

## Quality of life as a human development determinant in the context of economic instability

**Abstract.** Crisis in the society leads to economic instability and, as a result, to the decrease in both the quality of life and the level of human development. The article analyzes the problem of the quality of life as a complex category and the dynamics of human development over the past decade. Based on the analysis of scientific works, the interrelationship of human development and the quality of life is shown. It is revealed that the quality of life becomes evident in the subjective satisfaction of population with life and possibility to achieve full potential; the quality of life is reflected in a number of objective characteristics. Being a complex category, the quality of life is a guarantee not only of human society development but also of human physical and social health. On the one hand, human potential and its development is the basis of social-economic growth, and, on the other, it is the basis of the population safety. In current research, a comparative analysis of the HDI ranking of a number of countries during the economic crisis is presented.

**Keywords:** Quality of Life (QOL); Human Potential; Human Potential Development Index (HPDI); Human Development Index (HDI); HDI Dynamics

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#### Якість життя як детермінанта розвитку людського потенціалу в контексті економічної нестійкості

**Анотація.** Суспільство піддається кризовим явищам, що сприяють економічній нестійкості й зниженню, як наслідок, якості життя населення й рівня розвитку людського потенціалу. У статті аналізується проблема якості життя як комплексна категорія, а також динаміка розвитку людського потенціалу за останнє десятиліття. На основі аналізу наукових праць показано взаємозв'язок розвитку людського потенціалу і якості життя. Проявляється якість життя в суб'єктивній задоволеності населення своїм життям і своїми можливостями і відображається в ряді об'єктивних характеристик. Будучи комплексною категорією, якість життя виступає запорукою розвитку не тільки людського потенціалу суспільства, але і його фізичного й соціального здоров'я. Нами здійснено порівняльний аналіз рейтингу ІЛР ряду країн у кризовий період економіки.

**Ключові слова:** якість життя; людський потенціал; індекс розвитку людського потенціалу; індекс людського розвитку (ІЛР); динаміка ІЛР.

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#### Качество жизни как детерминанта развития человеческого потенциала в контексте экономической неустойчивости

**Аннотация.** Общество подвержено кризисным явлениям, способствующим экономической неустойчивости и снижению, как следствие, качества жизни населения и уровня развития человеческого потенциала. В статье анализируются проблема качества жизни как комплексная категория, динамика развития человеческого потенциала за последнее десятилетие. На основе анализа научных работ показана взаимосвязь развития человеческого потенциала и качества жизни. Проявляется качество жизни в субъективной удовлетворенности населения своей жизнью и своими возможностями и отражается в ряде объективных характеристик. Являясь комплексной категорией, качество жизни выступает залогом развития не только человеческого потенциала общества, но и его физического и социального здоровья. Нами осуществлен сравнительный анализ рейтинга ИЧР ряда стран в кризисный период экономики.

**Ключевые слова:** качество жизни (КЖ); человеческий потенциал; индекс развития человеческого потенциала (ИРПЧ); индекс человеческого развития (ИЧР); динамика ИЧР.

### 1. Introduction and statement of the research problem.

The society is in the conditions of economic instability, which is characterized by a disruption of the established vertical and horizontal links, the dynamic disconformities between economic system and perturbation influences, and destabilizing factors. The crisis, which takes place in many countries and regions, contributes to economic instability and, as a result, to decrease in the quality of life. In such conditions, it is possible that the level of human potential development also decreases, as it is known that HDI reflects the effectiveness of the state social and economic policy. In this case, there is a need for social life quality continuous monitoring and in-depth analysis, since the social life quality is the basis for human development; these measures are necessary for the further development of the main directions of public administration in order to ensure socio-economic development of the society.

