

## Socio-economic inequality of the population in Ukraine: Challenges and prospects for ensuring resilience

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■ **Abstract.** Socio-economic inequality in Ukraine, in the face of new challenges, particularly military aggression, has become especially pressing, as these factors significantly exacerbate existing imbalances in income and access to basic resources. These challenges not only increase poverty levels but also create additional barriers to equal access to education, healthcare services, and other essential goods. Research on this issue is crucial for shaping a resilience-focused development strategy and achieving social justice, which is fundamental to the harmonious development of society. The aim of this study was to examine socio-economic inequality in Ukraine within the context of contemporary global and domestic challenges, as well as to substantiate promising approaches to enhancing resilience by reducing this inequality. To achieve this objective, a wide range of methods was employed, including analysis and synthesis, statistical analysis, a comparative approach, as well as generalisation and forecasting techniques. According to research by the National Institute for Strategic Studies (NISS), the level of socio-economic inequality in Ukraine is relatively lower than in most European Union countries. High levels of unreported income may distort the true picture of inequality. Key contributing factors include income disparities, unequal access to education, healthcare, and housing. Military aggression has significantly worsened the situation, leading to rising poverty and declining economic activity. Addressing socio-economic inequality requires comprehensive social policy reforms, particularly the strengthening of targeted assistance and the promotion of economic recovery, ensuring equal opportunities for all citizens. The practical significance of this study lies in its potential to support the formulation of effective policy decisions and the development of programmes aimed at reducing socio-economic inequality, particularly in the context of military aggression

■ **Keywords:** income inequality; poverty; social policy; economic recovery; military aggression; support for vulnerable groups; demographic groups

### ■ Introduction

The issue of socio-economic inequality constantly attracts the attention of researchers and policymakers, as it concerns fundamental questions about the existence of different social strata and classes, as well as the fair and efficient distribution of income and resources. Studying this phenomenon is particularly important in times of economic instability, when the need to develop new approaches to

addressing it becomes more pressing. The analysis of the causes, manifestations, and consequences of inequality was based on the work of leading scholar. S. Asefa & W.-C. Huang (2020), in their study, examined the political economy of inequality, specifically analysing the relationship between political structures and economic inequality in the United States and the global context. The authors

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highlighted that political institutions and power structures can significantly influence economic inequality, as they shape the economic environment that determines access to resources and opportunities. They also emphasised that reducing inequality requires the implementation of policies that support inclusive economic development.

The researcher I.P. Campomanes (2024) analysed the political economy of inequality, mobility, and redistribution. The author investigated how political and economic structures impact the level of socio-economic inequality and mobility within society. He emphasised that redistribution policies can have a significant effect on reducing inequality, though this depends on the effectiveness of the institutions regulating these processes. The researcher highlighted the importance of social and economic reforms aimed at improving equal opportunities for all social strata. D. Acemoglu (2024) published a paper in which he examined various approaches to measuring economic inequality in the United States. The author stressed the importance of a deep understanding of the underlying causes of this inequality and noted that measurement methods can significantly alter the interpretation of the situation. Despite this, the general trend of increasing inequality remains evident, which requires effective political responses to address it. D. Acemoglu (2024) also emphasised that institutional structure can have a profound impact on income distribution in society, which is a key aspect of understanding economic inequality. Along with the contributions of other researchers, it is important to highlight the work of Ukrainian scholars who adapt these approaches to the national context. V. Kostiuk (2021) in her article examined global trends in economic inequality and their impact on socio-economic development. She noted that inequality has a wide range of consequences for the development of economies, and its reduction is a key condition for ensuring stability and growth. The researcher also emphasised the need for inclusive approaches to addressing inequality in a global context. V. Opalko (2019) focused on the significance of inclusive development for ensuring sustainable economic growth. She stated that achieving this requires considering not only economic but also social, cultural, and political aspects that contribute to the inclusion of various social groups in the process of economic progress.

This approach creates more equal conditions for all segments of the population, which is fundamental for the stability and development of the economy. N. Vorobyova *et al.* (2023) in their collective work examined the concepts of inclusive economic development in the context of globalisation and digitalisation. They emphasised the importance of integrating socially vulnerable groups, such as women, youth, and people with disabilities, into the process of economic growth. In their conclusions, the researchers highlighted that creating accessible and equal opportunities for all members of society not only reduces social inequality but also improves the overall economic situation of the country, contributing to stable development. These works underscore the significance of inclusive strategies

in economic development and provide valuable recommendations for policymakers and economists on how to ensure more equal access to resources and opportunities for all social groups. In addition to the inclusive approach, an important area of research is the relationship between socio-economic inequality and poverty in Ukraine with direct foreign investments. This issue is actively explored by Z. Chernousova & O. Malyavina (2021), who studied the impact of investments on social inequality in Ukraine, noting that the influx of foreign capital does not always lead to a reduction in inequality. The researcher I. Shapoval (2024) examined in detail various methods of measuring economic inequality and emphasised the importance of studying the fundamental causes of this inequality to develop effective political strategies. She noted that for a deeper understanding of this phenomenon, it is necessary to consider a broad range of factors, from economic to social, that can significantly influence the level of inequality in the country. Many aspects related to the effective institutional framework for reducing socio-economic inequality remain underdeveloped. The relevance of these studies significantly increases in the context of current challenges, such as military aggression and economic instability. The aim of this study was to conduct a comprehensive analysis of socio-economic inequality among the population in Ukraine, identify its main challenges and prospects, as well as to develop practical recommendations that will contribute to its reduction and ensure the country's resilience in the face of these pressing challenges.

