BOOK REVIEW

HOW TO PRESERVE CAPITALIST SYSTEM? REVIEW OF *CAPITAL IN THE TWENTY-FIRST CENTURY*, BY THOMAS PIKETTY

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Le capital au XXIe siècle [Capital in the Twenty-First Century], by Thomas Piketty, Paris, Éditions du Seuil, 2013, 970 pp., EUR 25 (paperback), ISBN 978-2-0210-8228-9

Piketty's book *Capital in the Twenty-First Century*, published in France in 2013, has been considered with a large and deep interest all around the world (Piketty 2013). It was first translated in English and is now to be translated in Japanese. Of course, this book has qualities and was seriously made. But many books, especially in the field of social sciences, have qualities and are very seriously made without receiving this kind of welcome and attention. It is why I am tempted to find in the situation of high-level crisis characterizing capitalism today one of the roots of its bright success.

On one side, capitalism is in big trouble, especially since 2008, and this trouble is not yet finished. This system is in big trouble not only because of crazy finance and because the moral values on which it is relying are vanishing. It is in big trouble because its historical role, which was to promote material production on a private basis, is going to end.

On the other side, though most of the people in the world are probably criticizing this system nowadays, they do not want to change it. They are thinking that, even if capitalism is far from being perfect, they still have to stick to what they know. They are blind concerning the future, and they are reluctant to try a new social system, because they think this new system is eventually better but only in imagination. There are reasons to explain and justify their opinion.

Piketty's work on Capital is exactly this kind of book, bringing in the same time critics and support to capitalism, showing how much it is unbearable but exploring ways for making it bearable. It is why it is successful, relying on reformist and social-democrat inspiration. This kind of intellectual effort is an aspect of capitalism crisis, and it is why intellectual debate on these contradictory issues is so important. How is it possible to consider that, in the same time, capitalism is badly working but can work correctly? Piketty has the right to think this way. But he has the duty to bring the scientific proofs of what he writes. On the contrary, he is just bringing opinions, which are not proofs especially when he tries to prevent critics to his own assertions by criticizing Marx without serious knowledge of what he is debating. It is why his book is largely an ideological one.

World Review of Political Economy has already published an important analysis of Piketty's book (Chen 2014). But this review of Piketty's *Capital in the Twenty-First Century* is mainly focused on mainstream theories and on lessons for China. I would like, in this article, to bring a complementary view of Chen's article by focusing on some specific Marx's points.

My article is divided in two parts. In the first one, I want to say how much the work of Piketty is a very accurate one concerning the three following aspects: (1) gathering statistical information on inequalities and capital, (2) describing the new and aggressive extension of Capital since the end of the 20th century, and (3) showing how large are, now, economic inequalities and how higher they could be in the near future.

But in the second one, I would like to discuss three points, which appear to me as strong weaknesses of his approach: (1) Piketty is ignorant of Marx, generally speaking, and more specifically, for example, of the Marxist meaning of K / Y, a ratio which, he says, is for him a wonderful tool. (2) Economic inequalities are not important and growing because of "Capital" but because of the "capitalist structure", a concept that Piketty is also ignoring. (3) Solutions proposed by Piketty to fight against inequalities are imaginary ones, because imperialism is not ready to accept this kind of utopian wishes.

1. A Skillful Critic of Some Aspects of Capitalism

In the first part of my article, I would like to show the most important qualities of the book of Piketty. It is not because I think it has big weaknesses that I would have to say that it has no interesting points. Its success comes basically, according to me, from its social-democrat inspiration. But it would not have the success it knows if it was an ordinary dull reformist book.

1.1. Gathering Statistics at a Historical and Global Scale

American researchers in social sciences are used to explaining carefully on which data they rely to bring the proof of what they say and write. I think it is a very good habit, and as Marxist, we have only to follow this way of doing. It is a scientific way.

But the high-level interest of Piketty's work is not only to make clear the sources which are used in his book but also to achieve the three following goals.

First, Piketty (and the people with whom he is working), gives full access to every researcher, without any kind of limitation, to their data bank. He gives access to his own website[1] and to a website he did with Emanuel Saez, concerning revenues in a large set of countries.[2] In the Saez-Piketty global website, we can get information relative to 13 countries of Western Europe, to the 2 developed countries of North America, to 3 of Latin America, to 3 countries of Africa, to Oceania, and finally to 6 countries of Southeast Asia (China, India, Indonesia, Japan, Malaysia, and Singapore). Of course, they are trying to extend their sources of information. So doing, Piketty avoids making the reading of his book too difficult. It is enough to read a thousand pages without having to absorb and to digest a huge quantity of data.

