UNDERSTANDING HISTORY AND POLITICAL ECONOMY

One of the major attempts to understand the character of contemporary capitalism has been carried out by Thomas Piketty in two important books. These will be subject to a critical analysis but it will be recognised that this work represents a significant contribution to the understanding of the importance of the role of capitalism in historical terms. The book that develops a historical context to the approach of Piketty is outlined in ‘Capital and Ideology’ (Harvard University Press, 2020) He assumes that the general character of society is based on the expression of the role of various forms of inequality: “Every human society must justify its inequalities: unless reasons for them are found, the whole political and social edifice stands in danger of collapse. Every epoch therefore develops a range of contradictory discourses and ideologies for the purpose of legitimizing the inequality that already exists or that people believe should exist. From these discourses emerge certain economic, social and political rules which people then use to make sense of the ambient social structure. Out of the clash of contradictory discourses – a clash that is at once economic, social and political – comes a dominant narrative or narratives, which bolster the existing inequality regime.”(p1) The major problem with this approach is that it denies the importance and significance of the role of the contrasting alternative of the possibility of the realisation of egalitarian regimes as the alternative to the situation of the privileged role of various economic and political elites. Indeed, it can be suggested that history has increasingly been about the opposition between dominant and privileged classes with the attempts of subordinated classes to try and establish forms of an egalitarian regime. Pickard recognises the importance of the striving to realise various forms of equality by subordinated classes but he also seems to suggest that such attempts to realise these types of society have essentially failed, but he also paradoxically contends that the attempt to realise this prospects of egalitarianism continues to be an important aspect of social reality. Hence he concludes that: “From this historical analysis one important conclusion emerges: what made economic development and human progress possible was the struggle for equality and education and not the sanctification of property, stability or inequality.”(p3) Hence he concludes that the character of history does not mean that various regimes based on inequality are permanent but that instead it is still possible to strive to realise genuine socialism. But the issue that will have to be addressed is which social agency will be able to establish the successful development of this type of change, and what is the character of contemporary society that enables this possibility of revolutionary transformation to occur. Piketty outlines how society has generally been expressed by the role of various systems of inequality based on the role of forms of property, and this aspect has been justified by the role of ideology. Hence the history of humanity has been about the durability of the role of various social formations based on these aspects and the related problems involved in trying to change this situation. But it is necessary to recognise that the very character of ideology means that the various forms of social system can be both defended and opposed in terms of the importance of rival ideologies and in this context the principles of equality have been very important in being able to modify the character of what are generally inegalitarian systems. Therefore, the character of history is that it is open-ended and that there are generally possibilities to change the status quo: “When we look closely …. we find that alternatives always existed – and always will. At every level of development, economic, social and political systems can be structured in many different ways; property relations can be organized differently; different fiscal and educational regimes are possible; problems of public and private debt can be handled differently; numerous ways to manage relations between human communities exist and so on. There are always several ways of organizing a society and its constitutive power and property relations.”(p8) But this vague assumption of a complex diversity to the character of social formations actually obscures the fact that in general terms various elitist systems like feudalism and capitalism have tended to be dominant. Furthermore, the attempt to develop the alternative of socialism has been a failure. Pickard tries to deny the importance of the stability of various forms of domination by ruling elites by suggesting that the failure to realise communism has only contributed to the ascendency of these developments. The assumption being that a progressive alternative could have been a valid possibility if it was not for the distortions of the Stalinist system. The author argues that the alternative to what is a pessimistic approach is to outline how progressive possibilities could have been realised: “The study of these different historical pathways as well as the many paths not taken, is the best antidote to both the conservatism of the elite and the alibis of would-be revolutionaries who argue that nothing can be done until the conditions for revolution are ripe. The problem with these alibis is that they indefinitely defer all thinking about the post-revolutionary future.” (p8) In other words the implicit assumption being made is that genuinely progressive change can be made without the necessity of revolutionary developments. Hence what is being suggested is that there is something about the character of most types of society that make them amenable to the realisation of various forms of progressive economic and political change. But in order to sustain this perspective Piketty makes the dogmatic assumption that all types of society are amenable to the possibility of progressive change: “I start with the hypotheses that every ideology, no matter how extreme it may seem in its defence of social inequality, expresses a certain idea of social justice.”(p9) But the basis of this perspective seems to be questionable and based on a dogmatic understanding of history has having a progressive dynamic. It could be argued with more credibility that the character of history has expressed the defence of privilege by various ruling elites and that the attempt to realise social justice has often been undermined as a result. However, Piketty also modifies his apparently dogmatic conclusions by his contrasting view that only the empirical study of the development of history can enable an understanding of the character of history to be made in the most convincing terms. Hence there is a tension in this work of Piketty between his emphasis on generalisations and the contrasting recognition of the importance of empirical complexity.

However, this criticism is not meant to deny the importance of the work of Piketty in relation to the development of the understanding of the character of history. Primarily his analysis can be significant in relation to the role of ideology in upholding or undermining the durability of social formations. This is an aspect that has often been underestimated by the approach of most forms of Marxism. But what can facilitate the development of the most effective understanding of the character of ideology is Gramsci’s conception of hegemony. Hence, to what extent is the ideology of the ruling elite able to sustain its domination over society? Or, alternatively can subordinated classes facilitate the development of an ideology that is able to effectively challenge the domination of the ruling elite. Piketty contends that history is complex, and that different possible policies and outcomes are always possible. This point seems to be valid but the ability of ruling groups to be able to realise their preferred policy is connected to the ability to be able to establish the success of their strategic approach, and this prospect is connected to the level of effectiveness that is realised in terms of the policy adopted in order to consolidate the domination of the ruling elite. However, as Piketty is aware this prospect is connected to the limitations of the alternative to capitalism and the apparent failure to develop a credible conception of socialism. In this context Piketty is right to suggest that it is not sufficient to merely oppose the domination of capitalism, and indeed such an approach could become justification of the alternative supremacy of a new type of political elite. Instead it is necessary to outline what is meant by a genuinely democratic form of socialism. However, in order to uphold the credibility of this approach means that the process of change has also to be progressive and based on the popular mobilisation of the people against capitalism. It was the elitist character of the ascent of Stalinism to power which meant that the character of the societies that were formed became authoritarian and based on the subordination of the people to the role of the party. But this development was also an expression of the theoretical and political limitations of the interpreters of Marxist theory who utilised the works of Marx and Lenin in order to conclude that the expression of genuine popular democracy was not a necessary aspect of a socialist society. Therefore, the issue of the bureaucratic formation of the various regimes claiming to be socialist was also an outcome of the limitations of the interpretation of Marxism. This aspect means that the development of an interpretation of Piketty’s understanding of history means including an attempt to overcome various limitations of Marxism in relation to theory and practice. However the approach of Piketty is not without its problems because the empirical recognition of the importance of the increasing influence of right wing populism and the importance of neo-liberal economics seems to imply that the confidence expressed in the possibility to realise progressive change appears to have been undermined by these developments. Hence the issue becomes how to outline a conception of history that is able to uphold the perspective of radical developments and yet also be able to explain the importance of the reactionary influence of right wing politics and its apparent capacity to undermine the possibility of the realisation of progressive changes. The view of the author is that these aspects do not necessarily undermine the prospect of the continual advance of the realisation of a perspective of radical transformation of society. But the problem is that the introduction to this work seems to be more convincing in explaining the significance of the increasing importance of populist and right-wing politics than in outlining the possibility for the realisation of radical change. Hence it would seem to be an expression of wishful thinking for the author to reject the view that the forces of reaction are not necessarily becoming dominant and that this trend can be opposed by the role of progressive opinion. In other words, if this view is to be more than the expression of wishful thinking it will be necessary for the author to outline the increasing historical importance of the progressive understanding of the possibility of social change within society. However, this very intention seems to be undermined by the recognition of the increased influence of the standpoint of conservatism within society. In this context it would seem that the objective of radical change has become the expression of the role of a few progressive intellectuals and so lacks genuine popular appeal. Hence the very objective of the prospect of radical change seems to have been reduced to the objective of a few radical individuals like Piketty. He comments: “In am an optimist by nature, and my primary goal is to seek solutions to our common problems. Human beings have demonstrated an amazing capacity to imagine new institutions and to develop new forms of cooperation, to forge bonds among millions (or hundreds of millions or even billions) of people who have never met and will never meet…..Nevertheless our ability to imagine new institutions has its limits. We need the assistance of rational analysis.”(p12) But the problem with this view is that the very arguments that are being provided for the objective of the realisation of a progressive alternative for humanity may be completely ignored and so the problems of society may not be seriously tackled. The point is does Piketty outline a conception of a strategy of change that could become convincing and effective in relation to the objective of the realisation of progressive change? The author attempts to address these concerns by implying that progress has occurred within human history and that this development may continue. But he is also aware of the issues that could undermine the realisation of this confident prediction. Hence the credibility of his approach has to be based not just on the role of economic progress but also has to be related to the issue as to whether humanity can develop the capacity and willingness to bring about successful change in relation to the objective of the creation of more egalitarian types of society. In relation to this perspective he is aware that the situation is characterised by regressive developments which have resulted in an increase of the importance of inequality within many societies. It would seem that empirical events seem to undermine the confidence that can be connected to the objective of social progress. He outlines in effective detail how since 1980 the situation in global terms has been expressed by an increase of inequality within most societies. But the point is that this situation can be related to developments within international capitalism and so the logical alternative would be to suggest the necessity of the realisation of the alternative of socialism. But the problem in the analysis is that it has an emphasis on explaining the reasons for the intensification of a situation of inequality rather than try to outline the basis of a credible alternative that could transform the present economic and political circumstances. For example, there is an emphasis on the decline of the attempt to realise equality in the post-war period which was based on the importance of the political organisations of Social democracy and the role of the working class. The author outlines a crisis of perspectives of the organisations of Social democracy which led to a decline in the influence of the approach of left wing politics but he does not suggest what could resolve this situation of crisis in a radical manner. Instead what is suggested is that regimes of inequality are able to generate a situation of domination without being challenged in an effective manner. This understanding is connected to the view that regimes of domination of elites are the expression of the most enduring aspects of history. Hence the problem for Piketty is that he is unable to outline the argument for socialism in terms of the possibility of the realisation of the role of an effective agency of social change. Instead he implies that there has developed a process of differences between the radical intelligentsia and the subordinated classes which has undermined the possibility for the realisation of progressive transformation of society. Hence the important task that is generated by this apparent problem in his perspective of change is whether the relationship between the intellectual elite and the subordinated classes can be created in the present which would facilitate the possibility to overcome the various forms of domination by the capitalist class.

