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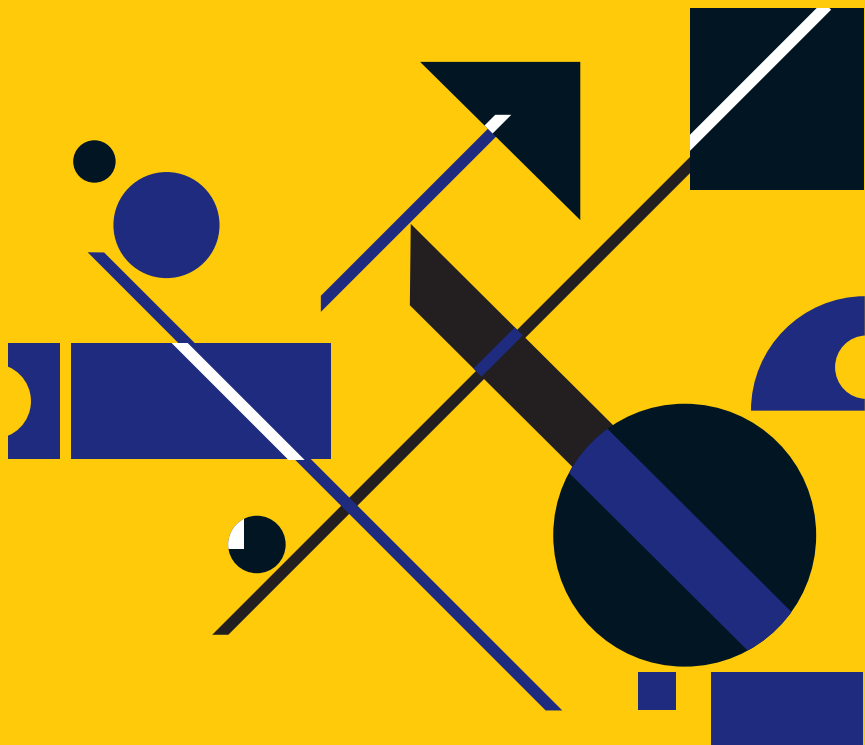
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Debating *Capital and Ideology*: An introduction to the special issue

Poornima Paidipaty | Mike Savage 

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In 2014 the publication of Thomas Piketty's *Capital in the 21st Century* sent shock waves through social science. His work proved inspirational not only because of his specific research findings regarding inequality, but because he offered a new vision of how social science can renew itself in the 21st century. His bold interdisciplinary platform, his use of new and rigorous methods, and his concerns to re-ignite the political relevance of social science have been profoundly significant. His new book which is the focus of this special issue, *Capital and Ideology*, continues very much in this vein.

We should put his contribution in context. The 1990s had seen the fluorescence of “big picture,” but ultimately rather empty and hyperbolic social science caught up with the giddy moment of globalization. The character of this work is captured very neatly in the *British Journal of Sociology*'s first issue of 2000, guest edited by John Urry under the clarion cry of “Sociology faces the millennium,” and which has become one of the most cited ever issues of the journal. This special issue included many of the sociological good and the great, with Manuel Castells, Immanuel Wallerstein, Gosta Esping-Andersen, Goran Therborn, Ulrich Beck, Bruno Latour, Barbara Adam, Saskia Sassen, and Mike Featherstone all reflecting on social change at the start of the 21st century. Well, what a very white and largely male list of authors this was!

Looking back at these contributions now, it is striking that despite being assembled to pronounce a bold new millennial vision for sociology, and social science more broadly, the papers actually exhibit profound intellectual exhaustion. Wallerstein was deeply critical of sociology's invocation of nebulous concepts of globalization and its reliance on “post-” concepts (such as post-industrialism, post-modernism, etc.), and placed this within a bigger crisis in which the very disciplinary specialization of the social sciences was becoming dysfunctional, and “essentially crippling the ability of the students to think as social scientists. We are turning them into skilled technicians.... the intellectual result is collective blinkers” (Wallerstein, 2000, p. 33). Esping-Andersen (2000, p. 60) ruminated that “the legacy of our classics may lose its power, the typologies and the conceptual vocabulary that generations of sociologists so tirelessly developed may become ineffective.” In some ways, this pessimism was endorsed by the kind of hyperbolic contributions of sociologists which read as if the authors were engaged in a kind of promotional exercise. This seems the best way to interpret Ulrich Beck's (2000, p. 81) proclamation for cosmopolitan sociology which could respond to the fact that a “new kind of capitalism, a new kind of economy, a new kind of global order, a new kind of politics and law, a new kind of society and personal life are in the making.” The contributors did not offer much in the way of new methodological repertoires, empirical analyses, or politically engaged reflections.

Sociology was not alone in envisioning vast, unbounded horizons for exchange, growth, and transformation at this time. From Arjun Appadurai's (1996) *Modernity at Large* to Michael Hardt and Antonio Negri's (2000) *Empire*,

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many scholars at the turn of the millennial predicted a “brave new world” that was more international, interconnected, and economically expansive. While they were not wrong about the scope of the transformations being wrought by economic globalization, the shallowness of the appeal to cosmopolitanism and the “mobility paradigm” (see e.g., Sheller & Urry, 2006) starkly came to light as global geo-political tensions rose dramatically and as capitalism became increasingly turbulent. And indeed, in the first decade of the 21st century, this sense of pessimism deepened. The increasing anxiety about the status of social science was fueled by the challenge of big data (Savage & Burrows, 2007) and the uncertain status of science itself in an increasingly reflexive and insecure environment added to this air of anxiety. This introspective anxiety has been particularly acute within the discipline of sociology (see e.g., Holmwood, 2010; Savage, 2010).

Within this malaise, *Capital in the 21st century*, published in 2014, was a trumpet blast. It showed how ambitious, empirically rigorous research could engage a wider reading public who wanted to understand long-term trends and think about political responses in an informed way. It offered the renewal of a kind of historical social science that Wallerstein had demanded a few years before. Piketty did this by cutting out unnecessary insider references that would only appeal to fellow specialist economists, indeed he provocatively criticised the discipline of economics for failing to offer big picture analyses. Piketty's timely book pushed his readers to look far beyond the particularities of immediate events such as the sub-prime mortgage bubble by tracing the contours of a broader set of economic transformations. Starting in the 1970s, these had subverted the midcentury gains of Western welfare states and challenged the optimistic faith of the modernizing vision associated with the general rise of prosperity and a liberal political order. He showed that inequality had been steadily rising in most parts of the world and when observers paid attention to wealth (rather than just income) they would see that the situation was even worse. Most importantly, this was not simply an argument addressed to economists or policy makers. Piketty's original intervention, with its invocations of Austen and Flaubert, illustrates how concentrations in wealth correspond to concentrations in power, status, and influence. These trends—made visible through the technique of mapping top income shares—straddled social, political, cultural, and economic domains. The book's wide concerns and innovative methods helped open up a new space for engaged and interdisciplinary approaches to the study and remediation of inequality.

The British Journal of Sociology was delighted to respond with a special issue in 2014 to the provocation he posed by commissioning a range of articles that considered Piketty's book from different disciplinary vantage points. This added to the intellectual momentum that his book offered. Rather than simply a series of commentaries on a single book, this *BJS* special section was meant to serve as a model for the kind of interdisciplinary social scientific dialogue that Piketty's intervention prompted and promoted, and its papers have had significant importance in extending the reach of Piketty's work into a wider social scientific audience.

It is for the same reasons that we have commissioned a further special issue to engage with his new book *Capital and Ideology*, which was published in French in 2019, and in English translation in 2020, just as the COVID pandemic was taking hold across the world. In the seven years since *Capital in the 21st Century* was published, the increasing challenge of economic inequality which he helped to bring out has become ever more manifest and entrenched. This is evident not only with respect to trends in income and wealth which he concentrated on, but also with respect to resurgent racism, sexism, and xenophobia. It is striking that Piketty's new book itself broadens his agenda away from the economic to engage more broadly with these currents. In this respect, his book speaks to the way that the coronavirus pandemic has underlined the entrenched and compounding effects of economic, racial, and political inequalities.

In the new book, Piketty moves in important ways beyond *Capitalism in the 21st Century*. With its broad historical timeline and emphasis on ideological debates, the book extends past a critique of socio-economic models and references to mechanistic market-based “laws” that defined the first book. *Capital and Ideology* examines a much wider geographical reach and is more ambitious in surveying the overlaps between economic and status inequalities and the impact of long histories of slavery and colonialism on socio-economic disparities. The focus on ideology allows Piketty to point to the flexibility of human arrangements, and in a forward-looking manner, to suggest that societies always have more choices than are at first imaginable, even at the worst of times. The

work, despite the focus on a long history of inequality, is actually very future-oriented, and in a liberal outlook, optimistic. Solutions are possible, he wants to argue. We should not give up on politics, but instead recharge our intellectual tool kit informed by the best data, methods, and long-term historical understanding. What is more, he believes (with a door open to skepticism) that we already know some of the better solutions on offer. Here we have his suggestion for “participatory socialism” with stronger worker governance and power-sharing; progressive taxation; and universal education.

While this case is exciting and powerfully articulated, the book raises multiple questions about its methodology and perspectives. The contributors in this special issue have risen to the challenges which Piketty's *Capital and Ideology* raises, especially:

- a. The book's “global” reach: What about experiences outside the West? Particularly in Latin America and Africa? This is not simply to add more material and historical accounts, but to write from the perspective of different parts of the world and difference social experiences. How do we more effectively de-center the norms of Euro-American thinking about what progress and equality entail?
- b. The relationship between ideas and materiality. The concept “ideology” is not widely used in economics but has had huge discussion elsewhere in the social sciences. How effective and convincing is Piketty's deployment of the concept here?
- c. The relationship between economic inequality (of income and wealth), and categorical inequalities (notably of race, gender, and class). In *Capital and Ideology*, Piketty talks extensively about slavery and caste divisions, as well as about what he calls “ternary” distinctions (between clergy, aristocracy, and “commoners”) which might be construed as class divides. How successfully does he weave these different dimensions of inequality together, especially once attention is broadened from the economic sphere alone.
- d. The grounds of comparison: How do we think across so many different locations and disciplinary perspectives? What are the challenges involved in comparing so many cases widely over time and space? How can history and social science be brought together in an overarching quest to make sense of long-term trajectories?

These are huge questions, and it is a tribute to the importance of Piketty's work that he has the ambition to pose them in such a powerful and impressive way. This special issue was therefore commissioned by Poornima Paidipaty and Mike Savage to respond to *Capital and Ideology*, bringing together leading scholars who we thought would offer different, and critical, perspectives from a range of disciplines. Both of us work in the LSE Department of Sociology, and also in the LSE's International Inequalities Institute which was formed in 2015 to develop the kind of broad interdisciplinary and global analysis which Piketty's work elicits. In these spaces, we are working with and training a new cohort of scholars, activists, policy makers, and leaders who will continue to expose, explore and tackle social and economic inequalities, but this work comes with many challenges. How do we listen sympathetically to experts outside our own area of study, whose approach to social science and social disparity might be different from our own, and yet to do so critically, collegially, and constructively? How do we build programs, borrowing from disciplines that are not our first home? How might this add to our own scholarship and critical interventions?

The contributors we have assembled reflect these possibilities. We bring together a wide range of voices, both in sociology and outside, who speak to the scope and ambition of *Capital and Ideology*. The responses attend to the importance of colonial connections, issues of gender, and locations outside the Global North. They come from historians, anthropologists, sociologists, and economists.

Several contributors take up the grand historical and theoretical issues which Piketty raises. We start with Sanjay Reddy, whose work has long focused on the importance of expanding the repertoire of economics to include insights from philosophy, history, postcolonial theory, and anthropology, and much like Piketty, he believes that economics would benefit from embracing other social scientific frameworks. We then include a more specifically sociological engagement, through Nora Waitkus (who works on the research theme on “wealth, elites and tax

justice" at the International Inequalities Institute) and Mike Savage exploring how Piketty's focus on wealth and property offers a powerful and subtle way of unpacking inequality dynamics which avoid defaulting to easy sociological concepts of modernity. Pedro Ramos Pinto (who works on the global histories of inequality) and Poornima Paidipaty emphasize how we need to avoid seeing the period 1945 to the 1980s as a kind of social democratic "golden age" and show that inequalities built into this infrastructure have driven many of the more recent inequality trends. This is followed by Gurminder Bhambra, who has long insisted on the need for a global "connected sociology," (e.g., Bhambra, 2007, 2014) and emphasizes the need to register the impact of colonial and postcolonial histories, and the importance of excavating and attending these relationships in order to adequately understand and redress entrenched inequalities. This is followed by world historians David Motadel and Richard Drayton who turn their attention to how new currents of global history can interface with Piketty's work, while also raising questions about the national accounting methods which underpin the economics of Piketty and Kuznets.

The latter papers take up more specific claims which Piketty develops during his book. Leading political scientists Tarik Abou-Chadi and Simon Hix (who as LSE Pro-Director of Research, has been a major supporter of the International Inequalities Institute) reflect on Piketty's controversial claims about the rise of the "Brahmin left" and the dynamics of socialist and progressive politics today. Alpa Shah whose award-winning book *Nightmarch* (Shah, 2018) is a major contribution to understanding resistance in contemporary India, and Jens Lerche engage anthropological insights to reflect on the Indian experience and the entrenched inequality of race, class, and caste. The paper by Murray Leibbrandt, Fabio Diaz Pabon, Vimal Ranchhod from the African Centre for Excellence in Inequality Research in collaboration with Mike Savage analyses the South African case in order to confront some of the reasons why a range of progressive policies in line with those proposed by Piketty have thus far failed to reduce inequality. Diego Sánchez-Ancochea, drawing from his long history of work at the intersection of economics, political economy, and development studies, ask us to think more specifically about the particularities of inequalities in different parts of the globe, particularly in Latin America where disparity has been shaped by extractive economies, dependency, and dictatorship. Finally, Thomas Piketty has written a generous and thoughtful response to these papers and further emphasises the intellectual and political stakes involved in furthering the interdisciplinary study of inequality.

In concluding our introduction, we note that this special issue poses vital questions about the status of sociology itself. Disciplines provide scholarly homes, and yet we want to encourage more scholars to be un-homed. The postcolonial theorist Edward Said (2013) argued that criticism happens in exile, when one is not at home, but occupies a space that is constitutively outside. We applaud Piketty for moving in some ways much further from his own disciplinary home in economics, and we offer criticism in that same constructive sentiment, wishing to support this project and enlist sociology as an expansive and outward-looking force that is able to join this wider "big picture" thinking. While the conversation needs much more work, it reflects both the breadth and depth of what we think is possible, when we seriously engage with the multiple facets of global inequality. As COVID continues to disrupt everyday life across the globe, it also exposes the fragility of our social, welfare, health, and political systems, and stresses the urgent need for new models of interdisciplinary social science.

Overall, this conversation, between Piketty and his interlocutors, does not stand alone. It offers us a space for thinking more broadly as social scientists about our approaches and also about how to productively, sympathetically, analytically, and critically engage with one another, within and across our disciplines, in ways that might allow us to learn from other approaches and social locations and work to tackle inequality in new and bold ways. It also reminds us that political economy was always concerned with social and moral questions, with the relationship between political power, social status, and economic resources. It would benefit us to think across these divides, to interrogate our own tools, and to stitch some of these issues back together, rather than dissecting them as discreet separate concerns.

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Beyond property or beyond Piketty?

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Abstract

Capital and Ideology represents a significant further statement from Thomas Piketty. The arguments made by the “New Piketty” are largely compatible with those of his previous *Capital in the Twenty-First Century*, but reflect broadening of scope and deepening of causal analysis, most markedly through the adoption of a world historical perspective. The result is a fuller offering for understanding inequality’s pattern in the world, why it exists and how we can best respond to it. The book presents a wide range of arguments, which do not on first glance appear unified. This review essay distills these into six propositions, describes and evaluates each in turn, and identifies some threads that link them. In the process, it provides a critical assessment of *Capital and Ideology*.

KEYWORDS

economics, inequality, political economy, property, world system

1 | INTRODUCTION

Thomas Piketty’s *Capital and Ideology* possesses a sweeping ambition.¹ It is a perhaps unparalleled effort by an economist of his generation trained within the mainstream² to bridge the divide with the other social sciences and offer an interpretation of the contemporary world. Although his subject remains nominally that of inequality, the focus for which he has come to be celebrated as a leading thinker in the world, Piketty ranges far and wide. Even those who approach the book with skepticism will recognize his ambition as breathtaking. In today’s balkanized and disciplinary academic life, it is extraordinary to find a researcher referring to the range of literature and ideas, crisscrossing academic domains, that is invoked in this massive tome. It is still more surprising that the author is an economist. I recall a senior economist in a prestigious university informing me a number of years ago “I do not like to read,” an attitude which would hardly have been met with opprobrium. In sharp contrast to this attitude,

Piketty is clearly an economist who does like to read, and indeed with the creditable effort he has made to do so, has proven himself far more than an economist. His aims extend not merely to generating a unified explanation of contemporary inequality, drawing inductively upon a wide range of historical examples and social scientific arguments, but also to deriving the most promising directions for transformative action.

In *Capital and Ideology*, much more than in his widely discussed earlier volume, *Capital in the Twenty-First Century*, Piketty commits himself to the idea that understanding of our problems can best come from the comparative study of society and history, over the greatest possible sweep, and not from unanchored or loosely anchored theorizing. In this way, he strikes, whether or not consciously, at the underlying basis of the separatism of the discipline of economics in our time. Whereas *Capital in the Twenty-First Century* could reasonably be said to have developed an entire argument around three data points, or if you prefer, six—relating to wealth stocks and tax rates in Europe, and especially France, in the pre-World War I “Belle Epoque,” between the end of the first world war and the early 1970s, and thereafter—no such accusation can be made of the new Piketty. Those who have long been convinced of the value of a “world historical” analysis that takes in the range of examples from the comparative study of society and history will experience gratification and even excitement at seeing this turn, made credible by the substantial investment made by Piketty to assimilate a vast range of evidence. They will also be frustrated that Piketty appears to remain unaware of perspectives and literature which could inform him in his task and to be grossly dismissive of traditions of thought that have made major contributions to the style of social understanding that he now embraces.³ While embracing the revival of grand theory in the social sciences which this volume marks, they will find no reason to discard the view that it must be more than an individual project if it is to provide fuller fruits.

Thomas Piketty has taken a royal road, but has he arrived an equally royal destination? I now turn to this question.

2 | PROPOSITIONAL STRUCTURE OF CAPITAL AND IDEOLOGY

Capital and Ideology is more than a thousand pages long. Its claims, often delivered in a declamatory fashion, are numerous. Moreover, it draws on empirical cases from various countries, parts of the world, and moments in history. The resulting discussions are individually substantial. Whereas some of its specific arguments are close to the surface, others are beneath it, bedeviling the reader's efforts to make sense of the whole.

It is possible, at the risk of oversimplification but in the interest of clarity, to identify six propositions which together compose the argument of the book. These are:

1. *Ternary Societies*: Inequality has been present in most societies in history, but in most of these societies took a specific form: “Ternary,” or tripartite, consisting of clerics, warriors, and workers, with the first two categories, although a numerical minority, possessing a dominant position. Political privileges of rulership (“regalian powers”), symbolic and social privileges, and economic privileges were together concentrated in the hands of the two dominant estates.
2. *Proprietarianism*: The central social and economic formation in modern times, in contrast, is that of “Proprietarian” society, only briefly arrested due to mid-twentieth century efforts to tame it, and more recently resurgent, since the 1970s, in the form of “Neo-Propertarianism.” It is unitary rather than ternary in the sense that it forms the single, and also central, societal basis of privileges and domination: economic, social, and political. Whereas complex societal rules governed who gained membership in each of the orders making up ternary society, membership in the dominant group in a proprietarian society is, in principle, although not in practice, accessible to all, since ownership is an abstract rather than concrete idea.
3. *Ideology*: All societies which possess inequality have an ambient “Ideology” which justifies and thereby supports that inequality. “Ideology” is understood to refer to the collection of these justificatory ideas. Although ideology

is essential for the stabilization of a system, it can be contested. In this way, changing the ambient ideas can bring about a different trajectory in history, especially at “switch points” at which the arrangements that prevail are otherwise underdetermined.

4. *European World Domination*: European colonialism, imperialism, and the slave trade projected the proprietarian ideology on a world scale, and reflected an intensive as well as extensive form of proprietarianism, effectively viewing colonized people and their lands as an extended form of property available to be exploited in various ways, which Europeans did with considerable benefit to themselves. The ongoing effects of this historical experience are also of considerable importance to understanding the pattern of contemporary inequalities.
5. *Knowledge is Power*: As the brief interval in which it was arrested in the mid-20th century shows, proprietarianism is not destiny. It can be tamed through specific measures, but to advance these requires above all public understanding, including in particular of informative data on the extent and nature of inequalities and the mechanisms of their production, so as to undermine the ideology that supports proprietarianism and so as to inform policies to combat inequality. In recent years, the trend around the world has been toward the weakening of class-based politics and the ascendancy of “identity cleavages.” This can be overcome by “groups of different origins and identities” recognizing that “what unites them outweighs what divides them” (p. 959). There is no deterministic explanation of politics, so “social and political mobilization” and knowledge matter.
6. *Participatory Socialism*: The most promising measures to address contemporary inequalities are those which limit the privileges of property, for example, through extension of the range of taxes to cover a wider variety of assets, sizable increases in the level of tax rates applying to top wealth and income holders, making certain property privileges effectively “temporary” rather than permanent, limiting the governance rights that go with property claims by demanding that these rights be shared with workers, and pursuing approaches to regional and global development which combat inequality across as well as within countries. A coalition can potentially be constructed, consisting of all but the ultra-rich, in favor of such “internationalist” and “egalitarian” policies, but this requires political realignments, and actors who champion such a programme, which can be dubbed one of “participatory socialism.”

It is clear that, once made explicit, and taken together, Piketty's propositions form a grand theory in that they form an ensemble that is no less in intended scope than any of the great prior efforts in political economy and social theory. It must therefore be evaluated in the same light.

We evaluate each of the propositions in turn.

3 | EVALUATING THE PROPOSITIONS

3.1 | Origins of inequality

It is unclear whether the concept of ternary society can be credited as a discovery. Piketty himself quotes accounts from specific societies of the past which refer to them as divided into three estates, with warriors and clerics each possessing superior, if contesting, roles. But the source of the difficulty is a deeper one.

First, it is a very long-established idea in anthropological, sociological and historical analysis that premodern societies involve interconnected economic, social, and political functions. The economy in such societies is “embedded” (Childe, 1942; Engels, 1884 [1972]; Godelier, 1972); Polanyi, 1944 [2001]; Tribe, 1978). The idea of ownership as an entirely abstract function, distributable in any one of many different ways, is simply infeasible. Although property existed in many such societies, they could not, by their very nature, be “proprietarian.” Moreover, in almost all if not all such societies, there were ideational (symbolic, cultural, or religious) functions, rulership (political) functions, and economic functions, although these were not always allocated to specifically constituted groups (estates, castes, or classes). Indeed, “primitive” and “small-scale” societies possessing little

or no internal division of labor or differentiation have often been characterized by these functions having been performed all together, although perhaps in a shifting fashion, by the entire community or large sections of it, for example, through the performance of rituals and other collective practices.⁴ In contrast, not only less unitary but also premodern societies, possessing a division of labor, however elementary, devolved these specific functions to particular groups, giving rise to semi-permanent or permanent clerical, warrior, and other functions. The dividing line between these two kinds of social order is classically seen as arising as a result of the development of settled agriculture and the associated economic surplus and division of labor that it made possible. For example, in the Marxian tradition, the distinction between “primitive communism” and “class society” turns on this development. More recently, in 20th century anthropology and archaeology, both in its Marxian and non-Marxian strands, “primitive” and “small-scale” societies were thought not to have a pronounced internal division of labor and correspondingly deep economic, political, and status hierarchies.⁵ The fundamental origins of social and economic inequality were located in the epochal transition from such primitive and small-scale societies to settled agriculture, which made possible the emergence and appropriation of a surplus, and made necessary its legitimation. This is a widely shared idea but Piketty makes no reference to it, confining his discussion of historical inequality to his own concept of “ternary” societies. More generally, the longstanding literature offering accounts of the origins of inequality that are “materialist” in some degree⁶ insofar as they link economic and social differentiation to features of ecology and technology, seems to be substantially neglected by Piketty. As a result, the concept of ternary society appears both idiosyncratic and freestanding.

Second, since any society generating surplus possesses the possibility of its unequal distribution, it also possesses the possibility of becoming a class-differentiated society. How and why it is that such societies invariably did become class-differentiated is an important question. What is clear, regardless of the answer, is that a legitimation function was necessary in such a society, and indeed integral to the maintenance of inequality, as Piketty rightly (although hardly uniquely) notices. A clerical function was therefore a seemingly unavoidable consequence of class differentiation. That it often possessed a well-remunerated role within the dominance hierarchy is hardly surprising in light of its importance. A warrior function was also not a surprising development insofar as it enabled both the possession of privileges internally and the maintenance or indeed extension of those privileges externally. These two elements of ternary society are therefore a straightforward and even difficult to avoid consequence of the development of a surplus-generating class-differentiated society. The elements of a regime of property are also an attendant consequence of class differentiation, and are known to have existed in the earliest such societies (see, e.g., Graeber, 2012). Whether the generation of differentiation of estates to parallel distinct social functions must end with three elements or whether it can and frequently does extend beyond it is a different question. For instance, although Piketty tends to downplay the existence of trade in history, suggesting at more than one point that societies existed largely in indifference and ignorance of one another until modern times, the extensive evidence of international trade from earliest history contrarily suggests its importance, and indeed the role of merchants, which is borne out in the archeological record. Whether the most “fundamental” form of society is ternary, quaternary, or something else is it matter of discussion, if there is any fundamental form. What is important for the present purpose is that the ubiquity of ternary societies is not a surprising point, if by that we mean societies that *admit* of the possibility of being described as ternary (e.g., in the case of Hinduism’s fourfold Varna order, much discussed by Piketty, this requires collapsing merchants and agriculturalists into a single category in order to permit “ternary” re-description, and ignoring those who fall outside of that order altogether). The fundamental binary division between those with a privileged relationship to the control and use of surplus and others can always give way to further differentiation, and it is not obvious that this process must end - either for analytical or sociological reasons - with two categories giving way to three, nor how to draw the most parsimonious resulting scheme.⁷ We must therefore ask to what extent the “finding” is indeed one.

Third, the purpose of Piketty’s description of premodern societies as ubiquitously possessing a ternary structure remains obscure. One might have thought that it would help to illuminate how and why contemporary proprietary societies came to have a specific form, or to help to explain variations among them, for example, because of

different directions taken in the transition from ternary to proprietary society. It does not appear, however, that this is a role of the extensive discussion of ternary societies. Indeed, it seems that Piketty's object is to establish a universal stagist history, in which ternary societies precede proprietary society. The analytical insight which is offered by the historical excavation, in explaining either the origins of, or variation in, the contemporary world, is therefore limited. It is difficult to understand what this stagist universal history offers over others, such as the already mentioned Marxian tradition, in which premodern class societies are swept in to world capitalism; the world systems tradition which offers a similar but more methodologically capacious account; or the sociological tradition associated with Max Weber and others, in which premodern societies' unrationalized symbolic order gives way to the rationalized order of modernity. The observation that the unjustified privileges of the past are visible lineaments in the present is a mere restatement of the idea that behind every fortune is a great crime. Moreover, Piketty's perspective is hardly unique in offering an account in which, echoing Anna Karenina, all modern societies are alike (i.e., disembedded) but each premodern society is embedded in its own way.

3.2 | Proprietarianism and property

Until now, Capitalism has been most often advanced as the central explanatory concept in the social sciences to capture the specificity of the world-straddling economic system which has emerged into its current central position, although when and how exactly is debated, during the last centuries. Piketty proposes to substitute for this the concept of Proprietarianism. Specifically, he conceives of proprietarianism, defined as "a political ideology based on the absolute defense of private property" (p. 971) as being the more basic concept and of capitalism as being a secondary concept, representing a higher stage of proprietarianism ("The extension of proprietarianism to the age of large-scale industry, international finance, and more recently to the digital economy" (p. 971). He sees capitalism as "a historical movement that seeks constantly to expand the limits of private property and asset accumulation beyond traditional forms of ownership and existing state boundaries" (p. 154). Although capitalism is "closely related" to proprietarianism, it is distinct from it, and its definition turns on its empirical characteristics as an extension and an expansion, whereas proprietarianism is given a more basic, conceptually free-standing, definition. The benefit that derives from differentiating the concepts is, according to Piketty, that proprietarianism has a career that is both temporally and logically prior to capitalism, and contains the original seed of the modern world system insofar as it emerged "as a way of transcending the logic of trifunctionalism in the context of new possibilities offered by the formation of a centralized state with a new capacity to discharge regalian functions and protect property rights in general" (p. 154). Nevertheless, Piketty says that proprietarianism is subject to a "logic of accumulation" which causes it to "extend the frontiers and forms of property to the maximum possible extent" and if unchecked to cause a "hardening" that leads to a more brutal economic process and to more conflictual class relations.

Although this picture is coherent, it is far from obvious that it is compelling. It provides an alternative nomenclature, but may deprive us of insight concerning the "engines" of the historical economic process. The vast existing literature on capitalism, both in mainstream and radical social science traditions, classically presented a picture of the modern economic system ("capitalism") developing in historically in phases, beginning with a commercial revolution in which expanding bounds of commerce led to the development of towns, the enrichment of new groups, and the demand for new forms of property law and legal relations between a widening circle of nominally free and equal persons to govern economic transactions, all prior to industrialism, and including international dimensions, for example, Hont and Ignatieff (1983), Marx (1867), Smith (1776 [2000]), and Weber (1927). Central to this picture is the idea that pressure was put on pre-existing customary social relations by these transformations (p. 102) leading ultimately to demands for a more open, rational, and contractual civic order, the collapse of vestiges of feudalism, and to the "bourgeois revolutions" successfully effected in certain countries, such as France and the United States. Similarly, the idea that capitalist economic relations became more abstract yet intensive over time can also be found widely (Edwards, 1979; Rubin, 1928 [1990]).

From this point of view, it is far from obvious that proprietorism explains something that existing understandings of the historical development of capitalism do not. Piketty's view of capitalism as "high proprietorism" would seem to be possible to map on to standard views of capitalism as developing in phases. But does it have comparable explanatory resources? For instance, whereas it can be plausibly argued that "the formation of a centralized state" was linked to, and even necessitated by, the development of commercial economic relations on a growing scale, which required a state adjudicator and regulator (See, e.g. Bagchi, 2005; Gellner, 1983; Jha, 2006; Polanyi, 1994 [2001]), it appears that Piketty takes this development as *background* to proprietorism—which is presumed to have arisen out of its own prior, unexplained, logic.⁸ The role of the state in creating property as well as the role of property in creating the state both require attention, as recognized by analysts from Engels to Polanyi and Tilly. Piketty abstractly recognizes coercion, enforced by the state, to be an important part of the "inequality regime" (pp. 59–60) but does not appear to weave it into his historical account, nor into his examination of the contemporary constraints to a transformative project.⁹ From this perspective, Piketty's account appears incomplete if not ad hoc.

It is not clear what problem the introduction of the concept of proprietorism solves. Piketty does not expressly address conceptual arguments in the literature on capitalism that attach explanatory significance to other proclaimed systemic or structural feature, such as, for instance, the centrality of wage labor or the control of investible funds by "capitalists." But neither does he address the claims of those critics who deny the existence of such uniform structural features across modern market systems and therefore hold that capitalism as a concept lacks validity (Unger, 1987). Where such critics point to the past, present, and future indeterminacy of the form of property rights, which can be and have been unpacked and repacked in diverse ways, to solve functional problems of the modern economy (Horwitz, 1977; Unger, 1996), Piketty argues contrarily that proprietorism (pp. 102–109) brought about the elimination of these variations, replacing them with a unitary conception - in effect the absolutist Blackstonian property right. The first part of this thesis—the contention that traditional property rights' systems overlapping and complex claims were unified and simplified in the transition to modern property rights systems—is not difficult to sustain, but the second part—the conception of proprietorism as a regime of property rights *absolutism*—does not explain the presence of qualifications of "absolute" private property rights in capitalist systems, as for example in the practice of eminent domain.

Piketty's view of "Capitalism" as the highest form of proprietorism does not offer any account either of capitalism's structural features nor of its "inner" dynamics. It fails to recognize aspects that may be crucial to understanding the dynamics of wealth and inequality creation in modern economic systems, such as routinized technological innovation (Piketty does not mention this aspect of Marx's thought nor the related ideas of Joseph Schumpeter and other liberal thinkers). Piketty's perspective does not also offer such an explanation indirectly, by way of a corresponding account of "underlying" proprietorism. Property is an abstract legal idea without a beating heart. The discovery of the elevation to universality of property protection ideology may be likened to the discovery that people universally wear clothes, without noting that it is because they have pride or that they fear the shame of nakedness. As such, it is a description but not an explanation. All in all, it is difficult to understand what is original in the concept of proprietorism that is also good.

3.3 | Ideology and property

Piketty understands ideology as a justificatory apparatus, "a set of a priori plausible ideas and discourses describing how society should be structured" (p. 3), in particular in relation to its "political and property regimes" (p. 4). From this perspective, no social order can exist without an ideology. Piketty states that he understands "ideology" in a "positive and constructive" (p. 3) sense, in other words as not containing any intrinsic normative evaluation. It is clear that, from this definition, a justificatory apparatus (an "ideology") *can* be in alignment with warranted justifications (such as those he presents in relation to his own ideas about justice [pp. 967–971]). This would

presumably be a “good” ideology. To refer to a set of ideas as an ideology is not, therefore, to resolve what attitude we ought to take to it. He appears, though, to use the concept pejoratively in relation to proprietary ideology, seeing it as a justificatory apparatus which is in fact unjustifiable. By referring to the “quasi-sacralization of private property,” Piketty indicates that proprietary ideology involves more than false ideas: a magical conception of the role of private property. But he does not explore how that sacralization emerges, nor does he explain its relation to Marx’s seemingly similar concept of the “fetishism of commodities.”

Piketty views the influential ideology of an age as playing a role in stabilizing a social order, and in particular in sustaining its inequalities, but also views any ideology as inherently contested and contestable. (Piketty views Marxist ideas of ideology as involving a society’s ideological “superstructure” deriving from its “economic forces and relations of production” as being “almost mechanical” (p. 7) but neglects the elements of this tradition which are less deterministic (e.g., the ideas of Gramsci). He also does not offer any theory of his own as to the mechanisms through which an ideology comes to be propagated or to become dominant. Piketty insists on the independent power of ideas to shape reality, but this is not a distinguishing feature of his view. Indeed, if they did not have that power there would be little point in discussing their role. In what ways, and through what means, does reality shape ideas and do ideas shape reality? If it is especially at historical “switch points” that ideas matter, then what brings such moments about? Piketty does not discuss what conditions give rise to a “switch point,” either conceptually or through investigation of empirical cases, although he often makes recourse to this suggestive metaphor as a way of underlining that he favors a non-deterministic approach to history¹⁰. More generally, Piketty appears to offer a theory of the effects of ideology but not a theory of ideology itself (which would require describing the dynamics of production, circulation and legitimation of justificatory ideas). In this respect, Piketty’s invocation of the concept of ideology is instrumental, and thin.¹¹ We shall return to these matters when we deal with Piketty’s views concerning the role of social science and public understanding in (re-)shaping social reality, in Section 3.5.

3.4 | Proprietarianism on a world scale

Piketty must be credited with an attempt to develop a theory that pertains to and draws upon the experience of the whole world. Despite its ambitious geographical and historical reach, it remains selective in its cases and references, still veering toward the familiar. Nevertheless, it must be one of the least parochial exercises of grand ambition in contemporary social science. Indeed, it self-consciously attempts to “De-Westernize our Gaze” while acknowledging its limits in the realization of this task (pp. 1037–1039), and recognizing that in this respect the current book contrasts with earlier exercises by the same author. The chapters on slave and colonial societies show a familiarity with a wide range of relevant literature from diverse disciplines, although with a bias toward contemporary and metropolitan sources. Although there is other literature that could have been drawn upon and, perhaps inevitably, a variety of small errors, the result is an impressive *tour d’horizon* of colonial exploitation, in its informal and formal aspects. Piketty notes that although colonial regimes were at pains to maintain a shell of contractual legitimacy, so as to accord with the ideology of proprietarianism, the underlying fact of unequal power relations, and indeed the ubiquitous threat of application of force, was central to their modes of exploitation. Examples of superficial legality backed up by force and self-interest provided by Piketty include the “reparations” imposed by France on Haiti after the latter’s abolition of slavery, war indemnities imposed by the Spanish on Morocco (p. 282), forced labor in the Belgian and French colonies (pp. 291–295) and the contractions and indemnities extracted from China during the opium wars (p. 376). Because of his concern with the ideology of property writ large, Piketty captures here an important aspect of colonial discourse. Although well known, this aspect of colonial hypocrisy may not have been treated as an outgrowth of a larger ideology by other scholars.

In examining the making of the modern world through the lens of the effects of Western world domination, Piketty examines a wide range of mechanisms, all familiar to students of the economic and political history of colonialism. He argues that these have shaped the world in lasting ways. Examples range from the neglect of the schooling

of the colonized in favor of the colonizer (Algeria) and the outright seizure of land and labor (French colonies, South and East Africa, etc.) to the appropriation of foreign exchange revenues from the colonies to cover the deficits of the imperial centers (India and Indochina). The list is not exhaustive (for instance, Piketty could have given more attention to the impact on industrial development of tariffs, taxes and regulations disadvantaging local industry and favouring metropolitan industrial products) but it is extensive enough to underline the likelihood that slavery, colonialism and imperialism had sizable economic consequences, that in large measure these did not result from legitimate trade, and that their effects may still be with us. He suggests that “only a small part” of foreign financial assets accumulated by Britain and France in the 19th century were attributable to trade, with the rest arising from theft and fiddling (“quasi-military forms of tribute..., uncompensated appropriations, ... unusually high returns on certain investments,” p. 284). In effect, where Proudhon saw property as theft, Piketty, as did Marx, sees theft as a basis of property.

In this, Piketty shows himself a partisan, diverging from much of mainstream economic history writing, which has downplayed the importance of colonialism as a retarding factor in the development of the non-West and as a propelling factor in that of the West (see e.g. Landes, 1998). Piketty comes down on the other side. The larger effect of his discussion is to underline that the cumulative consequence of these diverse mechanisms was to shape the unequal world in which we live today. It is not clear that Piketty's proprietary perspective fundamentally shapes how we understand this epochal historical episode. Nor is it clear whether Piketty, traversing this well-trodden but essential terrain, is making such a claim. But the obverse certainly holds: that this epochal historical episode shapes the application of Piketty's proprietary perspective on a world scale.

Although Piketty gives some attention late in the book to the contemporary economic relations between the rich countries and the rest, and in particular to new political structures that could help to advance an egalitarian program simultaneously within and across countries, he pays little attention to whether “neocolonial” economic and political frames, embodied in rules and institutions and in many cases a direct outgrowth of colonial relationships, may also help to shape contemporary international inequalities. To take one of many possible examples, although Piketty gives much attention to the adverse consequences of capital flight and the ability to hide wealth in offshore banking centers, he does not pay corresponding attention to the manner in which the resulting flows benefit a few global financial centers, or in which they shore up the value of currencies which already enjoy a superior position in the global “hierarchy of money” (Mehrling, 2012), nor the manner in which the need to build up reserves in hard currencies to maintain confidence generates an ongoing cost for poorer countries. One cannot talk about everything at once, but then again, Piketty appears to have exactly that ambition.

Finally, one is left with the nagging feeling that despite Piketty's stated and laudable commitment to de-Westernizing his gaze, he fails to do so in crucial respects. His policy proposals foreground European examples and proposals for Europe. This seems increasingly out of keeping with the needs of speaking to a global audience, in a world in which Europe's relative importance has been rapidly diminishing. Moreover, the effects of the emergence of race and culture as optics with which to view and organize the modern world, as a direct effect of European hegemony (often through subordination of indigenous hierarchical and exploitative structures) seems to receive little or no attention. It seems difficult to understand the internal struggles within metropolitan countries today (whether France, the UK or the US) as Piketty is intent to do (see, e.g., his discussion of the dynamics of “social nativism”) or even to understand their external dimensions, without recognizing these hierarchies as having an existence that is now independent of “proprietaryism.” Although Piketty gives attention to racial discrimination as a factor in the emergence and maintenance of inequalities, it is not clear that he has taken the full measure of race and culture as organizing principles on a world scale (Balibar & Wallerstein, 1991).

3.5 | Proprietarianism, public understanding, and politics

Although Piketty acknowledges that “facts” about society are only known through the activities of social institutions, and in this respect are “constructs” (p. 9) rather than wholly objective reports, he nevertheless writes of

engaging in “unbiased examination of the available sources” (p. 9). Piketty has faith, in particular in the ability of “collective learning” (p. 10) based on “objective” examination to offer a window on the “evolution of ideology and of political and ideological regimes around the world” as well as concerning the nature of the “ideal social, economic and political organization” (p. 10). Piketty’s recognition of obfuscatory role of ideology does not sit easily alongside his robust, perhaps even naïve, belief in the prospects for a rational understanding of data and facts in order to overcome it. Even those who are in sympathy with this ambition, and believe too in the prospects for rational understanding to uplift humanity, may raise questions as to what is Piketty’s theory in this regard. He appears not to have an account of the *mechanisms* through which a governing ideology emerges and why it survives: how it is produced, reproduced, legitimated, and comes to have an ambient role. Why does an ideology that offers unjustified justifications (his view of the proprietarian “ideology”) stand firm in the face of counter-arguments? After all, neither the diagnosis of empirical inequalities under neoliberalism nor the ethical case for egalitarianism was born with Piketty. If, like Althusser, Piketty sees self-justifying ideology as mysteriously but definitively “secreted” by a given order, then why does he have so much hope in the ability of data and reasoning to puncture it, and of collective learning to take place without becoming recurrently caught in ideological obfuscation? It is difficult to understand when and why argument matters, or not, for Piketty.

There are certainly enough examples of arguments and facts being discarded because inconvenient. The case of economics is an especially apposite example of social science acting as obfuscatory justificatory apparatus and not merely to unveil the truth. It has long been recognized that the dominant tendencies in economics have, aside from whatever “scientific” validity they may have, gained sway in part because of their role in providing useful justifications. In particular, the rise of “marginalist” economics in the 19th century and, subsequently, of neoclassical economics, has owed a great deal to their role in “naturalizing” the rewards due to different factors of production, in particular for the “services” delivered by capital, and drawing attention away from the element of conflict involved in the distribution of reward (Dobb, 1973). This disciplinary deflection of attention is not merely a historical curiosity. It is in fact the proximate explanation of why inequality had to be re-discovered in recent years, including through the work of Piketty himself. In the 1990s and early 2000s, the then limited discussion on inequality in mainstream economics focused almost invariably on “marginalist” explanations for growing inequalities, such as “skill-biased technical change”, with a focus largely on inequality in wages among different classes of workers, giving rather less importance to the effect of inequality between workers and capital owners (Reddy, 2020).

The role of structural factors such as financialization and globalization in changing the relations between capital and labor, and influencing the bargains struck in national economies and firms, thereby causing the share of national income captured by workers, especially the unskilled, systematically to fall, was little studied. Many scholars, often outside the mainstream and on its margins drew attention to these facts, but were largely ignored.¹² Moreover, inheritance and wealth taxes were very little discussed in the post-second world war literatures on taxation, public finance, and inequality.¹³ The difference between placing inequality in center stage versus treating it as a side issue appears to lie in shifts in the influence of an ideology within “science” rather than in the internal dynamics of science itself. The rise of Piketty to the status of a global phenomenon, while accounted for in part by his capabilities and contributions, appears from this perspective to be adventitious. The possibility of contesting an ideology, according to Piketty’s own framework, emerges at specific “switch points” in history due to the underlying movement of “tectonic plates”. In this case the yawning societal gaps brought to attention by the global financial crisis of 2008 provided the opening for attention to overlooked dimensions of inequality.

The importance that Piketty attaches to “collective learning” in bringing about the progress of social science can seem both grandiose and simplistic, neglecting the fact that economics and other social sciences have experienced episodes of forgetting as well as learning (perhaps precisely because of the ideological “force field” in which they are practiced). One can recognize the predicament of the social sciences, as entangled in ideology by virtue of their social grounding and functions, without denying the possibilities for improved understanding—for example, through better data and methods of analysis. Not only does this not commit one to “indiscriminate relativism” (p. 10) but permits the development of an anti-relativist position that departs from naïve empiricism, recognizing that

the data, informative as it is, does not speak of its own accord. Rather, data are enabled to speak as a result of the particular concerns and questions that we bring to bear, which are shaped in turn by the ambient social “scientific” milieu. Who has a loudspeaker within the social sciences, and what is said using it, is in turn shaped by the larger historical conditions. This is one reason that social science and public concerns often evolve in a similar direction together, as the recent concern with inequality itself illustrates.

For example, it seems implausible to suggest that social science “led” public attention to the privileges of the one percent or vice versa. Instead, deepening societal fault lines caused a growing concern with plutocratic privilege which in turn found expression through this formula. Social “science” can shore up a dominant ideology, as much of economics did during the “neoproprietary” era (what many others call the neoliberal era), or to undermine it, as there are indications of today. The role of access to high positions in government, the favor of funding bodies, media attention, and other factors in enabling elite consent *within* the social sciences requires fuller attention. Correspondingly, the role of ambient presuppositions as well as material and career interests in determining the *reception* of social science research by gate-keepers in politics, the media, and elsewhere also needs attention. The determined inattention during the neoliberal or “neoproprietary” period to growing inequalities, especially between labor and capital owners, and to the link between these inequalities and policies of tax reduction, deregulation, and globalization—by social scientists, politicians, and the media—itsself requires an analytical understanding. Piketty hints at such an understanding, for instance, by noting the support of the more educated in a number of countries for pro-globalization policies that benefitted social elites, or by underlining the importance of measures to reduce the influence of money in politics and over the media. More generally, comprehending the power of ideology requires insight as to how and why it leads people *not* to act, although they may understand the devastating consequences of inaction. Amartya Sen pointed out, famously, that the power of property rights ideology is such that famine victims have gone to their deaths rather than engage in acts that violate property rights (Sen, 1981). The concept of sacralization of property rights seems apposite here, but deserves much fuller exploration. Famine victims apart, it finds an academic counterpart in economic theories, prolifically propagated during the late 20th and early 21st centuries, to the effect that protection of property rights is the elixir of economic growth.¹⁴

An adequate examination of how ideology sustains inequalities, as well as of the possibilities for contestation, must study the secretion glands and not just the secretions. It is of course uncomfortable that some of the secretion glands are very close to home, and in particular have powerfully shaped the propensities of the mainstream of economics, the existence of Piketty notwithstanding.

What of politics? Based on extensive analysis of post-election surveys around the world, Piketty sees a common difficulty around the world in the form of obscurantist identitarian traps. Piketty hopes that ultimately class interests can unify, overcoming these. He sees signs for hope in the existence of mobilizations that he characterizes as class-based, which have been partially successful in recent years, in particular in Brazil (the Workers’ Party) and in India (he refers to caste- and “social justice”-based parties such as the Bahujan Samaj Party [BSP] and Samajwadi Party [SP], but notably pays little attention to the communist parties). In fact, these characterizations are questionable. In Brazil, the Workers’ Party was influential for a period because it built a broad coalition encompassing the middle classes. Although the Workers’ Party employed burgeoning tax revenues (in particular during the Lula administrations) to fund social programs benefitting the poor, this approach also provided a fillip to consumer demand which fueled high growth, and was therefore generally welcomed (before the global downturn affecting Brazil and corruption scandals engulfing the Rousseff’s government). In these respects, the case of the Workers’ Party was not wholly different from that of other nominally left-wing “Reformed” parties such as New Labour in Britain. In India, the parties that Piketty cites are limited to regional caste (i.e., identity) rather than class-based formations, and have not been able to enter into larger national class-based coalitions.¹⁵ The communist parties have meanwhile suffered serial setbacks, notably the loss of the one-time bastion of West Bengal. Although there may well be hope for the class-based movements Piketty champions, it is not clear that these are the examples which provide that hope.

Piketty views “populism” as an empty concept with little explanatory force, but he does not adequately confront the effectiveness of identitarian political movements. The role of identity politics based parties in forestalling or turning back class-based mobilizations against plutocratic power is presumably one of the reasons for their rise in the present age of inequality. Piketty decries and hopes to overcome identity politics, but has no account of why it exists here and now.

As shall be noted below, Piketty sees a desirable political program as promoting the interests of the least advantaged, but durably successful political movements are likely to appeal, in contrast, to the interest of a “vast majority”¹⁶ including in particular the middle classes.¹⁷ The power of a formula such as “We are the 99%” is that it captures this idea, overcoming the political limitations of narrow class-based mobilizations while still being defined by their class element. The sharply increased inequalities in many countries¹⁸ would seem to provide suitable conditions precisely for such broad-based class based movements, but they are notably missing. A sustainable political economy underpinning an egalitarian program must, presumably, carry with it a sufficient majority. What social coalition would underpin such a program and under what conditions? Piketty offers little insight on the membership of a coalition that could promote such policies, or how it may be mobilized.

Piketty suggests that changes to “political, institutional and electoral regimes” (p. 957), both national and international, would help (e.g., reducing the “race to the bottom among countries engaged in tax competition with one another”) and that we should focus on “new thinking about the property regime: fiscal, social and educational systems; and the organization of borders” (p. 965). It seems compelling to suggest that new ideas are needed to overcome the malaise of contemporary politics (not just better public understanding of the data). But creating and sustaining winning coalitions requires more than this: a link between these ideas and the interests of all, almost all, or at the very least, enough.

A related difficult issue that Piketty appears not to face concerns what is necessary to wean the middle classes, and not merely the poor, away from the idea that property should be “sacralized.” After all, property plays a central role in “common sense” all over the world, and people express fervent aspirations to possess it and to pass it on to their children, including many who do not have it. The idea that property should be overcome is far from the sensibility of the voters that Piketty hopes to carry along. At a bare minimum, it would seem important to recognize that such an agenda demands a “long march.” In any case, Piketty’s own commitments seem misnamed. His policy proposals, as opposed to his stated commitments, make him appear less concerned with overcoming property than with limiting and distributing it, putting him in line with Proudhonian socialists (such as Cui, 2003). Piketty often seems to have made a peace with small property, mainly expressing opposition to concentrated property holdings. He does not seem to have an elaborated account of where the dividing line should be and why. Whether or not Piketty’s view that “there should be more for the little guy” is incoherent, it is certainly incomplete. Piketty’s diagnosis of proprietarianism as the ill, and his advocacy of cooperatives and of share governance rights in firms,¹⁹ suggest that there is a connection between his analysis and his prescription. He favors a social and not merely a distributed element to property ownership, requiring some reinvention of the idea of property itself, or at least its de-privatization. But this link is never made explicit, and the direction remains primarily suggestive.

3.6 | A limited Utopia

It is commendable that Piketty wishes to make his thought an aid to life, guiding us in the collective pursuit of a better, more equal, world. He accepts the injunction to unite imagination with analysis, so as to make of social enquiry a prospect of the possible and not merely a diagnosis of the extant (Unger, 1987).

Although such a prospect is something less than a deduction it nevertheless must adhere to certain disciplines. Consider, for example, the role of normative reasoning in such reflection on the possible. We may take it as a given that some normative commitments are necessary in order to create a “should” or an “ought” and thus to orient reflection and action. But how comprehensive must such commitments be? On one view, it is necessary to anchor

reflections on desirable social futures in a specific normative conception, because these define the objectives and the constraints, and provide a basis for giving detailed content to a compatible practical vision. On another view, it is enough to identify a general direction for action, supportable by a *range* of normative conceptions (Sen, 2009).

Piketty's approach, however, is not discernibly of either kind, leading to confusion as to what is the relation between his proclaimed normative commitments and his favored practical prescriptions. Piketty commits himself to two specific ideals (pp. 967–968). Unfortunately, these are not only imperfectly specified, but they are also (a) mutually incompatible, and (b) do not obviously give rise to the specific policy prescriptions he promotes, although they are separately compatible with them.

One must be explicit to bring to light the problem. Piketty offers in the same paragraph the following two distinct descriptions of a just society, which he refers to as being parts of a single “imperfect definition” viz. (1) “one that allows all of its members access to the widest possible range of fundamental goods,” where “Fundamental goods include education, health, the right to vote and more generally to participate as fully as possible in the various forms of social, cultural, economic, civic, and political life,” and (2) one that “organizes socioeconomic relations, property rights, and the distribution of income and wealth in such a way as to allow its least advantaged members to enjoy the highest possible life conditions.” The difficulties are obvious. Put aside the minor questions, such as whether the “widest” range of goods refers to having as many distinct goods as possible or having each good to the largest extent possible—and how, insofar as these two desiderata conflict, they should be traded off. There are potential conflicts of more serious kinds, in particular between the two descriptions. Improving the life conditions of the least advantaged may well come at a cost to other members of society (perhaps even only slightly more advantaged members) in terms of their access to the same or other fundamental goods. This problem can make it very difficult to gain democratic political endorsement of such a principle, as noted later in this essay, even when the same good is involved for different persons. The problem of conflicts between distinct goods, for instance, between provisioning adequately for some and allowing freedoms for others, is not simply dismissible, whether as a matter of economics,²⁰ politics, or ethics.

Piketty appears, if the degree to which he elaborates on it is any indication, rather more serious about his second provision, favoring society's least advantaged members, than the first, favoring the provision of the “widest” range of goods to all. (Strangely, he only allows “some truth” to the idea that the “principles of justice” he sets forth are “similar to those formulated by John Rawls,” whose name is practically synonymous with the maximin idea as a demand of justice.) Let us therefore focus on that provision.

There is a further and rather more serious problem. Advancing the interest of the least advantaged is a Paretian (and prioritarian) concern and not an egalitarian one in that widening relative inequalities can be justified to any degree as long as these are argued to have been necessary to improve the condition of the least advantaged. For example, the vast increase in relative inequalities in China in recent decades (p. 618) appears plausible to justify from this standpoint, since it has been accompanied by steep and indeed otherwise historically unprecedented decreases in absolute poverty (Minoiu & Reddy, 2008). This is evidently not the perspective from which Piketty, known for his concern with relative inequality rather than absolute deprivations (indeed the former concept is central to this volume, as it was to his last, but the latter concept barely figures) is concerned. His policy prescriptions are similarly resolutely concerned with the reduction of *relative* inequalities (e.g., in wealth and income, educational expenditure and outcomes, etc.). It is therefore extremely difficult to see Piketty's stated normative commitments and his empirical research and policy arguments as forming a coherent or even a consistent whole.

