

Side Event of the UN's High-Level Political Forum:

“SDG8 - Decent work and Just transition at the heart of Agenda 2030: how to make it happen

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New York, July 2019



The Alliance in numbers:

- Unique case in Europe: over 200 members, with over 2,000 organizations, companies, NGOs, etc.
- 20 working groups, with 300 experts involved
- Funded through contributions from members



ASviS indicators' working group has been working on monitoring the Agenda 2030 since 2016 publishing trends of composite indicators for the 17 goals at Italian and European level. We collaborate with several stakeholders on how to monitor progress toward the Agenda 2030 at different levels.



The **Trade Union Development Cooperation Network (TUDCN)** is an initiative of the International Trade Union Confederation (ITUC) that brings together:

- National trade union organisations affiliated to the ITUC,
- ITUC regional organisations
- Global Union Federations (GUFs),
- European Trade Union Confederation (ETUC) and
- Trade Union Advisory Committee to the OECD (TUAC)
- Solidarity Support Organisations (SSOs).



Objective: bringing the trade union perspective into international development policy debates and improve the coordination and effectiveness of trade union development cooperation activities.

Trade Unions contributed since the very beginning **to** the conception and **the adoption of the Agenda 2030**. The SDGs relevance to the trade union agenda connects to the inherent policy change that Agenda 2030 supports, such as:

- ✓ **Going beyond the GDP rhetoric** and affirming the need to address inequalities
- ✓ **Calling enterprises to play a role** in contributing to **sustainable development**
- ✓ Realize **efficient public governance** (national, regional, local governance)

In this context, **SDG8** – Decent work and Economic growth - is **perfectly coherent with and central to the trade union agenda**.

Goal: ITUC partnered with the experts of ASviS to carry out a research project aimed at demonstrating the centrality of SDG8 within the 2030 Agenda.



Integrating several topics among those related to growth, employment, productivity, working conditions and labor rights, **SDG8 is per se a multidimensional goal** playing a pivotal role within the 2030 Agenda.

It is essential for the Agenda 2030 that **economic growth and full employment** are pursued **without jeopardizing the achievement of other targets** such as those related to environmental and climate issues.

Given its centrality, **reaching SDG8 targets** will be **functional to guarantee a full and holistic accomplishment of the 2030 ambitions**.

Aim of the project: identifying the interactions among SDG8 targets and those related to other SDGs to verify the centrality of SDG8 within the general framework of the 2030 Agenda.



1. Multi-country Dataset on SDG8

2. Composite SDG8 index

- Geographical coverage: 166 countries equal to 98,9% of world population
- Methodologies adopted: Adaptation of AMPI (Mazziotta and Pareto, 2016)

3. Analysis of interactions between SDG8 and selected indicators of other goals

- Methodologies adopted: Factor Analysis

4. Position Paper





1. Multi-country Dataset on SDG8

The **first step of the analysis** and a main substantive goal of the project is to build up a **comprehensive dataset on SDG8 indicators** covering the largest available number of countries.

The dataset encompasses both **indicators identified by the United Nations in the 2030 Agenda** and **several relevant indicators considered key by TUDCN** to measure the achievement of SDG8.

The dataset collects **several indicators related to other SDGs** in order to identify the main relevant interactions.



1. Multi-country Dataset: Sources

All indicators were collected from official **international sources** such as:

- World Bank
- ILOSTAT
- LFS - Annual Labor Force Survey; HIES - Household budget Survey; HS - Continuous Household Survey; PC - Survey Population Census; Financial Access Survey (FAS)
- United Nations, Department of Economic and Social Affairs, Statistics Division (AMA)
- UN Environment Live / International Resource Panel Global Material Flows Database
- United Nations' Development Programme Human Development Data
- UNICEF
- IMF's Statistics Department
- Penn State University (which includes data from ITUC Rights Index data from the Center for Global Workers' Rights)



A composite indicators of **SDG8** is built with the following aims:

- **Measure the differences among countries** with a single number
- Give stakeholders, the media and the general public a synthetic, clear and easy to read **measure of countries' performance with respect to SDG8**

Well aware that, in order to achieve the objectives of the 2030 Agenda, we all have to face the challenge of complexity, the composite index does not constitute a simplification of the problem, but rather a tool that allows for quick and concise monitoring.



In this work we apply an **adaptation of the AMPI methodology** (Mazziotta and Pareto, 2016) that ASviS uses regularly to monitor the 2030 Agenda at Italian and European level.

The AMPI is a non-compensatory composite index based on a **min-max normalization** that transforms the metric of elementary indicators into a **common scale index with mean=100 and standard deviation=10**.

In order to perform absolute comparisons over time, **AMPI proposes a re-scaling of the data in the range (70; 130)** according to a goalpost that, in this case, is set as the world average of each elementary indicator.



The selection of elementary indicators to be included in the composite index is the result of a delicate **balancing between the indicators considered relevant** from a theoretical point of view **and the actual availability of data.**

Name	Source	Unit	# Countries
Annual growth rate of real GDP per capita	World Bank	%	207
Annual growth rate of output per worker	ILO Estimates	%	179
Vulnerable employment (modeled ILO estimate) ¹	World Bank	% of total employment	187
Domestic material consumption of fossil fuel per capita	Environment Live	tonnes	169
Unemployment rate (modeled ILO estimate)	World Bank	% of total labor force	187
Time-related underemployment rate	ILOSTAT	%	170
Share of youth not in education, employment or training	ILOSTAT	% of youth population	179
Level of national compliance of labor rights	ILO, PENN STATE UNIVERSITY	0-10 index base	187
Proportion of people 15 years and over with an account at a financial institution or mobile-money-service provider	World Bank	% of people aged 15 years and over	169
Domestic credit provided by financial sector	World Development Indicators	% of GDP	184
Labor income share as a percent of GDP	ILOSTAT	%	110

