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Global Inequality in Redistribution: For A World-
Historical Sociology of (Not) Caring

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Abstract

This paper decomposes global inequality in redistribution, using data from the World Development Indicators data set of the World Bank. It finds that per capita income has a modest, yet persistent effect on redistribution. More provocatively, the paper also demonstrates that, over and beyond the impact of *per capita* GDP, global inequalities in redistribution over the last generation or so strongly reflect the double legacies of colonialism (improving the likelihood of redistribution in former-colonizer societies and sharply reducing it in erstwhile-colonized, recently independent societies). In addition, it also finds that the history of recent exposure to state socialism increases the presence of redistributive institutions, partly counter-balancing the effects of lower national incomes. The data have been obtained from the World Bank's online open-access data site *World Development Indicators*, <http://data.worldbank.org>.

Keywords: capitalism, colonialism, double movement, "Europe", global inequality, Karl Polányi, redistribution, social spending, state socialism, World Bank, world history.

“Try asking serious questions about the contemporary world and see if you can do without historical answers.” (Abrams, 1982: 1)

1. INTRODUCTION

Every scale of social organization, from the interpersonal dyad to the world as a whole, produces inequalities as well as mechanisms to alleviate them. This paper is a modest empirical attempt to map *global* inequalities in the magnitude of *state-level* mechanisms that aim to alleviate *domestic* inequalities through large-scale transfers of economic value through what Karl Polányi and his followers call redistribution. Based on publicly available, global time series data, this paper interrogates what determines the apparent, astonishing degree of state-to-state inequalities in redistribution by examining the power of three additive geopolitical explanations. Best read alongside specific global-, regional- and national-scale, narrative histories of the emergence of redistributive policies, this paper’s central contribution lies in showing that legacies of such *longue-durée* global structures as colonialism and state socialism are palpable in global disparities in redistribution today.

2. REDISTRIBUTION—RECONSTRUCTING THE CONCEPT

Reading discussions concerning the sociologies of such redistributive measures, labeled “the Welfare State” (to be abbreviated as the “WE-ST”), from the perspective of world historical sociology, one notices two peculiarities that may have resulted in two corresponding optical illusions, each of which marring the analytical power of related scholarly arguments.

By focusing on a set of specific (in the vast majority of the literature: west European) states whose selection (or, more precisely, the disregard for all others) is never quite explained—ergo: the “uniqueness” of western Europe is implicitly naturalized—such scholarship runs the risk of falling victim to a geopolitical tunnel vision.¹ This might lead to highlighting some cases perhaps too much—while, by contrast, obscuring others, leading to imprecise conclusions on a number of counts.

Meanwhile, by concentrating on relatively recent issues, questions and developments—such as, for much of the last generation, the fate and future of the “WE-ST”—studies often miss the question of the longer-term, global-historical origins of their object. In such a view, the “WE-ST” emerges, by and large inexplicably—like Pallas Athene in Greek mythology, in full armor, from Zeus’ head—as a phenomenon *sui generis*. There is a strong tendency, especially among scholars in Europe, to see this as an organic “civilizational” achievement on part of the “West” (Lindbeck, 1995; Korpi and Palme, 1998; Robinson and Bell, 1978)—an exceptionalist, extreme-Eurocentric perspective sharply criticized by Karl Polányi. If we perceive “WE-ST” as a

¹ See, e.g., Bartolini, “European Integration and Democracy . . .” as he names the “colossal development of *welfare systems*” as the fifth “major developmental trend in the history of Europe, along with “*state building*,” the “*development of capitalism*,” “*nation-formation*” and “*democratization*” (p. 294) with no regard for the parallel histories of those same phenomena elsewhere in the world, let alone the linkages that have tied “Europe” to the rest of the world throughout the “history” he refers to.

moral phenomenon *sui generis* and, hence, a “civilizational” feature, that implies that the phenomenon requires no proper historical contextualization beyond pointing at—and presumably, celebrating, or, more rarely, from neoliberal perspectives, lamenting—its very existence.

In this context, the very act of raising the question of the world-historical conditions in which the “WE-ST” appeared might appear heretical to some. Be that as it may, for those of us with interests in historical macrosociology—i.e., for scholars who ask, with Philip Abrams, above, questions from the present and aim to find answers in the past (Sarkar, 2008)—the question of the large-scale, indeed, global, contextual conditions, including histories of the specific interconnections (Böröcz, 2009)—under which the institutional patterns we refer to as the “WE-ST” have come to light and existed is quite an important issue that needs to be examined.

I am not aware of any study that had explicitly examined the possibility that elements of the institutional patterns we refer to as the “WE-ST” may have emerged elsewhere, outside Europe. And yet, even if we were to conclude that indeed western Europe played a historical front-runner role in inventing “WE-ST” institutions, a few rather powerful questions still remain. Just what is it about western Europe that had produced those institutions? What is the link between the institutional patterns of the “WE-ST” and the geopolitical linkage structures that tied western Europe to the rest of the world throughout most of the modern period? What other consequences have those global structures had on the development *or the lack-of-development* of “WE-ST” institutions? What mechanisms have kept inequalities in “WE-ST” arrangements over time, especially since most global structures in place at the time of their creation no longer exist? Are there no other factors that might have explained the emergence and maintenance of “WE-ST” institutions? This paper will address a modest subset of those in a limited and tentative way.

Regarded through a Polányian conceptual lens, the “WEST” is that major morphological sub-type of capitalism^{2,3} wherein the unprecedented, nineteenth-century increases in the power of the market over all other human realms, including “society”, are counter-balanced by a separate “sector” of the economy. The emergence of this separate sector does not affect the overall capitalist character of the system; it “just” helps alleviate some of the most egregious excesses of inequality around the “edges” of the social system. The latter is integrated by “an allocative center” (Polanyi, 2011[1957]: 8) of public power through a socio-economic mechanism called *redistribution*. Polányi defines redistribution, at the most basic level, as a mode of “economic integration” (Polanyi, 2011[1957]) that produces

² For this discussion, let capitalism be defined as *a mode of production characterized by the legally and morally codified hegemony of private appropriation of the product of the labor of others*.

³ In defining the scope of this study, I exclude state socialist economies simply because, as the by now classical definition concerning the fundamentally rational-redistributive character of state socialist economies implies that, in such arrangements, redistribution is not a countervailing force to the market but social inequalities are *basically* created and structured by redistributive mechanisms” (Szelenyi, 1978: 63, emphasis added). Hence, the experiences of such societies “seems to differ sharply from the experiences of the market economies where the socio-economic inequalities are basically emerging from market situations and they might be restructured, or moderated by redistributive intervention by the State” (Szelenyi, 1978: 63).

