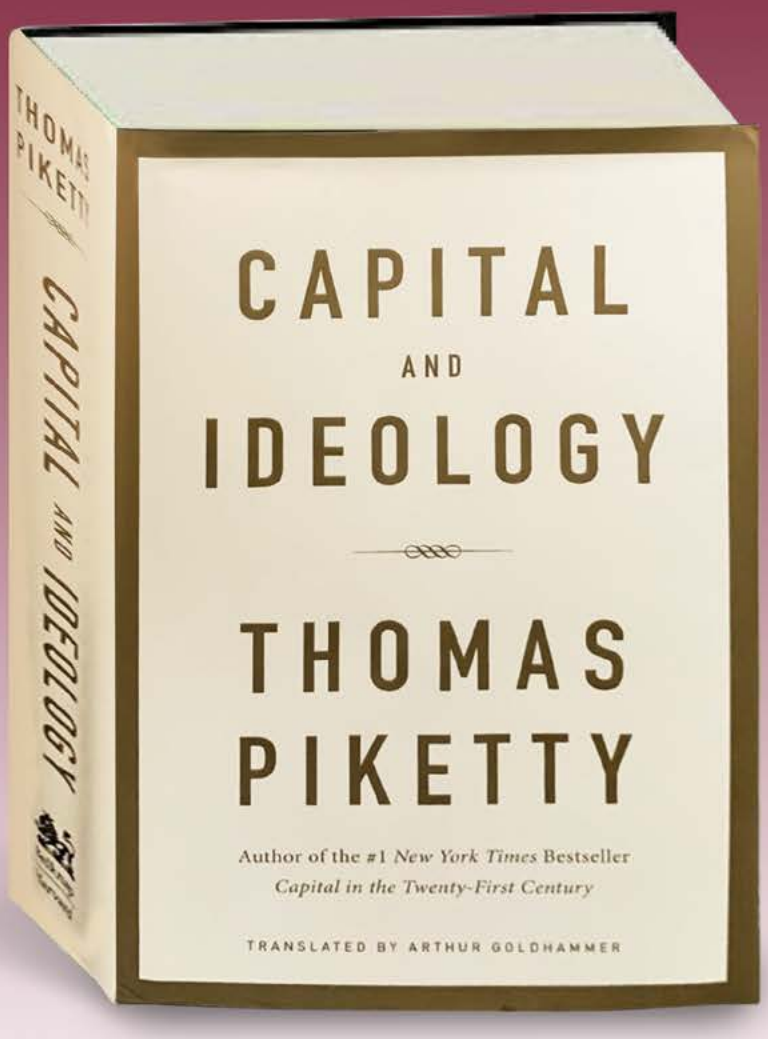
READING PIKETTY II

PROPERTY, IDEOLOGY, AND THE MYSTERY OF THE MISSING JOHN LOCKE



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EXECUTIVE SUMMARY

The French economist Thomas Piketty's 1042-page *Capital and Ideology* is in the tradition of the Radical and Progressive schools of American social thought whose pioneers included the early 19th century Radical philosopher Thomas Skidmore and the late 19th century Progressive economist Henry George. Piketty and his Radical and Progressive predecessors see land and other forms of wealth as assets that are socially owned but whose fruits are unfairly privately appropriated. The task of society is thus to reclaim what is rightfully its own via progressive property, inheritance, and income taxes.

The drive to monopolize wealth is not driven primarily by the dynamics of capitalism but by a "proprietarian" ideology, the central dynamic of which is to extend its reach beyond land to new forms of wealth such as stocks and bonds and to legitimize their capture by private hands. It is therefore essential to create a counter-ideology to delegitimize proprietarian ideology. This, Piketty says, is the notion of "temporary private ownership" of socially owned wealth, a large part of which must revert back to society in the form of taxes that are then transformed into transfer payments in the form of social security benefits, a universal basic income, and a universal capital endowment.

Interestingly, temporary ownership bears a strong similarity to the notion of "trusteeship" espoused by the Gilded Age billionaire philanthropist Andrew Carnegie.

Turning to Piketty's approach to the study of ideology—in this case proprietarian ideology—the problem is that it puts too much emphasis on the socialization of people into an ideology and its generational transmission as a rational, calculating process. In fact, there is an attachment to private property that cuts across classes, one that has a non-rational or even irrational basis. Received ideas congeal into subliminally anchored beliefs.

A central role in the forging of a proprietarian ideology that remains very powerful was played by the 17th century English philosopher John Locke. Transmitted culturally over generations, Locke's influential "labor theory"

of the value of land, which initially responded to the interests principally of the rural and urban petty bourgeoisie, has been a major obstacle to class solidarity among those who are harmed by the accumulation of wealth.

At the same time that they militated against solidarity based on class, Locke's ideas bolstered racial solidarity by privileging whites in the enjoyment of property rights and political rights. Locke was influential in France and England, but he was foundational when it came to America. Yet he rates not a mention in the book!

In the United States, the fundamental unequal access to property and equality was institutionalized in a "master race democracy" that survived the abolition of slavery during the Civil War and the civil rights movement of the 1960's and is currently sustained by a subliminal ideology of white supremacy, the main political carrier of which is the Republican Party.

Piketty's proposal of taxation based on temporary ownership may be an exemplary social democratic program but it is crippled by the fact that it does not acknowledge the power of what the prominent scholar of liberalism Louis Hartz called Americans' "irrational Lockeanism" and ignores the overwhelming ideological hold of white supremacy. It is unanchored in the complex concrete articulation of property, inequality and ideology.

Irrational Lockeanism, with its subversion of class solidarity, and white supremacy feed on each other. The way to weaken both at this moment is to confront head on the legacy of white supremacy with an intersectional coalition based on common interests aimed at overcoming racial, class, and gender inequalities and saving the environment. But above all, such a movement must go beyond common interests and base its appeal to all social groups on shared fundamental values of equality, liberty, and justice.

INTRODUCTION

Thomas Piketty's *Capital and Ideology* is a wide-ranging exploration of the origins, maintenance, and persistence of inequality that spans 1042 pages. In the interest of making the French economist more accessible, Focus on the Global South came up with *Reading Piketty I: A Concise and Comprehensive Summary of Capital and Ideology.* Released in January 2021, this was a straight summary, with a minimum of commentary, that was intended to present Piketty's ideas as objectively and fairly as possible.

This companion publication, *Reading Piketty II*, moves from elucidating *Capital and Ideology* to critically assessing it. *Capital and Ideology* is not only long; it is a sprawling work, where many lines of inquiry are spun—some directly related to the book's main focus, some less directly related, some plain digressions (but all interesting). To avoid a review that could end up being as long as the book, this critique is limited to the following subjects:

- A brief discussion of whether or not Piketty is a Marxist
- Situating Piketty's concept of "temporary ownership of social wealth" in the Radical/ Progressive tradition of American social thought
- A critical discussion of the limitations of Piketty's concept of ideology in accounting for the origins and strength of "proprietarian" ideology
- Evaluating Piketty's alternative to proprietarian ideology in light of what is needed to effectively oppose today's inequality regime in the global North, specifically in the United States
- Piketty's relevance to the global South

IS PIKETTY A MARXIST?

Many of the reviews of Thomas Piketty's two books, *Capitalism in the 20th Century and Capital and Ideology* focus on the question of whether or not he is a Marxist. In a much cited review, for instance, John Judis claims that while Piketty is certainly acquainted with Marx, it is "wrong to describe Piketty as a Marxist" and that his "approach to economic history more closely resembles that of Adam Smith or David Ricardo than Marx."[1] Judis does say, though, that Piketty "is pulling your leg" in saying he has not read Marx because he has, in fact, read him and is simply in denial mode owing to criticism from the right.

