

BOOK REVIEW

Author: Thomas Picketty

Title: Capital and Ideology

Publisher: Cambridge, MA: Harvard University Press, 2020

Hardcover: 1104 pages

Price: \$29.90

ISBN: 9780674980822 (translated from French by Arthur Goldhammer)

1. Summary

The book is divided into 4 parts and 17 chapters. This book is based on historical sources of two kinds: first, sources that enable us to measure the evolution of inequality in a multidimensional historical and comparative perspective (including inequalities of income, wages, wealth, education, gender, age, profession, origin, religion, race, status, etc.) and second, sources that allow us to study changes in ideology, political beliefs, and representations of inequality and of the economic, social, and political institutions that shape them. In this book, the author has endeavoured to present a comprehensive account of the economic, social, intellectual, and political dimensions of regimes that perpetuate inequality. These regimes span from ancient trifunctional and slave societies to contemporary postcolonial and hyper capitalist ones. It is crucial to acknowledge that such an undertaking is boundless, as the subject matter is immense. No single book can fully encompass the breadth of this topic. Consequently, conclusions are provisional and delicate in nature. They derive from ongoing research that requires continual supplementation and expansion in the future. Despite these limitations, this book has assisted readers in clarifying their own perspectives on social equality and inequality and anticipated that it will prompt further contemplation on these pressing issues of the globe.

2. Discussions

Part 1. Inequality Regimes in History.

In part 1, Chapter 1 provides a broad introduction to what referred to as ternary (or trifunctional) societies—those consisting of three functional groups, namely the clergy, nobility, and third estate. In Chapter 2, the focus is on European “societies of orders,” characterized by a balance between intellectual and warrior elites, as well as specific forms of ownership and power relations. Chapter 3 delves into the emergence of an ownership society, particularly in the symbolic upheaval of the French Revolution. The revolution aimed to establish a radical separation between property rights (theoretically accessible to all) and regalian rights. However, it faced challenges due to persistent wealth inequality. Moving to Chapter 4, the examination centres on the

evolution of an intensely unequal form of ownership society in nineteenth-century France, extending up to the eve of World War I. Chapter 5 explores European variations in the shift from trifunctional to proprietary logics, concentrating on the British and Swedish experiences. This analysis highlights diverse trajectories and underscores the significance of collective mobilizations. Additionally, it helps in comprehending the impact of political and ideological differences on the transformation of inequality regimes.

Part 2. Slaves and Colonial Societies

Under Part 2, Chapter 6 shifts the focus to slave societies, recognized as the most extreme form of inequality regime. The author's emphasis lies particularly on the nineteenth-century abolition of slavery and the various forms of compensation extended to slaveowners. This analysis aids in understanding the dominance of the quasi-sacred ownership system prevalent during this era, a legacy that continues to shape our contemporary world. Chapter 7 delves into the post-slavery colonial societies' structure of inequality. While these societies were less extreme than the slave societies they replaced, they significantly influenced today's inequality dynamics, both within and between countries. Chapters 8 and 9 investigate the impact of European colonial and proprietary powers on non-European trifunctional societies. The author begins with an examination of India, where ancient status divisions endured remarkably, partly due to their strict codification by British colonizers. The scope then broadens to encompass a Eurasian perspective, exploring the effects on China, Japan, and Iran.

Part Three. The Great Transformation of the Twentieth Century

In Part 3 that comprises of three chapters among which Chapter 10 centres on the breakdown of the ownership society following the aftermath of two world wars, the Great Depression, the communist challenge, and decolonization. This transformation is further influenced by widespread popular and ideological mobilizations, including the emergence of trade unions and social democracy, which had been gaining momentum since the late nineteenth century. The outcome is a society that exhibits less inequality compared to the preceding ownership society. Moving to Chapter 11, the focus is on evaluating the successes and limitations of postwar social democracy. Some of its shortcomings include the failure to develop a more equitable concept of property, an inability to address inequality challenges in higher education, and a lack of a theory for transnational redistribution. Chapter 12 examines the communist and post-communist societies in Russia, China, and Eastern Europe, exploring their contributions to the recent surge in inequality and the shift towards identity politics. Chapter 13 provides a historical perspective on the current global hyper-capitalist inequality regime, emphasizing its inadequate response to two critical crises: the crisis of inequality and the environmental crisis.

Part Four. Rethinking the Dimensions of Political Conflicts

Part 3 comprises of four comprises of four chapters. Chapter 14 examines the historical circumstances that led to the formation of an egalitarian coalition and its subsequent disintegration. In France, the redistributive policies of social democracy proved compelling enough to garner support from individuals of various backgrounds within the working class. Chapter 15 explores the fragmentation, gentrification, and “Brahminization” of postwar social democracy in the United States and the United Kingdom, revealing shared structural factors in both nations. Chapter 16 broadens the analysis to include additional Western democracies, Eastern Europe, India, and Brazil. The author also delves into the emergence of a social-nativist dilemma in the first two decades of the twenty-first century. The contemporary landscape of identity politics is driven by the absence of a convincing internationalist egalitarian platform, essentially a lack of genuinely credible social federalism. Chapter 17 draws insights from the historical narratives in the preceding chapters and outlines a vision for a participatory form of socialism suited to the challenges of the present century.

