THE LEVEL OF INCOME INEQUALITIES AND REDISTRIBUTION POLICIES IN EUROPEAN UNION COUNTRIES

Małgorzata Raczkowska¹, Joanna Wrzesińska-Kowal²

Warsaw University of Life Sciences – SGGW

ABSTRACT

The article addresses issues concerning the level of income inequalities in the countries of the European Union in 2010 and 2018. Subject literature and secondary Eurostat data were used in order to achieve the aim of the study. The obtained results confirmed the presence of a large variability in the level of income inequalities between countries of the European Union. Bulgaria and Lithuania were the countries characterized by the biggest income inequalities. The smallest income disproportions, independent of the interference of the state, occurred in the Czech Republic, Slovakia and Slovenia. In addition, in 2018, a relatively large drop in inequality in Poland, as well as an increase in inequality in Luxembourg, Sweden and the Netherlands was observed. The study conducted allows to confirm the hypothesis assumed at the beginning, which states that in countries that are part of the European Community, the governments effectively contribute to the reduction in income inequalities by means of taxes and social remittances. However, a decrease in so-called the Gini gap in most European Union countries means that the effectiveness of redistribution has been decreasing.

Key words: redistribution, income, income inequalities, social remittances

JEL codes: D3, D63, O52

INTRODUCTION

The occurrence of inequalities is natural and inevitable in any economy based on the free market system. This phenomenon causes a given individual or a social group to be superior to others in many dimension and aspects of life. Such an advantage is usually expressed by means of differences in wages, access to various goods, education, information or even when people do not have equal rights. The problem is not the fact of inequalities existing in and of itself but rather their scale and the fact that they are growing more severe, as this may pose a threat to the stability of economic growth and social cohesion. In addition, inequalities may lead to intolerance, discrimination – more broadly to political instability: in the social and economic spheres, and they have a negative impact on the legal system and the area of regulations [Szczepaniak 2018].

As such, it is of vital importance that the level of inequalities, in particular, the financial ones, be constantly monitored both by public and social institutions. In the countries of the European Union, income inequalities are the subject of numerous studies and analyses, and the redistribution policy pursued by individual European states is an important element in reducing the level of income inequalities.

The main aim of the study was to identify and evaluate changes in the level of income inequalities in European Union countries, as well as to determine
to what extent taxes and social remittances contribute to reducing inequalities in the distribution of income. In order to achieve the aim, the following research hypothesis was adopted: in European Union countries (EU-28), the state, by means of taxes and social remittances, effectively contributes to a reduction in the income inequalities measured by the value of the Gini coefficient.

**MATERIAL AND METHODS**

The main research methods applied in the work include a critical and comparative analysis of the relevant literature, an analysis of numerical data, as well as simple statistical methods such as the Pearson correlation. Secondary data from the EU-SILC Eurostat study served as the basic source of information. The years 2010–2018 were adopted as the scope of the comparative analysis.

In order to achieve the aim, it was assumed that income inequalities are defined as the lack of equality between the analysed entities in the level of their income. The Gini coefficient was used in order to evaluate the degree of income inequalities, both in the spatial and temporal dimension – in a form which accounts for periods both prior to, as well as after considering taxes and social transforms.

The Gini coefficient\(^1\) is defined as half of the mean absolute value between two property values selected randomly from the population. Thus, the index shows what is the percentage of the average income that is the difference between two compared entities [Bartak 2018]. Assuming that income values are ordered in ascending manner, the Gini coefficient is determined using the formula:

\[
G = \frac{1}{2n^2} \sum_{i=1}^{n} \sum_{j=i+1}^{n} |x_i - x_j|
\]

where:
- \(G\) – the Gini coefficient;
- \(x_i\) – value of the \(i\) variable for a household;
- \(x_j\) – value of the \(j\) variable for a household;
- \(\bar{x}\) – average value of a property;
- \(n\) – size of the sample;
- \(i\) – observation position within a string (in ascending order).

Values of the Gini coefficient fall within the range of [0, 1], and values of the Gini index fall within the range of between 0 and 100. Zero means a completely even distribution, while 1 (or 100) signifies maximum inequality, which means that only one observation obtains a positive value of the variable – only one household has income, and the rest of the households have no income at all [Stawicka 2012].

