

SDG 8 - Decent work and economic growth

Statistics Explained

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

*Data extracted in May 2020.
Planned article update: June 2021.*



EU trend of SDG 8 on decent work and economic growth

This article provides an overview of statistical data on SDG 8 'Decent work and economic growth' in the [European Union \(EU\)](#). It is based on the set of EU SDG indicators for monitoring of progress towards the UN Sustainable Development Goals (SDGs) in an EU context.

This article is a part of a [set of statistical articles](#), which are based on the Eurostat publication '[Sustainable development in the European Union — Monitoring report - 2020 edition](#)'. This report is the fourth edition of Eurostat's series of monitoring reports on sustainable development, which provide a quantitative assessment of progress of the EU towards the SDGs in an EU context.

SDG 8 recognises the importance of sustained economic growth and high levels of economic productivity for the creation of well-paid quality jobs, as well as resource efficiency in consumption and production. It calls for opportunities for full employment and decent work for all alongside the eradication of forced labour, human trafficking and child labour, and the promotion of labour rights and safe and secure working environments.

Decent work and economic growth in the EU: overview and key trends

Monitoring SDG 8 in an EU context looks into trends in the areas of sustainable economic growth, employment and decent work. As Table 1 shows, the EU has achieved some progress in terms of sustainable economic growth over the past few years. While the overall employment situation and working conditions have also improved, a gender gap in labour market participation persists, and the economic security of the working population still remains an issue.

Indicator	Long-term trend (past 15 years)	Short-term trend (past 5 years)
Sustainable economic growth		
Real GDP	↑	↑
Investment share of GDP	↗	↑
Resource productivity (*)	↑	↗
Employment		
Young people neither in employment nor in education and training (NEET)	↑	↑
🎯 Employment rate	↗	↗
Long-term unemployment rate	↑ ⁽¹⁾	↑
Inactive population due to caring responsibilities (*)	↘ ⁽²⁾⁽³⁾	↘ ⁽²⁾
Decent work		
People killed in accidents at work	:	↑
In work at-risk-of-poverty rate (*)	:	↘

(*) Multi-purpose indicator.

(1) Past 14-year period.

(2) Trend refers to evolution of gender gap.

(3) Past 13-year period.

Table 1: Indicators measuring progress towards SDG 8, EU-27

Symbol	With quantitative target	Without quantitative target
	Trends for indicators marked with this 'target' symbol are calculated against an official and quantified EU policy target. In this case the arrow symbols should be interpreted according to the left-hand column below. Trends for all other indicators should be interpreted according to the right-hand column below.	
	Significant progress towards the EU target	Significant progress towards SD objectives
	Moderate progress towards the EU target	Moderate progress towards SD objectives
	Insufficient progress towards the EU target	Moderate movement away from SD objectives
	Movement away from the EU target	Significant movement away from SD objectives
:	Calculation of trend not possible (for example) time series too short)	

Note: The two methods for calculating progress used in this report are explained in more detail in the introduction and in the annex; for an overview of the considered policy targets see Table II.18 in the annex.

Table 2: Explanation of symbols for indicating progress towards SD objectives and targets

Sustainable economic growth

While economic growth is an important driver of prosperity and society's well-being, it can also harm the environment it depends on. Therefore, to ensure the well-being of future generations, the present generation needs to pursue sustainable economic growth in a manner that sustains natural resources and the environment. The indicators selected to monitor this objective show that over the past few years, Europeans have been enjoying continuous economic growth, which has also become more sustainable.

The EU economy has shown continuous growth over the past few years

Citizens' living standards depend on the performance of the EU economy, which can be measured using several indicators. One of these is growth in [gross domestic product \(GDP\)](#). Although GDP is not a complete measure of welfare, it gives an indication of an economy's potential to satisfy people's needs and its capacity to create jobs. It can also be used to monitor economic development.

[Real GDP per capita](#) (GDP adjusted for inflation) in the EU in 2019 reached EUR 27 990, which was 18.1 % higher than in 2004. After the severe economic slump in 2009, real GDP per capita was slowly recovering, experiencing ups (from 2009 to 2011 and from 2013 onwards) and downs (from 2011 to 2013). Since 2014, per capita GDP has seen strong and continuous growth of 2.0 % per year on average. Both private consumption and investment have been the key drivers of economic expansion in the EU¹.

