

Introduction to Economic History

(Master APE & PPD)

(EHESS & Paris School of Economics)

Thomas Piketty

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Lecture 5: Slavery, forced labor and political rights in historical perspective

(check [on line](#) for updated versions)

Roadmap of Lecture 5

- Slave societies in historical perspective
- Slavery in Ancient Greece and Rome
- Capital and slavery in pre-1860 Southern US
- Britain: the abolition/compensation of 1833
- France: the two-step abolition of 1793-1848
- Long-term impact of slavery
- Slavery vs serfdom & other forms of coercive labor
- Civil and political rights of the poor in history
- Ancient vs modern inequality
- Castes and other status-based inequality systems
- Coercive labor & migrant workers

Why study slavery?

- Slavery = most extreme form of inequality. Played a big role in modern growth and industrialization. Major historical issue. Still relevant to analyze a number of current questions.
- The compensation debate. Compensations are still taking place today for expropriations which happened during Nazi regime 1933-1945 or communist regimes 1917-1989. Why not compensation for slavery, which was abolished in 1833-1848-1865-1887 in UK-France-US-Brasil? Legal racial discrimination lasted until 1960s in the US & in colonies & 1990s in South Africa.
- Slavery vs debt. Abolition of slavery = abolition of the intergenerational transmission of debt = birth of modern human rights. But public debt can be transmitted from generation to generation, possibly for ever.
- Slavery vs serfdom vs other restrictions to the basic civil & political rights of the poor. There is a continuum between complete slavery & complete freedom. Quasi-coercive labor contracts = strong restrictions on basic rights, in particular mobility. Migrant workers today.

« Slave societies » in historical perspective

- The notion of « slave society »
(M. Finley, *Ancient Slavery & Modern Ideology*, 1979)
- « Societies with slaves » (i.e. societies where slavery exists but plays minor role: typically, slaves = a few % of total pop) (=most societies)
- ≠ « **Slave societies** » : societies where slaves play a major role in the overall structure of population, production & property: say, societies where slaves make between 25% and 50% of total population
- According to Finley, slave societies are relatively rare in history: the main exemples are **ancient Greece** and **Rome** (slaves = 30-50% of total pop), **southern United States** (slaves = 40% of total pop until 1865), **Brasil** (slaves = 30-35% of total pop until 1887)
(+ British and French slave islands until 1833-1848: up to 90% of pop)
- More recent research: other examples of slave societies include kingdom of Kongo 15^c-16^c, Sokoto 18^c-19^c, Sumatra 17^c (30-50%)
- Critical role of debt-based slavery since biblical times: see Graeber

Enormous historical literature on slavery. Today I will present only some of the most basic facts. Here are some additional references:

On Atlantic slavery:

- R. Blackburn, *The Making of New World Slavery. From the Baroque to the Modern, 1492-1800*, 1997; *The Overthrow of Colonial Slavery, 1776-1848*, 1988; *The American Crucible. Slavery, Emancipation and Human Rights*, 2011
- D. Geggus, “The Haitian Revolution in Atlantic Perspective”, in N. Canny, P. Morgan, *The Oxford Handbook of the Atlantic World 1450-1850*, OUP, 2011

Beyond Atlantic slavery:

- A. Stanziani, “Slavery in India”, in *Cambridge World History of Slavery*, vol.4, [2017](#); “Slavery and Bondage in the Indian Ocean World”, idem, [2017](#)
- L. Heywood, “Slavery and its transformation in the kingdom of Kongo: 1491-1800”, [JAH 2009](#)
- S. Beswick, J. Spaulding, *African Systems of Slavery*, Trenton 2010
- P.E. Lovejoy, *Transformations in Slavery*, Cambridge UP 2012
- I. Chatterjee, R. Eaton, *Slavery and South Asian History*, Indiana UP 2007

On Female Slavery and Slavery under Islam:

- M. Zilfi, *Women and Slavery in Late Ottoman Empire*, CUP 2012
- E. Toledano, *As If Silent and Absent. Bonds of Enslavement in the Islamic Middle East*, Yale University Press, 2007
- M. Ferguson, E. Toledano, “Ottoman Slavery and Abolition in the 19th century”, in *Cambridge World History of Slavery*, vol.4, 2017
- A. Popovic, *La révolte des esclaves en Iraq au IIIe/IXe siècle*, 1976

On Ancient Slavery:

- W. Scheidel, “Human Mobility in Roman Italy: The Slave Population”, [JRS 2005](#); “The Size of the Economy and the Distribution of Income in the Roman Empire”, [JRS 2009](#)
- N. Tran, « Les statuts de travail des esclaves et des affranchis dans les grands ports du monde Romain », [Annales HSS 2013](#)

Slavery in Ancient Greece and Rome

- **Athens 5th century BC:** best estimates suggest that slaves made about 30-50% of total population
- **Total population = 350 000-400 000 individuals**
= about 150 000-200 000 private slaves (uncertain estimates)
+ about 200 000 free individuals
(= about 150 000 citizens and their family members)
(incl. 40 000 male adult citizens) (incl. 400 elite *Boule* members)
(+ about 50 000 « metics » – free foreigners, non-citizens)
(+ about 2 000 public slaves/«neutral civil servants») (see P. Isnard, *La démocratie contre les experts – Les esclaves publics en Grèce Ancienne*, 2015)
- **Rome 1st cent. AC: also about 30-50% slaves**
Total pop. 2 million: 1 million slaves + 1 million free
- Typically, over 50% of slaves owned by less than 1% of population
→ **the slaves-citizens-elite society (50%-49%-1%)**

- **Finley 1979: Three conditions for rise of slave societies**
 - Large concentration of land
 - Long distance trade to purchase foreign trades
 - Lack of cheap local labor supply
- Key political factor in Greece/Rome: development of free land-owning citizenry after Solon reforms & republican reforms
→ lack of cheap labor, elites purchase slaves for their farms
- Fall of Roman Empire: decline of international markets; most importantly, elites were gradually able to reduce the rights of free tenants, peasants and workers and turn them into serfs
→ **slaves-citizens-elites vs graduated serfs-elites societies**
- Finley 1979 studies the interplay between ancient slavery & modern ideology: e.g. unlike what has been often claimed in the 18^c-19^c abolition debate, the end of ancient slavery has little to do with rise of Christianity; bishops and churches own slaves around 400-500 AC, & one needs to wait until 800 AC to see slaves entirely replaced by serfs in Europe

Capital and slavery in pre-1860 Southern US

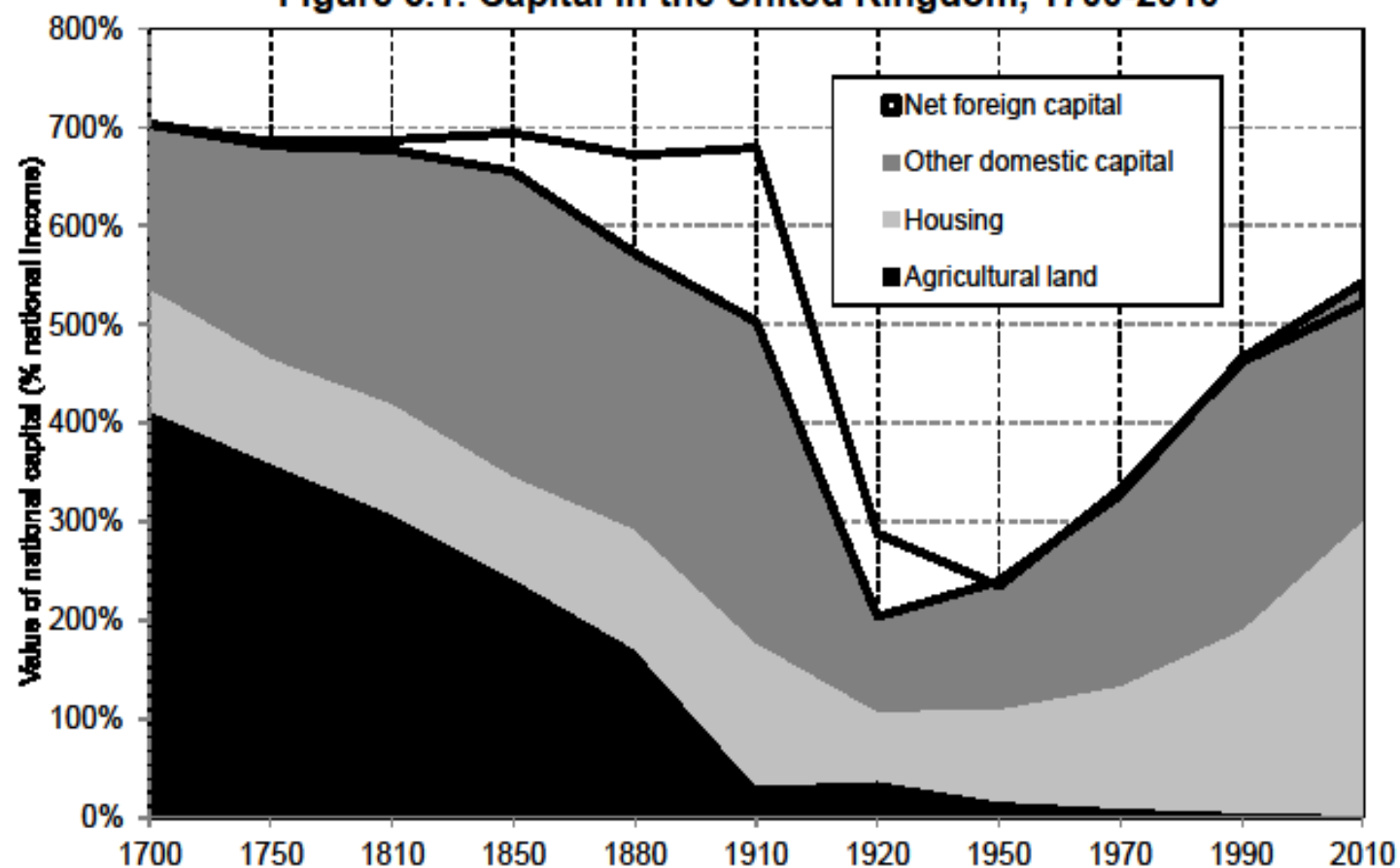
- Abolition of slave trade in 1807, but slavery system prospered until Civil War 1860-1865 & abolition of slavery in 1865.
Legal racial discrimination for school, transport, housing, jobs, voting rights etc. in Southern US until 1960s.
- 1800: total pop US South 2,5 millions
= 1,5m whites + 1m slaves (40%)
(+ US North 2,5m = total US pop 5m)
- 1860: total pop US South 10 millions
= 6m whites + 4m slaves (40%)
(+ US North 20m = total US pop 30m)
- No slave trade, but large natural reproduction

