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Issue Brief
SDG 8

UN environment
United Nations Environment Programme

8 DECENT WORK AND ECONOMIC GROWTH

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SUSTAINABLE DEVELOPMENT GOAL 8 (SDG 8) - PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

Environmental Dimension of SDG 8

Natural resources are the foundation of our socioeconomic systems. We rely on natural resources for the goods and services required for sustained, inclusive and sustainable economic growth, which is essential for employment and decent work.

Within SDG 8, the target that pertains most to environmental considerations is SDG target 8.4, which speaks to the need "to decouple economic growth from environmental degradation", calling for the radical transformation of our current economic model to one which is more sustainable. UNEP, together with partners, are responsible for measuring the progress of target 8.4, specifically material footprint and domestic material consumption.

This target interacts with other SDGs. It is linked, for example, to **SDG 12** (Responsible Consumption and Production), **SDG 7** (Affordable and Clean Energy), **SDG 9** (Industry, Innovation and Infrastructure), **SDG 11** (Sustainable Cities and Communities) and **SDG 13** (Climate Action).

Progress to date

Since the adoption of the 2030 Agenda in 2015, global Gross Domestic Product (GDP) has grown from US$75 trillion in 2015 to US$80 trillion in 2017, a 6.7 percent increase. However, this growth has been predicated on an increasing dependence on natural resource extraction, which rose by 5.9 percent - from 87 to 92.1 billion tonnes during the same period. Looking at a longer time-frame (figure 1), between 1970 to 2017, the annual global extraction of materials had more than tripled, growing from 27 billion to 92.1 billion tonnes. It is continuing to grow today (figure 2).

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This trend of economic growth at the expense of nature is further illustrated in UNEP's Inclusive Wealth Report, which has found that "natural capital declined in 127 of the 140 countries since 1992, even as the global economy grew."

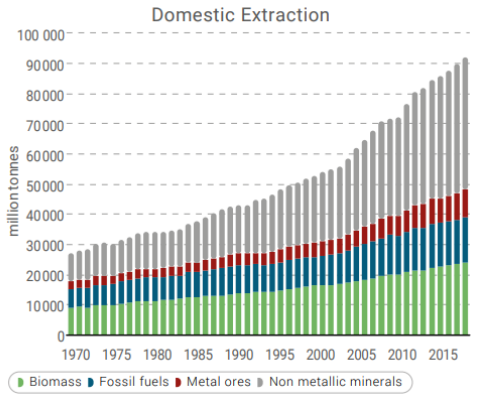

Figure 2: Global material extraction, four main material categories, 1970-2017, million tonnes. Obtained by totaling domestic material extraction for all individual nations (IRP, 2019)

This is at odds with target 8.4, pointing to the urgency to greatly enhance resource efficiency while providing sustained economic prosperity within planetary boundaries. One promising trend is the coupling of green investments and job creation. In 2017 alone, for example, global investments in the renewable energy sector led to the creation of 500,000 new jobs, reflecting a trend that had been observed from 2012.

Gaps identified and key challenges

Speaking at the launch of the 2019 State of the Global Climate Report by the World Meteorological Organisation, the UN Secretary General Antonio Guterres reiterated the report's alarming conclusion that "climate change is moving faster than our efforts to address it".

Figure 1: Trends associated with resource use 1970-2017 (IRP, 2019)

To address climate change, member states will have to internalise the environmental and social costs of economic development, which in turn requires changing the way businesses create value and citizens choose, use and dispose of products. It also requires policy changes that drive action.

There needs to be strengthened coordination, policy coherence and integration across ministries, and greater engagement with those holding key economic and financial portfolios. It is necessary to ensure partnerships with all stakeholders to create a sense of national ownership and to bring decoupling into the heart of economic planning through aligned concepts such as inclusive green economy, circular economy, blue economy, and sustainable consumption and production. **Figure 3** illustrates the concept of decoupling in this respect.

There are sectors that contribute a substantial proportion to the world's material footprint. Globally, on average, the agriculture, food and construction sectors accounted for 70 per cent of the world's total material footprint in 2015. In addition, over 60 per cent of the urban infrastructure planned to be in place by 2050 has yet to be built, with extraordinary implications for the environment and natural resources. Thus, efforts to decouple economic growth from environmental degradation in these sectors in particular could pay substantial dividends in meeting the targets of both SDG 8 and SDG 12. Further analysis of these high impact sectors can guide policies to significantly improve resource efficiency.

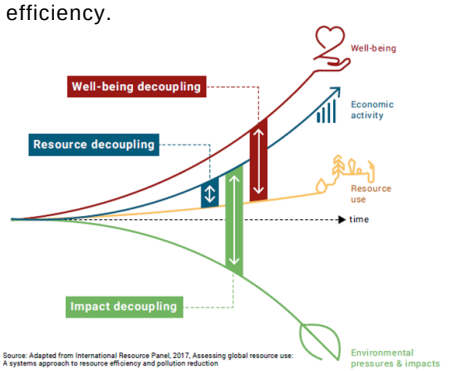

Figure 3: The concept of decoupling. (Source: IRP, 2019)

Decoupling economic growth from resource consumption, however, poses a challenge to the capacities of stakeholders in the public and private sectors, especially in developing countries where assistance is needed.

Meeting the objectives of SDG 8 and other SDGs requires substantial investment. According to UNEP's Inquiry, investments in the range of US$5 trillion to US$7 trillion will be required annually to deliver all of the SDGs by 2030. However current flows are insufficient. Initiatives around raising investment for positive environmental and social impacts, including those required for target 8.4, have arisen and the issue has now been elevated to the attention of the G20.

