

problems surrounding utility measurement. First, it reveals what is feasible in economics, given its subject matter and the methods it has available. Second, it reveals what is desirable in light of economists' self-proclaimed goals and philosophical commitments. Such a perspective will guarantee the continuous relevance of philosophy of economics for economics.

A second insight from Moscati's account is a better understanding of why we have the knowledge that we have. The variants of utility theory currently used in economics resulted from a complex history of attempts to cope with epistemic and methodological challenges posed by formulating a theory of human behaviour and measuring psychological variables. Depending on their goal and in light of available alternatives, economists took an approach that was useful and feasible, even if it had flaws. We understand why, despite its problems, economists used EUT as a measurement theory and how they ended up with the interpretation of the representational theory of measurement that they ultimately did. The problem of utility measurement will stay in economics. That kind of understanding ensures a philosophical discussion that makes a difference, that is informed by scientific practices and the pros and cons of positions raised by economists themselves. Therefore, *Measuring Utility* should be of interest for any philosopher of utility theory and measurement in economics and the social sciences more generally.

Catherine Herfeld 
University of Zurich
Email: c.s.herfeld@gmail.com

Reference

Herfeld C. 2019. What we learn and do not learn from Ivan Moscati's historical account of utility measurement. *Oeconomia – History, Methodology, Philosophy* 9(1), 93–108.

Catherine Herfeld is an Assistant Professor of philosophy of the social sciences and social theory at the University of Zurich, Switzerland.

Capital and Ideology, Thomas Piketty. Translated by Arthur Goldhammer. Harvard University Press, 2020, pp. ix + 1093.
doi:[10.1017/S0266267120000231](https://doi.org/10.1017/S0266267120000231)

In *Capital and Ideology*, Thomas Piketty corrects a misimpression of his bestseller, *Capital in the Twenty-First Century* (2014). There, Piketty argued that when the rate of return on capital exceeds the rate of economic growth (when $r > g$), the economy will generate runaway inequality, in which the capital share of income will dwarf labour's share. In a few generations, it will be practically impossible to attain a decent standard of living through work. We will return to the worlds depicted by Jane Austen and Honoré de Balzac, in which very few have access to the only routes to a decent life – namely, to inherit a fortune, or marry into one. Piketty's magnificent historical data showed how this trend was interrupted by the two World Wars and the Great Depression, followed by three decades of

unprecedented equality and economic growth after the end of the Second World War. But by the mid-1970s, the developed countries returned to $r > g$ and increasing inequality, due to the accumulation and concentration of wealth in the hands of the top 1%. Although he claimed that inequality is due to policy choices, he didn't defend that idea in much detail. It was easy to read Piketty (2014) in line with the grim argument of Scheidel (2017): that only large-scale disasters – wars, plagues, state collapse and violent revolutions – can restore significant equality in the face of otherwise inexorable tendencies to inequality.

Capital and Ideology makes the case that political choices shaped by ideologies are the key causes of equality and inequality. Surveying the history of 'inequality regimes' – institutionalized inequalities, along with the ideologies that purport to justify them – Piketty rejects economic and cultural determinism, and stresses contingency and choice. Every society faces 'switch points' at which different political and policy choices could lead to very different trajectories for the distribution of income, wealth and other goods. What path is chosen depends on ideological persuasion and mobilization of people behind different visions of a just society. Thus Sweden, without pressure from war or other catastrophes, rapidly switched from one of the most extreme inequality regimes in Europe, in which votes were allocated in proportion to wealth, to a highly egalitarian social democracy (185–9). Ideologies are subject to critical scrutiny: we can probe their internal contradictions and departures from reality. We should also treat our policy choices as experiments, not as ideological dictates. Democratic deliberation about how to revise policies in light of their consequences is the key to progress toward a more just world.

A merit of *Capital and Ideology* is its global perspective. The book draws much of its data from the World Inequality Database (<https://wid.world/data/>) on income and wealth inequality, which has immense geographic and historical scope. Moving beyond Western Europe and the USA, Piketty surveys inequality regimes in China, India, Japan, Brazil, Haiti, Iran, Russia and postcommunist Eastern Europe, with brief comments on other countries. Even in a book of this length, a complete global survey for all of world history is obviously impossible. Nevertheless, it is unfortunate that Africa and Latin America are mostly neglected.