Regrettably, much as many economists may think so, normative reasoning is not entirely an amateur sport. Neither is it dispensable. Without a plausible normative anchoring, the argument as a whole, since it is nothing if not prescriptive, is not only incomplete but also rudderless.²¹

Let us now move to the specific policy prescriptions that Piketty offers. These prescriptions are broadly of two kinds. First, Piketty recommends implementing elevated, steeply progressive and broadened, taxation on property and wealth, including inheritance taxes, and on income. The proceeds of these taxes are to be employed in a progressive manner, benefiting the less advantaged through educational expenditures, a universal capital

endowment distributing wealth to all citizens, and a minimum guaranteed income (which Piketty calls a basic income, although it is conditional). Second, Piketty recommends the development of “new forms of social ownership,” most especially in the form of distributing decision-making rights within firms to workers and other stakeholders, and not merely to shareholders. These innovations are to be considered not merely on a national level but also through implementation through a transnational democratic system “aiming at achieving social, fiscal and environmental justice”. (I do not attend here to various subsidiary proposals, such as those for a progressive tax on carbon use, greater fiscal powers to supra-national federative organizations such as the EU, international coordination to staunch illicit capital flight and determine the ultimate beneficiary owners of assets, and affirmative action measures.) To enable a more supportive political economy for such policies, Piketty recommends innovations in political financing, in particular through “democratic equality vouchers” which would enable all citizens to make political contributions, and perhaps charitable contributions.

The first direction Piketty embraces is in line with his earlier work, underlining the idea of linking progressive wealth taxes to specific egalitarian initiatives, such as a universal capital endowment, and undertaking some accounting exercises to identify the scale of such taxes need to finance these. Piketty's emphasis on progressive taxation, especially of wealth, is by now easy to predict. The second direction, underlining the value of extending greater governance rights to workers, appears to be a newer one for him, although it has been espoused by a very long line of progressive economists and social scientists (not only James Meade, whom Piketty mentions, but also such figures as Jacques Dreze, Joseph Stiglitz, Jaroslav Vanek, and others). Although much can be said about these prescriptions, we confine ourselves to three related points here, concerning their selectivity, their adequacy, and their feasibility.

First, selectivity—Piketty appears to be unaware of, or at least says nothing about, a range of progressive proposals which have long been discussed. Although sensibly critical of left-wing political parties' excessive focus in the past on achieving the “transcendence” of capitalism through state-owned enterprises, his own conception of how that goal, which he states that he shares, is to be achieved, is underdeveloped. For example, proposals that appear to be hardly or not at all discussed include such ideas as socialized but distributed public shareholding of corporations (Roemer, 1994), a profit-sharing economy (Weitzman, 1984), legal and financial measures to support consumer and workplace cooperatives and social venture capital funds (Unger, 1998). More accustomed proposals, such as limitations on protection for “intellectual property,” environmental social and governance mandates applying to firms, requirements that financial institutions employ social as well as economic criteria in lending and changes to labor law that facilitate unionization, are also hardly discussed. Many such proposals also attenuate the content of private property, by making it more “temporary,” provisional, qualified, or disaggregated, exactly in keeping with the direction Piketty himself embraces.

Piketty gives little attention too to the policy context within which increases in inequality have taken place in recent years: financialization, deregulation, and globalization. Although he pays some heed to the need to weaken the constraints within which governments find themselves trapped through suitable international agreements (especially on his favored subject of information sharing to limit the hiding of wealth), the larger case for an alternative form of globalization, empowering rather than constraining progressive governments (see e.g. Barry & Reddy, 2010) is not developed. Neither is the role of measures to strengthen the relationship between finance and the real economy in sustaining or restoring livelihoods for the vast majority. Analyses of the present situation provide the background for exercises in institutional imagination. But both could have been attended to more by Piketty.

Second, adequacy: does Piketty conceive of his proposals as a comprehensive, perhaps even total, program for achieving his stated normative ends, or only as a first step? Is it a plausible way of attaining those ends? The elements of his proposal are familiar. Some appear already to have been realized in some measure. Consider for example progressive wealth, income, and inheritance taxes. On Piketty's own account, these were partially realized in the 20th century, with the effect of moderating inequalities but not abolishing them, let alone of overcoming the structural patterns of existing capitalism. Indeed, some capitalists have prominently advocated the same measures as Piketty, including a universal capital endowment, in order to create a shared stake in the “system” and

better to save capitalism.²² Or consider the role of the “Germano-Nordic” system of providing rights to workers to participate in governance of firms in some countries. Important as this has been in generating a more productive and equitable economy, its effects have not been decisive in arresting increases in inequality experienced in these countries in the last four decades nor even in protecting the job security of workers in such firms. The elements of the political economy which moderate inequalities to a degree may be entirely different ones (such as the size distribution of firms, most famously embodied by the German *Mittelstand*).

The increased expenditure on education resources which Piketty espouses has been central to the agenda of progressive “neoliberal” parties such as New Labour. Piketty’s emphasis on the need to shift educational expenditures from those who receive a disproportionate share of them (e.g., in tertiary institutions) is not different from the guidance for education sector reform long provided by the World Bank and other institutions, in particular during the 1980s and 1990s. Piketty may anticipate going further in terms of the scale of increase in educational expenditures for those who receive lesser resources presently, as for example has Roemer (1998). Nevertheless, if “I would do *more* of it” is the answer, it is not one that Piketty has laid out explicitly. Such measures may be ameliorative, and if taken to an adequate degree, even transformative, but one can be forgiven for not seeing in this advice a qualitative break.

It is worth noting too that Piketty’s policies appear economicist, focusing on better distributing monetary resources and control rights over productive enterprises, whereas access to the “widest possible range of fundamental goods” may instead benefit from provisioning of high quality social and public goods, such as education, health, access to nature, and so forth. This makes for a rather different prescription.²³ Indeed, it may also change the understanding of the role of taxation. Even a seemingly regressive tax system can finance public expenditures which improve lives for the vast majority, and thereby more than make up for this deficiency through the progressivity of its expenditures (Steinmo, 1993; Unger, 1998).

Third, feasibility: in relation to his tax and expenditure (e.g., wealth tax and citizen income) proposals, Piketty undertakes some accounting exercises to show the level of tax effort that may be needed to finance programs on the scale that he favors. He also notes that the prior existence of higher tax rates, in a period of high growth in productivity and in incomes, suggests that high and progressive taxes need not come at a cost to prosperity. Piketty does not, however, give much attention to countering in any detail the arguments advanced by those opposed to taxation. Consider, for instance, the idea that a high inheritance tax would adversely affect work effort and savings by harming the bequest motive, thereby diminishing output, employment, and growth. Or consider the idea that economic growth can be “profit-led” as well as “wage-led,” and that which is the case may determine whether redistributive tax and transfer policies are beneficial or harmful to output and employment. Consider too the famous result in the literature on “optimal taxation” that the highest marginal income tax rate should be zero in order not to choke off effort. Such arguments are prominent and prevalent, and made frequently by economists, among others. If it is thought that they are dismissible, then the counterarguments ought to be presented. Of course economic arguments can be given on Piketty’s side too (e.g., that wealth taxes are much less likely to cause adverse incentives than are income taxes, because wealth is largely the consequence of previous effort, to the extent it is a consequence of effort at all).

As a general matter, Piketty appears to neglect the connections between growth and redistributive policies. This perspective can be contrasted to one in which growth and equitable distribution are viewed not only as shaped by common factors but moreover as shaping each other (whether positively or negatively).²⁴ Where *Capital in the Twenty-First Century* relied heavily on sometimes recondite economic arguments, *Capital and Ideology* pays little attention to such economic arguments at all, even well-known ones which play an important role in public discussion. Even if one welcomes Piketty’s self-emancipation from the often narrow discourse of mainstream economics, one might also wish that he not abandon it before defending his flanks.

Despite Piketty’s ambition to construct a theory from world-spanning evidence that in turn has globally relevant prescriptive implications, he can appear especially inattentive to the concerns of peripheral and semi-peripheral countries, for which reliance on foreign capital and technology and even managerial skills forms a

constraint which must be delicately and strategically handled. A frontal assault on the property regime in such a context seems hard to envision, and of doubtful immediate relevance, much as changes in the international system may create circumstances that are more accommodating for such policies.²⁵

Another concern about the feasibility of Piketty's tax proposals is that they will be resisted, either through capital flight or through politics. He recognizes the former concern and calls for a tighter regime of international coordination to diminish competitive lowering of tax rates, and to make hiding wealth harder. He does not, in contrast, give much attention to the latter concern, the prospect (indeed, the reality) that the wealthy make determined efforts to avoid taxation, which may make it not a sound political tactic to make this the first point in one's political agenda. Similarly, Piketty's advocacy of policies that promote substantive and not merely procedural equality, including affirmative action (p. 360) is not accompanied by a recognition of the potency of racial, caste, and ethnic politics, let alone a political strategy for their rebuttal. Piketty's view of history and politics is non-deterministic,²⁶ but incorporating politics as well as economics into such a view requires recognizing not merely that our economic policies can have effects, but that they can expect to generate political reactions, including resistance. Piketty's non-determinism can seem at times to verge on a view, suggested by the very title *Capital and Ideology*, in which superstructural or ideational constraints are the main ones, so that we can will ourselves into a different reality by dropping the scales created by existing lenses.²⁷

A much larger issue concerns the distinction between policies focusing on reducing inequality in market incomes and ones focusing on improving post tax-and-transfer inequality incomes. The former require ex ante policies which change the terms, both premarket and in-market, on which people engage with the market, as opposed to ex post policies, effecting changes in final receipts through post-market transaction state actions. The case for ex ante policies (sometimes also understood under the heading of "predistribution") is both economic and political. By empowering people to be more productive contributors to the social product such policies make it difficult to think of egalitarian policies as shifting resources from makers to takers. They therefore also conduce to social dignity. They moreover create a more durable basis for equality by diminishing the incentive and the capability of the wealthy to resist egalitarian policies. Although Piketty nods to the idea of predistribution, the policies he proposes do not turn much in this direction. The idea of generalizing the Germano-Nordic corporate governance model involves changing in-market terms of engagement, but is not specifically conceived of as being desirable for this reason, nor is it therefore proposed to be accompanied by other such policies. A more convincing egalitarian program would more firmly and comprehensively root the pursuit of equality in the production system itself. In addition to having the consequentialist benefits noted, such an approach would also give more substance to the idea of a "participatory" egalitarianism.

4 | CONCLUSIONS

In *Capital and Ideology*, Thomas Piketty has undertaken an impressive effort, which ranges far and wide. It shows a remarkable aspiration, not wholly explicit, to integrative social science—drawing upon a variety of disciplines and domains, learning from history and cases, abjuring fetishistic model building, attempting to overcome Eurocentric parochialism, and viewing academic investigation as an aid to human emancipation.

Although Piketty's effort to develop a historically informed and globally relevant perspective is admirable, it does not succeed in achieving a fully convincing unification. It is limited by its eclecticism and neglect of traditions of social science relevant to such a project. Piketty's central concept of (neo-)proprietaryism is thin. It does not provide an account of systemic dynamics. As a result, some grand themes, such as European world domination, have an accidental quality. "Classical" themes that could be relevant to understanding the systemic dynamics of inequality, such as the sources of technological and organizational innovation and their relations to capital and wealth accumulation, are given little attention. The bridge from description to explanation or to prescription is often unclear. Piketty's normative framework is incomplete where it is not incoherent. His policy prescriptions

appear to be individually selective and jointly insufficient. They smack too of voluntarism—lacking an account of the political conditions and actions that can help to advance a desired program.

The “New Piketty” asks many of the right questions. It is not always evident that he offers the right answers. But this can be forgiven. Piketty's book points to a return of grand theory in the social sciences, strengthened by current empirical research.²⁸ Such a turn can point the way to new insights and proposals. The vista before us offers the prospect of making the social sciences great again—not for their own glorification but because a better world depends on it.

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ENDNOTES

- ¹ For their invaluable suggestions, I thank John Harriss, Matjaz Nahtigal, Ajit Sinha, and Donald Robotham.
- ² These qualifications are necessary since Piketty is hardly the first economist or social scientist to have had a concern with grand themes and capacious arguments or to have drawn on comparative experiences over space and time to inform them.
- ³ The former include perspectives from world systems and dependency theory, and the latter include Marxian analyses.
- ⁴ Of course, even the most “basic” social structures can feature profound internal differentiation of status and roles, in particular in relation to gender and age, raising the question of whether they are more basic than, or are “primitive” counterparts of, class. The rediscovery of these forms of differentiation, greatly emphasized in the earlier British structural functionalist anthropological tradition, has been an important theme in French Marxist anthropology and sociology. See, for example, Bourdieu (2001), Godelier (1986), Meillassoux (1981), and Terray (1972).
- ⁵ The distinction made by Goody (1976) between the relative equality of “hoe cultures” engaged in simple reproduction and the profound class and gender divisions of surplus-accumulating “plough cultures” provides one example.
- ⁶ Such explanations of the origins of inequality, in various intellectual traditions, are associated, for instance, with Gordon Childe, Friedrich Engels, Jared Diamond, Jack Goody, David Graeber, Marvin Harris, and D.D. Kosambi.
- ⁷ Wright, 1996, provides one example of a multi-fold class division for contemporary societies.
- ⁸ “[Proprietarian ideology] emerged in societies that were still largely preindustrial as a way of transcending the logic of trifunctionalism in a context of new possibilities offered by the formation of a centralized state with a new capacity to discharge regalian functions and protect property rights in general” (p. 154).
- ⁹ Piketty here echoes, without referring to, Gramsci's famous formula relating hegemony to force and consent.
- ¹⁰ The word “bifurcations” is used in the French text. Although neither term necessitates the role of agency in making for one trajectory rather than another, it is presumably what makes the difference, with “ideology” acting as an obstacle to certain applications of agency.
- ¹¹ Piketty appears to be unaware of the long history of social scientific debates on ideology. Major figures in that debate (Althusser, Aron, Foucault, Godelier, Gramsci, Lukacs, or Mannheim, to name a few) appear not to be cited, and others (e.g., Bourdieu) are cited without their ideas on the subject being addressed. The concept of ideology as invoked in the book is neither located in relation to its predecessors nor fully elaborated.
- ¹² We can think of the work of Andrew Glyn, Giovanni Andrea Cornia, James Crotty, Gerald Epstein, Jomo KS, Richard Kozul-Wright, William Lazonick, Robert Rowthorn, Ajit Singh, John Weeks, Richard Wolff, and many others.
- ¹³ The “Italian School” of the late 19th and early 20th century had a notable interest in the role of inheritance and wealth taxes in combatting inequality. See the references in Dalton (1920) and also Gabbuti (2020).
- ¹⁴ We can think here of work along these lines by Daron Acemoglu and James Robinson, Paul Collier, Hernando de Soto, Douglass North, and others, not to mention a wide variety of reports from international development institutions on “institutions,” “governance,” and development, such as the World Bank in the 1990s and the first decade of this century.
- ¹⁵ Piketty's lack of knowledge of India, even in the area of his express competence, sometimes shows, for example in his crediting the SP and BSP with calling for the “creation of India's first federal wealth tax” (pp. 950–951), when in fact a pre-existing central government wealth tax had been recently abolished, in 2016.
- ¹⁶ This is a concept that has been introduced by my colleague, Anwar Shaikh. See Shaikh and Ragab (2007).

- ¹⁷ It is well established that middle class support was crucial to the historical success of social democratic movements in Nordic countries.
- ¹⁸ Somewhat more than half of countries have experienced increases in inequality over the last four decades, as measured by the Gini coefficient, according to data from the Global Consumption and Income Project.
- ¹⁹ Piketty's discussion of the former is very brief in comparison with the latter. This is a bit surprising in light of the large existing literature on the economic theory and empirical social science literature on the conditions under which cooperatives are likely to be successful, or not—which he does not appear to cite. The possibility that a certain dominant context—defined by the ecology of firms as well as by existing rules—may be hostile to such experiments, an idea which figures powerfully in that literature, is also hardly mentioned.
- ²⁰ The case of health care is a case in point. Requiring that all opt-in may be a condition for financial sustainability of a health care program, because of the problem of “adverse selection”.
- ²¹ Piketty uses a number of normatively imbued terms without definition, and which moreover do not appear to be directly linked to his stated normative framework. One example is “exploitation” (e.g., p. 239). Another example is the suggestion by Piketty that a “just wage” ought to be an objective of policy (pp. 1000–1004). It is unclear whether Piketty is aware of how deeply contested these terms have been.
- ²² See e.g. “Bill Ackman on saving capitalism: Every child in the U.S. could be given enough money at birth to become millionaires by retirement”, MarketWatch, 31st August, 2020: <https://www.marketwatch.com/amp/story/bill-ackman-on-saving-capitalism-every-child-in-the-u-s-could-be-given-enough-money-at-birth-to-become-millionaires-by-retirement-11598893294>.
- ²³ A thoughtful literature critical of basic income and related proposals has cropped up along these lines.
- ²⁴ It has been contended that inequality can be antithetical to growth by a number of economists in recent years. See, for instance, Stiglitz (2012) for some relevant arguments.
- ²⁵ Expropriations in many countries have, because of such dependence, later been reversed at great cost, to underline the commitment to the property regime, for good or for ill. Recently, see, for example, “Zimbabwe to return land seized from foreign farmers”, [bbc.com](https://www.bbc.com/news/world-africa-53988788), 1st September, 2020: <https://www.bbc.com/news/world-africa-53988788>.
- ²⁶ This is perhaps one reason that an accounting view (famously involving r and g) formed the heart of *Capital in the Twenty-First Century*: although dynamics leading to greater inequality were argued to be present, these were also understood as being possible to overcome with suitable policies, in particular taxes on the wealthy.
- ²⁷ Piketty seems, here and elsewhere, to echo the French social science tradition's concern with “mentalités” although without that tradition's at times sophisticated engagement with the relation between the mental and material (as, e.g., in Godelier, 1986).
- ²⁸ In this way, the prospective Return of Grand Theory is rather different in nature from that referred to by Skinner (1985).

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Material conditions and ideas in global history

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Abstract

Since the rise of a “scientific” historiography in the nineteenth century, the role of ideas in history versus that of material forces has been a key philosophical problem. Thomas Piketty's *Capital and Ideology* (2019), read as a work of global history, offers a provocative rehearsal of this question. On the one hand, the book is an attempt to provide a narrative historical frame for the hard data of the World Inequality Database. On the other, paradoxically, it offers a defiant conclusion that ideology is, or at least could be, the key driver in social and institutional change towards universal progress. St Simon, Comte and Spencer have found their twenty-first century heir. How can we historicize Piketty's impetus, both understanding its provenance and making sense of its limitations? One key issue is its roots in the traditions of National Accounts, which leads to an approach to the global which stresses comparison over connection, and to an uncritical reproduction of the portrait of an egalitarian non-capitalist Twentieth century painted by Kuznets during the Cold War. Another is its presentism, with the historical argument driven by an attempt to understand the c.1980–2020 conjuncture and its alternatives, and a connected overdependence on the support of a few historians. A third, a consequence in part of the inequalities between the quality of data we have for different parts of the world, and of Piketty's provenance and imagined audience, is a Eurocentric, even Gallocentric approach. A fourth is a very French republican refusal to address how class is complicated by identities of race and nation so that neither

egalitarian policies nor ideologies provide remedies for the populist politics of right. None of these criticisms are in contradiction with our view that *Capital and Ideology* is a work of social theory of world historical importance.

KEYWORDS

economic history, global history, inequality, intellectual history, social history

The philosopher places himself at the summit of thought; from there he views what the world has been and what it must become. He is not just an observer, he is an actor; he is an actor of the highest kind in a moral world because it is his opinion of what the world must become that regulates society.

Henri de Saint-Simon, *Science de l'homme: Physiologie religieuse* (1858)

I

At the end of the Cold War, as the most fundamental social and economic debates seemed to have been settled, questions of culture and religion became in fashion. This was reflected in public discussions—most prominently perhaps in the controversies over Samuel Huntington's *The Clash of Civilizations* (1996)—and, fueled by the “cultural turn,” in scholarship. Across the twenty-first century, however, concerns about the injustice and failures of the neoliberal order simmered in the background, erupting into the anti-globalization movement of c. 2000 and in the Occupy movement of 2010–2011. The crash of 2008 stimulated a renewed interest in socioeconomic questions. No work has represented this shift more than Thomas Piketty's international blockbuster *Capital in the Twenty-First Century* (2014). Recent scholarship in the humanities and social sciences reflects this new interest in material matters. In our own subject, history, some of the most exciting works of recent years has come out of the fields of the history of capitalism and commodities. We may perhaps even speak of a material turn.

At the same time, old questions about the relationship between the material world of economic conditions with the nonmaterial world of ideas have gained new traction. The paradox of Thomas Piketty's new book *Capital and Ideology* (2019) is that while, on the one hand, its concerns are materialist, its analysis of inequality's origins and possible ends are a surprising apotheosis of non-materialist interpretation. Piketty now proposes an approach to understanding societies, past and present, that gives primacy to the world of ideas: “Inequality is neither economic nor technological; it is ideological and political. This is no doubt the most striking conclusion to emerge from the historical approach I take in this book,” he writes (Piketty, 2019, p. 7). “In other words, the market and competition, profits and wages, capital and debt, skilled and unskilled workers, natives and aliens, tax havens and competitiveness—none of these things exist as such.” It is hegemonic discourses, resulting in human institutions, that create them. When old social, economic, and political orders collapse, the ones that replace them are the result of the visions of the various actors involved. These ideas, he argues, are independent from socioeconomic conditions: “I insist that the realm of ideas, the political-ideological sphere, is truly autonomous.” Piketty thereby explicitly distances himself from liberal economic determinism and a conservative materialism which maintains that social conditions, including inequalities, are based on “nature,” as well as from a socialist materialism, or, as he puts it, “from approaches sometimes characterized as ‘Marxist’, according to which the state of the economic forces and relations of production determines a society's ideological ‘superstructure’ in an almost mechanical fashion.” He concludes: “The history of all hitherto existing society is the history of class struggles’, wrote Karl

Marx and Friedrich Engels in *The Communist Manifesto* (1848). Their assertion remains pertinent, but now that this book is done, I am tempted to reformulate it as follows: "The history of all hitherto existing societies is the history of the struggle of ideologies and the quest for justice" (Piketty, 2019, p. 1,035). Piketty is not alone. Katharina Pistor's *Code of Capital* (2019) recently emphasized the importance of legal institutions in the creation of social and economic conditions.

The controversy about the relationship between mind and material world is, of course, ancient. Put simply: Whereas materialists have argued that it is material conditions that shape the world (including the world of thought), idealists have insisted that it is ideas that shape it (including the material world). This is not the place to go into the related, though more general, philosophical debate about the question whether the world exists outside us, independent from our perception of it, as an objective material reality (which includes man), or whether the material world is a subjective creation of our mind. G. W. F. Hegel famously explained in his 1821 *Elements of the Philosophy of Right* that world history was "the actualization of the universal spirit" (Hegel, 1821, p. 344).¹ Karl Marx, of course, reversed this logic, arguing that ideas emerge as part of the development of the material world, there was no "Bewusstsein" (consciousness) outside of "bewusst sein" (conscious being): "It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness" (Marx, 1961 [1859], p. 9).² It was how humanity constituted its social being in nature, and in particular in the organization of work, which created the basis for world views.

It is worth mentioning here that Marx himself rarely used the concepts of "base" and "superstructure." The most important reference to them can be found in his 1859 *Contribution to the Critique of Political Economy*:

In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation (*Basis*), on which arises a legal and political superstructure (*Überbau*) and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life.

(Marx, 1961 [1859], pp. 8–9)³

In his *Theories of Surplus Value*, he explains: "Further: from the specific form of material production arises in the first place a specific structure of society, in the second place a specific relation of men to nature. Their State and their spiritual outlook is determined by both. Therefore, also the kind of their spiritual production" (Marx, 1956 [1905–1910], p. 257).⁴ The concepts of "base" and "superstructure" only became prominent in post-Marx writings.

Yet, we should also not forget that Marx—in contrast to many of his later students—was anything but a narrow economic determinist. In fact, he was always critical of a trivial materialism. In his "Theses on Feuerbach," he famously criticized both idealism, for not reflecting on ideas as a result of concrete social material circumstances, and classical determinist materialism, for describing the world as series of causes and effects which can only be understood but not changed. He wanted human beings to intervene: "Philosophers have hitherto only interpreted the world in various ways; the point is to change it" (Marx, 1952 [1886], p. 372).⁵ Since then, Marxist thinkers, from Gramsci (1948–1951), to Althusser (1970), to Therborn (1980), have offered sophisticated theories of the emergence and evolution of ideologies and their complex relations to the material world.

Critics of materialist thought have argued that it only offered monocausal simplifications. Reinhart Koselleck, in response, once criticized these "discussions about (vulgar) Marxist monocausality," noting: "The charge that history cannot be interpreted in a monocausal way, however, can easily be reversed. Whether I introduce one cause, two, five, or an infinite amount of causes says nothing at all about the quality of my historical reflections" (Koselleck, 1972, p. 22). Thus: "When Marxists offer monocausal constructions—for example, when they indicate dependencies of the 'superstructure' upon the 'base structure'—this is a legitimate procedure of hypothesis

formation." (Ibid., p. 22). Critics of idealism, on the other hand, have pointed out that its proponents naively ignore the material context in which ideas emerge.

Piketty's criticism of materialist explanations of the world to some extent mirrors this old debate, though without explicitly reflecting on it. His extreme emphasis on ideas as engines of historical change make him, in a way an heir of Hegel. "Ideas and ideologies count in history" he writes more than once (Piketty, 2019, p. 7 and 1,035). Material "facts," he asserts, are "largely the products of institutions" and are "themselves constructs" (Piketty, 2019, p. 9). This emphasis on ideas has, to be sure, also practical implications, as it gives the scholar a more important role in world history: The task of the intellectuals is to change the dominant ideological discourse, thereby paving the way for material change. It might be said, with apologies to the "Theses on Feuerbach," that one can see Piketty in the book to be proclaiming, "Quantitative econometricians have previously only counted the world, the point now is to change it!". Social scientists have the duty to question the status quo of society. This view, as comforting as it sounds, may overstate the power of the intellectual to bring about new utopias.

The nature of ideology, a vague concept, is never scrutinized in more detail. In the beginning of the book, Piketty outlines it as "a set of a priori plausible ideas and discourses describing how society should be structured," adding: "An ideology has social, economic, and political dimensions. It is an attempt to respond to a broad set of questions concerning the desirable or ideal organization of society. Given the complexity of the issues, it should be obvious that no ideology can ever command full and total assent: ideological conflict and disagreement are inherent in the very notion of ideology" (Piketty, 2019, p. 3). Yet, we learn little about the nature of ideological transformations and the emergence of new ideologies, about the process by which an ideology comes to dominate a society's discourse, or about the collapse of hegemonic ideologies. We also learn little about the material media and technologies—such as paper and printing press—that transport ideas (Darnton, 1979; Darnton, 2000; Darnton & Roche, 1989, are examples) and the ways in which transformations of the public sphere shaped this story (Habermas, 1962).

In practice, however, in his historical tour de force, Piketty sensibly shows himself more flexible in his argument, avoiding monocausal explanations that give absolute priority to the world of the mind. He acknowledges that social conditions influenced the ways in which people understood the world around them:

Social ideologies usually evolve in response to historical experience. For instance, the French Revolution stemmed in part from the injustices and frustrations of the Ancien Régime. The Revolution in turn brought about changes that permanently altered perceptions of the ideal inequality regime as various social groups judged the success or failure of revolutionary experiments with different forms of political organization, property regimes, and social, fiscal, and education systems. What was learned from this experience inevitably influenced future political transformations and so on down the line. Each nation's political and ideological trajectory can be seen as a vast process of collective learning and historical experimentation.

(Piketty, 2019, p. 10)

He is also flexible enough to avoid mechanical deterministic explanations, based on the primacy of ideologies, and underlines the fact that historical evolution is everything but inevitable: "Multiple trajectories are always possible. The balance of power at any moment depends on the interaction of the short-term logic of events with long-term intellectual evolutions from which come a wide range of ideas that can be drawn on in moments of crisis" (Piketty, 2019, p. 1,037). Historically, he observes, there is no inevitable path-dependency: "At every level of development, economic, social, and political systems can be structured in many different ways; property relations can be organized differently; different fiscal and educational regimes are possible; problems of public and private debt can be handled differently; numerous ways to manage relations between human communities exist; and so on" (Piketty, 2019, p. 8). We can almost hear Karl Popper sighing with relief (Popper, 1945). There was often more than just one powerful discourse.

Overall, however, it might have been more sensible to avoid the strong emphasis on the primacy of ideology. Mental and material worlds evolve in reciprocity. In an endless cycle, ideas shape social realities, which in turn shape ideas. As a consequence, interruptions in ideology or material realities can engender change. We do not need a hierarchy of mind over material world, or vice versa. Middle grounds that have long been offered by scholars, most powerfully by Max Weber (Weber, 1904–1905; 1922; and 1923), dissolving the alleged antagonism between ideological and material forces in world history. In his essay “Objectivity in Social Science,” Weber observed that the “so-called ‘materialistic conception of history’” would prevail “only in the minds of laymen and dilettantes” (Weber, 1904). “In these circles one still finds the peculiar condition that their need for a casual explanation of an historical event is never satisfied until somewhere or somehow economic causes are shown (or seem) to be operative,” he noted. Instead Weber pleaded a more open-minded view on the interplay of material and nonmaterial conditions: “Liberated as we are from the antiquated notion that all cultural phenomena can be *deduced* as a product or function of the constellation of ‘material’ interests, we believe nevertheless that the analysis of social and cultural phenomena with special reference to their economic conditioning and ramifications was a scientific principle of creative fruitfulness and with careful application and freedom from dogmatic restrictions, will remain such for a very long time to come.”

Piketty's intervention may be read as a twenty-first century version of this Weberian conjecture. It might perhaps also have engaged, however, also with those Marxists who have also explored a middle ground, such as Raymond Williams (Williams, 1977) and Stuart Hall (Hall, 1986), who through the categories of “mediation” and “articulation” have investigated the constraints within which ideology finds expression in material life. To paraphrase the opening of the Brumaire, people do not make ideas exactly as they choose.

II

Capital and Ideology is grounded on an extraordinary body of new statistical studies of past and present inequality. Christopher Bayly coined the phrase “statistical liberalism,” for those around the late nineteenth and early twentieth-century world, and particularly in India, who sought to muster data-based portraits of their societies in order to make the case for social change (Bayly, 2011). Piketty is a twenty-first century statistical liberal. “Many historical processes of social and political emancipation have relied on statistical and mathematical constructs of one sort or another” (Piketty, 2019, p. 44). *Capital and Ideology*, indeed, might be seen as the discursive partner to the World Inequality Database, and as the first major work of social theory to be the complement of an internet resource. In the first decade of the twenty-first century, Piketty, with Emmanuel Saez and Arthur Atkinson, developed Simon Kuznets 1950s work on “Top incomes” in a range of studies on inequality in national context, in particular in France, Britain, and the United States (Alvaredo et al., 2003, offers a discussion of this literature). The capstone of that first wave was Piketty's *Capital in the Twenty-First Century* and parallel studies by Milanovic (2005, 2010 and 2016) and Francois (2012). One of the criticisms of Piketty's book was that, despite opening with a reference to the Marikana massacre in South Africa, and offering a chance Saidian reference to Jane Austen's *Mansfield Park* as a sign of the place of colonial wealth in eighteenth-century Britain, Piketty paid little attention to the role of slavery and European imperialism in economic history, and indeed was extremely Eurocentric in his approach. *Capital and Ideology*, seeks to remedy this, appealing to new historical econometric work on India, Mexico, Brazil, China, in French, and British colonies, seeking to include the problematic of the economic role of slavery and imperialism, and responding to recent work in non-Western and global history in particular that of Fred Cooper and Sven Beckert. Its ambition is to offer a transnational *longue durée* history of inequality as the basis for a policy program for the entire world in present. There is a great deal to admire in both the aim, and in the attempt to execute this grand agenda. For historians, however, there are questions about both the subsidiary parts of this oeuvre and, more critically, about how Piketty approaches the problem of the global.

Piketty in *Capital and Ideology* seeks to bring together the quite distinct traditions of internal “within country” inequality and international “between country” inequality, but this enterprise is distorted by the primacy of the “within” problematic in the origins of his project. The study of internal economic inequality comes out of liberal welfare economics, which in the early twentieth century began to measure wealth and poverty for a mixture of reformist, patriotic, and eugenicist reasons. Colin Clark and Richard Titmuss in Britain, and Simon Kuznets in the United States sought to provide economic and econometric tools for Keynesian demand management, planning, and social policy. National accounts, and estimates of how the power to consume was distributed in society, developed side by side, with three great peaks of scholarly activity in the 1930s and 40s, the 60s, and the 2000s. The statistical study of international inequality, on the contrary, while it came out of the same interwar liberal policy moment, found expression in a distinct line of work on colonial administration and development economics, with a debate running through Arthur Lewis in the 1940s and 1950s, the Economic Commission of Latin America, the Dependency school and the call for a New International Economic Order in the 1950s and 1960s and 1970s, and against these the anti-Keynesian thrust of P. T. Bauer and Douglass North in the 1970s which arguably underpinned the Washington consensus, and, most recently in “The colonial origins of comparative development” by Acemoglu et al. (2001). *Capital in the Twenty-First Century* and *Capital and Ideology* are securely rooted in the first tradition, its method principally turns on bringing together national trajectories, where economic data exists, rather than engaging in significant connective analysis.

This efflorescence of statistical studies of international inequality has a common basis and weakness: all are based on the econometric equivalent of the national paradigm, servants of the data sets generated by economists around the nation state or for regions by the World Bank. The international is always derived from the national. The problem here is that the logic of national accounting generates at best a comparative history of inequality. These attempts at comparison are weakened by the different regimes of measurement at each data point—we can scarcely trust contemporary nationally derived statistics, let alone those before the twentieth-century state. *Capital and Ideology* while global in its ambitions, is really a collage of national stories and data, some of which is anchored robustly, some of which is conjecture and extrapolation. It should also be noted, at the outset, that Piketty gives attention to the history and historiography of, in descending order, France, Britain, Europe as a whole, even if significant sections address India, for example. Read as a whole, too, it is hard not to come away with the impression that there is a hierarchy of audiences too in this book: the French public, the citizens of Europe, and only after that the rest of the world. In many ways, the ultimate policy momentum of the book is toward a new order of politics and property in Europe, even if this would be connected via a “social federalism” to new forms of North-South political and economic integration. But the theater for the rise of this new politics appears to be the European nation state, indeed perhaps France, where he sees new ideology as the driver of change.

III

Capital and Ideology offers a history of the world over a very long time span. In its focus on quantitative data and the longue durée it may be read as in the tradition of classical social and economic history, most importantly the Annales School. For premodern Europe, it leans heavily on Georges Dumézil's “trifunctional” hypothesis, and the structuralist anthropology and historical sociology which stems from it. It argues for a great transition, first in Europe, then, via European colonialism and interventions to the world, toward a “proprietary” society in the post 1,750 period. Aspects of that shift, although their place in it is never really fully articulated, are the rise of slave and colonial societies in the Americas, Asia and Africa. It is the nineteenth and especially the twentieth-century world that is the focus of the book, within which he conjectures a journey, with Europe in particular under his lens, from proprietary to social democratic and communist societies, toward the rise, after c. 1980 of the “neo-proprietary” order which now, with its burgeoning inequality, holds the world in its grasp. In each of these ages—the shadow of stadial theory hangs heavily on his analysis—there are distinct articulations of what he calls

“political regimes,” which are the orders of political society, and “property regimes,” which locate rights of particular persons in things, which may include other persons.

Yet, it is quite clear that the real temporal focus of this work, around which all the retrospective analysis is articulated, is the c. 1980–2020 “neo-propietary” moment in the West. Piketty gives great attention to dismantling the ideological basis of our current order. He challenges, both through quantifying the effects of “neo-propietary” and through historical comparison, a variety of arguments which have underpinned the neoliberal moment. These include that idea that the pre-1980 period was too equal and taxation was both too high and unjust, that there is an economic virtue to inequality, that rising tides lift all boats and wealth trickles down, and that heroic billionaires like Bill Gates, Jeff Bezos, or Elon Musk deserve their exceptional wealth any more than the beneficiaries of corruption or hereditary rent-extraction privilege in Africa or the Middle East.

Piketty is primarily interested in comparisons of inequality regimes, not in tracing the global connections between them. It is a history of national silos erected next to each other. The author asserts:

Above all, a long detour through history is indispensable because the various regions of the world have only gradually come into contact with one another. For centuries most societies had little to do with foreigners. Trade in goods and ideas broke down barriers, and some states conquered others or established colonies on foreign soil. Only since the end of the Cold War and the era of decolonization have the various parts of the world become intimately intertwined, however, not only through financial and economic interactions but also to a greater degree through human and cultural exchange. Before 1960–1970, for example, many European countries had little contact with people from other continents or different religious backgrounds. The migrant flows of the post-colonial era changed this, and the effect on ideological and political conflict within Europe has been considerable. Other parts of the world such as India, the United States, Brazil, and South Africa have had longer experience with mingling of populations that see themselves as radically different for religious, social or religious reasons.

(Piketty, 2019, pp. 42–43)

The assertion that only in the very latest age have large parts of the world been deeply intertwined, or have included radically distinct religious or social factions, will come as surprising to anyone who knows the vast literature on medieval and early modern global integration, in particular in Eurasia (e.g., Abu-Lughod, 1989). Piketty, if this book is an index, is innocent of any critical engagement with the work of Immanuel Wallerstein, James Blaut, or even of Eric Williams and Fernand Braudel. The history of the early modern and modern period was profoundly shaped, around the world, by global interconnections. The emergence of modernity's class structures and inequalities were products global transformations (Osterhammel, 2014, pp. 744–778; Osterhammel, 2018; and the chapters in Dejung et al., 2019, provide an overview). Even the lives of those who did not move across borders were influenced by global integration, for example, the worldwide commodity trade in goods such as cotton, tobacco, and chocolate. In short: societies do not exist in a vacuum. Can we really explain global inequality in the early modern and modern period without understanding the history of its global entanglements?

In spite of its global scope, the book in many parts remains Eurocentric, even Francocentric. Even the parts on the global South are seen through the lens of Europe's entanglements with those regions, from slavery to colonialism. This is of course also a result of the sources, scriptural and numeral, available to him. He is in particular perhaps a little over responsive to the University College London Legacies of British slave ownership database. In the section on slave societies there is a mere three pages of discussion of slavery as an inequality regime with long legacies, before Piketty begins, following the UCL data, a detailed comparative discussion of the economic consequences, within Europe, of compensated emancipation. To his credit (Piketty, 2019, p. 276), he remedies some the lapses in *Capital in the Twentieth Century* with a solid examination of how some wealthy people, and France and Britain aggregately, derived substantial income and rent opportunities in colonies. One startling insight is that

France's colonies contributed as much to its economy at the turn of the century as its principal industrial regions. But his approach, which segregates analytically, in distinct sections, the history of slave and colonial societies from Europe's trajectories, and which assumes Europe always in the historical vanguard, means that he never really connects how the colonial order created at the same time "between country" and "within country" inequality, as rubber plantations, for example, underpinned plantation societies in Indochina and Malaya, the rise of magnates like Michelin and Dunlop and Citroen, and the rise of a rent-seeking bourgeoisie in France and Britain.

This matters when Piketty comes to paint his golden age of social democracy in the postwar West. He is blind to how in the midst of that 1950s and 1960s moment, the construction via bribery, war, and covert intervention, including via the International Monetary Fund, of a neo-colonial order in Iran, "Francafrique," the Middle East, Congo, Indonesia, Chile, and elsewhere laid the ground for the "neo-proprietarian" turn. He takes for granted Fred Cooper's projection that a federal exit from French imperialism was ever seriously possible after c. 1948 (Drayton, 2017). Much as in the c. 1500–1800 period colonies provided one driver of the conquest of Europe by capitalist social relations (Blaut, 1989), so in the mid and late twentieth century it was in the West's offshore that the counter-revolution against the Keynesian social democratic era was incubated. To take one small element of this, Ogle has shown how the history of "decolonisation" was entangled with the dramatic growth in the rise of offshore tax shelters (Ogle, 2020). But her argument can be expanded: The model of a society which allowed the extraction of profit and rent by corporate entities located outside its fiscal frontier was pioneered in Europe's colonies, perfected in the era of the end of empire, and implemented within the West from the 1980s. Empire, as it always does, came home, here in the form of a legal regime which, as Piketty notes, has excluded increasingly large parts of national economies from the duty of paying taxes to the societies they operate in.

Inattention to how law in the twentieth century made important parts of capital invisible to the national state represents the Achilles's heel of both of Piketty's books and the tradition which underpins them. At the base of his enterprise, and his project of utopia via taxation, is Simon Kuznets's study of "top incomes" in the 1950s (Kuznets, 1953), to which we ultimately owe the idea of the 1%. From Kuznets, and the approach to tax records he initiated, Piketty derives his portrait of the dramatic narrowing of income inequality in the middle of the twentieth century, as a result of redistributive taxation associated with the welfare state, before the c. 1980s Reagan and Thatcher moment opened a new road. We are not aware of any readers of Piketty's work who have yet questioned this commonplace. But how much of this apparent decline in the income share at the top was real, and how much was it the result of new accounting and legal strategies which redirected income from individuals to artificial persons? Even at the time Kuznets published, he was being challenged by heterodox economists, in particular the United States Communist Party's economist Victor Perlo, and the Labor Research Association, who mocked Kuznets et al. as retailing a mythical "statistical socialism." In his pamphlet *The Income "Revolution"* (1954), Perlo argued that Kuznets was wrong to take the tax returns of the 1% in the post-1940 period as a true index of their incomes, because he missed completely the impact of tax avoidance and evasion, which happened on a large scale from the 1930s onward, and thus, unreported income, while he failed to count undistributed corporate profits, including the keeping offshore of US corporate profits earned abroad which began in the 1950s, the key precedent for today's now normal offshoring of profit. Perlo wrote, "Correct measurement would show no decline in the share of the top 1% or 5% of the population." Similar attempts to evade the state's fiscal net became common in Britain as taxation increased during and after the First World War. What if the Achilles heel of all arguments about income and wealth inequality based on national accounts is the concealing of capital and income within the firm, through trusts and foundations, and through offshore structures which mean that the life of national capital may not be audited within national frontiers? (Ogle, 2017). What if an ideological turn toward egalitarianism might be complemented, then, and in the 2020s, with persistent, even growing, material inequality because the social relations of capital are not challenged by the state's taxation of income? Might we see capital in Piketty's social democratic *age de l'or* merely recalibrating its strategies: in economic terms, finding ways to reduce its tax liabilities, while it funded a political and ideological riposte to liberal welfarism?

There were probably more continuities across the twentieth century than Piketty proposes. These continuities are visible in the structure of capital across the generations in key families in every country that was not shaken by

the one absolute rupture with the nineteenth-century world: the Russian Revolution and its heirs. It is interesting that the rise of and fall of the communist revolutionary state-making project between 1917 and 1991, finds an awkward place in his analysis. It is first discussed as one of the causes of hyper-capitalism, because it discredited the social democratic project by its economic failures and human rights abuses. Later Piketty admits, but only quietly in passing, that the presence and threat of the USSR, played a significant role in the limited gains of social democracy between 1920 and 1989, in the origins of decolonization, and the success of the civil rights movement in the United States. This awkwardness seems to derive from Piketty's discomfort with the politics of confrontation and political violence. He imagines an irenic ideological revolution, where the pure reason of reform would spread like a religion, what he calls "collective learning"—which resembles in its shape the self-consciousness of Hegel's world spirit—would inspire all around the world the implementation of his program. It is never clear where in history, or on what terms today, the winners in the status quo become converted to the ideal of ending arrangements from which they derive privilege and benefit. If his argument begins with a homage to history, it ends in an idealist utopia beyond it, a withering away of the state and capital as we know them through the pure momentum of utilitarian reason.

IV

We will not as historians comment in any depth here on the final part of the book that concern the contemporary world. Piketty rightly characterizes our post-Cold War world, which followed the "glorious" social democratic era, as a neoliberal epoch of unleashed capital and escalating inequality. It was ideological fatalism after the "end of history," he argues, that led to the failure of progressives to create ideological alternatives to this hyper-capitalism. The parties on the left, in fact, according to Piketty, transformed from workers' parties into the parties of the highly educated elite. A "dual-elite system" (Piketty, 2019, p. 773) thus emerged: The financial and business elite ("Merchant Right"), which took over many conservative parties, advocating free markets and small states, and the educated elite ("Brahmin Left"), which took over many left-wing parties, engaging in cultural questions, such as the promotion of diversity, while showing less interest in problems of economic inequality. Indeed, around the world, the left-wing parties thus abandoned its disadvantaged voters, whom Piketty also calls "the least favored classes (*classes populaires*)" (Piketty, 2019, p. 720). Consider Bill Clinton's Democrats, Tony Blair's Labour, and Gerhard Schröder's Social Democrats. "The Brahmin left believes in rewarding scholastic effort and talent; the merchant right, on the other hand, emphasizes business talent," Piketty notes (Piketty, 2019, p. 773). "But both camps are strongly attached to the existing economic system and to globalization as it is currently organized, which ultimately serves the interests of both intellectual elites and economic and financial elites" (Ibid.). As a result, growing segments of these voters turned to the nationalist right, embracing identitarian nativism.

There are some problems with this narrative. First it is debatable whether the working and disadvantaged classes really turned their backs on the old left-wing parties simply because they no longer addressed questions of wealth redistribution (the "social hypothesis," according to Piketty, 2019, p. 753). In fact, many may have moved to right-wing parties because they genuinely supported their nationalist, racist, and xenophobic agendas ("nativist hypothesis," according to Ibid.). After all, few of the populist right-wing parties really offer a program of social and economic equality. Quite the opposite: From Trump's Republicans to Farage's Brexit party, neoliberal hyper-capitalism, including assaults on social security and health care, and tax cuts for the rich, is central to their agendas, and yet secure substantial support from many victims of the new regime. Piketty himself admits their "lack of appetite for progressive taxation" (Piketty, 2019, p. 886). He concludes that "it seems quite unlikely that today's social-nativist movements will develop ambitious plans for progressive taxation and social redistribution" (Ibid., p. 887). In the end, they are nativist or capitalist-nativist rather than social-nativist.

More generally, the argument that economic hardship and inequality gave rise to right-wing populism is questionable. In fact, this is exactly the sort of economic determinist argument which the author elsewhere criticizes.

Ideology matters. Ideological resentment—nationalism and racism, even if much of it manipulated by capital—is the reason for the rise of the right, not the economy. It is therefore also doubtful if a redistribution of wealth will automatically weaken populist nationalism.

Second, the rise of the populist right cannot be reduced to the support it receives from the disadvantaged classes. In fact, most populist nationalist movements can count on substantial middle-class backing. The middle classes have, as one of the authors of this essay recently discussed, never been immune to the lure of illiberal nationalism: “Middle classes are not a priori engines of political liberalization. They can readily become the promoters of nativist nationalism and repressive authoritarianism if they fear for the loss of influence and wealth” (Motadel, 2020). Throughout modern history, middle classes have supported illiberal regimes. Today, the growing middle classes in the Global South seem less and less inclined to advocate democratic reform, while parts of the middle classes in the Global North have proven quite open to right-wing demagoguery. In America, for example, in the 2016 elections, about two-thirds of Trump voters had a household income that was higher than \$50,000, the average earning (Carnes & Lupu, 2017). In the 2020 election, this trend continued, as Trump gained even further ground among the wealthy: “Just over half of those whose family income was more than \$100,000 a year supported the president” (Zhang & Burn-Murdoch, 2020; and, for an analysis, Goldfarb, 2020). Similarly, the majority (59%) of voters for Great Britain's exit from the European Union were solidly middle class (Dorling, 2016); indeed, also Piketty cannot ignore the fact that both “the lower and middle classes” (Piketty, 2019, p. 859) backed Brexit. In short: “In most developed countries, populism is less a working-class revolt than a middle-class civil war” (Kuper, 2020). We should not fall for the idea, promoted by populist movements, that they represent the losers of society.

Third, the narrative leaves out the upper classes that often embrace populist nationalist movements. All of these groups enjoy support from a right-wing elite—powerful industrialists to finance barons—who are excited about such movements' anti-welfare agendas and tax policies and underwrite (or at least tolerate) their xenophobia. The face of such voters in America became Mark and Patricia McCloskey, the Missouri couple infamous for waving their guns as peaceful protesters passed by their mansion. The German *Alternative für Deutschland* has become a home for more than one disgruntled child of former aristocratic families. It is no coincidence that it was this party that lent the most vocal support for the compensation and restitution claims of the former royal family, the Hohenzollerns, in parliamentary debates. These parties are as often playgrounds of the propertied elite as they are pools of the disadvantaged.

Piketty, moreover, seems insensitive to how racial, religious national identity operated, as W. E. B. DuBois argued long ago (DuBois, 1935), as a kind of property, making possible a political alliance of big capital with materially poor women and men (Drayton, 2019). In the lineage of DuBois, Black social thought has sought to elucidate how “racial capitalism” operates to organize cross-class conservative coalitions, constituted as much in ideology as in social relations (Robinson, 1983; Silva, 2007; Leong, 2013; and Gilmore, 2021).

V

Thomas Piketty's ambitious outline of a political program, dubbed “participatory socialism,” to solve the ills of our time is impressive: “the model of participatory socialism proposed here rests on two key pillars: first, social ownership and shared voting rights in firms, and, second, temporary ownership and circulation of capital.” (Piketty, 2019, p. 989). Indeed, it proposes nothing less than a reinvention of government and property on a planetary scale. On the one hand, this involves relatively modest changes to national and transnational regimes of taxation. At the other end of the scale he calls for a reinvention of property to allow for temporary and social ownership, and a transnational assembly which would federate the national assemblies of the world. The sheer force of reason will negotiate this grand idea through the distinct structures of material interest and political culture.

Still, this political agenda may not be fortified against criticism from liberal, conservative, or hard right advocates of the free market. First, given the excesses of neoliberalism and dramatic rise of inequality, the massive redistribution program outlined might seem sensible. Yet, the question remains whether redistribution alone, a narrow focus on taxes, can really solve all of the economic (and political) ills of our time. Liberal economists would argue that economic growth, that is, the creation of wealth, is neglected in this program. Second, the redistribution of wealth can also have negative economic effects. Liberal economists would ask how we can guarantee that economic actors still have an incentive to become economically active. Third, the laws governing distribution remain unclear. What principles should be used to establish a fair redistribution of wealth? In a way, the program outlined presumes the existence of the perfect uncorrupted state which is capable of making those decisions. Critics may ask whether a powerful state which reigns over such massive wealth is not also a risk. Liberal economists would reply that the free market, Adam Smith's invisible hand, ultimately remains the more just (and elegant) principle of material allocation.

On the contrary, social thinkers of the left would offer a converse set of criticisms to Piketty's utopian socialism. If $r > g$, as Piketty famously urged in 2014, using fiscal means to channel the rewards of growth more to the losers of the capitalist regime does nothing to change how the structure of wealth reproduces inequality. For them, the power of capital must be permanently broken, and the regime of heritable claims on rent ended. Piketty's appeal to ideology reeks of a Saint-Simonian utopianism which requires capital to endorse a set of policies which run counter to its self-interest. It is inattentive to the psychological problem which Rousseau raised as early as 1755 in *Discours sur l'origine et les fondements de l'inégalité parmi les hommes*, that the wealthy and powerful may come to desire the relative poverty and powerlessness of others (Rousseau, 1755). They would point to the long history of the wealthy working openly and covertly to subvert any attempt at egalitarian state-building. Oddly lacking from Piketty's portrait of the twentieth century is any address of how the ascent of neoliberalism ideologies, and what he calls "neo-proprietarianism," was actively propelled by wealthy people and conservative institutions. The Mont Pelerin Society, in particular, with which such key economic ideologists as Friedrich Hayek, Milton Friedman, George Stigler, Maurice Allais, James M. Buchanan, Ronald Coase, Gary Becker, and Vernon Smith were associated, is not mentioned (Stedman-Jones, 2012). It is nowhere clear what are the mechanisms through which the ideological shift he imagines would come, given that he has no theory of the state nor does he give violent confrontation a role in the recalibration of social trajectories.

As a conjunction of historical and economic analysis, social theory and policy, the book is unusual for our age. Many economists, with their current bias toward mathematical models and theory, have not surprisingly been wary. Paul Krugman, in the *New York Times*, criticized "what amounts to a history of the world viewed through the lens of inequality"—for its lack of a clear "message" (Krugman, 2020). Piketty might be seen as an heir of Adam Smith, or more proximately, the historical school of economics, such as Gustav von Schmoller, Max Weber, and Joseph Schumpeter, which predated the marginal revolution. Its closest contemporary disciplinary relatives are the works of the institutional economists, which consider the influence of (formal and informal) institutions—which are shaped by ideology—on the economic world. Many Historians will respond with a similar caution. They will question both its building blocks and their assembly. It offers the sort of grand theory of history that is out of fashion among that majority of historians who seek history in local particularities. Others, in particular global historians, will admire its synthetic ambition. For historians and sociologists concerned to make a new global historical sociology, Piketty's long *durée* analysis of inequality and ideology offers important provocations. Like many world-changing books, *Capital and Ideology* matters not for what it gets exactly right, but for how it engages the most fundamental questions in the social sciences with the problems of its age.

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Data sharing is not applicable to this article as no new data were created or analyzed in this study.

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ENDNOTES

- ¹ "Auslegung und Verwirklichung des allgemeinen Geistes."
- ² "Es ist nicht das Bewusstsein der Menschen, das ihr Sein, sondern umgekehrt ihr gesellschaftliches Sein, das ihr Bewusstsein bestimmt."
- ³ "In der gesellschaftlichen Produktion ihres Lebens gehen die Menschen bestimmte notwendige von ihrem Willen unabhängige Verhältnisse ein, Produktionsverhältnisse, die einer bestimmten Entwicklungsstufe ihrer materiellen Produktivkräfte entsprechen. Die Gesamtheit dieser Produktionsverhältnisse bildet die ökonomische Struktur der Gesellschaft, die reale Basis, worauf sich ein juristischer und politischer Überbau erhebt, und welcher bestimmte gesellschaftliche Bewußtseinsformen entsprechen. Die Produktionsweise des materiellen Lebens bedingt den sozialen, politischen und geistigen Lebensprozeß überhaupt."
- ⁴ "Aus der bestimmten Form der materiellen Produktion ergibt sich eine bestimmte Gliederung der Gesellschaft - Nr. 1, zweitens ein bestimmtes Verhältnis der Menschen zur Natur. Ihr Staatswesen und ihre geistige Anschauung ist durch beides bestimmt. Also auch die Art ihrer geistigen Produktion."
- ⁵ "Die Philosophen haben die Welt nur verschieden *interpretiert*; es kommt aber darauf an, sie zu *verändern*."

