

# Harmonizing Human Dignity and Economic Progress: The Evolution of Labour Rights in the Global Architecture of Sustainable Development

## Harmonizacja godności człowieka i rozwoju ekonomicznego: ewolucja praw pracowniczych w globalnej architekturze zrównoważonego rozwoju

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### Abstract

Despite the growing recognition of labour rights within the framework of sustainable development, their structural transformation from national social guarantees into elements of global economic governance remains insufficiently explored. Existing scholarship largely examines labour standards either as traditional human rights instruments or as components of corporate social responsibility, without fully addressing their convergence within the architecture of the United Nations Sustainable Development Goals (SDGs).

This article aims to analyse the evolution of labour rights as a system-forming pillar of sustainable development, focusing on their integration into global regulatory, economic, and corporate governance mechanisms. The study examines how labour standards have shifted from sectoral legal norms to transnational instruments shaping investment practices, corporate accountability, and state obligations.

The findings demonstrate a paradigm shift from territorially limited labour protection towards a supranational model of global responsibility. The analysis reveals that voluntary corporate initiatives are insufficient to prevent social dumping and modern forms of labour exploitation, while legally enforceable due diligence mechanisms and ESG-based risk assessment significantly enhance the practical implementation of decent work standards. The study further identifies the emergence of *digital dignity* as a new regulatory frontier driven by algorithmic management and the precarisation of platform-based work.

The article argues that labour rights constitute an indivisible component of sustainable development, functioning simultaneously as fundamental human rights and as structural determinants of economic resilience.

**Key words:** sustainable development, labour rights, ESG Metrics, European Social Model, due diligence, decent work, SDG 8

### Streszczenie

Pomimo rosnącej świadomości praw pracowniczych w ramach zrównoważonego rozwoju, ich strukturalna transformacja z krajowych gwarancji socjalnych w elementy globalnego zarządzania gospodarczego pozostaje niedostatecznie zbadana. Istniejące prace naukowe w dużej mierze analizują standardy pracy jako tradycyjne instrumenty praw człowieka lub jako elementy społecznej odpowiedzialności biznesu, nie uwzględniając w pełni ich zbieżności z architekturą Celów Zrównoważonego Rozwoju Organizacji Narodów Zjednoczonych (SDG).

Niniejszy artykuł ma na celu analizę ewolucji praw pracowniczych jako filaru systemowego zrównoważonego rozwoju, ze szczególnym uwzględnieniem ich integracji z globalnymi mechanizmami regulacyjnymi, ekonomicznymi i ładu korporacyjnego. Badanie analizuje, w jaki sposób standardy pracy ewoluowały z sektorowych norm

prawnych w transnarodowe instrumenty kształtujące praktyki inwestycyjne, odpowiedzialność korporacyjną i zobowiązania państwa.

Odkrycia wskazują na zmianę paradygmatu od terytorialnie ograniczonej ochrony pracy w kierunku ponadnarodowego modelu globalnej odpowiedzialności. Analiza ujawnia, że dobrowolne inicjatywy korporacyjne są niewystarczające, aby zapobiec dumpingowi socjalnemu i współczesnym formom wyzysku pracowników, podczas gdy prawnie egzekwowalne mechanizmy należytej staranności i ocena ryzyka oparta na ESG znacząco wzmacniają praktyczne wdrażanie standardów godnej pracy. Badanie identyfikuje ponadto pojawienie się godności cyfrowej jako nowej granicy regulacyjnej, napędzanej przez zarządzanie algorytmiczne i prekaryzację pracy opartej na platformach.

W artykule dowodzi się, że prawa pracownicze stanowią nieodłączny element zrównoważonego rozwoju, funkcjonując jednocześnie jako podstawowe prawa człowieka i strukturalne determinanty odporności gospodarczej.

**Słowa kluczowe:** zrównoważony rozwój, prawa pracownicze, wskaźniki ESG, europejski model społeczny, należyta staranność, godna praca, SDG 8

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## 1. Introduction

Despite extensive literature on labour rights and sustainable development, limited attention has been paid to their structural convergence within the SDG architecture, particularly in post-conflict and candidate countries.

