

Inequality Regimes: A Global History

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- Today I will talk about my research and teaching at EHESS and especially about my master course “[Introduction to Economic History: Capital, Inequality, Growth](#)”
- My research & teaching focuses upon the study of **inequality regimes**, i.e. of the institutional devices aiming to reproduce and justify the structure of inequality within a given society, belongs both to the field of **economic and social history** and to the field of **political economy**. At the frontier between these two fields, my teachings and seminars attempt to propose an introduction to this field of study, and to put an historical and comparative perspective of longue durée the analysis of the diversity of current inequality regimes.

- [“Introduction to Economic History”](#) is a compulsory first-year master course and can also be attended as an optional second-year master course. The objective is to present to a general introduction to economic history, with special emphasis on the interaction between capital accumulation, inequality regimes, and growth.

- Students wishing to specialize in economic history or related subjects are also strongly encouraged to attend the optional second-year master course "[Advanced Economic History](#)" (taught jointly by F. Alvaredo, J. Bourdieu, D. Cogneau, L. Kesztenbaum, E. Monnet, T. Piketty).
- Students with special interest in the history and theory of optimal taxation and redistribution or wishing to specialize in public economics are also encouraged to attend the optional second-year master course "[Public Economics](#)" (taught jointly by A. Bozio, J. Grenet, T. Piketty).
- I also co-organize the [Applied Economics Seminar](#), the [Economic History Seminar](#) and the [Debates on Equality](#) series, where PhD students and faculty present their research work

- The objective of my master course is to present an **introduction to economic history**, with special emphasis on the interaction between capital accumulation, inequality regimes and growth. Issues include the following.
- **How did the world distribution of output, income and wealth - both between and within countries - evolve in the long run, and how can we account for these changes?** What was the interaction with the global ownership and power structure, colonization and the state formation process? How do inequality regimes, property regimes and political systems jointly evolve over time? What is the interaction between rising inequality, financial crisis, and the changing structure of political conflict?

- Question: **Can we properly understand economic issues with representative-agent formal economic models?**
 - Answer: **No.** We need to study history, society, and institutions: legal system, property regime, welfare state, progressive taxation, etc.
 - **And in order to analyze institutions and state formation, we need to study property, inequality & beliefs systems about the fair economy & the just society.** Ideas & ideology about economic and social justice matter for socioeconomic development. There can be no stability & no development without some minimal social consensus about the basic justification of social inequality.
- **economic history cannot be studied separately from social, political, cultural history & from moral and normative issues**
- mathematical models can be useful (and even indispensable), but only if they are used with parsimony (only when we really need them)
- economics/political economy/economic history belong to the social sciences, & should not try to escape from them

- Students who are interested to do research in economic history, public economics or related areas can have a look at this list of [master thesis](#) and [PhD dissertations](#) defended in recent years
- Also have a look at the list of members of the [Centre d'histoire économique et sociale François-Simiand](#) and their research topics
- And have a look at the [World Inequality Lab](#): WIL maintains the World Inequality Database ([WID.world](#)), an historical database on income, wealth and inequality that we will often use in this course.

On-going, collective project: you are most welcome to participate!

A quick roadmap of the lectures

- Lecture 1: Development, state formation & inequality in the long run: from ternary to proprietarian societies
- Lecture 2: Property rights & development, 18c-19c: European variants (France, Britain, Sweden)
- Lecture 3: Slave societies, abolitions & colonialism (Caribbean, US, Brasil, Africa)
- Lecture 4: Colonial societies, state formation and comparative development (India, China, Japan)

- Lecture 5: The Great Transformation of the 20th century: from proprietary to social-democratic societies
- Lecture 6: Post-communist societies (Russia, China, Eastern Europe) and the rise of global capitalism
- Lecture 7: Social inequality and party systems in historical perspective: Europe vs US
- Lecture 8: Political cleavages in post-colonial societies: social-nativism vs social-federalism

Reading list: general references

There is no formal textbook for this course, but I largely follow the following book:

- T. Piketty, *[Capital et idéologie](#), Seuil 2019

*[Capital and ideology](#), Harvard UP 2020

I also recommend the following general references:

- F. Braudel, *Civilisation matérielle, économie et capitalisme, 15^e-18^e s.*, 1979 (3 vol.) (*Civilisation and capitalism, 15th-18th c.*, 1981-1984)
- K. Pomeranz, *The Great Divergence - China, Europe and the Making of the Modern World Economy*, Princeton UP 2000 ([Intro.-Chap.5-6](#))
- A. Maddison, [The World Economy - A Millennial Perspective](#), OECD 2001
- P. Lindert, *Growing Public - Social Spending and Economic Growth since the 18th Century*, Oxford UP 2004
- J. Goody, *The Theft of History*, Cambridge UP 2006

Reading list: lecture by lecture

This reading list only includes the main references. **Compulsory readings are denoted with ***. More detailed references are provided in the lecture slides.

