1-1-2015

Critical Theory and the Limits of Academic Economics: Resolving the Political in Piketty's Capital in the Twenty-First Century

Daniel Krier
Iowa State University, krier@iastate.edu

Kevin S. Amidon
ksamidon@fhsu.edu

Recommended Citation
Krier, D., & Amidon, K. S. (2015). Critical Theory and the Limits of Academic Economics: Resolving the Political in Piketty's Capital in the Twenty-First Century. Critical Sociology, 41(2), 349–357. https://doi.org/10.1177/0896920514565487

Critical Sociology

Article

Critical Sociology
2015, Vol. 41(2) 349–357

DOI: 10.1177/0896920514565487
crs.sagepub.com
SAGE

Critical Theory and the Limits of Academic Economics: Resolving the Political in Piketty's *Capital in the Twenty-First Century*

Daniel Krier
Iowa State University, USA

Kevin S. Amidon
Iowa State University, USA

Abstract
This essay assesses the central arguments of Piketty's *Capital in the Twenty-First Century*. We note Piketty's limited engagement with and active distancing from the writings of Marx. Piketty's location within the disciplinary boundaries of academic economics seems to have profoundly shaped his surprisingly apolitical analysis. Engagement with the political dimensions of capital is further constrained to increase the book's influence upon policy. We analyze important limitations to Piketty's work that result from these disciplinary constraints. Important politically implicated concepts, problems, and approaches that relate to Piketty's substantial empirical work are: labor process studies, research on speculative capitalism, and literature highlighting institutional and political determinants among varieties of capitalism.

Keywords
capitalism, class, critical theory, inequality, Marxism, patrimony, political economy

Introduction

It has been two decades since a social scientific work on inequality last attracted the level of media attention received by Thomas Piketty's *New York Times* best-selling *Capital in the Twenty-First Century*. In 1994, Richard Herrnstein and Charles Murray published their controversial *The Bell Curve*, a book that quickly sold 400,000 copies amid media coverage, policy discussion, and widespread engagement (and criticism) by academics. Popular attention to *The Bell Curve* faded quickly while academic discussion peaked soon after. We suspect that Piketty's bubble of notoriety is fated

Corresponding author:
Daniel Krier, Iowa State University, 4 East Hall, Ames, IA 50011, USA.
Email: segelkrier@gmail.com

to be similarly short-lived, despite occasional displays of academic and journalistic interest (including being named the *Financial Times*' Business Book of the Year in November 2014). These two books, while profoundly different in tone, approach, methodological sophistication, and scholarly heft, seem committed to a similar goal: to make themselves available as resources to policymakers while appearing always to stand upon an academic-disciplinary pedestal that raises them above the hurly-burly of politics. Much of the publication success of both works in the American media market surely derives from this ostensibly apolitical stance.

Despite this affinity with one of the more notorious publications of the 1990s, the attention and praise received by *Capital in the Twenty-First Century* has been well deserved. The book builds on the work of dozens of sophisticated economists, and contains a wealth of empirical time-series data on comparative income distribution. This makes it an impressive resource for future scholarship and analysis. Nonetheless, the book remains impaired by its excessively narrow disciplinary focus within contemporary academic economics. Piketty's work clearly strains to avoid any whiff of the political. It shies from an engagement with Marx and Marxist interpretive traditions that have long sought a differentiated analysis of the mechanisms and dynamics of capital. It therefore fails to connect with important current strands of critical theory. In this review we hope to point to potential moments of such connection.