In the contemporary conditions of labour market transformation, growing socio-economic instability, and the rethinking of the role of the state in the field of social protection, labour rights acquire particular doctrinal and practical significance. Within the framework of the sustainable development concept, they are increasingly understood not as purely sector-specific legal constructs, but as a fundamental component of the human rights system, directly linked to the realization of human dignity, social justice, and the principle of the rule of law. This very approach underlies the United Nations Sustainable Development Goal No. 8, which proclaims the need to ensure decent work and inclusive economic growth (UNDP, 2015).

The particular relevance of labour rights research is determined by their integrative nature: they combine elements of private and public law, individual and collective interests, economic freedoms, and social guarantees. It is in the sphere of labour that the tension between the market logic of efficiency and the need to ensure minimum standards of human protection becomes most apparent. In the context of sustainable development, this tension is resolved through the recognition that economic growth devoid of a social dimension is inherently unsustainable. The protection of labour rights thus functions as a mechanism for balancing economic productivity and social cohesion, which corresponds to the logic of SDG 8 targets 8.3, 8.5, and 8.8 (UNDP, 2015).

The development of labour rights is a continuous process of adapting legal norms to dynamic socio-economic and technological changes. From the first laws limiting working hours during the industrial revolution to contemporary standards of protection under conditions of digitalisation and the use of artificial intelligence, one can trace an evolution from elementary safeguards against physical exhaustion to complex systems of social insurance, non-discrimination, and the protection of digital privacy. This evolution corresponds not only to SDG 8, but also to Goals 1 (no poverty) and 10 (reduced inequalities), since decent work is a key mechanism for preventing in-work poverty and social marginalisation (UNDP, 2015).

The modern concept of labour rights focuses on the latest challenges, including the determination of the legal status of workers in the gig economy, the regulation of remote employment, the ensuring of non-discrimination and transparency in algorithmic personnel management, as well as the establishment of the right to *digital disconnection*. All these issues are directly related to the idea of an inclusive and sustainable labour market that encompasses diverse social groups, including women, young people, migrants, and persons with disabilities, thereby contributing to the achievement of Goals 5 (gender equality) and 10 (reduced inequalities) (UNDP, 2015).

At the core of the contemporary understanding of labour rights lies the fundamental principle according to which labour is not a commodity. The worker has an inalienable right to dignity, safety, and fair remuneration. These socio-economic rights of the *second generation* are inextricably linked with civil and political rights, since without an adequate level of material security and social protection, the exercise of other rights and freedoms becomes merely declarative. In this respect, labour rights perform a system-forming function for the achievement of Goal 16, aimed at promoting effective institutions, the rule of law, and social trust (UNDP, 2015).

Finally, the thesis that labour is not an object of ordinary trade is enshrined in the Philadelphia Declaration of the International Labour Organization of 1944, which laid the normative foundations of the modern model of socially oriented and sustainable development (ILO, 1944). It is precisely this idea that links economic growth with respect for human dignity, confirming the fundamental role of labour rights within the human rights system and in the overall architecture of the Sustainable Development Goals.

Despite the extensive body of literature on labour rights, sustainable development, and corporate social responsibility, existing research remains largely fragmented. Labour rights are predominantly analysed either as traditional socio-economic human rights or as elements of corporate governance and ESG frameworks. However, limited

scholarly attention has been paid to their structural convergence within the global architecture of sustainable development, particularly regarding the transformation of labour rights into enforceable transnational regulatory and economic instruments.

Moreover, the implications of this transformation for countries undergoing post-conflict reconstruction and European integration, such as Ukraine, remain insufficiently examined within contemporary legal scholarship.

In response to this gap, this article seeks to analyse how labour rights have evolved from nationally embedded social guarantees into core components of the global sustainable development framework, and to assess the legal and economic implications of this transformation for the European social model.

This article makes three main contributions to the scholarly debate.

First, it conceptualises labour rights as a system-forming element of sustainable development, demonstrating their dual nature as both fundamental human rights and structural determinants of economic resilience.

Second, the study provides an integrated analysis of legal and economic governance mechanisms by examining the interaction between international labour standards, European mandatory human rights due diligence, and ESG metrics as complementary tools for enforcing decent work.

Third, the article introduces the concept of *digital dignity* as an emerging regulatory dimension of labour protection, highlighting its significance in addressing algorithmic management and the precarisation of platform-based work, particularly in the context of post-conflict reconstruction and European integration.