- Fogel, *Time on the Cross: The Economics of American Negro Slavery*, 1974 (see also *Without Consent or Contract: The Rise and Fall of American Slavery*, 1989) = the slavery system was working very well for slave-owners in terms of productivity, profits, etc., up until the Civil War; there was no “natural” economic reason for the end of the slavery
- See Oudin-Steiner, *Calcul et morale – Coûts de l’esclavage et valeur de l’émancipation (18^e-19^e siècles)*, 2015, about efficiency arguments used by both sides (abolitionists & slave-owners) in the 18^c-19^c abolition debate
- 1820s-1840s: gradual strengthening of Southern US laws forbidding slaves to learn to read or write and making it a crime for others to teach them
- Jefferson 1820: OK with abolition if we can send slaves back to Africa (Liberia), but not if they stay in the US:
« We have a wolf by the ears, and we can neither hold him, nor safely let him go. Justice is in one scale, and self-preservation in the other » (see Finlay 1979)

- US 18^c-19^c: the land of equality & opportunity (land is cheap, low aggregate value of private wealth, everybody can become land owner: Tocqueville views this as the foundation of democracy in America; Jeffersonian democratic ideal of small property owners)... and the land of slavery
- In the US 1770-1865, market value of slaves \approx 150% of Y \approx as much as agricultural land
- In South US, slaves \approx 300% of Y (much more than agric. land), so that total private wealth (incl. slaves) is as large as in Europe, even though non-slave wealth is much lower
- Southern men made 59% of top 1% wealth holders in 1860, vs 18% in 1870 (see Soltow 1976 and [Stelzner 2015](#) p.897)
- Typical slave value \approx 10-12 annual wages for equivalent free labor (say, 250 000-300 000€ per slave if annual wage for equivalent labor = 25 000€) (rate of return = 8-10%)

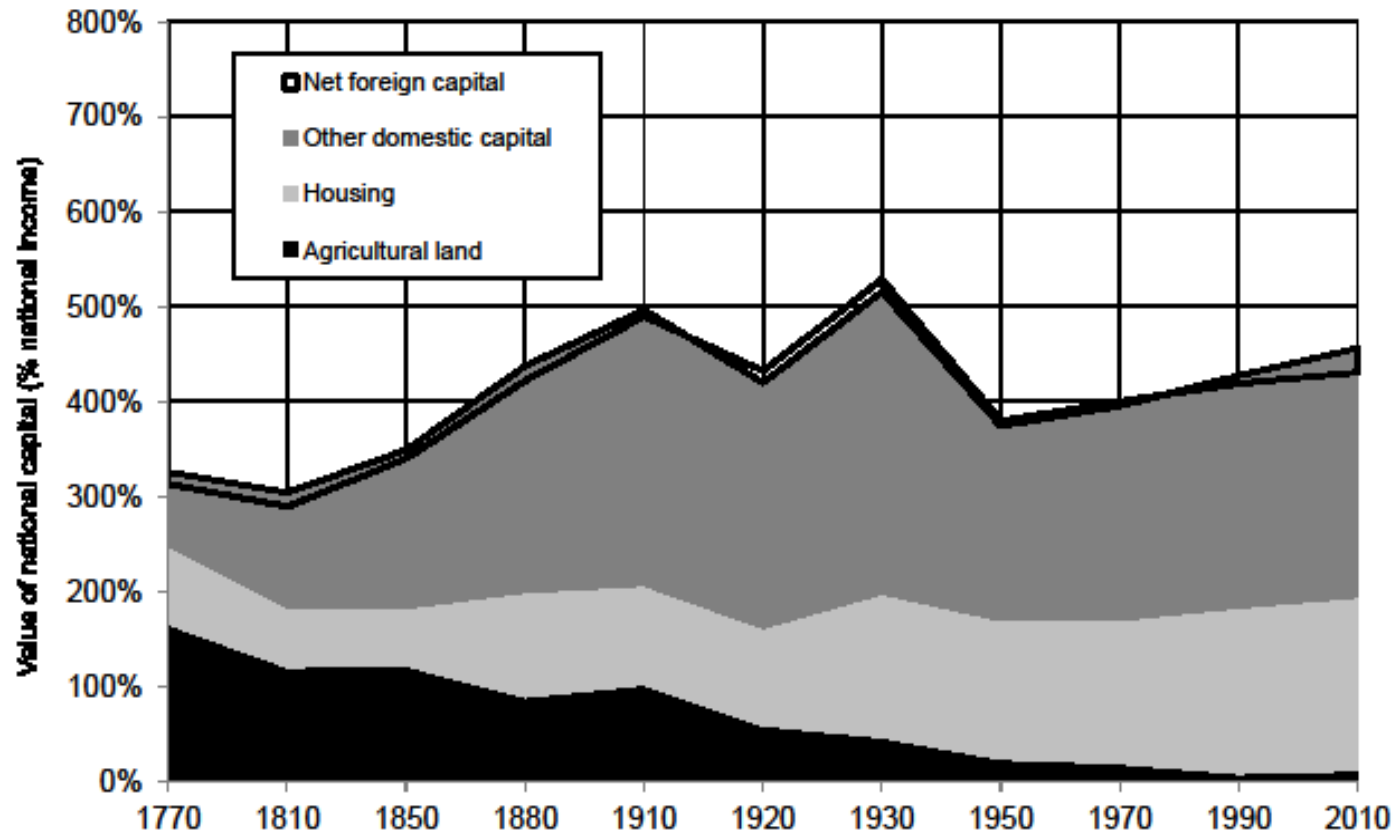
(see [Piketty-Zucman 2014, Data Appendix](#) for detailed computations & data sources on total market value of slaves in pre-1865 US South)

Figure 3.1. Capital in the United Kingdom, 1700-2010



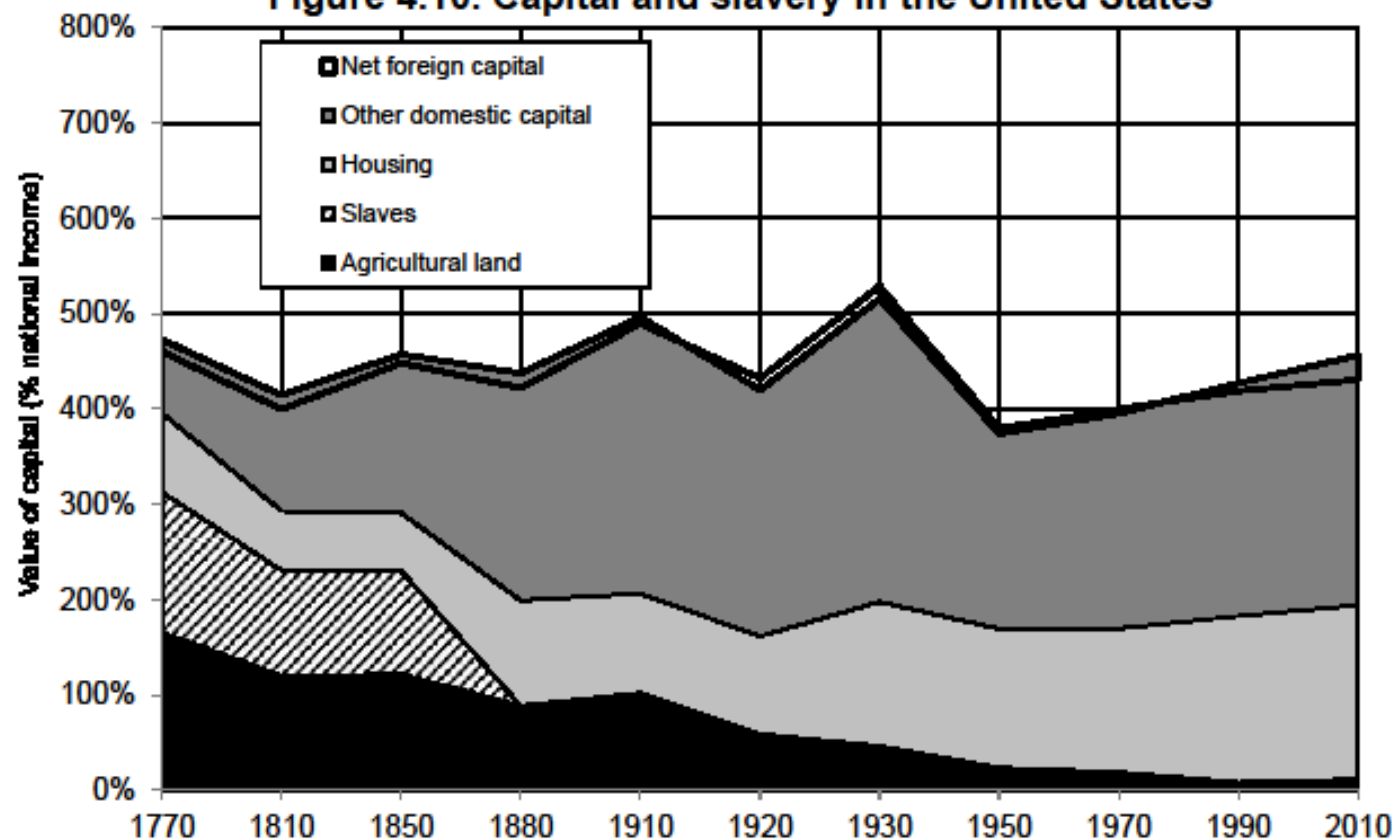
National capital is worth about 7 years of national income in the United Kingdom in 1700 (including 4 in agricultural land). Sources and series: see piketty.pse.ens.fr/capital21c.