## ■ Literature review

Global challenges, such as the uneven distribution of wealth, climate change, demographic shifts, and digital transformation, are shaping a new reality that requires a comprehensive approach. Economic growth is no longer the sole indicator of progress, as without considering social aspects, it can exacerbate inequality. This motivates scholars to turn to fundamental research that allows for a deeper understanding of the interconnections between economic, social, and political processes. The analysis of classical works is essential, as they help to formulate effective strategies for overcoming inequality and ensuring sustainable development. For example, the theory of S. Kuznets (1955) predicted that as the economy develops, the level of inequality first increases, and then starts to decrease through wealth redistribution. However, empirical evidence has not consistently confirmed this idea: economic development does not always lead to a reduction in inequality. Inequality can increase, stabilise, or even decrease, and in some cases, the poorest segments of society may experience an improvement in their economic status. Later, the researcher argued that inequality in society depends on economic development (Kuznets, 1966). As a result, at the initial stages of economic growth, inequality may increase, but over time it begins to decrease due to wealth redistribution. The ideas of S. Kuznets (1955; 1966) gained support from scholars such as R. Perotti (1996) and R. Barro (2000), who agreed

that over time economic development reduces the level of inequality. However, the theory of S. Kuznets also had its critics, such as K. Deininger & L. Squire (1998), who argued that the growth of inequality could be caused by other factors and also emphasised the negative consequences of inequality for economic growth and social stability.

The theory of S. Kuznets (1955) initiated a new phase of understanding social inequality through the lens of economic processes, opening up wide opportunities for further research. However, modern scientific studies of inequality phenomena show that its growth is not always related to economic development. Y. Ding (2004) suggested that despite stable economic growth worldwide, socio-economic inequality has increased in many countries. This confirmed the diversity of views on socio-economic inequality, where some scholars see it as a positive phenomenon if it is based on natural differences, such as various human qualities and talents. In other cases, inequality is considered a negative phenomenon caused by socio-economic and political factors.

In the global context, there is a reverse trend – inequality not only does not decrease, but also grows significantly. This issue was thoroughly researched by T. Piketty (2014), a French economist. T. Piketty showed that global economic growth was accompanied by an uneven distribution of profits. He argued that the accumulation of capital by a narrow group of people outpaced the growth rates of the economy, leading to increased inequality. J. Robinson (2009), in his work alongside other researchers, analysed the relationship between political institutions and economic inequality, stating that a country's institutional structure significantly influences the level of inequality. They concluded that effective institutions that ensure fair access to economic opportunities can substantially reduce inequality. Socio-economic inequality is not only an empirical phenomenon but also a theoretical issue that requires analysis of its causes and consequences. Classical works contain fundamental concepts that help form new approaches to resource distribution and solving the inequality problem in the 21<sup>st</sup> century.

## ■ **Materials and Methods**

One of the main methods used was analysis and synthesis, which allowed for generalising existing data and identifying key factors of inequality. For this purpose, data obtained from official statistical sources were used, such as reports from the State Statistics Service of Ukraine (Summary table of..., 2023; Summary table of..., 2024) and inflation reports from the National Bank of Ukraine for 2023-2024 (Inflation Report, n.d.). Statistical data processing played a key role in measuring the level of inequality in the economy. One of the key tools was the Gini index, which measures income or wealth distribution inequality in society (Gini index 2020 in the world, 2021). These indicators reflected the degree of social and economic inequality in Ukraine, as well as the changes in these indicators in the context of current crisis situations, such as the full-scale invasion (Deepening income inequality..., 2023).

The use of a comparative approach allowed for the comparison of socio-economic indicators of Ukraine with those of European Union countries. Germany, Ireland, France, and Spain were chosen for comparison due to their diversity in economic development, social policies, and geographical location within the EU. Germany is the leading economy in the EU and demonstrates exemplary social policies with a high level of spending on social protection. Its example was of particular interest for assessing the potential for adapting such approaches in Ukraine. Ireland was selected for its dynamic economic development, innovation-driven growth, and low-income inequality, coupled with high per capita income growth. France is known for its historical focus on social equality and effective state support for vulnerable populations. Spain was chosen for its extensive experience in overcoming high unemployment rates and implementing effective labour market programs. The selection of these countries enabled both an examination of various approaches to addressing socio-economic issues and the identification of best practices adaptable to Ukraine. For the analysis, data from 2023 were used, as this provided up-to-date information on the state of the economy and the social sphere amid current challenges. The study compared indicators such as the Gini index (Gini index in Ukraine..., 2024), income levels, the projected change in the Gini index by 2029, and global inequality (Degenhard, 2024). This comparison helped identify both strengths and weaknesses in the socio-economic policies of various EU countries, which can be useful for developing strategies to improve the social and economic situation in Ukraine.