Piketty divides the history of inequality regimes into five phases: (1) premodern 'trifunctional' societies; (2) modern 'ownership' or 'proprietary' capitalist societies; (3) modern slave and colonial societies, the product of globalized capitalism; (4) social democratic and communist societies emerging from the crisis of early 20th century capitalism; and (5) 'hypercapitalist' or 'neo-proprietary' societies, which have dominated the world in a second wave of globalized capitalism since the demise of communism. Premodern Europe, India, China, Japan and Islamic trifunctional societies divided society into three broad classes: the 'clergy' (a pious and intellectual class, needed to advise leaders on wise policy, and promote moral and spiritual order, education and charity), the nobility (a landowning and military class, needed to perform 'regalian' or state functions, including the administration of justice and military defence), and workers (who were sometimes subdivided into free and servile labourers, as in the Medieval European division between free workers and serfs, or the Hindu *varna* or caste division of *Vaishyas* and *Shudras*). The concentration of wealth, especially land, in

the top two classes was justified by their need to use that wealth to perform their socially necessary functions. Piketty rightly stresses that trifunctional ideology, like the ideologies of all inequality regimes, has some plausibility, and is no less plausible than the proprietary ideology that succeeded it.

Piketty highlights the contradictions entailed in the move from trifunctional to proprietary ideology by delving into the details of this transition during the French Revolution (Chapter 3). Modern ownership societies are founded on a strict separation of private property rights from regalian functions, which are monopolized by the state. The trifunctional legitimation of inequality ended once the state assumed the regalian functions once performed by the nobility. Once large landowners no longer performed these functions, how could they justify the extreme concentration of wealth in their hands, and their continued collection of rents and even forced labour (*corvée*) in lieu of rents? Piketty documents the ideological contortions deployed to justify the latter, and argues that the French Revolutionaries never squarely confronted the issue of inequality. Instead, they conferred a 'quasi-sacred status' on 'existing', purportedly natural property rights, based on an ideology of individual emancipation, equality of opportunity, equality under the law, and economic growth based on incentives (119–22). Ever since, proprietary and neo-proprietary ideologues have rebutted calls to redistribute by claiming that this would lead to social chaos (123, 148, 679, 705, 707).

Piketty's account of proprietary thinking conflates two rival ideologies of ownership society: one broadly egalitarian and based on an *assault* on then-existing property rights of the wealthy; the other profoundly inegalitarian, and based on the entrenchment and *expansion* of the property rights of the rich, and forced dispossession of the working poor. The egalitarian theory drew from Adam Smith, an intellectual hero of the French Revolution. Smith (1776) argued that fully free markets in labour and land would require the abolition of many existing forms of private property that entrenched inequality, including slavery, chartered monopolies, all other corporate privileges, almost all joint-stock corporations, private colonies (such as India, owned by the British East India Company), and dynastic property protections (such as primogeniture and entail, which sheltered great estates from market forces). He argued that, once these forms of property were abolished, market competition would allocate property to the most efficient producers: yeoman farmers and small tradesmen. Free markets would thereby lead to a more equal distribution of wealth, without the need for the state to directly redistribute property. The French Revolutionaries, in abolishing seigneurial rights, slavery and corporate privileges, adopted several elements of this egalitarian agenda. This is why Condorcet, like other Revolutionaries, believed that the new property regime would lead not only to individual emancipation but to a more equal distribution of wealth (117).

Smith's preferred property regime was overtaken by a rival proprietary regime, however. Napoleon restored slavery to the colonies, where it continued until 1848. France exacted punitive 'reparations' from Haiti for its self-emancipation and escalated colonization through the 19th century. Britain, too, advanced a colonialist agenda abroad. It suppressed manufacturing in India and China by means of mercantile monopolies, misgoverned India by imposing a rigid caste system that previously existed more in ancient Brahmin ideology than in reality

(Chapter 8), waged war to force opium on China, extracted massive tributes from weaker nations by gunboat diplomacy, imposed taxes to force colonized labourers into involuntary servitude on plantations, and launched its Industrial Revolution on the backs of American slaves, who produced most of the cotton that supplied its textile mills. Other colonial powers followed suit.

Piketty documents the violence and exploitation of slavery and colonialism in Part Two of *Capital and Ideology*. He persuasively argues that the economic development of the Western colonial powers owed more to its plunder and repression of its colonies than to Smith's free market principles, which it systematically violated. Piketty's suggestion that colonialism was legitimated by appeal to the sacralization of 'existing' property rights does not bear scrutiny, however. The colonial powers did not respect the existing property rights of the colonized. Domestically, too, the wealthy enriched themselves by abrogating the property rights of the working poor. For example, in the 18th and 19th centuries, the British Parliament forced massive enclosures that extinguished the customary property rights of agricultural labourers without compensation, even as it insisted on compensating slaveholders for the abolition of the admittedly unjust institution of slavery.