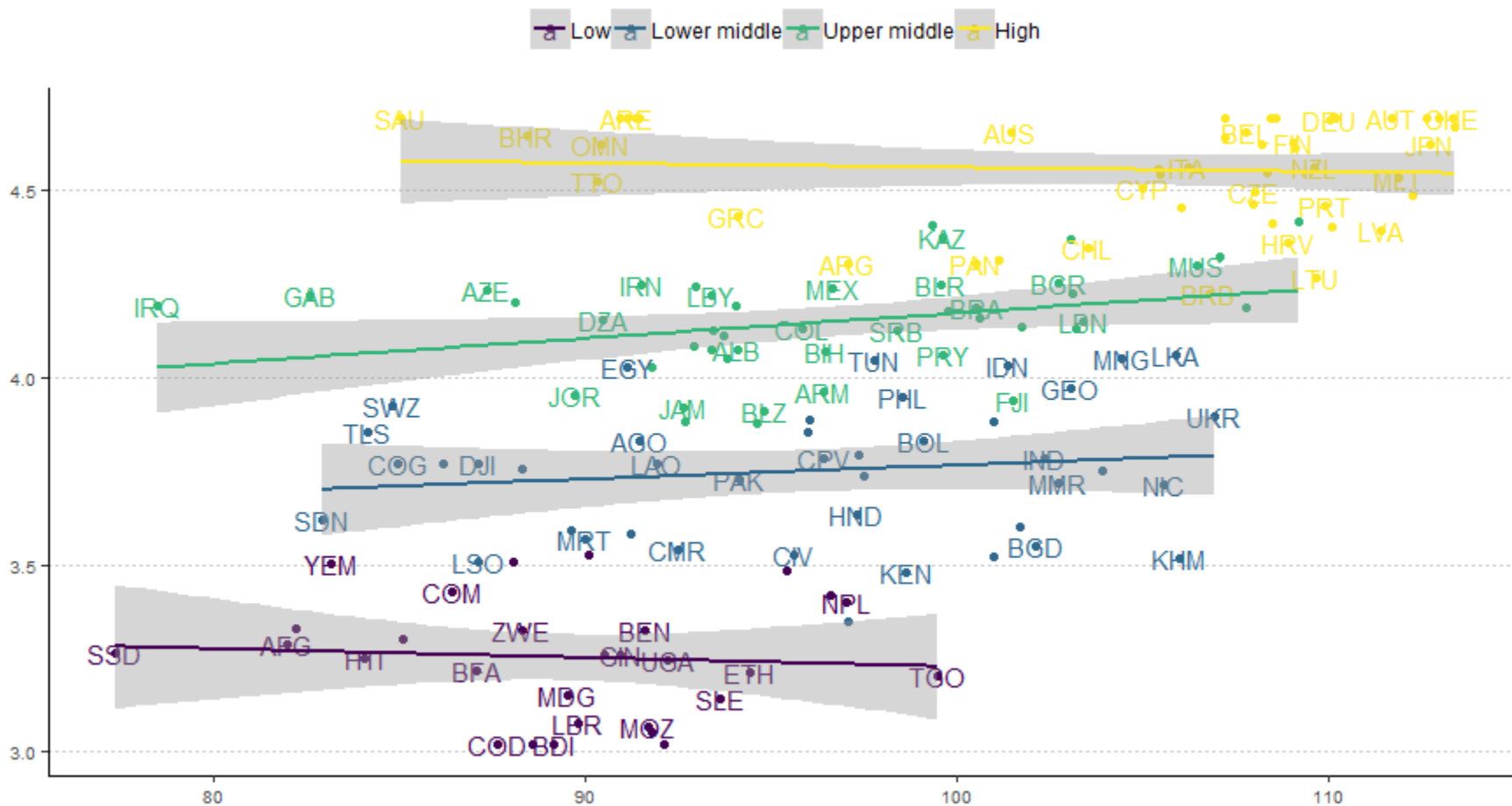
Coverage: 166 countries equal to 98,9% of world population





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Composite x gni per capita



Constrained by a **lack of available data** and given the **need to minimize the imputation of missing data** to guarantee an objective and accurate analysis, the following **indicators** contained in the dataset are **NOT included in the composite SDG8 index**.

Indicator	Source	# Countries
Proportion of informal employment in non-agricultural employment	ILOSTAT	69
Share of low paid work	ILOSTAT	48
Gender wage gap	ILOSTAT	32
Proportion and number of children aged 5-17 years engaged in child labor	UNICEF	174
Frequency rates of fatal occupational injuries	ILOSTAT	62
Frequency rates of non fatal occupational injuries	ILOSTAT	64
Number of trained labor inspectors	ILOSTAT	60
Collective bargaining coverage rate	ILOSTAT	68
Trade union density rate	ILOSTAT	77