## 2. Literature review

The scholarly discourse on labour rights has undergone a profound transformation, shifting from a focus on industrial-age contractual obligations to an integrated framework within the global architecture of sustainable development. This review categorizes current research into four thematic pillars: the doctrinal integration of labor as a human right, the expansion of the European social model through mandatory due diligence, the emergence of ESG as an economic metric for social justice, and the regulatory challenges posed by the digital economy.

The foundational principle that *labor is not a commodity* remains the cornerstone of modern legal doctrine. Recent scholarship emphasizes the indivisibility of rights, arguing that socio-economic guarantees are the material prerequisite for the exercise of civil and political freedoms. Tapiola (2020) highlights that International Labour Organization (ILO) standards have evolved from market regulations into a core component of global human rights governance. This is further supported by Morris (2022), who documents the increasing reliance of international human rights bodies, such as the European Court of Human Rights, on ILO conventions to provide *substantive content* to broad legal protections of human dignity in the workplace.

The European model is currently transitioning from a regime of domestic protection to one of extraterritorial corporate responsibility. Schiek (2022) and Velluti (2023) characterize the *European social model* as a normative project that seeks to correct market imbalances through institutionalized social dialogue. A significant body of recent literature focuses on the Corporate Sustainability Due Diligence Directive (CSDDD). Researchers argue that voluntary corporate codes have failed to prevent systemic exploitation, such as modern slavery, necessitating a *return of the state* through binding legal frameworks (Bueno and Bright 2020; Lee 2023). Jafari et al. (2023) provide empirical evidence that meaningful results in high-risk sectors like agriculture are only achievable when state-led supervision is combined with technical detection frameworks for labor violations.

The rise of Environmental, Social, and Governance (ESG) metrics has created a new *economic language* for labor rights. Annarelli et al. (2024) identify the *social* pillar as the forgotten pillar of sustainability that is now being revitalized through robust assessment tools. Current studies demonstrate that labor rights have shifted from being viewed as organizational *costs* to becoming *intangible strategic assets* (Abaziz et al. 2023). By integrating health, safety, and non-discrimination into investment attractiveness, ESG serves as a market-mediated enforcement mechanism. However, Ren et al. (2023) caution that this economic translation must be grounded in ethical frameworks to avoid *social greenwashing* and ensure that metrics lead to substantive improvements in equity.

The most recent layer of literature addresses the impact of digitalization and artificial intelligence on labor. Long-term studies by Althobaiti et al. (2022) reveal a 70-year trend of labor market polarization driven by technological change, which has intensified the precarisation of work. The concept of *digital dignity* has emerged as a response to algorithmic management. Binns et al. (2018) and Ceravolo et al. (2025) argue that automated recruitment and performance tracking risk *reducing a human being to a percentage*, necessitating new rights such as the *right to disconnect* and algorithmic transparency. Hsieh et al. (2025) suggest that workers in the gig economy are developing *digital solidarity* through data-sharing tools to counteract the information asymmetry of platform-based work.

While existing literature extensively covers the theoretical aspects of labor rights and the emergence of ESG, there remains a need for a more integrated analysis of how these global trends specifically converge within the context of post-war reconstruction and European integration countries. This study addresses this gap by synthesizing the legal, economic, and digital dimensions of labor rights into a cohesive framework for sustainable development.

### 3. Materials and methods

This study employs an interdisciplinary research design, integrating legal-dogmatic, comparative, and socio-economic methodologies to examine the evolution of labour rights within the framework of sustainable development. The complexity of the subject – spanning international law, financial metrics, and digital transformation – necessitates a multi-layered analytical approach and the synthesis of insights from multiple scientific domains. The methodological foundation of the research is based on the principle of the indivisibility of human rights, which posits that civil-political liberties and socio-economic rights are mutually dependent. From this perspective, legal standards are evaluated not only as formal rules but also as functional instruments for achieving social justice and economic stability under the United Nations Sustainable Development Goals, specifically SDGs 8, 10, and 16.