Forecasting methods played a crucial role in analysing future trends in socio-economic inequality in Ukraine, considering the impact of external factors. For this purpose, predictive models were used, based on data provided by the National Institute for Strategic Studies (NISS), which allowed for assessing the potential impact of current social and economic processes on poverty and inequality levels. Additionally, publications from the National Institute for Strategic Studies (NISS) (Analytical reports, n.d.) were used, containing up-to-date reports and forecasts on the development of the economy and social processes in Ukraine. Reports from international organisations such as the World Bank (Documents & Reports, n.d.), the international monetary fund (IMF) (Documents & Reports – Advanced Search, n.d.), and Eurostat (n.d.) were also consulted. These reports provided comparative data on inequality levels and social policies in different countries, which allowed for evaluating Ukraine's position in a global context. The analysis of such data helped to identify key trends and challenges faced by countries striving for socio-economic stability and the reduction of inequality.

In addition to statistical data, significant attention in the study was given to the use of various sources that enable a comprehensive analysis of socio-economic inequality in Ukraine. Among the key sources was research that deepens the understanding of the impact of war on

socio-economic inequality. A valuable source was the study by L. Artemenko *et al.* (2023) on food security in Ukraine amid military aggression. The article by S. Zavorodnia (2024) provided a relevant analysis of inequality issues in Ukraine in the context of global and internal changes. Another important contribution to the study was the article by O. Dmytrenko & S. Demchenko (2018), which examined the relationship between institutional changes and social inequality in Ukraine. These sources facilitated a well-founded and comprehensive analysis of socio-economic inequality in Ukraine, considering its interconnection with other national and international factors. This allowed for the formulation of recommendations for im-

proving social policy in Ukraine, taking into account the specifics of national conditions and needs.

## ■ Results and Discussion

The issues of deepening economic inequality are not only characteristic of developing countries but also of developed countries in the European Union. In Ukraine, according to the Ukraine Report 2023 (2023), income inequality is relatively low compared to EU countries, with a Gini index indicating a certain level of equality. However, the standard of living in Ukraine is significantly lower than in countries with higher income polarisation, such as Germany, Ireland, France, or Spain (Table 1).

**Table 1.** Comparison of the level of economic inequality in Ukraine and EU countries according to the Gini index

Country	Gini index, 2023	Income level (on average)	Forecast change in Gini index by 2029	Global inequality
Ukraine	0.25	Low – Medium	Increase by 0.01 (+3.85%)	High
Germany	0.31	High	Remain stable	Medium
Ireland	0.28	High	Remain stable	Low
France	0.29	High	Remain stable	Medium
Spain	0.34	Medium – High	Increase by 0.02 (+5.8%)	High

**Note:** the Gini index measures the level of socio-economic inequality: 0 – perfect equality, 1 – maximum inequality

**Source:** created by the authors based on the Gini coefficient of equalised disposable income by age (n.d.)

It is also worth noting that official statistical data may not fully reflect the real situation due to the high level of shadow economy activity particularly among high-income groups. In this context, social inequality serves as a crucial indicator of socio-economic activity at various levels: the micro level (within individual communities and households), the macro level (at the national level), and the mega level (in the context of global processes). It directly affects societal stability, economic efficiency, and the level of

social trust. These factors are critical for ensuring resilience and integration into a globalised world, where technological advancements and economic globalisation continue to reshape social structures. Table 2 illustrates the rise in economic inequality at the global level between 2020 and 2024, where the wealthiest 1% of the population have acquired a significant share of new wealth. This exacerbates social inequality and presents new challenges in ensuring fair access to resources and opportunities for all.

**Table 2.** Distribution of new wealth among the wealthiest and the rest of the world's population (2020-2024)

Year	Share of new wealth acquired by the top 1% (%)	Share of new wealth acquired by the other 99% (%)	Additional indicators
2020	55%	45%	The wealthiest 1% own 43% of global financial assets
2021	60%	40%	Around 46% of the world's population live below the poverty line
2022	63%	37%	13% of global GDP is concentrated among 3,000 families
2023	65%	35%	The assets of the five wealthiest individuals increased by 114%
2024	>70%	<30%	The top 1% own more than the poorest 95% of the population

