. Further empirical analysis, along with expanded country coverage of the data, is necessary to obtain a clearer and more comprehensive picture of the situation. One should keep in mind, though, that data coverage for this indicator is limited, and that the available data derive from insurance or notification records that usually cover only formal workers. This means that countries with better reporting systems and a lower incidence of informality will display a higher rate of reported occupational accidents.

Summary

Progress towards inclusive economic growth, represented in this section by four SDG 8 targets, is of fundamental importance to the delivery of decent work and shared prosperity for all workers and communities within and among countries. Overall, the world needs to accelerate the provision of full and productive employment for all. Unemployment is too high in many countries, and women, young people and persons with disabilities typically bear the brunt of the risks posed by the labour market. Gender equality is a distant prospect as far as various attributes of decent work are concerned, including the right to equal pay for work of equal value and labour market participation. Young women face a high risk of exclusion from paid employment in several subregions of the world. A transformative agenda for gender equality is long overdue (Global Commission, 2019). The foundations for shared prosperity rest on the fundamental principles and rights at work, but again the empirical evidence points to insufficient progress on various fronts. The number of children engaged in child labour has decreased, but the world will not achieve its elimination by 2025 without radical action. National compliance with labour rights and policies to make workplaces safer would encourage inclusive development. In that respect, new trend data on labour rights compliance will be enormously valuable in tracking progress towards SDG 8.

1.3. Sustainable economic growth and environmental integrity

A fundamental aim of the 2030 Agenda is to balance progress in the economic, social and environmental dimensions. Target 8.4, which calls for “improv[ing] progressively, through 2030, global resource efficiency in consumption and production and endeavour[ing] to decouple economic growth from environmental

¹³ Beyond the occupational hazards portrayed in figure 1.9, migrant workers often face inequality and exploitation, particularly in terms of wages (ILO, 2014a), working time, access to skills development, social protection, lack of representation through collective structures (ibid.), or remedies for abuse.

degradation”, supports that aim by identifying ways of achieving growth while protecting the environment.¹⁴

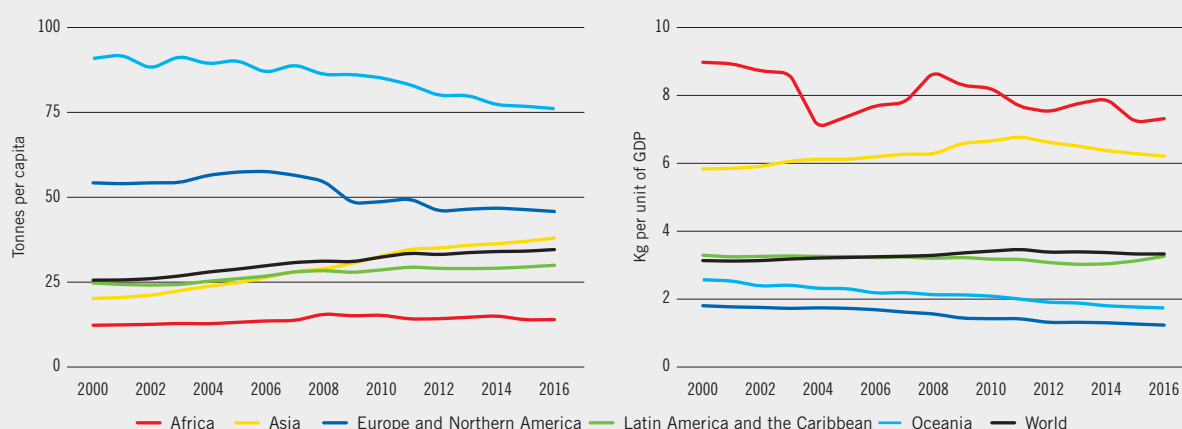
Global material consumption keeps rising

The economic modelling for decoupling growth from environmental degradation has advanced greatly in recent years and has helped to convince policy-makers of the merits of pursuing an approach to economic development that takes into account environmental considerations. Unless progressive environmental policy reforms are financed and implemented, economic activity will continue to rely to a large extent on finite natural resources, leading to grave and irreversible environmental degradation as a result of greenhouse gas emissions and other forms of pollution (IPCC, 2013; Dorling, 2017).

Data collected from 180 countries show that three-quarters of the 165 countries that experienced net growth during 1995–2014 also registered rising greenhouse gas emissions (ILO, 2018g). Nevertheless, 23 countries during 1995–2014 achieved absolute decoupling; these countries have managed to enjoy GDP growth while also reducing their carbon footprint. These examples confirm the positive effect of investing in renewable energies and expanding the environmental goods and services sector (ibid., pp. 10–14).

Figure 1.10 presents the empirical data for one of the two indicators associated with target 8.4, namely domestic material consumption (indicator 8.4.2).¹⁵ It shows

Figure 1.10. Domestic material consumption per capita and per unit of GDP, 2000–16



Note: The country groupings are based on the M49 standard classification developed by the United Nations Statistics Division, available at: <https://unstats.un.org/unsd/methodology/m49/>.

Source: United Nations Global SDG Indicators Database [accessed November 2018].

14. Target 8.9, which calls for the promotion of sustainable tourism, is also strongly related to the environmental dimension of SDG 8. However, the two associated indicators are Tier II and Tier III (see table 1.1) and are therefore not reported here.

15. The other indicator, 8.4.1, is classified as Tier II owing to limited availability of data (see table 1.1). It is therefore not used in this report.

an alarming upward trend in consumption per capita at the global level. If consumption is measured in kilograms per unit of GDP instead, a flattening out can be observed from 2011 onwards, but there are few signs of consumption actually decreasing. The rising trend of consumption per capita is driven mainly by strong increases in Asia and in Latin America and the Caribbean. A reduction in material consumption in Europe, Northern America and in Oceania has helped to offset the upward global trend to some extent.

Summary

Global actions to promote sustainable economic growth that protects our shared environment and preserves the planet are only now gathering momentum thanks to the emergence of a clear consensus of scientific opinion and waves of international protests and strikes. However, the empirical evidence points to continued upward trends in global material consumption per capita, fuelled by Asia and Latin America. Collective action on the environmental dimension of SDG 8 is urgently required.

1.4. Summary of progress on SDG 8

This chapter examined the international community's progress towards achieving SDG 8, which seeks to “[p]romote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. Measured against the 12 targets of SDG 8, global progress in recent years has been mostly disappointing. At the current rate of progress, SDG 8 is unlikely to be achieved by 2030. There continue to be major gaps, both across and within countries. Moreover, given the current outlook, which foresees global economic and labour market advances slowing down over the next few years (see ILO, 2019a), there is a risk that it will take even longer than originally expected to close these gaps.

This chapter has highlighted major challenges in a number of key areas, particularly those relating to informal employment, the unequal risk faced by women and men with regard to suffering unemployment, discrimination against persons with disabilities, the exclusion of young people from the labour market, the wage penalty suffered by women, exploitation of child labour and problems of safety at the workplace. Furthermore, the global consumption of natural resources keeps rising: this means that much more vigorous efforts are required to decouple economic growth from resource consumption. All three dimensions of sustained, inclusive and sustainable economic growth require urgent attention to ensure accelerated progress.

The next chapter widens the analysis to consider the complex patterns of interlinkages between SDG 8 and other related SDGs. Such an approach helps, on the one hand, to bring out the challenges involved in achieving SDG 8 because of these interlinkages as well as the dangerous implications that failing to achieve it would have for the 2030 Agenda. On the other, it also helps to reveal a myriad of options for positive intervention. This sets the scene for Chapter 3, which explores the ways in which specific employment and economic policies can catalyse progress towards SDG 8.

2. DYNAMIC INTERLINKAGES FOR SUSTAINED, INCLUSIVE AND SUSTAINABLE GROWTH AND DEVELOPMENT

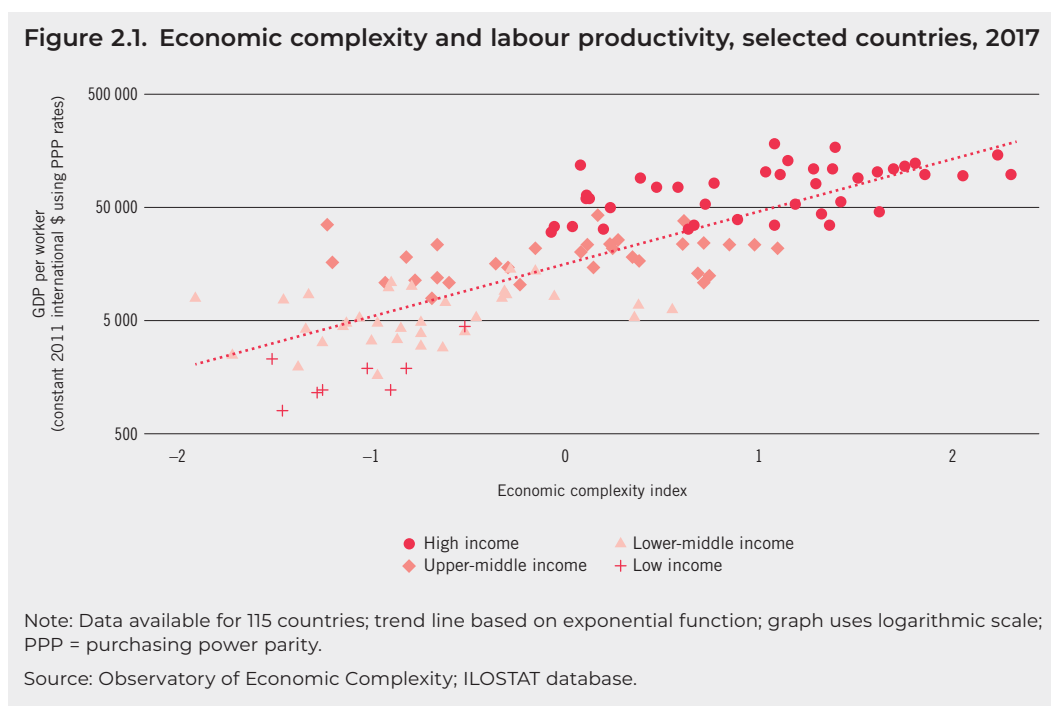
In order to provide a critical appraisal of progress towards SDG 8, it is necessary to extend the frame of analysis used in Chapter 1 to encompass “dynamic interlinkages” with other SDGs. Because the 2030 Agenda straddles the economic, social and environmental dimensions of sustainable development, the SDGs are inextricably bound to one another, and this is as true of SDG 8 as it is of the other Goals. These dynamic interlinkages may involve complementary, conditional and enabling relationships, but also trade-offs and conflicting relationships. Examining the nature of interactions between SDG targets can help in understanding progress towards SDG 8 and thus in designing a comprehensive set of supporting policies.

The analysis in this chapter builds on earlier studies of SDG interlinkages. These include qualitative studies that propose frameworks for assessing the direction and degree of interlinkages between SDGs (Griggs et al., 2017; ILO, 2018h) and quantitative studies that explore statistical correlations (Le Blanc, 2015; Pradhan et al., 2017; Weitz, Carlsen and Trimmer, 2019).

Building on these insights, this chapter pursues two aims. The first is to develop a holistic framework for assessing progress towards SDG 8 that takes into account: (a) the three dimensions of sustainable development; (b) the central role of employment and decent work; and (c) the targets corresponding to interlinked SDGs. The second aim is to explore the progress made by different subregions towards attaining sustained, inclusive and sustainable growth and development. Patterns of progress are visualized in “rose charts”, which show significant differences across the 11 subregions.

2.1. The dynamics of sustained economic growth: Transformative change in the economy and society

Achieving SDG 8 requires a sustained process of economic growth, particularly in the least developed countries, but also in middle-income and emerging countries. This is necessary to raise income levels, generate decent jobs and improve well-being for all citizens. Growth based on cyclical demand, on the export of natural resources or on mere factor accumulation has not been able to deliver such long-term effects. Moreover, many developing countries seem to be caught in a so-called middle-income trap. They were able to transition from low- to middle-income economies,



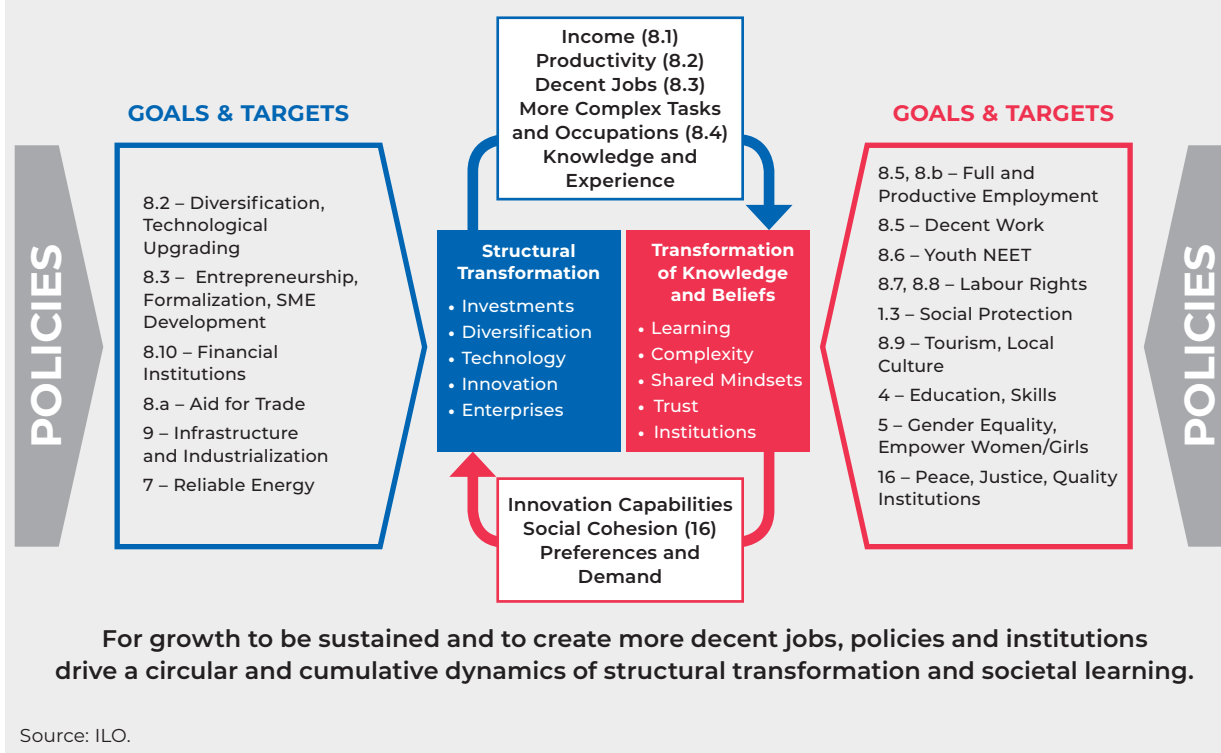
but are now failing to rise further through the ranks and join the high-income group (Gill and Kharas, 2007; Paus, 2018). The available evidence suggests that, without sustained economic growth, many poor countries will fail to achieve some of the key economic and social targets under SDGs 1 (no poverty), 2 (zero hunger), 3 (good health and well-being), and 5 (gender equality).

The analysis of countries that have managed to catch up in economic terms sheds valuable light on the process of sustained growth. These countries progressed into the upper-middle-income group by diversifying production and export structures (Imbs and Wacziarg, 2003); they also developed more sophisticated products and adopted advanced technologies, thereby increasing the complexity of their economy (Hidalgo and Hausmann, 2009).¹⁶ Figure 2.1 shows that economic complexity correlates positively with labour productivity. In other words, the evolution of complex economies is a long-term process of productive transformation that generates sustained economic growth.

The ILO has contributed to this debate by exploring the dynamics of economic transformation and explaining the role of social transformation in driving a virtuous circle (Dasgupta and Singh, 2007; Nübler, 2011; Salazar-Xirinachs, Nübler and Kozul-Wright, 2014; Kucera and Roncolato, 2016). Figure 2.2 illustrates this circular process. The blue box refers to structural transformation in the economy and the forces that fuel growth in income, productivity, jobs, complexity and experiences, thereby promoting SDG 8 targets. The red box relates to social transformation, which is fundamentally driven by changes in the commonly shared knowledge and belief systems; these changes, in turn, affect economic transformation through various channels. The figure also shows how the achievement of transformative change depends critically on progress on various targets under SDG 8 and other

¹⁶ The economic complexity index measures the diversity and sophistication of a country's production and export structure, and thus implicitly reflects the innovation capabilities embedded in a society's knowledge base. For further details, see Hidalgo and Hausmann (2009).

Figure 2.2. The dynamics of sustained growth: A virtuous circle of economic and social transformation



SDGs – targets that span across the economic, social and environmental spheres. The most relevant targets are listed inside the chevrons pointing towards the blue and red boxes. Progress on these targets is not achieved automatically, however. While market dynamics do play a certain role, it is above all public policies and institutions that drive and accelerate such progress (see Chapter 3).

Economy: Structural transformation and diversification

SDG 8 is consistent with this approach to explain sustained economic growth since it shifts the policy focus to diversification and transformative changes in the economy. Accordingly, target 8.2 identifies new technologies, diversification and structural transformation as the means of achieving higher productivity and job creation. This represents a notable deviation from conventional growth and trade models, which focus on specialization rather than diversification and on growth levels rather than transformative change. Moreover, SDG 8 also recognizes the important role of enterprise development in promoting productivity growth and the creation of high-quality jobs. Target 8.3 calls for policies to “support productive activities [and] decent job creation” and “encourage the formalization and growth of micro-, small- and medium-sized enterprises”. Arguably, therefore, this perspective accords with theories that explain the growth of firms as a process of innovation and diversification, and of recombining and reallocating resources (Penrose, 1959; Neffke and Henning, 2013).¹⁷

¹⁷ Penrose (1959) described the growth of firms fundamentally as a diversification process. Neffke and Henning (2013) describe the diversification of firms as an innovation activity “because a firm adds an activity that is new from the firm’s perspective, even though the activity itself may not be new to the world”.

Progress on targets 8.10 (access to finance) and 8.a (“Aid for Trade”) is essential to create favourable conditions for enterprise development, and also to promote diversification and sustained growth, particularly in developing countries. In addition to SDG 8, progress on SDG 9 targets is crucial to productivity growth and structural transformation – especially targets 9.1, 9.2, 9.3 and 9.5, which, respectively, highlight the importance of quality, reliable, sustainable and resilient infrastructure; a growing industry and manufacturing share of employment and GDP, particularly in least developed countries; integration into value chains; and enhanced scientific research and upgrading of technological capabilities. Lastly, making progress towards SDG 7 (affordable and clean energy) is critical in many developing countries because the availability of energy is a prerequisite for the introduction of advanced technologies and industrialization. Unfortunately, new technologies such as 3D printing and nanotechnologies have not yet been adopted widely in many developing countries, owing, among other reasons, to a lack of progress in establishing the necessary large-scale energy infrastructures.

Society: Transforming knowledge and belief systems

Economies are embedded in societies. This means that transformative changes in the economy and in the world of work are influenced and shaped by the institutions, structures and organizations that make up society (Polanyi, 1944). At the heart of any society are shared knowledge and belief systems that have been accumulated over a long process of societal learning (Nübler, 2014). On the one hand, “useful knowledge” (i.e. knowledge of facts and means-end relationships, and know-how), which may be provided by indigenous and scientific bodies of knowledge, shapes the innovation capabilities of a society. The specific mix of vocational, technical and professional competencies determines those technologies and products that a country may feasibly develop. The more diverse and complex the knowledge base of a society, the greater the opportunities to develop new products by recombining knowledge and skill sets that exist in the labour force.

On the other hand, each society develops shared belief systems such as culture, ideologies, religions and philosophies. Such belief systems can have a powerful influence on mindsets, attitudes and expectations, and on openness to change within a society. Belief systems can influence three distinct channels through which societies shape productive transformation and the creation of jobs (figure 2.2). They can enhance innovation capabilities by mobilizing the necessary creativity, entrepreneurial spirit (Schumpeter, 1911) or craftsmanship (Sennett, 2008), thereby strengthening investment, innovation and research and development (R&D) (North, 1990). Moreover, changes in socially structured beliefs are key to transforming consumer behaviour, preferences and demand. A prime example is the promotion of new values in the United States during the 1920s and 1930s, when, according to some commentators, the promise of unlimited happiness through consumption was held out to society (Strasser, McGovern and Judt, 1998). This notion was supported by new institutions, in particular consumer credit and advertising agencies. Lastly, shared belief systems and institutions also support social cohesion by creating trust, promoting a sense of fairness and justice in society, and being inclusive. Indeed, the existence of inclusive institutions that serve all layers of society tends to be accompanied by quicker technological change and dynamic innovation behaviour, higher investment and productive transformation (Nübler, 2008; Acemoglu and Robinson, 2012).

A sustained process of structural transformation and growth can only be driven by a continuous transformation and enrichment of society's knowledge base and belief systems. In other words, the engine that sustains growth is societal learning. The SDGs themselves reflect the fact that such learning takes place in different ways. Promoting full and productive employment (target 8.5) and enterprise development (target 8.3) is part of a societal learning strategy that seeks to help apprentices and workers acquire experience, technical skills and occupational competencies (SDG 4). Simultaneously, entrepreneurs are able to become more adept at managing change, recombining resources and creating value and jobs. New learning opportunities are typically generated by technological change as businesses develop innovative products, which lead to new jobs and more complex occupations (Vivarelli, 2014; Nübler, 2018).

Furthermore, progress on decent work and the protection of workers' rights (targets 8.5, 8.6 and 8.7) is critical in creating a culture of learning and craftsmanship within businesses and in the world of work in general. Workers derive personal fulfilment from developing "the skills to do things well" (Sennett, 2008). This is supported by social protection (target 1.3), which enhances the motivation of workers to collaborate in training, mobilizes creativity and makes societies open to change and willing to learn (Piore, 1995).

Learning also takes place in social networks such as families and communities, and in the school system. Progress on SDG 4 targets (e.g. equal access to the different levels of education) enriches the mix of knowledge, and helps change socially mediated mindsets, attitudes and expectations. Rapid technological change highlights the need for countries to reform and modernize their technical and vocational education and training systems. Moreover, the development of quality institutions (SDG 16) helps with the management of sustained learning dynamics. Such "meta" institutions are critical for mobilizing resources that make it possible to implement a dynamic learning strategy, thereby sustaining social and structural transformation (Nübler, 2014).

Lastly, progress towards SDG 5 is essential for societal learning and the enhancement of innovation capabilities. The empowerment of women and girls, along with equal employment opportunities for women and men, contributes to a more diverse knowledge base, thereby leading to greater innovation, more resilient societies and stronger economic growth. The Managing Director of the International Monetary Fund recently argued that women and men, "even with the same levels of education bring different sets of skills to the table which are complementary, and thus result in higher performance" (Lagarde, 2019). Consequently, societal learning requires simultaneous progress on target 5.5 (equal opportunities in economic, political and public life), targets 5.a, 5.b and 5.c (empowerment), and target 4.5 (equal access to all levels of education and training), in addition to progress on SDG 8 targets.

2.2. Inclusive economic growth and development through social inclusion and decent work

Progress on GDP and productivity growth (targets 8.1 and 8.2) is essential for low-income countries to be able to reduce poverty (SDG 1), end hunger (SDG 2) and ensure good health and well-being (SDG 3). In countries with rising dependency

Figure 2.3. The four complementary pillars of inclusive growth and development



ratios as a consequence of demographic transition, productivity growth is also a precondition for improving or maintaining quality of life for all.¹⁸

A key message of SDG 8, however, is that productivity growth on its own is not sufficient. Rather, growth and development need to be inclusive. While traditional growth-based development models assume a “trickling down” of income growth to the poor, the experience of many developing and developed countries indicates that such trickle-down effects cannot be taken for granted. The evidence includes a downward trend in the global labour income share during 2004–17, rising wage inequality in many countries (with especially high levels of inequality in low- and middle-income countries) and almost 700 million workers in poverty (ILO, 2018e, 2019a and 2019h). This insight was taken into account in the design of SDG 8, in which growth targets are complemented by a number of targets to ensure inclusiveness, thus linking the economic and social dimensions of sustainable development. Inclusiveness also plays a central role in translating growth into progress on SDGs 1, 2, 3 and 5. It also helps create resilient societies, thereby contributing to progress towards SDG 16 (peace, justice and strong institutions) (see figure 2.3).¹⁹ The extent to which growth contributes to gender equality (SDG 5) depends on the growth patterns in each sector and on strong institutions that ensure equal distribution of the benefits of growth.

