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Inequality and Legitimacy: Past, Present and Future

Symposium on:

Thomas Piketty, *Capital and Ideology*, Cambridge, MA:
Harvard University Press, 2020, 1104 pages, 978-067498082-2

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“...human societies cannot live without ideologies trying to make sense of their inequalities.” (1034)

Thomas Piketty ends his latest book, *Capital and Ideology*, where he wants to set off: in a collective debate on the course of our societies. The ultimate goal of the book is “to enable citizens to reclaim possession of economic and historical knowledge” (1041) in order to effectively participate in public debate. This knowledge is twofold: on the actual trajectory of measured inequalities across human societies and on the way we, as societies past and present, make sense of them. To do so, Piketty chronicles the history, legacy and future of “inequality regimes” across time and space in a highly interactive way. These span the feudal “ternary societies” up to the 1800s, the “proprietary societies” (or “ownership societies”) up to 1914, the “slave and colonial societies” spanning up to the 1960s, the “social democratic societies” from the 1940s to the 1970s, the “communist and post-communist societies” from 1917 through the end of the century, and the “hypercapitalist societies” (or “neo-proprietary societies”) since the 1980s. These different societies define the plan of the book. Its novelty centres around the employment of ideology in the narrative and its policies to promote a “just society” from the way in which different societies have experienced inequality. This review focuses on each of these two elements.

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1. Opening the 'Black Box' of Ideology

Piketty begins his treatise by stating that “[e]very human society must justify its inequalities” (1). This is already a notable distinction from the opening lines of *Capital in the Twenty-First Century*, Piketty’s previous landmark book, where he queried the dynamics of inequality in the economic development of advanced nations and what different authors—from Karl Marx to Simon Kuznets—have said about it (Piketty, 2014, 1). In this previous work, Piketty concentrated on presenting the history of capital and capitalism as an inequality-generating system. Economics took centre stage in the analysis. It is not insignificant to the content of *Capital and Ideology* that *Capital in the Twenty-First Century* was a huge commercial success that spawned constant critical engagement by the intellectual community and the media, a two-year world conference tour for the author, and edited books just on the book itself (see Éditions de l’EHESS, 2015; Hudson and Tribe, 2016; Boushey, DeLong and Steinbaum, 2017). One can safely make the claim that *Capital and Ideology* is *Capital in the Twenty-First Century* rewritten.

Economics takes a back seat in this even longer ‘re-draft’, while politics, sociology, and especially history, are disciplines heavily promoted. However, one should not be too quick to forget that *Capital in the Twenty-First Century* already examined “the evolution of collective representations of social inequality in public discussions and political debates, as well as in literature and movies”, surveying how these representations change during political and economic shocks (wars, revolutions, crises) and foster institutional transformation (Piketty, 2015, 69). The main difference is that the formation of belief systems about income and wealth was not a central pillar of the previous book. It remained somewhat of a ‘black box’. On the contrary, *Capital and Ideology* unifies the analysis of social representations and beliefs about inequality under the term “ideology”, which Piketty uses “in a positive and constructive sense to refer to a set of a priori plausible ideas describing how society should be structured” (3).

The book’s central thesis is that over the course of human history, each “inequality regime” gets built upon a completely malleable ideology that seeks to legitimize it, perpetuate it, and defend it against challenges. Notably, each inequality regime depends on the legitimacy of the “political regime” (voting rights and territorial representation), the “property regime” (what can be owned and used as capital), the “education regime” (organisations organizing the production and transmission of knowledge) and the “fiscal regime” (the mechanisms allowing for the mobilisation and management of resources within a political regime). To ground this thesis, Piketty proceeds in great length to describe in minute detail the construction and deconstruction of such regimes using a vast array of statistics (much of them recycled from the

previous book), parliamentary debates, political discourses, political party programmes and intellectual texts.