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Property, wealth, and social change: Piketty as a social science engineer

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Abstract

This paper applauds the vision and originality of Piketty's *Capital and Ideology*. We draw attention to the distinctive methodological perspective which he adopts, which we liken to call “social science engineering.” This allows a problem oriented perspective on long-term global social change which sidesteps siloed disciplinary debates in social science and history about the meaning of modernity, the rise of capitalism, the formation of social groups, and the primacy of nations. We bring out how his theory of property permits him to take forward his overarching insight that economic growth leads to wealth accumulation. This, therefore, challenges long standing sociological perspectives by insisting that modernity is a conservative, rather than a revolutionary and transformative process. We build on this essential contribution by noting some areas where his work can push forward even further, notably that his focus on shifting relationships obscures qualitative historical changes, and more particularly means his analysis of the 20th century is not as provocative as that of the 19th century.

KEYWORDS

inequality, Matthew effect, Piketty, property & wealth

How do you follow the most influential and best-selling research monograph of 21st Century social science? Not with a popular or a coffee table book, but—only 5 years later—with an even more weighty, wide ranging and ambitious book. If the scope of *Capital in the 21st Century* (C21C) was vast, that of *Capital and Ideology* (C&I) is even

greater, as Piketty ranges over an historical landscape going back centuries and to almost every part of the globe (even though inevitably his attention is uneven, as we discuss below).

It would be easy to bridle at the sheer arrogance of this book which rises roughshod over vast amounts of scholarly writing. The chutzpah of sweeping through debates about electoral change in Europe and North America with only minimal reference to the extensive political science literature, or the development of caste divisions in India with only passing reference to anthropology and broader postcolonial scholarship, or the significance of slavery while hardly mentioning the role of race and racism, and so on will certainly be grating to some audiences. However, we congratulate the ambition of this volume. The specialization and siloing of academic social science into disciplinary and sub-disciplinary fields may permit research advance in specific arenas, but it does so by narrowing the parameters of inquiry, and demarcating methods and theoretical perspectives in ways which have forestalled genuine cross cutting synergies. The result has been to damage the kind of “big picture” social science which we desperately need today—and for which there is a hungry audience. Social scientists need to be riskier, rather than routinely defaulting to their home audiences, and in this context, *C&I* is a riveting, vital, contribution which should be received generously.

Indeed, in this spirit, Piketty's book marks a very important disciplinary shift. It has traditionally been sociologists who have offered the kind of broad ranging perspectives on social change over the long *durée*: such thinking is hard-wired into sociological theorizing of modernity from Marx, Weber, Durkheim, and Du Bois through to Beck, Castells, Luhmann, and Giddens. However, this tradition of sociological theory has largely fallen into abeyance. Rather than proffering grand narratives of sweeping social change, since the turn of the millennium sociologists have become more vested in the project of critique (see Krause, 2019; Savage, 2021).¹ The power of Piketty's book derives from its attempt to move economics into the resulting social science vacuum to offer the kind of broad ranging historical perspective which sociologists used to offer, but no longer do very much (he says so himself in the final chapter of his book). As sociologists, we fully welcome his determination to pose these big questions.

However, despite Piketty's stature as a feted economist, *C&I* is not, in any obvious way, a work of economics. It contains much less econometric models than *C21C*, and little or no genuflection to theoretical debates within economics. He has followed through on his promise in *C21C* to push genuine interdisciplinary perspectives and opens up a genuine rethinking of social science as a form problem-oriented engineering. This turns out to be an unusual kind of intervention which does not default to conventional disciplinary norms, and we begin in this paper by highlighting its key features. We secondly highlight the distinctive advantages which Piketty's approach brings out, the most important feature of which is to challenge the view that modernity is transformative by insisting on the centrality of wealth accumulation. Thirdly, we reflect on how these arguments can be pushed even further, most importantly with even more attention to historical process. We therefore conclude that Piketty offers a very unusual—and powerful—way of understanding long-term social change, which re-reads the 19th century as a conservative, rather than revolutionary century and allows an interesting way of re-interpreting liberal modernity as a short-lived phase in human history during the 20th century.

1 | PIKETTY AS A PROBLEM ORIENTED ENGINEER

By the standards of any social science discipline as it is currently organized, Piketty's book falls woefully short. This reflects its refusal to adopt a clear disciplinary platform. Whereas *C21C* provoked economists to think outside the box and ask bigger and more challenging questions, it nonetheless was clearly driven by his economic expertise. *C&I*, by contrast, has virtually no interest in economics and makes no attempt to intervene in that discipline's debates. There is limited reference to economic theory, much less use of econometrics or flaunting of statistical expertise. It is almost as if Piketty has given up on the discipline of economics as it is currently organized. Rather, Piketty embraces politics, social change, culture, and ideology which are the mainstay of anthropology, history, sociology, and political science. However, he makes no attempt to appeal to insider debates in any of these

disciplines either; rather, he operates as if he is able to stray on this turf without having to worry about what these insiders might think about his incursion.

This might appear to be elitist by making little or no effort to appeal to the foot soldiers of scholarly endeavor tucked away in specialist journals, and also widely ignores the shoulders of others on whom he stands, especially the generations of historians and social scientists who have written about inequality in premodern *Ständegesellschaften*. Where Piketty does refer to secondary literatures—which is uneven though also shows a striking sensitivity to many key contributions—it is largely to university press monographs rather like his own. In most of the book, his own descriptive arrangement of quantitative data garnered at the World Inequality Lab in Paris takes center stage. And what a treasure trove these data are, as we will go onto discuss. However, whereas *C21C* gained coherence by concentrating on trends on income and wealth inequality, Piketty here massively extends the data points under consideration, which now include a wider battery of economic indicators (such as labor productivity), health trends, the changing distribution of social groups, voting patterns, educational attainment, and so forth. Piketty also expands his reference to include a range of literary reference points. These flourishes were already used in *C21C*, but become even more marked here, with Piketty straying off canonical works from Jane Austen and Honore de Balzac (though these continue to be highlighted, e.g., p169 to 171) and the like, to also include sources running from *The Planet of the Apes*, though to *Burke's peerage* and postcolonial novels such as by Chimamanda Ngozi Adichie or the work of black film director Spike Lee. The result is a potpourri of both quantitative and literary data which can surely never have been assembled in this kind of way before.

There is a profound argument about methodology here. The project of data assemblage lies at the heart of a proper engineering diagnosis of social problems. In place of the classic social science *methodenstreit* which has led to a long-term stand-off between qualitative interpretive perspectives against systematizing quantitative ones, Piketty is in no doubt that quantification is a *sine qua non*. Indeed his very last page makes this clear: "All social scientists should try to include socioeconomic trends in their analysis and gather quantitative and historical data ... the neglect of quantitative and statistical sources by many social scientists is unfortunate" (Piketty, 2020, p. 1,040). It is also true that he adds that they should "rely on other methods and sources where necessary." One of the highlights of this book is the use of crisp, uncluttered, visuals which ease interpretation, even for those who are not quantitatively skilled. Piketty's use of literary sources is revealing about the way he assembles data. They are invariably deployed to offer factual vignettes whose meaning is entirely clear and uncontroversial. There is less sense that around any of these literary or cultural works there is a vast scholarship in literary criticism which might contest the empirical nugget which Piketty extracts from them. There is no awareness that the meaning of texts can be disputed, is often opaque and implicit, and so forth. Even though cultural theorists are occasionally deployed in this apparatus, it is their empirical vignettes who are referred to. Thus, Edward Said is mentioned, not because of his influential theories of orientalism (1979), but because of his specific observations about Napoleon's foray into Egypt (p. 329). Similarly, Pierre Bourdieu is referenced not in terms of his influential theories of cultural or social capital (even though in the later parts of his books he discusses the significance of education at some length), but because of his particular claims with Passeron (1979) about the nature of the "inheritors" in 1960s France (p. 711f). Hannah Arendt gets particular attention (pp. 479–481) not through a detailed discussion of her philosophy, but through an engagement with her empirical claims about the rise of totalitarianism.

What is going on here is reorienting of social science inquiry in a problem-oriented direction which has become highly routine in the natural sciences, but which remains much weaker in social science. For Piketty, understanding the challenge of inequality should not default back to intractable theoretical premises, but needs to be diagnosed through a comprehensive historical and geographical analysis, in which relevant findings are wrested from disciplinary homes and re-assembled as necessary. This might raise hackles through stripping away qualitative scholarship to draw out empirical "nuggets" rather than the perspectives and paradigms in which these are embedded but this fails to recognize the stakes which Piketty is playing to. He is not seeking to gain the plaudits of his expert disciplinary peers, but to place inequality as the overarching social challenge of the time. His job, as a problem oriented social science engineer is to marshal a wide range of raw material into a convincing report

which diagnoses what the inequality problems are and offers policy solutions. Seen in this light, it is perhaps odd that we have not seen previous forays of this type. And, although these methods run against the grain of conventional scholarly endeavor in the humanities and social science, they are a vital precedent which we should embrace. By abstracting so much, and disparate material from their interpretative contexts, the field is clear for a highly original assemblage which allows big picture thinking. There is a certain parallel here to the global history of Jürgen Osterhammel, whose monumental *A global history of the 19th century* (2014) also seeks to rewrite our understanding of historical change while keeping familiar perspectives at bay (though, to be fair, he does so in a much more knowing and deliberate way).

In this respect, Piketty offers a strategy to resolving the *methodenstreit* which has dogged social science over the last century by elaborating a new kind of social science engineering. Given that numerous sociologists, such as Andrew Abbott (2001) have seen these fractal divides as intractable, this is no mean feat. This is problem oriented, pragmatic, and concerned to use whatever data resources are needed to tackle real world problems. In this respect, it has affinities with research in the natural sciences, as well as in history.

So, in this sympathetic spirit, let us reflect on the social science engineer's report.

2 | PIKETTY'S PROPERTARIAN THEORY OF SOCIAL CHANGE

On the fact of it, it would be possible to criticize *Capital and Ideology* as too disparate, fragmented, partial, and contentious to successfully convey an overarching analysis. However, this would be too dismissive. Piketty's cleverness lies in his attempt to narrate an account of global social change which builds upon his central argument in *C21C* that $r > g$, that the rate of return to capital tends to exceed the growth rate. This simple mantra challenges our widely held view that economic growth is transformative and needs therefore to take precedence over everything else. In fact, Piketty argues that economic growth is conservatizing because those with the most capital do much better than others. Economic growth therefore reproduces and extends existing hierarchies. This simple but brilliant platform permits him to challenge four major grand narratives which continue to organize our thinking about long-term social change and which all center on an overarching story of modernization. These four dominant perspectives are (i) the rise of capitalism; (ii) theories of modernization, modernity, rationalization, and individualization; (iii) accounts of the making (and sometimes remaking or unmaking) of core modern categorical identities, notably class, gender, and race; and (IV) the framing of nations and nationalism as an inherent feature of modernity.

Social science paradigms today remain locked into these core reference points which have dominated since the early institutionalization of social science in the 19th century. This is in part because these terms are generative in allowing them to be contested by being turned upside down, critiqued, and hence, can spawn scholarly debate. Thus, the bold progressive account of capitalist modernization can be contested through emphasizing the dominated and marginalized place of the subaltern in various forms. Emphases on modernization can be contested by pointing to the failures of modernization, "the dark side of modernity," the need to renew modernity and so forth. In these cases, a specific architecture of thought sets up a dispute between opposing camps, which allows disciplinary camps to organize their internal debates.

Piketty, however, pretty much ignores these co-ordinates. Despite the reference to "Capital" in his *C&I* title, he hardly ever refers to capitalism as an overarching mode of production or system. The concept of modernity or modernization plays little role,² and although Piketty refers in passing to gender, race, and class, these are largely treated as asides, as by-products of other kinds of forces, and not as being of much interest in and of themselves. Although he largely deploys nationally specific findings, he is clear that he sees a global analysis as necessary and is not vested in specific national experiences (although he defaults to a national framing of these diverse global experiences, many of which are better understood as imperial formations, see Savage, 2021). Rather than critique

Piketty for side-stepping these four key reference points, it is more important to follow his own chosen engineering approach and see where it leads us, including its omissions.

Piketty's approach boils down to an historical extension of the ground he scoped out in C21C, where he shifted focus from income to wealth inequality. Here he builds upon his contribution in C21C which disputes the long term tendency within economics (as well as other social sciences) to insist on the importance of income inequality, and who typically downgrade the real significance of wealth—e.g., by economists who emphasize how wealth is only significant when it generates income flows of some kind or other, or sociologists who focus on occupation. His key theoretical platform here is there his account of “ownership societies” (interestingly, he prefers this term to capitalist) and propertarian and neo-propertarian regimes, the underpinnings of which are laid out in Chapter 3. It is notable that Piketty largely eschews the conflation he makes between wealth and capital in C21C, tending to avoid the concept of “capital” which he brought back onto the agenda, and instead anchors his account of wealth around the institutionalization of propertarian regimes from the 17th century. Nonetheless, although C&I eschews discussion of “fundamental laws of capitalism” (such as his famous but disputed $r > g$ formula), it does, nonetheless, build upon the position he staked out there.

Piketty's core theory is that because property has the tendency to accumulate, once installed within a supportive regime, it tends to generate increasing inequalities. Thus, as he phrases it (p. 284), “accumulations of wealth such as Britain and France amassed in the period 1880–1914 and such as other countries may amass in the future, whether legally or illegally, morally or immorally, begin to follow an accumulative logic of their own once they attain a certain size.” The evocation of the Matthew effect is simple in form but is here used to great effect and to develop arresting findings. Thus, a major plank of his argument is his demonstration that the 19th century—conventionally understood by sociologists and historians as a turbulent, revolutionary century, which saw the rise of modernity, driven by newly unleashed dynamic forms of capitalism—was in fact marked by the consolidation of property based inequality, and therefore was a deeply conservative century. It is in this spirit that he can show how empires, the expansion of slavery, and the transmutation of slavery at abolition into property rights is tied up with the shoring up of privilege and so actually point to the power of conservatism. (Here, as in other respects, there are echoes of Osterhammel's brilliant 2014 *Transformation of the World*).

Piketty, therefore, offers a very different perspective on the 19th century to the classic modernizing interpretations, which concentrate on the (contested & uneven) rise of liberty and individualism. For Piketty, the long 19th century is not helpfully understood in these complacent modernizing terms. It is the experience of the 20th century which plays a more deeply transformative role in Piketty's view, precisely because the power of capital was challenged more deeply. However, in emphasizing the 20th century contestation of property relations, Piketty's touch becomes somewhat less deft. He makes it clear that property depends on the instantiation of political regimes, and cultures (“ideologies”) which legitimizes and defends it. He sees it as historically contingent whether such regimes operate, and during the 20th century, Piketty explores how inequality regimes were massively challenged by communist and socialist movements, as well as the geo-politics of warfare and international conflict. It is worth pausing here since this marks a very different perspective from the conventional story in which the 19th century is held up as the key moment in which capitalism, modernity, and the formation of class, gender and race takes its “modern” form, and the 20th century is seen as some kind of extension or modification of these core principles.

In drawing attention to the self-accumulating power of property, and the historically contingent ways in which this can be challenged, driven by kick-back and tensions from those who are excluded from its benefits, Piketty is sketching out an alternative to the epochalist thinking which dominates in social science (see in general, Savage, 2009, 2021). Rather than conjuring up the rise of new regimes or systems—such as capitalism, neoliberalism, postmodernity or whatever, Piketty instead constructs a world of ongoing contingencies which contest the self-accumulating capacity of property. He challenges the “accelerationist” temptation that dynamic growth, or “creative destruction” will alleviate the inequality problem. He thus invites us today to enter this spirit into a new arena of contestation in which—rather akin to the early 20th century—we challenge the imperatives of property.

This is, if anything, a cyclical theory of history, rather than a conventional story of linear historical progress, of the kind that Kosselleck diagnoses (2004) as underpinning the varied narratives of modernity (recognizing that these are themselves heavily contested, see Bhambra 2007, Savage, 2021). By disputing classic teleological accounts of the rise of individual freedom and liberty, citizenship and human rights, a different kind of temporal ontology can be excavated which disputes grand narratives and diagnoses the contingent assemblage of building blocks, tools, and data.

Here, Piketty does—unusually—make reference to a key theorist, Karl Polanyi. He follows the kind of Polyanian narrative which argues that the expansion of market societies and the commodification of labor, land, and money results in societies reacting and protecting themselves (the so-called double-movement). Piketty now seems to understand the development of property rights and wealth inequality similarly as a cyclical process that leads to an increase in inequality which is followed by societal attempts to reduce it. However, Piketty is not aiming to find an explanation or driving force of social change, he rather describes changes to property relations without explaining why and when these occur. Hence—and this is a much broader point we want to make—without a greater theoretical engagement, he is not able to answer the question regarding the conditions under which a certain level of wealth inequality is sustainable and whether or not there is some kind of wealth inequality equilibrium, beyond which the level of inequality provokes a backlash such as a revolution, the rise of socialism or something else? With his empirical approach and lack of overarching theory of social change, he cannot answer this question directly.

Let us take Sweden as an explanatory case to make this criticism more palpable: Piketty points out that Sweden went from a very unequal society in the early 20th century to one of the most equal societies in the advanced industrial world by the middle of the century, and describes the role of ideology (Swedish social democracy) in this transformation. However, he does not provide an explanation of why this happened in Sweden but not in France, the United Kingdom, or Germany and why and how the development of social protection against vast wealth concentration happened differently in these countries. While his core idea is that each structure of society is supported by a particular ideological justification of (wealth) inequality and property relations, he lacks an explanation why there is any change between these different equilibria and when the ideological foundations are subject to change as they are no longer hold sway. This is not only true for the rise of social democracy in Sweden or other countries, but also for the dismantling of it decades later.

It is at this point that further questions bubble up. Even if we follow Piketty in thinking that at the heart of social changes lies changing forms of property regimes (and we are sympathetic to this argument in general), it is still an open question how property regimes relate to other dimensions of inequality such as education, gender, race and ethnicity, and labor. Are all other dimensions of inequality of second order to the property regime in place, or do they develop side by side or in interaction? This pertains for example to education which Piketty describes somewhat enthusiastically as a means to overcome inequalities, however, the specific role of elite education in shaping and sustaining property regimes, or the role of institutional racism within it, is not really explored. The broader point is: First, are property regimes (wealth) dominant in face of other dimensions of inequality? And second, what about inequalities regimes that are not straightforwardly classified because they might be egalitarian in terms of education and the income distribution, but highly unequal with regards to the current wealth distribution (such as Sweden and Norway, see Pfeffer & Waitkus, 2020)?

Having said this, let us make it clear that we strongly endorse Piketty's perspective that taking property and wealth seriously alters our conventional understandings of inequality, and its broader significance. This is really important because wealth inequality is not easily mapped onto income inequality. This point is not especially emphasized in this book, though we have explained that it underpins Piketty's main arguments. Our own work endorses his argument. Pfeffer and Waitkus show that countries we usually perceive as egalitarian—such as Sweden and Norway, report levels of wealth inequality that exceeds that of most liberal economies and comes close to the tremendous levels of concentration of the United States. While Piketty reminds us that Sweden's egalitarianism is only a recent phenomenon, we can also contest the extent to which Sweden has even recently been egalitarian. As we clearly see from Figure 1, wealth inequality and concentration are high in countries as diverse as the United

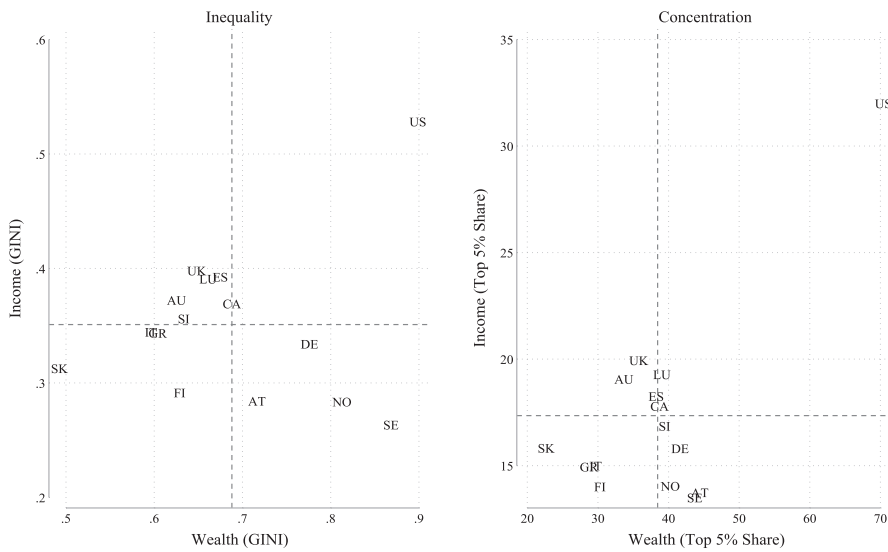


FIGURE 1 Wealth and income inequality/concentration 15 countries. Reproduced from Pfeffer and Waitkus (2020). Data from LWS

States, Sweden, Norway, and Germany—each representative of very different welfare regimes and organization of capitalism (Esping-Andersen, 1990; Hall & Soskice, 2001)—or as Piketty puts it—*propertarian regimes*. The lack of theoretical underpinning of his theory of social change and inequality makes it hard to grasp contemporary differences in inequality across different dimensions of inequality that would enable a more holistic assessment of different dimensions of inequality.

Of course, wealth inequality in Sweden is particularly marked because average wealth is low—likely there is no need for most households to accumulate as much wealth compared to the United States, where underinvestment into public infrastructures such as health, education, or pensions requires wealth accumulation to afford these social services. Nonetheless, to explain variations across countries the specific interplay of ideology and capital seems crucial, though needs more spelling out: In Piketty's account, the central mechanism that drives inequality is the Matthew effect of wealth, as it has the tendency to accumulate. However, how is this connected to specific ideologies that vary across countries—are they in tension with one another or is ideological framework the result (or prerequisite) for specific propertarian regimes?

In this paper, we have argued that Piketty's "problem-oriented" arguments are arresting and important. Let us pull out key elements of the account here.

1. Our standard historical accounts of social change during the 18th and 19th centuries focus on the rise of specific social classes, notably the bourgeoisie and the middle and working classes. It has been recognized that this focus on the "making" of modern social groups has little ready handle on the survival and persistence of old traditional elites, notably aristocracies, well into the 20th century. The result has been an elaborate and sophisticated historiography on the relationship between old and new elites, the significance of reactionary and progressive political movements, and the way that different kinds of class alliances shape the transition to modernity. Piketty cuts swathes through this kind of thinking. There is no tension between 'old aristocracy' and the "new bourgeoisie." Both are different kinds of property owners who benefit from the accumulation propensities that ownership of property bequeaths and which thereby both enjoy the tendency for wealth inequality to grow during the 19th century. Rather than see the 19th century as the century of class formation, heroic popular mobilization, the formation of working class politics and labor movements, for Piketty this period is better understood as marked by

the steady rise of propertarianism, in which those with property commanded increasing influence and power.

2. Piketty makes slavery a fully modern capitalist intervention. By seeing slavery as a form of property, Piketty identifies it as a central feature of modern ownership regimes. In discussing slavery, he says little about race and racism, focusing much more on the economic dimensions of slave ownership. His lack of direct attention to race is surely problematic (as we commented above, and other papers in this issue make clear) but his attention to the way that abolition of slavery involved recompensing owners is very important. He shows how this apparently 'liberal' act, often lauded as a kind of white progressivism in fact consolidated forms of propertarianism, and thereby the ending of slavery was actually implicated in the formalization and intensification of ongoing property accumulation regimes. This focus allows slavery to be fully identified as an ongoing force in contemporary society, rather than as the product of a specific historical era. More generally, in registering the significance of empire and colonialism as central to property accumulation in the 19th century, he follows much recent historiography (Bayly, 2001; Osterhammel, 2014) in identifying the generative importance of imperial forms, rather than emergent nationalism, as characterizing the 19th century (see also more generally Bhambra 2007, Savage, 2021).
3. There is a genuine and determined effort here to build a global account of inequality, one which does not extrapolate from the experience of specific nations which are seen as emblematic of modernity, but which is attentive to variability and contingency. Indeed, this debunking of the icons of modernity is one of the most arresting features of his book. Thus, the French republican tradition is set alongside its role as an enduring colonial force, with its colony of St. Domingue being among the most unequal society ever recorded. British 19th century global hegemony is not rendered in terms of its role in the vanguard of industrial production, but as imperial metropolis par excellence and through the subtle way that it transferred slavery into a form of modern property. His exploration of the role of empire in generating property accumulation in (especially) Britain and France is very important. To this extent, his contribution is fully consistent with the arguments of postcolonial scholarship about the need to decenter Europe and North America from our analyses of long term historical change (e.g. Bhambra, 2007).
4. Piketty dispenses with inequality as a process of categorical group identity and formation. He thus has no place for the grand narratives of working-class formation (from EP Thompson onwards), or of the experience of the "subaltern," whether this be ethnic and racial groups or any other kind of group. Indeed, Piketty's criticism of "identitarian" politics indicates how he sees such emphases as problematic and as distracting from a fundamental concern with the operation of property accumulation. Furthermore, insofar as Piketty recognizes the significance of categorical inequality (Tilly, 1998) he sees it as a very old and possibly declining force, through his invocation of the dominance of "ternary" orders in premodern societies, in which the distinction between clerical, noble, and a laboring class is seen as having a primordial significance which breaks down as the principles of property take over.³ Where Piketty does address categorical inequality (as with gender on p688-692), these are largely to debunk "progressivist" arguments which predict a decline of such inequality. More generally, Piketty's emphasis on wealth provides a different kind of account to the emphasizes on physical expropriation and symbolic violence, stigma, and dispossession which have become common in the social sciences. Rather than seeing exploitation and the generation of accumulating inequality as necessitating direct interventions to expropriate and dispossess (along the lines of Marx's "primitive accumulation" or extraction of absolute surplus value), he instead directs us to see wealth accumulation as the product of routine, mundane processes which need no particular initiatives to bring about—instead it is the "normal" effect of a regime which places private property rights at the center of political arrangements. While this might appear to be downplaying the significance of exploitation and domination, there is a different and in some respects more unsettling reading which emphasizes that inequality is utterly predictable in those regimes which recognize property rights and generally appear to be liberal and humane. To this degree, Piketty's argument is highly radical in not seeing inequality as the departure from a liberal modern norm, but as entirely built into the very operation of propertarian regimes (or capitalism).

3 | A SYMPATHETIC CRITIQUE

It turns out, then that Piketty's problem-oriented engineering vision is a distinctive and provocative one, which allows us to see familiar debates within social science from a challenging perspective. However, we now turn to reflect on its weaknesses and blind spots. As we have emphasized above, we do not want to point to gaps in what he talks about, as it is inevitable that any broad ranging account of this kind needs to be selective. Rather we identify a few issues which need elaboration and further reflection.

Piketty's approach relies overwhelmingly on an engineering technique of measuring relativities within national spaces. This is a standard social scientific approach, but by extending it back in time, Piketty is thus able to engage in long range comparisons with great aplomb and originality. But, this approach also entails the stripping out of qualitative historical change from his analysis, with the result that although the long-term historical *durée* is rendered in terms of its relativities, it also becomes stripped down from fundamental qualitative shifts (see more generally Savage, 2014).

Consider Figure 2 (Figure 13.10) as an example of both the strengths and weaknesses of this approach. It compares the concentration of wealth in Europe in 1913 with Europe and USA in 2018. It allows us to see that the American case is approaching that of Europe at its "peak wealth" period just before the First World War. It also shows that the only significant difference in these relativities concerns the percentiles between 10% and 50%—the "next 40%." This allows a brilliant puncturing of complacent visions of economic and social advance. Nonetheless, by rendering these comparisons as equivalent relativities, it strips out many of the ways that Europe and the United States in 2018 are very different kinds of societies compared to 1913.

Make no mistake, Piketty's relativizing engineering tool is very powerful. At times, he uses it to make telling historical arguments, most memorably that the most unequal society in modern history is the slave society of Saint-Domingue (Haiti) in 1,780, when 55% of total income went to the top 1% (Figure 7.7). However, it fails to recognize what we might call "deep" historical change—i.e., that there is more to history than metrics of inequality, and that deep trends in the nature of communication, household and family relations, work and community are also fundamental. This is the reason why he can render the 19th century as a conservative century. Since he abstracts from the kinds of absolute and qualitative shifts in economic, social, cultural, and political life which historians have emphasized, and mainly considers shifts in economic relativities, these former features get hidden

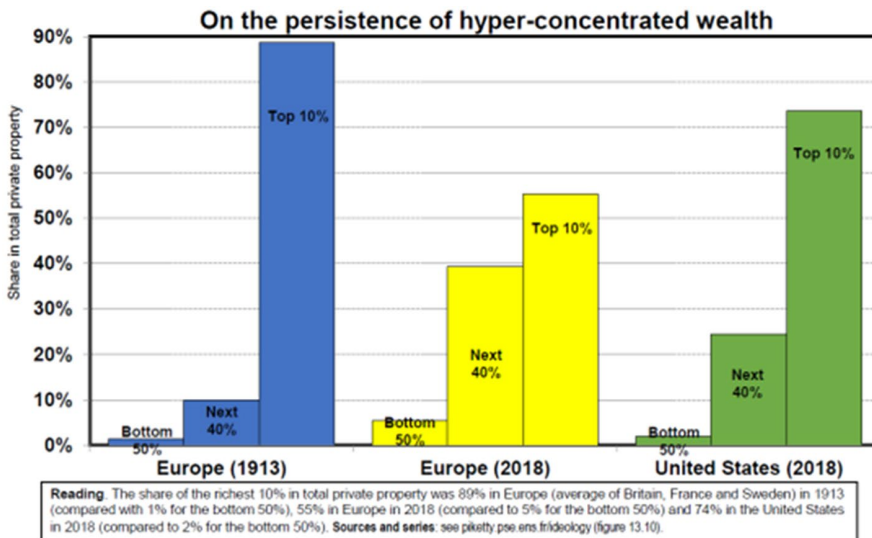


FIGURE 2 Piketty on the persistence of hyper-concentrated wealth. *Source:* Piketty (2020), Figure 13.10 [Colour figure can be viewed at wileyonlinelibrary.com]

from view. Let us be clear, we do agree that we should compare levels of economic inequality from the 19th century to those of today, because after all the refeudalization of modern capitalism (Neckel, 2020) has substantial implications for many other realms of social life. However, as we suggest below, we also need to understand how qualitative shifts need to be borne in mind too.

Let us pull out several examples of how these qualitative aspects of historical change are abstracted out, yet, actually are essential to address the long-term historical comparisons he emphasizes.

1. Piketty does not systematically break down how historical shifts in property and wealth can be broken down in more specific asset forms. The exception here is with respect to slavery, which does occupy center stage, and forms one of the highlights of the book. However, he does not disaggregate the nature of wealth in the 20th century. A striking example of this is his lack of attention to the specificity of housing property assets and land, even though the rising share of housing as a proportion of wealth in recent decades is a major finding of C21C. Comparative Political economists and sociologists agree widely that to understand current levels of wealth inequality, a systematic exploration of housing inequality—as the most important and only asset most households will ever own—must be center focus (Ansell, 2014; Pfeffer & Waitkus, 2020). Although Piketty acknowledged the changing shape of inequality with the emergence of a “patrimonial middle class” in C21C, the rising (long-term) returns to housing compared to financial assets (Jordà et al., 2019; Knoll et al., 2017) illustrate that more needs to be said about housing and land as key dimensions of social stratification. This is important also because housing and landownership regimes vary broadly and do not align with the patterns found in general welfare and capitalism regime theory (Blackwell & Kohl, 2018; Schwartz & Seabrooke, 2008). Unpicking the specific functions of housing and other components of private wealth might offer valuable traction here and offer more refined ways of unpacking different kinds of propertarian regimes. For example, wealth might be accumulated by broader middle classes to finance education and old age life (as in the United States) which is accompanied by rising indebtedness—in contrast to indebtedness in Nordic countries or the Netherlands, where it might be attributed to a reflection of labor market stability etc. Both systems can have equal levels of wealth inequality, but for entirely different reasons. Shifting the focus toward different assets (might put more nuance on what kind of inequality regimes we are talking about
2. This lack of “decomposition” of wealth has a further limitation with respect to the well-established argument about the significance of cultural capital—the ways in which cultural resources can constitute some kind of asset—and hence, need to be included in an analysis of wealth. To return to the comparison between Europe and USA in 2018, compared to Europe in 2013, one of the major shifts has been the dramatic expansion of educational attainment over this 100-year period. It is precisely this shift which Pierre Bourdieu made central to his reflections on the emerging power of cultural capital to be a new kind of inequality to set alongside economic capital. Piketty is certainly interested in looking at the effects of educational attainment—especially on voting and the rise of the “Brahmin left”—but he does not follow Bourdieu or the path of numerous other sociologists in reflecting how cultural capital itself might act as a form of asset, and generate inequalities which have no historical parallel before the rise of mass education in the 20th century.
3. Piketty largely neglects the significance of what must be a hugely momentous change in the nature of, or indeed most, property ownership during the 20th century.⁴ In 1900, most property was owned by heads of households, which were nearly always male headed. Women had little prospect of becoming property owners in their own name unless they lived independently. Alongside this, many households included nonfamilial servants. By 2000, however, property had been very extensively “individualised” with the assumed principle of equality between partners where there was joint or family ownership (although there are important exceptions), and the stripping down of household relations to exclude servants. This is surely a far-reaching revolution in the nature of property ownership which needs much more careful unpicking than Piketty does here, as it is can be implicated with the shifts in patriarchal relations which he does address in passing. It affects not only the

structure of inheritance practices, but also has the potential to unsettle the dynamics of wealth accumulation more broadly; though possibly to further embed elite strategies to accumulate even more, so that all privileged children are able to inherit wealth independently rather than being passed on with respect to a main heir. As it is well attested that recruitment to the kinds of clerical positions which were central to pre-industrial “ternary societies” was often from such disinherited younger children, this has important implications for his arguments.

4. Piketty skates on thin ice when downplaying the importance of categorical and “identity” politics, which he sees as distractions from the need to rebuild a “participatory socialism.” In pursuing this argument, he runs the risk of pulling a vital rug from under the very arguments that he needs to make. In insisting on the contingency of the political conditions which might disrupt the accumulation of wealth, Piketty fails to draw out that the creation of cohesive identities plays a vital role in mobilising for precisely the challenge to capital that he endorses. Without a stronger interest in this dimension, he struggles to explain why in the early 20th century a powerful socialist politics came to the fore across many European nations which challenged the power of property. He notes (p 468) that “the end of (19th century) ownership society was due more than anything to a political-ideological transformation.” He also notes that “popular mobilizations and social struggles played a central role.” However, the reasons that these struggles became so powerful are not explicated. Much historical scholarship roots these in terms of the rise of industrial work cultures, trade union mobilization, urbanization and the consolidation of solidaristic communities, and the growth of collective identities such as the feminist movement or BLM which could thus embed radical political movements.⁵ Piketty, however, does not draw such links. By not grounding political mobilization in these kinds of collective movements and identities, it is unclear how the kind of popular protests which are necessary to challenge property accumulation can come about, particularly today. Here, the lack of a clear theory of subjectivity and identity comes home with a vengeance. Despite his reference to ideology, he has little account of how beliefs succeed in becoming hegemonic, and therefore, how contestation and social change might actually happen. It is as if, as social science engineer, an enlightened policy maker will learn the lessons from his account and put in place the changes needed to address the problems.
5. Finally, and linked to this previous point, the changing stakes of “meaning” are not brought out as part of his invocation of “ideology.” He baldly states that “(a)ll societies have two essential needs—meaning and security” (p. 59) but never follows through with an account of how meanings are constructed once the originating ternary societies give way to propertarian ones. Thus, ideologies are seen as devices which permit legitimation in terms of justifying inequality, but this can hardly be the only driver of ideologies. Life, death, well-being, love, religion, the good life, and many other values all matter too. The contemporary politics of inequality depends very much on the mobilization of historical meaning—such as evident in the links that Black Lives Matter draws with the institutional racism originating in slavery, the politics of restitution, and the righting of historic wrongs (in numerous arenas ranging from the historic claims of indigenous populations, colonialism, around patriarchy, and around sexual abuse). This is a vital political movement, which needs fuller analysis if we are to understand why certain justifications of inequality can operate effectively (“hegemonically,” to use Gramsci) but at other times are contested and fail. Insofar, as he does address this, it is through a weakly instrumentalist conception that at some point when wealth inequality rises, it reaches a point where sustainability is challenged which provokes a political response. This is not really substantiated, however, and this ultimate reliance on a weakly instrumental and rationalist perspective on protest fails to recognize the way that moral and ideological forces cannot be neatly mapped onto strategic considerations.
6. Finally, Piketty seeks a genuinely global perspective on inequality but there are limits to how far he pursues this. He seeks to go beyond framings which are derived from the developed, modernized nations which are then cascaded out across the globe. This is part of a genuinely impressive concern to decenter the debate from the wealthy nations of the global north to a more encompassing perspective. Here, his reflections on the significance of empire and colonialism are of great importance. Nonetheless, he does not entirely follow through on this ambition, because ultimately he defaults to conception of societies necessarily being nested within spatialized and bounded territories. Thus, he baldly states that “every inequality regime, every inegalitarian ideology,

rests on both a theory of borders and a theory of property.” He goes on to say that “every society must explain who belongs to the human political community it comprises and who does not” (p. 5). However, this is not necessarily true. Inequality can also be justified through flows, connections, and intermediation between spatially dispersed agencies and is not necessarily bundled into institutions located within discrete bounded space. The Catholic Church derives considerable legitimation and itself was complicit in the creation of European empires precisely by claiming extra-territorial jurisdictions across the globe. In contemporary times, transnational corporations can justify their high pay differentials in terms of their global reach and importance, and hence, the fact that they are not confined to specific borders. Indeed, this principle extends to “superstar markets” for sports players, professionals, media celebrities, and the like. Here, even though Piketty does so much to bring out the significance of empire during the 19th century, when it comes to more recent times, ultimately defaults to a methodologically nationalist framing, in which society is conflated with the nation states. This ultimately undercuts the full implications of his own argument. It is a further indication of the way that Piketty defaults to a national policy perspective without recognizing the other kinds of arenas, in which inequality can be generated.

4 | CONCLUSION

In this essay, we take up Piketty's generous invitation to develop a problem-focused program of social science engineering which cuts a swathe through long standing divides and silos in the social sciences. We applaud this ambition and think he brilliantly offers the gist of a problem oriented and focused approach to social science research. This perspective refuses broad sweeping progressivist interpretations in favor of a social account attuned to contingency in the face of the tendency of property to accumulate, and hence, generate the seeds of its own destruction. This approach is simple and has great power. We should not shun the bright new tool which the engineer offers us, even if they need more development.

In our view, this engineering perspective offers huge potential in allowing contemporary issues to be placed in long term historical perspective. We have argued that while Piketty offers an arresting interpretation of social change in the 19th century, which focuses on the role of empire, slavery, property ownership, and accumulation. These contributions brilliantly puncture “progressivist” narratives and demonstrate the need for a global analysis of the rise of modernity which is fully attuned to the way that the entrenchment of inequality was fundamental to the development of capitalism during this period. A key insight of C&I is to bring out how 21st century societies are reverting to many of the characteristics of the 19th century.

We think that the acuity of Piketty's vision wavers as it moves forward in time, and we are less persuaded that his interpretation of 20th century developments is so convincing. Many of the qualitative shifts which have taken place in the 20th century—the rise of mass education, transformations in household relations, the rise of transnational corporations, the changing nature of employment, financialization, and the significance of global communication, are hidden from view by his method of concentrating on shifting relativities. This is particularly manifest as he lacks a theory of social movements and collective mobilization, of the conditions under which protest is facilitated and in which contestation can become effective.

What ultimately needs more development is an orientation toward sociological and historical theories of social change. It is precisely this theoretical family which proffers the qualitative judgments about historical change which need to complement Piketty's account. And here, we suggest, Piketty's contribution may turn out to be profound. Sociologists have generally seen the rise of modernity as an all-encompassing set of irreversible social changes, including industrialization, urbanization, rationalization, and individualization. In Piketty's hands, modernity becomes more fleeting and contingent, with the 19th and 20th centuries having very different dynamics. Piketty's originality lies in shedding more light on the 19th than the 20th centuries, and in allowing us to see the 21st century as marking some kind of return to 19th century conditions as a neo-propertarian society. Even though there is more to be said about the distinctive nature of 20th century social and political change, this is a remarkable achievement.

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ENDNOTES

- ¹ There is a parallel, if contested argument that history has also abandoned large scale analysis in favour of specialist studies (Guldi & Armitage, 2014).
- ² Though one of his chapters is entitled "Hypercapitalism: between modernity and archaism," it is striking that he does not unpack these terms within it.
- ³ It is striking that Piketty's most extended discussion of categorical inequalities arise in his chapter on caste divisions in India. This chapter sits oddly with the rest of the book in that it is very reliant on other scholarship.
- ⁴ There is a somewhat cursory discussion of this issue on p. 692, which leads Piketty to claim that wealth inequality between men and women is increasing since the 1990s: however, he does not examine longer term trends in the way that he conducts elsewhere.
- ⁵ The literature here is vast. On the British case see McKibbin (2000), Todd (2014), etc.

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Revisiting the “Great Levelling”: The limits of Piketty’s *Capital and Ideology* for understanding the rise of late 20th century inequality

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In *Capital and Ideology*, Thomas Piketty returns to questions of historical inequality, not merely to fill in the gaps in the earlier, widely circulated and impactful *Capital in the 21st Century*, but to undertake a far more ambitious and nuanced project. Critics (Bhambra & Holmwood, 2018; Moeller, 2016) pointed out that in the previous book, Piketty’s consideration of the role of high concentrations wealth on inequality focused largely on a handful of relatively wealthy countries (the United States, United Kingdom, France, Germany, and Japan). More importantly, it did not consider the political and economic relationships, forged by European colonization and the trans-Atlantic slave trade that helped to create lasting inequalities in wealth, status, education, and life expectancy around the globe. These oversights corresponded to significant methodological gaps, in which inequalities defined by social status and identity, including gender, race, and caste, were largely left out of considerations that centered around economic and material disparities. Yet, these different forms of inequalities are intimately connected, as gender wage gaps and racial wealth gaps in different parts of the world attest.

Capital and Ideology sets out to rectify both sets of criticisms and in doing so, offers a refreshingly large lens on the historical creation, stabilization, and reformation of systems of inequality. The book covers an impressively varied set of social and historical topics, from the creation of feudal regimes of property in 11th century France, to the exploitation of slave labor in plantation economies in the Americas and the stabilization of caste hierarchies under colonial rule in India.

Despite its incredible scope, range, and ambition, *Capital and Ideology* once again brings into sharp focus the great economic transformations that took place in the middle of the 20th century, contrasting these with rising inequality in our times. According to Piketty (2020, p. 20), the “most worrisome structural changes facing us today [include] the revival of inequality nearly everywhere since the 1980s.” As his work here and elsewhere explains, the extreme material and social disparities of the Gilded Age were dramatically rolled back by war, global depression, and the creation of modern welfare systems, contributing to a “Great Levelling” of economic inequalities in

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many countries. Starting in the late 1970s however, the central features of social democratic governance (including progressive taxation and financial market regulation) start to unravel. We can see the results all around us, evidenced by the dramatic rise of the top decile's share of national income across Europe, North America, India, China, and Brazil (OECD, 2011; Piketty, 2020).

What accounts for the limits and failures of mid-century welfarist experiments? *Capital and Ideology* examines the creation of what Piketty terms "ownership societies" that valued and maintained high concentrations of private wealth, along with their brief reversal in the mid-20th century (aided by new instruments of social democracy, including the nationalization of key infrastructures and services, public education, health and pension reforms, and progressive taxation). Despite the "undeniable successes" of these social democratic states (largely speaking here of Western Europe and to a lesser extent the United States), such schemes "began to run into trouble in the 1980s" (Piketty, 2020, p. 486). Why? Piketty points to three causes: a) the failure to implement more ambitious power-sharing and public ownership within firms, b) the inability to provide truly equal educational structures and opportunities, and c) the failure, politically as well as institutionally, to protect and expand the progressive taxation of wealth.

Yet as historians, we remain puzzled. Are these *causes* of failure? They might perhaps be read as parts of a cautionary tale, which point concerned readers and policymakers toward instruments for redressing current trends in expanding inequalities. But as arguments about historical causation, they are scant and give us few clues as to how to read the long 20th century—its successes along with its many tragedies. According to Piketty, these diagnosed failings of mid-century welfare strategies point mostly to the limited ambitions of leaders, scholars, and political thinkers. Except for a few cited exceptions—namely Sweden and Germany—he argues that policies for public ownership, education, and taxation simply did not go far enough and were not supported, ideologically, by strong enough visions of economic and social inclusion. Gradually, older ideologies of ownership societies erode reformist progress, allowing for capital flight, privatization of public services, and a steep drop in tax rates for top income brackets.

Yet the period in question, starting in the late 1960s and early 1970s, also gave rise to incredibly important battles for greater social and economic inclusion, whether these were movements for racial, sexual, and gender rights in Europe and North America, anti-dictatorship struggles in Latin America, opposition to communist authoritarianism in the Soviet bloc, or against the marginalization of minority ethnic communities in Asia and Africa. From the rise of Second Wave feminism, the civil rights and the Black power movement in the United States to the Biafran War, workers' strikes in Chile, the anti-apartheid struggle in South Africa and political opposition to Indira Gandhi's Emergency in India—the last decades of the 20th century gave voice and visibility to countless battles for racial and gender justice and for economic inclusion.

These struggles (and the crises of that period) were not simply arguments in favor of more ambitious welfare schemes. They were also indictments of the blind spots and structural limitations of the forms that welfare and social democratic inclusion had taken during the first decades after the war. This inclusion, we argue, following the work of critics such as Kathi Weeks and Nancy Fraser, made "work" the primary grounds for recognition in the welfare state (Fraser, 2013; Weeks, 2011). On the one hand, the idea of the worker as citizen helped to knit together postwar societies, creating consent, and support for progressive taxation and public welfare provisions (Mau, 2004). On the other hand, this productivist emphasis (Maier, 1977) valued the labor of some while discounting the labor of others, and served as a pre-condition for erecting new (racialized and gendered) barriers for women, immigrants, ethnic minorities, people of color and gay and transgender people, and their inclusion in the opportunities created by postwar social democracies. Recognizing these relationships allows us to more constructively revisit the turn point of the 1970s and to remap historical trends in rising inequality (Wirsching et al., 2011).

This article will be divided into three parts. After a brief overview of Piketty's broader scholarly project in *Capital and Ideology*, we next turn to an examination of welfare policies in the United States and Western Europe to understand how the new social, political, and economic configurations of the postwar period effectively excluded important groups and constituencies who helped to build the prosperity of the period. We demonstrate how the model of the Western welfare state (which Piketty both critiques and seeks to expand) was built on a series of internal contradictions and exclusion that need to be critically examined, in order to understand what this model

might offer in terms of contemporary policy and where its structural gains should to be relativized and reframed. The next section will examine this same period from a more global perspective. We argue that the history of the emergence of welfare states must place postwar reconstruction and redistribution in Europe and North America within broader global patterns of exploitation, extraction, and distribution. During this period, many parts of the Global South and the newly decolonized world tried to imagine alternative configurations, from Bandung to the NIEO, for organizing systems of ownership, industry, economic opportunity, and prosperity, while critiquing the unequal systems of power, control, and structural protections that perpetuated First World wealth and privilege.

In doing so, we wish to highlight two arguments. First, it is important to see that the eventual unraveling of welfare structures was not simply a product of internal failures or the lack for more robust participatory schemes. Rather, the success of neoliberal economic ideologies and transformations depended, in part, on the contradictions and structural exclusions of welfarism. The unraveling of welfare protections were not simply the result of ideological and class contests, but also due to the structural limits of welfarism and the global exhaustion of models that could not adequately contend with growing demands for greater civil and political rights and social recognition. This brings us to our second argument. As we lay out below, it is important to recognize that every system and discursive frame for organizing and legitimating inclusion is also a system of exclusion. The ideological terms of inclusion create important boundaries, establishing new arguments about which members of society deserve protection and which do not “yet” qualify. In order to understand the failures of the past, and to avoid simple triumphalist visions of equality, we must carefully attend to who is excluded, how, and under what terms, even as we aspire to build more inclusive societies in the future.

1 | CAPITAL AND IDEOLOGY

Capital and Ideology is an expansive project, covering nearly 600 years of global history. And it is not simply the historical range and geographical focus that have shifted, in comparison to his earlier work. In this new approach, Piketty gives a far more expansive account of how inequality regimes are created, maintained, and challenged over time. In comparison to many recent broad-scale accounts of global inequality (Milanović, 2016; Scheidel, 2018), Piketty's book does not rely on the role of catastrophes, the pressures of resource scarcity, or the operation of market allocation to explain how and why hierarchies are formed or transformed. Instead, he is clear in saying that inequalities are created by social and political choices. They are made through human agency, rather than being dictated by external pressures.

The new book lies also in marked contrast to Piketty's *Capital in the 21st Century* (2014). In that earlier work, he outlined various “laws” of capitalist accumulation, exploring what appeared to be inherent, market driven tendencies toward high levels of wealth accumulation in the top strata of societies. Policies, according to this framing, are constantly doing battle with an inherent propensity toward high rates of return on capital and the concentration of wealth in the hands of a few. In the latest book, Piketty makes a rather different argument, in which inequality is shaped not by mechanical forces of accumulation, but by human commitments, policies, understandings, and organization. Simply put, inequality is something that societies make. It is here that Piketty turns to ideology—as a set of beliefs and practices that are negotiated and subject to change—as the central driver and shaper of what he calls “inequality regimes.”

While the idea of ideology is thinly formulated (lacking the materialist underpinnings that this term rests upon in the theories of Marx, Lukács or the Frankfurt School), it nevertheless does some important conceptual and historical work and moves us away from the notion that levels of inequality are simply dictated by the stage of a society's development. In many popular accounts of inequality's rise and fall, history is deployed merely as background, helping to display an obvious, natural progression across time from more hierarchical societies (marked by feudal obligations, slavery, and indenture) to democratic ones (in which citizens enjoy not only political equality

but also greater social security, education, and labor market access). This book gives us a much more complicated account of the past, one in which history is dictated not by scarcity but by moral and political choices at every step.

The turn to ideology allows for a more complicated, less linear account of “progress.” It underwrites, for instance, a more serious and considered account of recent reversals in economic inequality, as the product of different sets of historical commitments—and the emergence of a new kind of market liberalism focused on the individualization of opportunities and risk. Rather than the patterned logic of Kuznets curves (or Kuznets waves in the analysis of Milanović), here Piketty argues that there is nothing inevitable about progress. Trends in inequality (measured largely in terms of material distributions) can reverse course or undergo radical revision, sometimes in very short time frames. Piketty's book, through an expansive long *durée* account, ends on a hopeful note, despite the trend of rising economic inequality in recent decades. If political and moral frameworks, choices, and commitments shape inequality regimes, we can choose different paths forward, guided in part by historical moments during which economic inequalities were successfully reversed, when shared institutions, structures, and policies prevailed.

Yet, despite its scope and new historical emphasis, the argument in important ways remains tied to concerns and understandings that marked the first book. Both emphasize the role of property as an economic, fiscal, moral, and social organizing force that comes to have a deep and enduring impact in shaping inequality regimes, past, and present. Similarly, both books share a liberal optimism, arguing that social science, mass education, power-sharing, and democratic inclusion can diminish high levels of inequality. While calling our attention to the extremely serious social and political consequences of unchecked economic accumulation, Piketty remains confident that rising inequality is a problem to which solutions can (and have) been fashioned. We wish to look more carefully and critically at these claims, to understand what this account of inequality regimes leaves out of the analysis.

In *Capital and Ideology*, the central organizing thread is property and the proprietary logics that mark various inequality regimes across time. In Western Europe, war and economic depression led to the dismantling of accumulated wealth and privilege, and saw better redistribution of income and wealth than previous centuries. In the process, millions gained access to greater security, better education, and new economic opportunities. In *Capital in the 21st Century*, Piketty's central concern—the tendency of private capital to accumulate in the hands of a few—mapped onto a dynamic that was social and political as well as economic. If $r > g$, the security of those who own capital expands over time, potentially creating a permanent rentier class, while undermining the economic position and social standing of people who rely on labor alone to provide for themselves and their families.

This central struggle, between labor and capital, sets up a profound tension that runs through the new book as well. Proprietary logics, we are told, are responsible for many of the worst forms of political abuse and economic exploitation, from aristocratic regimes of early modern Europe to the rise of the trans-Atlantic slave trade and the development of modern industrialization in the West. Property unfairly advantaged certain groups of people over others and served as an ideological lynchpin that defined fairness and inclusion (predicated on ownership rather than citizenship).

This critique, which sees property as a foundational element in modern inequality regimes, offers a fruitful conceptual terrain for understanding, for instance, why nations such as France, Britain, and the United States failed to offer any kind of reparations to freed former slaves in the 19th century. The right to compensation for lost property trumped the violated human rights of former slaves. However, this focus on proprietary ideologies also valorizes, in an uncritical way, the one moment in this historical account where the relationship to property is rolled back—the postwar period and the successes of Euro-American welfare states. It does not spend much time trying to investigate structural flaws of these states, which replaced the logic of proprietary power with a new emphasis on worker-citizens (who were also frequently framed as White, male bread winners). The next two sections of this article examine closely the ways in which emerging postwar welfare states excluded large groups of people, while simultaneously relying on their unpaid or undervalued work. The first section will look at the exclusionary structures of postwar welfare, especially in the West, while the following section will examine how

the long shadows of colonial rule and decolonization, which called into question how the postwar global system organized and ideologically framed inclusion.