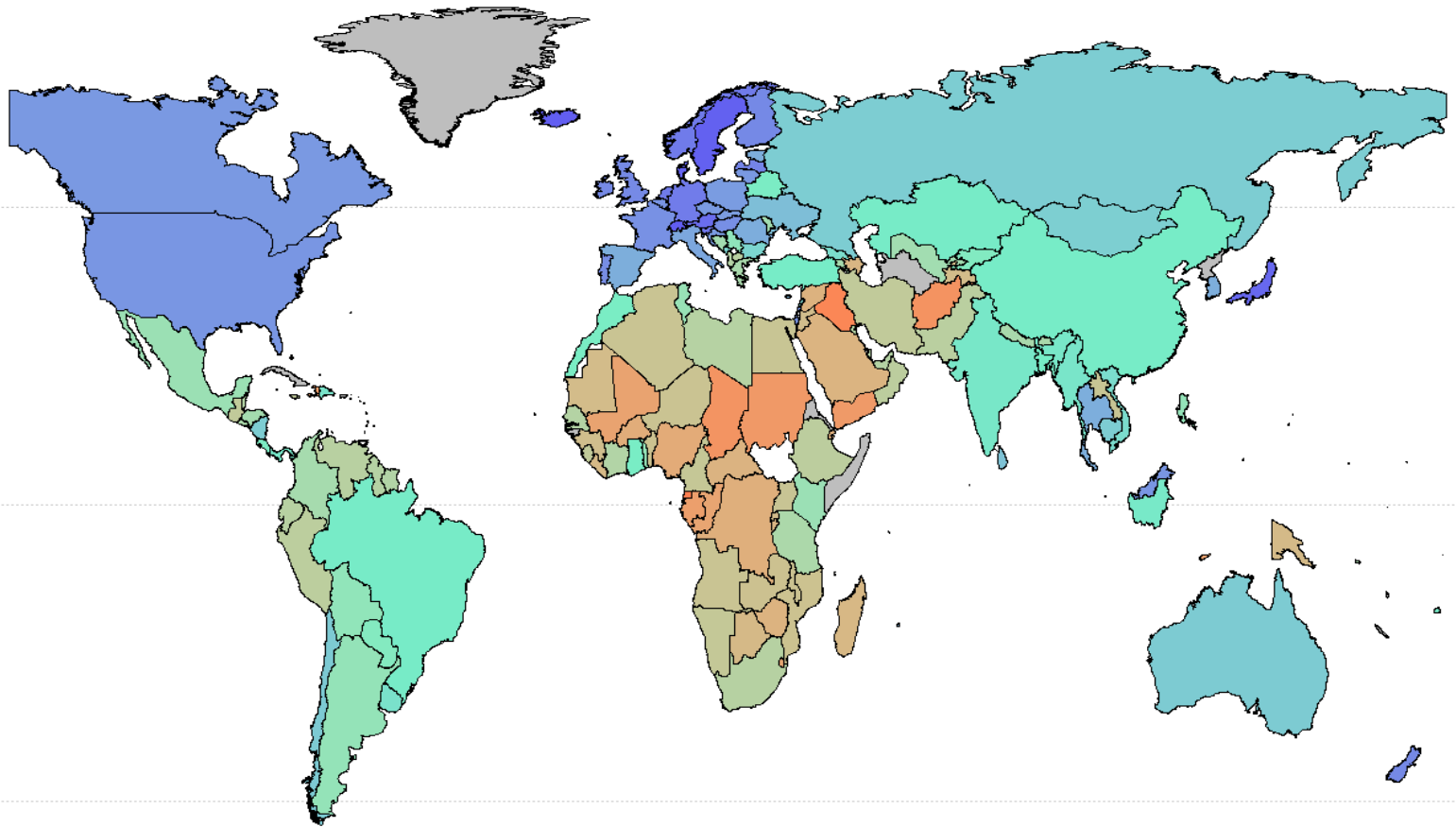
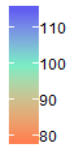
It is extremely **important to improve data collection** and data monitoring to avoid the trade-off between accuracy of analysis and comprehensiveness of all dimensions. This appears to be particularly true for the dimension linked to labor rights and working conditions.





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2. Composite SDG8 Index: Results



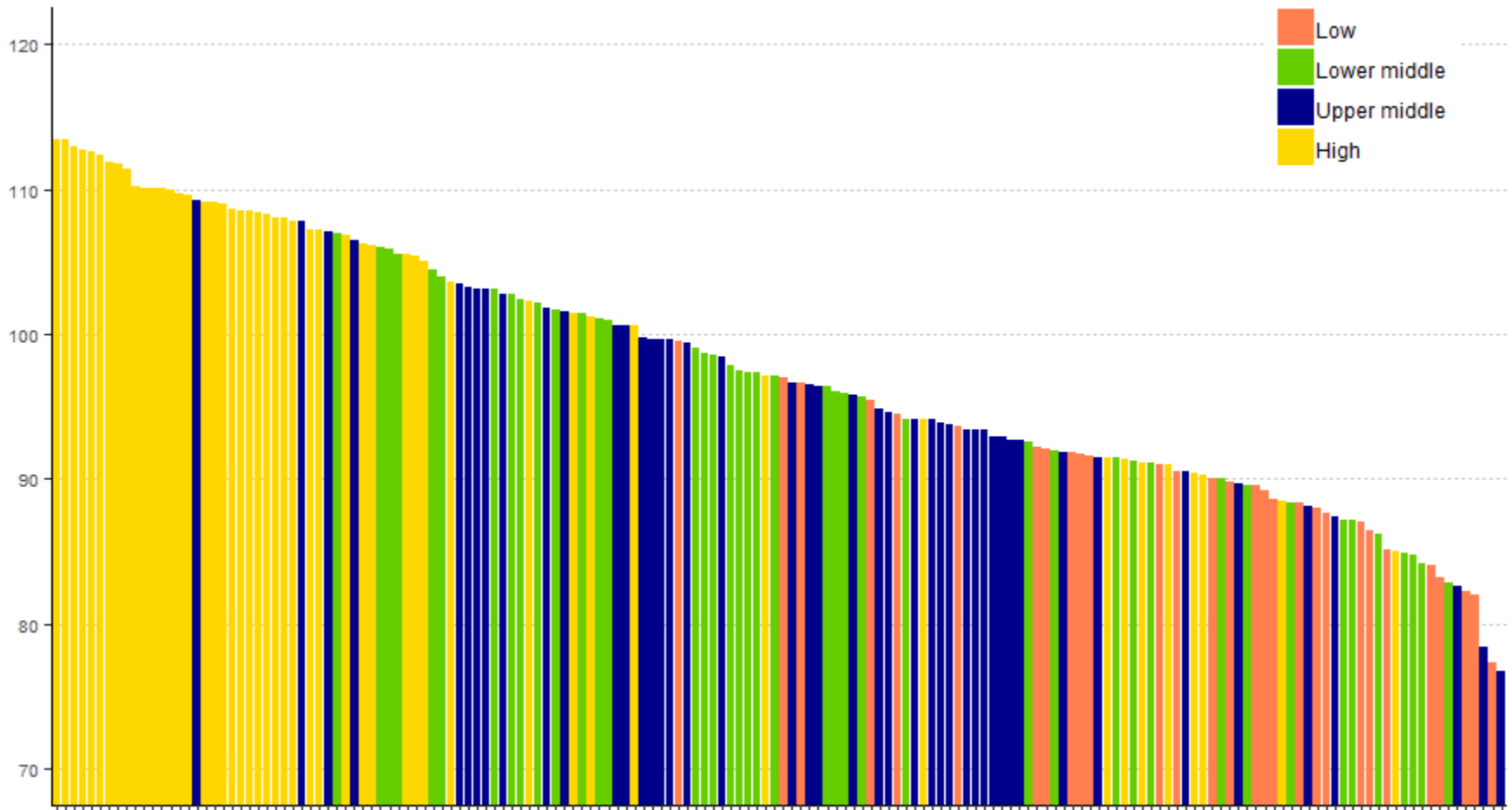
2. Composite SDG8 Index: Results

The map shows in

- • **Blue:** the best performers with values of the SDG8 composite index above 110 (i.e. USA, Canada, Japan and most EU countries).
- • **Green:** countries with a value of the SDG8 composite similar to the world average.
- • **Orange:** the worst performers (mainly African sub-Saharan countries and Middle East countries).