Lecture 1: Development, state formation & inequality in the long run: from ternary to proprietarian societies

- ***Capital and ideology, intro. and chap.1-3**
- World Inequality Report 2018 (summary) (full report)
- M. Arnoux, *Le temps des laboureurs. Travail, ordre social et croissance en Europe (11^e-14^e siècle)*, Albin Michel 2012
- R. Blaufard, *The Great Demarcation: The French Revolution and the Invention of Modern Property* (Oxford UP 2014)

Lecture 2: Property rights & development, 18c-19c: European variants (France, Britain, Sweden)

- ***Capital and ideology, chap.4-5**
- T. Piketty, G. Postel-Vinay, J.L. Rosenthal, Wealth Concentration in a Developing Economy: Paris and France, 1807-1994, AER 2006
- E. Bengtsson et al, Wealth Inequality in Sweden 1750-1900, Economic History Review 2017,
- ***E. Bengtsson, The Swedish Sonderweg in Question: Democratization and Inequality in Comparative Perspective, c. 1750–1920, Past and Present 2019**

Lecture 3: Slave societies, abolitions & colonialism (Caribbean, US, Brasil, Africa)

- ***Capital and ideology, chap.6-7**
- N. Draper, *The Price of Emancipation: Slave-Ownership, Compensation and British Society at the End of Slavery*, CUP 2010
- N. Barreyre, *L'or et la liberté – Une histoire spatiale des Etats-Unis après la guerre de sécession*, Ed. EHESS 2014 (*Gold and freedom – The political economy of reconstruction*, Univ. Virginia Press 2015)
- ***D. Cogneau, Y. Dupraz, S. Mesplé-Somps, Fiscal Capacity and Dualism in Colonial States: The French Empire 1830-1962, WP 2018**
- F. Cooper, *Citizenship between Empire and Nation: Remaking France and French Africa, 1945-1960*, PUP 2014

Lecture 4: Colonial societies, state formation and comparative development (India, China, Japan)

- *Capital and ideology, chap.8-9
- N. Dirks, *Castes of Mind. Colonialism and the Making of Modern India*, Princeton UP 2001
- S. Bayly, *Caste, Society and Politics in India*, Cambridge UP 1999
- N. Bharti, Wealth Inequality, Class and Caste in India, 1961-2012 (WID.world 2018) (long version)
- K. Karaman, S. Pamuk, Ottoman State Finances in European Perspective, Journal of Economic History 2010
- M. Dincecco, The Rise of Effective States in Europe, JEH 2015

Lecture 5: The Great Transformation of the 20th century: from proprietary to social-democratic societies

- ***Capital and ideology, chap.10-11**
- K. Polanyi, The Great Transformation. The Political and Economic Origins of our Time, 1944
- T. Piketty, G. Zucman, Capital is Back: Wealth-Income Ratios in Rich Countries, 1700-2010, QJE 2014 (database)
- E. McGaughey, The Codetermination Bargains: History of German Corporate and Labour Law, Columbia Journal of European Law 2017
- C. Goldin, The Human Capital Century and American Leadership: Virtues of the Past, Journal of Economic History 2001

Lecture 6: Post-communist societies (Russia, China, Eastern Europe) and the rise of global capitalism

- ***Capital and ideology, chap.12-13**
- F. Novokmet, T. Piketty, G. Zucman, From Soviets to Oligarchs: Inequality & Property in Russia 1905-2016, JOEI 2018 (WID.world WP)
- F. Novokmet, T. Piketty, L. Yang, G. Zucman, From Communism to Capitalism: Private vs Public Property and Inequality in China and Russia, AEA Papers and Proceedings, 2018 (WID.world WP)
- T. Piketty, L. Yang, G. Zucman, Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015, AER 2019 (WID.world WP)
- F. Alvaredo, L. Assouad, T. Piketty, Measuring Inequality in the Middle East, 1990-2016: the World's Most Unequal Region?, RIW 2019 (WID.world WP)

