

Book Review: A Brief History of Equality by Thomas Piketty

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A Brief History of Inequality by Thomas Piketty, translated by Steven Rendall.
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Even for conservative audiences, who neglect the necessity of redistributive reforms to stabilize capitalism, speaking of a tendency towards equality during times of dreadful capitalist exploitation might seem to be an exercise in theoretical and political naivety. Nevertheless, there is justification in Piketty's decision to title his most recent book *A Brief History of Equality*. This book updates and summarizes the main arguments that the French economist has covered in his previous works *Les Hauts Revenus en France au XXe siècle* (Piketty 2001), *Top Incomes over the Twentieth Century* (Atkinson and Piketty 2001), *Capital in the Twentieth-First Century* (Piketty 2013), and *Capital and Ideology* (Piketty 2019). These are based on the empirical findings that he and the research fellows of the World Inequality Lab (WIL) at PSE have compiled over the years. Indeed, this new publication analyzes the world history of income and wealth inequality from a comparative perspective, with an optimistic but not innocent lens. A paradoxical entanglement, this book shows a global tendency towards a reduction of wealth and income concentration during the 20th century and a reversal happening since the beginning of the current one. Such a history is not a parsimonious one; instead, it synthesizes the experience of revolts and revolutions, crisis, and social struggles. Therefore, Piketty warns against the risks and institutional changes which reverse a social distributive equilibrium towards deepening inequality. Furthermore, he imagines an institutional alternative to attain a new democratic socialism, which is participatory, federalist, ecological, and multicultural.

The first entry point for Piketty is what he calls the new economic and social history. A perspective expounded by the historian Kenneth Pomeranz (Pomeranz 2000), it seeks to explain how the global great divergence occurred due to Western industrial development's three main features: the international division of labor, the frenetic exploitation of natural resources, and military and colonial domination over the rest of the planet. A second point concerns recent advancements in the study of comparative and historical wealth distribution. Piketty traces a thread of continuity between the normative discussions of ancient Greek philosophers (as Plato's Republic brings some figures about the desirable levels of wealth distribution into the political discussion), the works on national income and wealth accounting of Kuznets, Lampman, Atkinson, and Jones, and the current computational developments for reconstructing long-run data series on inequality. These latter empirical developments in the study of inequalities may be considered relevant from a Classical Political Economy perspective. They resemble the exercises of economic data compilation used by Marx during the process of writing *Capital*. I also would suggest the works of Anwar Shaikh (Shaikh 1994) on the correction of American NIPA as belonging to this tradition. Likewise, we can include the studies on pre-20th century income data reconstruction of Branko Milanovic, Peter H. Lindert and Jeffrey Williamson (Milanovic, Lindert and Williamson 2011), who are inspired by William Petty and François Quesnay in proposing the social tables approach for studying income inequality.

This systematic perspective brings new lessons concerning the political character of inequalities. If these claims are not new for heterodox economists, they add supportive evidence for including institutional and political-economy analysis into economics. First, they remind us that inequality is a social, historical, and political construction. This critiques the false adage stating that inequality is an inevitable byproduct of the process of economic development. The new economic and social history provides empirical evidence suggesting that the state of power relations creates these different systems of property, and that different social and political systems can prevail at similar levels of technological development. As a second lesson, Piketty argues that a transformation of power relationships occurs because of either social conflicts or large-scale political crisis. These events clear the way for overthrow-

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ing institutions supported by the dominant classes. In this regard, the author refers to the reversal of inequality which occurred during the peasant revolts and the French Revolution in the late 1780s and during the anti-colonial Saint-Domingue slave revolt of 1791.

However, the struggles and the new power relationships which arise after such conflicts are not sufficient conditions for attaining equality. Piketty argues that to overcome inegalitarian institutions and established powers, there must be a real political consensus about the alternatives that actualize progress toward social, economic, and political equality. This emphasis on institutions and political outcomes goes along with his detailed study of ideas and ideologies. Piketty suggests that ideologies can constrain the advance of the institutional alternatives, making them deserve a proper and serious inquiry. Nevertheless, it is not enough to reduce these ideas to specific features of class identity (i.e., the idealistic substratum for material antagonisms). For the French economist, the performance of economic institutions depends on the theories of justice at their core and the conceptions of property that they embody. Furthermore, economic and identity antagonisms feature ideological and political conflicts. Such antagonisms are multidimensional and intersectional as the works of Pierre Bourdieu (Bourdieu 1979) and Nancy Fraser (Fraser and Honneth 2003) have already shown.