2. Composite SDG8 Index: Results



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The figure above reports the ranking of the composite index for all countries grouped by the World Bank's income group.

It is possible to notice that:

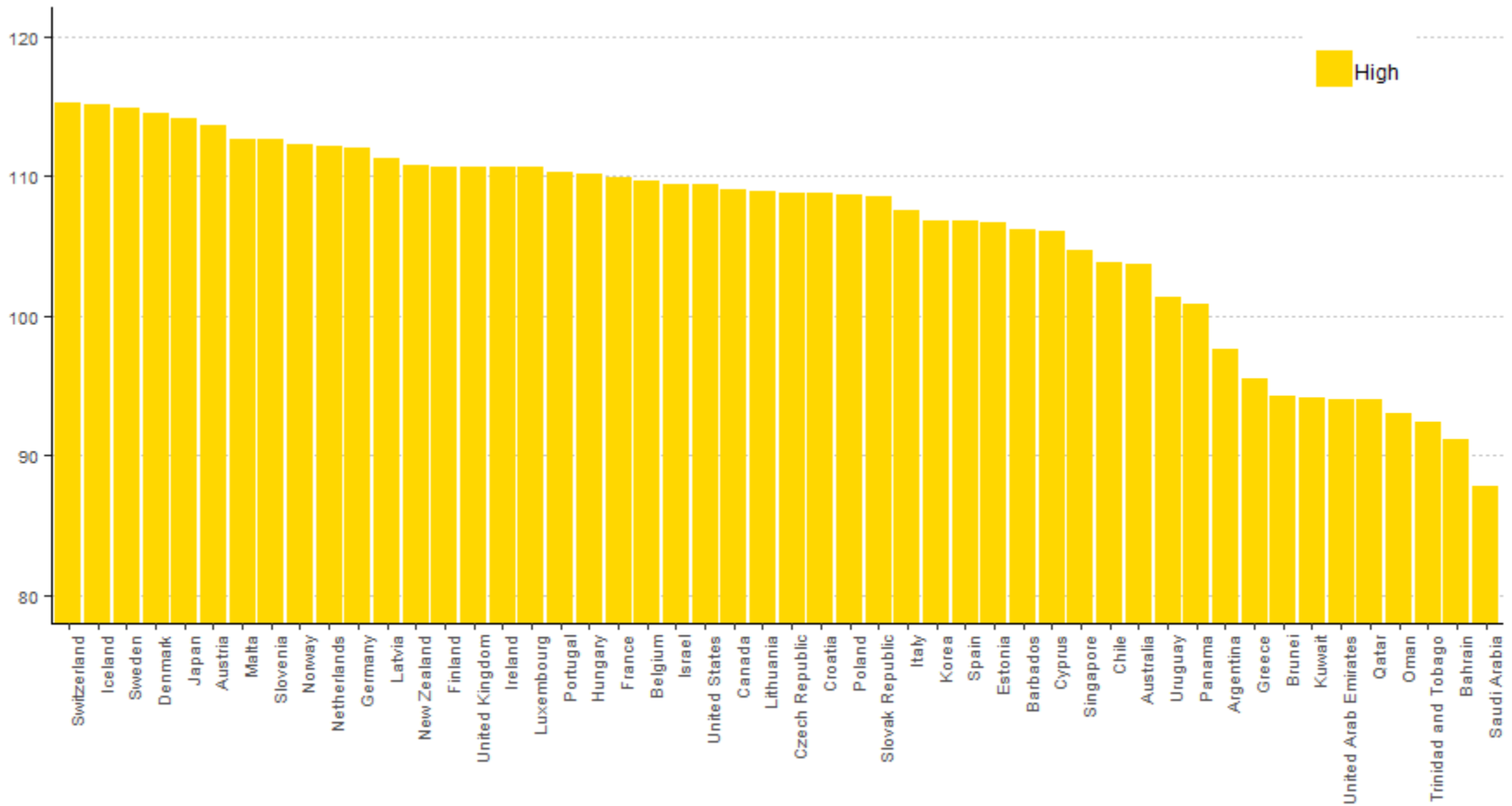
- **Best performers** (with values of the SDG8 composite index above 110) **are generally high-income countries.** Out of the top 50 positions in the ranking, 38 are occupied by high-income countries.
- Upper-income and low-income countries are quite widespread in the ranking.
- **Low-income countries**, with some relevant and positive exceptions, are at the **tail end of the ranking**, showing a lower performance in the SDG8 composite index.





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2. Composite SDG8 Index: Results



High



2. Composite SDG8 Index: Results

About high income countries:

