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SOCIAL EXCLUSION AND ITS DISPLAY IN UKRAINE AND IN THE WORLD

Abstract: International human rights standards are based on the idea of participation of each person in social life based on equality and non-discrimination principles (UN, 1993). Moreover, contemporary multidirectional globalization process with its contradictions, scientific and technical revolution, the results of which are distributed unevenly, as well as massive transformations lead to the fact that more substantial social groups turn out to be marginalized from the results of socio-economic development. It is displayed in huge gaps in income, growing unemployment and thus – expansion of social exclusion phenomenon. The paper analyzes the phenomenon of social exclusion and outlines the most peculiar displays of the phenomenon both in Ukraine and in global space. The nature of social exclusion and its evolution in the latest scientific discourse is examined. The factors that impact the expansion of social exclusion phenomenon in Ukraine and in the world are defined.

Keywords: social exclusion, social inclusion, social isolation, poverty, inclusion, globalization

JEL classification: L10, O22

Introduction

The problem of unevenness or low level of inclusiveness of economic growth gains the growing relevance from the perspective of contemporary economic transformations both in Ukraine and in international space and is being often addressed in scientific literature. Achievement of high parameters of economic growth, GDP increase and creation of additional value nowadays cannot be the key to efficient development of a country. Practice shows that the process increasingly often leads to differentiation of population and emergence of adjoining problems. The most important among them are the following: growing poverty and expansion of social isolation, lack of opportunities for a certain circle of individuals to fulfil their personal capacity to the fullest extent.

Therefore, the inclusive development theory also called social inclusion theory comes to the fore. It constitutes the promotion of involvement of all residents in society and stipulates development and use of specific solutions that help each person equally participate in social life.

The concepts of “social inclusion” and “social exclusion” have gained attention both in social policy discourse of many countries and in social sciences since mid 1990s (Savelyev, 2015). But social inclusion and exclusion are seen as nonseparable components of one phenomenon and the former one is defined only in relation to the latter one in the context of specific social system. Social exclusion concept is quite ambiguous by its nature and it emerged in the process of evolution of understanding and analytical categories capable to describe processes that lead to crisis or disruption of social relations between individuals and society (Oksamytna, 2005). The concept was introduced in public and scientific circles by French politicians and specialists in social sciences in 80-90s.

In the Western countries, the research of social exclusion processes has been carried out for quite a long time, because the problem is closely related to the issues of discrimination and limited access to the sources of wellbeing improvement and main mechanisms of integration in conditions of post-industrial society. Daron Acemoğlu from the Massachusetts Institute of Technology and James A. Robinson are the closest in the for-

eign scientific literature to the problem. They outline inclusive and exclusive development models in their works and explain their peculiarities in various countries.

The research of social exclusion phenomenon in Ukraine has only been gaining its development lately. The issues of inclusive economic development of states and regions are examined by domestic scientists much wider. Only within this framework they partially address the issues of social inclusion and exclusion and their practical display in socio-economic space.

However, a fair amount of conceptual and theoretical-methodological aspects related to social exclusion display and also to its impact on functioning and development of economic systems remains to be underresearched. Therefore, in the context of the problem the extractive economic development models formed due to expansion of these processes also require the investigation.

Research results. The concept of social exclusion was elaborated in the developed European countries to study and describe the specific minorities of population (Oksamytna, 2005). Social exclusion is the mechanism that sets the groups of people aside from the main social flow. There are four main types of social exclusion: 1) economic (low income); 2) political; 3) cultural; 4) social (social services and social environment) (Savchuk, 2019).

While social inclusion guarantees the opportunities to contribute to general development of the country and benefit from it to all members of society, social exclusion rather restricts the opportunities to gain access to the county's resources, labour market, healthcare, etc. Therefore, differences in income and wellbeing that cause the consumption gaps and thus the gaps in human capacity reproduction are the sources of social exclusion (Savchuk, 2019).

