

# State of play on the SDGs in Asia and the Pacific

## A labour market perspective

TUDCN Asia-Pacific regional meeting

Bangkok, 7 March 2023

## Overview

### State of play on the SDGs in Asia and the Pacific

- ▶ Economic and social outlook for Asia and the Pacific
- ▶ Trends on SDGs in Asia and the Pacific – Selected indicators
- ▶ Policy considerations of the 17th Asia and the Pacific Regional Meeting



## ► Economic and social outlook for Asia and the Pacific

### Uncertainty over labour market recovery

- Labour markets in Asia and the Pacific have only partially recovered from the COVID-19 crisis, and lag in the achievement of decent work objectives
- Despite positive employment growth in 2021 and 2022, job gaps persist and employment-to-population ratio in Asia-Pacific 2022 still below pre-crisis levels
- Global economy in volatile and uncertain environment, compounded by geopolitical conflicts, economic shocks, political crises, food and energy crises, natural disasters and inflation.

### A sectoral perspective

- Continued dominance of three largest sectors in terms of employment in the Asia-Pacific region: agriculture, forestry and fishing; manufacturing; and wholesale and retail trade
- The changing composition of sectoral employment favours men over women in terms of decent work opportunities
- Structural deficiencies to create formal employment, resulting in high rates of informal employment, a prevalence of struggling MSMEs, widespread labour migration and continuing working poverty

## Decent work in the Sustainable Development Goals

- ▶ **Goal 8 on Decent work and economic growth** (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)
- ▶ **Decent work integral to many other SDGs** such as Goal 1, Goal 4, Goal 5, Goal 9 and Goal 10
- ▶ **Focus of presentation on selected SDG indicators** related to working poverty, social protection benefits, women in managerial positions, labour productivity, informal employment, wages and earnings, unemployment, youth NEET, child labour, occupational injuries, level of national compliance with labour rights, labour share of GDP



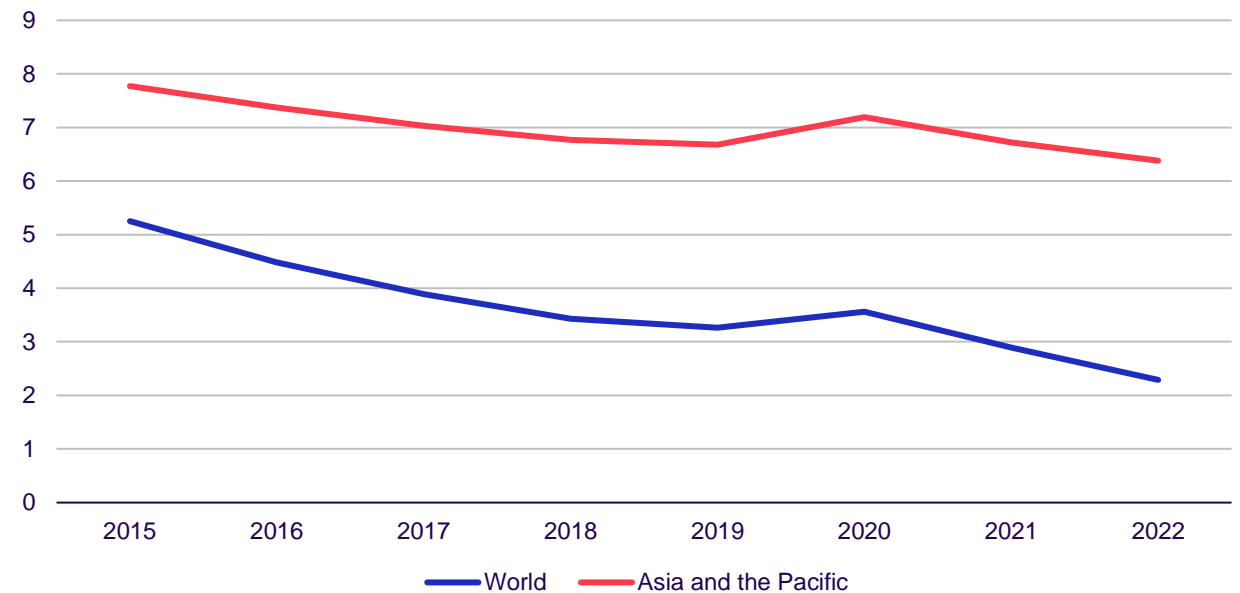
## Working poverty in Asia and the Pacific

### Progress towards the elimination of working poverty disrupted

- ▶ Working poverty increased for the first time in the region in 2020 after having trended downwards
- ▶ The number of working women and men living in extreme or moderate poverty (below US\$3.20) increased to more than 300 million persons in Asia-Pacific in 2020
- ▶ Increasing regional gap in working poverty rates between low and lower-middle income countries vis-à-vis upper-middle and high income countries

Source: ILO (2022) Asia-Pacific Employment and Social Outlook 2022.