**Source:** created by the authors based on O. Topchii (2023), A. Kryzhnyi (2024)

The table illustrating the distribution of new wealth between the wealthiest 1% and the remaining 99% of the world's population from 2020 to 2024 reflects a significant increase in global economic inequality. In 2020, the top 1% acquired 55% of new wealth, while the remaining 99% received only 45%. This highlights the substantial concentration of wealth within a small group, a defining characteristic of economic inequality. The year 2020 marked a period of global economic turbulence due to the COVID-19

pandemic, which significantly affected resource distribution. By this time, the wealthiest 1% already owned 43% of global financial assets, emphasising the vast concentration of wealth among the richest. In 2021, the share of new wealth acquired by the wealthiest 1% rose to 60%, while the remaining 99% received just 40%. This rise in inequality occurred during the post-pandemic economic recovery, when the majority of new wealth remained in the hands of the affluent. Additionally, approximately 46% of the world's

population remained below the poverty line, underscoring the need for better resource distribution. By 2022, the wealthiest 1% had gained 63% of new wealth, while the rest of the population received only 37%. This continuation of the inequality trend is further evidenced by the fact that just 3,000 families controlled 13% of global GDP, demonstrating the extreme concentration of economic wealth within a small demographic. In 2023, the share of new wealth acquired by the top 1% increased to 65%, leaving only 35% for the rest of the population. The assets of the five wealthiest individuals grew by 114%, further enriching the ultra-rich and deepening global economic inequality (Zavhorodnia, 2024). Forecasts for 2024 indicate a continued rise in inequality, with the wealthiest 1% now acquiring over 70% of new wealth, while the remaining population receives less than 30%. This trend reflects a widening gap between the richest and the poorest. Projections suggest that the top 1% will control more than 95% of the wealth owned by the poorest segments of society, a critical indicator of global economic disparity. These findings highlight how the digital divide and unequal access to technology continue to exacerbate socio-economic inequality, posing

new challenges to ensuring resilience and providing economic opportunities for broader population groups.

It is important to note that economic inequality in Ukraine and the EU, the table below provides key indicators for the period 2021-2023, along with a forecast for 2024 (Degenhard, n.d.). As shown in Table 3, the disparity in economic inequality between Ukraine and the European Union is significant, particularly in terms of the Gini Index, which remains consistently low in Ukraine while indicating greater inequality in EU countries. However, the standard of living in Ukraine is considerably lower than in most EU countries, emphasising the need to address inequality and improve the country's socio-economic conditions. It is projected that the Gini Index in Ukraine will steadily increase between 2024 and 2029, rising by 0.01 points (+3.85%) to reach 0.27 by 2029. The Gini coefficient measures income inequality on a scale from 0 (complete equality) to 1 (complete inequality). The data presented are an excerpt from Statista (Gini index in Ukraine..., 2024), which includes key market indicators (KMI) covering macroeconomic, demographic, and technological environments in over 150 countries worldwide.

**Table 3.** Comparison of socio-economic inequality in Ukraine and the EU

Indicator	Ukraine (2021-2024)	EU (2021-2024)	Forecast for Ukraine (2025)
Gini Index (%)	25.6-27.0	29.6-30.2	26.5-27.0
Standard of living	Lower	Higher	Same
Main issue	Shadow economy	Income polarisation	Shadow economy
Households at risk of poverty	>50% (2024)	Data not specified	>50% (forecast)

**Source:** developed by the authors based on J. Degenhard (2024)

Experts from the M. Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine have noted that income differentiation is one of the key factors of social inequality, as it directly impacts access to goods and services for different population groups (Libanova, 2012). Households with low incomes are forced to spend a larger portion of their finances on meeting basic needs, particularly on food purchases, creating a significant gap in consumption capabilities between the poor and the wealthy. The latter can afford a much wider range of goods and services, including non-food items.

According to the inflation report by the National Bank of Ukraine for 2021-2023 and the inflation report for October 2024 (Inflation Report, n.d.), the situation in Ukraine remains challenging due to the full-scale invasion by Russia, ongoing geopolitical tensions, rising inflation, and

fluctuations in global energy prices. These factors have contributed to increasing prices for essential goods, making access to basic needs more difficult for many households. Additionally, there has been a significant increase in the number of households unable to afford essential goods due to economic hardships caused by martial law, pushing them to the brink of poverty. During this period, many families have been forced to cut spending on essential products, severely limiting their ability to maintain a decent standard of living. These circumstances indicate that martial law not only exacerbates economic challenges but also deepens social inequality, increasing the level of despair among the poorest segments of the population. Further details are provided in Table 4, which compares economic conditions and poverty levels in Ukraine from 2021 to 2024.

**Table 4.** Comparison of economic conditions in Ukraine (2021-2024)

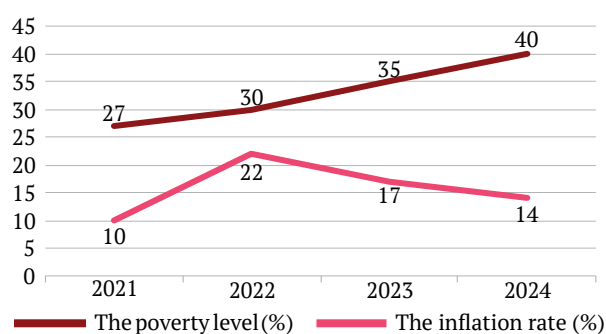
Year	Economic conditions	Poverty level	Issues with access to essential goods	Impact of the war	Notes
2021	Stable economic conditions following the pandemic	High	No critical issues with access to goods	None	Transitional period after the pandemic, although poverty remained high
2022	Outbreak of war, sharp decline in incomes	Increased significantly	High inflationary costs for essential goods	Significant	Sharp income decline, many households lost their sources of income

