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SOCIAL INEQUALITY AS REFLECTED THROUGH ECONOMIC INEQUALITY INDICATORS: A COMPARATIVE ANALYSIS OF ECONOMIC INEQUALITIES OF SERBIA WITH EU COUNTRIES

Abstract:

An ideal society is characterized by the equitable treatment of all individuals, wherein personal attributes such as gender, ethnicity, socioeconomic status, or other differences do not determine one's access to rights, opportunities, and resources. In this context, social justice represents a fundamental normative objective of any modern society, while social inequality serves as a measurable manifestation of disparities in individuals' actual access to resources, rights, and opportunities for advancement. Social inequality is assessed through a broad range of quantitative and qualitative indicators across various dimensions, including but not limited to economic status, education, healthcare access, political participation, and legal equity. This paper is specifically focused on the domain of economic inequality, examining core indicators such as income distribution disparities, poverty risk and social exclusion. Special emphasis is placed on the comparative analysis of the Gini coefficient as a principal measure of income inequality, with a focus on Serbia's positioning relative to countries in European Union. By analyzing key economic inequality metrics, we are able to construct an empirical representation of the current social landscape. These insights provide a foundational basis for evidence-based policymaking, legal reform, and the formulation of comprehensive strategies aimed at promoting social inclusion, reducing structural disparities, and advancing the overarching objective of a more equitable and just society.

Key words: *social justice, social inequality, economic inequality, Gini coefficient*

INTRODUCTION

Social inequality is a significantly broader concept than economic inequality, manifesting through the existence of classes and strata within a society. These social divisions are differentiated not only by the ownership and control of the means of production and other forms

of economic capital, but also by varying degrees of social power, prestige, and even conflicting interests, which may lead to structural social conflicts.¹ Social inequality often results in social exclusion. Social exclusion is defined as a process in which individuals are either born into or pushed to the margins of society and are thereby prevented from participating in social, cultural, economic, and political life.² Groups experiencing social exclusion are typically individuals who are prevented from full participation in society due to poverty or a lack of essential skills and lifelong learning opportunities, or as a result of discrimination. This exclusion distances them from employment, income, and educational opportunities, as well as from social networks, community frameworks, and collective activities. Such individuals often have limited access to power and decision-making bodies, leaving them feeling powerless and incapable of exercising control over decisions that affect their daily lives.³

Social exclusion also entails economic exclusion, and as Stiglitz emphasizes, inequality is costly, with its price reflected in weaker economies, lower growth, and greater instability.⁴ However, the consequences of social exclusion go far beyond economics, affecting both the well-being of individuals (in terms of physical and mental health and life expectancy) and societal well-being more broadly.⁵

INDICATORS OF ECONOMIC INEQUALITY

One of the most dominant contradictions, and simultaneously one of the greatest challenges of modern economies and societies, is the pronounced inequality in the distribution of material wealth and income.⁶ The waves of decreasing inequality in the 20th century “were the product of wartime chaos and the political and economic upheavals caused by wars, not the outcome of gradual, consensual, and peaceful development. In the 20th century, it was war that erased the past—not peaceful democracy and economic rationality.”⁷

1 For further details on this issue, see Babovic, M. (Ed.). (2011). *Socijalno ukljućivanje: Koncepti, stanje, politike*. Beograd: SeConS – Grupa za razvojnu inicijativu; Institut za sociološka istraživanja Filozofskog fakulteta u Beogradu; Dosije studio, ISBN 978-86-913917-2-0 and Vukovic, D., & Babovic, M. (2022). *U lavirintu siromaštva i socijalne iskljućenosti: Socijalna politika i država blagostanja u Srbiji*. Beograd: Dosije studio, ISBN 978-86-6047-396-9

2 Siersbaek, R., O'Donnell, C., Parker, S., Ford, J., Burke, S., & Ní Cheallaigh, C. (2023). Social exclusion and its impact on health over the life course: A realist review protocol. *HRB Open Research*, 6, 34. (Retrieved, Jun , 2025) from: <https://doi.org/10.12688/hrbopenres.13746.1>

3 Vukovic, D., & Babovic, M. (2022). *U lavirintu siromaštva i socijalne iskljućenosti: Socijalna politika i država blagostanja u Srbiji*. Beograd: Dosije studio, ISBN 978-86-6047-396-9, p. 39

4 For a detailed discussion, see Stiglitz, J. E. (2010). *Freefall: America, Free Markets, and the Sinking of the World Economy*. New York, NY: W.W. Norton & Company.