“appropriational movements toward a center and out of it again.” (Polanyi, 2011[1957]: 9)

The emergence of large-scale redistributive structures can be seen as the original, pattern-defining example of one of Polányi’s most radical conceptual innovations, the notion of *double movement*, a dialectical counterpoint to what Polányi famously describes in his masterful, provocative essay, *The Great Transformation*, as a nineteenth-century shift ushering in the overbearing dominance of the market over life in general, including, most prominently, social life. Polányi states the case as follows:

Social history in the nineteenth century was [. . .] the result of a double movement: the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones. While on the one hand markets spread all over the face of the globe and the amount of goods involved grew to unbelievable proportions, on the other hand a network of measures and policies was integrated into powerful institutions designed to check the action of the market relative to labor, land, and money. While the organization of world commodity markets, world capital markets, and world currency markets under the aegis of the gold standard gave an unparalleled momentum to the mechanism of markets, a deep-seated movement sprang into being to resist the pernicious effects of a market-controlled economy. Society protected itself against the perils inherent in a self-regulating market system—this was the one comprehensive feature in the history of the age. (Polanyi, 1944: 76; Block, 2003; Block and Somers, 2014: 13-14)

In a reluctantly appreciative, part-generous, part-streamlined⁴ reconstruction of Polányi’s “modes of economic integration,” institutional economist Douglass C. North argued, in 1977, that redistributive “appropriational movements” had involved “obligatory payments to central political or religious authority which used [sic] the receipts for its own maintenance to provide community services, and as an emergency stock in case of individual or community disaster.” (North, 1977: 707)

From our early-21st-century, post-state-socialist point of view, it is apparent that North’s reconstruction is a somewhat restrictive rendition of Polányi’s concept of redistribution. First, by now we know that redistributive arrangements have clearly produced socio-economic and -political practices that include *transfers of value far beyond the scope of money* “payments.” The existence and geopolitical success of very large-scale supra-state organizations, such as the European Union or NATO, for instance, could not be properly apprehended without reference to the some notion of the redistribution of *public power* (Böröcz, 2009). Second, such examples as the EU and NATO also suggest that redistribution can occur on scales greater than the “nation”-state (i.e., in situations where the central authority that controls the redistributive process is not a “nation”-state but a supra-state organization of sorts so that “nation”-states can, and often do quite prominently, appear not among the controllers but the contributors and recipients of such redistribution). To be noted

⁴ North’s reconstruction of this concept, central to Polányi’s work, is enclosed in parentheses.

also is that such supra-state systems of redistribution, which deal primarily in redistributing geopolitical advantage, also draw “into the center” and re-allocate “out of it again,” as part of the geopolitically organized process, large amounts of economic value, especially to the most privileged corporate entities that play strategic roles in maintaining the system (e.g., arms manufacturers, global energy concerns, etc.).

Third, policies that the “WE-ST” has brought about have enabled and stabilized the lives of large swaths of populations well beyond the “political or religious authority[’s. . .] own maintenance” or “emergencies” caused by “disasters” (unless of course we consider the market-subjugated experience of modern, [post-]industrial capitalism an ongoing disaster by itself). Indeed it could be argued that, albeit not in all, but at least in some of the more than two hundred states of the world today, redistributive arrangements have fostered the survival of not only entire populations and their sociocultural heritage but important industries or even branches of “national” economies by providing predictability, stability and a well trained and healthy labor force for capital. As a result, redistributive systems have contributed to political stability and the survival of a fairly large number of states with reasonable capacities to act.

As a counterpoint, Philip Abrams provided the following list as descriptive features of the “WE-ST” in 1982:

[. . .] measures a government takes to protect the standard of living of its subjects in circumstances where the ordinary workings of the market are judged incapable of doing so adequately. Such circumstances typically include old age, childhood, motherhood, illness, disability, unemployment and low wage employment. And the measures will typically include pension schemes, child benefit or family allowance schemes, insurance protection against unemployment, industrial accidents and sickness and some degree of public control of health and education services. (Abrams, 1982: 8-9).

As students of economic sociology would surely concur, fourth, socio-economic life is replete with examples—some of which are quite crucial for the reproduction of social life—that involve transfers of value on scales vastly smaller than what the reference to “national or religious authority” implies: The household and the family both offer truly important cases in point. Finally, fifth, redistribution could hardly be tucked away in the *past* as North’s use of the past tense (“. . . which *used* the receipts. . .”) implies.

3. REDISTRIBUTION RATES IN GLOBAL COMPARISON

In this paper, my goal is to examine whether any *longue-durée* patterns can be discerned in *today’s* global society-to-society distribution of redistributive practices. The analysis will lead to a critique of the “west”- and Euro-centric “modernization” paradigm for its neglect of the impact of “external entanglements” and global and other supra-state factors in “domestic” structural outcomes. To that aim, below I review quantitative evidence regarding global variance in a single “dependent” variable, (Fenger, 2007; Prasad, 2008; Abu Sharkh and Gough, 2010; Suárez-Berenguela, 2002) a measure the World Bank labels “Social Contributions” and

presents as part of its *World Development Indicators* dataset.⁵ “Social Contributions” include

[. . .] social security contributions by employees, employers, and self-employed individuals, and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments.⁶

Clearly, the International Monetary Fund—the organization that collects these data—and the World Bank—which publicizes them in its famous, and in many ways uniquely useful online data service⁷—labor under the restrictive notion of redistribution that we find in North’s paradigm-setting article: Their interest lies in transfers of economic value in the form of *money*, measured as percentages of *government revenue*, on a *national scale*. In other words, the dependent variable I use here is not perfect (no empirical measure ever is) as it likely underestimates the total role redistribution plays in social life.⁸ However, it serves as a useful proxy for the purpose of this brief overview. Clearly, much more detailed work lies ahead in this area.

In terms of the well-known Polányian “mosaic typology,” (Böröcz, 1997; Bodnár, 1998; Bandelj, 2012) it is possible to think of the variable called “Social Contributions” as an empirical measure, expressed as percentages of the Gross Domestic Product, of the amount of economic value the world’s societies allocate for large-scale, macro-societal redistribution by the state. The purpose of this paper, then, is to draw a portrait of the global distribution of the world’s societies according to their practical commitment to redistribution.

Table 1. Global Inequalities in Social Contributions (% of Revenues)— Number of Valid Cases, Means, Standard Deviations and Coefficient of Variation by Income Group—2012. Computed from IBRD. *World Development Indicators*.

	Number of Valid Observations	Mean Social Contributions	Standard Deviation	Coefficient of Variation: Standard Deviation / Mean
Top income half (N=94)	54	24.7	14.4	.72
Bottom income half (N=95)	23	10.2	7.4	.58

⁵ <http://data.worldbank.org/indicator/GC.REV.SOCL.ZS> , last updated November 25, 2015, as of December 1, 2015. The data come from the International Monetary Fund’s *Government Finance Statistics Yearbook* and data files (ibid.)

⁶ <http://data.worldbank.org/indicator/GC.REV.SOCL.ZS> , last updated November 25, 2015, as of December 1, 2015.

⁷ <http://data.worldbank.org/indicator/GC.REV.SOCL.ZS> , last updated November 25, 2015, as of January 1, 2016.

⁸ In addition, there is every reason to assume that the ratio of monetary and non-monetary redistribution varies across cases, and this variable only measures monetary redistribution.

The data provided by the two dominant global financial institutions concerning “Social Contributions” span twenty-three years (1990 to 2012). For each year, the data range between an abysmally small to a very small number of observations.⁹ This is in sharp contrast to a much more complex measure, the *per capita* GDP: Over the same time span, three to nine times more of the world’s states¹⁰ have reported estimates of their relative wealth than Social Contributions, a key measure of the degree of economic redistribution they engage in.

