Redistributing Global Inequality
A Thought Experiment

The United Nations proclaimed the period 1997-2006 as the 'First United Nations Decade for the Eradication of Poverty'. The 1995 UN resolution recognised the existence of global inequalities that have deepened over time and assigned different tasks to donor (wealthy) nations and developing countries to ensure a greater equity among nations. This article focuses on the fiscal feasibility of a plan for global inequality reduction, a project that can be defined as a large-scale historic social process of social change aiming to diminish 'oligarchic wealth' in favour of a less extremely unbalanced structure of distribution, that is, 'democratic wealth'. The project proposes global collective action to reduce interstate inequality in per capita economic performance. A successful implementation of such a project would, however, require the construction of social and political institutions leading to political action by a majority of humankind.

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Homage to Karl Polányi

At its 96th plenary meeting of December 20, 1995 the General Assembly of the United Nations proclaimed the period of 1997 to 2006 as the 'First United Nations Decade for the Eradication of Poverty'[1] (henceforth: 'the Decade'). The first part of the resolution took a state-centric, modernisationist view, suggesting that key sites for the reduction of global inequality were inside the worst-affected societies: It "*recommends*[2] that all states […f]ormulate or strengthen, as a matter of urgency, national policies and strategies geared to substantially reducing overall poverty in the shortest possible time, reducing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context".[3]

The second part of the resolution '*calls upon*'[4] not only 'states', but also "the United Nations system, relevant international organisations and all other actors concerned with the Decade to participate actively in the financial and technical support of the Decade, in particular with a view to translating all measures and recommendations into operational and concrete poverty eradication programmes and activities."[5] In setting tasks to actors 'beyond' states, the document seems tacitly to recognise the origins of global inequalities – largely exogenous to individual states – and the general contribution of state-by-state differences to the gross amount of social inequalities in the world. At this point the resolution touches upon – of course, without ever mentioning them explicitly – some deep controversies within the sociological literature on the relative magnitudes and the proportion between the within-state and state-to-state components of global inequality.[6]

This remarkably complex document proceeds, then, to address the world's affluent and poor states separately, and assigns different tasks to them: It "[*r*]*ecommends* that donor countries give greater priority to the eradication of poverty in their assistance programmes and budgets, on either a bilateral or multilateral basis; [...and *e*]*ncourages* developing countries to mobilise domestic and external resources for poverty eradication programmes and activities, and to facilitate their full and effective implementation."[7] By setting diverse tasks for the wealthy and the poor states, the resolution depicts the world as a binary structure and, hence, again, shifts the global official discussion from an isolated focus on the reduction of poverty per se to a statement concerning the tasks of states depending on their position in the world economy. Since a discussion of poverty without any reference to the underlying system of inequality that produces and maintains it, has no option but to remain silent also about what specific actors, which institutions, and occupants of what global locations have the potential to alleviate this particular feature of the global system, the closing section of the resolution makes a conceptually very significant policy step. Here we have a reference to global inequality rather than *just* poverty in isolation.

The resolution is also burdened by its silence about the historicity of global inequality – historicity in two senses. First, the document does not acknowledge that, until quite recently, global inequality used not to be of the magnitude humankind is enduring today. As economic historian Angus Maddison's (2001, 2003) historical estimates – made under contract with the OECD, an organisation typically not associated with militant anti-capitalism – suggest, at the beginning of global capitalism, global differences in per capita regional income were negligible, and certainly incomparable to today's figures. Second, the United Nations' General Assembly also chose to ignore the specific, rationally organised, *longue-durée* historic contribution to the creation, maintenance and defence of today's global structure of inequalities by the three most powerful types of global organisations in the contemporary world: the states forming the core of the world economy, the transnational corporations substantively rooted in those states, and the supra- or meta-state organisations of public authority, formal and informal networks of collusion, coordination, governance, agenda- and policy-setting mechanisms and other tools of 'remote-control' that have recently mushroomed around the word.

In this paper, I will not revisit those valid and important arguments. Instead, I focus merely on the fiscal feasibility of a

plan for global inequality reduction, a project that can be defined as a large-scale, historic social process of social change aiming to diminish 'oligarchic wealth' (defined recently by Beverly Silver and Giovanni Arrighi as "a kind of long-term income that bears no relation to the intensity and efficiency of the efforts of its recipients and is never available to all, no matter how intense and efficient their efforts are" [Arrighi 1991, Silver and Arrighi 2001] in favour of a less extremely unbalanced structure of distribution, something akin to what Arrighi has called 'democratic wealth' [Arrighi 1991].

