

## Social and Economic Inequality in Colombia: Analysis and Alternatives of Solution, a Vision from the Academy

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**Abstract:** The objective of this research is to perform an analysis and propose how it can help to counteract the social inequality that afflicts Colombia, through a search conducted in several social fields that can potentially be used to mitigate the problems that exist at local level in order to improve the living conditions of the Colombian population, not only at the social level but also at the economic level. The first step is to illustrate the behavior of Colombia in conducting various analytical studies that include inequality in the regions, this type of procedures is done by public entities in this case the DANE. By the other hand, a brief description of the most used analytical method for national entities has been performed in order to determine the current status, illustrating its importance and the scope it may have.

**Key words:** Social inequality, Gini indicator incidence of poverty, economy, digital gap, DANE, analytical method

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### INTRODUCTION

Throughout history, social inequality has been a topic of great interest in society which is reflected with great relevance in Colombia and throughout the Latin American area. Thus, some specific entities at the international level can make measurements of the concentration of income in the world population, this in order to determine their actual behavior and what action plans must be taken into account to mitigate and reduce this problematic that affects society in general (Fergusson *et al.*, 2017; Lustig, 2016).

For the experts in the field there is a continuous challenge that has as a big objective, to find improvements that help to close the great quantitative and qualitative gap that exists between the poor and the rich. This has been achieved from the determination that the most relevant results for the improvement of this problem and the way in which it is possible to improve the index of social inequality that currently exists in Colombia (Garcia and Perez, 2017).

For the World Bank, it is very important to establish a continuous statistical analysis such as the Gini indicator which can be used to obtain the concentration of income among the individuals of a particular population and thanks to which the degree of inequality can be measured of income and wealth in each of the countries. Given that the Gini coefficient is easy to view, it is the most widely used indicator of inequality (Medina, 2001).

The main objective of this research focuses on analyzing the different characteristics that expert

organizations in the topic provide, so that, it can be described from the academic thinking what can be the action plans to be executed to make the decrease of this social problem that Colombia is currently living.

### MATERIALS AND METHODS

In the first instance, a general description of the index is made. Gini illustrating its importance, its measurement factors and the types of results that can be obtained with its application. Similarly, the State of Colombia is illustrated in 2015 against the completion of these studies, analyzing this way what is the trend of the country for some years. On the one hand, the incidence of poverty in Colombia and on the other hand, the result of the Gini index.

This study will take into account the considerations, recommendations and proposals given by expert organizations in the conduct of such statistical studies in order to combat social and economic inequality in Colombia. From the academic point of view an elaboration of action plans will be made, attempting to be applicable in society in a short or medium term and in this way helping to provide a series of objective solutions that improve this problem that the Colombian society is living.

### RESULTS AND DISCUSSION

The world economy for a long time tends to show an increase in social and monetary inequality, that is why

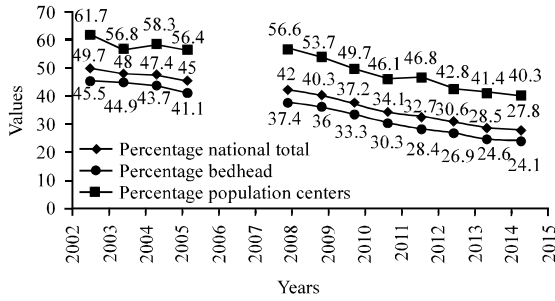


Fig. 1: Incidence of poverty in Colombia (Anonymous, 2016)

various quantitative models have been created that help measure its behavior with the final purpose of analyze and study this socioeconomic factor. The most used by banks is the Gini coefficient, this is an analytical tool created in 1912 by the Italian Corrado Gini which is used to measure the concentration of income among the inhabitants of any type of region. Additionally, this tool is poly functional, since, it is not only used in the economic area but also in branches such as health and engineering (Amarante *et al.*, 2016; Calderon *et al.*, 2016).

The general importance of the use of these analytical models is to be able to make comparisons with other regions or countries and with this, to look at what needs to be improved by emphasizing the approach of new challenges at the local level, measuring the percentage of the distribution that is given to the income and also the economic inequality of the regions. Because of this, the tool can yield more detailed information about the current state of poverty, how the per capita individually within a particular community and what is the income level of them. It must be kept in mind that in Colombia there is a state organization responsible for carrying out this type of procedure, the DANE (National Administrative Department of Statistics), since, through made to all Colombian households it can be obtained all the information that previously was enunciated (Anonymous, 2016).