As Table 1 suggests, (non)-reporting of data about Social Contributions seems to be related to levels of national income. In the last data year of 2012, the states that made up the poorer half of the world’s distribution in terms of *per capita* GDP, only 23 had¹¹ the wherewithal / willingness / interest even to provide information about Social Contributions. The corresponding figure for those in the richer half was 54.¹² The world’s richer states are almost two and a half times more likely to have / provide information about their redistributive practices.

Even more suggestive concerning the possibility of a national income-related pattern of sorts for redistribution, the societies in the poorer half of the world have considerably lower average rates of Social Contributions than the richer ones,¹³ showing a contrast of a magnitude of, again, almost two and a half times.¹⁴

Based on those initial observations, we can start our analysis by stating that:

1. Redistributive practices are far from evenly instituted among the societies of the world,
2. The global spread of redistributive policies is not random either, meanwhile
3. Purely “civilizational” explanations of macro-scale redistributive policies also appear inaccurate: There seems to be a systematic relationship between rates of redistribution on the one hand and levels of “economic performance,” a measure that is known, on the other hand, to be very much rooted in the *longue-durée*—as a matter of fact, half-a-millennium-long—history of the political economy of global capitalism and geopolitics. This can happen in one of two ways: Either the “civilizational” argument misses the point entirely, or the “civilizational” variable strongly co-varies with global income, so that the latter confounds the argument based on the former.

Let us summarize what we have learned so far. Richer societies—those which, as it stands to reason, have more to redistribute—*do*, by and large, *redistribute more*, while societies closer to the bottom of the global income scale seem to suffer a particularly

⁹ N=23 for 1990; N=82 for 2008.

¹⁰ The range of valid state-to-state observations about GDP/cap in the *World Development Indicators* between 1990 and 2012 was N=163 to N=192.

¹¹ Computed from IBRD, *ibid.*

¹² Computed from IBRD, *ibid.*

¹³ The two means are 10.2% for the poorer half and 24.7% for the richer half. Computed from IBRD, *ibid.*

¹⁴ Computed from IBRD, *ibid.* The coefficient of variation—a simple measure of the within-category dispersion of the distribution computed as standard deviation / mean—suggests that rates of Social Contribution are spread at close to equal degrees in the two groups.

severe lack of redistribution, even when expressed as a percentage of the meager income they have.

4. PATTERNS OF DISPARITIES IN REDISTRIBUTION—GLOBAL INCOME INEQUALITY AND BEYOND

However, would it be accurate to conclude that levels of “economic performance” fully explain global variance in redistribution rates? Does relative position in the world-economy have the power of fate with respect to redistributive social policy? To what extent is *per capita* GDP in and of itself a satisfactory predictor of the percentage of GDP being redistributed through Social Contributions? We can obtain a straightforward answer to those questions by computing a measure of association between the two variables.

Figure 1 Annual Correlations Between *per capita* GDP and Social Contributions, 1990-2012, States of the World. Computed from IBRD, *World Development Indicators* dataset.

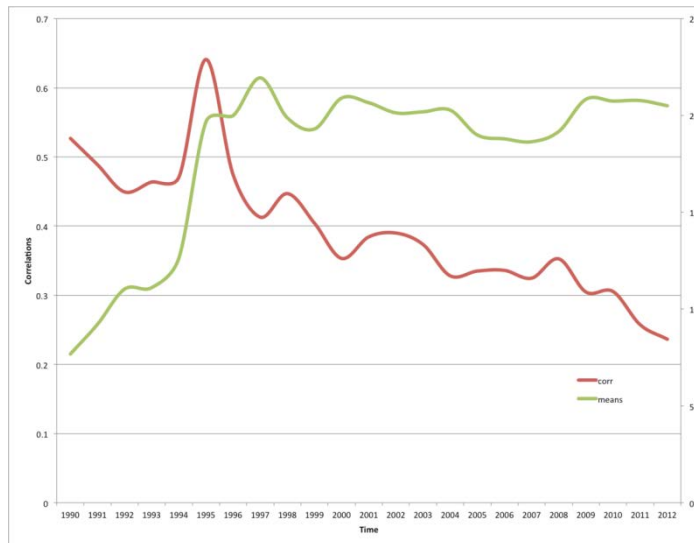


Figure 1 shows two basic aspects of the data. The green line marks the global unweighted means of Social Contributions for the entire period (1990-2012) for which the *World Development Indicators* dataset offers information. From an initial point of about 7.5%¹⁵ in 1990, the world mean in Social Contributions rose to approximately 20% by 1996, and has hovered around that mark ever since.

As is clear at first glance, the magnitude of the correlations between *per capita* GDP and Social Contributions show a short initial period of great fluctuation,¹⁶ followed by an almost twenty-year-long monotonous decline. Between 1995 and 2012, the magnitude of the degree of association between national income and Social

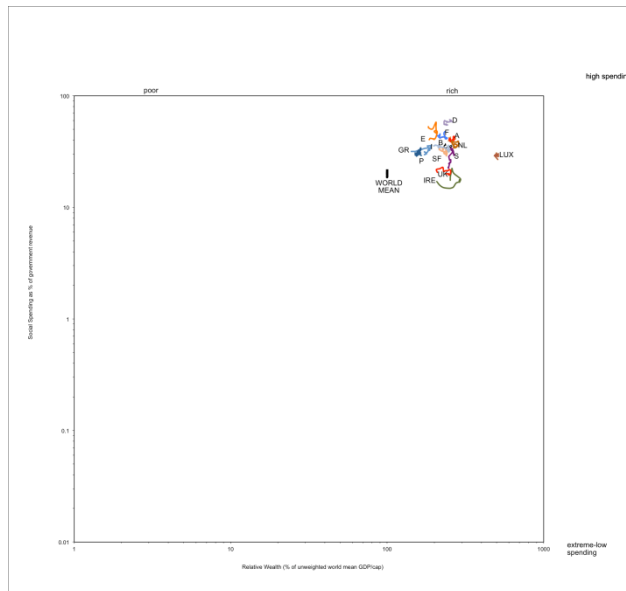
¹⁵ The means are marked on the scale on the right-hand side.

¹⁶ Given that the coefficient of correlation between GDP and Social Contributions shows a “jump” only in a single year (1995), I cannot exclude the possibility that it is the artifact of some sort of corruption in the data.

Contributions dropped by almost two-thirds.¹⁷ Put differently, as we move closer to the present, the position of a particular economy in the world system (measured, here, by the *per capita* GDP figures) determines its rate of redistribution less and less. By 2012, over 94% of the global variation in rates of redistribution was un-explained by *per capita* GDP.¹⁸

Clearly, something really peculiar is going on. To understand what the data are telling us, we need a more detailed picture of the global distribution of redistributive policy. In what follows, I take a visual approach to that task: I plot the distribution of the world's states in terms of their Social Contributions by their *per capita* GDP in a series of graphs where the former occupies the vertical dimension and the latter the horizontal one. Let's start by observing—as does much of the literature—the west European member states of the European Union as the first group.