Investment is another indicator of economic growth as it enhances an economy's productive capacity. In 2019, the total [investment share of GDP](#) in the EU was 22.4 %. The level of investment had experienced a setback during the economic crisis, which interrupted a period of steady growth observed between 2004 and 2007. After periods of decline and stagnation, the indicator has grown by 2.1 % on average per year since 2014. This growth is mainly attributable to an increase in [business investment](#).

¹European Commission (2019), [Employment and Social Developments in Europe, Annual review 2019](#), Publications Office of the European Union, Luxembourg, p. 31.

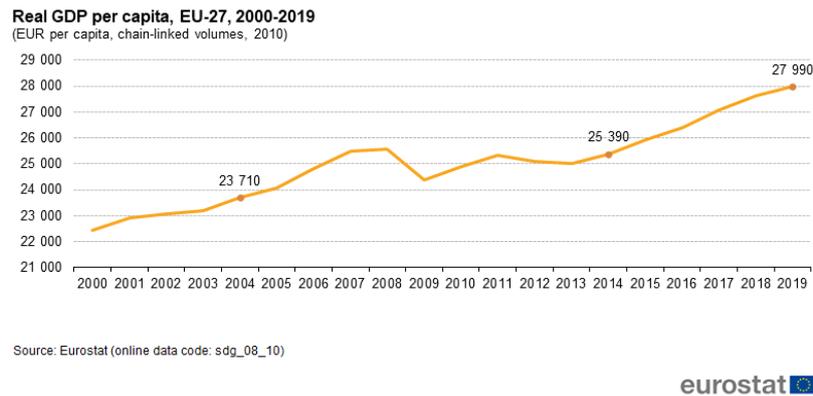


Figure 1: Real GDP per capita, EU-27, 2000-2019 (EUR per capita, chain-linked volumes, 2010)Source: Eurostat (sdg_08_10)

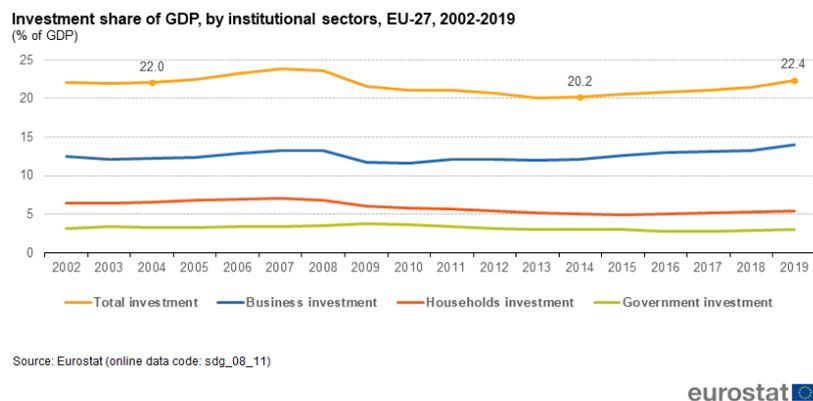


Figure 2: Investment share of GDP, by institutional sectors, EU-27, 2002-2019 (% of GDP)Source: Eurostat (sdg_08_11)

Economic growth in the EU has become more sustainable

Using natural resources more efficiently reduces pressure from production and consumption and increases an economy’s competitiveness. **Resource productivity**, measured as GDP divided by **domestic material consumption (DMC)**, monitors the relationship between what an economy produces and the physical materials it uses². Hence, it depicts an aggregate measure of an economy’s material efficiency.

The EU has increased its **resource productivity** by 29.6 % since 2003, reaching EUR 1.9 per kilogram in 2018. This favourable development can be attributed to GDP growth accompanied by a 4.8 % decrease in DMC, which reflects such factors as the EU’s long-term shift towards a service economy, globalisation and increasing reliance on imports³. However, the increase in resource productivity should be interpreted with caution and should not be contributed entirely to the success of environmental policy. It is likely that the observed trend was influenced by a number of other factors, such as a drop in DMC due to the economic crisis⁴. Indeed, the past

²Resource productivity is defined as GDP per unit of domestic material consumption (DMC), measured in EUR per kilogram. Some of these materials are directly consumed by households, which means they are not used as an input to production activities. Thus, resource productivity is not directly comparable to concepts such as labour or capital productivity.

