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## Decent work and human development: Interrelation and interdependence

**Annotation**

The article theoretically investigates the interrelation between decent work and progress in human development and substantiates the connection statistically in the case study of Eastern European countries. Decent work foresees not only increase of educational and health opportunities, but also the human development revealed directly in the process of work, acquiring new knowledge and skills. Creating the conditions for productive employment is one of the most important areas of the decent work principles' implementation in the context of continuous human development, as well as expanding opportunities for high-quality education and healthcare.

**Keywords**

decent work, human development, productive employment, education, healthcare, fields of expanding human development opportunities

**1 Problem**

For 25 years human development has been recognized in the civilized world not only as an idea, but also as a programme for macroeconomic management. In the broadest sense, human development embraces expansion of human capabilities in all spheres of life. Furthermore, it is not just about material wealth or economic growth, the richness of human life in general is in the spotlight in this case. Labour plays a crucial role in the progress of human civilization, acts as a basis of life and determines the future of society. Likewise, labour plays especially decisive role in the progress of human development.

This notion is particularly substantiated by the fact that the 25<sup>th</sup> anniversary of the victorious procession of human development ideas in the world was celebrated by the 2015 Human Development Report "Work for Human Development", the latest in the series of global Human Development Reports published by the United Nations Development Programme (UNDP). The 2015 Report states that the link between work and human development is not automatic; it goes beyond that convention in directly linking work to the richness of human lives. The quality of work, together with ensuring productive employment and providing decent workplaces for the maximum possible number of people, is an important dimension of ensuring that work enhances human development. It is decent work that provides dignity and a sense of pride for people, facilitates participation and interaction. Work strengthens its link with human development when it goes beyond individual benefits to contribute to shared social objectives. The Report states that one critical human deprivation is not using, misusing or underusing the deep human potential of people for human development – enhancing work. In 2015, 204 million people were out of work, including 74 million young people – based on formal unemployment data. About 830 million people in the world are working poor – living on less than \$2 a day – and more than 1.5 billion are in vulnerable employment, usually lacking decent working conditions and adequate voice and social security (Human Development Report 2015: 61).

Considering the intensification of negative affect of the crisis in all spheres of public life, increase of

precarization tendencies and share of employment in the informal sector, implementation of the decent work principles is an important course of human capital preservation in the countries of Eastern Europe. The relevance of the issues related to providing decent workplaces and decent work is initially connected to the fact that the majority of problems in social and employment sphere that economically active person faces are associated with the deficiency of decent work.

**2 Literature review**

Human development is a graceful and preferred subject of in-depth scientific studies initiated worldwide by UNDP (Human Development Reports 1990-2015). Ukrainian scientists also have significant achievements in this area, in particular, those of the Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine managed by E.M. Libanova (Human Development in Ukraine: Innovative Measuring, 2008; Human Development in Ukraine: the Historical Dimension of the State Social Policy Transformation, 2014). International Labour Organization (ILO) conducted extensive research on the issues of productive employment and decent work as key elements to achieving a fair globalization and poverty reduction. A number of famous scientists such as R. Anker, A. Kolot, G. Standing, D. Tucker, G. Fields and others also studied decent work problems in their works. However, the relationship of decent work indicators and progress in human development through its key dimensions remains virtually unexplored in the scientific literature. Therefore, the purpose of this research paper is i) drawing on the extensive policy and academic literatures, to propose relationships between the concept of decent work indicators and the progress achieved in human development in the countries of Eastern Europe, and ii) to synthesize the discussions regarding the directions of the expansion of opportunities of human development through ensuring productive employment.