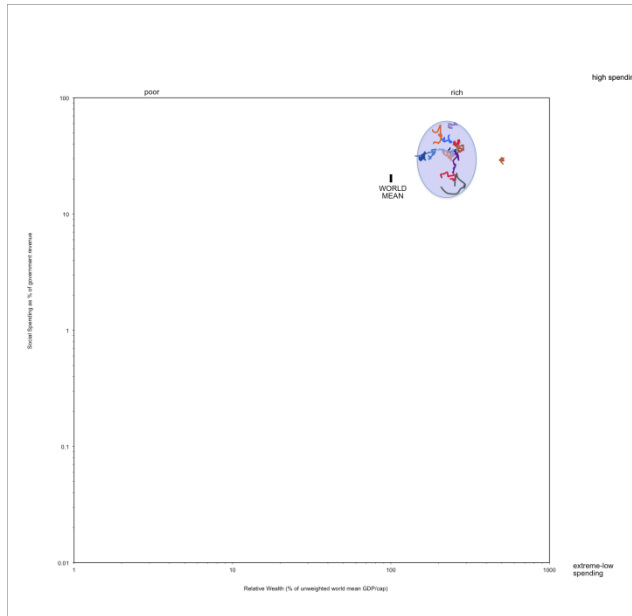
Figure 2 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: "CORE" EUROPEAN UNION 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, *World Development Indicators*.



¹⁷ The correlation efficient for 1995 is .64; for 2012, it is at .24.

¹⁸ For 2012, $R^2 = .05589$, at $N = 78$.

Figure 3 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: "CORE" EUROPEAN UNION 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, World Development Indicators. Depicted As A Cluster



The western “core” of the European Union (defined as a conglomerate of the EU’s member states until the first step of “eastern enlargement in 2004¹⁹) indeed constitutes a remarkably consistent, tight-knit group.²⁰ It is a group coherently together in terms of its *per capita* GDP figures²¹ and, more relevant to our interest here, also quite closely together in terms of its Social Contributions figures, ranging between Ireland’s 15% and the UK’s 20% at the bottom of the distribution to Spain’s 58% and Germany’s record high 60%. While a range of the magnitude of three to four times may not strike us as a particularly tight distribution, as we shall see shortly, this is, in global comparison, a remarkably close clustering indeed.

¹⁹ Figure 2 presents the data in the “Westphalian” view, i.e., as if these were fully sovereign, independent states that have nothing to do with each other, and labels each state for easier reference. In contrast, Figure 3 shows the same data in the “EU-as-a-single-entity” modality—i.e., without the labels—with a single bubble representing the “community.” Notice that, switching between those two modalities provides the EU with a special geopolitical advantage, shared by none of its global competitors (Böröcz, 2009).

²⁰ To be noted is that the scale of the graph is set so as to be able to accommodate all societies of the world, coming up in the remaining graphs.

²¹ The *per capita* GDP figures for this group range between Greece’s initial “low” of 142% of the world average to Luxembourg’s 490%.

Figure 4 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: ENTIRE EUROPEAN UNION 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, World Development Indicators.

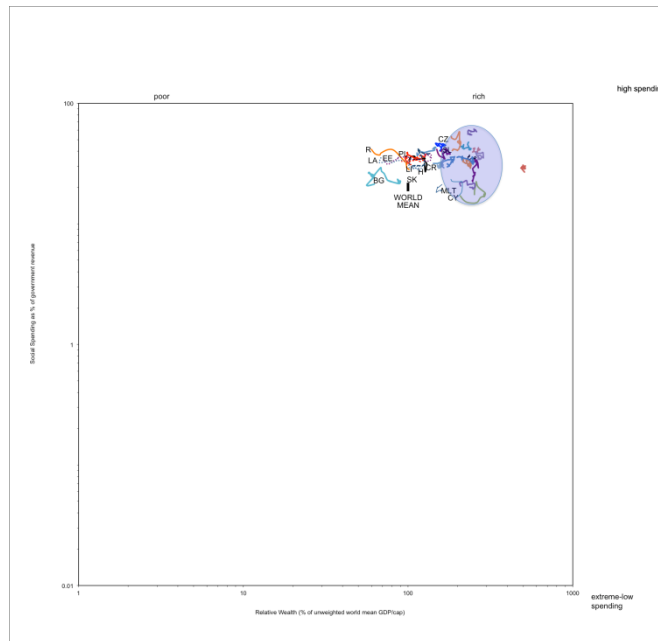
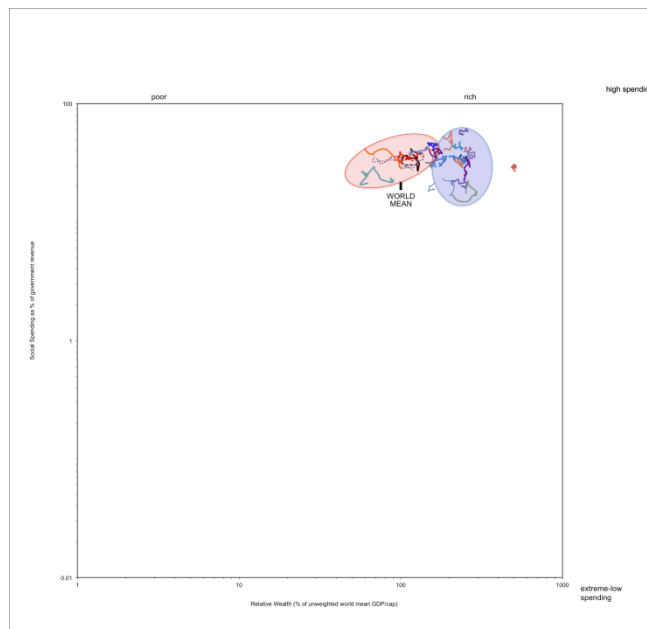


Figure 5 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: ENTIRE EUROPEAN UNION 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, World Development Indicators. Depicted As Two Clusters



Next, let us expand the picture and bring in the non-west-European (i.e., erstwhile-state-socialist plus small-island-Mediterranean) member states of the EU. Figures 4 and 5 perform that task.

The two former British “possessions,” Malta and Cyprus form a small cluster, overlapping with Ireland and the United Kingdom, providing an indirect, nevertheless quite suggestive, indication that we are witnessing some truly persistent historical patterns. Other than those two, the rest of the recent-EU-members—i.e., the erstwhile-state-socialist group of east-central European / Baltic societies within the EU—constitute a group that is as tightly clustered as its west European counterpart.

This must be a truly unexpected finding for those who insist on linking the presence of “WE-ST” policies to *west* European “civilization.” Most EU-member societies—i.e., not just those in western Europe, but those of east-central Europe as well, irrespective of the differences in their levels of national income—show redistribution rates that are, for the most part, above, and in many cases, very considerably above, the world mean²² during the period in question. (There are only three exceptions—Ireland, Cyprus and Malta—i.e., none of them is in east-central Europe.)

Consequently, in spite of their spread in terms of national income²³, the redistribution rate of this group of more recent EU-member states *fully overlaps with the mid-range of the spread of their west European fellow-EU-member societies*.²⁴ From a global comparative perspective, east-central Europe’s erstwhile-state-socialist societies have registered rates of redistribution that are strikingly similar to their west European counterparts, in spite of the obvious, and quite considerable, gaps between the two groups in terms of national income. East-central Europe is resolutely showing the presence of the supposedly “essentially west European civilizational achievement,” at much lower levels of global income (i.e., with much less income available for redistribution).

²² Represented by a continuous, vertical thick black line, the world mean in Social Contributions ranged between 18.99% and 22% during the 1995-2012 period.

²³ This ranges from Bulgaria’s 57% to Slovenia’s 180% of the world mean *per capita* GDP.

