

TIME FOR SOCIALISM: DISPATCHES FROM A WORLD ON FIRE, 2016-2021

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Piketty, Thomas (2021) *Time for Socialism: Dispatches from a World on Fire, 2016-2021*, New Haven and London: Yale University Press.



French economist, Thomas Piketty, is a public intellectual and author of two heavy weight books in every respect. The first, 600-page *Capital in the Twenty-First Century* (2014) traced the long-term evolution of wealth concentration and inequality from the eighteenth century onward and became a publishing sensation for a non-fiction book selling 1.5 million copies in multiple languages. Drawing upon data from 20 countries across 200 years, Piketty carried out impressive economic detective work on the main drivers of inequality, particularly the returns on capital exceeding the rate of economic growth. His

analysis, however, is not just about diagnosis but formulation of regulatory tax measures that can fund a social state and address the grotesque levels of wealth accumulation by the world's highest earners. The dynamics of wealth concentration identified by Piketty have accelerated during the COVID-19 pandemic. A report published by Oxfam in January 2022 revealed that the wealth of the world's 10 richest men has doubled since the pandemic began while the incomes of 99 per cent of humanity are worse off because of COVID-

19 (Oxfam, 2022: 6). Clearly, the more we know about how global capitalism creates inequality then the more informed are the strategies designed to tackle its excesses.

Piketty's second monumental book, *Capital and Ideology*, weighed in at 1,100 pages in March 2020 with a broader historical sweep that pre-dated industrialisation and reflected on the historical and materialist forces that underpinned slavery, serfdom, colonialism, communism and hypercapitalism. Where *Capital in the Twenty-First Century* focused on western capitalism, *Capital and Ideology* offered a more ambitious and consciously global overview that extended from pre-modern economies to the emergence of economic power houses in the global South, most notably China, that have accompanied the ideological and economic decline of the US empire over the past twenty years (Bello, 2022). 'As the era 2001 to 2021 comes to an end', argues Walden Bello, 'the American empire continues to be dominant, but its pillars have been severely eroded' (Ibid). Piketty has found an erosion of traditional bi-polar, class-based politics in the US which dominated in the 1950s and 60s and the emergence of 'multiple-elite politics' with educational elites (the Brahmin left) voting for the left and wealthy elites (Merchant right) for the right (2018: 3). Low-income and lower education voters who had traditionally voted left have more recently become increasingly aligned with identity politics rooted in race, xenophobia and populism. With economic insecurity and static incomes spawning political distrust and polarisation, Piketty's analysis is urgent and timely.

But where do we locate Piketty among the pantheon of economic giants? In a review of *Capital and Ideology*, Davies (2020) described him as more 'liberal reformer' than Marxist, a 'brilliant and relentless anorak... fixated on statistics'. The evidence of Piketty's latest book, *Time for Socialism* (Piketty, 2021), suggests that the data and research invested in his two thumping volumes on capital have led him from liberalism to socialism. As he remarks on the first page of *Time for Socialism*, if anyone had told his younger self that he would publish a volume of articles under that title he would have thought it a 'bad joke' (Ibid: 1). *Time for Socialism* is a collection of 57 articles published by Piketty in the French newspaper, *Le Monde*,

between September 2016 and January 2021. They are published chronologically and ‘without any modification or re-writing’ (Ibid: 3). The book is divided into four sections with the section headings almost meaningless given the meanderings of the topics considered. However, there are recurring cross-cutting topics that draw Piketty back from year to year. They include: the democratisation of the European Union; the correlation between inequality and the climate emergency; the criticality of educational equality and the provision of an education budget to every citizen to ensure it happens; bold redistributive measures to end excessive accumulation including a 90 per cent rate of inheritance tax; the election of Macron and the French economy; and a ‘new form of socialism, participative and decentralized, federal and democratic, ecological, multiracial and feminist’ (Ibid: 2).

Time for Socialism’s 25-page introduction sets out Piketty’s stall for a more egalitarian and democratic economic model that is convincingly and impassionedly argued and underscored by data that never overwhelms the reader. Piketty often reaches back into history to draw comparisons with the period of neoliberalism from the 1980s onward. The wealth of the richest 1 per cent, for example, fell sharply in the twentieth century, particularly in the United States where a tax rate of between 80 and 90 per cent was levied on the highest incomes, properties and assets between 1930 and 1980 (Ibid: 228). Rather than causing capital flight and undermining the economy, these tax measures made it ‘more egalitarian and more productive’ (Ibid). The onset of Reaganomics in the 1980s, however, saw the rate of taxation on the wealthiest drop from 70 per cent to 30 per cent, and the fiscal dumping (tax cuts) has continued under successive administrations, including the Clinton and Obama Democrat administrations in the 1990s and 2010s (Ibid: 263). A consequence of these tax breaks for the rich is that the incomes of poorest 50 per cent of Americans have not risen since 1980 (Ibid: 69) which enabled Trump to play the ‘identity and nationalist discourse in the wake of the failure of Reaganomics’ (Ibid: 263). Piketty makes plain that Trumpists and Brexiters have hardened the fiscal environment for the lowest incomes while advancing nativist views that deepen social discord (Ibid: 277).