Piketty appears – doubtless for good reason within academic economics – to be so committed to first-order empiricism that his book seems uninterested in, even dismissive of, interpretive conclusions. This is understandable across the European and American spheres, where central banks, technocratic policy institutions, think tanks, and academic work hew compulsively to a rhetoric of apolitical economic science. Unfortunately, *Capital in the Twenty-First Century* thus becomes at once too much and too little: it sets up expectations in left-progressive readers familiar with Marx that it might in fact contribute directly to critical theory by putting its data at the service of a causal-functional analysis of capital. Unfortunately it does not, for it does not interrogate capital per se. Rather, the book is a description of the historical relations between national income and the return on capital. It therefore provides less a causal explanation of the return on capital than it does an accounting of the income that accretes to the owners of capital. This distracts from the complex, layered, and dynamic nature of capital by flattening it into income, and income into wealth. Thus for all its strengths, Piketty's work constrains critical approaches to political economy, and serves further to evacuate the political from the sphere of the economic. Critical theorists have much work to do to turn Piketty's near-compulsive empiricism into work that can go beyond the narrow disciplinary confines of academic economics and reveal and develop understanding of the political core of all economic policy.

Piketty's 'Laws'

Reading Piketty's *Capital* carefully requires commitment. The work is a substantial, well-argued depiction of systemic wealth and income inequality in modern capitalism. Though the book is voluminous, at its heart is a large series of straightforward line graphs depicting long-term patterns within an impressive array of data: centuries-long time series of national income and wealth statistics across several continents. The simplicity of the graphs is in keeping with the spare, even austere, mathematically reduced theses that are presented as *laws of capitalism*. In a world awash in complex, contingent and relativistic theories, Piketty's rather old-fashioned claim to the discovery of unvarying laws is unusual. It further helps to account for the public fascination with the book, especially among those who – despite Piketty's own studiously apolitical stance – represent left-progressive policy positions.

What are the 'fundamental laws of capitalism' that Piketty claims to have discovered? Expressed in properly scientific Greek letters, the formula of the first such law is $\alpha = \tau \times \beta$: the share of national wealth that accrues to capital (α) is equal to the rate of return on capital (τ) times the ratio of capital to income (β). This law is a 'pure accounting identity … tautological …', but Piketty argues that it is important since it places the 'three most important concepts for analyzing the capitalist system' in relation to each other (Piketty, 2014: 52). The second law is expressed $\beta = s / g$: the ratio of capital to income of a country (β) is equal to the savings rate (s) divided by the economic growth rate (g) (Piketty, 2014: 166). Though not expressed as a fundamental law (which serves to distance him from Marx), the formula from the book that expresses Piketty's central argument about inequality in capitalism most directly is $r > g$: the rate of return on capital (r) is greater than the economic growth rate (g). In short, capital accumulates. Piketty distills long-range figures for 'the inequality r > g' (of 4–5% return on capital and about 1% long-term growth) but the variation in time and place is considerable, so that r > g 'should be analyzed as a historical reality dependent on a variety of mechanisms and not as an absolute logical necessity' (Piketty, 2014: 361). Though mathematically expressed, Piketty avoids complex statistical analysis but rather pictorially represents variations among income, wealth, growth, and rates of return in a variety of places and times. There is nothing complex about the math: Piketty's conclusions result from inferences, not inferential statistics.

To us, the great strength of the book is Piketty's rigorous aggregation of national statistics from very diverse sources that make possible such powerful, large-scale time-series. This was an immense undertaking, and Piketty and his collaborators deserve the accolades they have received for making this laboriously constructed data set available on his website (http://piketty.pse.ens.fr/en/capital21c2). Such strenuous aggregation of data into such straightforward representations schemas without shilly-shallying is unusual in the contemporary academy. Indeed, it is reminiscent of the 19th and early 20th century economic scholarship that Piketty frequently cites and openly admires, such as Willford King's *The Wealth and Income of the People of the United States* (1915).

At the same time, however, Piketty scrupulously avoids interpretive claims that might pigeonhole him as 'left' or 'radical' – or even as 'French'. His work has impressive scale, but its scope is narrow, even pinched, such that no accusation that his academic work might be tainted with political motivation be allowed to stick. Even where Piketty admits that political factors play a major role in the historical processes he elucidates, he buries his claims deep in the text and shies away from interpretive conclusions. For example, he states flatly that 'the price of capital is … always in part a social and political construct'. This significant admission is, however, hedged rhetorically between two phrases that give it a throwaway character: 'Last but not least' and 'This is obvious' (Piketty, 2014: 188). It thus remains for other scholars to use Piketty's material to found critical interpretive arguments that do not accede to an evacuation of the political.