²⁴ The erstwhile-state-socialist societies of the EU have reported Social Contributions rates between Bulgaria’s 20% and the Czech Republic’s 46%.

Figure 6 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: EUROPEAN UNION and ERSTWHILE-STATE-SOCIALIST STATES of Northern Eurasia 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, *World Development Indicators*.

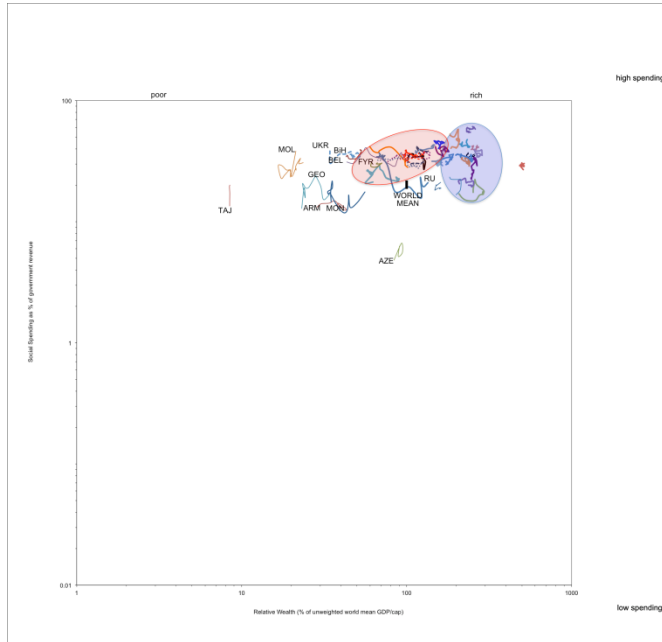
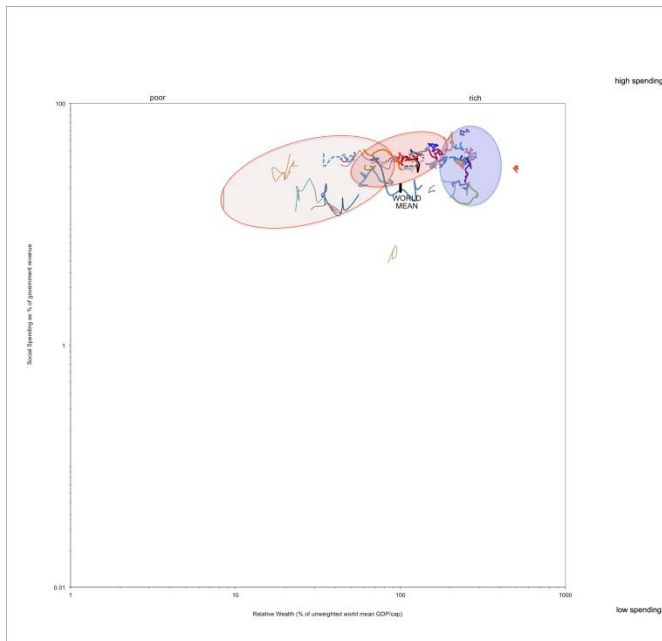


Figure 7 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: EUROPEAN UNION and ERSTWHILE-STATE-SOCIALIST STATES of Northern Eurasia 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, *World Development Indicators*. Depicted as Clusters



As a next step, let's consider those societies of the former-state-socialist bloc that are not members of the European Union. As Figure 6 indicates, even here we see a number of states—Moldova, Ukraine, Belarus, Bosnia-Herzegovina, FYROM,²⁵ and, for much of the period under study, Russia as well, whose Social Contributions levels are *on par* not only with their fellow-erstwhile-state-socialist counterparts, but also with the west European EU-member states as well. Obviously, all the cases mentioned here are also above the world mean for the period in question. This is so in spite of the astonishing spread of these societies in terms of their national incomes,²⁶ a result of their catastrophic post-state-socialist trajectories in economic performance.

Meanwhile, another group of former-state-socialist states—Tajikistan, Georgia, Armenia, Mongolia and Azerbaijan (as well as another group, comprised of Kyrgyzstan, Turkmenistan, which have not even filed Social Contributions data with the IMF, presumably because of lack of interest or the dearth of state capacity) are showing clear signs of low rates of redistribution. The rest of this analysis will allow us to see those low levels in a global comparison.

Presenting the data in this, step-by-step, fashion affords us a convenient opportunity, next, to examine the power of those ideas which posit a structural similarity between the societies of Latin America and the Caribbean on the one hand and eastern and east-central Europe on the other. This perspective has a respectable history of its own, (Przeworski, 1991; Karl and Schmitter, 1991; Haggard and Kaufman, 2008) and there are many exciting arguments in favor of such comparisons. Perhaps the most appealing of them is the fact that there is a group of societies in Latin America and the Caribbean that have occupied middling, semi-peripheral positions in the world-economy since their independence—i.e., positions that are close to the *longue-durée* historical “locations” of the societies of eastern and east-central Europe. On that basis, it is certainly more appropriate to compare the societies of east-central Europe to Latin America than—as it is customarily done in the post-state-socialist context—to western Europe.

²⁵ The Former Yugoslav Republic of Macedonia

²⁶ Tajikistan shows, for much of the period, *per capita* GDP levels below 10% of the world mean, while the highest figure for Russia—134%—is well within the range of the figures for east-central Europe.

Figure 8 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: EU, ERSTWHILE-STATE-SOCIALIST STATES AND LATIN-AMERICA AND THE CARIBBEAN, 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, *World Development Indicators*.

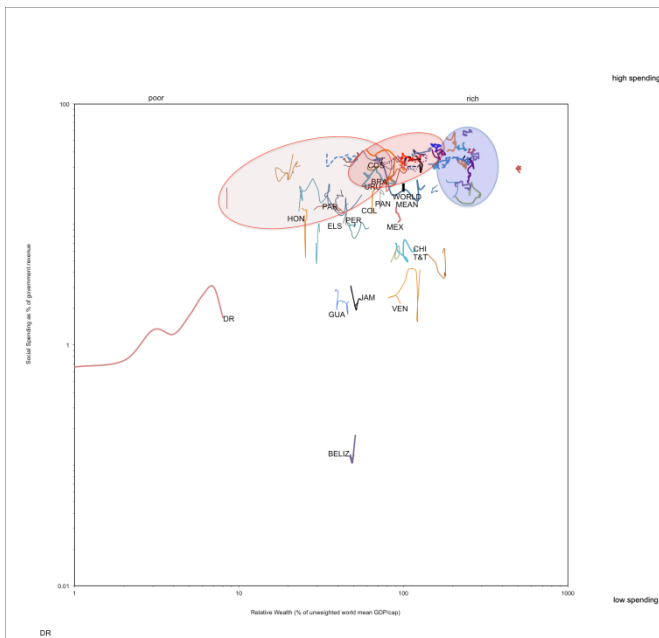
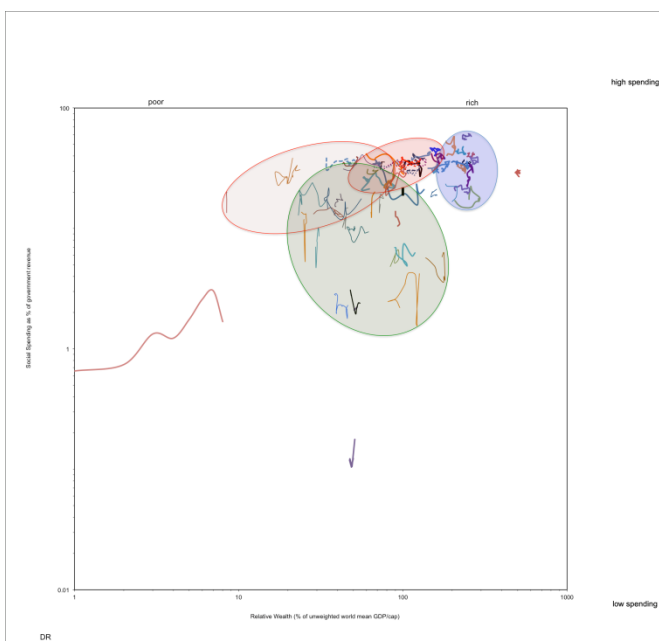


