

# “Remuneration policy in terms of decent work at a regional level”

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## REMUNERATION POLICY IN TERMS OF DECENT WORK AT A REGIONAL LEVEL

### Abstract

The purpose of the paper is to develop indicators and standards for assessing the remuneration policy in terms of decent work at the regional level and to appraise the developed tools for assessing the data of remuneration policy research in Kyiv region. The analysis of the labor remuneration policy at the regional level has been based on the developed indicators using case study, statistical method, comparative analysis, analogy method and content analysis. The findings have shown negative trends, in particular the inefficiency of social standards, the low level of wages, the arrears of wages, the unsatisfactory wages structure and the low level of collective-contractual regulation of remuneration. The low level of remuneration, which does not provide an expanded reproduction of the labor force, is a significant drawback in wages in Kyiv region in comparison with wages in Kyiv city, which demotivates employees and leads to migration abroad. The necessity for remuneration policy improvement based on the decent work concept has been proved. Indicators and standards can be used by regional state administrations, state authorities, trade unions, employers' organizations for analyzing the labor remuneration policy and identifying the directions for its improvement in order to implement the decent work concept and increase the welfare of employees. Public authorities can use the developed indicators for comparing and ranking the regions and finding out the leaders in the implementation of decent work concept.

### Keywords

wage, labor remuneration, decent work, wage regulation,  
collective bargaining

### JEL Classification

J30, J38, J50

## INTRODUCTION

Labor remuneration issues are an essential part of decent work concept. The employees' reward plays a crucial role in providing the conditions for labor reproduction and decent living standards. The living standards of employees depend on the amount of remuneration. It determines the ability for employees to meet their needs, to improve their professional level, to maintain health and ability to work that is obviously a priority in terms of implementing the concept of decent work.

The expected results of the Decent Work Program of International Labour Organization (ILO) for Ukraine in 2016–2019 include the development and implementation of the policy of wages and labor income with a focus on equal opportunities. The declared remuneration policy aims at solving three main problems in Ukraine, i.e., wages arrears, an inadequate level of the minimum wages, and a gender gap in remuneration.

The research issues of remuneration, and, in particular, of decent work, are being updated in the context of low incomes and purchasing power decrease of the Ukrainian population because of the economic crisis and significant inflationary processes taken place in 2014–2018. Besides, there is a mass migration of the Ukrainians abroad with the view of improving their employment conditions and receiving decent

labor remuneration. The assessment of the regions' attractiveness in terms of opportunities for productive employment and receiving decent labor remuneration is pressing given management decentralization and authority transfer to territorial communities.

Scientists and practitioners, politicians, public leaders, state authorities, and international organizations pay much attention to the issues of the remuneration policy, in particular, its development in terms of decent work. Despite that, the concept of decent labor remuneration has remained underinvestigated. It is necessary to develop the tools for assessing the remuneration policy in terms of decent work at different levels, including a regional one, to work out the indicators, to set up the standards and to develop the methodology for measuring the complex index of decent labor remuneration.

The purpose of the paper is to develop the methodology for assessing the remuneration in terms of decent work at the regional level and to test the developed tools for assessing the remuneration policy in Kyiv region.

## 1. LITERATURE REVIEW

There are several publications focused on different aspects of decent labor remuneration, and their authors contributed to the development of the decent labor remuneration theory: minimum wages (Karamanis, Beneki, & Ioakimidis, 2018; Bossler & Wegmann, 2019; Adema, Giesing, Schönauer, & Stitteneder, 2019; Puente, 2019); gender equality (Kopycińska & Kryńska, 2016; Vu & Yamada, 2018; Schäfer & Gottschall, 2015; Bilan, Mishchuk, & Dzyhar, 2017); income inequality caused by different factors, including a gender gap (Mishchuk, Samoliuk, Bilan, & Streimikiene, 2018); correlations between remuneration, productivity, and unemployment (Nikulin, 2015; Cohen, 2017).

Literature review has shown that there are few publications focusing on issues of decent labor remuneration, especially on tools and indicators for assessing the remuneration policy in terms of decent work.

Among the strategic objectives of decent work, first formulated by Somavia (1999), none is related to the remuneration policy directly.

The Report of the ILO focusing on reduction of the decent work deficit contained the same strategic objectives of decent work with emphasis on strategies, policies, program, instruments and initiatives of promoting decent work and reducing its deficit (ILO, 2001).

