

[Piketty's Capital and Ideology](#). This book is a political-economic analysis of several, quite sweepingly broad (from the middle ages up to the present period of hyper-capitalism) historical regimes of inequality, mainly in the West although there are interesting comparative forays to India and Brazil. Piketty uses a very broad brush to depict a tripartite schema of inequality regimes ranging from medieval estates to the ownership/propertarian (aristocratic to haut-bourgeois) regime of the 18-19th centuries, then he goes on to the era of hypercapitalism (with a significant interregnum of state redistribution-welfarism in the middle of the 20th century.) I said the seep is broad, but it is also bold, not just in historical terms but also in its highly convincing use of data sets from key states, principally European and the United States, but also significant data from India and Brazil. The study thus gives a convincing statistical analysis of the economic bases of the inequality regimes and relates the regimes to their contemporary state ideologies, tax, revenue and welfare policies. The point of the book is to relate, therefore, capital (although Piketty does use the term hyper-capitalism, the focus is, as the title states, on capital rather than capitalism in its more Marxist sense – I think on the whole Piketty's position is Weberian) and the ideologies (as insidious belief systems that have a type of defining power on the dominant forms of policy thinking) coincident with the main inequality regimes.

To my mind this book is somewhat theoretically weak in the area of its second key word – ideology. In many respects the book's highly economic analysis would surely have had the better title 'Capital and fiscal inequality regimes'. Ideology, if it is to be of use theoretically, cannot just be tagged on to economic analysis in the manner of pointing to the historical coincidence of legitimacy ideas – although this is important. But any ideological analysis worthy of the name requires a much more cultural form of approach – ideology has to be seen as a *force* in its own right with its own forms of 'data', concepts, ideas, images, just as economic analysis requires clusters of concepts of finance, fiscal policy etc. Too often in this book ideology is seen as simply a legitimacy and reactive political phenomenon riding the back of economic inequality, in this sense it sometimes has a hint of crude 30's Marxist understandings of ideology.

This is not, of course, to say that this book is not a great, important, crucially timely work that is a resource for all who need substantive factual backing for their arguments against contemporary trends in states in thrall to populism, identarian (nationalism), tax and 'fiscal dumping' policies, what Piketty summarizes as the 'drive to the bottom' logics of global capitalism. Some of the strongest sections of the book are in fact on the propertarian regimes of the 19th to early 20th century in which Piketty shows how sacrosanct ideologies of ownership had the effect of stifling more progressive state and social policies. He gives as an example the UK in the 19th century where a propertarian ideology blinkered state policy to the extent that the principals of debts arising from the Napoleonic wars were repaid right through until the first world war to the detriment of national economic development. Piketty

contrasts this to the accelerated German and French debt reductions after the second world war when 'Debts of 200-2000% of national income in 1945-50 were reduced to almost nothing' (444-5)

Piketty often uses what at first appear quite hackneyed historical examples, the Democratic Party's support for slavery, the social-welfarist state in Sweden, the rise of Russian Oligarchs, all quite time-worn now. But he develops these by revealing the facts of their economic underpinnings. And the book is also studded with less well-known examples, such as the extradition of Mexican immigrants from Roosevelt's United States in the 1930s (228). But nearly always for Piketty the key actor and focus is less social classes than states and it is no coincidence that he gives a primary role for state and federal agencies in his hopes in the final pages of the book for revolutionary reform of the social, welfare and taxation systems of contemporary societies. Piketty, in this vein, often has a nostalgic view of the post-war social democratic reformist states of the UK and European states, particularly France, Germany and Sweden (not, also, forgetting the highly progressive tax policies of the USA in the 1960s):

The significant reduction in inequality that took place in the mid-twentieth-century was made possible by the construction of a social state based on relative educational equality and a number of radical innovations, such as co-management in the /Germanic and Nordic countries and progressive taxation in the United States and United Kingdom. The conservative revolution of the 1980s and the fall of communism interrupted this movement; the world entered a new era of self-regulated markets and quasi-sacrilization of property. (1036-7)

However, he grafts much that is new onto this generally acknowledged view, such as ideas of temporary property ownership, the need to foster progressive taxation at the federal level, the need for deliberative democratic principles as the basis for developing dynamic fiscal rules, particularly required at the regional and global levels of governance (such as the EU) in order to counter hyper capitalist accumulation and competitive 'drives to the bottom'.

But there are also subtle and confusing lapses or contradictions in Piketty's analysis. There are minor ones, deriving I think from the unacknowledged but nevertheless clearly Weberian-pluralist political bases of his argument. For example, his notes the 'conflictual socio-political trajectories in which different social groups and people of different sensibilities within each society attempt to develop coherent ideas of social justice' (454). But then he has, sometimes conscious, but certainly underlying, a Durkheimian ideal of the possibility of an organic social order at the basis of his ideas for reform. This latter ideal might be the basis for new forms of social solidarity to counter old identitarian ideas again on the rise (racism and anti-immigration). But I cannot see how this contradiction between the motive forces of capital and society,

of human nature and ideals, can be easily resolved. I am not certain it is something that will easily yield to the deliberative model of governance-technocratic management Piketty essentially adopts.

Other minor flaws in the argument come from the book's unreflectively liberal view of what he deems 'secondary' market transactions. In this Piketty contrasts primary goods and services, such as education, which should not be marketized, and secondary sectors by which he means areas like clothing where:

there is a legitimate diversity of individual aspirations and preferences – for instance, in the supply of clothing or food – then decentralization, competition, and regulated ownership of the means of production are justified. (595)

But the major problem with this book is its lack of a more complex understanding of the concept of ideology. At the start, Piketty signals that he was going to use cultural examples, such as extracts from novels, in order to illustrate the defusing of the ideas underlying inequality regimes into everyday life. But these examples, mainly from novels (an essentially 18th century cultural form) are brief, limited, often footnoted, rather than being intrinsic to the analysis. Piketty needed to have some understanding of the role of the media and state intellectuals (i.e., from cultural Marxists like Gramsci), if the reader was to make the link between capital and ideology. What is needed is a more informed understanding of ideology, ideology as a force in its own right. Too often Piketty sees ideology as arising in a type of 'logic' riding on the back of the inequality regimes they coincide with:

We learned that most premodern societies, in Europe as well as in Asia, in Africa as well as in America, were organized around a trifunctional logic. Power at the local level was structured around, on the one hand, clerical and religious elites charged with the spiritual leadership of society and, on the other hand, warriors and military elites responsible for maintaining order in various evolving political-ideological configurations. Between 1500 and 1900, the formation of the centralized state went hand-in-hand with a radical transformation of the political-ideological devices that served to justify and structure social inequalities. (410)

At other times, particularly in the analysis of the cultural influence of the Brahmic domination of ancient India, seen by Piketty in the Manusmriti texts which:

...the authors plainly believed that the time had come to promote their preferred model of society...(313)

Similarly, in criticising the 'philanthropic illusion' arising around contemporary billionaires like Bill Gates he fails to relate how elite figures must be seen in terms of the broader ideological currents of the time – in this case, for example, Band Aid.

Nevertheless, Piketty's book is massively generous in its scope and the depth of its economic analysis of the variations in policies that accompany the historical inequality regimes. His calls for policy reforms in areas such as progressive taxation, basic income, the socialization of ideas of property and inheritance, participatory democracy in the economy, redistributive financing of educational opportunity which are presented on the firm back of substantive economic analysis. It is this, the capital-side of the analysis, in which the reader experiences the book's most powerful rhetoric – hidden behind Piketty's restrained, almost prosaic text - the statistical tables and graphs that relentless flow facts after facts recording our historical and contemporary shame.