In contrast, David Harvey, one of the leading Marxists of our time, takes at face value Piketty's claim that has read neither volume 1 nor volume 2 of *Capital* and says that Piketty's writing, in fact, reveals that he really does not know how capitalism works.[2]

In our view, Piketty may or may not be familiar with Marx, but in these two books, the perspective and methodology he deploys is a departure from classical Marxism, which locates the engine of social change in the dynamics of a society's mode of production.

Marx devoted his life to analyzing the "laws of motion" of capitalism. In contrast, central to Piketty's analysis are the dynamics of a private property regime, of which capitalism is said to be a modality or its current incarnation. In so far as there is a "law" that drives the system of what Piketty prefers to call "proprietarianism," it is the more rapid expansion of private wealth in comparison to the growth of productive system—the famous r>g articulated in *Capital in the 21st Century,* wherein "r" or the annual rate of return on capital is greater than "g" or the rate of the growth of the economy. But while this is a regularity that he observes, Piketty hesitates to call it a law, preferring to call it a "fundamental force for divergence."[3] In *Capital and Ideology,* Piketty also finds statistical regularities in relative shares of income and wealth—such as "the share of total income going to the poorest is always at least 5-10 percent" (266)[4]—but he also is reluctant to call these laws of economics. The reason for this is that the "driver" of change is ideological, that is, an entrenched system of ideas that protects a regime of unequal access to land and other forms of wealth by conferring legitimacy on it.

The work of French economist Thomas Piketty has provoked a debate on whether or not he is a Marxist. *(Wikimedia)*

So yes, there is a big difference between Marx and Piketty. Marx was trying to understand the laws of capitalism. Piketty is interested in regularities in the dynamics of a regime of private property and showing how this regime is legitimized and its coverage is expanded from land to newer forms of wealth by an idea-system. Marx saw change as emanating mainly from the realm of material production, though he was not the material determinist that many made him out to be. Piketty sees it coming mainly as a result of the battle of ideas, though his account shows that the impact of developments at the level of the "infrastructure" or political economy of the property regime is not insubstantial.

THE SKIDMORE-GEORGE TRADITION

In so far as Piketty, a French economist, might be said to belong to an intellectual tradition, it is to the radical populist and Progressive traditions developed by, among others, the 19th century American economists Thomas Skidmore and Henry George. It is not clear whether Piketty has read the early nineteenth century Skidmore, but he is familiar with the late nineteenth century George.

Like Piketty, the radical thinker Skidmore did not focus on the dynamics of capitalism as the source of inequality but on the passage of the unequal distribution of property from one generation to the next via inheritance laws. Skidmore theorized that individuals had a natural right to property and, contrary to Locke's famous theory of the origins of private property, equal rights to property existed prior to the application of human labor to virgin land.[5] Unequal access to land was a violation of natural law that needed to be rectified, and this process would begin by redistributing property equally to all. Of course, natural differences among people would thereafter result in some accumulating more property than others during their lifetime. But so long as "inheritance was abolished, and all property were returned to the community for distribution when its owner died, natural differences would not be turned into permanent inequality."[6]

Where Piketty disagrees with Skidmore is that he is not for abolishing inheritance but subjecting generationally transmitted property to a significant bite in the form of large progressive taxes when, during, and after it is passed on to a rich person's descendants. Among other things, with an annual progressive wealth tax, there "is no need to wait for Mark Zuckerberg or Jeff Bezos to turn 90 years old and pass their wealth to their heir in order to collect taxes." (978) But the radical spirit of Skidmore is very much alive in Piketty's discourse. Discussing progressive taxation of the holders of private property, for instance, Piketty says it is "tantamount to a permanent and continuous agrarian reform but applied to all private capital and not just farmland." (562) There is more than an echo here of Skidmore's idea about society's coming together for a "General Division" of property that would be periodically renewed once a property holder died and his or her property was returned to the community for redistribution.

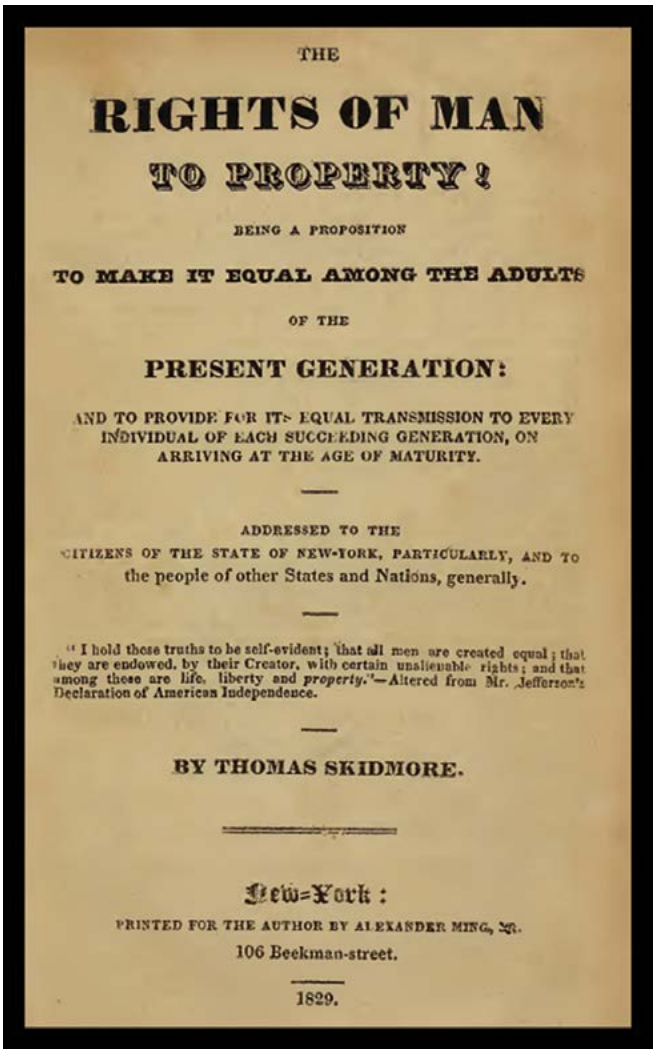
PIKETTY ADVOCATES PROGRESSIVE TAXATION NOT ONLY OF LAND AND NATURAL RESOURCES BUT OTHER ASSETS LIKE STOCKS, BONDS, AND OTHER FINANCIAL ASSETS, SINCE THESE NOW CONSTITUTE THE LARGEST PART OF INDIVIDUAL FORTUNES. SUCH A "WEALTH TAX," SAYS PIKETTY, WOULD BE ONE OF THE "TRIPTYCH" OF TAXES OF A JUST SOCIETY, THE OTHER TWO BEING A PROGRESSIVE TAX ON INHERITANCES AND A PROGRESSIVE TAX ON INCOME.

Piketty speaks very favorably of George, the most influential American economist of the 19th century (who is regaining influence in the early 21st century). Like George—and Skidmore—Piketty says that all wealth is fundamentally social:

> The question is not so much whether an item of property is a shared natural resource or a private good developed by a single individual, as all wealth is fundamentally social. Indeed, all wealth creation depends on the social division of labor and on the intellectual capital accumulated over the entire course of human history, which no living person can be said to own or claim as his or her personal accomplishment. (562)

According to George, human beings have a natural right to land, but unequal access to land and natural resources conferred by the regime of private property gives individual owners special advantages, like monopolizing the value of the rise of land prices owing to a favorable location. The rise in the value of land is something that is created either by nature or by the activities or society, but is unjustly fully appropriated by the landowner. Thus arises the paradox that the more the economy grows, the more poverty is created. The landowner-speculator is the great enemy of both labor and the entrepreneur, being the beneficiary of unearned income created by the activities of society at large.

Asserting that "landowners can make no claim to just compensation if society chooses to resume its right,"[7] George asserts that the state must reclaim for society the rise in value through a land tax, better known as the "single



THE

RIGHTS OF MAN

TO PROPERTY!