Figure 4.6. Capital in the United States, 1770-2010



National capital is worth 3 years of national income in the United States in 1770 (incl. 1,5 years in agricultural land). Sources and series: see piketty.pse.ens.fr/capital21c.

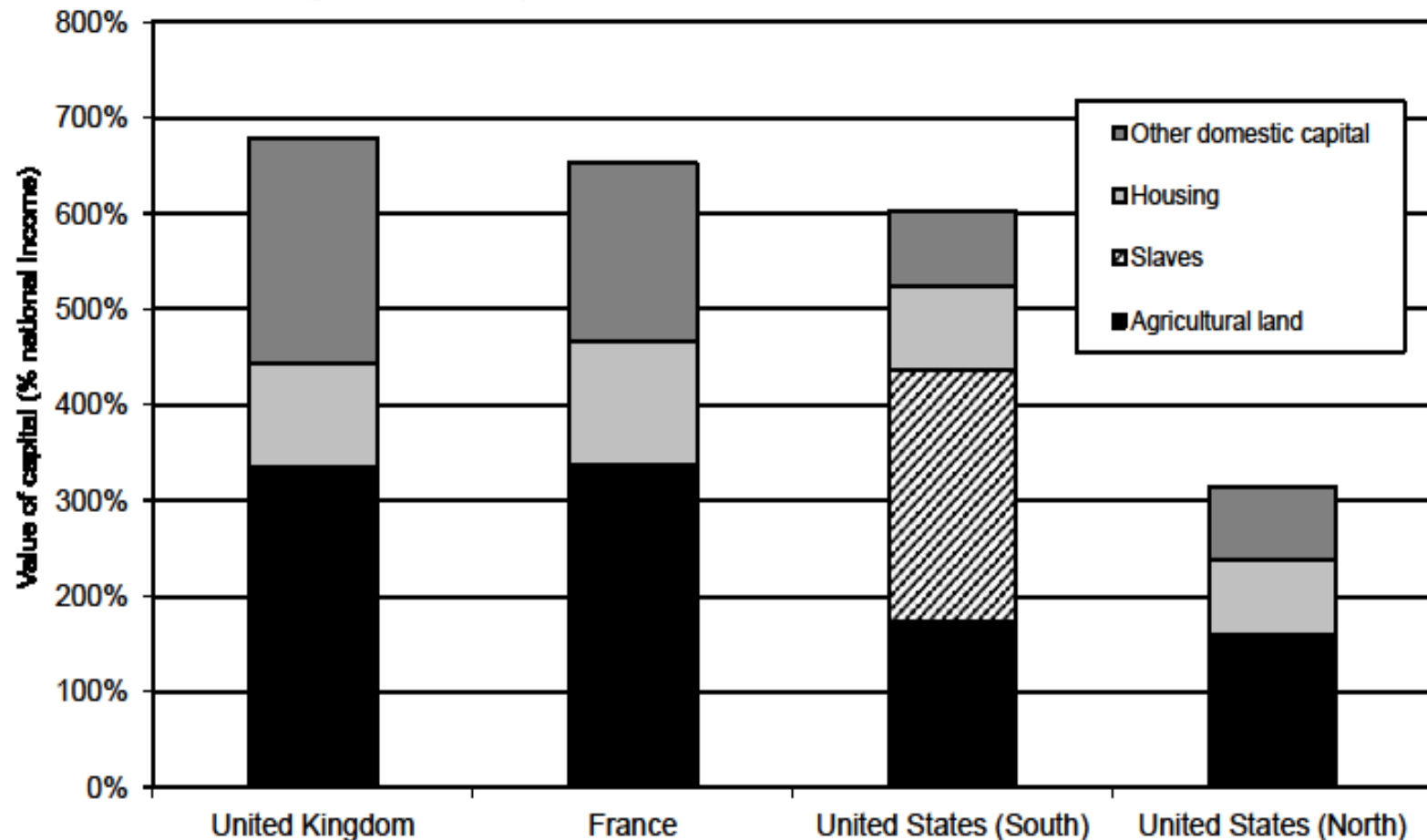
Figure 4.10. Capital and slavery in the United States



The market value of slaves was about 1,5 years of U.S. national income around 1770 (as much as land).

Sources and series: see piketty.pse.ens.fr/capital21c.

Figure 4.11. Capital around 1770-1810: Old an New World



The combined value of agricultural land and slaves in Southern United States surpassed 4 years of national income around 1770-1810. Sources and series: see piketty.pse.ens.fr/capital21c.

On the maximum value of human (slave) capital

- Extreme case: assume that a tiny fraction owns the rest of population, so that **value of slaves = total value of human capital H = total capitalized value of future labor income flows**
- Assume marginal products of capital and labor are such as we have stable capital share $Y_K/Y = \alpha$ ($= rK/Y = r\beta$) and labor share $Y_L/Y = 1-\alpha$
- Then if future labor income flows are capitalized at the same rate r , the value of human capital should be $\beta_h = H/Y = (1-\alpha)/r$
- I.e. if $r=5\%$, slave price should be equal to 20 annual wages
- If $\alpha=30\%$, $1-\alpha=70\%$, mkt value of (non-human) capital $\beta = K/Y = \alpha/r = 600\%$, and market value of human capital (slaves) $\beta_h = H/Y = (1-\alpha)/r = 1400\%$;
- Total value of private wealth $= \beta + \beta_h = 1/r = 2000\%$ = all output is capitalized
- However in practice slave prices are closer to 10-12 annual wages: $r=8-10\%$ rather than $r=5\%$, because risky investment (& feeding costs...)
- If slave price = 10 annual wage, then total slave value $\beta_h = 700\%$
- & if slaves = 40% of pop (rather than 100%), then $\beta_h = 280\% \approx$ US South

Britain: the abolition/compensation of 1833-1843

- Slave trade ended in 1807; slavery abolished in 1833-1843 (law voted in 1833, but applied gradually: compensation scheme for slave-owners)
- Main concentrations of slaves within British Empire:
 - British Caribbean (« West Indies »): Jamaica, Trinidad & Tobago, Barbados, Bahamas, etc.
[≠ French Antilles: Martinique, Guadeloupe]
[≠ two largest Caribbean islands: Cuba (Spain, slave trade until 1867, slavery until 1886) & Hispaniola (Haiti/Dominican Rep.)]
 - Indian Ocean: Mauritius (« Ile de France » until 1810, then became British) [≠ Reunion, « Ile Bourbon », remained French]
 - Cape colony (South Africa)
- Total emancipated in 1833-1843: about 800,000 slaves (incl. about 700,000 in West Indies)

- 1833 law introduced financial compensation for slave owners (not for slaves!) = an extreme illustration of the 19^c regime of private property sacralization
- 20 million £ were paid to 3000 slave owners (about 5% of British GDP of the time, financed by increased in public debt, i.e. by British tax revenues)
- Equivalent to about 100 billions euros today (5% GDP), i.e. average payment of about 30 million euros to each of the 3000 slave owners
- Complete list of recipients and historical analysis on ["The Legacies of British Slave-ownership" website](#) (UCL history dept project) (released in 2013, big public scandal, several well-known British families were on the list, including a cousin of PM Cameron)
- See also N. Draper, *The Price of Emancipation: Slave-Ownership, Compensation and British Society at the End of Slavery*, CUP 2010

France: the two-step abolition of 1793-1848

- French Revolution abolished slavery in 1793; but slavery was re-established in 1802; finally abolished in 1848
- In Haïti, slaves took seriously the French revolution: Haïti revolt 1791, independance 1804 → in 1825, France finally « accepts » Haïti independance, but imposes a large public debt on Haïti as the price for their freedom (150 millions Francs or, about 2% French GDP of the time)
- Haïti had to repay this huge public debt until World War 2; in effect, interest payments on Haïti's public debt were compensating former French slave owners for lost profits due to emancipation
- The compensation was paid to Caisse des Dépôts (French govt bank) and then distributed to individual slave owners

- 1815-1848: remaining French slaves were mostly in French Caribbean (Martinique, Guadeloupe) & Reunion island
- 1841-1843 debate about compensation plan proposed by Tocqueville: the compensation to slave-owners should be paid partly by the state (public debt, \approx UK) & partly by the slaves themselves (who would work during 10 years for the govt at low wages); « a balanced, reasonable plan » according to Tocqueville

(see Oudin-Steiner, *Calcul et morale*, 2015)

- Compensation scheme finally adopted in 1848: less massive than British compensation; fewer slaves were emancipated (about 250 000) (<500 000 in Haïti); but the compensation process has not been studied as much; need for more transparency about this in Reunion/Martinique/Guadeloupe