A similar situation has obtained in the European Union (EU) where the share of the poorest 50 percent in terms of income has grown modestly since 1980 from 10 per cent to 20 per cent, which Piketty considers a potentially reversible improvement (Ibid: 5-6). EU members have mostly engaged in competition to create an accommodating fiscal and social environment for the wealthiest individuals and corporations with Piketty dismayed at Macron's decision to abolish a wealth tax in France on financial assets at a cost of €5 billion per annum (Ibid: 116). Piketty instead proposes a universal capital endowment or minimum inheritance of €180,000 payable to all citizens at the age of 25 to narrow inequality and reverse the atomisation of society so evident under the populists. He also advances the idea of an individual carbon card to protect those on low incomes and ensure that the highest emissions of carbon are taxed heavily. And, yet another welcome proposal, is the replacement of that favourite metric of neoliberalism, Gross Domestic Product, with national incomes so that the focus is on the distribution of wealth rather than on national averages (Ibid: 16).

Piketty's proposals for reform of the EU are aimed at creating workable, transparent institutions based on a model that is 'internationalist in its ultimate objectives but sovereigntist in its practical modalities' (Ibid: 20). These ideas are set out in a 'Manifesto for the Democratisation of Europe' (Piketty, and Vauchez, 2018) which has at its centre a federal social system, not dependent on unanimity, and driven by a European Assembly comprising representatives from the national parliaments of member states with the number of members weighted on the basis of population. It would introduce a budget for democratisation to be approved by the European Assembly to support fundamental social and public goods - healthcare, education, housing, energy, the environment etc. - financed by four progressive taxes on the profits of major firms, the top incomes, the highest wealth owners, and the highest carbon emissions (Ibid: 213). The Assembly would 'prevail over a cult of diplomacy behind closed doors' in the Eurogroup (Ibid: 104) with the capacity to reject the kind of austerity measures that prevailed in several EU states since 2008. 'We need to turn our backs on the ideology of absolute free trade...',

argues Piketty, ‘and put in place a model of development based on explicit and verifiable principles of economic, fiscal and environmental justice’ (Ibid: 20).

But what has *Time for Socialism* to offer by way of an analysis of historical and contemporary relations between the global North and South? There are short articles on Brazil, China and India that really only scratch the surface of the complex social and economic picture in each country. Piketty has more of value to say about reparations arising from slavery and colonisation in the global South. He recalls how the abolition of slavery in Britain in 1833, resulted in the equivalent of 5 per cent of the British national income (in today’s currency, €120 billion) being paid in compensation to 4,000 slave owners (at an average of €30 million) (Ibid: 303). Similarly, Haiti had to pay a sum estimated in today’s terms at €30 billion to France as compensation to slave-owners between 1825 and 1950; a sum it is trying to retrieve (Ibid: 24). Promises of forty acres of farmland and a mule made to former slaves at the end of the US civil war in 1865 were not honoured and racial segregationist laws continued to be enforced until 1965. A sum of \$20,000 in compensation was paid by the US government to Japanese-Americans interned during the Second World War in 1988 (Ibid: 24-25) but clearly a lot remains to be done by countries in the North by way of acknowledging and recompensing colonial injustices.

The book could have offered more analysis on other global issues, including debt in the global South. It makes the point that the debts of Germany, France and Britain ‘ranging from 200% to 300% of GDP’ after the Second World War were written off (Ibid: 224). This presented an (untaken) opportunity to contrast the treatment of post-war European countries with low and middle-income countries in the global South today that remain trapped in the vice-like debt conditionalities of the World Bank and IMF. Most of this debt is illegitimate and should be written off, particularly in the midst of a pandemic (JDC, 2020). The book is better on the issue of migration into the EU which, despite being halved between 2010 and 2018 (Ibid: 192), continues to be used by the far-right to advance odious anti-immigrant rhetoric and policies. The coverage of development issues, however, is mostly considered in the context of the EU and its member states.

The attractions of *Time for Socialism* include the diversity of the issues considered in short articles that represent bite-sized snacks set against the heavy courses of his longer books. The collection represents a more accessible introduction to Piketty's economic ideas and readers may be surprised by the ease of navigation as the writing style is very digestible. The downside is that because Piketty returns to key concerns in several articles, there is inevitable repetition of facts and ideas. Moreover, many of the stories he covers in his articles: Trump, the 2020 US election, Brexit, the election of Macron, the storming of the Capitol in Washington etc. are, to some extent, in the rear view mirror. As Piketty admits, 'some columns have aged less well than others' (Ibid: 4). He hopes nonetheless that readers 'find some useful leads for his or her own reflections and commitments' (Ibid). This reader certainly did.

What the collection argues, convincingly in my view despite its limitations, is that socialism remains the most viable alternative to capitalism. As Picketty suggests, it's not enough to be against capitalism and neoliberalism without offering an alternative vision of how the economy can be managed for the benefit of all. In the 'absence of a clearly explained alternative', argues Picketty, 'the current system has many days ahead of it' (Ibid: 2). This is a point that the international development and development education sectors would do well to take on board. These sectors are better articulating what they are against than what they are for, and need to elaborate what they mean by 'development' and a 'developed society' in today's economic context. Picketty describes himself as a social scientist who has descended from this 'ivory tower' to 'get involved in the life of the city and in current events with all the risks that this entails' (Ibid: 4). It's high time for educators engaged with the process of development to do the same.

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