BEING A PROPOSITION

TO MAKE IT EQUAL AMONG THE ADULTS

OF THE

PRESENT GENERATION:

AND TO PROVIDE FOR ITS EQUAL TRANSMISSION TO EVERY INDIVIDUAL OF EACH SUCCEEDING GENERATION, ON ARRIVING AT THE AGE OF MATURITY.

ADDRESSED TO THE

CITIZENS OF THE STATE OF NEW-YORK, PARTICULARLY, AND TO the people of other States and Nations, generally.

"I hold these truths to be self-evident; that all men are created equal; that they are endowed, by their Creator, with certain unalienable rights; and that among these are life, liberty and *property*."—Altered from Mr. Jefferson's Declaration of American Independence.

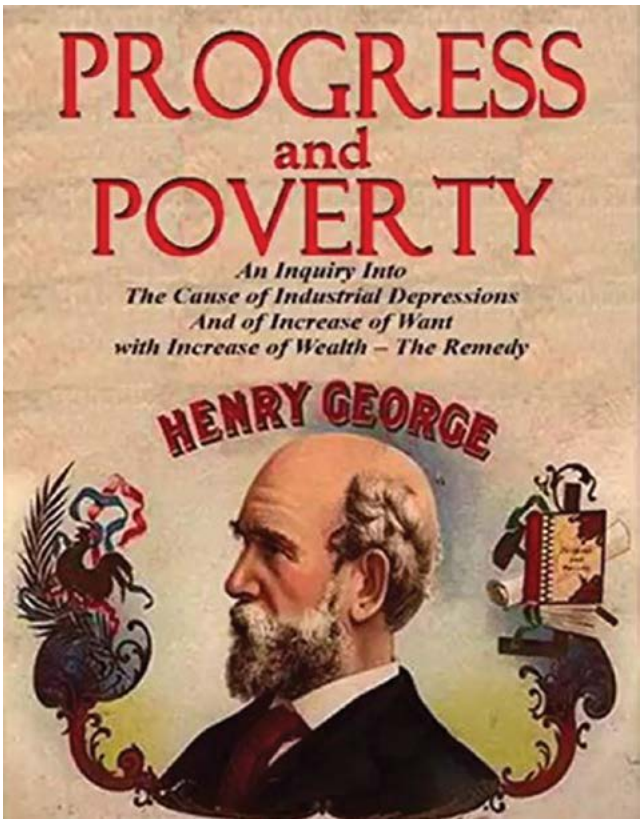
BY THOMAS SKIDMORE.

New-York:

PRINTED FOR THE AUTHOR BY ALEXANDER MING, Jr.

106 Beekman-street.

1829.



(TOP) The 19th century American economist Henry George anticipated Piketty's focus on taxation as a mechanism for a more egalitarian distribution of income. *(Amazon)*

(LEFT) Title page of Thomas Skidmore's seminal 1829 book, The Rights of Man to Property *(Wikipedia)*

tax on land." This proportional tax would redistribute unearned rent and ensure that no single individual unfairly benefits from wealth that rightfully belongs to society.

Where Piketty disagrees with George was on the latter's limiting taxation only to land rent or the rise in the value of raw land, that is, apart any construction, drainage, or other improvements made by the owner. Also, Piketty advocates progressive taxation not only of land and natural resources but other assets like stocks, bonds, and other financial assets, since these now constitute the largest part of individual fortunes. Such a "wealth tax," says Piketty, would be one of the "triptych" of taxes of a just society, the other two being a progressive tax on inheritances and a progressive tax on income.

INEQUALITY AND IDEOLOGY

Now that Piketty has been located in the Skidmore-George intellectual tradition, it is time to look at the central relationship he seeks to illuminate, that between an inequality regime and the idea system or ideology that sustains it.

The Function of Ideology

As noted above, though he is not unaware of the contradictions of capitalism, Piketty does not locate the drive to accumulate vast wealth in economic laws but in the ability of the rich to mount an aggressive ideological offensive to which he gives the name "sacralization." Organization is important, of course, but the main task of progressives is to demystify or desacralize inequality regimes and come out with mechanisms such as progressive income and wealth taxes by which society can take back what rightfully belongs to it.

The struggle against "proprietarianism" or the regime of private property in the 20th century reveals this dialectic between ideas and organizing, and it provides both positive and negative lessons for contemporary progressives confronted with its resurgence in the neoliberal ("neoproprietarian") era that began in the late 1980's. Piketty says social movements critical of private property emerged and became a critical mass in the post-1914 period, but these would not have come into existence had not ideas come to the fore that had been "in gestation" since the late 19th century and that challenged the legitimacy of the ruling ideas. According to him, "it was essential of course that those ideas found embodiment in political parties," but "the fact remains that the real seizure of power was ideological and intellectual before it was political," so that "even right wing parties were influenced by ideas for reducing inequality and transforming legal, fiscal, and social systems." (36) Parties were but one part of a broader movement of civil society actors, including unions, activists, media, and intellectuals that were mobilized by insurgent ideas challenging the dominant property regime.

Among these destabilizing ideas were social democracy, nationalization, co-determination, and progressive taxation of wealth and income.

Nevertheless, the movement against proprietarianism that resulted in progressive regimes was only partially successful. "The

post-war social democratic regimes were built in haste," Piketty claims, "and issues such as progressive taxation, temporary ownership, circulation of ownership (for example, by means of a universal capital grant financed by a progressive tax on property and inheritances), power sharing in firms (via co-management and self-management), democratic budgeting, and public ownership were never explored fully or systematically as they might have been." (41) To Piketty, this "political, intellectual, and ideological failure of social democracy must count among the reasons for the revival of inequality, reversing the trend toward ever greater equality." (33)

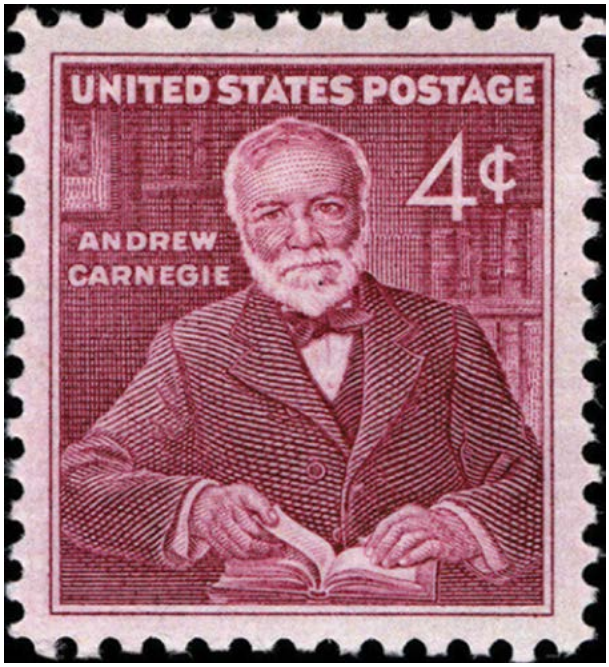
Piketty's Temporary Ownership and Carnegie's Trusteeship

To Piketty, the way out of the current conundrum may lie in a fusion of the Progressives' idea that property is essentially social and the concept of "temporary ownership."

> The idea that strictly private property exists and that certain people have an inviolable right to it cannot withstand analysis. The accumulation of wealth is always the fruit of a social process, which depends, among other things, on public infrastructures (such as legal, fiscal, and educational systems), the social division of labor, and the knowledge accumulated by humanity over centuries. Under such conditions, it is perfectly logical that people who have accumulated large amounts of capital should return a fraction of it to the community every year: ownership thus becomes temporary rather than permanent. (990)

Temporary private ownership of socially owned wealth is the basis for an ambitious program of transfer payments in the form of social security benefits, a universal basic income, and a universal capital endowment.