Majid (2001) studied the correlations between four decent work dimensions (employment, security,

labor rights, and representation) in the context of national income. Based on the analysis of correlation between national income and working poor, he concluded that, despite the fact that increases in national income cause the reduction of the working poor number, nonetheless, countries with the same level of national income could have a less or more than expected incidence of the working poor (Majid, 2001).

The Report of the ILO raised issues concerning the economic growth and its effect on social stability and cohesion, the effect of the "financialization" on the real economy, and, as a result, on enterprises and jobs, etc. (ILO, 2008).

The Policy Note on 'Promoting the policy coherence for decent work and full and productive employment' focused on interactions of different industries, institutions and economies, as well as on the necessity of implementation of the coherent policy and the integrated approach in order to solve socio-economic problems, in particular, those related to decent work (ILO, OECD, 2011).

The report "Promote decent work" prepared by ILO, OECD, WBG, IMF contains policy levers for promoting rational income growth: minimum wages and collective bargaining (ILO, 2016). The same tools for assuring decent wages (minimum wages and collective bargaining, including the regional level) were studied by Merk (2009).

In his study named "Is decent wage part of a decent job? Answers from an enlarged Europe," Lo

Faro (2008) raised issues, connected to the decent remuneration: working poor, declining labor share in GDP, gender pay gap, creation of low-paid jobs for reducing the unemployment, correlation between wages level and job satisfaction.

The list of decent work indicators determined by the ILO in the context of sustainable development includes average hourly earnings and labor share of GDP. All indicators should be analyzed with the break-down by gender, age and other relevant categories (ILO, 2016).

Anker et al. (2002) suggested a set of statistical indicators for measuring decent work. Only two indicators concern remuneration indirectly, i.e., “share of wages employment in non-agricultural employment” and “female share of non-agricultural wages employment”.

A set of statistical indicators of decent work, developed by Ghai (2003), includes “remunerative” employment. According to him, “it is impossible to specify an absolute indicator that should constitute remunerative employment for all countries. It must vary in accordance with the current societal values and material prosperity of a country.” Industrial countries use two indicators: “the proportion of employees receiving an income less than a half of the national median wages” and “a measure of absolute poverty a day per person”. Absolute poverty is a good indicator for developing countries (Ghai, 2003).

Indicators of decent work, which characterized the remuneration policy, worked out by Bonnet, Figueiredo, and Standing (2003), are divided into input, process and output indicators. The input indicators cover government commitment to income security, i.e. the country has ratified the Social Security Convention No. 102, the Minimum Wage Fixing Convention No. 131 and Minimum Wage Fixing Machinery Convention No. 26, and the country has the law on the minimum wages. The process indicators include the share of social security expenses in Gross Domestic Product (GDP) and the percentage of the population coverage by social security program. The outcome indicators represent the rate of national poverty, GDP per capita, the Gini coefficient, the wages share in GDP (Bonnet, Figueiredo, & Standing, 2003).

Kir'yan, Kulikov, and Safonov (2014) analyzed the remuneration policy using the specific indicators of decent work: the wages share of GDP, the base/additional wages share of total wages fund, the growth rate of the real wages, the percentage of the employees received wages lower than the living wages, the ratio between the maximum and minimum average wages by the type of economic activity, arrears of wages.

Ostermeier, Linde, Lay, and Prediger (2015) developed a new set of decent work indicators including “the working poverty rate”, “the share of workers receiving less than an absolute labor income” and “the share of workers receiving less than 60 % of the median labor income”.

Among the decent work the indicators, suggested by Bescond, Chataignier, and Mehran (2003), only one concerns remuneration – low hourly pay.

Some scientists developed indicators of decent work at the sectoral and regional levels. Oya (2015) worked out the specific indicators of decent work for agriculture and rural areas as additional to the indicators recommended by ILO. Only two of them are related to remuneration policy, i.e., percentage of workers' wages paid in kind and farm income volatility (Oya, 2015).

Pavlova and Sankova (2012) developed a set of indicators for measuring decent work for enterprises of electrical energy industry. Among indicators, one concerns the labor remuneration policy, i.e., fair incomes for employees. The scientists propose to estimate the indicator “decent wages” as a share of employees who receive salary above the average in the region (Pavlova & Sankova, 2012).