2. A Theory of Inequality More Than a Theory of History

"Inequality is neither economic nor technological; it is ideological and political" (7). With this statement, Piketty argues that no inequality between humans at any point in time is given by nature. This confronts the tendency in conservative political thought to "naturalize" inequalities. Rather, the only constant in history is change itself, in both material conditions and intellectual thought. Piketty's "theory" of inequality also goes against radical political economy. It is decidedly anti-Marxist in the sense that it prescribes no historical determinism to economic forces and relations of production. In fact, he strongly argues that there are no laws of history. There is always choice in the movement of history. This is an interesting conceptual turn from *Capital in the Twenty-First Century*, where Piketty presented us with two "fundamental laws of capitalism" and an empirical historical regularity of the system, the famous " $r > g$ " equation.¹

A crucial point is that the ideas that underpin ideology operate autonomously in the "political-ideological sphere", moulded from experience and interaction with other dimensions of human existence. According to Piketty's view, ideas have their own life, and permeate society through various channels (the family, the education system, parliamentary debate, the media, etc.). Thus, to understand social transformations, one must study ideas during historical "ruptures" that create "switch points" (or "*bifurcations*"—probably the most used word by the author in entire French version of the book). Such ideological bifurcations feed off the logic of events ("*logiques événementielles*") in the short term and intellectual evolutions in the long term. From his analysis, Piketty concludes that no course of history is pre-determined; all directions are up for grabs. The role of historical research is to precisely illustrate the existence of political-ideological bifurcations and alternatives in the course of history, which are a function of power relations between different social groups at particular moments in time. "Events" allow for social experimentation (think of Covid-19), but it is ideology that determines the course of action to be taken.

Thus, if we follow this line of reasoning, we should conclude that all "inequality regimes" could have turned out differently to what they did, as alternative options were put forward. But why didn't they? The

¹ The "first fundamental law of capitalism" is presented as $\alpha = r \times \beta$ stating that the capital share in national income is equal to the flow of income from capital times the capital stock. The "second fundamental law of capitalism" is presented as $\beta = s / g$, stating that the stock of capital is equal to the saving rate divided by the growth rate of the economy. As many have observed, both "laws" are accounting identities, true by definition of the artificial concepts of income, capital, savings, and growth.

answer provided by the book seems to be due to a relative lack of political power of the people and movements behind the alternatives in question. What makes a set of ideas an ideology—a *zeitgeist*—is political power. Power can get challenged, but the ultimate success of the challenge depends on the sway of alternative ideas and their channeling into a position of power, whether through outright violence (as in the case of the American, French and Russian Revolutions) or through parliamentary deliberations contingent on external events (such as the expansions of suffrage in Britain and Sweden, and the onset of the “social democratic regime” in general).

Although Piketty weighs in on the ‘materialism vs idealism’ debate firmly on the side of ideas, ideology—as the political engine of ideas—is not independent of socio-economic class, but a function of it. Political power has historically depended on economic power. The “ternary societies” and “proprietary societies” are a testament to this, through their “censitary voting systems” (where ownership of property determined votes). This link is documented throughout numerous case studies in the book. However, Piketty does not fully dig into the creation and preservation of what Emile Boutmy called “political hegemony” (Piketty, 2014, 621), that is, the “ideological dynamics that make the interests of the powerful appear to coincide with everyone’s general interest” (Mann, 2020, 3). Piketty approaches the problem of legitimacy by examining ideology mainly from the perspective of the dominant classes. This is no great surprise, as after all, if history tends to get written by the ‘winners’, then the historical documentation will reflect that. But any theory of the history of social transformations must account for the perspectives of the ‘losers’. The dominant classes want to preserve their political hegemony because it is in their self-interest to do so. But why do lower classes believe it is in their self-interest to buy into a set of ideas? Is it out of coercion, persuasion, or convention? Is there cognitive dissonance at play? The book falls short on its insights here. This is why it reads more like a theory of inequality rather than a theory of history.

A theory of history would require a further delayering of ideology. Ideas people have about the world are intimately tied to their experiences, which depend in part on their material position (class) and in part on their own psychology or how they reason about what is in their self-interest to believe given their material position. Thus, the important set of ideas in this equation are ideas about material progress, i.e. *economic ideas*. The overly autonomous nature of ideas in *Capital and Ideology* neglects the crucial endogeneity of social processes. How ideas get shaped around moments of crisis (“ruptures”), how these get embedded in new institutions and how endogenous dynamics bring these institutions into conflict with the power of private capital, producing new crises and redefined conventions, is a necessary theoretical framework to sketch out. This is done explicitly and excellently in Mark

Blyth's book *Great transformations: Economic Ideas and Institutional Change in the Twentieth Century* (see Blyth, 2002). If we focus on macro-economic events—crucial conjunctures in social history—these are contingent on how individuals act, which is a function of their beliefs about how the macroeconomy works.

