

BOOK REVIEW
**WE LIVE IN TWENTY-FIRST CENTURY AND THERE IS
STILL NO PROLETARIAN REVOLUTION. DID
CAPITALISM CHANGE ITS FACE?**

Thomas Piketty. 2014. *Capital in the Twenty-First Century*. London: Harvard University Press, 685p. ISBN 978- 0- 674- 43000- 6.

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The book of Thomas Piketty had a very important impact on the academic world that deals with the fields of finance, public policies, political economy, globalisation or critical studies, because it tried to answer to some vital questions about how capitalism looks like in the twenty-first century: did it solved the problems regarding inequality that haunted the minds of Marxist revolutionaries for the past 150 years?

His work can be treated also as an attempt to continue the Karl Marx's *Capital* with an updated version that tries to redraw the economic reality of our time. Consequently, Piketty is not getting away from Marxist language, and he is using the same old concept to describe the new world. Thus, inequality is defined as an opposition between those who own capital (the means of production) and those who have to sell their labour in order to survive. Looking through those lenses, the root of inequality is represented by the unequal partition of property on capital.

Consequently, Piketty's book focuses on the eternal debate on redistribution mechanisms. Is redistribution fair, or it is going to encourage laziness? Which is the most accurate and efficient model of wealth redistribution? Those are some of the most important questions analysed in the book, along with the historical debate between Keynesianism and free market as economic models to synthesize the forces of labour and capital.

In order to do this, he organised the book in four parts. In the first one, he is discussing how the basic concepts of income and capital are going to be used in his research, reviewing the main stages of income and output growth since the Industrial Revolution. In the second part, he is focusing on the dynamics of capital and income ratio, by concentrating on the evolution of capital stock that changed significantly, starting in the eighteenth century. He is considering “various forms of wealth (land, buildings, machinery, firms, stocks, bonds, patents, livestock, gold, natural resources, etc.) and examining their development over time, starting with Great Britain and France, the countries about which we possess the most information over the long run” (Piketty 2014, p. 113).

The third part is extremely important because Piketty is examining inequality and the distribution at the individual level. He is showing that the public policies that followed from the First and Second World War had a central role in reducing inequality during twentieth century. Those are the welfare states that emerged after 1945, in a period where John Maynard Keynes’ ideas found the middle way between communism and unregulated capitalism. After that, since the 1970s and 1980s, the level of inequality started to rise again as a result of a transition between Keynesian and neoliberal models. He is also analysing “from both a historical and a theoretical point of view, the evolution of the relative importance of inherited wealth versus income from labour over the very long run” (Piketty 2014, p. 237). In the end, the discussion shifts to the problem of how the global distribution of wealth can evolve in the next decades, especially when there is no global authority to control the flow and distribution of capital. The fourth part of his book is dedicated to the future. Piketty is trying here to see what the lessons from the past are and which of them can be applied in the twenty-first century, and, also, what are the main challenges that we could face in the following decades. “One major lesson is already clear: it was the wars of the twentieth century that, to a large extent, wiped away the past and transformed the structure of inequality. Today, in the second decade of the twenty-first century, inequalities of wealth that had supposedly disappeared are close to regaining or even surpassing their historical highs” (Piketty 2014, p. 471). The dynamics of global economy brought high hopes regarding the irrelevance of wars as a tool of international relations or the eradication of poverty, but in the same time the world seems to face a historic level of inequality. Consequently,

Piketty is discussing at the end of his book several issues like a social state for the twenty-first century, rethinking the progressive income tax, a global tax on capital and the question of public debt.

To conclude the entire research from his book, Piketty ends up with two main conclusions. The first one is about the inequality of wealth and income, and states that the distribution of wealth was always a political issue, and it cannot be interpreted as a purely economic mechanism. "The history of inequality is shaped by the way economic, social, and political actors view what is just and what is not, as well as by the relative power of those actors and the collective choices that result. It is the joint product of all relevant actors combined" (Piketty 2014, p. 20). Thus, in order to understand and fight against inequality, one should be aware of the big picture that frames the fields of economics, politics and sociology. The second one "is that the dynamics of wealth distribution reveal powerful mechanisms pushing alternately toward convergence and divergence. Furthermore, there is no natural, spontaneous process to prevent destabilizing, inegalitarian forces from prevailing permanently" (Piketty 2014, p. 21). This last conclusion of the French economist shows a high level of pessimism regarding the possibility of transforming global capitalism in a human-face economical system that could ensure fairness for all human beings. Even more, in the absence of a global regulating mechanism, the capitalist system tends to deepen wealth inequalities.

These conclusions show that the work of Thomas Piketty is part of an intellectual tradition that starts with Rosa Luxemburg and states that Marx's idea of primitive accumulation is still an important pillar of the capitalist system in twenty-first century. Furthermore, "modern economic growth and the diffusion of knowledge have made it possible to avoid the Marxist apocalypse but have not modified the deep structures of capital and inequality – or in any case not as much as one might have imagined in the optimistic decades following World War II" (Piketty 2014, p. 1). This point of view supports the Marxist theory which states that economic discrepancies are deepening and, in the end, this situation would lead to a revolution of labour against capital (working class against bourgeoisie). Indirectly, we can understand that the time of this revolution has not yet arrived. Also, we might see the need of change in the threats to the democratic values that are specific to current societies; as Piketty put it: "capitalism automatically generates

arbitrary and unsustainable inequalities that radically undermine the meritocratic values on which democratic societies are based” (Piketty 2014, p. 1).

But Marx formulated this theory as an indisputable truth without paying considerable attention to the role of ideology, which could be essential in the quest for understanding the social change. I will bring here into the discussion another school of Marxism, the Gramscian one, which puts ideology in the middle of the analysis. “Gramsci turned against the attempt to oppose ideology to the objective truth of a science, because fundamentally the idea of an objective reality is also a particular conception of the world, an ideology” (Rehmann 2007, pp. 218-219). Moreover, using ideological tools, the capitalist system always finds ways to legitimate the social *status quo* and to keep the labour forces obedient. The ideological domination of the capital forces is called, in Gramscian terms, hegemony. “Whenever the hegemony of the bourgeoisie begins to disintegrate and a period of organic crisis develops, the process of reorganisation which is needed to re-establish its hegemony will to some extent have the character of a passive revolution” (Simon 1999, p. 56). The passive revolutions refers to the moments where the capital social forces reshape the public discourse in order legitimate their new positions by presenting the current social order as the only one that is properly functioning and that could ensure wealth for all of those who accept it, and play on its rules.

In conclusion, the book of Thomas Piketty is of crucial importance to everyone who wants to study the face of capitalism in twenty-first century, the new trends in global political economy, or to find alternative solutions to fight against social inequalities in the future. But the social effects of the inequality gap, which are deepened by the law of primitive accumulation, could be handled by the dominant class if they will properly organize the ideological domination (hegemony) over society.

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