¹⁸ The share of the elderly and youth population dependent on the income generated by the economically active population will increase rapidly over the next decades as a result of high birth rates in Africa and an ageing population in many developed and developing countries (UNDESA, 2017).

¹⁹ The framework presented in figure 2.3 builds on the analysis in the ILO *Asia-Pacific Employment and Social Outlook 2018* (ILO, 2018h), which explains inclusive growth as the interplay of a set of complementary targets.

Inclusive growth is based on four pillars of strongly interlinked SDG targets (figure 2.3). The first is income growth and labour productivity growth (targets 8.1 and 8.2). The second and third pillars combine the key elements of the ILO's Decent Work Agenda.²⁰ More specifically, the second pillar involves promoting full, productive and freely chosen employment. Employment is an important source of income and in poor countries, where labour is often the only asset that people have, productive employment is the best way of escaping poverty. Moreover, employment enables workers to participate in the production of goods and services and to put their talents and creativity to good use, all of which contributes to a fulfilling and meaningful life. In many countries, addressing high rates of unemployment and inactivity among young people (target 8.6) is an especially urgent task. However, policies aimed at achieving full employment need to be complemented by policies covering other elements of decent work in order to lead to inclusive growth. These include policies on equal pay for work of equal value, decent work for young people and persons with disabilities (target 8.5), safe and secure working conditions (8.8), universal social protection (1.3), and rights at work (8.5, 8.7, 8.8) (see Chapter 3).

The third pillar of inclusive growth and development concerns labour rights (figure 2.3). The ILO Declaration on Fundamental Principles and Rights at Work (1998) emphasizes the following: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour (linked to target 8.7); the effective abolition of child labour (also linked to target 8.7); and the elimination of discrimination in respect of employment and occupation (linked to targets 8.5 and 8.8). Simultaneously meeting these SDG targets is essential for the creation of inclusive societies. For example, a high incidence of child labour contributes to a vicious circle of low education, low productivity and low income over an individual's working life. Even the short-term use of child labour as a coping mechanism during a crisis can have enduring long-term effects. Once pulled out of school to work, children are rarely able to resume their education later on. Among the 152 million children worldwide who are currently estimated to be engaged in unacceptable forms of work, an alarming 4 million are in forced labour, which means that they are exposed to exploitation, hazardous working conditions, and the trauma of coercion and threats of punishment. All these children have, to say the least, been left behind (ILO, 2017d and 2019c).

The issue of how and under what conditions productivity gains and decent work translate into higher incomes and wages is addressed by SDG 10 (reduced inequalities), the fourth pillar in figure 2.3. This is reflected in the 2030 Agenda, in which the Heads of State and Government of the Member States of the United Nations declared, inter alia: "We will seek to build strong economic foundations for all our countries. Sustained, inclusive and sustainable economic growth is essential for prosperity. This will only be possible if wealth is shared and income inequality is addressed."

SDG 10, like SDG 8, also departs from past thinking about pro-poor growth and redistribution, because target 10.1 calls for "achiev[ing] and sustain[ing] income growth of the bottom 40 per cent of the population at a rate higher than the national average". While SDG 10 does not refer to the worsening of inequality as a result of ever-larger income shares at the very top of the distribution, it abandons

20. The *ILO Declaration on Social Justice for a Fair Globalization* (ILO, 2008) defines the four strategic objectives of the Decent Work Agenda – employment, social protection, social dialogue and rights at work – and confirms their "inseparable, interrelated and mutually supportive" nature.

the assumption that growth is pro-poor as long as it benefits the poor in some way or other (Van Bergeijk and Van der Hoeven, 2017). Target 10.3 goes beyond the conventional appeal to ensure equal opportunity by also calling for inequalities of outcome to be reduced. Rather than treating these inequalities as unavoidable, SDG 10 alludes to mechanisms that can bring about distributive outcomes. Thus, target 10.4 singles out the role of fiscal, wage and social protection policies in “progressively achiev[ing] greater equality”. Such policies are, in fact, some of the main levers available for domestic redistribution of income and wealth (Luebker, 2017).

Institutions are of fundamental importance in generating and sustaining decent work and in advancing the SDG 10 targets for greater equality. Well-designed social protection systems can have a major effect on the redistribution of income across society, specifically on redistribution between generations (i.e. between contributors to pension schemes and pensioners), between workers and employers (shared, progressive payments of social security contributions and taxes), and between richer and poorer segments of society (through social transfers and social assistance). Also, labour market institutions can reduce inequalities by “facilitat[ing] orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies” (target 10.7). This, in turn, supports the achievement of inclusive growth through the protection of, inter alia, migrant workers as envisaged in target 8.8.

Collective bargaining serves as a critical institutional mechanism for the negotiation of working conditions and wages, thereby encouraging a fair distribution of labour income. If left unregulated, labour markets will not distribute the gains from productivity in a fair or equal manner. This is both because the power to negotiate wages is distributed asymmetrically between workers and employers, and because free markets lack mechanisms to share gains between high- and low-productivity sectors. Collective bargaining is one of the four fundamental principles and rights at work, and is included as an indicator under target 8.8. Moreover, the 2030 Agenda is grounded in the Universal Declaration of Human Rights, which recognizes freedom of association, the right to collective bargaining and social dialogue as a fundamental right (UN, 2015, pp. 10, 19).

The complementarity of the four pillars of inclusive growth and development cannot be taken for granted: productivity growth, even when combined with full and productive employment, decent work and labour rights, does not necessarily lead to inclusive development. For this to happen, institutions and policies, as outlined in Chapter 3, need to shape the distribution of growth. Achieving inclusive growth – a prerequisite for progress towards SDGs 1, 2, 3, 5 and 16 – requires, in turn, new political choices. Importantly, governments must coordinate simultaneous efforts based on each of the four pillars of inclusive growth. Such an approach should underlie all policy responses to the major disruptive forces shaping the future of work – namely, technological developments, the transition to a green economy and demographic change – in order to ensure that their impact is distributed fairly.

2.3. Sustainable economic growth and development: The need to achieve environmental integrity through social justice

Sustainable growth requires the integration of economic, social and environmental objectives. Under SDG 8, target 8.4 calls for protection of the environment while promoting economic growth, so as to “[i]mprove 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”.²¹

Target 8.4 recognizes both the need to reduce exploitation of natural resources and the need to protect our planet’s life-supporting ecosystems. Most importantly, it recognizes the fundamental trade-offs between growth-related targets and environmental targets. New agricultural technologies (monoculture farming, pesticides and fertilizers) have adverse effects on the biodiversity of both plants and animals, and on water systems. Industrialization and globalization have resulted in high greenhouse gas emissions and air pollution. Mass consumption generates huge waste of food and other resources, leading, among other things, to alarming amounts of microplastics in rivers, lakes and oceans (SAPEA, 2019). Moreover, climate change is increasing the intensity and frequency of extreme weather events such as floods, droughts and hurricanes (IPCC, 2014).

Environmental damage has a severe impact on economic and social development, and in particular on the future of work. Jobs in many countries are already highly vulnerable to environmental risks (ILO, 2018g). Every year, on average, natural disasters caused or exacerbated by human activities result in the loss of 23 million working-life years, or the equivalent of 0.8 per cent of total work in the world in one year. Such disasters adversely affect workers’ health, their human capital and employability, and they also undermine social cohesion, jeopardizing the achievement of SDGs 16 (peace, justice and strong institutions) and 10 (reduced inequalities). Progress towards SDGs 13, 14 and 15, which include targets related to climate change and the sustainability of water and terrestrial systems, respectively, supports the achievement of SDG 8 by preserving jobs and promoting productive employment and decent work.

This focus on sustainability means not just recognizing that the environment sets limits on the character of socioeconomic development, but also being aware of the relationship between the economic, social and environmental dimensions of sustainable development. These dimensions are mutually dependent and linked by a dense web of interactions, as reflected in the Declaration by the Heads of State and Government at the start of the 2030 Agenda:

We envisage a world ... in which consumption and production patterns and use of all natural resources – from air to land, from rivers, lakes and aquifers to oceans and seas – are sustainable. One in which democracy, good governance and the rule of law, as well as an enabling environment at the national and international levels, are essential for sustainable development, including sustained and inclusive economic

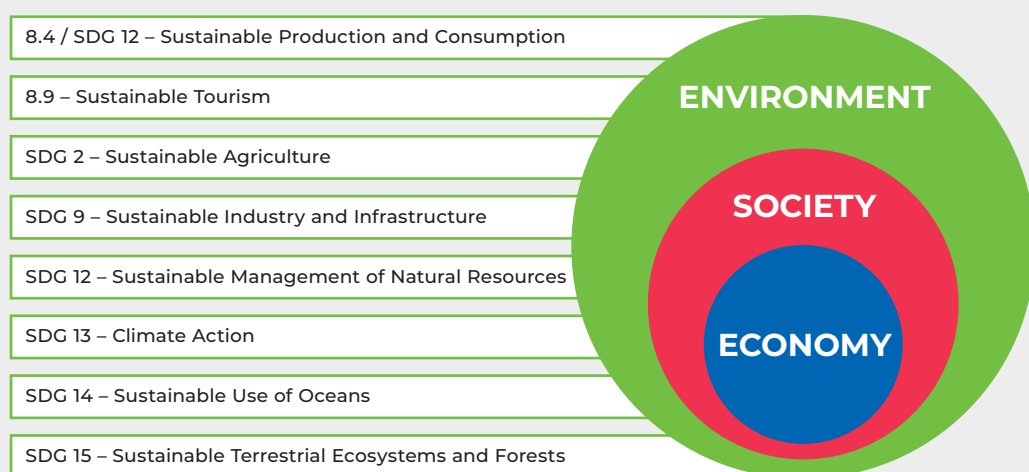
21. The global 10-year Framework aims at enhancing international cooperation and accelerating the shift towards sustainable consumption and production patterns in both developed and developing countries (UNDESA, 2014).

growth, social development, environmental protection and the eradication of poverty and hunger. One in which development and the application of technology are climate-sensitive, respect biodiversity and are resilient. One in which humanity lives in harmony with nature and in which wildlife and other living species are protected.

The recent debate on sustainability has introduced the notion of “nested interdependencies”, which recognizes that “environment is all-encompassing[,] with society being nested in the environment and in turn the economy and business being nested within the environment and society” (Scaletta, 2015). Environmental integrity, accordingly, is seen as the foundation for social peace and cohesion, economic prosperity and a future of work that provides full and productive employment and decent work for all. Given the central role of the environmental dimension in SDG 8, simultaneous progress towards all the SDGs that have to do with environmental integrity is critical (see figure 2.4).

The concept of sustainable economic growth (target 8.4) rests on the assumption that societies will be able to mobilize creativity, resources, R&D capacities and innovation capabilities so as to develop radically new technologies in all areas, including production, transport, and information and communication. In addition, it assumes that mindsets, social norms, attitudes and institutions can be changed, leading to new choices and behaviour on the part of consumers, businesses, workers and governments, which in turn will shape environmentally friendly consumption and production patterns. Sustainable growth also depends on public policies and institutions ensuring that a significant share of rising productivity and income levels is allocated to investment in R&D and the implementation of environmentally friendly technologies. The resulting efficiency gains and decoupling are expected to facilitate progress on several of the SDG targets related to the environment and growth: 2.4 (sustainable agriculture), 9.1 (sustainable infrastructure), 9.2 (sustainable industry), 12.2 (sustainable management and efficient use of natural resources), 13 (climate), and 14.7 (sustainable management of marine resources).

Figure 2.4. Nested interdependencies between economy, society and environment



Source: ILO.

Sustainable growth requires progress on a complementary set of SDG 8 targets – in particular targets 8.1 (economic growth), 8.2 and 8.3 (technology, diversification, jobs), 8.4 (resource efficiency, environment) and 8.9 (sustainable tourism) – in addition to progress on targets 12.1 (sustainable consumption and production patterns), 4.7 (education on sustainable lifestyles), 12.8 (information and awareness to support lifestyles in harmony with nature), 12.a (scientific and technological capacity to support sustainable patterns of consumption and production) and 7.2 (renewable energy).

The ILO has integrated environmental goals into the Decent Work Agenda by calling for the promotion of sustainable enterprises (ILO, 2007), and for the development of “green economies” (e.g. circular economies, social and solidarity economies) and of the necessary skills for green jobs (ILO, 2019e). The transition to a green economy will create and destroy jobs but, overall, achieving environmental sustainability can lead to an economy with more jobs (ILO, 2011 and 2018g).²² A transition towards sustainable agriculture can also create jobs; however, the net employment creation in agriculture depends on the sustainability path adopted (e.g. organic agriculture in developed countries and conservation agriculture in developing countries) (Montt and Luu, 2018). Chapter 3 discusses the relevant policies and institutions in more detail.

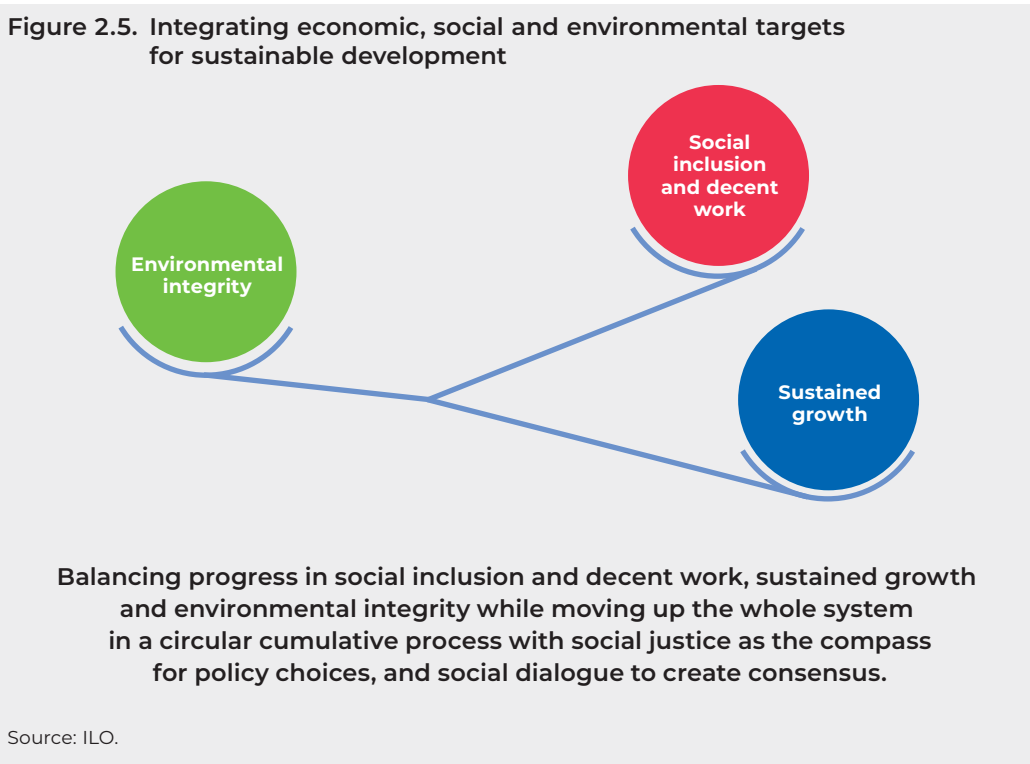
Beyond the concept of sustainable economic growth

The approach to sustainable economic growth envisaged by SDG 8 remains constrained by the economic growth paradigm. In proposing the improvement of resource efficiency and the decoupling of growth from environmental degradation, target 8.4 starts from the premise that productivity growth continues to be a necessary goal in all countries, and that the problem of trade-offs can be overcome through transformative changes in technologies and institutions.

However, an increasing number of studies challenge this approach on the grounds that the global ecosystem is at risk of becoming unstable, which would have grave and unprecedented consequences for human society. Empirical evidence points to the considerable continuing trade-offs between economic and environmental targets, and it is becoming increasingly apparent that progress on combating climate change is too slow. This is reflected in reports on the multiple interlinked SDGs, especially SDGs 6 (clean water and sanitation), 7 (affordable and clean energy), 13 (climate action), 15 (life on land) and 12 (responsible consumption and production). Scientists warn that the global climate is rapidly approaching a turning point, and that climate change may lead to irreversible changes in the environmental system with unforeseeable consequences for societies and economies.²³ Similarly, the recently issued *Global Assessment Report on Disaster Risk Reduction* (UNDRR, 2019) points out that human society is under urgent threat from the accelerating decline of the Earth’s natural life-support systems. Thus, natural ecosystems have lost about half of their area and a million species are at risk of extinction. This

22. Estimates indicate that changes in energy production and consumption to achieve the goal of limiting the increase in global average temperature to well below 2°C could create a net gain of 18 million jobs worldwide by 2030, while the transition towards a circular economy could create almost 6 million jobs (ILO, 2018g).

23. Studies suggest that humanity has recently crossed at least three out of the nine “planetary boundaries” that regulate the stability of the Earth system, specifically through excessive nitrogen and phosphorus flows into water and terrestrial systems, biodiversity loss and greenhouse gas emissions (Steffen et al., 2015).



is eroding the very foundations of economies and societies, and thereby also diminishing the opportunities for decent work.

These realities call for a shift towards a new development agenda. Myrdal (1974) described development as a process that “moves the whole system upwards” through circular, cumulative causations. Such an upward dynamic of the whole system in a sustainable process can only be achieved if the environmental, social and economic subsystems move up simultaneously in a balanced manner. Figure 2.5 illustrates this idea of development in relation to SDG 8, highlighting the importance of balancing progress on sustained growth, social inclusion and decent work, and environmental integrity. It is important to note that the concepts of inclusive and sustained growth presented above both focus in particular on the need to balance progress in the economic and social spheres, which reflects the debates throughout the nineteenth and twentieth centuries. Now is the time to conduct an equally intensive debate on how environmental, social and economic targets can be balanced.

The challenge: Balancing progress on targets across the three dimensions

Balancing progress on targets related to SDG 8 and other SDG targets is a complex task. On the one hand, the high levels of poverty in many countries and increasing dependency ratios call for sustained productivity growth; on the other, widening inequality, social disruption and political instability call for inclusive growth, jobs and decent work. At the same time, environmental degradation calls for protective measures at the local and global levels.

In view of the urgency of dealing with environmental degradation, and thereby preventing irreversible consequences for societies, jobs, employment and decent work, radically new societal and political choices need to be made. Stakeholders at the international and national level will need to find a new consensus on economic growth and environmental targets, and on how to achieve these targets. While economic growth is undoubtedly fundamental to boosting development in many countries, the world faces the critically urgent need to shift course and arrive at a new perspective on economic growth. At the same time, it is necessary to mobilize all stakeholders to design and establish innovative institutions that can protect the environment and underpin future economic and social well-being.

Making choices, however, inevitably means creating “winners” and “losers”, and so these choices need to be guided by a “compass” that is widely accepted within and across societies. Social justice is at the heart of the ILO’s mandate, as evidenced by the Preamble to the ILO Constitution, which states that “universal and lasting peace can be established only if it is based upon social justice”. Social justice needs to be a key principle guiding policies and choices to balance economic, social and environmental goals and when seeking to answer the fundamental questions that humanity is currently facing: what is just and fair for current and future generations, and how can we ensure intergenerational justice?²⁴ How can a fair distribution of benefits and burdens be achieved for both rich and poor countries? How can we ensure that the transition process is just and fair for all, leaving no one behind? A consensus can only be forged through social dialogue between the main stakeholders – especially employers, workers and governments, but also civil society organizations.

Significantly, SDG 8 does provide some guidance on the nature of the consensus towards which the international community should strive. Thus, target 8.4 calls on developed countries to take the lead in changing consumption and production patterns in response to the asymmetric capacities and unfair distribution of benefits and burdens between developed and developing countries. After all, it is widely understood that the adverse impacts of environmental degradation on the world of work will be concentrated in developing countries, even though these contribute the least to climate change (ILO, 2009; IPCC, 2014; Hallegatte et al., 2016).

In the immediate short term, the demands of global social justice mean that developed, wealthy countries need to accept lower growth rates in order to reverse the rising trend of environmental degradation and halt irreversible biodiversity loss.²⁵ Low-income countries, for their part, need to receive support so that they can embark on an environmentally friendly growth process, based on adopting new technologies and “green” economy activities while adapting to the adverse effects of climate change. Balancing economic progress with social and environmental goals in a fair and just manner can only be achieved through strong partnership (SDG 17) at the global level. This means giving a voice and support to the countries most vulnerable to climate change and its effects on the quality of water, air and land. The global community should take into account the different levels of national development and countries’ specific needs and capacities, and support in particular the poorest countries to ensure that everyone is treated fairly.

24. In 1987, the “Brundtland Report” defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987).

25. Already in 1972, the influential report *The Limits to Growth* argued that humankind could live indefinitely on Earth if society imposed limits on the production of material goods (Meadows et al., 1972).

2.4. Regional patterns of progress towards SDG 8

This section applies the framework of dynamic interlinkages developed in the previous section to an empirical analysis of progress towards SDG 8. This approach differs from that of Chapter 1 in two important respects. First, Chapter 1 evaluates progress on the SDG 8 targets using only the formally agreed indicators. In contrast, by its very nature, the framework of interlinkages takes a wider perspective. It thus expands the set of indicators beyond SDG 8, including other SDG and non-SDG indicators, and bundles them into three achievement clusters: (a) sustained growth; (b) social inclusion and decent work; and (c) environmental integrity (see figures 2.6 to 2.8). Second, it examines performance at a subregional level. This regional approach is motivated by the observation that countries belonging to the same region often face similar constraints, opportunities and institutions. This may be due to climate, geographical or cultural conditions which can explain particular achievement patterns within and across subregions.

Box 2.1. The dimensions of SDG 8, and associated indicators used to assess achievement

Sustained growth

GDP catch-up (extrapolated number of years until subregion reaches GDP per capita of US\$ 35,000) (related to 8.1.1)

Labour productivity growth (constant 2011 US dollars, purchasing power parity adjusted) (8.2.1)

Unemployment rate (8.5.2)

Percentage of adults with an account at a financial institution (8.10.2)

R&D expenditure as a percentage of GDP (9.5.1)

Percentage of 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 (NEET) (8.6.1)

Working poverty rate (living on < US\$ 1.90 per day) (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)

Share of women among all employed persons (proxy for 8.5)

Percentage of 3- to 4-year-olds enrolled in early childhood education (4.2.2)

Percentage of children aged 5–14 years engaged in child labour (8.7.1)

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)

Figures 2.6 to 2.8 present rose charts for the 11 subregions of the world as defined in the ILOSTAT database. The length and colour of the rose “petals” indicate the distance to the targets for each of the three dimensions of SDG 8 described above. This type of visualization facilitates a more holistic appraisal of patterns of achievement, by providing two types of information. On the one hand, each rose petal shows how close a region is to achieving a specific target. On the other, looking at the full bundle of petals in a rose chart allows one to discover patterns of balance or imbalance between the three achievement clusters. For each indicator, performance is ranked on a five-point scale: “critical” (displayed in red), “poor” (orange), “unsatisfactory” (yellow), “good” (green) and “excellent” (dark green). The rose charts reveal several stylized facts – in particular, that the subregions demonstrate unbalanced patterns of progress in the three dimensions of SDG 8.

