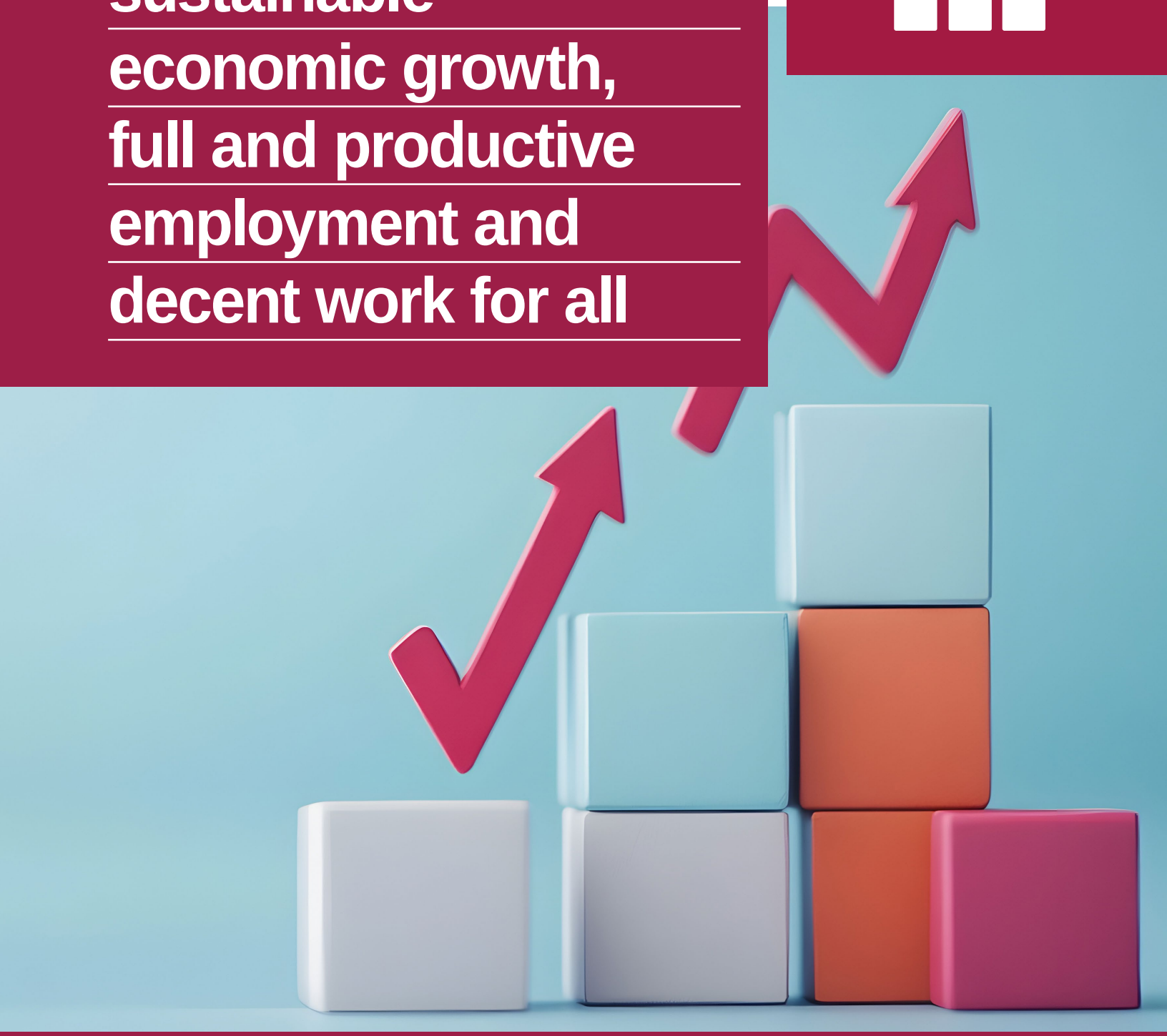
Sustainable Development Goal (SDG)