### SDG indicator 1.1.1 - Working poverty rate (% of employed living below US\$1.90 PPP) (%), 2015-2022

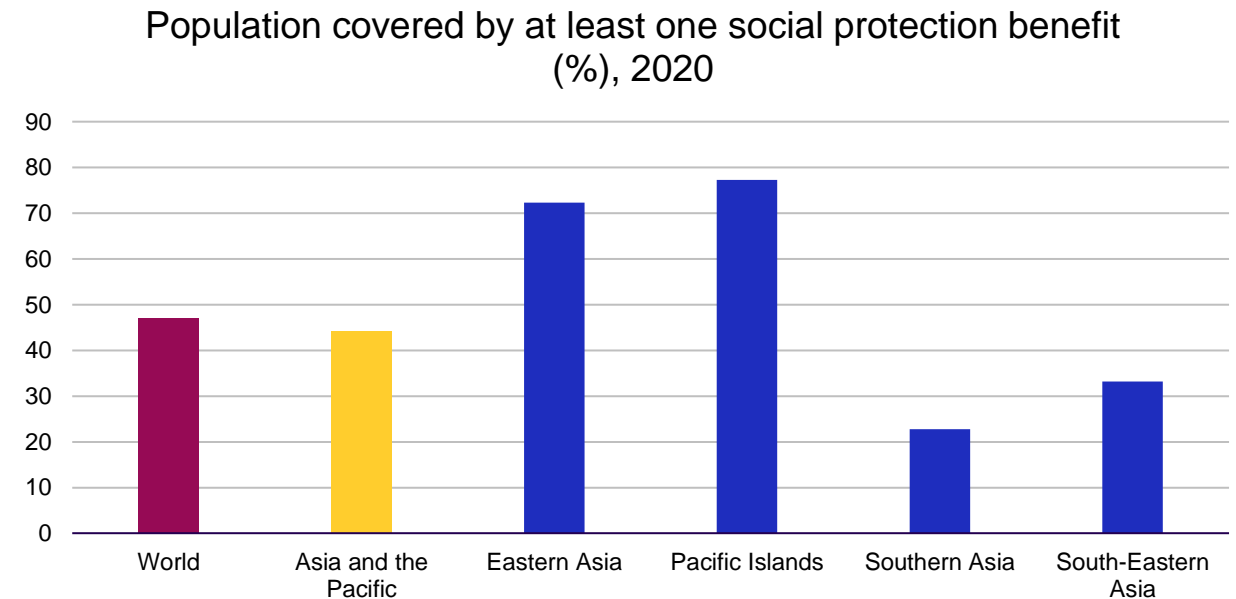


Source: ILOSTAT, ILO modelled estimates.

## ► Social protection in Asia and the Pacific

- COVID-19 crisis exposed inequalities and gaps in social protection coverage, comprehensiveness and adequacy
- Only 44.1 per cent of the region's population had access to at least one social protection benefit in 2020
- Low rates of social protection coverage are related to significant underinvestment in social protection and the exclusion of large numbers of informal workers from existing systems

### SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems (%), 2020

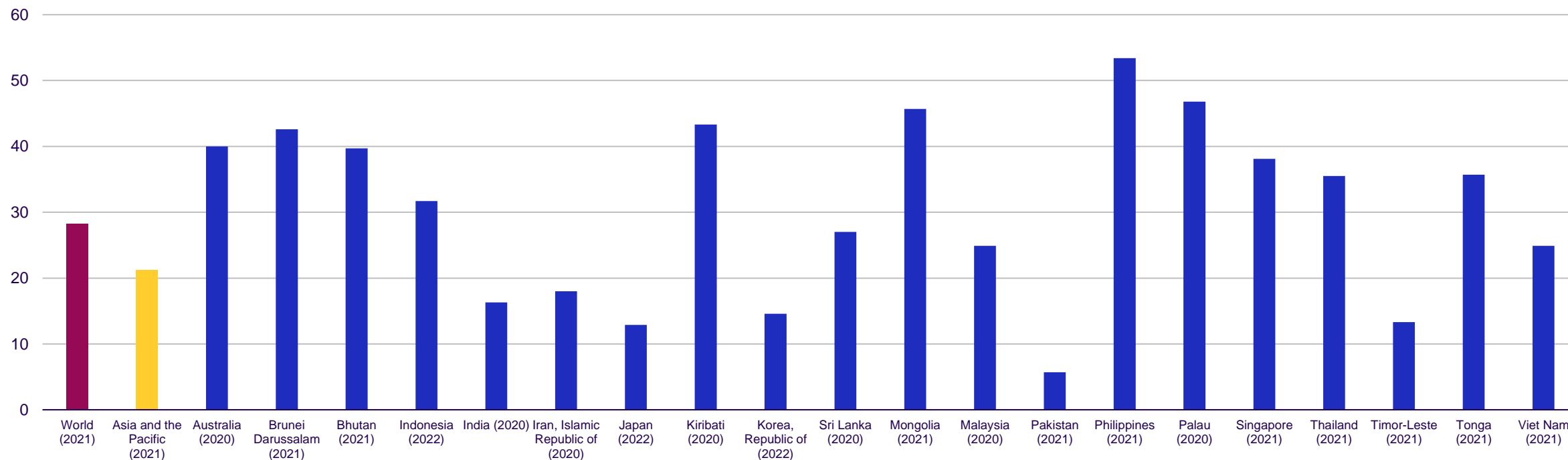


Source: ILO (2022) World Social Protection Report 2020–22: Regional Companion Report for Asia and the Pacific. ILO (2022) Renewed social justice for a human-centred recovery

Source: ILOSTAT, ILO - Social Security Inquiry Database.