In the first four years of the Decade – the period for which global state-by-state comparative economic performance data [IBRD 2002] are available at the time of writing this essay – global inequality has not been reduced perceptibly. The measures of global inequality summarised in Table 1 show only minuscule movement, and in both directions.

Project of Global Collective Action

Below I examine some of the contours and implications of a scheme of an as yet non-existent project of global collective action that would seriously and boldly seek to reduce global interstate inequality in per capita economic performance. This is an emphatically speculative exercise that serves only one purpose: It provides an empirical assessment of the magnitude of the resources that would need to be redistributed for a perceptible reduction in global inequalities, and the possible numerical impact of a project that would establish a global, redistributive [see Polanyi 1957] counterpart to an already existing, global market system of capitalist accumulation, much in the same way as the redistributive welfare state partly complements, and corrects the process of the accumulation of capital within its own territory. In search for the simple numerical connections, I do not concern myself with any of the myriad possible and even probable, positive as well as negative, nonlinear effects of global redistribution – something that would, of course, be eminently reasonable to expect, were such an endeavour implemented in practice.

In this exercise, I shall not consider the political feasibility of such a redistributive system, at least not in liberal terms, hence it might be justified to call my approach and method – in this form, and in the present global political context – utopian. A modicum of controlled utopianism is necessary, however, in order to be able to think beyond the constraints of the current institutional system. The fact that the history of world capitalism has organised global structures in a particular manner is important; it certainly does not mean, however, that the existing organisational set-up is the only one that is possible. My thought experiment examines one aspect of the possibility of a system of global distribution that can be conceived as more equitable than that of today.

Table 2 summarises some aspects of the distribution of global income among the 173 states that have published relevant data for the year 2000, according to the same four measures of income as in the previous table. As citizens of the states around the mean (some of the most well-to-do states of Latin America and eastern Europe) could testify, the average income of the world's states affords, by and large, quite reasonable living conditions. The contemporary world economy produces enough to provide material means to the entirety of humankind on levels that match those of Belarus, Botswana, Brazil, the Czech Republic, Hungary, Lithuania, Mexico or Uruguay. This is a respectable and, as far as much of humankind today is concerned, much-desired, level of livelihood.

Also to be noted is the fact that the states near the mean of per capita income tend to show quality of life conditions better than the world average of those measures: According to the 2003 edition of the *Human Development Report*, world mean life expectancy at birth stood at 66.7 years, and adult literacy rates

Table 1: Global State-to-State Income Inequality: Coefficient of Variation (Standard Deviation/Mean) for Mean Per Capita Income Measures, 1997-2000

Method of Measurement	1997	1998	1999	2000
GNI/cap, Atlas	1.829	1.817	1.792	1.773
GNI/cap, PPP	1.225	1.229	1.220	1.219
GDP/cap, FX	1.840	1.862	1.885	1.899
GDP/cap, PPP	1.198	1.206	1.224	1.242

Source: IBRD 2002.

Table 2: Global Mean Per Capita Incomes and States that Occupy Top, Near-Mean and Bottom Positions, 2000, Life Expectancy at Birth and Adult Literacy Rate in these States, 2001

