

Editorial

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Somehow it has been known all along: economic and social inequality is growing. But somehow this too had to be written down in black and white in detail, including perhaps a number of good reasons for its lawlike quality and future resilience. This was the achievement of Thomas Piketty's *Capital in the 21st Century*, highlighted by its notorious basic formula ' $r > g$ '. As it turned out the formula tried in a contentious way to put the inequality threat into a nutshell. Not to be misled by a claim to originality, by the help of it Piketty did not want to reiterate something well-known in traditional growth theory: that the return to capital is normally higher than the growth rate of the economy in general. Instead, he tried to summarize a conclusion, for the first time achieved less by ideal theory than on the basis of acute historical observation: that saving by higher incomes compared to lower incomes leads to increasing economic inequality, given certain conditions (especially a low growth rate). The conditions for these inequality-rising consequences of the formula seem to be given in our current societies, and can be expected to continue further into the future. Accordingly, we are confronted with an ethical-political challenge inherent in these precarious prospects.

In a conclusive way, Piketty mentions two tasks at the beginning of *Capital and Ideology*, which were left open from his 2013 book. First, he had to soften the restriction on rich Western societies in the earlier book, something which is being addressed by inclusion of a selection of third world countries. This is one extension which *Capital and Ideology* cares for, even if due to the non-disclosure of data by Russia and China there still exists an empirical blank in this area. The second, and overall much more important gap is addressed by the second title concept of the book: 'ideology'. By 'ideology' Piketty refers to the ethical and political ideas which legitimize inequality, especially the ideas of justice. In contrast to Marxism he shirks the purely pejorative and dependent use of ideology, and instead grants it an original influence against the brute economic forces, especially a corrective one. Piketty is aware that such a 'positive' concept of ideology is in danger of becoming boundlessly legitimizing and relativist. He is answering this with the supposition of an existing collective learning process, which heads for egalitarian societies.

This at least is the most interesting claim of the book, even if it is only implied and remains speculative in the end.

The book proceeds following several steps. In the two large starting chapters, which could nearly comprise a book of their own, it describes the early historical development of inequality regimes both in Europe and abroad, including the earlier slave societies. To this Piketty adds the breakdown of what he calls 'ownership societies' through the two great wars in the 20th century. The gist of these narrations highlights both the importance of economic inequality within social crises and gives proof to the importance of idea-driven social developments against inequality. In the two chapters of 'social-democratic societies' and 'communist and post-communist societies' the point is to describe these as historical phases rife with an experimental potential for pro-egalitarian policies, even if the actual societies somehow missed to achieve the right turn at the right moment. Especially within the 'social-democratic period' from 1950 to 1980, the conceptual innovations against private property: 'public', 'social' and (especially new) 'temporary' property were introduced, but the step towards an effective combination of all three innovations was never taken. So, as Piketty puts it, the 'permanent transcending' of capitalism was missed.

In its important last part *Capital and Ideology* gives us an analysis of recent and present political transitions from the 'socio-democratic era' of the 50s to 80s going into and through the 'hypercapitalist' era. Again, as in the earlier chapters the historic approach follows the agenda to make potential future developments visible, with the expectation to find a way out of the present political conflicts. For this purpose the author analyses the political party- and voter-development from the 1980s onwards, first in a quantitatively detailed way for France and then for the US and several European countries. His foremost focus is on the basic change in the parties of the left, with the 'workers' party' turning into a 'party of the educated', leaving the less educated behind to become the center of what he calls 'nativist politics', which becomes a politics driven by and circling around the problems of immigration. According to the 'social hypothesis' held by Piketty—against an originally biological motive of xenophobia—the parties on the left abandoned the less advantaged classes and the latter became involved in racism and anti-immigration policies out of their social conditions. On behalf of its meritocratic consciousness based on education and success, Piketty dubs this new left the 'Brahmin Left', which in the modern society is complemented by the not less well educated, but differently engaged class of the 'Merchant Right'. According to his analysis the political power of the current Western societies is alternating between these two groups, whereas the non-educated groups become pushed aside to become low earners or welfare receivers.

The picture which Piketty draws might appear to be complex on the level of statistics and local part developments, but it is easy to follow in its most basic lines. The incisive historical turning point takes place around 1980, with the conservative ‘revolutions’ in the West and the breakdown of communism in the East. Due to several causes, a new, ‘neo-proprietarian’ ideology in the context of growing globalization not least, inequality started to rise to new levels. Given the growing influx of immigrants nationalist identities and movements became strengthened and found their emotional hold especially among the losers of globalization. The older, inner-nationalist distributive politics of the Left becomes complicated by the puzzle of how to fit immigrants and asylum seekers into their politics, challenging the quasi-internationalist ethos of earlier left parties and creating new ‘nativist’ (nationalist) policies and parties. How social groups relate to education on the one hand, and how to react to the fate of immigration on the other are the two central elements within a presumptive Pikettyian ‘theory’ to explain our present demise. In agreement with the ‘social hypothesis’ Piketty does not advise us to deal with ‘nativism’ head on, but he wants to correct first the rise to even further growth of economic inequality. His catchword for the countermeasures is ‘participatory socialism’, which binds together a number of instruments including, most importantly, worker participation in firms in the spirit of the German *Mitbestimmung*, as well as an unconditional grant for 25 year-olds to balance out the uneven starting points for the younger citizens. Whereas he sees voting rights in firms as a more conventional form of ‘social ownership’, he calls the grant proposal as a form of ‘temporary ownership’, because it temporarily allocates capital to the younger population and collects it from them again through taxes, not least an inheritance tax in the end. Piketty sees these pro-egalitarian policies as a third alternative to the institutionalized meritocracy on the side of the haves, and the anti-immigration fight of the have-nots. That these ideas have started circulating in an open public manner since the 2008 crisis, he interprets as a clear signal towards their urgency.

To conclude (with a look at the beginning), to which extent are we indeed the spectators of a collective learning process towards a more just society, ‘just’ in one specific sense of a participatory inclusion both in ‘democratic deliberation’—something Piketty refers to again and again—and in a more equal spreading of welfare? Such a big question as this one must remain open, at least for the time being. But the need for deliberation is indeed urgent, and in the following pages some extensions, objections and answers to this end can be found.

The Editors

