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From reviews of *Capital in the Twenty-First Century*

“The most important economics book of the year—and maybe of the decade.”

—PAUL KRUGMAN, *New York Times*

“Piketty’s economic analysis and historical proofs are breathtaking.”

—ROBERT B. REICH, *Guardian*

“A book that nobody interested in a defining issue of our era can afford to ignore.”

—JOHN CASSIDY, *New Yorker*

“[Piketty] is now the most talked-about economist on the planet.”

—RANA FOROOHAR, *Time*

Early acclaim for *Capital and Ideology*

“Thomas Piketty’s magisterial global and connected history takes us on a whirlwind journey across the world during the past 500 years to show how shifting ideas and politics have shaped a wide variety of inequality regimes. Fully embracing the power of historical analysis, *Capital and Ideology* emboldens us to reimagine what is possible today. Enormously rich in argument and evidence, this tour de force by one of the most influential thinkers of our age is a must-read for anyone grappling with the dilemmas of our present.”

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“A book of remarkable clarity and dynamism. Drawing lessons from a breathtaking survey of different historical experiences, it teaches us that nothing is inevitable, that there exist a whole range of possibilities between hypercapitalism and the disasters of the communist experience. It’s up to us to make our future. Let’s roll up our sleeves.”

—ESTHER DUFLO, Nobel Laureate in Economic Sciences

“Might become even more politically influential than . . . *Capital in the Twenty-First Century*.”

—SIMON KUPER, *Financial Times*



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CAPITAL AND IDEOLOGY



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THOMAS
PIKETTY

Author of the #1 *New York Times* Bestseller

Capital in the Twenty-First Century

TRANSLATED BY ARTHUR GOLDHAMMER

\$39.95 USA

THOMAS PIKETTY’S bestselling *Capital in the Twenty-First Century* galvanized global debate about inequality. In this audacious follow-up, Piketty challenges us to revolutionize how we think about politics, ideology, and history. He exposes the ideas that have sustained inequality for the past millennium, reveals why the shallow politics of right and left are failing us today, and outlines the structure of a fairer economic system.

Our economy, Piketty observes, is not a natural fact. Markets, profits, and capital are all historical constructs that depend on choices. Piketty explores the material and ideological interactions of conflicting social groups that have given us slavery, serfdom, colonialism, communism, and hypercapitalism, shaping the lives of billions. He concludes that the great driver of human progress over the centuries has been the struggle for equality and education and not, as often argued, the sacralization of property rights or the pursuit of stability. The new era of extreme inequality that has derailed that progress since the 1980s, he shows, is partly a reaction against communism, but it is also the fruit of ignorance, intellectual specialization, and our drift toward the dead-end politics of identity.

Once we understand this, we can begin to envision a more balanced approach to economics and politics. Piketty argues for a new “participatory” socialism, a system founded on an ideology of equality, social property, education, and the sharing of knowledge and power. *Capital and Ideology* is destined to be one of the indispensable books of our time, a work that not only will help us understand the world, but will change it.

CAPITAL AND IDEOLOGY



Thomas Piketty

Translated by Arthur Goldhammer

The Belknap Press of Harvard University Press

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Contents

Preface and Acknowledgments · vii

Introduction · 1

Part One. Inequality Regimes in History

1. Ternary Societies: Trifunctional Inequality · 51
2. European Societies of Orders: Power and Property · 65
 3. The Invention of Ownership Societies · 99
 4. Ownership Societies: The Case of France · 126
 5. Ownership Societies: European Trajectories · 156

Part Two. Slave and Colonial Societies

6. Slave Societies: Extreme Inequality · 203
7. Colonial Societies: Diversity and Domination · 252
8. Ternary Societies and Colonialism: The Case of India · 304
9. Ternary Societies and Colonialism: Eurasian Trajectories · 362

Part Three. The Great Transformation of the Twentieth Century

10. The Crisis of Ownership Societies · 415
11. Social-Democratic Societies: Incomplete Equality · 486
 12. Communist and Postcommunist Societies · 578
13. Hypercapitalism: Between Modernity and Archaism · 648

Part Four. Rethinking the Dimensions of Political Conflict

14. Borders and Property: The Construction of Equality · 719
 15. Brahmin Left: New Euro-American Cleavages · 807
 16. Social Nativism: The Postcolonial Identitarian Trap · 862
17. Elements for a Participatory Socialism for the Twenty-First Century · 966

Conclusion · 1035

Glossary · 1043

Contents in Detail · 1045

List of Tables and Illustrations · 1059

Index · 1067

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—0
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Preface and Acknowledgments

This book is in large part a sequel to *Capital in the Twenty-First Century* (French edition, 2013; English, 2014), but it can be read independently. Like the previous work, it is the culmination of a collective effort in the sense that it would never have seen the light of day without the help and support of numerous friends and colleagues. I am of course solely responsible for the interpretations and analyses developed in the pages that follow, but by myself I would never have been able to assemble the historical sources on which this research rests.

I rely in particular on the data collected in the *World Inequality Database* (<http://WID.world>). This project represents the combined effort of more than a hundred researchers in more than eighty countries around the world. It is currently the largest database available for the historical study of income and wealth inequality both between and within countries. For the purposes of this book I have also collected numerous other sources and documents concerning periods, countries, and aspects of inequality not well covered by WID.world, including, for example, data on preindustrial and colonial societies; on inequalities of education, gender, race, religion, and status; and also on religious beliefs, political attitudes, and electoral behavior.

Only the principal references are cited in the text and footnotes. Readers interested in detailed information regarding the whole range of historical sources, bibliographic references, and methods used in this book are urged to consult the online technical appendix at <http://piketty.pse.ens.fr/ideology>.

