Introduction to Economic History: Capital, Inequality, Growth
(Master APE & PPD)
(EHESS & Paris School of Economics)
Thomas Piketty
Academic year 2019-2020

Lecture 1: Development, state formation & inequality in the long run: from ternary to proprietarian societies
(check on line for updated version)
Roadmap of the lecture

• **Introduction: development as a quest for justice**
• **Ternary societies: trifonctionnal inequality**
• **The changing size of the clergy and the nobility**
• **Nobility and clergy as property-owning classes**
• **From ternary to proprietarian societies: the French Revolution and the invention of modern property**
Introduction: development as a quest for justice

- Social and economic progress is a long-term reality (education, health, income, population, etc.); but it is a very fragile process
- Development requires state formation, a stable legal system and a relatively egalitarian educational system; more generally, development requires acceptable levels of inequality and social justice and a minimal social consensus about the basic socio-economic structures and institutions
- In 18c-19c, development came with extreme inequality and violence: slavery, colonialism, unsustainable rise of international and domestic inequality 1880-1914, self-destruction of European societies 1914-1945
- Rising inequality 1990-2020 might also lead to major shocks: social conflict, antimigrant politics, conflicts about identity and the sustainability of globalization
- In order to address future challenges, we need a long-run comparative and historical perspective on inequality regimes and development
  Inequality is ideological and political, not economic and technological: at every level of devt, there are multiple ways to organize the property regime, the educational system or the fiscal system
Health and education in the world, 1820-2020

- **Life expectancy at birth (all births combined)**
- **Life expectancy at birth (individuals reaching one-year)**
- **Literacy rate (%)**

**Interpretation**: Life expectancy at birth worldwide increased from an average of 26 years in the world in 1820 to 72 years in 2020. Life expectancy for those living to age 1 rose from 32 years to 73 years (because infant mortality before age 1 decreased from 20% in 1820 to less than 1% in 2020). The literacy rate for 15-year-olds-and over worldwide rose from 12% to 85%.

**Sources and series**: piketty.pse.ens.fr/ideology (figure 0.1).
**World population and income, 1700-2020**

- **World population** (in billions of inhabitants) (left axis)
- **Average income per month and per inhabitant** (in euros 2020) (right axis)

**Interpretation.** World population and average national income increased more than tenfold between 1700 and 2020: population increased from about 600 million inhabitants in 1700 to over 7 billion in 2020; income, expressed in 2020 euros and in purchasing power parity, increased from barely 80€ per month per person in 1700 to 1000€ per month per person in 2020.

**Sources and series:** voir piketty:pse.ens.fr/ideology (figure 0.2).
The rise of inequality around the world, 1980-2018

Interpretation. The share of the top decile (the 10% highest incomes) in total national income ranged between 26% and 34% in 1980 in the different parts of the world and from 34% and 56% in 2018. Inequality increased everywhere, but the size of the increase varies greatly from country to country, at all levels of development. For example, it was greater in the United States than in Europe (enlarged EU, 540 million inhabitants), and greater in India than in China. Sources and series: see piketty.pse.ens.fr/ideology (figure 0.3).
Inequality in the different regions of the world in 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of top decile in total income</th>
</tr>
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<tbody>
<tr>
<td>Europe</td>
<td>34%</td>
</tr>
<tr>
<td>China</td>
<td>37%</td>
</tr>
<tr>
<td>Russia</td>
<td>40%</td>
</tr>
<tr>
<td>United States</td>
<td>46%</td>
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<tr>
<td>Subsaharan Africa</td>
<td>54%</td>
</tr>
<tr>
<td>India</td>
<td>55%</td>
</tr>
<tr>
<td>Brasil</td>
<td>56%</td>
</tr>
<tr>
<td>Middle East</td>
<td>64%</td>
</tr>
</tbody>
</table>

**Interpretation.** In 2018, the share of the top decile (the 10% highest incomes) in national income was 34% in Europe (EU+), 41% in China, 46% in Russia, 48% in the United States, 54% in Subsaharan Africa, 55% in India, 56% in Brasil and 64% in the Middle East.

**Sources and series:** see piketty.pse.ens.fr/deology (figure 4.4).
The elephant curve of global inequality 1980-2018

Interpretation. The bottom 50% incomes of the world saw substantial growth in purchasing power between 1980 and 2018 (between +60% and +120%). The top 1% incomes saw even stronger growth (between +80% and +240%). Intermediate categories grew less. In sum, inequality decreased between the bottom and the middle of the global income distribution, and increased between the middle and the top.