The study draws on a comprehensive qualitative and quantitative dataset, encompassing international regulatory frameworks, financial and economic metrics, and judicial and scholarly literature. The international regulatory frameworks include foundational documents of the International Labour Organization, such as the 1944 Declaration of Philadelphia and the 1998 Declaration on Fundamental Principles, as well as United Nations Sustainable Development Goals and European Union directives, including the Corporate Sustainability Due Diligence Directive (CSDDD). Financial and economic metrics are sourced from methodologies developed by global ESG rating agencies, including MSCI, SASB, and GRI, alongside longitudinal data on labor market polarization and economic complexity studies. Judicial and scholarly sources include jurisprudence from the European Court of Human Rights and the European Committee of Social Rights, as well as peer-reviewed academic publications indexed in Scopus and Web of Science for the period 2018–2025. This triangulation of sources ensures a robust, multidimensional understanding of labor rights in both legal and socio-economic contexts.

Several specific methods of scientific inquiry are employed. The historical-legal method traces the diachronic evolution of labor guarantees, from nineteenth-century factory acts to contemporary protections in digital labor environments, highlighting the transition from localized physical safety measures to global concepts such as *digital dignity*. Comparative-legal analysis is applied to evaluate the convergence between International Labour Standards and the European Union social acquis, focusing on how these supranational norms shape the national legal systems of candidate countries. Socio-economic modeling examines the role of ESG metrics as a translator of legal rights into economic and financial assets, analyzing correlations between higher social performance and corporate resilience, sustainability, and long-term financial outcomes. Critical discourse analysis investigates the precarization of labor in the digital economy, exploring how algorithmic management and automation influence human agency and the realization of decent work standards, especially within the gig economy.

The study acknowledges several limitations. The regulatory landscape, particularly concerning the EU AI Act and the implementation of the CSDDD, is evolving rapidly, which introduces uncertainty into long-term projections. Additionally, the ongoing conflict in Ukraine presents challenges for forecasting the impact of international standards on national labor law and social protection mechanisms. These limitations are mitigated by maintaining a focus on core principles of European social solidarity, which serve as constant variables and normative benchmarks for sustainable labor governance in contexts of reconstruction and institutional reform.

By integrating interdisciplinary approaches, the research illuminates the transformative interaction between law, economics, and technology in shaping labor rights. It demonstrates that labor protections are no longer confined to national legal orders but are increasingly influenced by global regulatory norms, financial performance indicators, and technological governance frameworks. This approach highlights the dual nature of labor rights as both fundamental legal entitlements and measurable elements of organizational and economic sustainability. Consequently, the study provides evidence-based insights for policymakers, corporate actors, and social partners, emphasizing the importance of holistic frameworks that combine legal enforcement, financial incentives, and digital governance to achieve the effective realization of decent work in a rapidly changing global economy.

### 4. Results & discussion

The historical evolution of labour rights reflects a gradual yet irreversible transition from a complete absence of legal protection for hired workers to the formation of a complex multi-level system of social standards that spans national, international, and supranational regulatory frameworks. Early factory legislation in England, Germany, and France during the nineteenth century emerged as state responses to the extreme exploitation of labour characteristic of industrialisation. These early legal acts established limits on working hours, prohibited child labour, and laid basic occupational safety requirements, thereby embedding the idea of state responsibility into labour conditions – a foundational step toward internationally recognised labour guarantees.

The evolution of labour law continued under the influence of recognition that social problems had acquired a transnational character, driven by competition among states and increased mobility of labour. Consequently, at the beginning of the twentieth century, labour standards began to move beyond national legal orders, paving the way for the founding of the International Labour Organization (ILO) in 1919. The creation of the ILO as a permanent institutional mechanism for coordinating minimum social standards at the global level signified a paradigm shift

in the legal understanding of labour rights: they ceased to be considered solely domestic matters and assumed the character of internationally recognised social obligations.

Following the First World War, conceptual thinking about the connection between labour, social stability, and global security deepened. A doctrine emerged asserting that lasting peace was unattainable without social justice, which itself depended on minimum standards of occupational safety, fair remuneration, rest periods, and social security. In the later twentieth century this approach was embedded in universal frameworks such as the Universal Declaration of Human Rights (1948), where labour rights began to be conceptualised not merely as economic or contractual categories but as integral human rights. Consequently, labour rights were integrated into the system of fundamental human rights and assumed an inter-sectoral nature.