Thus, as Blyth (2002) argues, the truth content of economic ideas is entirely a function of how people think about their effects under uncertainty. Conventions about how a society can accumulate and progress materially get transmitted into institutions that coordinate expectations about the future to ensure economic and social stability. Blyth borrows heavily from Keynes' insights into decision-making under uncertainty in the *General Theory*. For Keynes, given conditions of radical uncertainty about the future, economic agents must rely on certain rules of thumb, which are in essence about “conventional judgement” (Keynes, 1964, 214).² The larger the number of people that believe a particular effect follows an economic action, the more people are likely to act in a manner consistent with that belief, such that the supposed effect is actually brought about in a self-fulfilled manner. This point was also raised by economists Frank Hahn and Robert Solow in their book *A Critical Essay on Macroeconomic Theory* (see Hahn and Solow, 1995, 150).

Piketty's formula essentially relies on interacting disruptive “events” with the relative power of different social groups and their ideas about social justice and organisation, most notably ideas about taxation. As Mann (2020, 4) notes: “*Capital and Ideology* comes close to proposing what amounts to a tax theory of history: a three-stage periodisation of global modernity—from ‘proprietarian’ to ‘social democratic’ to ‘neo-proprietarian’—organised around the ways societies have or have not been able to justify and impose ‘fiscal pressure’” (4). The book shies away from unpacking the evolution of economic ideas about money, growth, development, innovation or government spending. Citizens may think a particular course of action to be just, but if they think it is economically infeasible or harmful to their well-being over time they will not support it. So, while ideology can trump class, ideas about the economy can trump both class and ideas about justice. This is why even in the heyday of social democracy, the correlation between socio-economic class (based on income, wealth and education) and voting for the Left or the Right was far from being perfect. The reasons go beyond questions of social justice. And they also go beyond the invention of “meritocracy”—à la Boutmy—to justify the position of elites. To a large extent, they rely on the legitimacy of economic theory, spawned by the business community (mercantilists) and

² This is no more evident than in Chapter 12 of his *General Theory* on “The State of Long-run Expectations”. Keynes' propositions about “animal spirits” and “beauty contests” depend upon conformed beliefs “with the majority or average”.

academia (with its peer-review process and selection of awards) and wielded through the established media.

One of the most powerful theoretical contributions in this regard—persisting from the proprietary societies of the nineteenth century to the neo-proprietarian societies of the twenty-first century—is the idea that redistributing income to capital owners (i.e. those with the highest saving propensities) is the most effective means of growth, as accumulation is thought to be intimately tied to saving, which is equated to investment. Thus, as Keynes wrote in *The Economic Consequences of the Peace* (1919), the historical legitimacy of capitalism depended on business owners contributing enough of their politically-determined surplus to develop society's productive forces (Keynes, 2011). This system—and its “unstable psychological conditions” of an accepting labouring class and a deferring capitalist class (Keynes, 2011, 13)—broke down during the climax of imperialism and fascism in war-ridden Europe (1914-1945), being replaced by the “Keynesian” social democratic compromise until the 1970s crisis. But its legitimacy was implicitly reinstated by generations of economists following the Solow-Swan model of economic growth (Solow, 1956; Swan, 1956), which continues to be the canonical macro model taught in economics degrees today, despite its analytical limitations.³ Another decisive intellectual development was that of monetarism, which gradually took over the thinking in central banks and treasury departments in advanced economies to counter the impending crisis of Keynesianism (Maloney, 2012; Offer and Söderberg, 2016).

The role of economic thought in forming economic ideologies and conventional wisdoms among the wider population is crucial to the story, yet it is not explored in *Capital and Ideology*. Neither is the evolution of the economics profession.⁴ This is another curious turn from *Capital in the Twenty-First Century*, given that one of its main contributions was to confront the empirical material with theories of economic dynamics (classical, neoclassical, the “Cambridge capital controversies” ...).

Crucial to the development of economic theory was the development of capitalism, driven by revolutions in technology (new means of production) and finance (new time horizons). The book makes surprisingly little reference to the importance of scientific-technical innovations for the emergence of new economic elites and modes of production. This is clear, for instance, in the book's account of the transition from “ternary societies” to “proprietary societies”. The remarkable conclusion is that (in a country like France) inequality was as high, if not higher, by the end of the proprietary regime than at the end of

³ See Felipe and McCombie (2013).

