

# 8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

## I. SUMMARY

The high and enduring record of economic growth in the Asia-Pacific region has benefited many workers, yet still the region is home to more than half of the world's working poor. More than two in three workers in the region are in informal employment, and still millions of workers are burdened by low wages, long working hours, a lack of social protection and little job security.<sup>1</sup> Workers are concerned about work quality issues in many countries in the region, rich and poor alike. The persistence of decent work deficits raises the urgency of taking action on SDG 8.

SDG 8 offers a framework for countries to implement a mixture of policies aimed at promoting growth and productivity without harming the environment and generating decent work that respects core labour rights as an effective pathway to inclusive growth. Among the target areas covered are:

- economic policies that pursue higher levels of productivity, including through a focus on high-value-added and labour-intensive economic sectors;
- public policies encouraging formalization and growth of micro, small and medium enterprises through access to financial services;
- labour policies that aim to reduce unemployment, especially for young people, and ensure decent work for all women, men, young people and people with disabilities while ensuring equal pay for work of equal value;
- ending human trafficking, forced labour and protecting labour rights of migrant workers, women and those in precarious employment; and
- decoupling economic growth from environmental degradation and promoting resource efficiency, in accordance with sustainable consumption and production strategies and approaches.

<sup>1</sup> International Labour Organization (ILO), *Asia-Pacific Employment and Social Outlook 2018: Advancing Decent Work for Sustainable Development* (Bangkok, 2018).

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## II. CURRENT STATUS

### A. AREAS WHERE GOOD PROGRESS IS MADE

- **Sustain per capita economic growth (target 8.1).**

The region as a whole maintained the world's highest annual average growth rate in 2018, although the pace of economic growth had slowed in most countries from the previous year. The region's output growth was estimated at 5.4 per cent in 2018, down from 5.6 per cent in 2017.<sup>2</sup> This is largely a reflection of the dynamics in China, where output growth should stabilize around 6.2 per cent from 2019 to 2020, down from 6.6 per cent in 2018. Among the 12 least developed countries (LDCs) in Asia-Pacific, three are poised for "graduation" from LDC status as of 2018.<sup>3</sup>

- **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 (target 8.5).**

The Asia-Pacific region continues to showcase the world's lowest regional unemployment rate at 3.6 per cent in 2018, compared to the global rate of 5.0 per cent.<sup>4</sup> Employment rates are among the world's highest, at least for men. Full employment has been achieved in many countries, yet there remains significant work to be done in making jobs "decent".

- **Protect labour rights and promote safe and secure working environments for all workers, including migrant workers (target 8.8).**

Tragedies such as the collapse of the Rana Plaza factory in Bangladesh that killed more than 1,000 garment workers in 2013 opened the eyes of the international community to address non-compliance of occupational safety and health standards. To counteract deficiencies, countries in the region are now adopting innovative methods and relying on a network of stakeholders to improve labour inspection and promote safe, dignified working conditions. Efforts of global stakeholder campaigns such as the Vision Zero Fund that seek to reduce workplace hazards in global supply chains are also expected to bring positive results in target 8.8.

- **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 (target 8.3).**

While the Asia-Pacific region had more than two in three (68.2 per cent) workers in informal employment in 2016, nearly all countries with data available have shown improvements over time, with marginal differences in the informal employment rates between women and men.<sup>5</sup> The spread of new technologies, including e-government portals allowing for easy online registrations of enterprises and commercial transactions, also offer hope toward accelerated progress toward target 8.3.<sup>6</sup>

- **Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all (target 8.10).**

Between 2011 and 2017 financial inclusion, considered as people older than 15 who have an account at a bank or another type of financial institution, improved in most countries of the region, especially among poor households. In East Asia and the Pacific (excluding high-income countries), the number of adults with an account increased from 55 per cent in 2011 to 71 per cent in 2017. In South Asia, the number of adults with an account increased even faster, from 32 per cent in 2011 to 70 per cent in 2017.<sup>7</sup>

2 ILO, *World Employment and Social Outlook: Trends 2019* (Geneva, 2019).

3 Bhutan, Solomon Islands and Vanuatu. United Nations Department of Economic and Social Affairs, "Timeline of country's graduation from the LDC category" (2018). Available at <https://www.un.org/development/desa/dpad/least-developed-country-category/lcdc-graduation.html>

4 ILO (2019), op. cit.

5 ILO, *Asia-Pacific Employment and Social Outlook 2018: Advancing Decent Work for Sustainable Development* (Bangkok, 2018).

