

**BLUEPRINT
FOR BUSINESS
LEADERSHIP
ON THE SDGS**

**8 DECENT WORK AND
ECONOMIC GROWTH**



8 DECENT WORK AND ECONOMIC GROWTH



How business leadership can advance Goal 8 on Decent Work and Economic Growth



Sustainable and equitable economic growth, coupled with low unemployment and decent work, is at the top of the agenda for most, if not all, countries. However, growth has not reached full potential in many economies in the developed and developing world. At the same time, exploitation and labour rights violations are still endemic around the world. An estimated 168 million children are victims of child labour. There are major forces that are changing labour market dynamics such as automation, globalisation, and demographic changes. The impact of these forces must be reconciled with the need to create 600 million new jobs by 2030, mostly in developing countries, to sustain economic growth and maintain social stability.

Businesses play a central role in advancing Goal 8, as they account for the majority of GDP in most countries as well as the majority of jobs. The foundation of supporting decent work is implementation of the UN Guiding Principles on Business and Human Rights, through which companies can address their own impacts on employees and workers in their value chains. Decent work as defined by the International Labour Organization (ILO) is work that is productive and delivers a fair income; security in the workplace; social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men.

Business should recognize that much of its impact on Goal 8 is through its business relations, including through the businesses in its supply chains with which it can advance respect for fundamental human and labour rights. The ILO estimates that in 40 countries representing 85% of world GDP, there are 453 million formal sector jobs related to global supply chains. This does not include supply chain workers in informal work such as work at home; or non-standard work, ranging from temporary employment to forced labour. For example, significant proportions of labour in various industries, including electronics and textiles and garments, are on temporary contracts. All businesses should have responsible tax practices to provide Governments with adequate resources for their efforts to ensure decent work at the national level.

Business can lead on Goal 8 by investing in innovation, labour and capital to achieve strong, sustainable and equitable economic growth that provides decent jobs. Four key areas lend themselves particularly well for business leadership. Businesses can lead by putting in place policies and practices to

support decent working conditions for all employees across the business and supply chain. They can partner with suppliers to build their capacity for doing so, and support other stakeholders in their efforts, too. Business can also lead by educating and training the labour force, including workers across end-to-end operations and in surrounding communities, and focusing particularly on vulnerable groups including women, young people and persons with disabilities, so that they acquire the skills needed to provide productive labour or transition from informal to formal sector work, and remain employable in a changing labour market. Business leadership can also involve creating formal-sector jobs in labour-intensive sectors, especially in least-developed countries, including through inclusive sourcing practices. Businesses can further be leaders through making a large contribution to sustainable economic growth and productivity, which can take the form of investing in R&D, upgrading skills, and supporting growing businesses. Where businesses take action to support decent work, they should build an understanding of how they can complement existing initiatives by Governments and other stakeholders, and ensure that they do not interfere with or otherwise negatively impact other initiatives.

Businesses benefit from higher growth as it results in stronger returns, generates demand, and helps boost profitability. Similarly, businesses have much to gain from providing decent work, as it creates the conditions for healthy, satisfied employees who are more productive, innovative, and loyal. A business that is committed to supporting good working conditions also attracts talent, increases retention, and fares better in competitive markets.

Action on Goal 8 is strongly connected to all the other Goals. For example, decent work contributes to poverty reduction (Goal 1). Evidence has shown that job-creation is one of the most robust ways to reduce poverty. Action on Goal 8 also reduces inequalities (Goal 5 and 10) by supporting decent work and reducing unemployment, which can in turn lead to better health, nutritional and educational outcomes (Goal 3, 4 and 2). Ensuring that there is all-round prosperity and continual growth helps create the foundations for a more peaceful society (Goal 16). However, economic growth, if not sustainably managed, can potentially have a negative impact on Goals with a strong environmental dimension. It can lead to an increase in greenhouse gas emissions (Goal 13) and can pollute terrestrial and oceanic ecosystems (Goal 14 and 15), which can threaten future prosperity because subsequent generations will inherit a planet that is more polluted and less rich in critical natural resources.

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Business Actions in Support of Goal 8

Targets of Goal 8

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

8.2 Achieve higher levels of economic productivity

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, and innovation.