Long term impact of slavery

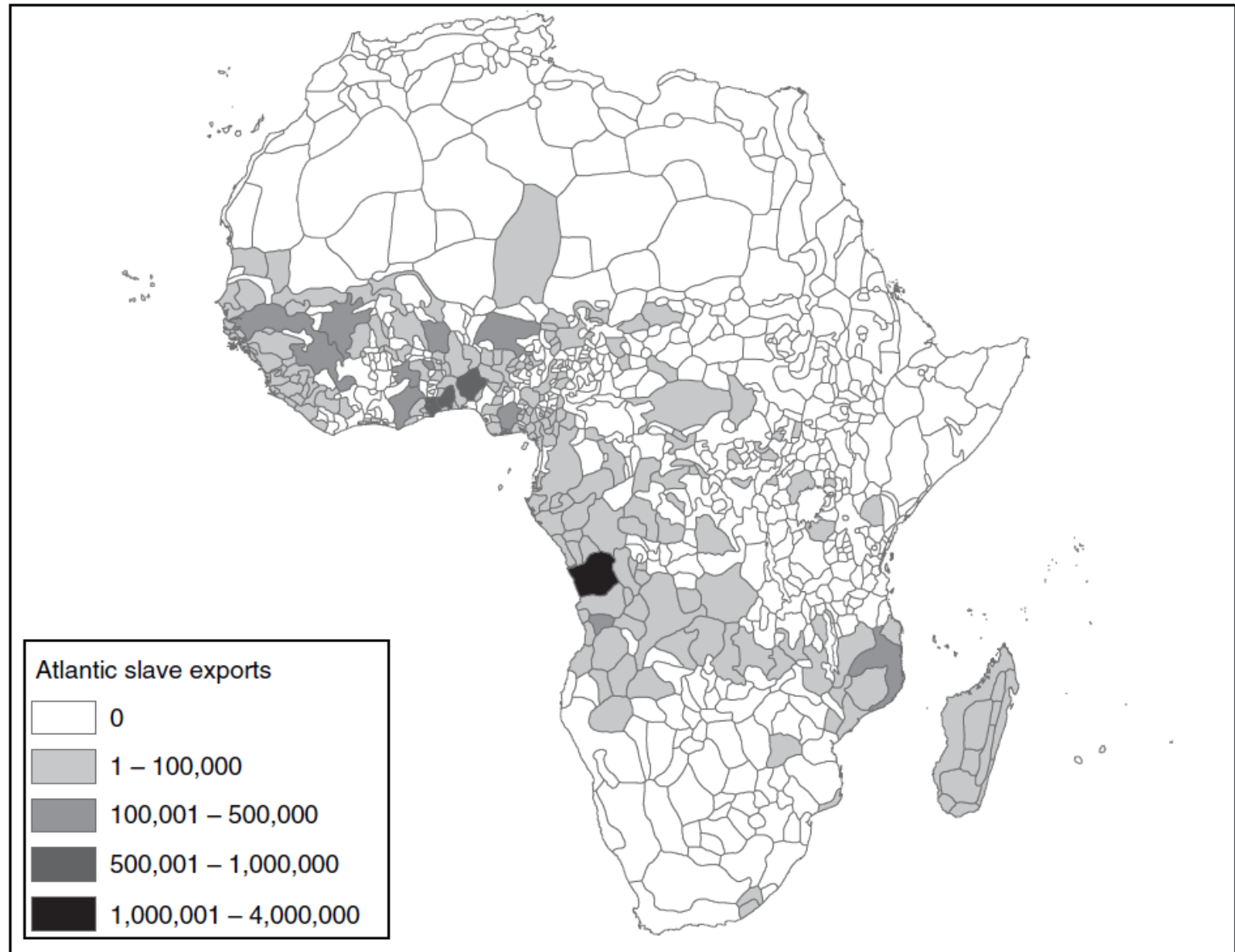
- Slavery had major impact on industrialization & developement of Europe, and also on impoverishment of Africa
- Total slave exports from Africa: about 12-15 million slaves btw 1500 & 1900 (vs about 40m total population for Subsaharan Africa in 1500, & about 60m in 1820)
- Including about 2/3 via Atlantic trade, & 1/3 via Transsaharan/Red Sea/Indian Ocean trade
- Major references on long-run impact of slavery and coercion on economic development include E. Williams, *Capitalism & Slavery*, 1944; K. Pomeranz, *The Great Divergence*, 2000; S. Beckert, *Empire of Cotton*, 2014

- A number of recent papers use sharp geographical variations in order to better identify long-run causal impacts.
- As usual, the price to pay for this is that they tend to focus upon local effects (rather than global effects), and do not study impact of A on B (rather than the historical process from A to B). But still very interesting.
- Exemples:
 - Large local variations between African regions: one can identify negative long-term local impact on development via inequality and mistrust (see Nunn « The Long Term Effects of Africa's Slave Trades » [QJE 2008](#))
 - See also Nunn-Wantchekon, "The Slave Trade and the Origins of Mistrust in Africa", [AER 2011](#); Nunn-Qian, « The Colombian Exchange: A History of Disease, Food, and Ideas », [JEP 2010](#)
 - See also [Nunn 2008](#) "Slavery, Inequality and Economic Development in the Americas" using variations within West Indies
(slaves=46% pop in Bahamas in 1750 vs 90% Jamaica)
 - See also [Dell EMA 2010](#) "The Persistent Effects of Peru's Mining Mita," & [Acemoglu et al 2012](#) "Finding El Dorado: Slavery and Long-run Development in Columbia", [JCE 2012](#) on persistent local impact in Peru and Colombia (silver and gold mines)

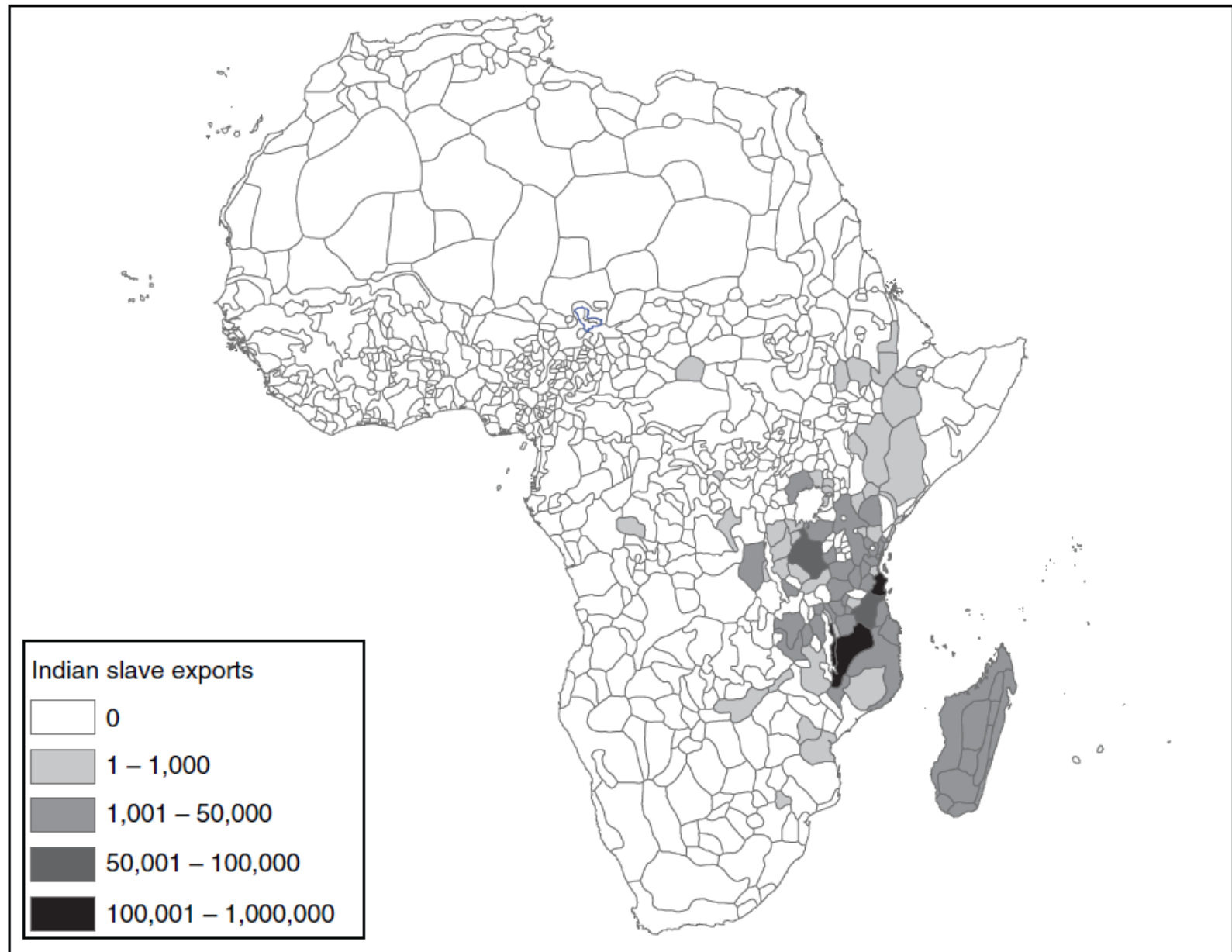
TABLE II
ESTIMATED TOTAL SLAVE EXPORTS BETWEEN 1400 AND 1900 BY COUNTRY

Isocode	Country name	Trans-Atlantic	Indian Ocean	Trans-Saharan	Red Sea	All slave trades
AGO	Angola	3,607,020	0	0	0	3,607,020
NGA	Nigeria	1,406,728	0	555,796	59,337	2,021,859
GHA	Ghana	1,614,793	0	0	0	1,614,793
ETH	Ethiopia	0	200	813,899	633,357	1,447,455
SDN	Sudan	615	174	408,261	454,913	863,962
MLI	Mali	331,748	0	509,950	0	841,697
ZAR	Democratic Republic of Congo	759,468	7,047	0	0	766,515
MOZ	Mozambique	382,378	243,484	0	0	625,862
TZA	Tanzania	10,834	523,992	0	0	534,826
TCD	Chad	823	0	409,368	118,673	528,862
BEN	Benin	456,583	0	0	0	456,583
SEN	Senegal	278,195	0	98,731	0	376,926
GIN	Guinea	350,149	0	0	0	350,149
TGO	Togo	289,634	0	0	0	289,634
GNB	Guinea-Bissau	180,752	0	0	0	180,752
BFA	Burkina Faso	167,201	0	0	0	167,201
MRT	Mauritania	417	0	164,017	0	164,434
MWI	Malawi	88,061	37,370	0	0	125,431
MDG	Madagascar	36,349	88,927	0	0	125,275
COG	Congo	94,663	0	0	0	94,663