Interested readers will also find in the online appendix many graphs and data series not included in the text due to space limitations. I sometimes refer to these sources in the footnotes.

The glossary at the end of this book contains definitions for several terms that may be unfamiliar to readers, which are marked with an asterisk in the text.

I am particularly grateful to Facundo Alvaredo, Lucas Chancel, Emmanuel Saez, and Gabriel Zucman, with whom I codirected the WID.world project and the World Inequality Lab at the Paris School of Economics and the University of California at Berkeley. Out of this joint venture came the recent *World Inequality Report 2018* (<http://wir2018.wid.world>), of which I make abundant use in this book. I also wish to thank the institutions that

made this project possible, first and foremost the École des Hautes Études en Sciences Sociales (EHESS), where I have taught since 2000—one of the few institutions in the world where social scientists of all stripes can listen to and exchange ideas with one another. I also wish to thank the École Normale Supérieure and all the other institutions that joined forces in 2007 to create the Paris School of Economics, which I hope will contribute to the development of the economics of the twenty-first century, an economics that is at once political and historical, multipolar and multidisciplinary.

For their invaluable assistance I also wish to thank Lydia Assouad, Abhijit Banerjee, Adam Barbé, Charlotte Bartels, Erik Bengtsson, Asma Benhenda, Yonatan Berman, Nitin Bharti, Thomas Blanchet, Cécile Bonneau, Manon Bouju, Jérôme Bourdieu, Antoine Bozio, Cameron Campbell, Guillaume Carré, Guilhem Cassan, Amélie Chelly, Bijia Chen, Denis Cogneau, Léo Czajka, Anne-Laure Delatte, Mauricio De Rosa, Richard Dewever, Mark Dinuccio, Esther Duflo, Luis Estevez-Bauluz, Ignacio Flores, Juliette Fournier, Bertrand Garbinti, Amory Gethin, Jonathan Goupille-Lebret, Yajna Govind, Julien Grenet, Jean-Yves Grenier, Malka Guillot, Pierre-Cyrille Hautcoeur, Stéphanie Hennette, Simon Henochsberg, Cheuk Ting Hung, Thanasak Jemmama, Francesca Jensenius, Fabian Kosse, Attila Lindner, Noam Maggor, Clara Martinez Toledano, Ewan McGaughey, Cyril Milhaud, Eric Monnet, Marc Morgan, Mathilde Munoz, Alix Myczkowski, Delphine Nougayrede, Filip Novokmet, Katharina Pistor, Gilles Postel-Vinay, Jean-Laurent Rosenthal, Nina Rousille, Guillaume Sacriste, Aurélie Sotura, Alessandro Stanziani, Blaise Truong-Loï, Antoine Vauchez, Sebastien Veg, Marlous van Waijenburg, Richard Von Glahn, Daniel Waldenström, Li Yang, Tom Zawisza, and Roxane Zighed as well as all my friends and colleagues at the Centre François-Simiand d'Histoire Économique et Sociale and the Centre de Recherches Historiques of the EHESS and the Paris School of Economics.

I also owe special thanks to Arthur Goldhammer. Every time I go through the pages of the English version of *Capital in the Twenty-First Century or Capital and Ideology*, I realize how fortunate I was to have Art as my translator. Without his help, I would never have been able to communicate with English-speaking readers with the same precision and elegance.

This book has also benefited from the numerous debates and discussions in which I have had the good fortune to participate since the publication of *Capital in the Twenty-First Century*. I spent much of 2014–2016 traveling around the world, meeting readers, researchers, dissenters, and citizens eager to join the debate. I participated in hundreds of discussions about my book and the questions

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it raised. From these many encounters I learned an immense amount, which has helped me to delve deeper into the historical dynamics of inequality.

Among the many shortcomings of my previous book, two deserve special mention. First, that work focused too exclusively on the historical experience of the wealthy countries of the world (in Western Europe, North America, and Japan). This was due in part to the difficulty of accessing historical sources adequate for the study of other countries and regions. It was nevertheless a choice that sharply restricted my focus and thinking. Second, the earlier book tended to treat the political and ideological changes associated with inequality and redistribution as a sort of black box. I did propose a number of hypotheses concerning, for example, changes in political ideas and attitudes in regard to inequality and private property as a result of the two world wars of the twentieth century, economic crises, and the communist challenge, but I never tackled head-on the question of how inegalitarian ideologies evolved. In this new work I attempt to do this much more explicitly by examining the question in a much broader temporal, spatial, and comparative perspective.

Thanks to the success of the earlier book and the support of numerous citizens, researchers, and journalists, I was able to gain access to tax records and other historical documents previously restricted by the governments of Brazil, India, South Africa, Tunisia, Lebanon, Ivory Coast, Korea, Taiwan, Poland, Hungary, and many other countries around the world. Access to similar records in China and Russia was unfortunately more limited, but we were nevertheless able to make some progress. With this information it was possible to break out of the largely Western framework of the previous book and develop a deeper analysis of the nature of inequality regimes* and their possible trajectories and switch points. Importantly, these years of encounters, discussions, and reading gave me an opportunity to learn more about the political and ideological dynamics of inequality and thus to write a book that is, I believe, richer than the one it follows. The result is now in your hands, and you, the reader, are free to judge for yourself.

None of this would have been possible without my close family. Six years of happiness have passed since the publication of *Capital in the Twenty-First Century*. My three darling daughters have become young adults (or almost: just two more years, H el ene, and you will join the club with D eborah and Juliette!). Without their love and energy, life would not be the same. And Julia and I have not stopped traveling, meeting people, exchanging ideas, rereading and re-writing each other's work, and remaking the world. She alone knows how much both this book and its author owe to her. And the best is yet to come!

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