## Gender equality in the world of work in Asia and the Pacific

**SDG indicator 5.5.2 - Proportion of women in managerial positions (%), selected countries, 2020-2022, latest year available**



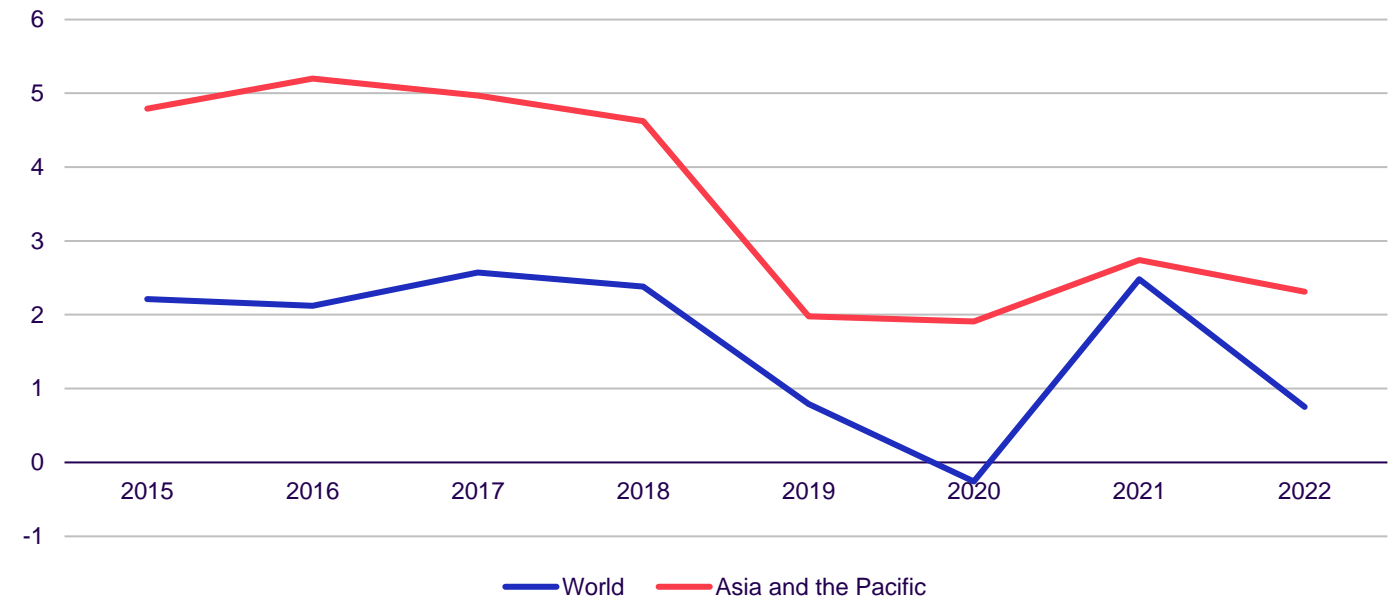
Source: ILOSTAT. Data for World and Asia-Pacific are ILO modelled estimates.

## ► Labour productivity growth rate in Asia and the Pacific

### Labour productivity trends for 2000–2020

- Sustained growth in labour productivity (SDG indicator 8.2.1) key for improving working conditions, increasing wages and boosting enterprise competitiveness
- Labour productivity on the rise over the past two decades in region, with an average annual growth rate of 3.8 per cent. At the sectoral level, labour productivity growth was highest in agriculture.
- Despite positive gains in labour productivity realized in most economies, such increases rarely reflected in rising labour income shares (SDG indicator 10.4.1).

### SDG indicator 8.2.1 - Annual growth rate of output per worker (GDP constant 2017 international \$ at PPP) (%), 2015-2022