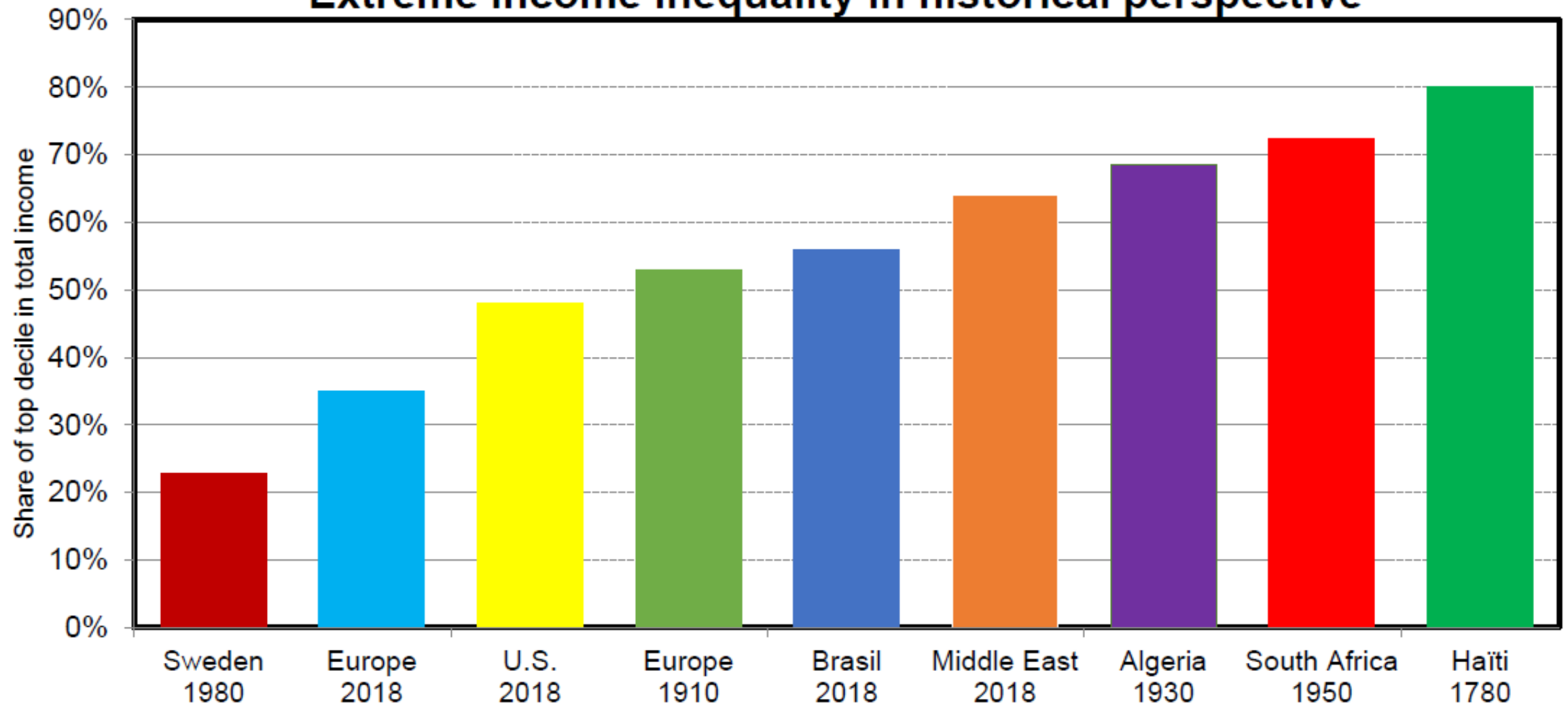
Lecture 7: Social inequality and party systems in historical perspective: Europe vs US

- ***Capital and ideology, chap.14-15**
- T. Piketty, Brahmin Left vs Merchant Right: Rising Inequality and the Changing Structure of Political Conflict. Evidence from France, Britain and the US 1948-2017, WID.world WP, 2018

Lecture 8: Political cleavages in post-colonial societies: social-nativism vs social-federalism