Panel A. Transatlantic slave trade



Panel B. Indian Ocean slave trade



Slavery vs Perpetual Debt

- Throughout history, from Biblical times to 18^c-19^c, slavery often begins with large debt; heavily indebted individuals sell their children as slaves; heavily indebted people (e.g. following war tributes) are enslaved; frontier between slavery and extreme debt is often unclear; in english, « bondage » = debt slavery
- See e.g. Testard, *L'esclave, la dette et le pouvoir*, 2001
D. Graeber, *Debt – The first 5000 years*, 2012
- In all modern (post-abolition) legal systems: the abolition of intergenerational transmission of private debt (children can always refuse to take negative inheritance) comes together with abolition of slavery
- But public debt can still be transmitted from generation to generation (France-Haïti 1825-1950)

- Other key feature of modern legal system: end of « entails » (*substitutions héréditaires*) (family estates with perpetual obligations); abolished both by the French and US Revolution (together with equal sharing between siblings as default option); abolished only in 1919 Germany and 1925 UK (land primogeniture) (see J. Beckert, *Inherited Wealth*, PUP 2008)
- « The world belongs to the living » (Jefferson)
- 18^c-19^c Atlantic revolutions: sacralization of private property, but at the same time limitation of the extreme self-perpetuating impact of property arrangements on power relations
- Return of perpetual property obligations today? In fact they never entirely disappeared: family trusts, holdings, etc. See Horowitz-Sitkof « Unconstitutional Perpetual Trusts », [VLR 2014](#)

From slavery to coercive labor

- Post-abolition labor law: in Reunion, slavery was replaced in 1848 by the obligation for ex-slaves to have long-term labor contract as agricultural workers on plantations or as servants; otherwise arrested and imprisoned for vagrancy (vagabondage); this is of course different from the previous legal regime, where escaping slaves were arrested and returned to the slave owner; but it is not entirely different
- **« Indentured workers » (« Engagés » in French colonies):** very common form of long-term labor contracts in British and French colonies (and mainland) during 18^c-19^c; in effect, workers cannot easily break away from such contracts, and masters/employers have extensive punishment rights; very often such contracts came together with large initial debt (e.g. to repay for initial transportation to the colonies) & highly unequal access to legal system and enforcement

- French and British plantation owners and companies hired/purchased large flows of indentured workers & *engagés* from Madagascar, East Africa & India during second half of 19c and well until early 20c
- See Stanziani “Beyond colonialism: servants, wage earners and indentured migrants in rural France and on Reunion Island (c. 1750–1900)”, [Labor History 2013](#); *Le travail contraint en Asie et en Europe 17^e-20^e s.*, MSH 2010; *Bondage. Labor and Rights in Eurasia 16th-20th centuries*, 2014 ; Allen, « Slaves, Abolitionism & the Global Origins of the Post-Emancipation Indentured Labor System », [Slavery & Abolition 2014](#)
- Various forms of forced labor, limited mobility rights & unequal legal rights in French and British colonies until 1940s-1950s: e.g. forced labor in West Africa (cocoa plantations in Ivory Coast) until 1946, see Cooper 2014
- Other examples of recent historical research on the various forms of free/unfree labor in historical and comparative perspective: see e.g. [this conference](#), this [one](#), or this [other conference](#)

- **One also observes restrictions on within-country labor mobility throughout Europe during 15^c-19^c (post-serfdom Europe)**
- In the UK, « Poor Laws » include strong mobility restrictions until 1795; the « poors » (i.e. all propertyless classes) get food assistance in exchange for work and residence assignment in their local parishes; see e.g. Polanyi 1944
- « Master and Servant Law » criminalize employee contract breach until 1875; Naidu-Yuchtman, “Coercive Contract Enforcement: Law and the Labor Market in 19th Century Industrial Britain,” [AER 2013](#)
- In post-abolition South US, criminal fines charged for enticement (offers made to workers already under contract) so as to keep low wages in plantations: Naidu, “Recruitment Restrictions and Labor Markets: Evidence from the Post-Bellum U.S. South”, [JLE 2010](#)
- In France, “livret ouvrier” compulsory until 1890; very gradual shift from forced labor to modern labor law during 20c (see R. Castel, *Les metamorphoses de la question sociale*, 1995; the rise of the “wage-earner society”); reduction of labor rights and wage stability in 21c?

- **One also observes strong restrictions on basic mobility rights in 20^c-21^c communist regimes.** Soviet Russia or today's China: internal passport for rural workers; partly in the name of general interest (central planning); partly bc of the same domination strategy as before (domination of urban elites vs rural groups)
- **... & also strong restrictions on mobility rights of international migrants today**

→ Free mobility is not the norm in history & should not be taken as given

Slavery vs serfdom

- Serfdom : very widespread in medieval Europe & in many societies in history (abolished in 1861 in Russia); what is the difference with slavery?
- Slaves have no personal identity (no name), no right to marry, no right to property, no right to move; in particular, any child or property they might have belong automatically to their master (see e.g. *Code Noir*, France 1685)
- Serfs have personal identity, can marry and hold (small) property, but cannot move and change occupations freely (they are attached to their landlord and to the land)
- Beyond serfdom, one can observe many restrictions on free mobility & occupational choice throughout history until today = coercive labor (forced labor) & semi-coercive labor regimes; free labor is the exception, not the rule
- There is a continuum of labor rights & property relations in history, from slavery to freedom

Why did serfdom disappear?

- Standard (neo-Malthusian) story: serfdom gradually disappeared from Western Europe following the Black Death 14^c : huge population decline (30-50%) → higher wages & outside options for survivors → emancipation
- But this does not fit Russia/Eastern Europe: development of serfdom during 16^c-17^c at times of labor shortage; higher land/labor ratio raises outside options for serfs, but also raises the profitability of serfdom for landlords (see e.g. [Domar 1970](#) “The Causes of Slavery and Serfdom: A Hypothesis”, [Brenner 1976](#) “Agrarian Class Structure and Economic Development in Pre-Industrial Europe”; see also essays collected in *The Brenner Debate*, CUP 1985, Aston and Philpin eds.)
- Same ambiguity in the New World: high land/labor ratio makes it easier to become land owner (→equality), but at the same time makes forced labor particularly useful and profitable (→slavery, extreme inequality)
- Political institutions, bargaining power & ideology are more important than pure economic determinants
(see also Finlay’s three conditions for rise & fall of slavery)

- Recent work on abolition of serfdom in Russia 1861: limited emancipation due to weak central state power and finance to protect new rights; in the end, very limited land redistribution, + compensation to the landlords was due to be paid by ex-serves during 49 years (gradually suppressed)
- See Dennison, « Contract enforcement in Russian serf society, 1750–1860 », [EHR 2013](#); "The Institutional Framework of Serfdom in Russia: the View from 1861", in *Serfdom and Slavery in the European Economy, 11th-18th centuries*, [Firenze UP 2014](#)
- See also Markevich-Zhuravskaya, "The Economic Effects of the Abolition of Serfdom: Evidence from the Russian Empire ", [WP 2016](#)
- See also around the same period the slavery boom in 1860s Egypt following US Civil war: Saleh, "The Cotton Boom and Slavery in Nineteenth-Century Rural Egypt", [WP 2015](#)

Political & civil rights of the poor in history: a typology of inequality regimes

- **Ancient inequality is based upon explicit restrictions to the basic political & civil rights of the poor and various dominated social groups**
- Slavery: no family rights, no property rights, no mobility rights
- Serfdom: some family & property rights, no mobility rights
- Coercive or semi-coercive labor: restrictions on mobility rights and occupational choice of certain groups, but less extreme than serfdom (indentured workers, *engagés*, etc.)
- More generally, most societies in history have status-based inequality systems: different groups have different rights, on the basis of differences in social and occupational origins, ethnicity, gender, wealth, etc.
- Some prominent examples: castes societies, colonial societies, censitary societies (restricted suffrage: only the rich can vote)

Ancient vs modern inequality

- **In contrast to ancient inequality, modern inequality is supposed to be based upon the equality of basic rights and opportunities: « meritocracy »**
- Atlantic revolutions 18^c (UK 1688, US 1776, France 1789): « All men are born with equal rights. Social distinctions can be based only on common utility » (Article 1, Declaration of rights of man and the citizen, 1789)
- OK, except that this did not prevent UK and France from developing colonial societies during 19^c-20^c, & US from maintaining slavery until 1860s & legal racial discrimination until 1960s
- Even when it comes with equal formal legal rights (post-colonial, post-Apartheid societies), « meritocracy » is often used by the elites to justify extreme inequality and to stigmatize the poor for their lack of merit or virtue

- **Formal rights vs real rights:** in practice, one can have equal formal rights but highly unequal real rights and opportunities to access education, jobs, property, political influence, etc.
- Atlantic revolutions did not prevent the rise of « patrimonial societies » during 19c & until WW1 (almost as oligarchic & plutocratic as formal censitary societies)
- Only violent shocks 1914-1945 (wars, communist revolutions) reduced patrimonial inequality and forced the elites to accept social, fiscal and property reforms
- See lecture 3 on the failure of French Revolution; see also Boutmy 1872 (Sciences Po founder) on the rise of universal suffrage and the need for the elites to invent meritocracy (Capital..., chap.13)
- **Modern inequality can be psychologically more violent than ancient inequality**, because it puts more moral pressure on the losers of the economic system (it is their fault if they are poor, unlike in ancient inequality)
- But of course this is not saying that ancient inequality was smooth (it was obviously much more violent from a strictly material viewpoint)

Castes & other status-based inequality systems

- **Many pre-modern societies have status-based inequality systems: different social groups have different rights**
 - Pre-1789 France (Ancien Régime): nobility (1%) + clergy (<1%) + Tiers-Etat (« third estate ») (98-99%)
 - Pure inequality of rights: aristocrats do not pay the same taxes & do not have the same political and legal rights as Tiers-Etat; in particular, they sit in different assemblies in 1789, just like House of Lords vs House of Commons in Britain (Young-Malthus)
 - India's caste system: similar in some ways, but very different in other ways, in particular because in India there are fine graduations of classes & castes within the bottom 99%
- maybe this explains why it was easier to suppress Ancien Régime class system (one just needs to cut the heads of top 1%) than India's castes (one cannot cut the heads of 10% or 20% of pop)
- but why do different graduation systems develop to begin with?