Second, Piketty made a big effort to give a historical view of what he says. He is not studying Capital only in the present period but since the beginning of the 18th century, at least for some developed countries of this time. Historical point of view concerning present events always gives more wisdom.

Third, he tried, as I already mentioned, to get a global view of the evolution of Capital, in such a way that he can confirm or not what he could have observed in one or two countries.

Of course, it could be necessary to discuss the statistics he is using. Piketty has the naive belief that statistics are true because they are statistics. Besides, he considers that because they are calculated according to the standards of national accounting, labeled by United Nations, they are necessarily telling the truth on economic situations. But to become operational, statistics need definitions. For example, the definition of "Capital" adopted by Piketty is highly questionable. He confuses, in the same concept of capital, quantities of value which are of very different nature. I think, for instance, that it is not possible, from a theoretical point of view, to add capital of firms and capital of households. Capital of firms is to make monetary value and profits. Capital of households (housing) is, most of the time, to consume value.

I propose, anyway, to delay this kind of discussion to one of the next books Piketty is going to publish on Capital. Because everybody who ever used statistics, especially at a global and historical scale, knows that it is quite impossible to be satisfied. Statistical knowledge is a sort of compromise. We know that statistics are far from perfection. But we can hope, at least, that they give an image of economy which is connected with true economy.

Precisely, from the reading of his book, we can find out two strong ideas. The first one is that, since the end of the 20th century, "Capital is back." The second is that, in accordance with this return, "inequalities are growing at an increasing-speed."

1.2. Capital Is Back[3]

Figure 1, directly taken from Piketty's website, is showing what was the evolution of capital in France since 1700 to 2010. What is measured through this graph is not exactly the evolution of the amount of capital but the evolution of the ratio K / Y (national capital divided by national revenue). It is the quantity of capital measured with global national income as a unit of measure. Several aspects can be easily seen from this graph.

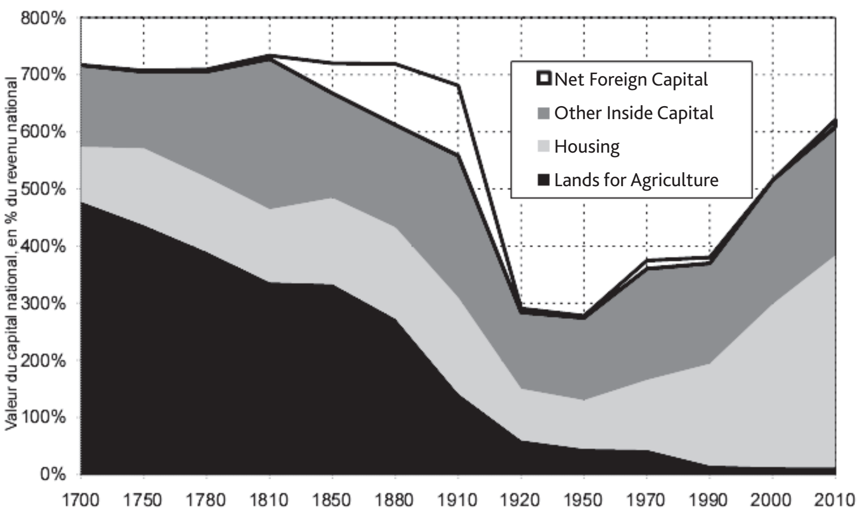

Figure 1 Capital in France, 1700–2010

Source: http://piketty.pse.ens.fr/fr/capital21c

Notes: The value of national capital is almost 7 times the national revenue in France in 1910 (one is on foreign countries).

The first one deals with the evolution of the capital concrete structure. In 1700, value of lands (the black part of total capital) was the most important part of total capital value. Now, it is nothing. On the contrary, housing, which was only 17% of the total value of capital at this time, is nowadays equivalent to 50% of this value.

The second aspect concerns the white part of the value of capital, which gives a certain image of "imperialism." This part represents the net value of French capital invested in foreign countries and of foreign capital invested in France. Before the First World War (1914–1918), this quantity was important. France was a net creditor of capital to the rest of the world. It was the same situation for Great Britain. Thanks to their foreign net capital, these two countries were receiving a huge part of current revenue every year from abroad (10% for Great Britain and 5% for France). Piketty talks of a "rentier capitalism."[4]

He says that bourgeoisies of these countries had committed suicide by starting the First World War. In reality, they forced suicide on the people they sent to the battle, because their economic and political power were still there after the war, with the important exception, it is true, of Russia, in 1917.