Piketty is thoughtful, careful and transparent about the sources of this data, and is cautious to specify what he feels are appropriate interpretive limitations. Standing back from the book, its most impressive accomplishment is the revelation of the magnitude and near universality of income and wealth inequality. Reviewing the graphs, clear law-like structural relationships between Piketty's concepts come into view: despite massive historical and political changes, the ratio of capital to income varies within a surprisingly narrow range across nations and centuries. In Piketty's graphs, patterns of wealth and income inequality appear surprisingly similar across national borders that demarcate distinctive political economies. Yet, American critical theorists and left-progressives will find it affirming to see that our time (post-1970s) and our place (Anglo-American liberal market economies) are indeed especially unequal relative to the recent past and to other nations.

In an interesting and revealing move, in the service of his arguments about patrimonial capitalism in the 19th century and earlier, Piketty even seems to privilege the literary above the political-economic as an interpretive scheme. The income and wealth dynamics distilled into formulas and graphically depicted by Piketty are frequently illustrated with literature, particularly Honoré de Balzac and Jane Austen. The most compelling of these illustrations is drawn from Balzac's *Père Goriot* and turns upon a young man's calculations as he ponders the relative returns to the pursuit of a professional career versus marriage to a wealthy woman (see especially Piketty, 2014: 238–40). Austen's characters engage in the same ethical calculus, though in a different context and with different results. The dilemmas faced by impecunious, literary dowry-hunters who acquire patrimony through matrimony capture Piketty's own moral stance toward inherited wealth in capital: given the long-run tendency for r > g, returns to wealth frequently exceed returns to work. This turns out to be one of Piketty's most vigorously emphasized themes: as economic growth slows, capitalism reinforces inherited wealth while reducing rewards for work.

Piketty's *Capital* and Marx's Capital

Clearly, Piketty's failure to engage Marx impairs *Capital*'s utility for critical theorists. Piketty does make reference to Marx at several points in his work, which contains within its rhetorical framing – though obliquely – a response to and criticism of Marx's analysis of capital. Unfortunately, it also seems that Piketty's commitment to the maintenance of his credibility within transatlantic academic economics leads him to be unduly dismissive of Marx, and to appear unwilling to raise serious Marxist questions about the nature and functioning of capital. Throughout the book we see a range of rhetorical moves that serve to mask the political moments always present within economic activity.

Piketty has even represented himself as unfamiliar with, if not uninterested in, the basic arguments of Marx's *Capital*. In an interview with Isaac Chotiner published in *The New Republic* in May 2014, Piketty was asked to 'talk a little bit about the effect of Marx on your thinking and how you came to start reading him'. Piketty responded: 'Marx? … I never managed really to read it. I mean I don't know if you've tried to read it. Have you tried? … *The Communist Manifesto* of 1848 is a short and strong piece. *Das Kapital*, I think, is very difficult to read and for me it was not very influential.' Chotiner prompted Piketty by noting that '…your book, obviously with the title, it seemed like you were tipping your hat to him [Marx] in some ways'. To which Piketty responded: 'No not at all, not at all! The big difference is that my book is a book about the history of capital. In the books of Marx there's no data' (Chotiner, 2014).

Chotiner's questioning of Piketty about his engagement with Marx is reasonable given that the first reference to Karl Marx occurs in the third sentence of the first page of Piketty's *Capital*: 'Do the dynamics of private capital accumulation inevitably lead to the concentration of wealth in ever fewer hands, as Karl Marx believed in the nineteenth century?' (Piketty, 2014: 1). On pages seven through 11, Piketty criticizes Marx's *Capital*, boiling it down to several theses that he perceives as flawed, including the principles of 'infinite accumulation' and 'perpetual divergence'. Piketty reads Marx's analysis as symptomatic of economists' 'no doubt overly developed taste for apocalyptic predictions' (Piketty, 2014: 11). Piketty often pairs Marx's name with the idea of apocalypse: 'My conclusions are less apocalyptic than those implied by Marx's principle of infinite accumulation and perpetual divergence' (Piketty, 2014: 27).