Table 4. Continued

Year	Economic conditions	Poverty level	Issues with access to essential goods	Impact of the war	Notes
2023	Worsening economic situation due to the war	Rising	More households unable to afford essential goods	Very high	Martial law exacerbated access to basic needs, increasing social inequality
2024	Economic instability, rising inflation	Rising	Further deterioration in access to basic goods	High	Economic difficulties due to the war and global economic factors

**Source:** developed by the authors

This table provided an overview of the economic conditions in Ukraine between 2021 and 2024, highlighting the increase in poverty and issues with access to essential goods, which were exacerbated by the war. The war significantly complicated access to essential goods due to infrastructure destruction, supply chain restrictions, and inflation, leading to rising prices for basic items. This increased the poverty rate, as a large portion of the population was unable to afford the necessary goods (Dukhnytskyi, 2020). The inflation surge notably impacted poverty levels in the country, which can be clearly traced through a linear graph showing changes in these indicators (Fig. 1).



**Figure 1.** Changes in the inflation rate and poverty level in Ukraine (2021-2024)

**Source:** developed by the authors based on the Inflation Report (n.d.)

The line graph depicting the inflation rate and changes in the poverty level in Ukraine from 2021 to 2024 revealed a significant correlation between rising inflation and the deterioration of the socio-economic situation. In 2021, the

inflation rate in Ukraine remained moderate, but by 2022, due to the onset of the war and economic hardships, inflation began to rise sharply. This had a direct impact on poverty, as rising prices for essential goods and services made it more difficult for a large portion of the population to access basic needs. In 2023, inflation reached its peak, further exacerbating poverty levels. The dynamics of the graph illustrate how economic difficulties and high inflation lead to a significant increase in the number of people living below the poverty line. The forecast for 2024 suggests a slight slowdown in inflation, but the poverty rate remains high, indicating the prolonged negative impact of the economic crisis on the population's well-being.

The graph highlighted the urgency of finding comprehensive solutions to stabilise the economic situation in Ukraine, including the implementation of effective anti-crisis measures and support for the most vulnerable segments of the population during economic instability. The deepening socio-economic inequality is a direct consequence of the war, as a large portion of the population has experienced a significant decrease in income, making access to vital resources more difficult. Issues with the economic accessibility of food and essential goods amid constant inflation and war only exacerbate the situation. Income reductions and rising poverty remain key challenges for most citizens of Ukraine, further intensifying social tension and lowering the quality of life under martial law. One of the crucial aspects of food security is Ukraine's position in the global food security index (GFSI) (Ukraine ranks 52<sup>nd</sup>..., n.d.). This index serves as a benchmark model used to analyse and assess the strengths and weaknesses of national food systems, as well as to identify threats to food security in different countries (Table 5).

**Table 5.** Global food security index of Ukraine and its components

Year	Economic accessibility	Physical accessibility	Quality & safety	Natural resources & resilience	Global index	World position
2020	74.4	51.6	75.3	50.3	63	54
2021	73.9	51.8	71.9	49.3	62	58
2022	66.6	48.1	71.0	48.2	61	61
2023	65.0	47.5	70.0	47.0	60	63
2024	64.0	46.0	68.0	45.5	56.4	52

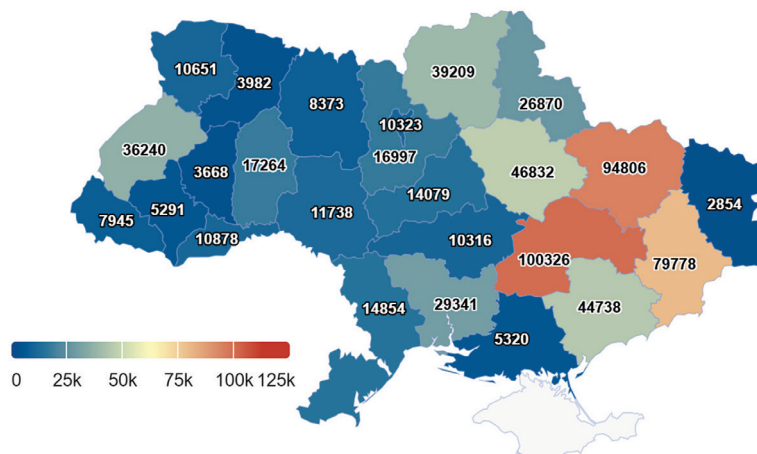
**Source:** developed by the authors based on L. Artemenko *et al.* (2023)