Some researches paid attention to developing the indicators for measuring decent work for employees engaged into intellectual activity. Smirnova (2010) suggested basic and additional indicators for measuring intellectual activity from the standpoint of decent work. Among basic indicators, she distinguished the set “labor income”, which includes material reward, any types of insurance, material assistance, and social packages (Smirnova, 2010).

Indicators of decent work in the innovative sphere, worked out by Bogachenko and Kolkolova (2014),

include the indicators that characterize the remuneration policy, i.e., average salary of employees in the sphere of innovations and the ratio of the average wages of employees in the sphere of innovations and the living wages.

Working out the tools for assessing the remuneration policy, some researchers develop the standards too. This approach is methodologically correct, as the assessment procedure should provide the analysis of weaknesses and problems in order to identify the areas for improvement. Therefore, the development of standards is an essential part of any assessment procedure. In this regard, it is necessary to take into account the approach of Perehudova (2014) who worked out the indicators, based on which she developed the standards for decent labor remuneration. The researcher suggested the following indicators at the national level: the growth rates of nominal and real wages, the ratio between the minimum and average wages, the wages share of total income, the percentage of the employees received the wages lower than the living wages, the ratio between the growth rates of productivity and wages, gender equity (Perehudova, 2014).

Mager, Smith, and Guijt (2018) explored the challenges of measuring the aspects of decent work, including decent labor remuneration, that go beyond the established compliance metrics and proposed the SenseMarker research method as a way to expand the measurement and understanding of decent work.

Based on the analysis of the different approaches to the formation of indicators of decent labor remuneration and tools for its estimation, some weaknesses of the methodology for assessing the remuneration policy in terms of decent work have been found out.

Firstly, there is a lack of standards (criterion values) for assessing the remuneration policy in terms of decent work.

Secondly, there is a limited list of indicators due to the narrow-vision approaches to the interpretation of the concept of labor remuneration. The authors focusing only on reproductive function of salary usually limit themselves by indicators that concern the salary level without taking into

account its differentiation, timeliness of payment, transparency, labor income structure, etc.

The lists of indicators, developed by Bescond, Chataignier, and Mehran (2003), Ostermeier, Linde, Lay, and Pred (2015) and Oya (2015), are limited due to inclusion of only that indicators, which characterize the deficit of decent work.

Thirdly, there is a lack of indicators differentiation by different levels, in particular, by the national, sectoral, regional and micro levels. Generally, indicators are developed only for the macro level, although the analysis at the organizational level is the most effective and reasonable, since it allows comparing the actual data of the enterprises with the standards, identifying weaknesses and problems and determining the directions for improvement of the remuneration policy.

## 2. METHODOLOGY

For assessing the state and trends of the development of remuneration policy in terms of decent work, tools and indicators that characterize decent labor remuneration should be worked out.

Based on the generalization of different approaches to determining indicators of decent labor remuneration and taking into account the conceptual principles formulated for its interpretation, a set of indicators for assessing the policy of labor income in terms of decent work at the different levels has been developed (Tsybaliuk, 2018). Indicators for assessing the remuneration policy at the regional level, developed by the authors, are presented in Table 1.

The analysis of the labor remuneration policy at the regional level (research data from the Kyiv region) has been based on the developed indicators (Table 1) using case study, statistical method, comparative analysis, analog method, and content analysis. The analysis of such indicators as the level and dynamics of real wages, the ratio between the average wages in the region and the average wages in the national economy, the percentage of the employees received wages lower than the living wages, the share of the base wages in the total wages fund and arrears of wages has been made based on the data of State Statistics Service of Ukraine (ukrstat.



**Table 1.** Indicators for assessing the remuneration policy in terms of decent work at the regional level

Source: Constructed by the authors.