**3 Research outputs**

The interrelation between productive employment

and human development is rather strong (Fig. 1). It is caused by many influential factors, in particular: (i) employment income can be invested in individual human development, education, health improvement; (ii) realization of employment potential creates incentives for further investments into human capital; (iii) high level of productive employment promotes tax revenue growth in the budget which can be used for human development of economically inactive

population; (iv) decent work promotes socialization of a person, fills his/her life with dignity; (v) decent work foresees not only expanding opportunities in the field of education and health care, but also promoting personal development in the course of work, obtaining new knowledge and skills. Hence, there can't be any human development for society without labour, as in this case the material basis of the development and incentives providing demand for the results of this

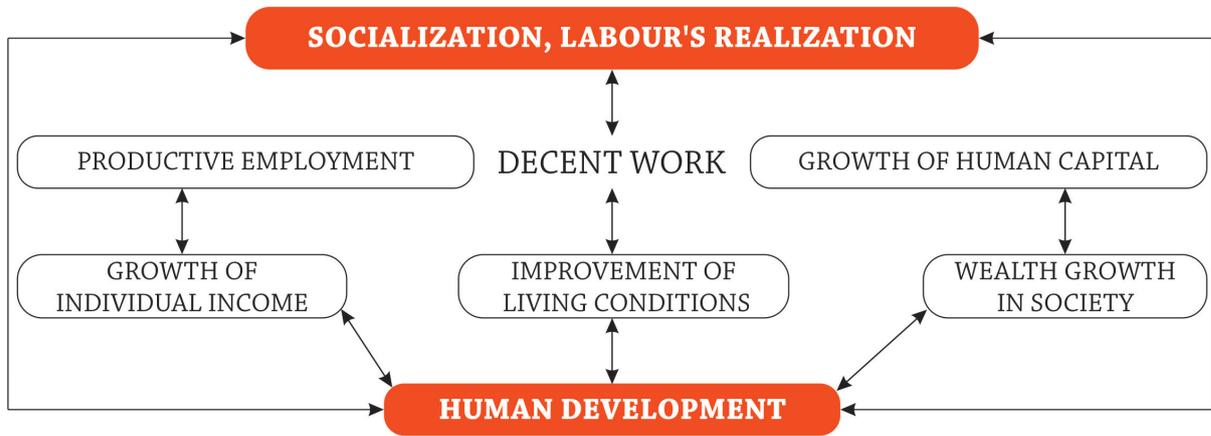


Figure 1 Interconnection between decent work and human development. (The figure is developed based on the *Human Development Report 2015, Investment in Human Capital within the System of Decent Work Factors*, 2015)

development in the future would disappear.

At the same time, deficiency of decent work does not only slow down the development of society, but also leads to regress. The problems of unemployment, particularly low payment, heavy and harmful working conditions, excessive differentiation of income, and discrimination quite often become aggravated under the influence of globalization and technological revolution. There appear benefits for one and losses for the others. Informatization and intellectualization do not only open new opportunities, but also generate new problems such as non-standard employment, reduction of demand for work in general, work without guarantees, part-time employment etc. which affect highly skilled and unskilled workers to a different degree.

There are such forms of decent work deficiency (A.M. Kolot, 2015: 24) as: open and latent unemployment; distribution of non-standard forms of employment and atypical employment contracts; a large number of workplaces on which employment doesn't provide socially acceptable level of employment income; unsatisfactory working conditions and the growing social vulnerability of workers in various forms of manifestation; growth of scales and depth of asymmetries in social and labour sphere which reproduce the conditions for the preservation and growth of decent work deficiency.

These and other forms of decent work deficiency reduce the opportunities for human development; they also worsen the conditions of formation, use, development and preservation of the national human capital.

The statistical data (Table 1) convincingly confirm the importance of the decent work principles' implementation in Eastern European countries.

It should be noted that work can only be considered as being decent if it properly satisfies all key measurements. The ILO Framework on the Measurement of Decent Work covers a number of substantive elements corresponding to the four

strategic pillars of the Decent Work Agenda (full and productive employment, rights at work, social protection and the promotion of social dialogue) (Profile of Decent Work in Ukraine, 2011): (i) employment opportunities; (ii) adequate earnings and productive work; (iii) decent working time; (iv) combining work, family and personal life; (v) work that should be abolished; (vi) stability and security of work; (vii) equal opportunity and treatment in employment; (viii) safe work environment; (ix) social security; and (x) social dialogue, employers' and workers' representation.

Therefore, the work of freelancers has a lot of both advantages and shortcomings in comparison with standard employment. As a rule, it provides the decent income, balance between work and private life, however it is not secure, there is an accurate dependence of the labour income upon the market situation. Those factors together with instability and high risks don't allow considering the work of freelancers decent even though such employment is often the conscious choice of employees, youth in the first place. Nevertheless, human development possibilities are linked not only to receiving high level of income. Possibilities of professional growth, receiving new knowledge, creative work, and social insurance are rather important in this case as well.