In the European context, the evolution of labour rights is closely linked to the idea of **solidarity** as a core social value. Scholarly analyses of labour relations transformation in the twentieth and twenty-first centuries demonstrate that solidarity with vulnerable groups – including women, migrants, and workers in precarious employment – has become one of the principal drivers of both national labour legislation and broader social state policies. Expansion of collective mechanisms for rights protection, particularly through trade union activities, social dialogue, and the right to collective actions, facilitated the transition of labour law from an instrument of narrow market optimisation to a means of securing decent living standards and social inclusion for workers (Fan T., 2025).

However, the contemporary stage of labour rights development is characterised by complex and sometimes contradictory trends. On the one hand, international standards continue to spread and the scope of legal protection broadens. On the other hand, academic research documents increased employment instability, the precarisation of work, growing inequality, and conflicts driven by globalisation, digitalisation, and structural transformation of production. These developments challenge notions of linear and irreversible social progress in the sphere of work. Under these conditions, there is an urgent need to update labour law doctrines and principles. This involves not only adapting specific norms to new forms of employment but also a deeper reconsideration of the relationship between individual and collective labour rights, reaffirming **solidarity as a system-forming principle**, and strengthening guarantees of employment stability in the face of structural labour market changes.

Thus, the historical evolution of labour rights reveals several interrelated vectors of development: the internationalisation of standards, the reinforcement of solidarity and collective protection mechanisms, and the shift from a model of stable employment to one marked by increased social risk. These vectors shape the contemporary doctrinal framework for studying labour rights and underscore the need for a comprehensive approach to their legal protection.

The contemporary shift in labor law is defined by a move toward *digital solidarity* and the prioritization of human agency. Long-term studies reveal that structural transformations over the last 70 years have led to labor market polarization, challenging the traditional stability of employment (Althobaiti et al. 2022). In response, modern doctrines are beginning to treat the *future of work* not merely as an economic variable, but as a critical safety and human rights issue (Hazra et al. 2025). This is particularly evident in the European context, where historical foundations of solidarity with vulnerable groups are being re-adapted to empower workers against the algorithmic management prevalent in the gig economy (Waas 2022; Hsieh et al. 2025).

#### 4.1. The European model of labour: from local protection to global responsibility

The European model of labour rights has traditionally been grounded in the European Social Charter and the Charter of Fundamental Rights of the European Union, which guarantee the right to fair working conditions, protection against unjustified dismissal, and respect for human dignity in employment relationships. These instruments enshrine the social dimension of European integration and constitute the normative core of the so-called *European social model*.

At the same time, the European social model has never been confined exclusively to the internal regulation of labour markets. Its conceptual distinctiveness lies in the combination of individual and collective labour rights, institutionalised social dialogue, and the active role of the state in correcting market imbalances. For this reason, the evolution of the model has increasingly extended beyond national legal orders in response to the globalisation of production, transnational supply chains, and the structural asymmetry between the economic mobility of capital and the territorially limited jurisdiction of states.

Over the past decades, the European Union has shifted from an inward-looking focus on the internal market towards the construction of a regime of global corporate responsibility within supply chains. A central regulatory instrument in this transformation is the concept of human rights due diligence, originally articulated in the UN Guiding Principles on Business and Human Rights and subsequently developed within both national and supranational legal frameworks.

This shift signifies a fundamental change in the logic of labour rights protection: from guarantees ensured by the state within its own territory to the imposition on corporations of an active obligation to identify, prevent, mitigate, and remedy human rights violations – including labour rights violations – throughout global operations and supply chains. As a result, labour rights cease to function merely as an element of domestic social policy and increasingly

assume the character of transnational regulatory standards enforced through a hybrid combination of public law and private law mechanisms (Figol, 2024).

The EU has progressively deployed a set of binding regulatory instruments, including the French Duty of Vigilance Law, the German Supply Chain Due Diligence Act, and the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDDD). Unlike earlier reporting-based approaches, the CSDDD establishes legally enforceable obligations to prevent, address, and provide remedies for human rights and environmental harms in global value chains. These measures are explicitly designed to counteract *social dumping*, whereby corporations relocate production to jurisdictions with lower labour standards in order to reduce costs.

In this context, the European model of labour demonstrates an attempt to compensate for structural inequality between global business actors and workers through the extraterritorialisation of social standards. Due diligence mechanisms effectively transform labour rights from declaratory principles into elements of corporate compliance, the violation of which entails legal liability. This marks a transition from predominantly *soft* social regulation to a mixed regulatory model in which market freedoms are subordinated to the imperatives of human dignity and social justice.