Piketty suggests that an important problem has been the limitations of the approach of Social Democracy: “Furthermore, Social Democrats never really reconsidered the issue of just ownership after the collapse of communism. The post-war social democratic compromise was built in haste, and issues such as progressive taxation, temporary ownership….power sharing in firms (via co-management or self-management), democratic budgeting, and public ownership were never explored as fully or systematically as they might have been.”(p41) But the actual problems were more serious than this explanation. Instead the problem was the increasing accommodation to the system of capitalism by Social Democracy or the development of a situation of a failure of perspectives for the realisation of gradual change. The result of this situation was the increasing credibility of various forms of populist conservatism and the increasing differentiation of Social Democracy from its initial working-class support. But Marxism was not able to become popular and influential in this situation and instead the situation seemed to favour the increasing influence of the role of right-wing conservatism. Indeed, the author seems to suggest that the possibility for the re-emergence of the influence of socialism seems to be unfavourable in these circumstances. But this very assessment seems to imply that his own perspective of the advocacy of radical change is problematical in these unfavourable political conditions. Therefore, the challenge is to try and provide a justification for radical politics given the apparently unfavourable circumstances in which it is being advocated. Piketty has apparently no other option than to outline an understanding of history which could possibly indicate the long-term reasons why radical change could occur.

Piketty outlines how traditional ternary societies based on the domination of the nobles and clergy in Europe were transformed by a process of revolutionary change. In France the revolution of 1789 led to the development of an ownership society which meant that the state would uphold the right of property. This system was contradictory in that it seemed to uphold the rights of property for enterprising individuals but also excluded from the benefits of this system all those that lacked this ability to be able to utilise the role of ownership of assets in order to facilitate the creation of wealth. The merits and problems of this perspective are outlined in the following terms: “Broadly speaking, hard-core proprietarian ideology should be analysed for what it is: a sophisticated discourse, which is potentially convincing in certain respects, because private property, when correctly redefined within proper limits, is one of the institutions that enable the aspirations and subjectivities of different individuals to find expression and interact constructively. But it is also an inegalitarian ideology, which in its harshest, most extreme form seeks simply to justify a specific form of social domination….Indeed it is a very useful ideology for people and countries that find themselves at the top of the heap.”(p125) But the problem is that the limitations of the social situation means that this unequal situation cannot be challenged for a considerable period of historical development. However what Piketty does not mention is that this situation generates the formation of an ideology of socialism. In other words, the creation of an unequal society based on property ownership also creates the formation of popular ideology and the development of a conception of the necessity to realise a more egalitarian society. Hence a situation of inequality facilitates the creation of the development of alternatives. The development of a society based on the principles of inequality led to the articulation of an alternative based on the principles of a rudimentary type of socialism. Such a development was an indication that a system of economic inequality was not uncontested and instead was politically and ideologically opposed because of the discontent of the subordinated classes. What was important in this context was that the perspective of socialism was elaborated in terms of the development of a criticism of the emerging capitalism and the indication of a possible alternative type of society. It could be argued that this development was problematical because of the apparent utopian or unrealistic character of the various conceptions of socialism that were being promoted. But this possible limitation was overcome by the fact that the discontent of the exploited and oppressed people within society was able to connect their aspirations to an understanding of an alternative type of society. The very development of a conception of possibilities that could replace capitalism was an indication of the importance of this theoretical and political trend. What resulted from this situation of intellectual ferment was the emergence of various types of mass protest that became influenced by the revolutionary doctrines of socialism and the possibility to replace capitalism with this type of society. Hence the ideological domination of the emerging capitalist system was being undermined and the result was the problem for the ruling class concerning the stability of the regime that they presided over. However Piketty seems to underestimate these types of development and instead in reference to the French revolution h comments: “The French revolution opened up several possible ways forward, but the one ultimately chosen led to the development of an extremely inegalitarian form of ownership regime that endured from 1800 to 1914”(p126) This may be a satisfactory characterisation of the situation in this period but what is apparently glossed over is the importance of the development of political and ideological trends that rejected this development, and so culminated in the formation of the Paris commune of 1870. The point was that Proudhon developed a systematic conception of an alternative type of society and his approach had mass popular support. This development was part of the emergence of utopian types of socialism and the related aspiration of the workers and peasants for the creation of an alternative egalitarian society. The result of this situation was generalised discontent and the generation of the possibility of the successful realisation of a revolutionary alternative. In other words, the hegemony of the ruling class was often contested and opposed with the expression of an aspiration for the realisation of an alternative type of society.

But instead of recognition of the importance of popular discontent with the emerging capitalist system, Piketty seems to reject the significance of opposition to the capitalist system. He comments: “During the nineteenth century, new inequalities became visible as industry expanded in the 1830’s, and these lent legitimacy to calls for redistribution. Yet it was no easy task to put together a majority coalition around the issues of redistribution and progressive taxation. In the early decades of the Third republic and universal suffrage, the main issue were the Republican regime and the place of the church in it. In addition peasants and other rural dwellers, including some who were not very rich, were wary of the ultimate designs of socialists and urban proletarians, whom they suspected of wanting to do away with private property altogether.”(p142) This point may be valid but it is also necessary to indicate that the perspective of socialism acquired mass support in this period and so led to the radicalisation of the workers. The ideology of socialism acquired popularity even if sections of the peasantry were still opposed to this perspective. This meant that in the revolution of 1848 the issue of socialism was an aspect of its development, and the ruling class acted to oppose any attempt at the realisation of the political power of the working class. The aspects of the radical challenge of the workers was indicated most importantly by the formation of the Paris commune. In this context the political approach of the ruling class was based on opposition to the possibility of the revolutionary overthrow of capitalism. But the economic emphasis of Pickard on the importance of the development of capitalism in France based on the principle of private property seems to obscure the significance of events like the formation of the Paris commune and the general radicalisation of the working class. This does not mean that the outline of the economic development of French capitalism is inaccurate, but rather that this aspect seems to deny the importance of the role of the class struggle in France. It is also necessary to connect this development to the considerable influence of various forms of socialism such as the movements influenced by Blanqui and Proudhon.

The point being made is that the very domination of private property or the capitalist system was always contested by the subordinate classes in the form of the ideology of various forms of socialism. Hence the system could only establish its stability in terms of the capacity to ensure the consolidation of various forms of economic domination in connection to the relationship between capital and labour. But this situation was not always accepted by the workers and so as a result there was a constant process of political upheaval. Only the effective defeat of the working class in relation to the demise of the Paris Commune could ensure a period of stability for the capitalist system. Therefore, the issue of the domination of capitalism was based on the situation within the class struggle and the question of the challenge by the subordinated classes to the domination of the system. In contrast Pickard suggests that the system was generally undermined by the national tensions caused by the aspect of economic and political competition within the system. Ultimately he outlines the process of social change in terms of the importance of the role of the Soviet Union in undermining the domination of global capitalism: “Between 1914 and 1945 the structure of global inequality both within countries and at the international level, experienced a deep and rapid transformation. Nothing like it had ever been seen in the entire previous history of inequality. In 1914, on the eve of World War 1, the private property regime seemed as prosperous and unalterable as the colonial regime. The countries of Europe, proprietarian and colonial, were at the peak of their powers…..Yet by 1945, barely thirty years later, private property had ceased to exist under the communist regimes in the Soviet Union, and soon in China and Eastern Europe as well. It had lost much of its powers in countries that remained nominally capitalist but were actually turning social democratic through a combination of nationalizations, public education and health policies, and steeply progressive taxes on high incomes and large estates. Colonial empires were soon to be dismantled. The old European nation states had self-destructed and their reign had given way to a global competition between communism and capitalism, embodied by two powers of continental dimension: the Union of Soviet republics and the United States of America.”(p416) But the problem was that this development was not based on the genuine advance and progress of the realisation of the aim of socialism, or the generation of the successful attainment of an emancipatory alternative to capitalism. Instead the role of state ownership was based on the interests of the Soviet elite, and in the countries influenced by Social Democracy capitalism was still dominant and the aspirations of the workers became limited to what was acceptable to the interests of the present economic system. In other words, the aspirations of the workers did not decide the character of the politics of Social Democracy and Stalinism. This development was the ultimate result of the accommodation of Social Democracy to the interests of capitalism and imperialism in 1914 with the onset of the first world war and also as a result of the transformation of Bolshevism into Stalinism. Hence the era of the genuine popular character of the ideology of international socialism was replaced with the approach of the interests of elites who argued that they acted to realise the objectives of the working class. Kautsky outlined this approach in relation to Social Democracy by suggesting that a left-wing government with socialist objectives could realise socialism on behalf of the working class. The participation of the workers in this process of change seemed to be irrelevant. Whilst the Bolsheviks developed the approach that suggested that a genuinely revolutionary party was necessary to facilitate the possibility of social change, and the role of the workers was to accept the leadership of this Marxist organisation. But the problem was that the parties of Social Democracy and Stalinism seemed to degenerate and so become the justification of elitist objectives. But this aspect does not seem to influence Pickard who instead considers that between 1914-45 there was a general undermining of the aspect of inequality within the various countries of Europe.(p418) The contradictions of capitalism combined with the rise of Social Democracy and Stalinism was said to be the expression of this development. But in actuality the role of Social Democracy and Stalinism was to fail to develop an effective alternative to the continuation of capitalism. Indeed, in many countries such as France and Spain they acted to stabilise the capitalist system. Hence any reduction in the level of inequality must have been the unintended result of the limitations and contradictions of capitalism. The reference by Piketty to a decline in the level of inequality in the period 1914-45 was not because of the success of the working class, or the role of its political parties in influencing politics, but was instead because of the onset of a prolonged period of crisis between 1918-45. The capitalist system in Europe had prolonged periods of depression and recession, but this only meant that the influence of the working class was undermined by the onset of generalised unemployment. Therefore, any reduction in inequality was not because of the success of the workers in being able to realise social objectives or attain a genuine influence over the actions of governments. Instead the effective economic and political power of the workers declined because of the onset of a prolonged period of recession and the crisis of the various parties of the workers because of the failure to respond to the challenges of this situation. Hence in general terms the domination of capital was not challenged and instead the system was able to overcome the various problems posed to its domination. This situation was reinforced by the failure to create a genuine revolutionary party of the workers in order to create an alternative to the political limitations of Social Democracy and Stalinism. Hence the apparent reduction in inequality had nothing to do with the role of these organisations and was instead because of the situation of generalised economic crisis between 1914-45 as Piketty outlines. Hence there was nothing to suggest that the workers had increased their influence within society and so achieved egalitarian objectives, but instead the aspect of the serious character of what was economic crisis had resulted in the increasing limitations of the capitalist system.