Figure 9 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: EU, ERSTWHILE-STATE-SOCIALIST STATES AND LATIN-AMERICA AND THE CARIBBEAN, 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, *World Development Indicators*. Depicted as Clusters



As it turns out, Latin America and the Caribbean overlap in terms of income quite a bit more with the former USSR and less with east-central Europe. Having said that, it is clear that a few, but not all, Latin-American cases support the idea of a grand similarity between the two areas: Latin America's lines in these graphs fall fully within the "region" of the now-EU-member erstwhile-state-socialist states of east-central Europe. Most of Brazil's profile falls between those of Belarus and Romania; Costa Rica's is between Bosnia-Herzegovina and Russia the last few years, and Uruguay's line cuts through from Bulgaria through Russia to Croatia. I should also add that Argentina's Social Contributions data—which is something that could also have been expected to overlap with east-central Europe—are unfortunately missing from the World Bank data set.

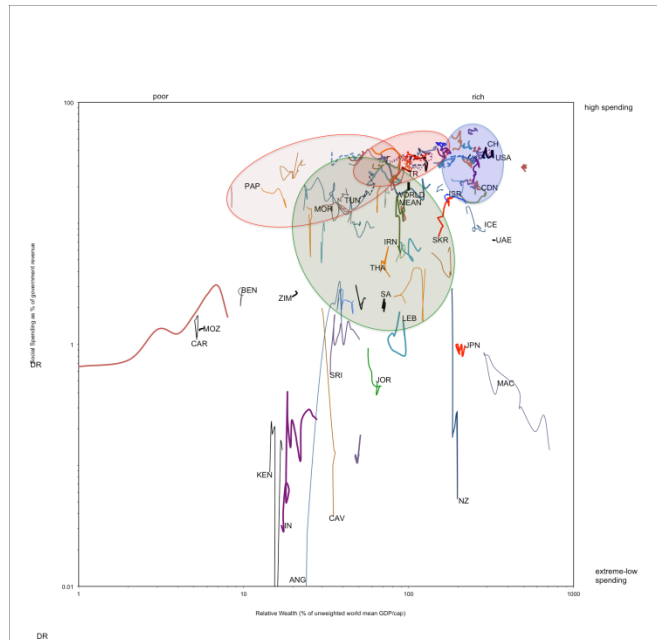
A second group of the societies of Latin America and the Caribbean—namely, Paraguay, El Salvador, Honduras, Colombia and Panama—overlap with the poorer, non-EU-member former-state-socialist group. Perhaps most striking, a sizeable group of Latin American societies—including not only endemically poor Dominican Republic, Bolivia, Peru, Guatemala and Belize, but also clearly semi-peripheral Mexico, Chile, Venezuela, Trinidad and Tobago as well as Jamaica—show abysmally low levels of Social Contributions, far below the "league" of the former-state-socialist group of east-central Europe.

This suggests that, *with respect to the magnitude of redistribution*, the wholesale "Latin America / Eastern Europe" comparison might need specification. What these data suggest is that *a few* Latin American societies—notably, Brazil,²⁷ Costa Rica and Uruguay—do approximate the poorer group of east European societies. Another way of putting this is to state that only the latter show levels of redistribution that measure up to the world average. All the rest of Latin America and the Caribbean—at least the societies for which we have data—fall below.

As Figure 9 shows, an enormous patch represents Latin America and the Caribbean: The internal cohesion of the region is thus much less than that of any of the three reviewed above. It is also clearly discernible that most of the "area" covered by Latin America and the Caribbean is below the world average both in terms of *per capita* GDP and Social Contributions. Latin America occupies, by and large, a strikingly different location in the global system of inequalities than eastern and east-central Europe—especially in terms of the level of effective redistributive policies.

²⁷ The constitutional coup that removed the pro-redistributionist president of Brazil on May 12, 2016, and replaced her with a neoliberal politician set to impose a set of radical reductions in social services shows the fragility of this structural regularity in the Latin American context.

Figure 10 SOCIAL CONTRIBUTIONS AND GLOBAL WEALTH: ALL STATES OF THE WORLD, 1995-2012, (starting year varies due to missing data) Social Contributions as % of Government Revenue (%) (variable GC.REV.SOCL.ZS) by Relative Wealth (% of unweighted world mean GDP/cap) (variable NY.GDP.PCAP.PP.CD). Computed from IBRD, *World Development Indicators*.



Finally, let's add all the remaining states of the world to the mix. Figure 10 maps their positions. Starting in the top-right corner of the graph, Switzerland, the USA, Canada, and Turkey exhibit levels of Social Contributions that are reminiscent of the west European—east(central) European—other-erstwhile-state-socialist pattern. Israel, Tunisia, Morocco and Papua New Guinea hover not too far below the world mean. Two societies—Iran and South Korea—show spectacular increases in their levels of Social Contributions during this period, almost reaching the world mean in the end. Thailand's, South Africa's and Lebanon's commitment to redistribution seems vaguely similar to those observed in the least redistributive states in Latin America and the Caribbean—i.e., far below the west European - post-state-socialist “vanguard.”

Meanwhile, the rest of the world's societies—including such wealthy states as Macao, Japan and New Zealand, middle-income Jordan, and virtually all the remaining, peripheral societies of the world, from the Central African Republic to Sri Lanka, Cape Verde, Angola and India—show low scores in terms of their *per capita* GDP levels and extreme-low levels of Social Contributions.

To recap, had it been the case that *per capita* GDP fully determined rates of redistribution, the plot of the world's societies in the last graph would resemble a single line stretching diagonally between the bottom-left to the top-right corners. Even a cursory look at Figure 10 helps us conclude that that is indeed *not* the case. We do have an area quite densely “populated” by states close to the top-right corner, i.e., where the richest and most highly redistributive societies are located. This

distributional feature, however, does not support the “west European civilizational achievement” argument, for two reasons.

First, there exist societies that are “western” that *do not* display high levels of redistribution. New Zealand is a case in point.²⁸ Furthermore, if we expand the meaning of “west European civilization” to include, say, the United States of America, intellectual honesty would compel us to do that for all other white-settler, European-dominated former colonies in the Americas as well. Some of those have relatively high levels of redistribution, others do not. If the US and Canada (which have relatively high redistribution rates) are “European,” in what sense can it be argued that New Zealand, Paraguay or Venezuela (which do not) are not?