Method of Measurement	Estimate of Mean Per Capita Income, USD	States at the Top, the Mean, and the Bottom of the Global Distribution of Per Capita Income	Life Expectancy at Birth	Adult Literacy Rate
GNI/cap, Atlas	5170	Top:		
		Luxembourg: 42060	78.1	99
		Switzerland: 38140	79	99
		Japan: 35620	81.3	99
		Mean:		
		Czech Republic: 5250	75.1	99
		Mexico: 5070	73.1	93.4
		Bottom:		
		Ethiopia: 100	45.4	40.3
		Burundi: 110	40.4	49.2
		Sierra Leone: 130	34.5	36
GNI/cap, PPP	7410	Top:		
		Luxembourg: 45470	78.1	99
		United States: 34100	76.9	99
		Switzerland: 30450	79	99
		Mean:		
		Belarus: 7550	69.6	99.7
		Brazil: 7300	67.8	87.3
		Bottom:		
		Sierra Leone: 480	34.5	36
		Tanzania: 520	44	76
		Rep of Congo: 570	40.6	62.7
GDP/cap, FX	5634	Top:		
		Luxembourg: 56372	78.1	99
		Switzerland: 46737	79	99
		Japan: 44830	81.3	99
		Mean:		
		Uruguay: 6114	75	97.6
		Hungary: 5425	71.5	99.3
		Bottom:		
		Ethiopia: 116	45.4	40.3
		Burundi: 141	40.4	49.2
		Sierra Leone: 147	34.5	36
GDP/cap, PPP	7115	Top:		
		Luxembourg: 50061	78.1	99
		United States: 34142	76.9	99
		Norway: 29948	78.7	99
		Mean:		
		Botswana: 7184	44.7	82.7
		Lithuania: 7106	72.3	99.6
		Bottom:		
		Sierra Leone: 490	34.5	36
		Tanzania: 523	44	76
		Burundi: 591	40.4	49.2

Sources: UNDP 2003: 237-40, IRBD 2002.

Table 3: Gross National Income Per Capita (GNI/cap) and Modified GNI/cap, 2000 [USD]

Country Name	GNI/cap 2000	Modified GNI/cap 2000
Luxembourg	42060	23615
Switzerland	38140	21655
Japan	35620	20395
Norway	34530	19850
US	34100	19635
Denmark	32280	18725
Iceland	30390	17780
Sweden	27140	16155
Hong Kong, China	25920	15545
Austria	25220	15195
Finland	25130	15150
Germany	25120	15145
Netherlands, The	24970	15070
Singapore	24740	14955
Belgium	24540	14855
UK	24430	14800
France	24090	14630
Ireland	22660	13915
Canada	21130	13150
Australia	20240	12705
Italy	20160	12665
Kuwait	18030	11600
French Polynesia	17290	11230
Israel	16710	10940
Spain	15080	10125
New Caledonia	15060	10115
Bahamas, The	14960	10065
Macao, China	14580	9875
New Zealand	12990	9080
Cyprus	12370	8770
Greece	11960	8565
Portugal	11120	8145
Slovenia	10050	7610
Antigua and Barbuda	9440	7305
Barbados	9250	7210
Malta	9120	7145
Korea, Rep	8910	7040
Argentina	7460	6315
Saudi Arabia	7230	6200
Seychelles	7050	6110
St Kitts and Nevis	6570	5870
Uruguay	6000	5585
Czech Republic	5250	5210
Mexico	5070	5120
Trinidad and Tobago	4930	5050
Hungary	4710	4940
Croatia	4620	4895
Chile	4590	4880
Venezuela, RB	4310	4740
Poland	4190	4680
St Lucia	4120	4645
Lebanon	4010	4590
Costa Rica	3810	4490
Grenada	3770	4470
Mauritius	3750	4460
Slovak Republic	3700	4435
Brazil	3580	4375
Estonia	3580	4375
Malaysia	3380	4275
Botswana	3300	4235
Panama	3260	4215
Gabon	3190	4180
Belize	3110	4140
Turkey	3100	4135
South Africa	3020	4095
Lithuania	2930	4050
Latvia	2920	4045
Belarus	2870	4020
St Vincent and the Grenadines	2720	3945
Jamaica	2610	3890
Dominican Republic	2130	3650
Micronesia, Fed Sts	2110	3640
Tunisia	2100	3635
Peru	2080	3625
Namibia	2030	3600
Colombia	2020	3595
El Salvador	2000	3585
Thailand	2000	3585
Marshall Islands	1970	3570
Maldives	1960	3565
Suriname	1890	3530
Fiji	1820	3495
Macedonia, FYR	1820	3495
Jordan	1710	3440
Guatemala	1680	3425
Iran, Islamic Rep	1680	3425
Romania	1670	3420
Russian Federation	1660	3415
Tonga	1660	3415
West Bank and Gaza	1660	3415
Algeria	1580	3375
Bulgaria	1520	3345
Egypt, Arab Rep	1490	3330
Samoa	1450	3310
Paraguay	1440	3305
Swaziland	1390	3280
Cape Verde	1330	3250
Kazakhstan	1260	3215
Bosnia and Herzegovina	1230	3200
Ecuador	1210	3190
Morocco	1180	3175
Vanuatu	1150	3160
Albania	1120	3145
Philippines	1040	3105
Bolivia	990	3080
Kiribati	950	3060
Syrian Arab Republic	940	3055
Yugoslavia, Fed Rep	940	3055
Djibouti	880	3025
Guyana	860	3015
Honduras	860	3015
Sri Lanka	850	3010
China	840	3005
Equatorial Guinea	800	2985
Turkmenistan	750	2960
Papua New Guinea	700	2935
Ukraine	700	2935
Georgia	630	2900
Solomon Islands	620	2895
Azerbaijan	600	2885
Cote d'Ivoire	600	2885
Bhutan	590	2880
Cameroon	580	2875
Lesotho	580	2875
Congo, Rep	570	2870
Indonesia	570	2870
Armenia	520	2845
Haiti	510	2840
Senegal	490	2830
Zimbabwe	460	2815
Guinea	450	2810
India	450	2810
Pakistan	440	2805
Moldova	400	2785
Nicaragua	400	2785
Mongolia	390	2780
Vietnam	390	2780
Comoros	380	2775
Bangladesh	370	2770
Benin	370	2770
Mauritania	370	2770
Yemen, Rep	370	2770
Uzbekistan	360	2765
Kenya	350	2760
Gambia, The	340	2755
Ghana	340	2755
Sudan	310	2740
Uganda	300	2735
Zambia	300	2735
Angola	290	2730
Lao PDR	290	2730
Sao Tome and Principe	290	2730
Togo	290	2730
Central African Republic	280	2725
Kyrgyz Republic	270	2720
Tanzania	270	2720
Cambodia	260	2715
Nigeria	260	2715
Madagascar	250	2710
Mali	240	2705
Nepal	240	2705
Rwanda	230	2700
Burkina Faso	210	2690
Mozambique	210	2690
Chad	200	2685
Guinea-Bissau	180	2675
Niger	180	2675
Tajikistan	180	2675
Eritrea	170	2670
Malawi	170	2670
Sierra Leone	130	2650
Burundi	110	2640
Ethiopia	100	2635