Among the high-income, developed subregions, which perform strongly in the economic sphere, only Northern, Southern and Western Europe shows a reasonably balanced achievement pattern across all three dimensions (figure 2.6, panel A). The petals in its rose chart are predominantly green in each cluster, and it is the only subregion without any red petals. By contrast, Eastern Europe and Northern America, which have similar rose charts containing a large number of green petals and some yellow ones in the economic and social clusters, perform poorly on the environmental cluster. It is worth bearing in mind that these three developed subregions account for the vast majority of carbon dioxide (CO₂) emissions in gross terms, even if production is more efficient per unit of GDP. Moreover, the measurement of CO₂ emissions per unit of GDP does not take into account the responsibility that wealthier countries have as consumers of many of the goods produced in non-environmental industries in developing countries. In all three subregions, the level of domestic material consumption per capita is ranked as “poor” or “critical”.

In Eastern Europe, progress on environmental targets continues to be impaired by the legacy costs of highly exploitative industrial practices from the Cold War period. Efforts to overcome that legacy need to be strengthened. With regard to the protection of land and water areas, a remaining challenge in many Eastern European countries is that legislative practices militate against the dual use of resources – i.e. protected areas are often completely barred from economic activity, which renders policy-makers and local populations reluctant to engage in conservation efforts.

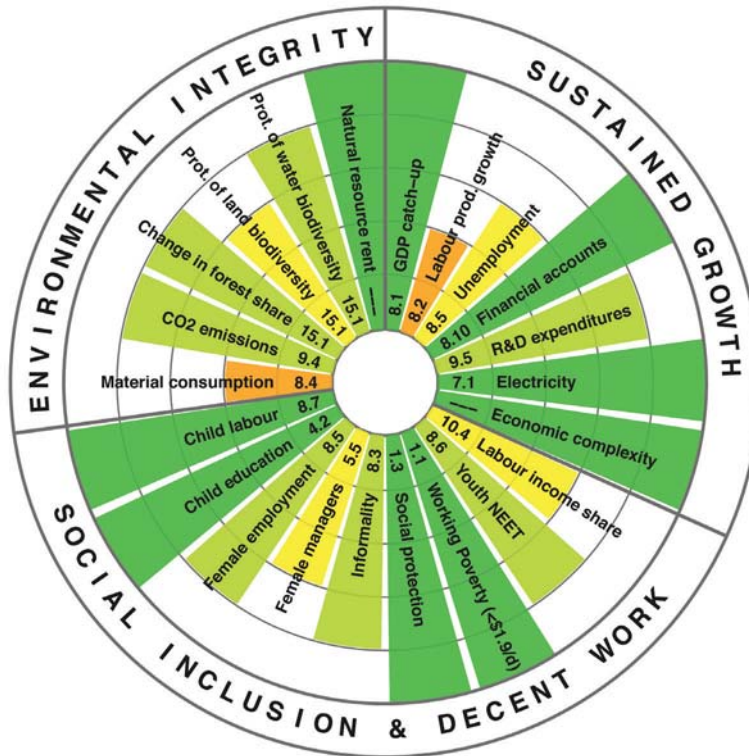
The three developed subregions display key differences and similarities across the three dimensions of sustainable development. They share a need to adopt inclusive economic policies aimed at tackling the problems of low labour income shares and the small proportion of women in management positions. Eastern Europe also needs to reduce the high share of workers in informal employment. Nevertheless, that subregion does perform higher overall on social inclusion than on sustained growth (see figures 2.6, panel A, and 2.9). After the initial collapse of economies in the subregion following the dissolution of the Soviet Union and the Socialist Federal Republic of Yugoslavia, the newly independent countries that emerged were able to benefit from their strong institutional traditions, thus maintaining relative high levels of social inclusion.

The Latin America and the Caribbean subregion displays a somewhat stronger performance in the dimension of social inclusion and decent work than in the

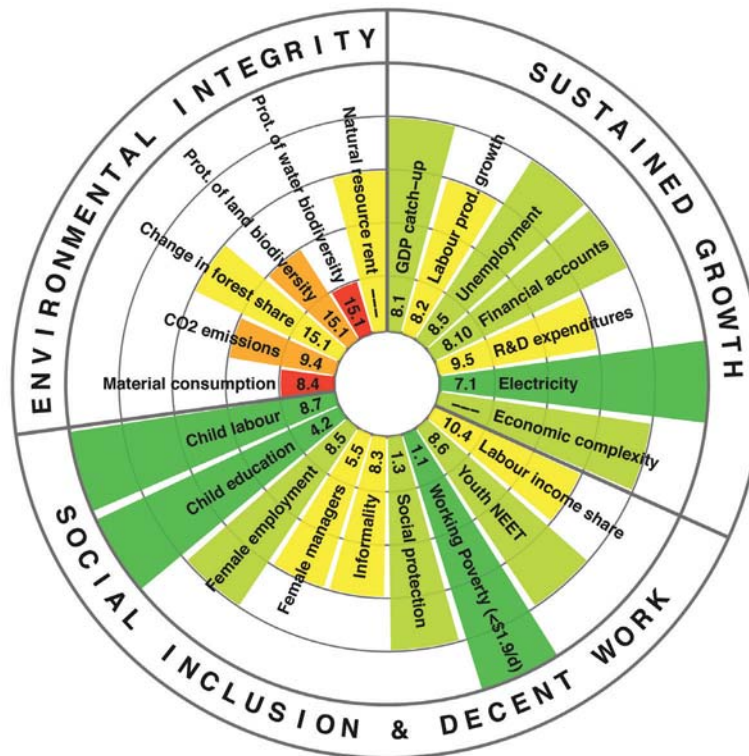
Figure 2.6. Performance in the three dimensions of SDG 8 in Europe and the Americas

Panel A

Northern, Southern and Western Europe

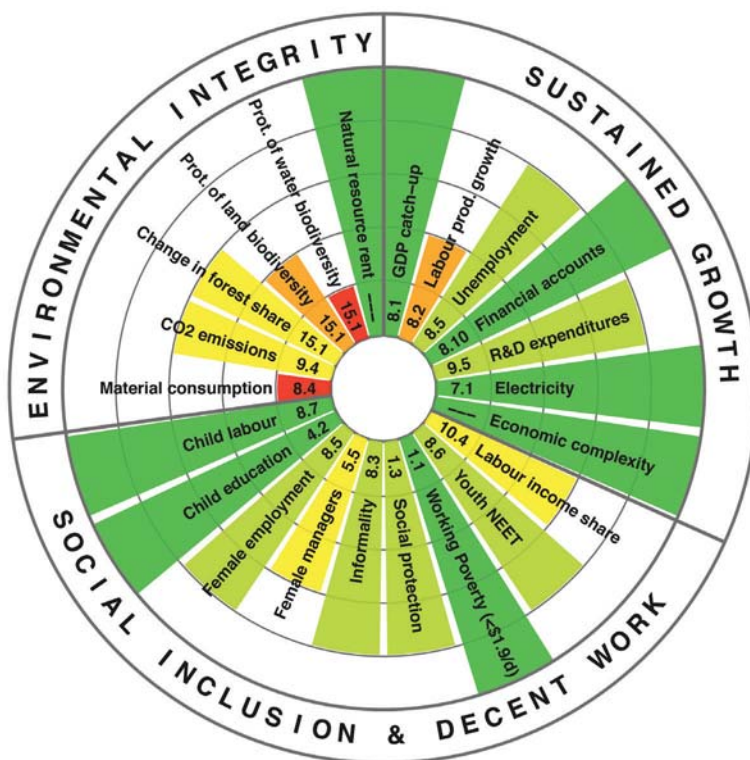


Eastern Europe

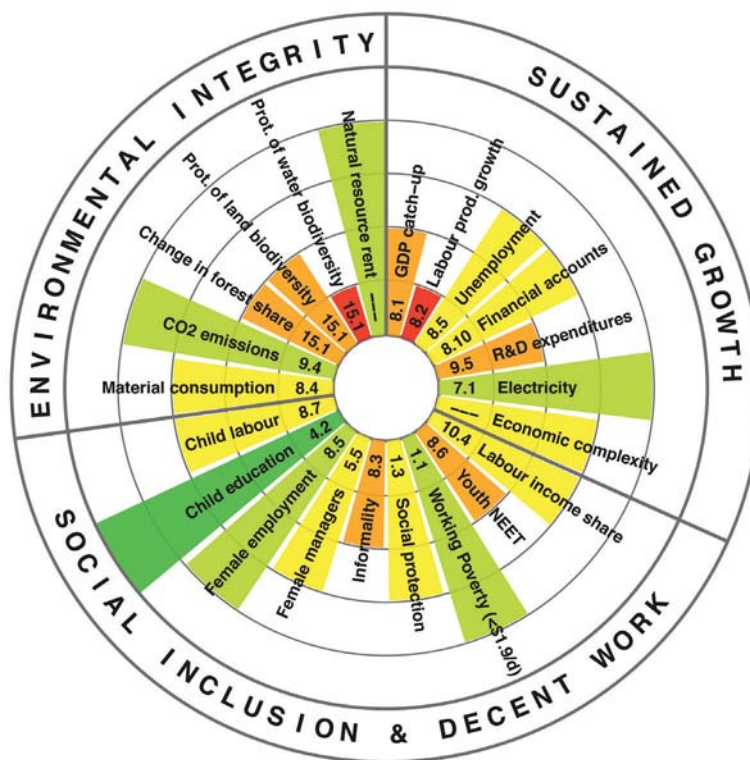


Panel B

Northern America



Latin America and the Caribbean

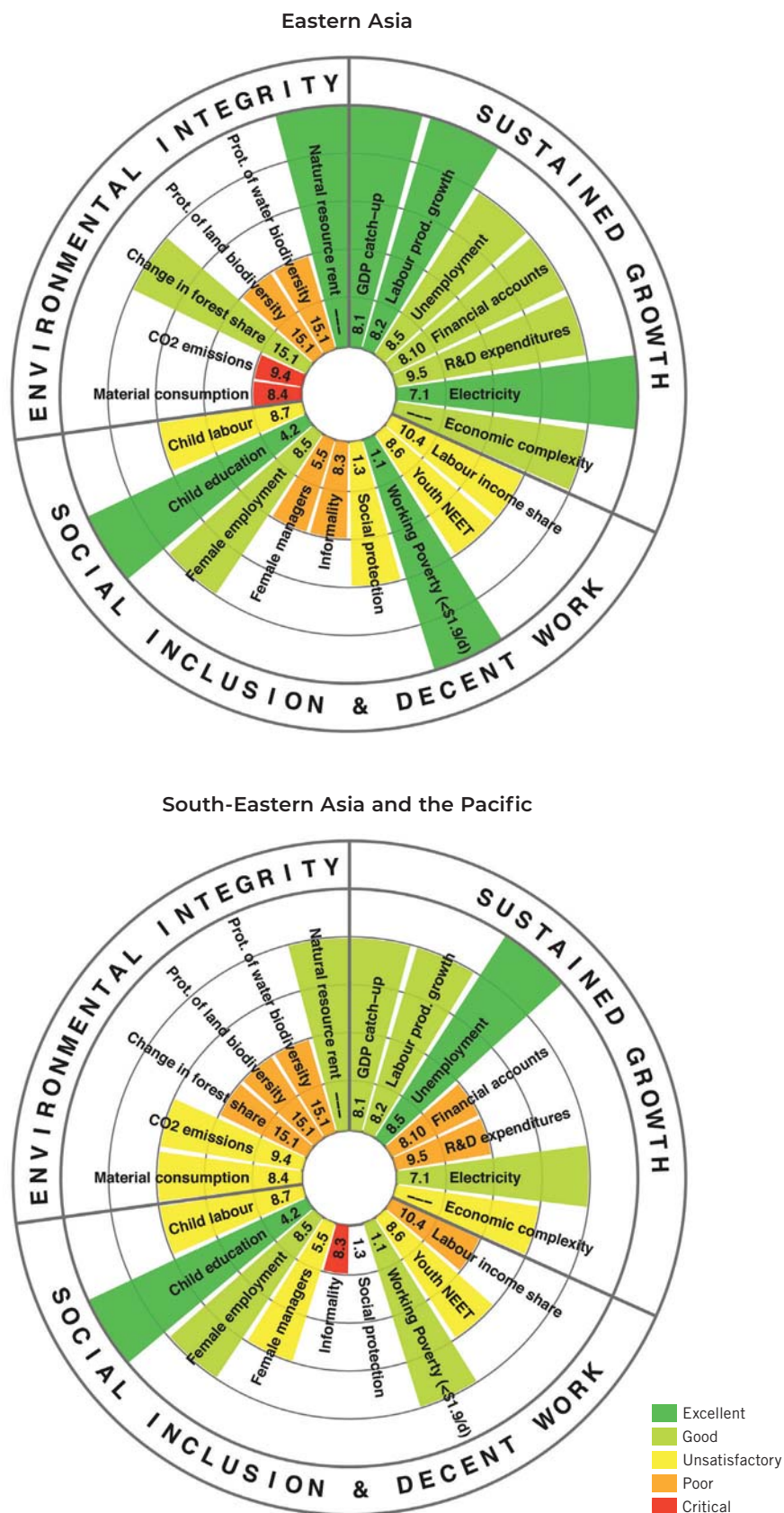


Note: The figures show the level of achievement by indicators and subregion, partitioned into three dimensions. Details are provided in Appendix III. Child labour and social protection cannot be assessed for some subregions owing to a lack of sufficient data coverage.

Source: ILO calculations.

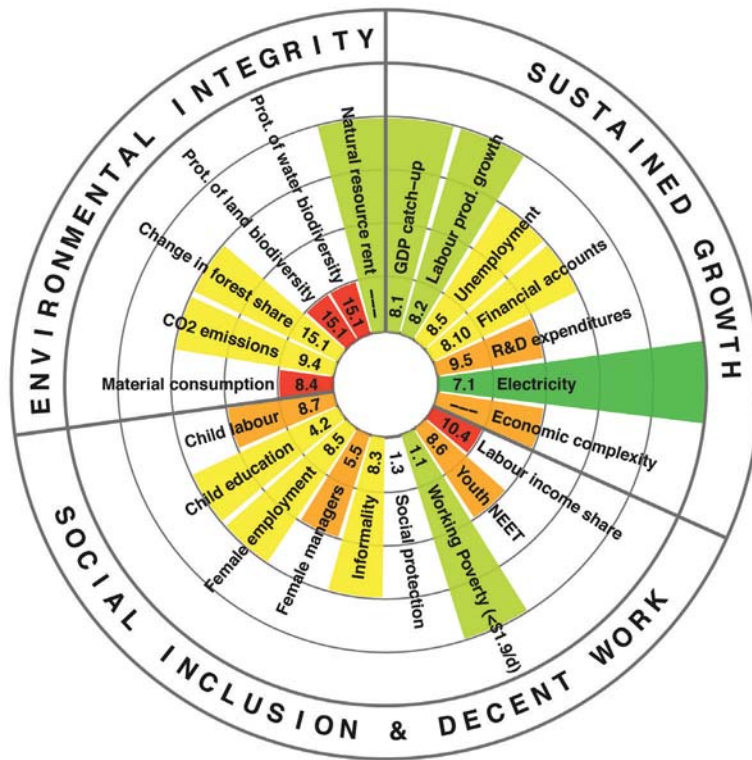
Figure 2.7. Performance in the three dimensions of SDG 8 in Asia and the Pacific

Panel A

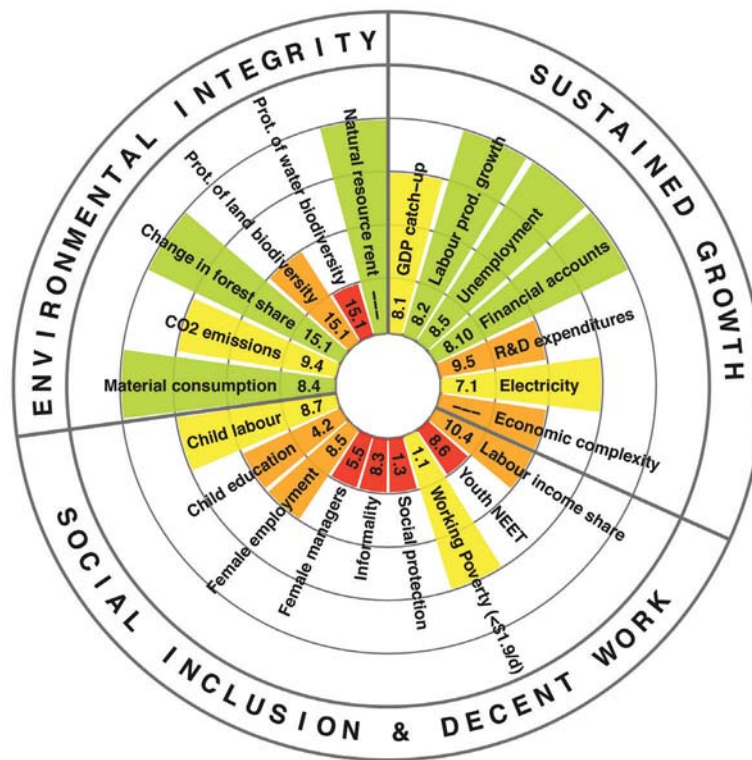


Panel B

Central and Western Asia



Southern Asia

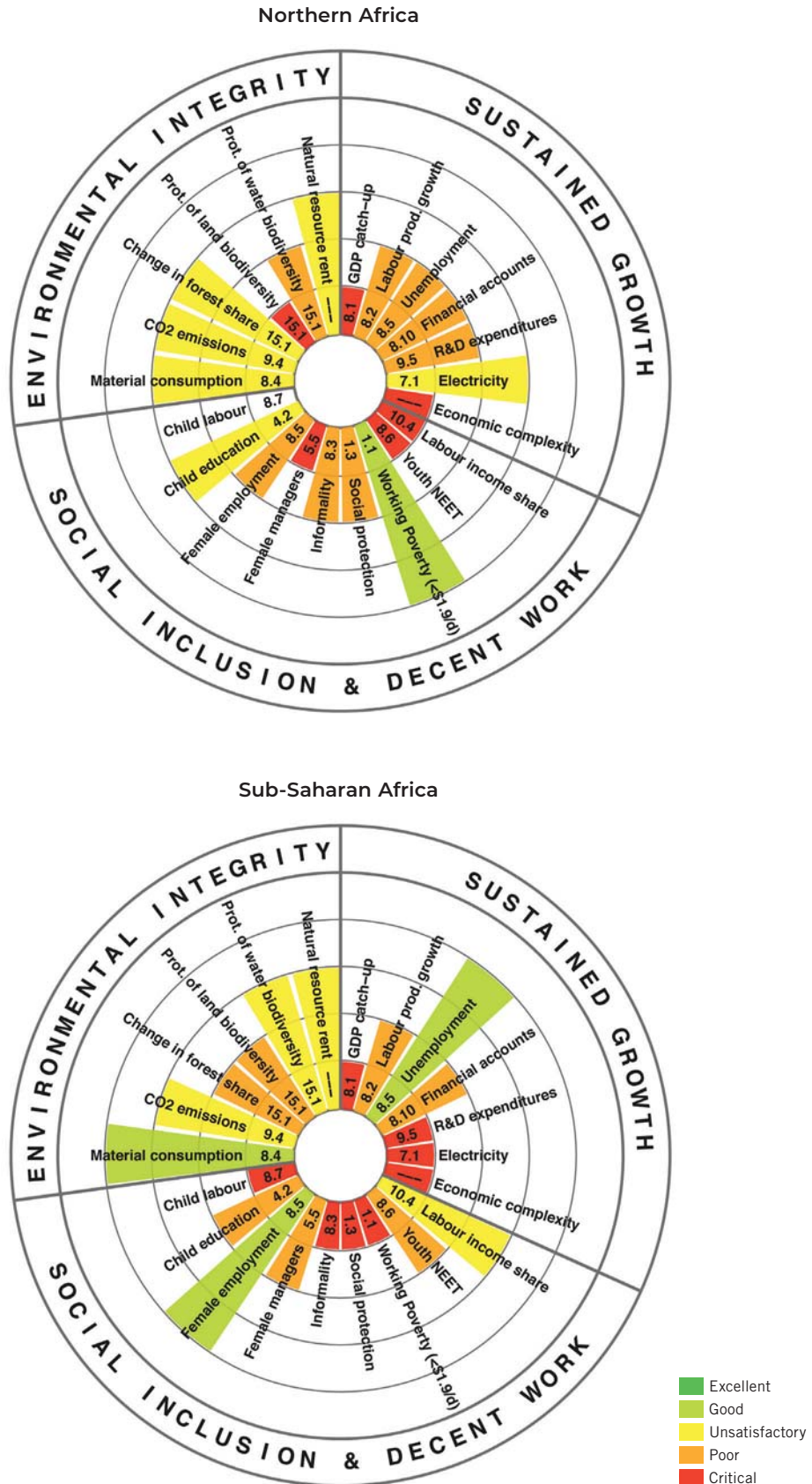


Note: The figures show the level of achievement by indicators and subregion, partitioned into three dimensions. Details are provided in Appendix III. Social protection cannot be assessed for some subregions owing to a lack of sufficient data coverage.

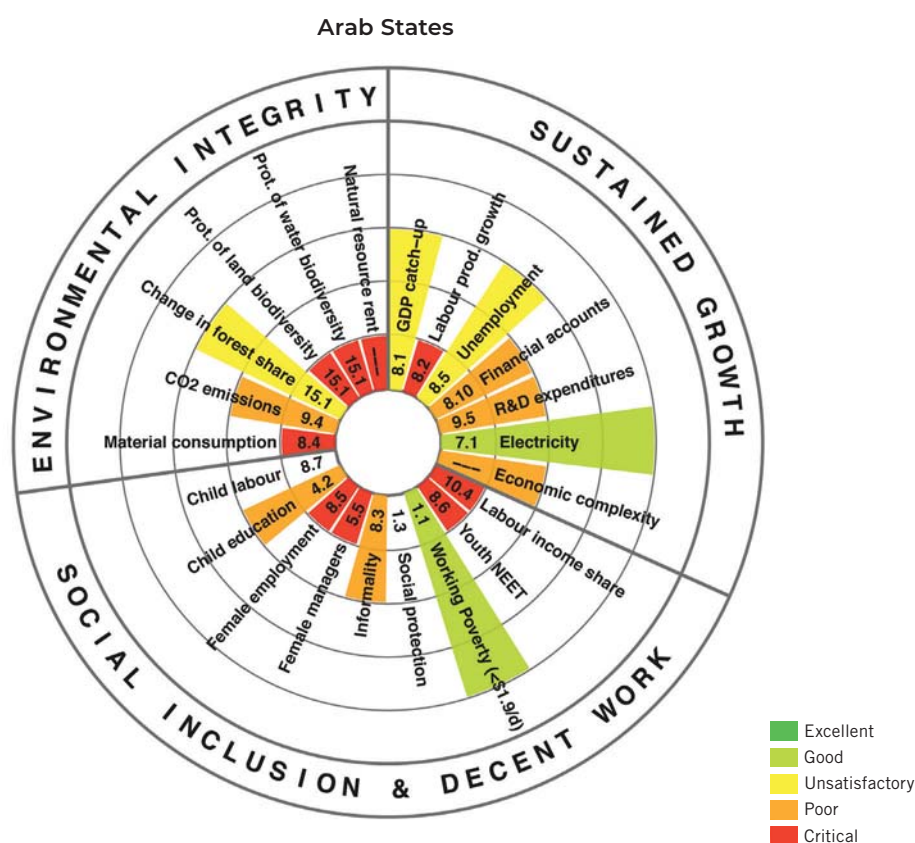
Source: ILO calculations.

Figure 2.8. Performance in the three dimensions of SDG 8 in Africa and the Arab States

Panel A



Panel B



Note: The figures show the level of achievement by indicators and sub-region, partitioned into three dimensions. Details are provided in Appendix III. Child labour and social protection cannot be assessed for some subregions owing to a lack of sufficient data coverage.