⁴ The only nod the author makes to the profession is when criticising the excessive compartmentalisation of economic research.

the ternary regime. How was this possible? How did economic inequality evolve in ternary societies? What asset-owning classes benefited, and how? Was it a simple symbiosis between ruling classes and land-owning nobles? And what of the evolution of “laborers” (the “*tiers état*”)—the large and heterogeneous group outside the clergy and military nobility? Indeed, the most important (if not interesting) cohort in the emergence of capitalism were the industrialists and their financiers—the urban bourgeoisie, in opposition to the landed nobility—who are barely mentioned in Piketty’s story. Any theory of history should contain a theory of capitalism. Thus, more engagement with the ‘new history of capitalism’ literature would have strengthened the book’s analysis.⁵

One possible explanation for why the book neglects the importance of economic theory is its definition of ideology in politically normative terms (“how a society *should* be structured ... coherent vision of an *ideal* political and social organisation”). This contrasts with a descriptive account of ideology viewed from the perspective of how people think the economy works. One of the best illustrations of this in practice is the personal anecdote transcribed by Blyth in the preface of his book (2002). The reasoning of his working class father not to support the Labour Party at the 1987 British general election was fuelled by his beliefs about Labour’s well-intended (public spending to create jobs) but self-defeating (inflationary) economic policies. Monetarism effectively persuaded people into thinking that the money spent from a tax cut creates jobs, while the money spent by a government creates inflation.

By defining ideology in a normative way, we fix an ideal, but we say little about how best we can reach it. The crucial aspect of ideology is the ideology of transition, which requires an operational theory—what is the best course of action to take in order to feasibly achieve our goal over time? This is where the book is lacking. It focuses too much on the ideal and not enough on the trajectory (or what can be called ‘strategy’). Social change may come down to ‘political will’, but this will does not operate in a vacuum. It is contingent on lived path-dependent realities of people in different national communities, with their own cultural ties, diverse national histories, norms and institutions built on prior conventions.

⁵ For examples and further critiques, see Levy (2017); Gordon (2017) and O’Sullivan (2015).

3. A Theory of Inequality Without Regimes of Accumulation

To summarise, the book presents the transition from one regime to another largely as the triumph of one ideology over another in moments of political-ideological bifurcations caused by shocks (wars, economic depressions, etc.), rather than the product of structural changes in the global economic system and their interaction with economic ideas. Each historical regime in the book is theorized around political and economic inequalities, but not “regimes of accumulation” (“a pattern of production and consumption which allows for capital accumulation”, Mitchell and Fazi, 2017, 22). This matters as it weakens the author’s explanations for the rise and fall of the societies in question. This drawback is most evident, as argued also by Fazi (2020), in the book’s account of the rise of the social democratic regime and its demise at the helm of the hypercapitalist regime. Ideas are only instrumental alongside a “fortuitous confluence of the “right” social, ideological, political, economic, technical, and institutional conditions” (Fazi, 2020, 155) that create stage-specific regimes of accumulation. As Mitchell and Fazi explain in their book *Reclaiming the State*, the theoretical foundation of regimes of accumulation come from the French ‘regulation school’, and are based on an “industrial paradigm” and a “mode of regulation” (“a plethora of laws, institutions, customs and hegemonies, both national and international, that create the environment for long-run capitalist profit and facilitate the reproduction of a particular accumulation regime”, Mitchell and Fazi, 2017, 22).

The system of mass industrial production that was nascent by the time of the Great Depression and the Second World War, at a time when labour mobilization was growing fast, needed government intervention on a large scale in order to ‘work’. And so the postwar “Fordist-Keynesian” interventionist-regulationist regime, which provided the foundation for social democratic societies, came into being. But like all regimes, it eventually became exhausted, and brought into crisis by endogenous structural forces inherent in the fragile “class compromise” between the state, big business and labour unions to stabilise and preserve capitalism. This was a result of the growing inability to reconcile popular demands for higher incomes, improved content of employment, and capitalist production for profit, amid a changing international monetary system (Robinson, 1972; Blyth, 2002; Fazi, 2020).⁶

⁶ Incidentally, it was Swedish (and more generally “Nordic”) social democracy that came closest to transcending capitalism in the 1970s through so-called “wage earner funds” (the gradual constitution of majority voting shares from trade-union managed funds, financed by profit and payroll tax levies, in return for wage restraint). See Pontusson and Kuruville (1992). Similar proposals were also debated in Denmark, Austria and the Netherlands in the early 1970s. Yet, this crucial phase in Western political history does not get a mention in the book.