Source: IBRD 2002 and author's calculations.

for the states in the 'middle income' range was at 86.6 per cent in 2001. With the exception of Botswana, all seven of the remaining states near the global income mean show higher results than the world mean in the quality of life.

As for those at the very top and the bottom of the global average per capita income scale, these income disparities are truly staggering. The most affluent state (according to all four of the measures listed here: Luxembourg) has per capita income figures 6.14[8] to 10.01[9] times higher than the global mean, while the world's poorest states' average per capita income is 14.52[10] to 51.7[11] times less than the world average. When computed in GNI/cap with the Atlas method (I shall explain both of them briefly below), citizens of the world's most affluent state have an average level of income that is 420 times higher than those of the poorest state. This disparity is absurd and well-nigh incomprehensible.

I am, therefore, moved to ask what it would take, and what kind of a global rearrangement it would produce, if some kind of a global redistributive mechanism were to bring all the world's states markedly closer to the world mean. Not that this would not create full equality, only a less extreme system of global inequalities. Instead of expecting the whole world to converge exactly on the world mean, I explore the possibility of a less ambitious step, and consider what the world would look like if all states were to 'move' toward the global mean by reducing their distance to it by 50 per cent. This is quite a moderate first step: If implemented, it would still leave the poor strikingly poorer than the rich – only half as much as today. The 50 per cent I use is an arbitrary figure: Of course, one could set any other percentage.

Implementing a redistributive scheme across the board would be equivalent, in the language of statistics, to cutting the standard deviation in the global state-to-state income distribution by half, while leaving the world mean at the reasonably comfortable current levels. If this were to be done in a systematic, organised and globally equitable way, it would, be of course, the wealthiest states – those farthest away from the mean in the positive direction – that would have to foot the bulk of the bill, proportionate to the degree to which their per capita income is higher than the mean. Conversely, citizens of the poorest states of the world would benefit most, proportionate to how low their per capita income is today.