But Piketty tries to deny this explanation of the situation and instead imply that there was a genuine tendency towards the realisation of a situation of increased equality: “Between 1914 and 1950 it was the very concept of property that changed due to the effects of war and social and political conflict. Existing property rights, which had seemed unquestionably solid in 1914, had by 1950 given way to a more social and instrumental concept of property, according to which the purpose of productive capital was to further the cause of economic development, social justice, and/or national independence.”(p434) But this conclusion is problematical because it seems to deny the primacy role of capital accumulation as the explanation of investment and economic activity. The point is that the period 1914-45 was a situation of increasing economic crisis that led to problems for the defenders of capitalism. However, the working class was not able to resolve this situation in terms of the general advance of the objective of socialism because of important political limitations such as the increasing opportunist role of the parties of Social Democracy and Stalinism. However Piketty suggests that the representatives of capitalism were able to respond to the development of a situation of increasing economic crisis: “The traditional laissez-faire doctrine of government non-intervention in the economy, which had prevailed in all countries in the nineteenth century and to a large extent until the early 1930’s, was doubly discredited. A shift in favour of interventionism took place almost everywhere…..People began to imagine forms of “mixed economy” involving some degree of public ownership of firms alongside more traditional forms of private property or, at the very least, stronger public regulation and oversight of the financial system and of private capitalism more generally.”(p434)But the problem was that it was difficult to translate this sentiment into becoming an expression of political policy because the overall economic and political power of the capitalist class was generally not challenged in an effective manner. Instead the ruling elite of the various capitalist countries were able to maintain their power and administer the government in terms of the rejection of the role of state intervention and measures of reform. In this situation the prospects of the realisation of reactionary outcomes like the realisation of fascism were made possible. The working class despite being discontented was unable to establish the possibility of socialism and instead the situation became characterised by the development of inter-imperialist tensions that resulted in the second world war. In other words, the ultimate problem was the crisis of working-class politics caused by the Stalinist degeneration of the Communist parties and the failure of social democracy in relation to the task of establishing democratic socialism. Hence the situation of increasing economic crisis did not result in a situation of radical change and instead there was the advance of the forces of counterrevolution. But Piketty seems to ignore these issues because he instead emphasises the realisation of policies of economic and political reform in the immediate post-war period. But this development was caused by the potential for the realisation of radical change caused by the increasing left-wing attitudes of the working class that aspired to make social gains because of the victory over fascism in the second world war. The very legitimacy of capitalism had been undermined by its association with fascism and there were real possibilities of radical transformation in societies like France and Italy. Only the reactionary role of the communist party meant that such a potential was not realised. In other words, despite the intensions of the Soviet elite the USSR had expressed the possibility of the advance of socialism, and this was expressed in the radicalisation of the European working class in the post-war period. But it was the very role of Stalinism in Western Europe to undermine the possibility of the progress of the working class and instead what resulted was the stabilisation of capitalism. In other words, despite the assumptions of Piketty about the general domination of capitalism in international terms there were periods in the period 1914-39 in which its credibility was called into question by the expression of mass discontent. But the problem was the lack of the role of an effective and genuine revolutionary party, and so the elaboration of a strategy of change was never promoted. The result of this political crisis of the working class was the continuation of capitalism. But Piketty is apparent indifferent to these issues because he considers that in many European countries and the USA there was a general process of change of capitalism into social democratic inspired welfare states. The period 1910-50 expressed the development of this process of the modification of capitalism. In an inconsistent manner he acknowledges the importance of the class struggle in resulting in this process of the transformation of the character of capitalism: “By the early 1950’s the essential elements of the social state were already in place in Europe, with total tax revenues in excess of 30 percent of national income and a range of educational and social expenditures absorbing two-thirds of the total……This stunning change was possible only thanks to a radical transformation of the political-ideological balance of power in the period 1910-50, years in which war, crisis and revolution exposed the limits of the self-regulated market and revealed the need for social embedding of the market.”(p459) But the point is that such a process of change was not determined by the willingness of the ruling class to adapt to increasing difficult circumstances, and was instead the expression of the influence of the role of the working class and the related popularity of ideas of socialism and reform. The successful progress of Social Democracy was a crucial aspect in this realisation of economic and political change. Hence what occurred was not because of the voluntary acceptance by the ruling class of the necessity of change and instead was the result of the changing character of the balance of class forces and the increased influence of the objectives of reform and the creation of a welfare state. Therefore, Piketty’s assumption that capitalism was a system that could change and realise egalitarian progress is a questionable assumption. Instead it has to be suggested that the period between 1914-45 was based on the role of various pro capitalist governments that generally utilised the situation of economic slump in order to undermine the social position of the working class. Only in an exceptional manner was the administration of Roosevelt in America prepared to utilise measures of economic expansion and social reform in order to resolve the situation of economic crisis. In more generalised terms the role of authoritarianism or deflationary economics was utilised in order to try to resolve the crisis of capitalism at the expense of the working class. There was little support within the ruling class for the expansionist and reformist approach of Keynes. But the problem was also expressed by the fact that the various Social Democratic parties lacked a policy of serious economic expansion and the reform of capitalism. Instead they advocated socialism in a dogmatic manner and as a result tended to accept the imposition of measures of economic orthodoxy by the various establishment politicians. This process was epitomised by the support by Ramsey Macdonald of the measures of the treasury in 1931 which was based on the imposition of deflationary politics at the expense of the working class. Only in France was a popular front government prepared to support measures of full employment and the introduction of limited workers control because of the mass mobilisation of the workers in favour of these measures. But in general, the parties of Social Democracy lacked an economic programme to try and resolve the crisis of capitalism in favour of the working class. Only the actual development of the second world war led to an effective end of the policies of deflation because of the necessity to create a situation of full employment in order to promote the realisation of the aims of military objectives. Only the radicalisation expressed by the working class during world war two, and the increasing influence of the economics of Keynes, led to the creation of social democratic governments after 1945 which were committed to the realisation of a welfare state and the prospect of full employment. But this development was also related to the radicalisation of the working class and the challenge of Stalinism which seemed to express some form of possibility of the realisation of a socialist alternative. Hence it was political developments which led to the effective modification of capitalism in terms of the aims of social reform and economic egalitarianism. There was nothing about capitalism as an economic system which implied the possibility to establish these types of progressive objectives. Instead it was the increasing radical character of the political situation which led to economic changes in the interests of the working class. Hence Piketty is wrong to suggest that capitalism had an inherent tendency to realise aspects of social equality. Instead the advance of the workers in relation to the class struggle which resulted in economic and political progress being made.

Piketty suggests that the role of world war one was the most important aspect in the creation of a more egalitarian society: “Recent research has stressed the importance of wartime experience itself, and especially the role of mass military conscription in legitimizing progressive taxation, and nearly confiscatory rates on the highest incomes and largest fortunes after the war. After so much working class blood had been shed, it was impossible not to demand an unprecedented effort on the part of the privileged classes to liquidate the war debt, rebuild the country, and pave the way for a more just society.”(p464) But the point is that there was nothing inherently benevolent about the capitalist system because of the importance of world war one. Instead what was increasingly apparent was the increasing significance of the role of social democratic and communist parties. Various social democratic based administrations acted to introduce measures of reform despite the opposition of various bourgeois type parties which were still based on the principles of deflation and austerity. There was nothing inherently progressive about capitalism which meant that it become a system inclined to the introduction of egalitarian measures. Instead the rise of Social Democracy led to the most effective challenge to the approach of economic orthodoxy and the justification of the interests of the capitalist class. But it has to be a questionable point whether various social democratic administrations were able to successfully realise measures that resulted in the undermining of the economic and political power of the capitalist class. Instead the results were modest and so it is questionable whether the following conclusion of Piketty is credible: “To recapitulate: the end of the ownership society was due more than anything else to a political-ideological transformation. Reflection and debate around social justice, progressive taxation, and redistribution of income and wealth……..grew in amplitude in most countries in the late nineteenth and early twentieth centuries, owing largely to the high concentration of wealth generated by industrial capitalism as well as to educational progress and the diffusion of ideas and information. What led to the transformation of the inequality regime was the encounter between this intellectual evolution and a range of military, financial, and political crises, which were themselves due in part to the tensions stemming from inequality. Along with political-ideological changes, popular mobilizations and social struggles played a central role, with specificities associated with each country’s particular national history.”(p468) But this comment only indicates the extent of discontent and popular struggle within particular societies, what is not established is how successful these mass actions were in terms of the realisation of genuine egalitarian objectives. Instead it could be argued that in general the various ruling classes of Europe and elsewhere were successful in being able to oppose and defeat the struggles that occurred in favour of reform and egalitarianism. In Italy and Germany reactionary regimes were formed in order to oppose the possibility of the realisation of genuine socialism. Whilst in most countries the policies of economic orthodoxy were utilised in order to reject the alternative of reform and egalitarianism. The defeat of the 1926 general strike in the UK was a specific expression of the ability of the ruling class to undermine the possibility of the realisation of some form of genuine egalitarian society. Hence the approach of economic orthodoxy was utilised in order to reject the realisation of the welfare state. In other words, the aspirations of the workers were defeated by the economic and political offensive of the ruling class. Therefore, Piketty claim that between 1910-50 was an era of egalitarianism would seem to be dogmatic view that had little relation to the actual economic and political situation. Indeed Piketty seems to contradict his viewpoint when he supports the views of Karl Polanyi’s Great Transformation which argued in the 1940’s for an end to the inegalitarian society of Europe and instead suggested the necessity of the introduction of measures of social reform. Piketty contends that Polanyi’s views had been vindicated by the onset of the period of economic recession in the 1930’s, which seemed to suggest the necessity of measures of economic reflation and social reform. In other words, capitalism was a system of inequality that was unable to realise the social and material needs of the majority of the people. But this perspective would seem to undermine the previous view of Piketty that capitalism in the inter-war years was becoming more egalitarian. Instead he outlines the apparent credibility of two incompatible perspectives. What is not outlined is a more convincing understanding of the importance of the economic and political offensive of the ruling class in the inter-war period which was based on ending the social gains of the working class. It was the very importance of this type of reactionary class struggle which actually inspired the development of support for the welfare state, which was generally established in the post-war period. In other words, the approach of Piketty does not explain the importance of the offensive of the ruling class in the inter-war years. This was a period of reaction rather than reform and progressive changes in the distribution of income. The position of the ruling class was generally undermined by the onset of economic recession rather than the successful realisation of reform. Hence there was no obvious realisation of a process of progressive change that resulted in the development of more egalitarian societies. Instead the general defeat of the working class in this period was because of the success of the ruling class in the class struggle. In other words, this situation meant that there could not have been the realisation of some inherent dynamic of progress towards the realisation of more egalitarian societies within the major capitalist countries. Indeed, this very assumption is questionable given the intensity of class struggle in Europe during the period 1914-45. The very defeats of the working class in this period could only mean that any expression of a prospect of the formation of more egalitarian societies could only fail to be realised. Only in France with the success of a militant working class could a process of reform be successfully realised. But in most situations, as in Germany, the formation of authoritarian regimes meant that the interests of the workers could not be realised in these adverse circumstances. Instead what resulted was the serious defeat of a powerful labour movement. In general terms the capitalist system was stabilised because of the problem of the strategic limitations of the parties of the workers. The development of Stalinism was an important reason why the possibility of revolution in Europe was never realised. Instead capitalism was stablished in terms of the system of democracy or authoritarianism. Hence Piketty’s view that the period 1910-45 was an era of progress for the subordinated classes can only be considered to be a problematical conclusion because it is based on an apparent indifference with regards to the actual events of the class struggle. Instead it has to be emphasised that capitalism was stabilised in this period because of the serious defeats of the workers and the connected limitations of the various socialist organisations. But Piketty suggests in a problematical manner that capitalism had a general tendency towards the realisation of social progress and increased equality. But this can only be a formal understanding with dubious empirical justification because the actual situation was that of increased mass unemployment in the situation of the recession of both the 1920’s and 1930’s. In this context the only manner in which capitalism could continue to thrive was on the basis of a sustained undermining of the social conditions of the workers. The system could continue to function because the advocates of the interests of capital were successful in undermining the influence of the workers within society.

