

Book Reviews

Branko Milanovic. *Visions of Inequality. From the French Revolution to the End of the Cold War* (Cambridge (Mass.): Harvard University Press, 2023). 342 pp. ISBN 9780674264144.

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Besides Thomas Piketty, there are not many names more closely affiliated to the research field of inequality studies than Branko Milanovic. The former lead economist of the World Bank's research department has published extensively on the topic with books such as *Global Inequality: A new Approach for the Age of Globalization*. His most known contribution to the field, with repercussions in the broader world of politics, is probably the "Elephant Curve", which charts the (unequal) distribution of global income growth. If chapters of his 2019 book *Capitalism, Alone* left strictly academic research questions in search of a future for capitalism, his newest book, surprisingly, trades (quantitative) economic history almost entirely for the history of ideas. In a book he "wrote for himself", based on his "reading of history of thought" since he "was 20",¹ he sets out to find an answer to the question how economists have historically approached the topic of inequality. The result is a thought-provoking, very readable book that will hopefully have a lasting impact on the field of inequality studies.

The book chapters are structured around a few 'Big Thinkers'. Contrary to what the subtitle might suggests – "*from* the French revolution to the end of the cold war" – it starts with two eighteenth century economists: the French physiocrat Quesnay and Adam Smith. The next chapters deal with the nineteenth-century classical economists David Ricardo and Karl Marx. Moving into the twentieth century, Vilfredo Pareto (famous for his "Pareto-Principle") and Simon Kuznets (famous for his "Kuznets curve") are discussed. The last chapter is an exception since it deals thematically with 'inequality studies' during the Cold War in both East and West, with the commendable addition

1 <https://twitter.com/BrankoMilan/status/1659949848420921345>

of the ‘South’ through the *dependencia* school – focused on Samir Amin and André Gunder Frank. The main aim in all these chapters is, as Milanovic points out, not so much to give a comprehensive overview of the thinkers’ overall economic thought – for example Marx’s tendency of the rate of profit to fall – but to tease out what implications their thought had for inequality, or how they specifically thought about and conceptualized ‘inequality’.

What binds the chapters are three main questions Milanovic tries to address in each: (a) what is the narrative in each author’s account of societies’ income distribution, (b) what is their *theory* of inequality, and (c) what are the *empirics* that underpin them. Even though the chapters could have been more tightly structured around these questions (Milanovic does like to discuss certain aspects of the authors lives that do not seem strictly necessary for the purpose of the book), they lead to an interesting comparative perspective. Obviously, the empirics that underpinned the visions of inequality of eighteenth- and nineteenth-century thinkers were virtually non-existent, since the advanced data and methodology of today were not available to them. Nevertheless, as Milanovic reveals in one of the quantitative passages sprinkled throughout the book, using the most current data we have (from the Maddison project), it appears that thinkers like Smith could have a very good *intuitive* understanding of global inequality (p. 53). The core argument of the book, flowing from the comparison, is that the four thinkers of these centuries (Quesnay, Smith, Ricardo, Marx) had a conceptualization of inequality that analytically saw it as a *class-based* phenomenon. Either these classes had a legal definition (Quesnay) or were based on the sort of assets one owned and derived income from (Smith, Ricardo, Marx). Their theory and narrative of inequality and economic development were centered around this phenomenon.

Although it does injustice to the diversity of the themes discussed, the question in the rest of the book essentially becomes why this focus disappeared, as it clearly did from Pareto onward. This feature leads Milanovic far outside the realm of mere ideas, trying to find answers in changing political and economic circumstances. Fascinating here is how, especially during the Cold War both in East and West, studies of income distribution declined in importance. If these studies existed, they certainly were empirically more robust than those of the four “class-based” thinkers, but they had much less to say about how inequality actually functioned. The ‘objective’ decline in inequality partly explains the concomitant lack of engagement with the topic, but

Milanovic contends the real reason was political: it was not opportune within the capitalist and communist world to focus on the (still existing) inequalities in both systems – even if in the capitalist world inequalities seem to have been more class-based, while in the communist world they were determined by one’s political status. Putting it simply: “Whenever the class division is supposed to be fixed or not matter, interpersonal income distribution studies fall into a desuetude” (p. 219). This political and ideological neglect became untenable after the financial crisis of 2008, leading to the resurgence of inequality studies.

In sum, the book uses the history of (economic) thought in its most productive form: it traces the genealogy of a certain idea or concept in order to question the assumptions that underpin or dominate current research. One can only hope that this analysis will lead the field of inequality studies to more explicitly question what aspects of inequality they are (not) addressing and why. Milanovic’s convincing elaboration of the major shortcomings of neoclassical economics and its influence on inequality studies during the cold war is a good starting point.

The book is probably also indicative of the path the relatively young research field is taking, especially for the early modern period which always seems to trail a bit behind the more popular nineteenth and twentieth centuries. Besides Branko Milanovic’s book, David Lay Williams also has a book coming out about how, since Plato, “the great political thinkers have persistently warned against the dangers of economic inequality”.² Thomas Piketty also tried to address the overly economic emphasis of *Capital in the Twenty-First Century* in his follow-up book, *Capital and Ideology*. Guido Alfani’s newest book (*As Gods Among Men*) deals with the question of how the rich were perceived throughout history. These last two books certainly indicate how Milanovic’s approach does not lead to a comprehensive understanding of history: his focus on ‘big thinkers’ should be expanded, and one should question how broadly their ideas were shared in society. This inquiry could, like his last chapter attempts, lead towards a real *political economy of inequality* that reveals how, within certain (economic and class) constellations of inequality, ideas about (in)equality are addressed politically – and why these endeavors were politically (un)successful.

Yannis Skalli-Housseini, Vrije Universiteit Brussel

² Book announcement on: <https://press.princeton.edu/books/hardcover/9780691171975/the-greatest-of-all-plagues>