Indicator	Standard
The growth rate of real wages in the region, %	≥ 110
The ratio between the average wages in the region and the average wages in the national economy	≥ 1
The percentage of the employees received wages lower than the living wages (minimum wage) in the region	None
The share of the base wages in the total wages fund in the region, %	> 60
Arrears of wages in the region, UAH	None
Regulation of wages issues during collective bargaining and conclusion of the regional agreement in accordance with the Law of Ukraine "On Collective Agreements and Contracts"	Yes
The ratio between the number of obligations of the social partners for remuneration in accordance with the current regional agreement compared with the number of obligations in accordance with the previous ones	≥ 1
The number of articles of the current regional agreement for remuneration, which contain higher obligations of the social partners compared with the obligations in accordance with the previous ones	All
The ratio between the number of articles of the regional agreement for labor remuneration contained concrete obligations (figures, amounts, percentages, documents, procedures, programs) and the total amount of social partners' obligations for labor remuneration, %	100
The ratio between the wages of the first rate (in wages scale) and minimum wages (living wages) according to the regional agreement	≥ 1,1
Compliance of the list and sizes of additional payments and increases in accordance with the regional agreement with the requirements of labor legislation and the articles of the general agreement	Yes
Availability of the articles in the regional agreement concerning the implementation of systems of personnel participation in profits and (or) in share capital at enterprises	Yes
Availability of the articles in the regional agreement concerning implementation of social packages (fringe benefits) at enterprises of a region	Yes
Availability of the articles in the regional agreement concerning implementation of social insurance programs (medical, pension, life, accident, etc.) at enterprises of a region	Yes
The percentage of the articles (obligations, rules) of the regional agreement for remuneration implemented by social partners, %	100

gov.ua). For analyzing the collective bargaining regulation of remuneration, there have been used regional agreements between the Kyiv Regional State Administration, the Joint Representative Body of the Employers' Associations of Kyiv Region and the Kyiv Regional Council of Trade Unions for 2013–2015 and 2016–2020.

### 3. RESULTS AND DISCUSSION

#### 3.1. Analysis of remuneration policy at the regional level (research data from the Kyiv region)

One of the most important indicators that characterize remuneration policy is the level and dynamics of real wages. The nominal and real wages dy-

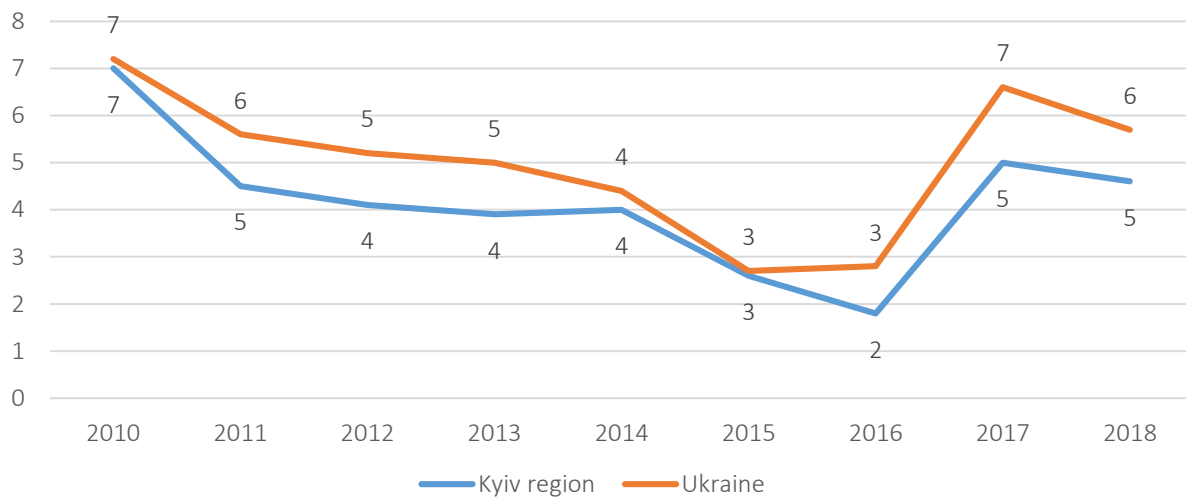
namics in the Kyiv region in 2010–2018 are shown in Table 2.

When the nominal wages in the Kyiv region in 2010–2018 increased, the growth rate of real wages did not have the stable positive trend. In 2014–2015, due to the significant inflationary tendency, the real wages in the region and in Ukraine significantly declined as well and it resulted in the living standards decline. Situation had been changing during 2016–2018 but not essentially for a welfare improvement of Ukrainians. It negatively characterizes remuneration policy.