Sources and series: see piketty.pse.ens.fr/ideology (figure 0.5)
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 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 with 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).
Ternary societies: trifunctional inequality

- Oldest justification of inequality (pre-modern societies): « ternary societies »
  Core beliefs = in order to function, each society needs to divide its population into three major social groups with different status, functions and legal rights:
  - Clergy/priests/intellectuals provide spiritual and intellectual guidance
  - Nobility/rulers/warriors provide military protection and maintain order
  - Labourers/workers/Third Estate (Tiers Etat) provide labour (food, clothing, etc.)
  - The first two groups are both property owners and political rulers (temporal or spiritual): the legitimacy of their property is inextricably tied to the political and spiritual services they are supposed to provide to the entire community
  - Multiple variants in Christian Europe, Hinduism, Islam, depending in particular on the various forms of religious ideology, family structures, forced labour, etc.
The structure of ternary societies: Europe-India 1660-1880

**Interpretation:**
- In 1660, the clergy accounted for about 3.3% of male adult population in France, and the nobility for 1.8%, for a total of 5.1% for the two dominant classes of the trifunctional society.
- In 1880, Brahmins (ancient class of priests, as measured by British colonial censuses) accounted for 6.7% of male adult population in India, and Kshatryas (ancient class of warriors) for 3.8%, for a total of 10.5% for the two dominant classes.

**Sources and series:** see piketty.pse.ens.fr/ideology (figure 1.1).
• In 15c-18c, the rise of centralized state power, education and enlightenment gradually destroys the basic justification of ternary societies

• E.g. if security services are provided by the centralized state and the police force/military, what’s the use of the nobility? If intellectual guidance is provided by philosophers, scientists and universities, what’s the use of the clergy?

→ **rise of « proprietarian societies » in 18c-19c** based upon a sharp demarcation between political and property rights, and upon a quasi-sacralization of private property

Core beliefs: in order to avoid social chaos and permanent expropriation/ redistribution, strong protection of private property by centralized state is necessary (and sufficient)

• **20c crisis of proprietarian societies**: inequality, communism, nationalism, colonialism

→ post-communist, post-colonial societies; contested rise of mixed property & social state; complexe legacy of Soviet and Chinese communism; new forms of private property sacralization & neo-proprietarian ideology in 21c: tax havens, philanthropy; complex interaction between domestic and international dimension of rising inequality: return of class-based or identity-based political conflict?
• Why study ternary societies?
• 1. Ternary ideologies and institutions have left a deep influence on modern societies.
• Ternary elites have sometime managed to redefine their role and legitimacy long after the rise of centralized state power.
• E.g. until 1909-1910, the British Empire was ruled by the House of Lords (temporal and spiritual lords); since 1979, the Islamic Republic of Iran is ruled under the guidance of the clergy.
• In India, the ternary structure (or quaternary: brahmins, kshatryas, vaishyas, shudras) still has a strong influence today, partly because of its rigid codification under British colonial rule (castes censuses 1871-1931).
• More generally, modern inequality is a complex mixture of money-based proprietarian inequality and status-based inequality and discrimination. This cannot be properly analyzed without taking into account the complex trajectories leading from ternary societies to proprietarian societies, slave and colonial societies, and today’s post-colonial societies.
2. Ternary ideologies are more subtle than they might seem.

Their purpose is to propose a system based upon the balance of power between two types of elites and two forms of legitimacy to govern: intellectual elites vs military elites.

Each group is supposed to accept a limitation of their power: warriors must follow the wise advices and principles set by the clergy, while the clergy must accept not to take arms (not a trivial issue among Christian monks and bishops in Europe up until the 10c-12c).

Warriors are supposed to bring stability (end of permanent chaos and war), while clerks provide spiritual guidance (including education, health, etc.) (=basic justification for tythe (dîme) paid to the Church).

In principle, the ternary ideology also favours the process of « unification » of labour, i.e. the end of slavery, serfdom and other forms of forced labour.
• M. Arnoux, *Le temps des laboureurs. Travail, ordre social et croissance en Europe (11e-14e siècle)*, 2012: the rise of three-class social structure in medieval Western Europe around 1000-1400 comes together with the end of slavery/forced labour and the unification and rising dignity of labour and labourers; this also led to more intense labor supply and territorial expansion.