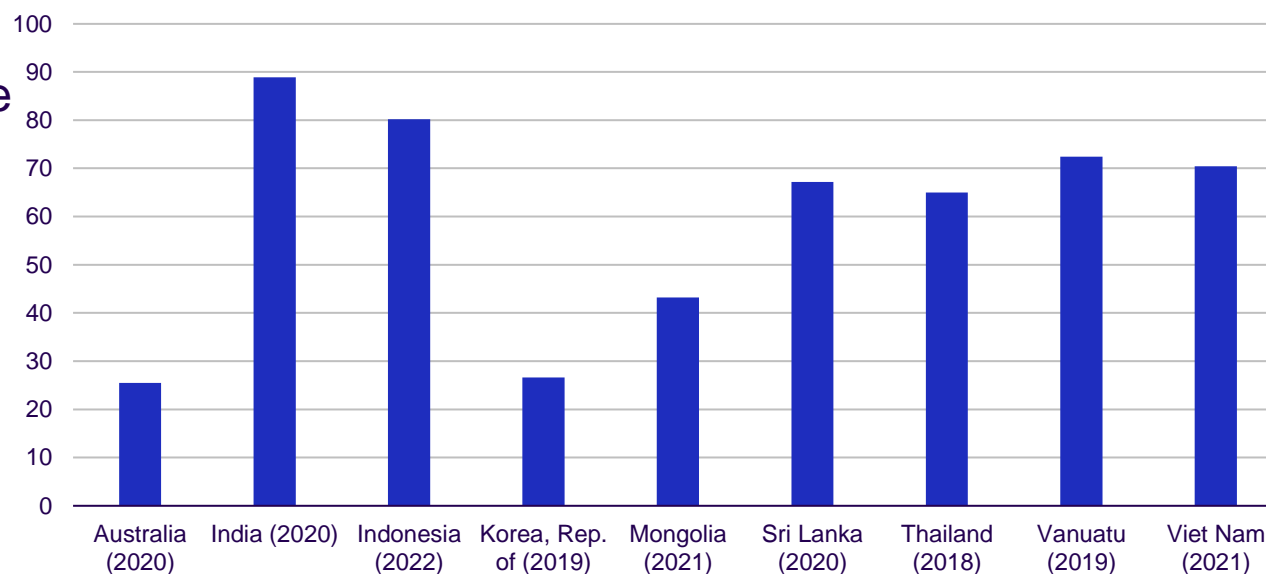
## Informal employment in Asia and the Pacific

### Trends in informal employment

- ▶ More than two in three of the region's workers were working informally in 2018.
- ▶ Informal employment rates have decreased in the region over time but not at pace with the region's economic growth.
- ▶ COVID-19 crisis exposed the precarity of the region's informal workers, typically with limited access to social and legal protections. Gradual decline in the number of persons in informal employment at the regional level through 2019 was reversed during crisis.

Source: ILO (2022) Asia-Pacific Employment and Social Outlook 2022; ILO (2022)  
Renewed social justice for a human-centred recovery.

### SDG indicator 8.3.1 - Proportion of informal employment in total employment (%), selected countries, latest year



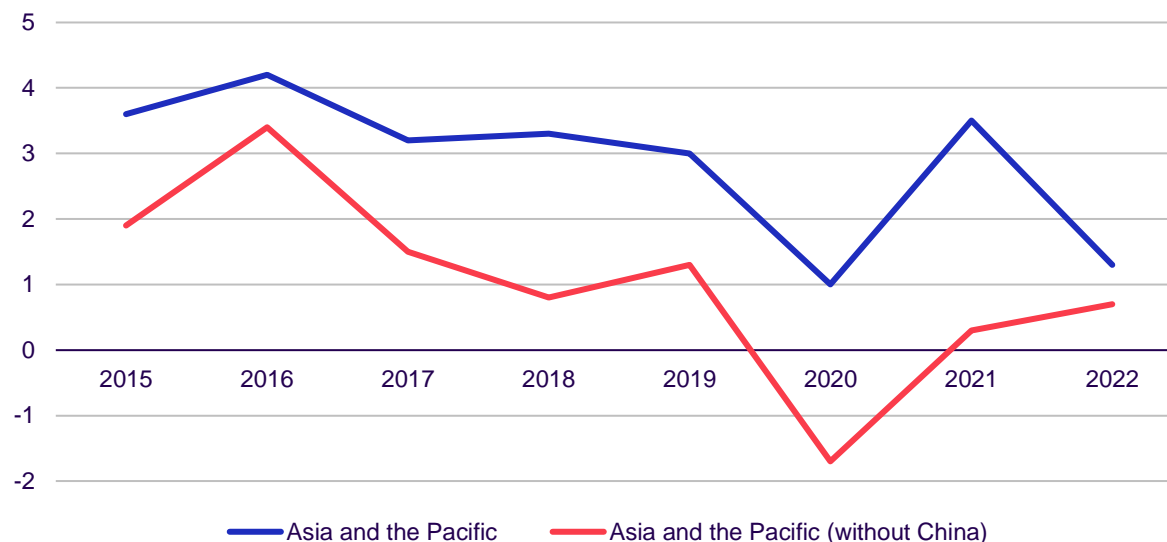
Source: ILOSTAT.

## Wages and earnings in Asia and the Pacific

- ▶ Country data on **SDG indicator 8.5.1** (Average hourly earnings of employees by sex) in the region point to **continued predominance of low-paid employment**, with impact on rising income inequality, slower productivity, lower government revenues and limited economic growth
- ▶ **Gender pay gap**: SDG indicator 8.5.1 for women lagged behind that of men in most countries (with available data) in the region
- ▶ **Wage growth**: In 2020, wage growth in the region fell. After a recovery in 2021, wage growth declined again but remained positive as inflation began to rise in 2022.

Source: ILO (2022) Asia-Pacific Employment and Social Outlook 2022; ILO (2022) Renewed social justice for a human-centred recovery

### Annual average real wage growth, 2015-2022 (%)



Source: ILO estimates based on ILO (2023) Global Wage Report 2022–23. Wage growth for 2022 is estimated by comparing the first two quarters of 2022 with the corresponding period in 2021.