The next indicator for assessing a remuneration policy in terms of decent work is the ratio between the average wages in the region and the average wages in the national economy. Kyiv region be-

**Table 2.** The nominal and real wages dynamics in the Kyiv region in 2010–2018Source: Prepared by the authors according to the data of [ukrstat.gov.ua](http://ukrstat.gov.ua)

Index	2010	2011	2012	2013	2014	2015	2016	2017	2018
Nominal wages in the Kyiv region, UAH	2,295	2,761	3,157	3,351	3,489	4,153	5,229	7,188	9,097
Price index to 2010, %	100	108.5	108.3	108.8	135.9	194.7	218.8	248.7	273
Real wages in the Kyiv region, UAH	2,295	2,545	2,915	3,080	2,567	2,133	2,390	2,890	3,332
The growth rate of real wages, %	–	10.88	14.55	5.66	–16.64	–16.92	12.04	20.93	15.3

Source: Prepared by the authors according to the data of [ukrstat.gov.ua](http://ukrstat.gov.ua)

**Figure 1.** Dynamics of the employees who receive wages lower than the living wages (minimum wages) in the Kyiv region and in Ukraine in 2010–2018 (in percent)

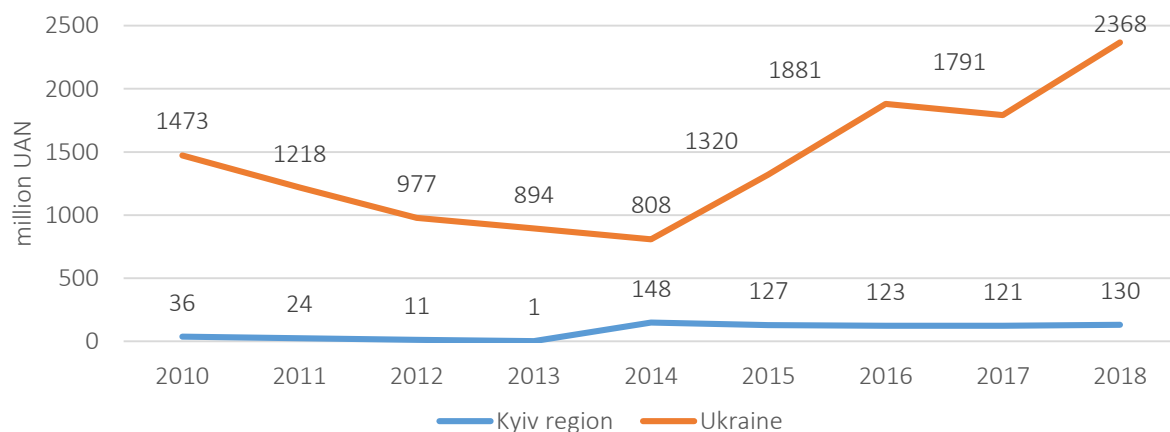
longs to regions with the average level of wages. During the period under investigation, the average wages in the Kyiv region and Ukraine was practically congruent. The ratio between the average wages in the Kyiv region and the average wages in Ukraine in 2010–2018 exceeded 1.0, except for 2015, when the average wages in the region was lower than the similar indicator in Ukraine. In general, this tendency indicates that the Kyiv region is attractive in terms of remuneration. At the same time, taking into consideration the low level of wages in Ukraine, as it was already mentioned, existing wages cannot be considered as decent ones. In addition, the average wages in the Kyiv region is less than in Kyiv city, where the average wages was UAH 13,542 in 2018 that was almost 1.5 of the average wages in the Kyiv region. This situation induces a significant part of the population from the Kyiv region to look for a job in the Kyiv city.

The important indicator that characterizes the remuneration policy is the percentage of the employees who receive wages lower than the living wages (minimum wages) in the region. The dynamics of this indicator in the Kyiv region and in Ukraine during 2010–2018 is shown in Figure 1. According to Figure 1, the positive dynamics of this indicator was observed both in the Kyiv region and in Ukraine in 2010–2016. In 2017–2018, the dynamics of this indicator had changed that was caused by the increase of the minimum wages size. Despite

of this fact (increasing the minimum wages), this social standard is not valid in Ukraine for today, and, therefore, minimum wages does not reflect the level of material welfare of employees and the availability of conditions for a full-fledged reproduction of their workforce. Therefore, the indicators of the level and dynamics of wages in the Kyiv region negatively characterize the remuneration policy in terms of decent work. The low level of remuneration, which does not provide an expanded reproduction of the labor force, is a significant lag in wages in the Kyiv region compared to the wages in the Kyiv city that demotivates employees and leads to searching work in Kyiv and migration abroad.