Caste-based inequality system: India

- Traditional Hindu system: Dalits (untouchables) + four basic castes: Shudra (laborers), Vaishya (traders/craftsmen), Kshatriya (warriors/rulers), Brahmins (priests/teachers). Occupational and mobility restrictions. Thousands of sub-categories.
- No formalisation of the system until Caste Censuses conducted in 1881-1931 under British rule: did the British rigidify castes?
- Complex mixture of self-reporting, identity manipulation, local council and administrative approval: see Cassan, « Identity based policies and identity manipulation: Evidence from Colonial Punjab », [AEJ 2014](#)
- At independance (1947), Indian govt decided to rule out untouchability and to stop conducting caste censuses, but it enacted reservations for lower castes (quotas for public sector jobs, university admissions, elected council members).
- Approximate distribution of population today: 20% Scheduled Castes (SC=Dalits), 10% Scheduled Tribes (ST), 40% Other Backward Classes (OBC≈Shudras), 30% Forward Castes (V-K-B)

- Initially the reservations were mostly for SCs-STs. They were gradually extended to OBCs (Mandal Commission 1980) and to poor groups within Forward Castes in some states.
 - Major political conflicts, rise of caste-based parties
 - Indian Muslims (14% pop) do not benefit from SC-ST status but can benefit from OBC status. Major source of conflict with Hindu parties (Mogul India 16^c-18^c: many low castes convert to Islam)
 - decision by the federal government of India to conduct a « **Socio-Economic and Caste Census** » in **2011** in order to clarify the relation between caste, income, wealth and poverty (**=first caste census since 1931 British census**).
- Very preliminary results of 2011 caste census were published in 2015: see [SECC website](#). Explosive issue.
- Purely Indian issue? No. School admissions systems sometime take into account parental income in Europe (e.g. Paris high schools) (or ethnicity in US). Big issue for the future. Same basic question as in India: bottom groups targeting vs more continuous approach.

Is India's caste system unique, and why?

- **Dumezil** « Métiers et classes fonctionnelles chez divers peuples indo-européens », [Annales ESC 1958](#) : « There is a common origin to all three-class Indo-European social structures: a clerical class, a warrior class, a commoner class (workers) » = the « **trifunctional hypothesis** »
- **Ok, except that it makes a big difference whether the clerical class can self-reproduce itself** (Hinduism, Buddhism, Shia and Sunni Islam, Judaism) or not (Christianity), and whether the warrior class is ruling (easier to maintain higher prestige of the clerical class – Brahmins - in India because warrior class – Kshatriyas - was often not ruling) (only example of ruling clerical class: Shia clergy in Iran post 1979?)
- **Ok, except that the third class (commoners, workers) is sometime divided into two or three** (peasants/rurals vs traders/craftsmen, or peasants/rurals vs traders/craftsmen vs untouchables), so that there four or five basic classes instead of three

- See Dumont, *Homo Hierarchicus. Le système des castes et ses implications*, 1966, on the origin of the caste system: ancient texts suggest that **Shudras used to be slaves or serves** outside the three-class system who were finally integrated as a fourth basic class, while **Dalits (untouchables) were left out as quasi-serves** suffering massive prejudice and discrimination
- See also B.R. Ambedkar, *Castes in India. Their Mechanism, Genesis and Development*, [1916](#);
- **Endogenous size of each group vs rise of centralized state power** (see discussion in [Lecture 8](#))

Enormous literature on India's caste system. See e.g.:

- Ambedkar 1916; Weber 1920; Dumont 1966; Jaffrelot, *Inde: la Démocratie par la caste. Histoire d'une mutation socio-politique (1885-2005)*, 2005; *Religion, caste and politics in India*, OUP 2010; with J. Naudet, *Justifier l'ordre social. Caste, race, classe et genre*, 2013
- G. Cassan, « Political representation in Colonial India », 2015; « Affirmative action, education, and gender in India », [WP 2016](#)
- S. Bagde, D. Epple, S. Taylor, « Caste- and Gender-Based Affirmative Action and College Quality in India », [AEJ 2016](#)
- A. Subramanian, "Making Merit: The Indian Institutes of Technology and the Social Life of Caste", [CSSH 2015](#)
- A. Deshpande, "Affirmative Action in India and the United States", [2006](#)
- T. Piketty, « Inequality of wealth vs inequality of status. An historical perspective on modern vs ancient inequality regimes », [WP 2016](#)

Income and wealth inequality in modern India:

- A. Banerjee, T. Piketty, « Top Indian Incomes 1922-2000 », [WB 2005](#)
- F. Alvaredo, A. Bergeron, G. Cassan, « Income concentration in British India, 1885-1946 », [WP 2016](#)

- M. Arnoux, *Le temps des laboureurs. Travail, ordre social et croissance en Europe (11^e-14^e siècle)*, 2012: the rise of three-class social structure in medieval Western Europe around 1000-1100 comes together with the end of slavery and the unification and rising dignity of labour and laboures; this also led to more intense labor supply and territorial expansion in 1000-1350
- **I.e. the trifunctional (or ternary) society is hierarchical, but at least it unifies the class of labor (≠ slave or caste societies), and it is an important part of the rise of modern societies**
- « Burakumin » in Japan (quasi-untouchables, see [Carré Annales HSS 2011](#), « Les marges statutaires dans le Japon pré-moderne ») were gradually integrated into the rest of society via modernization and the rise of the social and educational state (**Japan late 19c early 20c: very different from India under British rule; different trajectories and bifurcations are possible**)
- But Roms in Europe today: massive prejudice; ex-serves and slaves not integrated following emancipation Romania 1865

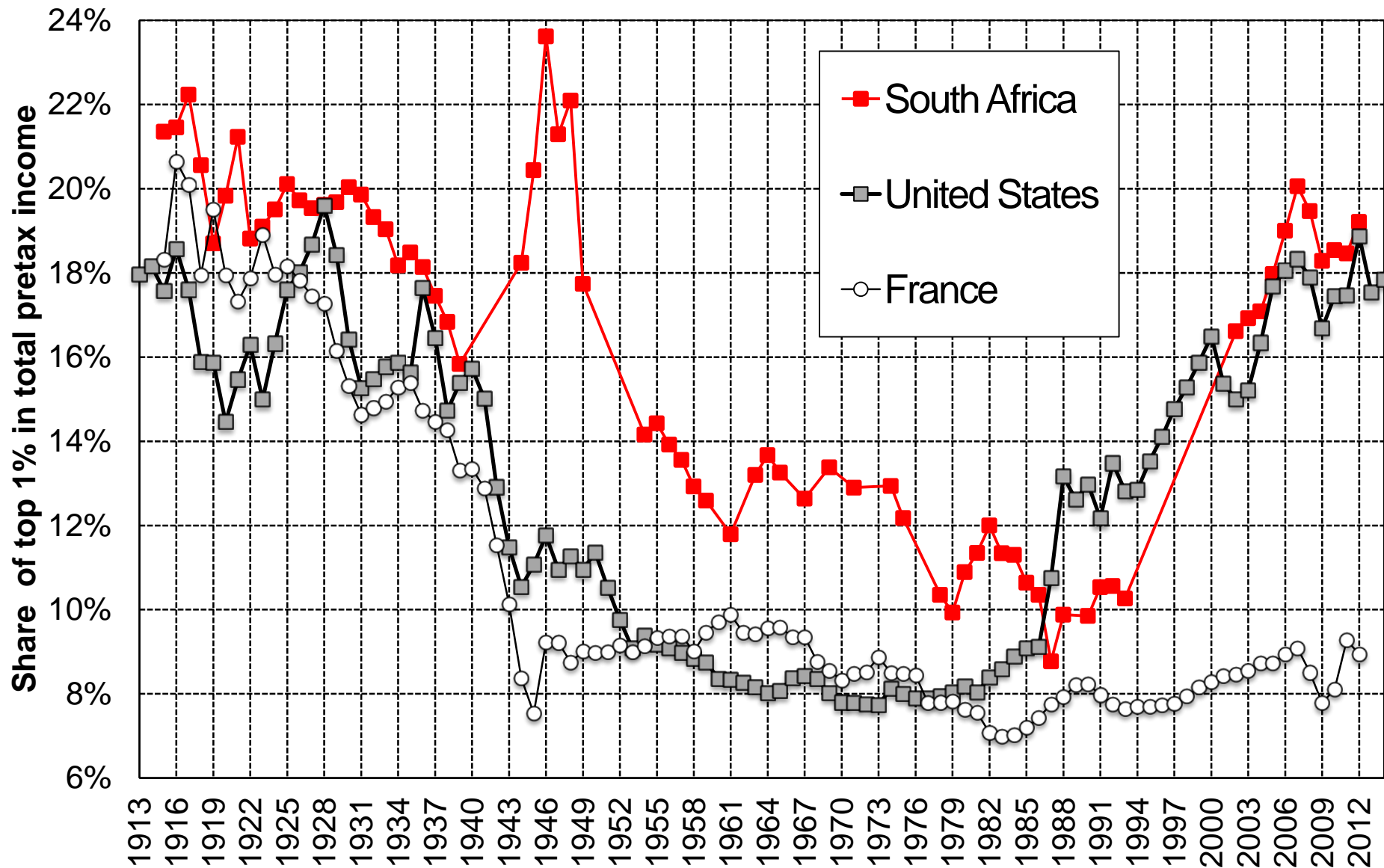
Colonial inequality

- Colonial societies: extreme legal & political domination by a small group of foreign settlers
- Very different forms of domination and numerical importance of settlers: e.g. within French colonies, it varies from **0.1-0.5% of total pop in Sub-Saharan Africa** (AOF 1926: 13.5 millions = 13.49m indigenous + 0.01m Europeans; AOF 1955: 18,7m = 18,6m + 0.1m) or **0.1% in Indochina** (1946: 27m = 26.97m + 0.03m) to **5% in Morocco** (1946: 8.6m = 8.1m + 0.5m) or **even >10% in Algeria** (Algeria 1955 9.5m = 8.5m + 1m)
- In some cases, top income shares may not be that much higher than in non-colonial societies; but the key difference is that the identity of the top groups comes almost entirely from national origins (settlers); see e.g. Alvaredo-Cogneau-Piketty, « Income Inequality Under Colonial Rule: Evidence from French Algeria, Cameroon, Indochina and Tunisia, 1920-1960 », 2017
(top 1% or 0.1% is almost entirely made of Europeans)