We agree with the definition of decent work as employment that sums up the aspirations of people in their working lives, as productive employment which respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work safety and remuneration, ensures appropriate social protection, social partnership, gives opportunities for continuous human development (Investment into Human Capital within the System of Factors Ensuring Decent Work, 2015). This definition focuses on the role of decent work as quality basis of working life and a strategic objective: ensuring continuous human development of workers. At such

Table 1 Decent Work Indicators for Certain Countries of Eastern Europe in 2008-2014

Country	Year						
	2008	2009	2010	2011	2012	2013	2014
<b>Employment rate of the population aged 15-70 years, %</b>							
Ukraine	59,3	57,7	58,5	59,2	59,7	59,3	57,5
Poland	59,2	59,3	58,9	59,3	59,7	60,0	61,7
Bulgaria	64,0	62,6	59,8	58,4	58,8	59,5	61,0
Latvia	68,2	60,3	58,5	60,8	63,0	65,0	66,3
Lithuania	64,4	59,9	57,6	60,2	62,0	63,7	65,7
Estonia	70,1	63,8	61,2	65,3	67,1	68,5	69,6
<b>Monthly minimum wage, EUR</b>							
Ukraine	53,7	56,7	85,1	92,6	105,2	108,0	63,1
Poland	313,3	307,2	320,9	348,7	336,5	392,7	404,4
Bulgaria	112,5	122,7	122,7	122,7	138,1	158,5	173,8
Latvia	229,8	254,1	253,8	281,9	285,9	286,7	320,0
Lithuania	231,7	231,7	231,7	231,7	231,7	289,6	289,6
Estonia	278,0	278,0	278,0	278,0	290,0	320,0	355,0
<b>Persons employed part-time, % of total employment</b>							
Ukraine	5,4	9,3	6,7	4,1	3,3	3,7	4,5
Poland	8,5	8,4	8,4	8,0	7,9	7,8	7,8
Bulgaria	2,3	2,3	2,4	2,4	2,4	2,7	2,7
Latvia	6,6	8,7	9,8	9,2	9,4	8,1	7,4
Lithuania	6,8	8,3	8,2	8,9	9,5	9,0	9,1
Estonia	7,2	10,6	11,1	10,8	10,5	10,2	9,6

Source: Eurostat, State Statistics Service of Ukraine

approach, decent work means an initial position, the obligatory minimum standard for human development, for high-quality working life. The high quality of working life is much broader and more complex concept compared to the concept of decent work.

The connection between work and human development has synergetic character. Work increases

the level of human development providing income and means of livelihood, promoting poverty reduction and offering fair growth. Human development by increasing the level of health, knowledge and skills multiplies human capital and expands opportunities and the range of choice (Human Development Report 2015).

Despite serious problems in the economic and

Table 2 Human Development Progress in Certain Countries of Eastern Europe in 2008-2014

Country	Year						
	2008	2009	2010	2011	2012	2013	2014
<b>Human Development Index</b>							
Ukraine	0,705	0,710	0,732	0,738	0,743	0,746	0,747
Poland	0,803	0,809	0,829	0,833	0,838	0,840	0,843
Bulgaria	0,770	0,780	0,773	0,775	0,778	0,779	0,782
Latvia	0,795	0,800	0,811	0,812	0,813	0,816	0,819
Lithuania	0,800	0,810	0,827	0,831	0,833	0,837	0,839
Estonia	0,810	0,830	0,838	0,849	0,855	0,859	0,861
<b>Education Index</b>							
Ukraine	0,778	0,780	0,783	0,785	0,796	0,798	0,800
Poland	0,806	0,808	0,809	0,810	0,810	0,810	0,812
Bulgaria	0,730	0,740	0,742	0,748	0,749	0,750	0,751
Latvia	0,840	0,830	0,826	0,820	0,813	0,809	0,800
Lithuania	0,870	0,873	0,880	0,882	0,877	0,875	0,870
Estonia	0,860	0,860	0,858	0,859	0,859	0,861	0,863
<b>Health Index</b>							
Ukraine	0,743	0,750	0,756	0,760	0,770	0,778	0,780
Poland	0,830	0,831	0,833	0,834	0,835	0,837	0,839
Bulgaria	0,810	0,812	0,819	0,820	0,822	0,824	0,829