For the computations that follow, I used the per capita gross national income figures, computed by the Atlas method, as included in a CD-ROM dataset published by the Word Bank. GNI has the advantage over GDP that the former is a more precise measure of a society's economic performance as it excludes value added realised by foreign-owned corporations in the host country, while including the foreign revenues of transnationals rooted in the given country. The Atlas method takes the GNI estimate as it is provided by the state in its national currency unit and converts it into US dollar figures at the last three years' average exchange rates between the national currency and the USD. For the purpose of my calculations, the Atlas technique is more useful than its alternative, the Purchasing Power Parity (PPP) method, since the exchange-rate calculation reflects more accurately the purchasing power of actors who are in possession of domestic currencies, when they participate in world trade. Put simply, when actors from the poor states engage with the world economy, the terms under which they can do so are revealed much more exactly in the exchange-rate measures than in purchasing power parity.[12] Table 3 summarises some of the results of this exercise.

Table 3 ought to be read as a simple heuristic device answering one basic question: "Where would each of the world's states be, were a twice more equitable system of redistribution – one that would create 50 per cent less inequality than the one we have in place today – implemented?" The rank order of the states of the world would, of course, remain the same: Today's wealthiest would still be at the top, the poorest at the bottom. The per capita income of top-ranked Luxembourg would be reduced the most; there would be a bit less reduction for second-ranked Switzerland, etc. As we proceed down the list, the reduction in per capita income becomes smaller and smaller – to the point of reaching the Czech Republic (with a nearly unnoticeable reduction from USD 5250 to USD 5210). Below the Czech Republic, the redistributive feature of the system 'kicks in': Mexico's per capita income increases by a minuscule amount (from USD 5070 to USD 5120). As we proceed further down the list, the increases in per capita income become more and more noticeable. The per capita income of states from Jordan to Paraguay would be doubled; those between Swaziland and Turkmenistan more than tripled, and so on until, finally, we reach Ethiopia that would see a per capita income increase by 2500 per cent.

This project of global redistribution would indeed sharply reduce the income of the most affluent societies in the world. Luxembourg would have to make it on an average income that is equivalent to somewhere between today's France and Ireland; Switzerland would be similar in income to today's Ireland and Canada; Japan would fall between Canada and Australia. These are very significant reductions in income indeed. In terms of the above measures of the quality of life, however, they are almost imperceptible: Luxembourg's life expectancy at birth today (78.1) [UNDP 203:237]is already exactly between that of France and Ireland (78.7 and 76.7, respectively) (ibid) with no difference in the adult literacy rates; the situation with respect to Switzerland and the Ireland-Canada pair is identical; only Japan's life expectancy is noticeably higher than that of Australia and Canada. Substantively, differences in the average living conditions among the wealthier group of states are so minuscule, and in all likelihood the institutional system that provides for it is so firmly in place, that the reduction in income would not exert any adverse effect of unmanageable proportions on their societies' quality of life.

Meanwhile, this redistributive project would make an impact on the bottom part of the list – a majority of humankind – that

Table 4: Examples of Upward Movement in Terms of Quality of Life

	Life Expectancy	Adult Literacy Rate
Ethiopia	45.7	40.3
Burundi	40.4	49.2
Sierra Leone	34.5	36
Malawi	38.5	61
Eritrea	52.5	56.7
India	63.3	58
P R China	70.6	85.5
Jamaica	75.5	87.3
St Vincent/the Grenadines	73.8	88.9
Belarus	69.6	99.7
Costa Rica	77.9	95.7
Lebanon	73.3	86.5
Turkey	70.1	85.5
Chile	75.8	95.9
Venezuela	73.5	92.8
St Lucia	72.2	98.2
Poland	73.6	99.7
Hungary	71.5	99.3
Trinidad/Tobago	71.5	98.4

is no less than spectacular. At the bottom of the scale, we would have states like Ethiopia, Burundi, Sierra Leone, Malawi, Eritrea – altogether 19 states (currently with average incomes between USD 100 and USD 270) – that would rise to somewhere between Jamaica and St Vincent/the Grenadines (i e, between USD 2610 and USD 2720). Meanwhile, of course, Jamaica and St Vincent / the Grenadines would 'move' to somewhere between today's Costa Rica and Lebanon; the latter two would move on par with Chile and Venezuela, which would become similar to Hungary and Trinidad/Tobago. Occupying positions near the world mean, Hungary and Trinidad/Tobago would essentially remain 'in place'. Looking at the largest states on the list, China's estimate would match that of Turkey's, and India's per capita income would fall between St Vincent/the Grenadines and Belarus. Belarus would find itself near today's Lebanon and St Lucia, Turkey between St Lucia and Poland. Meanwhile, St Lucia and Poland would be between present Croatia and Hungary, and Croatia would catch up with today's Hungary.