5 For further details on this issue, see Stiglitz, J. E., Sen, A., & Fitoussi, J.-P. (2009). *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Paris: CMEPSP, Retrieved (May, 2025) from https://www.researchgate.net/publication/239807212_The_Measurement_of_Economic_Performance_and_Social_Progress_Revisited_The_Measurement_of_Economic_Performance_and_Social_Progress_Revisited_Commission_on_the_Measurement_of_Economic_Performance_and_Social_Progress_Revisited and OECD report OECD (2011), *How's Life?: Measuring well-being*, OECD Publishing. Retrieved (Jun 2025) from <http://dx.doi.org/10.1787/9789264121164-en>

6 For a detailed discussion, see Lekovic, V. (2020). Institucionalna determinisanost ekonomskih i društvenih protivrečnosti u Republici Srbiji. In *Institucionalne promene kao determinanta privrednog razvoja Republike Srbije* (pp. 5–21). Kragujevac: Ekonomski fakultet, Univerzitet u Kragujevcu. ISBN 978-86-6091-110-2

7 Piketty, T. (2015). *Kapital u XXI veku*. Novi Sad: Akademska knjiga. ISBN 978-86-6263-075-9 p.296

The problem of inequality has not disappeared with economic development, technological progress, or global economic interconnectedness. On the contrary, inequality remains one of the most pressing issues of the 21st century. Numerous empirical studies have confirmed a mutual relationship between economic inequality and economic growth and development, indicating that the mode of income distribution is a key factor in achieving sustainable growth and development.⁸

Economic inequality is most commonly measured by the Gini coefficient.⁹ The Gini coefficient measures income distribution inequality within a society, where a value of 0 represents perfect equality and a value of 1 (alternatively expressed from 1 to 100) denotes perfect inequality. A coefficient of 0 would mean that income is distributed equally among all individuals, while a value of 1 (or 100) would imply that a single individual receives all income in the country, reflecting absolute inequality. It is important to understand that income encompasses more than just wages. As Milanovic explains, income data include wages, self-employment income, capital income (interest, dividends, rental income), income from production for own consumption (which is widespread in poorer and less monetized economies where households grow food for their own needs), social transfers (such as government pensions and employment benefits), and income deductions such as direct taxes.¹⁰ Income distribution data are obtained through national household surveys. Households are selected randomly, and data are collected on demographics, location, income sources and amounts, and consumption patterns. There is no universal standard for the sample size, and the number of households surveyed varies across countries. For example, Milanovic notes that the household survey in India covers 100,000 households (approximately half a million people), while in the United States it includes around 200,000 individuals.¹¹ In Serbia, for instance, the 2024 survey included a sample of 6,168 households, of which 5,527 were interviewed, encompassing a total of 14,128 individuals aged 16 and over.¹² As described earlier, income includes various sources and types of earnings, while consumption refers to the use of goods and services that directly satisfy the needs of the household—i.e., goods and services that had to be paid for within the reference period.

In addition to the Gini coefficient, economic inequality is frequently measured

8 For a detailed discussion, see Lekovic, V. (2020). Institucionalna determinisanost ekonomskih i društvenih protivrečnosti u Republici Srbiji. In *Institucionalne promene kao determinanta privrednog razvoja Republike Srbije* (pp. 5–21). Kragujevac: Ekonomski fakultet, Univerzitet u Kragujevcu. ISBN 978-86-6091-110-2

9 The Gini coefficient was developed by Corrado Gini, an Italian statistician and sociologist, in 1909, and was fully elaborated in his 1912 paper titled “*Variability and Mutability*” (*Variabilità e Mutabilità*). This coefficient made it possible to quantitatively measure inequality in the distribution of income and wealth. Gini’s concept was built upon the earlier idea of the Lorenz curve, devised in 1905 by American economist Max Lorenz. The Lorenz curve plots the cumulative percentage of the population (from the poorest to the richest) on the X-axis, and the cumulative percentage of income that this population holds on the Y-axis. Initially, the Gini coefficient was primarily used in academic circles and statistical institutions. However, after World War II, its use gradually expanded beyond academia. Since the 1990s, it has been widely adopted by major international organizations, including the International Monetary Fund (IMF), the Organization for Economic Co-operation and Development (OECD), the World Bank, and the United Nations Development Program (UNDP).

10 Milanovic, B. (2016). *Globalna nejednakost: Novi pristup za doba globalizacije*. Novi Sad: Akademska knjiga. ISBN 978-86-6263-136-7 p. 10

11 Ibid, p.11-13

12 Statistical office of the Republic of Serbia, (Republički zavod za statistiku) (2025), Survey on Income and Living Conditions 2024, (*Anketa o prihodima i uslovima života 2024*) (SILC). Retrieved (Jun 2025) from <https://publikacije.stat.gov.rs/G2025/Html/G20251164.html>

using the income quintile share ratio (S80/S20). This indicator represents the ratio of the total equivalized income received by the top 20% of the population to that received by the bottom 20% within a given country. Naturally, the higher this ratio, the greater the level of inequality in the society.

Economic inequality can also be examined through the lens of the at-risk-of-poverty rate and/or the rate of social exclusion. According to the *UN Statement on Poverty and Human Rights*,¹³ poverty is a condition in which individuals lack the financial resources necessary to meet basic needs such as food, housing, healthcare, education, and a minimum standard of living.