From a technical perspective, an assessment of the march towards equality requires one to choose the right set of socio-economic indicators to analyze the improvements in different areas of life since the 19th century. Therefore, in the first part of this book, Piketty's approach tracks access to concrete goods such as education, health care, food, clothing, housing, transportation, and culture. For instance, to measure health enhancements, he proposes the necessary observation of a rise in life expectancy. Likewise, increasing access to education and culture leads to increases in literacy rates. In the spirit of modern political thinking, Piketty views social progress as an unfinished project. As more people gain access to certain fundamental rights and goods, new inequalities emerge. Hence, he argues that the right choice of socio-economic indicators depends on political decision-making, and he suggests that we follow a multidimensional approach when designing them. Yet, social development also involves the overexploitation of natural resources. In short, Piketty states that the measurement of such costs requires an examination of both national income, which updates the depreciation and the amount of the stock of natural capital, and the distribution of carbon emissions. For this reason, the author suggests that certain macroeconomic aggregates are relevant and allow us to analyze social welfare policies and the weight of certain types of taxation relative to national income.

In a similar vein, Piketty states that coping with the analysis of inequalities requires situating economic indicators in their social and historical context. For instance, since the 19th century, both Europe and the USA have experienced a reduction of wealth inequality. This evolution was reversed during the last part of the 20th- through the beginning of the 21st century. However, these results are based on monetary measures of wealth, value, and its distribution, which are an imperfect description of property rights in terms of power and the social value of available goods. To avoid this limitation, Piketty insists on understanding property as a "bundle of rights" corresponding to each socio-historical context. On the other hand, Piketty argues that capital ownership and property have taken different forms throughout history. Hence, he suggests evaluating the concrete forms of property in a political economy and their distribution among the social strata.

In this regard, Piketty proposes a wide definition of property — adding housing, state net assets, and assets located overseas to the usual set of means of production. According to Piketty, this wider definition "updates" the Marxist approach by allowing us to conceive of exploitation, profit extraction and power disparities as occurring in all these additional forms of property. Likewise, it allows for an exploration of the consequences of property concentration in the productive, reproductive, and non-productive spheres. Piketty also provides figures describing the current property structure in the developed world: the bottom 50% mainly owns debts but also cash and bank deposits, the next 40% has housing as a main form of property, and the top 10% mainly own business and financial assets. In this stratification, the top 1% possess the means of production, making it the dominant class.

Furthermore, this alternative approach tends to focus on the normative features of ownership, allowing the tendency towards equality to be interpreted as a series of successive transformations of property laws in favor of non-property owners. In that sense, Piketty's historical interpretation explains how such institutional transformations have increased the wealth share for the patrimonial middle class. The latter were the main winners of the reduction of inequality before the 1980s, while the property

share of the top 9% (the wealthy class) got stabilized and the position of the top 1% (the dominant class) in the wealth distribution collapsed. If we follow Piketty's approach, we should understand that the de-concentration of property in the 21st century may be attainable through legal revolutions .

After discussing inequality indicators and defining his conception of property, Piketty introduces an outline of the historical evolution of equality in the Western and colonial worlds. At the beginning of this history, slavery and colonialism were the main original modalities of wealth acquisition in the Western world. The dominant position of both Western Europe and the USA was guaranteed at the global level by these practices. For example, the author takes Sven Beckert's explanation about the role of the slave labor in cotton extraction when British and Europeans seized control over worldwide textile production. Furthermore, Piketty follows the research of Immanuel Wallerstein (Wallerstein 1974–1989), Ha-Joon Chang (Chang 2002), and Mariana Mazzucato (Mazzucato 2013) to show how military domination and protectionism were tools for colonial regimes to dominate the periphery and enhance the competitiveness of their production in the metropolis. A main instrument for enhancing colonial domination, the institution of the state was initially controlled by the dominant classes. However, subaltern classes challenged it by means of revolts and social struggles since the end of the 18th century. For Piketty, the colonial heritage of slaveholding forces us to rethink the connection between reparatory and universalist forms of justice.

