

## POPULATION AND SOCIAL INEQUALITY: CAUSES AND ANALYSIS

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**Annotation:** *This article examines the definitions of scientists dealing with issues such as social inequality and stratification in society, based on historical and modern situations. In addition, the article separately identifies the factors causing "social inequality". The fact that social stratification is based on natural and social inequality between people is manifested in their social life and has a hierarchical character. It has been shown by various methods that it is stably regulated by various social institutions, constantly reproduces and changes, and these important conditions manifest themselves in the activity and development of any society. There are also on going reforms in the Republic of Uzbekistan to reduce poverty, that is, social inequality of the population and stratification. Measures, tasks and goals have been thought out to lift the population out of poverty in the country in 2025.*

**Keywords:** *social stratification, social inequality, racial inequality, gender inequality, economic inequality.*

*The primary task of state policy is to lift 500 thousand residents out of poverty in the remaining period of 2024, and 1 million in 2025.*

**Sh.Mirziyoyev**

*(President of the Republic of Uzbekistan)*

### **Introduction**

In recent years, serious structural changes have taken place in the development of Uzbekistan in all areas of the country. Among them, we can mention the state policy on social protection of the population, reducing poverty, stratification of the population, social support for low-income families, quality education, drinking water supply, construction of housing for low-income families, medical check-up once a year, coverage of children in preschool education, social services, infrastructure development in rural areas, etc. All on going reforms are aimed at improving the well-being of the country's population and lifting it out of poverty.

Exploring these, we study the problems of social inequality, social stratification, causes and criteria of social inequality of the population.

Social stratification is a system of social inequality consisting of hierarchically arranged social strata. All people belonging to a certain stratum occupy approximately the same position and have common status characteristics.

### **Literary review**

French economist Thomas Piketty, in his book *Capital in the Twenty First Century*, concludes that the growth of social inequality is the main trend in the modern world, that the industrial revolution does not destroy it, although it makes such growth less uniform over time. In *Capital in the Twenty First Century*, Thomas Piketty offered a new perspective on a problem that has been attracting more and more attention in recent decades - the problem of inequality. After analyzing a huge amount of data, the French economist discovered the following pattern. All other things being equal, rapid economic growth reduces the role of capital and its concentration in private hands and leads to a reduction in inequality, while slower growth results in an increase in the importance of capital and an increase in inequality. In historical retrospect, and Thomas Piketty's book covers a huge period from the beginning of the XVIII century to the present day - the growth of capital's influence was interrupted only in the twentieth century as a result of two world wars and the Keynesian policy of the Glorious Thirty Years (1945-1975). Today, the world is returning to a situation where inequality is steadily increasing, which can lead to severe social and political consequences. [Thomas Piketty "Capital in the Twenty First Century". France.Crystalbook. 2021.]

**Forms of inequality and discrimination** There are a number of social characteristics for individuals that determine social status and, consequently, equality or inequality in society. Some identify the following forms of inequality and discrimination:

- Gender inequality;
- Age discrimination;
- Racial inequality;
- Economic inequality;

Discrimination against persons suffering from mental disorders; Discrimination based on sexual orientation and gender identity. Views on inequality Performing qualitatively unequal working conditions, satisfying social needs to varying degrees, people sometimes find themselves engaged in economically heterogeneous work, because such types of work have different assessments of their social usefulness. The main mechanisms of social inequality are the relations of ownership, power (domination and subordination), social (that is, socially fixed and hierarchized) division of labor, as well as uncontrolled, spontaneous social differentiation. These mechanisms are mainly related to the peculiarities of the market economy, with inevitable competition (including in the labor market) and unemployment. The most dangerous is considered to be the grassroots inequality of opportunities, unrelated to

the personal efforts of members of society, when people who are talented from birth cannot realize their talents due to unfavorable socio-economic conditions in childhood and adolescence. For example, capable children from poor families do not have the opportunity to receive a good education and as a result find themselves in a "poverty trap". Social inequality is perceived and experienced by many people (primarily the unemployed, economic migrants, those who find themselves near or below the poverty line) as a manifestation of injustice. Social inequality and property stratification of society, as a rule, lead to an increase in social tension, especially during the transition period. The main principles of social policy are:

1. Protection of living standards by introducing various forms of compensation for price increases and indexation.
2. Providing assistance to the poorest families.
3. Providing assistance in case of unemployment.
4. Ensuring the social insurance policy, setting the minimum wage for employees.
5. The development of education, health, and the environment is mainly at the expense of the state.
6. Implementation of an active policy aimed at ensuring qualifications.

### **Causes of inequality**

According to Emile Durkheim, the reason for inequality is the need to encourage the best. In all societies, some professions are considered more important than others. In primitive societies, warriors and healers were the most respected. In Puritan communities, the most important profession is that of a priest. In modern societies, it is the profession of a banker and entrepreneur, an engineer and a doctor. The person who performs the main function in society has the maximum amount of prestige and material benefits. The second reason for inequality is the different level of talent among people, and the most skilled need to be rewarded for their merits, they must perform the most important functions. At all times, the most important functions were the roles of the priest, the manager and the technician. [Durkheim E. On the division of social labor./Translated by Gofman A.M.- M.: Canon.1996]

From the point of view of conflict theory, the cause of inequality is the protection of the privileges of power, who controls society and power, he has the opportunity to benefit personally for himself, inequality is the result of tricks of influential groups seeking to maintain their status. German sociologist Robert Michels deduced the iron law of oligarchy: an oligarchy always develops when the size of an organization exceeds a certain amount, because 10,000 people cannot discuss the issue before each case, they entrust the discussion of the issue to the leaders.

As noted by the American sociologist, John Masionis, a specialist in social stratification, asks the question whether wages really reflect a person's contribution to the development of society, is such a high degree of social inequality justified? When Oprah Winfrey, a television presenter with an income of \$100 million a year, earns



more in two days than US President George W. Bush in a whole year as president, then can anyone argue that hosting a talk show is more important than leading the country? In countries with market economies, wages depend on the ratio of supply and demand in the labor market. Movie and show business stars, outstanding athletes, popular songwriters, successful managers and other professionals possess rare talents for which demand exceeds supply, which is why these stars earn so much. Changing the degree of social inequality in the course of history.

As noted by American sociologist Gerard Lenski, he compared the stages of society's development in terms of inequality and found: In societies of hunters and gatherers of plants, for example, among the Papuans of the island of Kivai, inequality occurs to the least extent. In horticultural societies, the political leader, the merchant, and the priest have the most influence. The degree of social inequality is low. Inequality is most pronounced in agrarian societies, where hereditary monarchy and slavery emerged. In industrial societies, inequality and concentration of power are less than in agrarian societies.

**Criteria of inequality.** In the research of the German sociologist and political economist Max Weber, he identified three criteria of inequality: wealth; prestige; power.

As B. Barber noted, he added three more less important criteria of inequality: Level of education; Degree of religious or ritual purity under the caste system in India; Ranking by kinship and ethnic groups.

The first criterion can be used to measure the degree of income inequality. Using the second criterion, the difference in honor and respect. Using the third criterion, the number of subordinates. Sometimes there is a contradiction between the criteria, for example, a professor and a priest today have a low income, but enjoy great prestige. The mafia boss is rich, but his prestige in society is minimal. According to statistics, rich people live longer and get sick less. A person's career is influenced by wealth, race, education, parents' occupation, and personal ability to lead people. Higher education makes it easier to move up the corporate ladder in large companies than in small ones.