2 | THE LIMITS OF THE WORKER-CITIZEN MODEL AS A FOUNDATION FOR THE MODERN WELFARE STATE

The creation of welfare states in Western Europe and North America helped to share the risks and rewards of postwar recovery, and reduced economic inequality. Yet, many were not adequately included within its provisions. Piketty shows in *Capital and Ideology* that these schemes often did not go far enough; with the cited exceptions of Sweden and Germany, few countries created robust power and equity sharing institutions to help distribute corporate rewards or prevent capital flight. The provisions of welfare safety nets were inadequate in other ways, failing to cover all members of societies equally. In North American and Europe, women, racial minorities, guest workers, and immigrants either did not benefit to the same extent, or were actively excluded from education, healthcare, housing support, government-backed financial services, and pensions schemes. Instead of locating our critique solely in the limited ambitions of the welfare model, we want to critique the model itself, arguing that the worker-citizen model not only tied rights to productivity but also privileged some forms of labor over many others.

Historians and other scholars have argued whether such provisions were exclusionary by nature or whether existing forms of discrimination and prejudices prevented the extension of more universal coverage. As Ira Katznelson has shown with the GI Bill, such arguments set up a false dichotomy. They obscure the historical process by which support for the welfare state, starting with the New Deal, was fashioned in the United States. The GI Bill (The Servicemen's Readjustment Act of 1944) offered educational grants and healthcare to veterans, and appeared in the process to provide equal support (at least on paper) for minority servicemen. However, legislative approval for these measures was secured among Southern segregationists by actively accommodating Jim Crow laws. As a consequence, while Black veterans received de jure the same benefits as their White counterparts, de facto fewer colleges, lending institutions and doctors served them, and as a result, Black servicemen and veterans received far fewer benefits (Katznelson, 2005). As Katznelson explains, the democratic coalitions required for altering existing tax structures and extending government programs were also committed to preserving the color line.

We see similar issues in other welfare states, in which minorities, immigrants, and women received less support and uplift, despite the emergence throughout this period of better collective bargaining, education, and healthcare, and more distributive social spending. The legacies of these issues can be seen even today through racial and minority attainment gaps in health, wealth, and education many countries, including the United States, United Kingdom, France, and Germany. In example after example, these programs failed to aid minorities and other vulnerable segments of the population to the same extent as they did better-situated groups in society.

If postwar provisions, while creating vast new institutions and networks of support, did not lift everyone one up equally, it is also important to look at the actual terms through which inequality was framed in different parts of the world. It is easy to imagine that the terms of inclusion were limited or constrained by older structures of exclusions or historical prejudices, but the issues are often more complicated than vestigial social divisions. Here, we want to draw attention to the ways that different welfare regimes "saw" potential beneficiaries (in the language of James Scott's classic text *Seeing Like a State* (1998)), often drawing sharp lines between workers and dependents, between citizens and non-citizens, between the formal economic and the informal sector, and between traditional industries and modern ones.

One way that postwar welfare states organized inclusion in the welfare state was through the construction of the idea of basic needs. Scientists, policymakers, and experts developed new ways of calculating standards of need, especially around food consumption. The emergence of the calorie as a global unit of measurement in social policy was crucial for expanding welfare systems around the globe. It helped to set poverty lines, expand

school lunch and free school meals, fix minimum wages, and create measurable targets for alleviating poverty (Allen, 2013; Levine, 2008; Simmons, 2015). Such “vital minimums” as Dana Simmons (2015) explains, intersected with a range of mid-century welfare provisions, from wage setting to food security. On the one hand, they helped to extend the social security floor to millions of people who had never received such governmental support before. On the other hand, they shifted attention toward raising the economic floor and improving living standards, away from a deliberate focus on the top end of the social spectrum and issues of inequality and redistribution.

At the same time, as Victoria de Grazia (2006) has shown in her work on the history of postwar reconstruction, such minimum thresholds were part of a process by which citizens were reframed as consumers, whose welfare could be measured in access to goods and services (whether that was housing, food, education, or consumer durables). As a result, some of the other ways of marking social inclusion (through citizenship, voting, collaborative decision making and collective bargaining) were sidelined, in exchange for consumption-driven metrics of progress. This remains true, even when the poverty measures moved away from absolute quantities to relative ones, using cost of living and floating monetary standards rather than calories to set poverty lines and other important thresholds (Ravallion, 1998). Piketty's book highlights the importance of structures of social democracy, but in order to understand why and how democratic and power-sharing structures remained limited in the postwar era, one must look carefully at the terms in which inclusion and equality were being historically framed during this period (Conway, 2020).

If welfare systems largely measured their own provisions through a consumerist lens (in order to ensure adequate levels of food, housing, healthcare, and education), the right to welfare was, throughout the latter half of the 20th century, couched in the language of work and labor productivity. This is partly anchored to the rising prominence, starting in the interwar period, of national income (and later GDP) as the most important metric for gauging the size and health of the economy. As Adam Tooze (1998) has argued in the context of interwar Germany, the ability to imagine and account for the national economy (as a definable entity) helped to frame 20th century nationalism more broadly. After World War II, the ability to measure, represent, and intervene in rates of economic growth fed into narratives of postwar reconstruction, resurgence, and anti-colonial emancipation in different nations and helped to structure political accounts of the success or failure of government policies (Mitchell, 2014).

The technique of national income accounting was largely developed during the interwar period as a way of measuring labor productivity (Speich, 2011). According to Simon Kuznets, one of the primary architects of the method, income was merely a tool for gauging the efficiency of the labor force. Unfortunately, using taxable income as the primary unit of measurement failed to account for large numbers of unwaged care workers (mostly women) and casual laborers whose work was essential, but whose contributions were not captured by official records. This was a problem that Kuznets (1941) himself acknowledged and one that he worried about. Indeed, this continues to pose problems for contemporary economics, since efforts at wage equalization might fall short when the labor of many people falls outside the boundaries of tax revenue data.

In the process, GDP growth not only helped to measure but also redefined the boundaries of the national economy. Welfare safety nets were fashioned around new “productivist” rhetorics, and inclusion was framed in terms of protecting and developing formal labor capacity, assisting the households of laborers, or cushioning those who were unable to work in the formal economy. Such inclusion, while quite expansive in comparison to the turn of the century (as Piketty ably demonstrates) was also predicated on structural and necessary exclusions, on making some forms of labor visible while suppressing the value of other forms.

Following from the work of Esping-Andersen, many theorists of Western welfare states, have argued that programs for social security, pensions, and public benefits help to decommodify labor (Esping-Andersen, 1990; Holden, 2003; Orloff, 1996). They buffer workers from the sharper edges of market-dependent labor compensation by setting minimum wage floors, protected collective bargaining, and mitigating risks associated with injury, illness, and old age. But as feminist economists and social theorists have pointed out, even robust welfare schemes impact the lives of women very differently than their male counterparts (O'Connor, 1993; Orloff, 1993). In a society such as Sweden, with extensive childcare and paid parental leave benefits, the welfare state actually

underwrites the commodification of women's labor, making it possible for women to enter the formal labor force in larger numbers. In Germany, which provides less state-paid child benefits and family leave than Sweden, the state in effect keeps more women out of the workplace (Jordan, 2006; Naumann, 2005). In the process, the rise of income as a primary metric for thinking about and planning for inclusion in the welfare safety net has had profound consequences for how societies value and remunerate the highly gendered labor of social care and social reproduction (Weeks, 2011).

The architecture of the welfare state, starting in the 1950s in the West was based on a culturally specific, heteronormative understanding of the nuclear family. This often meant that policymakers and national planners struggled to understand and include households that operated under different logics, including large joint families or ones in which migratory labor and remittances were central to household budgets. These frameworks also discriminated against single women, male caregivers, and those outside heteronormative relationships. As many historians have documented, the postwar period in Europe and North America pushed women, who had taken important roles outside the home during wartime, out of the job market (Anderson, 1981; Chafe, 1992; Hartmann, 1982; Meyerowitz, 1994). And, while such exclusions affected middle class women more than their working class counterparts (since the later continued to work in large numbers outside of household obligations), the care labor of women across the class spectrum remained invisible and undervalued.

The idea of the nuclear household, centered around a male income-earning head and a female caregiver helped to structure pension and child benefits for widows and families. The well known U.S. case *Weinberger versus Wiesenfeld*, for instance, (fought and won by Ruth Bader Ginsburg in front of the Supreme Court) demonstrated the ways in which benefits were differentiated by sex, thereby denying widowers who were primary caregivers the same level of support received by widows (Williams, 2013). These measures, as Ginsburg (1977) and other feminist legal scholars have shown, discriminated against women even as they appeared to give them additional benefits, because they were based on structures that both assumed and perpetuated the lack of financial independence for women, treating adult women as financial wards of men. Women in the United States were unable to independently open bank accounts or take out loans for housing or education without male family members countersigning until the 1970s (Kessler-Harris, 2003). Same-sex couples could not receive pension benefits or other important protections available to opposite sex partners.

A further exclusion, or at least unequal inclusion, created by the postwar economic "miracle" is connected to migration. The postwar boom of the 1950–1970s generated a thirst for workers that was plugged by large-scale movements of people. If initially this was drawn from populations displaced by the war it soon expanded to include millions of migrants from colonies, former colonies and from Europe's "peripheries" to the south and southeast. By 1973, the peak of this period of immigration, roughly 12% of Germany's labor force and 10% of France's was foreign born (Tomka, 2013, p. 38). Migration to Europe has been said to have contributed to overall growth by exerting a moderating pressure on wages—releasing capital for reinvestment in reconstruction and productivity growth (Eichengreen, 2008, p. 87; Vonyó, 2008). While this may seem paradoxical in terms of its inequality-reducing potential, it could be seen as part of the confluence of factors that facilitated the kinds of neo-corporatist compromise Piketty and others see as critical in facilitating the "Great Levelling" (Fisher-Post, 2020; Maier, 1977; Piketty, 2020, pp. 495–504).

Many migrants to Europe's richer and fastest growing nations arrived unofficially, tolerated if not encouraged by labor-hungry industries. In 1968, the French immigration office estimated over 80% of foreign immigrants in the country had arrived clandestinely (Castles et al., 2013, p. 106). While many would regularize their situation, it is worth asking how far their work in the informal economy registered in the kind of tax-based distribution statistics available to Piketty, and whether the "Great Levelling" might look different if they did. That immigration benefited Europe in this period to some extent seems uncontroversial. Estimating the effects of emigration on the countries that supplied Europe's expanding labor force, however, is a more complex matter. Over the past five decades debates have swung between pessimism and optimism, at times seeing emigration as a valve releasing demographic

pressures and a source of capital through remittances, others as a brain drain and a break on growth capacities of migrant sending countries (Castles et al., 2013, pp. 69–77).

Postwar migration is also related to patterns of inequality in Europe in less direct, but interesting, ways. How different welfare regimes across Europe support women's formal work (for instance through childcare provision, parental leave provision, or pay discrimination policies) has a significant effect on gender inequality. As mentioned above, since the 1960s Scandinavian welfare regimes have explicitly supported women's labor force participation through childcare and parental leave provision; but it is seldom acknowledged that the choice to enact such policies was closely connected to the issue of immigration. In the mid-1960s, labor shortages and the opposition of Swedish labor unions to increased migration prompted a swathe of reforms supporting married women's employment. In contrast, in Switzerland and Germany, where more hierarchical views of gender prevailed and unions were comparatively weaker, the decision to import migrant labor was at least in part taken to preserve women's traditional roles (Afonso, 2019; Lewis & Åstrom, 1992).

In the case of the United States, the postwar demand for labor was met mostly internally, with migration from the poorer agricultural south. The "Second Great Migration" featured particularly African Americans seeking job opportunities in cities and in the booming industrial north and escaping the segregation of the Jim Crow south. Yet, the gains made by this generation of African Americans were fragile, their employment more precarious. Black men would suffer disproportionately from continued discrimination and from the downturn in employment from the late 1970s onwards, and despite progress, African Americans continue to be overrepresented in the lower tranches of income distribution, and underrepresented in the highest (Katz et al., 2005). In the United States, inequality is not color blind.

3 | THE "GREAT LEVELLING" IN GLOBAL PERSPECTIVE

Our aim in putting forward these qualifications to Piketty's account of the era of Western social democracy—which he acknowledges was one of "incomplete equality"—is not to dismantle the argument put forward in *Capital and Ideology*. Rather, we are urging that Piketty's vision of the global reach of systems of inequality, his attention to politics, ideas, and conflict, are also brought to bear on the story of the last 75 years. In a book of admirable global scope, it is notable that the analysis of the postwar era remains mostly restricted to Western Europe and North America. Attending to the economic and social links that continue to structure colonial and postcolonial relations, much like attending to the racial and gendered exclusions of Western welfare states, helps us to think more critically about the less visible but important contributions that underwrite the successes of the postwar period.

Bringing in this wider focus means entertaining questions about the role of late colonialism in shaping both the European recovery, about the fate of new nations in the postcolonial era of development, and about the relationship between Western equality and global inequality. In this respect, Piketty's synthesis is limited by the questions not addressed by generations of scholars. The extent to which a re-energized postwar colonialism (or arrangements that built on the advantage of former colonial powers) contributed to the European "Golden Age" and made possible a reduction in inequality is a question that economic analyses—focused almost exclusively on a regional European perspective (taking at best a North Atlantic view)—seldom touch. It is unlikely that this relationship was a principal cause of the "economic miracle" of the postwar Western boom, but there is certainly room to ask whether they made it easier to achieve, and to what extent the "Golden Age" was gilded at the cost of the global south.

If, as we have seen the experience of the "Great Levelling" in Western Europe and North America sustained a number of hierarchies and exclusions internally, it must also be recognized that the world itself did not see such a levelling. Charting the trajectory of economic inequality within nations across the non-Western world is a difficult task, and the picture is complex. Yet, it is clear that between 1950 and 1980 the catch up between the Global South and North was in no way comparable to the compression of inequality experienced in Western

Europe and North America. And despite the end of Empires and colonialism, the gap between Global North and South continued to increase. According to Maddison's estimates, GDP growth per capita in Western Europe between 1950 and 1973 outpaced that of most other regions of the world, with the exception of Japan, extending the gap that had opened up over the previous century and a half (Maddison, 2006, p. 126). The West's share of global GDP decreased slightly after 1950, but if we take into account population growth (which was much faster in the global south), its inhabitants became even more affluent relative to everyone else (Maddison, 2006, p. 127). Constructing precise measures of global and between-country distributions of wealth and income before 1970 is not easy, but the evidence points to the fact that, at the very least, there was no global "great levelling" to match the decreases in inequality experienced in the richer parts of Western Europe and North America. (Anand & Segal, 2008; Bourguignon & Morrison, 2002; Williamson, 2015; van Zanden et al., 2014). The reasons for this are complex, but it is often forgotten that Europe's "Golden Age" coincided with the last decades of its imperial dominance over significant parts of the Global South. And nations which had not been colonized, or had been independent for longer, such as those of Latin America, were still integrated into a global system whose structures continued to advantage the "West."

The independence of India in 1947 can occlude the revival of colonialism experienced in the post war period (Cooper, 2011). Much of British Africa did not become independent until the mid-1960s. French dominion in Africa only unraveled from 1960 onwards, while the Portuguese colonies in Africa had to wait until the mid-1970s (Jansen & Osterhammel, 2017). While they remained under the control of their colonial metropolises, colonized territories played an important part in supporting the reconstruction of European nations.

After the war, the pressing agenda was not decolonization, but further colonial development, an idea that generated significant consensus and was shared by European social democrats. Britain relied extensively on the support of its empire during the war, imposing controls on exports and production from its colonies and running extensive debts with its dominions, particularly India, which had to settle on a substantial write-down on the debt due to devaluation foregone interest, and other instruments (Abreu, 2017). As Cain and Hopkins note, "once elected, the [British] Labour Party hoisted the burdens of empire with all the enthusiasm of the converted, despite its long-proclaimed opposition to imperialism" (2016, p. 669). The loss of India in 1947 only focused the minds of Whitehall on seeking to avoid the same fate in other parts of the empire. This was aided by the creation of a currency union—the sterling area—which brought together current and former colonial territories and helped to ease the metropole's dollar gap. The restrictions it imposed on non-sterling imports benefited British producers, aiding the British economy as it transitioned to holding Europe as its main trading partner (Schenk, 1994, pp. 130–131). In addition, by running a negative balance of trade with its colonies on favored terms, Britain was able to use its empire as a source of credit that gave it the head room for investment for reconstruction at home without the need for further deflation and austerity (Cain & Hopkins, 2016, p. 671).

Similar ambitions drove France's "second colonialism" and the Monnet Plan for 1948–1952, a key plank of reconstruction and the ensuing boom, "downgraded concerns over the living standards of colonial peoples in an overarching demand for an escalation of colonial exports." Like Britain, France restricted imports denominated in dollars to the colonies, directing them to metropolitan products (White, 2011, pp. 216–217). For both Britain and France, such systems allowed the purchase of commodities, including food, at lower than market prices and the export of the goods produced by the metropole at higher rates (White, 2011, p. 229). The Netherlands lacked the resources of other colonial powers and could not stem the pro-independence tide in its possessions in Southeast Asia. Nevertheless, newly independent Indonesia had to agree to take on the debts of the colonial administration, and commit to allowing the free flow of profits from Dutch companies in its territory to the Netherlands (White, 2011, p. 230).

This renewed colonial impetus was couched in the language of welfare and development (Cooper & Packard, 1997; Midgley & Piachaud, 2012). Yet, Seen from the perspective of the colonized, for all the rhetoric of development and welfare, this "second colonialism" of the early postwar period failed to live up to its promises. However, our ability to know the extent to which late colonialism affected levels of growth or how it was

distributed is extremely limited—comparable data are seldom available before 1960, while statistics gathered by both colonial and postcolonial governments are unreliable on a variety of counts (Jerven, 2013). Nevertheless, whatever projects of colonial development were, they were not meant to deliver equality. In some cases, post-war projects of colonial development also meant reforming the relationship between metropole and empire, but reform did not mean political or economic equalization. The French Union and the constitution of 1946 gave a degree of representation in a quasi-federal assembly to the population of the colonies, now renamed “*territoires d’outre-mer*” (overseas territories); yet while all were technically “citizens,” the status carried, “multiple, radically different, and wholly unequal sets of rights” (Shepard, 2011, p. 257). The population of the colonies greatly outnumbered that of metropolitan France but elected only a fraction of Assembly representatives, and even there a proportion of the seats was reserved for the representative of “European” settlers in overseas territories (*ibid.*). British colonies never saw direct representation in the metropolitan parliament, but there was a move to grant self-rule status to colonial territories and allow local political parties to accede to power, as long as the legitimacy of Empire was not questioned. (Cooper, 2011, pp. 202–203). Moreover, Portugal—where a fascist-inspired dictatorship held on to power—resisted attempts to renegotiate the colonial relationship, seeking instead to tighten control over its African possessions (Jerónimo & Costa Pinto, 2015).

Colonized populations seized on the unrealized promise of “welfare colonialism” and on the distance between the rhetoric of inclusion of imperial government and its reality, using this gap to mobilize waves of strikes and protests demanding equality (Cooper, 2011, p. 205). Soon these would develop into pro-independence movements that further pushed France and Britain toward accepting the inevitability of decolonization. Only Portugal—Western Europe’s poorest country—continued to see in the colonies the means to retain international influence and supporting metropolitan development. But the enormous military and economic effort required to preserve its presence in Africa in the face of powerful pro-independence movements would eventually bring down the dictatorship and Europe’s last Empire in 1974 (MacQueen, 1997).

3.1 | INTERNATIONAL DEVELOPMENT ITS INEQUITIES

While our focus has so far been on colonies and former colonies, the relationship between the west’s “Golden Age” and the wider world went beyond it as a truly international systems was built. And again, it is legitimate to ask whether the affluence that permitted the construction of a more equal society in the global north came with costs for the south.

The United States emerged from the war as the unrivalled dominant economy, and as a result of its power, the institutions underpinning the international system were to a large extent built in its image. The Bretton Woods framework facilitated the use of dollar as lead reserve and exchange currency. This afforded the United States the “exorbitant privilege” of controlling the world’s currency, which allowed it to run significant balance of trade deficits, and exerting a downward pressure on prices (and wages) in developing countries (Eichengreen, 2011). In addition to such privilege, the United States (and to a lesser degree the leading European economies) also enjoyed further advantages. A technological edge and accumulated wealth supported their position as leaders in capital and capital goods (including foreign direct investment), whose value exceeded the raw materials and food produce that made up the bulk of exports from the global south.

Piketty is well aware of the inequalities such asymmetries can generate, which *Capital and Ideology* dissects in relation to British and French foreign assets at the height of liberal imperialism between 1,880 and 1914, and in relation to the post-1970 cycle of globalization (Piketty, 2020, pp. 283–285; 693–6969). For the earlier imperial period, Piketty rightly looks beyond “the invisible hand” of the market as the source of these inequalities, pointing to the politics and violence behind the construction of an international system built on colonialism (*ibid.*, p. 284). When it comes to the last four decades, Piketty points the finger at the political choices protecting opaque capital flows and tax havens under the umbrella of the Washington consensus (Piketty, 2020, p. 695). In between these

two periods lies most of the 20th century, and particularly the “social democratic” era. Yet, this era was less of a hiatus in the construction of global inequality than Piketty’s argument can lead us to believe, and there are important continuities that arguably contributed to reproducing, although in a much transformed way, the advantages created during the colonial era.

We can look specifically at three developments where the politics of the postwar international order created the conditions for the reproduction of the advantages of the “west,” contributing to its 30 glorious years. The first was the advent of the Cold War, a confrontation with global reach that molded international relations until the end of the century, and created a rationale for privileging economic power and strategic military alliances over addressing global inequalities. The second was the (re)creation of a constellation of international institutions that, while giving voice and platform to less powerful nations, was nonetheless skewed toward the interests of the great powers. And finally, while there were efforts and plans to combat poverty and what became termed “underdevelopment” on a worldwide scale, these were guided by approaches that reproduced the productivist ideology of the era and Western-centric ideal of modernization that had far reaching consequences.

The internationalist impetus that marked the end of the Second World War (which saw the creation of the United Nations, the WHO, or UNESCO, among other international organizations) extended to trade and, more broadly, to the ambition integrating newly independent nations in the world economy. Many hoped that the decades ahead would also see rising living standards and a reduction in conflict across the world (Moyn, 2018). However, such ambitions struggled to materialize as visions of internationalism brought the interests of nations and blocs of extremely different power into conflict. One example of this was the fate of the International Trade Organization, initially envisaged as a key pillar of a new global order and one of the new agencies of the United Nations (Toye, 2003, p. 90). During the negotiations for its establishment in 1947 and 1948, “underdeveloped” nations such as India and Brazil—at times supported by some within the United States administration—attempted to create mechanisms allowing industrializing economies to introduce a degree of protection that buffered manufacturing sectors from liberalized trade. The proposal put forward also would allow expropriation or nationalization of foreign-owned businesses in certain circumstances (Toye, 2003, p. 288). The aim was to even out some of the advantages that had accrued to the early industrializing economies as others caught up. There is no guarantee that, had it ever been instituted, the ITO would have of itself contributed to reducing global inequalities. Nevertheless, its stillbirth and the reasons behind it are themselves food for thought regarding the political and ideological nuances of the “age of equality.”

The British Labor government, creator of the Beveridgean Welfare State, opposed many of the provisions of the ITO, particularly where they brought into question Britain’s system of imperial preference. But a rear-guard action against the proposals came also from a different ideological quarter which was in the process of developing a response to the Keynesian worldview: neoliberals who, in Slobodian’s words, pitched the “human rights of capital,” against the “human rights” of the social democratic internationalist agenda (2018, p. 125). The founding network of neoliberalism, the Mount Pèlerin Society, had an important supporter in the International Chamber of Commerce, and key members of the society lobbied on its behalf against the ITO proposals (*ibid.*, pp. 128–130). Their opposition to the ITO was based on the desire to protect the freedom of capital and security of property, from state intervention, capital controls, and attempts to manipulate markets and prices in the interest of full employment. The ITO never saw the light of day as the Truman administration decided to drop its support, opting to retain the interim agreement on tariffs and trade (GATT), which arguably was much more favorable to the leading industrial exporters (Toye, 2003). The neoliberal agenda did not (at this time) triumph on all fronts, but it contributed to the ITO debacle, and more widely to planting the flag for the interests of capital in competition with social democratic emphasis on (a greater degree of) equality.

The building of a new international order in the postwar period may have been done under the banner of universal human and social rights, expressed in the Declaration of Philadelphia of 1944 and the Universal Declaration of Human Rights in 1948. But these ideals had to compete with opposition from an emergent liberalism, the strictures of Cold War objectives, and its own limitations. Despite the universalist and global concerns of many of the

architects of postwar internationalism, the primacy of the nation state privileged national solutions to questions of want and exclusion. Gunnar Myrdal, a Swedish economist central to the setting of international development agendas in the 1950s and 1960s, advocated the idea of “welfare world” to address global inequalities, but admitted this goal was impeded by the existence of the national institutions that had created the modern welfare state (Moyn, 2018, pp. 104–107).

And, as the experts and planners who built the postwar “social-democratic” state turned their attention to poverty and development in the rest of the world, they often carried with them visions of universality and of the road to affluence that were too narrowly based on the West’s experience, and failed to acknowledge the imbalance of power between the “First” and the “Third” Worlds. The ideal of modernization, which in its various forms, guided the actions of new international agencies, great power governments, and development actors through the postwar era was based on a distinction between “modern” and “traditional” societies. “Modern” societies—those of North America and the wealthier parts of Europe—were seen to have overcome the burdens of custom, tradition, and particularism through an embrace of the values of progress, rationalism, and technologically driven progress. These were said to be the foundations of the economic transformation that made the “First World,” delivering stability and affluence.

This should not be taken to mean that many Western modernizers were not concerned with poverty and inequality—these were central to the ambitions of the reinvented international agencies. Yet, not only was the blueprint of a better society a Western-centric one, but even the concern with poverty and inequality expressed in development agendas of the 1940s and 1950s would soon be displaced by a much narrower focus on growth and modernization (Alacevich, 2011). Addressing “underdevelopment,” as President Truman announced in his 1949 Point Four Speech setting the United States global aid program, was increasingly framed in terms of defining a sphere of influence that would contain the Soviet challenge (Lorenzini, 2019, p. 26). As was the case in the reconstruction of Europe, it was hoped that growth would provide the means to ease class conflict without asking too many difficult questions about distribution (Maier, 1997, pp. 622–623).

The creation of the modernization consensus was not the work of a single national actor, it appeared in different guises and neither was it exclusively Western driven—the Soviet Union provided its own model of rapid industrialization—but the supposed lessons of the Western experience were the building blocs of development agendas of international organizations (Engerman & Unger, 2009; Gilman, 2007). Development was to be delivered through tools which had successfully allowed United States and European liberals to tackle the effects of the Great Depression and mobilize their economies for the war. The mixed economy recipe that seemed to have worked at home to provide stability and, increasingly, affluence was packaged as set of policies that would deliver growth.

The contemporary vision of the history of Western growth, itself helped to minimize the question of inequality. Simon Kuznets pioneering work on the history of income distribution seemed to suggest that growing inequality was a side effect of the introduction of new technologies and production processes, and would be evened out in the long run as the benefits of increased productivity spread across the population. Despite Kuznets’ own caveats, his “curve” supported the belief that modernization would, naturally and in good time, address the question of inequality. In the immediate future, producing growth would take priority (Kuznets, 1955).

The ideal path of modernization suggested to, or even imposed on, “underdeveloped countries” (and which had both its capitalist and socialist versions) was based on the same narrow definitions of productive labor and investment that shaped the building of social market economy in the postwar West. Enduring North–South inequalities did not go unchallenged by economists and political leaders in the “Third World.” Yet, even as they denounced an unjust international order that tipped the scales in favor of the North, such criticisms tended to follow the tracks laid down by stadialist modernization theories. South American “structuralists,” led by Raúl Prebisch—Argentine economist and Director of the United Nations Economic Commission for Latin America (CEPAL)—denounced the international system of “unequal trade,” but still called for capital intensive import substitution industrialization as the solution (Love, 2018).

Despite differences across its various modes—socialist, capitalist, or *dependentista*—modernization-led development echoed the assumptions and exclusions that characterized Western liberal modernization. It is true that, especially in the early postwar years, there were high ambitions. Yet, quite often social provision was created (or simply continued the practice of the colonial state) as a tool and level of modernization, protecting cherished “modern” industries or as a disciplinary tool to modernize the “backward” and “traditional” backwaters, resulting in welfare provision that was universal in name but highly differentiated in reality (Ferguson, 2015, pp. 71–73).

In India for instance, the Nehruvian government attempted a vast overhaul and expansion of public education. However, such schemes fell far short of what was required for universal provision, leaving local communities largely alone to manage educational funding and available government support. As historian Taylor Sherman (2018) shows, the decentralized and underfunded educational schemes of the Nehruvian era exacerbated inequalities, making it harder for politically and socially disadvantaged communities and regions to access government education. The period between 1951 and 1953 also witnessed major reforms in South Africa, during which education moved from private providers into the state sector. At exactly the same time, the rise of new apartheid era divisions strictly separated educational institutions according to race and ethnicity, and allowed only White South Africans access to advanced technical and vocational training. Funding was highly unequal across the primary sector, and the system was not reformed until the 1980s (Kallaway, 2002, p. 2). And in Brazil, the country's extreme patterns of racial and social class segregation mapped directly onto unequal provisions of key social services including education and healthcare (Hernandez, 2004). While powerful labor groups in the 1950s played a key role in shaping the state provisions and welfare benefits (Colistete, 2007) such negotiations ignored the role of vast numbers of workers in the informal and less-organized sectors of the economy.

Many of these differences are the compounding consequences of centuries of racist and casteist divisions and discrimination, and Piketty's book does a good job of outlining these long historical links. Yet, such ongoing forms of exclusion were also the products of an uncritical mid-20th century “universalism,” which included people on grounds that drew sharp distinctions between workers and dependents, the West and the non-West, modern economies and rural ones.

Where welfare interventions reached beyond the protection of the “modern” worker, it tended to do so with the overt aim of modernizing the “backward,” bringing with it highly gendered productivist dreams of modernity. The African socialist governments of newly independent Zambia and Tanzania studied by Priya Lal saw women and the domestic sphere as the conduits for supporting better nourishment and children's educational enrollment, while at the same time undervaluing women's role in other forms of labor, including agricultural work (Lal, 2018, pp. 186–190). This vision of a gendered division of labor was also present in the agendas of international organizations such as UNESCO, who looked to catalyzing the “natural roles” of women for modernization (Peppin Vaughan, 2010, p. 408).

Many governments in the developing and postcolonial nations embraced the capital-intensive route to modernity, delaying fighting poverty domestically until such time as when the proceeds of growth would make distribution easier. Eye-wateringly large loans were contracted from international institutions or the capital markets of New York and London. But the hopes pinned on industrialization did not materialize. Export-led industrialization failed to generate the kinds of generalized industrial employment that had characterized the experience of the Global North (Benanav, 2019, p. 9). By drawing strict dividing lines between an “informal,” “traditional,” and “backward” world and an ideal of high modernity, postwar development agendas and institutions contributed to generating increasing inequalities within developing countries without bridging the widening gap in national output between them and the “west.”

As a result, by the late 1960s, there was an increasing recognition that the Western-derived model of modernization had failed. From the 1955 Bandung conference, the nations of the global south increasingly sought a collective voice to challenge what they saw as the inequities of the global system. In 1974 this was articulated by New International Economic Order declaration at the United Nations General Assembly, which denounced the “widening gap between the developed and developing countries,” resulting from “vestiges of alien and colonial

domination (...) and neo-colonialism"; demanded "just prices" for the production of developing nations; unconditional assistance; and technology transfers (Gilman, 2015; United Nations, 1974).

Nonetheless, by this point the Western social democratic model that had produced the "Great Levelling" was itself entering a period of crisis which can arguably related to the shifting relationship between the global north and south, of which the NIEO but also the OPEC's flexing of muscle that generated the oil shock of 1973 are symptoms. On one level the export-led industrial model of the United States and Western Europe was reaching its own limits, and for the first time in many decades encountering exporting competitors—particularly Japan and other Asian "Tiger Economies." But at other levels, the sense of crisis afflicting the West also had its roots in its unequal relationship with the rest of the world, as well in its own internal exclusions and inequalities.

A growing awareness and politicization of inequalities at home and abroad combined to animate a growing cycle of protest that spread across North America and Western Europe through the 1960s and early 1970s. Inspired by anti-colonial activists such as Gandhi, the Civil Rights movement challenged the United States to address the deep racial inequalities that endured a century after the abolition of slavery. In cities and campuses across the west, a new generation was turned on to the inequities of the global system through movements of opposition to colonial and postcolonial military conflicts: France's brutal war in Algeria, the U.S.'s war in Vietnam, as well as many other conflicts that produced anti-imperialist role models. A swathe of recent scholarship has highlighted the important role played by the "Third World," directly and indirectly, in shaking the legitimacy of postwar Western order (Kalter, 2016; Slobodian, 2018). Denouncing the hypocrisy of democracies who engaged in Cold War driven "imperialist" wars went hand in hand with attacking what were seen as the limits, exclusion and inequalities of liberal democracy at home. Second wave feminism highlighted and fought the patriarchal paternalism of the postwar order; radical activists looked to mobilize migrant workers to shake comfortable "old left" unions into facing the predicament of those outside the embrace of the welfare state; while police brutality, paternalist politics, and censorship all came under attack. And soon, as global competition and the deceleration of the global economy saw the beginnings of deindustrialization, serious industrial conflict returned.

In 1975 the Trilateral Commission, a group of leading experts and government advisors, warned that (Western) democracy faced a crisis of governability. Their report joined a number of other pessimistic forecasts—including the Club of Rome's *Limits to Growth*—about the state of the world, and the viability of the political, social, and economic system built since 1945. As many commentators have pointed out, this sense of generalized crisis engulfing the "West" was essential in creating the conditions for a shift in modes of thinking about the economy, the role of the state, and the place of welfare (Leimgruber, 2013).

4 | CONCLUSION

The rise of new social movements in the 1970s, global struggles against racial exclusions, and Second Wave feminism all point our attention to the limits of inclusion within postwar welfare states. They expose not only the inadequacy of these regimes for fighting long-entrenched historical exclusions, founded on older prejudices around race, gender, or caste, but also the new barriers to inclusion, created by "productivist" regimes that make visible and value certain contributions and subject positions, while making others harder to see. The upheavals of the late 1960s and 1970s should be read in this context, as indictments of postwar welfarism, as well as earlier inequality regimes. In that context, we have to attend to the rise of neoliberalism and the resurgence of income inequality cautiously, making some room for the complicated way in which neoliberal regimes went hand in hand with expanding civil and political rights for women, racial minorities, and gay and transsexual people. We say this not to valorize "recognition" over "redistribution" (Fraser, 1995) or to minimize the concerns that Piketty draws attention to, including the rise of the 1%, but to also to highlight areas of inequality that *Capital and Ideology* leaves unexplored.

Rather we want to return to the argument that mid-century welfare states were, as systems of inclusion, also systems of exclusion. If postwar social democracies failed to prevent the re-emergence of wealth inequality, this was not simply because they lacked ambition and scope, but rather these failures were also due to the very terms by which people (as men, women, citizens, migrants, workers, dependents, taxpayers, and others) were seen and incorporated into the provisions of these “inequality regimes.” While Piketty’s hope and optimism around contemporary inequalities is admirable, it is necessary, if we really are to tackle rising disparities around the globe, that we are attentive to and redress the terms of which public provisions and government schemes view and include large categories of people, including migrants, women, care laborers and those in the informal sectors. At the same time, it is important to couch within-country inequalities in a broader global structure, paying attention to global governance, debt obligations, supply chain inequalities, and unfair terms of trade.

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Narrating inequality, eliding empire

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Abstract

Piketty's call for a historically informed, global analysis of inequality is timely, as is the need for a corresponding transformation of our current politics. However, I believe there to be a fundamental flaw in his analysis which reproduces a Eurocentric approach to understanding global inequality. The key issue is that Piketty organizes his historical comparative analysis in terms of inequality within nations. Yet, the politics he is discussing were rarely just nations over the long durée. Rather, they were imperial formations constituted by a colonizing state and the territories and populations that were incorporated. His approach separates the logic of what he calls the modern proprietary regime of inequality from enslavement and colonialism when both were integral to it. In contrast, I argue for them to be seen as necessarily interconnected with a lasting legacy in contemporary configurations of global inequality.

KEYWORDS

colonialism, connected histories, empire, inequality

Piketty opens *Capital and Ideology*—the successor volume to the blockbuster *Capital in the Twenty-First Century*—with the following line: “Every human society must justify its inequalities: unless reasons for them are found, the whole political and social edifice stands in danger of collapse” (2020, p. 1). It is a curious formulation, since it presupposes both that inequalities can be justified and that the “political and social edifice” is itself built independently of its legitimation. Piketty goes on to write, “every ideology, no matter how extreme it may seem in its defense of inequality, expresses a certain idea of social justice” (2020, p. 9). Of course, a more nuanced sociological account would ask how the edifice is constructed to withstand challenge and to question the ways in which ideologies are entwined with power. Piketty, however, is interested in setting out the forms of inequality that

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structure different nations and examining the ideologies used to justify those inequalities. Further, he seeks to examine the contemporary implications of these processes so that we are better able to transform them, in the future, toward more egalitarian ends.

The central problem animating the volume is that the meritocratic narratives that have come to justify modern inequality are looking ever more fragile. Further, he argues that if the economic system they are justifying is not radically transformed, we are looking at the collapse of the global economy and a future defined by xenophobic populism. In order to avoid such an outcome, Piketty continues, it is necessary to understand the weaknesses of such narratives and, for this, it is important to adopt a transnational approach and one that is historically informed. This would enable the construction of “a new universalist egalitarian narrative” and one that would, in turn, provide the basis for “a new participatory socialism for the twenty-first century” (2020, p. 3). In these terms, Piketty, then, is making a justificatory argument for less inequality, and not simply addressing modern justifications of inequality.

Capital and Ideology sets out a history of different regimes of inequality in order to establish the significance of the current *global* system of inequality. The organizing principle Piketty mobilizes, albeit implicitly, to bring the different regimes within a common framework, is one that is very familiar to sociologists. It operates with a distinction between premodern and modern societies where the latter are primarily represented by Europe and the USA. In this understanding, a distinctively modern regime of inequality—grounded in private property and market exchange relations—is produced in Europe and is then globalized. The global impact of European modernity intersects with traditions in other parts of the world to produce “multiple modernities” (Eisenstadt, 2000). A paradigm shift that, as I have argued elsewhere, is less significant than is usually proposed (see Bhambra, 2007, 2014).

Piketty has stated that he wrote *Capital and Ideology* to address what he saw as the two main limitations of his earlier volume. The first was the almost exclusive focus on the West and the second was the lack of a deep engagement with the ideologies that support inequalities. However, simply acknowledging that other parts of the world exist is not sufficient to address the limitations associated with not having taken them into account initially. Acknowledging their existence ought to make some difference to the conceptual framework otherwise proposed in the absence of their consideration. The failure to rethink the historical and conceptual framework of “capital”—within which his understandings of inequalities and ideologies are located—points to continuities across the two volumes that weaken the analysis presented. Further, it undermines the possibilities of effectively addressing issues of global inequality in the present which is put forward as one of the motivations of the volume.

Piketty's call for a historically informed, global analysis of inequality is timely, as is the need to transform our politics in the light of a new understanding. However, I believe there is a fundamental error in his analysis which reproduces problematic legitimations of global inequality. The key issue, as will be discussed through this article, is that Piketty organizes his historical comparative analysis in terms of inequality *within* nations. Yet, the polities he is discussing were rarely nations over the long durée. Rather, they were imperial formations constituted by a colonizing state and the territories and populations that were incorporated. In fact, the “nations” that Piketty discusses, only become nations *after decolonization*. The relations between colonizer and colonized are also significant in the production and reproduction of inequalities both within countries and between them. Without an adequate understanding of global colonial entanglements, I argue that it is not possible to put forward a credible future alternative to current inequalities.

1 | PROBLEMS OF CONCEPTUAL FRAMING

Piketty identifies six main regimes of inequality: trifunctional, slaveist (*esclavagiste*), colonialist, proprietarian, social democratic, and communist. Trifunctional regimes are organized in terms of three status groups or castes, those of a nobility (with military functions), a priesthood, and the people (primarily, a peasantry). This is the only ideal type proposed to capture human history across the globe through to the *ancien régime* in France in the late

eighteenth century. The proprietary regime is organized in terms of the rights of private property and is inaugurated by the modern market economy that transforms status groups into classes and establishes the individual as the subject of political and economic theory. Slavery and colonialism are understood as transitional regimes, which give way as the proprietary regime is moderated by other ideological claims (including those of the principles of equality integral to the idea of the modern individual). The social democratic and communist regimes are presented as emerging from the crisis of proprietary societies as projects for a more egalitarian society, albeit incomplete and limited in their own terms.

Piketty's framing here is Eurocentric, notwithstanding his claims otherwise. The trifunctional regime is presented as existing globally, but its end is identified with the French Revolution and the inauguration of a proprietary regime across Europe. This regime, in its impact on other parts of the world, produces the slaveist and colonialist regimes although, as will be discussed, the connections are elided in the presentation of these as separate regimes. For example, Piketty examines the French and British slave islands in the Caribbean as entities separate from France and Britain. Finally, there are the social democratic and communist regimes which are identified primarily in terms of developments within European history.

Another curiosity of this typology is not just that the premodern world is severely underpopulated—in that there is only one ideal type representing all of human history prior to the French Revolution—so, too, is the modern. Piketty suggests that one of the primary threats facing contemporary societies is that of the rise of xenophobic populism. However, he offers no discussion of fascism as a legitimating discourse through the twentieth century mobilized by a number of European states. Neither does he address modes of authoritarian military rule that have propped up the edifice of inequality in many countries, including the European settler societies of Latin America. Even in its orientation to the modern, then, the volume is partial and the selection of cases far from systematic. Piketty's construction of the ideal types of colonial and slave societies is also problematic. At various points in the book, he acknowledges the empirical connections through which such regimes of inequality were forged, but these connections are then elided in the conceptual separation of the categories. This has an impact on his understandings of regimes of inequality more broadly.

In his discussion of slavery, for example, Piketty starts by stating that “slave societies existed long before European colonialism” and then goes on to comment that his focus will be on “the ways in which slavery was abolished in the modern era” (2020, p. 203). There are a scant couple of pages addressing slavery in ancient societies, serfdom, and modern slavery, before a more extensive discussion of abolition covering the rest of the chapter. There is no significant discussion of what slavery actually was and how the modern form of it—chattel slavery—was established. There is very little discussion of the revenue brought into European countries through their involvement in the trade in human beings, their use of enslaved labor on plantations, or the impact of the expansion of these markets for the sale of their goods. There is also no explicit discussion of what idea of social justice was embedded in the legitimation of the regimes of slavery or colonialism given that Piketty earlier states that “every ideology ... expresses a certain idea of social justice” (2020, p. 9). What constitutes (or, what *could* constitute) the legitimacy of modern slavery as a regime of inequality? Do those who were enslaved need to feel that their bondage is justified? Piketty does not address such questions and nor is there any discussion of why those who were enslaved, or the societies from which they were taken, were not thought to have anything of significance to say about the processes of enslavement or their own humanity (see Grovogui, 2009).

Given that modern chattel slavery entails the commodification of the laborer and his or her use as property, it is more appropriately understood as part of the proprietary regime and not a regime separate from it (see Bhambra & Holmwood, 2018). Nearly all of Piketty's discussion of slavery is about its abolition, which, in turn, is discussed primarily in terms of the compensation to be paid to those who had owned other people. While abolition is presented as a consequence of reforms deriving from the ideology of equality, Piketty also argues that given that those who were enslaved were private property, it was appropriate that slave owners be compensated for their loss. He is largely silent on the justice of reparations for those who were enslaved and lost property in their own persons (as proprietary ideology might have allowed). I shall return to Piketty's handling of abolition later

in the article, but it is perhaps apposite to note the slippage Piketty makes between those who are enslaved and those who are free and not white. In the course of his discussion, Piketty states that “slaves accounted for 90 percent of the population of Saint-Domingue in the late 1780s (or even 95 percent, if one counts metis, mulattos, and *free men of colour*)” (2020, p. 215, emphasis added). Eliding free men of color into the category of the enslaved suggests that “they” are all the same in their difference from “us.”

There are similar issues with Piketty’s conceptualization of colonialism which presents colonial societies as separate from proprietary ones. He turns to addressing colonial societies by stating that the “forms of domination and inequality ... were less extreme than slavery” (2020, p. 252). He then goes on to identify two ages of European colonialism. The first from 1500 to 1850 which was characterized by “military domination and forced displacement and/or extermination of populations” (2020, p. 253). The second was from 1850 to the 1960s and, he suggests, “is often said to have been kinder and gentler” although he accepts that “violence was scarcely absent from the second phase” (2020, p. 253). However, his focus on colonial societies is on the ideologies that sustained forms of inequality *within* societies that were colonized. Not on the inequalities produced through colonialism. As such, he focuses on caste in India, for example, as opposed to accounting for the processes of colonial drain that enriched Britain as they impoverished India (see Naoroji, 1901; Patnaik, 2017; Rai, 1917).

In contrast to Piketty, I would argue that colonialism cannot be understood as a category separate to that of proprietorism. This is because it is constituted by the proprietor regime taking other territories and populations into private ownership and through its enforcement of trade relations and the use of coerced labor on colonial plantations. Are those who are subject to colonial rule willing subjects? Do they consent to their colonization and exploitation? By not even raising such issues—issues that pertain to questions of legitimacy which are, in turn, seen to be integral to the framework as otherwise presented—points to the inadequacy of the conceptualization at work here. For example, while Piketty acknowledges that the Chinese and Indian share of global manufacturing output, which had been 53% in 1800, had fallen to 5% by 1900 he does not see this as necessarily linked to the historical processes of colonialism and its determination of the modern world. Rather, he suggests that “it would be absurd to view this as the only possible trajectory leading to the Industrial Revolution and modern prosperity ... one can imagine other historical trajectories” (2020, p. 381). The modern world, it seems, need not have been produced through slavery and colonialism. But the point is surely to account for its actual historical trajectory not conjecture that it need not have happened this way and imagine other ones? The purpose of such conjecture is to imagine a logic of proprietorism independently of slavery and colonialism. In this way, the actual trajectory is elided for the present as something in need of redress.

As such, Piketty’s regimes of inequality implicitly justify unequal treatment of others without including them in the discussion of that treatment. It is not clear how such a situation could express any idea of social justice. In effect, by treating slavery and colonialism as separate regimes, he detaches them from the very ideas of private property and political domination that are integral to the modern regime of inequality. This does not augur well for a book that looks to the past to reconstruct understandings of global inequality and to develop “a new universalist egalitarian narrative.”

2 | HISTORICAL GRAND NARRATIVES

There is an implicit historical grand narrative that animates Piketty’s analysis and this can be summarized as follows: the trifunctional societies of the premodern era evolved into ownership societies in the eighteenth and nineteenth centuries, and then, collapsed in the twentieth as a consequence of the world wars, communism, and processes of decolonization. This is a frame that is centered on an understanding of European history, where the significant moments of periodization are those understood to be endogenous forms of social, political, and economic organization within European countries. While other countries from around the world are analyzed and assessed in this volume, this is done by locating them within an analytical frame constructed out of what is seen to

be an endogenous European experience (analytically endogenous, if not actually endogenous, as we have seen). While some connections are acknowledged, these are usually one-way; that is, the consequences of colonial rule upon colonized societies. There is little reflection on what colonization did to the colonizers or how it structured global inequalities beyond the nation. As such, the historical work that Piketty undertakes is limited by its adherence to the standard story of European history, devoid of its colonial connections, standing in for a world historical frame through which all others are to be understood in their distinction from what occurred in Europe.

For example, Piketty points to the importance of understanding the long historical trajectories, which underpin inequality regimes, because, he argues, “the various regions of the world have only gradually come into contact with one another” (2020, p. 42). He writes that it is only since “the era of decolonisation” that “various parts of the world [have] become intimately intertwined” (2020, p. 42) which rather begs the question of how they came to be colonized in the first place and what significance he attributes to those earlier processes. Indeed, he regards the Enlightenment and the Industrial Revolution to have “*coincided with* extremely violent systems of property ownership, slavery, and colonialism” (2020, p. 19, emphasis added), as opposed to have been constituted through them. He also sees the world wars as acts of “genocidal self-destruction” between the European powers (2020, p. 19) effacing the imperial rivalries that led to the wars in the first place and the significant numbers of colonial subjects who fought and died in them (not to mention the genocidal violence associated with colonialism itself). In his account of the compression of inequality in Europe and the United States in the period 1914–1970, Piketty mentions as significant, “the two world wars, the Bolshevik Revolution of 1917, and the Great Depression of 1929” (2020, p. 30), but not the processes of decolonization that transformed the world, and Europe with it, from the independence of Ireland in 1922 onward.

The historiographical frame of European modernity, as Barbara Weinstein (2005) has argued, is so thoroughly embedded in the cultural frameworks within which scholars operate that it rarely requires explicit acknowledgment. The idea of world historical events emerging endogenously in Europe and subsequently diffusing across the globe tends to be presented “as the historian’s ‘common sense’” (2005, p. 77). This comes to be central to the framing of research across the long *durée* and to the configuration of associated concepts. The ways in which concepts are shaped by the histories embedded in our everyday understandings matters. This is because the past we acknowledge (and that which we do not) affects political understandings in the present, for example, of how global inequality is configured. If we imagine our past to be determined by national boundaries, we are likely to think that contemporary inequalities are shaped by national processes, including the ideologies that percolate within borders. If, instead, we understand our past as an colonial past, then, our understanding of inequality in the present will be different. In part, because our understanding of the state—which is regarded as the key locus for the shaping of inequalities and the ideologies that justify them—will also be different.

Like Weber, Piketty understands the modern state in terms of the legitimate exercise of coercive power within a given (national) territory. But European states did not simply lay claim to a monopoly of the legitimate use of violence within their own self-defined national territory. Rather, they extended their violence into other territories, over other populations, and in support of non-state actors (such as trading companies and the appropriations of settlers). “Piketty produces comparisons between nations,” Stanziani writes in relation to Piketty’s earlier volume and goes on to ask, “but is the nation the relevant unit for studying inequality?” (2015, p. 99). Along with many social scientists, Piketty, for example, posits a “postcolonial state” contrasted to the modern nation without addressing the processes of colonization that were themselves part of state formation. One of the substantial critiques that has been made of the Westphalian thesis, upon which Piketty implicitly relies, is by Antony Anghie (2006). He argues that within this model, sovereignty is seen to be the primary concept in terms of determining the fact of being a modern nation state. While this model is based on the historical examples of European states, it ignores the exercise of power of those states over other societies. This is deemed not to be a problem for the theoretical framework as those other societies and states are not regarded as being sovereign. As such, they can be unproblematically incorporated into the ambit of modern nation-states (through imperial conquest) and not

contest the claim to nationhood that is otherwise being made (they are simply subjugated and elided territories of no empirical or ideological consequence).

However, as Anghie states, it is unclear how it was “decided that non-European states were not sovereign in the first place” (2006, p. 741). That is, there is a meta-ideological justification of inequality in the failure to address the empirical inequalities constituted through processes of colonialism and to elide any consideration of them historically. If colonization was taken seriously, however, then the modern *nation* state would *only* be seen to emerge in the period of decolonization as previous states would be more appropriately understood as *imperial* or colonial states (see also, Gary Wilder, 2015). Whereas Piketty conceptually separates out discussion of France and Britain, on the one hand, from Haiti and India, on the other hand, in the following sections I consider them within their historical colonial contexts. That is, to discuss the emergence of regimes of inequality and the ideologies that sustain them in the context of the French Empire, where France and Haiti are understood to be part of the same conceptual universe, and of the British Empire which similarly brings Britain and India into a common framework of analysis.

3 | FRANCE AND HAITI, OR THE FRENCH EMPIRE

At the time of the French Revolution, Saint-Domingue was the most profitable part of the French Empire. Raw materials, namely sugar, coffee, and cotton, were grown on plantations in Saint-Domingue, worked by enslaved Africans, and then shipped to towns in France to be turned into commodities. A third of these commodities were consumed within France with the rest being exported, including to Saint-Domingue which was the largest export market for metropolitan France (James, 1989 [1938]). Colonialism and slavery were not simply profitable in their own terms, but the expansion of available markets also contributed to the dynamism of what tends to be presented as an endogenous feature of the metropole. While Piketty acknowledges the processes of French colonization that brought Saint-Domingue into the political and economic ambit of France, there is no real reckoning with what this might mean for how France is itself to be understood in relation to its colonies. What difference would it make to understand the wealth produced by the colonies, and consumed by France, within a common frame rather than for these relations of inequality to be elided in the presentation of France as an ownership society existing separately from Saint-Domingue which is seen as a slave society? Why is France not also seen as a slave society given that a significant proportion of its income and wealth comes from the practice of slavery in another part of the French empire?

Piketty himself states that Saint-Domingue, which had been a French colony since 1626, “was the jewel of French colonies, the most prosperous and profitable of all” (2020, p. 214). Further, that from 1750 to 1780 around 70% of Saint-Domingue’s output “was realised as profit to French planters and slaveholders”; something that he acknowledges as “a particularly extreme and well-documented example of egregious colonial extraction” (2020, p. 218). This is not sufficient, however, for France to be seen as a colonial society—constituted through relations of colonial extraction and appropriation—but it remains, within his schema, as a proprietary regime. For the most part, Piketty regards colonialism as posing an “external” challenge to ownership societies as opposed to ownership societies being constituted through colonialism as an internal contradiction. This is despite acknowledging that “European prosperity ... depended more on its extractive capacity and military, colonial, and slave-based domination over the rest of the world than on its supposed moral, institutional, and proprietary superiority” (2020, p. 199). This is in itself an ideological presentation of the history of the contemporary nation as being national as opposed to more appropriately understanding it as colonial.

Further, Piketty’s discussion of Saint-Domingue is oriented primarily to the issue of abolition and the ways in which slave property became transformed into public debt through the enforcement of an indemnity to be paid by the new state of Haiti to compensate French slave owners. There is little discussion of the justification of France holding Saint-Domingue or appropriating its wealth and much equivocation about what France may today

owe to Haiti. Abolition of slavery in France, as Piketty notes, happened twice. First, in 1794 following unrest in Saint-Domingue and second, and definitively, in 1848. He largely skips over the initial proclamation stating that the formal abolition “was in reality imposed by the revolts” (2020, p. 217). This, however, is to underplay the magnitude of the events leading up to abolition and its significance for its time. Perhaps a brief detour through CLR James’ (1989 [1938]) classic account of the events will clarify the issues. By the close of the eighteenth century, there were estimated to be over half a million enslaved African people living in Saint-Domingue together with a sizeable population of free and freed peoples of color. Conditions in Saint-Domingue were harsh and even before the revolution in the metropole there had been uprisings and unrest on the island. Within 2 years of the events in Paris, revolutionary unrest reemerged in the colony and continued until the state of Haiti was eventually established 12 years later.