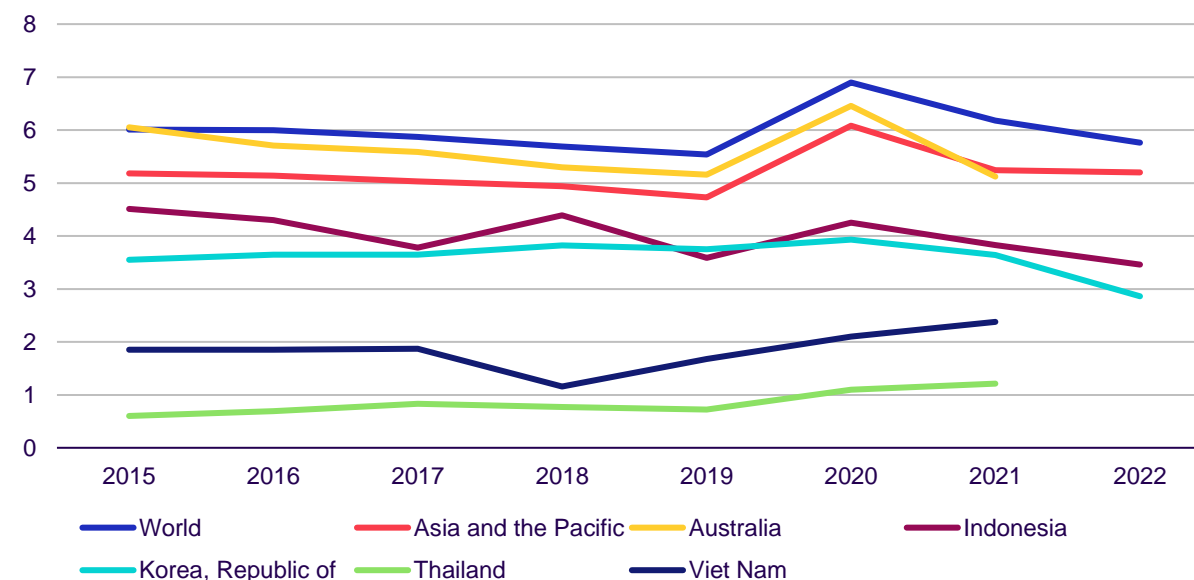
## ► Unemployment rate in Asia and the Pacific

### Regional employment and unemployment trends

- Employment rates in the Asia and the Pacific region are among the world's highest and unemployment rates among the world's lowest
- Unemployment surged in 2020 in the region. In 2022, the rate and number of persons in unemployment were still higher than in 2019
- Despite positive employment growth, the employment-to-population ratio in 2022 remained still below 2019 pre-crisis level, and economic inactivity increased by between 2019 and 2022

Source: ILO (2022) Asia-Pacific Employment and Social Outlook 2022; ILO (2022) Renewed social justice for a human-centred recovery

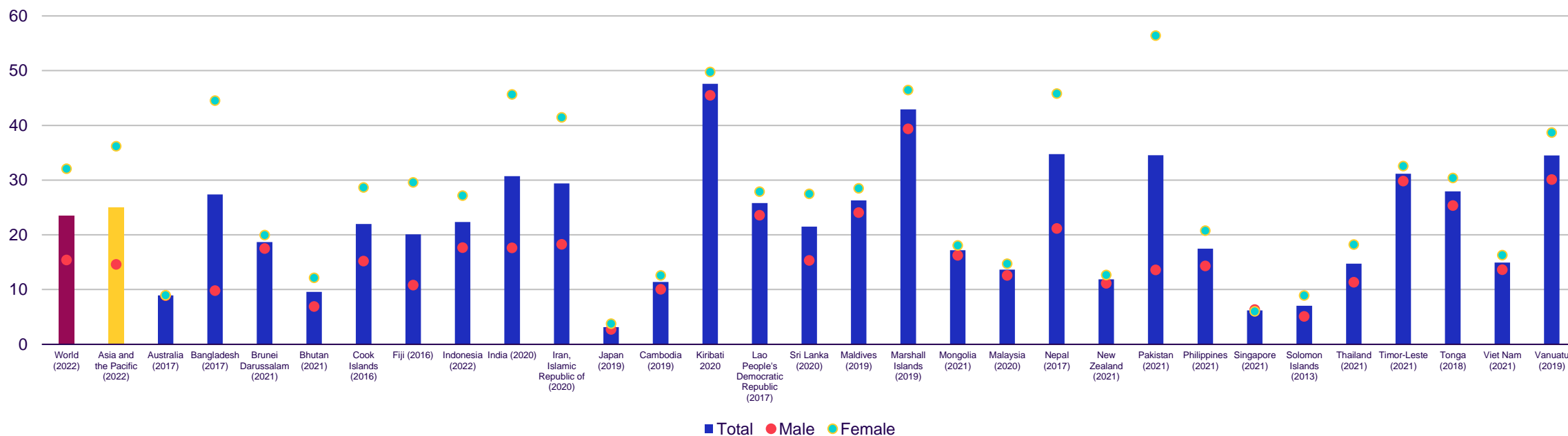
### SDG indicator 8.5.2 - Unemployment rate (%), 2015-2022, selected countries



Source: ILOSTAT. Data for World and Asia-Pacific are ILO modelled estimates.

