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# Book Review: Piketty, T. (2024). Nature, Culture, and Inequality: A Comparative and Historical Perspective.

## SUMMARY

Thomas Piketty's *Nature, Culture, and Inequality: A Comparative and Historical Perspective* (2024) offers an analysis of inequality from historical, cultural, economic and environmental perspectives. Referring to the World Inequality Database and history, Piketty examines distribution of income, wealth and welfare across Europe, Middle East and South Africa. Author argues that inequality is not a natural process. It is a result of the choices of institutions, ideologies and people. Some other topics such as history of taxation, progressive redistribution and welfare state also included in the further chapters of the book. The last chapter of the book focuses on environmental inequality, focusing on carbon emissions and a globalized action for climate change. The book includes lots of comparative evidence as well as arguments, but it leaves empty spots on practical policy measures especially for taxation and environmental management. The target audience of the book is academics and researchers that seek data-driven perspective on historical roots and modern challenges of inequality.

**Keywords:** ESG, Resilience.

**JEL codes:** N/A

## BOOK REVIEW

In his book of "Nature, Culture, and Inequality: A Comparative and Historical Perspective", Thomas Piketty describes a historical and cultural path of inequality from the perspectives of income levels, wealth distribution, welfare spending, voting rights, taxation and debt; then concludes with the nature aspects such as global warming, CO<sub>2</sub> emissions and biodiversity destruction. The author is using global figures and country specific examples to describe the spectrum of inequality with the addition of historical and cultural explanations.

The author refers to a World Inequality Database and references earlier scholars and their work towards gathering historical data. He especially mentions the manual data gathering process in France dating back to early twentieth century including inheritance, land ownership, salaries as well as overall income and tax.

The author describes the inequality of income simply stating that the top earners of the population make half of the global income, while arguing that in a perfectly equal world the income must be the same proportion for every individual. Using the examples of Europe – in particular the northern region and South Africa – Piketty describes the broad spectrum of in-

come disparity. As one of the reasons, the author describes the historical selection of governing institutions as the main factor for the facilitation of such results, noting to keep in mind a diverse social and cultural effects.

When it comes to gender inequality, Piketty emphasizes the methods used for the analysis of pay gaps in broad research are not accurate. Practically, men and women very often do not have access to the same positions. The author suggests that the inequality of gender is most visible when you take into consideration the actual income that flows to men and women then compare them.

Continuing with the wealth distribution, the author states that the spectrum gets much more extreme. While the top 10% of the population has more than half of the globe's wealth, the lowest half has a significantly low percentage of ownership. Even in Europe, which is considered the most equal continent of the world, the numbers show similar tendencies. The author explicitly states that Europe has come a long and hard way to this state and refers to the 20th century as a period of great redistribution of wealth.

The author explains how the quality of data is high in France, noting that there is a tradition of data collection from income, inheritance, land ownership and general wealth of individuals. The author further describes how the different historical periods of the country are reflected in the statistics, while emphasizing that the country achieved great goals towards equality.

In the next phase the author focuses on Europe, but mentions those western and less egalitarian parts, especially the U.K. A single chapter focuses on Sweden, presumably the most egalitarian country in the world currently as per Piketty, describing that they were very egalitarian a hundred years ago. The chapter continues discussing how, historically, the Swedish society achieved today's levels of income and wealth distribution.

Piketty continues to talk about welfare state and describes how the taxation system was established. This system will bring nearly half of the national earnings of most countries. Then the author provides insights on how tax was spent historically. While the funds were spent on imperialist goals, the tendency started to change after the world wars, and investments into public education began. Piketty again sources European data – particularly from France and presents the spending on education per student in various states.

The author refers to two proposals of progressive taxation and emphasizes that it is not only an economic solution but also a moral and political construct, which can lead to justice in society. He argues that the reduction of inequality in the

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20th century is largely due to the deliberate institutional choices that government made in the public education investments, progressive taxation laws and the development of welfare state. For Piketty, it is visible that the concept of inequality is not a purely natural process of capitalism but the consequence of ideologies.

Piketty concludes the book focusing on nature and inequalities related to it. One broad thought put by the author describes that without a global and simultaneous effort, climate crisis cannot be solved. The author mentions carbon emissions data of per capita, pointing out that the immense sum of them is attributable to the top 1% of the world's population, while businesses all around the world move their most-carbon-emitting operations to countries where regulations are not strict.

Piketty's core claim of inequality being a product of the selected institutions is widely supported by political economy. While the extreme examples, such as Middle Eastern countries and Norway sound strong, the author supports the framework stating that the natural resources of both areas are oil and gas. Piketty clearly rejects the role of talent and temperament as leading factors of the development of nations. But such natural advantages might be a big influence on society one way or another. Geographical advantages of countries were proven to affect how civilizations thrive. External pressures, such as colonial history and trade hubs, have been key to the fate of some countries.

Social, cultural, political and ideological history also played a role in the variation. The author has argued this point broadly but persuasively. It is difficult to standardize and establish broadly how institutions are shaped by these factors. Cultures and ideologies are complex and constantly evolving, making it difficult to describe how they shape inequality.

Piketty's argument is powerful from this perspective and well-supported by comparative data. The author focuses on moral and ideological justification of progressive taxation and connects the past with contemporary concerns.

However, there are many more issues which need to be included in the topic of taxation, such as tax avoidance, interna-

tional capital mobility and political resistance. Readers would like to see more practical approaches to progressive taxation where realistic economic results have been demonstrated. Nevertheless, the chapter is a powerful step towards rethinking the role of taxation for a better future.

Piketty uses empirical evidence to link the inequality in the economy to issues related to nature and the environment. The strong nature of the text is visible as the author clarifies climate issues with an honest and nuanced account of carbon emissions across nations. However, the fact remains that nature and environmental policies are still evolving all around the world. The book calls for greater equality for the topic but lacks practical steps to achieve it.

Because of the terminology and language used, this book might not be a starting point for many students and the general public to investigate the topic of inequality. But researchers and academics working in the field can refer to the latest information presented in the book.

The term of „the top 10%” is negatively associated with popular culture nowadays, as societies tend to demand higher taxation of the rich. Referring to society, Piketty mentions that data shows that the world is indeed moving faster towards equality today. But the march itself is not equal. Additionally, the world now must deal with issues of nature related issues.

In the terms of the author, because of the widening gap between the top and the bottom, the book provides up-to-date information, and a broader perspective on some of the major gaps. The focus of the book was mostly on cultural differences through the history of specific societies and the historical events that shaped people's lives. The book succeeded in describing the widening gap through statistical data and generating arguments referring to political and cultural aspects.

## REFERENCES

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