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

8 DECENT WORK AND ECONOMIC GROWTH



Regional overview

- If recent trends continue, Latin America and the Caribbean is likely to meet the target of ensuring that, by 2030, per capita economic growth is sustained relative to the 2015 baseline (target 8.1). However, from a structural point of view, the region's macroeconomic performance in the final two decades of the twentieth century and the first two decades of the twenty-first leaves much to be desired. The countries of the region are caught in what the Economic Commission for Latin America and the Caribbean (ECLAC) has described as a trap of low capacity for growth.
- Economic growth has been hampered by heterogeneous production, with marked variation in productivity by firm and by sector, differences in the capacity of macroeconomic policy to respond to fluctuations in the economic cycle, major disparities in access to productive financing and a high level of labour informality.
- Structural changes in the region's labour markets —for example, less labour-productive sectors creating the most jobs— have resulted in a significant reduction in labour productivity growth since the 1980s.
- Profound transformations in the world of work, together with increased human mobility, rapidly emerging new forms of employment (such as digital platforms) and high informality rates, present challenges when it comes to protecting labour rights and ensuring a safe work environment for all.
- Since the coronavirus disease (COVID-19) pandemic, nearly all the countries of the region have incorporated sustainability in their national tourism development plans as part of a more comprehensive approach, and have recognized the importance of territories, environmental sustainability and governance.
- The lack of significant changes (in either absolute or per capita terms) in material footprint per GDP or domestic material consumption in recent decades indicates that the region has not yet begun to decouple economic development from the use of materials.

- For productive sectors in Latin America and the Caribbean, access to the financial system is limited. Small and medium-sized enterprises use the financial system mainly to make deposits, as a means of payment and, to a lesser extent, to obtain loan and credit products.

Key facts on the region

- From the 1950s to the 1970s, per capita gross domestic product (GDP) grew steadily from 2.1% to 3.4%. However, it contracted by 0.1% during the debt crisis of the 1980s, in a period that would come to be known as the "lost decade". Although GDP returned to growth in subsequent decades, per decade averages trailed behind earlier figures, and average growth for the period 2016–2025 is projected at 0.4%.
- Investment growth in the period 1990–2023 averaged 2.1% in real terms, accounting for approximately 19% of GDP.
- Between 2014 and 2023, the number of employed persons in the region grew by an average 1.3% per year, one third of the 3.9% recorded in the 1970s.
- The services sector increased its share in employment from 28.5% in 1950 to 64.7% in 2020, for a total increase of 36.2 percentage points. The agricultural sector, meanwhile, decreased its share in the same period, from more than 50% to less than 15%.
- Between 1950 and 2020, the manufacturing share of employment fell from 14.4% to 12.3%, while construction's share increased from 3.3% to 7.1%.
- The region's annual labour productivity growth for the period 2016–2023 averaged 0.0% (no growth at all).
- The employed population grew by 10.0% between 2013 and 2022, owing mainly to the 18.6% increase in informal employment; formal jobs, meanwhile, grew by just 3.3%.
- In 2023, informal employment accounted for 51.8% of total employment in Latin America and the Caribbean (50.8% for women and 52.6% for men).

- An analysis of informal employment growth by sex shows a larger increase among women (22.8%) than among men (15.7%).
- In 18 Latin American countries,[1] the average proportion of young people who are neither studying nor in paid employment fell by just 3.6 percentage points between 2000 and 2023, from 20.8% to 17.2%.
- In 2020, the number of children and adolescents engaged in child labour in Latin America and the Caribbean was approximately 8.3 million, or 6% of the regional population aged 5–17.
- The region's material footprint grew from 2.8 gigatons in 1970 to 7.9 gigatons in 2021, and domestic material consumption per capita increased from 9.5 tons in the 1970s to more than 15 tons in recent years.
- Secondary materials account for less than 1% of total material consumption in the region, compared to 7.2% in the world.
- In 2019, international tourist arrivals hit a global high of 1.464 billion. With the onset of the COVID-19 pandemic in 2020, arrivals fell to 406 million, but by 2024, they had bounced back to 1.445 billion.
- Tourism represents, on average, 2.5% of GDP in South America, 5% in Central America and 8% in Mexico. In the Caribbean, tourism accounts for around 20% of GDP, albeit with significant differences between countries.
- Tourism accounts for a significant proportion of services exports, especially in the Caribbean; it represents 6% of employment in Latin America and 35% in the Caribbean.
- On average, women occupy 62% of jobs in food and accommodation services but tend to hold lower-paying positions in the services sector overall.
- A respective 89%, 94.3% and 96.6% of small, medium-sized and large enterprises in the region have a checking or savings account in the formal financial system, while a respective 40.9%, 56.7% and 69.0%, on average, have a bank loan.