A particularly significant dimension of global responsibility concerns the fight against modern slavery and forced labour. Empirical research demonstrates that voluntary corporate codes of conduct and soft-law instruments alone fail to provide effective protection. Meaningful results are achieved only through the combination of state supervision, legal liability, and mandatory transparency regarding modern slavery risks in supply chains (Althobaiti S, 2022).

This confirms the existence of a positive obligation on states to *return* to the governance of global labour and to intervene actively in order to prevent hidden forms of exploitation, including beyond their own territorial boundaries (Hogan et al, 2024). In this sense, the European model of labour emerges not merely as a regional social compromise, but as a normative project of global relevance aimed at ensuring the effective realisation of labour rights in a globalised economy.

The European Union's regulatory shift toward mandatory due diligence represents a fundamental transition from *soft* social guidelines to an enforcement-based model of labor governance. Recent scholarly work underscores that voluntary transparency is insufficient to address systemic exploitation; instead, meaningful results require state-led supervision and technical frameworks to detect hidden violations, particularly in sectors like agriculture (Jafari et al. 2023).

This institutional return of the state to labor governance is further reflected in new supranational directives, such as the NIS2 Directive and the AI Act, which increasingly link digital infrastructure and algorithmic fairness to the core mandate of protecting human dignity in the workplace (Ceravolo et al. 2025). Furthermore, as technological shifts accelerate labor market polarization, the European model seeks to preserve social cohesion by integrating skills demand forecasting with robust social guarantees (Macedo et al. 2022; Althobaiti et al. 2022)

#### 4.2. ESG as a new economic metric of human rights

In the modern financial system, ESG metrics transform the protection of labour rights from a purely legal requirement into an economically significant factor affecting company value and investment attractiveness.

In this sense, ESG functions as a *translator* of human rights into the language of financial markets: social standards that were previously perceived as external constraints on business are now integrated into internal risk management systems, corporate strategies, and long-term planning. This transformation alters the mechanism of labour rights enforcement – shifting it from predominantly judicial and administrative protection towards a preventive, market-mediated influence.

The social pillar (S) encompasses working conditions, occupational health and safety, gender equality, non-discrimination, employee participation, fair remuneration, inclusion, and respect for human rights. Analyses of leading ESG standards (MSCI, SASB, GRI) demonstrate that labour management, workplace safety, industrial relations, diversity, and inclusion are now considered *material* issues for investors.

From a legal perspective, this represents a *de facto* recognition of labour rights as a factor capable of creating or destroying economic value. Violations of occupational safety standards, discriminatory practices, or labour conflicts are increasingly viewed not merely as internal HR issues but as reputational and financial risks affecting company capitalisation and access to investment.

Systematic reviews confirm that higher social performance – in terms of working conditions, inclusivity, and human capital development – is statistically associated with greater business resilience, innovation, and financial performance.

ESG investments, particularly in the long term, correlate with more stable and higher returns, and social equality, including gender equality, is reflected in key performance metrics. Consequently, labour rights increasingly take on the characteristics of an intangible asset subject to evaluation, management, and monitoring alongside financial indicators.

Capital market data indicate that investors are increasingly factoring in labour, human rights, and gender equality when selecting investment targets, influencing portfolio structures, financing access, and capital cost. Assessment

of *decent work* and employment conditions has become a central element of rating agency methodologies, indirectly pressuring companies to integrate international labour standards.

In this context, ESG creates a new model of business motivation: compliance with labour rights ceases to be merely a result of external coercion and increasingly becomes a condition of competitiveness. Companies that ignore social risks face higher capital costs, exclusion from sustainability indices, or limited access to responsible financing.

Critical reviews emphasize that the *S* in ESG increasingly encompasses social justice, workplace safety, income inequality, discrimination, and corporate societal responsibility, making ESG metrics infrastructure for responsible and impact investments. Recent research emphasizes that evaluating organizational social sustainability requires robust assessment tools that move beyond fragmented indicators to capture complex dynamics like labor market polarization and income inequality (Annarelli et al. 2024; Althobaiti et al. 2022). Furthermore, as the digital economy expands, the *S* in ESG must now incorporate *digital dignity*, protecting workers from algorithmic harms and ensuring that technological structural changes do not exacerbate existing inequalities (Ceravolo et al. 2025; Caldarola et al. 2024).