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation

8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 Reduce youth unemployment

8.7 Eradicate forced labour, modern slavery, child labour and human trafficking

8.8 Protect labour rights and promote safe and secure working environments for all workers

8.9 Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

Business Actions

1

Support decent working conditions for all employees across the business and supply chain, with partnerships to build suppliers' capacity to do the same

2

Educate and train the labour force, focusing on vulnerable and economically disadvantaged groups

3

Create decent formal-sector jobs in labour-intensive sectors, especially in least-developed countries

4

Drive economic growth and productivity by investing in R&D, upgrading skills, and supporting growing businesses, in a way that is compatible with sustainable development

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Do your actions satisfy the Leadership Qualities?



Guiding Questions
to apply to the Leadership Qualities to your business

Intentional

- Is your company committed to supporting the achievement of Goal 8? Have you developed a holistic strategy that reflects this commitment, covering end-to-end operations and the wider community?
- Are you committed to learn from your actions and do you have processes in place to improve them accordingly?
- Is your strategy supported by the highest levels of management, including the Board of Directors?

Ambitious

- Do your actions achieve long-term outcomes that greatly exceed those resulting from current industry practice?
- Are your actions aligned with what is needed to achieve Goal 8?

Consistent

- Is support for Goal 8 embedded across all organizational functions?
- Are staff and board incentives aligned with achieving Goal 8?

Collaborative

- Do you proactively look for opportunities to partner with Governments, UN agencies, suppliers, civil society organizations, industry peers and other stakeholders to inform how to advance Goal 8?

Accountable

- Do you publicly express your commitment to advance Goal 8?
- Do you identify, monitor, and report on impacts, including potentially adverse impacts?
- Do you mitigate risks associated with your action?
- Do you remediate negative impacts associated with this action?
- Do you engage stakeholders in a meaningful way?

Key Considerations
for Goal 8

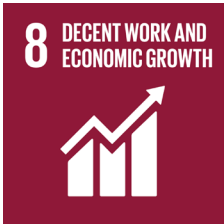
Strong leadership on Goal 8, with a commitment in corporate strategy and by top-level management, is necessary to ensure that the required ethical standards are integrated in all levels of the organization and action on Goal 8 becomes part of all activities

Providing decent work and supporting economic growth are fundamental to most businesses' activities. Ambitious action goes significantly beyond that of peers, explicitly aiming to further the 2030 Agenda and engaging in new ways that can lead to change at scale


Consistency requires businesses ensure that support for the 2030 Agenda is embedded across all organizational functions so that there are no countervailing or impeding activities in any parts of the business

Collaboration on Goal 8 means companies will partner with and engage Governments, civil society, industry peers, schools, universities, unions, and other stakeholders to understand how working conditions can be improved, how skills-development programs can best be implemented, and how growth and job creation can be compatible with local sustainable development outcomes

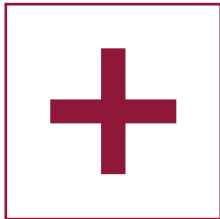
Accountability includes monitoring and reporting on business impacts on people and planet, in particular with an eye to ensuring that actions do not contribute to existing inequalities and environmental problems. This involves managing risks, and meaningfully engaging Governments, unions, and local communities



How taking action on Goal 8 is interconnected with other Goals



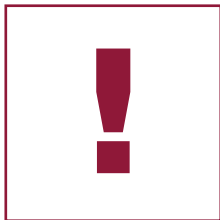
The Global Goals are inherently interconnected. Action taken toward one Goal can support or hinder the achievement of others. Identifying and addressing these interconnections will help business to build holistic and systemic solutions that amplify progress and minimize negative impacts. To help build a greater understanding, we have illustrated some of the ways in which the Goals connect. These are not exhaustive, and we encourage business to consider how they apply in their own operations.



Maximise likelihood of positive impact on:



Economic growth coupled with the creation of decent work contributes to all Global Goals. In particular, it contributes to poverty reduction (Goal 1) and reducing inequalities (Goal 5 and 10) by promoting decent work and reducing unemployment. This in turn leads to better health, nutritional, and educational outcomes (Goal 3, 4 and 2). Finally, ensuring all-round prosperity and continual growth helps create the foundations for a more peaceful society (Goal 16).