6 T. Bhattarai, "Emerging trends in the use of technology as a driver of the transition to formality: Experiences from Asia and the Pacific", ILO Asia-Pacific Working Paper Series (Bangkok, 2018).

7 World Bank, Global Financial Inclusion (Global Findex) Database. Available at <https://datacatalog.worldbank.org/dataset/global-financial-inclusion-global-findex-database>.

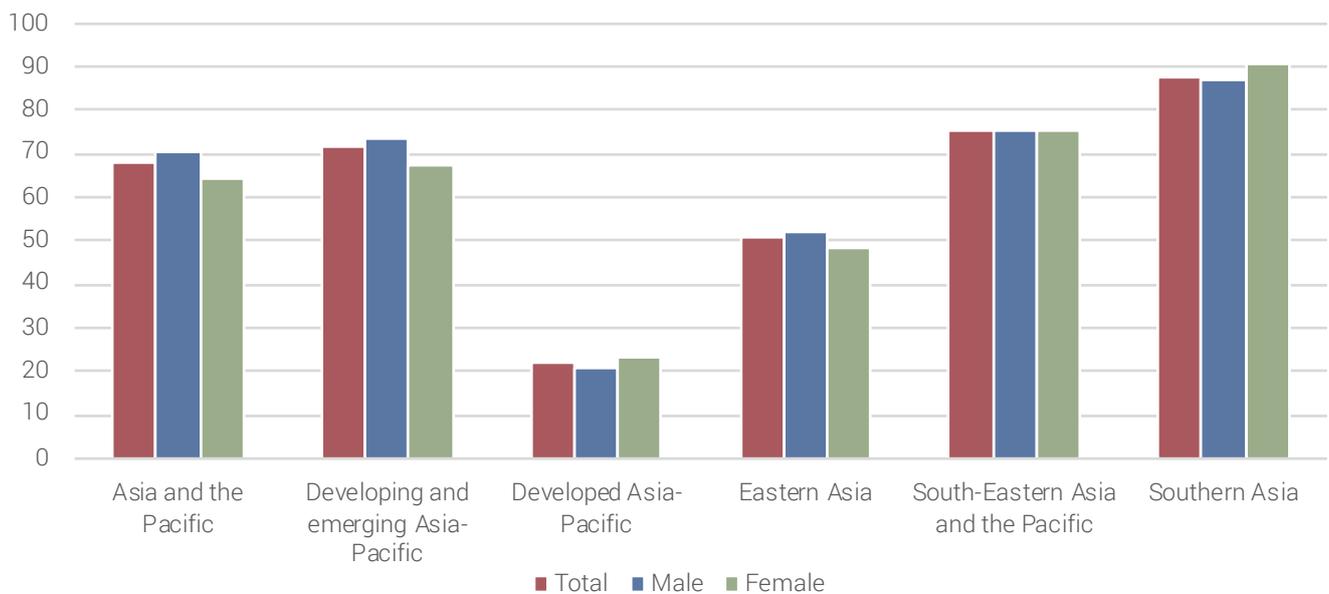


Figure 1. Informal employment rate, by subregion and sex, 2016 (% in total employment)<sup>8</sup>  
 Note: Informal employment includes the agricultural sector.<sup>9</sup>

## B. AREAS REQUIRING SPECIFIC ATTENTION AND ASSOCIATED KEY CHALLENGES

- **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 (target 8.7).**

The latest global ILO estimates indicate that 152 million children—64 million girls and 88 million boys—are in child labour globally, accounting for almost 1 in 10 of all children worldwide.<sup>10</sup> Progress is being made, for example in India, where two international conventions linked to the elimination of child labour were ratified in 2017, thus requiring semi-annual reporting of positive action on implementation of national legislation. Still, the estimates expect that maintaining the current rate of progress would leave 121 million children still engaged in child labour in 2025.<sup>11</sup>

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

This area assumes national capacity to benefit from modern technologies, made possible through broadband infrastructure. The past decade has been marked by only modest productivity growth, thus not boding well for achievement of target 8.2. In developing Asia-Pacific region, growth in labour productivity declined by a third between the periods 2000-2007 and 2008-2014.<sup>12</sup> Factors constraining higher productivity growth include skills and infrastructure deficits, inefficient allocation of resources and weak technological innovation and diffusion. Overcoming the digital divide and upgrading skills to facilitate structural transformations and dynamic economic growth remain a top priority for this target. At the same time, countries seeking to promote higher value added growth based on technological upgrading will need to keep an eye on potential trade-offs like job displacement, particularly of mid-skilled workers in the manufacturing sector.