Source: ILO calculations.

environmental dimension; however, its progress on sustained growth targets is poor (see figure 2.6, panel B). The low level of achievement in GDP catch-up and productivity growth is a multidimensional issue rooted partly in the heterogeneous economic structure of the subregion, where productive units have historically absorbed technical progress unevenly (Pinto Santa Cruz, 1965; ECLAC, 2010). As a consequence, there is a very large productivity difference between low- and high-productivity sectors, and the contribution of high-productivity sectors to GDP far exceeds their share of total employment.²⁶

This structural heterogeneity explains the subregion's poor/unsatisfactory progress on GDP catch-up and economic complexity. It also partly explains why Latin America and the Caribbean has relatively high levels of informality compared with other middle-income regions. Despite a period of formalization between 2005 and 2015 (due to an exceptional rise in natural resource prices and economic growth, the growth of small businesses, and targeted policies to promote formalization), there still remain approximately 140 million workers in informal employment (ILO, 2016a).

²⁶ In Latin America and the Caribbean, productivity is 16.3 times higher in the relatively high-productivity sectors than in the low-productivity sector. While the high-, intermediate- and low-productivity sectors generate almost 70 per cent, more than 20 per cent and about 10 per cent of GDP, respectively, they account for 30 per cent, 20 per cent and 50 per cent of employment, respectively (Salazar-Xirinachs and Chacaltana, 2018).

These findings suggest that the Latin America and the Caribbean subregion needs to implement a societal learning strategy aimed at enhancing innovation capabilities and strengthening knowledge and belief systems, including attitudes and mindsets, and promoting institutions that foster R&D, new technologies and innovation, thereby driving inclusive and sustained growth (Nübler, 2014). The high share of young people in a NEET situation is alarming. It is especially a problem among young women, close to one in three of whom has NEET status. Similarly, the subregion's low economic complexity and limited R&D expenditure mean that workers, entrepreneurs and scientists have few opportunities to gain experience in advanced technologies. Moreover, although performance on child education is displayed as "excellent" in the rose chart, the results of many Latin American and Caribbean countries in standardized tests under the Programme for International Student Assessment (PISA) suggest that the education provided in such subjects as mathematics, language and science is often inadequate (Breton and Canavire-Bacarreza, 2018).

Turning to the four subregions of Asia and the Pacific, we find that, although levels of progress vary, there are some key similarities (figures 2.7 and 2.9). All the subregions show strongest progress in the dimension of sustained growth, thanks largely to high performance on GDP catch-up and labour productivity growth, which is displayed as light or dark green for all subregions (except for GDP catch-up in Southern Asia). By contrast, progress on social inclusion and decent work indicators differs significantly. Southern Asia registers the worst performance, with four indicators displayed as "critical". Central and Western Asia and South-Eastern Asia and the Pacific both display, on average, significantly stronger progress on social inclusion and decent work despite their economic performance being similar to that of Southern Asia. This underscores the urgent need for policy intervention in Southern Asia to improve performance in the dimension of social inclusion and decent work.

All four subregions of Asia and the Pacific show relatively weak performance on environmental indicators. Protection of land and water biodiversity is poor or critical in all four subregions, while CO₂ emissions are at a critical level in Eastern Asia and unsatisfactory in the other subregions. At the same time, the petal depicting natural resource rent is green for all four subregions, reflecting how Asian countries have only limited opportunities to achieve growth by exploiting the natural resources provided by the planet. The overall picture emerging from figures 2.7 and 2.9 is one of relatively strong sustained economic growth that has not yet translated sufficiently into social inclusion and decent work or environmental integrity. In Asia and the Pacific as a whole, there is a significant imbalance in achievement across the three dimensions of SDG 8.

The three subregions of sub-Saharan Africa, Northern Africa and the Arab States display the worst performance among the 11 subregions in the dimensions of sustained growth and social inclusion and decent work (figure 2.8). What is unique to the two African subregions, however, is a pattern of imbalanced progress in which they achieve higher scores on indicators of environmental integrity than on indicators of sustained growth and social inclusion and decent work. In particular, the rose chart for sub-Saharan Africa has mainly yellow and green petals, but no red petals, in the dimension of environmental integrity. The governments of countries in this subregion are designating large tracts of lands as national parks to help protect the continent's wildlife from habitat destruction. Moreover, these protected areas improve livelihoods for local communities because they help support public health (e.g. as source of medicinal herbs), increase the availability of water and provide

sustainable sources of raw materials. Protected areas help preserve biodiversity and maintain the world's genetic resources. They also play a key role in storing and sequestering carbon. Thus, the United Nations Environment Programme's World Conservation Monitoring Centre has calculated that at least 15 per cent of the world's stored carbon can already be found within protected areas.²⁷

Progress in the two dimensions of sustained growth and social inclusion and decent work is, with very few exceptions, critical or poor in sub-Saharan Africa and Northern Africa. Most countries in these subregions have high levels of informality and low levels of technological innovation, productivity and complexity of production structures; many jobs are low-income and highly vulnerable. Sub-Saharan Africa, in particular, displays critically low performance on the indicators of child labour, social protection, working poverty and informality. As a consequence of the low levels of industrialization and household income, most countries in Northern and sub-Saharan Africa have relatively low CO₂ emissions and material consumption. The challenge for these countries is to embark on a process of economic and social transformation that leads to inclusive and sustained growth and at the same time protects environmental integrity. Since the whole world can benefit greatly from these subregions' protected areas, social justice and fairness impose an obligation on developed countries to support countries in Northern and sub-Saharan Africa in rapidly transforming their economies so as to achieve high productivity and job growth and in developing innovation and new technologies that decouple this growth from environmental degradation.

Lastly, the Arab States present a picture, on average, of low achievement on targets in all three dimensions (figures 2.8, panel B, and 2.9). Moreover, it is the only subregion that registers critical performance in the dimension of environmental integrity. Because many countries in the subregion still rely heavily on the exploitation of natural resources, the Arab States contribute very little to the stability of the global ecological system. Consumption patterns are at a critical level, progress on CO₂ emissions is poor, and protection of land and water biodiversity remains critical. In this sense, the economic prosperity of these countries is achieved to a large extent by exploiting the resources provided by the planet, while at the same time using the planet heavily as a sink for waste and emissions.

High pre-existing levels of labour productivity (linked to the subregion's oil wealth) contributed to the relatively good performance on GDP catch-up (though it is still unsatisfactory for the subregion on average). Although the Arab States have experienced positive GDP growth in recent years (e.g. Bahrain, Oman, United Arab Emirates, Qatar, Lebanon, Occupied Palestinian Territory and Jordan), GDP per capita growth has been significantly lower than in the mid-2000s. Critically low labour productivity growth across the subregion, combined with underdeveloped labour market institutions, means that these countries could not manage to create a sufficient number of formal, productive and adequately remunerated jobs for their population (see also Chapter 3). The Arab States record the lowest overall performance in the dimension of social inclusion and decent work. Access to decent work is indeed one of the top priorities of the populations of these countries.

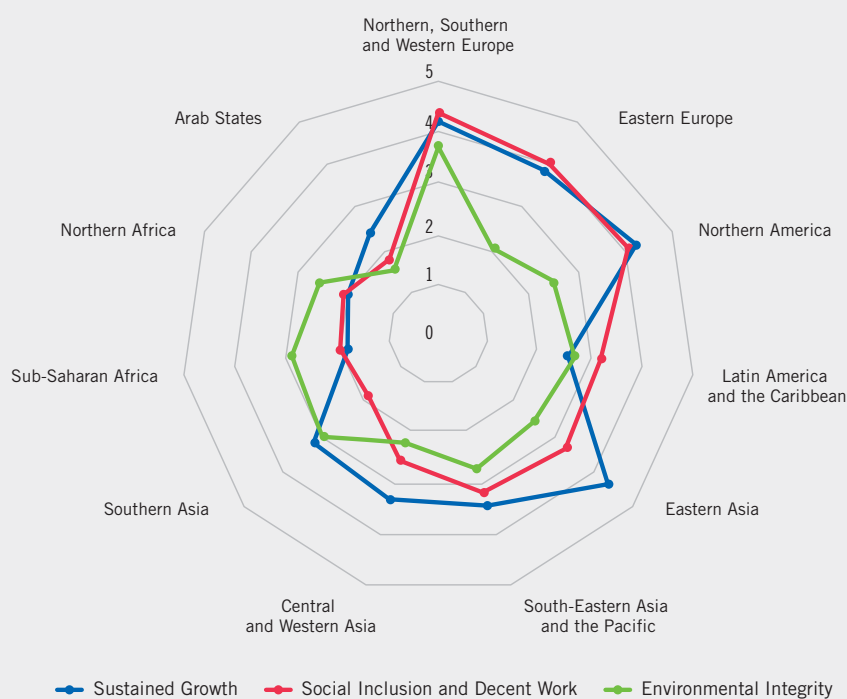
The mismatch between labour supply and demand in the Arab States has resulted in high unemployment rates, with women and young people among those affected

27. World Conservation Monitoring Centre: "Mapping the world's special places", www.unep-wcmc.org/featured-projects/mapping-the-worlds-special-places [accessed 1 June 2019].

the most. Women in the subregion have relatively high rates of educational attainment, but very low rates of labour force participation. Those who do enter the labour market are far more likely to suffer unemployment than men. Moreover, young people, especially young women, lack access to decent employment opportunities, as evidenced by persistently high unemployment rates. The rise of conflict and instability in some of the Arab States has placed children in a vulnerable situation and increased the prevalence of child labour. Eliminating child labour is key to sustainable development in the Arab States, as it is in Africa, too. The commitment to maintaining development in the Arab States is reflected in part in the level of national compliance with labour rights. Many deficiencies remain, however, in terms of both legislative and institutional frameworks and implementation and enforcement. Greater attention is being placed in some countries on the need to improve working conditions and the rights of both national and migrant workers.

Figure 2.9 presents a summary of the achievement patterns across the 11 subregions by calculating the average subregional performance for each of the three dimensions. The two European subregions, along with Northern America, show high levels of achievement in the dimension of social inclusion and decent work. Together with Eastern Asia, they also score highly on sustained economic growth. With the exception of Northern, Southern and Western Europe, these subregions display the greatest imbalance between those two dimensions and the dimension

Figure 2.9. Average subregional performance patterns in each of the three dimensions of SDG 8



Note: The figure shows the unweighted average of scores on the indicators under the three dimensions of SDG 8 presented in the rose charts in figures 2.6 to 2.8.

Source: ILO calculations based on figures 2.6 to 2.8.

of environmental integrity. For example, Eastern Europe registers the tenth worst performance on environmental integrity out of the 11 subregions while performing well on average in the other two dimensions.

Eastern Asia and Southern Asia are notable for their large imbalance between relatively good performance on sustained economic growth and poor performance on social inclusion and decent work. This is in stark contrast to Latin America and the Caribbean, where the opposite kind of imbalance can be observed. The challenge in Africa and the Arab States is to achieve sustained economic growth together with social inclusion and decent work while maintaining environmental integrity. The Arab States need to move up the whole system, while balancing the three dimensions.

From a global perspective, the dimension of environmental integrity seems to be the one that most urgently requires policy-makers' attention. To achieve progress in tackling climate change, we need to change our shared beliefs, in particular our approach towards consumption behaviour. Investment in science and green technologies that can decouple growth from environmental degradation is required, as is international commitment to accelerate the implementation of new modes of economic production that serve both people and planet and deliver shared prosperity. The following chapter emphasizes the pivotal role of strengthened labour market institutions, along with suitable macroeconomic and local development policies, in catalysing progress across all three dimensions of the 2030 Agenda with SDG 8 at its heart.

3. AN INTEGRATED POLICY FRAMEWORK FOR ACHIEVING SDG 8

Full and productive employment and decent work are achievable if the right investments are made, as the recent report of the Global Commission on the Future of Work, *Work for a brighter future*, has emphasized (Global Commission, 2019). To deliver these investments, a set of coordinated policies and institutions based on a strong normative framework are required, along with mechanisms for putting these policies into practice. This chapter delineates a policy framework that can be used to achieve SDG 8.

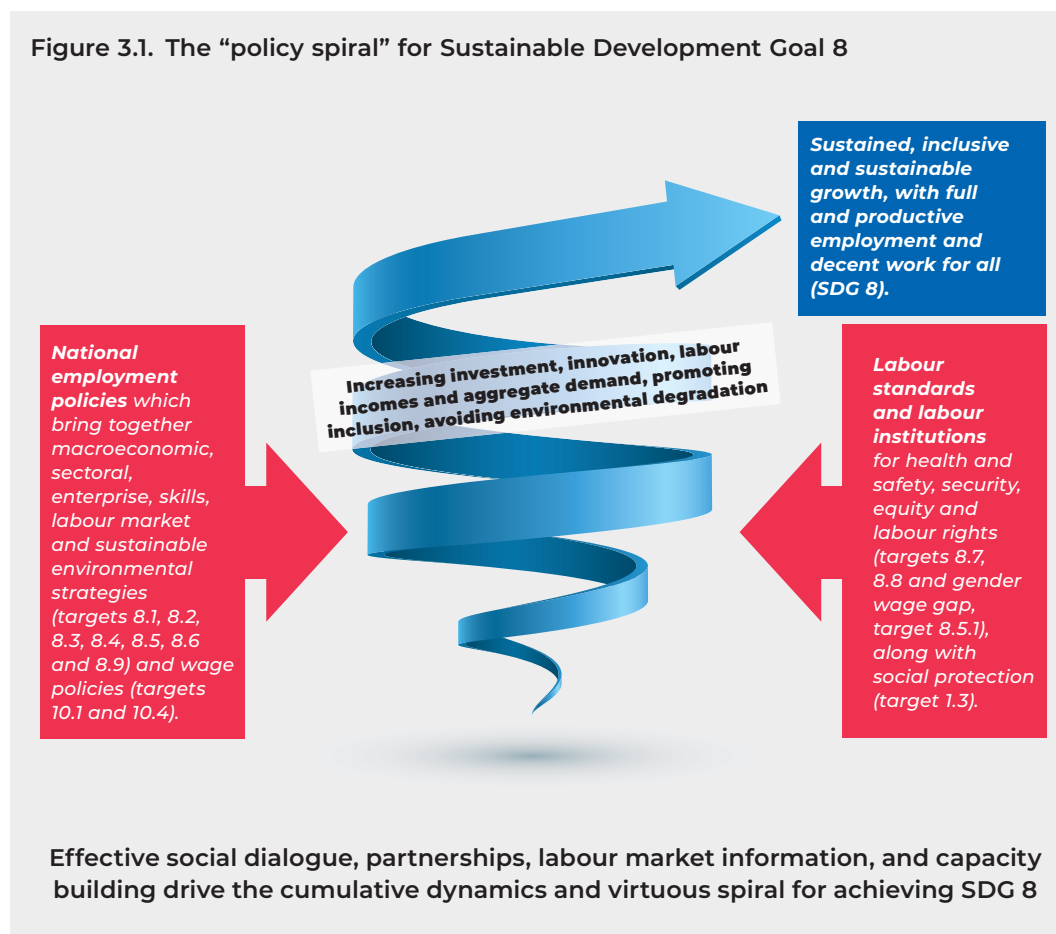
As argued in Chapter 2, SDG 8 provides a novel and transformative blueprint for the creation of productive, sustainable and dignified jobs for all women and men, including young people. Low unemployment rates that mask working poverty, informality, unstable work, lack of protection and hazardous working conditions do not fit in with this vision; neither do occupational activities that harm the environment. Seen from that angle, informal employment is the direct consequence of there not being enough decent job opportunities. Amongst young people, low unemployment rates may coexist with high NEET rates – a reflection of the labour market barriers and discouragement faced by that population group. Persistent gender inequalities in the labour market do not tally with the SDG 8 vision either. Achieving SDG 8 therefore requires a strong social contract based on sound job creation policies, on the one hand, and robust labour standards and labour market institutions, on the other.

The SDG 8 narrative of progress is illustrated in figure 3.1. The SDG 8 “policy spiral” is benchmarked by international labour standards and the ILO’s framework for the design of national employment policies. These policies create the conditions for a cumulative dynamic process within the spiral – through rising aggregate demand and economic growth along with innovation and inclusion. Coherent pro-employment macroeconomic and sectoral policies supported by measures directed at areas such as wages, skills, technology and innovation do enable societies to move towards full and productive employment and decent work. Such policies can raise productivity (targets 8.2, 8.9) along with employment (8.5, 8.6), labour incomes (10.4) and economic growth (8.1) while reducing informality (8.3). These policies must also be compatible with environmental policies that improve resource efficiency and decouple economic growth from environmental degradation (8.4). Combined with institutional mechanisms that, in accordance with international labour standards, ensure health and safety at work, uphold labour rights (8.7, 8.8), provide social protection for all (1.3) and promote gender equality (8.5.1), the SDG 8 policy framework is fully aligned with the ILO’s Decent Work Agenda.

Such a policy mix, the details of which will obviously vary depending on a country's specific context, is designed to stimulate the economy (8.1) through wage and income growth, thereby boosting sustainable consumption, production and investment (and in this way also aggregate demand), which will lead to more decent jobs (8.5, 8.6). Conversely, a continued lack of decent work opportunities, high shares of informal employment and low wage and income levels demoralize workers, particularly the young. These negative conditions also reduce the labour share of income, which, coupled with lower levels of consumption of goods and services for the majority, drags down living standards and slows job creation. For the policy spiral to have a positive upward effect, effective mechanisms for social dialogue and for the implementation and monitoring of employment policies need to be in place.

The integrated policy framework for achieving SDG 8 is outlined in the three sections of this chapter. The first deals with the elements that should feature in national employment policies aimed at creating full productive employment and decent work for inclusive, sustained and sustainable growth. The second section describes the labour standards and the labour market institutions required to achieve inclusion, protection and equity in the world of work. This integrated framework is guided by social dialogue, partnerships, enhanced capacities at the national level and robust monitoring mechanisms, as elaborated in the third and last section.

Figure 3.1. The “policy spiral” for Sustainable Development Goal 8



3.1. National employment policies aimed at achieving full and productive employment and decent work for all, including young people

The ILO's comprehensive employment policy framework, based on the Employment Policy Convention, 1964 (No. 122), provides guidelines for the design of national employment policies and youth employment strategies. The indicator associated with target 8.b refers explicitly to the need for an “operationalized strategy for youth employment”, either “as a distinct strategy or as part of a national employment strategy”. Over the last 15 years, there has been an almost threefold increase in the number of countries developing national employment policies, and reference to SDG 8 is made in three-quarters of the policies developed since 2015 (see box 3.1; see also ILO, forthcoming).

National employment policies and youth employment strategies set out a coherent vision for development based on a “whole-of-government” approach and social dialogue, bringing together different line ministries and other stakeholders in tripartite inter-ministerial committees and consultations (see box 3.2). These policies address the specific economic, social and labour market policies that affect both the quantity and quality of employment, and also labour supply and demand.

This section elaborates important features of national employment policies. These include pro-employment macroeconomic policies and sectoral policies for structural transformation, along with policies to support the development of a dynamic private business sector. Inclusive wages policies, combining minimum wages and collective bargaining, are essential to provide coherence between real wage growth and shared productivity growth. On the supply side, the building of capacity through skills development policies and lifelong learning is essential if countries are to move towards production with a higher added value. Relatedly, active labour market policies are necessary to provide job matching support for employment transitions. They also function as countercyclical stabilization policies. Policies in developed and developing countries alike should take into account the possibility of job transitions occurring at every stage of a worker's lifetime. They should also feature age-specific targets, because, on the one hand, the challenge of tackling

Box 3.1. Sustainable Development Goal indicator 8.b.1 on youth employment

Target 8.b in the 2030 Agenda for Sustainable Development reads: “By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization”. The associated indicator involves looking for the “[e]xistence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy”.

The methodology for this indicator was adopted by the 20th International Conference of Labour Statisticians in October 2018. As a result, the indicator was upgraded to Tier II. The ILO is currently using a survey to gather up-to-date information for this indicator in its 187 member States. The survey includes questions related to the policy mix used to promote youth employment at the national level, and also questions about the extent of “operationalization” in terms of resource allocation, implementation and impact. The ILO will report on the data collected through the survey in the first quarter of 2020.

Source: ILO (2018j).

youth unemployment remains as urgent as ever and, on the other, ageing of the workforce gives rise to new concerns about how to provide decent work for older generations. The gender dimensions of employment also need to be explicitly addressed across the policy spectrum. As a result of the evolution of labour markets in recent years, employment policies and strategies are becoming an important means of addressing issues related to the future of work, such as “green” jobs, demographics (including migration) and non-standard forms of employment (see box 3.2 on Morocco).

Macroeconomic policies to achieve full and productive employment

Macroeconomic policies need to be designed with the explicit goal of supporting job creation. In recent decades, the main focus of macroeconomic policy-making has been to curb inflation, with little attention being paid to the promotion of employment. Yet fiscal authorities, central banks and national development banks (where they exist) have a range of policy tools at their disposal that they can use to promote business investment, innovation and job creation. Building institutional capacity for the management of aggregate demand over the business cycle, the introduction of broad-based and progressive taxation systems, and transparent and well-regulated financial intermediation that supports the productive sectors of the economy are all critical for achieving SDG 8.

While most of the studies that have identified the positive role of fiscal policy in promoting inclusive growth are based on high-income countries, the logic is also applicable to emerging and developing countries, even though the fiscal space there is more limited. Multipliers tend to be smaller in emerging economies than in advanced ones (Hory, 2016), but they are still of the same nature (Saraceno, 2017). There is considerable evidence pointing to a constructive role for expansionary fiscal policy in mitigating and even reversing crisis-induced falls in real GDP (e.g. the countercyclical fiscal measures adopted in China, the Republic of Korea and Turkey after the 2008 crisis) – evidence that calls into question the much-lauded virtues of fiscal austerity (ILO, 2013a; IMF, 2017).

Many countries have expanded their fiscal space for social protection systems through different measures, such as progressive sales taxes in Maldives and Ghana

Box 3.2. The National Employment Strategy of Morocco

In 2015, the Government of Morocco adopted a National Employment Strategy (NES) covering the period 2015–25; it is based on a comprehensive national employment policy framework, developed by the Ministry of Employment and Vocational Training in consultation with ILO. It focuses on young graduates and vulnerable groups (including inactive women, low-skilled workers, informal and rural workers, and migrants). The Government also set up an institutional framework comprising employers’ and workers’ organizations and other stakeholders to coordinate and implement the NES at the national and regional level. An important aspect of the NES is its regional focus. The ILO supported the development of regional employment plans in three pilot regions (Rabat-Salé-Kénitra, Tanger-Tétouan-Al Hoceïma and Souss Massa) on the basis of employment diagnostics carried out by key stakeholders. The participants in these pilot schemes identified various challenges, which helped with the subsequent negotiations and tripartite consultations between the public authorities and employers’ and workers’ organizations. These regional employment plans offer new solutions for local contexts within the NES framework.

Box 3.3. Macroeconomic policies for adjustment and recovery in Portugal: An alternative to austerity

Like several other countries in Europe, Portugal went through two dramatic economic crises in the past decade, but output and jobs are now bouncing back with surprising vigour. Unlike Greece – where rapid fiscal consolidation, labour market deregulation and wage compression were the principal ingredients of the adjustment programme – Portugal was able to try out a more innovative recipe. The country's strong and fast recovery was catalysed by pro-employment macroeconomic policies – both at the European level thanks to monetary expansion by the European Central Bank and, domestically, thanks to a countercyclical fiscal stance that involved prudently managing public expenditure to support domestic demand, increasing tax revenues, introducing social protection policies, and adopting unconventional regular statutory increases to the minimum wage over a period of five years. A tourism boom and strong manufacturing export growth were facilitated by business and labour reforms, sustained investment in education and infrastructure, and improvements to public administration.

Source: ILO (2018j).

(Ortiz, Cummins and Karunanethy, 2017). Fiscal policies, such as eco-taxes with clear targets for the reduction of greenhouse gas emissions, can support the creation of green jobs. For instance, in China, 5 million jobs were created through its stimulus package for the green economy (ILO, 2013b). Portugal's successful experience with macroeconomic policies for adjustment and recovery shows that there is indeed an alternative to austerity (see box 3.3).