Interestingly, this concept of ownership of capital being temporary rather than permanent has a striking resemblance to the billionaire philanthropist Andrew Carnegie's idea of the rich being the "trustees" of wealth for others. The epitome of the capitalist in the so-called Gilded Age, Carnegie talked about inequality of wealth being "temporary," and called on the rich man to "consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer, and strictly bound as a matter of duty to administer in the manner which, in his judgment, is best calculated to produce the most beneficial



Piketty's concept of temporary private ownership of socially owned property bears a strong resemblance, most likely unintentional, to the billionaire/philanthropist Andrew Carnegie's idea of "trusteeship." *(Wikipedia)*

POINTING OUT THE SIMILARITY BETWEEN PIKETTY AND CARNEGIE ON THE NOTION OF "TRUSTEESHIP," PUTS THE FORMER IN THE AWKWARD POSITION OF BEING LESS RADICAL THAN THE LATTER OWING TO HIS ADVOCACY OF HAVING INHERITANCE TAXES TAKING BACK ONLY A "FRACTION" OF THE WEALTH OF THE RICH MAN WHILE CARNEGIE ADVOCATED STRIPPING HIS DESCENDANTS OF ALL BUT A FRACTION THROUGH STATE TAXES AND PHILANTHROPY.

results for the community."[8] He discouraged legacies to descendants beyond what was required for them to maintain a decent standard of living. He also spoke positively about the millionaire's "wise administration" of giving his or her wealth back to the community through philanthropy during their lifetime. But his favored mechanism of giving back wealth to the community was apparently heavy taxation of wealth upon death of the millionaire:

> Of all forms of taxation, this seems the wisest. Men who continue hoarding great sums all their lives, the proper use of which for public ends would work good to the community, should be made to feel that the community, in the form of the state, cannot thus be deprived of its proper share. By taxing estates heavily at death the state marks its condemnation of the selfish millionaire's unworthy life.

It is desirable that nations should go much further in this direction. Indeed, it is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the state, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependents, and increasing rapidly as the amounts swell, until of the millionaire's hoard, as of Shylock's, at least "The other half…Comes to the privy coffer of the state."[9]

Pointing out the similarity between Piketty and Carnegie on the notion of "trusteeship," puts the former in the awkward position of being less radical than the latter owing to his advocacy of having inheritance taxes taking back only a "fraction" of the wealth of the rich man while

Carnegie advocated stripping his descendants of all but a fraction through state taxes and philanthropy. But the comparison of Piketty's temporary ownership to Carnegie's trusteeship is not simply a digression, for it does bring up a set of issues related to the viability of a political program based on the concept of temporary ownership.

First of all, the idea of "temporary private ownership" may be appealing to liberal philanthropists and intellectuals, but is it the kind of idea that can be the centerpiece of an opposition movement today? Does it have the appeal that can bring together and move threatened workers, displaced workers, those marginalized people who subsist in precarious jobs, women, and traditionally marginalized minorities during a time of severe crisis of capitalism? Is it a demand that can be as inspiring as the call for socialism or communism was in the early 20th century? Can a "tax the rich" platform serve as the central pillar of a "radical redefinition" of the intellectual, ideological, and programmatic bases of a "new egalitarian coalition"? (31)

Second, are there mass organizations that can "incarnate" this program and its vision? This problem is not to be underestimated since the traditional political vessels of the counter-ideologies to neoliberal or neoproprietarian ideas, like the Democratic Party in the US and the Socialist Party in France, have been discredited and deserted by their traditional working class base owing to their leaders' "partial acceptance" of these ideas and their becoming more and more the party of the "highly educated," a development that Piketty himself has superbly analyzed in *Capital and Ideology.*

Third, can the paradigm of social wealth that is only temporarily owned be powerful enough to serve as a counter-ideology to the deeply entrenched proprietarian or neo-proprietarian ideology, one which is convincing not only to those who benefit from from it but also those who suffer from it?

Limitations of Piketty's Perspective on Ideology

Addressing the third issue brings us to a discussion of Piketty's concept of ideology. For Piketty, an ideology "is an attempt to respond to a broad set of questions concerning the desirable or ideal organization of society." (3) Focusing on proprietarian ideology, he underlines what he calls its dual aspect:

> On the one hand, proprietarian ideology has an emancipatory dimension, which is real and should never be forgotten. On the other, hand it tends to bestow quasi-sacred status on existing property rights, regardless of origin or extent. This is just as real, and the inegalitarian and authoritarian consequences can be considerable. (120)

The key driver of an ideology is "fear of the void," or what would happen if there is a loosening of established relations of property. Thus, in the case of both proprietarian ideology and its radical opposite, communist ideology, the logic is to extend the coverage of the dominant property relationship to all ownership relations. Ideology mystifies or "conceals" the real relations of inequality so as to put these relations "beyond the reach" of individuals, communities, governments, and the courts.

The problem with Piketty's discussion of ideology is that it is too instrumentalist, that is, it places too much emphasis on the calculating, rational character of ideology. For equally if not more important is the *non-rational* or even *irrational* character of people's adherence to the core ideas that influence their behavior. Received ideas that may initially be rationally articulated can congeal into deep, subliminally held cultural beliefs as they are transmitted across generations. Here it is useful to recall Keynes' observation that the "ideas of economists and political philosophers, both when they are right and when they are wrong are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually slaves of some defunct economist." When it comes to private property, what Keynes says is particularly relevant a propos the 17th century English thinker John Locke, who cannot be divorced from any consideration of the origins and continuing hold of the ideology of proprietarianism. Locke was influential in the development of proprietarian ideology in France and England. But he was of foundational importance in America. Yet, Locke is not even mentioned once in *Capital and Ideology*!

The English political theorist's influence on American ideology has been so deep it has been called "irrational Lockeanism." *(Wikimedia)*

The Non-Rational Dimension of Lockeanism

Locke is best known as the inspiration of the American Revolution, with his justification of the right to rebel if the sovereign violated the terms of the "social contract," the most important possible cause of this being the latter's going back on his promise to protect the person and property of his subjects. But equally influential on the settlers of America was Locke's related theory of the origins of private property. Locke said that what transformed a person's relationship to land from non-ownership to ownership was his[10] mixing his labor with it. This is the foundational relation, one that is created in the "state of nature" before the creation of political society via the famous "social contract."[11] Indeed, the defense of this primordial relationship is the centerpiece of the contract between the sovereign and society.