Paying attention to the nature of "exclusion", it is worth mentioning that it is not about the statics (condition), but about the dynamics (process). For instance, if poverty is considered a certain condition, state, more static phenomenon, social exclusion can be characterized as dynam-

ic process, because it is more focused on marginalization processes and reasons and consequences of limited access to resources and main social institutions of society. It can be considered as somewhat different approach to social stratification of society, division of individuals into “insiders” and “outsiders”, i.e. those entirely existing within the society and those beyond it, excluded from it, not having or losing real links with it due to various reasons (Oksamytna, 2005).

Unlike poverty, the concept of social exclusion focuses on the lack of the range of rights for individuals, limited access to institutions that distribute the resources, in the first place the labour market. The Western researchers have suggested a list of civil rights that is the base for conceptualization and operationalization of the concept of social exclusion, namely: the right to professional care in birth, to safe and healthy space, to adequate nutrition, to affordable medical care, to qualitative practical education, to political participation, to economically productive life, to protection against unemployment, to dignified ageing and decent burial. The sets of empirical social exclusion parameters used by researchers in various countries are quite different. In the most general way the social exclusion can be conceptualized as the lack of participation in main aspects and types of activity in society. From this viewpoint, participation is the central notion in social exclusion concept.

In Ukraine, social exclusion is translated also as social elimination or social isolation. Even the Western researchers of the concept have not been unanimous in its definition. The concept appeared in specialized dictionaries comparatively recently, including in the English ones. In the Western economic theory, the exclusion principle takes a certain place in the theories of benefits redistribution in society and is “the procedure resulting in “exclusion” of a consumer from the list of goods buyers, because of not being ready to pay the less price than the market one” (Patinno, 2018). Usually social exclusion is displayed as the result of discrimination in cultural development, ethnical origin, sexual orientation, etc. It results in poverty, animosity between groups and giving up on such necessary social guarantees as education, healthcare and social activity. Consequently, social isolation is a social phenomenon, when an individu-

al or social group disengages from other individuals or social groups due to termination or sharp reduction of social contacts and relations. The draft Law of Ukraine “On Social Work” provides that social exclusion is the real or imaginary, complete or partial exclusion of one person or a group of persons from society and depriving them of or limiting their access to social resources, structures and institutes (Verkhovna Rada of Ukraine).

Therefore, taking into account all the abovementioned features we can suggest the following definition of social exclusion. Social exclusion is the process of exclusion of an individual or a social group from social relations due to the lack of certain rights and availability of the range of restrictions in terms of access to institutions that distribute the resources and provide social services, participation in economically or socially important activity and payed labour, opportunities to impact the management decisions at local or regional levels, inclusion in the networks of social relations and support due to the lack of basic competences, ethnical or religious discrimination and financial situation.

Expansion of social inclusion phenomenon, in particular in Ukraine, was substantially influenced by the consequences of crisis phenomenon of recent state development periods and the consequences of economy development in soviet period (poverty, employment problems). Significant role was also played by restrictions formed in the period of contemporary socio-economic development of domestic society (with growing wellbeing of population some individuals or groups become excluded from certain social institutes). However, the feature of Ukraine is that poverty doesn't necessarily lead to social exclusion and poor segments of population aren't always socially isolated.

The lack of participation in consumption, payed labour (due to various reasons, including the low education level) and in some aspects of social interaction and support are the most characteristic displays of social exclusion in this understanding in current socio-economic situation in Ukraine. Therefore, the following criteria are considered as empirical indicators to characterize the phenomenon in our country (Oksamytna, 2005).

- belonging to households that suffer from the lack of funds for daily purchase of food;
- belonging to households that have the average income lower than half the median in respective region;
- long-term unemployment (for a year or more);
- lower than necessary level of education among adults aged from 18 to 40;
- lack of any assistance from relatives when needed by an individual.