Minimise risk of negative impact on:



Economic growth, if it is not sustainable, can potentially have a negative impact on Goals with a strong environmental dimension. It can lead to an increase in greenhouse gas emissions (Goal 13) and can pollute terrestrial and oceanic ecosystems (Goal 14 and 15), which can threaten future prosperity because subsequent generations will inherit a planet that is more polluted and less rich in critical natural resources. It might also lead to reinforcing inequalities (Goal 10), which is strongly related to gender equality, poverty, hunger, health, and education outcomes.

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BUSINESS ACTION 1

Support decent working conditions for all employees across the business and supply chain, with partnerships to build suppliers' capacity to do the same



Business has a responsibility to respect human rights across its operations and business relationships. Companies can lead on supporting decent working conditions by taking ambitious action within the context of their end-to-end operations that inspires others to take action at scale. For example, in implementing the UN Guiding Principles, businesses can introduce novel, thorough ways to map their supply chains and identify areas at greatest risk of labour rights violations and/or negative impacts to the community, and take the appropriate remedial action. They can work toward the payment of living wages across own operations and the supply chain. They can also put in place measures to track, prevent and address any issues that stop employees from having decent working conditions and help build suppliers' capacity to do the same. Key to this is establishing effective partnerships with suppliers themselves but also with unions, Governments, industry peers and other stakeholders to take robust and considered action. Government has a central role in protecting decent work, and business should proactively engage with government and other stakeholders to support regulatory measures improving work conditions

Example practice

- A clothing company **implements programs to build suppliers' capacity to pay a living wage and promotes the use of digital payments** to ensure that progress can be properly tracked and evaluated
- A large furniture company partners with UNICEF to address child labour issues in India; its program includes setting up child protection committees and addressing the root causes of child labour such as debt, poverty, lack of access to education, disability, and ill health
- A global resources company puts in place **mechanisms to track, prevent, and address the violation of labour rights across the supply chain**, including pooling data and systematically using human rights impact assessments to understand salient risks at country and sector levels
- A consumer goods company **partners with NGOs, the UN and civil society organisations to publicly share lessons on tackling human rights issues in its supply chain and ensuring decent work for all**; it participates and contributes to research projects to identify the root cause of exploitative work and methods to ensure decent jobs
- An electronics company establishes an **industry framework agreement** that ensures that all suppliers and subsidiaries around the world fall under the same international industry **standard on labour rights** and decent working conditions



Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: partnerships with key stakeholders, including, but not limited to, workers and worker organizations, other companies and governments, is necessary for action that addresses the systemic issues underlying the lack of decent working conditions faced by many

Accountability: companies should report on negative and positive impacts and deeply engage stakeholders, especially workers and unions, to get feedback on working conditions and improve its practices accordingly

Interconnectedness: decent work for all can contribute positively to Goal 9 on innovation by unlocking the full potential of workers. It can also contribute to Goal 16 by helping build effective, inclusive and transparent institutions.

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BUSINESS ACTION 2

Educate and train the labour force, focusing on vulnerable and economically disadvantaged groups



Businesses can advance Goal 8 by providing education and training for the labour force across the workplace, marketplace, and community. Leading action facilitates acquisition and upgrading of skills that allows workers to provide productive labour or transition from informal to formal sector work, and remain employable in a labour market that is subject to pressures including automation, globalisation, and demographic change. Programs should focus on building skills of economically disadvantaged groups such as women, youth, people with disabilities, the elderly, or ethnic minorities. They should not be limited to workers across end-to-end operations but extend to the communities surrounding these operations where possible, to ensure inclusiveness and address localised inequalities.

Example practice

- An international accountancy firm provides **targeted internships and employment opportunities to young people from disadvantaged backgrounds** in its local office; it also **sends its staff to volunteer in schools in local townships** to improve educational outcomes and employability
- An international beverage company **leads on employing people with disabilities**. It has a **dedicated program that provides targeted professional and personal growth opportunities to people with disabilities** through training, education, community events, networking etc.
- A computer manufacturing company **hires low-income workers from diverse sectors whose jobs are likely to be automated and trains them in coding so that they can participate in new collar roles** such as cybersecurity management, cloud platform operations and mobile app development



Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: to lead on education and training of the labour force it is essential that companies work with educational institutions, national and regional governments, and local communities to understand how they can best work together, and specifically include disadvantaged groups .

Accountability: working with vulnerable groups requires managing risks of negative impacts and having appropriate safeguards in place.