A distinction is commonly made between absolute poverty and relative poverty. Absolute poverty refers to individuals living on less than USD 2.15 per day.¹⁴ In contrast, relative poverty refers to individuals whose equivalized household income is less than 60% of the national median income. Equivalized income is calculated using the OECD equivalence scale and corresponds to the at-risk-of-poverty rate as defined in the EU-SILC methodology.¹⁵

The Gini coefficient, the S80/S20 quintile share ratio, the at-risk-of-poverty rate, and the at-risk-of-poverty or social exclusion rate (AROPE) are all quantitative indicators of income distribution and social inequality. These indicators are commonly used in EU statistics (EU-SILC) and are integral to the national strategies for poverty reduction.

RISK OF POVERTY AND SOCIAL EXCLUSION RATE, QUINTILE RATIO S80/S20 AND GINI COEFFICIENT IN SERBIA AND IN EU

The Survey on Income and Living Conditions (SILC) was conducted for the first time in Serbia in 2013. Therefore, Table 1 presents data from 2013 to the present. As shown in Table 1, the at-risk-of-poverty rate in Serbia exhibited an upward trend from 2013 to 2017. However, starting from 2018, when it stood at 24.3%, the rate has decreased each subsequent year, reaching 19.7% in 2024. Nevertheless, what is particularly alarming is the regional disparity in poverty risk rates. In 2024, the Belgrade region reported a risk-of-poverty rate of just 8.7%, while the rate was 21% in the Vojvodina region, 23% in the region of Sumadija and Western Serbia, and as high as 27.7% in the region of Southern and Eastern Serbia. These striking regional differences reflect significantly divergent living conditions across the country. It is evident that residents of Belgrade benefit from substantially more favorable economic conditions compared to those in other regions. There is clear evidence that most major investments and funding are concentrated in the capital, while residents of other parts of Serbia face a poverty risk up to three times higher. These data highlight a serious regional imbalance, which policymakers must urgently address by integrating these disparities into future strategies and action plans, and by developing concrete policy

13 UN Office of the High Commissioner for Human Rights. (2001). Report of the High Commissioner for Human Rights submitted in accordance with Commission resolution 2000/5 Retrieved (Jun, 2025) from <https://digitalibrary.un.org/record/431505?v=pdf> and E_CN.4_2001_25-EN.pdf

14 World Bank. (2022). *Poverty and Shared Prosperity Report*. Retrieved (Jun 2025) from <https://www.worldbank.org/en/publication/poverty-and-shared-prosperity>

15 Examples from 2020: The relative poverty rate (defined as 60% of the national median equivalized income) was 21.7%. The at-risk-of-poverty threshold for a single-person household was RSD 22,000 per month, while for a four-member household it amounted to approximately RSD 46,200 per month.

measures to reduce the regional gap.

In monetary terms, the risk-of-poverty threshold for a single adult was RSD 13,680 in 2013. Over a 12-year period, this amount increased by a factor of 2.7 times, reaching RSD 35,606 in 2024. For a household consisting of two adults and one child under the age of 14, the monthly poverty threshold in 2024 was RSD 64,091, while for a household of four members (two adults and two children under 14), the monthly threshold was RSD 74,773. In 2024, the average monthly salary in Serbia ranged from RSD 95,836 in January to RSD 108,312 in December. The average consumer basket amounted to RSD 102,044 in January and RSD 105,765 in December, while the minimum consumer basket amounted to RSD 52,775 in January and RSD 54,565 in December 2024.¹⁶

As presented in Table 1. the percentage of the population at risk of poverty or social exclusion in Serbia ranged from 38.5% in 2016 to 24.3% in 2024. According to official data from the Statistical Office of the Republic of Serbia, this represents a reduction of 12.1 percentage points over a period of just nine years. However, these figures must be interpreted with caution, as previously discussed, due to the substantial regional disparities in both economic and social conditions experienced by individuals across different parts of the country. The living standards in Serbia vary significantly depending on the region in which individuals or households reside. Picture 1. presents data on the population at risk of poverty or social exclusion (AROPE) in European Union (EU) member states, where the average rate was 21%. Nevertheless, this indicator varies significantly across countries—for instance, Bulgaria recorded a rate of 30.3%, while Czechia had the lowest rate at 11.3%. These variations reflect the fact that, even within the EU, the quality of life in terms of economic and social conditions differs considerably depending on the country of residence.

¹⁶ The data were retrieved from the official website of the Ministry of Domestic and Foreign Trade of the Republic of Serbia, specifically from the report *“Purchasing Power of the Population – Consumer Basket, December 2024”* (Ministry of Trade, 2024) <https://must.gov.rs/extfile/sr/12081/Korpa%20decembar%202024.pdf>