- **Protect labour rights and promote safe and secure working environments for all workers, including migrant workers (target 8.8).**

In many countries in the Asia-Pacific region, the conditions for effective and successful social dialogue are still not in place, especially for marginalized groups such as migrants. Among the biggest challenges facing social dialogue is the deficit in respect for fundamental principles and rights at work, in particular for workers' rights to organize. Trade union density in the region remains low. Workers' rights to organize is hampered by external factors including restrictive legislation, widespread informal employment and anti-union attitudes among employers and even governments.

8 ILO, *Asia-Pacific Employment and Social Outlook 2018: Advancing Decent Work for Sustainable Development* (Bangkok, 2018).

9 For details on the composition of regional groupings and methodology for regional estimations, see ILO, *Women and Men in the Informal Economy: A Statistical Picture*, 3rd ed. (Geneva, 2018).

10 ILO, *Ending Child Labour by 2025: A Review of Policies and Programmes* (Geneva, 2017).

11 Ibid.

12 ILO, *Asia-Pacific Employment and Social Outlook 2018: Advancing Decent Work for Sustainable Development* (Bangkok, 2018).

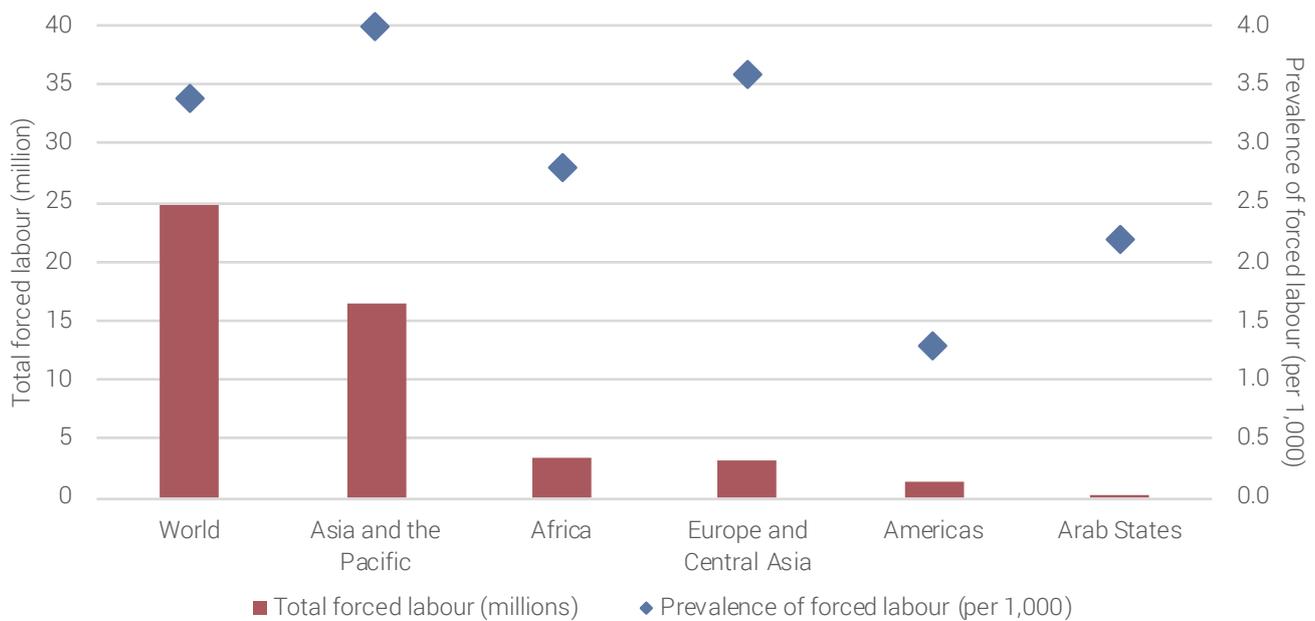


Figure 2. Total forced labour and prevalence of forced labour, by region, 2016<sup>13</sup>

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

In terms of material resource use (comprising fossil fuels, biomass, metals and non-metallic minerals), the Asia-Pacific region is the most resource-intensive region in the world, both in terms of domestic material consumption and material footprint. While the world average is only 1.2 kg of domestic material consumption per dollar of economic output, this amount is roughly double in the Asia-Pacific region at approximately 2 kg.<sup>14</sup> All this points to the need for continued focus on improving resource efficiency in the region. Managing the transition to a low-carbon economy helps countries to achieve their Nationally Determined Contributions (NDC) and can entail the creation of good quality “green jobs”.<sup>15</sup> Following the Seventh Ministerial Conference on Environment and Development, Asia-Pacific member States pledged to work together to promote the transfer and use of environmentally sound technologies and to make progress toward resource efficient policies and practices, including through technical assistance.<sup>16</sup>