Piketty rightly refers to the 'civilizing mission' of colonizing powers as a legitimating ideology (319). He misses the fact that this ideology also legitimated the upward redistribution of wealth in domestic class relations. According to Whately (1832), civilization requires a division of labour in which ordinary workers produce a surplus that can support everyone engaged in the distinctively civilized work of government, churches, schools, commerce, the arts, sciences and manners. Workers' disposition to produce a surplus depends on their internalization of the work ethic. But self-sufficient 'savages', whether foreign or domestic, will quit work once they produce enough to support their families. Only the already civilized can civilize them, by functioning as their tutelary dictators. Since savages can only learn the work ethic as wage workers under the supervision of the owners of factories and large agricultural estates, civilization requires that the working poor be deprived of any property that could enable self-sufficient production. The civilizing mission simultaneously justified the concentration of wealth in a leisured class purportedly contributing to civilization, and the abrogation of property rights of the working poor.

The extreme inequality regime of colonialist capitalism generated opposition, consolidated in domestic workers' movements and anticolonial independence movements. Unregulated capitalism led to the Great Depression, which undermined proprietarian ideology and bolstered rival social democratic and communist ideologies. Social democratic regimes desacralized and instrumentalized property rights for the purpose of economic development, and promoted steep progressive taxes to redistribute income and wealth, retire war debt, and invest in the infrastructure required for economic growth, including massive expansions of education and health care (Part 3).

Despite its successes in promoting socioeconomic development and equality, social democratic (centre-left) ascendancy did not last. Piketty is at his most insightful in diagnosing its decline, which he traces to three causes (486). First, social democrats failed to fully develop power sharing between capital and

labour within corporations by building on promising experiments in codetermination. Second, social democrats failed to seriously challenge sharp class inequalities in educational funding and access to elite schools. Finally, social democrats stuck to a nation-centred vision of egalitarian institutions, even as the rules of globalized hypercapitalism locked in massive advantages of capital over labour, due to the greater international mobility and opacity of capital, and strengthening of international capital protections.

Resulting international financial crises, global labour competition, massive tax evasion by capital owners, interstate tax competition and regulatory arbitrage have increased distributive inequality, undermined the economic prospects of the bottom half in the rich democracies, and blocked further development of equality and redistribution at the level of the nation state. Piketty's critique of capital- and creditor-favouring policies within the EU is devastating. Northern creditor countries chose to punish debtor countries such as Greece, Italy and Spain, when they could have enriched themselves as well as their southern neighbours by promoting investment in the latter countries (643–5, 905–9). At the international level, too, trade rules that drastically limit tariffs have constrained the development of poor African nations. No country has successfully developed without massive state investments in education and health. Such investments are now very difficult in states that have no realistic alternative to tariffs for revenues (1028).

These developments have had profound electoral consequences for democracies worldwide (Chapters 14–15). Piketty's most stunning data concern the evolution of party competition across democratic states since the end of the Second World War. At the beginning of this era, political parties largely competed on 'classist' terms, organizing representation along economic lines and agendas on left-right economic issues. The social democratic (centre-left) parties represented the bottom half of voters, whether measured by income, wealth or education, and advocated ambitious policies of redistribution, social investment and labour empowerment. Over time, however, *every* centre-left party has steadily gained support among the more highly educated, while losing support among the bottom half, whose turnout rates have declined. Piketty argues that political parties in democracies today primarily represent elites, who are divided along two lines: the 'merchant right' business class (wealthy but not necessarily highly educated) and the 'Brahmin left' (highly educated professional, knowledge and culture workers).

Because the social democratic parties support the globalized hypercapitalist order, which suppresses egalitarian policies, and because they failed to ensure equal educational opportunities, Piketty argues that they have in effect abandoned the bottom half of voters. Accurately perceiving that they have been left without representation, this group is ripe for mobilization by rightwing identitarian, antiglobalist movements. 'If redistribution between the rich and the poor is ruled out' by globalization, 'then it is all but inevitable that political conflict will focus on the one area in which nation-states are still free to act, namely, defining and controlling their borders' (831). Centre-right parties have taken advantage of the left's abandonment of the less advantaged by moving right on issues of immigration and globalization. Piketty's electoral data don't

fully support the ‘abandonment’ narrative, however: across the democracies, the probability of voting left is inversely correlated with income. This is partly due to the fact that members of disadvantaged, disproportionately poor racial, ethnic, religious or caste groups vote overwhelmingly for leftwing parties, which defend them against rightwing nativist hostility.