Nowadays, imperialism has not disappeared. It has only a new economic structure. What we see on the graph is the net sum of assets, to foreign countries and from foreign countries. The fact that this net sum is not far from zero does not mean there are no investments abroad. It only means that these investments are rather balanced. At the end of the 19th century, imperialism was nation centered. It is, now, spread out in the world, and every bourgeois government tries to balance the two flows, in and out, more or less equal. Of course, as we will see in the second part of this article, it does not mean that there are no contradictions and no severe conflicts between the members of this global assembly.

Figure 2 is another aspect of the coming back of capital. It also comes from the website of Piketty. It is concerning the relative quantity of capital possessed by the 10% of Americans who are the richest in this country (the black superior line with triangles). There was a certain decline of the wealth of this group after 1910 up to 1950–1970. But after 1970, the relative quantity of capital they have is growing regularly. Capital is not only back, but it is back in the hands of the richest, which was expected.

This graph shows another point. The 1% of the richest Americans (the line below, with white squares) own approximately 35% of all the capital wealth of the United States. Inequalities are still growing, compared with the wealth of the poor people of American nation. I am not totally convinced by what "the Wall Street movement" says, asking Americans to fight against the "1%." Of course, we can find that it is a very hard situation for the 9% of the superior decile to have only 35% of the total capital of America. But one can think it is bearable.

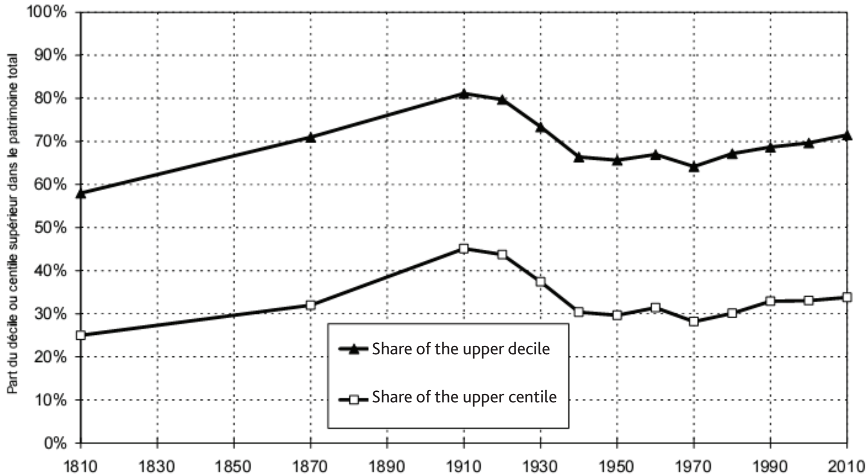

Figure 2 Inequality of Patrimonies in the States, 1810–2010

Source: http://piketty.pse.ens.fr/fr/capital21c.

Notes: The upper decile was approximately owner of 80% of total patrimonies during the years 1910 and 70%–75% today.

This evolution concerning capital in developed countries is general. Here is Figure 3 concerning the same groups of population (10% and 1% from these 10%) in France. After a decline of the relative quantity of their capital wealth after 1910 up to 1970, this relative part is growing after 1970 and apparently more for the richest 1% than for the other 9%. As says the proverb, "It always rain where it is wet," even among the rich people. Globalization was and still is a very good business for the ruling classes.

1.3. Inequalities Are Growing

Figure 4 gives an image of inequalities of revenues in the United States since 1910 up to 2010. Roughly speaking, it is the same evolution everywhere. This graph represents the share in percentage of the national revenue that the richest 10% of population receive. We can observe a movement which is close to the evolution of capital value property. Before the big crisis of the thirties, the superior 10% were getting approximately 50% of the total national revenue of the States. From the forties to the end of the seventies, this part falls to around 33%. Since the eighties, this part is growing and has reached the level of 50%, which was the level they received before the thirties. It means that not only capital is back but that inequalities, which had not disappeared, are back "as before."