**Figures of inequality:** Pyramid; Rhombus.

The horizontal width of the figure indicates the number of people with a given income. At the top of the figure is the elite. Over the past hundred years, Western society has evolved from a pyramidal structure to a diamond-shaped one. In the pyramid structure, there is a vast majority of the poor population and a small handful of oligarchs. There is a large proportion of the middle class in the diamond-shaped structure. A diamond-shaped structure is preferable to a pyramidal one, since a large middle class will not allow a handful of poor people to start a civil war. And in the first case, the vast majority, consisting of the poor, can easily overturn the social system.

### **Analysis and results**

In its most general form, inequality means that people live in conditions in which they have unequal access to limited resources for material and spiritual consumption.

According to the Global Wealth Report 2021 by Swiss bank Credit Suisse, in 2020, 1.1% of the richest adults on the planet owned 45.8% of the world's total wealth, and 55% of the poorest 1.3%. [Global Wealth Report 2021]

According to the Organization for Economic Cooperation and Development (OECD), the average disposable income of the richest 10% of the OECD countries in 2017 was 9.5 times higher than the income of the poorest 10% of the population, while in 1992 the difference was 7 times. Wealth inequality is even more significant: the richest 10% of the population of OECD countries have 50% of wealth, while the poorest 40% have 3% of wealth.

According to international standards, over the past eight years, the poverty rate (less than \$6.85 per day) It decreased by half from 36% in 2015 to 17% in 2022. Poverty in the republic is decreasing at a faster rate than in other countries of Europe and Central Asia, from 13% to 8%.

According to national standards, which were approved in 2021, the poverty rate has decreased from 17% to 11%. At the same time, the drop reached 8 percentage points in rural areas, and 4 percentage points in urban areas. Thus, about 1.6 million people were lifted out of poverty. Moreover, the World Bank notes that the government's goal of halving poverty by 2026 looks achievable. The drivers of poverty reduction were income growth (60% progress) and social transfers, which were optimized and expanded.

However, the international financial organization records an increase in inequality, which slows down the pace of poverty reduction. The increase in income is mainly concentrated among the richest segments of the population. In 2023, the Gini coefficient increased from 0.31 to 0.35. As a result, the poverty rate decreased by 3.1 rather than 5.5 percentage points. For example, the incomes of the 10% of the poorest segments of the population increased by only 6%, while those of the richest 10% increased by more than 30%. Thus, higher rates of growth in the well-being of wealthy citizens exacerbate the problem of economic inequality.

The World Bank recommends that the Government increase the productivity of the poor. In particular, poor citizens have fewer opportunities to find work, a lower level of education and more dependents on maintenance. Reducing the gap in these aspects will help reduce poverty and contain rising inequality in Uzbekistan. It should be noted that all the reforms carried out in the country are aimed at improving the welfare of the population and lifting the population out of poverty. This can be highlighted in the latest presidential decrees. Based on the decree, the program "From poverty to well-being" is being implemented.

The President of the Republic of Uzbekistan signed Decree No. UP-143 dated 09/23/2024 "On taking measures to reduce poverty and improve the welfare of the population to a new stage." [Decree of the President of Uzbekistan "On taking measures to reduce poverty and improve the welfare of the population to a new stage" dated 09/23/2024 № UP-143]

According to the decree, the primary task of state policy is to lift 500,000 people out of poverty in the remaining period of 2024 and 1 million in 2025. The program "From poverty to well-being" is being implemented. The program has been implemented since November 1, 2024 in accordance with the principle of "Seven opportunities and responsibility of poor families", provides:

- attracting leading entrepreneurs to each district, effectively using the household plot, leasing another 50,000 hectares of arable land to poor families;

- in 2024-2025, to increase the level of pre-school education for children from low-income families to 80%, to teach at least one family child a foreign language, profession or specialty, to create conditions for one child, in particular, a girl, to receive higher education, to teach computer literacy to children, to create conditions for studying at IT courses;

