GLOBAL SOCIAL INEQUALITIES. A TRANSNATIONAL ANALYSIS: THE REPUBLIC OF MOLDOVA

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Abstract

The study offers a transversal analysis on global social inequalities. The gaps within the development level of several indices of the Republic of Moldova in comparison with other countries of the region and of the world are identified. Addressing the issue of inequality from the perspective of transnational analysis is determined by the escalation of inequality under all its manifestations. Inequality has become a real risk, endangering personal, national and international security, triggering social reactions that take various forms of protest.

Keywords: *global inequality, social inequality, transversal analysis, human development, social stratification, hierarchy of social inequality.*

Social inequality assumes the occurrence of unequal opportunities and rewards offered to different social positions or states within some group or society. Social inequality has several aspects, more important being wealth and income. Wealth represents the total value of money and of other assets, minus debts, while the income represents the gain obtained from either work or investments. Other aspects of social inequality are power, occupational prestige, education, social origin, race and ethnic belonging.

The main causes of inequality are induced, most frequently, by the very guilt of the individual and of the society. Even if numerous proofs support such a theory, the dynamic evolution of the contemporary societies brings about paradigms which explain the phenomenon of social inequality. At global level, estimations on social inequality involve the utilization of various methodologies and indices. In this respect, application of transversal analyses offer an algorithm for understanding and comparing social inequality at global level.

To illustrate the position of the Republic of Moldova in the hierarchy of the global social inequalities, most relevant sociological and statistic analyses have been performed.

At international level, an important source is represented by the evaluation reports of the United Nations Programme for Development (PNUD). According to the data provided by the most recent report on human development for the year 2015, entitled ” Work for human development”, the Republic of Moldova occupies position 107 out of the 188 countries and territories, if considering the index of human development (IDU), while Romania appears on position 52, registering a   value of 0.793, consequently belonging to the category of countries with a high   index of human development (United Nations Development Programme, 2015a).

The IDU vaue of Moldova recorded in 2014 was of 0.693, which places it among the countries with a medium human development. Between 1990-2014, the IDU value of Moldova increased with 6.3%, quite similarly with countries like Turkmenistan and Uzbekistan, which occupy positions 109 and, respectively, 114, according to IDU. Between 1980-2014, life expectancy at birth in Moldova increased with 6.6 years, while the mean instruction duration increased with 4.8 years. The raw national income per inhabitant decreased with 20.8% between 1990-2014 (United Nations Development Programme, 2015b).

The differences recorded in the human development of the Republic of Moldova, comparatively with the neighbouring countries have been also recorded in the National Report

of Human Development in 2014, entitled "Authentic corporative citizens: Public and private objectives for human development". The explanation for such a slow progress within the regional context is related to the low income of the population, which represents one of the three essential parameters of the Index of Human Development (IDU), the element which significantly restricts the access to high quality medical and educational services. Equally, the main factors defining social inequality are the differences registered in the development of the rural and urban areas, along with the inequality of gendre with respect to opportunities (United Nations Development Programme, 2014).

Positioning of the Republic of Moldova within the global context as a function of the wealth of individual economy index may be identified from the analyses of the Global Wealth Report for the year 2016, realized by Credit Suisse Research Institute. Recently, the seventh issue of the Global Wealth Report, considered as the most comprehensive source of information on global wealth was published. Credit Suisse Research Institute is part of Credit Suisse, leader of private banks at world level and wealth manager with considerable abilities in banking investments.

In the above-mentioned Report, the term wealth/richness is defined as the value of financial and building (dwellings) assets possessed by individual economy, minus debts. The study focuses on the wealth held by adult population in more than 200 countries, including both the richest ones, situated at the top of the wealth pyramid, and its averagre and low sections. The analysis included the wealth possessed by 4.8 billion adults.

The Global Wealth Report (2016) confirms a weak wealth increase at world level. Within the period under estimation, global wealth registered an increase of 1.4%. Among the great economic powers, USA and Japan were the ones capable of generating substantial additional richness, while the United Kingdom faced a significant decline, caused by currency devaluation (Global Wealth Report, 2016).

The differences observed among individual richness may have various causes. The global pyramid of wealth evidences inequalities at global level, even if considerable differences occur inside the countries. People with low incomes are disproportionately belonging to younger ages, the ones who have had less opportunities to accumulate assets. Others are those who have suffered losses in their businesses or had personal misfortunes, or those living in regions providing fewer economic opportunities. In some cases, the opportunities are more restricted for women or minorities. In contrast to such situations, at the other end of the spectrum, mention should be made of the persons who acquired wealth by a combination of hard work, aptitudes and chance.

According tot the Global Wealth Report (2016), at world level, three quarters of the adult population belong to the inferior group of the pyramid of wealth. The 3,5 billion adults possessing under 10,000 $ hold 2.4% of world's wealth. On the contrary, at the other pole of the pyramid, the 33 billion millionaires, which represent less than 1% of the adult population, possess 46% of the individual economy at global level (Global Wealth Report, 2016).