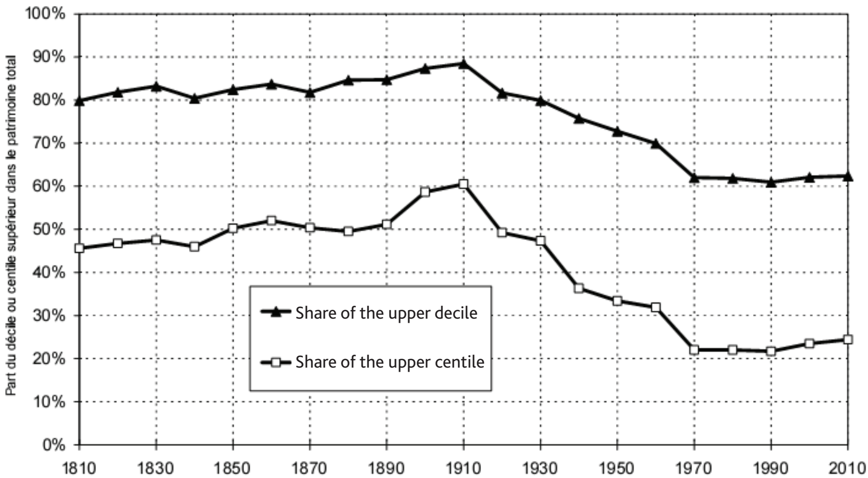

Figure 3 Inequality of Patrimonies in France, 1810–2010

Source: http://piketty.pse.ens.fr/fr/capital21c.

Notes: The upper decile (the 10% of the highest patrimonies) was owner of 80%–90% of all the patrimonies in the years 1810–1910 and 60%–65% today.

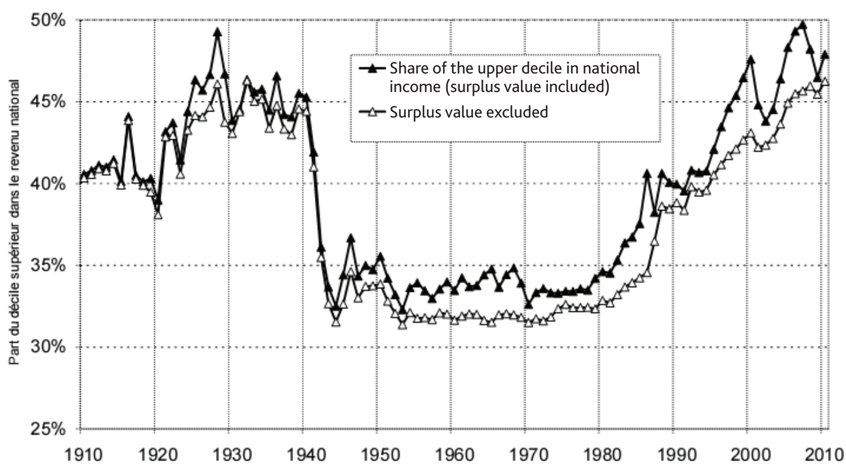

Figure 4 Inequalities of Incomes in the States, 1910–2010

Source: http://piketty.pse.ens.fr/fr/capital21c.

Notes: The share of the upper decile passed from less than 30% of national income during the 1970s to 50% around in the 2000s–2010s.

Of course, social and world situation are not the same as it was in the 19th century up to the big crisis. But the conclusion of Piketty is that, because the degree of capital concentration is going to rise all along the 21st century, it is likely that inequalities are not only going to get the same level than the one they reached one century ago but that they are probably going to increase. Contrary to Kuznets, he does not think that the problem of inequalities in the context of capitalism is going to be solved quite naturally. Solutions have to be done at a political level and implemented willingly.

It is understandable that the "well-off's" and the "tu hao's" of all the world are not satisfied by this kind of analysis and conclusion. It is probably why the book of Piketty was severely criticized by some elements of the ruling and dominant classes. Of course, we have to take this critical aspect of his book into consideration. But it is not a reason to not discuss its content from a theoretical point of view.

2. Theoretical Points on Debate

In this economic book, theory is apparently poor. But statistics are always tightly connected with theory. It is not possible to say, from a scientific point of view, that statistics are facts and that theory comes after the facts. In his book, Piketty has to make theory to get so-called "facts." He is always taking a theoretical point of view, saying, for instance, that capitalism is an acceptable system and that socialism is not, explaining that Marx has not understood the role and importance of techniques for the development and sustainability of capitalism, explaining that Solow gives the solutions of his problems, introducing inequalities as the most important problem of capitalism, and so on. In reality, Piketty is using theory all the time, but, often, in an implicit way, or with technical reasons.

The first point I am going to discuss in this second part is illustrating what I just said. The ratio K / Y is mainly for Piketty a very good tool for the measurement of capital. To a certain extent, it is true. But K / Y is more than a technical tool. It is a concept and has theoretical meaning, not only statistical efficiency.

My second point is connected with inequalities. Why capitalism produces inequalities? Does it produce more or less inequalities than a feudal system, for instance, and why? These capitalist and feudal inequalities are there of the same nature here and there? This kind of "theoretical" questions seems to be out of the research field of Piketty. I will try to show that "capitalist inequalities" are historically determined and get their roots in the "capitalist structure," of which K / Y is a simplified image.

My third point deals with the solutions proposed by Piketty to correct inequalities in the context of global capitalism. I am afraid they are illusions, and I am going to say why.