Piketty reads Marx as wrongly theorizing an 'inexorable tendency for capital to accumulate and become concentrated in ever fewer hands, with no natural limit', signaling an 'apocalyptic end to capitalism' (Piketty, 2014: 9). Marx's 'dark prophecy' was in error because of Marx's ignorance of productivity improvements, because he 'totally neglected the possibility of durable technological progress and steadily increasing productivity', which Piketty views as 'a counterweight to the process of accumulation and concentration of private capital' (Piketty, 2014: 10). This is perhaps the most glaring misunderstanding of Marx in the book: Piketty's repeated claim that Marx 'implicitly relies on a strict assumption of zero productivity growth over the long run' (Piketty, 2014: 27).

Marx is further criticized for methodological errors, because he 'no doubt lacked the statistical data needed to refine his predictions' and intellectual dishonesty because he 'decided on his conclusions in 1848, before embarking on the research needed to justify them' (Piketty, 2014: 10). In a footnote to the text, Piketty adds that Marx 'occasionally sought to make use of the best available statistics of the day but … in a rather impressionistic way and without always establishing a clear connection to his theoretical argument' (Piketty, 2014: 580). Piketty diminishes Marx as one of a number of proto-economists who 'had been talking about inequalities for decades without citing any sources whatsoever or any methods for comparing one era with another or deciding between competing hypotheses' (Piketty, 2014: 13). Even when Marx did use statistics, he 'usually adopted a fairly anecdotal and unsystematic approach to the available statistics' (Piketty, 2014: 229). At moments, Piketty views Marx as a vigorous stylist who 'evidently wrote in great political fervor', making 'hasty pronouncements from which it was difficult to escape' (Piketty, 2014: 10), and adds that 'Marx's literary talent partially accounts for his immense influence' (Piketty, 2014: 580). At other moments, Piketty criticizes Marx at once for lack of rigor and for unclear writing style: 'Marx did not use mathematical models, and his prose was not always limpid, so it is difficult to be sure what he had in mind' (Piketty, 2014: 228).

We will not narrate full correctives to Piketty's statements regarding Marx. Even a cursory reading of Marx's *Capital*, the *Grundrisse*, or the essay, 'Value, Price, Profit' will demonstrate Marx's emphasis upon productivity growth as a consequence of the pursuit of relative surplus value. Marx strove to address the statistical evidence that was reliably available in his time, and dialectically reconsidered his positions throughout his life. The degree to which Piketty is unschooled in Marx is not a significant issue for us. Rather, the disciplinary boundaries of the economics necessarily privileged by Piketty foreclose Marx and Marxian analytics.

The most important consequence of Piketty's foreclosure of Marx is that capital remains fundamentally fetishized as an undifferentiated object that radiates power. Marx's value theory defetishizes commodities, money, and capital, revealing value as generalized labor embedded during the labor process and socially validated in exchange. Piketty does not analyze value, leading him to conflate capital with wealth, using these terms 'interchangeably, as if they were perfectly synonymous' (Piketty, 2014: 47). To Piketty, capital is 'the sum total of nonhuman assets that can be owned and exchanged', a long list that includes real estate (even private homes) and 'financial and professional capital (plants, infrastructure, machinery, patents, and so on) used by firms and government agencies' (Piketty, 2014: 46). To Marx, capital as such refers to wealth invested in the process of commodity production where it mixes with living labor to produce an excess known as profit. Even King (1915) distinguished between active wealth (invested and circulating) and inert or passive wealth. Piketty makes no such distinction, and thus ventures no analysis of the constitutive nature of capital (value, the labor process, the working day, the extraction of surplus). For him, such work ventures beyond the legitimate discursive boundaries of the discipline of economics.