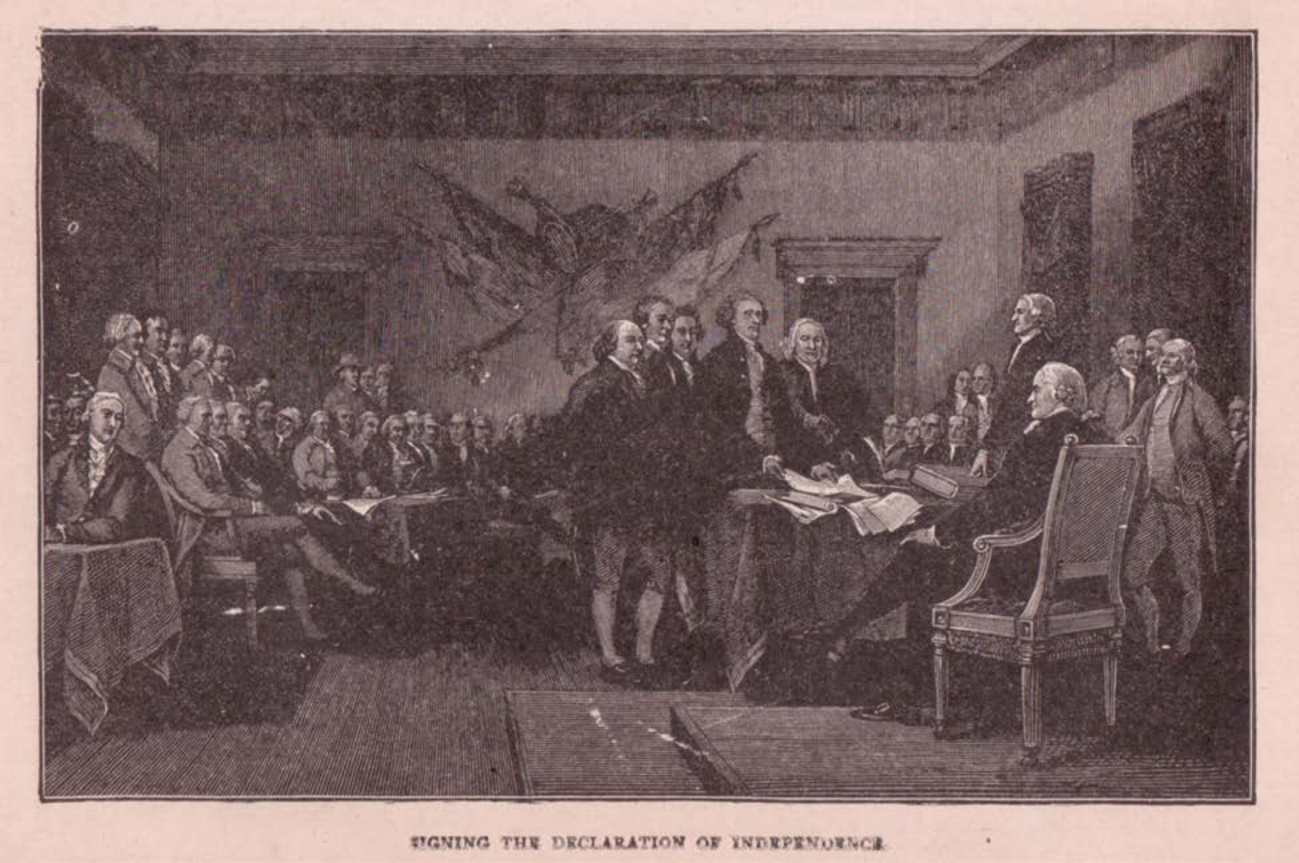
Escaping from the agrarian class structures of Europe, the settler's desire was that of a small peasant seeking to carve out some land in what was regarded as "virgin land." As the famous scholar of liberalism Louis Hartz noted, the

settler had a petit bourgeois mentality, one that was anxious to make ownership of land secure rather than to accumulate it. As he put it, "living in the world's closest approximation to a Lockean state of nature," the petit bourgeois settler "economically…fears loss more than he cherishes gain."[12] So deep is this attachment to individual ownership of small property embedded in the collective cultural psyche, that Hartz asserted that the ideology of Americans could be described as "irrational Lockeanism."[13] In terms of its impact on the development of class relations in the United States, Lockeanism "swallow[ed] up both the peasantry and proletariat into the 'petty bourgeois' scheme',"derailing workers from the vision of socialism and channeling reformist energies to the illusion of democratic capitalism.[14]

This deep embeddedness in the popular subconscious of the fundamental Lockean notion of labor creating private property rights is intertwined with another equally deeply embedded Lockean legacy: the unequal racial access to property and liberty.

"In the beginning, all the world was America," Locke famously wrote, imagining what he called the "state of nature" before the creation of political society. In advancing his theory that it was the mixing of one's labor with land that created private property, Locke saw the Native Americans as creatures who could not be considered property owners since they merely inhabited the land and forests but did not cultivate the soil. To Locke, in fact, the Native American could be equated with "one of those wild savage beasts with whom men can have no society nor security" and who "therefore may be destroyed as a lion or a tiger."[15] Locke thus provided a most potent ethical justification for racial genocide.

LOCKE IS BEST KNOWN AS THE INSPIRATION OF THE AMERICAN REVOLUTION, WITH HIS JUSTIFICATION OF THE RIGHT TO REBEL IF THE SOVEREIGN VIOLATED THE TERMS OF THE "SOCIAL CONTRACT," THE MOST IMPORTANT POSSIBLE CAUSE OF THIS BEING THE LATTER'S GOING BACK ON HIS PROMISE TO PROTECT THE PERSON AND PROPERTY OF HIS SUBJECTS. BUT EQUALLY INFLUENTIAL ON THE SETTLERS OF AMERICA WAS LOCKE'S RELATED THEORY OF THE ORIGINS OF PRIVATE PROPERTY.



"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness…" This is the first sentence of the American Declaration of Independence among whose signatories were slaveholders that denied these rights to Blacks and Native Americans. This central contradiction has bedeviled the history of the United States till the present day. *(Wikimedia)*

Likewise, slavery had Lockean moorings, in the English philosopher's theologically reasoned distinction between the relationship that a master had with a servant and that with a slave: he saw the first as a contract between between the master and the indentured servant from Europe while the relationship of the slave from Africa and the master was one of the former being subject to the "absolute dominion" of the latter.[16] Moreover, the slave question lay at the very heart of the American Revolution, for key leaders like Washington and Jefferson championed the Lockean right to rebel against tyranny and the "rights of man" for white people even as they denied these rights to their black slaves (and women), a contradiction that the British did not fail to notice, as when the famous man of letters Samuel Johnson asked, "How is it that we hear the loudest yelps for liberty from the drivers of negroes?"[17] As an eminent contemporary philosopher of intersectionality, Charles Mills, writes, "[I]nsofar as the modern world is shaped by European expansionism (colonialism, imperialism, white-settler states, racial slavery)," Locke's social contract "could…be regarded as founded on an exclusionary intrawhite 'racial contract' that denies equal moral, legal, and political standing to people of color."[18]

Varieties of Master Race Democracy

The success of the American Revolution ushered in a period where liberalism, "the self-government of civil society triumphed, waving the flag of liberty and the struggle against despotism," even as "it stimulated the development of racial chattel slavery and created an unprecedented, unbridgeable gulf between whites and peoples of color." As the Italian philosopher Domenico Losurdo put it, "Between these two elements, "which emerged together during a twin birth, a relationship full of tensions and contradictions was established."[19] Transmitted across generations, foundational Lockean ideas had a twofold effect: irrational Lockeanism weakened solidarity based on class even as it strengthened solidarity based on race. *The conflict between weak class solidarity and strong racial solidarity would provide the two poles between which the the tortured history of the United States would unfold.* The same conflict, though to a lesser degree, would mark the evolution of liberal democracy in Britain and France.

Class tensions were rife in 19th century America, and initial attempts to restrict the right to vote to property holders of substance slowly gave way to universal suffrage, but at the price of consolidating a cross-class racial solidarity against giving Blacks the same right. Slavery of course, was the central political divide between North and South, but the denial of the franchise to Blacks was, with few exceptions, common to both. Thus, as the preeminent historian of the rise of American democracy, Sidney Wilentz, saw it, the basic difference between the South and the North in the lead-up to the Civil War was between "the South, largely committed to racist democracy with slavery as its foundation, and the North, committed to white male democracy and divided over black male participation but hostile to slavery."[20] Both were variants of what Pierre van den Berghe called "master race democracy."[21]

Master race democracy of the second type came to reign after the Civil War, but though shorn of slavery, it was one that was thoroughly suffused with racism—where informal denial of political rights and state-cum-civil society terrorism was the norm in the post-Reconstruction South and fragile tolerance of the franchise for Blacks in the North was accompanied by systemic social and economic discrimination.[22]