The following were used in order to analyse the impact of taxes and social remittances on the level of income inequalities in European Union countries [Zwiech 2013]:

- the Gini coefficients’ variability index \((Z_{GC})\), so-called the Gini gap, expressed using the formula:

\[
Z_{GC} = GC_b - GC_a
\]

- the Gini coefficients’ correlation index \((R_{GC})\), expressed using the formula:

\[
R_{GC} = \frac{\sum_{i=1}^{n} (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_{i=1}^{n} (x_i - \bar{x})^2 \sum_{i=1}^{n} (y_i - \bar{y})^2}}
\]

\(^1\) It should be noted that the Gini coefficient is a measure not devoid of drawbacks. As Rafał Nagaj points out “this measure is insensitive to changes within particular income groups and does not take into consideration whether social welfare is improved or not as a result of specific actions of the state” [Nagaj 2013]. It only demonstrates the change in the uniformity of income distribution. Furthermore, Stanisław Maciej Kot and Katarzyna Ostasiewicz point out that the Gini coefficient should not be used to assess global income inequalities, because this measure is not decomposable. The problems are posed here by deficiencies in statistical databases, which are aimed at gathering information about incomes on a global scale. Only some summary statistics are usually presented, such as participation in the quintile, the middle value or the Gini coefficient [Kot and Ostasiewicz 2019]. Despite these reservations, the Gini coefficient calculated by Eurostat is a normalized quantity, which facilitates the process of making comparisons both over time and between countries. It was used in developing the assessment of the effectiveness of state instruments in eliminating income inequalities in the European Union.
where:

- $G_{CB}$ – the Gini coefficient before taking taxes and social remittances into account (based on the so-called market income);
- $G_{CA}$ – the Gini coefficient after taking taxes and social remittances into account (based on the disposable income).

The Gini coefficients’ variability index shows by what value the analysed index was reduced as a result of taxation and social remittances. It takes values from the range of $[0, 1]$. If the effectiveness of the above-mentioned measures of a state’s redistribution policy on reducing income inequalities is minimal, then $Z_{GC}$ is close to 0. However, if the inequalities are completely reduced, then the value of $Z_{GC}$ equals 1.

The Gini coefficients’ correlation index demonstrates the percentage difference between the Gini coefficient before and after taking taxes and social remittances into account. It takes values from 0 to 100%. In a situation where taxation and social remittances do not reduce income inequalities, $R_{GC}$ is close to 0%, and when they reduce income inequalities completely, then $R_{GC}$ amounts to 100%.

### INCOME INEQUALITIES IN THE THEORY OF ECONOMICS – AN OVERVIEW OF SELECTED VIEWS

The approach of economics to inequality, defined as an economic category, has changed over the centuries. The interest in the division, diversification of income and the increasingly severe inequalities stemming from it has not always been part of the main trends in research. Often, it was a topic that only served as a complement of the conducted considerations and analyses.

Adam Smith, in spite of stating that “No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable”, did not devote any comprehensive research to this issue [Smith 1954]. This is because he believed that the livelihood of an individual and their position in the society depend solely on him or her. Individuals whose efforts and personal contributions to the economy are significant and valuable should be wealthy. However, if an individual is poor, this is either because he or she wants to be poor, by deciding against working and by not saving the obtained income, or because their input of labour is not very productive, which is why he or she does not deserve to enjoy substantial prosperity.

In addition, Smith believed that, by virtue of the so-called invisible hand of the market, an individual who cares for his own standard of living, simultaneously influences the entire society and its prosperity [Smith 2004]. This results from the fact that private stimuli present in the market economy lead to the effective allocation of resources and the maximization of social income [Litwiński 2017].

A somewhat bigger interest in the topic of income inequalities was generated thanks to the English economist David Ricardo. He pointed to the state’s redistribution policy and the need to actively support people in their search for work. According to this economist, if a certain group of people will not work and will permanently live off state aid, then the weakening of general market stimuli and the deterioration of the living standard of the rest of the society may occur [Ricardo 1817].

On the other hand, John Stuart Mill, the last of the great classics, noted another important and significant aspect with regard to the role of the state in reducing inequalities. J.S. Mill wrote that “the laws of production are constant, but the division of personal income changes through social intervention” [Justyńska i Justyński 2004]. According to him, the laws governing production are based on objective natural laws and are beyond the control of a man. On the other hand, the laws of division are related to the system of social institutions and may be modified in accordance with the emerging social needs. J.S. Mill wanted to conduct a social reform aiming at improving the livelihood of the poorest people through changes in the institutional sphere, in order to implement the concept of an affluent society [Mill 2005].