Interconnectedness: action to train disadvantaged groups will contribute to Goal 5 on gender equality and Goal 10 on reduced inequalities. It will also help further lifelong learning and therefore contribute to goal 4 on quality education

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BUSINESS ACTION 3

Create decent formal-sector jobs in labour-intensive sectors, especially in least-developed countries



Companies can directly contribute to Goal 8 is by creating decent formal-sector jobs. Companies can lead by responsibly creating large numbers of decent formal-sector jobs, especially in least developed countries where this has the potential to substitute for informal employment and contribute to the SDG target of seven per cent GDP growth per annum. They can do so by investing in growing businesses, shifting to strategic suppliers in labour-intensive sectors, and expanding own operations into areas with high rates of unemployment. Leading companies ensure that the jobs they create are decent and the activities to create these jobs are compatible with all aspects of the 2030 Agenda.

Example practice

- An international bank creates pools of **soft-finance for growing companies and start-ups in least developed countries** to help increase local employment and contribute to the upliftment of poor communities
- An international food company commits to **sourcing a significant percentage of its raw material from small-holder farmers** in developing countries to boost local employment
- A technology start-up develops an app to **formalise and further develop the domestic help sector**. It connects helpers to households so that it is easier to find job opportunities, ensures that living wages are paid, and formalises the relationship to protect both parties against misconduct and drive up demand



Consider the leadership qualities and interconnectedness of your action, including...

AMBITION: an ambitious company aims for its activities to result in net creation of decent jobs in the areas where it operates. It will demonstrate its commitment to the Global Goals by creating jobs in least developed countries and developing markets

Accountability: to sustainably and ethically create jobs, it is essential that a company has robust environmental and social safeguards, reports on impacts (both negative and positive), and deeply engages stakeholders to understand how its activities are influencing people and the planet

Interconnectedness: delivering on net job-creation that is in line with the 2030 Agenda can also advance other sdgs such as Goal 16 on peace, justice and inclusive institutions, and Goal 10 on reduced inequalities

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BUSINESS ACTION 4

Drive economic growth and productivity by investing in R&D, upgrading skills, and supporting growing businesses, in a way that is compatible with sustainable development



A sizeable share of the private sector strongly contributes to economic growth and achieving higher levels of productivity, driven by healthy competition in markets governed by a clear, stable regulatory environment. However, many companies, despite abiding by the law, contribute to growth and productivity at the cost of achieving the SDGs. They may do so by, for example, depriving Governments of tax revenues by making use of tax loopholes and avoidance schemes, emitting large amounts of greenhouse gas emissions that are inadequately regulated, and sourcing from and relocating operations to regions with lower regulatory standards and oversight in a way that is incompatible with sustainable development. Leading companies drive economic growth and productivity that is aligned with the entire 2030 Agenda by investing in R&D, upgrading skills, and supporting growing businesses that contribute to better outcomes for people and planet, with a focus on the less well-off and marginalised groups in global society and the most threatened natural assets.

Example practice

- An automobile manufacturer **invests in researching and developing a high-performance, affordable electric vehicle (EV)** and partners with a solar generation company to ensure that its EVs run on sustainably produced electricity; it makes its technology publicly available to enable an industry-wide switch to EV
- An toy company partners with schools and higher education institutions to launch a program on 'girls in STEM fields' to boost growth by **increasing female participation in the labour force.**
- A company develops technology to **use plastic waste to generate clean energy** to meet the double objective of sustainability and energy access

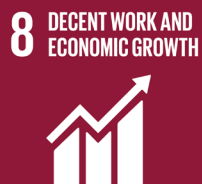


Consider the leadership qualities and interconnectedness of your action, including...

Consistency: companies should ensure that all of their activities support economic growth and productivity, including adopting responsible taxation to ensure that governments can make the necessary public investments.

Accountability: to drive sustainable economic growth and productivity, a company should always have robust environmental and social safeguards, and monitor and report on its impacts on people and planet.

Interconnectedness: delivering growth that is in line with the 2030 sustainable development agenda will connect to all of the other Goals. For example, starting the process of decoupling growth from emissions will contribute strong to Goal 13 on climate action; while efforts to have growth that respects and supports human rights will strongly contribute to Goal 5 on gender equality and Goal 10 on reduced inequalities.



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