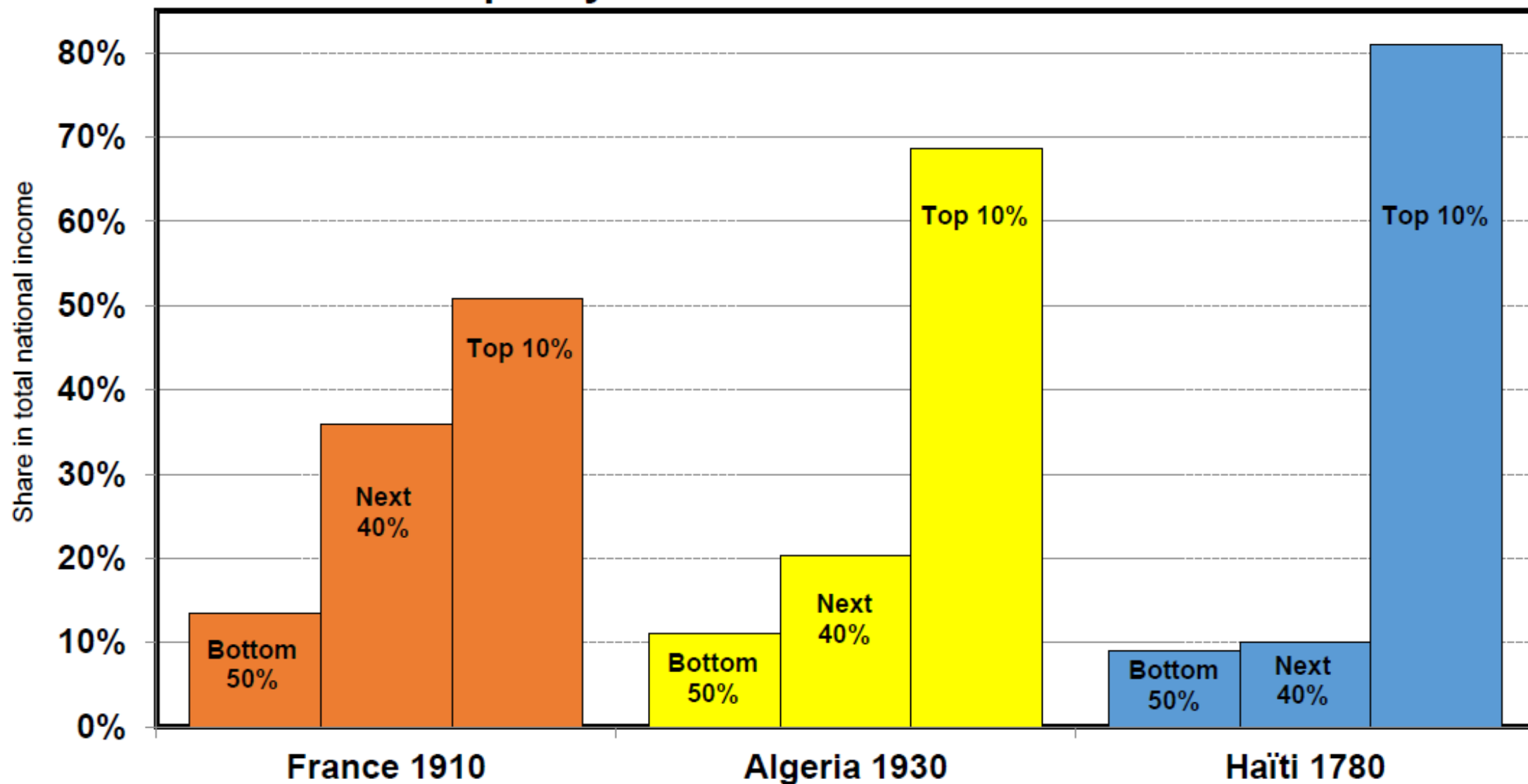
- ***Capital and ideology, chap.16-17**
- A. Gethin, C. Martinez-Tolenado, T. Piketty, Political Cleavages & Inequality. Evidence from Electoral Democracies 1950-2018, WID.world, 2019
- A. Banerjee, A. Gethin, T. Piketty, Growing Cleavages in India? Evidence from the Changing Structure of Electorates 1962-2014, Economic and Political Weekly, 2019 (WID.world WP)

Extreme income inequality in historical perspective



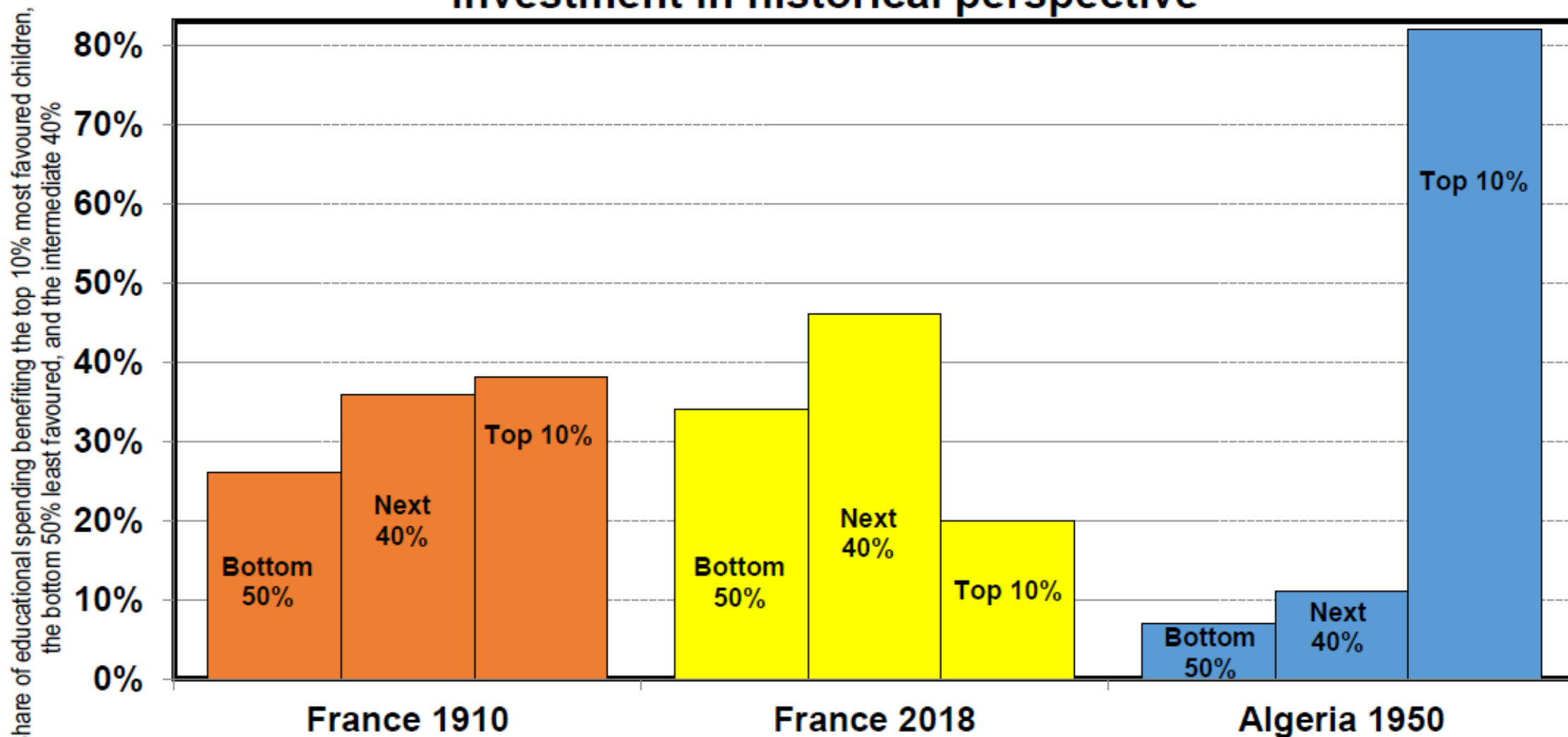
Interpretation. Over all observed societies, the share of total income received by the top 10% highest incomes varied from 23% in Sweden in 1980 to 81% in Saint-Domingue (Haïti) in 1780 (which included 90% of slaves). Colonial societies such as Algeria and South Africa have in 1930-1950 among the highest inequality levels ever observed in history, with about 70% of total income received by the top decile, which includes approximately the European population. **Sources and series:** voir piketty.pse.ens.fr/ideology (figure 7.3).

