

Will 21st century capitalism be as unequal as 19th century capitalism?

Thomas Piketty
Paris School of Economics
Jerusalem, January 14th 2010

What do we know about the long-run tendencies of income and wealth distribution in capitalist societies? In the 19th century, economists asking this question, e.g. Ricardo or Marx, came with apocalyptic answers. They were skeptical about the possibility of a balanced development path, and predicted that a particular group in society (land owners or capitalists) will capture an ever growing share of income and wealth. During the 20th century, the general growth in living standards, as well as the cold war context, put a temporary end to this debate. It is now time to open it again. On the basis of recent historical research on the evolution of income and wealth concentration during the 19th and 20th centuries, this lecture will attempt to present the current state of knowledge about future trends. Topics will include both aggregate trends in wealth-income ratios and capital shares and trends in the inter-individual distribution of labor income and wealth.

References

ATKINSON T., PIKETTY T. : Top incomes over the twentieth century : a contrast between continental european and english-speaking countries, Oxford : Oxford university press, 2007

ATKINSON T., PIKETTY T. : Top incomes over the twentieth century : a global perspective, Oxford : Oxford university press, 2010

PIKETTY T. : « Income inequality in France, 1901-1998 », Journal of political economy, vol. 111, no 5, 2003, p. 1004-1042

PIKETTY T., SAEZ E. : « Income inequality in the United States, 1913-1998 », Quarterly journal of economics, vol. 118, no 1, 2003, p. 1-39

PIKETTY T., POSTEL-VINAY G., ROSENTHAL J.L. : « Wealth concentration in a developing economy : Paris and France, 1807-1994 », American economic review, vol. 96, no 1, 2006, p. 236-256

PIKETTY T.: « On the Long Run Evolution of Inheritance: France 1820-2050 », Working Paper, PSE, 2009