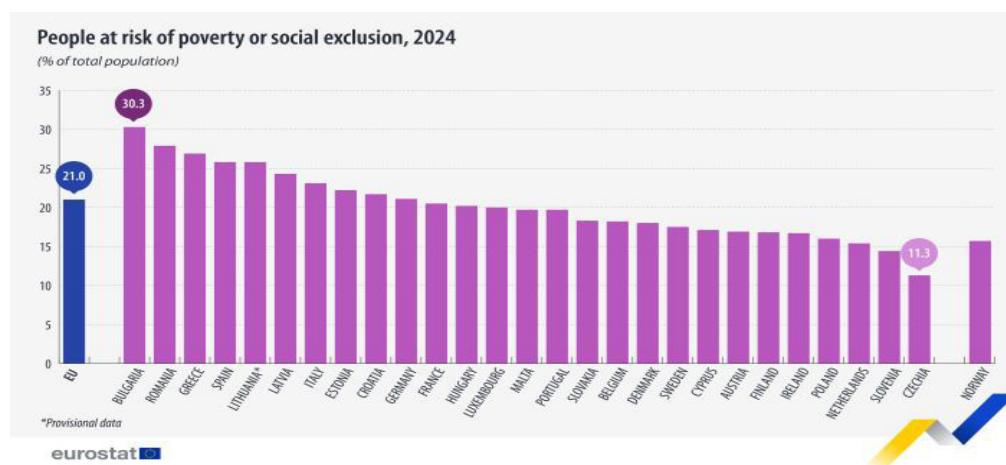
Table 1. Risk of poverty or social exclusion rate %, quintile ration S80/S20 and Gini coefficient in Serbia 2013-2024¹⁷

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
At-risk-of-poverty rate, total (%)	24.5	25.4	25.4	25.9	25.7	24.3	23.2	22.4	21.4	20.2	19.9	19.7
Belgrade region				...	...	...	...	12.2	10.3	8.7	8.7	8.7
Vojvodina region				...	...	...	...	22.5	20.9	19.8	21.1	21
Region of Šumadija and Western Serbia				...	...	...	...	26.5	25.3	24.2	23	23
Region of Southern and Eastern Serbia				...	...	...	...	28.9	30.1	29.2	27.9	27.7
Region of Kosovo and Metohija				...	...	...	...	...	...	...	...	...
At-risk-of-poverty limit (monthly average), RSD												
Single-person household in RSD	13,680	13,500	14,920	14,680	15,600	16,615	19,381	21,680	23,638	25,960	29,100	35,606
Household with two adults and one child under 14 years in RSD	24,624	24,300	26,856	26,424	28,080	29,907	34,886	39,024	42,549	46,729	52,380	64,091
Two adults with two children under 14 years in RSD	28,728	28,300	31,332	30,828	32,760	34,892	40,700	45,528	49,641	54,517	61,110	74,773
At-risk-of-poverty or social exclusion rate, %				38.5	36.7	34.3	31.7	31	28.9	29	27.2	24.3
At-risk-of-poverty rate before social transfers, %												
Social transfers not included in income	31.8			32.9	31.6	29.6	28.3	27.6	29.2	26.1	26.1	24.7
Pensions and social transfers not included in income	51.1			52.1	51.3	48.7	46.6	45.9	46.3	42	41.9	41.6
Relative at-risk-of-poverty gap	36.6	40.3	37.6	39.4	31.6	29.6	28.3	28.7	29.8	25.7	28.6	29.1
Quintile ratio S80/S20	8.6	9.8	9	11.0	9.4	8.6	6.5	6.4	6.1	5.7	5.6	5.6
Gini coefficient	38	38.6	38.2	39.8	37.8	35.6	33.3	33.8	33.3	32.6	31.7	31.9
Persistent at-risk-of-poverty rate, %				16.7	18.4	19.6	15.9	14.5	16.5	12.6	12.9	11.6

Source: Statistical Office of the Republic of Serbia. (2020). *Survey on Income and Living Conditions 2019* (Publication No. G20201283). <https://publikacije.stat.gov.rs/G2020/Pdf/G20201283.pdf>
 Statistical Office of the Republic of Serbia. (2025). *Survey on Income and Living Conditions 2024 – Published in 2025* (Publication No. G20251164). <https://publikacije.stat.gov.rs/G2025/HtmlL/G20251164.html>

¹⁷ Upon cross-referencing data for the year 2016 from the Survey on Income and Living Conditions (SILC) 2016 and the subsequently published SILC 2019 report, slight discrepancies were observed in the decimal values for several indicators related to 2016. In line with best practices for using the most recently verified statistical data, we have adopted the 2016 figures as reported in the 2019 publication as the authoritative source, and these values are reflected in the tables presented in this paper.

Picture 1. People at risk of poverty or social exclusion



Source: Eurostat (ilc_pees01n) Living conditions in Europe - poverty and social exclusion - Statistics Explained - Eurostat