But Piketty contends that: “Between 1914 and 1950 it was the very concept of property that changed due to the effects of war and social and political conflict. Existing property rights, which had seemed unquestionably solid in 1914, had by 1950 given way to a more social and instrumental concept of property, according to which the purpose of productive capital was to further the cause of economic development, social justice, and/or national independence.”(p434) But this conclusion is problematical because the onset of periods of depression was connected to the development of mass unemployment and the increased undermining of the social situation of the working class. Piketty suggests that the policy of non-intervention in the economy by the state was discredited by the onset of mass unemployment, but this increased activity of government did not somehow improve the influence of the working class within society. Instead the purpose of state intervention was in order to try to stabilise the situation of the capitalist economy in periods of recession and increased unemployment. Hence it is doubtful whether this policy acted to improve the social situation of the working class or introduce egalitarian principles into the economy. Only in France could it be suggested that social improvements occurred in the 1930’s and this was because of the successful militancy of the working class. In general governments acted to uphold the interests of capital and this meant undermining the social situation of the workers.

The author makes reference to the importance of post-war nationalisations and the creation of the welfare state, but this was an expression of the increased popular support for social democracy rather than being the realisation of some progressive dynamic of the capitalist economy. It is an abstract conclusion to suggest that capitalism has an inherent tendency towards the realisation of social advance for society. Instead the aspirations of the workers for a better type of society led to the increased popularity of social democracy within Europe. Only on that basis was it possible to realise advances for the working class. But the onset of recession in the 1980’s indicated the limitations of the social progress of the people and instead the perspective of the interests of capital meant that the interests of the workers were not realised in this period. This situation was an indication that the era of equality had been strictly limited.

In other words, the social gains that had been realised between 1910-50 were generally the result of the influence of the militancy of the working class combined with the possibility of the electoral success of social democratic type organisations. Therefore, contrary to the view of Piketty there was no inherent tendency for the transformation of capitalist societies into an expression of egalitarian values. Instead this possibility was the result of the development of class struggle and the level of effectiveness of the working class in relation to the aim of achieving social advances. But in a situation of general depression and mass unemployment it has to be suggested that the gains that were made were often of a limited and temporary nature. Only the onset of the post-war boom and the electoral success of social democracy enabled a situation to develop in which the workers were able to uphold the role of a welfare state. But it also has to be suggested that this development could only be sustained in terms of the period of the post-war boom. The increasing economic problems of western capitalism in the 1970’s led to a period of the offensive of capital against labour. This meant the role of the welfare state was seriously undermined in this situation. In other words, there was nothing durable about the period of the egalitarian character of capitalism which had been established in the post-war period. However, Piketty suggests that there was a general trend from 1910 to about the mid 1970’s which expressed the importance of progressive forms of taxation and the process of the realisation of increasing income distribution. But even if we accept that this was an aspect of economic policy it did not result in the development of the influence of the working class within society. The interests of capital were still upheld in terms of economic and political objectives of the various governments of this period. However Piketty disputes this view and implies that the apparent process of distribution of wealth meant that the policy of governments acquired egalitarian objectives: “By the early 1950’s the essential elements of the social state were already in place in Europe, with tax revenues in excess of 30 per cent of national income and a range of educational and social expenditures absorbing two-thirds of the total……This stunning change was possible only thanks to a radical transformation of the political-ideological balance of power in the period 1910-50, years in which war, crisis and revolution exposed the limits of the self-regulated market and revealed the need for the social embedding of the economy.”(p458-459) But this viewpoint is formalistic because it does not explain the success of the ruling class in opposing the challenge to its power by an increasingly radicalised working class in this period. Hence any increasing in social expenditure did not undermine or transformation the character of the economic and political power of the capitalist system. Therefore, it is a dogmatic conclusion to suggest that a social state emerged in the period 1910-50. Instead this possibility could only be realised with the definitive success of social democracy in the post-war period. Furthermore, the post-war boom sustained the development of the welfare state. These aspects did not essentially develop in the period before 1945. Instead this was a period of generalised defeats of the working class and the continuation of policies of deflation and limited public expenditure. It is questionable whether it could be suggested that under this unfavourable situation it was possible for a social state to develop. Instead it would require the role of the boom for the possibility of a social state to become a feasible possibility. In contrast the period 1910-50 was generally an expression of an offensive of the parties of the ruling class in order to undermine the possibility of the realisation of a socialist alternative. But Piketty seems to ignore these aspects and instead suggests that events like world war one and the Russian revolution led to a greater inclination for governments to be prepared to implement egalitarian measures such as increased income tax. But surely this development was secondary to the importance of deflationary measures in periods of increasing economic crisis. But Piketty is emphatic that the very possibility of radical change led to the acceptance of egalitarian economic and political policies: “The Bolshevik revolution also had a major impact. It forced capitalist elites to radically revise their positions on wealth redistribution and fiscal justice, especially in Europe. In France in the 1920’s, politicians who had refused to vote for a 2 percent income tax in 1914 suddenly turned around and approved rates of 60 per cent for the highest incomes. One thing that emerges clearly from the debate on the bill is how afraid the deputies were of revolution at a time when general strikes threatened to engulf the country and a majority of delegates to the French section of the Workers International….voted to support the Soviet Union and join the new Communist International. Compared with the threat of widespread expropriation, a progressive income tax suddenly seemed less frightening.” (p466-467) But the point of importance is did these measures actually increase the influence of the working class within society? Instead it could be suggested that these measures were of a formal character because the general policies of the governments did not change. They were still based on the importance of balanced budgets and the promotion of the economic interests of capitalism. Hence the social situation of the working class did not generally improve in the period 1910-40. Instead only the generalised electoral success of social democratic parties could result in the formation of a welfare state in the period after 1945. It was in these circumstances that the situation of the workers could make progress. Piketty does not necessarily dispute this point and implies that a process of political-ideological transformation, alongside the role of political struggle led to changes resulting in the creation of more egalitarian societies. But the point of contention is that this development was not necessarily the expression of the general tendency of the capitalist system for reform and instead was the primary outcome of the increased effectiveness of the intervention of the working class and their political parties. In an inconsistent manner Piketty accepts this point when he comments that: “What led to the transformation of the inequality regime was the encounter between… intellectual evolution and a range of military, financial, and political crises, which were themselves due in part to tensions stemming from inequality. Along with political-ideological changes, popular mobilizations and social struggles played a central role, with specific ties associated with each country’s particular national history.”(p468) But this comment would seem to contradict the emphasis that had been given about the importance of the inherent tendency of capitalist societies to become more egalitarian between 1910-50 and instead to recognise the transforming role of class struggle. The important point is that capitalism did not have an inherent tendency for social progress and instead this aspect was connected to the importance of the role of class struggle. Instead Piketty tries to reconcile these contradictory aspects and suggest that the importance of class struggle was combined with reforms by governments in order to create a process of change. But the majority of governments in the period 1910-40 were based on the principles of economic orthodoxy and a connected rejection of the aspirations of the working class for reform and progress. The levels of taxation may have increased but the objectives of governments to express the interests of the capitalist class remained unchanged. Instead Piketty implies that the very character of the economic system had been changed by the role of reform in economic and political terms. But this very possibility would seem to be completely undermined by the adoption of orthodox economic policies with the onset of the depression of the 1930’s. In this situation all aspects of progress and improvement of society seemed to have been rejected and instead there was an acceptance of the importance of unemployment and deflationary policies. This situation was also expressed by the general inability of social democracy to acquire political power, except in France. Hence Piketty seems to project the exceptional situation of France onto the international character of economic and political developments. But the result is that he justifies a one-sided view that ignores the generalised character of the offensive of capital against labour in the 1930’s. It would seem more credible to connect the actual increased influence of the working class to the post-war period. Indeed, this very development was related to a more favourable economic situation which meant that the possibility for the introduction of measures of reform and progressive social change became more probable. But it has to be established that the feasibility of change of this reformist character was based on the success of the capitalist economy, and so the aim of social democracy was not to replace capitalism with socialism. However, this meant that the promotion of egalitarianism was undermined by the understanding that it had to be realised in terms of the limitations and interests of capitalism. Thus, it was possible for conservative politicians to suggest in the 1970’s that the requirements of the economy meant that the era of reforms should be ended or at least limited. Piketty questions whether the period between 1950-80 was an expression of the realisation of the interests of the modification of capitalism by a social state. He outlines how in societies like West Germany important legislation was passed that led to increased participation of the trade unions in the management of the economy. He concludes that these measures, and similar policies in countries like Sweden meant: “To sum up co-management has been one of the most highly developed and durable means of institutionalizing the new balance of power between workers and capital. It came into being in the mid-twentieth century as the culmination of a long process involving union struggles, workers militancy, and political battles, which dated back to the middle of the nineteenth century.”(p500) But the problem is whether it is possible to ensure a situation of harmonious relations between workers and capitalists in terms of this process of shared management. In periods of economic boom, the interests of both groups may be compatible, but in situations of recession when the issue of redundancies arises, it could be argued that the objectives of workers and management will begin to diverge. Furthermore, Piketty outlines how the policy adopted in West Germany was generally of an exceptional character and was essentially not copied by other countries. However, Piketty does outline how issues of workers management have recently become popular with the realisation of a more left-wing leadership of the Labour party in the UK. But the general problem which Piketty does not seem to mention is that has been a lack of popular support for the approach of workers management within the working class. This problem has been connected to the increasing support of Social Democracy for capitalism and its rejection of the perspective of the realisation of a credible conception of socialism. But Piketty does indicate the most plausible reason for the failure to establish as policy of government the role of participatory economic democracy which is the trend towards increased inequality within capitalist societies which is obviously connected to the enhancement of the power of the employer when compared to that of the worker since 1980. He outlines how various Social Democratic governments have failed to introduce effective measures of progressive taxation, and this is an expression of their inability to generate the social conditions that would have facilitated a process of change that could have resulted in a more egalitarian society.