- every member of low-income families should undergo a full medical examination once a year, increase responsibility for their health (give up bad habits in their daily lifestyle and nutrition), create opportunities for each child to participate in sports clubs, and halve family spending on medical services at their own expense;
- use of social services - provision of services for the care of others in need of care, based on day trips to work, parenting and provision of child care services;

- improvement of housing conditions - expansion of access to the mortgage system, construction or reconstruction of modern "green" residential buildings in neighborhoods using environmentally friendly materials and technologies, provision of clean drinking water, introduction of energy-saving innovative lighting, heating and heat supply systems in apartments, as well as waste recycling;

- development of the infrastructure of local governments by the state - provision of irrigation water for household plots, uninterrupted supply of electricity and Internet to local governments, improvement of transport links with the district center, repair of internal roads; several goals and objectives have been developed, such as direct communication with government officials, and measures have been initiated to their implementation.

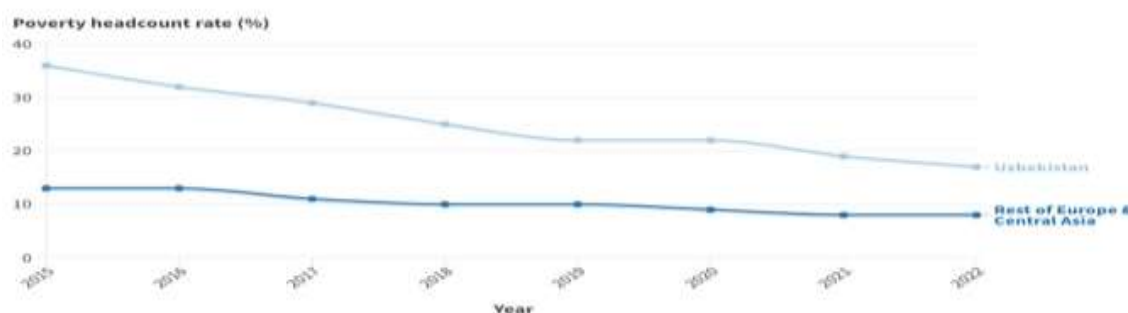
**Inequality and economic growth.** The American economist, Nobel laureate Joseph Stiglitz points out (using the example of the USA in 1980-2000) that in the absence of government regulation, economic growth often leads to a sharp increase in property inequality and a general deterioration in the standard and quality of life for the majority of the population. To overcome this phenomenon, Joseph Stiglitz proposes a set of Keynesian government regulatory measures.



Today's global asset management landscape is more complex than ever: even as the wealth of the wealthy (HNWI) is recovering, geopolitical uncertainty, market volatility, and a tough competitive environment are putting pressure on the global profits of the wealth management and investment industry. Based on the data, the World Wealth Report 2024 reflects the opinions of 3,119 wealthy people, including more than 1,300 people with ultra-high incomes (UHNWI), 75 heads of asset management firms (WM), universal banks, brokers/dealers and family offices, as well as survey responses from more than 750 customer service managers from North America, Europe, and the Asia-Pacific region.

Poverty line with above-average income (USD 6.85 per day per person, PPP 2017) based on poverty trends (**Figure 1**)

Poverty level (%)



**Fig-1.** Uzbekistan has halved poverty by international standards since 2015

### Conclusion

The recovery of markets and more optimistic prospects increased the global wealth of HNWI by 4.7% in 2023, and the number of HNWI population increased by 5.1%. While growth was seen across all wealth ranges, the ultra-HNWI segment (investors with a net worth of over \$30 million) was in the highest demand. The most sustained recovery in dollar terms. By integrating behavioral finance with artificial intelligence, global asset management companies can better recognize and meet the needs of high-income clients; and generational artificial intelligence can help hyperpersonalize the experience and communications of a customer relations manager/client.[Global Wealth Report 2023. ]

Traditional global asset management companies must balance competition and collaboration with family offices in order to expand interaction with people with super-rich incomes: a joint ecosystem of partners to create a single window is the key to success with this complex and profitable client.

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