Monetary and exchange rate policies are also important elements of a pro-employment macroeconomic framework. In addition to price stability, monetary policy mandates can include full employment as an objective in order to raise public expectations of economic and employment growth. The United States Federal Reserve System has had such a mandate since 1978. In 2018, the mandate of the Reserve Bank of New Zealand was modified to include “maximum sustainable employment” in addition to price stability. Stable and competitive exchange rates can also play an important role in supporting economic diversification (target 8.2) and managing cyclical swings in capital flows. An exchange rate framework of that kind can support the development of the non-resource tradable sector (agriculture and manufacturing) and also of sectors with large “learning spillovers”, leading to the dissemination of new technologies (Guzman, Ocampo and Stiglitz, 2018; see also Chapter 2). Employment-intensive investment strategies, along with enhancing the employment impact of trade, are also key to creating jobs.

Sectoral policies to achieve structural transformation, environmental sustainability and productivity growth

Productivity gains are key to progress towards SDG 8 (specifically on target 8.2) and are compatible with higher levels of employment at the macro level.²⁸ Sectoral policies can help achieve this dual objective of higher productivity and more jobs by facilitating shifts in employment and output towards more productive sectors.

²⁸. At the micro or enterprise level, there may, however, be short-term trade-offs between employment and productivity.

Box 3.4. Structural transformation in Uganda

Uganda has taken many steps to boost private sector development, but success in promoting structural transformation has been limited. A recent “employment diagnostic analysis” by the Ministry of Gender, Labour and Social Development (MGLSD) found that the number of jobs has been increasing primarily in small-scale low-productivity activities in agriculture and commerce, but declining in manufacturing and other higher-productivity sectors. Identifying sectors with a high potential for creating productive jobs is now a main focus as the country begins to prepare an ambitious national employment programme and to develop its third National Development Plan.

Source: MGLSD, Uganda (2018).

Such a transition should lead to higher incomes and improved working conditions, provided that the gains are fairly distributed. Structural change, however, is only possible if there is an integrated policy perspective, including both “horizontal” policies (those that cover various areas such as the macro level, business and trade) and “vertical” ones (those targeting specific sectors).

Structural transformation policies need to take into account variations in the extent to which economic growth has translated into higher productivity and/or incomes over time and across sectors (see also Chapter 2). A key consideration is the stage of development at which a country finds itself (and the development path taken) – specifically whether the country can be characterized as predominantly agrarian, whether it is at an early or middle industrializing stage, whether it is currently experiencing premature deindustrialization, or indeed has reached a mature post-industrial stage (see box 3.4).

In many low-income countries the movement of labour has been from low-productivity agriculture to low-productivity services, often in the informal economy, alongside little or no industrial activity. Identifying opportunities in manufacturing (especially in the handicrafts sector, which is a valuable source of skills) and in modern services sectors would therefore be critical to absorbing workers leaving agriculture and other resource-intensive sectors and to raising productivity. It would also ensure that the right investments are made in the development of promising sectors, including sectors in the green economy. Rural areas still display many of the problems that hinder progress towards SDG 8, such as low-productivity employment, informal employment and working poverty. Accordingly, it is necessary to improve the productivity of agriculture (e.g. through conservation agriculture) and also to invest in non-agricultural rural employment. Promoting rural industrialization can help raise incomes and living standards in rural areas (see box 3.5).

The growth of specific sectors also depends on skills and training policies articulated with sectoral priorities. Such policies involve skill needs assessment, the design of relevant competency standards or curricula, and the delivery of training programmes. Such sectoral approaches are increasingly seen as a way of overcoming the limitations of centralized approaches to skills development. In particular, they can help tackle the disconnect between skills training and market needs (see the subsection “Policies to promote skills development and lifelong learning” below). The recognition of migrants’ skills is particularly important in this context because the underutilization of their skills in countries of destination contributes to “brain waste”. Additionally, lower-skilled migrant workers are more vulnerable to abuse (Sparreboom and Tarvid, 2017). To deal with these related problems, it is necessary

Box 3.5. The path towards regular employment in China

In China, regular employment grew from 44 per cent in 2000 to 65 per cent in 2012, according to a study conducted for the ILO (Majid, 2015). This was the result of a strategy of industrialization (also covering the non-farm sector in the form of township and village enterprises) that led to a rapid movement of labour out of agriculture into non-agriculture within rural areas, migration to urban areas, and also to transformations inside urban areas.

The employment share of formal emerging enterprises in urban areas rose from 1 to 30 per cent, while that of microbusinesses and small enterprises grew to 40 per cent (from a starting point below 5 per cent). Traditional formal employment still accounted for the remaining 30 per cent (though in 1990 the share had stood at 95 per cent). This example shows that regular employment increases when the growth objective specifically builds an employment objective into a country's development strategy.

Source: Majid (2015).

to improve migrants' access to education and training, to harmonize educational and occupational standards, and to increase bilateral recognition of qualifications through mutual recognition agreements (see ILO, 2017e).

The process of structural transformation driven by sectoral policies provides countries with an opportunity to reduce informality (indicator 8.3.1). In particular, it can facilitate the transition to formality of micro-, small- and medium-sized enterprises (MSMEs) in developing countries.

Enterprise development to support the creation of green and sustainable jobs

Private sector businesses are the principal source of economic growth and employment. They can also play a key part in the transition to climate friendly and resource-efficient green economies. The adoption of sustainable production practices, such as improved energy efficiency and changes in the energy mix, creates decent jobs (see box 3.6). The ILO estimates that the adoption of sustainable

Box 3.6. Development of “green” enterprises and entrepreneurship: Selected country examples

In the Philippines, the Green Jobs Act (2016) provides tax exemptions for businesses that incur expenses in connection with investing in green technology and in green skills training for staff. The ILO project Greener Business Asia, which ran from 2009 to 2014, sought to promote resource and energy efficiency, notably in the tourism industry. This project demonstrated how it is possible to reduce costs and increase profits in hotels through staff involvement and training, and by investing in green technology and green business practices. In Kenya, Uganda and the United Republic of Tanzania, the ILO's “Start and Improve Your Green Construction Business” training programme led to green business start-ups becoming the most popular career option and created more than 20,000 youth entrepreneurship opportunities between 2010 and 2015. In Zambia, an ILO-led One United Nations country programme covering the period 2012–18 promoted MSMEs and value chain development as part of the expansion of the green construction sector. The programme succeeded in creating more than 5,000 jobs by upgrading skills, providing access to finance and encouraging MSMEs to adopt modern, local and green technology (e.g. compressed earth blocks, solar water heaters, photovoltaic panels, water harvesting tanks and improved green cooking solutions).

practices could lead to a net increase of approximately 18 million jobs across the world (ILO, 2018g). There are also numerous opportunities for direct employment and productivity growth in green industries. While raising industry's share of total employment is critical for creating positive externalities as well as higher productivity, this has to be done in an inclusive and sustainable manner (target 9.2). That means increasing resource-use efficiency and adopting clean and environmentally sound technologies and industrial processes (target 9.4) (see also Chapter 2).

When it comes to supporting sustainable enterprises, a number of key policy areas deserve special attention:

- Creating an enabling environment, including strengthening the capacity of employers' organizations and trade unions to participate in policy-making and business environment reforms;
- Developing entrepreneurship and business skills, with a focus on harnessing the potential of female and youth entrepreneurship;
- Improving legal frameworks, productivity and working conditions in MSMEs, cooperatives and businesses in the broader social and solidarity economy;
- Broadening access to financial services, with a focus on the financial inclusion of MSMEs and "unbanked" households;
- Promoting business development through value-chain approaches and by facilitating linkages between smaller suppliers and multinational enterprises along national and global value chains, with a focus on safe jobs (guided e.g. by the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy);
- Linking businesses with employment injury insurance services, social security schemes and social protection floors;
- Unlocking the potential of businesses to create jobs and "grow green".

Inclusive wage policies

Stimulating the economy through income and wage growth is central to achieving SDG 8. However, in many countries, wage growth has lagged behind labour productivity growth and the share of labour income has declined in the past decades (see Chapter 2). Pursuing effective and sustainable wage policies has several advantages. First, such policies can contribute to a pattern of sustained economic growth, which relies on the progressive increase of domestic consumption by lower- and middle-income groups, thereby boosting long-term investment and overall aggregate demand. Second, they can promote social cohesion and social mobility, causing a broad segment of society to feel part of the country's economic success. Third, reduced inequalities in the labour market (between low paid and high paid as well as between male and female workers) mean less pressure to achieve redistribution through fiscal measures, which can alleviate demands on State budgets.

Minimum wages are a crucial part of such policies, as recognized in the Minimum Wage Fixing Convention, 1970 (No. 131). Analysis shows that when the minimum wage is set at an adequate and affordable level, adverse employment effects are either very small or completely absent.

In many countries, collective bargaining is used to establish minimum standards and also to set wages above an existing wage floor. Collective bargaining thus

helps ensure that a fair share of value-added gains and productivity gains goes to workers and their families (Grimshaw, 2013). The Right to Organise and Collective Bargaining Convention, 1949 (No. 98), has for 70 years guided governments and employers' and workers' organizations in designing, developing and using collective bargaining mechanisms. While the degree of inclusiveness of such mechanisms varies considerably across countries, governments may take policy measures to extend the application of collective agreements to non-signatories, thus bolstering the equity-enhancing effects of collective bargaining (Hayter and Visser, 2018).

Wage policies – including equal pay legislation and measures to promote pay transparency – are also necessary to reduce and ultimately eliminate the gender pay gap (indicator 8.5.1). Legal measures mandating equal pay for work of equal value have long been in place in many countries. However, additional measures are clearly needed to close the gender wage gap more quickly, including measures to tackle sex segregation by occupation and sector (ILO, 2018e). Establishing minimum wages and increasing them in real terms also contributes to closing the gender wage gap (Grimshaw, 2013). Other relevant policies include voluntary measures, such as equality labels granted to companies that have gender parity in remuneration, company-based action plans and membership in the Equal Pay International Coalition promoted by the ILO, UN-Women and the Organisation for Economic Co-operation and Development (OECD).

Active labour market policies

Active labour market policies (ALMPs) include demand- and supply-side as well as intermediation instruments. These policies promote inclusion of disadvantaged and vulnerable groups such as NEET youth, rural workers, the long-term unemployed, and workers displaced as a result of structural transformation and environmental degradation. They are also used to facilitate the transition from school to work, labour market adjustments and mobility, especially during economic downturns. ALMPs play an important part in ensuring that the SDG objective of “leaving no one behind” can be achieved.

Countries use ALMPs both during downturns and to address structural issues in the labour market, especially those related to the continuous transitions that workers face over their lifetime. At the aggregate level, ALMPs stimulate employment growth while enhancing labour force productivity. For instance, the EU Youth Guarantee scheme launched in 2013 combines supply- and demand-side measures aimed at reducing the NEET share in the European Union.

The effectiveness of ALMPs depends on several factors, including the design, type, target population and implementation characteristics:

1. Adequate and sustained funding for the administration of ALMPs increases their effectiveness at the macro level, notably in the case of policies directed at vulnerable groups. Estimates by the ILO and the OECD suggest that the developed world would be able to increase employment by almost 4 million if it doubled expenditure on ALMPs, and that a 1 per cent rise in ALMP expenditure (measured as a percentage of GDP) would reduce unemployment by 2 per cent (ILO, 2014b).
2. ALMPs that address both the demand and supply sides of the labour market in a balanced manner are more successful in terms of employment outcomes. Various

studies²⁹ indicate, for example, that skills training and the promotion of entrepreneurship yield positive results for young people when they are combined with demand-side policies such as incentives for employers and employment subsidies.

3. Promoting collaboration between public employment services and other public and private bodies can have positive results in developed countries, and may be particularly helpful in developing countries where the capacity of public employment services tends to be weak.
4. The use of technology should be optimized to improve services and generate innovation. Some developed countries (e.g. Belgium) have adopted a “digital-first” approach in customizing service channels, introduced innovative co-creation arrangements for services and users, and taken advantage of artificial intelligence and “deep learning” to implement automated job matching, competency-based matching and predictive profiling. Developing countries can also use technology to achieve drastic improvements to their service provision. For example, India’s National Career Service is anchored on a national portal that unites all key stakeholders in the public, private and third sectors.
5. Developing countries should be prepared constantly to try out new ALMPs and assess their effectiveness.³⁰

Public employment programmes are commonly used to increase aggregate demand for labour in contexts where markets do not create productive employment on the required scale, or where sufficient formal-sector jobs are just not available. In developing economies, in particular, such programmes can accelerate the achievement of SDG 8 employment creation targets. At the same time, they can be used to support local economic development, sectoral strategies and policies to support transition to formality, and also to extend social protection in countries where the relevant systems

Box 3.7. Facilitating sustainable decent work through the Expanded Public Works Programme in South Africa

The Expanded Public Works Programme (EPWP) in South Africa, supported by the ILO, is a multiphase programme delivering public infrastructure and services in multiple sectors. During its current third phase it has created some 4.5 million jobs so far. The EPWP is supported by the National Economic Development and Labour Council (NEDLAC), which was established in 1994 and brings together representatives from the Government, trade unions, employers and community organizations in order to facilitate cooperation on economic, labour and development issues. Social dialogue facilitated by NEDLAC was used in the design of the EPWP, which is also guided by a Ministerial Determination and a Code of Good Practice specifying the minimum working conditions that should be applied in all public works programmes in South Africa. These include a minimum wage that is adjusted annually on the basis of the official inflation index.

²⁹. See e.g. Kluge et al. (2019). In the case of Africa, Paşalı (2015) found that skills training programmes on their own rarely achieve positive and meaningful impacts on the labour market, and that they must be bundled together with other ALMPs such as access to finance and self-employment support.

³⁰. For more information on the effectiveness of ALMPs depending on type, targeting and design, see Escudero et al. (2018) and ILO (2016a). Employment services are cheap and effective in the short run, while training is effective in the long run (mainly owing to lag and lock-in effects). When well-designed and targeted, self-employment and employment subsidy programmes can promote employment and improve the performance of businesses. Direct job creation through public programmes has contributed significantly to the alleviation of poverty in developing countries and to maintaining an effective labour supply. It can also contribute to skills development and job search assistance while improving the health and skills of the participants, and make the private sector more competitive.

are still weak. These programmes are best shaped through social dialogue in “tripartite-plus” institutions, leading to negotiated framework agreements on the conditions in which people, communities and enterprises are to be employed (see box 3.7).

Policies to promote skills development and lifelong learning

Given that the world of work nowadays is changing so fast, and also in view of the transformative nature of the sustainable development process, the front-loading of skills through initial education and training is clearly inadequate. Future jobs will increasingly rely on lifelong learning, which enables individuals to acquire new skills and upgrade existing skills throughout their lifetime. Skills development policies are an important component of any comprehensive policy framework for achieving the SDGs.

Skills serve as a “buffer” that help workers and businesses to manage potential negative impacts associated with labour reallocation between sectors and occupations. They also act as an “enabler” of technological advancement and innovation, thereby driving productive structural transformation (OECD and ILO, 2019).

Skills development policies that are directed at such disadvantaged groups of workers can contribute to the achievement of various targets under SDG 8, including targets 8.5, 8.6, 8.8, 8.a and 8.b (see Appendix IV). Work-based learning (notably through informal apprenticeships), the recognition of prior qualifications, and focusing on core employability skills are some of the key aspects of skills development policies aimed at supporting disadvantaged groups. In particular, skills training for informal workers is becoming increasingly important for poverty reduction and to ensure that such workers can transition to higher tiers of the informal economy and eventually to the formal economy. Skills development programmes for the informal economy include entrepreneurship training for people running informal businesses. In Africa, such training is delivered by non-governmental organizations (NGOs) in Angola and Cameroon, by universities in South Africa, by local and regional authorities in Côte d'Ivoire and Ethiopia, and by professional organizations in Burkina Faso and Mali.

By enabling businesses to innovate and generate greater outputs and employment, skills development plays a major role in raising workers' income and in facilitating further investments and exports. A sectoral approach allows governments and employers to focus on developing specific skills that are required to maintain and improve key economic sectors. Such an approach also encourages employers operating within the same sector to come together to discuss the sector's skills requirements – a process for which the ILO provides assistance through its Skills for Trade and Economic Diversification (STED) programme. There is also a strong sectoral emphasis in the Green Jobs Initiative,³¹ which helps workers to (1) move from declining resource-intensive sectors to growing sectors; (2) acquire new skills for new occupations; and (3) upgrade their skills for existing jobs that are becoming “greener”.

Lifelong learning takes place in both formal and informal settings. There are numerous examples that highlight the importance of lifelong learning in the informal

31. The Green Jobs Initiative was launched in 2008 by the ILO, the United Nations Environment Programme, the International Trade Union Confederation and the International Organisation of Employers.

Box 3.8. Financing lifelong learning

Several innovative mechanisms for the financing of lifelong learning already exist, notably in France, Singapore, the Netherlands and Nordic countries. In France, for instance, the “Personal Learning Account” scheme enables all active workers (including the self-employed and civil servants) to receive up to €500 per year (there is a lifetime ceiling of €5,000). Workers can spend this money on a course of their choice and gain new qualifications. In 2016, nearly €1.8 billion was allocated to this scheme (CEDEFOP, 2018a). In Singapore, a similar funding scheme called “SkillsFuture Credit” allows all Singaporeans aged 25 years and older to receive the equivalent of US\$350 in their personal learning accounts. The credit does not expire and individuals can accumulate funds, since the Government provides periodic top-ups. However, the credits can be used only to pay for Government-approved courses (SkillsFuture, 2018). In late 2019, the Netherlands plans to reintroduce its “Individual Learning Accounts” scheme to promote lifelong learning. The scheme will be funded through public and private funding (with incentives such as tax exemptions provided to businesses), and will be based on cooperation between the Government, employers’ and workers’ organizations, development funds and executive agencies (CEDEFOP, 2018b). In Nordic countries, the earmarking of public funds for disadvantaged groups has been found to be effective in facilitating their access to lifelong learning opportunities.

economy. For instance, under the Mahatma Gandhi Rural Employment Guarantee Act, young people in rural areas of India are trained to become “barefoot technicians”: the training programme supports their transition to a better future and provides them with decent jobs and a secure income.

It is necessary to rethink the financing of lifelong learning so that individuals never have to forgo learning opportunities because of lack of funds. Individual learning accounts, tax credits for those who engage in learning, and learning subsidies are just some of the possible solutions. Care must be taken, however, to provide workers with the appropriate support (career guidance, business support and skills information) to handle their added responsibilities and ensure they are shared with businesses. Social protection floors that allow people to maintain their income while acquiring new skills and upgrading existing skills will also be essential in that respect (see box 3.8).

A gender-responsive policy framework to support full employment and decent work

Women face higher barriers than men when entering the labour market; they are at greater risk of unemployment, and they find it more difficult to access decent work, as attested by their higher informality rates in most countries and by the persistence of gender wage gaps. Achieving full and productive employment and decent work for all women and men (target 8.5) is essential for gender-responsive and inclusive growth. Increasing the number and quality of jobs available to women helps close gender gaps at work. This is also relevant to progress towards SDG 5 (“Gender equality”), in particular target 5.4, which calls for the unpaid care work performed by women to be recognized, redistributed and reduced (ILO, 2018d).

Macroeconomic policies are necessary to provide an enabling environment for the expansion of women’s employment opportunities and earnings, because sluggish or jobless growth tends to aggravate negative employment outcomes for women (Espino, Esquivel and Rodríguez Enríquez, 2012; Karamessini and Rubery, 2013; Bargawi and Cozzi, 2017). Macroeconomic policies also create the fiscal space for infrastructure, social protection and public care policies, which are essential

Box 3.9. Comprehensive care policies

The Uruguayan National Integrated Care System (Sistema Nacional Integrado de Cuidados (SNIC)) is an example of an integrated approach to care policies that has a strong focus on gender equality and decent work. Launched in 2015, it comprises both existing health, education and social security policies and new policies for target groups, in particular adults with specific care needs, persons with disabilities and young children. SNIC is human rights-based, solidaristic in its financing and universal both in coverage and in terms of its minimum quality standards. Changing the division of labour between women and men within households and supporting unpaid carers as well as care workers are among SNIC's stated objectives. In three years, SNIC has led to the creation of 6,000 new jobs, a figure similar to the number of jobs created by a pulp and paper mill. Moreover, each old person cared for creates an average of 0.9 jobs in the Uruguayan economy.

Source: Esquivel (2017); UN-Women et al. (2019).

to achieving target 5.4 (ILO, 2018d; UN, 2019a and 2019b). Gender-responsive social protection policies, including the expansion of social protection benefits, in turn boost aggregate demand, act as income stabilizers and promote the equal sharing of decent work opportunities between women and men (ILO, 2019b; ILO and UNICEF, 2019).

Well-designed investments in the “care economy” – i.e. the health and education sectors, including early-childhood education and long-term care – are beneficial in three key respects: they generate decent and high-quality employment in female-dominated sectors; they create employment for both women and men in sectors other than care sectors; and they help remove the barriers that unpaid care work imposes on the labour force participation of women. As many as 475 million decent jobs could be generated in this way by 2030, thereby contributing to the achievement of SDG 8 in a holistic manner (ILO, 2018d; see box 3.9).

Sectoral policies need to work in conjunction with macroeconomic policies to promote women's employment in high-productivity sectors, notably by providing them with the necessary skills, in particular science, technology, engineering and mathematics (STEM) and digital skills. Demand-driven skills training can enable women to access a wider range of jobs and put an end to sectoral and occupational segregation. Providing such training is a particularly pressing task, given that women tend to be crowded out from high-productivity industrial sectors as capital intensity increases (Tejani and Milberg, 2016) and pushed into low-productivity sectors.

ALMPs can enable young women to gain essential skills and work experience, and can provide guidance on non-traditional work opportunities. They can also facilitate the re-entry of women into the labour market after breaks for childbirth and child-rearing. Public employment programmes are a crucial means of increasing the labour market participation rate of women (Ameratunga Kring, 2017). Employment-intensive investment programmes can directly promote women's employment through capacity building, changes to worker and contractor criteria, workplace policies and the provision of relevant care services.³²

³². For more information, see the ILO web page on employment-intensive investments: <https://www.ilo.org/global/topics/employment-intensive-investment/lang-en/index.htm>.

Policies that support women's access to resources, including land, capital, credit, technology, networks and markets, enable them to start and operate prosperous businesses (targets 8.10 and 5.a). Such policies may include preferential grants for women and public procurement policies that prioritize women's businesses (Ameratunga Kring, 2017; ILO, 2019b). Incorporating explicit provisions on supporting female entrepreneurship into national employment programmes helps ensure that these policies are successful (Goulding, 2013).

Coordination mechanisms for implementing national employment policies

Implementing national employment policies requires the involvement of a variety of ministries and national agencies from different areas, including macroeconomic policy, employment and labour market policies, education and training, workers' protection, industry and environment (see box 3.10).

Achieving SDG 8 depends on political will and ownership by national stakeholders. Commitments to turn the SDGs into targets in line with national development priorities and employment strategies should be accompanied by accountability frameworks, including results-based management systems that use feedback loops to achieve employment outcomes; and oversight monitoring mechanisms to provide independent assurance that things are on track.

Box 3.10. The coordination and governance of employment policies in selected countries

In China, an inter-institutional coordination committee designs and implements employment policies. It comprises representatives of the national Government and local Governments, line ministries and employers' and workers' organizations. The committee sets employment targets and draws up employment budgets, monitors and evaluates the implementation of employment policies, and provides guidance to local Governments and other stakeholders on existing policies and any subsequent changes to these.

In the Republic of Korea, the relevant coordination mechanism was established by the Framework Act on Employment Policy. It has three main "layers": the Job Committee (chaired by the President of the Republic of Korea), the Employment Policy Deliberative Council (chaired by the Minister for Employment and Labour), and the Local Employment Policy Council (chaired by local Government representatives). Also involved in the coordination of employment policy are the Public-Private Job Creation Consultative Committee (chaired by the Minister for Employment and Labour), the Economic, Social and Labour Council, and employers' and workers' organizations. Moreover, an Employment Impact Assessment Programme was launched to improve existing policies and develop policy alternatives.