³European Environment Agency (2016), *More from less — material resource efficiency in Europe. 2015 overview of policies, instruments, and targets in 32 countries*, EEA report No. 10/2016, EEA Copenhagen, p. 38

⁴European Commission (2014), *Study on modelling of the economic and environmental impacts of raw material consumption*, Publications Office of the European Union, Luxembourg, p. 5.

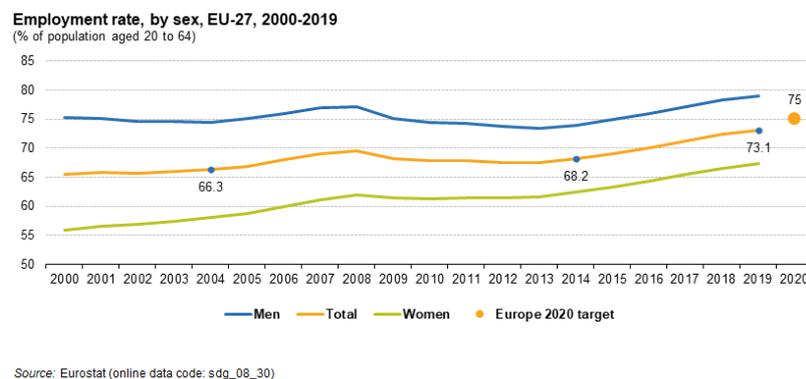
five years have seen a 6.8 % growth in the EU’s material consumption alongside the strong economic expansion reported above.

Employment

Decent employment for all — including women, people with disabilities, youth, the elderly and migrants — is a cornerstone of socio-economic development. Apart from generating the resources needed for decent living standards and achieving life goals, work provides opportunities for meaningful engagement in society, which promotes a sense of self-worth, purpose and social inclusion. Higher employment rates are a key condition for making societies more inclusive by reducing poverty and inequality in and between both regions and social groups.

Overall, the employment situation in the EU keeps improving

The economic recovery in the EU over the past few years has been reflected in improved employment prospects. Overall, the EU **employment rate** has exhibited a growing trend over the past 15 years (with some interruptions in the aftermath of the economic crisis): it has grown by 6.8 percentage points compared with 2004 and by 4.9 percentage points compared with 2014, reaching a record high of 73.1 % in 2019. Despite this improvement, the EU might still fall short on meeting the Europe 2020 employment target of 75 %⁵. The overall growth of the employment rate over the past decade can be partly attributed to older workers delaying their retirement and women increasing their participation in the labour force⁶.



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Figure 3: Employment rate, by sex, EU-27, 2000-2019 (% of population aged 20 to 64) Source: Eurostat (sdg_08_30)

Unemployment and long-term unemployment have decreased since 2014

The EU’s unemployment situation has also improved following the economic recovery. In 2019, the unemployment rate stood at 6.7 %, which is a 4.2 percentage point improvement from 2014⁷. **Long-term unemployment** usually follows the trends in unemployment, but with a delay.

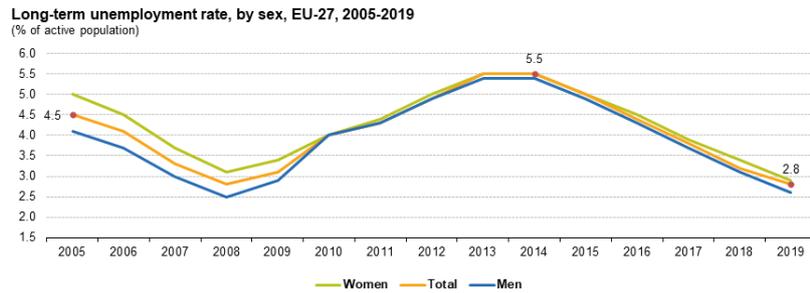
Long-term unemployment can have long-lasting negative implications for individuals and society by endangering social cohesion and increasing the risk of poverty and social exclusion. Beyond material living standards,

⁵European Commission (2019), [Employment and Social Developments in Europe, Annual review 2019](#) , Publications Office of the European Union, Luxembourg, p. 14.

⁶European Commission (2017), [Employment and Social Developments in Europe 2017](#) , Publications Office of the European Union, Luxembourg, p. 10.