The income quintile share ratio (S80/S20) in Serbia initially showed an upward trend, increasing from 8.6 in 2013 to a peak of 11.0 in 2016. Since then, it has decreased each year, reaching 5.6 in 2024. In 2016, the top 20% of income earners in Serbia earned 11 times more than the bottom 20%. In comparison, the European Union average for 2024 was 4.66 times (Eurostat, 2024). Table 2. presents the S80/S20 quintile share ratios for the EU, with disaggregated data for each member state as well as for candidate countries, covering the period from 2015 to 2024. These data clearly show that no EU country recorded progress in reducing income inequality as substantial as Serbia's. For example, Romania had a ratio of 8.32 times in 2015, which decreased to 4.63 by 2024. The strong growth of income among the lower quintiles in Serbia can be partially attributed to direct government transfers. During the COVID-19 pandemic, the government implemented a series of financial assistance measures. In 2020, all adult citizens received EUR 100 as a one-time payment to mitigate the economic impact of the pandemic. In 2021, this was followed by an additional EUR 60 for all adults, paid in two installments, and RSD 3,000 to all vaccinated individuals as an incentive for immunization. Furthermore, in 2021, young people aged 16–29 received EUR 100, and in 2022, the same age group received two more payments of EUR 100. Pensioners received RSD 10,000 in 2022 and RSD 20,000 in 2023, while families with children under the age of 16 received RSD 5,000. Although these transfers were not substantial on an individual level, they nonetheless provided a meaningful increase in income for the poorest segments of the population. In addition, there were adjustments to minimum wages, increases in pensions, and expansions of social assistance programs. Meanwhile, the incomes of the top 20% earners in Serbia did not grow at a pace comparable to their counterparts in EU countries. The dramatic reduction in the S80/S20 income quintile share ratio in Serbia between 2013 and 2024 can be partially interpreted as the result of a combination of fiscal redistribution, growth in lower-income segments, limited income growth among top quintiles, and the formalization of informal labor. In contrast to EU member states, which have generally exhibited stable or only mildly declining trends, Serbia has achieved a noticeable shift in income distribution, reflected in a significantly reduced statistical inequality. Of course, it is unrealistic to claim that an additional EUR 200 per capita annually could halve inequality

as measured by this indicator. Nevertheless, future research should aim to explore, based on empirical evidence, whether this statistically reported reduction in inequality reflects a real structural transformation, or if it is merely a temporary statistical artifact influenced by state interventions. An open question remains: What will happen when the government discontinues direct cash transfers? How will the S80/S20 quintile income share ratio appear in 2025, especially in light of the ongoing situation involving teachers and university staff, many of whom have reportedly not received regular wages? Or they are not in the group of 20% richest or poorest, so it will not affect at all? This highlights the importance of sustained and systematic monitoring of income dynamics and the structural determinants of inequality.

Table 2. Quintile ratio S80/S20 in EU; total and by country 2015-2024

TIME	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
GEO (Labels)										
European Union - 27 countries (from 2020)	5.22	5.16	5.03	5.05	4.99	4.89	4.99	4.73	4.72	4.66
European Union - 28 countries (2013-2020)	5.22	5.16	5.08	5.12	5.07	:	:	:	:	:
Belgium	3.83	3.85	3.84	3.79	3.61	3.65	3.42	3.56	3.38	3.45
Bulgaria	7.11	7.69	8.23	7.66	8.10	8.01	7.45	7.30	6.61	6.96
Czechia	3.51	3.50	3.40	3.32	3.34	3.34	3.43	3.48	3.42	3.32
Denmark	4.08	4.06	4.08	4.11	4.09	4.00	3.93	4.03	4.15	4.16
Germany	4.80	4.62	4.49	5.07	4.89	4.87	4.98	4.38	4.44	4.49
Estonia	6.21	5.56	5.42	5.07	5.08	5.03	5.03	5.39	5.37	5.03
Ireland	4.50	4.45	4.63	4.23	4.02	3.92	3.75	3.81	3.86	3.68
Greece	6.51	6.55	6.11	5.51	5.11	5.23	5.79	5.20	5.28	5.27
Spain	6.87	6.60	6.59	6.03	5.94	5.77	6.19	5.63	5.50	5.39
France	4.29	4.32	4.31	4.23	4.27	4.42	4.41	4.60	4.63	4.66
Croatia	5.14	4.90	4.97	5.00	4.74	4.59	4.77	4.57	4.91	4.97
Italy	5.84	6.27	5.92	6.09	6.01	5.75	5.86	5.62	5.27	5.53
Cyprus	5.20	4.88	4.56	4.29	4.58	4.31	4.23	4.28	4.27	4.40
Latvia	6.51	6.20	6.30	6.78	6.54	6.27	6.63	6.33	6.20	6.28
Lithuania	7.46	7.06	7.28	7.09	6.44	6.14	6.14	6.39	6.32	6.54
Luxembourg	4.26	4.62	4.56	5.18	5.34	4.99	4.59	4.51	4.79	4.68
Hungary	4.30	4.26	4.27	4.35	4.23	4.16	4.15	3.99	4.47	4.26
Malta	4.15	4.22	4.21	4.28	4.18	4.69	5.03	4.75	5.30	4.87
Netherlands	3.82	3.93	3.99	4.05	3.94	4.15	3.88	3.94	3.87	3.72
Austria	4.05	4.09	4.29	4.04	4.17	4.11	4.00	4.25	4.28	4.34
Poland	4.92	4.76	4.56	4.25	4.37	4.07	4.03	3.91	4.06	3.85
Portugal	6.01	5.88	5.75	5.22	5.16	4.99	5.66	5.13	5.60	5.20
Romania	8.32	7.20	6.45	7.21	7.08	6.62	7.10	6.00	5.83	4.62
Slovenia	3.60	3.56	3.42	3.38	3.39	3.32	3.24	3.28	3.34	3.42
Slovakia	3.54	3.63	3.49	3.03	3.34	3.03	3.20	3.12	3.63	3.28
Finland	3.56	3.58	3.54	3.65	3.69	3.72	3.58	3.75	3.78	3.73
Sweden	4.06	4.25	4.27	4.13	4.33	4.12	4.04	4.34	4.73	4.34
Iceland	3.43	3.33	3.59	3.21	3.35	3.41	:	:	:	:
Norway	3.50	3.69	3.90	3.71	3.81	3.78	3.87	4.11	3.63	3.62
Switzerland	4.48	4.42	4.63	4.50	4.75	4.89	4.87	4.79	4.94	:
United Kingdom	5.23	5.12	5.40	5.63	:	:	:	:	:	:
Montenegro	7.48	7.38	7.57	7.37	6.72	5.96	5.81	5.58	:	:
North Macedonia	6.62	6.63	6.38	6.16	5.56	5.92	5.62	5.39	:	:
Albania	:	:	7.47	6.98	6.38	5.86	5.72	:	:	:
Serbia	10.70	11.02	9.38	8.58	6.48	6.29	6.01	5.70	5.55	:
Türkiye	8.62	8.65	8.68	8.66	8.35	9.20	8.64	9.39	8.72	9.06
Kosovo*	:	:	:	15.58	:	:	:	:	:	:

Source: Eurostat, 2025 online data code ilc_di11¹⁸

Table 3. Gini coefficient in EU; total EU and by country 2015-2024

GEO (Labels)	TIME 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
European Union - 27 countries (from 2020)	30.8	30.6	30.3	30.4	30.2	30.0	30.2	29.6	29.6	29.3
Euro area – 20 countries (from 2023)	30.7	30.7	30.4	30.6	30.2	30.2	30.6	29.9	29.8	29.9
Belgium	26.2	26.3	26.1	25.7	25.1	25.4	24.1	24.9	24.2	24.7
Bulgaria	37.0	37.7	40.2	39.6	40.8	40.0	39.7	38.4	37.2	38.4
Czechia	25.0	25.1	24.5	24.0	24.0	24.2	24.8	24.8	24.4	23.7
Denmark	27.4	27.7	27.6	27.8	27.5	27.3	27.0	27.7	28.2	28.6
Germany	30.1	29.5	29.1	31.1	29.7	30.5	31.2	29.0	29.4	29.5
Estonia	34.8	32.7	31.6	30.6	30.5	30.5	30.6	31.9	31.8	30.8
Ireland	29.7	29.6	30.6	28.9	28.0	27.6	26.6	26.9	27.4	26.2
Greece	34.2	34.3	33.4	32.3	31.0	31.4	32.4	31.4	31.8	31.8
Spain	34.6	34.5	34.1	33.2	33.0	32.1	33.0	32.0	31.5	31.2
France	29.2	29.3	28.8	28.5	29.2	29.2	29.3	29.8	29.7	30.0
Croatia	30.4	29.8	29.9	29.7	29.2	28.3	29.2	28.5	29.7	29.8
Italy	32.4	33.1	32.7	33.4	32.8	32.5	32.9	32.7	31.5	32.2
Cyprus	33.6	32.1	30.8	29.1	31.1	29.3	29.4	29.4	29.6	30.1
Latvia	35.4	34.5	34.5	35.6	35.2	34.5	35.7	34.3	34.0	34.2
Lithuania	37.9	37.0	37.6	36.9	35.4	35.1	35.4	36.2	35.7	35.3
Luxembourg	28.5	29.6	29.2	31.3	32.3	31.2	29.6	29.1	30.6	30.1
Hungary	28.2	28.2	28.1	28.7	28.0	28.0	27.6	27.4	29.0	27.6
Malta	28.1	28.6	28.2	28.7	28.0	30.3	31.2	31.1	33.0	30.8
Netherlands	26.7	26.9	27.1	27.4	26.8	28.2	26.4	26.3	26.5	25.9
Austria	27.2	27.2	27.9	26.8	27.5	27.0	26.7	27.8	28.1	28.4
Poland	30.6	29.8	29.2	27.8	28.5	27.2	26.8	26.3	27.0	26.0
Portugal	34.0	33.9	33.5	32.1	31.9	31.2	33.0	32.0	33.7	31.9
Romania	37.4	34.7	33.1	35.1	34.8	33.8	34.3	32.0	31.0	28.0
Slovenia	24.5	24.4	23.7	23.4	23.9	23.5	23.0	23.1	23.4	23.8
Slovakia	23.7	24.3	23.2	20.9	22.8	20.9	21.8	21.2	21.6	21.7
Finland	25.2	25.4	25.3	25.9	26.2	26.5	25.7	26.6	26.6	26.1
Sweden	26.7	27.6	28.0	27.0	27.6	26.9	26.8	27.6	29.5	27.6
Iceland	24.7	24.1	25.2	23.2	23.7	24.0	:	:	:	:
Norway	23.9	25.0	26.1	24.8	25.4	25.3	25.9	27.5	24.7	24.4
Switzerland	29.6	29.4	30.1	29.7	30.6	31.2	31.4	31.1	31.5	:
United Kingdom	32.4	31.5	33.1	33.5	:	:	:	:	:	:
Montenegro	36.5	36.5	36.7	34.7	34.1	32.9	32.5	31.5	:	:
North Macedonia	33.7	33.6	32.4	31.9	30.7	31.4	30.3	29.8	:	:
Albania	:	:	36.8	35.4	34.3	33.2	33.0	:	:	:
Serbia	40.0	39.8	37.8	35.6	33.6	33.8	33.3	32.6	31.7	:
Türkiye	41.9	42.6	43.0	43.0	41.7	43.4	42.5	45.3	44.2	44.8
Kosovo*	:	:	:	46.6	:	:	:	:	:	:

Source: Eurostat, 2025, online data code: ilc_di12 [ilc_di12] Gini coefficient of equalized disposable income by age

According to data from the Statistical Office of the Republic of Serbia (SORS), the Gini coefficient in Serbia stood at 38 in 2013, and showed an upward trend until 2016, when it reached 39,8. Since then, the coefficient has exhibited a continuous downward trend, suggesting a gradual decline in income inequality over the past decade and a narrowing gap between the wealthiest and poorest segments of society.

In comparison, the EU-27 average Gini coefficient was 30.8 in 2015, and has slightly declined over the ten-year period to 29.3 in 2024. This represents a reduction of only 1.5 percentage points in the EU, whereas Serbia recorded a 7.9 percentage point decrease during the same period.

As illustrated in Table 3, no EU member state or EU candidate country has achieved a comparable reduction in income inequality over the past ten years. The same pattern can

be observed with regard to the S80/S20 quintile share ratio: Serbia has recorded the largest decrease in measured inequality, based on official statistical indicators.

It is important to emphasize that the extraordinary cash transfer programs implemented over the past five years in Serbia, while not insignificant, were not large enough to account for such a substantial change in the key statistical indicators. This raises a critical question: if we are to disregard the EU-SILC methodology, as applied by Eurostat, as a relevant source for monitoring economic inequality, what alternative indicators do we have to analyze and evaluate income distribution and inequality in Serbia?

Also, one of the key questions that arises in the context of Serbia's recent economic trajectory is also how to explain that observed reduction in unemployment was not accompanied by robust GDP growth. We must ask ourselves can we truly speak of substantial improvements in the labor market?¹⁹ This leads to a broader discussion on how economic growth should be measured, and which indicators and data sources are most reliable and relevant in the case of Serbia.

As Milanovic states, "the fact that the entire planet now operates under the same economic principles—organizing production for profit using free wage labor and capital, mostly privately owned, coordinated in a decentralized manner—has no historical precedent."²⁰ This global convergence of economic systems facilitates comparative research on economic topics, particularly inequality, by enabling the use of common methodological and statistical tools. However, it is essential not to overlook the specific domestic contexts that often remain invisible on the global stage. As Anicic observe, the dynamic shifts in the global business environment have significantly altered the rules of engagement on international markets²¹, but what happened within rules on domestic markets?

According to Lekovic (2020), the institutional environment plays a key role in shaping inequality through its effects on the bargaining power of economic actors.²² The nature of institutions—whether inclusive or extractive—determines their systemic role in the reproduction of inequality. As Lekovic argues, the roots of inequality can often be found in government policies and institutional frameworks that create market conditions. This leads to the phenomenon of rent-seeking, whereby state institutions, through various programs, subsidies, questionable procurement procedures, or selective regulations, may transfer valuable public resources to individuals or interest groups connected to political

19 For further details on this issue, see; Petrović, P., Brčerević, D., Gligorić, M. (2019), Why is Serbia an economic growth underachiever? (Zašto privredni rast Srbije zaostaje); **Ekonomika preduzeća** (Volume 67, issues 1–2, str. 17–33, DOI: 10.5937/EKOPRE1808017P, Retrieved (Jun, 2025) from <https://scindeks-clanci.ceon.rs/data/pdf/0353-443X/2019/0353-443X1902017P.pdf> and Bejatovic G.,(2020). Ekonomski rast Srbije pomatran kroz kretanje BDP-a i novi trendovi u analizi ekonomskog rasta u 21.veku, Zbornik radova 17. tradicionalnog međunarodnog naučnog skupa „Pravnički dani prof. dr Slavko Carić“ – tema skupa: Uloga države i prava i 21.veku održanog 25. septembra 2020.godine na Pravnom fakultetu za privredu i pravosuđe Univerziteta Privredna akademija u Novom Sadu, str. 433-442-395 str. UDK : 330.34(47.11); ISBN 978-86-6019-104-7