Marx's *Capital, Volume 1*, focuses upon the analysis of production: by defetishizing the capital process (seeing commodities as value, as crystalized labor power, by analyzing the working day), Marx kept in view the social relationships and political systems that constitute an economy. Remaining within the confines of economic disciplinarity, Piketty is unable to defetishize capital and to analyze it in terms of the labor process. Inequality is therefore reduced to a problem of consumption and distribution, of unequal incomes and possessions. Whereas Marx delved deep into work, production, and the labor process to reveal the nature of capital, Piketty's analysis of inequality avoids the workplace altogether.

Convergence and Divergence, Commons and Enclosures

To Piketty, national inequalities of income and wealth are shaped by contradictory forces pushing toward 'convergence' (reduced inequality) and 'divergence' (increased inequality). The failure to defetishize capital by analyzing the labor process is especially limiting when Piketty explains the two forces of 'convergence', both emanating out of colleges and universities: diffusion of knowledge and acquisition of skills and training. Piketty views increased acquisition of skills and knowledge as the foundation of a 'patrimonial middle class' that reduces inequality within nations. The same forces – increased education and acquisition of know-how – also lead to reduction of inequality between nations. Poor countries of the world take note: 'by adopting the modes of production of the rich countries and acquiring skills comparable to those found elsewhere, the less developed countries have leapt forward in productivity and increased their national incomes'. The mechanism is 'fundamentally a process of the diffusion and sharing of knowledge – the public good par excellence – rather than a market mechanism' (Piketty, 2014: 21).

Here Piketty gestures toward but fails to articulate with the political-economic arguments of the 'alter-modernity' theorists Michael Hardt and Antonio Negri (2011), who see the 'commons' or 'commonwealth' as byproducts created and enriched through capitalism. Forms of association, know-how, information, and knowledge generated within capitalism flow into the 'cultural commons'. Political struggles in our time are less focused upon labor and working-class activism than struggles against appropriation, privatization, and enclosure of the commons in order to foster a de-commodification of social life. Piketty's uncomplicated assurance that knowledge-diffusion and skill-acquisition spread readily to the lower orders underestimates capitalist power to enclose. Hardt and Negri (2011) see political struggle as necessary to overcome capital's surveillance and control systems, including the army of property lawyers that enforces the trademark, copyright and patent machinery securing intellectual property.

While Piketty incorporates 'immaterial capital' (patents, intellectual property, brands, goodwill, trademarks) into his definition of capital, he provides no separate analysis of them. Similarly, his disciplinary constraints do not allow him to recognize the 'fictitious' nature of immaterial capital (as understood by theorists including Marx, Rudolf Hilferding, and David Harvey). Piketty therefore cannot follow Hardt and Negri into a political analysis of the growing importance of immaterial production (Hardt and Negri, 2011: 132–7), and the important role intellectual property law plays in the privatization of culture (Boyle, 2003). Analysts who study the unpaid labor of consumers point to a condition of double-exploitation that consumers rarely understand with clarity and that lies beyond Piketty's disciplinary horizon (Cova and Dalli, 2009: 29).

Disciplinary conventions further seem to limit Piketty's understanding of the primary force behind divergence to the outsized earnings of 'super-managers': 'this spectacular increase in inequality largely reflects an unprecedented explosion of very elevated incomes from labor, a veritable separation of the top managers of large firms from the rest of the population' (Piketty, 2014: 24). Piketty attributes this rise to the selfish interests and exceptional bargaining power of top managers in corporations, who 'have the power to set their own remuneration, in some cases without limit and in many cases without any clear relation to their individual productivity' (Piketty, 2014: 24).