James (1989 [1938]) sets out how, during the period of tumult, in January 1794, three deputies from Saint-Domingue arrived in Paris to participate in the Constituent Assembly – Bellay, a formerly enslaved person, who had bought his own liberty through labor in his own time, Mills, who was of mixed ancestry, and Dufay, a white man. Their entrance, he states, aroused much excitement from the other assembled deputies as indicative of the last gasp of the “aristocracy of the skin” and the move toward the consecration of full equality. As such, they were welcomed as representing the free citizens of Saint-Domingue. Bellay addressed the Assembly, “pledging the blacks to the cause of the revolution and asking the Convention to declare slavery abolished” (1989 [1938], p. 140). This was followed by a motion by Levasseur (of Sarthe): “When drawing up the constitution of the French people we paid no attention to the unhappy Negroes. Posterity will bear us a great reproach for that. Let us repair the wrong – let us proclaim the liberty of the Negroes. Mr. President, do not suffer the Convention to dishonor itself by a discussion” (1989 [1938], p. 140).

The Assembly, James notes, rose in acclamation and Lacroix proposed the draft of the decree which was to be dispatched immediately to the colonies with the following text: “The National Convention declares slavery abolished in all the colonies. In consequence it declares that all men, without distinction of colour, domiciled in the colonies, are French citizens, and enjoying all the rights assured under the Constitution” (1989 [1938], p. 141). Bellay’s speech, according to James, “introduced one of the most important legislative acts ever passed by any political assembly” (1989 [1938], p. 140) and yet no historian of the “age of revolutions” or of modernity mentions that the most radical political statement of the French Revolution—that is, *the one with the greatest universal potential*—came from the imperial hinterland. Indeed, the first expression had actually come a year earlier in Saint-Domingue when the French commissioner, Sonthonax, had declared the abolition of slavery in recognition of the de facto conditions he found there. Further, there is no discussion of the fact that when Napoleon sought to reimpose slavery in the colonies, he was now *enslaving French citizens*.

This episode, and the many other such debates that took place over the protracted relationship between race and citizenship, point to the fact that ideologies justifying inequality are much more complex than is usually acknowledged. It also undercuts the idea that people in a different time had different morals and values. What the episode of the Constituent Assembly demonstrates is that people at that time were willing to listen to arguments denying the legitimacy of slavery and colonialism and to be persuaded by them. That proprietary mercenary interests ultimately won out does not undercut the fact that these values were contested at the time and a different outcome had not only been possible, but also had actually been enacted, albeit temporarily. As such, what is necessary now is to account for how and why the proprietary arguments won out and what this tells us about the cultures that preferred to make their money through colonialism and slavery rather than through honest industry. This is especially so given that, after the abolition of African slavery in 1848, Indian labor was shipped to French plantations in Reunion and Mauritius and, as Piketty notes, coerced to work within systems of “exploitation and injustice not identical to slavery but not far removed from it either” (2020, p. 223). Beyond this comment, however, there is no further discussion by Piketty on the use of indentured labor within European colonial plantations or how they contributed to the wealth of Europe and the poverty of the places from which human beings were taken.

4 | BRITAIN AND INDIA, OR, THE BRITISH EMPIRE

While claiming to address the historical context of contemporary economic inequalities, Piketty's address of the historical processes of colonialism focuses primarily on the ways in which colonization had an impact on the development of social inequalities. For example, in his discussion of India as a colonial society, as mentioned above, Piketty's primary concern is the caste system, which, he suggests, "is generally regarded as a particularly rigid and extreme type of inequality regime" (2020, p. 304). The consequence of British colonization is that the evolution of the premodern trifunctional society in India was profoundly altered with the British deciding "to establish a rigid administrative codification of local social identities" (2020, p. 352). It is this identarian inequality that Piketty sees as the most significant inequality bequeathed by colonialism and it is this that he addresses at length in the book. This is despite him acknowledging that there exists "an abundance of evidence [that] shows that colonies were organised primarily for the benefit of the colonisers and the metropole" (2020, p. 271). Within the ownership societies of Britain and France, "one-fifth to one-quarter of what people owned at the time was held abroad. ... The interest, dividends, profits, rents, and royalties earned in the rest of the world thus substantially boosted the standard of living in the two colonial powers" (2020, p. 279–280). This relationship, however, is not investigated in terms of its significance in producing both subsequent within-country inequalities and inequalities between countries. It is rather naturalized and not accounted for even as it is identified.

There is no discussion, for example, of issues such as "colonial drain," that is, the money that colonizing powers took from the colonized country to the benefit of the colonizer country. In the context of India, scholars from Dadabhai Naoroji (1901) and Lala Lajpat Rai (1917) in the early twentieth century to Utsa Patnaik (2017) among others in the early twenty-first century have detailed and discussed this issue at length. While the extent of colonial drain from India is contested, it is largely accepted that there was a significant transfer of resources through tribute, taxation, and remittances from India to Britain over the period of colonial rule. In summary, Utsa Patnaik (2017), drawing on two centuries of data on tax and trade, calculated that Britain drained a total of around \$45 trillion from India during the period from the battle of Plassey (1757) to the outbreak of World War II. While Piketty acknowledges that two centuries of colonial rule "disrupted the previous developmental logic" of India (2020, p. 352), however, nowhere is there any mention of what colonization—and specifically, the wealth extracted from colonial processes—did to the developmental logic of Britain. That is, there is no discussion about how India's relative poverty today is intimately connected to—and, more strongly, consequent of—the very same colonial processes that made Britain wealthy.

Piketty misidentifies the extent of the British empire by locating it in monarchical processes "from the nineteenth until the middle of the twentieth century" (2020, p. 163), without looking at the ways in which Royal charters were used to establish imperial ventures from the seventeenth century onward. The initial processes of colonization in the New World, for example, were undertaken by private companies that were given charters to explore, to seek profits, and to obtain lands while also making claims for jurisdiction and sovereignty in the name of the monarch. Instead of accounting for the actual wealth produced through colonialism, Piketty turns to fiction to state that "the wealth of Austen's gentry was quite diversified, including both foreign assets and the gilt-edged bonds that the British government issued in large numbers to finance its colonial and continental military expeditions" (2020, p. 169). He goes on to say that the wealth of Britain, in terms of the income yield from property, was understood simply in terms of its "universal monetary equivalent" and it did not matter if this money came from "land or financial assets, factories or colonial plantations, real estate or slaves" (2020, p.171).

As such, Piketty acknowledges, even if only in terms of the wealth of the gentry that populate the novels of Austen, that Britain's wealth was not only generated from activities endogenous to the country, but also came from its empire and imperial holdings. However, as with France, Britain is regarded as a proprietarian society and not a colonial society. India is presented as a colonial society, but its inequalities are only discussed in terms of social categories of caste and not the economic issues associated with colonial drain. Perhaps most significantly, Piketty makes no mention of the tax extracted from the population in India which went directly to Britain and

contributed to the financial health of that country at the expense of contributing to the development of India. It seems odd to write on inequality (and future tax arrangements to secure egalitarian ends) and not mention once that over half the money at the disposal of the British government at the end of the nineteenth century came from the taxes and tribute of the populations within the empire and beyond the national state (Temple, 1884).

5 | CONCLUSION

“Is Western economic prosperity due entirely to the military domination and colonial power that European states exercised over the rest of the world in the eighteenth and nineteenth centuries?” (2020, p. 371). While Piketty suggests that there is no simple answer to such a question, he does seem to indicate that without “the ‘discovery’ of America, the triangular trade with Africa, and commerce with Asia” it would have been difficult to imagine “an autarkic Europe” achieving “a similar level of industrial prosperity” (2020, p. 373). In the following paragraph, he goes on to say: “But those relations did not have to be as they were; they might have been organised in countless other ways, allowing for fair trade, free migration of labour, and decent wages, had the political and ideological balance of power been other than it was” (2020, p. 374). So, rather than accounting for the histories that have produced global regimes of inequality, Piketty sidesteps the issues emanating from those histories by simply stating that things did not need to have been the way they turned out to be and could have been otherwise.

The key issue at stake in this article is the extent to which Piketty's failure to acknowledge the common frame of empire as the condition from which nations subsequently emerged distorts his analysis of inequality on a global scale. By only comparing nations in the present and assessing the inequalities between them as consequent of their internal inequality regimes is to misunderstand the processes that have generated inequality globally. As such, it could be argued, as Geoff Mann does in his review of the book, that Piketty's analysis “is really a study of the way different societies *experience* inequality” (2020, p. 26, emphasis added). Rather than an examination of the ways in which inequality has been produced through historically entangled colonial processes. Moreover, it is one where the experiences of such inequality, of those who are not European or North American, are largely ignored.

European empires—such as those of Britain and France, or Germany—did not only have access to colonial “treasure,” but also to populations to mobilize in their wars. Competition among them gave rise to wars which were rendered “world wars” precisely because of the status of the respective powers as empires. Casualties and deaths among the colonized fighting on behalf of the metropole often exceeded those among the domestic population, especially in World War II. These wars were justified locally in “nationalistic terms” binding populations to the imperial project of the nation, as part of the legitimation of their social and political structures. Indeed, the “solidarities” of war were also associated with social settlements for domestic populations in relation to their sacrifice. It is these “solidarities” that contemporary commentators suggest have been undermined by immigration—the movement of former citizens of empire to Europe—to the extent that “meritocracy” itself has been challenged because of its extension to non-white others.

A historical and transnational project examining the processes through which contemporary forms of inequality have come to configure the world is vital and necessary. It would require a more adequate understanding of the “connected histories” (Subrahmanyam, 1997) that have produced these inequalities as a consequence of processes of colonization and slavery. It would also require us to understand that the current dominance of the political form of the nation cannot simply be read back historically. Further, that longitudinal accounts of within-country inequality would need to recognize the changing nature of the polity and work out how to address this issue. It makes no sense to compare the economies of Britain and India over the long durée when for the two centuries prior to 1947 the wealth of India was siphoned off to the benefit of the British economy. What was true of Britain was also true of other European colonial powers. Not accounting for the historical processes and legacies of colonialism in the construction of inequalities both within and across countries is a fatal flaw in Piketty's analysis and undercuts the possibility of constructing a politics that could address the problems of our time. What is needed,

instead, is a reconstructive postcolonial sociology that acknowledges the connected histories that have produced the present and seeks to address those inequalities through a commitment to global redistributive justice.

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Brahmin Left versus Merchant Right? Education, class, multiparty competition, and redistribution in Western Europe

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Abstract

In this article, we revisit the main claims of Part Four of Thomas Piketty's *Capital and Ideology* and especially the changing support coalitions for parties of the left. Piketty's core argument in this part of the book is that the left now represents the highly educated and that, as a result, the redistributive preferences of the working class do not find representation in today's party systems. We address these claims building on existing political science research that has investigated the transformation of politics in advanced capitalist societies. We argue, first, that the educational divide cannot be adequately analyzed by looking at a left and a right bloc, but crucially needs to pay attention to the rise of green/left-libertarian and radical right parties. Second, we contend that the new middle classes that support parties of the left are largely in favor of economic redistribution. Analyzing data from the European Social Survey in 11 West European countries from 2002 to 2018, we show that the effect of education on voting left or right is indeed largely driven by green/left-libertarian and radical right parties, while there is little empirical evidence that social democratic parties represent the educational elite. We also find that redistributive preferences remain at the heart of voting behavior and that, especially for educated voters, these preferences determine whether someone votes for a party of the left rather than the right.

1 | INTRODUCTION

Part four of Thomas Piketty's *Capital and Ideology* (CaI) (Piketty, 2020), on "Rethinking the Dimensions of Political Conflict," looks at the transformation of electoral politics in advanced democracies since the 1960s (focusing mainly on France, the United Kingdom, and the United States). The main claim in this part of the book is that the dominant class-based structure of political contestation has radically transformed. In the middle of the 20th century, the working classes overwhelmingly supported parties on the left: the Democrats in the United States, the Labour Party in the United Kingdom, the Socialists and Communists in France, and socialist, labor, social democratic, or communist parties in other advanced industrial societies. By the early 21st century, in contrast, these leftwing parties now mainly represent higher educated groups, and in some places even voters with higher incomes and greater wealth. The main driving force for this transformation, Piketty contends, has been the transformation of political conflict, from a class-based conflict about redistribution, to an education-based conflict about borders (which others might call "identity"). The result, as Piketty provocatively attests, is that modern electoral politics in many democracies is now a battle between a "Brahmin Left" and a "Merchant Right," with neither political force representing nor appealing to the economic interests of lower income group; and, as a corollary, mainstream left parties are no longer committed to the redistribution of wealth.

As political scientists of electoral politics we recognize many aspects of Piketty's argument in this part of the book. Indeed, since the 1960s, political scientists have attempted to identify and explain these electoral transformations, and Piketty acknowledges his connection to the work of Kitschelt (1994) and others. However, our understanding of the established scholarship in political science on parties and elections leads us to challenge several elements of Piketty's argument. First, by focussing on "the Left" versus "the Right" as two coherent political blocs, Piketty misses another dimension of the transformation of politics in most democracies across the world: the growing fragmentation of party systems. This is directly relevant to Piketty's argument about the new education divide, as higher educated voters tend to support new green/left-libertarian parties while lower educated voters tend to support new populist/radical right parties. As a result, education may divide the left and right as single blocs, but is not the main dividing line between the mainstream left and mainstream right. Second, and related to this, the changing relationship between education and left-right voting does not necessarily mean that the groups who vote for the left are not in favor of redistribution of income or wealth, which Piketty implies in his argument about a "divorce" between the working class and the left. Indeed, in purely numerical terms, with the decline of manufacturing since the 1970s, the traditional working class now makes up only a small proportion of the electorate (15%–20%) in most democracies. Hence, to remain competitive, center-left parties have reached out to other classes and groups, such as the new middle classes (in the public sector as well as sociocultural professionals), the new precariat, younger voters, and also to women and ethnic minorities. Most of the people in these groups support the redistribution of wealth and power in society. So, the fact that the center-left no longer mainly represents the traditional working class, does not mean that there is not broad support in society for income or wealth redistribution, or that these groups could not potentially be mobilized by a new "redistributive political coalition."

Our different understanding of the recent history of electoral behavior, and particularly the changing structure of electoral support for parties on the left, leads to a different set of normative inferences. Piketty infers from his results that left-wing parties have abandoned support for redistribution and reducing economic inequality because they no longer represent working class and lower educated voters. In contrast, our results suggest that mainstream left parties still mainly secure the support of these voters, while other parties on the left—especially green/left-liberal parties—appeal to the growing group of highly educated, and particularly younger, voters. Furthermore, the deep underlying structural changes that most Western societies have experienced over the past 40 years—the decline of manufacturing, the mass expansion of higher education, the emancipation of women and sexual minorities, mass global migration, climate change, and so on—means that the "second dimension" of modern politics is not going to disappear any time soon. As a result, any broad center-left coalition, that could unite the

(old) mainstream left and the (new) green/left-libertarian parties, needs to combine commitments to economic redistribution as well as commitments to environmental protection, gender and race equity, and individual social and personal emancipation.

To illustrate these points we organize the paper as follows. In the next section we summarize some of the key evidence and explanations in recent political science research on electoral politics that we feel are relevant for Piketty's arguments. We then illustrate some of the main points by undertaking an empirical analysis of voting patterns in 11 Western European countries, using data from the European Social Surveys from 2002 to 2018. We look at three types of relationships in the data: (1) between educational level and party support, (2) between social class and party support, and (3) between education/class/party support and attitudes toward redistribution. The final section contains a short conclusion.

2 | THE POLITICAL SCIENCE OF ELECTORAL POLITICS SINCE THE 1960S

The changing support coalitions of parties of the left lie at the core of Piketty's argument. His interpretation of electoral politics in advanced democracies is consistent with some key elements of how political scientists understand electoral behavior and the transformation of party systems since the 1960s. For example, like Piketty, a standard understanding in political science is that there has been a transformation of the political "space" of electoral politics from a one-dimensional space, based on an economic left-right dimension, to a two-dimensional space, where a sociocultural libertarian-authoritarian dimension now exists orthogonally to an economic socialist-capitalist dimension (Kitschelt, 1994). Also, within this new two-dimensional space, many possible new political positions can exist in particular national and electoral contexts: such as the four positions Piketty (pp. 788–794) identifies in the 2017 French Presidential election (egalitarian-internationalist, inegalitarian-internationalist, inegalitarian-nativist, and egalitarian-nativist), or the three "poles" that Oesch and Rennwald (2018a) describe (liberal-left, liberal-right, and traditionalist radical-right). Piketty also sees contemporary party competition as a battle between two groups of elites. While Piketty's labels for these elites—"Brahmin Left" and "Merchant Right"—are new and powerful descriptions, the conception of democracy as a battle between rival groups of elites has a long history in political science, from Michels (1911), to Schumpeter (1950), Downs (1957), Schattschneider (1960), Katz and Mair (1995), and many others in between and since.

That said, we see several key differences between Piketty's story and a "standard" political science understanding of the transformation of electoral politics over the past few decades. This understanding starts by recognizing the profound socioeconomic transformations of post-industrial societies that have affected the socio-structural foundations of party competition since at least the 1970s. Against the backdrop of these transformations, the political science literature makes three core arguments that run counter to some of Piketty's assumptions and conclusions. First, party competition in post-industrial societies should not be understood as between left and right, as coherent blocs, but necessarily needs to additionally take into account the different developments of the new-left (green and left-libertarian parties) and new-right (populist radical right parties) (e.g., Kriesi et al., 2008). Second, a simple hierarchical understanding of class groups (bottom vs. elites) does not explain the underlying shifts of parties' socioeconomic support bases. Horizontal differentiation is key here, such as new versus old middle class, public versus private sector, and growing fragmentation of experiences and interests among the working class (Oesch, 2006). Third, while educated middle class voters may now constitute the main support group for parties of the left, it is misleading to see the redistributive and social policy preferences of this group as simply favoring less redistribution (Abou-Chadi & Wagner, 2019; Gingrich & Häusermann, 2015). In contrast, the new middle class is a strong supporter of the welfare state (Häusermann & Kriesi, 2015).

If we want to understand the changing support coalitions of political parties in advanced capitalist societies, we need to take into account how socioeconomic transformations and political legacies shape the demand side of

political competition. Piketty's focus on ideology should be applauded because it avoids a functionalist or socio-structural determinism in explaining political outcomes. However, analyzing parties' (and indeed voters') policy preferences purely through a lens of ideology, as based on class interest, runs the risk of behavioral reductionism. In line with Beramendi et al. (2015), we take a perspective of constrained partisanship that does not fully endogenize political preferences (or ideology) but regards them as at least partially determined by social and economic developments beyond political choice. This is indeed a core assumption of a long tradition of political sociology literature, such as Lipset (1960) and Lipset and Rokkan (1967).

Advanced capitalist societies have undergone tremendous socioeconomic changes, such as increases in automation and digitization, more global integration of capital and labor, demographic changes (e.g., female emancipation), expansion of education, and an overall transformation to what has been labeled the knowledge economy (Beramendi et al., 2015). These transformations have led to profound changes in the socio-structural make-up of electorates in post-industrial societies. The old working class, largely employed in the production sector, has dramatically decreased in size, while new middle class groups (such as sociocultural professionals) have in turn increased (Oesch, 2006). Combined with a politicization of issues beyond economic redistribution concerned with the basic principles of how societies are organized (e.g., gender equality, LGBTI rights, and immigration), these changes have led to a transformation of the demand side of the political space, that is what people want from politics (Kitschelt, 1994). Mainstream parties have often struggled to integrate these new preferences and movements and we have thus seen the rise of new political forces, most notably green/left-libertarian and radical right parties.

If we want to evaluate the ideological positions of political parties as well as the socio-structural make-up of their support coalition, it is crucial to take these transformed context conditions into account. If we observe that the left or right has changed in this regard, we need to take into account that both of these blocs now include fundamentally different party families,—greens on the left and radical right on the right—whose support bases do not simply consist of former, or “traditional,” mainstream left and right voters, but who have mobilized other parts of the electorate and have incorporated new generations of voters, as well as citizens who did not participate in elections.

Within these changed socioeconomic structures, we also need to re-evaluate what redistributive politics means and which groups support which policies. Welfare politics faces different challenges and conflicts today, such as over labor market insiders and outsiders (Rueda, 2005), new social risks (Bonoli, 2005; Häusermann, 2010), or over social investment versus consumption (Beramendi et al., 2015). If we want to understand political parties' differing stances on social policy and indeed their electorates' preferences for redistribution, we need to incorporate these structural conditions and should not reduce our evaluation to questions of ideology (and particularly ideology as it relates to income or wealth redistribution). Most importantly, we should not infer the social policy preferences of changing electorates today based on assumptions about class-based preferences in the industrial age.

In sum, the political science perspective challenges Piketty's line of argumentation in the following ways:

1. Political competition and representation in advanced capitalist societies cannot be reduced to a simple notion of a left bloc versus a right bloc. This means that in order to understand the transformations of support coalitions it is not enough to focus on the mainstream left and right. This also provides a challenge to Piketty's methodology that largely relies on explaining vote choice based on a dichotomous measure of left and right support. By not identifying pluralism within these two blocs, potential between-bloc effects identified by Piketty (e.g., relating to education) might in fact be driven by changing patterns of support within blocs, namely growing support for green/left-libertarian and radical right parties, rather than any significant changes in patterns of support for mainstream center-left and center-right parties. More specifically, Piketty strongly relates the growing support for the left (relative to the right) among higher educated groups to changes in socialist and social democratic parties, whereas we expect that this empirical regularity is mainly driven by higher educated groups increasingly supporting green/left-libertarian

parties and lower educated groups increasingly supporting radical right parties, rather than any major changes in the educational basis of support for the mainstream center-left relative to the mainstream center-right.

2. A large amount of research on social policy preferences in post-industrial societies documents that we cannot infer preferences for redistribution from class positions in a way that equates lower classes with demand for more redistribution and middle classes with demand for less redistribution. This is especially true for the new middle classes, such as sociocultural professionals, as well as public sector employees, who very much favor redistribution. As a consequence, we cannot draw the conclusion that higher support from educated middle class voters means that parties of the left are no longer a key part of an electoral and political coalition that favors redistribution and tries to reduce economic and other inequalities in society.

In our empirical analysis we investigate these two arguments. We first analyze how education and class affect party support in the new multiparty contexts of advanced capitalist societies. We show that taking into account growing pluralism within the left and right gives a profoundly different picture of the socio-structural base of mainstream left support than the key claims in *Capital and Ideology*. In addition, we demonstrate that attitudes toward redistribution remain at the heart of the support coalition of the left.

3 | DATA AND METHOD

We empirically demonstrate these changing patterns of political behavior in post-industrial societies by looking at the nine waves of the European Social Survey (ESS) in 11 West European countries, from 2002 to 2018. The countries in the analysis are Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. So, these cases include two of the three cases Piketty focusses on (France and the United Kingdom), as well as most of the other countries in Western Europe that have had a long history of democracy and have traditionally had large socialist, social democratic, or labor parties.

The ESS has been widely used to understand voting behavior in Europe (Abou-Chadi & Wagner, 2019; Ivarsaten, 2007; Oesch & Rennwald, 2018b). Based on the question of which party a respondent voted for in the last election, we first create a choice variable of Left versus Right vote similar to the one used in *Capital and Ideology*. We code as parties of the left traditional social democratic and socialist parties, such as the French PS and German SPD, but also new left and green parties. On the right, we have conservative and Christian democratic parties, such as the British Conservatives and Dutch CDA, some right-wing liberal parties, such as the Danish Venstre and Dutch VVD, and populist radical right parties, such as the French FN and Dutch PVV. However, for an additional set of analyses we use a dependent variable that categorizes vote choice into four party family groups: mainstream left, mainstream right, radical right, and green/left-libertarian. In this fourth category, we include green parties, such as the German, French, Swedish, Dutch, and Belgian greens, as well as liberal-left parties, such as the Dutch D'66 or the Danish Radikale Venstre. These latter parties usually broke from more traditional liberal parties, with greater commitments to gender and race equity, environmental protection, and social solidarity, and hence are politically close to green parties. We exclude traditional liberal parties, such as the German FDP or British Liberal Democrats, as well as new liberal/centrist parties, such as Macron's *La République En Marche!*, as these parties tend to combine liberal social policies with classical liberal economic policies. A full list of the parties we include in each of these categories is contained in the online Appendix.

To measure education, we use the ISCED categorization with seven categories: less than lower secondary, lower secondary, lower tier upper secondary, upper tier upper secondary, advanced vocational, lower tertiary, and higher tertiary. We are also interested in people's preferences for redistribution and use two different variables to capture these preferences. The first of these asks people if large differences in income are acceptable. The second asks if governments should reduce differences in income. In additional analyses we also use a class-scheme

explicitly developed for post-industrial societies based on occupational groups (Oesch, 2006) as well as a coding of public versus private sector employees that follows Benedetto et al. (2020).

Our models include a number of control variables: age, gender, income, and residence (urban vs. rural). We estimate logit and multinomial logit models with country fixed effects and standard errors clustered by country. We use the ESS's post-stratification weights. The full regression results tables are in the online Appendix.

4 | RESULTS

In Figure 1 we show the predicted probability of voting for either a left (1) or right (0) party based on a voter's education.¹ A core argument in Cal is that while lower educated voters were the core group of the left in the 1960s, the left now mainly represents the educational elite. Piketty links this transformation to an ideological shift of mainstream left parties that, especially after the 1990s, have become more centrist on economic policy questions, and hence appeal more to higher income and higher educated groups, and appeal less to lower income and lower educated groups.

Empirically, Piketty shows for France and the United Kingdom that there is now a positive education gradient for voting for the left (instead of the right). Figure 1 shows a similar, although already more nuanced, picture (the regression results are presented in Table A2 in the Appendix). While we find that people with higher tertiary education are generally more likely to vote for the left (taken as a single bloc) instead of the right, we do not necessarily see a linearly declining effect with less education. In particular, people with less than secondary education have a higher probability of supporting a left over a right party than several other groups with higher levels of education.

As outlined earlier, a common theme in modern scholarship of electoral politics in political science is that the binary distinction between left and right parties, as two distinct electoral blocs, does not adequately capture dynamics of party competition in post-industrial societies and is also insufficient to study transformations in recent decades, in particular with the growing fragmentation of many party systems (which Piketty himself acknowledges in his analysis of French voting patterns in recent elections). Hence, we next look at the predicted

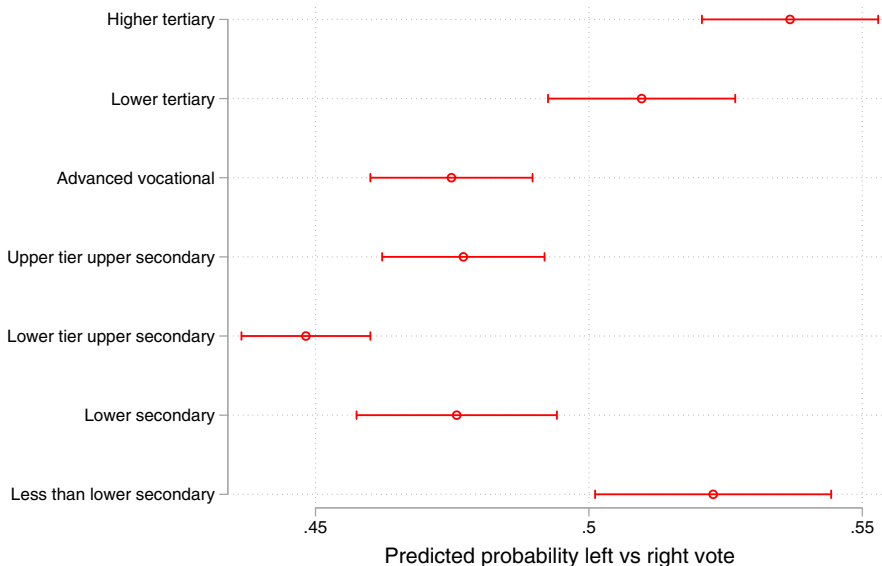


FIGURE 1 Predicted probability of voting for left versus right party based on education [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com)]

probability of voting for one of four party families conditional on a voter's education: mainstream left, mainstream right, radical right, and green/left-libertarian.

Figure 2 shows a much more differentiated picture of the relationship between education and vote choice (regression results in Table A3). Several points seem particularly noteworthy here. First, if we now focus on mainstream left and mainstream right parties, we see a picture that is completely reversed to the evidence presented by Piketty. With increasing levels of education, support for mainstream left parties *declines* and support for mainstream right parties *increases*. So, if we focus on mainstream parties, the relationship we find between education and support for the mainstream left and right is consistent with the pattern described by Piketty for the 1950s and 1960s. But, in contrast to Piketty's claims about recent transformations, we do not find much evidence that mainstream social democratic parties have become the party of the educational elite. In online Appendix A4 we document this relationship for four single countries: France, the United Kingdom, Germany, and the Netherlands. Although the two countries with majoritarian electoral systems (France and the United Kingdom) show generally higher levels of support for the mainstream left (and less for green and left-libertarian parties) among more educated voters, even in these cases we do not find evidence of the mainstream left being significantly stronger than the mainstream right among the most highly educated.

Second, though, if we look at the radical right and green/left-libertarians, we see that it is actually these parties who represent a potentially new cleavage based on education. With higher levels of education, the predicted probability to vote for a radical right party strongly decreases, yet strongly increases for green and left-libertarian parties. What this tells us is that the overall education effect for voting for a left or right party is largely driven by green and radical right parties and not by the mainstream left and right. This has several implications. If we want to study the sources of this educational divide, focusing on the ideological choices of the mainstream left (such as their Third Way policies) will only provide us with very limited explanatory leverage. In contrast, a stronger focus needs to be placed on green and radical right parties and their capacity to mobilize different and new socio-economic groups in the electorate. In this regard it is important to see that green and radical right voters are not simply former social democratic and mainstream right voters, respectively. Generational replacement has played a crucial role to understand the support for these new parties, particularly within the left, with green and left-libertarian parties appealing to younger more highly educated voters. On the right, there is also some generational

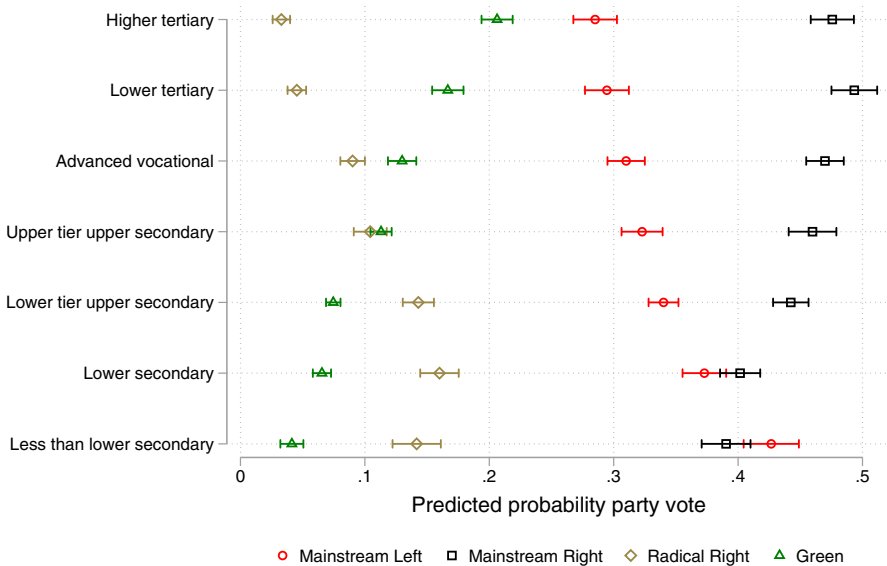


FIGURE 2 Predicted probability of voting for a party based on education [Colour figure can be viewed at wileyonlinelibrary.com]

replacement, with radical right parties appealing to new groups of younger voters but also especially mobilizing people who have been non-voters for a long time.

In sum, our analysis thus far shows that a core finding of *Capital and Ideology*, that educated voters are now more likely to support parties of the left, is driven more by support for green and radical right parties and has relatively little to do with a transformation of support for the mainstream left itself. In contrast, the socio-structural transformations of advanced capitalist societies have created new socioeconomic groups that are often more highly educated. These groups, however, in many cases have not found a home with social democratic parties but instead support green and left-libertarian parties. This pattern may be less clear in the United Kingdom and the United States, where single-member simple plurality (first-past-the-post) electoral systems make it difficult for a green/left-libertarian party to emerge as a major competitor to Labour or the Democrats, respectively. But, our results suggest that it is not possible to generalize the patterns Piketty observes in these two cases to other advanced democracies.

Furthermore, while new and old left parties thus rely on substantial support from educated voters, this should not necessarily lead us to the same conclusions about a changing support base of the welfare state as outlined in *Capital and Ideology*. First, these educated voters (and particularly younger voters, women and ethnic minorities) do not necessarily constitute the “elite.” Instead, in line with much political science work, we show that the new and old left support coalition among their educated voters predominantly relies on sociocultural professionals and public sector employees. Second, these voters do not oppose redistribution. In contrast, these groups form the core supporters of the welfare state in post-industrial societies.

Figure 3 (regression results Table A4) shows the predicted probability of voting for one of the party families based on the occupational class scheme proposed by Oesch (2006). The key idea behind this scheme is that occupation constitutes a main locus of preference formation in post-industrial societies (see also Kitschelt & Rehm, 2014). Importantly, this class scheme does not only take into account vertical differentiation but also horizontal differentiation based on, for example, distinctions of more inter-personal or technical professions.

The results in Figure 3 show several things that are noteworthy for our argument. First, social democratic parties receive their highest levels of support among three class groups: service workers, production workers, and sociocultural (semi-) professionals. Hence, it is not at all the case that the social democratic coalition is only dominated by an educated elite, unless one counts nurses, teachers, and social workers as such. Second, production workers still show the highest predicted probability of supporting social democratic parties. And while radical right support among this group is high compared to other social groups, describing the radical right as the “new workers party” seems highly exaggerated. Third, among class groups that should be counted as the elite (managers, self-employed professionals, and large employers), we find lower levels of support for parties of the left. In contrast, and in line with Oesch and Rennwald (2018b), these groups remain the strongholds of the mainstream right. In this sense, this result is consistent with Piketty’s “Merchant Right” claim, but, again, we find little evidence that the main bases of support for the left are “Brahmins.” Sociocultural professionals, such as lawyers, academics, journalists, and other professionals in the creative industries, might well be considered to be modern-day “Brahmins.” But, a substantial share of support for the left remains service sectors and production workers, who are certainly not part of the educational elite that the Brahmin moniker implies.

Another key socioeconomic distinction with political implications is the distinction between public and private sector employment. This might be an instrumental division, in that public sector workers are more likely to support center-left parties than private sector workers, because these parties promise to maintain or expand the public sector. However, this division might also be the result of self-selection effects, in that people who are more motivated by public service and/or are seeking more secure employment are more likely to be employed in the public sector; and these personal preferences then correlate with political preferences. Either way, public sector employees remain a core pillar of support for the left in most advanced post-industrial democracies. This is illustrated in Figure 4 (regression results Table A4), which shows the predicted probability of voting for a mainstream left party for all occupational class groups but split into public and private sector.² We find that for all class groups,

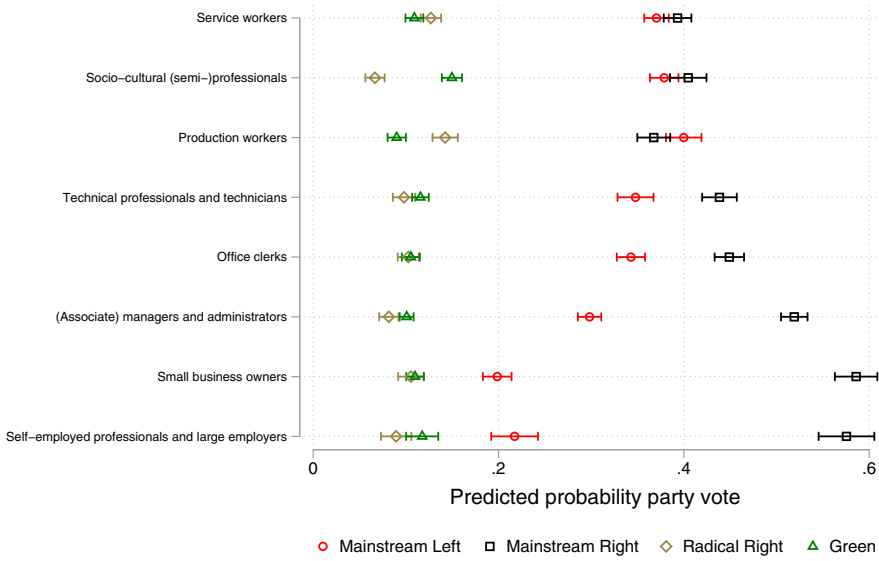


FIGURE 3 Predicted probability of voting for a party based on class [Colour figure can be viewed at wileyonlinelibrary.com]

support for mainstream left parties is higher among those employed in the public sector than those employed in the private sector. Indeed, among production workers in the public sector—such as builders and fitters for schools, hospitals, public housing, roads, and public transport—support for the mainstream left reaches nearly 50%. Again, our findings demonstrate that describing the mainstream left as a party of the elite profoundly mischaracterizes the socioeconomic composition of their electorate.

This is not to say that educated middle class voters have not become a more important part of the left support coalition. This is well-documented but needs to be seen against the background of a socio-structural change that

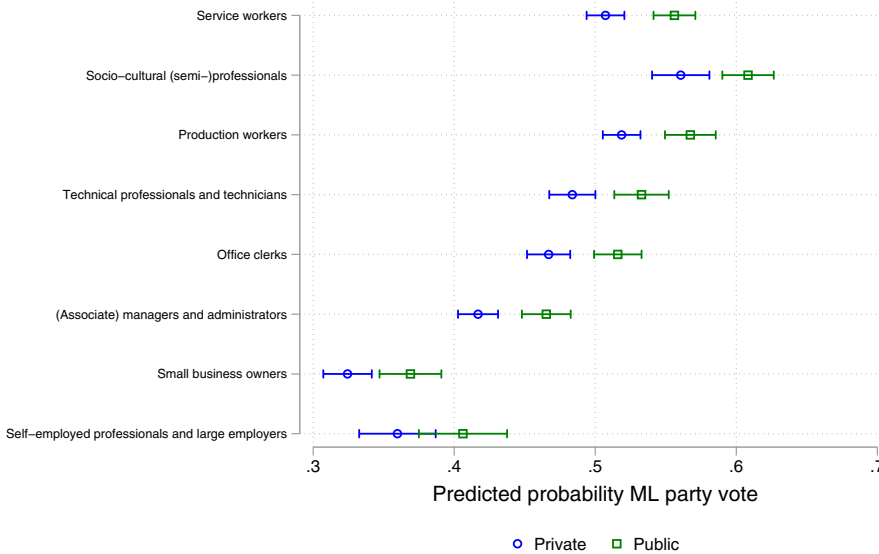


FIGURE 4 Predicted probability of voting for SD party based on class and public sector employment [Colour figure can be viewed at wileyonlinelibrary.com]

has seen a strong increase in educated voters (Gingrich & Häusermann, 2015). Crucially, however, the new educated middle class voters that support parties of the left should not be seen as less in favor of redistribution than the working class. We illustrate this in Figure 5, that shows agreement with the statement that “large differences in income are acceptable,” split by a respondent's level of education and the party they voted for in the previous election. Disagreeing with the statement clearly signals a strong preference for redistribution and state intervention to correct market outcomes. In the online Appendix, we show that the results do not change if we use the survey item “Governments should reduce differences in incomes” instead.

Several results from this analysis seem noteworthy to us. First, general levels of support for redistribution strongly vary between those favoring a left or a right bloc party, with those supporting the left showing much higher levels of support for redistribution. Second, support for redistribution varies with education. However, and crucially for considering Piketty's argument, the direction of this relationship is very different between left and right supporters. For people supporting a party on the right we see similar levels of support for redistribution among people with lower and higher levels of educated. Those with upper secondary education show the highest level of support for redistribution. Among left party supporters, in contrast, we find that those with higher levels of education actually show *more* support for redistribution than those with less education—with the exception of voters with lower upper secondary education. This again shows that it is precisely educated voters who support redistribution that are attracted to parties of the left in post-industrial societies.

Figure 5 also indicates another important element of the puzzle: that attitudes toward redistribution are a core determinant of choosing between a left and right party, particularly for higher educated voters. We formally test this expectation and run our original regression for left/right vote but include an interaction between redistributive preferences and education. Figure 6 (Table A5) shows the main results from this analysis: the average marginal effect of agreeing that large differences in income are acceptable on voting for the left conditional on education. Generally, we find a negative marginal effect, which indicates that people who do not find large differences in income acceptable (who support redistribution) are more supportive of the left. In addition—and here is the crux—this effect strongly increases with education: higher educated voters who are in favor of redistribution are more than 30% more likely to support a party of the left than a party of the right. In other words, for those “Brahmin” who decide to vote for the left, a key reason for doing so is that they support economic redistribution. This hence

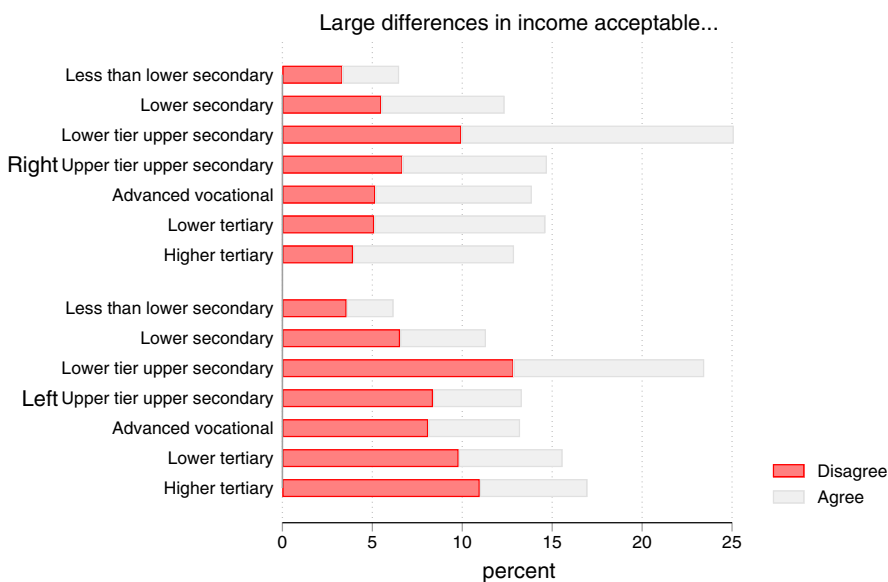


FIGURE 5 Redistributive preferences by education and party vote [Colour figure can be viewed at wileyonlinelibrary.com]

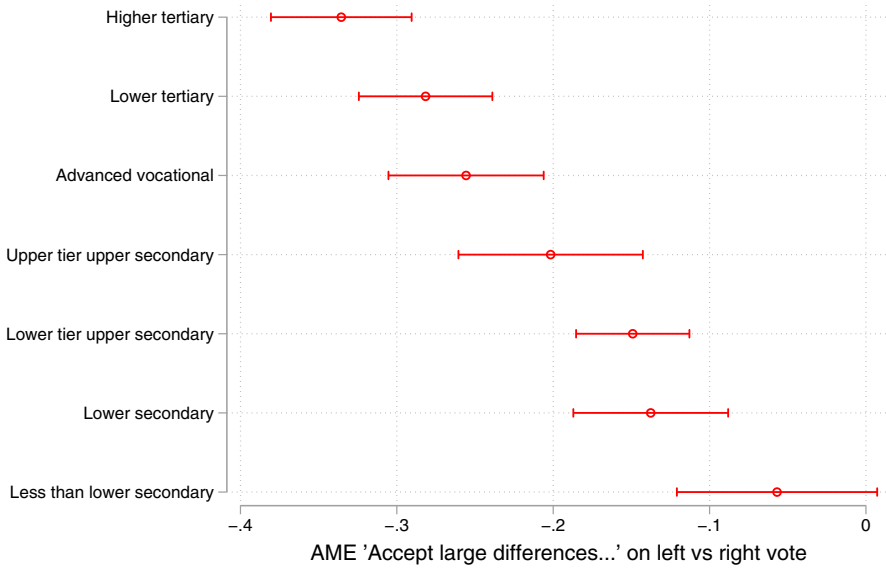


FIGURE 6 Average marginal effect of redistributive preference on left versus right vote by education [Colour figure can be viewed at wileyonlinelibrary.com]

turns Piketty's argument around: rather than assuming that the reason the left appeals to higher-educated voters is because center-left parties no longer support redistribution, our evidence suggests that those higher-educated voters who support the left do so *because* they support redistribution.

In sum, our analysis of electoral behavior in 11 Western European countries suggests that increasing support for the left by educated voters does not imply that parties of the left have stopped being the parties of those voters who are in favor of redistribution. In contrast, left parties attract those educated voters who also favor redistribution. In an electorate where education per se is generally a bad predictor of redistributive preferences, this clearly indicates that parties of the left remain the political vehicle for people who favor redistribution of income or wealth. In addition, attitudes toward redistribution remain a decisive factor in determining whether someone chooses to vote for a party on the left as opposed to the right.

5 | CONCLUSION

Overall, we applaud Thomas Piketty's effort to connect growing economic inequality to democratic politics, and share his belief that part of the explanation for growing wealth and income inequality must surely be found in electoral politics no longer being exclusively centered on a battle between “the haves” on the right and “the have nots” on the left—although most political scientists would point out that noneconomic issues have always played a role in democratic politics, and perhaps the “golden age” of redistributive politics, between the late 1940s and the early 1960s, is an exceptional period in an otherwise multidimensional structure of politics. Piketty seeks to explain the reason for the transformation of electoral politics away from redistributive conflicts by demonstrating that mainstream left parties increasingly represent higher-educated groups, and, in turn, that center-left parties have gained support among these groups by moderating their support for redistributive policies. This seems consistent with the observation that when center-left parties were in power in many advanced post-industrial societies in the late 1990s—led by politicians like Clinton, Blair, Schroeder, Jospin, Prodi, and Kok—economic inequality either continued to increase or did not decline significantly.

Yet, as political scientists of electoral politics, we are unconvinced by the implied causal mechanisms in this argument. The standard explanation in political science of the transformation of electoral politics—from a single economically determined left–right battle into a more complex multidimensional space—is that this is driven more by radical changes in society and the economy than by the behavior of party elites: the decline of manufacturing, the expansion of the public sector, the expansion of higher education, the emancipation of women, technological change, climate change, the emergence of *de facto* multiethnic and multireligious societies, and so on. In this sense, the emergence of voters' concerns on issues like environmental protection, women's rights, gay rights, and minorities' rights, are not driven by the behavior and policy positions of parties and party leaders, but by exogenous structural changes beyond the realm of electoral politics. Hence, if center-left parties choose to re-emphasize economic inequality at the expense of these other issues, they are likely to lose (or fail to gain) support among younger, urban, educated voters, as well as among women and racial and religious minorities—who are now significant pillars of the electorate on the center-left in many democracies.

In our empirical analysis of voting behavior in 11 Western European countries, we find some support for Piketty's claim that the most highly educated voters tend to support the left today rather than the right. Yet, in contrast to Piketty, our results suggest that this left/right pattern is mainly driven by changes within the left and right: with more highly educated voters supporting green/left-libertarian parties, and voters with lower levels of education increasingly supporting radical right parties. Meanwhile, as in the era before the dramatic expansion of higher education, voters with high levels of education are still more likely to support mainstream right parties than mainstream left parties. Related to this, we find evidence that new sociocultural professionals—such as lawyers, academics, journalists, and employees in the creative industries (who Piketty might characterize as modern “Brahmins”)—are more likely to support the left than the right. In addition, the other social groups who make up the electoral support base for the modern mainstream left—service workers, production workers, and public sector employees at all levels—can hardly be described as “Brahmin.”

We also find that at all levels of education, people who vote for parties on the left are more supportive of redistribution than people who vote for parties on the right. In addition, among the most highly educated people, support for redistribution is a stronger predictor of voting for the left than it is for people with any other level of education. This reverses Piketty's causal mechanism, in that we see more highly educated voters supporting the left because these voters support redistribution, as opposed to these types of voters supporting the left because left-wing parties no longer support redistribution. In a sense, given the profile and policy preferences of these voters, these new groups on the left are perhaps best characterized as “Brahmin green left,” as distinct from a more “traditional left,” which still represents a significant, although shrinking, proportion of the electorate.

These findings present a conundrum, though: if the left still represents many lower income groups, and if higher educated people who now vote for the left do so because they support redistribution, then why have we seen growing economic inequality, even when the left has been in power? An answer to this question must consider at least two factors.

First, as a result of the growing fragmentation of party systems across most democracies in the world, mainstream left parties have been unable to be dominant forces in democratic politics, or even hegemonic forces within a broader left or “progressive” bloc. Indeed, as Benedetto et al. (2020) show, across 31 democracies, support for the mainstream social democratic left fell to 15% of the total electorate across Europe in 2017. Together these factors suggest that in most advanced democracies, mainstream left parties are unlikely to be able to form a majority-winning pro-redistributive coalition by themselves, but will have to build alliances with other parties and groups, to enable this coalition to appeal to a more pluralist and complex set of social groups than they did in the 1950s and 1960s—except perhaps in the two-party system in the United States, where the Democrats are already a *de facto* social and political coalition.

Second, as a result of dramatic economic, social, and technological change, electoral politics is no longer dominated by battles over economic redistribution, but is also about other forms of emancipation, equality, and identity. This means that in order to build a coalition for redistribution, parties of the left will have to appeal to voters'

preferences on these issues as well (Abou-Chadi & Wagner, 2019). In contrast to much public debate, it cannot be the goal of the left to somehow reduce democratic competition to an economic dimension again. Instead, calls for more gender equality, to tackle climate change, to confront racism, and for more inclusive and open societies, need to be taken seriously—they are as much part of a social democratic ideal of the 21st century as economic redistribution. Only when the left incorporates these progressive values often decried as “identity politics” will it be able to form a coalition broad enough to create the institutional change that is necessary to sustainably reduce economic, social, and political inequality.

DATA AVAILABILITY STATEMENT

Replication material for this article can be found at Harvard Dataverse <https://doi.org/10.7910/DVN/4JYGMB>

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ENDNOTES

¹ In online Appendix A5 we show the results of a multinomial logit that also includes non-voting as a category of the dependent variable. Our findings remain largely unchanged.

² We additionally show the results of this relationship for the general left–right vote in the online Appendix.

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SUPPORTING INFORMATION

Additional Supporting Information may be found online in the Supporting Information section.

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Black lives matter, capital, and ideology: Spiraling out from India

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Abstract

Piketty's propositions for arresting inequality are discussed through the lens of racism/casteism. We focus on the case of India's George Floyds—the persistence of caste and tribe oppression under economic growth in India—through the insights of our long-term ethnographic research. We show that inequalities are intimately tied to dynamics of capitalist accumulation in which racial/ethnic/caste/tribe and gender difference is crucial. We argue for an analysis that truly integrates ideology and the dynamics of political economy. The wider implications, we argue are political; they lie in the question of what is to be done. Despite his ambitions to de-center economics, Piketty remains trapped in the logic of economics for what he proposes are essentially economic reforms within capitalism. Moreover, ideological change cannot be a matter of choice only, and cannot be challenged solely at the level of ideas around economic inequality. It will also have to be fought as a direct contest of oppressive ideologies such as racism, casteism, and patriarchy, leading to new counter-hegemonic positions. We will argue that this takes us from a global history of ideology to a global anthropology of praxis. A first step is to genuinely center conversations with disciplines like anthropology, sociology, and subaltern history studying people and voices from below and from the margins, and the perspectives of scholars and activists from below and from the margins.

KEYWORDS

capitalism, caste, ideology, India, inequality, praxis, race, tribe

1 | INTRODUCTION

In the summer of 2020, following the murder of the 46-year-old Black man George Floyd by a White police officer in Minneapolis Minnesota USA, millions of people across the world defied the COVID-19 lockdowns and social distancing rules, and joined hands to protest for Black Lives Matter, demanding that we can no longer ignore persistent racial injustice. Statues were toppled, curators forced to reexamine their exhibits and collections, university Vice-Chancellors and directors issued statements about their commitment to tackle racial inequality, and courses were scrutinized for decolonization. Everywhere symbolic gestures were made toward anti-racism. Whether this will transform to more deep seated meaningful structural changes remains in question and depends on the actions taken to push for it. For that, how we analyze and understand inequality are of utmost importance.

Thomas Piketty's new magisterial opus which centers the role of ideology in the perpetuation of inequality is an important step. If Piketty's (2014) *Capital in the 21st Century* was a detailed account of how income and wealth inequality in industrialized countries have increased over the last two hundred years, showing that inequality is generic to capitalism, *Capital and Ideology* is a global history attempting to explore how inequality is legitimized, made natural. Racism, he shows, is one part of that. To be clear, Piketty's concern is not racism per se, or other forms of social inequality—caste, religion etc. His overall focus is economic inequality and the more general ideology that justifies it. But analyzing Piketty's arguments through the lens of racism/casteism allows an assessment of the virtues of his propositions for arresting inequality more generally.

The bursting of Black Lives Matter to the fore has highlighted the persistence of racism as an ideology in the terms described by Piketty, "a set of a priori plausible ideas and discourses describing how society should be structured" (2020, p. 3), and the fight against it. Black Lives Matter has forced us to recognize that racism is not just a matter of individual experiences, or something that can be understood by a statistical mapping of race against other correlates that show racial disparities. Rather, racism remains rooted in deep seated notions of the "ideal of organization of society" in which all are not equal and some groups are considered inferior to others; ideas that continue to dominate around the world.

Piketty's recentering of ideology in the analysis of inequality—that is, the justifications that make society's inequalities seem reasonable or even natural to people—is a much-needed departure from and contribution to mainstream economics. Mainstream economics is central to legitimizing policies of institutions across the world such as the World Bank, the IMF, and state governments. For decades, ideology has been tarnished as a pejorative term, a means to cast aside anyone opposing free markets or questioning the current organization of the economy to make it more redistributive, or bring to bear a more Marxian analysis. Proposals to do things differently have been easily labeled as ideological in the negative sense. Silenced, "Oh, you're just being ideological." Or side lined, "They're just an ideologue." *Capital and Ideology* is thus a major intellectual and political contribution. Mainstream economics and its influential proponents will be forced to confront the fact that if we want to tackle inequality, things are not going to get better by themselves, economic growth will not fix inequality by itself. Piketty proposes that we must first "choose" a different ideology of how to organize society; it must be foremost a battle of ideas.