In Brazil, employment policy and its institutional framework are enshrined in the Federal Constitution and governed by supplementary laws. Decisions on funding are made by a tripartite entity, the Workers' Support Fund, which coordinates the design and implementation of employment policies. The Fund receives technical support from the Department of Employment Policies within the Ministry of Labour and Employment.

The Federal Labour Council in Argentina is an intergovernmental coordination body whose mandate is to strengthen the efficiency of the labour departments at all levels of governments. The Council's members are drawn from the Ministry of Labour, Employment and Social Security, and the labour departments of each province and the City of Buenos Aires. Overseen by the Federal Council, two Employment Strategic Plans were implemented during 2008–11 and 2012–15. A results-based management methodology and a monitoring and evaluation system have also been introduced to improve the governance of employment policies.

3.2. Labour standards and labour market institutions, and their role in promoting inclusion, equity and security

As explained in Chapter 2 (see figure 2.3), SDG 8 envisages decent work as a key driver of inclusive growth. At stake is the question of how to design and implement labour institutions that can advance and sustain decent work. More concretely, such institutions must improve workers' access to the labour market, their earnings, working conditions, rights and social protection. These institutions are called upon in all SDG 8 targets, in particular in target 8.b, which refers to the implementation of the ILO Global Jobs Pact (ILO, 2009).³³ The Pact, which draws on lessons learned from recent financial crises, proposes a portfolio of policies aimed at, inter alia, ensuring labour standards are upheld, strengthening labour market governance (including social dialogue), and expanding social protection.³⁴ These three areas form the structure of this section, with attention to gender equalities in each. The following assessment presents the key institutions and policies that countries should have in place if they are to achieve SDG 8. These institutions and policies, whilst geared towards full and productive employment, leave room for various options; in other words, they are not presented here as a “one-size-fits-all” model.

Labour standards

The international labour standards, of which the ILO is the custodian, currently comprise 189 Conventions and 205 Recommendations. The Conventions that establish fundamental “enabling standards” have been nearly universally ratified. Other Conventions shape labour market institutions and influence labour law and governance frameworks, such as collective agreements. The ratification of Conventions by ILO Member States generally reflects the progress they are making along national sustainable development trajectories.

As of May 2019, the worldwide number of ratifications registered with the ILO stood at 8,151. There are significant variations, however, in terms of which countries have ratified which Conventions and when. The rates of ratification of Conventions in policy areas such as minimum wages, maternity protection and occupational safety and health have remained relatively stable. This suggests that member States have heeded the call of the 2009 Global Jobs Pact “to prevent a downward spiral in labour conditions and build the recovery” (ILO, 2009). Attention should now focus on ensuring that national standards are up to date and reflect both SDG 8 targets and the ILO Decent Work Agenda. Appendix V lists the labour standards that are relevant to SDG 8.

Rooted in human rights, the ILO's vision of fundamental principles and rights at work can guide societies in reaping the benefits of an open economy while adjusting to the competitive pressures of globalization in a politically and socially sustainable manner (see box 3.11). The number of ratifications of the eight fundamental ILO Conventions rose sharply after the adoption of the ILO Declaration on Fundamental Principles and Rights at Work in 1998 and the Worst Forms of Child Labour Convention (No. 182) in 1999. In 2006, the United Nations Economic

³³. For more information on the Global Jobs Pact, see <https://www.ilo.org/jobspact/lang--en/index.htm>.

³⁴. Other policies are aimed at generating employment (covered in section 3.1) and shaping fair globalization.

Box 3.11. Fundamental principles and rights at work

Freedom of association and the right to collective bargaining represent the primary vehicle to enable employers and workers to negotiate key aspects of their relationship and to promote the fair sharing of wealth they have helped to generate. Freedom of association and the right to collective bargaining are considered to be the “first among equals” of the fundamental labour rights – foundational rights that are indispensable for the realization of the other three categories of fundamental labour rights.

The abolition of child labour, particularly in its worst forms, must be achieved. 152 million children worldwide are still engaged in child labour, more than half of them in hazardous work. Access to education, social protection, labour markets, and labour standards are especially relevant in the fight against child labour. Education, social protection and properly designed labour market policies can provide decent work for the parents of children who are at risk. Functioning labour markets are crucial for curbing the demand for child labour and for ensuring that investments in education translate into improved prospects of finding decent work in adulthood.

The elimination of forced labour is essential to human dignity and development, to the eradication of poverty and inequality, and to labour productivity as the basis of sustainable economic growth. Forced labour today generates more than US\$150 billion in profits each year and keeps at least 25 million people in slavery-like conditions. Forced labour cannot be eliminated through the enforcement of legislation alone. This task also calls for a broad-based approach with a strong emphasis on preventing and addressing the root causes of forced labour, ensuring protection, and on helping the people already affected by it.

The elimination of discrimination in employment means ensuring access to gainful economic activity on the basis of qualifications and without regard to factors irrelevant to the nature of the work, such as race, gender or social origin. Understanding what lies behind gender pay gaps, for example, can help in the design of measures to ensure that men and women receive equal pay for work of equal value.

and Social Council reiterated its exhortation to Member States to ratify and fully implement the fundamental ILO Conventions, which cover the four categories of fundamental principles and rights at work.³⁵ At the date of this report, a significant majority of 144 out of 187 ILO member States had ratified all eight fundamental Conventions. However, further efforts are required, particularly with regard to the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), which have not yet been ratified by many of the countries that are home to the world’s largest workforces (see also Chapter 1, box 1.2).

Statutory or administrative regulations are necessary to identify, through social dialogue, a middle ground between policy objectives of a different nature. For example, working-time regulations not only protect against exploitation of the less powerful contracting party, but also help prevent accidents and injuries at work and promote a healthy work–life balance and a more equal sharing of unpaid care work at home. Appropriate regulations can prevent costly labour disputes and social unrest while promoting formalization.

Labour market governance in the face of rapid change

At national level, the governance of work has long mirrored the ILO’s global model, functioning as a collaboration between governments and representatives of employers and workers. Governance covers the interrelated functions of labour law,

³⁵ The world is currently 119 ratifications short of universal ratification; two-thirds of the “missing” ratifications would have to come from Asia and the Pacific. Only 11 countries have ratified fewer than five of the eight Conventions.

labour administration and labour inspectorates, compliance, occupational safety and health, freedom of association and collective bargaining. The ILO's long history in supporting improvements in labour market governance provides a solid basis from which to argue for further innovations. Issues concerning social dialogue are addressed in section 3.3. Upholding equal rights is key to ensuring the quality of women's jobs. Removing discriminatory provisions and practices and, in particular, ensuring the full application of the principle of equal pay for work of equal value (target 8.5) contributes to closing the gender pay gap (see section 3.1). In addition, addressing workplace violence and harassment is a crucial measure to guarantee decent work for women; in June 2019 the ILO adopted a Convention supplemented by a Recommendation on the matter.

Labour inspections are a key institution mandated to uphold the rule of law in the world of work and to promote compliance with labour regulations. Based on best practices from across the world, the strategic compliance model developed by the ILO for labour inspectorates could help solve national compliance problems.³⁶ In Brazil, for example, the interaction between the Brazilian Association of Textile Retailers (ABVTEX) and the labour inspectorate has led to complementary monitoring arrangements. This in turn has increased the labour inspectorate's influence among the lower-tier suppliers in the textile industry's value chain.³⁷

Regulating diverse forms of work

Evidence suggests that higher levels of productivity do not result from deregulation but rather from strong and effective labour market governance that adequately balances employment security and employment mobility – a balance that relies on labour standards (see box 3.12) and the extension of standard protections to all workers regardless of contract and form of work, as called for by the Global Commission (2019) report. The deregulation of temporary work, for example, may have a negative effect on productivity by trapping workers in low-skilled jobs, generating high job turnover, discouraging innovation, and often also by dividing societies along gender or racial lines.

In general, decent regulation of non-standard forms of employment requires targeted interventions to protect the four main categories of non-standard work: (a) temporary employment (casual work and fixed-term contracts); (b) part-time work and on-call work arrangements; (c) triangular employment relationships (temporary agency work and other forms of labour brokering or labour dispatch); and (d) disguised employment or dependent self-employment relationships (where workers are legally classified as self-employed but their work is directed by someone else).

While a lot of work in developing countries was never “standard” (i.e. large segments of the labour force were employed in casual jobs), standard jobs were nonetheless an important feature of some sectors, including manufacturing. The growth of non-standard employment – sometimes referred to as the “informalization of formal employment” – means that for many developing countries, the already existing

³⁶ More information on the strategic compliance model can be found at: www.ilo.org/global/topics/labour-administration-inspection/resources-library/training/WCMS_620987/lang--en/index.htm.

³⁷ ABVTEX runs a Supplier Qualification Programme (SQP), which is directed at both suppliers and subcontractors in the value chain. Private audits conducted under the SQP are carried out in parallel with labour inspections. The result of these inspections is often the issuance of a legally binding “commitment to conduct adjustment” (or compliance commitment), which reinforces the SQP obligation.

Box 3.12. The “Better Work” programme: Improving working conditions in the global garment industry

The global garment industry often serves as an entry point to industrialization for developing countries and offers opportunities for wage employment, especially for young workers, women and migrants. It is also a sector characterized by difficulties in ensuring labour standard compliance, with developing countries engaging in a “race to the bottom” by virtue of their low labour costs. The “Better Work” programme – a partnership between the ILO and the International Finance Corporation – seeks to improve working conditions in the garment industry while promoting competitiveness at the same time. For compliance with labour standards does not come at the expense of competitiveness – on the contrary, such compliance, ensured through a mix of factory- and national-level interventions, can be an engine for business success. The “Better Work” programme has led to improved compliance with core international labour standards and national legislation in Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Nicaragua and Viet Nam. Compliance, however, is not an end in itself: workers report higher levels of life satisfaction and well-being if they work in factories complying with regulations that limit working time and prohibit child labour, discrimination and forced labour. The well-being of workers is higher in factories with an adequate working environment, i.e. where workers feel safe from accidents, indoor air quality is good and temperatures are comfortable. Dialogue mechanisms such as bipartite committees, based on fair elections and gender representation, can help make workplaces better in many respects.

By improving compliance with labour standards, companies operating textile factories in Viet Nam and Cambodia have managed to increase labour productivity (measured in terms of efficiency rates and the speed with which workers reach their daily production targets), profitability and competitiveness. Survey data from Viet Nam, Jordan, Cambodia and Indonesia show that the greater expenses caused by ensuring compliance were offset by higher revenue. This increase in revenue was the result of higher worker productivity and, more importantly, of better positioning in the textile supply chain in terms of the volume of orders received.

Source: “Better Work” programme website: <https://betterwork.org/blog/portfolio/impact-assessment/>.

challenge of informality has been compounded by the challenge of non-standard employment (ILO, 2016b).

There are four main policy interventions to make these jobs decent:

1. Closing regulatory gaps, especially by ensuring equal treatment for workers regardless of their contractual arrangement.
2. Building the capacity of trade unions to represent workers in non-standard employment arrangements.
3. Adapting social security systems to increase coverage for workers in non-standard jobs – for instance, by making systems more flexible with regard to the contributions required to qualify for benefits.
4. Providing public care services so that workers have more opportunities to take family care leave and participate in training and lifelong learning. Workers with family responsibilities can then choose more easily whether to engage in standard or non-standard work.

Promoting fair labour migration governance

Targeted governance interventions must also extend to vulnerable workforce groups, specifically migrants. The 2030 Agenda recognizes the “positive contribution of migrants for inclusive growth and sustainable development”. In the

introductory Declaration, the Heads of State and Government committed themselves to “cooperat[ing] internationally to ensure safe, orderly and regular migration involving full respect for human rights and the humane treatment of migrants regardless of migration status, of refugees and of displaced persons”. Target 8.8 specifically calls for the protection of “all workers, including migrant workers, in particular women migrants”, and is linked closely to target 10.7, which is about facilitating safe, orderly and well-managed migration.

To achieve these objectives, fair labour migration frameworks, based on international labour standards, are necessary. Such frameworks should foster coherence between labour market, employment and migration policies, and cooperation through a whole-of-government approach and social dialogue. For example, labour migration regimes, care regimes and employment regimes must be connected to maximize the benefits for migrant workers, in particular migrant domestic workers (ILO, 2018k). Bilateral labour migration arrangements can help ensure the active participation of governments, employers and workers.

Evidence-based policy-making depends on the gathering and analysis of up-to-date, reliable and comparable labour migration data, disaggregated by age, sex and specific economic sectors (ILO, 2017e). The Guidelines concerning statistics of international labour migration adopted by the 20th International Conference of Labour Statisticians in October 2018 are a key tool in that respect. Other challenges involved in protecting migrant workers include ensuring fair recruitment (e.g. by eliminating recruitment fees and costs), providing opportunities for skills development, promoting the recognition of foreign qualifications and extending social protection.

Freedom of association is a fundamental right and an enabling condition for the realization of decent work, and should be guaranteed to all workers. Protecting the rights of migrant workers also means ensuring that they are treated equally in terms of social security coverage and entitlements, notably by promoting the portability of social security rights through bilateral or multilateral agreements (ILO, 2017a). An increasing number of countries have entered into international social security agreements: since 1980, the number of agreements has increased from 100 to 690 agreements today.

In destination countries, recognizing the skills of migrants can improve job matching, which contributes to economic productivity and business growth, and thereby also to the social protection enjoyed by migrant workers and to their upward mobility.

Occupational safety and health

Currently, more than 374 million people are injured or made ill every year by work-related accidents. By far the greatest proportion of work-related deaths – 86 per cent – are currently the result of illness. Approximately 6,500 people die from occupational diseases every day, compared with 1,000 as a result of fatal occupational accidents. The greatest causes of mortality are circulatory diseases (31 per cent), work-related cancers (26 per cent) and respiratory diseases (17 per cent). Changes in working practices, demographics, technology and the environment are giving rise to new occupational safety and health (OSH) issues alongside traditional occupational hazards.

To tackle these challenges, the ILO recommends five policy interventions:

1. Doing more to anticipate new and emerging OSH risks.
2. Adopting a multidisciplinary approach, notably by deepening links with the public health system.
3. Undertaking capacity building in the various areas of OSH.
4. Mainstreaming safety and health in early education, thereby fostering a culture of prevention.
5. Strengthening international labour standards and national legislation.

New technologies, such as digitalization, robotics and nanoscience, can help reduce hazardous exposures, but they can also introduce new health hazards (e.g. of a psychosocial nature). Climate change is leading to a greater prevalence of hazards such as air pollution, heat stress and emerging diseases, and this likewise needs to be addressed (ILO, 2019g). Demographic changes will also have a significant impact on safety and health: some regions will have a growing number of older workers who require adaptive work practices and equipment to be able to continue working safely, while in others there will be a predominance of younger workers who are traditionally more likely to be in non-standard employment arrangements and have high occupational injury rates.

Universal, adequate and comprehensive social protection

Policy coherence in relation to SDG 8 requires universal social protection, which is linked to target 1.3. Applying relevant guidance from the Social Protection Floors Recommendation, 2012 (No. 202) (ILO, 2017a and 2019c) can help accelerate progress towards SDG 8. Extending social protection to those so far excluded, such as informal and rural workers and indigenous peoples, is essential for leaving no one behind (UN, 2016; ILO, 2018i; OECD and ILO, 2019). Social protection is also a key instrument for preventing child labour and forced labour (target 8.7) (ILO, 2017d) and for promoting gender equality and the economic empowerment of women (ILO, 2016c). Indeed, maternity, paternity and parental leave benefits, childcare benefits for mothers (particularly for those from indigenous groups and low-income families) and family-friendly working arrangements are essential.

Social protection has significant implications for decent work and inclusive growth. It helps channel investments into nutrition, health and education (SDGs 2, 3 and 4). In particular, universal health coverage (target 3.8)³⁸ enables people to plan ahead and seize economic opportunities, thereby contributing to higher labour productivity, skills development and employability. At the meso level, adequate social protection is an important element of policies that seek to promote sustainable businesses (ILO, 2007) and support local economic development, especially in rural areas (Davis et al., 2016). At the macro level, social protection helps stabilize aggregate demand in times of crisis (Islam and Kucera, 2013; ILO, 2017a) and supports labour market transformations, notably with regard to making better use of digital technologies, formalization and the transition to a greener economy (ILO, 2018g).

38. Investments aimed at achieving universal health coverage are critical to the attainment of the SDGs, also with regard to reducing health inequalities. See WHO (2017).

Many countries have made significant progress in extending social protection coverage to those not yet covered (including informal and rural workers, indigenous peoples, migrant workers and refugees) and in strengthening their social protection systems. They have achieved universal or near-universal coverage in different areas of social protection through a combination of contributory (social insurance) and non-contributory (tax-financed) schemes and programmes. For example, elderly persons in over 20 countries and territories in all regions now have access to an old-age pension – these include the Plurinational State of Bolivia, Cabo Verde, China, South Africa, Timor-Leste, Ukraine and Zanzibar (United Republic of Tanzania). More than 30 countries provide child benefits for all children, either through a universal child benefit scheme or a combination of social insurance and tax-financed benefits (ILO and UNICEF, 2019). Similarly, some countries, such as Argentina and Mongolia, ensure universal access to maternity cash benefits as part of broader maternity protection policies (ILO, 2016d).

In February 2019, the Global Partnership for Universal Social Protection (USP2030)³⁹ issued a call to action that urges countries and international partners to support the global commitment to implementing SDG target 1.3, through five key actions based on the core principles of universal social protection:

- 1. Protection throughout the life cycle:** Establish universal social protection systems, including floors, that provide adequate protection throughout the life cycle, combining social insurance, social assistance and other means, anchored in national strategies and legislation.
- 2. Universal coverage:** Provide universal access to social protection and ensure that social protection systems are rights-based, gender-sensitive and inclusive, leaving no one behind.
- 3. National ownership:** Develop social protection strategies and policies based on national priorities and circumstances in close cooperation with all relevant actors.
- 4. Sustainable and equitable financing:** Ensure the sustainability and fairness of social protection systems by prioritizing reliable and equitable forms of domestic financing, complemented by international cooperation and support where necessary.
- 5. Participation and social dialogue:** Strengthen governance of social protection systems through institutional leadership, multi-sector coordination and the participation of social partners and other relevant and representative organizations, to generate broad-based support and promote the effectiveness of services.

3.3. Social dialogue, information and partnerships to achieve SDG 8

The foundations of the policy spiral in figure 3.1 consist of social dialogue, supported by good quality labour market information, capable actors (governments and social partners) and international partnerships. In other words, this section addresses the question of how to put the abovementioned policies into practice. Many countries

³⁹ Co-chaired by the World Bank and the ILO, USP2030 brings together the governments of several countries and several intergovernmental organizations and NGOs; the Partnership is constantly expanding. See www.usp2030.org.

Box 3.13. South Africa: Green Economy Accord

In November 2011, the Green Economy Accord was signed by the Government of South Africa, representatives of business and employers, three labour federations – the Congress of South African Trade Unions, the Federation of Unions of South Africa and the National Council of Trade Unions, which together represent over 2 million workers – and a number of civil society organizations. This comprehensive social partnership is meant to develop the “green economy” aspect of South Africa’s New Growth Path and identifies the practical steps that must be taken by each partner for the creation of hundreds of thousands of new green and decent jobs by 2020.

Source: ILO and ITUC (2017).

in the world face significant challenges in this arena; some still have relatively weak capacities, while others face diminishing resources, falling trade union density and membership of collective employer bodies, and/or intractable conflicts among parties. And yet effective social dialogue is vital to realize a transformative pathway for sustained, inclusive and sustainable growth and development. The Global Commission (2019) report calls for the main actors of the world of work to come together to design a path that meets shared aspirations. This means “re-invigorating the social contract” so that “in return for their contribution to growth and prosperity, people are protected against the inherent vicissitudes of the market economy and their rights are respected” (op. cit., p. 54). As Chapter 2 argues, shifting to a sustained, inclusive and sustainable model of growth and development will inevitably bring new conflicts and competing interests to the surface. This is precisely why social dialogue among well-resourced and capable partners is so important for navigating the future and in achieving SDG 8. The Green Economy Accord of South Africa is a useful illustration of a tripartite approach to managing transformation (box 3.13). This section presents examples of the role of social dialogue, as well as of labour market information systems, building partners’ capacities and international partnerships that support the integrated policy framework for achieving SDG 8.

Social dialogue for full and productive employment and decent work

Freedom of association, recognition of the right to collective bargaining and social dialogue are closely related to the commitments made in the 2030 Agenda that are aimed at generating sustainable, inclusive and sustained economic growth, shared prosperity and decent work. As Chapter 2 argued, these principles are also important for building dynamic, sustainable, innovative and people-centred economies, and for strengthening democratic processes, which are essential to sustainable development.

The full involvement of free, independent, strong and representative employers’ and workers’ organizations in policy-making and implementation is a powerful governance instrument for sustainable development, since it reinforces democratic ownership, inclusiveness and accountability (ILO, 2018m). By articulating the views of their members, employers’ and workers’ organizations can have a great impact on consensus building and social cohesion. For example, workers in the informal economy are increasingly being represented in social dialogue structures by trade

Box 3.14. How the Sustainable Development Goals can revitalize social dialogue: The case of Costa Rica

The process of implementing the Sustainable Development Goals (SDGs) in Costa Rica helped relaunch national dialogue, which, after the contentious referendum of October 2007 on ratifying the Central American Free Trade Agreement, appeared to have broken down. While trade unions initially viewed with scepticism the Government's invitation to participate in the SDG process, they were won over by the human rights dimension of the 2030 Agenda and the structured, consensus-based process proposed by the Government. In September 2016, a "National Pact for the Sustainable Development Goals" was signed, in which the Government pledged to promote and comply with the SDGs and to monitor and report on their implementation. The National Pact is the result of an inclusive and participatory process involving national stakeholders and social partners.

Source: Cheng Lo (2017).

unions (ILO and ITUC, 2017). Social dialogue also contributes to the achievement of environmental and climate-related SDG targets.⁴⁰

Social dialogue institutions support the execution of the 2030 Agenda. In their reports for the High-Level Political Forum on Sustainable Development (HLPF), countries as diverse as China, Egypt, Finland, the Philippines, Samoa and Switzerland emphasized the importance of involving multiple stakeholders when implementing the SDGs (UNDESA, 2016). Moreover, countries such as Belgium, Portugal and Sweden reported on how they had involved employers' and workers' organizations in the design or preparation of their voluntary national reviews for the HLPF or in actions to achieve the SDGs. At the same time, the implementation of the 2030 Agenda can be instrumental in revitalizing social dialogue at the national level (see box 3.14).

Improving labour market information systems

A comprehensive labour market information system (LMIS) is essential for the design, implementation, monitoring and evaluation of national employment and labour market policies. With people around the world experiencing transformative changes and increasing labour market transitions, improved labour market information can guide policy choice and provide labour market actors with better information.

While significant progress has been made in many countries, there is still considerable room for improvement. For example, data collection, compilation and analysis may be dispersed across various agencies and regions, leading to a duplication of efforts and waste of resources. Labour market institutions, including workers' and employers' organizations, are weak in many countries, and this has a negative impact on the mechanisms that are meant to provide information and analysis to support decision-making. Thanks to technological advances it is possible to develop more efficient and cost-effective LMIS's with enhanced capacities for interpreting an increasingly complex world of work.

⁴⁰. Notable global initiatives include the Green Jobs Initiative (see section 3.1) and the Green Jobs Programme, which was launched by the ILO in 2009.