## ► Youth NEET rate in Asia and the Pacific

**SDG indicator 8.6.1 - Proportion of youth (aged 15-24 years) not in education, employment or training (%), selected countries, latest year available**



Source: ILOSTAT. Data for World and Asia-Pacific are ILO modelled estimates.

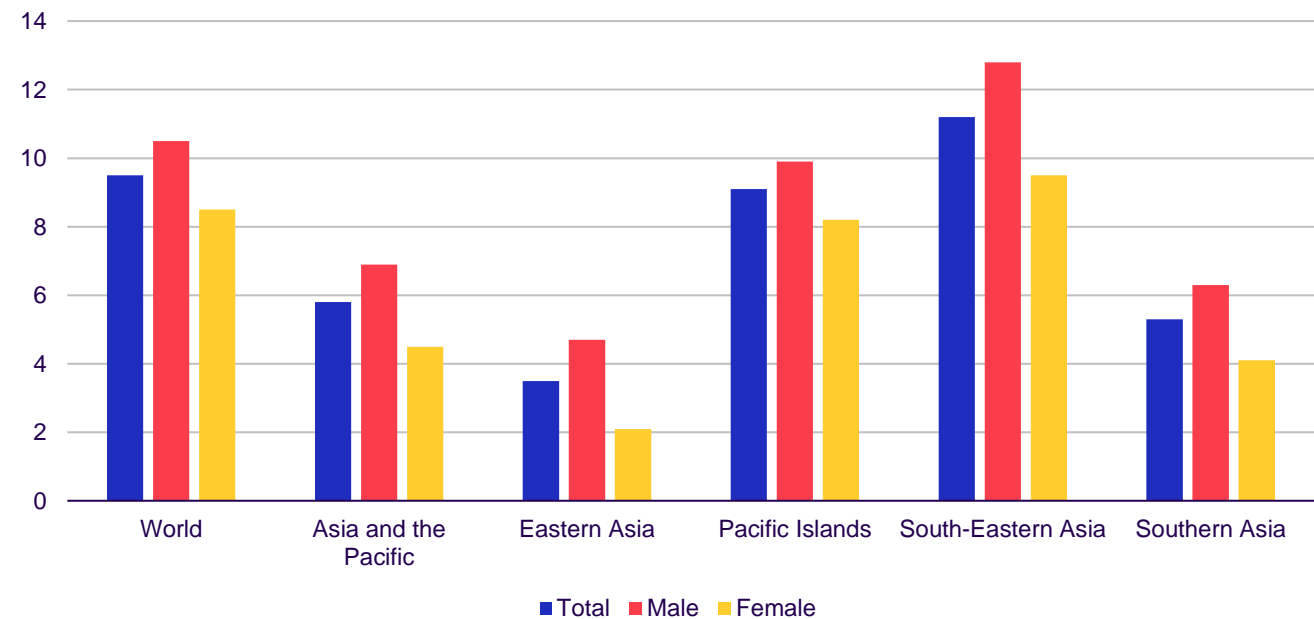
## Child labour in Asia and the Pacific

### Child labour trends

- ▶ Asia and the Pacific experienced steady progress against child labour (SDG indicator 8.7.1) from 2008 to 2020.
- ▶ Yet, an estimated 48.7 million children aged 5–17 years remain engaged in child labour in the region in 2020.
- ▶ Reductions in hours of work since 2020, the lost livelihoods and the increased poverty at household level, as well as school closures, threaten to erode progress against child labour.

Source: ILO and UNICEF (2021) Child Labour: Global estimates 2020, trends and the road forward

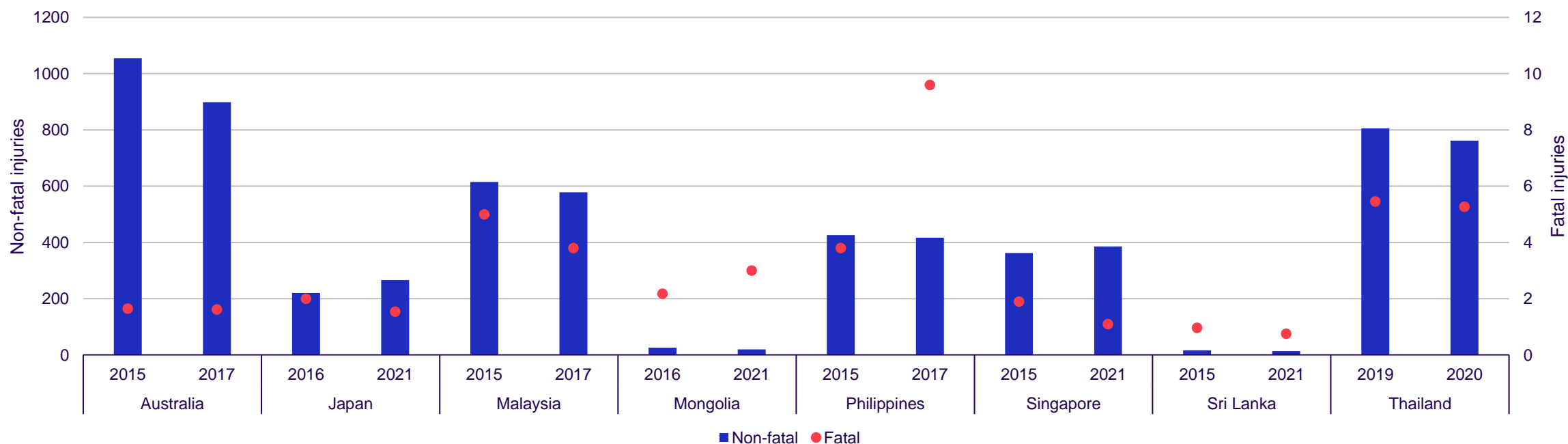
### SDG indicator 8.7.1 - Proportion of children engaged in economic activity and household chores (%), aged 5-17 years, by sex



Source: ILOSTAT, ILO modelled estimates.