The data presented in the table take into account the latest trends, including the decline in indicators related to the economic accessibility of food and natural resources, as well as the growing challenges in ensuring food quality

and safety, reflecting the current situation in Ukraine (Artemenko *et al.*, 2023). This table provides an overview of Ukraine's economic conditions in the context of the global food security index, highlighting the rise in poverty and

issues with access to essential goods, which have worsened due to the war. The war has significantly complicated access to basic resources and deepened social inequality, leading to increased poverty and inflation. The decline in household incomes and their ability to secure essential goods has made these issues even more pressing under martial law. For assessing the spread of energy poverty, key aspects include indicators of utility bill arrears and access to energy services. According to the Unified State Register of Debtors (Over 700 thousand..., 2024), before the full-scale armed aggression of the Russian Federation against Ukraine, the level of household debt for utility services stood at 18.8%. As of 1 January 2022, the debt for housing and communal services amounted to UAH 81.6 billion, rising to UAH 120 billion by 1 January 2023, including debts in the temporarily occupied territories. Additionally, according to the Unified State Register of Debtors, the number of enforcement proceedings for utility service arrears in Ukraine increased from 344,565 in January 2021 to 701,051 in July 2024 (Over 700 thousand..., 2024). This 37% increase since the beginning of the full-scale war is a critical indicator of the economic difficulties faced by households.

From January 2021 to February 2022, a significant increase was recorded – from 344,565 to 512,359 enforcement proceedings (a rise of 48%). This indicates a difficult economic situation, which was already being exacerbated by the war, affecting the population’s ability to meet financial obligations. By February 2023, the number of debts had reached 593,373 cases, demonstrating the continuation of a negative trend. Following this, the number of debts increased by a further 11.2%, reaching 659,684 cases by January 2024. This highlights the persistent growth of payment difficulties amid a prolonged economic crisis. However, the most substantial increase in debt was recorded in mid-2024, when the number of cases reached 701,051. This 6.3% rise suggests that the economic situation is not only failing to stabilise but is also continuing to deteriorate under ongoing war conditions and social changes (Hirak, 2023). According to 2024 data, the highest concentration of debtors is in the Dnipropetrovsk region, where over 100,000 enforcement proceedings have been recorded, accounting for 14.3% of the total. This is followed by the Kharkiv and Donetsk regions, with 94,800 and 79,700 cases, respectively (Fig. 2).



The identified changes in utility debts serve as a clear indicator of how war and economic difficulties are worsening Ukrainians' access to essential utility services, creating conditions for energy poverty and deepening socio-economic inequality in the country. The analysis indicates that socio-economic inequality in Ukraine remains a significant issue, exacerbated by the consequences of war and economic crisis. Rising poverty, inflation, and declining household incomes have severely restricted access to basic goods and services. The increasing utility debt burden and declining indicators in the global food security index highlight the growing severity of these challenges. Gaps in government spending on agricultural research and technological development are hindering the sustainable growth of key economic sectors crucial for ensuring food security. Addressing these challenges requires a comprehensive approach, including improvements in social policy, resource accessibility, and economic reforms to ensure resilience and sustainable development both during the war and in the post-war recovery period (Putytskyi, 2024).

The prospects for ensuring Ukraine's sustainable development require a comprehensive approach that includes several strategic directions to overcome socio-economic inequality and improve the population's quality of life (Arabadzhyiev & Sergiienko, 2022). One of the key areas is the reform of social policy, aimed at improving access to education, healthcare, and utility services for the most vulnerable groups. Investing in the development of agricultural infrastructure and scientific-technical research is essential for enhancing food security and ensuring the sustainable growth of the agricultural sector (Voronkova & Metelenko, 2021). In parallel, it is necessary to strengthen economic stability, reduce poverty levels, and support small and medium-sized enterprises through investment incentives. A crucial element for ensuring resilience and sustainable development is Ukraine's integration into international economic and trade partnerships, which will contribute to the advancement of the national economy.

In the context of war, particular attention should be given to enhancing risk adaptability and ensuring stable supplies of essential resources such as food and energy (Sergiienko, 2023). A crucial step is the continued regulation of food prices, financial support for farmers, and the development of emergency food security strategies. The implementation of the Food Security Strategy until 2030 will contribute to making food more accessible to all social groups and reducing household expenditures (Draft Resolution of the Cabinet of Ministers of Ukraine, 2020). In the field of energy security, it is essential to maintain subsidies for energy resources, promote building thermal modernisation, and invest in renewable energy sources. These measures will help lower energy costs for the population, ensuring resilience not only for economic stability but also for reducing socio-economic inequality, which tends to worsen during armed conflicts. Research from the 21<sup>st</sup> century confirms that inequality is intensifying due to globalisation, technological advancements, and transformations

in socio-economic structures. Unlike classical theories that suggested economic growth would automatically reduce inequality, modern studies emphasise that inequality can persist or even deepen due to unequal access to resources, particularly in times of crisis. The issue of socio-economic inequality in Ukraine, especially in the face of current challenges such as military aggression, remains a crucial subject for study, as confirmed by numerous academic works. A key aspect is comparing inequality levels in Ukraine with those in other European countries, which helps to better understand the global context and specific nature of these processes. According to data from the National Institute for Strategic Studies (NISS) (Manifestations of economic inequality..., 2024), the level of socio-economic inequality in Ukraine is lower than in most European Union countries. However, the high level of the shadow economy complicates an accurate assessment of the real situation.