• 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.

• One should not exaggerate the extent of labor unification: there is always a continuum of situations between paying « corvée » (still important in France 1789, as we will later see) and paying a rent, i.e. between « archaïc » serfdom relations and « modern » property relations.
In practice, one observes very different processes of labour unification across ternary societies: the third class (commoners, workers) is sometime permanently divided into two or three (peasants/rurals vs traders/craftsmen, or peasants/rurals vs traders/craftsmen vs untouchables), so that there are four or five basic classes.

E.g. India’s caste system: three upper castes (brahmins, kshatryas, vaishyas: free men) vs shudras (common laborers, serfs) vs dalits (untouchables).

In the European context, it has been often claimed that serfdom disappeared following the Black Death 1347-1350 (labor shortage → rising bargaining power of workers). True in Western Europe (to some extent), but the opposite evolution happened in Eastern Europe & the Baltics: reinforcement of serfdom partly due to rising grain exports to the West (see Raster "Serfs and the Market" 2019).

Depending on the politico-ideological context and the balance of power, modernity can come with increased labor coercion (serfdom, slavery).
The changing size of the clergy and nobility in European societies of orders: the case of France

- In France, Britain and most European countries, no systematic census was organized until 19c. Nobody knows the exact size of the nobility and the clergy in the 15c-18c.

- Although there is considerable uncertainty about the exact levels, there is a relative consensus about the orders of magnitude and about the downward trend in the size of the nobility and the clergy during the 17c-18c.
Interpretation. In 1780, the nobility and the clergy accounted respectively for 0.8% and 0.7% of total French population, or a total of 1.5% for the two dominant orders and 98.5% for the third estate; in 1660, the nobility and the clergy accounted respectively for 2.0% and 1.4% of total population, or a total of 3.4% for the two dominant orders and 96.6% for the third estate. These proportions remained fairly stable between 1380 and 1660, followed by a sharp drop between 1660 and 1780. Sources and series. See piketty.pse.ens.fr/ideology (figure 2.1).
## Clergy and nobility in France 1380-1780

(\% of total population)

<table>
<thead>
<tr>
<th></th>
<th>1380</th>
<th>1470</th>
<th>1560</th>
<th>1660</th>
<th>1700</th>
<th>1780</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clergy</td>
<td>1.4%</td>
<td>1.3%</td>
<td>1.4%</td>
<td>1.4%</td>
<td>1.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Nobility</td>
<td>2.0%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>2.0%</td>
<td>1.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total Clergy + Nobility</td>
<td>3.4%</td>
<td>3.1%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>2.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Third Estate</td>
<td>96.6%</td>
<td>96.9%</td>
<td>96.7%</td>
<td>96.6%</td>
<td>97.3%</td>
<td>98.5%</td>
</tr>
<tr>
<td>Total population (millions)</td>
<td>11</td>
<td>14</td>
<td>17</td>
<td>19</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>incl. Clergy (thousands)</td>
<td>160</td>
<td>190</td>
<td>240</td>
<td>260</td>
<td>230</td>
<td>200</td>
</tr>
<tr>
<td>incl. Nobility (thousands)</td>
<td>220</td>
<td>250</td>
<td>320</td>
<td>360</td>
<td>340</td>
<td>210</td>
</tr>
</tbody>
</table>

**Interpretation:** in 1780, the clergy and the nobility included respectively about 0.7\% and 0.8\% of total population in France, hence a total of 1.5\% for the two dominant orders (about 410,000 individuals out of 28 millions). **Sources and series:** see piketty.pse.ens.fr/ideology (table 2.1).
### Clergy and nobility in France 1380-1780

