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DOI: <https://doi.org/10.30525/978-9934-26-158-9-20>

INCOME INEQUALITY DIFFERENTIATION IN THE EU

It is important when you study the EU to study its socio-economic indicators, one of which is the indicator of income inequality among population.

We analyzed this indicator and found out that this indicator reflects the uneven distribution of income, which can also characterize the quality of life of the population, because it is an indicator of the level of development of society and the stratification of society.

It is important to research the inequality in income distribution in the EU due to the large number of countries that are members of the EU and differ in levels of development. These include both the developed countries, which were at the origins of the EU and became members in the 20th century, and the new member states, which have already joined in this century. Among them are the former communist countries that joined the EU in 2004, 2007 and 2013.

In this case, it is seen that the historical development, economic structure and social situation of EU member states differ, which inevitably affects inequality in income distribution in the countries themselves and the EU as a whole. Therefore, the purpose of this study is to analyze the level of income inequality in EU member

states. To achieve this, we will use the Gini indicator, which characterizes income inequality.

Table 1

Income inequality (Gini)

	2010	2015	2018	Dynamics 2015 to 2010	Dynamics 2018 to 2015
Austria	28,3	27,2	26,8	-1,1	-0,4
Belgium	26,6	26,2	25,6	-0,4	-0,6
Bulgaria	33,2	37	39,6	3,8	2,6
United Kingdom	32,9	32,4	н/д	-0,5	-
Greece	32,9	34,2	32,3	1,3	-1,9
Denmark	26,9	27,4	27,8	0,5	0,4
Estonia	31,3	34,8	30,6	3,5	-4,2
Ireland	30,7	29,7	н/д	-1	-
Spain	33,5	34,6	33,2	1,1	-1,4
Italy	31,7	32,4	33,4	0,7	1
Cyprus	30,1	33,6	29,1	3,5	-4,5
Latvia	35,9	35,4	35,6	-0,5	0,2
Lithuania	37	37,9	36,9	0,9	-1
Luxembourg	27,9	28,5	н/д	0,6	-
Malts	28,6	28,1	28,7	-0,5	0,6
Netherlands	25,5	26,7	27	1,2	0,3
Germany	29,3	30,1	31,1	0,8	1
Poland	31,1	30,6	27,8	-0,5	-2,8
Portugal	33,7	34	32,1	0,3	-1,9
Romania	33,5	37,4	35,1	3,9	-2,3
Slovakia	25,9	23,7	н/д	-2,2	-
Slovenia	23,8	24,5	23,4	0,7	-1,1
Hungary	24,1	28,2	28,7	4,1	0,5
Finland	25,4	25,2	25,9	-0,2	0,7
France	29,8	29,2	н/д	-0,6	-
Croatia	31,6	30,4	29,7	-1,2	-0,7
Czech Republic	24,9	25	24	0,1	-1
Sweden	25,5	26,7	27	1,2	0,3

Table is built on the basis of [1]

Thus, the analysis of the table allows us to conclude that the level of income inequality during the period under review has different dynamics by country, as shown. The lowest figure in 2018 was in

Slovenia (23,4), the Czech Republic (24), Belgium (25,6) and Finland (25,9). Belgium, the Czech Republic and Slovenia show a negative trend in this indicator, which can be described as a reduction in income inequality.

The highest indicators of income inequality are in Bulgaria (39,6 in 2018), Lithuania (36,9) and Latvia (35,6). These countries are among the new EU members that joined in 2004 and 2007, which may justify such a result, although Slovenia and the Czech Republic, which have the lowest rates, were also among the countries that joined in 2004.

Analysis of the dynamics of this indicator shows that compared to 2015, some countries have reduced their inequality, and those countries that have a positive result have not increased inequality more than 1, which can be described as positive changes.

Thus, the analysis of statistics allows us to conclude that the EU and other European countries can be described as countries with the highest quality of life, as European countries are leaders in the Human Development Index, as well as among the Quality of Life Index are quite high. It should be noted that among the leaders are both EU member states (Denmark, Germany, Finland) and non-EU countries – Norway, Switzerland, Iceland. This result does not mean that those who are not members of the EU are more developed, but means a high level of development of the whole European region. In addition, it should be noted that the abovementioned three non-EU countries are important trading partners and participants in the EU Single Market, i.e. increase their socio-economic level also by consuming EU opportunities.

The level of income inequality reflects the existence of this inequality. The results of this indicator vary considerably between countries, but the reduction of inequality in 2018 in most countries is a positive characteristic and forms a tendency to reduce inequality, which directly affects the likelihood of increasing poverty.

References:

1. Eurostat. URL: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Main_Page.