Inequality in colonial and slave societies



Interpretation. The share of the top 10% highest incomes in total income exceeded 80% in Saint-Domingue (Haïti) in 1780 (then made of about 90% slaves and less than 10% European settlers), vs close to 70% in colonial Algeria in 1930 (then made of about 90% local population and 10% European settlers), and about 50% in metropolitan France in 1910. **Sources and series:** see piketty.pse.ens.fr/ideology (figure 7.2).

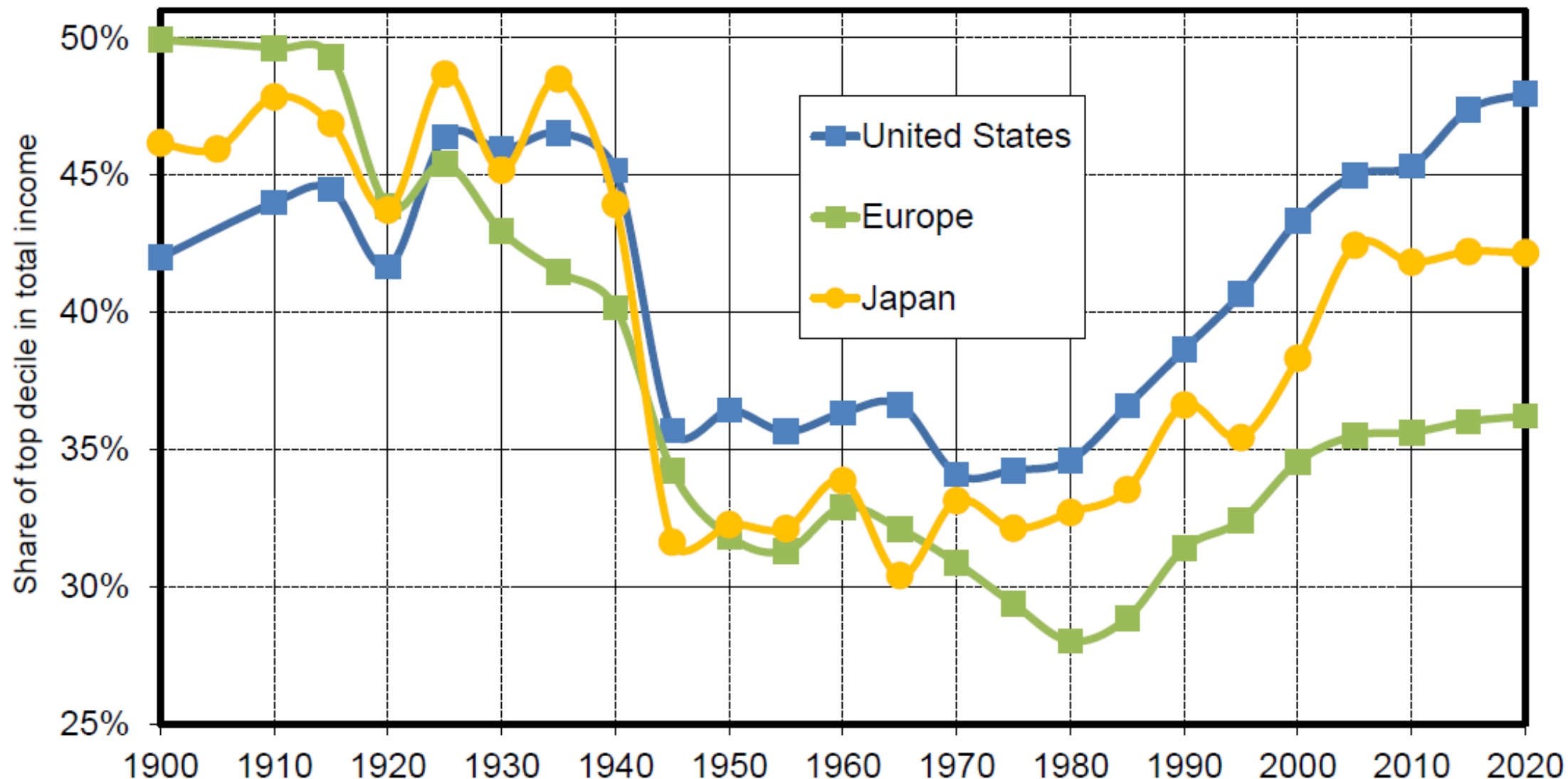
Colonies for the colonizers: inequality of educational investment in historical perspective



