Book Review: The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century by Walter Scheidel

In The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century, Walter Scheidel offers an account of how 'Four Horsemen' – warfare; revolution; state collapse; and pandemics – have been the primary mode through which income levelling has occurred throughout history. While this is a key contribution to the study of inequality, **Roberto Iacono** hopes it will inspire scholars to highlight alternative paths and interpretations based on peaceful levelling.

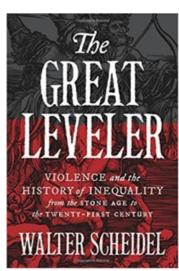
If you are interested in this review, you may like to listen to a recording of Water Scheidel's lecture, 'The Great Leveler', recorded at the LSE on 27 November 2017.

The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century. Walter Scheidel. Princeton University Press. 2017.

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In the last few years, the most authoritative authors in the economic and social sciences have fiercely competed to provide new ways of interpreting the long-run waves of inequality, highlighting, for instance, the role of capital and top incomes and changes in preferences for redistribution (see, among others, Tony Atkinson, <u>Thomas Piketty</u> and <u>Branko Milanovic</u>).

Walter Scheidel adds himself to this group of leading academics in an exemplary way with *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century*, drawing upon the most dramatic historical examples of wealth and income levelling (i.e. reductions in the degree of inequality in the distribution) all the way from hunter-gatherer societies to the present. The grounds for picking such a long analytical timespan appear more a strength than a weakness in the book, which provides a largely coherent amount of detailed historical evidence.



Scheidel's main thesis unfolds as follows: deep and long-lasting levelling of both the

absolute and relative degree of income and wealth inequality has found its place primarily in conjunction with the 'Four Horsemen' of levelling: namely, mass mobilisation warfare; transformative revolutions (such as communism); state collapse; and plague and pandemic episodes.

All of these have acted mainly in one direction with the remuneration to labour increasing or at least keeping constant its share, on the one hand, whilst reducing, on the other hand, the remuneration to capital and landholders. Mass mobilisation warfare made levelling a natural consequence of unexpected state tax collection and active interventions in the economy in order to sustain war expenses. Transformative revolutions in China and the Soviet Union led to dramatic levelling consequences for local populations, although based on ideological motives rather than war. The examples of state collapse provided in the book coherently show that top income earners and rentiers had most to lose from the disruption of established political and economic structures, whether authoritarian or democratic. Finally, episodes such as the European Black Death of the mid-1300s are shown to act mostly on the demographic structures underlying income and wealth distribution, with important consequences in terms of the shortage of workers resulting in higher labour wages.

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The most innovative, and to some extent debatable, of the author's arguments are related to Part II of the book on mass mobilisation warfare and its effects in terms of income levelling. Scheidel claims that the two World Wars stand as the single ultimate cause of levelling in the twentieth century, both within the war periods but also long afterwards due to their political and economic consequences. The book provides a detailed account of the Japanese example in terms of its preparations for the war, where government regulation and interventions in the productive structures of the economy (previously governed by the so-called *zaibatsu* system of business conglomerates) not only reduced incomes from capital directly, but also resulted in galloping inflation, permanently flattening income distribution.

Scheidel shows as well that for most European and Western countries, declines in top income shares (the share of total income received by the population at the very top of the income distribution) were undoubtedly more significant in the war periods than in the post-war era (Table 5.2, 135-36). This evidence is not only used to support the thesis that mass mobilisation has indeed been one of the four horsemen of levelling, but it also contributes to the claim that post-war peaceful levelling of a similar magnitude would not have been possible without the dramatic events of conflict. This is further explained through the reasoning that major war mobilisation paved the way, in terms of increased taxation and expanded fiscal expenses, for the subsequent expansion of the welfare state (the example of the social democratic party budget proposals of 1947-48 in Sweden is highlighted on page 163).

This last argument leads to one critique that can be directed at the principal thesis of the book: explaining reductions in inequality mainly through violent levelling episodes does not leave scope for the positive examples of autonomous and peaceful levelling based on democratic policymaking that history has also shown us. A recent counterargument to Scheidel's thesis comes, for instance, from Erik Bengtsson et al (2017), which demonstrates that inequality decreased significantly in Finland mainly due to inclusive growth from 1850 to 1900 in the absence of both disasters and wars. Another example of falling inequality in pre-war peaceful times is that of Norway from 1892 to 1914, as documented by Rolf Aaberge et al (2017).

In addition, in Chapter Five, Scheidel admits that unionisation has indeed been a peaceful levelling force in history and, more precisely, in the post-World War II era. However, he claims that 'war mobilization was also instrumental in promoting labor unionization' (165), adding a couple of examples from the UK and the USA. I regard this argument as lacking a broader cross-country justification, as unionisation in post-war Denmark, Sweden and Norway has, for instance, to a large extent been deemed endogenous to working life developments, rather than depending on external factors such as the war, as documented in Francis <u>Sejerstad (2011)</u>.

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In conclusion, even if it is true that peaceful levelling has been an exceedingly rarer phenomenon than violent levelling in history, this is not in itself a reason to claim that violent levelling is unfortunately the unique way through which a reduction in inequality can or should be sought. Even gradual reductions in income and wealth inequalities, as in the example by Bengtsson et al for Finland, can lead to decent amounts of levelling if social policies are sustained over a longer timespan. This remark on the role of 'benign forces' has been emphasised recently by another leading inequality scholar, Milanovic, who claimed in his book *Global Inequality* that 'awareness of the destructive nature of increasing inequality *and* knowledge of the benign means to reduce it – make one optimistic that a peaceful process of decreasing global inequality could be managed in this century' (103).

Overall, Scheidel's book can without doubt be deemed a key contribution to the interdisciplinary field of inequality studies in the economic and social sciences, with its overview of the most dramatic episodes of income levelling throughout the centuries and across the globe. More importantly, Scheidel sapiently knits these episodes together in order to highlight the dominant role of the 'Four Horsemen of levelling'. It is now up to scholars in the field of economic and social policy to highlight alternative paths and historical interpretations based on peaceful levelling, in order to provide policymakers with viable policies to counteract the uncomfortable thesis that 'violent' levelling has been and will remain the leading force of inequality reduction in our societies.

Roberto lacono is an Associate Professor in Economics and Social Policy at the Norwegian University of Science and Technology (NTNU). His latest research is at the intersection between Public Economics, Labor Economics and Political Economy, with a focus on policy-relevant questions related to the «Nordic model» of economic development and welfare. Roberto lacono is also a coordinator of the Young Scholar Initiative (YSI) working group on Political Economy of Europe of the Institute for New Economic Thinking (INET).

Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.

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