Figure 1 shows the incidence of poverty in Colombia from 2002-2015 seen from three parts, the first is the total population, the second the headwaters and finally, we talk about the population and rural centers. They identify a tendency to reduce the percentage of social inequality at the local level but if it is compared with the current world economic situation, the difference is not very noticeable which is why it is necessary to propose and apply alternative solutions as soon as possible.

In Fig. 2, the Gini indicator illustrates a two-year comparison that shows minimal improvements in each of its items, reflecting the need to establish a series of

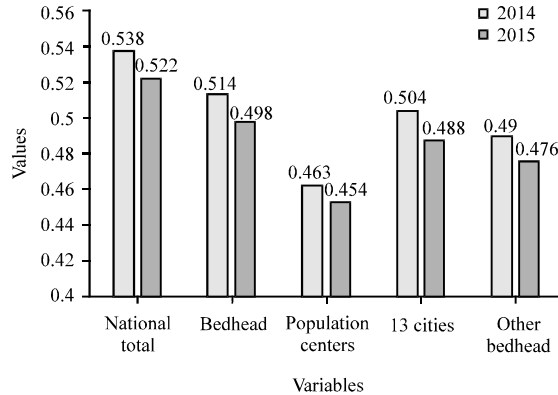


Fig. 2: Gini Colombia coefficient 2014-2015 (Anonymous, 2016)

measures, either medium or long term, looking for a significant improvement against to the established problem.

**Description and analysis of the proposals:** From the academic point of view, it is wanted to investigate which are the social aspects that have the greatest impact on social inequality in Colombian society in order to generate a series of proposals that help to find a reliable and viable solution to this social problem.

Next, some alternatives created based on the current needs of Colombian society and that will help to project the country in a future improvement in the execution of the different analytical studies that are carried out worldwide will be described.

**To combat large business organizations (Monopolies):** Through the creation of new labor systems that give the same guarantees as the big brands which in turn increase the generation of employment in the different types of industry that operate at a national level can start a strong competition against monopolies in the first instance the philosophy that should be used in these new systems is the search for customer satisfaction, taking into account that this factor is what positions the market to any type of business organization.

The change of thought within the national community is what must be strengthened to create new companies and with this, alternative products that seek to meet the needs that are had. On the other hand, a unified corporate policy should be created that aims to protect domestic production, thereby increasing the use of local products and reducing the consumption of products from outside the region. A strong link that there is at the international level for monopolies to exist is the close relationship of these with national governments, so that,

this factor begins to be mitigated in a forceful way, a free market system must be established where no company can be the unique exclusive in the generation and distribution of any product.

Thanks to these alternatives, it is possible not only to fight against monopolies but also, to increase the hiring rate of personnel and strengthen the production, distribution and consumption of the nation's internal products, thus, encouraging the consumer to support the local industry to be able to generate a better internal economy.

**To increase business competitiveness:** In order to be more competitive at the international level, the conventional thinking that many companies have in Colombia must be changed, improving the productivity of the organizations leads to good results. But how to be more competitive? That is the question many ask. In the following paragraphs there will be a brief description of what should be done to obtain the results that are being sought from the executive area of many business organizations in the country (Acevedo-Prins and Jimenez-Gomez, 2015).

In the following list there are mentioned some internal and external pillars that must be taken into account to be more competitive.

Change of chip, the change of thought helps the challenges that are faced to be taken and executed in the best way. The stimulation of the personnel creates a strong relationship within the organizations, so that, the thought in processes can be increased and the current internal concept that refers to the system of functions can be diminished. Staff training is very important because it is inclusive with all the members of the companies and helps to implement a continuous improvement within it.

The modernization of the physical and conceptual infrastructure projects to have defined what is going to be in the future and the innovation of products and services must be constant, since, the market is asking for it continuously and the competitors are doing it.

Defining where the company is going is very important because it is generating a thought of previous planning that can strengthen the decision making at the moment in which it is required.

The use of communication between all the involved areas of a company generates the information to be transversal and this projects to implement processes of training of poly functional personnel.