Changing Quality of Life

All this would have tremendous implications for the quality of life of humankind as a whole by creating the possibility of elevating the tangible living standards in the peripheries of the world economy. Table 4 contains some of the relevant information. Life expectancy at the bottom of the income scale could

Table 5: Out- and-Inflows as Percentages of Gross National Income

State	Per Cent of GNI Out- or-Inflows	State	Per Cent of GNI Out- or-Inflows	State	Per Cent of GNI Out- or-Inflows
Luxembourg	43.85	Malaysia	-26.48	Papua New Guinea	-319.29
Switzerland	43.22	Botswana	-28.33	Ukraine	-319.29
Japan	42.74	Panama	-29.29	Georgia	-360.32
Norway	42.51	Gabon	-31.03	Solomon Islands	-366.94
US	42.42	Belize	-33.12	Cote d'Ivoire	-380.83
Denmark	41.99	Turkey	-33.39	Azerbaijan	-380.83
Iceland	41.49	South Africa	-35.60	Bhutan	-388.14
Sweden	40.48	Lithuania	-38.23	Cameroon	-395.69
Hong Kong, China	40.03	Latvia	-38.53	Lesotho	-395.69
Austria	39.75	Belarus	-40.07	Congo, Rep	-403.51
Finland	39.71	St Vincent and the Grenadines	-45.04	Indonesia	-403.51
Germany	39.71	Jamaica	-49.04	Armenia	-447.12
Netherlands, The	39.65	Dominican Republic	-71.36	Haiti	-456.86
Singapore	39.55	Micronesia, Fed Sts	-72.51	Senegal	-477.55
Belgium	39.47	Tunisia	-73.10	Zimbabwe	-511.96
UK	39.42	Peru	-74.28	India	-524.44
France	39.27	Namibia	-77.34	Guinea	-524.44
Ireland	38.59	Colombia	-77.97	Pakistan	-537.50
Canada	37.77	El Salvador	-79.25	Moldova	-596.25
Australia	37.23	Thailand	-79.25	Nicaragua	-596.25
Italy	37.18	Marshall Islands	-81.22	Mongolia	-612.82
Kuwait	35.66	Maldives	-81.89	Vietnam	-612.82
French Polynesia	35.05	Suriname	-86.77	Comoros	-630.26
Israel	34.53	Fiji	-92.03	Bangladesh	-648.65
Spain	32.86	Macedonia, FYR	-92.03	Benin	-648.65
New Caledonia	32.84	Jordan	-101.17	Mauritania	-648.65
Bahamas, The	32.72	Guatemala	-103.87	Yemen, Rep	-648.65
Macao, China	32.27	Iran, Islamic Rep	-103.87	Uzbekistan	-668.06
New Zealand	30.10	Romania	-104.79	Kenya	-688.57
Cyprus	29.10	West Bank and Gaza	-105.72	Ghana	-710.29
Greece	28.39	Russian Federation	-105.72	Gambia, The	-710.29
Portugal	26.75	Tonga	-105.72	Sudan	-783.87
Slovenia	24.28	Algeria	-113.61	Uganda	-811.67
Antigua and Barbuda	22.62	Bulgaria	-120.07	Zambia	-811.67
Barbados	22.05	Egypt, Arab Rep	-123.49	Angola	-841.38
Malta	21.66	Samoa	-128.28	Lao PDR	-841.38
Korea, Rep	20.99	Paraguay	-129.51	Sao Tome and Principe	-841.38
Argentina	15.35	Swaziland	-135.97	Togo	-841.38
Saudi Arabia	14.25	Cape Verde	-144.36	Central African Republic	-873.21
Seychelles	13.33	Kazakhstan	-155.16	Kyrgyz Republic	-907.41
St Kitts and Nevis	10.65	Bosnia and Herzegovina	-160.16	Tanzania	-907.41
Uruguay	6.92	Ecuador	-163.64	Cambodia	-944.23
Czech Republic	0.76	Morocco	-169.07	Nigeria	-944.23
Mexico	-0.99	Vanuatu	-174.78	Madagascar	-984.00
Trinidad and Tobago	-2.43	Albania	-180.80	Mali	-1027.08
Hungary	-4.88	Philippines	-198.56	Nepal	-1027.08
Croatia	-5.95	Bolivia	-211.11	Rwanda	-1073.91
Chile	-6.32	Kiribati	-222.11	Burkina Faso	-1180.95
Venezuela, RB	-9.98	Syrian Arab Republic	-225.00	Mozambique	-1180.95
Poland	-11.69	Yugoslavia, Fed Rep	-225.00	Chad	-1242.50
St Lucia	-12.74	Djibouti	-243.75	Guinea-Bissau	-1386.11
Lebanon	-14.46	Guyana	-250.58	Niger	-1386.11
Costa Rica	-17.85	Honduras	-250.58	Tajikistan	-1386.11
Grenada	-18.57	Sri Lanka	-254.12	Eritrea	-1470.59
Mauritius	-18.93	China	-257.74	Malawi	-1470.59
Slovak Republic	-19.86	Equatorial Guinea	-273.13	Sierra Leone	-1938.46
Estonia	-22.21	Turkmenistan	-294.67	Burundi	-2300.00
Brazil	-22.21			Ethiopia	-2535.00