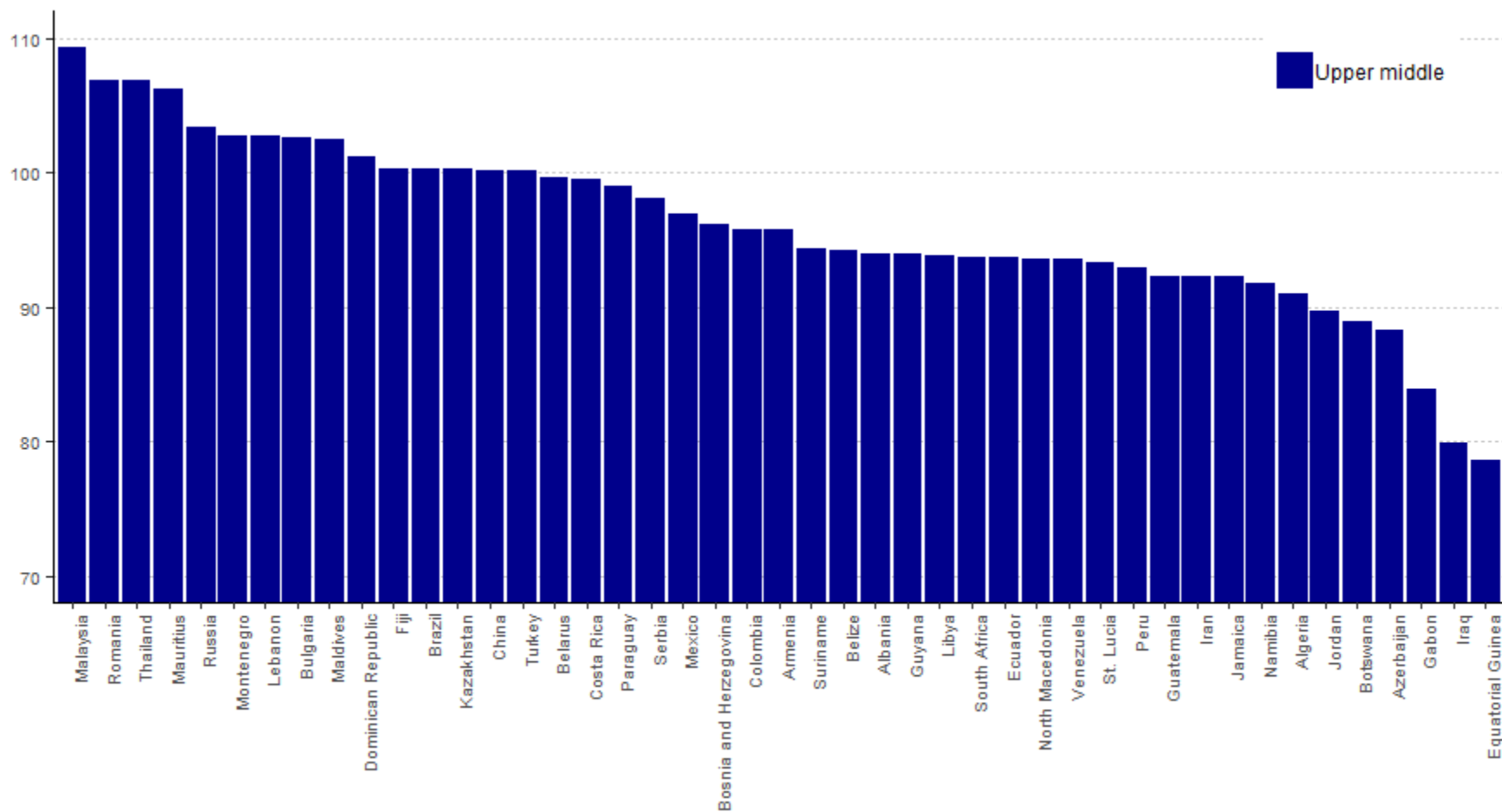
- **19 high-income countries out of 50 report values of the SDG8 composite index above 110** and about 80% of high-income countries included in the analysis result with a composite score higher than the world average (100).
- Evidence shows that most **high-income countries perform generally better** than the remaining countries although **with some exceptions**: UAE, Qatar, Oman, Trinidad and Tobago, Bahrain and Saudi Arabia. For these countries, the composite score ranges approximately between 94.07 and 87.82.
- Looking at Europe, the **EU Member States report an average value of the SDG8 composite index equals to 109.35** and among Member States only Greece shows a score below 100 (95.48).





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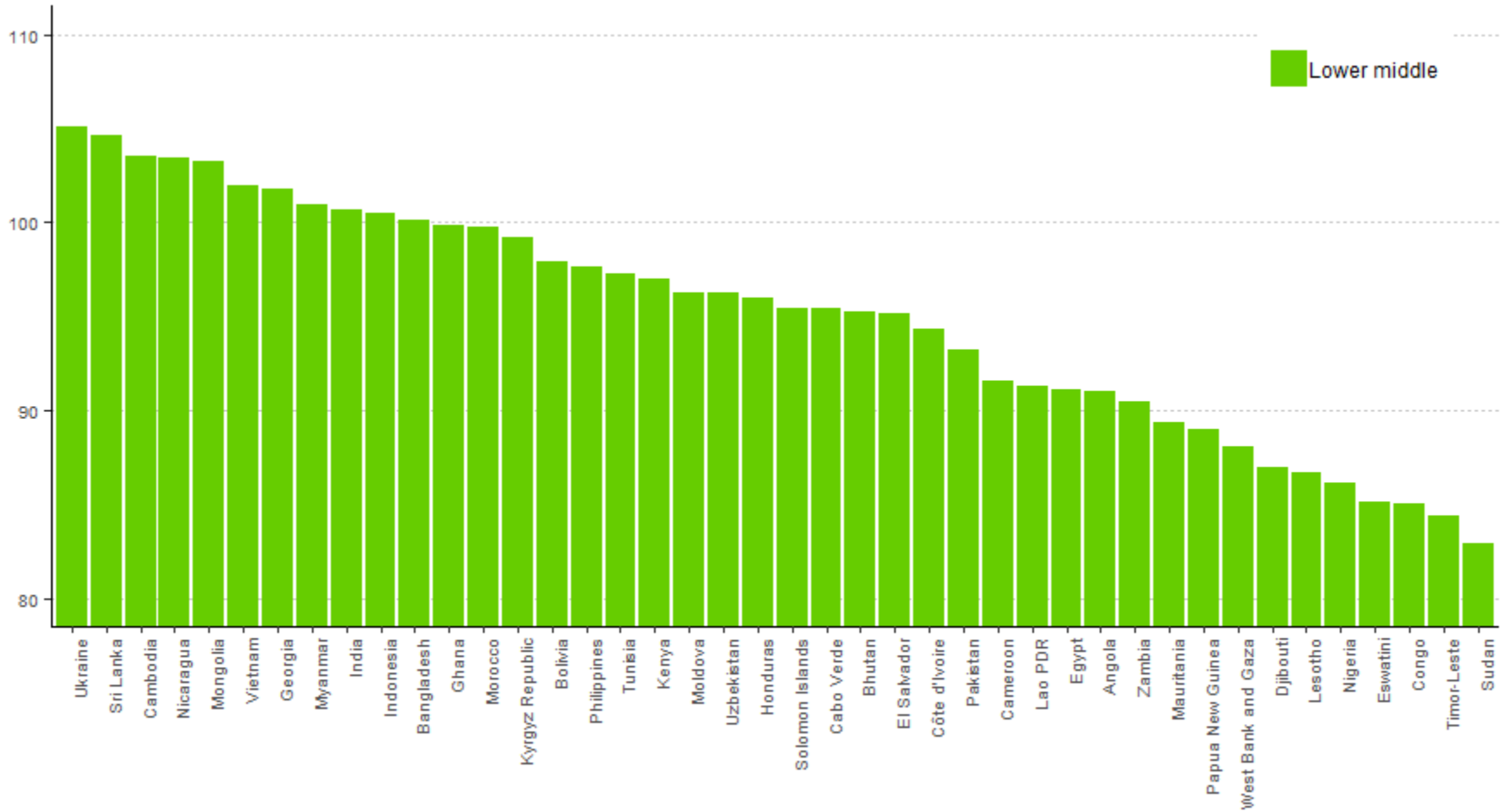
2. Composite SDG8 Index: Results