One of the biggest challenges to be competitive is to be daring with the market, not only working in one area

but to try new commerce, thanks to this the company does not depend only on one field of action and is becoming known in several fields.

Finally, the management of the capital helps to create a secure future for the assets of the organizations that is must be known how to invest and not waste the capital.

**Generation of employment and change in the selection processes:** In order to reduce the index of social inequality and economy in Colombia, the state and both public and private companies have a great challenge. Which is to look for opportunities for improvement, so that, a good new percentage of work can be generated for the community but it is not only to look for opportunities for improvement but to analyze how an optimal work environment can be established, so that, this way can obtain the best results and thus, be able to establish a business opportunity process for those who need it and an improvement in the quality of life (Sanchez, 2016).

On the one hand, there are companies of the public sector which has direct agreements with projects executed from the planning department of the national government. But their current hiring processes leave much to say, since, they are not inclusive with the community in other words the profiles sought for this type of contest have a direct way of making the selection of the staff and in this way the rejection towards the common people. The great challenge that must be posed is that this type of process has a percentage change in order to be more inclusive with the Colombian community and be able to be fairer in the process of analysis and selection of personnel in this way it is considered everyone and the process becomes clearer.

On the other hand, there is the private sector, companies that in the different types of industry help to generate jobs at a certain level but it is not enough just with this, the main challenge of private companies is to risk participating in other types of markets to be able to generate more employment in the first instance and in the future increase their profits.

**Potentiate professional training:** This is one of the most important pillars for Colombian society, on the one hand we must create the ideology that national education at all levels should be a first category sector and should be close to all the population of the territory in general, seeking in this way that said government policy is fully met in order to achieve a radical change in the mentality of the population seeking to obtain a substantial improvement in the quality of life of society in general (Tello and Navarro, 2017).

For a long time at the local level there have been no improvements in teaching practices and this leads to poor results compared to other regions at the international level which is why the government together with the ministry of education and higher education entities public and private must implement certain processes within their institutions, so, in the future not only the education service will be improved but it will be able to be more productive, enterprising and competitive at the educational level (Tejada and Ruiz, 2016). The following are some points of view that are going to be described in order to improve in this aspect.

To change the thinking of the community in general including education as a method of personal and professional improvement.

The implementation of quality indicators within the education system allows not only to measure the academic performance of the students but also, the teachers and directors of the educational institutions in this way an effective analysis and monitoring can be carried out in order to make a continuous improvement to said system.

Being inclusive is one of the largest jobs that national education has all people must have the same opportunity to access this fundamental right.

The optimal selection of the teaching staff should be a very careful process, since, the people who have these types of positions should be the best in their areas of action because education is useless if the types of knowledge received have not good applicative bases. To this end, the teacher evaluation process must be implemented continuously to measure the capacities of the people who are in charge of changing the mentality of society.

The change of methodologies within the classroom is important, since, the field of action must be broadened to a more attractive environment for both the student and the teacher. This emphasizes the need for classes to be more practical, so that, the student is involved in environments that in the future he will face as a professional.

To carry out a broader inclusion of ICTs, so that, academic methodologies are in line with the technological advances that are used at the international level.

**The digital gap:** Innovation and technology investment by the state and the private sector in terms of the technology sector is fundamental. If coverage and access to technological means are expanded, fields of innovation, research and development can be widely promoted contributing to the development of the

country. This digital gap can be greatly reduced if the following recommendations are taken into account (Selva, 2015).

The improvement and change of telecommunication networks at national level (improve coverage). To make adjustments to the rates presented to users, since, rates in Colombia are among the most expensive in Latin America.

To encourage the use of technological tools in all parts of the country in order to familiarize society with the environment that is to be implemented.

Private companies, the state and educational institutions should promote research innovation and technological development as priorities for new generations. The community in general must be empowered of all the received knowledge, so that, these can be well used.

## CONCLUSION

In order to obtain better results that help to eliminate these problems, a series of future projections must be created which will be in charge from its planning to its implementation by the national government and public-private business organizations together with the support of the institutions that can provide fundamental support for the fulfillment of these proposed visions. Each of these suggestions was made taking into account the vision from the academic point of view in order to establish a series of guidelines aimed at complementing university training in technology areas, a fundamental factor for development in the field of innovation and the business framework that a country needs in its development process, seeking to improve the conditions and quality of life of all its inhabitants.

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