2.1. The Meaning and Importance of the K / Y Ratio

This ratio seems to be very important for Piketty for two reasons.

(a) The first one is that this author is studying inequalities (and capital) at a world scale. He is therefore comparing capital of many countries. Suppose now that he compares directly the quantities of capital of two developed countries, United States and France, for instance. It is quite sure that he will get the result that national capital of the States is far bigger than the one of France. But is this result very interesting to study inequalities? To a certain extent, it is an expected result, which brings no special information for the topic.

If we want to compare quantities in a more significant way, we have to compare some *qualitative aspects* of these quantities and not directly the quantities. For example, we have to compare how much profit is returning *per unit of capital*, in the States and in France. At this moment, we can start more vigorously the discussion concerning inequalities.

(b) The second reason why K / Y is important for him comes from the fact that he wants to know how capital is going to evolve during the 21st century.

Happily for him, in the tools box of economists, there is the Harrod-Domar (H-D) model which gives an estimation of the rate of growth, knowing the rate of saving and the ratio K / Y. Some economists are thinking that this tool is rotten, but if you consider, as Piketty does, that this model gives a "good" structural and robust relationship between the rate of growth, g, the rate of saving, s, and the ratio of productivity of capital, K / Y, you can play with this relationship and get an expression of K / Y as a function of s and g.

Instead of $g = s / K / Y$ (the H-D model), you write that $K / Y = s / g$. The result of this writing, which seems formally correct, is that, if you know s and g, you can deduce K / Y.

It is why Piketty starts his book with a long discussion on the past of Y and on its possible evolution. After that, he studies K / Y from 1700 to 2010. Finally, making assumptions on s and using his previous results and assumptions concerning Y, he concludes on a certain evolution of K / Y during the 21st century. This is the result showed by Figure 5. This graph illustrates what I already said concerning the expectations of Piketty relative to inequalities. After a period of decrease, capital rose after 1950 in the world. He thinks that this movement will continue after 2010 (K / Y is going to rise), in such a way that inequalities are going to increase all along the 21st century, and all around the world. The *inequality phenomenon* should become, according to Piketty, a "capitalist-global-21st century" phenomenon.

The fact that this conclusion is an explicit critic of capitalism is not a scientific reason to agree. I am not going to show in detail the weaknesses on which it relies. I am only concentrating, from a certain point of view, on the concept and on the

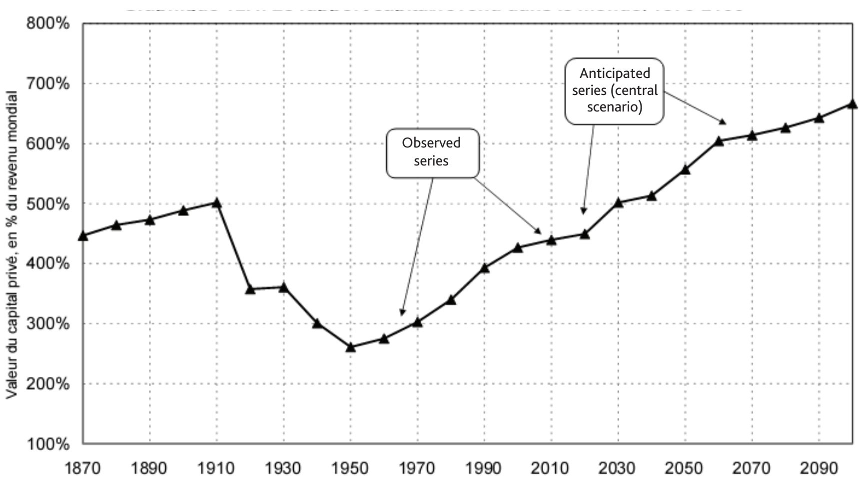

Figure 5 Capital/Income Ratio in the World, 1870–2100

Source: http://piketty.pse.ens.fr/fr/capital21c.

Notes: According to the central scenario, the capital/revenue ratio should be near 700% at the end of the 21st century.

use of K / Y, considering the high degree of importance that Piketty gives to this ratio.

The theoretical interest for K / Y mainly came, after World War II, from the debates raised by the Keynesian school of Cambridge, United Kingdom, and more precisely by Joan Robinson and Nicholas Kaldor. But this concept was not really new in economic theory.

Without trying to say that Marx said "everything before everybody," it is true that his concept of "organic composition of capital" (OCC) can be considered as the first approach of K / Y in the history of economic thought. This point was lighted for the first time, at least in France, by Paul Boccara, explaining that K / Y and OCC are tightly connected (Boccara 1974). I am going to say why the understanding of K / Y as OCC gives more information on inequalities than it comes from the way Piketty is introducing this ratio.