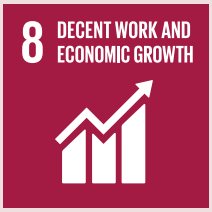
[1] Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Sustainable Development Goal 8 and human rights

The human rights focus of the 2030 Agenda for Sustainable Development stems from an explicit grounding in the Universal Declaration of Human Rights and international human rights treaties, in addition to other instruments, such as the Declaration on the Right to Development (art. 10).

The SDGs are universal in scope, seeking to "realize the human rights of all" in developed and developing countries alike (2030 Agenda). The recognition of the need to fight poverty and inequalities in the 2030 Agenda is evident in its focus on reaching the furthest behind first and ensuring that no one is left behind —a principle which underpins the central, transformative promise of the 2030 Agenda and the SDGs.

Although the SDGs are not specifically framed in human rights terms, many of their targets align with international standards. To a large extent, Goal 8 (Decent work and economic growth) is one of the goals that embodies the essence of economic, social and cultural rights and it links to human rights instruments including the declarations and conventions of the International Labour Organization (ILO), the Convention on the Rights of the Child, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention on the Rights of Persons with Disabilities, the Convention on the Elimination of All Forms of Discrimination against Women and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Goal 8 targets include sustaining per capita economic growth; improving resource efficiency in consumption and production; achieving full and productive employment and decent work for all; eradicating forced and child labour and trafficking in persons; protecting the rights of workers, including migrants; and expanding access to financial services.	**Right to work in just and favourable conditions**: Universal Declaration of Human Rights (art. 23); International Covenant on Economic, Social and Cultural Rights (arts. 6, 7 and 10); Convention on the Rights of Persons with Disabilities (art. 27); main ILO conventions; and International Labour Organization Declaration on Fundamental Principles and Rights at Work. **Prohibition of slavery, forced labour and trafficking in persons**: Universal Declaration of Human Rights (art. 4); International Covenant on Civil and Political Rights (art. 8); Convention on the Elimination of All Forms of Discrimination against Women (art. 6); and Convention on the Rights of the Child (arts. 34–36). **Right to equal employment opportunities and working conditions for women**: Convention on the Elimination of All Forms of Discrimination against Women (art. 11); Equal Remuneration Convention, 1951 (No. 100); and Holidays with Pay (Agriculture) Convention, 1952 (No. 101). **Prohibition of child labour**: Convention on the Rights of the Child (art. 32); and Worst Forms of Child Labour Convention, 1999 (No. 182). **Right to equal working conditions for migrant workers**: International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (art. 25).

The mechanisms that comprise the human rights protection system, namely the universal periodic review, human rights treaty bodies and special procedures, make recommendations to each Member State (see Universal Human Rights Index [online] https://uhri.ohchr.org/en).

Source: Office of the United Nations High Commissioner for Human Rights (OHCHR).

Good practices in the region

- Colombia's BIO programme is an example of efficient production and consumption of resources to decouple economic growth from environmental degradation. Between 2019 and 2022, the programme registered 148 of the 500 sustainable bioproducts that it aims to generate by 2030.
- The regional initiative for a child-labour-free Latin America and the Caribbean, led by 31 national governments[2] in partnership with workers' and employers' organizations, seeks to accelerate progress to eradicate child labour by 2025 through coordinated and sustained action region-wide.
- ILO and ECLAC developed the Child Labour Risk Identification Model, an innovative tool for identifying the most vulnerable territories with regard to child labour and providing key information to guide specific policies and programmes. At present, 11 countries of Latin America and the Caribbean have implemented the model.[3]
- The Statistical Commission of the United Nations recently approved the statistical framework for measuring the sustainability of tourism. Because the framework is based on the information provided by tourism satellite accounts and the System of Environmental-Economic Accounting, the lack of such information hinders planning and decision-making on tourism development and its sustainability.
- Mexico participated actively in the design and testing of the statistical framework for measuring the sustainability of tourism, and the Dominican Republic is also making efforts to strengthen tourism management at the territorial level.