### III. PROMISING INNOVATIONS AND BEST PRACTICES

- While progress in meeting target 8.5 on lowering gender pay gaps is slow at best, the topic is gaining greater prominence on national political agendas through the campaigns and action of the Equal Pay International Coalition (EPIC), launched in 2018. EPIC is a global initiative driven by stakeholders committed to reduce the gender pay gap and make equal pay for work of equal value a reality across all countries and sectors. Led by the ILO, UN Women and OECD, the Coalition engages with governments, employers, workers and their organizations, the private sector, civil society and academia to take concrete steps to accelerate the closing of the gender pay gap.
- Numerous countries in the Asia-Pacific region are embedding sustainable consumption and production (SCP) policies in national development plans or designing dedicated plans for this purpose, thus offering hope for progress on target 8.4. Positive examples include the Philippines National Development Plan 2017-2022, which highlights the need to develop and implement SCP policies and initiatives; the Sustainable Singapore Blueprint, which aims to encourage a low carbon lifestyle; and Viet Nam’s Green Growth Action Plan, 2014-2020. One innovation in operationalizing target 8.4 is the adoption of environmental taxes in Viet Nam. Informal workers can also promote greater resource efficiency and the transition to a circular economy related to target 8.4. In 2018, an ESCAP project in partnership with Women in Informal Employment: Globalizing and Organizing

13 Source: ILO, *Ending Child Labour by 2025: A Review of Policies and Programmes* (Geneva, 2017).

14 ESCAP/CED/2018/1.

15 ILO, *Implementing the Just Transition Guidelines in Asia and the Pacific: Lessons from the Philippines* (Bangkok, 2018).

16 Ministerial Declaration on Environment and Development for Asia and the Pacific, 2017, adopted by the seventh Ministerial Conference on Environment and Development in Asia and the Pacific, Bangkok, 8 September 2017.



(WIEGO) and the Stockholm Environment Institute demonstrated that informal waste pickers in the city of Pune, India, helped to reduce more than 50,000 tons of CO<sub>2</sub>-equivalent from avoided fossil fuels on average every year, equivalent to removing more than 10,000 passenger cars from the roads.<sup>17</sup>

- The Global Initiative on Decent Jobs for Youth is an alliance of committed partners taking action at country and regional levels across a variety of thematic priorities, sharing knowledge and leveraging resources for more and better jobs for youth in support of action towards target 8.6. Its goal is to scale up action and impact on youth employment through effective, innovative and evidence-based interventions as the overarching global initiative on youth employment under the 2030 Agenda for Sustainable Development. Another alliance is Generation Unlimited, which is innovative in its approach to keep young beneficiaries in the driver's seat as co-creators of solutions.
- To overcome barriers to progress towards target 8.3, informal workers need to be organized and their organizations need to be legally recognized and officially represented in collective bargaining, policy-making and rule-setting processes. They need to be able to participate in the development of appropriate policies, laws and regulations that recognize, validate and integrate their work and livelihoods. In this regard, WIEGO has demonstrated success in working with membership-based organizations (MBOs) of informal workers, including domestic workers and street vendors, to develop local capacity to access resources and engage in collective bargaining to protect their interests and improve income security among members.

## IV. PRIORITIES FOR ACTION

- 1. Be inclusive in setting and strengthening the institutional mechanisms for decent work-led sustained, inclusive and sustainable economic growth.**

Given its breadth, making progress on SDG 8 necessitates the integrated planning of a broad array of actors including ministries of economy, environment and labour, local governments, trade unions, employers' organizations, the private sector, international organizations, non-governmental organizations, and civil society. A particular emphasis should be made to ensure that also the voices of marginalized groups are included in the decision-making process.
- 2. Strengthen labour market institutions for effective and inclusive labour market governance.**

Key labour market institutions (LMIs) include legislation and regulations on employment and social protection, anti-discrimination, occupational safety and health, unacceptable forms of work, minimum wages, freedom of association and collective bargaining. These LMIs, when properly enforced, are critical to the achievement of SDG 8, as well as for other interlinked Goals concerning the eradication of poverty (SDG 1), achieving gender equality (SDG 5), reducing inequalities (SDG 10) and promoting just institutions (SDG 16). Special consideration is needed to extend the reach of labour rights and promote safe and secure working environments for vulnerable groups, including home-based and migrant workers. Also related to strengthening institutions is the call to increase the capacity of national statistics offices to ensure regular collection of labour force surveys, or other household surveys needed to monitor decent work and inclusive growth.
- 3. Develop and enforce national policies and programmes to combat child labour and for better prevention and assistance to victims of forced labour.**