Such framing of excessive executive compensation as a classic principal/agent hazard, though consistent with academic economic discourse, discounts the politicized financial deregulation of recent decades and how it dramatically increased the power of large, speculative stockholders to control corporate affairs. Beginning in the 1980s, stockholders of US corporations grew more organized and active, electing boards of directors who awarded immense stock options to the executives they appointed. Stock options (and bonuses tied to stock price) ensured that US executives were focused 'liked a laser' upon increasing the short-term value of corporate stock by giving them a 'piece of the action' (Krier, 2005). Contrary to Piketty's narrow interpretation, executive stock options were not 'incomes from labor' that were economically justified by 'clear relation to their individual productivity' but rather payments akin to bribes (Piketty, 2014: 24). Piketty makes a category mistake when he views executive compensation and stock options as labor income: they are, in fact, a redistribution of the return to capital meant to incentivize management to increase returns. The large growth in income inequality that Piketty graphs was not due to pay for efficient work, but was a means to forge an unusually powerful corporate control structure.

The Varieties of Capital and the Social State

Writing within the disciplinary conventions of economics, Piketty documents the significant divergences in national patterns of inequality revealed in his graphs, but shies away from causal analysis. Often, his discussion minimizes national variations while drawing attention to overarching similarities, making it appear that he is in pursuit of a unitary theory of wealth and income inequality. Fundamental differences between national capitalist systems have given rise to the extensive 'varieties of capitalism' literature that has developed in the borderlands between academic economics, sociology, and business studies (see especially Weber, 1946; Hall and Soskice, 2001; Esping-Anderson, 1990; Scruggs and Allan, 2008; Krier, 2008). Though a variety of ideal-type rubrics are deployed in this literature, each finds important differences between 'liberal market economies' (primarily Anglo-American) and 'coordinated market economies' (northern European social democracies). Some approaches (Esping-Anderson, 1990; see also Weber, 1930, 1946) identify additional varieties of capitalism clustered in the Catholic countries of southern Europe. We have recoded the data files that Piketty has provided to scholars on his website by grouping the nations in his database into three 'varieties of capitalism': northern European social democracies (whose economic ethics align closely with Weber's Pietists), Anglo-American liberal market economies (whose economic ethics align closely with Weber's Calvinists) and Catholic economies (whose economic ethics align closely with Weber's traditionalism). The political dimension is particularly important in accounting for differences between these varieties of capitalism in the provision of social insurance and public assistance. The intersection of risk-pooled social insurance with political subjectivity (Amidon and Sanderson, 2012) varies widely across these political economic regimes (see Appendix).

Piketty's disciplinarity also seems to limit his interest in regional and sectional patterns of inequality within a given nation-state. Indeed, *Capital's* dataset does not parse US statistics into counties, states or regions, but remains aggregated at the national level. While Piketty notes in passing that US northern states, during the 19th century at least, had extraordinarily low levels of inequality while the southern states had very high levels of inequality that rivaled or exceeded aristocratic Europe, and he notes the significance of slaveholding in this dynamic especially in the late 18th and early 19th centuries, he ventures no deeper reflection upon how these historical politics of expropriation might continue to affect capital formation (Piketty, 2014: 158–63). This is unfortunate, because county-level US census data on income inequality reveal enormous differences among US regions (US Census Bureau, 2012): northern tier states and the Midwest exhibit low levels of inequality (on par with contemporary European social democracies), while the southern states exhibit exceptionally high levels of inequality (on par with aristocratic Europe at its most unequal peak). Such patterns of regional distinctiveness are consistent with Fischer's (1989) *Albion's Seed* and with other social histories mapping distinctive subcultures laid down by British and European laws and customs. While these European folkways were modified in the American setting, the translation of old world cultures to the colonies often resulted in concentration and clarification: the New World setting enabled certain contradictions and tonal disharmonies to be worked out, creating cultures with great logical self-consistency, durability and self-clarity.