Country	Year						
	2008	2009	2010	2011	2012	2013	2014
<b>Latvia</b>	0,798	0,800	0,802	0,809	0,812	0,820	0,822
<b>Lithuania</b>	0,800	0,800	0,802	0,810	0,812	0,823	0,828
<b>Estonia</b>	0,834	0,840	0,850	0,853	0,860	0,865	0,870
<b>Income Index</b>							
<b>Ukraine</b>	0,652	0,654	0,658	0,664	0,667	0,667	0,666
<b>Poland</b>	0,795	0,800	0,801	0,804	0,806	0,808	0,810
<b>Bulgaria</b>	0,740	0,744	0,750	0,751	0,753	0,755	0,757
<b>Latvia</b>	0,780	0,781	0,782	0,790	0,800	0,805	0,809
<b>Lithuania</b>	0,795	0,800	0,801	0,810	0,825	0,830	0,834
<b>Estonia</b>	0,809	0,807	0,805	0,812	0,821	0,830	0,834

Source: UNDP

social sphere, faced to a different degree by the countries of Eastern Europe, yet objective data confirm steady progress in human development of all studied countries (Table 2). We have set a task to establish quantitative dependence between the indicators of human development provided in Table 2 and the

indicators of decent work presented in Table 1 in the countries of Eastern Europe. We have determined the strength of this relationship based on the correlation and regression analysis that was carried out in the SPSS Statistics 19. The results of the analysis demonstrate close relationship between the

Table 3 Interrelation between Human Development Indicators and Decent Work Indicators

Country	Employment rate of the population aged 15-70 years, %	Monthly minimum wage, EUR	Persons employed part-time, % of total employment	
<b>Human Development Index</b>				
<b>Ukraine</b>	0,116	0,726	0,707	
<b>Poland</b>	0,575	0,795	0,896	
<b>Bulgaria</b>	0,233	0,773	0,599	
<b>Latvia</b>	0,096	0,896	0,323	
<b>Lithuania</b>	0,096	0,592	0,886	
<b>Estonia</b>	0,085	0,658	0,587	
<b>Education Index</b>				
<b>Ukraine</b>	0,019	0,528	0,673	
<b>Poland</b>	0,441	0,667	0,851	
<b>Bulgaria</b>	0,808	0,754	0,718	
<b>Latvia</b>	0,132	0,976	0,087	
<b>Lithuania</b>	0,755	0,407	0,364	
<b>Estonia</b>	0,705	0,889	0,347	
<b>Health Index</b>				
<b>Ukraine</b>	0,046	0,554	0,629	
<b>Poland</b>	0,829	0,944	0,920	
<b>Bulgaria</b>	0,652	0,883	0,867	
<b>Latvia</b>	0,314	0,931	0,090	
<b>Lithuania</b>	0,627	0,899	0,673	
<b>Estonia</b>	0,249	0,801	0,398	
<b>Income Index</b>				
<b>Ukraine</b>	0,220	0,751	0,772	
<b>Poland</b>	0,750	0,876	0,949	
<b>Bulgaria</b>	0,749	0,840	0,833	
<b>Latvia</b>	0,383	0,918	0,123	
<b>Lithuania</b>	0,545	0,792	0,805	
<b>Estonia</b>	0,657	0,922	0,033	
The strength (degree) of the relationship based on the correlation coefficient:				
weak, slight (0,10—0,29)	mild/modest (0,30—0,49)	moderate (0,50—0,69)	strong (0,70—0,89)	very strong (0,90—0,99)

Source: All data was obtained from Authors' calculations

corresponding indicators (Table 3).

As we can see from the Table 3, in the majority of the studied countries there is moderate degree of relationship between the decent work indicators and Education Index, Health Index and Income Index.