Piketty suggests that a process of movement towards the creation of a genuinely modification of capitalism in the interests of the people could be expressed by the introduction of a wealth tax. But the problem concerning this policy is how would this measure ensure the realisation of the interests of the people if the balance of power in favour of capital is not changed? Therefore the success of this measure would have to be connected to actual progress in the class struggle by the workers, who would have to be able to establish a situation in which the domination of capital had been undermined and replaced with a new development in which the people would be able to define the character of economic policy in more effective terms. Piketty outlines in useful detail the history of the introduction of various wealth taxes, but the point that he makes is that such measures have often been taken by a collection of right-wing governments who have not had egalitarian objectives. Hence the only situation in which the role of a wealth tax would have a radical difference is in connection to the formation of genuinely left-wing governments that were seriously committed to the realisation of social reform and change. But Piketty suggests in vague terms that despite this history of failure it could be possible to realise an effective form of wealth tax by a reforming government: “All history shows is that the search for the distribution of wealth acceptable to the majority of the people is a recurrent theme in all periods and all cultures. The thirst for fiscal justice grows stronger as people become better educated and better informed. It would be surprising if things were different in the twenty-first century and these debates were not again central, especially at a time when the concentration of wealth is increasing.”(p576-577) This comment would suggest that there is an inherent tendency within many types of societies for the realisation of egalitarian principles, but this creates the question as to why this apparent impetus towards the realisation of social equality did not succeed. The point is that the limitations of the various social democratic organisations meant that the possibility to establish genuine socialist type societies was not realised because these various parties accepted the limitations and dictates of the capitalist system. This aspect was connected to the lack of accountability to the working class and so the result was the acceptance of capitalism by both the various reforming parties and the trade unions. This aspect was connected to the fact that the social democratic parties did not have a perspective of the transformation of capitalism into socialism and instead accepted the limitations imposed by the capitalist system. Furthermore, the working class in general did not have a level of consciousness which could have resulted in the promotion of the aims of the realisation of socialism. Hence the suggestion of Piketty that there is a general tendency towards the development of egalitarianism within society is a questionable assumption and indeed seems to have been discredited by the reactionary politics of the last thirty years. The point is that it is the success of the working class in the political struggle that creates the conditions for the realisation of the principles of egalitarianism but this also means that the ruling class can establish a successful offensive that undermines the possibility to establish the successful realisation of these objectives of left wing politics. Hence there are periods in which social reform and egalitarianism are realised but these gains are undermined by the success of the offensive of the forces of capital in periods of economic recession. The point is that without the overthrow of the domination of capital the gains of the workers will not be definitive and instead the situation remains susceptible to the possibility of an end to these gains in a situation of the recession of the capitalist system. This situation is indicated by the serious defeats of the trade union movement in the recent period. The result of this development is that the forces of capital have been in the ascendency and so the view that the character of society is based on an inherent tendency towards the realisation of egalitarianism is a questionable assumption. Only the definitive victory of the working class over capital can ensure the possibility of the realisation of a genuine egalitarian regime. But the problem is that the workers generally lack the level of consciousness that is required in order to realise this development. This aspect is connected to the failure to develop genuine socialist parties that can advocate the realisation of the aim of socialism in a principled manner. Furthermore, the period of the crisis of capitalism since the 1980’s has not been conducive to the possibility to realise the success of the workers over the domination of capital. Instead the social gains of the post-war period have been ended and replaced by regimes based on the principles of austerity.

In relation to understanding the USSR Piketty describes it in terms of the realisation of the failure to develop a genuine emancipatory society: “The reasons for this failure are numerous, but one is obvious. When the Bolsheviks took power in 1917, their action plan was not nearly as “scientific” as they claimed. It was clear that private property would be abolished, at least when it came to the major industrial means of production, which in any case was relatively limited in Russia at that time. But how would the new relations of production and property be organized? What would be done about small production units and the commercial, transport and agricultural sectors? How would decisions be made, and how would wealth be distributed by the gigantic state planning apparatus? In the absence of answers to these questions, power became quickly ultra-personalised. When results failed to measure up to expectations, reasons had to be found and scapegoats designated, which led to accusations of treason and capitalist conspiracies against the Communist state. The regime then resorted to purges and imprisonments, which to some extent continued to its downfall. It is easy to proclaim the abolition of private property and bourgeois democracy but more complex (as well as more interesting) to draw up detailed blueprints for an alternative political, social and economic system. The task is not impossible but it requires deliberation, decentralization, compromise and experimentation.” (p579) But the problem was not the apparent failure to develop credible conceptions of an alternative to capitalism. Lenin had outlined in detail the aspects and principles of a new participatory society in his work ‘State and Revolution’, and he showed a willingness to compromise in terms of the acceptance of the ‘New Economic Policy’ in 1921 as the basis to consolidate the alliance of the workers and peasants. Indeed, Lenin constantly attempted to elaborate the principles and policies of a post-capitalist society between 1918-21, although his views were often undermined by the influence of the approach of dogmatism. Hence, he did not recognise the failures of war communism and its attempt to justify the compulsory extraction of a grain surplus from the peasants. However, Lenin was willing to learn from mistakes and so the possibility to develop a genuine participatory society and economy was not opposed by him. Instead this continued to the aim of the Bolsheviks during the period of his leadership. But the advent of Stalin to the leadership of the party meant that the perspective of the importance of the party as the primary expression of the character of the economic objectives became the basis of policy. This approach led to the introduction of the collectivisation of the peasants, which meant that coercion became a primary aspect of the character of economic activity. The major objective was to extract a surplus from the workers and peasants by the role of the centralised state economy. In this manner the character of society could no longer be defined in terms of the objectives of socialism or the role of a worker’s state, however bureaucratic. Instead socialism became defined in terms of the domination of the role of the Communist party.

Piketty outlines important criticisms of the limitations of the Stalinist regime of the USSR. But the problem is that this is not connected to the understanding that socialism could have been credible if the party leadership had really been motivated by the possibility to develop an emancipatory society. Instead what is implied is that the Soviet system was essentially an unrealistic attempt to create socialism. Hence the issue of how socialism could be established, or what its major features is not indicated in any effective manner. Instead the various limitations of the system are outlined, and the assumption being made is that this development was an expression of the inherent problems involved in trying to realise the vague Marxist conception of socialism. There was a connection between the dogmatism of Marxism and the limitations of a system that was both elitist and authoritarian. But this type of criticism could be applied to the very aim of socialism in general. The issue that is being raised by Piketty is how can an emancipatory type of society that is not capitalism be created? In other words what is a democratic alternative to capitalism that is also economic efficient and able to realise the material needs of the people. Piketty indicates that by the 1950’s the material interests of the Soviet people were being increasingly realised but the elitist character of the system was not transformed into a more democratic alternative and the domination of the party continued to be an aspect of social reality. The implicit assumption being made is that Marxism is not a perspective for realistic and genuine social change and instead the attempt to realise its objectives can only result in authoritarianism.

Hence the conclusion of this analysis is that Instead the vague assumption is made that a system based on aspects of capitalism and socialism can be a credible alternative to the limits of the present character of economic activity: “With the advantage of hindsight and knowledge of the twentieth century’s successes and failures, it is possible to outline new ideas – such as participatory socialism and temporary shared ownership – with which it might be possible to go beyond both capitalism and the Soviet form of communism. Specifically one can imagine a society that allows privately owned firms of reasonable size while preventing excessive concentration of wealth by means of a progressive wealth tax, a universal capital endowment, and power sharing between stock-holders and employees.”(p592) But the problem with this perspective is that it is vague and not systematically applied to the situation in the Soviet Union. The point was that in theory the Bolsheviks did have a similar type of perspective in terms of the views of Lenin between 1916-18, but it was very difficult to realise this participatory form of socialism in very unfavourable economic and political circumstances. Primarily it was not possible to establish a relation between party and class that was able to oppose the development of a regime of centralised power based on the role of the leadership of the Bolsheviks. The point was that the Bolsheviks did have a conception of participatory socialism, but it proved very difficult to implement this approach in increasing adverse conditions that primarily was expressed by the onset of civil war. In this situation there was no alternative to the development of a party state in order to conduct the tasks of the civil war in the most effective manner possible. The role of popular economic and political democracy would seem to be an aspect of society that was not feasible in these adverse circumstances. Hence the conception of popular, democratic and egalitarian socialism outlined in Lenin’s ‘State and Revolution’ could not be realised. There was apparently no alternative to the control by the party of the economic and political system. Hence the demand for workers control became considered to be a syndicalist illusion that had indeed proved to be an impracticality during 1918 and as result became rejected as an expression of utopianism. Instead it would seem that the only practical approach that could be established as credible policy was the control of society by the party. Hence it was adverse circumstances that primarily explained the failure to promote the possibility to realise a more genuine and democratic form of socialism. Instead the domination of the party over society could only result in the justification of forms of authoritarianism. However, Lenin and Trotsky considered that this development should be temporary and so ultimately replaced by a more popular and democratic alternative. But such a perspective was never realised because Stalin considered that the actual developments of the domination of the party over society was how socialism should be realised. Hence the triumph of Stalinism ended any expression of the possibility of the realisation of a more participatory and emancipatory conception of socialism. However, Pickard considers that these developments were inevitable because the Bolsheviks rejected the only credible alternative of decentralised participatory socialism. But as we have tried to suggest this view does not explain the actual complexity of the views of the various Bolshevik leaders. Lenin was always motivated by a conception of participatory socialism, but he had to accept the situation that this approach could not be directly realised because of adverse economic and political circumstances. Hence there was a contradiction in the theory and practice of Bolshevism that Piketty does not acknowledge. Instead he comments that the approach of the Bolsheviks was inherently authoritarian: “Why did the Bolshevik leaders reject the path of decentralized participatory socialism in the 1920’s?....To have a clear idea of the virtues of decentralization, one also has to articulate a clear vision of human equality – a vision that fully acknowledges the many legitimate differences among individuals, especially with respect to knowledge and aspirations, and the importance of these differences in determining how social and economic resources are deployed. Soviet communism tended to neglect the importance and especially the legitimacy of such differences, probably because it was in the grip of an industrial and productivist illusion.”(p593) The result of this bureaucratic rigidity was support for a centralised and authoritarian economy. But it can be argued that this development was not the result of the logical application of the theory of Lenin and was instead the result of the bureaucratic regression of the role of the party combined with the increased influence of an authoritarian conception of the organisation of the economy. The domination of Stalinism is very important for explaining the rejection of a popular and democratic conception of the organisation of the economy. In other words, the view that the character of Bolshevism was always based on an elitist conception of the aims of socialism is questionable given the views of people like Lenin and Bukharin on this issue. Instead the complex challenges of the actual situation led to the introduction of elitist measures that resulted in the consolidation of what became an authoritarian regime. However, it has to be questioned whether this development was the actual expression of the motives of people like Lenin. Instead his response to the situation was connected to the challenges of a complex situation. But it can be suggested that the formation of a one-party regime was a mistake. The major problem with the approach of Piketty is that he does not outline in satisfactory detail how the Bolsheviks could have promoted the realisation of a more democratic and genuine socialist type of society in the complex situation of the post-revolutionary circumstances. Instead his criticism is limited to the promotion of a few vague proposals about the prospect of the realisation of a participatory regime. In this manner the actual difficult circumstances of the 1917-23 period are ignored, and the differences between the Leninist regime and Stalinism are not explained. Instead it is assumed that Bolshevism is inherently authoritarian and so in this manner Stalinism is merely the logical expression of an elitist and centralised system. But such a relationship would call into question the very validity of Marxism in general. However, this issue is also not addressed. Instead Piketty outlines a dogmatic criticism of the limitations of Bolshevism concerning an inherent failure to realise democratic socialism.