Modern globalization processes also significantly impact the lifestyle of both domestic and international socio-economic systems. In its turn, it has caused the expansion of glocalization and search for the ways to overcome asymmetries and imbalances, strengthening of a territory's self-development mechanisms and improvement of self-governance role (Hukalova, 2019). Therefore, the research of the displays of social exclusion and search for the ways to form inclusive development models have become the priorities of scientific and experts' interests both in domestic and international space.

Analyzing the display of social exclusion phenomenon in global space, we can note that nowadays it is emphasized as the key problem in the regions of Europe and Central Asia. In addition to poverty, vulnerable groups of population and marginal communities tend to be at risk to be excluded from an opportunity to equally participate in social life. Such groups often include youth, elderly people, people that have been unemployed for a long period of time, ethnical minorities, disabled people, internally displaced persons and migrants (Tyutyunnykova, 2018).

The most urgent the problem of inequality and low level of inclusivity of economic growth is in the countries with underdeveloped infrastructural networks. Theoretical research and empirical calculations show the close relationship between the development of infrastructure and inclusive growth – \$1 billion invested in infrastructure creates 15 thous. of jobs and about 30 thous. additional jobs in adjoining industries (Prohnik, 2018).

Nowadays 830 million people in the world belong to the working poor category (those living for less than \$ 2 a day), and over 1.5 billion – the

vulnerable employment category, i.e. those without decent working conditions and not covered by social protection. At the same time, the tendency towards multimillion wages and pensions is increasing (“golden collars”, “golden parachutes”). Only 6% of global wealth accounts for 80% of population.

Experts argue that total wealth of billionaires has been increasing since 2010 with the speed of 13 % a year – six times faster than the income of ordinary workers and employees around the world has been increasing. M. Zveryakov provides an example that shows that extractive distribution institutes prevail in Ukraine nowadays: Ukraine was ranked first in the world in 2012 by the number of billionaires per \$100 billion of GDP, ahead of both well-developed countries with balanced social structure (for instance, Switzerland – almost twice, Great Britain – more than three times, USA – more than twice), and the countries with substantial social differentiation (for instance, Brazil, India – more than twice, Russia – by 15 %) (Prohnik, 2018).

James A. Robinson and Daron Acemoğlu in the book “Why Nations Fail” conclude that inclusive institutional regimens develop faster and more efficient than the extractive ones. This is quite natural, because the country, where almost each member is involved in legal profiting, achieves economic prosperity much faster. There won’t be any place for poverty in such a country. Inclusive models are believed to help the countries to withstand external and internal crisis phenomena, while extractive models can only aggravate the situation (Prohnik, 2018).

The system of extractive institutes that currently exists also in Ukraine along with its unstable tax, monetary and regulatory policy have formed one of the worst business environments in the world. It is obvious that activity of extractive institutes can also lead to the growth in economic system, however it will be unstable and short-term. Therefore, growth under inclusive institutes allows for “creative destruction” and thus supports technological progress and innovations. Extractive institutes can launch innovative processes only in the very small scales. Therefore, both inclusive and extractive institutes launch complex reverse links that can have both positive and negative impact on socio-economic systems.

Conclusion

Social exclusion should be examined both from the viewpoint of its emergence and its consequences (or features). We suggest outlining the following causes of social exclusion in Ukraine (studying the phenomenon in the first place among poor groups of population): lack of stable paid employment; unstable or insufficient level of social transfers; residing in rural areas (meeting of financial and spiritual needs is restricted due to worse employment opportunities and underdeveloped infrastructure); lack of family ties, communication with friends and acquaintances; poor living conditions; belonging to a certain social group (discrimination by gender, age, religion, nationality, etc.); poor health.

The EU conducts the policy of maintaining cooperation in social field directed at combating of poverty and social inequality and increasing of the importance of the problem and recognition of main rights of troubled people, providing them with an opportunity to live decently and to actively participate in social life. Among the priority directions are the development and implementation of social innovations support programs for vulnerable groups of population based on providing of innovative technologies in education and learning and job places that provide them with an opportunity to fulfil all their work capacity.

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