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2. Composite SDG8 Index: Results



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About Upper-middle income and Low-middle income countries:

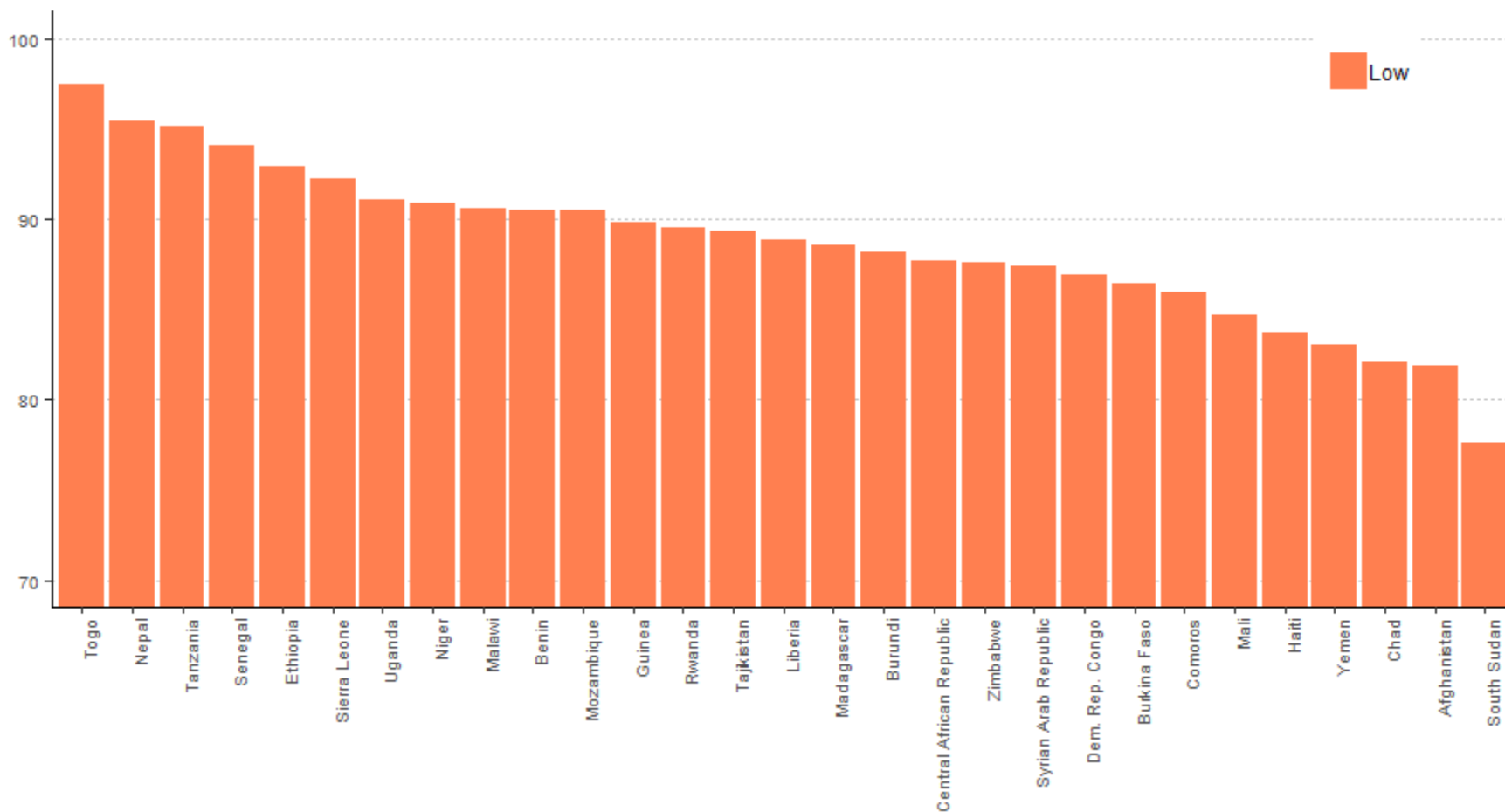
- **Upper-middle income and lower-middle income countries** surprisingly present **similar performances on the SDG8 composite** both with 10 countries performing above world average. Lower-middle income countries although have more countries below one st. dev (10 vs 6).
- Among the upper-middle income countries, Malaysia (109.34), Romania (106.88), Thailand (106.83), Mauritius (106.19) and Russia (103.45) are the first 5 countries in the ranking. Ukraine (105.09), Sri Lanka (104.67), Cambodia (103.50), Nicaragua (103.44) and Mongolia (103.30) are the best performers of the low-middle income group.





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2. Composite SDG8 Index: Results



Low



About low income countries:

- In general, **low-income countries show lower values of the index**, ranging between 97.52 and 77.63. All low-income countries perform below the world average.
- About **62% of low-income countries** (18 countries out of 29) are **below one standard deviation** from the world average.
- There are however some relevant exceptions such as Togo, Nepal and Tanzania, which have values close to the world average (respectively: 97.52, 95.48, 95.11).