Furthermore, the arch-modernizationist (So, 1990) “west European civilization” argument also faces the generic problem of moral geopolitics—namely, the fact that the societies that supposedly constitute the beacon of progress and hope for the rest of humankind in that argument were also those which established their current economic, political and cultural hegemony over the rest of the world by way of subjugating as much of the rest of the world as they could through colonial pursuits. A brief illustration should suffice here.

The literature on the historical sociology of redistribution is very scant on the historical embeddedness of macro-redistributive “WE-ST” measures. Andrew Abbott and Stanley DeViney (1992: 250) is an exception, using a sophisticated data analytical technique to model “the date of the first law embodying each of [. . .] five programs [considered of key importance to the welfare state] in 18 developed countries.”(Abbott and DeViney, 1992: 249) The list of the 18 “developed countries” and the timing of the onset of the welfare policies is presented in a single graph (Abbott and DeViney, 1992: 250). The time span of the emergence of those programs stretches from the mid-eighteen-eighties to the mid-nineteen-seventies.

²⁸ Data for Australia are, unfortunately, missing from the Social Contributions data set.

Table 2 Percentages of the World Land Areas and Population in Colonial Powers and Colonies. List of Countries adopted from Abbott and DeViney, "The Welfare State. . .", Colonies data adopted and computed from: Clark, *The Balance Sheets of Imperialism*, Table 1.

	1878 areas	1913 areas	1933 areas	1933 populations
	Colonies % of world total	Colonies % of world total	Colonies % of world total	Colonies % of world total
Austria	0	0	0	0
Australia ²⁹	0	0	0	0
Belgium	0	1.8	1.85	.66
Canada	0	0	0	0
Denmark	.24	.24	.24	.46
Finland	0	0	0	0
France	3.31	8.46	8.92	5.22
Germany	0	2.25	0	0
Iceland ³⁰	0	0	0	0
Italy	0	1.7	1.86	.12
Japan	0	.22	1.21	2.9
Luxembourg	0	0	0	0
Netherlands	1.55	1.55	1.55	3.1
New Zealand ³¹	0	0	0	0
Norway	0	0	0	0
Sweden	0	0	0	0
Switzerland	0	0	0	0
United Kingdom	18.62	22.03	23.67	22.12
TOTAL	23.72	38.25	39.30	34.58

Table 2 reproduces Abbott and DeViney's list of the "18 developed countries," and supplements it with basic information on arguably one of the most sweepingly significant global geopolitical facts of the 1880-1970 period—namely, the history of colonialism.³² It seems that the "original" programs proposing large-scale redistribution policies were born in those parts of the world (some of western Europe plus the United States, the "white settler" colony of the United Kingdom), which were most deeply involved in colonial pursuits. The overlap is imperfect, and asks for further specification—which I will attempt in the last section of this paper.

A second way in which this distribution belies the western-Europe-centric, modernizationist / "civilizationist" argument has to do, of course, with the presence of a considerable number of societies—all of which are located, in a spatially contiguous manner, stretching over northern Eurasia from the German/Polish, German/Czech, Austro-Hungarian and Austro-Slovene borders to the Pacific Ocean. Some of them have a long history of claiming "westernness" and running up against "western" denials; others have identity histories of even more complicated, ambiguous relations

²⁹ Part of the United Kingdom until 1901.

³⁰ Part of the Danish Monarchy until 1944.

³¹ Part of United Kingdom until 1907.

³² This is a rather peculiar list indeed, as Abbot and DeViney label societies like Finland—which had, according to Angus Maddison's historical economic performance estimates (Maddison, 2010) a mere 117% to 138% of the world mean *per capita* GDP between 1820 and 1913, as a "developed country." If it were so, definitely the Czech Lands, as well as perhaps even Hungary, should have been included in the same category.

with the “west.” At this point, it would be hard not to notice that the one thing in common among all of these societies is their shared, recent history of state socialism.³³

There is no space in this paper to review the history of the specific policies and related debates about redistribution a great variety of institutional practices under state socialism. That, however, is not necessary for my argument either. My claim is simply that, viewed from an early-21st-century, global, post-state-socialist perspective, it is quite obvious that one of the shared legacies of the now defunct, Soviet-and-east-central-European state socialist rule is that the societies it left behind have retained exceptionally strong redistributive institutions, ergo—as in the measures I have reviewed here—unexpectedly high levels of Social Contributions. Put differently, what distinguishes eastern and east-central Europe from its comparative counterparts in Latin America and the Caribbean is eastern / east-central Europe’s legacy of strong redistributive institutions in the era of post-state-socialist capitalism. One of the morphological features they all had in common as they re-entered unmitigated, (semi)peripheral capitalism one generation ago was their solid redistributive infrastructure. In Latin America and the Caribbean, only one society—Cuba—could lay a credible claim on such a legacy. Cuba, however, is not capitalist today (ergo it falls outside the scope of the empirical material presented here), nor are estimates about the magnitude of Social Contributions available in the IMF-World Bank data.

5. MODELING HISTORIES IN THE PRESENT

As a last step, I will make a brief attempt to estimate the relative power of the various alternative explanations for the global variance in Social Contributions, with data referring to three time points: 2002, 2007 and 2012.³⁴ The vehicle for that is a small and parsimonious multivariate regression analysis using Social Contributions as the dependent variable.

³³ Were it the case that only the former Habsburg lands of east-central Europe had such high levels of redistribution, it could be argued that that is a result of their shared imperial political, social-institutional heritage. The case of the remarkably high redistribution rates in the Czech Lands, for instance, would very much support such an argument. (I thank one of the reviewers for pointing this out.) And, yet, the fact that there is another set of erstwhile-state-socialist societies in this group - many of which are successor states of various parts of the former USSR - suggests either that there are multiple, parallel mechanisms that produce the same outcome, or that it has to do with the one shared feature among them, i.e., the institutional legacies of “Soviet-style” state socialism.

³⁴ Data availability problems would have caused insurmountable statistical problems with earlier time points.

Table 3 Global Inequalities in Redistribution, 2002: Regression Analysis of Levels of Social Contribution (Coefficients). *: p<.1; **: p<.05; ***: p<.01. The analysis not based on sampling; significance levels are indicative of statistical strength of the relationship only.

	Model 1	Model 2	Model 3	Model 4
<i>Per capita</i> GDP, 2002	.0005**	.0003*	.0004**	.0002*
Former colonizer		11.9*	15.1***	11.6**
Erstwhile state-socialist state in eastern / east-central Europe			24.2***	16.6***
Colonial independence since World War II				-12.1**
N	67	.67	67	67
Model R ²	.15	.219	.54	.60
Model p	.001	.0004	.0000	.0000

Table 4 Global Inequalities in Redistribution, 2007: Regression Analysis of Levels of Social Contribution (Coefficients). *: p<.1; **: p<.05; ***: p<.01. The analysis not based on sampling; significance levels are indicative of statistical strength of the relationship only.