20 Milanovic, B. (2021). *Kapitalizam sam: Buducnost sistema koji vlada svetom*. Novi Sad: Akademska knjiga. ISBN 978-86-6263-365-1 p.12

21 Anicic, D., Anicic, J., Bejatovic, G., Petrovic, V. (2019) The Effects of Globalization and Neoliberal Concept on Economy Development of Countries in Transition, JPMNT, Volume 7, Issue 1, p. 7-11, doi:10.5937/jouproman7-19856

22 Lekovic, V. (2020). Institucionalna determinisanost ekonomskih i društvenih protivrečnosti u Republici Srbiji. In *Institucionalne promene kao determinanta privrednog razvoja Republike Srbije* (pp. 5–21). Kragujevac: Ekonomski fakultet, Univerzitet u Kragujevcu. ISBN 978-86-6091-110-2

elites. Gordon Tullock and Anne Krueger defined rent-seeking as a process in which actors invest resources (such as time, money, or influence) to gain economic benefits through political or institutional mechanisms—without creating new goods or services.²³

CONCLUSION

To assess Serbia's economic performance, it is necessary to adopt a multidimensional approach that goes beyond GDP growth alone. Key indicators include: real GDP per capita (adjusted for inflation and purchasing power), employment and unemployment rates, disaggregated by region, age, and gender, labor force participation rate, productivity per worker or per hour worked, export and investment dynamics, sectoral structure of GDP (share of services, industry, agriculture), public debt and fiscal balance, foreign direct investment (FDI) inflows, poverty and inequality indicators (Gini, S80/S20, AROPE) and others.

There are numerous structural and institutional factors that generate, sustain, and exacerbate economic inequality. In the context of Serbia, examples of rent-seeking include party-based employment in public institutions, non-competitive public tenders, selective subsidies, tailor-made legislation, and media control. Eliminating rent-seeking practices is essential for ensuring sustainable and genuine economic growth in Serbia.

This paper has presented some of the key indicators used to measure economic inequality in Serbia and EU countries and offered a comparative perspective. However, future research is needed to more thoroughly explore and explain the causes behind the statistically observed decline in inequality. Much of what we observe in everyday life appears to contradict these statistical trends, raising the question of whether this reduction reflects actual structural change or a temporary statistical artifact. In such a context, Serbia's economic strategy must be both adaptive and evidence-based, recognizing structural vulnerabilities and leveraging institutional reforms to promote inclusive and sustainable growth.

23 Tullock was first conceptualized rent-seeking as the act of seeking economic gain through the political process, rather than through productive activity—essentially attempting to obtain benefits via political influence, but Anne Krueger was the first to defined rent-seeking as competition over state-induced economic privileges—ranging from legal rents to corrupt practices like bribery and smuggling in Anne O. Krueger, *The Political Economy of the Rent-Seeking Society*, *American Economic Review* 64, no. 3 (1974): 291–303, Retrieved (May, 2025) <https://assets.aeaweb.org/asset-server/files/9452.pdf>



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**DRUŠTVENA NEJEDNAKOST PRIKAZANA
KROZ POKAZATELJE EKONOMSKE NEJEDNAKOSTI I
UPOREDNA ANALIZA EKONOMSKIH POKAZATELJA
NEJEDNAKOSTI U SRBIJI SA ZEMLJAMA EU**

Abstract:

Idealno društvo karakteriše pravičan tretman svih pojedinaca, u kojem lične karakteristike poput pola, etničke pripadnosti, socioekonomskog statusa ili drugih razlika ne određuju pristup pravima, resursima i mogućnostima. U tom kontekstu, društvena pravda predstavlja temeljni normativni cilj savremenih društava, dok društvena nejednakost funkcioniše kao empirijski pokazatelj razlika u stvarnom pristupu resursima, ostvarivanju prava i kreiranju šansi za napredovanje. Društvena nejednakost se meri primenom kvantitativnih i kvalitativnih indikatora iz različitih oblasti društvenog života, uključujući ekonomiju, obrazovanje, zdravstvenu zaštitu, političko učešće i pravnu jednakost. Ovaj rad se fokusira na oblast ekonomske nejednakosti, pri čemu se razmatraju ključni pokazatelji kao što su nejednakost u raspodeli dohotka, rizik od siromaštva i socijalna isključenost. Posebna pažnja posvećena je uporednoj analizi Džini koeficijenta, kao jednog od najvažnijih pokazatelja nejednakosti u raspodeli dohotka, sa akcentom na pozicioniranje Srbije u odnosu na zemlje Evropske unije. Analizom relevantnih pokazatelja ekonomske nejednakosti dobijamo empirijski utemeljenu sliku savremenih društvenih struktura, što pruža osnov za koncepciju i unapređenje javnih politika, reformu zakonodavnog okvira i razvoj stratezijskih mera usmerenih ka smanjenju strukturnih razlika, jačanju socijalne uključenosti i ostvarenju cilja pravednijeg i inkluzivnijeg društva.

Ključne reči: *društvena pravda, društvena nejednakost, ekonomska nejednakost, Džini koeficijent*

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