Piketty introduces K / Y on the basis of an accounting definition.

Let $\alpha = P$ / Y, the national share of profit in national income (with P = the national amount of profits and Y = the national income).

Divide P and Y by K, nothing is changed. It comes,

$\alpha = P/K$ / $Y/K = \rho.\ \beta$ (with ρ = the national rate of profit and $\beta = K$ / Y).

The conclusion of Piketty is "As everybody can see, the part of profits in the national income is a function of K / Y." Of course, he knows it is not a theoretical explanation. Anyway, the relationship between α and K / Y is, according to him, "the first law of capitalism."

This is the only theoretical discussion made by Piketty concerning the economic influence of K / Y on α, the share of profits in national income. I think this explanation is very poor.

I want to say, now, that, compared with Piketty's explanation, the OCC theory, just started by Marx, is far more stimulating.

Within his main works, *Das Kapital*, Marx tried to make the full theory of industrial capitalism, explaining why this system is powerful and why it is weak. The strength of capitalism is that it uses and develops *K*, the global quantity of tools, buildings, infrastructures, know-how, and so forth, to produce *Y*, the total product. K / Y is the ratio of past labor *K* (accumulated by capitalist) to put into motion a quantity of present labor which becomes the value *Y* of a certain amount of goods. K / Y is, by himself, the connection of Capital and Labor, the connection of past labor time and present labor time.

There are several reasons why the relationships between *K* and *Y* can be disturbed, even all the time. Contrary to what Piketty thinks, disequilibrium is the rule, not equilibrium. And it is the rule not only for the short term but also for the long term. This situation, which is always unbalanced, has incidences on the way *Y* is shared.

It is why K / Y can be considered as so important to understand the evolution of this share, and, consequently, of inequalities. For example, it is easy to understand that owners of *K* have evidently the best place to get and eat the bigger part of the cake. K / Y is not important because it appears in a definition of profit or for technical reasons. It is important because the core of industrial capitalism is in the struggle for the production and the share of new Labor *Y* through the ownership of old Labor *K*.

2.2. Capitalist Inequalities

Piketty is not giving more explanations concerning the concept of inequality. Why capitalism produces inequalities? Why inequalities are the main economic topic? Which kind of inequalities? These inequalities are they the same in every mode of production? Do they have to be reduced, eliminated, canceled, controlled? How can it be possible?

I am not going to criticize Piketty because he has not treated all the problems. There are anyway some he should have at least rapidly treated at a theoretical level, before making calculations.

(a) The first one concerns *the nature* of inequalities. Theoretically, with capitalism, there is no political inequality. Everybody is equal. The consequence of this postulate is that capitalist inequalities are likely economic inequalities. And because capitalist economy is the production and consumption of value, capitalist inequalities are concerning production and consumption of economic quantities of value.

(b) The second one concerns *the source* of these inequalities. The answer I bring is connected to Marx theory. Capitalist mode of production relies on a basic inequality, existing between those who are owners of production means and those who are only owners of their labor force.

Figure 6 comes from a Henri Houben article explaining how the capitalist system is produced and reproduced (Houben 2014). Labor, on one hand, is producing profit which makes saving, generating wealth which is used again with labor force. This side is a brief description of the accumulation process of capital. It relies on the private property of means of production and commerce, on the quasi-private access to the banking system.

But, on the other hand, labor is producing his own means of reproduction. What this production factor can get from the production process is consumed and disappears from the economic process, which makes the labor force ready for a new round of exploitation. This side can be named the side of reproduction of labor force.

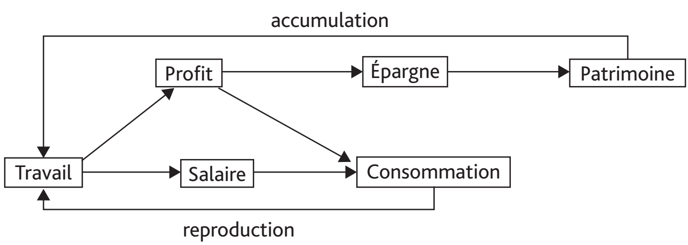

Figure 6 How the Capitalist System Is Produced and Reproduced

Source: Henri Houben (2014).

Notes: Labor (Travail) is producing profit, used by capitalists for Saving (Épargne) and Consumption (Consommation). Their saving go to their Patrimonies (Patrimoines), and this movement constitutes the process of accumulation for a new round with Labor. But Labor is also producing his own means of consumption. Labor goes to these means through Wages (Salaires), and this movement constitutes his process of labor force reproduction, to be ready for capitalist exploitation.