	Model 1	Model 2	Model 3	Model 4
<i>Per capita</i> GDP, 2007	.0003**	.0002*	.0003**	.0002*
Former colonizer		10.5**	14.5***	10.4**
Erstwhile state-socialist state in eastern / east-central Europe			20.4***	14.4***
Colonial independence since World War II				-10.9**
N	81	81	81	81
Model R ²	.098	.158	.461	.537
Model p	.004	.0012	.0000	.0000

Table 5 Global Inequalities in Redistribution, 2012: Regression Analysis of Levels of Social Contribution (Coefficients). *: p<.1; **: p<.05; ***: p<.01. The analysis not based on sampling; significance levels are indicative of statistical strength of the relationship only.

	Model 1	Model 2	Model 3	Model 4
<i>Per capita</i> GDP, 2012	-.0862*	-.108**	-.094*	-.073*
Former colonizer		16.2**	20.5**	10.0
Erstwhile state-socialist state in eastern / east-central Europe			17.3**	7.46
Colonial independence since World War II				-22.7***
N	76	76	76	76
Model R ²	.041	.115	.209	.355
Model p	.081	.012	.0007	.0000

Tables 3, 4 and 5 contain the results for 2002, 2007 and 2012, respectively. The structure of the three analyses is identical: At first, we enter *per capita* GDP as a control variable. Next, we test the effect of having been a colonial power³⁵ on the level of Social Contributions. Then, we add a predictor variable to mark those societies of eastern and east-central Europe that had been state socialist until 1989.³⁶ Finally, the full model includes one additional predictor marking societies that had gained their independence from colonial rule³⁷ in the recent, post-1945 period of colonial liberation.³⁸

³⁵ This is a binary variable, coded "1" if the society had been a colonial power.

³⁶ This is a binary variable, coded "1" if the society had been state socialist.

³⁷ As widely known, there have been two waves of colonial independence. The first one began with the Haitian revolution and struggle for independence and emancipation of enslaved people, and ended

The regression analysis provides strong numerical support to an argument that posits the *longue-durée* historical embeddedness of redistributive policies. Having been a colonial power (with the results presented in Models 2 in Tables 3, 4 and 5) increases the likelihood of redistribution, *over and beyond* the effects of relative income levels at all three time points. Likewise, the addition, in the next step (as shown in Models 3), of the predictor variable “Erstwhile state-socialist state in eastern / east-central Europe” further increases the power of the model, without adversely affecting the estimated impact of a history as a colonizer. Put differently, the institutional developments that three hundred and fifty years of colonial rule ushered in for western Europe were achieved, in eastern and east-central Europe, by the barely two-generations-long experience of state socialism. At this point, having entered only three variables, we have models that have explained 54%, 46% and 21% of the variation in Social Contributions in 2002, 2007 and 2012, respectively. This signifies a conceptual model that is remarkably effective.

The last step of the analysis reveals that, contrary to much European thinking, there have been not one, but *two legacies of colonialism*. One is captured in the rise to global economic, geopolitical and cultural-symbolic prominence of the colonizer societies of western Europe. Equally important, the other has to do with the catastrophic economic, geopolitical and cultural-symbolic destruction that colonialism has left behind in the recently-independent societies. To measure the net effects of the latter, we enter the variable “colonial independence gained after World War II.”

The results of this step of the statistical test are nothing short of stunning. With the inclusion of this variable, the explanatory power of our model rises to 60%, 54% and 35.5%. To spell it out, being a recently-post-independence erstwhile-colonized country shaves off, *ceteris paribus*, 12.1%, 10.9% and 22.7% from a society’s expected level of Social Contributions.

around the mid-nineteenth-century. This wave has resulted in the independence of most societies in Latin America so that, as a result, Spain and Portugal lost most of their colonial empire. The second, much more momentous, wave happened after World War II, where basically all the now-independent, erstwhile colonized societies of Africa, Asia, and the rest-of-the-world had gained their political independence.

⁸⁸ This is a binary variable, coded “1” if it is an erstwhile colonized society that had gained independence after 1945.

6. CONCLUSIONS

There is, clearly, much more to be said about the historical embeddedness of today's global inequalities in redistributive practices. Below I sum up the lessons we have learnt from this brief exercise:

1. The richer a society is, the more likely it is to redistribute some of its income to the needy. The magnitude of this connection is not particularly great, but it holds at two of the three time points I have examined, even after the introduction of three, very powerful explanatory variables in the model.³⁹
2. The “western civilizational achievement” argument is bankrupt on two counts: neither do all “western” societies engage in high levels of redistribution, nor are all societies that do have high levels of redistribution un-problematically “western.”
3. Specifically, we have isolated three additional mechanisms that explain the astounding global disparities in redistribution. Two of them have to do with legacies of colonialism.
 - a. Even though the *colonial system* was destroyed two generations ago, former-colonizer societies continue to enjoy a strong global advantage (read: *over and above their advantages in incomes*) in terms of their redistributive institutions. Essentially, the data suggest that national schemes of redistribution have served the purpose of “buying off” domestic working classes and other disadvantaged or disenfranchised segments of society from the global spoils of the colonial loot, even as recently as two generations after colonialism's end.
 - b. On the other hand, the colonial legacy is making itself felt very strongly in the context of erstwhile-colonized, recently-independent societies. In fact, of the two effects of colonialism, the *negative* effects of a colonial history are consistently numerically greater than the advantages derived by the former colonizers. This is true at all three time points.
4. Finally, we have been able to isolate an important additional historical legacy that contributes to increasing the likelihood of effectively functioning redistributive institutions: the institutional inheritance of *state socialism*. The effect of this legacy fades somewhat, as we move away in time from the end of state socialism in the Soviet “Bloc,”⁴⁰ but the effects are still there, still statistically significant and point in the expected direction overall.

³⁹ At the third, most recent time point, the effect points in the opposite direction, and the overall strength of the models at this time point are the lowest, implying that some new, additional factors are at work. I have no space in this paper to explore this discrepancy further.

⁴⁰ The coefficients for erstwhile state-socialist legacies are 24.2***, 20.4*** and 17.3** in Models 3 for 2002, 2007 and 2012, respectively.

In some ways, it ought not to be surprising that “history matters.” Especially not if we approach social reality with a Polányian sensibility.

The main implication of these findings for the poorest, least powerful and most discriminated-against societies of the world are quite dismal. Turning this point back to Polányi’s classical formulation, there is some indication here that the principle of the double movement may not apply in the same way, or to the same extent, across all locations in the world-system, nor is it a trans-historical over-time constant.

It is also quite clear that *supra-state* redistributive processes have not engendered the task of decreasing *domestic* inequality. The charge of alleviating the suffering of their domestic populations and minimizing the impact of the resulting structural injustices continues to fall on the shoulders of “national” social forces—states, nongovernmental organizations and various other nonprofit actors. As our world is organized today, the poorest societies of the world are afflicted not only by an unacceptably extreme level of global disparities in income; they are also less likely to benefit from redistributive policies, especially if they are citizens of not only poor, but (as it is very often the case) also recently independent, erstwhile-colonized states, and do not have a state socialist legacy to rely on. To a large extent, the current moral panic regarding a putatively mass influx of redistribution-dependent foreign populations in the European Union’s Schengen area thematizes these inequalities in a brutally direct way. That is especially so because a powerful theme of the anti-immigration, anti-asylum, and anti-human-rights rhetoric uses a “welfare-nationalist” (Habermas, 1991; Delanty, 1996; Suszycki, 2011) argument.

This is the world that colonial oppression and its twin, neoliberal hegemony, have left for humankind, in a nutshell.

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