There are a variety of strategies and measures available with the aim to strengthen legislation and policy frameworks for action against child labour discussed in the recent ILO report released in 2017, *Ending child labour by 2025: A review of policies and programmes*. To facilitate more effective policy-making and monitor impact, it is of critical importance to increase investment in data collection.
- 4. Step up investments in human capital to provide all people the opportunities to realize their full potential throughout the life cycle.**

While education for all, lifelong learning and building technical and core skills are themes featured under SDG 4, they also serve as key input to human development as well as the decent work and economic growth outcomes of a country. For this reason, and in the context of rapid technological advances, progress in SDG 8 will necessitate increasing investments in people's capabilities. This can include a universal entitlement to lifelong learning that enables people to acquire skills and to reskill and upskill, while also increasing investment in the institutions, policies and strategies that will support people to navigate the increasing number of labour market transitions over the course of their lives.<sup>18</sup>

17 ESCAP, *Closing the Loop: Pune Case Study* (Bangkok, 2019).

18 ILO, *Work for a brighter future – Global Commission on the Future of Work* (Geneva, 2019).



**5. Progressive policy reforms are required to promote a “just transition” towards environmentally sustainable economies and societies for all.**

With economic prosperity and social progress in the region threatened by environmental degradation and climate change, there is an urgency to act on climate change. The transition to a low greenhouse gas economy is expected to lead to a net creation of jobs, including green jobs; however, the challenge remains to ensure that the greening of economies does not threaten the livelihoods of marginalized groups, such as indigenous peoples. As more countries are encouraged to adopt broad and comprehensive policy frameworks on the green economy, attention will need to focus on implementation, especially in view of ensuring that no one is left behind in the transition process.<sup>19</sup>

**6. Design coherent and integrated strategies to ensure the dignity of work for all, including for informal workers and those in precarious employment.**

Certain countries in the region have initiated strategies to formalize the informal economy in line with the ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), adopted by the International Labour Conference in 2015. The guidelines of R.204 highlight the formulation of appropriate macroeconomic and skills policies; simplified registration procedures; extended scope of, and compliance with, labour laws; improved access to credit; and offering incentives, such as tax incentives, and extending social protection coverage to all categories of workers, including migrant workers. Technological advances demand the further extension of social protection and regulation of new forms of work that have the potential to erode the quality of jobs for an increasing number of workers.

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19 See ILO, *World Employment and Social Outlook 2018: Greening with jobs* (Geneva, 2018).



## ANNEX

The official indicator framework for SDG 8 proposes 17 indicators for Goal 8 and its 12 targets. Data sources for SDG 8 include labour force surveys or other household surveys and administrative records. For all SDG 8 indicators, even for those with fair coverage across the countries, data is rarely available for all countries, for all years of interest, and are also frequently missing the degree of data disaggregation expected. To access available data to date, refer to the Asia-Pacific SDG Partnership Data Portal at [data.unescap.org/sdg](http://data.unescap.org/sdg).

Official	8.1.1	Annual growth rate of real GDP per capita
Official	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
Official	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
Official	8.2.1	Annual growth rate of real GDP per employed person
Official	8.4.2	Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
Proxy	8.4.P1	Material Footprint - Biomass, Kg per 1 US\$ (2010) GDP
Proxy	8.4.P1	Material Footprint - Fossil Fuels, Kg per 1 US\$ (2010) GDP
Proxy	8.4.P1	Material Footprint - Metal Ores, Kg per 1 US\$ (2010) GDP
Proxy	8.4.P1	Material Footprint - Non-metallic minerals, Kg per 1 US\$ (2010) GDP
Proxy	8.4.P1	Material Footprint total by type, Kg per 1 US\$ (2010) GDP
Proxy	8.4.P1	Material Footprint total by type, Tons per capita
Official	8.5.2	Unemployment rate, by sex, age and persons with disabilities
Official	8.6.1	Proportion of youth (aged 15-24 years) not in education, employment or training
Official	8.a.1	Aid for Trade commitments and disbursements

Table 1. Official and proxy indicators for SDG 8 for which there is at least one data point for more than half of the countries in ESCAP region



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