Interpretation. In Algeria in 1950, the 10% the most favoured (the settlers) benefited from 82% of total educational spending. By comparison, the share of total educational spending benefiting the top 10% of the population which benefited from the highest educational investment (i.e. those children which did the longest and most expensive studies) was 38% in France in 1930 and 20% in 2018.

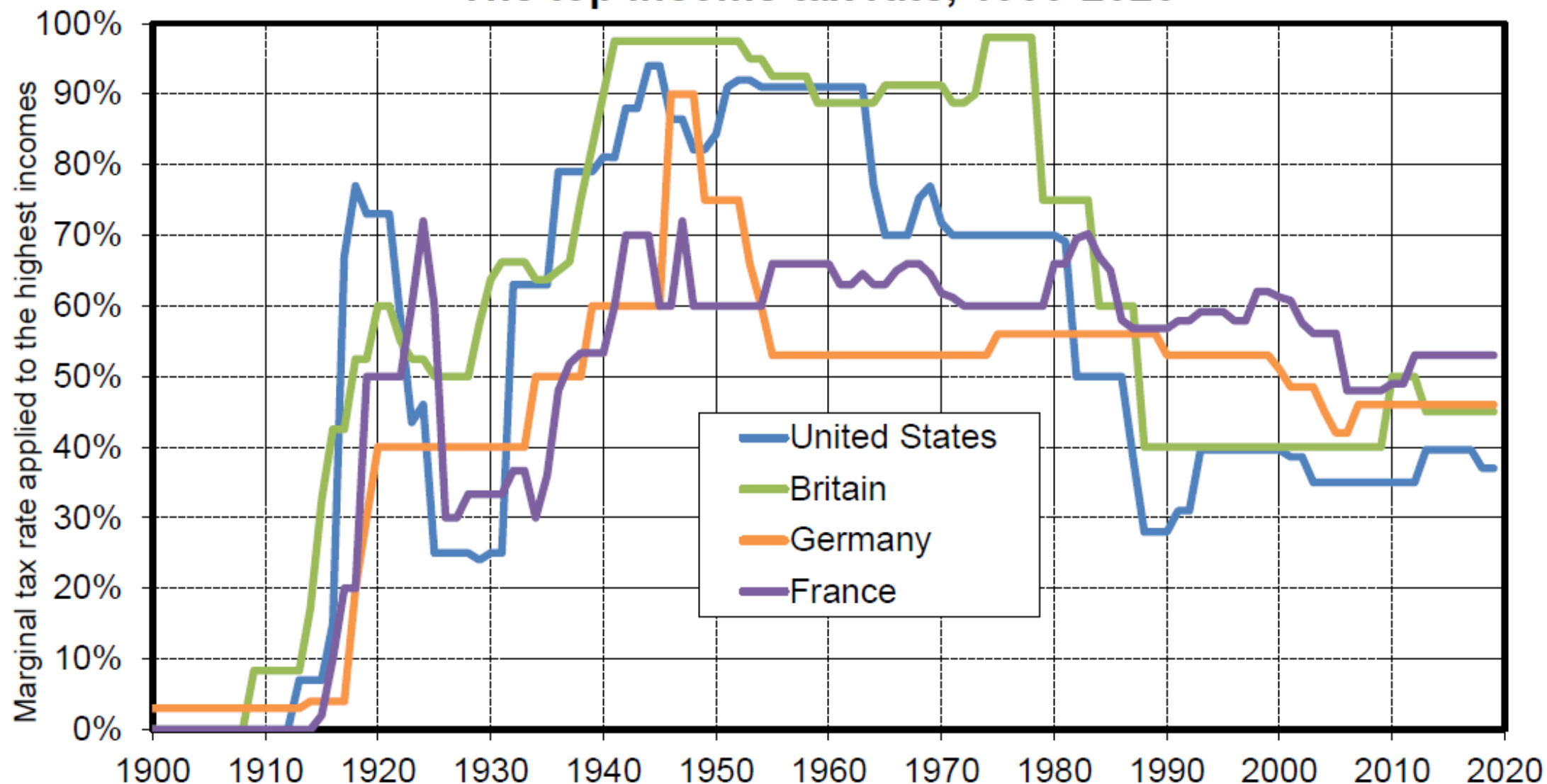
Sources and series: voir piketty.pse.ens.fr/ideology (figure 7.8).