According to the statistics, the share of the base wages in the total wages fund in the Kyiv region is low. It was less than 60% in 2018, which negatively characterized the remuneration policy. Considering the fact that base wages is permanent and it must play the core role in performing reproduction function, the wages structure does not make people feel more stable, safe, which can be a significant demotivational factor for employees.

The important indicator for assessing the remuneration policy is arrears of wages. The dynamics of this indicator in the Kyiv region and in Ukraine in 2010–2018 is shown in Figure 2. According to the data of Figure 2, wages arrears in the Kyiv region increased significantly with the beginning of

Source: Prepared by the authors according to the data of <http://ukrstat.gov.ua>

**Figure 2.** The dynamics of arrears of wages in the Kyiv region and in Ukraine during 2010–2018

the crisis in Ukraine, i.e., starting from 2014, and, in recent years, there was a tendency for a slight decrease, while this figure has been constantly increased in Ukraine. The presence of arrears of wages negatively characterizes the remuneration policy in terms of decent work conception because it does not allow meeting even the minimum needs of employees.

### 3.2. Analysis of collective bargaining regulation of remuneration (research data from the Kyiv region)

The important indicator that characterizes the remuneration policy in terms of decent work is regulation of wages issues during collective bargaining and conclusion of the regional agreement in accordance with the Law of Ukraine “On Collective Agreements and Contracts”.

It is important to note the difficulty in implementing this analysis for the legislation in Ukraine contains a general wording: agreements at the regional level regulate the rules of social protection of employees, including higher social guarantees, compensations, benefits in comparison with the general agreement (Article 8 of the Law of Ukraine “On Collective Agreements and Contracts”).

The Regional agreement between the Kyiv Regional State Administration, the Joint Representative Body of the Employers’ Associations of Kyiv Region and the Kyiv Regional Council of Trade

Unions for 2016–2020 (Regional agreement) stipulates that it is a legal act of a social dialogue. It can be considered positively in terms of determining the legal nature of this agreement. However, the norms and provisions of Regional agreements (as well as general and sectoral ones) are not obligatory for enterprises, organizations and establishments that did not participate in the negotiation process and signing the agreements (in accordance with the Article 9 of the Law of Ukraine “On Collective Agreements and Contracts”). Therefore, despite the recognition of the Regional agreement as a legal act of social dialog, this agreement cannot be considered as a legal act, since its norms and provisions are not obligatory for all enterprises, organizations and establishments located in the Kyiv region.

The Regional agreement contains a wide range of mutual agreements and obligations for labor remuneration. At the same time, the overwhelming majority of the obligations duplicate the legislative rules and obligations of the general agreement without providing additional guarantees to employees and expansion of compensations. A significant number of provisions of the Regional agreement has a declarative (non-specific, general) nature and does not contain specific mechanisms for implementing the commitments undertaken by the social partners, timing of implementation of arrangements, absence of information on responsible people. Actually, fact the Regional agreement does not fulfill its main purpose, determined by the legislation, concerning the social protection of employees who work at enterprises and the inclu-



sion of social guarantees, compensations and benefits higher than the general agreement encompasses (Article 8 of the Law of Ukraine “On Collective Agreements and Contracts”). The comparison of the number of obligations of the social partners for remuneration according to the Regional agreements for 2013–2015 and 2016–2020 is shown in Table 3.

The Regional agreements for 2016–2020 provide larger list of obligations of the social partners in the sphere of remuneration compared to agreements for 2013–2015, which can be considered a positive trend in terms of ensuring decent labor remuneration. However, taking into account that the overwhelming majority of the partners’ obligations duplicate the legislative rules and obligations of the general agreement, and a significant number of provisions have a declarative nature, the increase in the number of commitments does not significantly affect the welfare of employees. A positive characteristic is increasing the obligations of the Kyiv Regional State Administration regarding the number of payments financed from the local budget. The lack of obligations of the administration concerning developing and implementing the regional coefficient for increasing the living wages in the region over the living wages established by legislation in the Regional agreement for 2016–2020, negatively characterizes the negotiation process.