⁷Source: Eurostat (online data code: (ifsa_urgaed)).

it can also lead to a deterioration of individual skills and health, thus hindering future employability, productivity and earnings. In 2019, 2.8 % of the EU's **active population** had been unemployed for a year or more, which is 2.7 percentage points less than at the peak of the long-term unemployment rate in 2014.



Source: Eurostat (online data code: [sdg_08_40](#))



Figure 4: Long-term unemployment rate, by sex, EU-27, 2005-2019 (% of active population) Source: Eurostat ([sdg_08_40](#))

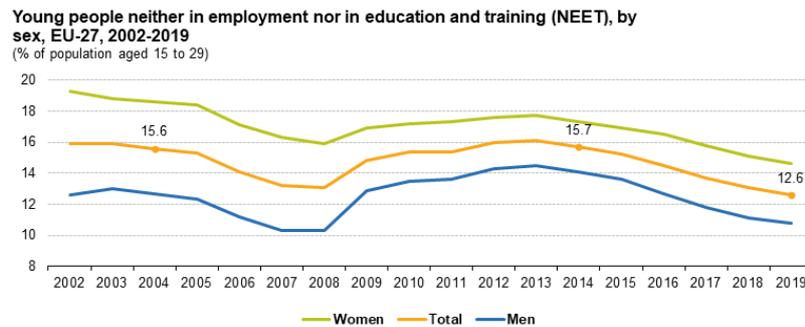
Labour market prospects for young people have improved since 2014 but still remain precarious

The economic recovery has also strengthened the labour market situation of younger people, with the employment rate of 20- to 24-year-olds steadily growing since 2014. Nevertheless, their employment perspectives remain precarious. People of this age group were the hardest hit by the economic crisis and are still under-represented in the job market, with only 51.5 % of 20- to 24-year-olds being employed in 2019, which is 1.3 percentage points below their pre-crisis level⁸. Despite the strong decrease in youth unemployment since 2014, the unemployment rate of 20- to 24-year-olds amounted to 14.0 % in 2019, which is still significantly higher than for older age groups⁹.

Young people not engaged in employment nor in education and training (NEET) are among the most vulnerable groups in the labour market. Over the long term they may fail to gain new skills and suffer from erosion of competences, which in turn might lead to a higher risk of labour market and social exclusion. Between 2004 and 2019, the NEET rate for 15- to 29-year-olds in the EU closely followed the economic cycle, improving from 15.6 % to 12.6 % over the period.

⁸Source: Eurostat (online data code: [\(lfsa_ergan\)](#)).

⁹Source: Eurostat (online data code: [\(lfsa_urgaed\)](#)).



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Figure 5: Young people neither in employment nor in education and training (NEET), by sex, EU-27, 2002-2019 (% of population aged 15 to 29)Source: Eurostat (sdg_08_20)

Women’s participation in the labour market is increasing, but gender differences persist

Over the past 15 years, the employment rate of women in the EU has been increasing and reached a new record high of 67.3 % in 2019. However, despite declining by 4.7 percentage points since 2004, the gender employment gap continues to persist and has stagnated over the short term since 2014. In 2019 it amounted to 11.7 percentage points, despite women increasingly becoming well qualified and even outperforming men in terms of educational attainment (see the article on [SDG 4 'Quality education'](#)).

The lower employment rates for women might be related to the fact that women of working age are more likely to be inactive than men. In 2019, 32.2 % of inactive women aged 20 to 64 were in this situation because they were caring for children or incapacitated adults, compared with only 4.5 % of men. This [gender gap](#) has increased by 1.2 percentage points since 2006.

Decent work

For a society’s sustainable economic development and well-being it is crucial that economic growth generates not just any kind of job but also 'decent' ones. This means that work should deliver fair income, workplace security and social protection, and allow flexibility of working arrangements and hours.

Over the past few years, work in the EU has become safer but less economically secure

A prerequisite for decent work is a safe and healthy working environment, without [fatal accidents](#) . Over the past few decades, the EU and its Member States have put considerable effort into ensuring minimum standards in occupational safety and health. In 2017, the [rate of fatal accidents at work](#) amounted to 1.8 fatalities per 100 000 employed persons. While there has been a significant decrease since 2010, the gender gap persists. In 2017, the rate of fatal accidents at work for men was 13.7 times higher than for women.