Inequality, 1900-2020: Europe, United States, Japan



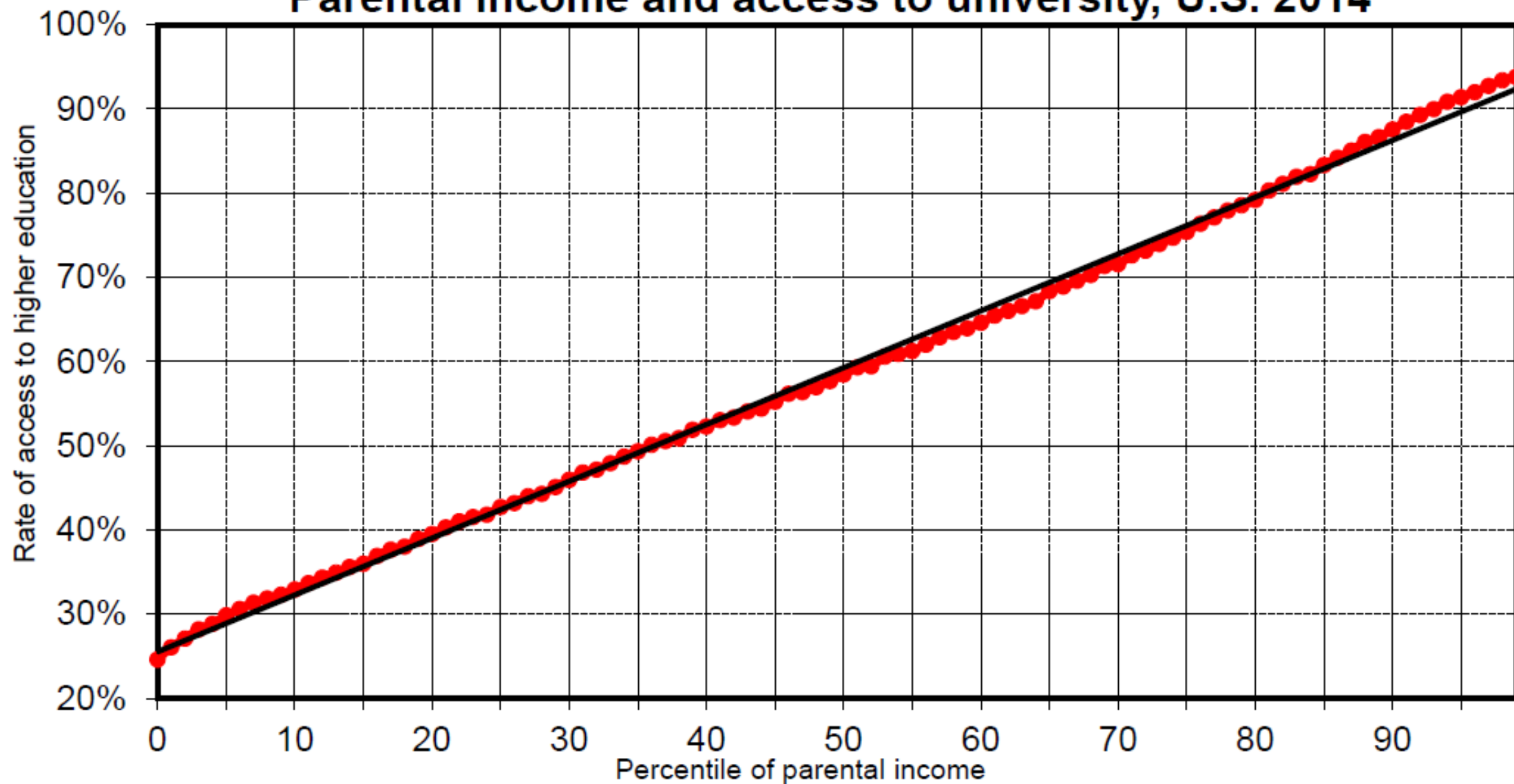
Interpretation. The share of the top decile (the top 10% highest incomes) in total national income was about 50% in Western Europe in 1900-1910, before decreasing to about 30% in 1950-1980, then rising again to more than 35% in 2010-2020. Inequality grew much more strongly in the United States, where the top decile share approached 50% in 2010-2020, exceeding the level of 1900-1910. Japan was in an intermediate position. **Sources and series:** see piketty.pse.ens.fr/ideology (figure 0.6).