Box 3.15. Main features of the resolution concerning statistics of work, employment and labour underutilization adopted by the 19th International Conference of Labour Statisticians in 2013

Major features in the new standards are the inclusion of the first internationally agreed statistical definition of “work” aligned with the general production boundary, and a framework that distinguishes different forms of work to support the separate production of statistics on each as needed to inform a wide range of economic, labour market and social policies. The forms of work framework classifies all productive activities into different forms of work based on the main intended destination of the production and the type of transaction. Five distinct forms of work are specified: employment work, own-use production work (including production of goods and services for own final use), volunteer work, unpaid trainee work and a residual category covering other forms of work such as unpaid compulsory work. While these five forms of work are mutually exclusive, persons may be engaged in one or several forms of work over a particular reference period. As a result, unlike with the previous standards, it is possible to comprehensively capture the participation, contributions and working conditions of persons in employment, in own-use production work and in volunteer work, as well as to examine their interactions.

Employment in the new standards is more narrowly defined as “work for pay or profit”. Compared to the previous standards, this excludes activities to produce goods intended mainly for own-final use by the household or family, organization-based volunteering, some types of direct volunteering, and unpaid trainee work, which now form part of the new concepts of own-use production work, volunteer work and unpaid trainee work, respectively. Employment, as more narrowly defined, continues to be the reference to classify persons of working age by their labour force status and to produce the body of statistics on the labour force. This revision will allow more targeted monitoring of access to employment opportunities that generate an income and inform policies directed at employment creation. The measure of unemployment is now integrated as one of several measures of labour underutilization that also include time-related underemployment and the potential labour force (see box 1.1 in Chapter 1).

Source: Report of the International Labour Organization on recent developments in work and employment statistics, Statistical Commission, forty-ninth session, document E/CN.3/2018/18.

The standards adopted by the 19th International Conference of Labour Statisticians in October 2013 have greatly expanded the scope of labour statistics by calling for statistics on different forms of work (paid and unpaid) and by providing a common conceptual framework for this purpose (see box 3.15). Of particular relevance for the monitoring of progress towards SDG 8 is the fact that the shortcomings of the unemployment rate as the sole measure of labour underutilization were recognized. Accordingly, a set of complementary measures of labour underutilization have been introduced (see box 1.1 in Chapter 1).

Building the capacity of governments and social partners for the implementation of SDG 8

It is important to build the technical and managerial capacity of governments and of employers' and workers' organizations so that they can operate the necessary policy levers and build necessary institutions in a coordinated and coherent fashion to achieve progress towards SDG 8. Such capacity building should be directed both at specific government agencies and inter-ministerial bodies (e.g. committees and councils) established in different countries. The capacity of workers' and employers'

organizations should also be enhanced so that they can participate as effectively as possible throughout the employment policy cycle.

Capacity building may take the form of research work and dissemination of results, South–South exchanges, and peer-based approaches, such as the “Partnership for youth employment in the Commonwealth of Independent States” and the “Taqeem Initiative: What Works in Youth Employment”. The ILO Governing Body decision of October 2018 on voluntary peer-review mechanisms for national employment policies envisages precisely such mutual learning and capacity building.

Building and fostering partnerships for coordinated action

National, regional and global partnerships are important elements of the ILO’s strategy for implementation of the SDGs. Launched by the ILO in 2016, the Global Initiative on Decent Jobs for Youth is an inclusive, multi-stakeholder partnership that seeks to promote youth employment in accordance with the 2030 Agenda. The participants in the Global Initiative are committed to taking action on a variety of thematic priorities, to sharing knowledge and to leveraging resources in order to create more and better jobs for young people. The initiative focuses on green and digital jobs and quality apprenticeships; provides assistance to young rural workers; facilitates transition from the informal to the formal economy; and promotes sustainable youth entrepreneurship and self-employment. It also supports disadvantaged young people, such as young workers in hazardous occupations or those in regions affected by conflict and instability.

The Equal Pay International Coalition (EPIC) is another notable partnership. Led by the ILO, UN-Women and the OECD, it seeks to achieve equal pay for women and men everywhere. EPIC was launched specifically to assist with the implementation of SDG 8 (target 8.5 calls for equal pay for work of equal value to be achieved by 2030), but also SDG 5 because equal pay is central to the achievement of gender equality and women’s empowerment. EPIC supports governments, employers’ and workers’ organizations, and other stakeholders in taking concrete action to close the gender pay gap.

Alliance 8.7 was launched by the ILO in September 2016 at the start of the 72nd session of the United Nations General Assembly as a global partnership working to end forced labour, modern slavery, human trafficking and child labour (SDG target 8.7). The Alliance cooperates with other SDG partnerships on related issues, such as targets 5.2 (elimination of violence against women and children) and 16.2 (ending abuse of children, including child trafficking). The Alliance relies on the commitments made by governments, but it also engages with international and regional organizations, workers’ and employers’ organizations, NGOs, academic institutions and other relevant stakeholders and networks. Alliance 8.7 has set up action groups whose mandates reflect the thematic priorities of the SDG target, such as conflict and humanitarian settings, migration, supply chains, rule of law and governance. Fifteen “pathfinder countries” from all regions of the world have committed to going further and faster than others in order to achieve the ambitious target of eliminating child labour by 2025 and ending forced labour, modern slavery and human trafficking by 2030.

The Vision Zero Fund (VZF), an initiative of the Group of Seven countries, aims to prevent work-related deaths, injuries and diseases in sectors operating in or aspiring to join global supply chains. The main objective of VZF is to increase collective public and private action aimed at fostering and enhancing concrete occupational safety and health prevention activities in businesses operating in low- and middle-income countries. VZF is part of the ILO's Safety and Health for ALL Programme.

CONCLUSION

Time to Act for SDG 8 urges policy-makers around the world to help speed up progress towards SDG 8 and implementation of the 2030 Agenda as a whole. Radical and transformative change is required across the three policy spheres of economy, society and environment. The report has pointed out many areas in which progress has been too slow so far, but it has also highlighted a range of opportunities for concerted and synergistic policy action.

The key is to incorporate the goals of sustained growth, inclusive growth with decent work and environmental integrity into a human-centred, sustainable development agenda. This is where the United Nations 2030 Agenda meets the ILO Centenary Declaration for the Future of Work.

Decent work and full and productive employment are not only key outcomes of sustained, inclusive and sustainable growth patterns: they are themselves also fundamental drivers of those dynamics. A world of work characterized by equality, fairness, inclusion and security will promote societal learning and, thus, innovation and transformative change in societies and economies.

In view of the dynamic interlinkages between SDG 8 and other SDGs explored in this report, UN Member States will need to reinvigorate national and international efforts to design, finance and implement a comprehensive, integrated policy agenda. Where there are trade-offs and conflicting interests among SDG targets, social justice, in accordance with the ILO mandate, should be applied as the guiding principle in developing new technologies, institutions and policies that can help strike a balance between the various targets. Developed countries need to take a lead in balancing economic growth and social inclusion goals with environmental integrity, while supporting developing countries in their efforts to enjoy a balanced dynamic of progress towards SDG 8.

Strengthening commitment to the multilateral system is therefore crucial if SDG 8 is to be achieved. Accordingly, the ILO Centenary Declaration for the Future of Work emphasizes: “It is imperative to act with urgency to seize the opportunities and address the challenges to shape a fair, inclusive and secure future of work with full, productive and freely chosen employment and decent work for all” (ILO, 2019f).

What is at stake is the future of the global economy and society, and indeed of our planet. Now is the time to act for SDG 8.

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APPENDIX I

AVAILABILITY OF DATA FOR SDG 8 INDICATORS AND OTHER RELEVANT LABOUR MARKET INDICATORS

SDG INDICATOR	DATA AVAILABILITY IN ILOSTAT (COUNTRY COVERAGE OF NON-DISAGGREGATED DATA)	AVAILABILITY OF SEX-DISAGGREGATED DATA IN ILOSTAT (COUNTRY COVERAGE)	AVAILABILITY OF DATA DISAGGREGATED BY OTHER FACTORS IN ILOSTAT (COUNTRY COVERAGE)
1.1.1: Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	Data on the working poor for 113 countries based on real observations on poverty (for 137 countries if imputations are also included)	Data on the working poor for 113 countries based on real observations on poverty (for 137 countries if imputations are also included)	Data on the working poor disaggregated by age for 113 countries based on real observations on poverty (for 137 countries if imputations are also included)
1.3.1: Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	Data on the proportion of the population covered by at least one social protection benefit for 74 countries. Country coverage varies for each sub-component separately of the population groups mentioned in the indicator	Very limited for data on the proportion of the population covered by at least one social protection benefit. Availability varies for each sub-component separately of the population groups mentioned in the indicator	No data available
5.5.2: Proportion of women in managerial positions	Data from 99 countries for senior and middle management, and from 164 countries for total management	Not applicable	Not applicable
8.2.1: Annual growth rate of real GDP per employed person	179 countries	Not applicable	Not applicable
8.3.1: Proportion of informal employment in non-agriculture employment, by sex	69 countries for ILO-harmonized data; 46 countries for country-reported data	69 countries for ILO-harmonized data; 45 countries for country-reported data	Not applicable

SDG INDICATOR	DATA AVAILABILITY IN ILOSTAT (COUNTRY COVERAGE OF NON-DISAGGREGATED DATA)	AVAILABILITY OF SEX-DISAGGREGATED DATA IN ILOSTAT (COUNTRY COVERAGE)	AVAILABILITY OF DATA DISAGGREGATED BY OTHER FACTORS IN ILOSTAT (COUNTRY COVERAGE)
8.5.1: Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	66 countries	65 countries	Data from 48 countries for breakdown by occupation. No data disaggregated by age and disability status available
8.5.2: Unemployment rate, by sex, age and persons with disabilities	183 countries	178 countries	Data from 169 countries with age disaggregation; data from 63 countries with disaggregation by disability status
8.6.1: Proportion of youth (aged 15–24 years) not in education, employment or training	148 countries	Not applicable	Not applicable
8.7.1: Proportion and number of children aged 5–17 years engaged in child labour, by sex and age	81 countries	81 countries	No data available
8.8.1: Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status	90 countries	63 countries	36 countries
8.8.2: Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status	No data available yet, data compilation ongoing	No data available yet, data compilation ongoing	No data available yet, data compilation ongoing
8.b.1: Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy	No data available yet (data compilation is ongoing)	Not applicable	Not applicable
9.2.2: Manufacturing employment as a proportion of total employment	101 countries	Not applicable	Not applicable

SDG INDICATOR	DATA AVAILABILITY IN ILOSTAT (COUNTRY COVERAGE OF NON-DISAGGREGATED DATA)	AVAILABILITY OF SEX-DISAGGREGATED DATA IN ILOSTAT (COUNTRY COVERAGE)	AVAILABILITY OF DATA DISAGGREGATED BY OTHER FACTORS IN ILOSTAT (COUNTRY COVERAGE)
10.4.1: Labour share of GDP, comprising wages and social protection transfers	189 countries	Not applicable	Not applicable
10.7.1: Recruitment cost borne by employee as a proportion of yearly income earned in country of destination	No data available yet	Not applicable	Not applicable

Source: ILO Department of Statistics.

APPENDIX II

COUNTRY GROUPINGS

Table AII.1. Country groupings by region and subregion

Africa	Americas	Asia and the Pacific	Europe and Central Asia
Northern Africa	Latin America and the Caribbean	Eastern Asia	Northern, Southern and Western Europe
Algeria	Antigua and Barbuda	China	Albania
Egypt	Argentina	Hong Kong, China	Andorra
Libya	Bahamas	Japan	Austria
Morocco	Barbados	Korea, Democratic People's Republic of	Belgium
Sudan	Belize	Korea, Republic of	Bosnia and Herzegovina
Tunisia	Bolivia, Plurinational State of	Macau, China	Channel Islands
Western Sahara	Brazil	Mongolia	Croatia
	Chile	Taiwan, China	Denmark
Sub-Saharan Africa	Colombia		Estonia
Angola	Costa Rica	South-Eastern Asia and the Pacific	Finland
Benin	Cuba	Australia	France
Botswana	Dominican Republic	Brunei Darussalam	Germany
Burkina Faso	Ecuador	Cambodia	Greece
Burundi	El Salvador	Cambodia	Iceland
Cameroon	Grenada	Fiji	Ireland
Cabo Verde	Guatemala	French Polynesia	Italy
Central African Republic	Guyana	Guam	Latvia
Chad	Haiti	Indonesia	Liechtenstein
Comoros	Honduras	Kiribati	Lithuania
Congo	Jamaica	Lao People's Democratic Republic	Luxembourg
Congo, Democratic Republic of the	Mexico	Malaysia	Malta
Côte d'Ivoire	Nicaragua	Malaysia	Monaco
Djibouti	Panama	Marshall Islands	Montenegro
Equatorial Guinea	Paraguay	Micronesia, Federated States of	Netherlands
Eritrea	Peru	Myanmar	North Macedonia
Eswatini	Puerto Rico	Nauru	Norway
Ethiopia	Saint Kitts and Nevis	New Caledonia	Portugal
Gabon	Saint Lucia	New Zealand	Serbia
The Gambia	Saint Vincent and the Grenadines	Palau	Slovenia
Ghana	Suriname	Papua New Guinea	Spain
Guinea	Trinidad and Tobago	Philippines	Sweden
Guinea-Bissau	United States Virgin Islands	Samoa	Switzerland
Kenya	Uruguay	Singapore	United Kingdom
Lesotho	Venezuela, Bolivarian Republic of	Solomon Islands	
Liberia		Thailand	Eastern Europe
Madagascar		Timor-Leste	Belarus
Malawi		Tonga	Bulgaria
Mali	Northern America	Tuvalu	Czech Republic
Mauritania	Canada	Vanuatu	Hungary
Mauritius	United States	Viet Nam	Moldova, Republic of
Mozambique			Poland
Namibia	Arab States	Southern Asia	Romania
Niger	Bahrain	Afghanistan	Russian Federation
Nigeria	Iraq	Bangladesh	Slovakia
Rwanda	Jordan	Bhutan	Ukraine
Sao Tome and Principe	Kuwait	India	
Senegal	Lebanon	Iran, Islamic Republic of	Central and Western Asia
Seychelles	Occupied Palestinian Territory	Maldives	Armenia
Sierra Leone	Oman	Nepal	Azerbaijan
Somalia	Qatar	Pakistan	Cyprus
South Africa	Saudi Arabia	Sri Lanka	Georgia
South Sudan	Syrian Arab Republic		Israel
Tanzania, United Republic of	United Arab Emirates		Kazakhstan
Togo	Yemen		Kyrgyzstan
Uganda			Tajikistan
Zambia			Turkey
Zimbabwe			Turkmenistan
			Uzbekistan

Table AII.2. Country groupings by income group

High-income countries	Upper-middle-income countries	Lower-middle-income countries	Low-income countries
Andorra	Albania	Angola	Afghanistan
Antigua and Barbuda	Algeria	Bangladesh	Benin
Argentina	Armenia	Bhutan	Burkina Faso
Australia	Azerbaijan	Bolivia, Plurinational State of	Burundi
Austria	Belarus	Cameroon	Cambodia
Bahamas	Belize	Cabo Verde	Central African Republic
Bahrain	Bosnia and Herzegovina	Congo	Chad
Barbados	Botswana	Côte d'Ivoire	Comoros
Belgium	Brazil	Djibouti	Congo, Democratic Republic of the
Brunei Darussalam	Bulgaria	Egypt	Eritrea
Canada	China	El Salvador	Ethiopia
Channel Islands	Colombia	Eswatini	The Gambia
Chile	Costa Rica	Georgia	Guinea
Croatia	Cuba	Ghana	Guinea-Bissau
Cyprus	Dominican Republic	Guyana	Haiti
Czech Republic	Ecuador	Honduras	Korea, Democratic People's Republic of
Denmark	Fiji	India	Liberia
Equatorial Guinea	Gabon	Indonesia	Madagascar
Estonia	Grenada	Kenya	Malawi
Finland	Guatemala	Kiribati	Mali
France	Iran, Islamic Republic of	Kyrgyzstan	Mozambique
French Polynesia	Iraq	Lao People's Democratic Republic	Nepal
Germany	Jamaica	Lesotho	Niger
Greece	Jordan	Mauritania	Rwanda
Guam	Kazakhstan	Micronesia, Federated States of	Sierra Leone
Hong Kong, China	Lebanon	Moldova, Republic of	Somalia
Hungary	Libya	Morocco	South Sudan
Iceland	Malaysia	Myanmar	Syrian Arab Republic
Ireland	Maldives	Nauru	Tajikistan
Israel	Marshall Islands	Nicaragua	Tanzania, United Republic of
Italy	Mauritius	Nigeria	Togo
Japan	Mexico	Occupied Palestinian Territory	Uganda
Korea, Republic of	Mongolia	Pakistan	Yemen
Kuwait	Montenegro	Papua New Guinea	Zimbabwe
Latvia	Namibia	Philippines	
Liechtenstein	North Macedonia	Samoa	
Lithuania	Palau	Sao Tome and Principe	
Luxembourg	Paraguay	Senegal	
Macau, China	Peru	Solomon Islands	
Malta	Romania	Sri Lanka	
Monaco	Saint Lucia	Sudan	
Netherlands	Saint Vincent and the Grenadines	Timor-Leste	
New Caledonia	Serbia	Ukraine	
New Zealand	South Africa	Uzbekistan	
Norway	Suriname	Vanuatu	
Oman	Thailand	Viet Nam	
Panama	Tonga	Western Sahara	
Poland	Tunisia	Zambia	
Portugal	Turkey		
Puerto Rico	Turkmenistan		
Qatar	Tuvalu		
Russian Federation	Venezuela, Bolivarian Republic of		
Saint Kitts and Nevis			
Saudi Arabia			
Seychelles			
Singapore			
Slovakia			
Slovenia			
Spain			
Sweden			
Switzerland			
Taiwan, China			
Trinidad and Tobago			
United Arab Emirates			
United Kingdom			
United States			
United States Virgin Islands			
Uruguay			

APPENDIX III

METHODOLOGY, DATA AND INTERPRETATION OF THE ROSE CHARTS

Table AIII.1. List of indicators, thresholds for ranking achievement, and rationale for ranking scale used

ACHIEVEMENT CLUSTER 1 – SUSTAINED GROWTH						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Gross domestic product (GDP) catch-up (related to SDG 8.1): number of years to reach GDP per capita of US\$ 35,000 based on average GDP per capita growth rate between 2010 and 2018. GDP is purchasing power parity (PPP)-adjusted (constant 2011 international dollars)	>150	150 & >70	70 & >30	30 & >12	12	GDP per capita growth needs to be larger in countries with a lower income than in those with a higher income. Estimating the time required to achieve a certain level of GDP per capita captures both past achievements and current dynamics. The level of US\$ 35,000 is roughly the median GDP per capita of Organisation for Economic Co-operation and Development (OECD) countries in 2018. “Excellent” is defined as catching up within 12 years, the SDG horizon.
Labour productivity growth (SDG indicator 8.2.1): average annual growth rate (%) of real GDP per employed person between 2010 and 2018	≤0.5	>0.5 & ≤1.5	>1.5 & ≤3.0	>3.0 & ≤4.5	>4.5	The thresholds have been set to cover the range of values observed for countries.
Unemployment rate (SDG indicator 8.5.2): ILO modelled estimates, 2018	>15	≤15 & >10	≤10 & >6	≤6 & >3	≤3	The experience of various countries shows that unemployment rates beyond 15% should be considered critical, while rates between 10% and 15% are a cause for concern.

ACHIEVEMENT CLUSTER 1 – SUSTAINED GROWTH

Indicator thresholds used to rank achievement

Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
						At the other end of the spectrum, a rate below 3% can almost be considered to signal full employment in countries with frictional labour markets. This indicator only captures the fact of having a job; the quality of the job is an equally important dimension that also needs to be considered.
Financial account (SDG indicator 8.10.2): percentage of adults (aged ≥15 years) with an account at a financial institution, latest year (between 2011 and 2017)	≤30	>30 & ≤50	>50 & ≤70	>70 & ≤90	>90	The target of 100% is achievable: an “excellent” score therefore requires more than 90%. The rest of the scale is spaced equally, in line with observed values.
Research and development (R&D) expenditure as a percentage of GDP (SDG indicator 9.5.1), latest year (between 2002 and 2017)	≤0.50	>0.50 & ≤1.00	>1 & ≤2	>2 & ≤3	>3	Most countries and subregions have R&D expenditure shares between 0% and 1%; very few have a share above 3%.
Percentage of population with access to electricity (SDG indicator 7.1.1), 2016	≤70	>70 & ≤80	>80 & ≤90	>90 & ≤99	>99	Lack of access to electricity limits access to almost any kind of modern technology, including information and communications technologies and the Internet, thereby hampering innovation and learning. Full coverage is already achieved in 4 out of 11 subregions and is the benchmark for “excellence”.

ACHIEVEMENT CLUSTER 1 – SUSTAINED GROWTH						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Economic complexity index (non-SDG indicator), 2017	≤0.00	>0 & ≤0.5	>0.5 & ≤1	>1 & ≤1.5	>1.5	SDG 8 calls for sustained growth, but lacks indicators on the enabling conditions for such growth. Research shows that economic complexity is a good predictor of economic growth (Hidalgo and Hausmann, 2009). The top 9% of countries in the world have an economic complexity index of more than 1.5.

Table AIII.1 continued. List of indicators, thresholds for ranking achievement, and rationale for ranking scale used

ACHIEVEMENT CLUSTER 2 – SOCIAL INCLUSION AND DECENT WORK						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Labour income share (SDG indicator 10.4.1): adjusted labour income share (ILO modelled estimates), 2017 (%)	≤40	>40 & ≤50	>50 & ≤60	>60 & ≤70	>70	The labour income share depends on several factors, including the capital intensity of the economy. In fact, capital returns, such as resource rents, could be used by countries in a redistributive way. Nevertheless, a higher labour income share, all else being equal, shows that value creation is more inclusive. The scale reflects observed values around the world.
Percentage of youth not in education, employment or training (NEET) (SDG indicator 8.6.1): ILO modelled estimates, 2018	>25	≤25 & >20	≤20 & >15	≤15 & >10	≤10	Almost no country, and certainly no subregion, has a NEET rate below 10%. A 5 percentage point grading has been used for the scale above that value.

ACHIEVEMENT CLUSTER 2 – SOCIAL INCLUSION AND DECENT WORK

Indicator thresholds used to rank achievement

Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Working poverty rate (SDG indicator 1.1.1): percentage of employed persons living on less than US\$1.90 per day, in PPP terms, ILO modelled estimates, 2018	>30	≤30 & >20	≤20 & >10	≤10 & >1	≤1	Countries with an extreme working poverty rate above 30% also have high moderate working poverty rates (percentage of workers living on less than US\$3.10 per day). In many of these countries, more than two-thirds of workers live in extreme or moderate poverty. An “excellent” score requires the effective abolishment of working poverty.
Social protection coverage (SDG indicator 1.3.1): percentage of population covered by at least one social protection benefit, ILO estimates, 2016	≤30	>30 & ≤50	>50 & ≤70	>70 & ≤90	>90	The target of 100% is achievable: an “excellent” score therefore requires more than 90%. Coverage below 30% is considered as being critically low. The rest of the scale is spaced equally, in line with observed values.
Informality rate (SDG indicator 8.3.1): informal employment as a percentage of total employment, 2016	>70	≤70 & >50	≤50 & >30	≤30 & >10	≤10	Informality rates are fairly equally distributed around the world. An “excellent” score requires an informality rate no higher than 10%. Note that SDG indicator 8.3.1 refers to informal employment as a proportion of non-agricultural employment. For data availability reasons, we calculate the share out of total employment instead.
Female managers (SDG indicator 5.5.2): percentage of managers who are women, ILO modelled estimates, 2018	≤15	>15 & ≤30	>30 & ≤40	>40 & ≤48	>48	To reach the average level (though still “unsatisfactory”), more than one third of managers should be female. To attain an

ACHIEVEMENT CLUSTER 2 – SOCIAL INCLUSION AND DECENT WORK						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
						“excellent” score, that share should be close to 50%. Empirically, a female management share significantly above 48% is not observed; hence the scale above 48% is not further differentiated.
Female employment (related to SDG 8.5): percentage of women among all employed, ILO modelled estimates, 2018	≤15	>15 & ≤30	>30 & ≤40	>40 & ≤48	>48	To reach the average level (though still “unsatisfactory”), more than one third of employed persons should be female. To attain an “excellent” score, that share should be close to 50%. Empirically, a female employment share significantly above 48% is not observed; hence the scale above 48% is not further differentiated. Note also that we were not able to obtain subregional estimates for the gender wage gap (the SDG 8.5.1 indicator); hence we establish a link to SDG 8.5 on the basis of gender employment gaps.
Early childhood education (SDG indicator 4.2.2): percentage of children aged one year before the official age for primary-school entry who are enrolled in pre-primary or primary education, latest available year (between 2000 and 2018)	≤30	>30 & ≤50	>50 & ≤70	>70 & ≤90	>90	The target of 100% is achievable: an “excellent” score therefore requires more than 90%. The rest of the scale is spaced equally, in line with observed values.