These conclusions align with the findings of E.M. Libanova (2020), who pointed out that inequality in Ukraine is deepening due to economic instability and the lack of effective social protection mechanisms. She emphasised the importance of creating transparent income assessment systems to foster a better understanding of social barriers and inequalities. Agreeing with this perspective, the results of the study also showed that socio-economic inequality is most pronounced in access to essential social goods such as education and healthcare. In this context, V. Zaiats's (2024) research is particularly important, as he assessed the level of deep deprivation poverty among households, poverty based on nutrition criteria, and subjective poverty, as well as how these factors have changed due to the ongoing military conflict. His findings confirmed the unprecedented impact of war on the poverty of the population, leading to significant long-term economic consequences and a worsening of the social-economic situation of citizens. This aligns with the conclusions of O. Chubka *et al.* (2022), who noted that the war not only worsened the economic situation but also created new barriers to accessing social benefits, exacerbating existing issues of social inequality. These facts underscore the need to develop effective strategies to reduce social inequality, particularly in terms of access to education and healthcare, in the context of a persistent economic crisis.

Regarding the factors contributing to inequality, it is important to note that, according to T. Piketty (2022), globalisation and technological progress significantly contribute to the expansion of socio-economic disparities. The author emphasised that countries with high levels of economic development are facing new inequality challenges due to automation and the impact of technologies on the labour market. This argument aligns with the conclusions of studies on the impact of modern technologies on social opportunities in Ukraine. An interesting study is by A. Korinek & J. Stiglitz (2021), in which they examined the impact of globalisation and artificial intelligence on economic development in countries, which can also be applied to the context of Ukraine. They noted that the availability

of high-tech tools can not only stimulate development but also create additional barriers to equal access to opportunities, especially in countries with unstable economic situations. In the context of military aggression, it is important to consider the economic consequences for social groups with lower income levels. M. Sverdian (2019) pointed out that the increase in poverty as a result of conflicts is a global trend, and Ukraine is no exception. The findings confirmed that the war has significantly worsened the socio-economic situation of the population, particularly in the areas of active combat.

The differences between the works of other authors may be attributed to the wide range of methods they applied, including statistical analysis, which allowed for a deeper assessment of the impact of contemporary global challenges on social inequality in Ukraine. While other studies, such as the work of C.B. Frey & M. Osborne (2023), focused on general forecasts regarding the impact of technologies on the future of work, this research specifically examined how these factors affect economic inequality in a country undergoing a crisis. Contemporary studies also highlighted technological changes that create new forms of work and income, where certain groups gain significant advantages through access to the latest technologies and skills. This leads to an increase in inequality, as those with this knowledge and resources are presented with even greater opportunities, while others are left on the periphery of the economic process. O. Bulatova *et al.* (2023) noted that global asymmetries in socio-economic development are deepened under the influence of technoglobalism. Proponents of technoglobalism, along with supporters of the Schumpeterian approach to explaining the determinants of economic development, believe that economic growth is driven by breakthrough innovations and the concept of “creative destruction” of jobs. They suggested that certain vulnerable segments of the labour market may suffer from technological modernisation and the digital transformation of the economy, but in the long run, these asymmetries will be eliminated. In contrast, opponents of technoglobalism, concerned not only with the future impact of digital technologies, such as artificial intelligence, on the labour market but also with the socio-economic consequences of technological changes, argue that retrospective evaluation of the impact of disruptive technologies on social inequality will further deepen existing barriers. The digital divide may influence income inequality in two main ways. Information and communication technologies (ICT) contribute to economic growth by creating opportunities to fight poverty and develop social and human capital. Reducing inequality in access to and use of these technologies can ease access to essential resources and information, enabling businesses to improve productivity and increase earning opportunities. However, when cutting-edge technologies are primarily available only to wealthier segments of the population, a higher level of digital literacy may lead to an uneven distribution of income, increasing social inequality.

This phenomenon can be explained through the “Matthew effect”, which occurs when those with access to resources and technology are able to use them to further expand their advantages. Conversely, those who lack access to such technologies lose opportunities for social and economic advancement. The Matthew effect is a socio-economic phenomenon that describes a situation where “the rich get richer”. It means that people or organisations that already possess certain advantages or resources are able to further strengthen their positions by using these advantages to foster additional growth. Those who lack access to the necessary resources or opportunities face difficulties and often remain on the periphery of the economic process, thereby exacerbating inequality. In the context of digital transformation, the Matthew effect can lead to the “digital divide”, which further divides social groups and countries based on their ability to adapt to and leverage new technologies for their development. N. Roztocki *et al.* (2019) highlighted that this phenomenon emphasises the importance of equitable distribution of resources and access to technology, as those who have access to innovations can use them to strengthen their socio-economic positions, while others are left behind in the development process. Research confirmed that socio-economic inequality is a multifaceted phenomenon that manifests in various forms across all countries, regardless of their level of development. Inequality arises as a result of both economic processes and social conditions that have been formed over a long period of time. It is historically rooted and remains an inherent part of socio-economic life.