But what Piketty seems to primary ignore is the importance of the adverse circumstances in which the October revolution occurred and so made the issue of the realisation of socialism a problematical possibility. In the situation of economic and political upheaval the situation was created in which the realisation of an authoritarian outcome was likely to occur. It could be argued that the Bolshevik leadership were unable to explain these developments in an adequate manner and so their politics started to acquire imaginary dimensions. But mistakes were made such as the ending of the role of genuine Soviet democracy and the attempt to establish genuine workers management of the economy ended in failure. Hence the only possible encouragement that could result in this situation was the advance of the progress of international revolution. But this did not occur primarily because of the reactionary role of Social Democracy. Therefore, in adverse circumstances the situation was created for the inevitable process of the degeneration of the revolutionary regime into the formation of an elitist dictatorship. In this context the problem became that the Stalinist government considered that the USSR was a form of socialism and so it rejected the understanding that socialism could not be realised in what were adverse circumstances. It could be argued that this illusion was logical because the administration did not want to admit that it was unable to create a genuine form of socialism. However this approach meant that the rule of the party elite became considered to be an expression of the development of a socialist society and so the understanding that only on the basis of the dominant role of the workers could socialism be envisaged as an actuality was rejected as a utopian illusion. In this context the very understanding of the principled character of the aim of socialism was compromised and so this limitation compromised the very struggle for the realisation of socialism. Instead the objective of socialism became associated with the national interests of the Soviet elite and the very understanding of the necessity of authentic proletarian revolution was rejected as a result. Instead socialism became associated with the expansion of the influence of the USSR. In this manner the understanding of the necessity of the self-emancipation of the working class as the basis of genuine socialist revolution became compromised and essentially rejected as unrealistic. The forces that supported the aim of genuine class struggle as the only basis to establish socialism became utterly marginalised. This meant that the significance of the events in the USSR was that the very feasibility of genuine international revolutionary struggle against capitalism became seriously undermined. The bureaucratic evolution of the USSR led to a serious regression in relation to the attempt to oppose world capitalism. It could be argued that this process of regression has never been rectified because there has not been the development of an effective revolutionary party of the workers since the era of the Bolshevik revolution. This is the aspect of the significance of the October revolution that Piketty does not really analyse.

Piketty outlines how China which had a process of Stalinist transformation in 1949 became a type of capitalist economy in the late 1970’s based on the continued political domination of the Communist party. It is mentioned by Piketty that this development was the result of the failure of the attempt to develop an economy based on nationalisation and the principles of state planning. However, this failure was connected to the failed attempt to establish the transformation of agriculture based on the formation of collective type farms dominated by the role of the party elite. In this context the participation of the peasants in the organisation of the rural economy was rejected and instead agriculture was based on the hegemonic role of the party. Hence the principles of bureaucratic organisation of the economy replaced any possibility to organise production in terms of the genuine participation of the producers. This was the reason for the failure of the nationalised economy, and so given that the party leadership rejected any possibility of socialist organisation of production the only other alternative was a process of the restoration of the role of capitalism. Piketty defines this development as the expression of the role of a mixed economy based on a combination of capitalism with the continued role of the state and nationalisation of various sectors of production. But in actuality this situation is an expression of the domination of capitalism because the logic of capital accumulation is what is most important within this formal combination of public and private forms of production. It also has to be suggested that the major objectives of the economy are defined by an emphasis on production for the world market. China has become the second most important economy within the international situation. Piketty outlines the aspects of the unequal character of Chinese society and the related accumulation of wealth by the increasingly influential capitalist class. But the reason for this development is not explained adequately by Piketty. He refers to the process of reaction to the authoritarianism of Maoism in terms of the increasing support for pragmatic measures that ultimately resulted in the expression of the development of capitalism in the late 1970’s. But the ultimate issue was the failure to realise genuine proletarian revolution in 1949 when the Communist party realised power. The formation of a regime based on the power of a party elite meant that the option of support for the restoration of capitalism would always become possible in relation to the fact that genuine socialism had not been established. Hence when the interests of the party elite became undermined by the cultural revolution of the 1960’s, the party elite eventually responded to this situation by a process of empirical adaptation to the objective of the restoration of capitalism in order to stabilise its situation of power. The aim of socialism became associated with the role of Maoism and so the effective rejection of Maoism resulted in the increasing acceptance of the system of capitalism. In these circumstances the working class was unable to intervene in order to promote an alternative of a genuinely democratic form of socialism. Instead the party elite responded to the complex situation by recognising that it could consolidate its power by the realisation of the objective of the restoration of capitalism. This was not a logical outcome but instead resulted from the situation of crisis of the party regime. The aim of political stability seemed to be connected to the aim of restoring capitalism. Only in this manner could the possibility of genuine proletarian revolution be undermined, and the party elite recognised that their domination over society could actually be consolidated by the realisation of an economy based on the principles of capitalism. What Piketty ignores is that his analysis of the empirical objectives of the party elite seems to ignore the importance of undermining the possibility of proletarian revolution. The point is that the Maoist regime had become unstable and it had been unable to establish a successful economy in terms of the domination of state intervention. Hence the only alternative seemed to be the increased importance of the role of capitalism if proletarian revolution was to be avoided. What these developments indicated was that the bureaucratic command economy was not a genuine alternative to either capitalism or genuine socialism. The restoration of capitalism became most likely in these circumstances because that was the manner in which the influence of the party could be retained in these changing developments. The onset of a popular form of socialism would have meant an end to the dominant role of the communist party, and so the only option became the restoration of capitalism.

In relation to the situation in Eastern Europe the demise of the influence of the Soviet Union led to the formation of regimes that supported the restoration of capitalism. The result of this situation has been an increase in inequality and the formation of regimes in countries like Hungary and Poland that are populist and nationalist. However, discontent has not developed in this situation because the various peoples of Eastern Europe blame joining the European Union for this apparent generation of increased inequality. The point is that the influence of nationalism has meant that it has been difficult to develop a perspective of support for internationalism and left-wing beliefs. The legacy of the period of Stalinism has undermined the cause of socialism and so the result is that the situation has been conducive to the formation of right-wing populist regimes. But the connected development of inequality may mean that the situation is favourable to the development of the influence of left-wing ideas in the long term. Nevertheless, the influence of the capitalists of Western Europe in the various countries of Eastern Europe means that in the present situation people have an opposition to capitalism in a manner that is based on the role of nationalist beliefs. Piketty outlines how the ability of capitalists to freely circulate capital within the European Union is to the benefit of the present economic system and to the detriment of the interests of the workers: “The fact that the European Union is based primarily on free circulation of capital and goods and regional competition without much in the way of common fiscal and social policy inevitably affects the level of wages and profits: the current state of affairs tends to favour the most mobile actors (hence investors and owners rather than workers.”(p642) But Piketty does not outline how this situation could be challenged by the development of international solidarity action by the workers in order to challenge the domination of capital. However in a vague manner he does indicate the perspective that is required in order to challenge the limitations of the present situation: “By contrast, if Greeks, Hungarians, Bavarians, and Bretons began to think of themselves as members of the same political community, with equal rights to deliberate and approve common social regulations, laws and tax systems and with common procedures for setting wages and progressive income and wealth tax rates and so on, it might then be possible to transcend differences of identity and rebuild Europe on a post-national socioeconomic basis.”(p645) But it is not established how the importance of national differences are to be overcome in order to establish this common activity of the subordinate classes in favour of measures of progressive reform of the European Union. It would seem that the only possibility for the development of this common action would be if the aim of solidarity action becomes considered to be feasible and practical for the subordinated classes of Europe. But this development would require the realisation of a process of ideological change that would make international forms of political action a necessary and feasible option. However, this possibility would seem to be problematical because of the declining influence of the approach of socialism and internationalism. Instead the various forms of discontent within the European Union generally result in the increased influence of nationalism and populism. In this context there would seem to be no alternative than for socialists to try to develop programmes of change that can generate popular appeal. Piketty indicates the importance of a perspective of internationalism and the objective of equality, but the problem is that he does not establish how this approach is to be realised. How is it to be possible to overcome the importance of the influence of a right-wing ideology within the various peoples of the European Union. Indeed, there is a situation of general discontent with the European Union that has acquired a reactionary character. Piketty comments that: “The fall of communism led to a certain disillusionment concerning the very possibility of a just society. Disillusionment led to retreat and to the defence of national, ethnic, and religious identities, this must be overcome.”(p648) But the issue is how will this vague aspiration be realised without the re-emergence of the influence of forms of socialist ideology. This development has to be connected to providing an alternative to the apparent aspirations expressed by various forms of popular nationalism. Thus, what is required is the development of the connected aspirations of internationalism and socialism. But the problem is that there does not seem to be the expression of this perspective that could be convincing and as a result of this failure the influence of populism seems to be the most effective expression of the discontent of the people with the various limitations of the European Union. Indeed, Piketty does not seem to have a credible alternative in relation to the influence of nationalism within Europe.