ACHIEVEMENT CLUSTER 2 – SOCIAL INCLUSION AND DECENT WORK						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Percentage of children aged 5 to 14 years who are engaged in child labour (SDG indicator 8.7.1), latest available year	>15	≤15 & >10	≤10 & >5	≤5 & >1	≤1	Note that the age range we have chosen deviates slightly from that in target 8.7.1 (5–17 years): this is for reasons of data availability. The threshold for a “critical” score has been set to include the countries with the greatest observed prevalence of child labour. An “excellent” score requires a rate close to zero.

Table AIII.1 continued: List of indicators, thresholds for ranking achievement, and rationale for ranking scale used

ACHIEVEMENT CLUSTER 3 – ENVIRONMENTAL INTEGRITY						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Domestic material consumption per capita (SDG indicator 8.4.1) (tonnes), 2017	>40	≤40 & >30	≤30 & >20	≤20 & >10	≤10	Material consumption can never be zero, so it is difficult to set thresholds. The linear scale captures the variation across countries.
Carbon dioxide (CO ₂) emissions per unit of GDP (SDG indicator 9.4.1) (kg of CO ₂ per 2010 US\$ of GDP), 2016	>0.4	≤0.4 & >0.3	≤0.3 & >0.2	≤0.2 & >0.1	≤0.1	In 2017, the global emission intensity was 0.34 kg of CO ₂ per unit of GDP. This needs to decrease by 40% to ensure that a low temperature increase scenario is feasible by 2030. Accordingly, the threshold for a “good” score is 0.2 kg of CO ₂ per unit of GDP. However, because of GDP growth further significant decreases in emission intensity are required.

ACHIEVEMENT CLUSTER 3 – ENVIRONMENTAL INTEGRITY						
<i>Indicator thresholds used to rank achievement</i>						
Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Forest area (related to SDG indicator 15.1.1): percentage points change in forest area as a share of total land area between 2000 and 2015	≤-5	>-5 & ≤-0.5	>-0.5 & ≤0.5	>0.5 & ≤4	>4	The threshold for a “critical” score corresponds to the value that only 10% of countries do not reach (i.e. the worst performing countries). The threshold for an “excellent” score corresponds to the value that only 10% of countries reach (i.e. the best performing countries). Average performance requires that forest area remain approximately unchanged. We deviate from SDG indicator 15.1.1 by looking at change in forest area over several years rather than forest area at a given point in time. This approach takes into account the choices made by countries with regard to environmental policy.
Protection of land biodiversity (SDG indicator 15.1.2): average proportion of terrestrial Key Biodiversity Areas (KBAs) that are within protected areas (%), 2018	≤30	>30 & ≤50	>50 & ≤70	>70 & ≤90	>90	The target of 100% is achievable: an “excellent” score therefore requires more than 90%. The rest of the scale is spaced equally, in line with observed values.
Protection of freshwater biodiversity (SDG indicator 15.1.2): average proportion of freshwater KBAs that are within protected areas (%), 2018	≤30	>30 & ≤50	>50 & ≤70	>70 & ≤90	>90	The target of 100% is achievable: an “excellent” score therefore requires more than 90%. The rest of the scale is spaced equally, in line with observed values.

ACHIEVEMENT CLUSTER 3 – ENVIRONMENTAL INTEGRITY

Indicator thresholds used to rank achievement

Indicator	Critical (1)	Poor (2)	Unsatisfactory (3)	Good (4)	Excellent (5)	Rationale for ranking scale used
Natural resource rent (non-SDG indicator): average contribution of natural resources to GDP (%), 2016 (World Bank data)	>20	≤20 & >10	≤10 & >5	≤5 & >1	≤1	A high share of “rent” from natural resources shows that the economy is highly dependent on their exploitation – something that is not sustainable in the long run. The scale is non-linear for the “critical” category: one could consider countries with values above 10% as having a strong reliance on natural resources, but a 15% threshold would make the “critical” group too broad, hence the choice of 20% for the threshold.

Table AIII.2: Data tables – Weighted subregional averages

	NORTHERN AFRICA	SUB-SAHARAN AFRICA	LATIN AMERICA AND THE CARIBBEAN	NORTHERN AMERICA	ARAB STATES	EASTERN ASIA	SOUTH-EASTERN ASIA AND THE PACIFIC	SOUTHERN ASIA	NORTHERN, SOUTHERN AND WESTERN EUROPE	EASTERN EUROPE	CENTRAL AND WESTERN ASIA
Sustained growth											
GDP catch-up (related to SDG 8.1): extrapolated no. of years until subregion reaches GDP per capita of US\$ 35,000	185	226	127	0	37	12	29	36	0	20	15
Labour productivity growth rate (SDG indicator 8.2.1), average for 2010–18 (%)	1.3	0.8	0.4	0.8	0.1	5.3	3.3	4.3	0.8	1.9	3.2
Unemployment rate (%) (SDG indicator 8.5.2), 2018	11.8	5.9	8.0	4.2	7.3	4.2	2.9	3.1	7.6	5.2	8.2
Percentage of adults with account at financial institution (SDG indicator 8.10.2), latest year	32.4	41.7	55.3	93.8	43.3	82.3	49.9	70.6	94.6	74.0	57.8
R&D expenditure as a percentage of GDP (SDG indicator 9.5.1), latest year	0.6	0.4	0.7	2.6	0.6	2.4	0.7	0.5	2.1	1.0	1.0
Percentage of population with access to electricity (SDG indicator 7.1.1), 2016	89.1	42.8	97.8	100.0	95.0	99.0	92.0	86.2	100.0	100.0	100.0
Economic complexity index (non-SDG indicator), 2017	-0.7	-0.8	0.5	1.6	0.3	1.0	0.8	0.0	1.5	1.1	0.3
Social inclusion and decent work											
Labour income share (%) (SDG indicator 10.4.1), 2018	39.7	52.4	50.5	58.8	32.2	52.0	42.6	46.1	59.0	50.1	39.9
Percentage of youth with NEET status (SDG indicator 8.6.1), 2018	26.8	20.4	21.5	13.2	29.1	16.2	18.0	27.5	10.8	13.3	20.4
Working poverty rate: percentage of workers living on < US\$ 1.90 per day (SDG indicator 1.1.1), 2018	1.4	38.5	2.2	≈0	7.9	0.9	4.0	11.8	≈0	≈0	6.6
Social protection coverage: percentage of population covered by ≥1 social security benefit (SDG indicator 1.3.1), 2016	39.2	12.9	61.4	78.5	n.a.	64.1	n.a.	14.2	93.0	83.6	n.a.
Informal employment as a percentage of total employment (SDG indicator 8.3.1), 2016	67.2	88.1	53.2	18.6	68.2	51.0	83.6	87.6	14.4	32.4	38.6

	NORTHERN AFRICA	SUB-SAHARAN AFRICA	LATIN AMERICA AND THE CARIBBEAN	NORTHERN AMERICA	ARAB STATES	EASTERN ASIA	SOUTH-EASTERN ASIA AND THE PACIFIC	SOUTHERN ASIA	NORTHERN, SOUTHERN AND WESTERN EUROPE	EASTERN EUROPE	CENTRAL AND WESTERN ASIA
Percentage of female managers (SDG indicator 5.5.2), 2018	9.6	26.4	37.3	39.3	10.5	25.2	31.9	13.1	31.3	39.8	24.2
Percentage of women among all employed (related to SDG 8.5), 2018	21.0	46.8	40.5	46.2	14.4	44.0	42.0	23.6	45.9	47.4	39.1
Early childhood education enrolment (%) (SDG indicator 4.2.2), latest year	51.8	40.2	94.1	91.2	33.5	96.6	90.5	44.9	98.0	95.6	58.5
Percentage of children aged 5–14 years engaged in child labour (SDG indicator 8.7.1), latest year	n.a.	23.9	6.3	≈0	n.a.	8.8	6.4	5.3	0.8	0.8	10.8
Environmental integrity											
Domestic material consumption (tonnes) per capita (SDG indicator 8.4.2), 2017	23.3	11.7	28.7	57.3	41.0	70.0	26.2	16.3	34.4	45.7	44.9
CO ₂ emissions (kg) per unit of GDP (SDG indicator 9.4.1), 2016	0.2	0.2	0.2	0.3	0.3	0.4	0.2	0.3	0.2	0.4	0.3
Percentage points change in forest area as a share of total land area between 2000 and 2015 (related to SDG indicator 15.1.1)	-0.2	-2.1	-2.6	0.3	0.0	2.6	-1.1	0.9	1.3	0.4	0.3
Percentage of terrestrial Key Biodiversity Areas (KBAs) that are within protected areas (SDG indicator 15.1.2), 2018	28.9	47.2	39.4	37.4	20.4	39.1	44.9	31.3	68.5	30.3	14.9
Percentage of freshwater KBAs that are within protected areas (SDG indicator 15.1.2), 2018	33.7	54.2	28.7	27.1	13.5	36.1	36.6	22.5	71.0	30.0	15.8
Natural resource rent as percentage of GDP (non-SDG indicator), 2016	6.3	8.6	3.3	0.3	26.5	0.9	2.8	3.5	0.3	6.8	4.4

Note: n.a. = data not available.

The indicator thresholds and weighted subregional averages are based on the authors' calculations. The underlying data come from the ILOSTAT database, ILO modelled estimates, and the United Nations Global SDG Indicators Database. Data for natural resource rent and the economic complexity index come, respectively, from Lange, Wodon and Carey (2018) and the Observatory of Economic Complexity at the Massachusetts Institute of Technology.

Interpretation of the indicator rankings and subregional performance

Two points should be borne in mind when interpreting the rose charts presented in Chapter 2.

First, in order to measure performance, subregional averages were obtained for each indicator (see table III.2).⁴¹ These averages were then analysed and a scale was determined to judge each subregion's performance. Where possible, performance was evaluated against a politically desired benchmark: for example, social protection coverage ideally should be close to comprehensive; and gender parity is the ideal for male and female shares of employment and access to managerial positions. In this respect, it is worth noting that a "good" level of achievement does not imply that no further policy efforts are required: most SDG targets, such as the elimination of poverty, need to be achieved for the entire population. In other cases, where the politically desired benchmark was less obvious, performance was instead evaluated by using the actually observed distribution of the indicator value across countries to rank a subregion's performance between "critical" and "excellent". For most indicators, the scales are equally spaced, meaning that the required improvement to go from "poor" to "unsatisfactory" is as large as the improvement required to go from "unsatisfactory" to "good". The scaling of indicators is explained in more detail in table III.1.

A second point to emphasize is that while the indicators were selected to measure the distance to SDG targets within a respective achievement cluster, any final assessment needs to be based on a subregion's performance across all three achievement clusters. To give one example: in the rose charts, domestic material consumption per capita is meant to capture the extent to which a subregion damages the environment, and is thus included under "environmental integrity". For this particular indicator, performance in sub-Saharan Africa and Southern Asia is ranked as "good", whereas subregions with a very high level of consumption per capita are ranked as "poor" or "critical". Obviously, this assessment pertains only to the environmental damage caused by elevated consumption levels; it makes no reference to the deprivation resulting from poverty (associated with low consumption levels). Such deprivation can instead be gauged from indicators in the "social inclusion and decent work" cluster, including labour income share, unemployment rate, working poverty rate and social protection coverage.

41. Regional averages are weighted at the country level. For example, countries with a large number of young people aged 15 to 24 years are given a higher weight when computing a region's average youth NEET (not in education, employment or training) share. We included only indicators for which data coverage was sufficient to obtain estimates at the regional level.

APPENDIX V

SDG 8 TARGETS, RELEVANT INTERNATIONAL LABOUR STANDARDS AND THEIR RATIFICATION STATUS, AND RELEVANT SDG INDICATORS

<p>SDG 8 <i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i></p>	<p>Most relevant international labour standards (In bold: up-to-date international labour Conventions In blue: fundamental Conventions In green: governance Conventions)</p>	<p>Relevance and relevant SDG indicators</p>	<p>Ratification status (as of 1 May 2019 – total of 187 member States)</p>
<p>8.1: Sustainable economic growth Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product (GDP) growth per annum in the least developed countries</p>	<ul style="list-style-type: none"> • Employment Policy Convention, 1964 (No. 122) • Employment Policy Recommendation, 1964 (No. 122) • Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169) 	<p>C.122, Article 1: “With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.”</p>	<p>C.122: 113 ratifications</p>
<p>8.2: Diversify, innovate and upgrade for economic productivity Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p>	<p><i>Labour market information systems:</i></p> <ul style="list-style-type: none"> • Labour Statistics Convention, 1985 (No. 160) • Labour Statistics Recommendation, 1985 (No. 170) <p><i>Employment-rich economic growth:</i></p> <ul style="list-style-type: none"> • Employment Service Convention, 1948 (No. 88) • Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) 	<p>The collection of labour market data (e.g. on employment services, unemployment insurance, labour law and legal recognition of employment relationships) contributes to the efficient functioning of labour markets, and helps promote productivity, quality employment and higher standards of living.</p> <p>SDG indicator 8.2.1 measures the annual change in real GDP per employed person and provides an overall measure of the change in productivity of a country's labour force and use of resources.</p>	<p>C.160: 50 ratifications</p> <p>C.088: 92 ratifications</p> <p>C.168: 8 ratifications</p>

<p>SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Most relevant international labour standards (In bold: up-to-date international labour Conventions) In blue: fundamental Conventions In green: governance Conventions)</p>	<p>Relevance and relevant SDG indicators</p>	<p>Ratification status (as of 1 May 2019 – total of 187 member States)</p>
<p>8.3: Promote policies to support job creation and growing enterprises 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</p>	<ul style="list-style-type: none"> • Employment Promotion and Protection against Unemployment Recommendation, 1988 (No. 176) • Private Employment Agencies Convention, 1997 (No. 181) • Employment Relationship Recommendation, 2006 (No. 198) • Social Security (Minimum Standards) Convention, 1952 (No. 102) • Social Protection Floors Recommendation, 2012 (No. 202) 	<p>C.181: 33 ratifications</p> <p>C.102: 56 ratifications</p>	<p>C.142: 68 ratifications</p> <p>C.117: 33 ratifications</p>
<p>8.3: Promote policies to support job creation and growing enterprises 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</p>	<p><i>National policies:</i></p> <ul style="list-style-type: none"> • Human Resources Development Convention, 1975 (No. 142) • Human Resources Development Recommendation, 2004 (No. 195) • Social Policy (Basic Aims and Standards) Convention, 1962 (No. 117) <p><i>Business development:</i></p> <ul style="list-style-type: none"> • Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189) • Promotion of Cooperatives Recommendation, 2002 (No. 193) <p><i>Informal economy:</i></p> <ul style="list-style-type: none"> • Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) 	<p>Policies to promote skills development; facilitate school-to-work transition; foster entrepreneurship and sustainable businesses in various forms and sizes; create pathways from the informal to the formal economy; enhance resilience in fragile environments and facilitate transition from conflict to peace; and safeguard minimum standards of living in respect of food and its nutritive value, housing, clothing, medical care and education all strengthen the sustainability of productive employment.</p> <p>SDG indicator 8.3.1 measures the proportion of informal employment in non-agriculture employment, by sex.</p>	<p>C.142: 68 ratifications</p> <p>C.117: 33 ratifications</p>

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Most relevant international labour standards (In bold: up-to-date international labour Conventions) In blue: fundamental Conventions In green: governance Conventions)	Relevance and relevant SDG indicators	Ratification status <i>(as of 1 May 2019 – total of 187 member States)</i>
8.4: Improve resource efficiency in consumption and production 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 Patterns, with developed countries taking the lead	<i>Peacebuilding:</i> <ul style="list-style-type: none"> Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205) <i>Standard-setting 2021–2022</i> <ul style="list-style-type: none"> Apprentices 		
8.5: Full employment and decent work with equal pay 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	<i>Environment and green jobs:</i> ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all (2016)	SDG indicator 8.5.1 measures average hourly earnings of female and male employees, by occupation, age and persons with disabilities SDG indicator 8.5.2 measures the unemployment rate, by sex, age and persons with disabilities	- C.122: 113 ratifications C.100: 173 ratifications C.111: 175 ratifications C.159: 84 ratifications C.183: 34 ratifications C.156: 44 ratifications

<p>SDG 8 <i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i></p>	<p>Most relevant international labour standards (In bold: up-to-date international labour Conventions) In blue: fundamental Conventions In green: governance Conventions)</p>	<p>Relevance and relevant SDG indicators</p>	<p>Ratification status <i>(as of 1 May 2019 – total of 187 member States)</i></p>
<p>8.6: Promote youth employment, education and training By 2020, substantially reduce the proportion of youth not in employment, education or training</p>	<p>Youth employment:</p> <ul style="list-style-type: none"> • Employment Policy Recommendation, 1964 (No. 122) • Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169) 	<p>SDG indicator 8.6.1 measures the proportion of youth (aged 15–24 years) not in education, employment or training.</p>	<p>C.122: 113 ratifications</p>
<p>8.7: End modern slavery, trafficking, and child labour Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p>	<p>Child labour:</p> <ul style="list-style-type: none"> • Minimum Age Convention, 1973 (No. 138) • Worst Forms of Child Labour Convention, 1999 (No. 182) <p>Forced labour:</p> <ul style="list-style-type: none"> • Forced Labour Convention, 1930 (No. 29) • Protocol of 2014 to the Forced Labour Convention, 1930 • Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203) • Abolition of Forced Labour Convention, 1957 (No. 105) 	<p>SDG indicator 8.7.1 measures the proportion and number of children aged 5–17 years engaged in child labour, by sex and age.</p>	<p>C.138: 171 ratifications C.182: 184 ratifications C.029: 178 ratifications P.029: 31 ratifications C.105: 175 ratifications</p>
<p>8.8: Protect labour rights and promote safe working environments Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p>ILO Declaration on Fundamental Principles and Rights at Work (1998)</p> <p><i>Freedom of association and collective bargaining:</i></p> <ul style="list-style-type: none"> • Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) • Right to Organise and Collective Bargaining Convention, 1949 (No. 98) • Collective Bargaining Convention, 1981 (No. 154) 	<p>Of fundamental importance to the promotion of labour rights and safe working environments are independent, representative and strong organizations of workers and employers.</p> <p>For this reason, SDG indicator 8.8.2 measures the level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation, by sex and migrant status. A methodology for this indicator was adopted by a resolution of the 20th International Conference of Labour Statisticians in October 2018.</p>	<p>C.087: 155 ratifications C.098: 166 ratifications C.154: 48 ratifications</p>

<p>SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Most relevant international labour standards (In bold: up-to-date international labour Conventions) In blue: fundamental Conventions In green: governance Conventions)</p>	<p>Relevance and relevant SDG indicators</p>	<p>Ratification status <i>(as of 1 May 2019 – total of 187 member States)</i></p>
<p>Forced labour and child labour – see SDG target 8.7</p> <p><i>Equality and non-discrimination:</i></p> <ul style="list-style-type: none"> • Equal Remuneration Convention, 1951 (No. 100) • Discrimination (Employment and Occupation) Convention, 1958 (No. 111) • Discrimination (Employment and Occupation) Recommendation, 1958 (No. 111) <p><i>Migrant workers:</i></p> <ul style="list-style-type: none"> • Migration for Employment Convention (Revised), 1949 (No. 97) • Migration for Employment Recommendation (Revised), 1949 (No. 86) • Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) • Migrant Workers Recommendation, 1975 (No. 151) <p><i>Other specific groups of workers:</i></p> <ul style="list-style-type: none"> • Indigenous and Tribal Peoples Convention, 1989 (No. 169) • Part-Time Work Convention, 1994 (No. 175) • Home Work Convention, 1996 (No. 177) • Domestic Workers Convention, 2011 (No. 189) • Older Workers Recommendation, 1980 (No. 162) • HIV and AIDS Recommendation, 2010 (No. 200) 	<p>Related to this target, SDG indicator 16.10.1 measures the number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months.</p> <p>SDG indicator 8.8.1 measures frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status.</p>	<p>C.100: 173 ratifications</p> <p>C.111: 175 ratifications</p> <p>C.097: 49 ratifications</p> <p>C.143: 23 ratifications</p> <p>C.169: 23 ratifications</p> <p>C.175: 17 ratifications</p> <p>C.177: 10 ratifications</p> <p>C.189: 28 ratifications</p>	

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Most relevant international labour standards (In bold: up-to-date international labour Conventions In blue: fundamental Conventions In green: governance Conventions)	Relevance and relevant SDG indicators	Ratification status (as of 1 May 2019 – total of 187 member States)
	<p><i>Health and safety at the workplace:</i></p> <ul style="list-style-type: none"> • Occupational Safety and Health Convention, 1981 (No. 155) • Protocol of 2002 to the Occupational Safety and Health Convention, 1981 • Occupational Health Services Convention, 1985 (No. 161) • Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) <p>+ international labour Conventions dealing with occupational safety and health in particular branches of economic activity and with protection against specific risks</p> <p><i>Social dialogue and tripartism:</i></p> <ul style="list-style-type: none"> • Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) <p><i>Working conditions:</i></p> <ul style="list-style-type: none"> • Protection of Wages Convention, 1949 (No. 95) • Minimum Wage Fixing Convention, 1970 (No. 131) • Workers with Family Responsibilities Convention, 1981 (No. 156) • Termination of Employment Convention, 1982 (No. 158) • Termination of Employment Recommendation, 1982 (No. 166) 		<p>C.155: 67 ratifications</p> <p>P.155: 12 ratifications</p> <p>C.161: 33 ratifications</p> <p>C.187: 46 ratifications</p> <p>C.144: 146 ratifications</p> <p>C.095: 98 ratifications</p> <p>C.131: 54 ratifications</p> <p>C.156: 44 ratifications</p> <p>C.158: 36 ratifications</p>

SDG 8 <i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i>	Most relevant international labour standards (In bold: up-to-date international labour Conventions) In blue: fundamental Conventions In green: governance Conventions)	Relevance and relevant SDG indicators	Ratification status <i>(as of 1 May 2019 – total of 187 member States)</i>
Labour inspection services <ul style="list-style-type: none"> • Labour Inspection Convention, 1947 (No. 81) • Labour Inspection (Agriculture) Convention, 1969 (No. 129) 	<ul style="list-style-type: none"> • Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) • Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179) 	<p>ILO guidelines on decent work and socially responsible tourism (2017)</p>	<p>C.081: 146 ratifications</p> <p>C.129: 53 ratifications</p> <p>C.172: 16 ratifications</p>
8.9: Promote beneficial and sustainable tourism By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	<p>ILO guidelines on decent work and socially responsible tourism (2017)</p>		
8.10: Universal access to banking, insurance and financial services Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	<p>-</p>		
8.a: Increase Aid for Trade support Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries	<p>ILO Declaration on Fundamental Principles and Rights at Work (1998)</p> <p>ILO Declaration on Social Justice for a Fair Globalization (2008)</p>		
8.b: Develop a global youth employment strategy By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization		<p>A methodology for SDG indicator 8.b.1 on national youth employment strategies was adopted by a resolution of the 20th International Conference of Labour Statisticians in October 2018.</p>	