In a broader sense, social inequality refers to the existence of conditions where different groups within a population have unequal access to resources, opportunities, and benefits such as education, healthcare, and social security. This phenomenon is deepened by the digital divide, which further restricts access to opportunities for economic and social growth, creating new challenges for policies and development strategies. In this context, inequality should be viewed as a relative measure of socio-economic development, based on various criteria such as income, consumption levels, access to social services, or opportunities for career advancement. Therefore, discussions on this research highlight the importance of creating resilient policies to reduce socio-economic inequality in Ukraine, particularly in the context of military aggression. Research from various sources has provided a deeper understanding of the context of social and economic inequality at the global level and helped identify inequality-related issues within Ukraine. The results of international studies emphasised significant global trends that directly impact Ukraine’s socio-economic situation.

## ■ Conclusions

The research revealed that economic growth in the 21<sup>st</sup> century does not always lead to a reduction in social inequality, as predicted by S. Kuznets’ theory. There has been a trend towards increasing inequality, as confirmed

by T. Piketty's studies. While globalisation and technological advancements create new development opportunities, they also deepen socio-economic divides by limiting access to resources and cutting-edge technologies. Technological innovations, particularly in the context of digital transformation, demonstrate the "Matthew Effect", which shows that access to information and communication technologies can be a driving force for economic development, but at the same time increases the gap between social groups.

In Ukraine, despite a relatively low level of inequality according to the Gini index, there are serious challenges, including a high level of the shadow economy and a low standard of living. The war, rising inflation, infrastructure destruction, and problems with the supply of essential goods have complicated access to basic needs for many households, leading to a significant increase in poverty. One of the key indicators of economic hardship is the debt for utility services. In 2024, the level of debts increased significantly, indicating a deterioration in the population's ability to pay and growing socio-economic inequality. The war and economic crisis have worsened food security, further driving poverty levels up. The research objective – to study socio-economic inequality in Ukraine in the context of contemporary challenges – has been achieved. To address these issues, comprehensive measures need to be implemented to improve social policy and ensure access to essential services and resources. Investment in the agricultural sector, development of scientific and technological research, energy resilience, and food security strategies are crucial. Additionally, it is necessary to enhance adaptability to risks, such as disruptions in the supply of essential goods and energy resources. Future research prospects

include studying the effectiveness of policies aimed at combating energy poverty during martial law and analysing the social and economic consequences of utility service debts. Also important are studies on mechanisms that can reduce debt levels without worsening the living conditions of the population. In the future, research will focus on specific aspects of inequality in Ukraine, which have significantly intensified due to the full-scale invasion, worsening access to essential social goods and creating new challenges for social justice in the country.

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### ■ Conflict of Interest

None.

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## Соціально-економічна нерівність населення в Україні: виклики та перспективи забезпечення стійкого розвитку

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■ **Анотація.** Соціально-економічна нерівність в Україні в умовах нових викликів, зокрема військової агресії, набуває особливої актуальності, оскільки ці фактори поглиблюють існуючі дисбаланси в доходах та доступі до основних ресурсів. Ці виклики не лише підвищують рівень бідності, але й створюють додаткові бар'єри для рівного доступу до освіти, медичних послуг та інших життєво необхідних благ. Дослідження цієї проблеми є важливим для формування стратегії стійкого розвитку, а також для досягнення соціальної справедливості, яка є основною умовою для розвитку суспільства. Метою даного дослідження було вивчення соціально-економічної нерівності населення України в контексті сучасних глобальних та внутрішніх викликів, а також обґрунтування перспективних шляхів для забезпечення стійкого розвитку на основі зниження цієї нерівності. Для досягнення поставленої мети використано широкий спектр методів, серед яких аналіз і синтез, статистичний аналіз, порівняльний підхід, а також методи узагальнення та прогнозування. За результатами досліджень Національного інституту стратегічних досліджень виявлено, що рівень соціально-економічної нерівності в Україні є порівняно нижчим, ніж у більшості країн Європейського Союзу. Висока тінізація доходів може спотворювати реальну картину цієї нерівності. Серед основних чинників, що сприяють нерівності, є дисбаланси в доходах, нерівний доступ до освіти, медичних послуг та житлових умов. Військова агресія значно погіршила ситуацію, сприяючи зростанню бідності та зниженню економічної активності. Для подолання соціально-економічної нерівності необхідно здійснити реформу соціальної політики, зокрема посилити адресну допомогу і сприяти економічному відновленню, що дозволить забезпечити рівні можливості для всіх громадян. Практична цінність дослідження полягає в здатності підтримувати формування ефективних політичних рішень та розробку програм, спрямованих на зменшення соціально-економічної нерівності, особливо в умовах військової агресії

■ **Ключові слова:** нерівність доходів; бідність; соціальна політика; економічне відновлення; військова агресія; підтримка вразливих груп; демографічні групи