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</tr>
</thead>
<tbody>
<tr>
<td>Clergy</td>
<td>3.3%</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>2.5%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Nobility</td>
<td>1.8%</td>
<td>1.6%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.5%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Total Clergy +</td>
<td>5.1%</td>
<td>4.8%</td>
<td>5.1%</td>
<td>5.1%</td>
<td>4.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Nobility</td>
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</tr>
<tr>
<td>Third Estate</td>
<td>94.9%</td>
<td>95.2%</td>
<td>94.9%</td>
<td>94.9%</td>
<td>96.0%</td>
<td>97.6%</td>
</tr>
</tbody>
</table>

| Adult male    | 3.4   | 4.2   | 5.1   | 5.6   | 6.5   | 8.3   |
| population    |       |       |       |       |       |       |
| (millions)     |       |       |       |       |       |       |
| incl. Clergy   | 110   | 130   | 160   | 180   | 160   | 140   |
| (thousands)    |       |       |       |       |       |       |
| incl. Nobility | 60    | 60    | 90    | 100   | 90    | 60    |
| (thousands)    |       |       |       |       |       |       |

**Interpretation:** in 1780, the clergy and the nobility included respectively about 1.7% and 0.7% of adult male population in France, hence a total of 2.4% for the two dominant orders (about 200,000 individuals out of 8.3 millions). Sources and series: see piketty.pse.ens.fr/ideology (table 2.2).
• How can we explain the decline in the size of the nobility?

• Large demographic rise of the population (deforestation, new territories, new economic sectors, etc.)

• Beginning in the 1660s-1680s (Louis XIV), there is a clear attempt by the absolute monarchy to restrict the size of the privileged groups (partly for fiscal reasons): « official » proofs of the nobility status, etc.

• Malthusian strategies by the nobility also seem to have played a role: fewer children + primogeniture, due to defensive reasons (nobility response to the competition of new elites) and/or offensive reasons (with centralized state power, no need to have many sons to take arms in order to protect one’s property)
Nobility and clergy as property-owning classes

• The nobility and the clergy made up only 1%-2% of total population in 18th century France, but they owned over 50% of total land and wealth

• Nobility: about 25%-30% of total property (up to 50% among top 0,1% property owners)

• Clergy: about 25% of total property (including capitalization of ecclesiatical tythe (dîme): the Church as a quasi-state)
**Share of nobility in Paris estates, 1780-1910**

| Interpretation | The share of noble names among the top 0.1% highest inheritances in Paris dropped from 50% to 25% between 1780 and 1810, before rising to about 40%-45% during the period of consistory monarchies (1815-1848), and finally declining to about 10% in the late 19th century and early 20th century. By comparison, noble names have always represented less than 2% of the total number of deceased individuals between 1780 and 1910. Sources and series: see piketty.pse.ens.fr/ideology (figure 2.2). |
The Church as a property-owning organization 1750-1780

**Interpretation.** Around 1750-1780, the Church owned between 25% and 30% of total property in Spain and close to 25% in France (all assets combined: land, real estate, financial assets, including capitalization of church tithes). By comparison, in 2010, the set of all non-profit institutions (including religious organizations, universities, museums, foundations, etc.) owned less than 1% of total property in France, 6% in the United States and 3% in Japan. **Sources and series:** see piketty.pse.ens.fr/ideology (figure 2.3).
From ternary to proprietarian societies: the French Revolution & the invention of modern property

• In ternary societies, property rights and political rights are inextricably and directly linked. The clergy & the nobility are property-owning classes and also exert political, military and judicial power.

• In contrast, proprietarian societies attempt to draw sharp distinction between property rights (open to everybody, under state protection) and political-military-judicial rights (regalian power becomes state monopoly)

• In order to better understand the « great demarcation » between ternary and proprietarian societies, let’s start with the following book: R. Blaufard, *The Great Demarcation: The French Revolution and the Invention of Modern Property* (Oxford UP 2014)
• Pre-1789 France (Ancien Régime): nobility (1%) + clergy (<1%) + Tiers-Etat (« third estate ») (98-99%)

• Status-based society involving strong inequality of rights: aristocrats do not pay the same taxes & do not have the same political and legal rights as Tiers-Etat; at the beginning of the Revolution, they sit in different assemblies, just like House of Lords vs House of Commons in Britain; then sit together (Young horrified)

• Most importantly, « feudal property » involved various forms of « political » power over non-owners, e.g. judicial power, forced labor, etc.

• French Revolution: attempt to separate pure private property rights (→ legitimate) from political power (→ state monopoly). But in practice not easy to draw the line between property rights and political rights.