The birth of another school of thought – neoclassical economics – did not cause a significant and noticeable progress in analysing the problem of income inequalities. The functional distribution of income was
regarded in a similar way, but this was achieved by replacing the macroeconomical analysis characteristic of the classics with microeconomics [Blaug 2000]. In his research, the leading representative Alfred Marshall [1890] attempted to explain the ways of reducing the variability of income. He noted that higher increments in economic rent are observed among people with lower incomes. Therefore, if there occurs a reduction in the variability of income, it is possible to increase the total economic rent for the entire society [Grzelak 2016]. However, he emphasized that the reduction of inequalities must not suppress the free initiative of the population and contribute to slowing down the growth of the national dividend [Litwiński 2017].

One economist whose research had a significant impact on increasing the interest in issues related to inequality was Simon Kuznets [1976]. The purpose of his considerations was to explain the long-term trends with regard to income inequality in the economy as a whole. While analysing the economic growth and economic inequalities of three developed countries (the United Kingdom, Germany and the USA) and three so-called Third World countries (India, Sri Lanka and Puerto Rico), he stated that inequality in the distribution of income takes on a different form at different stages of economic development [Jastrzębska and Lechwar 2012]. He illustrated this dependence using a curve in the shape of an inverted letter "U". Initially, the inequality is small, the economy develops, then in gradually starts to increase and stabilizes and, once a certain threshold of affluence is crossed, it begins to fall. At first, economic growth increases inequalities, whereas later on, it contributes to their decline.

Among the contemporary considerations regarding aspects of income inequalities, the original approach of the Indian economist Amartya Sen is worthy of note. His research on inequality consists of an interdisciplinary approach that combines knowledge from the fields of sociology, economics, psychology, and ethics. In contrast to S. Kuznets, he opposes treating economic growth as the main factor associated with the level of inequality and poverty [Jastrzębska and Lechwar 2012]. In his considerations, the Nobel Prize winner did not pay much attention to the division of goods, but focused his research on the equality of opportunities. He pointed to the fact that many negative social phenomena (poverty, hunger) result not from the lack of a sufficient number of goods and services on the market, but from their incorrect distribution [Sen 2000].

In the twenty-first century, Thomas Piketty, the author of *Capital in the Twenty-First Century*, was the most influential in the field of research and discussion on economic inequalities. The main research area of the French economist concerns the relationship between the rate of return on capital and the rate of economic growth. T. Piketty claims that capitalism automatically generates inequalities that are arbitrary and inconsistent with the idea of balanced development of inequalities because the rate of return on capital exceeds the rate at which production and income grow [Piketty 2015]. For this reason, the wealth of affluent people grows faster than income resulting from the labour of poorer people. As a consequence, the disproportions in wealth are increasing, in Europe, for instance, 10% of the richest people possess approx. 65% of all the wealth [Grzelak 2016].

**RESULTS AND DISCUSSION**

The comparison of the values of the Gini index, determined on the basis of disposable income for the years 2010–2018, shows a large variability among countries of the European Union in terms of income inequalities (Table 1). In 2010, the difference between particular member states amounted to over 13 percentage points, i.e. between 23.8% in Slovenia and 37% in Lithuania. This means that income inequalities in Lithuania were over 64% higher than in Slovenia. High income inequalities (index values of above 35%) were also recorded in Latvia and countries of Southern Europe – in Bulgaria and Romania, as well as in Spain, Greece and Portugal. Meanwhile, low values of the Gini index (below 26%) were observed in Sweden, Finland, the Netherlands, as well as the Czech Republic and Slovakia. In 2010, Poland was in the group of European Union countries with a higher than average level of income inequality.

When comparing 2018 to 2010, it may be noticed that the average level of income inequality in the European Union almost did not change – the average value of the Gini index increased by 0.2 percentage
point and was at the level of approx. 30\%\(^2\). However, there were countries in which significant increases in inequality were observed, especially in Bulgaria – by 21.5\%, Hungary – by over 16\%, and in relatively rich European Union countries, such as Luxembourg – by 11\%, Sweden – by nearly 10\% and in the Netherlands – by approx. 6\%. Meanwhile, the largest decrease in the value of the Gini coefficient was recorded in Slovakia (over 10\%) and Poland (6\%). It should be noted that the decreasing values of the Gini index are not tantamount to an improvement of the situation of people with the lowest income because changes which determine the value of this index may be related to different sections of income distribution.