The next indicator for assessing the remuneration policy in terms of decent work is the number of articles of the current Regional agreement for remuneration, which contain higher obligations of the social partners compared with the obligations in accordance with the previous ones. A comparative analysis of Regional agreements for 2013–2015 and 2016–2020 showed that the obligations of the Regional agreement for 2016–2020 practically duplicate the rules of the previous one. The only exception that has been already mentioned is an increase in obligations of the Kyiv Regional State Administration regarding the payments to certain categories of employees financed from the local budget (Article 2.2.18.1).

In order to estimate the level of development of the collective-contractual regulations on remuneration, the ratio between the number of articles

of the regional agreement for labor remuneration contained specific obligations (figures, amounts, percentages, documents, procedures, programs, etc.) and the total amount of social partners’ obligations for labor remuneration has been determined. The Regional agreement contains 71 obligations of social partners concerning the principles and rules for implementing the labor remuneration policy. Only 34 (48% of the total amount) of obligations can be considered specific ones. The remaining obligations are general. They do not include strong commitments or the definite sizes of payments. The lack of specific instruments and responsible people for the implementation of the obligations leads to non-fulfillment of these obligations, impossibility to control over the implementation of obligations and to hold people accountable for breaking the rules. The Regional agreement provides the Employers’ Associations of Kyiv Region with the obligation for taking measures to set the minimum salary of unskilled worker at the level of at least 120% of the minimum wages (Article 2.2.38). It can be considered as a positive move in the context of assessing the labor remuneration policy in terms of decent work at the regional level.

The next indicator for assessing the remuneration policy at the regional level is compliance of the list and sizes of additional payments and increases, set in the Regional agreement, with the requirements of labor legislation and the articles of the general agreement. The Regional agreement does not contain a list of additional payments and increases. At the same time, in accordance with Article 2.2.39, the Employers’ Associations of Kyiv Region must establish a list and the minimum amount of additional payments and increases for employees in enterprises and organizations in accordance with sectoral agreements. The Regional agreement does not contain articles concerning the implementation of profit-sharing and employee stock option plans, social packages and social insurance programs (medical, pension, life, accident, etc.) in enterprises and organizations of the region that negatively characterizes the labor remuneration policy in the region in terms of decent work.

One of the main indicators is the implementation of the articles of the Regional agreement by social partners. As for strategic obligations of the

**Table 3.** The number of obligations of the social partners for remuneration according to the Regional agreements for 2013–2015 and 2016–2020

Source: Constructed by the authors.

No.	Index	Regional agreement for 2013–2015	Regional agreement for 2016–2020
	The number of obligations of the social partners for remuneration	47	71
	1.1. The number of mutual obligations/ partners have agreed	–	10
1.	1.2. The number of obligations of the local executive authorities – the Kyiv Regional State Administration	17	20
	1.3. The number of obligations of the owners – the Joint Representative Body of the Employers' Associations of Kyiv Region	16	23
	1.4. The number of obligations of the trade unions party – the Kyiv Regional Council of Trade Unions	14	18
2.	Growth rate of average wages	Growth of real wages in accordance with the growth rates of production volume and labor productivity (Article 2.2.30)	The obligations to transfer funds of enterprises and organizations for wage increase must be provided in collective agreements (Article 2.2.1). Growth of real wages in accordance with the growth rates of production volume and labor productivity (Article 2.2.47)
3.	Minimum guarantees for employees of non-budgetary sphere	The minimum salary of employee of the 1st tariff category is set at the level of not lower than provided by the general and the sectoral agreements (Articles 2.2.10, 2.2.19). Measures to set the minimum salary of unskilled worker at the level of at least 120% of the minimum wage (Article 2.2.22)	The minimum salary of employees of the 1st tariff category is set at the level of not lower than provided by the general and the sectoral agreements (Articles 2.2.23, 2.2.35). Measures to set the minimum salary of unskilled worker at the level of at least 120 % of the minimum wage (Article 2.2.38)
4.	Regional living wage	The obligations of the Kyiv Regional State Administration for developing and implementing the regional coefficient of exceeding the living wages in the region over the living wages established by legislation during determining the minimum monthly (hourly) tariff salaries of employees (Article 2.2.5)	–
5.	Interqualification ratios in labor remuneration	–	Implementation of the tariff system as the basis for the differentiation of wages in accordance with sectoral agreements through collective agreements (Article 2.2.8)
6.	Payments financed from the local budget	Welfare assistance payment on recreation purposes for staff employed by libraries and club institutions (Article 2.2.6)	Payment of increases for work experience, welfare assistance payment on recreation purposes, solving social and domestic issues, monetary rewards for superior job performance, etc. to employees of museums, libraries, club institutions, teachers, employees of the sphere of culture of state and communal property (Article 2.2.18.1)
7.	Obligations for non-discrimination in pay	Providing gender equality in remuneration (Article 2.2.16)	Providing gender equality in remuneration (Article 2.2.29)