Source: Author's calculations from IBRD 2002.

go from between 34.5 and 52.5 years to well over 70 – an improvement of 20 to 200 per cent, depending on the choice of states to be included in the comparison. In terms of literacy, the increases would be 40 per cent to twice the current rates.

Would this be feasible, then? In purely monetary terms, the system could almost finance itself: Although the balance of out- and inflows would be negative, the magnitude of the deficit is equivalent to .93 per cent of the total world GNI, a serious but not necessarily insurmountable problem. In terms of gross sums, the greatest outflows would have to come from the US, Japan, Germany, the UK, France, Italy, Canada, Spain, the Netherlands and Australia; the greatest recipients would be China, India, Indonesia, Pakistan, Bangladesh, Nigeria, the Russian Federation, Vietnam, Ethiopia and the Philippines. Of the top 10 would be contributors, eight are members of NATO; this might suggest a possible peace dividend, as long as there is a will to achieve such results.

Because of the differences in population size among both the most affluent and the poorest societies, the list of biggest contributors and recipients is different when considered in terms of what proportion of their total income they would have to devote to this project. Table 5 contains the results of the latter calculation: positive numbers signify outflows and negative numbers stand for inflows.

The burden of financing this project would have to be shouldered, of course, by the wealthiest states, reducing top-ranked Luxembourg's GNI by 43.9 per cent. Even the South Korea, ranked 37th, would have to contribute the equivalent of over 20 per cent of its GNI. Due to the unevenness of the global distribution of incomes, outflows suddenly drop to below 10 per cent at 42nd-ranked Uruguay (with 6.92 per cent to be required), eventually to fizzle out with the next state on the list, the Czech Republic (.76 per cent), and turns into inflows with 44th-ranked Mexico. The highest contributor in terms of a gross sum – the US – is the fifth on the list in terms of the proportion of its GNI to be siphoned off; four of the top ten, and 11 of the top 20 states with the highest proportional outflows are members of the European Union (EU). Nineteen of the 25 current members of the recently-enlarged European Union would register outflows, and if we consider the European Union a single unit, it becomes the entity with the second largest outflow, approximately 80 per cent of the figure for the US.

Whether this is a reasonable burden, what exact economic mechanisms would be capable of ascertaining the accurate execution of a redistributive project of this magnitude, and what the appropriate, corruption-proof techniques, socially and environmentally sustainable developmental goals and specific, long-term benefit-producing forms of investment projects would be for such a global system of redistribution – well, that is, of course, entirely unclear from this exercise. Equally unclear is what the appropriate organisational form for such a global redistributive authority would be.

On the basis of purely fiscal calculations, such a project does not appear to be completely unfeasible. Redistribution rates of up to forty-some per cent are not unimaginable: Government expenditures do hover in the 20 to 50 per cent range in most wealthy states. Of course, the sudden addition of such sums to the current government expenditures is unrealistic, but so would have seemed the current government expenditure rates to most observers a mere 100 years ago. Since under the current system, a significant proportion of government expenditures is military spending – 2.6 per cent of the overall world GDP, to be more precise [SIPRI 2002] and the "high-income countries (...) have the highest per capita military spending," (ibid) there are plenty of areas in which tremendous reductions are possible. Since, if implemented, part of the sums to be transferred from the wealthy to the poor states would be spent on infrastructural investment goods and items of collective consumption made in the wealthier states, the more affluent economies would also enjoy some of the immediate demand-increasing benefits of the plan. In all likelihood, if it were to succeed, global-redistributive fiscal reform would have to be a long-term objective, phased in gradually and implemented flexibly, through constant adjustments.