Failing to take into account income redistribution leads to changes in income inequalities in European Union countries (Table 1). In the analysed years, income inequalities measured on the basis of the market revenues were at a much higher level – in 2010, between 29.8\% in the Czech Republic and 46.8\% in Ireland and in 2018, between 26.2\% in Slovakia and 43.4\% in Bulgaria. Apart from Lithuania, Latvia, Spain and Portugal, in the group of states with a high value of the index there were also three countries – Sweden, Denmark (countries with a social democratic, welfare system), as well as France. Meanwhile, the lowest income inequalities were a characteristic of not only the Czech Republic, Slovakia, Slovenia, Malta and the Netherlands, but also Poland – with the value of the Gini index amounting to approx. 34\%. Moreover, Poland, prior to taxation and remittances, was in the group of countries with a value of the index lower than the median and the mean.

Even greater differences in the values of the Gini index before and after the redistribution of income are visible when social remittances do not include economic rents (Table 1). In most countries, the index then reaches a value of above 48\%, which is the level typical of developing countries. Two countries – Sweden and Portugal, are particularly noteworthy because in the analysed years, the value of the Gini index, calculated on the basis of market revenue with the exclusion of economic rents, was almost twice as high as the one calculated on the basis of disposable income. In contrast, Poland is placed between the first and the second quartile in this ranking, thus, in most countries of the European Community, the values of this index were higher.

In all countries of the European Community, taxes and social remittances effectively nullified the variability in income distribution – all the values of the Gini coefficient based on measuring disposable income were lower than those related to market revenue (Table 2). Income stratification was reduced to the largest extent in Ireland (the decrease in the Gini coefficient in 2010 equalled as many as 16 percentage points), Denmark, Finland, Sweden and Hungary. Meanwhile, redistribution policies decreased inequalities to the smallest extent in Italy, Latvia and in Greece. The average in terms of differences in the value of the index for these countries equals just over 2 percentage points.

However, an analysis of the variability of the Gini coefficient in the years 2010—2018 points to a reduction of the Gini gap. This means that the efficiency of redistribution in most European Union countries has been decreasing. The decline in this correlation took place in Austria, Belgium, Croatia, the Czech Republic, France, Spain and Germany. A systematic increase in the efficiency of redistribution occurred only in Finland and, to a small extent, in Greece.

Here, is worth noting that despite the noticeably significant impact of social aids on nullifying income inequalities in countries of the European Community, there is a risk that they will contribute to increasing the severity of the inequalities in a situation when they are directed at the whole society, and not only at the poorest. Furthermore, the social benefit system may reduce the professional activity of the population, since part of the society may prefer the help of the state in the form of aids and benefits rather than engaging in gainful employment.

In order to better illustrate the impact of taxation and social remittances on the level of income inequality, the Gini coefficients’ correlation index was used. In the analysed years, in relative terms, income inequalities were reduced to the greatest extent through

---

\(^2\) This value is the average of the Gini coefficients in particular European Union countries and not the Gini coefficient for the entire population of the European Community.
Table 1. The Gini coefficient (%) before and after taxation and social remittances in European Union countries in 2010 and 2018