Capital and Ideology is thus a detailed examination of what Piketty calls "inequality regimes" across time and space, of the ideas those in power have used to justify their rule, and of the injustice this has entailed. We pass through slavery in Mesopotamia, in United Kingdom and French colonies, feudalism in France, colonialism in India and Africa, contemporary United States, South Africa and Brazil and much else, drawing on scholarship from history, sociology, and political science. Toward the end of this grand journey, Piketty reformulates Marx and Engels to conclude that "The history of all hitherto existing societies is the history of the struggle of ideologies and the quest for justice" (Piketty, 2020, p. 1,035). The point of this wide-ranging journey across continents and through

history for Piketty is that understanding ideologies that have sustained inequalities in the past are crucial to understanding inequality today and how to overcome it.

Piketty's breath-taking tour and refreshing position is thus a direct attack on the primacy of the discipline of economics, on what he calls the "autonomisation" of economics (2020, 1,040) that has cut itself free of other social sciences, and has established itself as somehow being of more importance than other social sciences. This leading position of the discipline rests on the argument that economic development is central to society, the "material basis" on which everything else rests, and on its claim to be the sole discipline with a "scientific" method that enables it to analyze, model, predict, and provide policy advice on economic development. However, if it is the ideological choice of what we want society to be that has primacy, then, that not only reduces the influence of economic methods and modeling on other disciplines which it has increasingly come to dominate such as political science, but it also reduces economics to one among several important social science traditions. Indeed, in his 2014 book, Piketty says, "I do not consider any other place for economics than as a sub-discipline of the social science" (Piketty, 2014, p. 585). In the new book, he specifies further that it is only by "combining economic, historical, sociological, cultural and political approaches that progress in our understanding of socioeconomic phenomena becomes possible" (Piketty, 2020, p. 1,040). Arguably, economics becomes even less central than those disciplines that engage directly with the phenomenon of ideology, and hence, can better analyze and be part of what, according to Piketty, really matters.

For all its importance, we will suggest that Piketty's analysis should be deepened in relation to how he conceives of ideology, the dynamics through which it operates and the challenges this poses to how we think about and act against inequalities. Focusing on the contemporary persistence of caste and tribe oppression in India, we will show that inequalities are not only a matter of ideological "choice," but are also intimately tied to systems of wider capitalist accumulation, in which the persistence of racial/ethnic/caste/tribe and gender difference is crucial. We draw on our long-term ethnographic research, and that by a team of anthropologists that we led in India, which was developed through a conversation with economists. The focus is on the persistence of the "India's George Floyds"—oppressed low caste and tribal communities at the bottom of India's social and economic hierarchy¹—and what they teach us about inequality, its perpetuation and the fight against it. We will argue for a need to return to an analysis of inequality in which ideology and the dynamics of political economy are truly integrated. This, we will show, can only take place if a genuinely interdisciplinary conversation can reemerge between economics and other social science disciplines such as anthropology, sociology, critical geography, and subaltern history.

Crucially, the wider implications, we will argue, are political; they lie in the question of what is to be done. For Piketty, the aim is to "transcend today's capitalist system" and develop what he calls "a new participatory socialism" with "a new egalitarian perspective based on social ownership, education and shared knowledge and power" (2020, p. 967). The primary solutions lie in making a better "choice" of different available options as for him the "realm of ideas...is truly autonomous" and "many paths are possible" (2020, p. 7). What he in fact suggests are peaceful economic policy and democracy reforms. At the center of these are a global participatory democratic system that can sustain a system of progressive taxation of income, wealth, and carbon, the proceeds of which will be parceled out to every citizen in the form of a universal capital endowment, basic income, and educational investment, a reordering of the global economy for a transnational democratic system aimed at achieving social, fiscal, and environmental justice. Though he acknowledges that the die is weighted, that the "choice" is "historically conditioned by the political and ideological balance of power among contending groups" (2020, p. 391), throughout the book the emphasis is on this being a "choice," and the importance of the battle of ideology. But how can such a "choice" be made to happen if the existing balance of power is stacked against it? Can an egalitarian and democratic-participatory ideology win the day? For all his focus on ideology in how to bring about social change, there is no exploration of the rich legacy of those before him who have sought to center the relationship between ideology and economy in order to challenge inequality and/or capitalism per se, and who show the dynamics of why ideological change cannot be a matter simply of choice; it will have to be fought for. Drawing on this legacy of

Antonio Gramsci, Stuart Hall, Frantz Fanon, and Glen Coulthard, recenting scholarship and activists from below and from the margins, our analysis suggests that effective ideological contestation involves a good deal more, and that we need far more radical change.

1.1 | *Adivasis* and *Dalits* as India's George Floyds

"The rest of the world has much to learn from India's experience," Piketty (2020:305) says. India, for Piketty, is of particular importance not only because it is the world's largest democracy and second most populous nation, but also especially because of its caste system, which "plays a central role in the history of inequality regimes," and is therefore essential to understand (2020, p. 304). Piketty is surely right that we need to understand caste and its transformations to understand inequality and how to overcome it.

However, most peculiarly Piketty's discussion of caste is devoid of any consideration of ideology (or capital for that matter). This is a shame, for exploring the persistence of caste for understanding the relationship between ideology and political economy would have been instructive for Piketty's overall project of transforming inequality.² Here, we will draw on our recent anthropological research among those at the bottom of India's social-economic hierarchy Dalits (ex-untouchable communities, labeled "Scheduled Caste" [SC] by the Indian government) and Adivasis (indigenous or tribal communities, labeled "Scheduled Tribe" [ST] by the Indian government) to explore the persistence of oppression, discrimination, and exploitation based on caste and tribe in India in order to reflect on the relationship between ideology and political economy. But before we do so, it is important to highlight the virtues and gaps in Piketty's analysis of India.

Piketty's, "The Case of India" is a long, detailed exposition of how, from a society of constant flux, colonialism, in particular through the census in the late 19th century, "gave the caste hierarchy an administrative existence which made the system more rigid and resistant to change" (2020, p. 304) in order to "better dominate it" (2020, p. 318). In essence Piketty, drawing on important work in Indian history—overwhelmingly Nick Dirks (1987) and Susan Bayly (1999)—argues "the European colonisers liked to depict the Indian caste system as frozen in time and totally alien because this allowed them to justify their civilizing mission and entrench their power" (Piketty, 2020, p. 319). This is well-trodden ground in Indian scholarship on which there is much research and nuance (see Cohn, 1987, 1996). That said, historians of early colonial and precolonial India are clear that oppression and exploitation along caste lines was very real back then too (see e.g., Kumar (1965) and Habib (1995)). Moreover, Piketty forgets to highlight that this project of colonialism was domination not just for the sake of it, governing not just for better government, but also for the imperial extraction of resources (e.g., timber and minerals), agricultural produce and capital accumulation from labor in industry (e.g., grain, cotton, jute, and tea) and revenue (from land). Crucially, the rigidification of caste hierarchy as ideology was intimately tied to the politico-economic project of British imperial capitalism.

Of course, the important question now, as Piketty argues, is to determine the best way to overcome this very oppressive inegalitarian heritage (2020, p. 352). Piketty points to the significance of India's quota policy, fought for by the Dalit leader Ambedkar, in a political struggle that led to it being put in place in independent India by the Constitution, to correct the discrimination of the past. The result, as Piketty points out, was the most systematic affirmative action policies attempted anywhere in the world (2020, p. 347). Among the changes were the outlawing of untouchability, the banning of all restrictions on access to temples and other public places, quotas put in place to advance the economic and educational interests of India's SCs and STs, and seats reserved for SCs and STs in all legislative elections in proportion to the share of their population. Piketty, though relying only on income data, suggests that these policies have significantly reduced inequalities between the old disadvantaged castes and the rest of the population—more so than inequalities were reduced between Blacks and Whites in the U.S. in the same period from the 1950s or South Africa since end of apartheid (2020, pp. 352–356).

Yet, he is also right to argue that “reservations” are not enough, that they could only benefit a small minority of individuals, and that they have led to the instrumentalization of caste identities in Indian politics. He carefully illustrates the latter point by charting the rise of a system since the 1990s in which since the Hindu nationalist anti-Muslim Bharatiya Janata Party (BJP) received a disproportionate share of the upper-caste vote, while Congress (which dominated Indian democracy until the 1990s) and the left and lower-caste parties got the lower-caste and the Muslim vote. He explores how under Prime Minister Narendra Modi, the BJP changed its strategy from the 2000s to win over the lower-caste vote, successfully splitting off some parts of the lower-caste Hindu vote.³ This he sees as an attempt to move India down the same road as Europe and the United States where neoliberal elites have, since the 1970s–80s, succeeded in creating a worse inequality regime than that which existed previously, which wins over the White working class, pitching them against Black and Muslim minorities and “reinforcing identitarian cleavages.” Somewhat surprisingly, in spite of this, he also argues that in India those caste, tribe, and religiously defined groups that are worst off still succeed in building coalitions for policies along the lines of economic class. According to him they have avoided the identitarian cleavages of the working class groups in Europe and the United States. What is at stake is the boundary definition of who does and does not belong to the national community, and therefore, who can be treated worse than others (Piketty, 2020, pp. 944, 951, 959).

Piketty is right to both pay tribute to the possibilities offered by reservations, but also highlight their identitarian pitfalls. He suggests that such measures are no replacement for generalized anti-inequality policies and says that, “to have achieved truly significant reductions of Indian social inequalities, it would have been necessary to invest massively in basic public services for the most disadvantaged classes (SC-ST and OBC combined), especially in the areas of education, public health, sanitary infrastructure, and transportation” (Piketty, 2020, p. 355). That would cost a lot, he acknowledges, “and the taxes would have had to be paid by the most advantaged groups” (Piketty, 2020, p. 357), pointing to his solution of dealing with inequality; progressive taxation.

This is clearly a nuanced analysis. However, understanding the experiences of Adivasis and Dalits themselves across the country, as we have sought to do in recent years, reveals some important gaps in Piketty's analysis; namely the crucial way in which capital accumulation and increasing inequalities in India are intricately tied to the reproduction of social relations, at the heart of which is the persistence of racial/caste-based oppression. This racial/caste oppression has clear material outcomes well beyond the interventions of reservations, and it is kept well alive too, as an ideology that normalizes such inequality outcomes.

Between 2014 and 2018, we led a team of anthropologists who lived with Adivasis and Dalit communities in different parts of the country to understand their experiences of inequality and struggles against it. Our purpose was to understand the processes of inequality that lay behind the country-wide figures presented by economists of the National Commission for Enterprises in the Unorganized Sector in 2007 (Kannan, 2018). These showed that despite the astonishing economic growth that had accompanied economic liberalization and the promise of “modernisation” and development, Adivasis and Dalits (who made up 25% of the Indian population) suffered disproportionate levels of poverty, being worse off than all other groups, almost everywhere across the country. Poverty among Adivasis and Dalits was shown to be more than 20% higher than the average poverty levels in India and nearly twice as high as that of upper-caste groups (Kannan, 2018, p. 35).⁴ At the same time inequality kept growing. Our premise was that while able to make this case, quantitative analysis was unable to explain it; for this we needed a genuine conversation between economists and anthropologists, as proposed by Pranab Bardhan (1989) as it was anthropologists with their long-term fieldwork who may be able to reveal the social processes behind statistical patterns.

We combined our experience of having lived for years with Adivasis in the forested hills of Jharkhand (Shah, 2010, 2018), following them to brick factories into West Bengal (Shah, 2010) and into the revolutionary armies of Marxist Leninist Maoist guerrillas (Shah, 2018), and research with Dalits in the north Indian plains of Uttar Pradesh (Lerche, 1995, 1999), to lead a team of five postdoctoral anthropologists. These researchers each lived for at least 1 year with Adivasis and Dalits in five different parts of the country, based in the tea plantations of Kerala, in the chemical industrial developments of coastal Tamil Nadu, by a paper factory in the forests of

Telangana, in the hills and cotton growing plains of the Sardar Sarovar River in Maharashtra, and in the foothills of the Himalayas.⁵

Ground Down by Growth (Shah & Lerche, 2018), the book based on this research, revealed that neoliberal capitalist growth in India had entrenched and transformed, rather than erased, the ideology of caste/race in India, keeping Adivasis and Dalits firmly at the bottom of the social and economic hierarchy. In the past, the ideology of caste kept the Dalits as “untouchables”: an “impure” and “filthy” class of slave-like, landless agricultural laborers. They were stigmatized, with their touch and even their shadows seen as polluting, compelled to do only the hardest and most demeaning jobs; treated as the higher castes saw fit. The Adivasis of the hills and forests, in comparison to the Dalits, lived in relatively independent or autonomous communities, with much more direct access to land and forest resources, without the same domination of higher caste groups that Dalits faced on a day to day basis; but they were stigmatized as “wild,” “savage,” and “childlike.” Our research showed that the oppression of Dalits and Adivasis has continued over time and persists in new forms in the new economies, despite the policies of affirmative action. When compared with the neighboring upper-caste households—whether it is the upper-caste Hindus of the Himalayas or the Gujars of the Maharashtra plains, the Nadars of Tamil Nadu, or the Kamma and Reddies of Telangana—everywhere it was Adivasis and Dalits who did the hard, underpaid and unregulated work in the belly of the Indian economy. Indian and global business made use of existing social differences based on caste and tribe, and entrench further the divide between Adivasis and Dalits and all other social groups.

Though Dalits no longer work only for the landed castes in the villages, they had become—apart from Adivasis—the cheapest labor of economic growth, at the bottom of all the labor hierarchies. Adivasis have perhaps lost even more. Though their lands have been encroached on by people from the plains for centuries, their land rights were protected to some extent because of the historic battles they had fought. But after economic liberalization and under the economic boom, land grabs intensified, by state dam projects, multinational and national mining companies, and by other non-tribal private companies, aided and abetted by the governments. This accumulation by dispossession is dramatically undermining Adivasis local forest based and agricultural livelihoods, and forces many of them to find precarious work in the wider economy, migrating seasonally to distant locations for 6–8 months of the year. What our research showed is how ethnic/caste oppression is intimately tied to the spread of global capitalism, the dispossession, and the labor and class relations it produces. We identified at least three interrelated processes at work.

First, the *historical inherited inequalities of power*. Old dominant social groups still controlled how Adivasis and Dalits were integrated into the modern economy, and maintained them at their historical position at the bottom of social and economic hierarchies. In all our field sites, Dalit and Adivasis had much less access to land and education than other social groups. And even with same levels of education, other social groups got the best jobs. The higher castes, who once controlled village agricultural life now dominated the nonagricultural economy. In the Tamil Nadu field site, the export oriented Gelatine factory, a joint venture with Japanese capital, which developed with India's economic liberalization was run by executives from the ex-landlord Nadar caste. The local ex-landlord Nadars controlled the local Dalit informal workforce for them. In Telangana, the huge paper factory with several thousand employees was in cahoots with a dominant local Kamma ex-landlord who doled out the precarious work at the factory to those Dalit and Adivasis groups that he considered docile. In Chamba in the Himalayas, the Gaddi and Gujar Adivasis herdsman had no access to city-based occupations. It is the same for the Adivasis Bhils in the plains of Maharashtra; here, it was the local Gujar farmers that monopolized the good jobs. In Kerala, the Tamil Dalit plantation workers were brought in as indentured labor from Tamil Nadu. With the collapse of the tea industry from the 1990s, as they increasingly had to search for work outside the plantations, they found themselves excluded from semi-skilled jobs. As the economy was globalized, the old power relations, fractured around the meshing of caste and class, mattered for who gets what job and who earns what.

The *second process is the super-exploitation of Dalits and Adivasis as circular casual migrant labor* within the Indian economy (Shah & Lerche, 2018, 2020). Across the world, immigrant workers undertake the hardest, lowest paid hyper-precarious informalized jobs at the bottom of society, more often than not denied citizen rights and

labor rights in the country where they work (see e.g., Ferguson & McNally, 2014). In India, the around 100 million migrant laborers are predominantly internal migrants from the poorest and most exploited regions. Capital use them to cheapen production by undercutting local labor power, thereby fragmenting and disciplining the overall labor force. For most Adivasis and Dalit rural households, men and a large proportion of women find themselves doing the worst, hardest, and most insecure jobs, while being paid the least. It is far more common for Adivasis and Dalits to work as seasonal migrant labor than it is for any other group, and it is far more common for women also to work as seasonal labor.⁶ Adivasis and Dalits dominate in the brick kiln sector where working conditions are extreme, and are overrepresented among construction workers, harvest workers, and low-end jobs in manufacturing. Wage theft is common as is exploitation by middlemen.

This migrant labor is super-exploited for employers do not even pay enough to cover the cost of theirs and their household's long-term social reproduction. They must also rely on the meager assets and income of family members back in the villages. Spouses who stay back in the villages and wider kinship networks constitute an invisible economy of care essential for the exploitation of the seasonal migrant labor. Akin to international migrants, the seasonal migrants are stripped of most citizen rights where they work. They have no access to government services such as free and subsidized grains, sugar, and oil through the Public Distribution System, no access to schools or housing, no voting rights, and no labor rights (Shah & Lerche, 2018, 2020). As COVID-19 has shown, they can be kicked out of work and lodgings with impunity and be treated like subhumans by governments when expedient. In Piketty's terms, and contrary to his conclusion, they are outside the boundaries of the national community.

Third, is the persistence of the ideologies of caste and tribe in what Philippe Bourgois labeled *conjugated oppression*, to capture how "an ideological dynamic of ethnic discrimination ... interacts explosively with an economic dynamic of class exploitation to produce an overwhelming experience of oppression that is more than the sum of the parts" (Bourgois, 1995, p. 72). For Adivasis and Dalits, there is a direct relationship between the oppressive ideologies that are part and parcel of their conjugated oppression and the lasting, unjust and cruel treatment they continue to suffer at the hands of more powerful groups, which make them, in essence, "India's George Floyds."

It is true that old practices of stigmatization of Dalits, Adivasis, and other minorities have lessened since Independence, reservations have enabled some to get good jobs, and anti-caste discrimination legislation have had some impact. But their oppression and stigmatizing have not gone away and have in fact transformed and been made to work in new ways, crucially enabling the expansion of the exploitative social division of labor and power in the modern economy as well as in the advance of accumulation by dispossession.

Our research documents that stereotyping and stigmatizing still underpins who can get what jobs and the everyday use of abusive language against low castes and tribes. Adivasis and Dalits are variously stigmatized as ignorant, lazy, uncouth, savage, dishonest, dirty, and ill-educated. Importantly, these views are not only held by government officials and wealthy urban upper-castes and employers, but also by fellow workers who "kick down" on those below them in the labor hierarchy. Our research shows, for instance, how in the textiles and garment factories in Tamil Nadu, the persistence of caste and the stigmatization of Dalits is so extreme that entire communities of Dalits hide their surnames and caste background for years, including from their non-Dalit coworkers, to get work and to stay in work. Sexual harassment and rape against women from these communities continues unabated. Lynching and murder are not uncommon (Teltumbde, 2008) and are on the rise.

Meanwhile, Adivasis have suffered in particular from violent dispossession for the purposes of clearing them off their land for the entry of multinational corporations for mining (Shah, 2018). In keeping with the common construction of minorities as "dangerous classes" requiring violent oppression (Shah & Lerche, 2018, p. 16), Adivasis have been subject to brutal police and state-supported vigilante action in central and eastern India. Entire villages have been burnt to the ground and women routinely raped, "encounter killings" and torture are common, and thousands have been incarcerated as alleged "Maoists." Hundreds of thousands have been dispossessed from their land and forest-based livelihoods. Moreover, organic intellectuals, who have fought against these atrocities—whether Dalit and Adivasis activists, labor and human rights activists, lawyers, or scholars—have been increasingly

targeted as “anti-nationals” (i.e., disloyal to the nation) and as “urban naxalites,” imprisoned without trial for sedition (Shah, 2018; Shah & Lerche, 2018).

Such ongoing extreme brutal “othering” of Dalits and Adivasis and those who advocate for them, is dependent on an ideology that they “get what they deserve,” keeping them at the bottom of the social and economic hierarchies, dispossessed from their land, in the most polluting, hardest, and poorly paid jobs in the modern economy. Their entire existence is made extremely vulnerable for it is underpinned by violent oppression. What we have as a result of the conjugated oppression of Adivasis and Dalits is a freeing up of land for occupation by major state backed national and multinational corporations, and a super-exploitable workforce controlled, enforced, and supported by an oppressive “civilising” mission which is increasingly being meted out by the police and other state forces in collusion with corporate capital. As Piketty shows, the present Modi government might seek to “woo” Dalits and Adivasis as voters; but it is clear that more fundamentally they are kept in their place not only through oppressive ideologies that has the active support of the government, but also by condoning and encouraging violence against them, and using its full repressive force to quell any dissent. The ideology of caste and tribe has persisted and been reworked for the service of neoliberal capitalism which has generated not only vast income, wealth, and asset inequalities, but also racialized inequalities. These are, then, the contemporary conditions of India's George Floyds.

2 | FROM IDEOLOGY TO PRAXIS

Piketty is to be applauded for trying to chart a history of inequality from a perspective that seeks to decenter the West, and to argue that the case of India is particularly instructive. While there are no doubt Indian particularisms to the persistence of caste and tribe oppression, if the events in the aftermath of the murder of George Floyd have taught us anything, it is that it is impossible anywhere in the world to consider inequality purely at the level of economics (a different idea of economics) without considering how it is intimately tied to race, ethnicity, or gender. Piketty's proposition to seek a new political narrative based on proper democracy and a much greater degree of economic equality—through social ownership, progressive taxation and redistribution, an ambitious social state, a carbon tax, more egalitarian educational investment—might be a part of the solution. But a reading of the Indian story from the perspective of Adivasis and Dalits, as we have tried to present in this piece, tells us at least three things.

First, an analysis of the dynamics of capitalism and race/caste must be central to the analysis of inequality and what is to be done. Caste/race/gender cannot be variables to be added on to the study but fundamentally shape capital accumulation and the inequalities and injuries generated therein. This is central to the relationship between ideology and economy. If omitted, we are left without an understanding of what propels ideology and how ideology directly influences the economy. This is a missed opportunity in Piketty's outline of the history of caste relations in India, and the omission also colors the present-day focus on India's affirmative action without considering the more fundamental, state supported, identity cleavages that ideologically underpin the conjugated oppression of Dalits and Adivasis which enables their extreme exploitation in the modern economy. This is not just an experience limited to caste and tribe-based oppression but has been detailed in some depth elsewhere by a number of anthropologists such as Philip Bourgois (1988, 1989) who lived with Indian laborers in U.S. owned banana plantations on the Costa Rica Panama border, or Anna Tsing who studied global supply chains. Diversity in the form of gender, race, national status, and other forms is structurally central to global capitalism, and not “decoration on a common core” (Tsing, 2009, p. 48).

Put most succinctly by the cultural theorist, Stuart Hall,

Whenever we depart from the “Eurocentric” model of capitalist development what we actually find is the many ways in which capital can preserve, adapt to its fundamental trajectory, harness and

exploit these particularistic qualities of labour power, building them into its regimes. The ethnic and racial structuration of the labour force, like its gendered composition, may provide an inhibition to the rationalistically-conceived “global” tendencies of capitalist development. And yet, these distinctions have been maintained, and indeed developed and refined, in the global expansion of the capitalist mode. They have provided the means for differentiated forms of exploitation of the different sectors of a fractured labour force. In that context, their economic, political and social effects have been profound. (Hall, 1986, p. 24).⁷

Second, our analysis of the relationship between ideology and political economy shows that transformation cannot be simply a matter of “choice”—choosing a different ideology. The dynamics of capitalism is to a certain extent hegemonic, it is enduring. Change will have to be fought for. Almost a century before Piketty, Antonio Gramsci, the Italian communist leader writing from Mussolini's prison from 1926 to his death in 1937, critical of the Marxist analyses that focused solely on economic contradictions and that had failed to foresee the coming to power of the fascists in Italy, argued that ideological hegemony was a central part of how ruling groups maintained power; and that the ideological battle was a necessary precondition for any revolutionary change.

Gramsci (1971) argued that in the Western European countries, the dominant social groups had been able to establish ideological hegemony, that is, a social order based on their moral leadership. The wider population from all classes accepted this leadership as they saw their own interests as “fundamentally compatible with the dominant group” (Riley, 2011:11). Society was ruled by consent as much as it was by coercion. This was possible through the intimate connections between ideological hegemony, liberal democracy and the existence of civil society. These institutions were necessary for a “dominant historical bloc” to assert its ethical and cultural power and thus necessary for it to establish its moral leadership. Hegemony was established throughout political and cultural institutions, education, the family, religious institutions as well as through material labor relations (Hall, 1986, pp. 15, 18–19; Riley, 2011, p. 12). For the political left, Gramsci argued that proper change was not possible without counter-hegemonic ideological struggles across all fields in society, against the hegemonic ideology. This was not a matter of replacing one high level ideology with another understanding of the world: it cannot be a choice between two ready-made ideologies. Instead, it is a struggle in the field of “common sense”: the field of messy and contradictory taken-for-granted views in society, the everyday field of struggle between ideologies.

Piketty's central policy suggestion is to counter inequality regimes via a direct ideological challenge to its policy regime (i.e., who is part of the polity, what rights they have, how they are governed) and its property regime, by presenting a competing vision of a just world with extended democracy and less inequality. We recognize the importance of this but, taking a cue from Gramsci, we argue that to develop counter-hegemonic positions, the whole gamut of oppressive ideologies needs to be contested directly and specifically. This, as suggested by Stuart Hall and many others, centrally involves those oppressive ideologies based on race, gender, ethnicity, or caste. Patriarchy, racism, casteism are essential building blocks of the inequality regime and if they are not challenged too, any egalitarian solutions will be built on sand, if they can be built at all. In India, for a political alliance between Dalits and Adivasis and the Left to be viable it will need to be based on addressing the oppressive and discriminatory ideologies perpetuated from the top right down to coworkers, something that is yet to happen.

For those who are subject to the conjugated oppression of race, caste, class, and gender, the impact and mystification of their ideological subjectivation runs deep (Hall, 1986, p. 27), and affect identity, psychology, and self-worth. W. E. B. Du Bois, the African-American scholar and activist, coined the term “double-consciousness” to describe the feeling of “two-ness, - an American, and a Negro,” which left Black people without self-consciousness, an inability to see oneself except “through the eyes of others” (1903, pp. 8–9). Franz Fanon (1986) likewise argues that colonized Black people have been made to suffer from a deep sense of inferiority, inadequacy and self-hatred through their contact with White colonizers. To him, as to Du Bois, one-sided “assimilation” or “integration” is impossible and unwanted. Instead, their alienation has within it revolutionary potential (Du Bois, 1903). Indeed, for Fanon (1986), it is only through the violent struggle for proper independence that a new Black

self-image and new national culture could develop. It is important therefore for oppressed groups to lead the struggle to liberate themselves and shape new ideologies in their fight against oppression.

This points toward our final issue. Our ethnographic research, as well as the wider analyses of the hegemonic command of capitalism including in the subjectivation of the oppressed minorities, suggest that reform will not suffice; the battle runs deep. Returning to Piketty, this indicates that despite his ambitions to decenter economics, he remains trapped in the logic of economics. What he proposes are essentially economic reforms within capitalism, with related political reforms. To really think through the possibilities and challenges offered by other ideologies—other worldviews—he would have to turn to anthropology, sociology, and related disciplines, and to those scholars and activists from below and the margins who, based on their experiences, are providing new visions to shape the world. Sustained explorations of other ways of living in and thinking about the world, other ideologies, as a critique of our own reality, has long been the project of the discipline anthropology. Indeed, one strong message of our research in India is that in our fight against inequality, we have much to learn from communities like the Adivasis who have kept alive anti-capitalist egalitarian values despite colonization and their integration into the processes of the state and capitalism (Shah, 2010, 2018) as well as from Dalits who inspired by works from the 19th century pioneer Jyotirao Phule onward have developed a counter-hegemonic ideology against high caste dominance based on claims of belonging to the oppressed majority (*Bahujan*) (Lerche, 1999). For such counter-hegemonic ideologies to transcend barriers and transform the “common sense” among other exploited groups may not be easy, but seen from a Gramscian perspective this is the only feasible way forward.

A major contribution to resurrecting and revolutionizing such possibilities of a new world anti-capitalist order from indigenous people has in recent years come from Glen Coulthard (2014), drawing on his own work as an indigenous activist in the Idle No More movement in Canada. Attacking the liberal “politics of recognition” (as proposed by Taylor, 1992) that has dominated actions to better “integrate” minorities everywhere, he argues for an anti-capitalist struggle, for reclamation of land that has been colonized, in which direct action (not confined to the “rule of law”) must be a means for the oppressed to come together and recognize their own social power to bring about change. Inspired by Fanon, he argues that only a process of “desubjectification” through rejection of compromises with the Canadian government can free the Dene nation from its colonial subjectivity and its related ongoing primitive accumulation. In this rejection and resistance, and struggle for their existing land and collectivity, indigenous people will be able to build on their social and material relationships, renew their traditions that have been stripped by colonialism and capitalism, in what he calls “grounded normativity.” Centering the lessons and visions of such action and scholarship from the margins and from below more widely, against oppressive ideologies and of course also against the material conditions they seek to uphold has to be a crucial step in any consideration of the relationship between capital and ideology.

This is not to deny the crucial importance of the consolidation of a transformative ideology based on economic equality and participatory democracy, or, for that matter, of the importance of progressive working class ideology and related action. Yet, if there is anything to learn from the limitations of anthropological cultural offerings of other ideologies as a means to transform our reality, it is the need also in this area to take account of the politico-economic forces of history in our ideologies of social change (Shah, 2014), if the latter are not to become dystopic utopia or mere rituals (Shah, forthcoming). Perhaps, this suggests, that the next step for Piketty, if he is serious about transcending capitalism and challenging inequalities, is to move from a global history of ideology to a global anthropology of praxis.

The inspiration is of course Marx (1845), “that philosophers have only interpreted the world, the point is to change it.” A global anthropology of praxis would try to understand the process by which imaginations to change the world get enacted and realized, and how that process in turn can change those theories themselves, in a dialectical process of reflection and action (Shah, forthcoming). Inherent in this study of praxis would be the inextricable relationship between imagination, material relations, and action that is involved in the active transformation of the present (Shah, forthcoming). For this, we would need to begin with a genuine conversation with disciplines

like anthropology, sociology, or subaltern history studying people and voices from below and from the margins, and scholars and activists from the margins and from below.

Returning to Black Lives Matter, the toppling of statues is symbolically important and defunding the police will present some challenge to oppressive racialized law enforcement. If the activists and movements were to take a leaf from the pages of the radical thinkers we have discussed here, we might also see a battle for transcending capitalism in which a crucial focus will be new counter-hegemonic ideologies that confront the way oppression inextricably links race, caste, gender, and class to enable capital accumulation and the inequalities it generates.

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ENDNOTES

- ¹ There is a long history of debate on whether race and caste can be compared. Cox (1948) was among the first to flatly argue that racial “castes” in the U.S. were not like their Indian equivalents. But the most sustained debate on this issue came from Louis Dumont (1960) who agreed with Cox and Gerald Berreman (1960) who argued that the two caste systems were entirely similar for they were both fundamentally founded on “institutionalised inequality.” Aspects of this debate have been reiterated and revised since (see Beteille, 1990; Fuller 2011; Sharma 1994; 1999). Our position is that the similarities today are greater than the differences and that we need more sustained cross-country comparison though this is clearly not the place to execute this. Our intention here is not to reduce social groups and social relations in India to a variation of a U.S. phenomenon or to undertake a global comparative analysis of racism, but to highlight and analyze aspects of oppression based on race, caste, and tribe. Here, we see racism and what Piketty labels “other identity cleavages” (Piketty, 2020, pp. 870–871, 944–948) —in this case oppression based on caste and tribe—as comparable in the sense that, in line with Camfield’s definition of racism, they both constitute “oppression of a multi-gender social collectivity on the basis of differences (not limited to those surrounding sexuality or impairment) that are treated as inherited and unchangeable” (Camfield 2016, p. 47).
- ² For many commentators of India, of which the French sociologist Luis Dumont (1970) is exemplary, caste has been the quintessential example of the recognition of fundamental and inherent inequality as a fact of life, a worldview of the ways in which society should work; an ideology. They see the division of society into castes as based on a ritual ideology of purity and pollution, commanding the consent of all (Moffat 1979). Others disagree and view caste more as material relations that are contested by those at the bottom, especially by those declared “untouchable” (Deliege 1992; Habib 2002; Teltumbde 2010).
- ³ While Piketty claims that this has been a successful strategy (2020, p. 944) his own evidence shows that the BJP support amongst Dalits and Adivasis is actually still lower than that of any other Hindu group (2020, p. 935), a point he also acknowledges later (2020, p. 951).
- ⁴ About 81.9% of Adivasis and Dalits were classified as poor, against 44.5% of “others,” defined as those not belonging to Adivasis and Dalits, Muslims, and OBC castes. 2009–2010 figures; calculations based on the then \$2 poverty line (Kannan 2018, p. 35).
- ⁵ It should be noted that the research did not focus on the oppression of Muslims. As highlighted by Piketty, Muslims are also oppressed and while as a group they are not quite as poor as Dalits and Adivasis they are at the receiving end of extreme oppression and othering by the present BJP government in India.
- ⁶ Government statistics indicates that 45% of seasonal labor migrants are Dalits or Adivasis even though they only constitute 25% of the population. This though is an approximate figure only as the existing statistics significantly underreport seasonal labor migration (Srivastava 2020, p. 174).
- ⁷ An in-depth analysis of the relationship between racism and capitalism, and gender and capitalism, historically and in present-day U.S., and Europe and beyond, is beyond the scope of the present article. For a review of some of the main works, see Camfield (2016) and Lerche and Shah (2018).

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Piketty comes to South Africa

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Abstract

One of the most valuable features of *Capital and Ideology* is its concern to take history seriously and consider how the emergence of different political and economic regimes relate to discourses about fairness and justice across time. This paper pushes this agenda further by acknowledging that the experience of a few developed nations should not be taken as the template for the generalized study of inequality dynamics across time and space. In this paper, we interrogate Piketty's analysis and policy proposals against specificities that are central to understanding the production and reproduction of inequalities within South Africa. We reflect on the South African case, the structure of inequality and its changes since 1994. We review a battery of policy interventions that have been implemented to address inequality in the last 25 years. We emphasize that the long shadow cast by centuries of colonialism and various forms of apartheid strongly affirm Piketty's emphasis on understanding history. But this is both affirmation and critique given the foundational, imbedded impact that this specific legacy has had on post-apartheid society and its policies. Piketty is aware that the levels of inequality in South Africa are so high that this is "unknown territory." We map out some of this territory to reveal how these extreme initial wealth and racial inequities inform the reproduction of inequalities in all dimensions and undermine well intentioned policies. We claim that understanding extractive histories, imbedded wealth inequalities, and complex social and political institutions allows us to understand and confront some of

the reasons why even in light of progressive policies, many of which are in line with the proposals from Piketty, government interventions have thus far failed to reduce inequality.

KEYWORDS

Africa, inequality, policy making, South Africa

1 | INTRODUCTION

One of the most valuable features of *Capital and Ideology* is that it takes history seriously and considers how the emergence of different political and economic regimes relate to discourses about fairness and justice across time. Piketty's warning about how the experience of a few developed nations should not be taken as the template for the generalized study of inequality dynamics across time and space is a vital message for researchers and scholars; this message is also an invitation to connect with a large literature on inequality that has been produced over the past 30 years by development economists, anthropologists, and sociologists.

And yet, writing from Cape Town, South Africa, and as members of the recently established African Centre for Excellence in Inequality Research (ACEIR), we are struck by how limited the treatment of the African experience remains. Only three pages (693–696) focus on Africa, as part of a (very important) discussion of the “pauperization of poor states.” South Africa does get more specific attention, because of the distinctive role of apartheid, and because of the very high levels of income inequality which have sadly made it one of the most unequal countries in the world, but nonetheless this discussion remains a minor part of the book's coverage.

Let us be clear, we have no intention of playing the familiar academic game of moaning about gaps and lacunae, as if we are not getting our fair share of pudding at the dinner table. It is far more important to take the opportunity of reflecting about how the South African experience can bear on the issues that Piketty raises about the return of inequality, and possible strategies to tackle inequalities.

We welcome the way that debates on inequality have become more global and acknowledge that numerous factors, including problems with data, explain the absence of analysis of other African cases, but note the continued downplaying of African experiences. While we do not see the South African case speaking on behalf of the continent, we will use its lessons and experiences of policies implemented to deal with inequality as contributing toward a better discussion about African experiences in dealing with inequality.

To do this, in the next section we introduce Piketty's more recent work considering its contribution to recent literature in the study of inequality. In the third section, we introduce key inequality trends and dynamics in South Africa. This leads to our fourth section where we describe to assess the policy interventions that have been implemented to address inequality in South Africa. This informs our reflection, in section five, about the resilience of categorical inequalities in South Africa, and how a profiling of such categorical inequalities in any context can usefully augment Piketty's imperative to forge egalitarian coalitions nationally and internationally with a grounded analysis of prevailing social structures. In the concluding section, we build on this analysis by reflecting on the interaction between the local and international forces conditioning the political economy of post-apartheid South Africa as an important point of engagement for understanding the success or failure of policy proposals aimed to reduce inequality.

2 | THE STUDY OF INEQUALITY AND PIKETTY'S CONTRIBUTIONS

Before we reflect on the importance of African experiences in relation to the recent revival of the economic analysis of inequality, it is helpful to reflect on more recent inequality research, along with a “spectre” which

increasingly haunts the recent inequality debate. The recent mainstreaming of the study of inequality in economics was initially informed by the study of the United States, and notably the demonstration of the staggering increase in the fortunes of the top percentiles of the income distribution since the 1980s. This idea was initially inspired by Krugman and Venables (1995), with Piketty and Saez's (2003) paper soon becoming the crucial reference point. Such research was supported by the extension of the comparative focus to include other OECD nations, most of these being in Europe. This extension is illustrated by Atkinson and Piketty's (2007) edited collection, is also strongly represented in Piketty's *Capital in the 21st Century* and also, in a different register, in Wilkinson and Pickett's (2010) *The Spirit Level*. Here, the focus becomes more around the fact that the rise of income inequality is much less marked in many European nations, and, therefore, that inequality is not inexorable.

Most recent research on inequality has been led by Branko Milanovic's (2016) analysis of global inequality, as encapsulated in his famous "elephant graph." In fact, Milanovic's analysis drew on long standing debates within development studies over inequality, growth, and development (Stewart, 2016) and more recent work by Bourguignon (2017) and others which pointed to the decline of "between nation" inequality, even at the same time that "within nation" inequality was often (though not always) on the rise. This more optimistic interpretation was boosted by evidence from some parts of the world, especially in South America, which pointed to cases of inequality decline in the early 2000s (see Lustig et al. (2012) and the discussion in Simson and Savage (2020)).

Milanovic and others offered a far less gloomy picture of inequality trends, which emphasized how for many people in the global south, recent decades had seen an historically unprecedented rise in living standards before the COVID-19 pandemic. His work has become a foil for the recent work of Piketty and his collaborators. They largely accept the gist of Milanovic's elephant graph with a crucial caveat; because those in the global south started from a place where they earned such low incomes, their relative increases are dwarfed in absolute terms by the burgeoning fortunes of the global 1 percent. In their analysis (Alvaredo, 2018), found that the highest paid 1% of earners in the world took an astonishing 27% of the globe's overall increase in earnings between 1980 and 2016.

Here, we need to make our first substantial point regarding the African experience. Africa as a whole has not seen a dramatic rise of inequality (Chancel et al., 2019). Yet, the trends in inequality across Africa are remarkably varied as illustrated by Beegle et al. (2016, p. 125) and Oduola et al. (2017, p. viii). Outside of southern Africa, most African countries have a Gini coefficient below 0.5, and there is also variation in the trends in inequality. Simson and Savage (2020) identify Mali, Guinea, Burkina Faso, Niger, and Mauritania as experiencing declines in their Gini coefficients between the early 1990s and 2010. This might be a further reason why the African experience has not figured centrally—unlike the American, European, Chinese, and South American cases—in a global analysis of inequality dynamics, the trends of the continent are not easily generalizable.

Yet, the continent is home to areas of extremely high inequities. As measured by the Gini coefficient, 10 of the 19 most unequal countries in the world are from Sub-Saharan Africa (SSA) (Oduola et al., 2017). Thus, if these country coefficients are averaged, SSA sits alongside Latin America as the most unequal territory in the world. Southern Africa is the highest inequality sub-region with most of these countries having Gini coefficients above 0.6. Indeed, five of the world's top 10 most unequal countries, including South Africa, are from southern Africa.

At this point, let us reflect on Piketty's "spectre" which also haunts the inequality debate. In *Capital in the 21st Century*, Piketty famously introduces his "fundamental laws of capitalism," most famously that $r > g$, that is, that the return to capital exceeds the growth rate. In *Capital and Ideology* reference to fundamental laws of capitalism are dropped, and the need for local and contextual understandings of what policies should be implemented is emphasized, but the focus on wealth and property as an overarching force which tends to accumulate unless checked is a very strong feature. The point of this "spectre" is that it presents a much darker picture of the capacity of governments to address inequality and depicts inequality as having much more inertia than is evident from exponents of previous scholarship. For scholars such as Atkinson, there was reason to be optimistic that effective national level policies, linked to international co-ordination, could in fact lead to the management and diminution

of inequality (Atkinson, 2014). For other scholars such as Milanovic, the different forces influencing an economy allied to technological advance might also be expected to reduce inequality at the global level.¹

However, Piketty himself seems to oscillate between these more positive and optimistic views, and a bleaker perspective informed by the “spectre” of wealth and property. *Capital and Ideology* is riddled with the insistence that we can address inequality with the right kind of politics supporting “a participatory socialism” which challenges the jurisdiction of private property. However, it is not always clear if this is in keeping with the spectres which also hover over his work. Indeed, he has made this very clear during a lecture he delivered in South Africa in 2015 and emphasized how even the experience of the French revolution did not see the fundamental shift that some of its champions wished for. The difference between the claims of French elites that were asserting “we’re all equal now,” while making no real progress in addressing inequality until the first world war resonates with the case of South Africa (Scheidel, 2018).

It is noteworthy that *Capital and Ideology* veers regularly between the idea that well-designed policy interventions can make a difference, and the altogether gloomier spectre that inequality is such a pervasive force that even well intentioned policies to tackle it often fail to hit the mark. A central aspect of this dilemma is the extent to which inequality is driven by forces outside the control of national governments and well-intentioned policy-makers. Piketty is entirely alive to the significance of global flows of capital, and indeed makes the vital point that the offshoring of wealth in Africa is at an extremely high and damaging level (2020, p. 695). But these points are not followed through into a systematic global political economy which is necessary.

Here, the South African case illustrates that there is a major gap in the historical and more contemporary aspects of Piketty’s analysis. The South African case in fact illustrates; (1) how well-intentioned policies fail to reduce inequality, (2) how the forces of a global political economy condition the feasible space for policies to be implemented, and 3. how ideology is co-created by local and international factors.

One of the most valuable features of Piketty’s analysis of the 19th century, is the discussion of the central role of slavery and colonial relations in shaping inequality regimes. He shows very convincingly how the development of “ownership societies” in 19th century Europe, based on the primacy of private property and the accumulation this generates, are directly associated with the role of slavery. He also brings out very powerfully how “colonial societies rank among the most inegalitarian ever seen” (table 7.4). However, the long-term significance of these colonial relations and the legacies of imperial relations in conditioning contemporary inequalities contrasts with the assumption that once decolonization or liberation takes place, nations have the scope to set their own agendas. Even though he recognizes that these new independent nations were constrained by the liberalization of trade imposed by rich countries, there is a lack of focus on the interaction between long-term colonial relations, the legacy of categorical inequities imposed by colonial models of state, and how these factors continue to shape postcolonial regimes after they become independent.

Another dimension along which Piketty’s analysis can be enriched by the South African analysis is the tension between the institutional vis-a-vis noninstitutional mechanisms that condition the existence of inequality. Whereas Piketty discusses how ideologies relate to the political arrangements and laws related to property, rights, and inequality,² the evidence from the case of South Africa illustrates how the reproduction of inequality takes place in spite of the existence of new ideologies and legal mandates under which the reduction of inequities is a goal of a state, while inequality prevails in spite of different policies and programs.

The South African experience remains historically very distinctive to other African countries. Moreover, during the British empire, it had a much larger share of White settlers than any other African nation. Piketty valuably shows (p. 256) that while there were never more than a tiny share of Europeans in India, considerably more in North Africa (4% in Morocco; 8% in Tunisia; and more than 10% in Algeria), with equivalent status to Britain itself. This concern to establish autonomous polities on behalf of White settlers, therefore, went alongside brutal racism directed against indigenous people, as the South African experience has demonstrated very powerfully. Nonetheless, the case of South Africa provides an interesting case to reflect about the way in which long-term historical forces of colonialism continue to exert a powerful hold in defining inequities which needs to be factored

into an understanding of the contemporary situation in different African contexts, and can help in explaining the prevalence of inequality despite government interventions that could potentially reduce different inequities. For this reason, in the next section we reflect on the evolution of inequality of incomes within South Africa over recent decades, and especially since the end of the apartheid regime. Here, we pick up on the significance of long-term historical forces which continue to exert a powerful hold on present day realities.

3 | ECONOMIC INEQUALITY IN SOUTH AFRICA

To dovetail with Piketty's focus, we begin by focusing on trends in income inequality in South Africa before broadening out to other expressions of inequality such as wealth inequality. We do this relying on earlier work by Leibbrandt et al. (2010), and Hundenborn et al. (2018) who use household surveys from 1993, 2008, and 2014 to describe the levels and changes in income inequality over the period. As alluded to earlier, post-apartheid South Africa was launched off a history that left it with a Gini coefficient of incomes of 0.68, in competition with Brazil for the highest measured income inequality in the world. This income inequality has not fallen over the post-apartheid era, appearing to rise somewhat up to 2000 before falling back to around its starting level by 2014. This pattern is also illustrated by other sources such as Statistics South Africa³ (2019). South Africa is a society that generates extreme inequality. As Piketty himself argued in 2015:

[T]he share of total income going to the top 10% of earners in South Africa currently, right now, is between 60% and 65% of total income for the top 10%. For Brazil, just to make a comparison, we are between 55% and 50% and in most European countries [is] between 30% and 35% [...] South Africa is really at the top of the class, so to speak, and is in a way, way out of the experience that we can think of.

(Piketty, 2015)

But this very high and persistent level of national income inequality should not be taken to imply ossification and that income inequalities have been constant. One of the best illustrations of this is the decomposition of income inequality along racial categories to analyze intra-group and between group inequalities. Leibbrandt et al. (2010) undertook this decomposition for 1993–2008. For 1993, they show an astonishing contribution of between group inequality of 42% and 50%, depending on whether racial population shares or income shares are used to weight inequality. Usually this between group contribution lies below 10% (Bhorat et al., 2001). By 2008 the inequality between different groups had declined slightly, to 30% and 38%, respectively, for the two weightings. Hino et al. (2019) suggest a further decline by 2015.

It bears reiterating that the most shocking feature of the analysis of horizontal inequalities is how salient the racial categories imposed by apartheid are and how incredibly high they remain. Moreover, one of the key factors driving their relative decline is that within group inequality has increased in absolute terms more sharply than between group inequality has declined, thus lowering the relative contribution of between race inequality. Indeed, the ratio of mean incomes for Black and White South Africans rose only very marginally from 12% to 13% between 1993 and 2008 and the ratio of median incomes actually fell (Leibbrandt et al., 2012). Thus, although the post-apartheid era has seen the increasing importance of within group inequalities, this should not be seen as approximating a substantial overlapping of the upper half of the Black South Africans with the upper half of the White South Africans distribution of incomes. It reflects a tepid overlapping of the upper and lower tails of these different distributions, as displayed in Figure 1.

Another useful income inequality decomposition is one that examines the contribution of the components or sources of income to income inequality. In South Africa, the most important components of household income are labor market income, government grants, remittances, and investment income (see the review in Leibbrandt

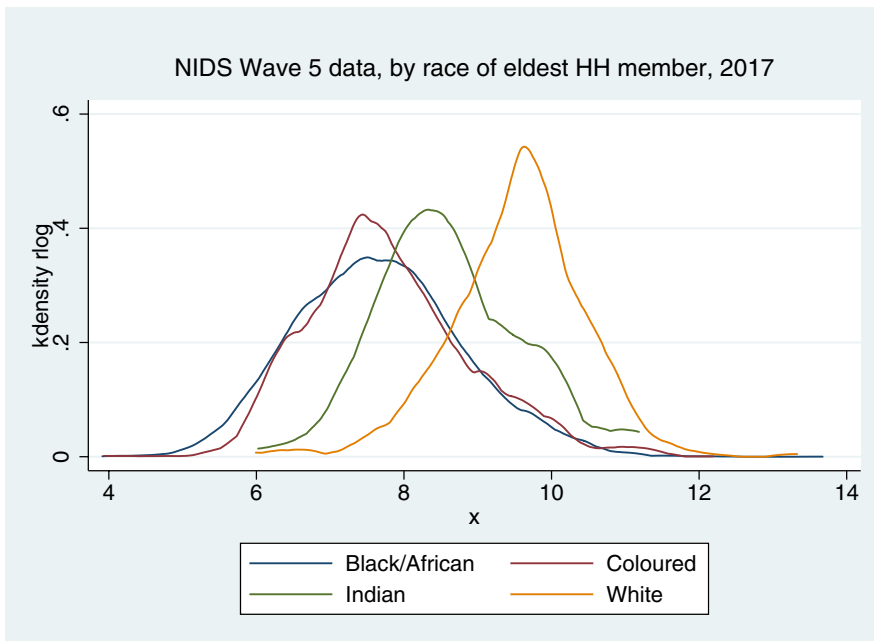


FIGURE 1 Kernel density plot of the logarithm of household per capita income by race (eldest household member) according to NIDS Wave 5 data. Source: Own calculations [Colour figure can be viewed at wileyonlinelibrary.com]

et al. (2012)). Most recently Hundenborn et al. (2018) replicates these exercises for 1993, 2008, and 2014; and affirms that in 1993 and 2014, labor market income accounted for 84% and 90% of the overall income Gini coefficient, respectively. Government grants are the second largest component, but it is inequality dampening.

Bassier and Woolard's (2018) recent analysis of tax and household survey data are a striking demonstration of the extent of "top end" inequality in South Africa. Whereas Credit Suisse in 2016 estimated that there were about 45,000 USD millionaires in the country, Bassier and Woolard (2018) put the number much higher, at about 182,000. They also make two critical points about recent income dynamics and the relationships between income sources.⁴ First, between 2003 and 2015, nearly 60% of the population earned zero taxable income.⁵ Over the same period, the real incomes of the top 5% of income earners increased by 5.1% per annum. Second, the growth in real incomes of the top 5% was more than double the rate of growth of gross national income (GNI) after the 2008–09 recession. In contrast, the incomes of the other 95% either stagnated, or, in the case of the bottom of the distribution, showed only slight growth. This explains why real incomes of the top 1% almost doubled between 2003 and 2016, and how between 2010 and 2016, the income shares of the top 1% increased from 10.5% to 12.6% of the country's GNI.

In addition, the top percentile in the income distribution⁶ has a much higher wealth to income ratio than the rest of the earnings distribution. Income from sources other than salaries, particularly capital, increases rapidly in the top two percentiles. This is compounded by labor market dynamics in which highly skilled professionals at the top end of the income distribution have more bargaining power as they are not easily replaced. In addition to this, technical changes in the economy may further favor this group and explains the increase in income differentials. This is especially interesting given its resonance with the argument made by Piketty (2014) that inequality increases when the rate of return to capital is greater than the rate of economic growth.

This work by Bassier and Woolard further reveals the importance of income flows from wealth and the benefits that flow from wealth—Piketty's inequality "spectre." Orthofer's (2016) research showed that the capacity to pass on wealth from one generation to another is critical to maintaining high living standards in times of

unemployment or throughout retirement and thus explains the trends in income inequities. The South African income Gini coefficient is around 0.67, while for wealth it is at least 0.9–0.95. Both of these values are higher than in any other major economy for which such data exist in the world. Using tax records and data from the National Income Dynamics Study (NIDS), she estimates that the wealthiest 10% of the population own at least 90%–95% of all wealth, whereas the top 10% in the income distribution receive a smaller proportion (55%–60%) of all income. The middle 40% of the wealth distribution is almost as asset-poor as the bottom 50%.

Despite its importance in understanding inequality dynamics, South Africa has paid little attention to assembling and analyzing reliable wealth data. Chatterjee et al. (2020) take stock of wealth data by triangulating the survey data and tax data used by Orthofer with national accounts data, to derive the best possible estimates of the distribution of personal wealth given current data. Even after recognizing that these data might underestimate the value of capital, they find that South Africa has “unparalleled” levels of wealth concentration that are even higher than what Orthofer found:

The top 10 per cent own 86 per cent of aggregate wealth, and the top 0.1 per cent close to onethird of aggregate wealth. The top 0.01 per cent of the distribution (3,500 individuals) own 15 per cent of household net worth, more than the bottom 90 per cent as a whole. Such high levels of inequality can be accounted for in all forms of assets, including housing, pension funds, and other financial assets. Our series show no sign of decreasing wealth inequality since apartheid; if anything, we find that inequality has remained broadly stable and has even slightly increased within top wealth groups.

(Chatterjee et al., 2020, p. 2)

The attention that we have given to the assets and wealth at the top end of the income distribution should not detract from analyzing other sources of inequality such as the labor market. Alongside its status as the one of the highest income inequality countries in the world, South Africa also has the one of the highest earnings inequalities in the world. Finn and Leibbrandt (2018) show that, while from 2001 to 2014, average real gross earnings of workers rose from ZAR 5,740 to ZAR 7,951 per month, real wage increases went mostly to top earners as overall inequality increased.⁷ As measured by the Gini coefficient, earnings inequality increased from 0.552 to 0.634 between 2001 and 2014. Such extreme earnings differentials are entrenched in the salary and wage structures in the formal economy. Statistics South Africa (2019) indicate a segmented labor market along racial categories, coupled with large power and class disparities between employers and employees in a job-scarce economy. Indeed, this earnings inequality does not include the unemployed “zero-earners”; as the unemployment rate has risen from just over 20% to 30% over the last decade and it is overwhelmingly Black South Africans who bear this burden.