Indeed, Piketty indicates that the major tendency is for the realisation of a situation of increasing economic inequality within a global economy. Since the 1980’s the development of greater inequality has been one of the major features of economic activity. It is suggested by Piketty that the possible outcome of this development will be the regressive response of nationalism and so it is in the very interests of the adherents to the aims of capitalism to support a process of movement towards the formation of more egalitarian regimes: “ Succinctly stated, if we do not acquire the transnational tools to reduce socio-economic inequalities, and especially inequality of wealth, then political conflict will eventually centre on questions of national identity and borders.”(p678) But this perspective seems to ignore the fact that there is already limited transnational cooperation in terms of the aims of the various economic elites to maintain the present character of global capitalism. Hence there is no vested interest as to why these elites should become motivated in order to modify the present system in terms of an increasing realisation of egalitarian objectives. Instead the only effective and genuine basis of social improvement within the system can come from the development of the mass action of the people in favour of the required change. In other words, there is no alternative to the importance of the popular activity of the people in favour of change. But Piketty contends that capitalism has often been compatible with regimes of redistribution of wealth and so this development should be repeated: “But the reality is that extreme inequality occurs again and again; to deal with it, societies need institutions capable of periodically redefining and redistributing property rights.”(p679) However what is not explained is why it would be in the interests of the capitalist system to introduce a regime based on the realisation of increased equality. The point is that only the development of popular mass activity could establish the political conditions for this possibility. But the problem of the approach of Piketty is that he implicitly considers it possible to reform and modify capitalism in an egalitarian manner because that is the logical and necessary basis for the improvement of the efficiency of the system. This understanding is connected to the situation between 1910-50 which led to the formation of various egalitarian societies. However, he also has to accept that the situation after 1980 was expressed by a decline in the apparent influence of egalitarianism and so the capitalist system was not increasingly conducive to the realisation of measures of progress and equality. Piketty has to admit that considerations of issues of equality have ceased to be important in the electoral process of Europe between 1990-2020, and the support for left wing parties has declined. There has also been a decline in the level of support of the working class for radical type parties. But there has also been a situation in which social democratic parties have increasingly adopted the objectives of globalisation and definite support for capitalism. However, the response of sections of the working class to this situation is to become adherents of parties of nationalism rather than developing affinity with revolutionary Marxist organisations. The major aspect of this development is increased opposition to the role of the European Union within sections of the working class. Piketty implies that a change of policy by the European Union might change this situation: “Until the European Union is clearly and visibly seen to serve the cause of social and fiscal justice (for instance by imposing a European tax on high incomes and large fortunes), it is difficult to imagine an end to the bitter divorce that has alienated the disadvantaged classes from the European project.”(p802) However it has to be questionable whether even this measures would change the situation. Instead it could be suggested that only the development of popular struggle to transform the character of Europe would generate the development of an more internationalist understanding of the importance of the European Union. But this possibility can only be connected to the increased influence of the presently unpopular doctrine of international socialism.

Piketty considers the major aspects of the situation since the 1980’s in the following terms: “In a period marked by the internationalisation of trade and rapid expansion of higher education, social democratic parties failed to adapt quickly enough, and the left-right cleavage that had made possible the mid-twentieth century reduction of inequality gradually fell apart. The conservative revolution of the 1980’s, the collapse of Soviet communism, and the development of the neo-proprietarian ideology vastly increased the concentration of income and wealth in the first two decades of the twenty-first century. Inequality has in turned heightened social tensions almost everywhere. For want of a constructive egalitarian and universal political order, these tensions have fostered the kinds of nationalist identity cleavages that we see today in practically every part of the world…..When people are told that there is no credible alternative to the socioeconomic organization and class inequality that exist today, it is not surprising that they invest their hopes in defending their borders and identities instead.”(p966) This seems to be a reasonable summary of the situation since the 1980’s. But it has to be connected to the decline of the influence of the organised working-class movement which has been connected to the decreasing importance of the role of the trade unions and various social democratic parties. In this situation the increasing development of the influence of populist type movements is not surprising because this aspect is an expression of the alienated discontent of the people with the various limitations of capitalist society. Piketty suggests that an alternative has to be based on the development of a type of participatory socialism based on new forms of social ownership, a wealth tax and a basic income. These aspects have to be connected to the promotion of the importance of popular forms of democracy. But the question as to whether this programme can be credible has to be connected to whether the problem of the domination of the ideology of capitalism can be tackled in an effective manner. It is quite possible to outline the measures of social change, but if they are to be feasible the aspect as to whether they can be realised in terms of the generation of popular support has to be analysed. In other words, the importance of the influence of bourgeois ideology has to be addressed. The problem of what Gramsci defined as ideological hegemony has to be addressed and the basis of a counter-hegemonic approach outlined in convincing terms. This means it is necessary to recognise that the level of support in the present for an alternative to the system of capitalism is very small and most people presently accept the economic system as being unalterable. Piketty suggests that what is necessary is the development of a process of political mobilisation for change. But in a certain sense this is not the difficult aspect of the possibility of social transformation. What is more complicating, and challenging, is the generation of the necessary confidence and understanding that can motivate people to oppose the limitations of the present system. At present the forces supporting this type of objective is very small and there is no indication that this situation will be changed in the short-term. Instead only the increasing influence of the political forces of radicalism can generate the possibility for people to become supporters of the genuine transformation of society. Piketty indicates the necessity of a mass movement for change, but he does not tackle this question except in terms of outlining the aspects of a programme of radical reform. However, how do we establish the generation of popular support for this approach? In relation to answering this question in an adequate manner it has to be suggested that people have to become convinced that they can change the character of society in a progressive manner. Hence they have to resolve ideological issues in a definite manner in terms of the generation of the determination to change society in radical terms. This possibility cannot be separated from the task of the creation of a genuine political party that aspires to realise the creation of a more egalitarian society. In contrast the approach of Piketty seems to be limited by its failure to address these issues in a satisfactory manner.

Piketty defines a just society in the following terms: “A just society is one that allows all of its members access to the widest possible range of fundamental goods. Fundamental goods include education, health, the right to vote, and more generally to participate as fully as possible in the various forms of social, cultural, economic, civic, and political life. A just society organizes socioeconomic relations, property rights, and the distribution of income and wealth in such a way as to allow its least advantaged members to enjoy the highest possible life conditions.”(p967-968) The problem with this approach is that it is based on good intentions but does not outline the methods by which such objectives can be realised. For example, the aim of equality of access to fundamental goods seem to represent admirable objectives but the point is who is going to realise them given the general tendency for a capitalist system to uphold the role of inequality within society. The point is that the type of equality that is being advocated by Piketty has only been realised in exceptional circumstances and generally for brief periods of time. It is suggested that the primary objective is to achieve participatory socialism, but how can this be realised without a major transformation of consciousness and a determined willingness to bring about this development despite the opposition of the established ruling class? The point being made is that any genuine change would require the development of a situation of the formation of a mass movement that is determined to bring about the realisation of the transformation of society. In other words what is required is the creation of a revolutionary change, and the connected end to the domination of capital over labour. But is perspective being advocated by Piketty? He outlines the importance of the development of the co-management of the economy by the workers and the introduction of a progressive wealth tax and concludes that: “To recapitulate: the model of a participatory socialism proposed here rests on two key pillars: first, social ownership and shared voting rights in firms, and second temporary ownership and circulation of capital. These are the essential tools for transcending the current system of private ownership. By combining them, we can achieve a system of ownership that has little in common with today’s private capitalism, indeed it amounts to a genuine transcendence of capitalism.”(p989) However this perspective seems to be naïve because it seems to ignore the fact that such a process of change would have to express a revolutionary character in order to be truly effective. In other words the ruling class of capitalists would act to oppose the potential represented by this perspective and so the only manner in which these measures could be successful would be as an outcome of a process of the successful realisation of revolutionary change. However, the manner in which such a process of proposed transformation of society can be realised is not outlined. Instead the implicit assumption is that established types of political parties could support this perspective if they become convinced of the rational character of the egalitarian perspective being suggested. If this is what is being implied it amounts to the justification of a naïve approach that lacks any credibility in terms of the possibilities of its realisation. The various governments of the present are dedicated to the defence of the capitalist system and have no sympathy for any form of egalitarian political approach. Instead the only manner in which the possibility of a more equal society can be formed is by the triumph of the forces of labour over those of capital. In other success in the class struggle is the only expression of the definitive advance of the realisation of egalitarian objectives. It is very unlikely that the defenders of capitalism will become motivated to realise the aims of social reform and equality. This situation means that the only manner in which the possibility of genuine radical forms of change can occur. The fact that capitalism seems to be presently invincible does not alter the necessity of this conclusion. Instead it only means that the perspective of the struggle for socialism has to be outlined in a more convincing manner. However, it would seem that Piketty fails to be successful in this task because he actually doesn’t tackle the importance of the major problems involved in trying to establish the realisation of socialism. Instead he seems to ignore these issues and instead outlines the aspects of a radical programme without also seriously considering the problems that could undermine its realisation.

In other words, possibly the major limitation with the approach of Piketty is that he does not outline a strategy of popular mobilisation in favour of the realisation of more egalitarian regimes. In this context he does not systematically discuss how the influence of populist nationalism is undermining the possibility to realise the policies of social reform. Instead it is assumed that there is an inherent dynamic within the major capitalist countries which is creating the possibility of the realisation of a situation of equality. But in actuality the period of recession and austerity has only enhanced the domination of capital over labour. The forces of the working class have been put onto the defensive and the result is a situation of demoralisation and the undermining of class consciousness. The result of this development is that the parties of social democracy are on the offensive and there has been a resurgence of popularity of nationalist political organisations. In this context the capitalist system is not being challenged in a popular and effective manner. However, this criticism would be unfair if it was not also acknowledged that many other commentators also do not consider that it is feasible to outline a radical opposition to capitalism. The point is that it could be plausibly suggested that the very perspective of revolutionary change as a result of the development of a popular mass movement seems to be repudiated by the apparent lack of support for this approach. The role of Marxist organisations has become very marginal. However, none of these problems seem to influence the views of Piketty. Instead he contends that the realisation of a policy of egalitarianism is an inherent possibility given the inequality that characterises the capitalist system. But this means that the perspective of social change becomes a moral aspiration that seems to lack any credibility in relation to the actual aspects of the character of capitalism.