These two processes (reproduction of labor force, accumulation of capital) generate the capitalist system reproduction and generate its own set of inequalities. Inequalities of a certain nature are rooted in the capitalist mode of production and consumption. Because Piketty does not say a word of the systemic source of inequalities, his explanation tends to be a moral one. At least, one of the problems he has to solve, when explaining how it can be solved, is the following: is it possible to modify inequalities generated by capitalism without touching the roots of capitalism?

(c) The third problem, according to me, that Piketty should have mentioned explicitly is to know between which agents these economic inequalities have to be analyzed? Are there inequalities between individuals, between classes, between nations?

In reality, the answer given by Piketty is that inequalities we have to consider are only inequalities between individuals. The so-called classes he presents are "statistical classes," which is the usual American way of not talking of classes. In Marxist theory, classes are defined according to the role that their members play in society and first of all in economy. It is the reason why they are a "group" and not a "sum." He does not care of inequalities between classes. What he names "the dominant classes" or the "middle classes" or the "popular classes" are only a statistical addition of individuals.

In the same manner, Piketty does not care of inequalities between nations, although this aspect of current life is so evident. There are dominant nations and there are dominated nations. How to explain this phenomenon? Is it because some people are stupid and some others are clever?

I think that the Piketty's way to describe classes is a fake way from a theoretical and practical point of view. Class struggle is not the war of the poor people against the rich people because some are rich and some are poor. It is not a war for envy motivation. It is a war between those who are *permanently rich* to make the poor *permanently poor*.

Reciprocally, it is the war of the poor against those who have such a position in economic society that they are permanently rich and them, permanently poor. Inequalities among nations, and more generally what Marxists name unequal development, is a current topic among Marxists when they study capitalist inequalities in the world. For Piketty, it seems to be out of his intellectual interest.

I repeat that I do not criticize Piketty because he did not treat these points carefully. I am ready to understand he did what he could. In a scientific matter, he should have known that there is a basic difference between doing what he can and ignoring what he has to do.

But what about the solutions proposed?

2.3. How to Control the Fabric of Inequalities Process

Piketty has, at least, the merit of coherence. The solutions he proposes are in accordance with the analysis he makes. They are conservative solutions of the capitalist system.

Of course, he thinks and observes that industrial capitalism is permanently generating inequalities. Even after the two world wars, when capitalism was knocked down by the revolutions of Russia and China, it was able to stand up. Furthermore, in the 1970s, dominant capitalist classes of developed countries were able to start a new step of imperialism, with global freedom and deregulation for capital. The train of inequalities was becoming a high-speed train. But, in the same time, he is convinced that it is possible to control the speed of the train. Fiscal policy is, according to him, the means of such control.

Concerning direct fiscal policy, there are two big families of taxes. One is related to revenues, the other is related to capital. Observing data about fiscal policy on revenues, Piketty notes that, during the 20th century, a "fiscal revolution" happened.

To cover the Social State spending (what Western economists name the Welfare State), relatively rich people had to pay more taxes on their revenue. Capitalist and high-level wage earners (the new middle classes) had to pay revenue taxes for financing the spending needed by the poor people of society. Today, however, the level of these specific taxes seems to have reached and over passed their maximum. They are therefore declining everywhere, and Piketty shares this opinion that they are not going to be raised so much. They would have reached an historical and experimental limit.

This is the reason why he proposes a "new fiscal policy revolution," by transferring the tax burden from revenue to capital. This transfer, of course, should be done at a worldwide scale, due to the present globalization of economic business.

As Figure 7 shows, taxes on capital, through the examples of three developed countries, are rather diminishing after the 1930–1980 period. But because capital, the source of inequalities,[5] is going to get more power during the 21st century, and because the world gives now to large capital owners so many ways to escape fiscal policy, he proposes to install a world tax on capital.

Is it possible to install world institutions forcing the different capitalist States to put taxes on capital? It is a very large and old theoretical problem which was raised before Piketty was born. We could also say that war has to be prohibited at a world level because it is contrary to the interest of people and even of capitalists. But we can also doubt with reasonable reasons of the efficiency of such measures. Even in a global world, solutions have to be done and implemented at a national level, with the strong determination of popular classes to fight for their success, even if it is possible and necessary that agreements be signed between different nations.