The Evacuation of the Political and its Retrieval

For the critical theorist who is interested in the possibilities of politics, what can be learned from Piketty's constrained disciplinarity? In his writing and in interviews, Piketty does not simply set himself apart from politically engaged scholarship, but projects the entire category of the political into the utopian and its dialectically opposed double, apocalyptic prophecy (Piketty 2014: 6–12). Such distancing is necessary for Piketty to maintain credibility within the branches of disciplinary economics committed to positivist, non-Marxist positions. Critical theorists can only find it perverse, however, that Piketty, in the name of retaining disciplinary credibility and legitimacy within technocratic, bureaucratic policymaking, eliminates practical political engagement. In order to preserve the possibility of policy impact, Piketty blunts his book's potential for politics. Piketty not only distances himself from Marx, but discounts his own proposal for a global tax on wealth as 'utopian' (Piketty, 2014: 471, 515–34). The most dispiriting aspect of Piketty's *Capital* then is not the dark projections of future inequality, but the work's almost total resignation to disciplinary conformity, such that the scholarly precondition for serious consideration by those who determine policy is an abandonment of politics as purely utopian. What is even more disheartening is the remarkable modesty, even banality, of Piketty's 'utopian' dreams: he calls for a mere 5 percent tax upon wealth.

Piketty's *Capital* is the product of disciplinary conventions that define anything other than descriptive empiricism as utopian. Within the boundaries of economics, Piketty's single-minded focus upon national income statistics need not be disturbed by any serious challenge to the nation-state as a meaningful economic unit with globalization processes, nor by any Foucauldian interrogation of the motives underlying the state surveillance and control that make possible the collection of the data he analyzes, While Piketty's book may punch his admission ticket into the corridors of policy, the messier realities of politics remain for critical theorists to analyze.

Acknowledgements

The authors wish to thank Robert J. Antonio (University of Kansas, USA) for comments that significantly enriched this article.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

References

Amidon KS and Sanderson ZG (2012) On subjectivity and the risk pool; or, Žižek's lacuna. *Telos* 160: 121–138.

Boyle J (2003) The second enclosure movement and the construction of the public domain. *Duke Law School Public Law and Legal Theory Research Paper Series* 53.

Chotiner I (2014) Thomas Piketty: I don't care for Marx: An interview with the left's rock star economist. *New Republic*, 5 May. Available at: http://www.newrepublic.com/article/117655/thomas-piketty-interview-economist-discusses-his-distaste-marx (accessed 21 November 2014).

Cova B and Dalli D (2009) Working consumers: The next step in marketing theory? *Marketing Theory* 9(3): 315–339.

Esping-Andersen G (1990) *The Three Worlds of Welfare Capitalism*. Princeton, NJ: Princeton University Press.

Fischer DH (1989) *Albion's Seed: Four British Folkways in America*. New York, NY: Oxford University Press.

Hall PA and Soskice D (eds) (2001) *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

Hardt M and Negri A (2011) *Commonwealth*. Cambridge, MA: Harvard University Press.

King W (1915) *The Wealth and Income of the People of the United States*. New York, NY: Macmillan.

Krier D (2005) *Speculative Capitalism: Stock Market Power and Corporate Change*. Albany, NY: SUNY Press.

Krier D (2008) Critical institutionalism and financial globalization: A comparative analysis of American and Continental finance. *New York Journal of Sociology* 1(1): 130–186.

Marx K (1999 [1887]) Chapter 1: Commodities. In: *Capital, Volume 1*. Available at: https://www.marxists.org/archive/marx/works/1867-c1/ch01.htm (accessed 25 August 2014).

Piketty T (2014) *Capital in the Twenty-First Century*. Cambridge, MA: Harvard University Press.

Scruggs LA and Allan JP (2008) Social stratification and welfare regimes for the twenty-first century: Revisiting the three worlds of welfare capitalism. *World Politics* 60(4): 642–664.

US Census Bureau (2012) Household income inequality within US counties: 2006–2010. Available at: http://www.census.gov/prod/2012pubs/acsbr10–18.pdf (accessed 25 August 2014).

Weber M (1930) *The Protestant Ethic and the Spirit of Capitalism*. Available at: http://www.marxists.org/reference/archive/weber/protestant-ethic/ (accessed 25 August 2014).

Weber M (1946) Capitalism and rural society in Germany. In: Gerth LH and Mills CW (eds) *From Max Weber: Essays in Sociology*. London: Routledge & Kegan Paul, 363–385.

Appendix