Although popular rebellions overcame slavery, Piketty states that former slaveholders found in compensations and the ownership of public debt a last resort to regain economic control of the state. For example, this mechanism affected the Haitian post-colonial experience and constrained its economic development. Likewise, Piketty suggests that former British colonies experienced high increases in debt or the emergence of new regimes of quasi-forced labor that accounted for the indemnification of former slaveholders and property owners. The latter was called *corvée* in the French post-revolutionary experience: forced labor in legal form that is imposed when the natives lack any resources for paying taxes. Finally, the French economist states that the colonial experience had long-run effects on the education system in post-colonial societies. The budgetary segregation between schools for natives and colonists experienced during colonial times persists until now when evaluating the development of schooling in post-colonial areas. According to Piketty, solving this colonial heritage makes it necessary to attain redistributive policies without identity reification.

The movement toward equality that post-revolutionary societies experienced did not do away with the multiple privileges of money. For instance, the scope of the institutions that 18th century revolutions implemented only included property-owning White men in either France or the United States. Especially in France, the nobility retained its privileged social position as a class of property owners. In other words, the transition toward equality triggered the emergence of a new property-owning ideology and entailed a transformation in the status of labor. In his study of the French case, Piketty shows how the *corvée* was replaced by the system of rent payments of land at the end of the feudal era. This new era showed a strengthening in work discipline and property rights that went on until the 19th century. Piketty also refers to the emergence of salaried work in France during the 20th century as representing a form of progress. Yet, the power status of these salaried workers diminishes with the introduction of the system of self-employment (gig economy and digital platforms). In France, this happened after the enactment of the 2008 law for modernizing the economy.

The Swedish economy is a second study case for understanding countervailing economic power after the post-revolutionary redistribution. Piketty tells us that Sweden experienced the introduction of a censitary electoral system (census suffrage) during the 19th century. Under this regime, the right to vote and the number of votes allocated to each citizen depended on how much tax they paid and how much property and income they had. During the 20th century, the Swedish Social Democrats used these censitary voting records to levy higher tax rates and finance the new redistributive system. Nevertheless, Piketty notes how the property-owning class in Sweden found strategies to outmaneuver this institutional setup and capture democratic institutions by means of monetary power. Some of these strategies reproduced the same type of power that censitary voting entailed. For instance, Piketty mentions how Sweden's wealthy classes obtained significant tax deductions on certain social investments, the lifting of ceilings on political expenditures, and the deregulation of funding for the media, think tanks, and other organizations shaping public opinion. The type of power emanating from censitary voting is a long-standing problem, which Piketty suggests can be overcome by revisioning political constitutions. He

also advocates for co-management agreements or forms of participatory socialism that allow employee-stockholders to have a majority of the votes constrained by collective deliberation with other employees as the company became larger.

Piketty's *A Brief History* narrates the moment of great redistribution that happened after post-revolutionary property-owning classes recovered their position. The book situates the chronology of this historical moment during the period 1914-1980 in the Western world (UK, Germany, France, Sweden, and the United States), and also Japan, Russia, China, and India. What Piketty calls the Great Redistribution is a synthesis of three specific factors: the rise in power of welfare states, the enactment of progressive taxation on income and inheritance, and the liquidation of foreign and colonial assets. The first feature is a result of (i) social struggles and mobilization of the socialist and labor movements since the end of the 19th century and (ii) structural changes as the world wars and the Great Depression made it necessary to increase social protection policies. The rise of tax burdens in the USA and Europe contributed to the process of economic development without reducing economic growth, and this promoted more egalitarian investments in education, health care, transportation, infrastructure, and replacement income. Piketty argues that such a reduction of inequalities happened at the level of predistribution, or before the application of taxes. Paradoxically, in his narrative, this phenomenon appeared as a matter of national power because of its contribution to labor force development, thereby fitting the training and productivity requirements of the second industrial revolution.