Without discussing more this point, which was mainly and vigorously discussed at the beginning of the 20th century, this proposal from Piketty can be considered

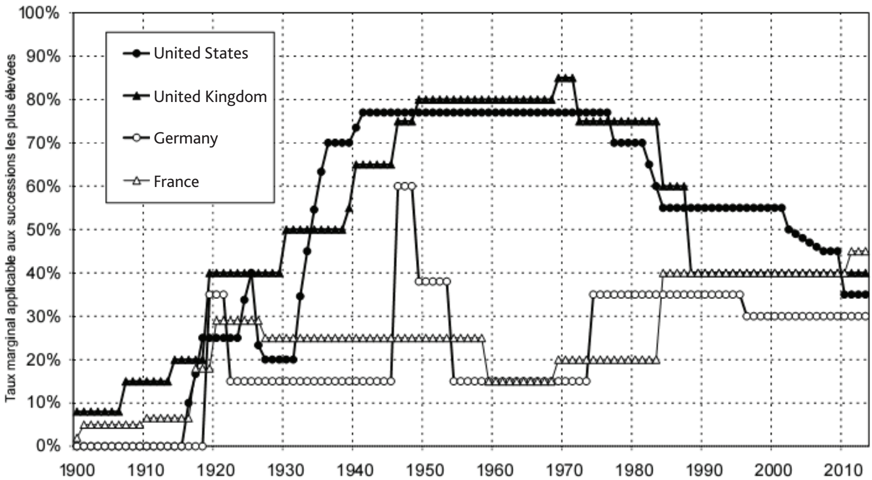

Figure 7 The Superior Tax Rate on Heritages, 1900–2013

Source: http://piketty.pse.ens.fr/fr/capital21c.

Notes: The superior tax marginal rate on heritages (concerning the highest ones) in the States passed from 70% in 1980 to 35% in 2013.

as a utopian one. It is not very dangerous for the capitalists to read about that. They can sleep quiet.

3. Conclusion

As I was writing at the beginning of this article, Piketty's book is a reformist one. It is in the same time, critical of capitalism and in favor of capitalism. It is, according to me and my theoretical references, the explanation of its weaknesses.

Of course, I do not have to appreciate the scientific quality of a book according to the political convictions of his author. But there are relationships between the two, and science is not a sort of white and comfortable cloud floating above society. Science is deeply rooted in society.

The fact that this book has big weaknesses does not mean that it has no interest. It has. As everybody does when reviewing this book, I also stressed upon its historical and statistical approaches as an illustration of this point.

But I would like to stress an idea which is, maybe, less common. In my opinion, reformist ideology has got a historical limit with globalization. The reformist use of standard Keynesian theory is no longer able to give to reformism as a doctrine enough vigor and nerves. This family of thinking has to find other theoretical ways of thinking. Piketty's approach of modern economy is certainly one of them.

Reformism is not only attacking revenues. They are not only concentrating on revenues. They have to concentrate on capital, even if they understand capital as a quantity and not as a set of relationships.

There is also another approach in contemporary thinking to feed reformism. It deals with China. Because this country is developing in a specific way, mixing socialism, market economy, and capitalism, it appears to be, for some Western economists, a field of observation for thinking about economic reformism. I do not say that Chinese policy is reformist. I just say that the complex policy of China, which is dynamic and changing, brings a sort of food to reformist thought.

It means that Piketty's book could be a part of a larger effort to rebuild a new reformism in a global world.

Notes

1. See http://piketty.pse.ens.fr/fr/capital21c.
2. See http://topincomes.g-mond.parisschoolofeconomics.eu/.
3. After she was nominated as ambassador at the United Nations, Susan Rice said in an interview to Michele Norris, a journalist of NPR News (February 23, 2009, Washington), that "America is back." This arrogant sentence, which was also used by Hillary Clinton as a leitmotiv describing American Foreign Policy, suits very well, in my opinion, the economic return of Capital. Can we say, in the same time, that Marx is back? Personally, I am not sure.
4. This expression is not new. Thorstein Veblen published his *Theory of the Leisure Class, an Economic Study of Institutions* in 1915. Twelve years later, Nicolaï Bukharin published his *Political Economy of the Leisure Class* (1927), which was translated in French as *Economie Politique du Rentier*.
5. I one more time precise the difference between the Piketty approach of capital and mine. For Piketty, capital is a quantity, and, according to me, a quantity the definition of which is questionable because he puts housing in his definition. But the main point here is that he analyses capital only as a quantity, a statistical result. I think that capital is a relationship and not only a quantity. Of course, there is relation between quantity and power given by relationship. But I could be the biggest capitalist in China without possessing a big capital as a quantity. For example, to be a capitalist needs money for business. I do not need to be the owner of this money (of this quantity of capital) if I am able to get access to the banks and get the credit I want. There is a qualitative difference between capital as a quantity and capital as a relationship. Because he is only a statistician, Piketty is confusing the two kinds of approaches and does not see any interest in the second one.

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