### 2. Brief literature review.

The concept of social quality of life (QOL) is used to analyze the degree of people's diverse needs satisfaction; they are spiritual, material and social needs. This category, being an interdisciplinary one, is an object of study of not only economy, but also philosophy, and sociology. Methodological foundations of QOL problems are reflected

in the works of Russian and foreign scientists: S. I. Doroguntsov (2006), A. P. Egorshin (2006), V. V. Kosov (2001), P. E. Converse (1976), B. V. Korneychuk (2007), L. Semiv (2004), B. Foster (2000), L. M. Cherenko (2000), L. Yatsenko (2005), etc. From the point of view of socio-economic approach, QOL was studied by such well-known foreign authors, as R. Aron (1992), D. Bell (1999), J. Wiener (2008), Z. Brzezinski (2003), J. Galbraith (1973), H. Kahn (1994), H. Marcuse (2003), A. Toynbee (1991), E. Fromm (2004), etc. S. A. Ayvazyan (2000), V. N. Bobkov (2009), L. G. Zubova (1996), M. A. Mozgina (2001), N. M. Rimashevskaya (2003), V. M. Rutgaizer (1989) analyzed different aspects of QOL in terms of economic approach. According to A. Peccei (1977) [1], A. A. Vozmitel (2013) [2], D. Zh. Markovich (1998), R. V. Ryvkina (1979), QOL improving contributes to the social development of the society. B. I. Dubson (2014) [3], N. V. Matveeva (1999), L. Nikolov (1980) consider that person's inner world, being the main factor, determines person's QOL.

The concept of the quality of life is complex. It is expressed in terms of objective indicators and subjective assessments of the level of satisfaction of material, cultural and social needs of the population, reflecting people's perception of their position depending on cultural peculiarities, value system, and social

standards, which exist in the society [4]. Subjective assessments are important for obtaining information about emerging social tension in the society.

Integrative definition of QOL includes the satisfaction of human needs in achieving subjective well-being and happiness. QOL is considered as a multi-level, multi-dimensional concept, comprising interacting objective and subjective elements, i.e. opportunities given to meet human needs, which contribute to creating human, social capital, and political actions, which are available for extending these opportunities [5]. Implementation of political strategies should result in maximum QOL improvement at individual, national and global levels.

**3. The purpose** of the article is to study the relationship of the quality of life and human potential development and to analyze the dynamics of human potential development.

**4. Results.** QOL indicators system should combine objective characteristics of the societal life and subjective assessments of people's living conditions. Standard indicators of the quality of life include anthropogenic environment, education, leisure, social status, physical and mental health in addition to the level of wealth and employment [6]. Well-being and the level of employment, poverty, education, healthcare, demographic problems, institutional conditions of economic development, environmental safety and climate change, and equal access to wealth, etc. are among the QOL indicators used.

Currently, the researchers of this problem distinguish two aspects of personal well-being: emotional well-being (everyday experiences) and assessment of life as a whole [7]. In general, QOL concept proclaims physical and mental health support; promoting organic food consumption; improving working conditions; ensuring lifetime, etc.

The crisis has an impact on the QOL decline as a whole and aggravation of the problem of maintaining adequate standard of living of elderly people. Increased percentage of the population older than 80 years requires improving the quality of health services and social assistance. Hence, it is proposed to make some changes in the indices in the WHO methodology. Methods of QOL measuring include six indicators of different areas [8]: a) physical health; b) mental health; c) the degree of independence; g) social relations; d) environment; e) religion. These indicators comprise the characteristic features of elderly population lives.

The researchers studying the problems of QOL of economically active population, who form the socio-economic structure of the society and the economic sector's human resources, pay attention to the quality of working life. Studying this problem, many authors, e.g. A. Thompson and A. Strickland [9], note the necessity of organizational culture creating and developing when managing human resources to ensure an adequate level of the quality of working life indicators. In many aspects, organizational culture is an informal managerial system, maintaining acceptable (expected) behaviour and rejecting unacceptable one. The aforementioned is confirmed by the results of the author's study of organizational culture of Kursk industrial enterprise presented in [10-11].

A characteristic feature that distinguishes the quality of working life from the category of QOL is represented by a combination of factors of employees' working life, such as the realization of employee's interests, intellectual and creative potential, and his moral and organizational features. In order to ensure an adequate standard of working life quality, special attention should be paid to: a) increasing the welfare of employees by improving the hygiene factors of work; b) improving the efficiency of labour force, contributing to increased productivity in the workplace through employees' motivation and involvement in labour activities [12]. Using a strategic approach to ensure the quality of working life, managers can work out strategies for the development of employees' human potential, which will enhance rating characteristics of their organizations.

Introducing the term «quality of life» as a generalized socio-economic category, the distinction of such its components as satisfaction of spiritual needs, environmental conditions, and spiritual comfort seems to be interesting for consideration [13]. These components form the basis for person's spiritual potential development. Learning, being a form of spiritual acti-

ty, satisfies the need for information and correlates with QOL. It is QOL that determines the ability to achieve a higher level of education and the further professionalization.