Examples of policies and practices that are working

While there are considerable challenges in delivering the environmental dimensions of SDG 8, there are examples of successful practices that need to be replicated and scaled-up. UNEP, for examples, hosts the Secretariats for the Partnership for Action on Green Economy (PAGE) and the One Planet Network. PAGE is a partnership of five UN agencies that offers support to countries embarking on the transition to greener economic models, while the One Planet Network is a global multi-stakeholder platform tasked with leading the implementation of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns; a commitment from both developed and developing countries to support and monitor 1,200 SCP initiatives around the world.

Together with the EU funded Switch programmes which also supported by UNEP, these delivery platforms reach over 60 countries around the world today supporting sustainable and inclusive growth (**figure 4**).

Another example is the Green Growth Knowledge Platform, a partnership of UNEP, the World Bank, the OECD and the Global Green Growth Institute to disseminate knowledge and experience in integrating environmental and social consideration into economic policies.

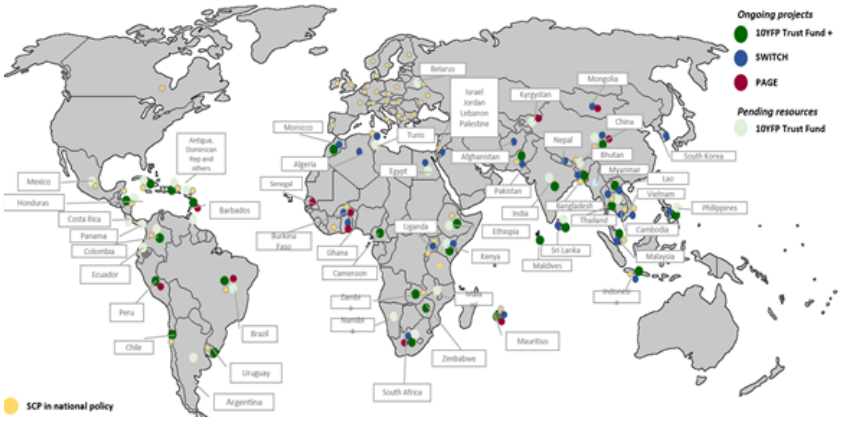

Figure 4 Global engagement on SDG 8

Other examples include the Montreal Protocol's Multilateral Fund and the European Union-funded SWITCH programmes, which provide developing countries with technical assistance to develop resource efficiency policies and with financial assistance to incubate resource efficiency projects. The Poverty-Environment Action for Sustainable Development Goals, a UNEP-UNDP collaboration, also seeks to accelerate implementation of the SDGs in developing countries through alignment of public and private finance investments with poverty, environment and climate-related actions, with a particular focus on SDG 8.

Figure 5 Interplay of policies and practices (Source: IRP, 2019)

Multi-stakeholder consultation and coordination is critical in fostering national policy ownership, and there is now a positive trend in the number of countries placing decoupling objectives at the heart of their national development strategies. UNEP, for example, with support from the REDD+ Investment Fund and PAGE, has supported Guyana in the development of its Green State Development Strategy: Vision 2040, which aims to foster sustained economic growth that is low-carbon and climate resilient, while promoting social welfare and the sustainable management of Guyana's natural resources.

One key policy area relates to the use of fiscal policies, both as a means of promoting the environmental objectives of SDG 8 as well as mobilising green investment. Fiscal policies such as taxes and subsidies align prices to signal the true costs of resource use to society.

In British Columbia, for example, a carbon tax on sources of carbon emissions in 2008 was credited for a 10 per cent decline in GHG emissions per capita and a 19 per cent decline in fossil fuel consumption per capita between 2008 and 2011, while generating 10,000 new green jobs each year between 2007 and 2013 (OECD, 2017).

However, such policies should be carefully designed to mitigate potentially negative impacts on vulnerable groups, and clearly communicated to avoid public backlash against fiscal reform.

The dissemination of best practices and policy dialogue accordingly play a significant role in the careful design of green fiscal policies and this is where The Green Fiscal Policy Network, a joint partnership between UNEP, the International Monetary Fund (IMF) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), plays a central role in providing valuable support to policymakers worldwide.

The interplay of these and other practices and policies are visualized in figure 5. By adopting these, there is still time for the world to make the necessary changes needed to decouple economic growth from environmental degradation and to advance the transition towards sustainable, more inclusive economic models – within planetary boundaries and in support of the 2030 Agenda.

Key messages

- Global GDP has been growing in recent years and there are encouraging signs of global job growth in green sectors such as renewable energy. And while such orthodox measurements of economic growth are indeed positive, we are also experiencing a global rise in the rate of material resources extraction and decline of natural capital.
- Reversing the increased rate of material extraction requires an adoption of a new economic model that decouples economic growth from environmental degradation. And to achieve a positive impact at the required scale, decoupling needs to be at the heart of national economic planning.
- Successfully delivering the new economic model is challenging and thus requires upstream and sectoral planning, multi-stakeholder engagement and partnerships, and dissemination of knowledge and best practices.
- Substantial progress can be made to reduce the global material footprint through greater resource efficiency in the key sectors of agriculture, food, construction, and infrastructure.
- Economic planning needs to be complemented by tailored fiscal policies to align incentives for greater resource efficiency; and substantial investments - both public and private - are necessary to reorient the economy to a more sustainable pathway.