2 Antigua and Barbuda, Argentina, the Bahamas, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Suriname, Trinidad and Tobago, and Uruguay.

3 Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Jamaica, Mexico, Paraguay and Peru.

ECLAC recommendations

- Macroeconomic and financial policies should be implemented alongside productive development and transformation policies to stimulate investment and thus enable the region to break out of its trap of low capacity for growth and stagnant productivity. Increasing investment in the region would support profound changes in the countries' production structures while also strengthening climate change adaptation and mitigation.
- A new generation of productive development policies should be implemented to identify areas with high potential to boost growth, prioritizing environmental sustainability; the advancement of science, technology and innovation; digitalization; business financing; and investment attraction.
- A redoubling of efforts is needed to increase labour productivity, including the implementation of high-impact, low-cost productive development policies in the countries (e.g. territorial development policies, such as cluster initiatives, local production arrangements, production chains, and business and labour associations in general).
- The efficiency of production and consumption patterns should be improved in order to decouple economic growth from environmental pressures. A circular approach should be adopted— from product design to recycling of waste.
- Efforts to reduce labour informality should focus on a productive development strategy aimed at stimulating growth in sectors and industries that drive formal job creation and promote worker productivity.

- This strategy should equip young people and educational and vocational training institutions with information about future demand for skills and knowledge that will contribute to the region's productive development.
- Investment in the reduction of youth inequality is essential, especially during the transition from school to work, and the creation of quality jobs for young people should be incentivized through wage subsidies, dual training programmes and support for entrepreneurship.
- Social protection systems should be strengthened through measures specifically aimed at young women, such as care services and parental leave, to encourage co-responsibility for care.
- Anti-child-labour policies in the region must be safeguarded and strengthened by expanding social protection, education, labour inclusion, and youth and adult access to formal jobs with social protection and fair wages.

- Measures are needed to protect the labour rights and safe working conditions of migrants, whether they are in transit or have returned to their countries.
- Diversification and innovation in the tourism sector should be encouraged.
- The region should prioritize financial inclusion as a means of mobilizing resources for development. Adopting a new perspective on financial innovation will be key in channelling resources towards production and development objectives.
- The lending capacity of multilateral and subregional banks must be expanded by increasing capitalization, the capacity to leverage private sector resources and the flexibility of lending criteria, or a combination thereof.
- International financial architecture reform is crucial to enhance the region's resource mobilization capacity.
- Enhancing the mobilization and efficient use of resources requires strengthened institutional capacities. Specifically, the region needs macroeconomic institutions endowed with technical, operational, political and prospective capabilities, which will entail developing comprehensive public policy frameworks, improving information and budget management systems, strengthening mechanisms to coordinate macroeconomic policies, and identifying risks through prospective analysis to guide medium-term strategic decisions, among other measures.
- Economic growth analysis must consider factors beyond per capita GDP, such as national development level, in particular for middle-income countries.

MEASURES ARE NEEDED TO PROTECT THE LABOUR RIGHTS AND SAFE WORKING CONDITIONS OF MIGRANTS, WHETHER THEY ARE IN TRANSIT OR HAVE RETURNED TO THEIR COUNTRIES.

A NEW GENERATION OF PRODUCTIVE DEVELOPMENT POLICIES SHOULD BE IMPLEMENTED TO IDENTIFY AREAS WITH HIGH POTENTIAL TO BOOST GROWTH, PRIORITIZING ENVIRONMENTAL SUSTAINABILITY.

Key regional statistics

Sustainable Development Goal 8

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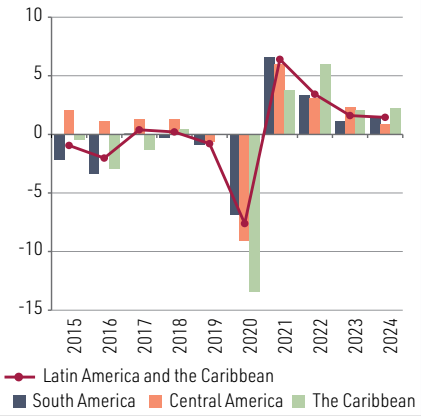
Progress in Latin America and the Caribbean