Some basic tenets of global economic liberalism, and the organisations devoted to enforcing it, urge all of us to think about the economic process in rather purely monetary terms. Perhaps these key elements of global economic liberalism could be turned around to argue that the economic resources of the world do not mandate the current, obscenely exaggerated system of unequal distribution. What if they could support a more reasonable and acceptable form of social organisation, one that would provide for a global distribution of income that is significantly less unequal than today? That would afford the vast majority of humankind a quality of life and dignity that is, today, the privilege of those born and living in states on the higher levels of the global income pyramid. It appears that much could be achieved even without resorting to any, wildly utopian imagery of complete and full income equality. Humankind does have the resources to make available much more adequate basic social and economic infrastructure, nutrition, shelter, health care, education, and general social security to the citizens of the poorest states than it provides now. Much improvement could be achieved by organising a system of global redistribution that would put an end to the current, absurd levels of global inequality and alleviate the truly inhuman misery of the extreme poor.

New Social and Political Institutions

While it appears at least potentially feasible on a purely speculative, fiscal basis, successful implementation of a project of this kind – as always is the case, Karl Polányi has taught us, with economic institutions – would require the construction of social institutions leading to political action on part of the sane and responsible majority of humankind. The fact that the purely economic means do exist but no project of global redistribution has emerged as yet suggests that currently existing social and political institutions may not be suitable for conceiving and implementing such a project. They were certainly not designed for this purpose.

Given the unfathomable magnitude of global state-to-state inequalities today, humankind is left with two basic alternatives: creating an organisational framework that is suitable for global redistribution or the ultimate immoral act of doing nothing. While it appears much less costly in the immediate short run, the latter amounts to an explicit admission that the moral unity of humankind is a fiction, and that the community of humans is willing to accept, and live with, a historically very recent phenomenon, a global structure of inequality that systematically splits humankind into disjunct, geographically separate groups with a perniciously uneven distribution of opportunities for life between the two groups. To put it plainly, the latter choice opens an abyss of unforeseeable consequences concerning the survival of humankind.

Pursuing the morally more acceptable and geopolitically wiser alternative – organising collective social and political action for the establishment of a global system of economic redistribution – appears, hence, to be one of the most pressing challenges for political and social organisations, movements, states, and supra-state forms of public authority alike, more or less irrespective of their specific location in the current system of global inequality. Whether such a project is feasible through peaceful means cannot be decided at the moment – simply because nobody has ever attempted such an exercise. The United Nations' 'Decade for the Eradication of Poverty', with its recommendations, calls for action and encouragements addressed to states and supranational organisations, serves as a useful baseline: At least it helps in considering just how far we must still go. EPW

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Notes

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1 http://www.un.org/esa/socdev/poverty/poverty.htm viewed on August 7, 2004.
2 Emphasis in the original.
3 United Nations document A/RES/50/107, http://ods-dds-ny.un.org/doc/UNDOC/GEN/N96/762/67/PDF/N9676267.pdf?OpenElement viewed on August 7, 2004; paragraph 5.c; p 4.
4 Emphasis in the original.
5 Ibid, paragraph 23; p 7.
6 See, e g: Korzeniewicz and Moran 1997 vs Firebaugh 1999. For an excellent recent overview of the debate and a conceptual history of the measurement of national income, see Korzeniewicz et al 2004; see also Bata and Bergesen 2002, and the studies included in the special double issue of the *Journal for World-System Research* devoted to global inequality [Bergesen and Bata 2002].
7 Ibid, paragraphs 26 and 27, p. 7. Emphases in the original.
8 GNI/cap at PPP.
9 GDP/cap, FX.
10 GDP/cap, PPP.
11 GNI/cap, Atlas.
12 PPP is useful for other purposes: Its advantage lies in serving better the purpose of another comparison across state borders: that of comparing the domestic purchasing power of actors.

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