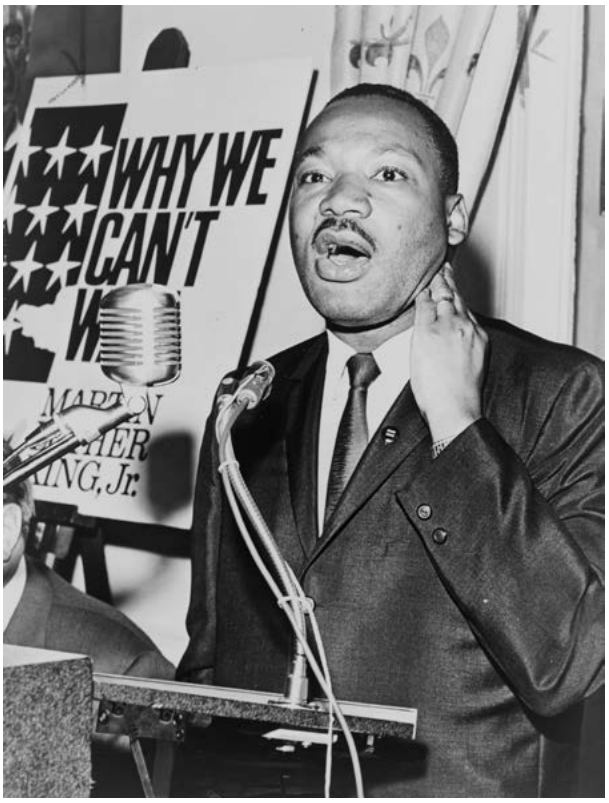
With the Civil Rights mobilization in the 1960's, master race democracy did not end but it did go into retreat for a brief period before rebounding to dispute the evolution of American politics in the form of the infamous "Southern Strategy,"

Political disenfranchisement coupled with terror from civil society organizations like the Ku Klux Klan governed the lives of Blacks in the Post-Reconstruction American South. *(Creative Commons)*

TO BE SURE, PIKETTY IS NOT UNAWARE OF THE WEAK STATE OF CLASS CONSCIOUSNESS OR THE IMPACT OF RACISM IN US POLITICS. BUT WHEN HE DISCUSSES THESE PHENOMENA, HE PROVIDES MAINLY A BRIEF HISTORICAL ACCOUNT OF HOW THEY HAVE PLAYED OUT IN POLITICS, NOT HOW PROPRIETARIANISM, OF WHICH THEY ARE CENTRAL FEATURES, IS IDEOLOGICALLY CONSTRUCTED AND TRANSMITTED GENERATIONALLY.

whereby the Republican Party, using both overt racism and "dog-whistle politics," that is, coded political language and imagery calculated to elicit racist responses, eventually became the party of white supremacy. Mills contends that the structures and institutions of the US continue to be so racialized so that there is an "ongoing system of white domination in the absence of an overtly white-supremacist ideology and overt rules of de jure subordination."[23]

To be sure, Piketty is not unaware of the weak state of class consciousness or the impact of racism in US politics. But when he discusses these phenomena, he provides mainly a brief historical account of how they have played out in politics, not how proprietarianism, of which they are central features, is ideologically constructed and transmitted generationally. *Piketty assumes what is to be explained: why proprietarian ideology has such as strong hold across generations.* In so far as he proffers an explanation, it is in by way of a very shallow instrumentalism whereby racism or "social nativism" is treated as conscious effort by the elites to divide the people (238-246). Even as historical narrative, his account is extremely flawed. For instance, he traces the birth of social nativism—that is, white supremacy—to the Reconstruction period in the late 19th century (241) when, in fact, it had already been steadily developing during the colonial period from the 17th century onwards, with an important contribution especially from Locke's writings. By the time of the American Revolution, the contradictory relationship of liberalism and racism had already congealed as a powerful ideological force, one that survived the Civil War and continues till today in the form of a largely subliminal ideology of white supremacy.



The Civil Rights movement led by the charismatic Martin Luther King was a major step in the political and civil enfranchisement of Black people but it did not end Master Race Democracy. *(Wikimedia)*

Master Race Democracy and White Supremacy

A key thrust of this covert white supremacist ideology has been to deflect contemporary class antagonisms generated by neoliberalism from class confrontation to racial conflict, causing most whites from the middle class and working class to go against their class interests. "The thousand-pound gorilla in American politics is that race convinces many whites to vote against their interests. How does it do so?" asks Ian Haney Lopez. It is worth quoting his answer in full because it elucidates the cultural and psychological dimension of working and middle class racist ideology that is totally absent in Piketty:

- Whites learn about race through social learning in a white-dominated society, and integral to this education by osmosis is a massive political effort to subliminally convince whites that they are in peril.
- The environment reflects centuries of white privilege, and this too increases race's subterranean power, making race a ready way to explain the position of one's group and indeed one's own fate.
- As with all of us, the minds of whites conspire against them: they think along racial lines categorically and automatically in ways very difficult to control, and to tend to resent as losses any diminution in their status and privilege. Meanwhile, far from learning to counteract their biased judgments, color blindness constantly tells whites that the way to get beyond race is to not consciously consider race.
- Finally, even if not motivated in a strategic way, whites are trapped by the desire to protect their self-image as well as the seeming legitimacy of their group position, and thus tend to adopt ideas about race and racism that provide absolution—ideas often crafted by dog whistle entrepreneurs to insinuate minority inferiority and to foster a sense of white victimization.[24]

Proprietarianism, White Supremacy, and January 6, 2021

We have devoted much space to discussing Piketty's views on the role of ideology in legitimizing inequality because, although it yields important insights, it is inadequate to explain the staying power of proprietarianism, one that was manifested in such dramatic events as the storming of the US Capitol on January 6, 2021.

To repeat, his focus on rational calculation based on material interest neglects the deep cultural psychological—indeed, non-rational—roots of Lockeanism whose historical evolution was marked by a synergy between the consolidation of class inequality and its philosophical justification. This leads to a fatal underestimation of the mass attachment to the institutions that serve as the foundations of a private property regime like banks and corporations.

Equally problematic is Piketty's failure to take into consideration the related historically explosive intertwining of class and race that has made whites "vote against their interests," as Lopez puts it. Working class whites have deserted progressive politics not only because the political leadership of the Democratic Party has "partly accepted" the neoliberal narrative. It is not only because of the increasingly greater weight of the interests of well educated professionals in the party. It is also, if not largely, because the party is seen as becoming the vehicle of the interests of blacks and other minorities owing to the ability of Republican dog-whistle politics to trigger culturally inherited subliminal racial responses.

As capitalism creates more and deeper inequality, as the attachment to irrational Lockeanism is threatened and class conflict intensifies, the more racial solidarity has been stoked to prop up the proprietarian regime and check progressive alternatives. It was the tortured relationship between racial solidarity and class solidarity, with the former winning out, that was on display in the January 6, 2021, when a large mob that clearly belonged to the white middle and working classes assaulted the US Capitol. Then President Donald Trump certainly incited the mob, but it was a mob that white supremacist thinking had conditioned to be receptive to his words. The deeper meaning of what is now widely termed the "insurrection" was captured by Charles Mills:

> The psyche of white citizens is foundationally shaped not merely by rational expectations of differential social and material advantage, but also by their status positioning above Blacks. For a significant percentage of white Trump supporters (I don't want to say all), I think the hope was that Trumpism—tapping into their "white racial resentment"—would address and eliminate both of these dangers, the ending of differential white material advantage and also the threatened equalization of racial status…What we saw on January 6 was in significant measure the acting out of the rage at this prospect.[25]

CHALLENGING LOCKEANISM AND WHITE SUPREMACY

Breaking the irrational Lockeanism that serves a barrier to class solidarity and destroying racial solidarity are mutually reinforcing tasks. Indeed, one of the keys to weakening the former is through a direct assault on racial solidarity, on white supremacy. The main task of progressive politics today is how to bring together a critical

The now notorious insurrection that led to the takeover of the US Capitol was fueled by the subliminal ideology of white supremacy. *(Creative Commons)*

BREAKING THE IRRATIONAL LOCKEANISM THAT SERVES A BARRIER TO CLASS SOLIDARITY AND DESTROYING RACIAL SOLIDARITY ARE MUTUALLY REINFORCING TASKS. INDEED, ONE OF THE KEYS TO WEAKENING THE FORMER IS THROUGH A DIRECT ASSAULT ON RACIAL SOLIDARITY, ON WHITE SUPREMACY. THE MAIN TASK OF PROGRESSIVE POLITICS TODAY IS HOW TO BRING TOGETHER A CRITICAL MASS AROUND AN IDEOLOGY AND PROGRAM BASED ON CLASS SOLIDARITY THAT HAS AS ITS PRIORITY TASK OVERCOMING THE CENTRIFUGAL FORCE OF WHITE SUPREMACY.

mass around an ideology and program based on class solidarity that has as its priority task overcoming the centrifugal force of white supremacy.