Piketty shows that centre-left parties were losing ground among the bottom half of voters well before immigration became a politically polarizing issue. He cites this as decisive evidence that abandonment of these voters preceded nativist appeals. (At least in the USA and Brazil, where racism targeting non-immigrant groups has been historically endemic, this is not convincing.) Piketty argues that, although rightwing identitarian parties often pretend to offer a ‘social-nativist’ agenda (redistribution just to the native citizens, excluding despised minorities), in practice they promote plutocratic hypercapitalism, because business elites control these parties (885–8). He astutely explains their anti-intellectualism – their attacks on higher education, science, journalism, tech workers, etc. – as an expression of esteem competition of the business class against the Brahmin left (817, 890–1).

As a starting point for discussion and experimentation, Piketty proposes a breathtakingly ambitious socioeconomic agenda of ‘participatory socialism’ to remedy the ills of today’s democracies (Chapter 17). First, educational resources and access should be equalized across class divisions. Second, workers should get a much greater voice in the governance of business enterprises. Third, highly progressive income, wealth, inheritance and carbon emissions taxes should be established, with proceeds dedicated to universal capital grants (ensuring the diffusion and ‘circular ownership’ of wealth), a basic income, family benefits, a more robust system of social insurance, and climate change mitigation and adaptation. Fourth, the rules of globalization should be rewritten on a ‘social federalist’ basis, dedicated to promoting equitable codevelopment. Each region of the world would create its own federation of states, similar to a democratically reformed, more egalitarian EU. The regional federations would join in a transnational democracy, funded by just global taxes on transnational economic actors, to support provision of global public goods. Ultimately, he envisions a global order based on free movement of individuals, realizing the ‘de facto virtual elimination of borders’ (1031).

Piketty pursues the adage that there is no socialism in one country almost to its logical conclusion. He offers ingenious proposals – some of which would not require altering EU treaties – for democratizing the EU and empowering it to pursue egalitarian policies (892–917). He cites India, a vast multicultural de facto democratic federation of 1.3 billion people with a progressive income tax, to support the feasibility of radically scaling up a social federalist democratic polity for the globe (1031). Yet he substantially underestimates the independent appeal of national identities in politics. Piketty is right to decry nativism as a toxic antidemocratic force within states, and to argue that in practice today it is just a particularly corrupt and dishonest form of inequalitarian hypercapitalism. However, I doubt his claim that it emerges as a potent electoral force only when left parties fail to promote a robust egalitarian agenda.

In this age of global climate change and pandemics, forging just institutions for worldwide international cooperation has never been a more urgent project. To

depict this project as but one step toward the de facto elimination of borders is more likely to inspire resistance than support. Nationalism is not the same as nativism. Piketty would certainly agree that much more thought needs to be given to how to accommodate national identities within a just and cooperative global order. In advocating bold proposals to meet the challenges before us, and backing them up with data, he dramatically advances egalitarian thinking for the 21st century.

Elizabeth Anderson 
 University of Michigan
 Email: eandersn@umich.edu

References

- Piketty T.** 2014. *Capital in the Twenty-First Century*, transl. A. Goldhammer. Cambridge, MA: Harvard University Press.
- Scheidel W.** 2017. *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century*. Princeton: Princeton University Press.
- Smith A.** 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. London: W. Strahan and T. Cadell.
- Whately R.** 1832. *Introductory Lectures on Political Economy*, 2nd edn. London: B. Fellowes.

Elizabeth Anderson is John Dewey Distinguished University Professor of Philosophy and Women's Studies at University of Michigan, Ann Arbor. She is the author of *Value in Ethics and Economics* (Harvard University Press, 1993), *The Imperative of Integration* (Princeton University Press, 2010), and *Private Government: How Employers Rule Our Lives (And Why We Don't Talk about It)* (Princeton University Press, 2017). She is currently working on the history of the work ethic from the Puritans, through classical political economy, to contemporary neoliberalism. URL: <http://www-personal.umich.edu/~eandersn/>

Measuring Poverty Around the World, Anthony B. Atkinson. Princeton University Press, 2019, xxvii + 464 pages.
 doi:[10.1017/S0266267120000255](https://doi.org/10.1017/S0266267120000255)

Anthony Barnes ("Tony") Atkinson was a major figure in economics, providing fundamental contributions to the study of poverty, inequality and redistribution. Over six decades he published several books, many academic articles and policy papers that have profoundly influenced the field of public and welfare economics. He was able to produce ground-breaking work of both a theoretical and an empirical nature, an accomplishment very few scholars manage to achieve. Knighted by both British and French governments, he held prestigious roles such as the presidencies of a number of scholarly societies. When he died, on 1 January 2017, he was Centennial Professor at the London School of Economics and Fellow of Nuffield College, Oxford.

In his last book, *Measuring Poverty Around the World*, Tony discusses fundamental conceptual as well as empirical issues related to the measurement and analysis of poverty. He does this in non-technical language, which makes