Figure 2 (from Statistics of South Africa (2019)) illustrates the real earnings of employed people at various percentiles of the earnings distribution are plotted against time for the period from 2011 to 2015. The compression of low wage earners close to the horizontal axis somewhat hides the fact that for low wage earners and median earners, the value of their earnings decreased after accounting for inflation. Relatively high wage earners, that is, those at the 90th percentile, maintained parity with inflation. It is only for the very top end of the labor market that we observe actual growth in real earnings, of 15% and 48% for the 98th and 99th percentiles, respectively. Taken together, this indicates a substantial widening of the gap in the earnings distribution in the period following the 2008 global financial crisis.

The reproduction of intergenerational inequality and poverty is associated with the well documented unequal assets, notably education, health, and housing (Pellicer et al. 2011; Pellicer & Ranchod, 2016; the Mandela Initiative, 2018; Lundberg & Startz, 1998; Spaul & Jansen 2019). Piraino (2015) reveals an estimate of an intergenerational earnings elasticity of between 0.62 and 0.67, finding that it is a limited set of inherited circumstances and especially racial categories that explains this persistence. International comparisons undertaken by Narayan et al. (2018) make it clear that this is an extremely high correlation by international standards. In nearly all high-income

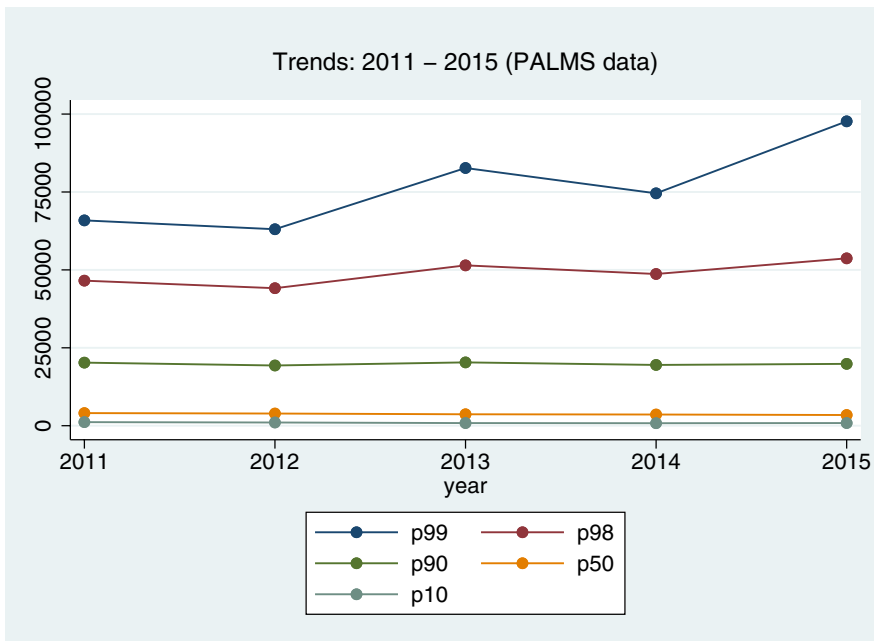


FIGURE 2 Percentiles of real earnings per month between 2011 and 2015 according to PALMS data. Source: Own calculations. Figure 4.3.6 of Inequality Trends Report, StatsSA (2019) [Colour figure can be viewed at wileyonlinelibrary.com]

countries this estimate is below 0.4 and, only in a few high inequality middle income countries is it above 0.6, with the South African estimates being at the upper end. Finn et al. (2016) confirm this very low earnings mobility across generations in contemporary South Africa and show that this immobility is particularly strong for those at the bottom and the top of the earnings distribution. If parents are at the bottom of the earnings distribution, their children have a 95% chance of being there too, whereas children of parents who are placed in the top deciles of the earnings distribution have a similar likelihood of being in the top deciles of the earnings distribution as well.

This illustrates why South Africa's intra-generational inequality has remained persistent. Indeed, Schotte et al. (2018) show that, over the past decade, progress toward social mobility has slowed and even stalled. While Statistics South Africa estimates that, in 2015, 55% of the population lived in poverty⁸ (Statistics South Africa, 2019). Schotte et al. estimate that about 49% of South Africans live in chronic, persistent poverty. In addition, another 11.4% can be classified as “transient poor,” and about 19% are part of a “vulnerable middle class.” Both groups (transient poor and vulnerable middle class) are at risk of falling back into poverty from 1 year to the next, thus illustrating that dynamic poverty is much more pervasive than static measures of poverty indicate. Even preceding the COVID-19 pandemic, socio-economic life was characterized by precariousness and vulnerability for three quarters of South Africans.

These inequality dynamics perpetuate the racial imprint of apartheid. For the citizens classified as White (less than 9% of the current population), 93.6% are consistently non-poor in five interviews between 2008 and 2017. In contrast, for the citizens classified as Black, only about 9% of them (80% of the population) were consistently non-poor and about 63% were poor in four out of five instances or every instance. All in all, White South Africans continue to have better access to opportunities in relation to health, incomes, employment, education, and living conditions; which enables them to develop capacities that serve to maintain their privileged positions in South Africa. While the share of White people is less than 10% of the overall population, almost three-quarters of the highest earners in the country are White.

This section has detailed the deep hold of socio-economic inequity in South Africa. Even today, inequalities pervade almost every aspect of this daily life. Predominantly, livelihoods and opportunities are bound by racial categories, as people still live in racially divided areas that correlates with highly unequal housing, public services, transport, schools, employment, safety, and opportunities. These outcomes remain even though there have been a series of initiatives that have aimed to reduce inequality in South Africa after the end of apartheid.

4 | THE EFFECTIVENESS OF POLICIES TO TACKLE INEQUALITY IN SOUTH AFRICA

In the context of the deep hold of inequality in South Africa, we are struck by the evidence of the extent to which well-intentioned, even radical policies that have been proposed by Piketty have been already proposed and implemented in South Africa. This not only illustrates that such policies have been designed and implemented in response to different understandings of fairness and social justice, but also illustrates how difficult it has been for policies to have substantial impact in this inequality regime.

Starting with the Reconstruction and Development Programme (RDP) in 1994, all policy documents have consistently spoken about the need to reduce inequality and have given the state a strong role in redressing the social, political, economic, and spatial disadvantages. Whereas the discursive focus on inequality has been explicit, the actual attention to inequality (versus. poverty) and the coherence of the strategies to address inequality remains debatable (Bond, 2014). Nonetheless, these policies can be seen as resonating with some of Piketty's proposals about the need for opportunities and access for the citizenry and can in fact illustrate the practice of such policies.

Below we discuss some of the policies implemented in South Africa since 1994, distinguishing between policies aiming to reduce inequalities in the country operating across three vectors of intervention: (1) Policies taking place within the existing structure of the economy, (2) Policies aiming to nudge the direction the economy, and (3) Policies that aim to change the structure of ownership in the economy.

4.1 | Policies aiming to reduce inequality within the current structure of the economy

A number of policies have been implemented post-1994 that have potentially shaped the evolution of incomes without substantially changing the way in which the economy operates. These include labor market policies, including minimum wages, taxes, and cash transfer systems.

The labor market was, and still is, the dominant contributor to income inequality, and thus remains an important driver of inequality in South Africa (Bassier & Woolard, 2018). Labor market reforms instituted in the 1990s included the Basic Conditions Employment Act (BCEA) of 1997, that defined minimum conditions of employment for all sectors, and the Labour Relations Act (LRA) of 1995, that formalized sectoral-level bargaining processes between unions and workers. The LRA is an example of guaranteeing workers the right to organize and unionize, and governs issues such as collective bargaining, the right to strike, and processes for resolving labor disputes. These regulatory frameworks provided a structure for the legal protection of workers and the support of power asymmetries of employees relative to employers.

In addition, regulations concerning minimum wages impacted the wages of the lowest paid workers. At the end of apartheid, minimum wages were not nationally set, but were industry, occupation, and sometimes regionally determined. For all workers employed in sectors covered by the LRA these processes were implemented annually through the LRA, by sector. For workers in sectors such as domestic work or agriculture that were not covered by the LRA, the Employment Conditions Commission made sectoral determinations that set minimum wages for each of these sectors. These sectoral minima were signed into law by the Minister of Labour, and at some point, there were nine different sectoral minimum wages in effect.

Yet, these measures raise questions about the impact of improving the lower bounds for wages and how they can reduce inequality. Some large sectors in terms of the number of people employed that also typically earn low wages include domestic work and agriculture. The evidence illustrates that legislation was effective in raising the wages of these low wage earners significantly, despite considerable levels of non-compliance (See Dinkelman and Ranchhod (2012), and Bhorat et al. (2014)), yet only having a limited impact in terms of reducing inequality of incomes.

For the first time ever, a single national minimum wage was established with effect from January 2019. This set a national wage floor and effectively replaced all the sectoral determinations for uncovered workers. However, the Bargaining Councils in covered sectors can, and generally do, establish substantially higher sectoral minima for their constituencies. While these measures are promising, the establishment of a cautiously set national minimum wage is unlikely to have a substantial impact on the inequality of incomes. As minimum wages set the income floor and as the trend in inequality of incomes in South Africa is driven by the impact of a small number of very high earners, the improvements in minimum wage levels do not directly impact the largest driving force in the inequality of incomes. Yet, this does not deny the importance of minimum wages as part of the policy package and the need for a policy and societal commitment to tackle inequality by devoting explicit attention to the vulnerable in the labor market and in society more generally.⁹

Two other major policy levers used by South Africa with the potential of changing the distribution of disposable incomes have been taxes and transfers. Over the post-apartheid era South Africa has designed and funded a large unconditional cash transfer system (Woolard & Leibbrandt, 2013). These disbursements are perhaps the most effective tool that South Africa has had in reducing the increase of inequality in South Africa (see Figure 3). This is due to its effective targeting, as the poorer 50% of the population get more than 70% of the total direct cash transfers (Mashekwa & Woolard, 2018, p. 10). The impact of these grants is also explained by the expansion of the grant system as the coverage of grants such as the child support grant and the state old pension grant has increased, thereby reaching a greater proportion of citizens in a condition of vulnerability. It is estimated that social grants reach out to a population of more than 17 million out of a population of 57 million inhabitants. The

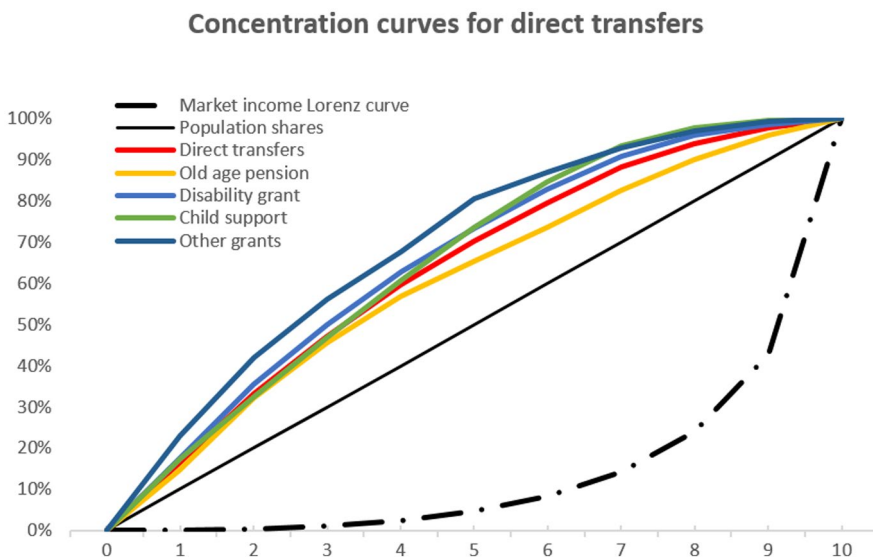


FIGURE 3 Representation of the impact of different grants on reducing the level of inequality in South Africa as represented by Lorenz curves. Source: (Mashekwa & Woolard, 2018, p. 10) [Colour figure can be viewed at wileyonlinelibrary.com]

most recent evidence indicates that grants have had a substantial dampening effect on the increase in inequality (Hundenborn et al., 2018).

Like cash transfers, income tax policy in South Africa is generally progressive (Mashekwa & Woolard, 2018, p. 2). The top 20% of salary earners account for 77% of total taxable incomes and represent 90% of direct taxes of the country (Inchauste et al., 2015), making income taxes progressive. Indirect taxes such as the value-added tax and fuel levies are increasingly important but are much less progressive. While there is some discussion about increasing the progressivity of income taxes, the vast disparities of wealth that were detailed earlier and South Africa's underdeveloped wealth taxes have made this the focus of current debates (Chatterjee et al., 2020). There seems to be much scope for exploring stronger wealth taxes, especially the taxation of inheritance.

4.2 | Policies aiming to nudge the direction of the economy

In addition to policies that aim to directly address inequality through improving minimum wages, taxes and transfers, there have been many other policies that were targeted at changing the distribution of endowments that affect income. We discuss a few of these, including guaranteed employment schemes, housing policy, and market regulatory bodies.

In addition to multiple educational interventions, the South African government has implemented a number of different state employment programs to directly reduce unemployment, with the two larger programs being the Community Works Programme (CWP) and the Expanded Public Works Programme (EPWP). Since 2012/13, according to the South African government, the EPWP has created over four million "work opportunities" (South African Government, 2019). Despite the extent and the budget allocated to the program, there are questions about the results of the program in improving sustainable employment and reducing income inequality. Given the generally poor labor market conditions, it is not surprising that beneficiaries of these programs have reported the remaining challenge of accessing permanent employment (Hlatshwayo, 2017). The assumption that improvement in the supply of labor and training would be enough to change the labor market ignores the structures that create a bimodal job market (Altman et al., 2004, p. vii).

A different intervention, which does not have a direct impact through the labor market, has been a substantial housing policy. Housing in South Africa is conceived of as a way to make assets accessible to citizens and thus reduce inequities, as housing is envisioned as a way in which wealth could be consolidated or formalized. The South African government has aimed to improve housing and fulfill the right to housing for its citizens via different programs aimed at correcting the spatial inequities related to housing.¹⁰ According to Statistics South Africa by 2017, 13.6% of South Africans lived in state subsidized housing. This illustrates the significant efforts by the state that has managed to build 3 million houses between 1994 and 2015 (Southern African Catholic Bishops' Conference, 2017). Nevertheless, the backlog in housing has also increased from 2.1 million houses in 1994 to 2.3 million houses in 2014 (Sisulu, 2014). Housing programs have also inadvertently reproduced the preexisting patterns of spatial segregation (Southern African Catholic Bishops' Conference, 2017). Capital investment undertaken by the government has mostly benefited the financial sector (Bond, 2014) and furthermore homeownership can actually increase marginalization due to the financial burden of homeowners as found by research from Lemanski (2017, p. 8) and Daniels (2001).

In addition to policies that impact directly on individuals, South Africa also created new regulatory bodies that can countervail power asymmetries. Examples of these are institutions include the Competition Tribunal, the Competition Appeal court, and the Competition Commission. To date, these tribunals have had only limited success in affecting inequality, although it should be noted that this was not their explicit mandate. The continuing existence of high market concentration and collusion illustrates that the control of markets and prices remains in the hands of a limited number of individuals or organizations, with the end result that some companies still manage to evade, bypass or ignore the decisions from regulators (Hawthorne et al., 2014).

Importantly, the regulation of markets and institutions is not the only way that countervailing forces operate in South Africa. Several market failures have been subject to the response from social mobilization by civil society and social movements (Ballard et al., 2015), and in some cases these groups have been able to pressure the government to address particular inequities, as in the case of the HIV/AIDS pandemic.

4.3 | Policies aiming to change the structure of ownership in the economy

There have also been some attempts to more fundamentally change the structure of ownership in the economy via more ambitious redistribution policies that could be seen as part of “participatory” socialism initiatives. The two most prominent in this group are affirmative action policies and land redistribution policies.

Black Economic Empowerment (BEE) and then, Broad-Based Black Economic Empowerment (BB-BEE) policies have aimed to redress racial and gender inequalities by facilitating the participation of Black¹¹ South Africans in the economy (Department of Planning, Monitoring, and Evaluation (DPME), 2019). These policies are aimed at increasing the opportunities, the skills, and the welfare of Black workers (Acemoglu et al., 2007), improving basic conditions and employment equity to advance affirmative action in the workplace, facilitating skills development, and shifting enterprise ownership toward Black South Africans (Department of Planning, Monitoring and Evaluation (DPME), 2019; Acemoglu et al., 2007).

While there has been an important transfer of stock to Black South Africans, such policies have not reduced inequality of incomes. This raises questions about whether these policies are in fact building empowerment, or are in fact empowering a particular elite, consolidating a preexisting elite, or reproducing the patterns of existing inequality with new actors (recall the increase of intra-group inequality discussed in section two). These possibilities need to be considered against the backdrop of structural factors such as skills shortages and limited access to quality education for poorer people that continue to stall social mobility (Burger & Jafta, 2010, p. 2). This has brought some analysts to claim that the costs and benefits of this policy cancel each other and are close to zero (Acemoglu et al., 2007, p. 1). While these policies have managed in some cases to allow the ownership of stock, as some citizens got equity in companies in line with Piketty’s proposal of participatory socialism (pp. 972–975), it has failed to reduce inequalities.

The important policies related to land redistribution, restitution and tenure are also aimed to correct the dispossession and inequality with regards to land ownership and tenure in South Africa. Nonetheless, their impact has been mixed. While millions of hectares have been redistributed, and thousands of claims of land restoration have been solved, the structure of land ownership seems to have been mostly unaffected. It is also reported that farm workers continue to face higher tenure insecurity and livelihood uncertainty while remaining without control of the land or means of production (Kepe & Hall, 2018).

These remaining challenges relate to how policies failed to include a consideration of the conditions that create unstable tenure in spaces that reproduce different inequities along gendered, “racial,” and ethnic lines (Hall & Kepe, 2017). They also highlight the role of elites in capturing the policy agenda and policy implementation, thus resulting in the reproduction of the pattern of preexisting inequalities (De Wet, 1997).

5 | RESTATING THE POWER OF CATEGORICAL INEQUALITIES

We have argued above that a series of well-intentioned policies have not fundamentally reduced economic inequality in South Africa. In this section we suggest that a major reason for this lies in the entrenched nature of categorical divides—especially race—which were established during colonialism and strengthened during apartheid and which are highly obdurate (Tilley & Shilliam, 2018). This is not something which is adequately understood through income and wealth distributions alone. Although Piketty refers to categorical divisions at various points,

notably in discussing caste in India, and how such categories can lead to the consolidation of labels that makes the inequality system more resistant to change (2020, p. 304), he does not fully bring out their overarching role in how such categories can reproduce inequities in spite of affirmative action policies, which we have demonstrated here.

In South Africa, important political and budgetary efforts to reduce inequality via different programs and policies since 1994 have not had the expected effects. As Zizzamia et al. (2019) argue in the context of intra-generational mobility, “while social grants and other policies are important in addressing the survival of the chronic poor, they do not address the structural barriers to upward mobility. In this sense, creating opportunities for breaking these structural barriers [remain] imperative for dealing with chronic poverty [and inequality]” (2019, p. 25).

The policies implemented in South Africa have been somewhat successful in reducing perceptions of poverty, the levels of poverty, and the extent of precariousness within poverty. However, the forces that create and reproduce categorical inequalities are dynamic forces that continue to condition, create, and recreate dynamic traps (Stewart & Langer, 2008; Tilly, 1998); these forces are not necessarily visible as they operate via both institutional and noninstitutional mechanisms, and make it harder for households or individuals to overcome inequality (Pellicer & Ranchhod, 2016).

A central mechanism that continues to reproduce long-term categorical inequality is spatial segregation. Colonialism and apartheid carved South Africa into four spatially segregated spaces: White dominated commercial farming rural areas; the former impoverished “bantustans”¹² for Blacks; poor urban areas where citizens of color resided (known in South Africa as townships) and where the provision of services and opportunities remained limited; and urban areas where White people had a near exclusive monopoly of property and services. This spatial planning undergirded systemic inequalities in the allocation of education, health, and services. This intentional creation of racial categories compounded by spatial segregation remains extremely effective in producing and reproducing inequities. Recent estimates from Pellicer and Ranchhod (2020) find that being classified as White instead of colored under apartheid raised male incomes by 200% (on average). It is hardly surprising that South Africa's measured income inequality at the time was among the highest in the world and, most notably, the inequality between racial categories constituted a higher share of aggregate inequality than could be found anywhere else (Bhorat et al., 2001). Post-apartheid policy was expected to overcome this inequality and many policies that are detailed in this paper were put in place to do this. But the momentum of this history weighs heavily and casts a long shadow (see Nelson Mandela Foundation (2018)).

Visually, this is shown most starkly by studies that have used census data to map inequalities in income and many other services across space. Noble et al., (2006) and then, a decade later, David et al. (2018) and Statistics South Africa (2019), show very clearly that the deepest poverty and deprivation in contemporary South Africa remains in the areas that were the “bantustans” and the “townships” under apartheid. Figure 4 shows one example of the inequalities in the incidence of income poverty across South Africa's municipalities. The brown shadings show municipal areas of very high poverty incidence. These municipal clusters accord exactly to previous “bantustans” and “townships.” This map and others also make the important point that, even in the better off metropolitan areas of the country, there are inequalities in all dimensions of life, with the worst allocation of services, and opportunities being found in poorer areas that were created and used by apartheid for exploiting South Africans of color.

The persistence of categorical inequalities can only be understood in terms of the specific historical context in which divisions are institutionalized. This is revealed by the complexities of the land reform policies, BEE and other policies in which existing elites and rising elites responded to block, co-opt or undermine policy for their benefit. In South Africa as of 2017, the top 10% of income earners controlled 65.1% of the total share of income of the country, and 86.9% of the total wealth (Piketty, 2015; World Inequality Database (WID), 2020). Such discrepancies in wealth and income creates the conditions in which vested interest groups and elites have the incentives and resources to capture and continue undermining policies that aim to change the structure of inequality within a country.

This raises the importance of the power (or the lack of power) of ideologies in contexts in which new discourses about justice and rights are presented to change existing inequities. Post-apartheid South Africa adopted

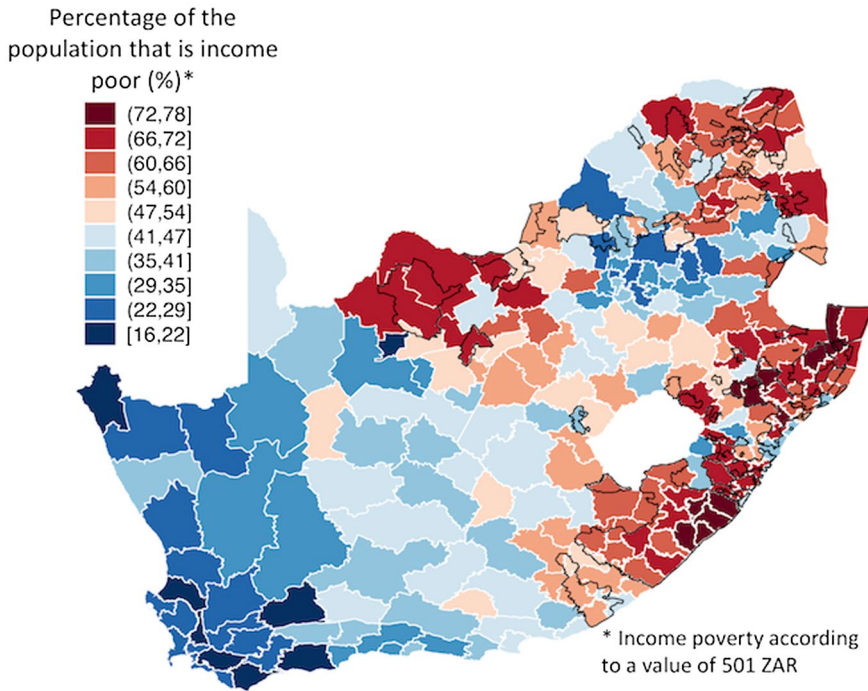


FIGURE 4 Patterns of Poverty across South Africa's Municipalities in 2011. Source: (David, et al., 2018) [Colour figure can be viewed at wileyonlinelibrary.com]

a new discourse about inequality; however, the processes in its economy have remained mostly the same. There is also the possibility of two different usages of ideology with regards to inequality. In the first case, the power of specific sectors commands via overt or covert mechanisms the workings of the state, and in the second case the state continues to have a two track system in which the ideology speaks of redressing gender, racial, and categorical inequalities while the reality of the country goes in a different direction—an ideological cognitive dissonance. South Africa could be a case for analyzing such processes.

These categorical divides reveal how inequality takes place in a “sticky” time dimension. Changes in the structure of inequality are long historical processes, and, therefore, part of a long-term endeavor, a *Longue durée*. Piketty rightly brings a long-term analysis into describing the forces that create inequality and their changes across time, but he does not fully reckon with long-term legacies and especially the power of colonialism and the relation between capital and power that has long-term repercussions even decades after its ending. This is important to consider given that South Africa seems to illustrate how inequities in capital and wealth remain while shifting its weight from racial to class categories.

Thus, the South African situation makes the case that it is crucial to consider how understanding the interaction of particular categorical inequalities and the role of institutional settings (the political economy) can ground the contextual knowledge for better grounding and evaluating policies aimed to reduce inequalities. More generally, in any context a long-run historical analysis of relevant categorical inequalities will provide a much better-grounded framework of the prevailing social structures and how these constrain the art of the possible looking forward.

6 | CONCLUSION

In this paper we have reflected on Piketty's arguments in the light of the South African context, an institutional setting that is a hybrid of a middle-income country together with the conditions of a developing country. We have

emphasized the long-term legacy of South Africa's colonial history, in which a predominantly affluent White population has co-existed with a much larger group of precarious, marginalized, and exploited groups. This situation has not radically changed since the end of apartheid.

While South Africa is an African country, it remains an outlier compared to much of the continent with regards to the trends in inequality and the structure of its economy in relation to most of the rest of the continent (Beegle et al., 2016). Yet, South Africa remains an interesting and important test case for reflecting on the policies suggested by Piketty to reduce inequality. When Piketty gave the Annual Nelson Mandela lecture in South Africa, he tabled six policy proposals for effective rights that should be implemented as a start to confronting inequality in South Africa. These proposals were (2015): (1) A minimum wage, (2) Quality education, (3) Access to property and land, (4) Worker participation in companies' boards, (5) Tax on wealth or inheritance, and 6. International cooperation to deal with tax havens (Piketty, 2015). They all resonate with his policy proposals in *Capital and Ideology*.

In Section 4 we showed that South Africa has implemented several of these policy suggestions since 1994, in line with the constitutional mandate of empowerment and the achievement of effective rights for its citizens. Yet, these policies have failed to reduce inequality to date. The experiences from these policies illustrate that rights and policy interventions are necessary but not sufficient to reduce inequality. Importantly for Piketty, they point to the fact that ideology, and changes in ideology are necessary, but are not sufficient to reduce deeply entrenched inequalities.

South Africa has implemented policies related to a minimum wage with multi-sectorial minimum wages and a nationwide minimum wage. Such measures have improved the baseline earnings, especially for those at the bottom of the earnings distribution, but they have not affected the driving forces of income and earning inequalities. The country also has increased access to training and education but has struggled much more to improve the quality of the education system for the majority. This inequity continues to reproduce the imprint of the "bantustans," as well as the skill gaps that reinforce earnings and income inequality. In a series of more structural interventions, South Africa has implemented policies related to the redistribution, restitution, and restoration of land, yet these policies have not favored the most vulnerable populations as elites have captured and have skewed policy interventions to favor specific cliques. It has also implemented interesting empowerment initiatives in which Black South Africans have gained participation in companies' boards, yet the representation of workers remains limited, as politically well-connected operators have been given priority in the access to such initiatives. These policies and the structure of the economy have created a thin black elite who is well connected politically rather than a burgeoning black middle class that is required to reduce inequality. This, in turn, limits the scope for redistribution via income tax policy. However, very much in line with Piketty's focus on wealth, there remains scope for improving the redistributive role of tax policy. While income tax policy is progressive, wealth or inheritance has not been part of the tax policy menu or debates until recently even as wealth gains importance as a driver of inequality.

This resonates with the challenges for securing effective rights to a disenfranchised population as access remains different to affordability in South Africa. More citizens are "potentially covered" by public services. But realizing this access often requires being able to afford a service. Affordability of public services remains limited by income, and so a citizen might have access to services but cannot afford to pay for electricity, or the transport and fees to go to a reasonably good school, or hospital. Access to rights remains limited by the workings of a market structure that breeds inequity.

South Africa illustrates that rights are not realities. Rights remain promises that need to be developed and enacted by institutions, policies, and programs that need to account for the barriers that limit the realization of such rights. Understanding how ideology translates into practice remains central to account for how inequality prevails or declines. As of now, the case of South Africa makes it clear that the ideological and political change taking place in 1994 has been insufficient to reduce inequality. The end of apartheid marked a transitional process, a political revolution perhaps, but not yet a revolution in the structure of an economy that breeds difference.

While the promise of representation was brought by the ANC and the tripartite alliance into power,¹³ its symbolic pre-eminence in the transition in 1994 interacted with the effective demobilization of social movements

(Habib, 2013), and in some cases an adversarial approach toward dissent from within the Tri-Partite alliance itself (McKinley, 2017). Such an approach stifled debates about the divergences between the broad redistributive framing of policy, the actual policy agenda of the early post-apartheid years, and the details of the specific policies themselves. In the views of a number of analysts (see for example Hamilton (2014) and Bond (2014)) the ruling party implemented a narrow, orthodox economic policy agenda by excluding the South African Communist Party and the Congress of South African Trade Unions from discussions of the broad economic policy agenda. This caused considerable antagonism toward the ruling party and its policies which were seen to betray the working class and the commitment to address South Africa's inequalities. Dissenting voices grew louder and protests became more frequent. In some cases, the state responded with repression toward these expressions of discontent, as harshly illustrated by the massacre of miner workers in Marikana. As social movements demobilized, this weakened accountability to broader civil society and allowed new elites to join the existing economic model while ignoring the promises made by the 1996 constitution. The ideology of politics changed with political representation and more equity, but the ideology of the economy did not change in this direction (Bond, 2014, p. 46).

This was not only a South African phenomenon, as the country followed the international trends in the 1990's following the end of the Soviet Union and the "end of history." The ideological shifts that occurred at an international level framed what was possible and "desirable" in South Africa. Because of this, the end of apartheid observed the re-internationalization of South African companies and a greater financialization of the economy, as illustrated by how the share of banking assets controlled by four banks increased from 69% in 1991 to 84% in 1995 at the same time as bank branches in poorer areas were closed (Bond, 2014, p. 30). In addition to companies becoming more international, government policies followed mainstream approaches as corporate taxes declined and tax concessions mainly to higher income individuals to incentivize investment (Bond, 2014, p. 265). As the new government was trying to levy the resources for a limping economy, it is understandable that a particular kind of compromise was required, and implementing more transformational policies in a decade in which neoliberalism was the dominant paradigm would have amounted to incentivizing greater capital outflow from the country. It is because of this that it is argued that the policies that were implemented after in 1994 were in fact a social cushion as opposed to effectively redistributive measures (Bond, 2014, p. 99).

Whereas Piketty departs from the assumption that political systems can condition and define the understanding of what is fair and what is not, there remains the possibility that economic interests besets political systems. He acknowledges this political economic reality in both *Capital in the 21st Century* and in *Capital and Ideology* and, in the latter argues for the need for to move to new national and international configurations that will bend the will and behavior of the top-end elites to the common good. But, as shown in the South African context, the processes that generate these categorical inequalities embody substantial blockages and resistance in moving toward these democratic solutions.

We have sought to show that a focus on categorical inequalities (Stewart, 2016) can enrich the understanding of the social and economic forces that create inequalities in any context. Such research can enrich the historical understanding of the interaction between local and international forces influencing the discourses related to inequality, and also allow us to distinguish how the different interactions between local structures and international forces create different discursive devices and condition the practice of the policies aimed at reducing inequality.

Ideology is central in reinforcing or changing the discourses and practices on inequality, understanding the ways such ideologies operate in practice in contexts of very high inequality illustrate that the mandates of fairness in a society matter but that the operationalization of such mandates are as important as the ideologies informing such mandates. If we are to break the back of *Longue durée* inequities, we need to be able to design policies that can break with such inertial forces. South Africa can help us to reflect on the challenges of the operationalization of such policies in the context of categorical inequalities.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are openly available in DataFirst at <https://www.datafirst.uct.ac.za>.

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ENDNOTES

- ¹ In fact, Milanovic also has more recently discovered another spectre which tempers his optimism—that the Asian model of authoritarian capitalism is more effective and productive than the failing liberal meritocratic version found in North America and Europe.
- ² An interesting case for analysis could be the case of Colombia, as recently legal mobilisation has been deployed aiming to influence legislation towards progressive taxation.
- ³ This estimation is made via the use expenditure data.
- ⁴ The summary in the next three paragraphs is based on Leibbrandt et al. (2018).
- ⁵ Some would have been recipients of government grants or have been supported by other household members.
- ⁶ Which starts at a taxable income of ZAR 800,000 per annum.
- ⁷ See also Wittenberg (2017a, 2017b, 2017c).
- ⁸ This is estimated following the upper-bound poverty line (UBPL). In 2019 the UBPL was ZAR 1.227. For a discussion on how the poverty line is estimated in South Africa see (Budlender et al., 2015).
- ⁹ This is important to consider given the evidence that minimum wages did contribute to the reduction of inequality in Latin America (Cornia 2014).
- ¹⁰ Some of the programs implemented by the South African government are the government subsidized housing (RDs), community residential units, upgrading informal settlements, emergency housing program, subsidized housing program, and the finance linked individual subsidy program.
- ¹¹ The term “Black” refers to Colored, Indian, and Black South Africans in the 2003 and 2013 acts regulating these policies.
- ¹² The bantustans were territories designed during apartheid which aimed at containing different groups of Black South Africans in something that resembled a rural ghetto, or an indigenous reservation, which aimed to force Black South Africans in these territories.
- ¹³ The Tri-Partite alliance, an alliance between the South African Communist Party, the Congress of South African Trade Unions, and the ruling party (ANC).

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All about ideology? Reading Piketty's with Latin American lenses

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Abstract

This review essay evaluates Capital and Ideology in light of the Latin American experience. Given its history of exploitation and high levels of inequality, the region constitutes an essential case study. By considering the Latin America case, we can also benefit from the many insights coming from within the region and often overlooked by the Anglo-Saxon (dominant) literature. The paper makes two different arguments. First, asymmetries in economic and political power are the main drivers of long-term inequality. Following insights from structuralism, I show how the organization of the global economy has shaped domestic patterns of income distribution in many parts of the world. The dependent character of economic development together with the power of domestic elites explain Latin America's stubborn inequality; ideology has historically been more an instrument than an underlying driver. Second, we cannot understand the evolution of income distribution without considering the role of dictatorships. While Capital and Ideology explains convincingly why liberal democracies are not working, it never properly considers the risk and costs of (conservative) authoritarian regimes. In thinking about policy responses, the

This discussion draws in part on *The Costs of Inequality in Latin America: Lessons and Warnings for the Rest of the World*, London: Bloomsbury (IB Taurus), 2020. My understanding of high inequality in Latin America is heavily reliant on the work of Luis Bértola, Nora Lustig, Jose Antonio Ocampo, and Javier Rodríguez Weber among other Latin American economists. I thank Severine Deneulin as well as an anonymous reviewer and the two editors of this special issue for their comments on a previous draft.

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essay also highlights the importance of strengthening democracy, fighting dictatorships, and enhancing the influence of social movements.

KEYWORDS

democracy, Latin America, inequality, Piketty, structuralism

1 | INTRODUCTION

"The history of all hitherto existing society is the history of class struggles" wrote Karl Marx and Friedrich Engels in *The Communist Manifesto* (1848). Their assertion remains pertinent, but now that this book is done, I am tempted to reformulate as follows: The history of all hitherto existing societies is the history of the struggle of ideologies and the quest for justice" (Piketty, 2020, p. 1,035).

This sentence at the end of *Capitalism and Ideology* illustrates the greatness of Thomas Piketty's new book, but also some of its limitations. Following the lead from Marx and other classics in the social science, the book is ambitious, creative, and rigorous. Like Piketty's bestseller *Capital in the 21st Century*, it draws on multiple sources, takes quantitative data seriously, and adopts a multidisciplinary approach. Its more than 1,000 pages cover several centuries and includes multiple cases—including a few from the global South.

At the same time, the main premise of the book (that ideology drives patterns of inequality and shapes responses to historical events) is too simplistic and lacks solid theoretical bases. Ideas are often a reflection of deeper struggles over resources; the main force behind the persistence of inequality across the world has been the elite's ability to maintain their economic and political power through a diversity of channels. Meanwhile, Piketty's accent on the political nature of the inequality is sensible, but its failure to consider the role of dictatorships in the past and even today is surprising. His effort to move beyond the global North is also welcomed, but rather incomplete.

This review essay evaluates *Capital and Ideology's* contribution in light of the Latin American experience. Given its history of exploitation and high levels of inequality, the region constitutes an essential case study. My discussion of Latin American inequality draws on insights from structuralist economics, a theoretical approach born in the region and often overlooked in Anglo-Saxon circles. Structuralist economics provides a rigorous analytical framework for the study of inequality and power, particularly in the context of the global South, and illuminates some of the weaknesses of Piketty's approach.

I use the conversation between Piketty's new book and Latin America's history to make two arguments. First, asymmetries in economic and political power are the main drivers of long-term inequality. Following structuralist contributions, I show how the organization of the global economy has shaped domestic patterns of income distribution in many parts of the world. The dependent character of economic development together with the power of domestic elites explain Latin America's stubborn inequality; ideology has historically been one of the many instruments used by the elite to perpetuate inequality, and not the underlying driver. Second, we cannot understand the evolution of income distribution without considering the role of dictatorships. While *Capital and Ideology* explains convincingly why liberal democracies are not working, it never properly considers the risk and costs of (conservative) authoritarian regimes.

By adopting a historical approach, considering multiple cases, avoiding an economicist approach and highlighting the role of politics, Piketty has moved global debates on inequality in the right direction once again. However, if we want to fully understand why income distribution is so pervasive and so costly and to develop more effective responses, we must consider a larger number of regional experiences. We must also keep global and national power struggles at the heart, and devise ways to strengthen social movements and weaken dictatorships across the world.

2 | PIKETTY'S MAIN ARGUMENTS: THE ROLE OF IDEOLOGY AND HISTORY

After considering the relationship between rates of return and economic growth to explain the evolution of inequality in *Capital in the 21st Century*, Thomas Piketty moves to the role of ideology in *Capital and Ideology*. Expanding the period of analysis (he begins now in the Middle Ages) and the number of countries considered (including now, among others, Brazil, China, India, and other post-colonial societies), he explores how different ideas are used to justify the distribution of income and power at various moments in history.

How is property defined? How is education organized and who has access to it? What is the justification for taxation, particularly on income and wealth? These are some of the questions that every socioeconomic model—or inequality regime in Piketty's words—must answer and which, in turn, define life opportunities for different population groups. *Capital and Ideology* identifies six sets of ideologies that have been influential at different times: “trifunctional” in the Middle Ages, “slavist” and “colonialist” from the 16th to the early 20th century, “proprietary” in the 18th, 19th century, and (in a different form) in the late 20th century, and “social-democratic” and “communist” for much of the 20th century.

Piketty's theory of change is based on the interaction between specific historical events—or windows of opportunity even if he does not use this term—and pre-existing ideologies. As he explains when discussing the French Revolution, “historical change stems from the interaction between, on the one hand, the short-term logic of political events and, on the other hand, the long-term logic of political ideologies. Evolving ideas are nothing unless they lead to institutional experiments and practical demonstrations.... Conversely, political actors caught up in fast-moving events often have no choice but to draw on a repertoire of political and economic ideologies elaborated in the past” (Piketty, 2020, p. 113).

The interaction between historical events and ideology explains why income distribution improved significantly during much of the 20th century. Chapter 10 discusses the crisis of the liberal order (what Piketty calls the ownership society) in the early 20th century and the subsequent emergence of social democracy. The two World Wars were undoubtedly important critical junctures—again, a term Piketty could have used but did not—and were accompanied by significant changes in colonial relations. Yet they only triggered major changes, Piketty argues, because they coincided with a “political-ideology transformation” (p. 468) that included a new understanding of public debt, a new appreciation for progressive income and wealth taxes, and the emergence of an alternative to capitalism with the creation of the Soviet Union.¹

For Piketty the record of the social democratic period between the late 1940s and the early 1980s was mixed. The expansion of progressive taxation together with the participation of labor in company management in Europe (through systems like Germany's codetermination) contributed to a significant reduction of inequality. Yet new challenges emerged including insufficient investment in education, a stratified system of tertiary education and the gradual deregulation of finance. Social-democratic thinkers and progressive parties failed to respond creatively to the new challenges: in particular, they were unable to “conceptualize or organize progressive taxation and redistribution at the transnational level (...) Furthermore, social democrats never really reconsidered the issue of just ownership after the collapse of communism” (pp. 40–41). As a result, they were utterly unprepared to confront the acceleration of wealth inequality, the new popularity of neo-proprietary ideas and the rapid process of trade and financial liberalization. Not surprisingly, low income voters abandoned left-wing parties across the global North as Piketty shows in some of the most interesting chapters of the book.

Capital and Ideology is a fascinating book: ambitious in scope, creative in the selection of sources, rigorous in the use of data, multidisciplinary in its approach, and innovative in its arguments. Like *Capital in the 21st Century*, it will soon become a key reference in the study of inequality and a new reminder of the importance of multi-method and inter-disciplinary political economy.

Yet the book over-emphasizes the role of ideology as a driver of inequality, at times delinking it excessively from the struggle over power and resources. Ideas can shape debates but most often are reflections of conflicts

between the elite and other groups in society. Moreover, ideas do not materialize into policies in a vacuum, but in the context of particular states with unique histories, bureaucratic capacities, and levels of autonomy. The best ideas without the power and institutional capacity to implement them will do little to secure meaningful social transformation.

The state is in many ways surprisingly absent from a book that focuses on the interaction between policies, politics, and inequality. How autonomous is the state from the economic elite in different contexts? Does the state have the human capital and the infrastructure to implement redistributive policies? Who is shaping state institutions in different countries? The brief discussion of the “pauperization of poor states” as a result of the liberalization of trade imposed by wealthy countries and international institutions (pp. 693–695) is one of the few instances where Piketty considers the role of public institutions with any detail.

Part of the problem is that *Capital and Ideology* is still skewed toward wealthy countries and, to a lesser extent, a few exceptions from the global South (mainly China, India and Eastern Europe).² Latin America and much of the Caribbean are surprisingly absent from the analysis. The only exceptions are a fascinating analysis of slavery in Haiti and brief discussions of slavery, colonization, and current politics in Brazil in chapters 6 and 16.

3 | LATIN AMERICA: HIGH INEQUALITY WITHOUT A SOCIAL-DEMOCRATIC ERA

The absence of much reference to Latin America is particularly regrettable given the relevance of this continent for our understanding of income distribution. The region has often been described as the “most unequal” in the world. Figure 1 compares average regional Gini coefficients in different regions, highlighting Latin America's position. Piketty places Qatar and South Africa at the top of his ranking, but Brazil—the only Latin country included—performs quite poorly as well (Piketty, 2020, figure 13.2).

Latin America's inequality is characterized by high concentration at the top—precisely the problem that concerns Thomas Piketty in this book and previously in *Capital in the 21st Century*. According to an influential World Bank report in the early 2000s, “Latin American distributions are mainly characterized by a higher income share among the rich relative to countries in other regions” (De Ferranti et al., 2004, p. 53). Recent research using

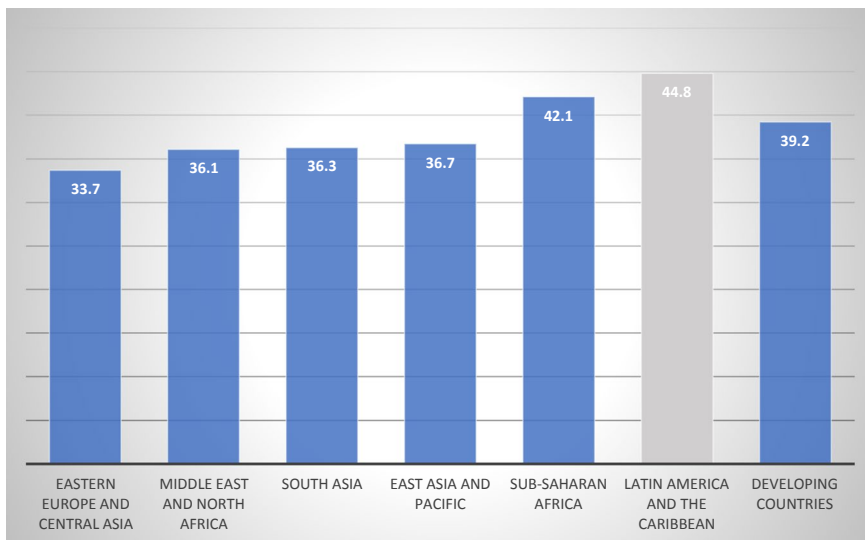


FIGURE 1 Gini coefficient for the distribution of household consumption per capita in the global South, 2010. Source: Alvarado and Gasparini (2015) [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com)]

national accounts and/or tax receipts confirms this insight. In Brazil, Chile, and Mexico, the share of pre-tax income of the top 1% is around 25% of GDP. Colombia (20%) and Uruguay (14%) perform slightly better but are still among the most unequal countries in the world.³

The concentration of resources at the top is not new but has likely been present for centuries. Although there is an intense debate in the literature about the specific moment when Latin America moved to the top in the inequality rankings (Dobado & García Montero, 2010; Engerman & Sokoloff, 1994; Frankema, 2009; Williamson, 2009), there is little doubt that the region's elite controlled a disproportional share of land and political power well before independence. Rodríguez Weber (2018), in an excellent review that informs much of my discussion in this paper, argues that "since colonial times, the state has been the main supporter of the economic power and the social privileges" of the elite (p. 6).

Like in France and the United States, inequality increased significantly during the late 19th century and beginning of the 20th century. A series of technological innovations made international trade easier and cheaper, leading to the first wave of globalization. The construction of railways, the inauguration of long-distance steamer services, and the introduction of refrigeration moved Latin America closer to the United States and Europe: according to some estimations, transatlantic transport costs decreased by 45% between 1870 and 1913 (Bértola & Williamson, 2006). Rich landowners found new opportunities to make large amounts of money through growing exports of beef, agricultural products, and minerals. They benefited from the new trains connecting their regions to the main ports and from public efforts to further concentrate land in a few hands (Coatsworth, 2005). In Argentina, Brazil, Chile, and Uruguay—some of the few countries for which data are available—the Gini coefficient increased by at least five percentage points between 1870 and 1920 (Bértola et al., 2010).

Racism played a central role in perpetuating inequality (Frankema, 2009). Piketty highlights the long-term implications of slavery in Brazil—but his discussion is rather brief.⁴ In most of Latin America, the process of colonization was built on a rigid racial hierarchy and the oppression of indigenous people and black slaves. Later the project of *mestizaje* or racial mixing increased integration, but soon contributed to perpetuate inequality. As Holt (2003) persuasively explains, these ideas began "as an initiative of white intellectual elites... and often served to maintain the social status quo" (p. xi). The myth of a racial democracy came together with sustained discrimination based on race and ethnicity, impoverishing large segments of the non-white population (Thorpe, 2012).

Inequality in Latin America remained high in the 20th century. The improvement that the global North experienced between 1920 and 1970 was much less significant (Rodríguez Weber, 2018). In countries like Brazil and Uruguay, the reduction of inequality lasted just two decades; by the early 1960s the trend had already reversed (Bértola, 2005; Souza, 2018). In Chile the reduction of inequality persisted until the early 1970s, but the subsequent reversal was spectacular (Rodríguez Weber, 2017a). In Colombia—and probably in most other countries for which data is unfortunately not available—inequality actually increased during this period (Rodríguez Weber, 2017b).⁵

Has Latin America's persistent high inequality been primarily a result of ideology? Was the (relative) lack of improvement in the 1950s–1960s a failure of social democracy? What about the growing inequality in the 1980s? In the rest of the paper, I aim to briefly answer these questions. The discussion will show that ideology did play a role but was not the driving force in the perpetuation of inequality in one of the world's most unequal regions.

4 | ELITES, PERIPHERAL ECONOMIES, AND INEQUALITY IN LATIN AMERICA

Recent explanations of Latin American inequality in the Anglo-Saxon literature focus almost exclusively on domestic institutions (Acemoglu et al., 2001; Coatsworth, 2005, 2008; Engerman & Sokoloff, 1994; Frankema, 2009). The region's endowments and/or the process of colonization resulted in a set of extractive institutions

(weak democracies, clientelist interactions, and exclusionary education systems) that perpetuated inequality over time. Ideology was, according to these authors, one of the tools used to justify income concentration.

Institutions and ideology have undoubtedly been important. By focusing exclusively on them, however, dominant research often hides key underlying drivers. Where do institutions (and ideology) come from? Are they just shaped by path dependence and domestic forces? Who is benefiting from these institutions? Structuralist economics—a school of thought that was born in Latin America and focuses on the region—is particularly helpful to answer these questions. Since its birth in the late 1940s, structuralists have focused on the organization of the global economy and its impact on the domestic political economy to explain economic development and income distribution (Prebisch, 1962; Rodríguez, 2006; Rodríguez Weber, 2018).⁶

The structuralist theory of underdevelopment is based on a historical analysis of capitalist development. From the beginning, the process of capital accumulation and technical progress took place asymmetrically in different countries. Some of them became centers (first United Kingdom, later also United States, and the rest of Europe) because they benefited first from technological innovation. Meanwhile, the rest of the world, the periphery, was left behind in the use of new technologies and in the implementation of new organization techniques.

The center not only grew more but also experienced more sectoral diversification (Prebisch, 1962; Rodríguez, 1980). Workers in all kinds of activities from textiles to steam engines and from wine to steelmaking were highly productive and, as a result, relatively well-paid. In contrast, the periphery was specialized in agricultural and mining products and relied on innovations from abroad (Bértola & Ocampo, 2012). Many economic activities—particularly within the manufacturing sector—were underdeveloped and wealth concentrated in the export sector. As a result, too many jobs were informal and poorly paid.

Here then the main source of income inequality for structuralists even today: differences in productivity between various sectors leading to large wage (and profit) gaps (Infante & Sunkel, 2009). These differences generate a hierarchy of actors within any Latin American economy: at the top, the owners of the largest firms in leading sectors and at the bottom low-educated workers in subsistence agriculture and urban informal activities like street vending.

Financial asymmetries in the global economy are also costly (Tavares, 2000; Vernengo, 2006). A few countries in the center have the ability to borrow in their own currency and benefit from low risk premiums. They can maintain large current account deficits for long and also adopt counter-cyclical policies when needed. In contrast, countries in the periphery can only borrow in dollars and are forced to deal with recurrent financial crises. Financial inflows are also pro-cyclical: they expand rapidly when the economy goes well but quickly go down when economic conditions deteriorate (Ocampo et al., 2009). Implementing counter-cyclical economic policies that ameliorate the size of the cycles, protect workers in times of crisis and prevent rapid increases in within-countries inequality is thus more complicated (Ffrench-Davis, 2012).

For structuralists, these economic processes contribute to shape politics as well. According to Raul Prebisch—arguably the founder of structuralism—capitalism in the Latin America “promotes the concentration of economic power and inequity. And the concentration of economic power leads to concentration of political power in the most favored strata” (Prebisch, 2008, p. 32). The elite use this power to set prices, hire and fire workers, influence politicians, and weaken state institutions (Bértola & Ocampo, 2012). In contrast, informal, powerless workers have no bargaining capacity.

Race and ethnic discrimination have been consistently used to maintain this dual economic system and strengthen the power of the elite. Racism has been as much about political and economic power than about ideology. Studies in Bolivia and Guatemala, for example, show “that those who are indigenous have much lower levels of schooling, receive lower earnings and experience lower rates of returns to schooling than do those who are non-indigenous” (Psachropoulos & Patrinos, 1994, p. 14). Discrimination has been used to keep labor costs low in agriculture and other low productivity activities: in Bolivia, Ecuador, Guatemala, Mexico, and Peru, the earning gap between the indigenous and non-indigenous population that is not explained by other factors has been consistently large (Hall & Patrinos, 2005) and contributed to capital accumulation.

This set of economic and political forces are more important than ideology to explain long-term patterns of inequality. As Rodríguez Weber (2018, p. 22) argues, “factors like dependence on natural resource intensive exports ... structural heterogeneity, informality, racism and a dominant class with enough power to significantly influence politics, continue to determine the history of inequality in the continent.” They also explain contemporary patterns of inequality as I will briefly illustrate now.

During the first decade of the 2000s, income inequality decreased in Latin America while increasing in many other parts of the world (Cornia, 2014; Lustig et al., 2016). According to estimations by Gasparini et al. (2016), the regional Gini coefficient was 0.47 in 2012 compared to 0.54 9 years before. During this period, it went down in 14–18 Latin American countries, increasing only in Costa Rica and Honduras (Sánchez-Ancochea, 2019). Unfortunately, this positive trend did not last for long. By 2010, improvements in income distribution were slowing down (Gasparini et al., 2016) and since 2015 inequality has actually increased in most countries. In Brazil, for example, the Gini coefficient increased from 0.525 in 2015 to 0.543 in 2019. During these 4 years, the bottom 50% of the population witnessed a reduction in purchasing power, while that of the top 1% increased significantly (Barbosa et al., 2020).

Structuralist variables are fundamental to explain these recent up and downs. The initial improvement in income distribution coincided with a commodity boom (Ocampo & Parra, 2010). During the first decade of the 21st century, the price of oil multiplied by four, while the price of other commodities doubled. As a result, the terms of trade increased by more than 50% in Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela (ECLAC, 2012 and 2014; Ocampo, 2017). The expansion was also significant in Argentina and Brazil—major agricultural exporters—and positive but lower in Mexico, Paraguay, and Uruguay.⁷

The commodity boom contributed to an increase in public revenues (CAF, 2013), which were then used to expand redistributive social programs. For example, taxes on hydrocarbons grew faster than other state income; its share in total revenues went from 4.4 in 2001 to 6.7 in 2012 (Sánchez-Ancochea, 2019). Mahon (forthcoming) finds a 0.86 positive correlation between commodity prices and central government revenues for the period 1990–2016 but no correlation in OECD countries. Most of this positive relationship results from higher prices in the 2000s: in fact, the correlation coefficient for the 1990s is only 0.35.

Why was the income from the commodity boom better distributed than in the past? For Bird and Zolt (2015, p. 323) there was a new “tax contracting” which reflected “a marked increase in democracy in the region... a substantial expansion of the middle class... and the emergence of an increasing number of left-of-center governments.” Yet, both governments from the left and the right implemented redistributive measures (Altman & Castiglioni, 2019; Fairfield & Garay, 2017; Garay, 2016). Power redistribution was essential: the consolidation of democracy enhanced the influence of social movements and poor voters, forcing all political parties to pay more attention to income redistribution (Bird & Zolt, 2015; Huber et al., 2008).