• Blaufard, *The Great Demarcation*. August 4th 1789: « abolition of feudal privileges » (*nuit du 4 août*). But what is the exact definition of « feudal privileges »? = the key political conflict of the French Revolution
• Key difficulty = pre-1789 property rights always involved a mixture of « modern » property rights and « feudal » political rights, including in the language used to refer to these rights

• Typically, land property by the local nobility and clergy also involved judicial power, i.e. the right to exert justice, to issue judgments and to monitor local police force

• General principle of the law of August 4th 1789 (and decree of August 11th 1789) : « pure » land rents are legitimate and should be consolidated or compensated (seigneuries privées) (i.e. the fact that nobles own land and peasants pay rent is not a problem in itself: no attempt to redistribute property or limit concentration of land)

• But judicial or quasi-political rights (seigneuries publiques, charges et offices, dîmes ecclésiastiques, corvées, banalités, etc.) should be abolished and transferred to the central state. E.g. the fact that nobles hold local judicial power (or are tax-exempt) is a problem = the easy part on which (almost) everybody agrees.

• In practice, the complication comes from the fact that many payments had a dual nature: they expressed both « legitimate » property rights and « illegitimate » political rights

• Lods, corvées, banalités, dîmes, etc: are these expressions of local oppressive power by nobility and clergy on commoners, and can this be part of legitimate property and social relations which the state needs to consolidate?
• **Lods** = payment made by the peasant (or the holder of usage right or *seigneurie utile* on the land) to the landlord (or the holder of the full property right or *seigneurie directe* on the land) when the usage right is sold to someone else = similar to modern real-estate transaction tax (droits de mutation, stamp duties), except that they were made to private landlords. Very closely linked to judicial/political power exerted by local nobles (property registration).

• **Lods** were often much larger than the land rents themselves: typically between 1/3 and 5/6 of land value (10-20 years of rent) for peasants who wanted to buy back lods from landlords
• **1789-1790**: « historical doctrine » *(very conservative).* I.e. as long the historical origin of land rights is contractual, then all monetary land rights are legitimate, whether they are called rents or lods or cens or anything else (except pure judicial rights) and should be consolidated or compensated. Pb: how can you prove the contractual origin of land rights?

• **1789-1790**: general presumption that most land rights are legitimate and have a contractual origin (unless specific documents prove the opposite): « *Nulle terre sans seigneur* ». But in some regions (south) the opposite presumption applies: « *Nul seigneur sans titre* ». In the summer of 1789, peasants start burning castles and property titles...

• **1792-1794**: « linguistic doctrine » *(more redistributive).* I.e. if land rights use « feudal » language such as lods, cens, corvée, banalité, etc., then there is a presumption that these rights are illegitimate and should be abolished with no compensation.

• Pb: lots of rural and urban property titles bought by non-nobles before 1789 used « feudal » language (like lods) in order to refer to « legitimate » rental income → a complete suppression of these rights would have led to massive and arbitrary redistribution → lots of exceptions (incl. in 1792-1794, e.g. in cases where contractual origins of lods could be established), lots of judicial disputes and court litigations all along the 19th century
• **Other pb: « corvée »** = in some cases, peasants were supposed to give one day (or two days or three days...) of labour to the landlord to cultivate the landlord’s own land. Is this illegitimate (i.e. is this a survival of the time of serfdom or slavery, thereby proving a violent, non-contractual origin), or is this simply a legitimate, contractual land rent that has not been relabelled using post-serfdom language?

• **« Banalité »**: obligation for peasants to use specific equipments operated by a landlord, e.g. a grain mill or oven or winepress. These were abolished, except in some cases where the contractual origin or quasi-tax-vs-public-good nature could be established

• **« Dîme ecclésiastique »**: quasi-tax payments made to the Church (even when the land did not fully belong to the Church). Generally abolished with no compensation, in spite of the warning by clergy members that in some cases the dîmes were financing local public services (education, health) provided by religious organizations.
Global redistributive impact of French Revolution = very difficult to establish

- 1815: compensation of aristocrats for lost rent (« milliard des émigrés »)
- 1789-1815: church property was redistributed much more than aristocratic property
- Significant redistribution of land toward small farmers, but even more so to large farmers (especially from church property, and to a lesser extent from aristocratic property) (Abbé Sieyès: « the abolition of dimes will benefit rich property owners, not the poor »)

Complete redefinition of the very notion of property rights: strengthening of individual monetary property rights; weakening of local power and control by the elites (nobles, priests)