## Occupational injuries in Asia and the Pacific

**SDG indicator 8.8.1 - Fatal and non-fatal occupational injuries per 100'000 workers, selected countries, earliest and latest year in 2015-2021 period**



Source: ILOSTAT. National records.

## ▶ Level of national compliance with labour rights in Asia and the Pacific

### SDG indicator 8.8.2

- ▶ Seeks to **measure the level of national compliance with fundamental labour rights** (freedom of association and collective bargaining).
- ▶ Based on six ILO supervisory body **textual sources** and also on **national legislation**.
- ▶ **Covers all ILO member States**. Country scores until now were reported for countries that have ratified both ILO Convention Nos. 87 and 98. Based on agreed refinements in 2022, scores will be reported for all ILO member States from 2023.

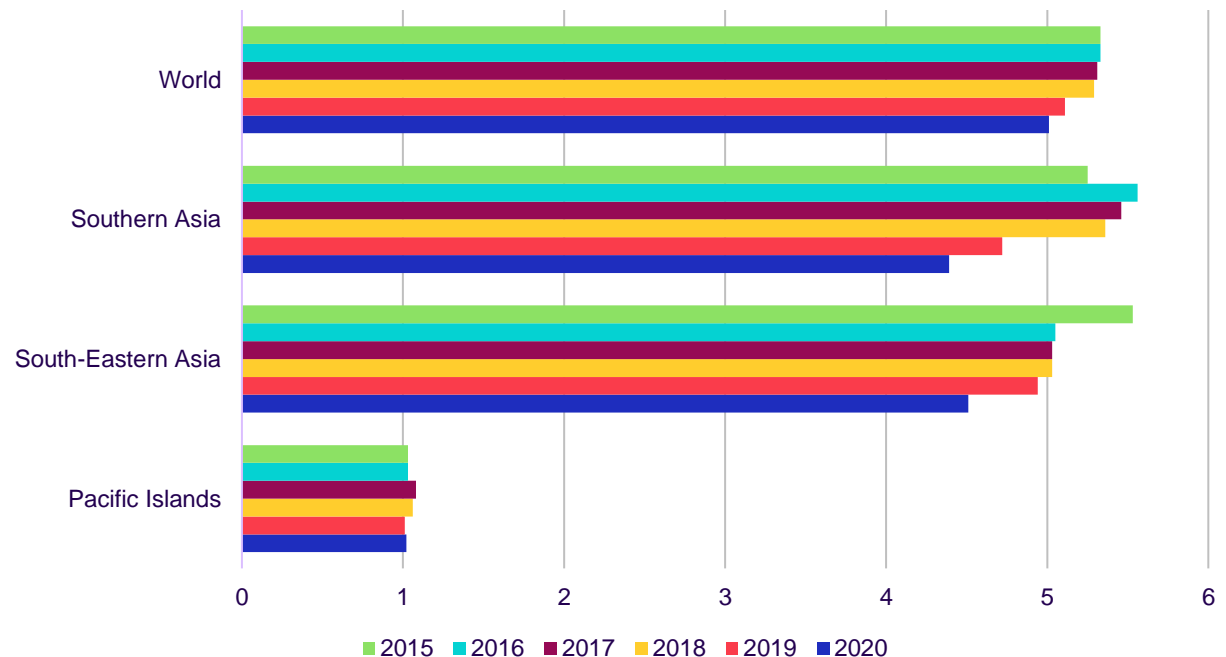
### Notes on SDG indicator 8.8.2

- ▶ National law is not enacted for the purpose of generating a statistical indicator of compliance with fundamental rights, nor were any of the ILO textual sources created for this purpose. Indicator 8.8.2 is compiled from these sources and its use does not constitute a waiver of the respective ILO Constituents' divergent points of view on the sources' conclusions.
- ▶ SDG indicator 8.8.2 is not intended as a tool to compare compliance among ILO member States. It should specifically be noted that reporting obligations of an ILO member State to the ILO's supervisory system and thus ILO textual sources are different for ratifying and non-ratifying ILO member States.