| Country         | Excluding taxes and social remittances |                | Including taxes and social remittances |                |
|-----------------|----------------------------------------|----------------|----------------------------------------|----------------|
|                 | economic rents included | economic rents excluded | economic rents included | economic rents excluded | economic rents included | economic rents excluded |
|                 | 2010  | 2018  | 2010  | 2018  | 2010  | 2018  |
| Austria         | 34.4  | 47.9  | 33.8  | 47.5  | 28.3  | 27.9  |
| Belgium         | 34.8  | 46.5  | 33.6  | 48.5  | 26.6  | 26    |
| Bulgaria        | 35.9  | 46.5  | 43.4  | 48.5  | 33.1  | 40.2  |
| Croatia         | 37    | 48.2  | 34.1  | 47.8  | 31.6  | 29.9  |
| Czech Republic  | 29.8  | 43.8  | 28.2  | 43.7  | 24.9  | 24.5  |
| Cyprus          | 33.5  | 42.4  | 34.7  | 48.6  | 30.1  | 30.8  |
| Denmark         | 38    | 51.3  | 36.7  | 49.9  | 26.9  | 27.6  |
| Estonia         | 35.3  | 47.4  | 35.2  | 45.7  | 31.3  | 31.6  |
| Finland         | 33.9  | 45.8  | 34.3  | 48.8  | 25.4  | 25.3  |
| France          | 37.6  | 49.2  | 35.7  | 50.8  | 29.8  | 29.3  |
| Germany         | 35.9  | 55.4  | 35    | 54.4  | 29.3  | 29.1  |
| Greece          | 34.9  | 49.1  | 36    | 58.2  | 32.9  | 33.4  |
| Hungary         | 32.9  | 49.3  | 36.4  | 50.7  | 24.1  | 28.1  |
| Ireland         | 46.8  | 53.9  | 41.6  | 49.6  | 30.7  | 30.6  |
| Italy           | 33.7  | 47.5  | 34.9  | 48.3  | 31.7  | 32.7  |
| Latvia          | 39    | 50.9  | 37    | 47.2  | 35.9  | 34.5  |
| Lithuania       | 42.4  | 55.1  | 41.3  | 52    | 37    | 37.6  |
| Luxembourg      | 34.9  | 46.3  | 36.4  | 50.2  | 27.9  | 30.9  |
| Malta           | 33    | 42.7  | 32    | 43.9  | 28.6  | 28.3  |
| Netherlands     | 31.8  | 44.2  | 32.6  | 46.4  | 25.5  | 27.1  |
| Poland          | 34.7  | 47.9  | 33.6  | 47.3  | 31.1  | 29.2  |
| Portugal        | 38.3  | 50    | 36.9  | 58.2  | 33.7  | 33.5  |
| Romania         | 37.4  | 53.2  | 36.5  | 51.6  | 33.5  | 33.1  |
| Slovakia        | 30    | 43.3  | 26.2  | 39.3  | 25.9  | 23.2  |
| Slovenia        | 29.8  | 42.1  | 29.3  | 43.1  | 23.8  | 23.7  |
| Spain           | 37.7  | 46.8  | 38.1  | 49.7  | 33.5  | 34.1  |
| Sweden          | 35.1  | 56    | 36.7  | 57.6  | 25.5  | 28    |
| United Kingdom  | 35.1  | 53.6  | 36.7  | 54    | 32.9  | 33.1  |

Source: Original work based on Eurostat database.
taxation and remittances in Ireland (by nearly 35% in 2010), Finland (by 26% in 2018) and in Sweden (by 27% in 2010). In turn, taxes and remittances reduced inequalities to the smallest extent in Greece and Italy; they effected a reduction of approx. 6% in 2010. The effectiveness of the redistribution policy with regard to reducing income inequalities in Poland was clearly increased in 2018.

The correlations between the selected indicators and the level of income inequalities measured using the Gini coefficient, including taxes and social remittances, were examined by applying the Pearson correlation coefficient (Table 3). The data from Table 2 and a comparison of expenses for social purposes in particular countries of the European Community expressed in GDP were used.

Table 3. The correlation between the Gini coefficient and selected variables*

| Specification                              | $r(X, Y)$ | $R^2$ |
|--------------------------------------------|-----------|-------|
| Share in GDP of public expenses for social purposes (%) | −0.457    | 0.208 |
| The Gini gap                               | −0.471    | 0.220 |
| Mean of the average equivalised net income | −0.556    | 0.309 |

*a Correlation is significant at the level of 0.05 (bilaterally).
Source: Original work based on Eurostat database.
The study allows us to confirm the presence of a negative correlation ($r = -0.457$) between the Gini coefficient and public expenses for social purposes. Therefore, it may not be stated authoritatively that an increase in social expenses contributes to reducing income inequalities and *vice versa*. Similar conclusions may be drawn from the study of the correlation between the Gini index and the Gini gap. Among the examined measures, the mean equivalised annual net income was correlated the strongest to the Gini coefficient. Pearson’s linear correlation coefficient reached the value of $r = -0.55$. The correlation between the variables is statistically strong and negative.