- In some colonial or quasi-colonial societies (like South Africa), top income shares are exceptional high
- South Africa: whites \approx 15-20% of total population until 1970s-1980s, down to \approx 10% during 2000s-2010s, following the end of Apartheid in 1994
- Historical top 1% income share close to current US level, but top 10% income share substantially higher than current US level (South Africa today: 60-65% income share for top 10%, vs 50-55% Brasil, vs. 45-50% in US, 30-35% France)
- See Alvaredo-Atkinson, « Colonial Rule, Apartheid & Natural Ressources: Top Incomes in South Africa 1903-2007 », [WP 2010](#)

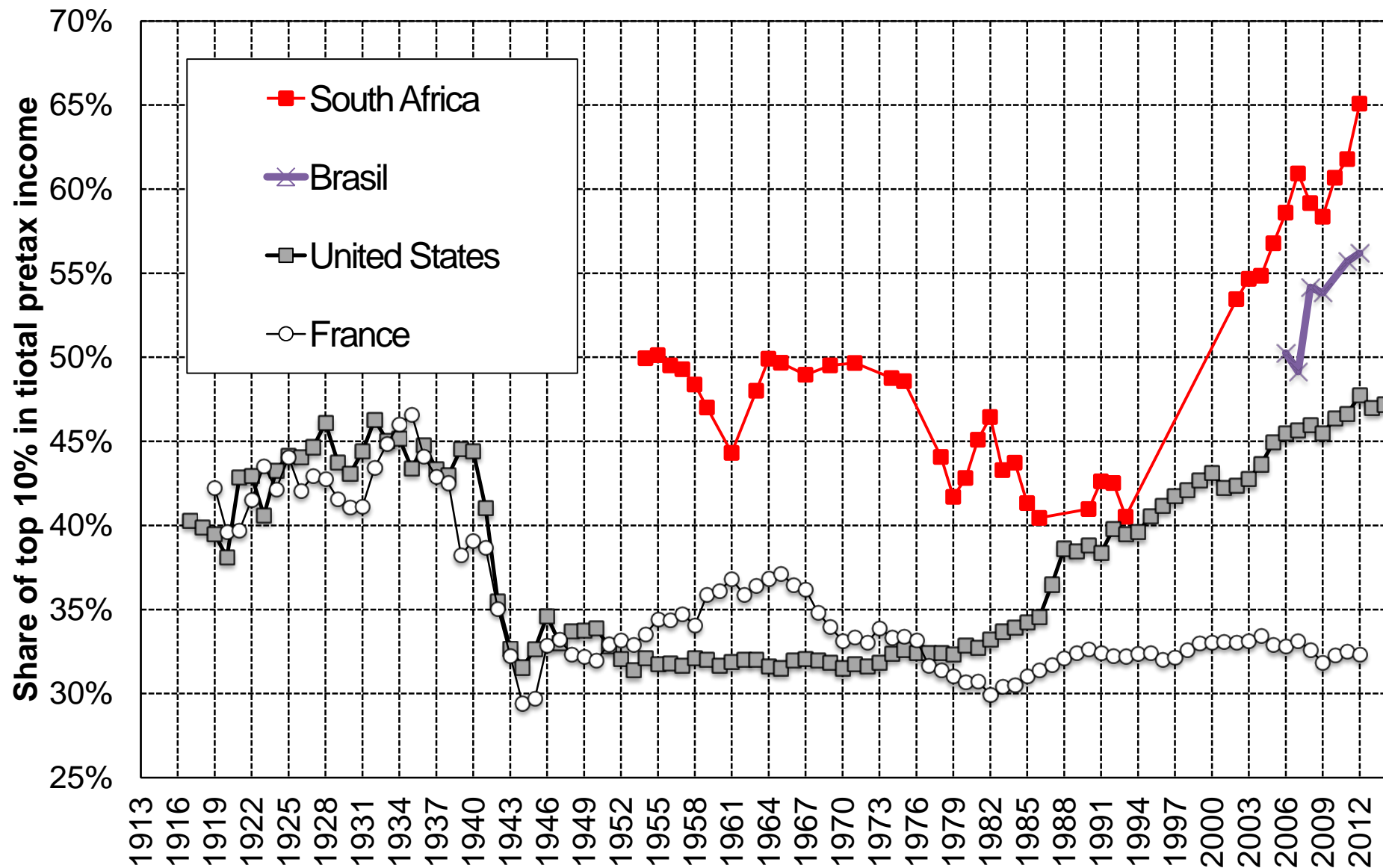
Top 1% income share

South Africa, United States, France



Top 10% income share

South Africa, Brasil, United States, France



Censitory societies

- France 1815-1848: « censitory monarchies » (suffrage restricted to tax and property qualifications); less than 1% of adult males had the right to vote under the Restoration (90 000 voters out of 10 millions), up to 2% under the July Monarchy; higher property requirements for holding office (less than 0.2% eligible)
= this is as if only wealth tax taxpayers (ISF: 1-2% of pop in France) had the right to vote today
- France: brief universal suffrage in 1792 (not fully applied) and 1848 (first elected president became emperor), & finally in 1871 (Third Republic)
- Britain 19^c: less than 2% of adult male pop had right to vote until 1831; then reforms in 1831, and especially 1867, 1884 & 1918 (universal suffrage) gradually put an end to property qualifications and extended the « franchise » (right to vote)

- US: 26% of white males vote in 1824, 55% in 1832, 78% in 1840 = in advance of Europe (Tocqueville, *Democracy in America*, 1830), and even more so in advance of Latin America (<5% of males can vote until late 19c): more wealth concentration → more restrictive suffrage → perpetuation of inequality
- See Engerman-Sokoloff, “The Evolution of suffrage institutions in the New World”, [JEH 2005](#); see also Baland-Robinson [AER 2008](#) on the introduction of secret ballot in Chile in 1958
- No voting right for blacks in South US until 1960s
- Colonial India: about 1% of population is given the right to vote in 1909, 3% in 1919, 10% in 1935; property requirements + separate Muslim-Hindu electorate (→contributed to partition?)
- South Africa: universal white vote (1948-1994) vs censitary white-black vote (pre-1948 in Cape Colony, progressive white proposal in 1950s-70s) vs universal white-black vote (post-1994)
- More on voting rights & organization of govt in lecture 7

Gender-based inequality

- **Very strong gender-based inequality in basic civil and political rights in all societies until recently = probably the most widespread form of status-based inequality in history**
- Voting rights were extended to women in 1893 in NZ, 1913 in Norway, 1917 in Russia, 1918 in Germany, 1920 in US, 1918-1928 in UK (censitory then universal), 1945 in France, 1971 in Switzerland, 2015 in Saudi Arabia
- In most Western societies, married women had limited property and labor rights until 1960s-1970s: e.g. they needed husband's approval to open bank accounts or sign labor contracts
- Gender equality in inheritance rights in France since 1791, but married women had limited effective control rights until 1970s
- Women still have unequal rights in many countries: $\frac{1}{2}$ inheritance share in Morocco, no driving license in Saudi Arabia, etc.
- **And of course gendered roles and stereotypes still determine a very large part of inequality in all societies today: see lecture 6**

Coercive labor and migrant workers

- **Most obvious departure from equal-rights ideal in today's global society: strong restrictions on international mobility**
- Depending on where you are born, different individuals have access to completely different sets of labor rights and life opportunities
- We are largely accustomed to the view that this is normal and unavoidable, but to complete outside observers this might seem just as strange as mobility restrictions within countries until 18^c-19^c
- Key question: restrictions for free international mobility = protection or exploitation ?