This is not the place to articulate such a program, for it is one that needs very serious, substantial thinking. But we can at least articulate the key principles that should guide this process.

One is that the white supremacy must be placed at the same level as class domination and gender discrimination as a central problem for progressive unity.

Second it must be centrally, explicitly, and aggressively addressed in any coalition-building effort. "Color blindness," an option preferred by many liberals, is not an option.

Third, a broad alternative program must be built around the "intersectionality" of the struggles around class, race, gender, and the environment that form the key fronts of the overarching conflict between the forces of progress and those of reaction today. This may seem like a tall order, but there is a historical precedent for success in placing race front and center in an alliance based on common interest: the US Civil War. Only when emancipating slaves was joined by President Abraham Lincoln to saving the Union was the moral, political, and military stalemate broken and the road to victory opened up. The war, Lincoln asserted, "will be carried on so long as I am President for the sole purpose of restoring the Union. But no human power can subdue this rebellion without using the Emancipation lever as I have done."[26]

Finally, while appeal to common interest is important in creating progressive coalitions, the ultimate appeal must be to common values of equality, justice, and freedom. An appeal to values is an appeal to people's better selves, one which can bring them out of their imprisonment in immediate interests. Again, the American Civil War furnishes an example of success. Despite their suffering from lack of cotton from the South to feed their mills and employ them owing to the Northern blockade, the white textile workers of Lancashire in England supported the North out of their belief in the injustice of slavery. As one veteran Chartist leader explained it, "The people had said there was something higher than work, more precious than cotton… it was right, and liberty, and doing justice, and bidding defiance to all wrong."[27] To put things in a contemporary context, a minority of white voters (42 per cent) did not vote for Trump, but that does not mean that more cannot be won over by an impassioned appeal to their values over their wrongly perceived interests.

Unanchored in the complex concrete articulation of property, inequality, and ideology, Piketty's proposed program of progressive taxation resting on the principle of temporary private ownership of social property will remain bloodless.

CONCLUSION

Thomas Piketty may or may not consider himself a Marxist, but the perspective this French economist brings to his study of inequality belongs to Radical and Progressive school of American social thought whose pioneers included the early 19th century radical thinker Thomas Skidmore and the late 19th century Progressive economist Henry George.

Piketty and his Radical/Progressive predecessors see land and other forms of wealth as socially owned but whose value is unfairly privately appropriated. What goes to the rich is unearned rent rather than profit since it is cooperative efforts on the part of society that impart value to land and other forms of wealth. The task of society is thus to reclaim what is rightfully its own via progressive property, inheritance, and income taxes.

The drive to monopolize wealth is not driven primarily by the dynamics of capitalism but by a proprietarian ideology the central dynamic of which is to extend its reach beyond land to new forms of wealth such as stocks and bonds and legitimize their capture by private hands. It is therefore essential to create a counter-ideology to delegitimize proprietarian ideology. This, Piketty says, is the notion of "temporary private ownership" of socially owned wealth, a large part of which must revert back to society in the form of taxes that are then transformed into transfer payments in the form of social security benefits, a universal basic income, and a universal capital endowment. Interestingly, temporary ownership also bears a great similarity to the idea of trusteeship promoted by the epitome of capitalism of the Gilded Age, the billionaire philosopher Andrew Carnegie.

The problem with Piketty's treatment of proprietarian ideology is that it treats the socialization of people into an ideology and its generational transmission as largely a rational, calculating process. In fact, there is an attachment to private property that cuts across classes owing to the fact that it has a non-rational or even irrational basis. This attachment has been forged by key figures reflecting on the unfolding private appropriation of property and providing the ideological justification for this process. A central contribution here came from the 17th century philosopher John Locke whose justification of private property was the mixing

of an individual's labor with land. Related to this labor theory of land value was his theory of the social contract by which society entered into a contract with a sovereign power, the centerpiece of which was the latter's commitment to protect individual property. So strong has Locke's ideological influence been in the United States that a prominent scholar has termed the ideology of Americans "irrational Lockeanism."

Locke's theory of property was, however, not one that provided equal access to land to all. It legitimized the expropriation of common land from the Native Americans that depended on it for their livelihoods on grounds that they did not mix their labor with it. Locke's political philosophy also recognized equality among whites but not between whites and blacks. Liberalism was thus born along with racially based slavery, a contradiction that was later incarnated in the call for universal liberty and equality by leaders of the American liberal revolution who were at the same time slaveholders whose development as free individuals was made possible by slave labor.

The fundamentally unequal access to property, equality, and liberty was institutionalized in a master race democracy that has persisted till the present despite the Civil War that abolished slavery in the mid-19th century and the Civil Rights movement of the 1960's. Today, the ideology of white supremacy is the lynchpin of the Republican Party, the Tea Party, and other far right organizations.

Piketty's proposed program of taxation based on temporary ownership is a social democratic program that is flawed because it does not acknowledge the power of irrational Lockeanism and is a color blind program that also has no recognition of the overwhelming ideological presence of white supremacy.

Irrational Lockeanism, with its subversion of class solidarity, and white supremacy, which promotes racial solidarity, feed on each other, and the way to weaken both at this moment in time is to confront head-on the legacy of white supremacy with an intersectional coalition based on the common interest in overcoming racial, class, and gender inequalities and the destruction of the environment. But above all, such a movement must go beyond common interest and base its appeal to all social groups on their shared fundamental values of equality, liberty, and justice. Only by being inserted and articulated in the historically concrete articulation of property, inequality, ideology, will Piketty's program of progressive taxation based on the principle of temporary ownership acquire relevance and force.

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WHAT DOES PIKETTY OFFER THE GLOBAL SOUTH?

By his own admission, Piketty says that *Capital and Ideology* is mainly devoted to an analysis of trends in inequality in the global North and its prescriptions for the transformation of inequality regimes have limited relevance for countries of the global South owing to their limited sources available for taxation and transfer as social security benefits. Yet precisely because he is so wide-ranging in his interests, in those parts of *Capital and Ideology* where he deals with aspects of the features and development of inequality in selected countries of the global South, Piketty offers important insights.

First of all, he brings together a compendium of statistics on inequality trends in slave and colonial societies and extrapolates lessons and derives policy proposals from them. Especially valuable in this regard are his statistical estimates of the profitability of slavery in the West Indies. In the 1780's alone, the profits from the slave system in the Americas came to seven per cent of France's national income, with three per cent from Haiti alone. To protect its hard-won independence, Haiti agreed to pay former slaveowners 150 million in gold francs, which at the time came to 300 per cent of the country's national income, or three years of production. French creditors managed to extract an average of five per cent of Haiti's national income from 1849 to 1915, and the debt was not officially repaid and wiped from the books until the early 1950's. The tragic consequences this deal imposed on Haiti are underlined by Piketty: "For more than a century, from 1825 to 1950, the price that France insisted Haiti pay for its freedom had one main consequence: namely, that the island's economic and political development was subordinated to the question of indemnity…" (219) For France, in contrast, the windfall from reparations paid to the slaveholders rather than the slaves have multiplied in value many times over owing to constant reinvestment. There is, therefore, a good economic and moral basis for Haiti to demand reparations from France.