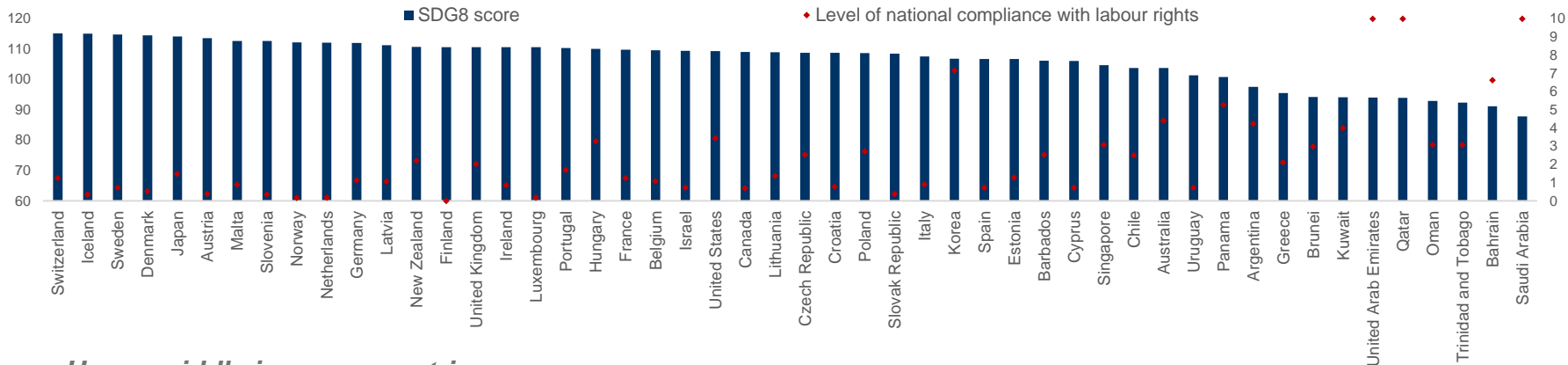




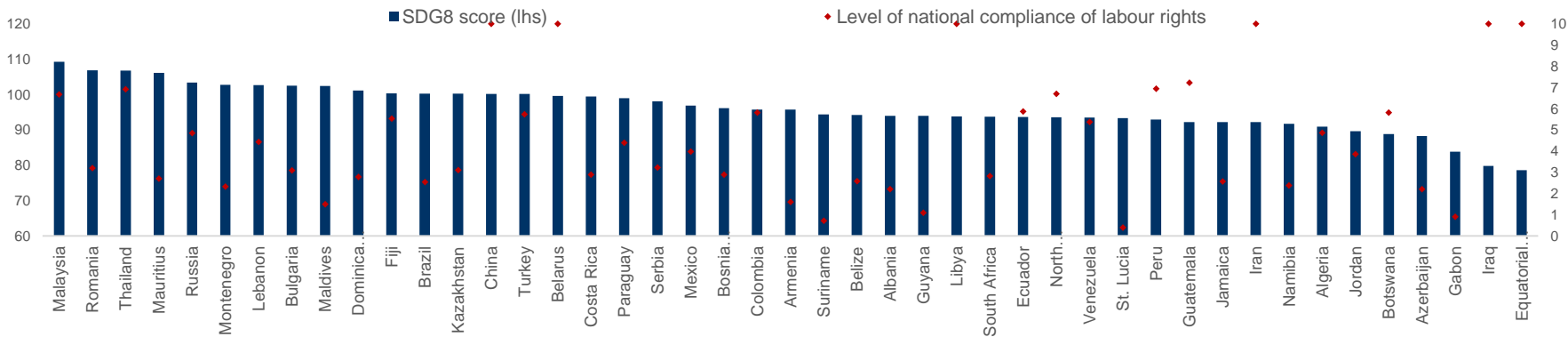
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Focus on Labor rights

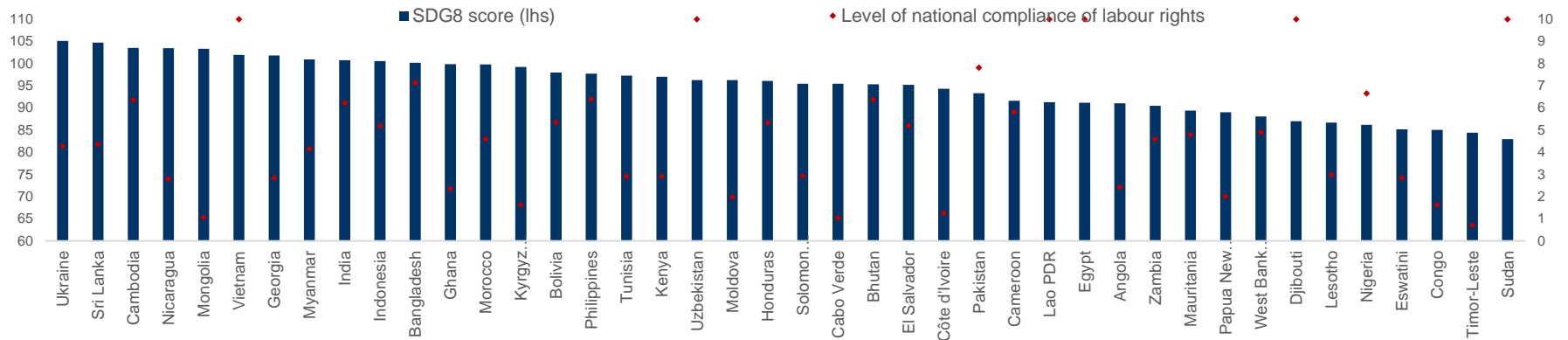
High income countries



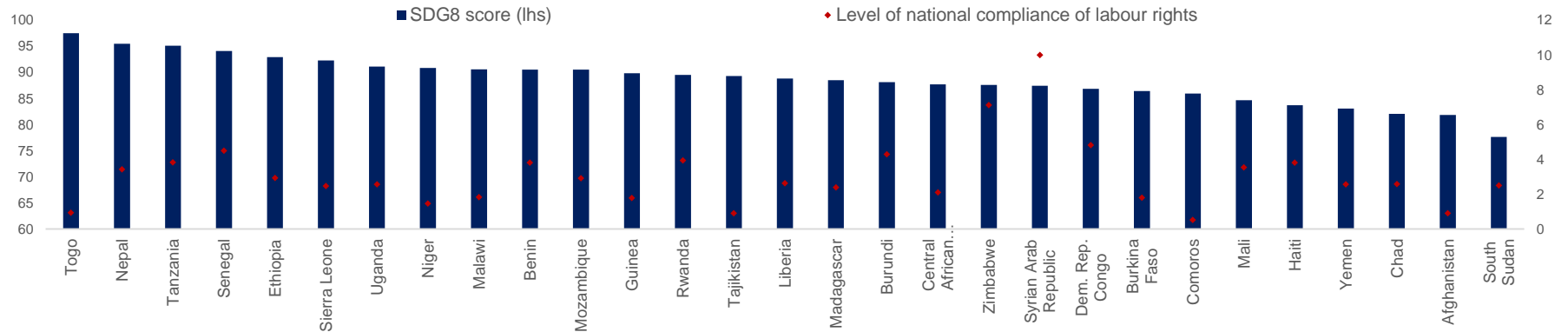
Upper middle income countries



Lower middle income countries



Low income countries



The figures
above relate

- ▶ the values of the **SDG8 composite index** (lhs)
- with
- ▶ the indicator “**Level of national compliance of labor rights**”