The layers of the pyramid are quite distinct. The mean part includes 900 million adults, who represent the middle class ratio in several countries. The average richness of this group is quite similar to the global average richness. India and Africa are under-represented in this segment, whereas the part of China is highly disproportionated. China represents 33% of the people with possessions between 10,000 $ and 100,000 $, namely ten times higher than the number of Indians, and a double Chinese ratio in the year 2000.

The Republic of Moldova is situated in the group of countries with a wealth of the individual economy below 5,000 $. This group includes almost the whole Central Africa. In this respect, India is the most important member of the Asian countries. To the same category there belong three countries situated at the borders of the European Union, namely: Belarussia, Moldova and Ukraine.

Global Wealth Report (2016) also confirms the leading position held by Switzerland. Since the beginning of the century, Switzerland has been the leader in all international classifications on average wealth. More than that, each year,

starting with 2012, the wealth per adult person exceeded 500,000 $, a threshold never attained in any other country. Starting with the year 2001, it has also occupied top positions as to mean richness (Global Wealth Report, 2016).

In 2016, the total wealth of Swiss individual economies was of 3,5 trillion $, namely 1.4% of the assets at world level, while the part represented by adults is of 0.1% of world population. The Swiss are 11 times richer than the world mean of an adult citizen. To be ranked among the richest 1% Swiss people, an adult person should have at least 5 million $, a value double than the one registered in the beginning of the century (Kersley & Koutsoukis, 2016).

Another important index permitting to estimate social inequality is the income. At world level, a provider of data and analyses is PewResearch Center, which informs the public on the issues, attitudes and tendencies manifested in the modern world. According to PewResearch Center data, the first decade of our century registered a historical reduction of poverty, at world level, and an almost double number of persons that might be considered as having average incomes.

At global scale, only 13% of world population might be viewed as having average incomes in 2011. Most of the people have been ranked as either with low (56%) or poor (15%) incomes, while only 9% of them obtained incomes above the average ones and only 7% have high incomes.

The groups of incomes are defined as follows: the poor, living with 2$ or less per day; with incomes between 2.01-10 $; with average incomes from 10.01 to 20$; with incomes higher than the average, between 20.01 and 50 $, and high incomes, exceeding 50 $ per day. These figures express the parity of the buying power, for the prices of the year 2011 (Kochhar, 2011).

A comparsion of the weight of the incomes at the level of the population of the Republic of Moldova with the global indices evidences the following dynamics (estimations made for the year 2011) :

► **1%** of the citizens of Moldova are poor, comparatively with **15%** at global level;
► **67.4%** of them have low incomes, comparatively with **56%** at global level;

► **26.0%** of them have average incomes, comparatively with **13%** at global level;
► **5.9%** have higher average incomes, comparatively with **9%** at global level;
► **<0.5%** of the citizens of Moldova have high incomes, comparatively with **7%** at global level.

PewResearch Center sets up its calculations and analyses on the data bases of the World Bank. The methodology applied by PewResearch Center permitted calculation and identification of the modifications having occurred in the population of the Republic of Moldova in relation with the global indices (estimations for the decade 2001-2011):

► The part of the population of Moldova considered as poor decreased with 30.8%, comparatively with a value of 14%, recorded at global level;
► The part of the population of Moldova with low income increased with 2.4%, comparatively with 6 % at global level;
► The part of the population of Moldova with average income increased with 23.1%, comparatively with 5% at global level;
► The part of the population of Moldova with a higher average income increased with 5.2%, comparatively with 2% at global level;
► The part of the population of Moldova with high income increased with 0.5%, comparatively with 1% at global level (Pew Research Center, 2015).

Approaching of the topic of inequality from the perspective of a transnational analysis is determined by the advance of inequality in all its forms of manifestation: economic, social, regional, national, territorial, informational, etc. Inequality became a real risk, which affects one's personal, national and international safety, determining social relations involving various forms of protest, terrorism actions included.

Social stratification is increasingly manifested at global level. Issues on social inequality have become common topics at academic, political and mass-media levels. In recent years, the differences recorded among incomes increase, the visibility between the rich and the poor countries is more and more pronounced, in

parallels with the persistence of various forms of religious, racial, ethnic, sex segregation.

Transversal analyses offer the possibility to better understand the essence of the stratification process and to identify the hierarchy of social inequality at global level. According to such analyses, the profile of the Republic of Moldova continues to be associated with a zone favoring social inequality at national, regional and global level. In spite of the huge financings provided by the European Union, of other regional and international funds, of the non-repayable facilities granted by the embassies accredited in Kishinew and, obviously, of the considerable material and cultural support from the part of Romania, the Republic of Moldova continues to show a slow dynamics and to register much lower indices than the regional ones.

The explanation is the very reality it has to face. Social inequality is the deliberated result of governmental policies, whose main objective was to assure the richness of the financial oligarchy to the direct detriment of the active population, whose work produces the social goods. The efficiency of the redistribution mechanisms affected numerous countries, while an artificial tolerance of inequality at national level distorts the social structure, diminishing economic growth on long term. The absence of any moral hamper in the attitude of the managerial élite of the state, obsessed exclusively with personal interests, puts in danger, to a considerable extent, the functionality of the social system, affecting the equilibrium of the social subsystems and, consequently, the whole structure of the social system.

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