The level of education is among the most important indicators of QOL assessment. It is the key indicator of not only physical but also moral health of the population; it demonstrates population's competence, diverse activities and is the basis for successful management of socio-economic development. If economic growth is provided for more than 60% by human capital, the dependence of the formation of human capital on professional education, investments in education and science is at the level of about 2/3 [14]. The most active development of the human potential of a person is carried out during the training in higher educational institutions. Involvement of students in scientific researches, encouraging their initiative, motivation for the development of creativity and practical application of acquired knowledge are of particular importance in this process [15]. Human potential reproduction is provided by groups involved in intellectual work (universities teaching staff); they are generators of innovations both in intellectual activities and in industrial sector [16].

Human potential and its development are the basis, which allows providing society economic growth, on the one hand, and saving the population, on the other. According to the United Nations Development Program, human potential development index (HPDI) is determined by such parameters as life expectancy and health, literacy rate and expected years of schooling, quality of life, evaluated in terms of the GDP per capita, human security, trade and financial flows, mobility and communication, environmental safety. HPDI is an integral indicator reflecting the effectiveness of state social and economic policy. The HDI (HPDI before 2013) is used to compare standards of living of different countries and regions. In some Russian sources HPDI (human potential development index) can be translated like «humanitarian development index» [17, p. 353].

Analyzing the dynamics of human potential development, it is necessary to pay attention to a number of countries in which the HPDI remains at a very high level for many years. For example, such countries as Norway, Australia, Switzerland, have been leaders in the HDI ranking for the past 15 years. During this period, Poland has moved from the high-level group of countries into a very high-level group, and Ukraine and China moved from the group of the countries with medium level of development into the high-level group. Russia remains the country with the high HPDI level. However, in 2010, average life expectancy at birth in the countries with a very high level of HPDI was 13% higher than in Belarus, Russia and Ukraine; in Russia, the average years of schooling were 25% lower than in Norway, Australia, and the United States [18]. All these allow assuming that the QOL in the former Soviet republics, in particular, in Russia, is lower than in the leading countries. Based on the statistical data presented in the UN Human Development Reports of the Development Programme [19], in 2014 the gap in the parameter of mean years of schooling between Belarus, Russia and Ukraine lessened compared with the leading countries. The difference is 7% averagely. However, the gap in life expectancy at birth has increased and averagely is about 15%.

According to the data obtained for 2014, Norway, Australia, Switzerland, Denmark, the Netherlands, Germany, the USA, France, and Poland belong to a group of countries with a very high HDI level; Belarus, Russia, Kazakhstan, Mexico, Ukraine, and China make up a group of countries with a high HDI level. Comparing HDI ranking for the last decade, it is possible to observe positive dynamics of the HDI rankings for many countries represented in Figure 1. This indicates QOL improving and human potential progressive development. However, in such countries as France and Mexico, a negative growth of HDI rankings is evident for the period of 2006-2014 (-11 and -20, respectively) (Fig. 2).

In the period of 2009-2014, a negative growth of HDI ranking was less significant than in the period of 2006-2009 [19-20]. It is peculiar to France (-1 and -10, respectively) and Mexico (-2 and -18, respectively). In the period of 2006-2009, ranking for China also fell down (-4 positions). There was an overall decrease in the level of HDI in 2010 compared to 2007. De-

spite the positive trend, in 2014 the countries, including the leaders of ranking, did not reach the level of HDI indicators they had in 2006. However, in-depth study is necessary to reveal the specific factors, which had an impact on the identified HDI trend. It can be assumed that economic crisis, which has begun in 2008 and continues up to the present day, is the reason of such trends; it caused a decline in production and a number of other negative consequences. However, during this period, some countries improved their HDI. For example, growth was observed in Kazakhstan, Belarus, Russia, Germany, Denmark, the USA, Switzerland, Poland, the Netherlands, and Ukraine (Figure 2).