- The indicator “Level of national compliance of labor rights”, whose source is Penn State University, includes data from the ITUC Rights Index that draw data from the Center for Global Workers’ Rights.
- **The indicator**, somehow complementary to the one **above** is **key in our analysis** as it is the only usable indicator referring to Target 8.8 “Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment”.



- **Taking the entire sample as a reference:**

The negative correlation is significant (also because of multicollinearity), so we measured the relationship the correlation within the same income group.

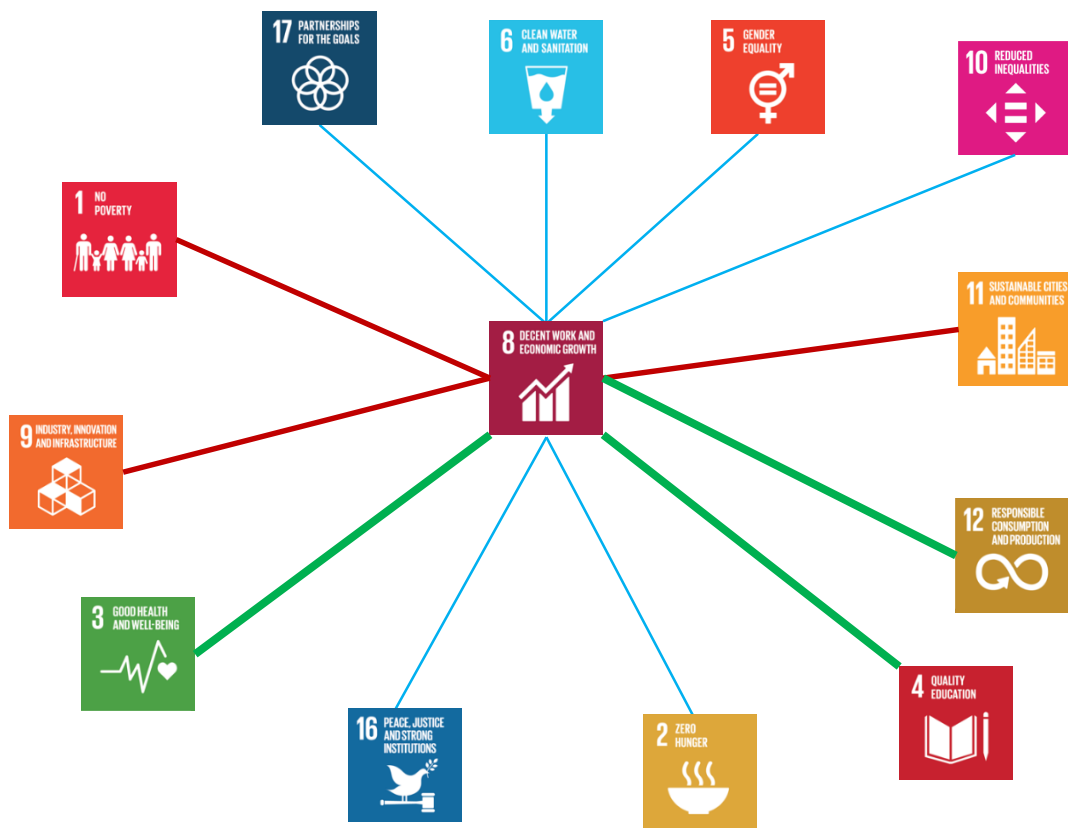
- **Observing within income groups:**

A significant negative correlation exists for high-income, upper-middle income and low-income countries, while no significant correlation seems to exist within the group of lower-middle income countries.

The low values of the SDG8 composite for the United Arab Emirates, Saudi Arabia and Qatar can be attributed almost entirely to a weak performance with respect to this indicator and in general to an underperformance linked to the dimension of labor rights and working conditions. In several cases - such as Turkey, the Philippines, Malaysia and Thailand - despite the relatively good performance of the indicator, the labor right index reports weak performances. Conversely, Togo and Nepal's good performances in the labor right indicator are reflected in a high value of the composite index.



3. SDG8 – Linkages with other goals



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- Weak linkages (1-3)
- Medium linkages (4-10)
- Strong linkages (>10)



Main objectives

▶ **Underlining gaps at country/region level with respect to SDG8 targets**

▶ **Analyzing main links and tradeoff among SDG8 and other SDGs in terms of policy implications**

▶ **Highlighting how TU's priorities (i.e. Labor Rights Implementation, Occupational Health and Safety respected, Expansive policies on Wages) can contribute to the achievement of the 2030 ambitions**

▶ **Addressing the problem of «policy coherence and integration» with a particular focus on SDG8**



- Providing both a dashboard of SDG8 indicators (the dataset) and the single composite indicator, the **work gives both multifaceted and simplified holistic information on the development of SDG8.**
- Analyzing interactions among indicators, **the project showcases the centrality of SDG8.** Key findings on the correlations have relevant and significant policymaking implications.
completare in seguito all'analisi delle interazioni
- A main goal of the analysis is to **demonstrate that by leveraging on the achievement of SDG8 targets, policymakers can indeed make an impact on non-SDG8 targets** with positive externalities to several dimensions of sustainable development and ultimately to the wellbeing of citizens.
- The **focus on labor rights as well as working conditions shows that some countries** - despite having good results on economic growth and productivity - **need to improve on labor markets policies, social protection systems, occupational safety and compliance with labor rights.**



Thank you for the attention