Piketty has also written another major book: ‘Capital in the Twenty-first century’ (Harvard University Press, London 2017.) He outlines in the introduction how capitalism generates a situation of inequality which it requires the role of democracy to transform and create a more just society. But the problem with this approach is that what is obviously denied is that a system of democracy can be utilised in order to realise a situation of inequality based on the domination of capitalism. This situation seems to be enduring because the defenders of capitalism seem to be able to persuade the majority of the population that it is in their interests to sustain and uphold the domination of this type of economic system. Hence an important question seems to be how to undermine this situation of ideological support for capitalism and so create a popular movement of opposition to the system. In other words, the economic system is not simply based on the operation of its economic processes but is instead related to the importance of its ideological process of justification. Hence it is possible for the economic aspect of the system to result in increased exploitation of the workers and yet the system remains uncontested in political terms because of the importance of the aspect of ideological domination of the defenders of capitalism. Piketty suggests that Marx tried to provide an alternative to this type of justification of the system in terms of the conception of the economic dynamic of the generation of contradictions that would promote the possibility of the opposition of the subordinated classes of the workers: “In fact his principle conclusion was what one would call the “principle of infinite accumulation”, that is the inexorable tendency for capital to accumulate and become concentrated in ever fewer hands, with no natural limits to the process. This is the basis of Marx’s prediction of an apocalyptic end to capitalism: either the rate of return on capital would steadily diminish (thereby killing the engine of accumulation and leading to violent conflicts among the capitalists), or capital’s share of national income would increase indefinitely (which sooner or later would unite the workers in revolt) In either case no stable socioeconomic or political equilibrium was possible.”(p11-12) But it is suggested that this perspective did not occur and only in Russia was a form of revolutionary change realised. In general, the capitalist system remained stable. However, it could be argued that the character of politics in the twentieth century was defined in the manner outlined by Marx’s theory of the class struggle but that this often had the form of unexpected aspects and distortions. For example, the various parties of the working class that aspired to realise the aim of socialism as outlined by Marx became opportunist and instead accommodated to the capitalist system. Furthermore, the revolutionary alternative of the Communist parties also underwent a process of opportunist degeneration and became essentially instruments of the foreign policy of the Soviet Union. The various political formations acted to undermine the possibility of the realisation of genuine proletarian revolution and instead adapted to the interests of capitalism in specific terms. In contrast the forces of genuine Marxism such as the Fourth International led by Trotsky remained small and generally ineffective. Hence there was a crisis of revolutionary politics which has still not been resolved. The result of this situation of the limitations of the forces of Marxism and socialism was to create the political conditions for the continuation of capitalism. It was not the general dynamism of capitalism which ensured the possibility of the ascendency of the capitalist system but instead the situation of the prolonged crisis of the revolutionary forces that ensured the workers increasing had to accept a situation of accommodation to the continuation of capitalism. Thus, the problem was not with Marx’s predictions about the possibilities of overcoming and ending the domination of capitalism, instead the major issue concerned the opportunist limitations of the various parties claiming to be Marxist. Hence to blame the working class for supposedly adapting to capitalism was a superficial stance that did not explain the complexities of the situation which was connected to the opportunist decline of the various parties claiming to be Marxist and socialist. It can be argued that this situation of political crisis has never been resolved in a constructive manner and instead the situation has been characterised by the increasing influence of the forces of right-wing populism within the working class. Therefore it would be a dogmatic error to claim that the major problem was that of the possible limitations of Marxist theory, instead what was apparent was the actual rejection of the central aspects of Marxism by the various Marxist parties because of the tendency to adopt opportunist politics.

However, Piketty contends that the major problematical issue was Marx’s dogmatic predictions about the demise of capitalism which were not realised. Instead capitalism expressed the possibility of reform and progress: “Marx’s dark prophecy came no closer to being realized than Ricardo’s. In the last third of the nineteenth century, wages finally began to increase: the improvement in the purchasing power of workers spread everywhere, and this changed the situation radically, even if extreme inequalities persisted and in some respects continued to increase until world war 1. The communist revolution did indeed take place, but in the most backward country of Europe, Russia, where the industrial revolution had scarcely begun, whereas the most advanced European countries explored other social democratic avenues – fortunately for their citizens. Like his predecessors, Marx totally neglected the possibility of durable technological progress and steadily increasing productivity, which is a force that can to some extent serve as a counterweight to the process of accumulation and concentration of private capital…….Marx evidently wrote in great political fervour, which at times led him to issue hasty pronouncements from which it was difficult to escape. That is why economic theory needs to be rooted in historical sources that are as complete as possible, and in this respect Marx did not exploit all the possibilities available to him. What is more he devoted little thought to the question of how a society in which private capital had been totally abolished would be organized politically and economically – a complex issue if ever there was one, as shown by the tragic totalitarian experiments undertaken in states where private capital was abolished.”(p12) But it could be argued that the incomplete character of the theory of Marx is a problem that can be indicated for any political and economic theorist. The point is that Marx had outlined a systematic understanding of capitalism and indicated that any the various limitations of the system would create the possibility for the realisation of the communist alternative. His approach inspired the development of a serious movement in favour of revolutionary change. Hence the problem was not the possible limitations of Marx’s understanding of capitalism but instead the development of a process of accommodation to the system of capitalism by some of the parties that formally supported the approach of Marx. This development was because of the understanding that gains could be made within the capitalist system that meant that it would not be necessary to strive for the realisation of revolutionary change. However, this approach was opposed by other organisations that attempted to maintain the revolutionary credentials of Marxism. These forces supported a perspective of revolutionary change by the working class and rejected the opportunist interpretation of Marxism. Piketty contends that Marx had a dogmatic approach that was unable to anticipate some of the most important economic and political developments of the capitalist system but this comment neglects the theoretical work that was carried out by many prominent Marxists in order to develop an understanding of capitalism and the prospects of revolutionary change. For example, Rosa Luxemburg outlined how it was possible to connect the militancy of the working class with a revolutionary perspective of the transformation of capitalism into socialism. Many Marxists also elaborated an understanding of the relationship of capitalism to imperialism. Hence in terms of the development of political economy and revolutionary strategy some important Marxists managed to elaborate how Marxism should relate to the process of economic and political change that was occurring within capitalism. Thus, Piketty’s view that Marx had failed to theoretically analyse important aspects of capitalism was essentially an unfair and irrelevant criticism that failed to acknowledge the contribution of the Marxists after Marx. However, the major problem was not the supposed limitations of Marxist theory but instead the increasing transformation of sections of Marxists into becoming supporters of a reformist approach. The result of this development meant that the genuine revolutionary Marxists became marginalised and so the political situation was created that led to the opportunist degeneration of sections of the Second International and the result was support for the nation state in the first world war. This was the political development that undermined the possibility of the progress of Marxism and the working class. Hence the primary problem was not the apparent dogma of Marxist theory but instead the increasingly opportunist practice of various groups claiming to be followers of Marx. In this context the October revolution in Russia was an inspiring possibility to regenerate the influence of Marxism and to advance the possibility of success in the international class struggle. The fact that this development did not result in the realisation of socialism in global terms was because of the process of degeneration of Bolshevism into Stalinism and the ability of the forces of capital to stabilise their rule. But this aspect as connected to the realisation of egalitarian regimes between 1950-80, and so the character of capitalism was modified in order to accept the importance of the aspirations of the working class. Only in the past thirty years has there been a situation of the re-emergence of the importance of regimes of inequality. Hence it has been developments in the class struggle that primarily explain the situation with regards to the possibility of the realisation of equality. The general tendency is for capitalism to be based on the realisation of the principles of inequality, but there can be exceptional periods in which egalitarianism becomes an effective expression of the aspects of the capitalist system. However, if equality is to be established in consistent and effective terms it is necessary that a type of society based on the principles of socialism be established. It could be argued that this type of objective has become unrealistic given the recent consolidation of regimes of inequality and austerity, but it could be suggested that successes in the class struggle for the workers could transform this present situation. However, if such a development was to occur this would require the development of the increased influence of the role of Marxism. Hence it is the situation of the crisis of Marxism which seems to undermine the possibility to realise this revolutionary type perspective. Therefore, the very possibility to generate the situation of the increased possibility for the workers to acquire an increasing share of the national wealth would seem to be based on the re-emergence of the influence of Marxism within society. The point is that there is no constant share of wealth between the forces of capital and labour instead this division is the outcome of the role of struggle and the influence of ideology.

Piketty contends that the basis of the development of the possibility of the realisation of the principles of egalitarianism is the introduction of progressive wealth tax: “As I have already noted, the ideal policy for avoiding an endless inegalitarian spiral and regaining control over the dynamics of accumulation would be a progressive global tax on capital. Such a tax would also have another virtue: it would expose wealth to democratic scrutiny, which is a necessary condition for effecting regulation of the banking system and international capital flows. A tax on capital would promote the general interest over private interests while preserving economic openness and the forces of competition.”(p597) But the problem with this perspective is that the important issue of the political conditions that would create the possibility of the realisation of this approach is not resolved in a satisfactory manner. The point is that the forces and interests of capital would oppose this development and so it would require the development of an effective and popular alliance in favour of the changes being proposed in terms of a tax to generate the possibility of economic inequality. But it can be suggested that the development of this type of progressive politics has proved to be difficult to realise and instead the forces of capital have promoted the realisation of an inegalitarian based conception of austerity type economics. Furthermore, the role of popular nationalism has been utilised in order to neutralise the opposition of the people to the implementation of this type of austerity approach. In this context the apparent weakness of the progressive forces has meant that various forms of inegalitarian economics and politics have been the response of ruling elites to the situation of increasing crisis. Thus, the major problem with this proposal for the realisation of a more progressive tax system in order to create the possibility of the creation of a more egalitarian society is that the problems of this approach are not outlined in detailed terms. The point is that most of the established political parties would be opposed to this measure and so what is required in order to realise these reform measures would be the popular mobilisation of the people in order to create the conditions in which the possibility to realise this perspective could become credible. But if people could be successfully organised to support this measure of reform of the economic system the issue would be raised about the possibility of a more comprehensive reorganisation of the economy and society. However, Piketty does not seem to address these important issues and instead contends that the introduction of a capital tax would enable the realisation of progressive reform type policies. But why should the forces of capital allow these developments to occur? In other words, how could this development of radicalism be realised in a manner that enables the forces of capitalism to be modified and regulated in a progressive manner? Piketty has outlined the possible importance of a progressive tax on capital in order to realise social and reform objectives, but he does not outline the political circumstances that would enable this approach to become credible and realistic. Instead he claims in a dogmatic manner that: “Parliamentary institutions and the government of laws were never merely the bourgeois institutions that Marxist intellectuals used to denounce before the fall of the Berlin wall. Yet is also clear that the ups and downs of prices and wages, incomes and fortunes, help to shape political perceptions and attitudes, and in return these representations engender political institutions, rules and policies that ultimately shape social and economic change. It is possible, and even indispensable, to have an approach that is at once economic and political, social and cultural, and concerned with wages and wealth”(p752) But the central issue of how to develop support for this type of change, and even the issue as to whether this development is possible within capitalism, is not essentially analysed by Piketty. Instead in a vague manner he has outlined the understanding that capitalism could be improved with the introduction of a progressive income tax system. But the primary issue of the character of the relations between capital and labour is not addressed by this understanding of the present capitalist social formation. Hence it is necessary to establish a more credible understanding of how the system can be transformed in a socialist type manner.