- Key episode in the rise of modern personal freedom: in the long-run, centralized state is arguably better able to guarantee individual rights than local ternary elites (nobles, priests)
- But also key episode in the tightening of the power of private property owners over non-owners; this contributed to extreme « proprietary » inequality during 19c

- In some cases, brutal dismantling of local public services: lower level judicial courts used to be operated by local landlords; schools ad hospitals operated by local religious organisations; it took time to replace previous financing (lods, cens, dîmes) by state and communal finance
- Progressive wealth & inheritance taxes would have been useful to make the process more equitable... but everything happened very fast: conservative & Napoleonic reaction 1795-99
Blaufard, *The Great Demarcation*, 2014: very nice articulation between judicial archives illustrating concrete cases and more abstract legal/philosophical debates; between short-run political history and long-run intellectual history

- **Long-standing controversies 16c-18c about state centralization and the role of nobility**

- **Bodin-Loyseau-Quesnay (absolutist, physicocrats, anti-nobility):** « during the early Middle Ages, the Frank nobility exploited the king’s weakness to capture more local power, it is time to correct this and to let the monarch and the centralized state take care of the future of the kingdom » → sovereignty/taxation vs private property

- **Boulainvilliers-Montesquieu (anti-centralized state, pro-nobility):** « maybe the Frank nobility took power by violence; but they later gained their legitimacy by protecting the population against Normans and Hungarians and should keep their judicial powers; if we accept absolutism, then the French monarch will become like a Turkish despot »

- **In a few years (1789-1794), practical legal answers on the definition of legitimate vs illegitimate property and power had to be provided:** highly chaotic process

- **See also books by J. Israel on « radical Enlightenment » vs « moderate enlightenment »:** some debates happened before the Revolution (i.e. same Chamber for nobility & commoners? Diderot yes, Voltaire no); many issues had to be addressed on the spot
• Proposals were made to introduce sharply progressive taxes on income and inheritance were made during the Revolution. But they were never implemented (except on a temporary basis in 1793-1794: forced loans based on income brackets).

• No attempt to organize a progressive redistribution of land or other assets (on the basis of plot size or values): there were many controversies about corvées vs loyers (rent) vs lods, but without taking the levels into account

• Different trajectories could have happened; but in the end the legal and fiscal system adopted in 1789-1815 was very favourable to large property owners and led to rising concentration of property in France during the 19th century and up until World War 1
### Some progressive tax projects in 18th century France

**Graslin: progressive tax on income**  
*(Essai analytique sur la richesse et l'impôt, 1767)*

<table>
<thead>
<tr>
<th>Multiple of average income</th>
<th>Effective tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>5%</td>
</tr>
<tr>
<td>20</td>
<td>15%</td>
</tr>
<tr>
<td>200</td>
<td>50%</td>
</tr>
<tr>
<td>1300</td>
<td>75%</td>
</tr>
</tbody>
</table>

**Lacoste: progressive tax on inheritance**  
*(Du droit national d'hérédité, 1792)*

<table>
<thead>
<tr>
<th>Multiple of average wealth</th>
<th>Effective tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.3</td>
<td>6%</td>
</tr>
<tr>
<td>8</td>
<td>14%</td>
</tr>
<tr>
<td>500</td>
<td>40%</td>
</tr>
<tr>
<td>1500</td>
<td>67%</td>
</tr>
</tbody>
</table>

**Interpretation.** In the progressive income tax project presented by Graslin in 1767, the effective tax rate rose gradually from 5% for an annual income of 150 livres tournois (about half of average per adult income at the time) to 75% for an annual income of 400,000 livres (about 1300 times average income). One observes a comparable progressivity with the progressive inheritance tax project presented by Lacoste in 1792. **Sources:** see piketty.pse.ens.fr/ideology (table 3.1).
The failure of the French Revolution: the proprietarian inequality drift in 19th century France

Interpretation. In Paris, the richest 1% owned about 67% of total private property in 1910 (all assets combined: real, financial, business, etc.), vs. 49% in 1810 and 55% in 1780. After a small drop during the French Revolution, the concentration of property rose in France (and particularly in Paris) during the 19th century and until World War 1. In the long run, the fall in inequality occurred following the world wars (1914-1945), rather than following the Revolution of 1789. Sources and series: see piketty.pse.ens.fr/ideology (figure 4.1).