3. Evaluation

Author’s entire conception is poured into fabrication of a beautiful words. The entire volume has been concluded on the following headings:

History as a Struggle of ideologies and Quest for Justice:

In the historical context, both ideas and ideologies play a significant role. While social position holds importance, it alone cannot formulate a comprehensive theory for a just society. The confrontation of ideologies and the pursuit of justice involve the articulation of clearly outlined positions and identified adversaries. Drawing from the insights explored in this book, author firmly believe that capitalism and private property can be surpassed, paving the way for the establishment of a far society grounded in participatory socialism and social federalism. The initial step involves institutionalising a system of social and temporary ownership, necessitating a sharing of power between workers and shareholders, and imposing a limit on the voting rights of any single shareholder. Additionally, it requires implementing a progressive property tax, introducing a universal capital endowment, and ensuring the perpetual circulation of wealth. Furthermore, a global economic overhaul is essential through the establishment of co-development treaties that include measurable objectives related to social, fiscal, and environmental justice. The liberalization of trade and financial transactions should be contingent on progress toward achieving these core objectives. To redefine the global legal framework, certain existing treaties, particularly those facilitating the free movement of capital in the 1980s–1990s, must be abandoned as they obstruct the pursuit of the aforementioned goals. These treaties should be

replaced with new regulations grounded in the principles of financial transparency, fiscal cooperation, and transnational democracy. The history of the inequality regimes studied in this book shows that such political-ideological transformations should not be seen as deterministic. Multiple trajectories are always possible. The balance of power at any moment depends on the interaction of the short-term logic of events with long-term intellectual evolutions from which come a wide range of ideas that can be drawn on moments of crisis.

On the Limits of 'De-Westernizing':

The Indian Union serves as a notable example of extensive democratic federalism, illustrating how legal mechanisms can be employed by the state to address the deeply ingrained inequalities of an ancient caste-based society, further solidified through encounters with British colonial influence. India's institutional strategies to tackle this historical legacy include the implementation of quotas and 'reservations' in universities, public employment, and elective positions, specifically designated for individuals belonging to socially disadvantaged classes that historically faced discrimination. While this system hasn't fully resolved all of India's challenges, it offers valuable lessons for the global community, especially Western democracies grappling with significant educational disparities and just starting to navigate issues of multi-confessionalism. The echoes of India's extensive history are still apparent in today's structure of inequality. Additionally, studying the intricate ideologies of inequality from the past helps contextualize present-day ideologies, revealing that they are not always more enlightened than their predecessors and, like those before them, will eventually be replaced.

On the Civic and Political Role of the Social Sciences:

Social scientists are fortunate individuals, as society compensates them for writing books, investigating sources, synthesizing insights from archives and surveys, and, in turn, attempting to give back to the broader community that enables their work—namely, the rest of society. Occasionally, scholars in the social sciences get entangled in unproductive disciplinary conflicts and status disputes. Nevertheless, the social sciences play an essential role in public discourse and democratic conversations. This book aims to demonstrate how the sources and methods across various social sciences can be utilized to analyse the history of inequality regimes across their social, economic, political, and intellectual dimensions. While the focus is on the study of inequalities among social classes and their historical transformations, the lesson is applicable more broadly. This book relies on the contributions of numerous social scientists from various disciplines, without whom it would not have been possible. An unintended consequence of the excessive specialization in economics is that historians, sociologists, political scientists, and philosophers often cede the examination of

economic issues to economists. However, political economy and economic history encompass all the social sciences. It is imperative for all social scientists to incorporate socioeconomic trends in their analyses, utilizing quantitative and historical data when beneficial, and resorting to alternative methods and sources when necessary. The neglect of quantitative and statistical sources by many social scientists is regrettable, particularly since a critical examination of these sources and the circumstances under which they are socially, historically, and politically constructed is vital for their proper utilization. This disregard has not only contributed to the automatization of economics but has also led to its impoverishment.

4. Conclusions

Contemporary inequality is significantly influenced by the framework of borders and national sovereignty, which dictates the distribution of social and political rights. This dynamic has led to entrenched and complex ideological conflicts encompassing issues of inequality, immigration, and national identity. These conflicts pose significant challenges in forming broad coalitions capable of addressing the growing inequality. Notably, divisions along ethno-religious and national lines often hinder the political unity of individuals from diverse ethnic and national backgrounds, ultimately reinforcing the influence of the affluent and contributing to the expansion of inequality.

The root cause of this challenge lies in the absence of a unifying ideology capable of persuading marginalized social groups that their common interests outweigh their differences. A concerning trend in the contemporary landscape is the resurgence of inequality globally since the 1980s, posing a threat to the resolution of other major issues like immigration and climate change. Without simultaneously addressing inequality and establishing a widely accepted standard of justice, finding solutions to these interconnected global problems becomes challenging.

Central to this discussion is the precarious nature of human progress. Although evident through statistical indicators of health and education worldwide over the past two centuries, this progress is constantly jeopardized by both inegalitarian and identitarian tendencies. Recognizing and believing in human progress necessitates an examination of historical sources that gauge the evolution of inequality in a multidimensional and comparative context. These sources encompass various forms of inequality, including income, wages, wealth, education, gender, age, profession, origin, religion, race, and status. The analysis also relies on sources that delve into changes in ideology, political beliefs, and perceptions of economic, social, and political institutions shaping these inequalities. The author draws data from the World Inequality Database (WID.world). This collaborative project involves the contributions of over a hundred researchers

from eighty countries worldwide, reflecting a concerted effort to comprehensively understand and address the multifaceted dimensions of inequality.

Baikuntha PANDEY

Lecturer in Economics

Department of Economics, Patan Multiple Campus

Tribhuvan University, Nepal