The results of the analysis which indicate a strong and very strong relationship between the minimum wage and both Human Development Index and its components are the most important ones. It is essential that the strongest relationship was noted in countries with the highest minimum wage (Poland, Latvia and Estonia). These results confirm the importance and require increased attention to the

problem of providing adequate minimum wage as the most important social standard.

In this context, it is worth paying attention to a remarkable direction of expanding human development opportunities, which has just been introduced in the EU countries within the new initiatives.

It is the idea of an unconditional basic income according to which every person (member of society), irrespective of age, descent, place of residence, profession etc. will be entitled to receive a certain sum of money without means test or work requirement. Finland, Netherlands and Switzerland have initiated to move one step further by getting the basic income

Table 4 Implementation Plans for the Unconditional Basic Income Initiatives in the EU Countries

Indicators	Countries		
	Finland	Netherlands, Utrecht	Switzerland
<b>Amount to be paid</b>	untaxed benefit sum paid free of charge by the government, 800 euros a month in the final version, 550 euros monthly in the model's pilot phase	checks will range from around 900 euro a month for one adult to 1,300 euro for a married couple	initiative has proposed 2,500 Swiss Francs (2,270 euros) a month; the radical plan also proposes that each child receives 568 euros a month
<b>Terms of implementation</b>	pilot phase will start in 2017	social experiment starts in January, 2016	after a referendum on June 5 <sup>th</sup> , 2016
<b>Recipients</b>	adult citizens	adult citizens	adult citizens, children
<b>Problems to solve</b>	can replace social benefits; helps to reduce social tension, expand educational opportunities, establishing a balance between work and private life		

Source: created by the authors according to S. Wilson, 2015; V. Golovanov, 2015; E. Jacobs, 2016

implemented nationally (Table 4).

However, implementation of an unconditional income ideas does not only demand considerable annual financial expenses, but it can also lead to such negative consequences as a significant decline in economic activity, labour productivity decrease, reduction in effort, motivation, and autonomy in society.

While analysing the aspects of human development and ensuring decent work in a global world, it is also necessary to consider continuous changes of the structure, content, and process of work in modern conditions, which at the same time, improve working conditions and cause new problems in the field of employment. Some of the technologies with the highest potential to change work include (Human Development Report 2015) cloud technology, 3D printing, advanced robotics, energy storage and the automation of knowledge work – which through intelligent software systems will transform the organization and productivity of knowledge work and enable millions to use intelligent digital assistants.

#### 4 Conclusions

The interrelation between decent work and human development is strong, difficult and mutual. Creating conditions for productive employment is one of the most important directions of the decent work principles' implementation in the context of ensuring continuous human development, expanding opportunities for receiving quality education and preserving health. It is particularly relevant for Ukraine and in this case, it is initially connected to various manifestation forms of decent work deficiency. Our research has shown that minimum wage as a decent work indicator influences the possibilities of human development in the countries of Eastern Europe to the greatest extend. Therefore, it is crucial to increase

it at least to the level of a real living wage that will allow lowering the share of the working poor and will simultaneously promote decreased migration to the EU countries with generous welfare systems.

Such difficult processes of the present day as prompt growth of productivity under the influence of new technologies and the corresponding fast decrease in jobs remain the most complex and major scientific issues in the field of the interrelation between human development and decent work. In modern conditions, an ideal situation of continuous human development caused by effective use of human capital is actually possible only for a relatively small share of economically active population with very high qualification. The more effectively human capital of highly skilled workers is used, the bigger share of the population loses its chances of employment and decent work. Therefore, the prospects of human development in general require the solution of a great number of daunting problems: how to provide living requirements and how to occupy the escalating part of the population who do not have permanent job.

Even though the expansion of human development opportunities by means of the introduction of "an unconditional income" looks very attractively, we believe it conceals many new risks in itself.

Hence, in our opinion, it is necessary to develop such strategies and to introduce such policies, which will not only redistribute the income, but will allocate decent work possibilities among the population instead. In particular, it can be achieved by the increase of minimum wage and the legislative reduction of the working day and week length, as well as by the expansion of education opportunities and increase of time for training in a person's lifetime. It will facilitate the use of potential of all people, the acceleration of human development, and the progress of humankind in general.

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