During the chaotic decade of the 1970s, when the Bretton Woods fixed exchange rate system was left behind, and inflationary pressures were ripe alongside high wage shares and low profit rates, the regime underwent a paradigm shift to overcome the crisis, starting first in Anglo-Saxon countries, and eventually making its way to continental Europe in the 1980s. As Blyth (2002) crucially notes, economic ideas (particularly those of monetarism) were gaining political traction in understanding the crisis and resolving it. Over the 1980s and 1990s, right up to the Great Recession of 2008-2009, the mainstream of the economics profession consolidated around a “new consensus” in macroeconomics—a synthesis between neo-classical economics (emphasising perfect markets and rational individual behaviour) and new-Keynesian economics (emphasising certain market imperfections).⁷ It was the state that integrated this theoretical consensus into policymaking, which emphasised *de*-regulation and equated the government with a household (‘sound finance’ theory). The shift wasn’t simply about Arthur Laffer’s ‘curve’; but about cognitively tying government action to inflation, and private capital accumulation (from tax cuts, privatisations, liberalisation of capital flows, etc.) to the savings of ‘entrepreneurs’ and growth.

Political parties in governments overseeing such a transition were themselves the mark of a profound electoral transformation that Piketty skilfully picks up on in the last section of the book. It is only unfortunate that its documentation is not placed in an overarching framework integrating accumulation regimes and their *economic* legitimacy.

4. Political Conflict Without Economic Ideas nor Political Strategy

The last part of the book presents Piketty’s analysis of the changing dynamics of electoral voting, before finishing with a manifesto for a “participatory socialism for the twenty-first century”. This is another book in itself, worthy of the attention of political scientists (particularly for the long-run empirical material that is presented for numerous countries). The first three chapters of the section examine political participation and support through “political cleavages” defined across socio-economic dimensions (mainly income, wealth and education). The central conclusion of this analysis is that in the 1950-1980 period, people of lower socio-economic class (on any of the three dimensions) were much more likely to vote for the Left (broadly socialist, communist, labour, social democratic parties) than in the 1980-2020 period,

⁷ See Blanchard (2008). This new consensus macroeconomics inherited the post-war movement of integrating Keynes’ theory into neoclassical economics, known as the “neoclassical synthesis”, initiated by John Hicks and promoted by Paul Samuelson.

when the traditional voters for the Left were replaced by middle-class, highly-educated professionals.

Piketty argues that the historic and systematic divorce of the Left from the popular classes since the 1980s is primarily the result of left-wing parties abandoning the popular classes in their programmes for government. This in itself, the book argues, represents the failure of social democracy to sufficiently renew its programme when given the chance. Piketty speaks of four main programmatic failures—the failure to deepen the concept of “social property” (“co-determination”); the failure to renew policies of taxation; the failure to promote equal access to higher education; and the failure to go beyond the nation-state by developing new transnational political institutions (citing Hannah Arendt’s warning to social democratic parties in the 1950s; 480; Arendt, 1951).

The cause of this divorce is no doubt multidimensional. But it certainly has something to do with the gradual encroachment of monetarist and “new consensus” macroeconomic ideas within political parties and among the electorate. This is relatively omitted from the narrative. Another omission is the political effect of de-unionisation and growing structural unemployment among lesser educated workers in the new regime, which had the effect of de-politicising these individuals. This meant that a larger share of politicisation was left to universities, where liberal/left-wing literature and culture had always been strong. It was not just, as Piketty argues, that university graduates were the children and grandchildren of lesser-educated parents and grandparents, showing loyalty to political parties that promoted their high-education self-interest. Rather, these students were ‘unionising’ in a growing environment, while older blue-collar workers were de-unionising and becoming increasingly unemployed and marginalised.