Among the presented countries Belarus (19 positions), Russia (23 positions), Kazakhstan (25 positions) demonstrate the greatest positive ranking trend. Some countries (the USA, France, Belarus) have mixed HDI ranking trends, despite the positive HDI dynamics in the countries [19-20]. For example, US HDI ranking has the following values: 12 in 2006, 13 in 2007, 5 in 2009, 8 in 2014. Belarus HDI ranking is as follows: 69 in 2006, 54 in 2007, 61 in 2009, 50 in 2014. The biggest jumps in HDI ranking with a negative trend are observed in France: 11 in 2006, 8 in 2007, 21 in 2009, and 22 in 2014. Decline in HDI is reflected on decreasing level of education, increasing mortality, including due to epidemics, lowering level of material culture and economy, disadvantaged ethnic and racial minorities, and disadvantaged migrants.

HDI level has a double meaning relative to QOL. First, it identifies the peculiarities of the quality of life. Secondly, realization of people's opportunities to improve the quality of their lives depends on the quality of human potential.

**5. Conclusion.** When comparing the categories of quality of life and human potential, it is necessary to indicate that: a) both concepts have strategic and integrative characteristics; b) the quality of life is a determinant of human development and human capital accumulation; c) to ensure the qualitative development of human potential, it is necessary to take

into account spiritual and moral indicators in addition to socio-economic ones, because value systems are formed and modified depending on the achieved level of the quality of life and reflect the needs for human capital optimization [21]; d) not only a high level of human development, but also an active position of the population are necessary to ensure a high level of the quality of life; e) only taking into account economic, social and spiritual factors of the society it is possible to achieve a qualitative improvement in human development.

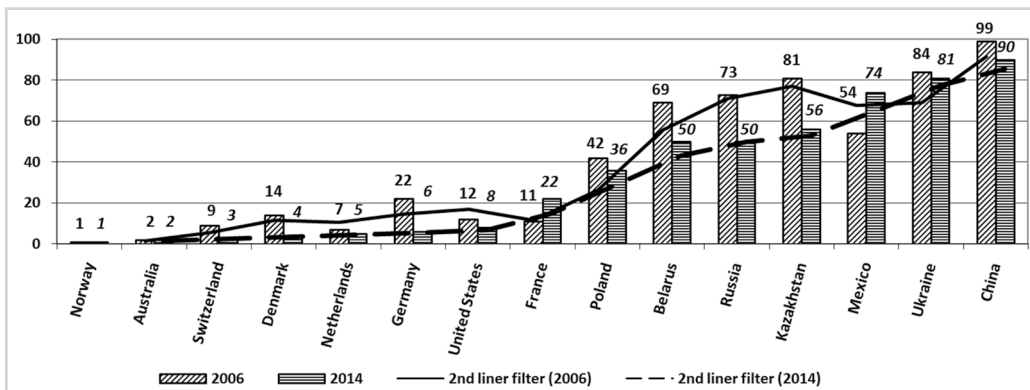


Fig. 1: HDI (HPDI) ranking trend in the period of 2006-2014. Source: Authors' elaboration based at HDI data

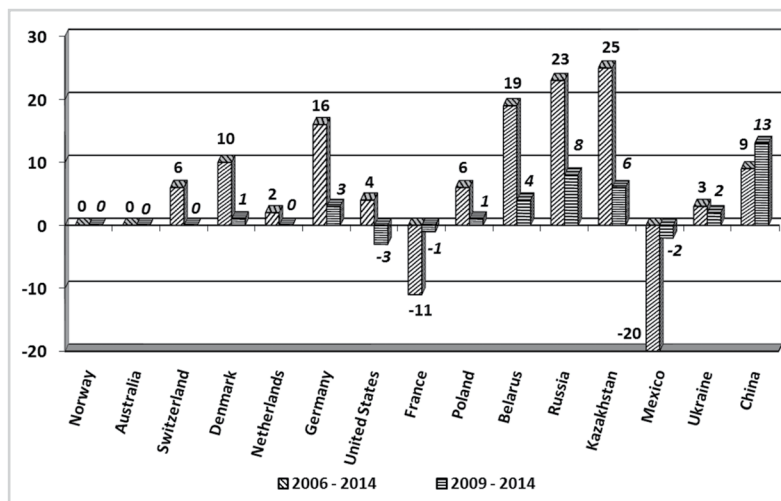


Fig. 2: Changes in countries HDI ranking for 2006-2014 and 2009-2014. Source: Authors' elaboration based at HDI data

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