Regional agreement for 2013–2015, most of them have remained unfulfilled because of their duplication in the Regional agreement for 2016–2020. As for other obligations, it is almost impossible to check the level of implementation of some of them because of their general nature. The fulfilment of a part of obligations must be investigated separately at each enterprise, institution and institution of the region. Performance of the part of obligations must be investigated separately in each institution of the region.

The comparative analysis of the results of the remuneration policy research at the regional level, presented in this paper, and the previous studies of the remuneration policy in terms of decent work at the national level in Ukraine

(Peregudova, 2014; Kir'yan, Kulikov, & Safonov, 2014; Tsymbaliuk, 2017), has shown that problems in the remuneration policy remain unsolved. This analysis concerns inefficiency of social standards, low level of wages, arrears of wages, an unsatisfactory wages structure, a considerable disproportion in wages in different regions, a low level of collective-contractual regulation of remuneration, etc. Despite the fact that the minimum wages size was increased essentially (almost twice) by Ukrainian Government in 2017, it did not affect the employees' welfare significantly. Some indicators (percentage of the employees who receive wages lower than the living wages/minimum wages, the share of the base wages in the total wages fund and arrears of wages) have worsened.

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## CONCLUSION

Labor remuneration issues are an essential part of decent work concept. Despite paying focused attention to the issues of the remuneration policy by scientists and practitioners, politicians, public leaders, state authorities and international organizations, the concept of decent labor remuneration has remained underinvestigated. It is necessary to develop the tools for assessing the remuneration policy in terms of decent work at different levels. Based on the generalization of different approaches to setting the indicators of the decent labor remuneration and taking into account the conceptual principles formulated for its interpretation, a set of indicators for assessing the labor income policy in terms of decent work at the regional level was developed.

The labor remuneration policy analysis in Kyiv region in terms of decent work has shown negative trends, in particular, low level, insufficient structure, low level of collective-contractual regulation of remuneration, etc. The current policy of the labor remuneration leads to devaluation of the work prestige, human capital losses, deepening social inequality and demotivation of employees. The ineffectiveness of the labor remuneration policy and the inefficiencies of institutional framework necessitate improvement of the policy for determining the basic parameters of remuneration that will provide a decent remuneration and an objective differentiation of rewards. The determination of the basic parameters of remuneration must be based on the usage of market and contractual elements for regulation of the level and structure of remuneration, as well as the implementation of innovative approaches and tools for the formation of various components of rewards for labor.

A practical significance of the current paper lies in development of indicators and standards for assessing the remuneration policy at the regional level, which can be used by regional state administrations, trade unions, employers' organizations for assessing the labor remuneration policy and determining areas for improvement with the purpose of implementing the decent work concept and increasing the welfare of employees. The developed indicators can be used by public authorities for comparing and ranking the regions and finding out the leaders in the implementation of the decent work concept. Such practice can be useful for dissemination of the best practices in the area of the labor remuneration policy and collective bargaining regulation of wages. Indicators and standards for assessing the labor remuneration policy can be useful for performing the project of ILO "Labor remuneration in Ukraine: technical assistance for overcoming wage arrears, establishment of the minimum wage and equal re-

muneration” for 2019–2020, which aimed at implementing the Program of Decent Work for Ukraine for 2016–2019 (ILO, 2016–2019).

Further research should be devoted to testing the viability of indicators characterizing the remuneration policy, estimating the weight coefficients, developing the methodology for measuring a complex index of the decent labor remuneration at different levels and determining its scale ranges. It is necessary to conduct a comparative analysis of the remuneration policy in different regions for finding out the best practice in the area of the labor remuneration policy and developing the recommendations on the improvement of legislation and collective bargaining regulation of wages.

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