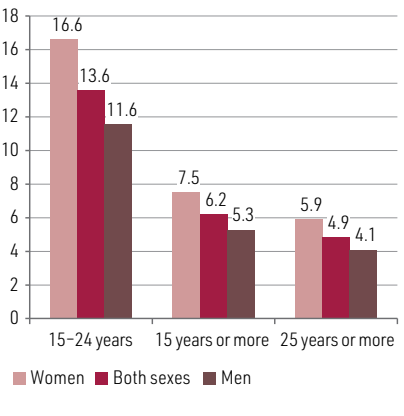
Target 8.1 Sustain economic growth 8.1

Indicator 8.1.1 Annual growth rate of real GDP per capita, 2015-2024
(Percentages)



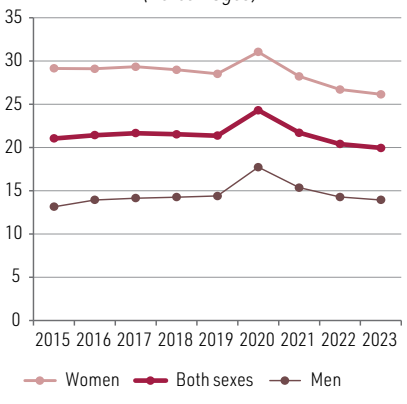
Target 8.5 Achieve full and productive employment and decent work with equal pay 8.5

Indicator 8.5.2 Latin America and the Caribbean: unemployment rate, by sex and age, 2023
(Percentages)



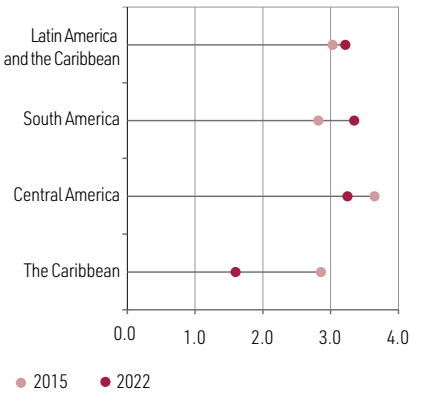
Target 8.6 Reduce the proportion of youth not in employment, education or training 8.6

Indicator 8.6.1 Latin America and the Caribbean: proportion of young people (aged 15-24) not in education, employment or training, by sex, 2015-2023
(Percentages)



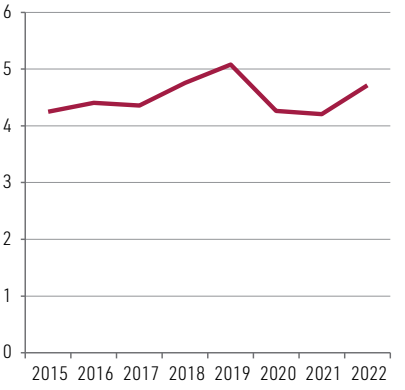
Target 8.8 Protect labour rights and promote safe and secure working environments 8.8

Indicator 8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining), 2015 and 2022
(Percentages)



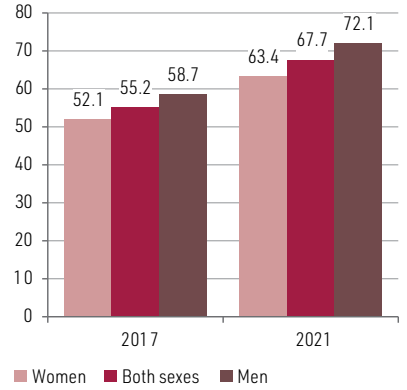
Target 8.9 Promote sustainable tourism that creates jobs and promotes local culture and products 8.9

Indicator 8.9.1 Latin America and the Caribbean: tourism direct GDP as a proportion of total GDP, 2015-2022
(Percentages)



Target 8.10 Strengthen the capacity of financial institutions to expand access to insurance and financial services 8.10

Indicator 8.10.2 Latin America and the Caribbean: proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider, by sex, 2017 and 2021
(Percentages)



8.3	8.4	8.2	8.5	8.6	8.8	8.9	8.10	8.b	8.1	8.a	8.7

- The trend is moving away from the target
- The trend is in the right direction, but progress is too slow for the target to be met
- Target already reached or likely to be reached on the current trend
- Insufficient data

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.

8
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