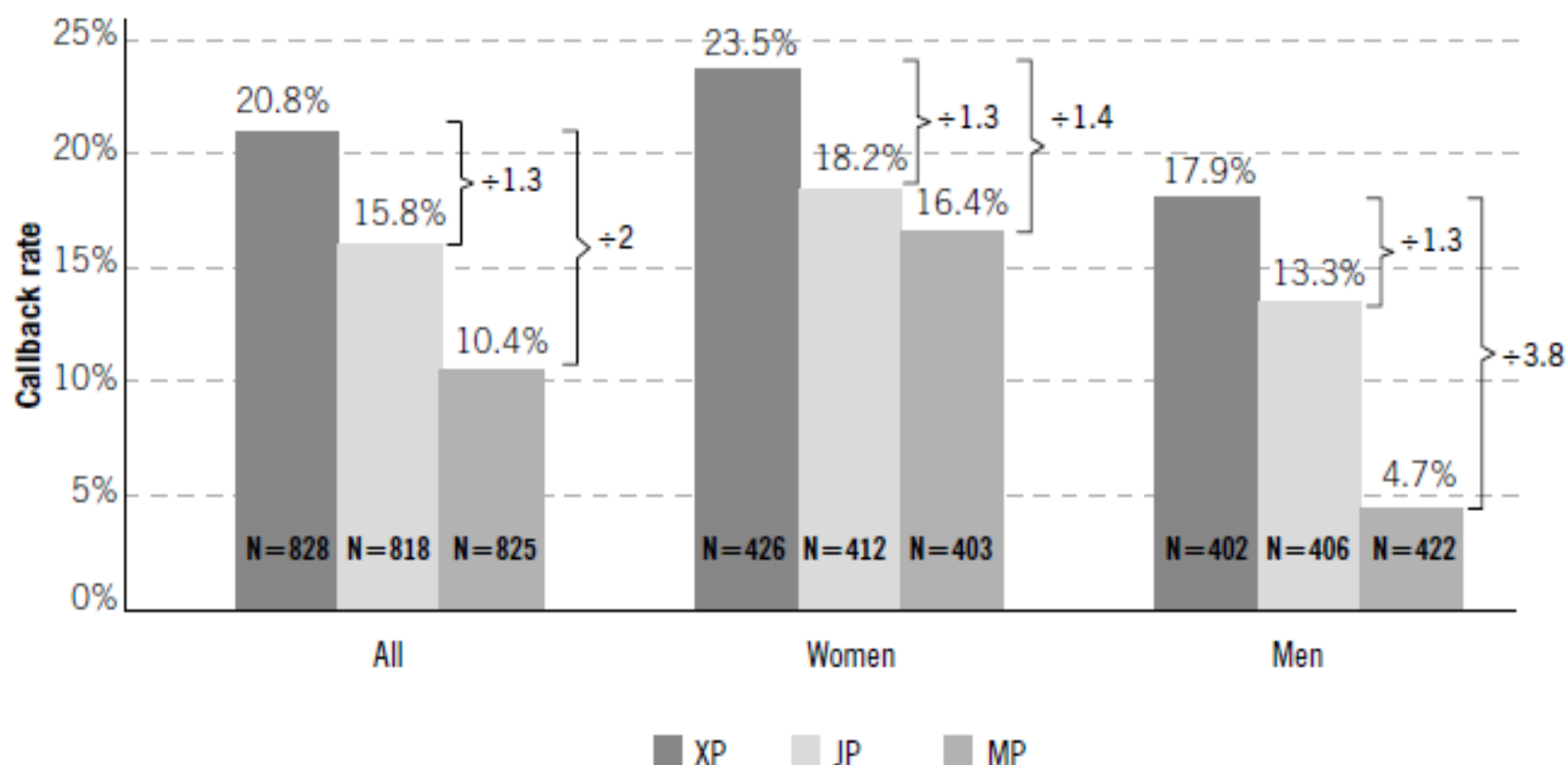
- Two different types of restrictions on mobility of migrants: after they enter the country, and of course before they enter the country
- After they enter a country: migrant workers often lose their work permit if they want to change employers, so that in effect they can be imposed any wage cut or labor condition (very close to forced labor/indentured workers/*engagés*, especially if very unequal access to legal system)
- See Naidu et al, “Monopsony Power in Migrant Labor Markets: Evidence from the United Arab Emirates”, [WP 2015](#)
- Migrants rights are an issue in UAE, Qatar, Saudi Arabia...but also in Europe, the Mediterranean & everywhere

- Main mobility restriction is of course about entering rich countries
- **Limits to free labor mobility: protection or exploitation?**
- According to Polanyi 1944, limited mobility rights within European countries 15^c-18^c (Poor Laws, etc.) were a way to limit harmful competition; i.e. fully competitive and integrated labor market can be detrimental to the poor (or at least to some of them); « 19^c illusion of free mobility and self-regulated markets was finally replaced by the rise of unions and social-fiscal state during 20^c » (but with free mobility, at least within countries)
- With 2 skill groups, free migration is always good for low-skill workers of poor country, and bad for low-skill workers of rich country; With 3 skill groups, migration can under certain conditions be bad for the low-skill workers of the poor country; see e.g. [this paper](#)
- But closed frontiers are never the optimum: always better to combine free mobility with adequate regulation and institutions (Polanyi)
- One pb with anti-mobility protective argument is that it has always been by owners of slaves and serfs to justify slavery & serfdom

Modern discrimination

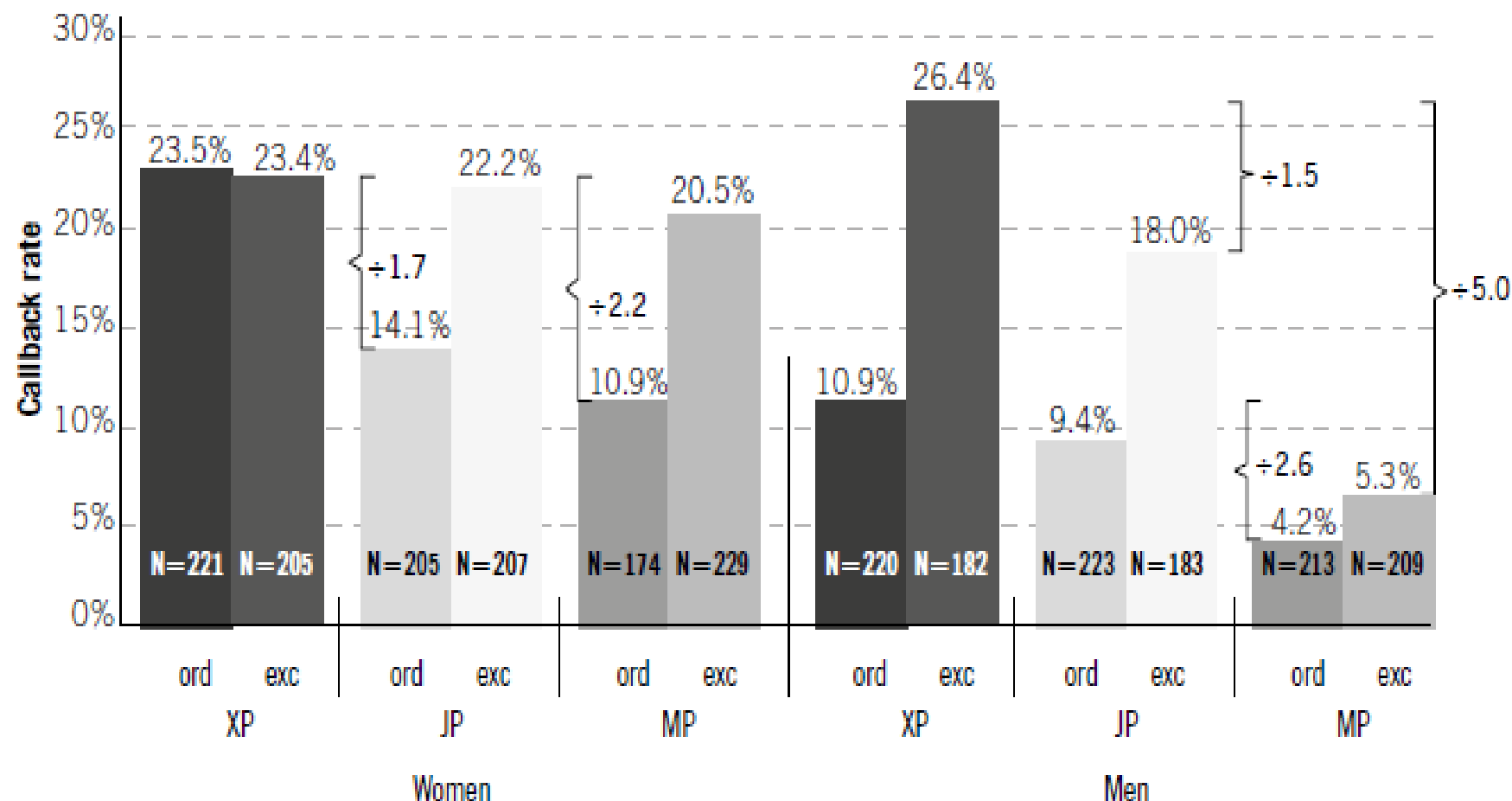
- More subtle departure from equal-rights ideal: racial and social discrimination
- See e.g. Valfort, "Religious discrimination in access to employment: a reality. Antisemitism and Islamophobia on the French labour market", [2015](#)
- Methodology: fake CVs were sent to 6231 job offers, with random variations in names and other CV characteristics (e.g. Mohamed vs Michel; for given ethnic origin, e.g. Lebanon; participation to Muslim vs Christian scouts, etc.)
- Result: massive discrimination against Muslim boys
- What should be done: group-based positive discrimination, income-based, territorial-based, nothing at all?

Figure 1: Callback rates for practicing Catholics, Jews, and Muslims, unseparated by gender and broken down by gender.



Note: the values in the lower portion of each bar of the histogram specify the total number of job offers to which the type of application corresponding to that bar was sent. For example, applications on behalf of male and female practicing Catholics were sent to 828 job postings (426 and 402 job postings were treated for female and male applications respectively). A bracket signals a statistically significant difference.²⁷ XP: practicing Catholic. JP: practicing Jew. MP: practicing Muslim.

Figure 9: Impact for practicing applicants of presenting an outstanding rather than an ordinary profile, separated by gender



Note: the values in the lower portion of each bar of the histogram specify the total number of job offers to which the type of application corresponding to that bar was sent. A bracket signals a statistically significant difference. XP: practicing Catholic. JP: practicing Jew. MP: practicing Muslim. "ord.": ordinary. "exc.": outstanding.