## Level of national compliance with labour rights in Asia and the Pacific (2)

- ▶ World average in 2020 stood at 5.01
- ▶ Violations of workers' and employers' rights remain substantial but there is continued progress under SDG indicator 8.8.2
- ▶ Impact of COVID-19 pandemic remains to be seen
- ▶ Improvements in South-Eastern Asia and Southern Asia
- ▶ 18 countries have not ratified either or both ILO Convention Nos. 87 and 98
- ▶ Republic of Korea ratified both Conventions in 2021; Viet Nam ratified Convention No. 98 in 2019
- ▶ Complaints/Commission of Inquiry (Art. 26) pending for Bangladesh and Myanmar

### SDG indicator 8.8.2 - Level of national compliance with labour rights, 2015-2020, World and Asia-Pacific



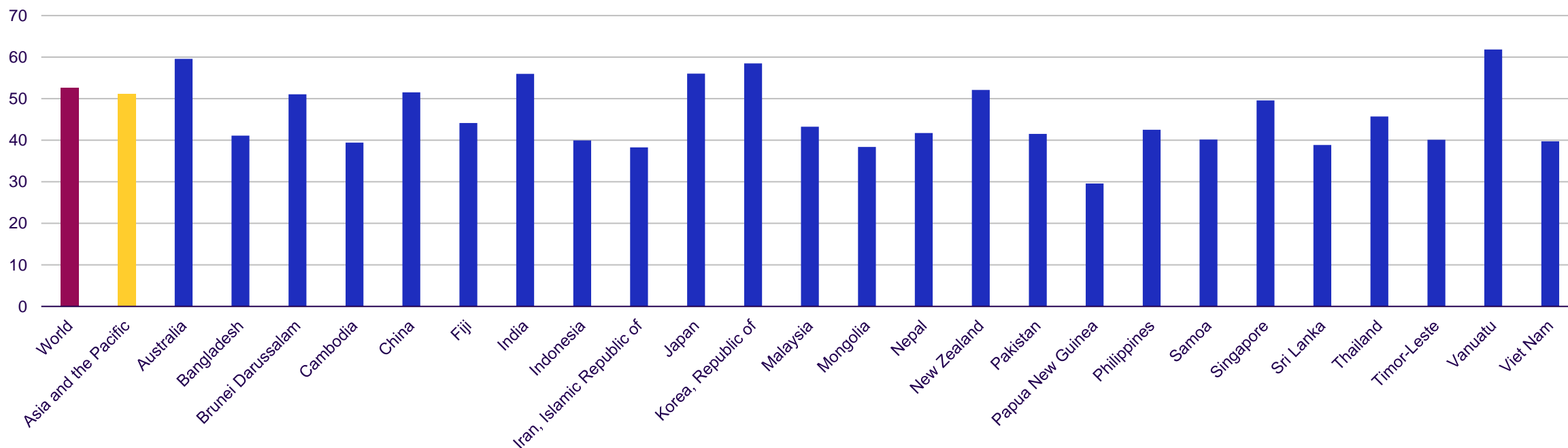
Note: Range from 0 to 10, with 0 = best possible score (indicating higher levels of compliance with FACB rights) and 10 the worst (indicating lower levels of compliance).

Source: ILOSTAT. ILO Calculations based on information from ILO textual sources.



## ► Labour income share of GDP in Asia and the Pacific

### SDG indicator 10.4.1 - Labour income share as a percent of GDP (%), 2019, selected countries



Source: ILOSTAT, ILO modelled estimates.

## ► Policy considerations of the 17th Asia-Pacific Regional Meeting

### Selected policy areas for national action

- Transitions to formality and decent work;
- Social and employment protection;
- Productivity growth and skills for more and better jobs;
- Labour rights and social dialogue;
- Gender equality and inclusion.

► **Thank you**

## For more information

### Reports

- ▶ ILO (2023) World Employment and Social Outlook: Trends 2023
- ▶ ILO (2023) Global Wage Report 2022–23: The impact of inflation and COVID-19 on wages and purchasing power
- ▶ ILO (2022) Asia-Pacific Employment and Social Outlook 2022: Rethinking sectoral strategies for a human-centred future of work
- ▶ ILO (2022) Renewed social justice for a human-centred recovery, 17th Asia and the Pacific Regional Meeting, Singapore, 6–9 December 2022
- ▶ ILO (2022) The Singapore Statement, 17th Asia and the Pacific Regional Meeting, Singapore, 6–9 December 2022
- ▶ ILO (2022) World Social Protection Report 2020–22: Regional Companion Report for Asia and the Pacific
- ▶ ILO (2022) Youth not in employment, education or training in Asia and the Pacific: Trends and policy considerations
- ▶ ILO (2021) ILC resolution concerning a global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient
- ▶ ILO and UNICEF (2021) Child Labour: Global estimates 2020, trends and the road forward
- ▶ ILO (2021) Labour productivity trends in Asia and the Pacific highlight uneven COVID-19 impacts, 18 October 2021.
- ▶ ILO (2018) Decent Work and the Sustainable Development Goals: A Guidebook on SDG Labour Market Indicators

### Data

- ▶ ILO. ILOSTAT: <https://ilostat.ilo.org/topics/sdg/>
- ▶ UN Statistics Division. SDGs Global indicators framework: <https://unstats.un.org/sdgs/>
- ▶ UN Statistics Division. SDG Indicators Metadata Repository: <https://unstats.un.org/sdgs/metadata/>
- ▶ UN Statistics Division. SDG Indicators Global Database: <https://unstats.un.org/sdgs/indicators/database/>