Structuralist variables also explain why the reduction of inequality was short-lived. First, the end of the commodity boom evidenced once again Latin America's peripheral character. As soon as the global economy slowed down and Latin America's exports stagnated, countries struggled to sustain their redistributive strategy (Doyle, 2018). Both social spending and formal jobs stopped growing as governments struggled to confront economic crises and secure new resources.

Part of the problem is that Latin American countries failed to transform their economies. Quite the contrary: countries south of Panama became more dependent on primary exports than before. Between 2000 and 2010, the share of primary exports went from 72% to 93% in Bolivia, from 42% to 64% in Brazil, and from 58% to 74% in Uruguay; it also reached 90% in Chile and Peru (ECLAC, 2011). Industrial policy was not consistently implemented anywhere and the number of good jobs in the service sector remained limited (Martínez Franzoni & Sánchez-Ancochea, 2014). Sustaining improvements in income distribution in these kinds of economies has proven hard and will remain difficult in the future.

Second, sooner or later, the upper-middle class and the elite rebelled in many countries. They opposed income redistribution toward the poor and resented their loss of status and influence. Brazil constitutes the clearest

example of this trend; as Piketty himself recognizes, “there is little dispute that these redistributive policies, in conjunction with the widening of the class cleavage, drove traditional Brazilian elites to seek ways to regain control of the situation” (Piketty, 2020, p. 956). They first supported a questionable impeachment against the progressive president Dilma Rousseff and later contributed to the election of the extreme right-wing Jair Bolsonaro as president.⁸

Unfortunately, the COVID-19 pandemic has made things even worse (Ferreira & Schoch, 2020). Latin American countries have struggled to deal with the health crisis, which has affected vulnerable populations like indigenous peoples asymmetrically. Despite some efforts to expand cash transfers, informal and blue-collar workers have been hit by the lockdown more than others. Latin America's dependent position in the global economy has severely limited its response. The combination of low commodity prices, lack of revenues from tourism, and difficulties to expand foreign debt has forced many countries to consider public spending cuts at a time when the global North adopts unprecedented expansionary policies.

To be clear, I am not arguing that ideology does not matter: the struggle over progressive taxation, public debt management and the value of public health care will influence the direction of Latin American countries for years to come. Yet, this is not a struggle about the right ideas or the concept of justice. Behind every ideological debate, there is a conflict over who benefits from economic growth and about who bears the costs of economic crises. Unfortunately, the economic elite (and the richest countries) have many more resources to shape this debate, including their political influence and—in extreme cases—their power to weaken democracies and promote authoritarian breaks. Ideology is a resource that the powerful use more than an independent driver of inequality.

5 | POLITICAL REGIMES AND INEQUALITY: THE RISK OF AUTHORITARIAN RUPTURES

When discussing the 20th and 21st century, *Capital and Ideology* takes democracy almost for granted. Even if usefully recognizing its many limitations to represent people's preferences, Piketty pays little attention to the role of authoritarian regimes in shaping and reshaping inequality regimes. In fact, neither dictatorship nor authoritarian governments appear in the index.

Yet, it is hard to understand inequality in much of the world without considering authoritarian discontinuities. Democratic breaks in the global South have been common: in Latin America, there were 8 democracies in 1950, 6 in 1955, 12 in 1959, and 5 in 1976. Democratic ruptures were often an elite response against the distributional improvements during the global social-democratic turn. According to Drake (2009, p. 164), “when the well-to-do feared that popular democracy jeopardized upper- and middle-class privileges, they imposed protected democracies or exclusionary authoritarianism. Some resorted to unusually barbaric dictatorships by the armed forces.”

The case of Chile is one of the best known and most dramatic. Starting with the arrival of the leftist Popular Front to power in 1938, Chile experienced a significant policy shift. That year, the government created the Production Development Corporation (“Corporación de Fomento de la Producción,” or CORFO), funded with a 15% tax on copper profits (Gedicks, 1973). CORFO's goal was to diversify the economy, expanding manufacturing production and creating new opportunities for Chilean workers. Successive progressive administrations increased the tax burden on copper steadily while expanding social policy, introducing labor market regulations, and implementing land reforms. As a result of the new measures, inequality decreased significantly during this period, particularly in the 1940s–1960s (Rodríguez Weber, 2017a).

The election of the Socialist Salvador Allende in 1970 led to the acceleration of the progressive agenda. Many companies were nationalized, land redistribution was intensified, and taxes and nominal wages increased rapidly (Rodríguez Weber, 2017b). The economic elite was not happy: starting in 1971 a group of businessmen met regularly to plot the demise of the socialist government. The so-called “Monday Club” included representatives of the Edward family—one of the richest in the country and owners of the leading newspaper *El Mercurio*—as well as the

head of the association of Chilean manufacturers (O'Brien & Roddick, 1983). Their pressures ultimately succeed: on 11 September 1973, a large segment of the military launched a coup d'état that culminated with the appointment of Augusto Pinochet as the country's unelected president.

The impact of the Pinochet dictatorship on income distribution was dramatic. Between 1973 and 1987 the income share of the top decile increased from 34% to 52%, while that of every other group diminished (Palma, 2011). In this way, the coup and subsequent dictatorship are fundamental to explain why the period of inequality reduction was so short in Chile.

Piketty could easily argue that this distributional change was driven by ideology; the Pinochet dictatorship was well-known for its neoliberal reforms, including the introduction of vouchers in education, the privatization of the pension system, and the deregulation of the labor market. Yet, violence more than ideology was behind the implementation of the new distributional regime: the Chilean dictatorship killed more than three thousand trade unionists and opposition party followers, and systematically curtailed the right to protest and strike and many other political rights (Benites, 2014).

The links between democratic breaks and income distribution are also clear in Brazil. As Piketty persuasively explains, labor relations remained harsh there and democracy was weak for most of the 20th century. These problems had a lot to do with the history of racial exploitation: for him, "it is impossible to understand the structure of inequality today without taking into account the heavy inegalitarian legacy of slavery and colonialism" (Piketty, 2020, p. 249).

Despite this legacy, Brazil did reduce income inequality during the social-democratic phase. Between 1945 and 1964, the income share of the top 1% decreased by more than ten points, particularly during the presidency of Juscelino Kibutscheck (1956–1961) (Sousa, 2018). Political and policy forces contributed to this significant improvement.⁹ The two decades of democracy resulted in an increase in electoral participation and the emergence of progressive leaders like Kibutscheck. State-led industrialization and rapid urbanization strengthened trade unions, increasing their bargaining power and mobilization capacity. At the same time, the rich were hurt by the reduction in the real value of domestic public debt as a result of inflation and interest rate caps (Bacha, 1978; Souza, 2018)—in a process similar to the one Piketty describes for wealthier countries.

Unfortunately, the democratic experiment was short-lived. When president João Goulart tried to implement a series of progressive measures, including enfranchising illiterates, redistributing land and nationalizing oil refineries, the military, and the elite mobilized against him (Skidmore, 2010). On 31 March, the military organized a coup that forced the president to leave the country and launched a two-decade dictatorship. The distributional implications of the new regime were similar to those in Chile. Between 1960 and 1970, the income share of the poorest 50% decreased from 17.4% to 14.9%, while that of the wealthiest 10% increased by seven percentage point from 39.6% to 46.7% (Gaulard, 2011). According to Sousa's estimations, the income share of the top 1% rose from 18% before the democratic interruption to 26% by the early 1970s (Sousa, 2018).

Guatemala's short democratic experiment and its demise provides another example of the power of the elite in alliance with external forces. Since independence in the 19th century, Guatemalans suffered one bloody dictatorship after another. The country was ruled by the military for the benefit of a small landowning elite, while the rest of society had been excluded both politically and economically (Bulmer-Thomas, 1987). In 1944, a series of street protests and strikes led to the demise of the latest dictator, Jorge Ubico and months later to the first free and fair elections in Guatemala's history.

The following 8 years resulted in the implementation of a series of progressive reforms that, most likely, contributed to a reduction in income inequality.¹⁰ Subsidies and credit lines for peasants were introduced; public education and health care received a boost; a rather modest income tax was implemented; and worker rights protected for the first time in Guatemalan history (Handy, 1994). A new Constitution extended the right to vote to all adult citizens with the exception of illiterate women, and established a multiparty system, while simultaneously forbidding the Communist Party.

Neither American companies (particularly the United Fruit Company) nor the economic elite were happy. They resented their loss of power, the reduction of profits, and the risk of further change. Unable to control democratic institutions and shape public policy, they pressured the U.S. administration and the Guatemalan military to act. In 1954, a successful military plot ended the democratic experiment and later contributed to a 30-year long civil war.

The struggle between the democratic government and the reactionary forces could be presented as one over ideology. Juan José Arévalo and Jacobo Arbenz—the two presidents during this period—were accused by the elite of supporting communism. In 1944, for example, the landowners' association denounced the government for "exalting or exaggerating the rights of labor, without mentioning the responsibilities, kindling the most ruinous passions... [thus destroying] social harmony, so necessary in order that the factors of production fulfil with success their noble goals of creating and increasing the national wealth." (Handy, 1994, p. 33 and 38). Yet these ideology arguments were really an excuse to hide the real class struggle over resources, opportunities, and power. Understanding Guatemala, like the rest of Latin America, requires considering how the elite continuously rejects institutional change, using all kinds of instruments (from ideology to brute force) to protect their interests.

Liberal democracy is today more consolidated than at any other time in Latin America's history. Nevertheless, elite-driven attacks on democratically elected presidents are still happening regularly. In Honduras, President Manuel Zelaya was expelled from the country illegally in 2009 when he unexpectedly strengthened trade unions, raised the minimum wage, and allied with Venezuela's Hugo Chavez (Ruhl, 2010). In Paraguay, Fernando Lugo—the first left-wing president in the country's history—was impeached on 21 June 2012 and removed from office just 1 day later. He did not have time to mount a defense and was never properly questioned by the deputies. The irregularities of the process led many experts and most neighboring countries to describe it as a "parliamentary coup" (Szucs, 2014). Lugo's demise was enthusiastically supported by the economic elite, who had violently opposed its reform agenda from day 1 (Hetherington, 2012). Elite-driven political violence against social activists is also common: in Colombia alone 64 land and environmental defenders were killed by militias allegedly funded by business groups and the public sector in 2018 (Global Witness, 2020). Authoritarian threats remain significant tools to sustain inequality and weaken social demands for redistribution—and must have a central role in any political economy study of income distribution.

6 | BUILDING A NEW DISTRIBUTIONAL REGIME: LESSONS FROM LATIN AMERICA

"Inequality is neither economic nor technological: it is ideological and political" proclaims Piketty on page 7 of *Capital and Ideology*. In doing so, he is speaking to a dominant perspective within neoclassical economics that identifies skill-biased technological change, mismatches between the demand and supply of education and other economic variables as drivers of income distribution.

There is little doubt that political struggles are essential to explain inequality and its perpetuation over time—as recognized by a growing number of social scientists (APSA, 2004; Bartels, 2008; Fairfield, 2015; Hacker & Pierson, 2010). Yet, those struggles are more often about power than about ideology. The elite succeeds in maintaining its privileges not because it has better ideas or controls leftist parties, but because it has more resources to frame debates, shape elections, and threaten (implicitly or explicitly) other groups in society. To be clear, ideology is important in these conflicts over resources and redistribution, but more as a tool than as a driver.

Moreover, the Latin American experience highlights that the power struggle over distribution has at least two dimensions that *Capital and Ideology* fails to properly consider. On the one hand, global dependence contributes to the perpetuation of inequality in the global South. Specialization in primary resources, dual labor markets, and financial weaknesses are driven by outside forces but shape domestic politics. On the other hand, it is impossible to study the interactions between politics and income distribution without considering the role of authoritarian regimes. Military coups, illegal impeachments and questionable judicial rulings have been used regularly to weaken

democracy and install authoritarian governments. Authoritarian politics have also weakened social movements one time after another. As a result, in many parts of the global South (and in a growing number of countries in the global North), any renewal of democracy must go hand in hand with the elimination of the authoritarian threat.

This discussion about the long-term drivers of inequality and the role of ideology is not just academic but has significant implications for the fight against inequality. In line with the rest of the book, *Capital and Ideology*'s suggestive last chapter focuses on policy *ideas* to create more equitable societies. Calling for a new form of "participatory socialism," Piketty proposes power sharing at the corporate level; progressive taxes on income, wealth, and inheritance that contribute to a new understanding of private property; a more progressive approach to carbon emissions taxation; education reform; and the adoption of a new global, more progressive policy regime. There are also some proposals to reform democracy and enhance political participation, but they are more underdeveloped.

These are all great ideas that can undoubtedly contribute to a new progressive ideology. Yet why will they be adopted? Who will drive policy change? Will democratic pressures by themselves force the economic elites to adopt them? What is the risk—particularly in the global South—of military coups and illegal attacks to democracy if some of these policies are proposed? And can the global South advance toward equality, while their economies remain specialized in primary goods and dependent on an unequal global financial system?

The Latin American experience demonstrates that policies and ideology without power redistribution and a new political balance will not go very far. In fact, many progressive policy alternatives have been available in Latin America for quite some time—most often proposed by Latin American thinkers themselves—but have never been properly implemented. This is why, going back to the beginning, the struggle for equality in large parts of the world is indeed a struggle over ideas, but even more a struggle over economic autonomy and real democracy. In the 21st century this struggle requires more creative ways to rewrite global rules, confront the power of the elite, and strength social movements and democratic institutions.

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ENDNOTES

- ¹ More specifically, Piketty reiterates his view of change at the end of chapter 10: "What led to the transformation of the inequality regime was the encounter between this intellectual evolution and a rage of military, financial, and political crises, which were themselves due in part to tensions stemming from inequality" (Piketty, 2020, p. 468).
- ² To be fair, Piketty recognizes this limitation, showing a degree of humility often absent in academia: "despite my efforts to decenter our gaze, I have to say that this book remains unbalanced ... The French Revolution comes up repeatedly and the experiences of Europe and the United States are constantly cited, much more than their demographic weight warrants" (Piketty, 2020, p. 1,038).
- ³ For Brazil, there are two different sources with similar estimations, Medeiros et al. (2015) and Morgan (2017). For Chile, there are also two sources Fairfield and Jorratt (2016) and Atria et al. (2018). For Colombia, see Alvarado and Londoño (2013), for Campos-Vazquez et al. (2016), and for Burdín et al. (2014).
- ⁴ See pp. 246–249.
- ⁵ Piketty is well aware of this difference between the global North and the global South, including Latin America. He explains that "despite deficiencies in the available historical data, moreover, it appears that inequality in these regions [Brazil as well as South Africa and the Middle East] has always been high: they never experienced a relatively egalitarian 'social democratic' phase (much less a communist one)" (Piketty, 2020, p. 22). Yet, he never fully considers the implications of this finding for our evaluation of social-democracy and our theories of global inequality.
- ⁶ In *Capital and Ideology*, Piketty proposes a multidisciplinary approach to social science research. He also calls to "decenter our gaze" and consider multiple cases (p. 1,038). We should go even further, paying more attention to the theoretical models and empirical contributions elaborated by non-Anglo-Saxon researchers. Doing so will enrich our understanding of inequality and socioeconomic change not only in the global South but also in wealthier countries.

- ⁷ In Central America and the Caribbean the commodity boom had a negative impact in the terms of trade (Ocampo, 2017). Not surprisingly, these are generally the countries where the Gini coefficient decreased the least during this period (Sánchez-Ancochea, 2019).
- ⁸ The success of politicians like Bolsonaro was facilitated by the support of some segments of the working class. They were generally concerned with corruption and insecurity—problems that the elites at times exaggerated to weaken leftist parties in power.
- ⁹ More research on this period would be useful. It should focus on the evolution of income distribution itself—since some comparative studies like Astorga (2016) claim that overall inequality increased during this period—on the redistributive power of social policy and on the interaction between race and class, particularly in the Northeast.
- ¹⁰ Unfortunately, there is limited data on income distribution for this period in Guatemala and other Central American countries.

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Capital and ideology: A global perspective on inequality regimes

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I am most grateful to the editors of the *British Journal of Sociology* for putting together such a stimulating set of review essays about my book *Capital and Ideology*. I am very honored by the thoughtful articles written by such a distinguished group of scholars coming from sociology, history, political science, anthropology, geography, and economics. There is no way I can do justice to the richness of each review, and it is impossible to address all the stimulating points that they raise. I would like, however, to take this opportunity to briefly clarify a limited number of issues regarding what I have tried to achieve in this book and the many limitations behind such a project.

1 | ELEMENTS FOR A GLOBAL HISTORY OF INEQUALITY REGIMES

In *Capital and Ideology*, I attempt to provide some elements for a global history of inequality regimes, that is, a history of the systems and institutions by which inequality is justified and structured, from premodern trifunctional and slave societies to modern postcolonial and hypercapitalist ones. One of main conclusions is that inequality is primarily political and ideological, rather than economic and technological. This is illustrated by the large diversity of sociohistorical trajectories which I uncover and analyze over time and across the five continents. I also stress that there exists a long-run trend toward more equality, and attempt to draw lessons for the future.

Obviously, such a global project is never ending. No book can exhaust so vast a subject. All my conclusions are tentative and fragile, by their very nature. They are based on research that needs to be supplemented and extended in the future. My objective is certainly not to close the subject but rather to help readers clarify their own ideas and their own ideologies of social equality and inequality and to stimulate further reflection on these issues.

In particular, despite my best efforts to decenter our gaze, I have to say that this book remains unbalanced—somewhat less so than my previous book but still quite unbalanced on the whole. I try in *Capital and Ideology* to offer a global and connected perspective on the history of inequality regimes. I stress throughout the book the central role of the colonial and postcolonial legacy for the understanding of the past, the present and the future (an issue on which I will further return below, when I discuss the question of reparations). Nevertheless, the experiences of France, Europe and the United States are constantly cited in *Capital and Ideology*, much more so than their demographic weight warrants. The experiences of Africa, Latin America and Asia are also addressed, but not

with the same level of precision and knowledge. Jack Goody, in his book *The Theft of History*, rightly denounced the often-irresistible temptation to write history from a western-centric point of view, which afflicts even well-intentioned social scientists. Writers routinely attribute to Europe and America inventions they did not invent or even cultural practices, such as courtly love, the love of liberty, filial affection, the nuclear family, humanism, and democracy. I have tried to avoid this bias, but I am not sure I fully succeeded.

The reason is simple and should be acknowledged: my gaze is profoundly influenced by my cultural roots, the limits of my knowledge, and above all by the serious weakness of my linguistic competence. This book is the work of an author who reads fluently only in French and English and who is familiar with only a limited range of primary sources. Yet this study ranges widely—perhaps too widely—and I beg again the pardon of specialists in other fields for the approximations and condensations they will find. I hope that this work will soon be complemented and superseded by many others, which will add to our understanding of specific inequality regimes, especially those in the many geographical and cultural regions poorly covered by this work.

Several of the reviews published in this issue of the *BJS* nicely illustrate this point and offer promising perspectives for future research and dialogue. For instance, Leibbrandt, Diaz-Pabon, Ranchhod, and Savage rightly argue in their essay that the case of South Africa ought to be studied in a more detailed manner. Extreme inequality in South Africa has long-standing historical origins which post-Apartheid policies were unable to fully counteract. As Leibbrandt et al write, there were some limited attempts after the fall of Apartheid to redistribute wealth. In practice, however, no ambitious land redistribution program was ever adopted, and policy initiatives like the Black Economic Empowerment (BEE) program contributed to empower a tiny new elite rather than to reduce structural racial inequality of wealth. In *Capital and Ideology*, I attempt to account for this failure by referring to the role played by global factors (especially the “neo-proletarian” ideology that was so dominant at the world level during the 1990–2020 period), as well as to domestic factors, including the ideological roots of the ANC (whose dominant faction generally had relatively conservative views regarding property relations and the redistribution of property). It is clear, nevertheless, that a better understanding of the failure of redistribution during this period would require a much deeper analysis, looking both at the politico-ideological dimensions and at the practical aspects and difficulties of policy implementation (such as those encountered with the BEE program), which I do not discuss in the book.

Similarly, Sánchez-Ancochea points out in his essay that the history of inequality regimes in Latin America would require further analysis. In particular, he stresses that the case of Latin America illustrates the crucial importance of economic dependency, the international balance of power and the structural role of authoritarian government and dictatorship (at least as much as the role of ideology). The most recent inequality estimates released by the *World Inequality Database* show there is actually a large diversity of inequality regimes within Latin America. For instance, the share of national income going to the bottom 50% of the population varies from a factor of one to two between the region's most unequal countries (such as Mexico, Brazil, or Chile) and least unequal countries (such as Argentina or Uruguay). This reflects the existence of national margins of actions (within a general context of high regional inequality by international standards) and different politico-ideological trajectories. A proper analysis of this diversity of cases would, however, require a much more detailed analysis, and Sánchez-Ancochea is perfectly right to stress that Latin America is not adequately covered in *Capital and Ideology* (partly for lack of data sources at the time of writing, and partly because of the limitations of my knowledge and readings).

To sum up: *Capital and Ideology* is at best an introduction to a truly global history of inequality regimes. I attempt to present some elements going in this direction, but a lot of the material is still missing, particularly regarding the history of inequality regimes in Africa, Latin America and Asia. My best hope is that this book will contribute to stimulate more interdisciplinary and historical work in this area in the future.

2 | POWER, IDEOLOGY AND INDETERMINACY: BORDERS AND PROPERTY

Let me now come to the main point that I would like to clarify in this essay. Although I believe in the role of ideas and ideology in shaping the global history of inequality regimes, I certainly do not think that ideas alone can change the world. Without major shifts in the balance of power and material forces, ideologies have little impact. But without specific ideas and ideologies on how to transform the world, material and social forces alone do not know where to turn.

Throughout my book, I emphasize that the balance of power and the (often violent) political confrontation between antagonist social interests play a central role in the transformation of inequality regimes. For instance, the beginning of the end of slaveist societies in the Atlantic world starts with the 1791 slave revolt in Saint-Domingue—not in enlightened discussions in Parisian salons or in parliamentary assemblies. The occurrence of other revolts (e.g., in Guadeloupe in 1802 or in Jamaica in 1831) and the threat of new ones also played a central role in the British and French abolitions of 1833 and 1848. In the same manner, the end of aristocratic privileges in European societies of orders was to a large extent the consequence of revolutionary events and peasant revolts (e.g., in France in 1788–1789). During the late 19th century and the first half of the 20th century, the balance of power between capital owners and industrial workers was redefined by trade-union mobilization and social struggles, the Bolshevik revolution, and the existence of a communist threat. Without such dramatic shifts in the balance of power, it is difficult to see how the proprietarian societies of 1914 would have been replaced by social-democratic societies in Western Europe after 1945. At the global level, I also build upon an extensive historiography in order to show that the rise of the West over the 1700–1900 period was largely due to the superior military and fiscal capacities of European state powers. Similarly, differences in collective mobilization capabilities and military strength played no small role in independence wars and the end of colonial societies. The U.S. Civil War put an end to slavery in the U.S. in 1865, and it took enormous African American mobilization to end racial discrimination in 1964–1965. And so on.

At the same time, I also stress throughout the book that the balance of material power and social forces needs to be supplemented with the power of ideas and ideology. In other words, the class struggle theory of history, no matter how relevant it still is, ought to be reframed and rebalanced with the ideological struggle theory. This is the general perspective that I attempt to develop in *Capital and Ideology*.

Ideas and ideologies matter a great deal, both before and after the seizure of power. First, ideas and ideologies play a central role in social struggles and political mobilizations. In order to build a sense of solidarity and common identity (e.g., among rebellious slaves, landless peasants or industrial workers), one needs some common views about how society should be reorganized. This does not need to be a full-fledged political program, but at least some broad lines of action must be agreed upon, no matter how rudimentary. The point is that there is generally a large diversity of ideologies and narratives that can be developed in order to support social mobilizations. They are never fully determined by society's socioeconomic structure, and they matter for the success of the social struggles and mobilizations.

Next, and maybe most importantly, ideological struggles matter because the practical implementation of a new political and social order (after the success of mobilization and the seizure of power) will always be accompanied by some form of ideological indeterminacy or incompleteness. That is, whatever the balance of power might be, there will remain some fundamental indeterminacy about the most desirable manner to reorganize society and to redefine power relations after the conquest of power.

Ideological indeterminacy stems from the fact that the core issues that need to be addressed—especially the border question and the property question, following the terminology used in my book¹—are so complex and open-ended that they can never be fully determined by material interests alone. Of course, it is possible to learn over time (both from historical experience and through political deliberation and confrontation) about the various institutional arrangements which can be used to regulate the border regime and the property regime (as well as

the educational system, the fiscal system, and so on). This process of learning about justice and institutions has been at work for centuries, and in my view contributes to explain the long-run trend toward more equality. But it will always be incomplete and imperfect, so that ideological struggles and disagreements will continue.

Let me take an example. By the end of 1917 and the beginning of 1918, the balance of power allowed Russian Bolsheviks to take control of the situation in Petrograd (and gradually all over Russia) and to start building what they considered to be the basis for the first “proletarian State” in history. This does not imply, however, that they had clear and consensual ideas on how the new social and political order should be organized. From then on, multiple possible political and institutional paths were possible. Who will rule the new bureaucratic ruling class, and by which electoral processes or other political mechanisms will it be held accountable? Should there be multiple factions within the ruling party, and what should be their role? What will be the power of the soviets, the trade unions, what will be the proper hierarchy of wages and material advantages, and how will it be controlled and enforced? How will political power and central planning be organized between the various soviet republics, and between urban and rural territories? How should the “proletarian State” address the issues of gender inequality, family relations, ethnolinguistic, and religious diversity within the soviet federation? Marxist-Leninist ideology—as understood by the social and political actors of the time—did provide a number of answers, but there were lots of gaps. Lessons from the French Revolution of 1789, European Revolutions of 1848 or the Paris Commune of 1871 were often invoked, but offered limited practical guidance for the concrete institutional choices that were to be made. Different individuals and social groups within the Bolsheviks and Russian society at large naturally had widely conflicting views about these complex questions, depending on their pre-revolutionary intellectual and sociopolitical trajectories, and depending also how they reacted to the unfolding of events. My general point is that the choices that were made and the chaotic trajectory that finally occurred were not the only possible ones, and that *ideological indeterminacy* played a critical role in these historical processes.

To put it another way: social class position, as important as it is, is not enough to forge a theory of the just society, a theory of property, borders, taxes, education, wages, or democracy. Without precise answers to these complex questions, without a clear strategy of political experimentation and social learning, struggle does not know where to turn politically. Once power is seized, this lacuna will be filled by specific political-ideological constructs and institutional choices, some of which might turn to be more oppressive than those that were overthrown. For a given class position and social experience, different individuals will espouse different views on borders and property, depending on their political experience, the deliberative processes they have been exposed to, and their own subjective and emotional experience. Class struggles and ideological struggles are intimately related, but they are never fully aligned. There is always a large autonomy of the ideological sphere, especially in periods of crisis and in times when the old balance of power is replaced by a new one and when novel unanswered challenges emerge.

3 | IDEOLOGY, THE FRENCH REVOLUTION, AND THE SWEDISH REVOLUTION

Where do ideologies come from? I certainly do not attempt to offer in my book anything close to a satisfactory answer to such a complex question, let alone a general theory. More modestly, I study specific sociohistorical episodes of ideological struggles and try to identify the main forces at play. In particular, I stress the role played by the memory of past institutional choices (or the lack thereof) and the diffusion of knowledge and experiences across national and imperial trajectories.

I also argue that in order to analyze these learning processes, it is fruitful to go beyond abstract principles about equality, liberty, rights, and justice, and to focus upon the concrete institutional devices that societies need to make in order to translate these general principles into the social reality: legal systems and electoral rules, tax rates and tax schedules, educational resources and social spendings, and so on. Without these, institutions and ideologies are mere empty shells, incapable of effecting real social change or inspiring lasting allegiance.

For instance, when I analyze the achievements and the limitations of the French Revolution in relation to the redistribution of property, I show that some very concrete proposals were put forward about new income and inheritance tax schedules designed to replace the old tax system and to finance minimum income or capital endowment to all. Many such brochures were published and discussed, not only by famous actors like Condorcet or Paine but also by less well-known authors such as Graslin or Lacoste, who explicitly proposed to set graduated tax schedules with tax rates rising from less than 5% for individuals with incomes and inheritances below average up to 70%–80% for those with incomes and inheritances several hundred times above average. These tax schedules turn out to be very close to those that were adopted and implemented in the United States and in Western European countries during the 20th century (especially between 1920 and 1980). However, no such progressive tax system was adopted during the French Revolution, with the exception of some limited attempt in 1793–1794 in the form of graduated forced war-finance loans. The tax system which emerged from the French Revolution and applied until 1914 was for the most part a flat tax system, which contributes to explain the rise of wealth concentration that occurred in France during the 19th century and up until World War I.

In order to analyze this historical sequence, I again emphasize the fact that several trajectories were possible, and that it would be a mistake to look at these events in a deterministic manner. It is not difficult to imagine a slightly different course of events in 1792–1798 which would have led to more extensive experimentation and diffusion of progressive fiscal institutions. The magnitude and speed of the post-WWI international diffusion of tax progressivity, as well as the velocity of the post-1980 retreat, point in this direction. In the case of the French Revolution, however, the material and ideological balance of power strongly bent in the other direction. Many actors (e.g., Montesquieu) were already afraid that the centralization of the judicial system over such a large territory and population (given the transportation and communication system of the time) was already a risky adventure that could give rise to an excessive concentration of state power. In this context, the standard proprietarian argument according to which opening up the Pandora box of progressive taxation will lead to endless chaos proved to be especially powerful.

More generally, I attempt in my book to show the plausibility of each set of ideas and ideologies. As Reddy points out in his essay, this certainly does not mean that I put all ideologies on the same scale. In the case of progressive taxation, I try to explain why I find the Pandora box argument ultimately unconvincing. Namely, in light of the 20th century international experience with tax progressivity, and after a critical examination of the positive historical evidence associated with this experience, I argue that the desirable level of income and wealth tax progressivity is very high (up to 80%–90% tax rates for very top income and wealth levels), that the true historical source of prosperity lies in education and equality (rather than in the pursuit of trickle-down inequality), and that we should rely on democratic deliberation to set the right level of fiscal progressivity (rather than on constitutional limitations). However, I always try to make clear that the available evidence is insufficient and imperfect, so that opposite views will always keep some plausibility. In that sense, my analysis of ideological struggles attempts to go beyond Marxian notions such as “false consciousness”. Because the institutional choices that human societies need to make are so complex, there is ample room for rational disagreement and democratic deliberation.

Let me now take the example of the “Swedish revolution”. Following the work of Erik Bengtsson, I stress that the inequality regime which was in place in Sweden during the 1865–1911 period was one of the most extreme European proprietarian societies ever observed (and arguable *the* most extreme). It is not only that voting rights were restricted to the richest segments of society (viz., approximately the top 20% of male taxpayers of the time)—a feature which one finds in most European societies in the 19th century. What is striking in the case of Sweden is that the wealth-owning class was able to impose a much more sophisticated system tying political rights and property ownership, in the sense that the actual number of voting rights (the *fyrkar*) was roughly proportional to the amount of wealth and the level of taxes, up to 54 votes in legislative elections and 100 votes in urban municipal elections. There was no such ceiling in rural municipal elections, so that around 1880–1900 there were several dozen municipalities where one taxpayer had more than 50% of the vote (including the municipality of the then Prime Minister, Count Arvid Posse). This electoral system was finally changed in 1911, and universal suffrage was

imposed in 1921, following an intense popular mobilization. The Swedish social-democrats (SAP) took power in 1932. They then ruled the country for most of the following 60 years and put in place what has come to be viewed as one of the most egalitarian societies in history (and rightly so, in spite of its many limitations). The Swedish transition perfectly illustrates the key role of social mobilization and political ideology in order to induce a dramatic change in the basic organization of society over a relatively brief period.

As Savage and Waitkus rightly point out in their essay, I certainly do not claim that I have a full-fledged theory explaining why this major ideological transformation happened the way it did. I explore a number of explanations, none of which fully exhausts the discussion. First, I stress that to some extent a similar politico-ideological transformation driven by social mobilization, working-class struggle, and socialist/social-democratic ideology happened in other Western European societies between 1890 and 1950 (albeit with different intensities). Next, the fact that the wealth-owning classes went so far in the constitutionalization of their political power in the case of Sweden certainly contributed to stimulate the sense of injustice and the mobilization of the Swedish working class. I also stress the fact that the process of state centralization and administrative capacity building started very early in Sweden. As early as 1750, the Swedish state started to organize very sophisticated censuses, and was in many ways well ahead of Britain or France. By 1850–1900, the Swedish state had developed an impressive system of property and income registers, which at the time were used to distribute large voting rights to the upper class and to enforce a highly inegalitarian political and social order. Swedish social-democrats were then able to put this state capacity to the service of a completely different political project. Namely property and income registers were used to make affluent taxpayers pay high progressive taxes in order to pay a relatively egalitarian education and health system. Workers' rights were also put in place in companies together with social insurance schemes in order to counterbalance the power of property owners.

One of the general lessons from this experience is the following. In a sense, the process of state centralization opens up more coercive opportunities for the elite than traditional systems of local domination based upon a mixture of property and regalian rights at the local level. However, this same process of state centralization also opens the way for the removal of elite power, depending on who controls the state and in the name of which ideology. In the case of Sweden, a proper analysis of the transition would also require to pay close attention to the powerful strategy of political mobilization developed by the trade unions and the social-democrats, including the construction of a strong working-class identity, industrial-work culture, and a comprehensive policy platform. But here again nothing was written in advance, and nothing is written for ever. The specific forms taken by class struggles and ideological struggles played a key role, and the same conclusion will apply in the future.

4 | PARTICIPATORY SOCIALISM AND THE CASE FOR SOCIAL-FEDERALISM

Let me now take another example of ideological indeterminacy that will again illustrate the complex unfolding of beliefs systems about institutions, the property regime, and the border regime. In the last chapter of my book, I build upon some of the lessons from the previous chapters and from the experience of the 20th century (including the Anglo-American experience with progressive taxation and the German-Nordic experience with codetermination and the social state) in order to describe how an ideal system of “participatory socialism” could look like in the future.

Several points are in order here. First, the notion of “participatory socialism” corresponds in my view to one of the possible trajectories which could happen in the long run, and certainly not to something that is likely to be implemented in the very short run. Given how other major transformations of inequality regimes occurred in the past, it is likely that such an important transformation would entail some major social and political crisis, which as I argue in my book could be triggered by future environmental crisis, but which I am naturally unable to predict.

Next, “participatory socialism” is fairly different from the system of “social-democratic capitalism” (or “welfare-state capitalism”) that we have today in a number of Western countries. In particular, it goes much further in terms of progressive taxation and redistribution of income and wealth, power sharing and workers’ rights in companies, and educational justice. However, I would argue that “participatory socialism” is no more different from the kind of “social-democratic capitalism” that is in place in 2000–2020 than the latter differs from the type of authoritarian-colonial capitalism that was in place around 1900–1910. In other words, inequality regimes have already changed a lot in the past, and it makes sense to think of the possible next steps in this perspective.

Finally, and most importantly, the notion of “participatory socialism” attempts to address the limits of social democracy, not only regarding the redefinition of property relations at the domestic level but also regarding the structure of global North–South inequalities as well as in terms of racial and gender divides.

As Paidipaty and Ramos-Pinto emphasize in their essay, the set of social-democratic policies implemented by Western countries over the 1950–1980 period largely ignored racial and gender issues, as well as the very unequal center–periphery relations between the richest countries (including the former colonial powers) and the poorest countries (including the newly independent countries) that were in place during this period. This is not saying that the reduction of inequality which took place in the North in the mid-20th century happened at the expense of South. If anything, colonial extraction was at a higher point in the 18th–19th centuries and in the early 20th century (when inequalities were at their highest levels in the North) than in the 1950–1980 period (when inequalities were their lowest levels in the North). The removal of colonial masters in the South came together with the removal of capitalist masters in the North, and there are strong reasons for this: first because these were to some extent the same masters, and next because imperialist competition between colonial powers largely contributed to the destruction of the proprietary-colonial order between 1914 and 1945. However, it is critical to stress that the capitalist world system remained a very unequal and hierarchical center–periphery system during the 1950–1980 period, as well of course as during the 1980–2020 period. That is, the old colonial masters were removed, but Northern countries developed new neo-colonial patterns of domination in the context of center–periphery economic relations, including when they were ruled by social-democratic parties.

In their essay, Paidipaty and Ramos-Pinto rightly stress that the set of global institutions that was adopted in the aftermath of World War II was very much designed to fit the interest of dominant economic powers. For instance, the latter refused in 1947–1948 to pursue the project of an International Trade Organization when they realized that it might become too multilateral for their taste and could end up giving too much voice to countries like Brazil and India as compared to what they were ready to accept. In *Capital and Ideology*, I also stress that Western economic powers managed to instrumentalize global economic and financial institutions in order to impose “shock trade liberalization” to developing countries in the 1980s–1990s, which resulted into a large fall in domestic tax revenues and had a very negative impact on the process of state building in the global South. The process of financial liberalization, “free” capital flows and massive tax evasion that was put in place in recent decades under the leadership of rich countries (and especially European countries, sometime under the leadership of social-democrats, socialists, and labor governments) also had very damaging effects in the South, even more so than in the North.

This is why the notion of “participatory socialism” which I call for needs to include a complete rethinking of the international economic order. I describe a number of steps in this direction, but it is clear that this needs to be supplemented by much more extensive thinking and deliberation. In particular, “participatory socialism” relies on what I describe as “social-federalism”, that is, a system of international relations that should prioritize the adoption of an equitable global tax system and a sustainable development model over the continuation of trade and capital flows. This requires the development of new kinds of multilateral and bilateral development treaties, including transnational assemblies based upon egalitarian principles and verifiable targets regarding social and environmental objectives. Given that the rise of Western industrial capitalism relied heavily on slavery and colonial extraction, the notion of “social federalism” also includes a strong reliance on international justice, including the right of all countries to receive a share of taxing rights on the world’s most powerful economic actors (large firms

and billionaires). Here again I do not claim that such transformations will happen more smoothly than other reshufflings of the world order or domestic order in the past. They will require deep shifts in the global balance of power between competing social interests and states, which might be triggered by environmental, migration, or other geopolitical crisis.

I also attempt in *Capital and Ideology* to put these debates on democratic-socialist federalism into historical perspective. I stress in particular the importance and plurality of the debates on European federalism which took place before and after World War II, as well as the discussions on socialist federalism that occurred in various decolonization settings (e.g., in West Africa, the Middle East, and the West Indies). The general point is that there are always alternative ways to organize the world economic order and the system of borders. As Bhambra rightly argues in her essay, colonial empires played a key role in the industrial revolution and in the rise of the West, and it is very difficult to imagine today how alternative development trajectories could have taken place (e.g., industrialization with free migration, free labor, and a more equitable balance of power and distribution of wealth at the world level). It is important, however, to stress the possibility of alternative trajectories, including at the global level, for the past and even more so for the future.

5 | PARTICIPATORY SOCIALISM AND THE CASE FOR REPARATIONS

I also stress in my book the need to articulate a universal approach to social justice and redistribution together with a view stressing the need for addressing past discriminations and prejudices (including in the form of reparations).

Let me take an example. In order to compensate former French slave owners for their loss of property, the French state decided in 1825 to impose on the newly independent state of Haïti an enormous public debt (around 3 years of Haïti's total annual production of the time). As I recall in my book, the French state also attempted in a different context (viz., the Versailles treaty of 1919) to impose on Germany a tribute of similar magnitude (about 300% of GDP). The difference is that in the case of Haïti, the French state had the military capacity to enforce effective payment. Needless to say, the little island (which used to be France's colonial jewel and the largest slave concentration in the Atlantic world before the 1791 slave revolt) could not reimburse such a large debt in 1 year, or in a few years. A consortium of French bankers (later replaced by U.S. bankers) offered to refinance the debt at high interest rates, and Haïti ended up repaying enormous flows of resources to its former slave owners during more than a century, between 1825 and 1950.

In France, one typical attitude about this inglorious episode, when it is not wholly ignored, is that this all happened a long time ago, and that it is now too late to do anything. One problem with this attitude is that we are still implementing today reparations for expropriations and other injustices that happened during World War II, or even sometime during World War I. With this kind of premise based on double standards, it is very difficult to build some commonly agreed norms of justice.

Of course, the same issue also arises for other reparations related to various postcolonial, postslavery contexts. Both in Britain and France, the abolitions of 1833 and 1848 entailed enormous payments to former slave owners (and nothing at all for slaves, who were inflicted various schemes of quasi-forced labor, which in former French colonies were in place until 1946). In 2001, a French MP from Guyane (Christiane Taubira) proposed to set up a commission on land reform and reparations in former French slave islands and territories (Martinique, Guadeloupe, Reunion, and Guyane). The parliamentary majority of the time, in spite of being from the "left" (socialists, communists, and greens), adopted a statement according to which slave trade was recognized as a crime against mankind, but refused to create the commission.

In the U.S. context, it is well known that the promise that was made to former slaves at the end of the Civil War ("one mule and 40 acres of land") was never honored when the war was over. One century later, when legal racial discrimination finally came to an end in 1964–1965, there was again no reparation of any sort to African Americans

for the prejudice that they were exposed to for decades and centuries. This does not imply, however, that this will never happen. After decades of denial, U.S. Congress adopted in 1988 a legislation including a 20,000\$ reparation for all Japanese Americans that were imprisoned during World War II and that were still alive at that time. In 1999, the French National Assembly created a new commission in order to compensate the victims of anti-Semitic spoiliations during World War II (and their descendants).

The issue of reparations is also important because it provides a clear illustration of the more general theme of *ideological indeterminacy*. That is, nobody has a perfect formula to define justice in this context (nor in other contexts); yet one cannot ignore the question simply because it is too complex. Unsurprisingly, class positions and the balance of power do play an important role in shaping the political battles and the outcomes about reparations. But these forces are insufficient as such to determine the right balance between the logic of reparations-based justice and the logic of forward-looking distributive justice (independently of one's origins). One needs to rely on democratic deliberation and historical evidence in order to reach the best possible compromise and to build norms of justice that can be discussed, improved, shared, and agreed upon as widely as possible.

Another illustration of this general issue is the question of quotas for formerly discriminated social groups. For instance, an ambitious system of reservations was put in place in post-independence India in order to provide seats in higher education, public employment, and elected positions for Dalits and Adivasis (former untouchables and indigenous groups). In *Capital and Ideology*, I analyze in some length the achievements and limitations of this policy—by far the largest affirmative action program that was ever implemented in history. On the one hand, this policy did contribute to reduce the level of inequality between formerly discriminated groups and the rest of Indian society—more so, for instance, than the inequality between Blacks and Whites in the United States. But on the other hand, this policy had strong limitations.

As Shah and Lerche rightly stress in their essay, capitalist growth has entrenched and transformed (rather than erased) the ideology of caste and race in India, and reservations were not sufficient to erase long-standing inequality between Dalits, Adivasis, and the rest of society. In my book, I emphasize that these reservations (which by construction could not benefit more than a tiny fraction of the disadvantaged social groups) often served as an excuse for large segments of the Indian elite (including part of the leadership of the India National Congress) not to pay the taxes that would have been necessary in order to finance a proper system of social services (education, health, and basic infrastructure) open to everyone.

I also stress that an ambitious redistribution of property would probably have been necessary (and would still be necessary) in order to confront the kind of entrenched inequality regime which postindependence India inherited from its ancient and colonial past. Some redistributions of property were carried out in the land reform programs implemented by communist regional governments in Kerala or West Bengal, but they never received much support at the federal level. From an ideological viewpoint, it is worth noting that Dalit leaders like Ambedkar have always been unconvinced by Marxist approaches stressing the central role of property relations and their transformation, and neglecting (in Ambedkar's view) the specific discriminations suffered by Dalits, including of course within the working class. Ambedkar was partly correct, in the sense that "categorical inequalities" (in the sense used by Savage and Waitkus in their essay) need to be addressed by "categorical policies". When past prejudices and discriminations against certain social or racial groups (or against women) are so entrenched, it is often indispensable to use some specific reparations or reservations system. It is critical, however, to plan in advance how such schemes are scheduled to evolve over time as past discriminations are being corrected (otherwise there is a strong risk to reify the categories at play), and to find the right balance with universal forward-looking policies such as the redistribution of income and property and open access to high-quality public services (which in the long-run are arguably more powerful than categorical policies alone). Finding an adequate compromise between these different dimensions of redistribution is not an easy task. This again requires to take ideas and ideologies seriously, and not simply as a mirror of class positions.

6 | BRAHMIN LEFT VERSUS MERCHANT RIGHT: CLASS, RACE, IDENTITY, AND IDEOLOGY

In the last part of *Capital and Ideology*, I attempt to analyze the changing structure of political cleavages since World War II, and in particular the rise of the “Brahmin left” and the “Merchant Right” in Western electoral democracies. By this, I mean that the intellectual elite and the business elites now vote for two separate parties or coalitions of parties. This is a new situation that gradually developed over the 1980–2020 period and which differs markedly from the structure that prevailed in the 1950–1980 period, when conservatives and other right-wing parties attracted both the high-wealth and high-education elites, while social-democrats and other left-wing parties obtained their best scores among the low-wealth and low-education electorates.

I also stress that the emergence of this multiple-elites party system and the breakdown of the previous class-based party system should be analyzed in conjunction with the fall in the redistributive ambition of social-democratic platforms and ideologies since 1980–1990, as well with the rise of new political challenges and socioeconomic realities, including the rise of higher education, globalization, the decline of manufacturing, the expansion of the public sector, the emancipation of women, and the emergence of de facto multiethnic and multireligious societies.

Let me emphasize that this analysis should be viewed as exploratory and incomplete. I very much hope that future research will address some of its limitations. For instance, as Abou-Chadi and Hix emphasize in their essay, the fragmentation of the political system and the rise of new political parties like green/libertarian left parties and populist/xenophobic right parties have played a key role in the transformation of electoral cleavages. They rightly stress that in many countries with many-party system the “Brahmin left” and “Merchant Right” should be viewed as coalitions of heterogeneous parties rather than as single parties. In a collective volume co-edited with Gethin and Martinez-Toledano and written after the completion of *Capital and Ideology*, we look into more details at the changing structure of electoral cleavages and party systems in 50 electoral democracies over the 1948–2020 period, which leads us to uncover a large diversity of situations.² At the same time, it is striking to see that the findings on “Brahmin Left” versus “Merchant Rich” also hold in countries with predominantly two-party systems, starting with the United States (Democrats vs. Republicans) and the United Kingdom (Labor vs. Conservative). Of course, these parties can themselves be viewed as coalitions of factions such as those which exist as separate political parties in countries with different electoral and institutional systems.

It is also worth stressing that this part of the book relies to a large extent on national electoral surveys, and that many other sources should be exploited in order to develop a more detailed analysis, including local-level electoral and political mobilization data. More generally, these findings again call for a deeper study of the interplay among ideology, sociopolitical mobilization, and identity. The class-based party system of the 1950–1980 period was associated with the development of a specific form of political platform, ideology, and collective identity based on working-class values and industrial work. If we turn to the future, the challenge is to build a new sense of collective identity combining the quest for social justice, gender and racial equality, and environmental justice. Various mobilizations observed in recent years at the global level, especially among the youth, from *Occupy Wall Street* to *Me Too*, *Black Lives Matter* or *Fridays for Future*, suggest that new collective identities and ideologies could emerge along these lines in the future. It is clear, however, there are serious ideological and programmatic disagreements that are from being settled. In particular, it seems unlikely that successful environmental policies can implement without a major transformation of the economic system and a drastic reduction in inequality.

7 | BRINGING TOGETHER ECONOMIC, SOCIAL, AND POLITICAL HISTORY

Let me conclude this essay with a methodological note and a call for more interdisciplinary work in the social and historical sciences. I am convinced that some of today's democratic disarray stems from the fact that, insofar as the

civic and political sphere is concerned, economics has cut itself free from the other social sciences. This “autonomization” of economics is partly a result of the technical nature and increasing complexity of the economic sphere. But it is also the result of a recurrent temptation on the part of professional economists, whether in the university or the marketplace, to claim a monopoly of expertise and analytic capacity they do not possess. In reality, it is only by combining economic, historical, sociological, cultural, and political approaches that progress in our understanding of socioeconomic phenomena becomes possible. This is true, of course, for the study of inequalities between social classes and their transformations throughout history, but the lesson seems to me far more general.

Another factor behind the excessive autonomization of economics is that historians, sociologists, political scientists, and philosophers too often abandon the study of economic questions to economists. But political economy and economic history involve all the social sciences, as I have tried to show in this book. All social scientists should try to include socioeconomic trends in their analysis, gather quantitative and historical data whenever useful, and should rely on other methods and sources when necessary. The neglect of quantitative and statistical sources by many social scientists is unfortunate, particularly since critical examination of the sources and the conditions under which they are socially, historically, and politically constructed is necessary to make proper use of them. This neglect has contributed not only to the autonomization of economics but also to its impoverishment.

In *Capital and Ideology*, I attempt to illustrate the complementarity between natural language and the language of mathematics and statistics. For instance, I frequently refer to deciles and percentiles when discussing inequality of income, wealth, or education. My intent is not to replace class warfare with war between the deciles. Social identities are always flexible and multidimensional. In each society various social groups use natural language to designate professions and occupations and identify the qualifications, expectations, and experiences associated with each. There is no substitute for natural language when it comes to expressing social identities or defining political ideologies. By the same token, there is no substitute for natural language when it comes to doing research in social science or thinking about the just society. Those who believe that we will one day be able to rely on a mathematical formula, algorithm, or econometric model to determine the “socially optimal” level of inequality is destined to be disappointed. This will thankfully never happen. Only open, democratic deliberation, conducted in plain natural language (or rather in several natural languages—not a minor point), can promise the level of nuance and subtlety necessary to make choices of such magnitude.

Nevertheless, *Capital and ideology* relies heavily on the language of mathematics, statistical series, graphs, and tables. These devices also play an important role in political deliberation and historical change. Once again, however, it bears repeating that the statistics, historical data, and other quantitative measures presented in this book are imperfect, provisional, tentative social constructs. I do not contend that “truth” is found only in numbers or certainty only in “facts.” In my view, the primary purpose of statistics is to establish orders of magnitude and to compare different and perhaps remote periods, societies, and cultures as meaningfully as possible. Perfect comparison of societies’ remote in space and time is never possible. Despite the radical uniqueness of every society, however, it may not be unreasonable to attempt comparisons. It may make sense, for example, to compare the concentration of wealth in the United States in 2018 with that of France in 1914 or Britain in 1800.

To be sure, the conditions under which property rights were exercised were different in each case. The relevant legal, fiscal, and social systems differed in many ways, as did asset categories (land, buildings, financial assets, immaterial goods, and so on). Nevertheless, if one is aware of all these differences and never loses sight of the social and political conditions under which the source documents were constructed, comparison may still make sense. For instance, one can estimate the share of wealth held by the wealthiest 10 percent and the poorest 50 percent in each of these three societies. Historical statistics are also the best measure of our ignorance. Citing data always reveal the need for additional data, which usually cannot be found, and it is important to explain why not. One can then be explicit about which comparisons are possible and which are not. In practice, some comparisons always make sense, even between societies that think of themselves as exceptional or as so radically different from others that learning from them is impossible. One of the main goals of social science research is to identify possible comparisons while excluding impossible ones.

Comparison is useful because it can extract lessons from different political experiences and historical paths, analyze the effects of different legal and fiscal systems, establish common norms of social and economic justice, and build institutions acceptable to the majority. Social scientists too often settle for saying that every statistic is a social construct. This is of course true, but it cannot be left at that, because to do so is to abandon key debates—on economic issues, for example—to others. It is a somewhat conservative attitude, or at any rate an attitude that betrays deep skepticism about the possibility of deriving lessons from imperfect historical sources.

For instance, Motadel and Drayton argue in their essay that national accounts were originally developed within a specific historical context, that is, in order to measure the growth of output at the national level. They are of course perfectly right. But because social and economic indicators are historically constructed, this also means that they are not bound to be tied to a productivist ideology, or the nation-state, or to the formal sector, or the lack of attention to the environment or to inequality, and so on. Most importantly, historians and all social scientists need to be part of this discussion and to actively participate to the critical examination and redefinition of these quantitative indicators, rather than to stand safely aside.

Many historical processes of social and political emancipation have relied on statistical and mathematical constructs of one sort or another. For instance, it is difficult to organize a fair system of universal suffrage without the census data necessary to draw district boundaries in such a way as to ensure that each voter has identical weight. Mathematics can also help when it comes to defining rules for translating votes into decisions. Fiscal justice is impossible without tax schedules, which rely on well-defined rules instead of the discretionary judgments of the tax collector. Those rules are derived in turn from abstract theoretical concepts such as income and capital. These are difficult to define, but without them it is hard to get different social groups to negotiate the compromises needed to devise an acceptably fair fiscal system. In the future, people may come to realize that educational justice is impossible without similar concepts for measuring whether the public resources available to less-favored groups are at least equivalent to those available to the favored (rather than markedly inferior, as is the case today in most countries). When used carefully and in moderation, the language of mathematics and statistics is an indispensable complement to natural language when it comes to combating intellectual nationalism and overcoming elite resistance.

I very much hope that interdisciplinary dialogue will contribute to the development of a new synthesis between economic, social, and political history in the future, and I want to reiterate my thanks to the *BJS* and to all participants for this very fruitful exchange.

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ENDNOTES

¹ “To simplify, we can say that every inequality regime, every ideology of equality and inequality, rests on both a theory of borders and a theory of property. The border question is of primary importance. Every society must explain who belongs to the human political community it comprises and who does not, what territory it governs under what institutions, and how it will organize its relations with other communities within the universal human community (which, depending on the ideology involved, may or may not be explicitly acknowledged). The border question and the political regime question are of course closely linked. The answer to the border question also has significant implications for social inequality, especially between citizens and non-citizens. The property question must also be answered. What is a person allowed to own? Can one person own others? Can he or she own land, buildings, firms, natural resources, knowledge, financial assets, and/or public debt? What practical guidelines and laws should govern relations between owners of property and non-owners?” (*Capital and Ideology*, p. 5).

² A. Gethin, C. Martinez-Toledano, T. Piketty (eds.), *Political Cleavages and Social Inequalities. A Study of 50 Democracies, 1948–2020*, Harvard University Press, 2021.

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