The top income tax rate, 1900-2020



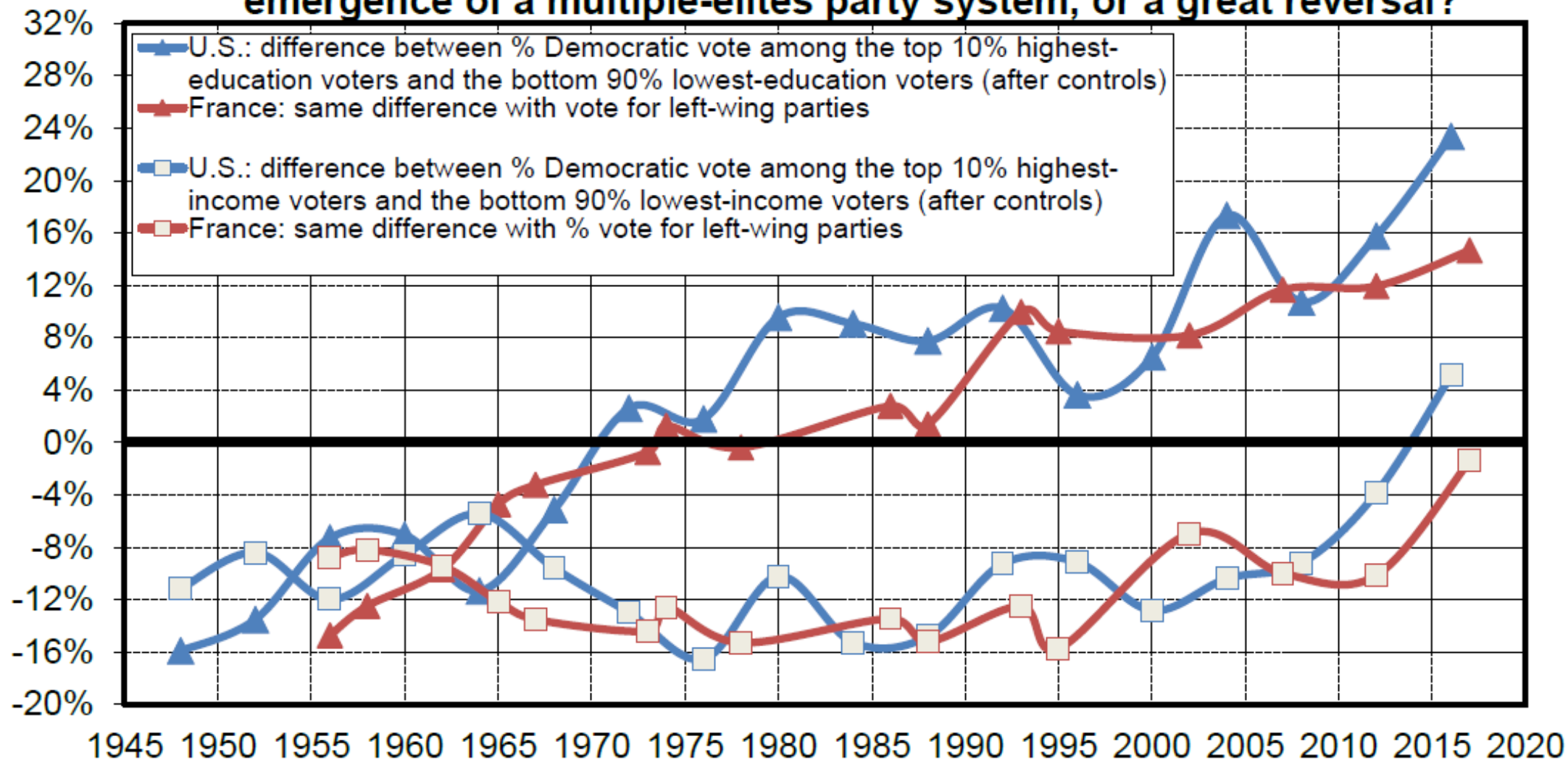
Interpretation. The top marginal tax rate applied to the highest incomes averaged 23% in the United States from 1900 to 1932, 81% from 1932 to 1980, and 39% from 1980 to 2018. Over these same periods, the top rate was 30%, 89% and 46% in Britain, 18%, 58% and 50% in Germany, and 23%, 60% and 57% in France. Fiscal progressivity was at its highest level in the middle of the century, especially in the United States and in Britain. **Sources and series:** see piketty.pse.ens.fr/ideology (figure 0.7).

Parental income and access to university, U.S. 2014



Interpretation. In 2014, the rate of access to higher education (percentage of individuals aged 19-21 enrolled in a university, college or any other institution of higher education) was barely 30% among the bottom 10% poorest children in the United States, and over 90% among the top 10% richest children. **Sources and series:** see piketty.pse.ens.fr/ideology (figure 0.8).

Transformation of political and electoral conflict 1945-2020: emergence of a multiple-elites party system, or a great reversal?



Interpretation. In the period 1950-1970, the vote for the Democratic party in the U.S. and for left-wing parties (Socialists, Communists, Radicals, Ecologists) in France was associated to voters with the lowest educational degrees and income levels; in the period 1980-2000, it became associated with the voters with the highest degrees; in the period 2010-2020, it is also becoming associated with the voters with the highest incomes (particularly in the U.S.). **Sources and series:** see piketty.pse.ens.fr/ideology (figure 0.9).