At the same time, scholarly literature notes the limitations of ESG approaches: fragmented indicators, risks of formalisation, and *social greenwashing*, where companies exhibit high ESG ratings without substantive improvement in working conditions. This confirms that ESG cannot replace legal mechanisms for protecting labour rights but can significantly strengthen their implementation if combined with mandatory due diligence, state oversight, and effective legal remedies. In such an integrated framework, ESG emerges not merely as a financial metric but as part of a broader mechanism for implementing labour rights, combining legal, economic, and social policy instruments within a globalised labour market.

The integration of labor rights into ESG metrics reflects a paradigm shift where social sustainability is no longer an elective *cost* but a measurable organizational asset.

This comprehensive approach, linking human rights assessments to corporate governance, provides the necessary infrastructure for impact investments that prioritize human dignity alongside financial returns (Hogan et al. 2024; Ren et al. 2023).

## 5. Conclusions

Labour rights in the modern legal order extend far beyond the classical regulation of interactions between employees and employers. They have become a system-forming element of a democratic state, an indicator of the quality of the rule of law, and a practical mechanism for ensuring human dignity amidst profound technological, economic, and geopolitical transformations. In this sense, labour rights cannot be considered in isolation from the broader human rights framework: their effective implementation is a prerequisite for the exercise of civil and political rights, individual participation in social life, and the resilience of democratic institutions.

The European legal tradition consistently follows the principle of the indivisibility of human rights, according to which socio-economic rights, including labour rights, are neither secondary nor optional. On the contrary, they provide the material foundation for the exercise of freedom of expression, freedom of association, political participation, and access to justice. Without decent working conditions, stable employment, and fair remuneration, democratic freedoms acquire a formal and declarative character. Thus, the level of protection a worker enjoys in the workplace serves as a *litmus test* for the actual state of democracy and the social state.

In this context, the European model of labour rights is undergoing a qualitative transformation. It is evolving from a classical system of domestic social protection into a supranational regime of global responsibility, in which the state and supranational entities actively regulate corporate behaviour beyond their own territories. The concept of due diligence in human rights, mandatory transparency mechanisms, and legal accountability for business conduct in global supply chains indicate a rethinking of the role of economic actors: from autonomous holders of commercial interest to participants in a system that ensures decent work and social justice.

A particularly important aspect of this model is combating hidden forms of exploitation, modern slavery, and social dumping. European experience convincingly demonstrates that voluntary corporate initiatives and *soft law* alone are insufficient to guarantee adequate protection of labour rights. Effectiveness is achieved only through the combination of legally enshrined obligations, state supervision, judicial accountability, and transparent reporting procedures. This implies the practical *return of the state* to the sphere of global labour governance and the establishment of a positive duty to prevent human rights violations not only domestically but also within transnational economic processes.

In parallel with legal transformation, there is a shift in the economic paradigm for evaluating labour rights. ESG metrics, especially their social component, create a new economic *language* of human rights in the field of labour. Compliance with standards of decent work, health and safety, non-discrimination, and gender equality is increasingly regarded not as an additional financial burden but as a strategic asset that affects investment attractiveness, access to capital, and long-term business resilience. In this respect, labour rights acquire a dual nature: they remain a fundamental legal value while simultaneously becoming a significant element of economic development.

For candidate countries and countries with the ongoing conflict, like Ukraine, these processes are of particular importance. The European path of development requires not the formal adoption of individual norms or directives but a profound rethinking of the concept of labour rights implementation. In conditions of war, post-war reconstruction, and structural economic transformation, it is essential to find a balance between necessary labour market flexibility and the maintenance of high standards of social solidarity, which constitute the foundation of European civilization. Temporary restrictions on rights, caused by extraordinary circumstances, must not become a new *norm* of labour law without risking the erosion of social trust and democratic foundations of the state.

Therefore, the implementation of labour rights in the European dimension represents a multilevel system that combines legal, institutional, and economic mechanisms. Its effectiveness depends not only on the quality of legislation but also on the capacity of the state, social partners, and businesses to operate within a shared normative space oriented towards the dignity of working people. This constitutes both a strategic challenge and an opportunity for candidate countries like Ukraine: to integrate European social standards not as an external obligation but as an internal foundation for sustainable development, democratic legitimacy, and social justice.

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