Concerning the more progressive taxation on income and inheritance, Piketty emphasizes that progressivity was an invention of the 20th century: all fiscal systems were regressive (i.e., poll tax or capitation) at the beginning of the 1900s. In the period before WWI, fiscally progressive movements became more powerful, such as the movement to defend the 1913 federal income tax in the USA and the 1909 People's budget in the UK. In his analysis, progressive taxation made it possible to reduce wealth and economic concentration at the apex of the social hierarchy because it targeted the minority of the richest, all while increasing collective acceptance of higher taxes and the greater socialization of wealth. Finally, he states that the liquidation of colonial assets involved the dissolution of public debt and changed perceptions about private property as sacred.

The progressive evolution towards equality implies an overcoming of social and racial discrimination without rigidifying identities. Piketty argues that education justice is one tool to enable real equality, but that it gets constrained by the inequality of access to the most prestigious courses of study and schools. High tuition fees and necessary supplemental payments make it possible for the offspring of the rich to get higher grades that put the best universities out of reach for the least well-off students. Piketty demonstrates this by explaining that parents' income almost perfectly predicts a child's chance to go to university. In this regard, he suggests implementing an affirmative action program based on social criteria that makes it possible to set quantified and verifiable goals. This means following principles of data transparency to produce universally accepted indicators. Likewise, it implies overcoming the opaque practices of higher-ed institutions, who apply their own algorithms for allocating admissions and institutional budget. For him, such a practice disempowers and makes it impossible for citizens, associations, and elected government officials to push for more benefits to non-privileged students.

When critiquing gender discrimination, Piketty targets the problem of how patriarchy affects labor markets. To advance gender parity, he suggests either to place women in leadership roles or to impose quotas in top positions. Yet, according to him, these measures are biased towards the top of the corporate hierarchy and do not pay sufficient attention to the gendered distribution of less well-paid jobs. Conversely, Piketty proposes the pursual of legal action prior to applying social and racial quotas when faced with discriminatory and racist practices. He thinks that imposing such quotas involves the risk of reifying social or ethno-racial identities and reinforcing antagonisms. In contrast, he views it is necessary to push for an affirmative action based on universal social criteria such as income, wealth, or territory.

In the last part of the book, Piketty states that it is necessary to fund a federal welfare state open to the Global South. Nevertheless, he does not mean by this to implement systems of international aid, which in his calculations represent less than 0.2% of global GDP and which do not factor in the cost of climatic damage to poor countries. For Piketty, the central principle for such a federal welfare state would be that every country deserves an equal right to develop itself. In a nutshell, this means that poor countries should receive part of the taxes paid by the planet's multinationals and billionaires.

Justifications for this operation are (i) that the prosperity of the richest actors depends on the global economic system and the international division of labor, and (ii) current frameworks for international assistance are mistaken in assuming that fair market balance exists. Hence, Piketty's suggestion is to replace the system emphasizing pure commercial treaties by an organized globalization with treaties targeting sustainable and equitable co-development. This institutional design makes it compatible with both free circulation of goods and capital, and national sovereignty enabling countries to take political choices about fiscal, social, and legal systems.

This discussion offers the possibility of new forms of democratic socialism, which Piketty understands as forms of democratic federalism driven by explicit, verifiable social objectives for the whole planet. This federal socialism will ideally develop a public financial register to track holders of financial assets at the national and international levels. In the final chapter of his book, Piketty talks about an alternative for current capitalism: a democratic, participatory, federalist, ecological and multicultural socialism (the logical end of the movement toward equality). According to Piketty, this model is a possible left competitor to the authoritarian and statist models of Chinese socialism and Western hyper-capitalism alike. The proposed system would contribute to the transformation of the distribution of wealth and the economic system, and ultimately to attenuate the effects of a warming climate on the Global South. Under Piketty's blueprint, rich countries will look to engage in international financial cooperation, instead of only cutting interest rates. This requires the utilization of new monetary tools placed under democratic supervision. Finally, the global structure will follow the principles of universal sovereignism. Then, each government attempting fiscal sovereignty will follow universalist and internationalist objectives. For this model to succeed, it is necessary to establish the condition for cooperative development and the presence of active citizens engaged in social mobilizations.