Besides safety at work, fair income and social protection are other important components of decent work. Poverty is often associated with the absence of a paid occupation. However, low wages can also push some workers below the poverty line. The recent economic expansion and increase in employment have hardly been reflected in wage developments at the EU level¹⁰. Wage growth remains subdued, below what could be expected given the positive labour market and economic performance, and lagged behind average productivity growth in most Member States¹¹. Furthermore, the share of the so-called [working poor](#) ' (aged 18 and over) increased almost continuously from 2010 to 2016 in the EU. However, the share has declined since then, affecting 9.2 %

¹⁰European Commission (2018), [Employment and Social Developments in Europe, Annual review 2018](#) , p. 27.

¹¹Ibid.

of employed people in 2018, which is only slightly above the 2013 level of 9.1 %.

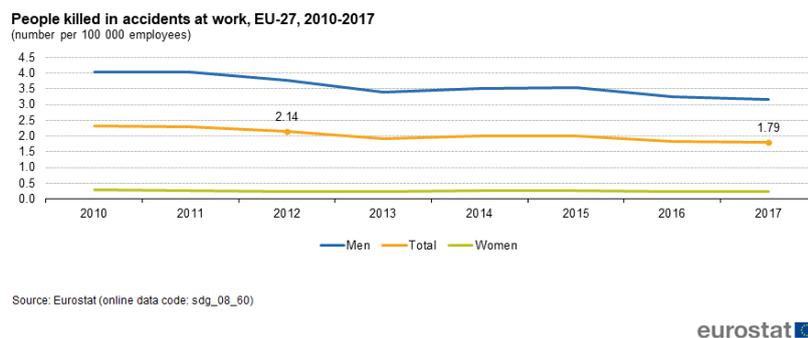


Figure 6: People killed in accidents at work, EU-27, 2010-2017 (number per 100 000 employees)Source: Eurostat (sdg_08_60)

Context

Inclusive green economic growth and decent employment are of key importance for the development and prosperity of European countries and for the well-being and personal fulfilment of individuals. For economic growth to be truly sustainable, it needs to be accompanied by eco-efficiency improvements, climate action and resilient measures, alongside active labour market and social inclusion policies, in order to avoid harming the natural environment it depends on or damaging the social fabric of European societies. Sustainable economic growth thus also means generating employment opportunities for all and improving working conditions for those already in employment.

See also

- [All articles on sustainable development goals](#)

Database

- [Sustainable Development Indicators](#)

Dedicated section

- [Europe 2020 indicators](#)
- [Sustainable Development Indicators](#)

Methodology

More detailed information on EU SDG indicators for monitoring of progress towards the UN Sustainable Development Goals (SDGs), such as indicator relevance, definitions, methodological notes, background and potential linkages, can be found in the [introduction](#) of the publication '[Sustainable development in the European Union — Monitoring report - 2020 edition](#)' .

Publications

Further reading on decent work and economic growth

- [<https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en> European Commission (2019), Employment and Social Developments in Europe, Annual review 2019, Publications Office of the European Union, Luxembourg.
- European Commission (2019), European Economic Forecast, Winter 2019, Publications Office of the European Union, Luxembourg.
- European Commission (2019), Joint Employment Report 2019, Directorate-General for Employment, Social Affairs and Inclusion, Brussels.
- European Commission (2017), Establishing a European Pillar of Social Rights, COM(2017) 250 final, Brussels.
- European Commission (2017), EU External Investment Plan — Factsheet.
- European Commission (2017), European Semester Thematic Factsheet: Women in the Labour Market.
- International Labour Organisation webpage on 'decent work and the 2030 agenda for sustainable development'.
- International Labour Organisation (2020), World Employment and Social Outlook: Trends 2020, Geneva.
- OECD (2019), OECD Employment Outlook 2019: The Future of Work, OECD Publishing, Paris.
- OECD (2019), OECD Economic Outlook, November 2019, OECD Publishing, Paris.

External links

Further data sources on decent work and economic growth

- Eurostat, Employment in current job by duration (online data code: tepsr_wc220).
- Eurostat, Europe 2020 headline indicators.
- Eurostat, Gender employment gap (online data code: tesem060).
- Eurostat, People living in households with very low work intensity by sex (online data code: tepsr_lm430).