While sketching the picture, Piketty often returns to his ‘other alternatives were possible’ hypothesis (to the Mitterrand turn, to the EU, to the entire neoliberal post-1980s consensus). One cannot help to think that Piketty overly assumes *ceteris paribus* conditions—that if another (more egalitarian) option had been taken, the desirable outcome would have resulted. This again neglects the endogeneity of social processes. It also neglects time, creating a sort of fallacy of temporal composition. The fact of there being multiple points of bifurcation in some point in the past does not necessarily mean that those foregone trajectories are still open avenues in the present, at least in the same manner as before. This is especially true when various layers of institutional development have been superimposed on one another. Therefore, in order to return to a foregone trajectory, it is often necessary to rebuild the conditions that make a particular desirable trajectory possible in the long run. It does not suffice to say that multiple trajectories are present at each moment in history, because this does not inform on a *strategy* for

progressive renewal for the present context. This limitation is evident in Piketty's policy package presented at the end of the book (966-1034).

5. The Globalist Trap and National Solutions

The book teaches us, very clearly, that distributional relationships are not fixed or objective at any given point in time, but mutable and subjective. Therefore, it is most paradoxical that when it comes to analysing globalisation ("the development of trade, financial and cultural exchanges on a global scale"), the book adopts the lens of historical determinism. Globalisation is implicitly treated as a quasi-natural, inevitable phenomenon in the book's proposal for global governance. But as is evident from a study of the post-war period and as Piketty himself acknowledges, globalization as we know it today is a choice, brought about by government legislation (often from the Left) since the 1980s. Thus, history ended up disproving Arendt's thesis from the 1940s to the 1970s, as "[t]hrough the institutions of the democratic nation-state (and acting *internationally* rather than *supranationally*) ... Western countries were able to achieve lower levels of unemployment, greater economic stability and higher levels of economic growth than ever before." (Fazi, 2020, 157).

Although Piketty does not explicitly refer to it, the assumed redundant role of nation-states in the hypercapitalist regime rests on Dani Rodrik's global economy trilemma, expressed in his book *The Globalization Paradox* as the "impossibility theorem" (Rodrik, 2011). The theorem states that between full global economic integration, national economic sovereignty, and national democracy, we can only ever choose two of the three, but not all three at the same time. Complete economic globalisation would either make national democracy redundant (by realigning the accountability of elected governments to global capital) or national economic sovereignty redundant (by realigning domestic legislative policy to the needs of the global economy via federalist transnational institutions).⁸ As Fazi (2020) points out, if full economic globalisation is assumed to be inevitable, this trilemma is in fact a tautology. However, full international economic integration is far from being set in stone due to the continued legal enforcement of political jurisdictions at the national-level as the primary loci of legislative action. Rodrik's preferred resolution is not the attractive, yet unworkable, system

⁸ Piketty presents a similar argument on page 485, noting the contingent *choice* that globalisation ultimately rests on. However, he makes a logical error in assuming that proprietary societies, and capitalism more generally, are bound exclusively to nation-states, which fulfils his conclusion that we must go beyond the nation-state to transcend these regimes. If anything, globalisation is inherently linked to the neoliberal regime, as private capital strongly benefits from mobile international exchanges without transaction costs.

of “global governance”, but a re-regulation of the global economy in the spirit of the post-war era.

The real question that Piketty’s book forces us to ask is: How far can national sovereignty go to create advanced social democratic societies (or “democratic socialism”)? Piketty is sceptical, allowing his inherent optimism to see global federalism simply as a better alternative. On European transnationalism, Piketty admits to voting in favour of the European constitutions in the 1992 and 2005 French referenda “in the hope” that a socialist-federal Europe would eventually see light of day. However, he thinks this position to be increasingly difficult and dangerous to hold (fn 142, 802). Somewhat ironically, the book outlines in multiple places the very feasible policies that individual nation-states (such as “small” European states) can pursue without depending on global solutions, such as co-determination and progressive taxation (for the latter, see 805-806).

An alternative option is to recognise that European states (particularly those of the Eurozone) prematurely gave up on decentralised intra-state economic policy. As Piketty notes at various points in the book, decentralisation allows for greater experimentation in policy-making and *emulation* across countries, which was key, as many authors have acknowledged, to Europe taking the early lead on development outcomes (369-371). The premature embrace of transnationalism in Europe, particularly by the Left, has given “social-nativists” and right-wing “nationalists” a monopoly over the nation-state and sovereignty. There is no clear sign that the Left has any strategy to reclaim this (once familiar) territory, which from a pragmatic point of view may be a big mistake going forward. The trend, at least, is not favourable.⁹ The issue of political strategy is again crucial here. Piketty himself admits that the “harmonious” refoundation of Europe along social-federalist lines is not the most probable outcome, it being “more realistic to prepare for somewhat chaotic changes ahead: political, social, and financial crises could tear the European Union apart or destroy the Eurozone” (892). This is precisely why progressive forces should not neglect the strategy of returning fiscal and monetary sovereignty to nation-states in the short/medium run to rebuild the right conditions (through decentralised experimentation) for long-run economic and political convergence. This could facilitate the eventual emergence of a federal government with a common fiscal budget and central bank if that were the shared goal.