Piketty's estimates of the windfall from slavery and his arguments for reparations on the basis of trans-generational justice provide support for the approach of a new school of political economy in Africa, the West Indies, and the US, the "stratification school," which is building a program based on the intersections not only of current racial, class, gender, and environmental

inequalities, but historically transmitted inequality. To these progressive Black scholars like Sir Hilary Beckles and William Darity, Jr, reparations for slavery and colonialism are a central part of a comprehensive program to overcome the legacy of underdevelopment.[1]

Second, the stratification school would also find quite congenial Piketty's focus on progressive taxation, which comes from their jointly being influenced by Henry George. Many have been disillusioned by nationalization or socialization as an alternative to private property on account of having spawned a corrupt state-dependent bourgeois class that has placed rent seeking above efficient production, channeled the profits of nationalized enterprises to private coffers, and filled positions with loyal dependents instead of good managers. As a result, some have looked to the heavy taxation of land and resources controlled by transnational firms, nationally owned enterprises, and local landed elites to take from their monopoly profits what rightfully belongs to society, as prescribed by George. Piketty himself would probably learn much from the approaches of these African "Georgists" like Franklin Obeng-Odoom who updates George for the contemporary African context:

> The tax system as a whole can be changed to reward effort and discourage speculation and monopoly by shifting the object of taxation to land and away from building costs. As land values in resource-rich cities are rising, a tax on land will increase the revenue to the state, especially if the legislation introducing such a tax does away with the many exemptions granted to TNCs. The income tax can, then, be gradually removed.

BY HIS OWN ADMISSION, PIKETTY SAYS THAT CAPITAL AND IDEOLOGY IS MAINLY DEVOTED TO AN ANALYSIS OF TRENDS IN INEQUALITY IN THE GLOBAL NORTH AND ITS PRESCRIPTIONS FOR THE TRANSFORMATION OF INEQUALITY REGIMES HAVE LIMITED RELEVANCE FOR COUNTRIES OF THE GLOBAL SOUTH OWING TO THEIR LIMITED SOURCES AVAILABLE FOR TAXATION AND TRANSFER AS SOCIAL SECURITY BENEFITS.

> Removing taxes on labor will enhance its condition and create incentives in all markets. As disposable incomes rise, there will be an increase in local purchases, which in turn will stimulate more economic activity, resulting in a virtuous cycle. The added economic activity will enhance land values, and hence add to the public purse. The process itself will also generate revenue and cultivate experience for a social, Georgist state.[2]

Piketty can learn not only from Black theorists but from fascinating practical examples that have already put in place the kind of social state he is still dreaming about. In this regard, he might look at Mauritius:

> Mauritius takes its environmental programs very seriously. It taxes oil from cradle to grave, from production to use, and uses the returns to incentivize greener investments. The Maurice Ile Durable (MID) launched in 2008 is a case in point. A tax on fossil fuel, MID has since doubled on coal, liquefied petroleum gas, and other petroleum products. The effect has been to make the price of such products more prohibitive in an attempt to discourage their use. In the case of coal, the price increase has been as high as 9.4 per cent. … Many concerns remain about whether the tax rate is too low, in what ways production can more directly be checked, and whether MID should be developed into a full blown carbon tax or an enhanced emissions trading scheme. These are all questions that have been asked with the intention of improving the environmental record of the country rather than to disparage the country's Georgist credentials.[3]

"Mauritius is a fascinating case study," Obeng-Odoom concludes, having "successfully combined economic growth with poverty reduction and a more egalitarian distribution of resources in a cleaner and greener environment, while still open to international trade."[4]

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1 See Franklin Obeng-Odoom, *Property, Institutions, and Social Stratification in Africa* (Cambridge: Cambridge University Press, 2020), pp. 56-58.
2 *Ibid.,* p. 276.
3 *Ibid.,* p. 279.
4 *Ibid.,* pp. 279-280.

ENDNOTES

1 John Judis, "Thomas Piketty is Pulling Your Leg," *Carnegie Foundation for International Peace,* republished from New Republic, May 6, 2014, https://carnegieendowment.org/2014/05/06/thomas-piketty-is-pulling-your-leg-pub-55570

2 David Harvey, "Afterthoughts on Piketty's Capital," *Reading Marx's Capital with David Harvey,* May 27, 2014, http://davidharvey.org/2014/05/afterthoughts-pikettys-capital/

3 Thomas Piketty, *Capital in the 21st Century* (Cambridge: Harvard University Press, 2014), pp. 25-27.

4 All quotations from *Capital and Ideology* will have their page numbers in the text.

5 Thomas Skidmore, *The Rights of Man to Property* (New York: 1829), as summed up in Sean Wilentz, The Rise of American Democracy (New York: Norton, 2005), p. 353.

6 *Ibid.,* p. 354.

7 Henry George, *Progress and Poverty: An Inquiry into the Causes of Industrial Depression and of Increase of Want with Increase of Wealth* (New York: D. Appleton, 1886), pp. IX-X, https://books.google.com.ph/books/about/Progress_and_Poverty.html?id=CjcqAAAAYAAJ&printsec=frontcover&source=kp_read_button&redir_esc=y#v=onepage&q&f=false

8 Andrew Carnegie, "The Gospel of Wealth," Carnegie Corporation of New York, https://www.carnegie.org/about/our-history/gospelofwealth/

9 *Ibid.*

10 Locke, like his contemporaries, had only males in mind as political agents.

11 C.B. MacPherson, *The Political Theory of Possessive Individualism* (New York: Oxford University Press, 1962), pp. 197-198.

12 Louis Hartz, *The Liberal Tradition in America* (New York: Harcourt Brace and World, 1955), pp. 74-75.

13 *Ibid.,* p. 18.

14 *Ibid.,* p. 204.

15 John Locke, quoted in Domenico Losurdo, *Liberalism: A Counter-History* (London: Verso, 2011), pp. 24-25.

16 John Locke, quoted in *Ibid.,* pp 42-44.

17 Quoted in *Ibid.,* p. 10.

18 Charles Mills, quoted in Daniel Steinmetz-Jenkins, "Liberalism Still Has a Chance," Interview with Charles Mills, *The Nation,* Jan 28, 2021, https://www.thenation.com/article/culture/charles-mills-thinks-theres-still-time-to-rescue-liberalism/

19 Losurdo, p. 40.

20 Wilentz, p. 587.

21 Pierre van den Berghe, *Race and Racism: A Comparative Perspective* (New York: Wiley 1967).

22 It is important to note here that in the case of the South, one had a system marked not only by political and civil repression but an economic system that was semi-slave. As Ian Haney Lopez put it, "Convict leasing recreated a facsimile of slavery directly, with convict laborers held and exploited under the terror of the lash in fields, factories, and mines. But it also reconstituted pre-Civil War racial stratification by undergirding the rise of debt peonage and sharecropping across the rural South. The system's ubiquity and caprice assured that virtually no African American man was safe unless under the protection and control of a white landowner or employer. If you wanted to be sure you would make it home from town—rather than being swept up, imprisoned under spurious charges,

and sold into the convict leasing system—you needed the surety provided by a powerful white man. Blacks went into sharecropping, a relationship itself akin to slavery, partly because they needed white bosses to protect them from the lethal convict labor system. The mortal threat of convict leasing and the chain gang subjugated African Americans to an agricultural peonage system at least until the mid-1940's." Ian Haney Lopez, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (New York: Oxford University Press, 2014), pp. 40-41.

23 Mills.

24 Ian Haney Lopez, *Ibid.,* pp. 188-189.

25 Mills.

26 Quoted in James McPherson, *Battle Cry of Freedom: The Civil War Era* (New York: Ballantine, 1988), p. 769.

27 Quoted in *ibid.,* p. 551.

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