A Brief History is a well-written piece that puts forward economic tools to tackle the problem of inequality, and it also provides normative insights and institutional blueprints. However, the approach in this book lacks an adequate explanation for why inequality is capitalism's main problem. For scholars such as Albenaz Azmanova (Azmanova 2020), inequality has always been a feature of capitalism and targeting it creates a new set of problems concerning the determination of acceptable levels of inequality. Likewise, the emphasis on inequality has led some theorists of justice to suggest the convenience of certain economic inequalities for the welfare of the poor. By missing the disempowering effects of capitalist profit-seeking, only targeting inequality could conceal the key value in leftist proposals since Marx: solidarity. Another limitation in Piketty's approach is that it does not fully recast the institutional nature of income and wealth inequalities. An institutional perspective cannot only be limited to making references about the legislative system reigning over economic outcomes. In this regard, such a limited perspective misses the discussion about forms of labor, the heterogeneity of the industrial structure, and technological developments boosting new forms of exploitation and alienation.

To help fill in this gap, classical political economy and Post-Keynesian insights provide complex unified explanations for the economic and cultural phenomena impacting these areas. For instance, a more detailed discussion on factor income shares is missing in Piketty's book. Such an element could tell us more concrete information about the interaction between income distribution, the productive structure, and institutions. Even if Piketty is interested in the impact of global capitalism on inequalities in the Global South, his discussion of colonialism is limited to the experiences of the former French colonies. He does not provide important data for highly unequal regions such as Latin America or Africa. A common problem when reconstructing income data for these regions is that tax income systems showed a poll-tax structure until the 1960s. Hence, there is a chronological limitation for the extrapolation of long-run income series by means of the methods used by Piketty. For this reason, the author could have referred the recent work on "social tables" (Milanovic, Lindert and Williamson 2011) that covers both pre-colonial, colonial, and independence periods. The lack of these other Global South perspectives turns Piketty's social democratic alternative into a replica of the European Union governance system. The risk of replicating such an institutional design is to misrecognize the political and coordination problems that multilateral institutions experienced during the current period of neoliberal hegemony. In a nutshell, transnational political economy problems require us to understand that the threads of economic power at the international level cannot simply be solved by means of either incentive coordination or a voluntaristic call for global parliamentary structures.

With that said, I suggest that *A Brief History* is still a book that introduces crucial questions to

the audience of critical economics. It should be considered the product of an interesting intellectual shift that Piketty has experienced since the publication of *Capital in the Twentieth-First Century*. In his latest book, we find Piketty has moved from a purely economic view of inequality to a more political one. Such a turn reflects the inclusion of normative concerns in Piketty's current work. Hence, it would not be excessive to suggest there are commonalities between the Piketty of *A Brief History* and the tradition of critical social sciences at The New School for Social Research. Clearly, Piketty is aware of the power implications of wealth and income inequality at the national and global scale. This recalls the analysis of political theorists such as Nancy Fraser, whose work *Scales of Justice* (Fraser 2008) emphasizes the problem of political representation embedded in both distributive and recognition (race, gender, ethnic) justice. Likewise, Piketty recognizes that the space of distributive disputes has moved from the level of the nation-state to the transnational one. Inspired by Arendt's reflections in *The Origins of Totalitarianism* (Arendt 1951), he reminds us that the possibility of a redistributive and emancipatory global accord will be contested by reactionary projects tied to the narrow limitations of the nation-state.

At the same time, Piketty is concerned with the urgent necessity to pursue new democratic socialist alternatives that are capable of countervailing both hyper-capitalism and authoritarian socialist regimes. Piketty does not hesitate to suggest the relevance of imaging ways to organize areas of economic life beyond the commodity logic. Such a question is clearly related to the heterodox discussions on comparative economic systems and critical debates on economic policy. These concerns appear in both Duncan Foley's *Socialist Alternatives to Capitalism* (Foley 2020a,b) and Andrew Arato's *Socialism and Populism* (Arato 2019). Piketty also emphasizes the necessity of being aware of the politico-economic genealogy of economic austerity (fiscal, monetary, and industrial) just as Clara Mattei does in *The Capital Order* (Mattei 2022). Because of his interest in the historical and institutional analysis of economic outcomes, Piketty also seems related to political economists such as Andrew Glyn, Stephen Marglin, David Gordon and Richard Edwards (*social structures of accumulation*), or Robert Boyer and Michel Aglietta (*theorie de la régulation*). Even if critical audiences do not fully agree with the neoclassical roots of Piketty's economic thought, I nonetheless suggest that *A Brief History* remains an interesting piece that helps to maintain public discussion on the perils of capitalism.

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