The book’s most controversial proposal—in the sense that this proposal has never been truly attempted—is the development of transnational assemblies with executive powers over global fiscal matters

⁹ Piketty believes (somewhat deterministically) “that the return to the nation-state would lead instead to intensified interstate competition, of which the primary beneficiaries would be the nativist and nationalist parties” (fn 41, 888). But this is precisely a direct relation of the traditional Left’s retreat from the sphere of the nation-state.

(taxation of the wealthy) and global public goods (climate change, research, etc.). But here readers are left thinking. How would it be different from the UN council (for example, the UN Security Council administering the phase out of nuclear weapons)? The book offers little detail on the powers this assembly would have. One is left assuming that a world government would exist to enforce the assembly's decisions. This part of the book would have benefited from engagement with the debates on world government in the early-to-mid twentieth century (among authors such as Bertrand Russell, Arnold Toynbee, Ludwig von Mises and Karl Polanyi himself, whom Piketty cites throughout). More fundamentally, how can we at this stage reconcile the salient concept of "*demos*"—"a political community, usually (though not exclusively) defined by a shared and relatively homogenous language, culture, history, normative system, etc." (Fazi, 2020, 62-163)—with a vision of progressive globalism? Here, we should not obviate "reflections on political scale" (Streeck, 2019). As I argued for the European context, countries need to undergo sufficient levels of economic and political convergence for them to be ready to engage in regional/global government. The one fundamental issue that should have united countries on transnationalism is climate change, but even this has encountered obstacles, motivating a strategy of cross-country emulation, as China is showing (Tooze, 2020).

The 'globalist trap' in Piketty's framework should not retract from the book's other policies to achieve a "just society", which the author again notes do not necessarily need a world government. A "just society" is "one that allows all of its members access to the widest possible range of fundamental goods." These 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" (967-968).¹⁰ Piketty's definition is Rawlsian in spirit, but decidedly more radical in its proposals to "overcome capitalism". His redefinition of property (distinguishing "public", "social", and "temporary" property) is perhaps the book's greatest analytical contribution. His 'radical' proposals in each of these areas (public nationalisations, social codetermination, and steeply progressive taxes to ensure that accumulation is temporary and wealth circulates) build on the work of other authors (such as Atkinson, 2015), but ultimately go beyond it (including a guaranteed minimum income and a universal capital endowment of 60% of the average income and wealth of a country, respectively). The goal is explicit, viz. to return within-country inequality levels to their 1950-1980 trend in the short run.

¹⁰ One could note the absence of work (employment) and shelter (housing) from this list of basic rights. The focus on employment would demand a necessary debate of a 'job guarantee' versus a 'universal basic income', which is not alluded to in the book.

These policies are especially tailored to developed countries, but feasible (the author says) to less-developed and emerging countries. Yet, the book does not adopt a 'developmentalist' approach, integrating fiscal policy within a macro-trade-financial framework. Granting the space for developing countries to sustainably grow and converge with the advanced world is a matter of crucial importance for the future, as it too implies global international cooperation between richer and poorer nation-states (see Morgan, 2020).

6. Reflections on a Vast Scale: Worth the Investment

Like with his previous work, Piketty forces us to ponder the big questions in a compelling fashion, probably like no other scholar of his generation. The problem with writing such a long book, covering such vast ground, is that it is more susceptible to criticism from different angles. Piketty recognises this. He is well aware of the limits of his own knowledge and biases, which he laudably describes in honest detail in the conclusion to the book. He apologises to specialists of the different domains the book covers for the approximations and argumentative short-cuts he takes, admitting the book probably over-extends its reach. Indeed, the book would have benefited from greater focus and synthesis, and perhaps from being released in two or three separate volumes. But if we are to judge from the book's ultimate goal "to awaken the reader's interest in new questions and enlighten her with knowledge that she did not previously possess" (1041), then it is definitely worth the investment and the debates to come.

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