Research has shown that effective redistribution is not always tantamount to the high share of expenses on social purposes and tax revenues expressed in GDP. The level of income inequality, as a multidimensional category, depends on many different factors. Hence, one cannot expect a very strong correlation based on only one variable, e.g. the level of social expenses. It is not without reason that this correlation is subjected to research, modelling and interpretation by many scientists who try to reach a dependency – if not a linear one, then at least an indirect one.

**CONCLUSIONS**

The conducted analysis of the level of income inequalities in countries of the European Union allows us to formulate the following conclusions:

1. The evaluation of economies on the basis of the Gini coefficient has demonstrated that, in the analysed years, European Union countries have achieved the indicator in the range from 23 to 41, which, in view of the scale ranging from 0 to 100, may be considered satisfactory.

2. In all the years covered by the study, the largest income inequalities determined on the basis of disposable income occurred in the least affluent countries of the European Union – in Bulgaria, Romania, the Baltic countries – Latvia, Lithuania, and in Southern European countries – Spain, Portugal, Greece and Italy. The lowest level of income inequality was recorded in Slovakia, the Czech Republic, Slovenia and Finland.

3. The study conducted in the article allows to confirm the hypothesis assumed at the beginning, according to which the state, by means of taxes and social remittances, effectively contributes to a reduction in income inequalities measured using the Gini coefficient.

4. However, the impact of the redistribution policy on the level of income inequality in particular countries of the European Community is very different. Ireland, Denmark, Finland, Sweden and Hungary effectively use the taxation system and the social security system to reduce the level of inequality in market revenues. In other countries, such as Cyprus, Italy and Greece, this effect is much weaker.

5. Higher public expenses for social purposes (percentage of GDP) were not unambiguously tantamount to low values of the Gini coefficient. The variable is explained by another one with an accuracy of 20%. Therefore, it would be a mistake to say that providing for high social expenses has a direct impact on the development of disproportions in income.

**REFERENCES**

Bartak, J. (2018). Wpływ nierówności dochodowych na rozwój kapitału ludzkiego w krajach OECD po 1990 roku [The impact of income inequalities on the development of human capital in OECD countries after 1990]. Uniwersytet Rzeszowski, Rzeszów [doctoral thesis].

Blaug, M. (2000). Teoria ekonomii. Ujęcie retrospektywne [Theory of economics. Retrospective view]. Wydawnictwo Naukowe PWN, Warszawa.

Grzelak, A. (2016). Zróżnicowania dochodowe i przyczyny ich zmian w krajach objętych statystyką OECD [Income inequality and the reasons for its change in countries covered by OECD statistics]. Zeszyty Naukowe SGGW w Warszawie. Problemy Rolnictwa Światowego, 16 (31), 2, 94–105.

Jastrzębska, W., Lechwar, M. (2012). Nierówności ekonomiczne i kapitał ludzki z perspektywy polskich obszarów przyrodniczo cennych [Economic inequalities and human capital in environmentally valuable areas]. Nierówności Społeczne a Wzrost Gospodarczy, 24, 422–432.

Justyńska, I., Justyński, J. (2012). Historia myśli socjologiczno-ekonomicznej [History of sociological and economic thought]. Wolters Kluwer, Warszawa.
STRESZCZENIE
Artykuł podejmuje kwestie dotyczące poziomu nierówności dochodowych w krajach Unii Europejskiej w latach 2010 i 2018. Do realizacji celu badawczego wykorzystano literaturę przedmiotu oraz wtórne dane Eurostat. Uzyskane wyniki potwierdziły występowanie dużego zróżnicowania poziomu nierówności dochodowych między badanymi krajami. Państwami cechującymi się największymi nierównościami dochodowymi były Bułgaria oraz Litwa. Najmniejsze dysproporcje dochodowe niezależne od ingerencji państwa występowały w Czechach, na Słowacji oraz w Słowenii. Poza tym w 2018 roku zauważono relatywnie duży spadek nierówności w Polsce oraz wzrost nierówności w Luksemburgu, Szwecji oraz Holandii. Przeprowadzone w artykule badanie pozwala potwierdzić założoną na wstępie hipotezę, że w krajach Wspólnoty Europejskiej państwo poprzez podatki i transfery socjalne skutecznie wpływa na redukcję nierówności dochodowych. Odnoszono jednak spadek tzw. luki Giniego w większości krajów unijnych, co oznacza, że efektywności redystrybucji mała.

Słowa kluczowe: redystrybucja, dochód, nierówności dochodowe, transfery społeczne