

About the book by Thomas Piketty : Le capital au XXIème siècle
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The aim of this presentation is to provide an introduction to the main questions addressed by Thomas Piketty in his book "Capital in the 21st century". The focus will mainly be on the empirical and theoretical research on the long run evolution of wealth and inheritance. Wealth-income ratios, inherited wealth, and wealth inequalities were high in the 18th-19th centuries up until World War 1, then sharply dropped during the 20th century following World War shocks, and have been rising again in the late 20th and early 21st centuries. The presentation will discuss the models that can account for these facts. Over a wide range of models, the long run magnitude and concentration of wealth and inheritance are an increasing function of $r - g$, where r is the net-of-tax rate of return on wealth and g is the economy's growth rate. This suggests that current trends toward rising wealth-income ratios and wealth inequality might continue during the 21st century, both because of the slowdown of population and productivity growth, and because of rising international competition to attract capital.