

# Advanced Economic History

*(Master PPD & APE)*

*(EHESS & Paris School of Economics)*

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## Lecture 9: Property Regimes and Political Systems in Historical Perspective (I) :

## From Ternary Societies to Proprietary Societies

*(check [on line](#) for updated versions)*

- Advanced Economic History (12 lectures): full syllabus [here](#)
- Lectures 1-8 and 11-12 are taught by E. Monnet/L. Kesztenbaum, F. Alvaredo, D. Cogneau and J. Bourdieu
- In lectures 9-10, I develop a long-run perspective on the joint evolution of property regimes and political systems.
- **Lecture 9: Property Regimes & Political Systems in Historical Perspective (I): From Ternary Societies to Proprietary Societies**  
(Wednesday November 29<sup>th</sup> 2017)
- **Lecture 10: Property Regimes & Political Systems in Historical Perspective (II): Party Systems & Inequality in Electoral Democracies**  
(Wednesday December 6<sup>th</sup> 2017)
- I assume you are familiar with the material presented in the “Introduction to Economic History” course. Students who have not taken this course (or need to refresh their memory) are encouraged to go through the [syllabus and slides](#) used in this course.

# Property regimes & political systems in historical perspective

- **Property regimes** = set of legal and practical rules defining property rights: what can be owned or not, what are the rights of owners and non-owners, etc.  
E.g. slaves or serves? Private intellectual property or public property?
- **Political system** = set of rules defining political rights & the organization of government: constitution, voting rights, judiciary vs executive, etc.
- **In ancient societies, property rights & political rights were inextricably linked.**  
Typically, local property owners also exert political, military and judicial power.  
**Landlord = lord of the land... and lord of the people living on the land.**
- **In these lectures, I argue that property regimes and political systems are always inextricably linked (directly or indirectly), in ancient as well as in modern societies.**  
E.g. in modern electoral democracies, the possibility to tax or redistribute property depends on constitutional rules (e.g. unanimity rule on taxation in the EU); **there are different ways to define political equality**; the « democratic » debate about inequality is partly determined by private money, party finance and media ownership; etc. etc.
- **The idea of a complete demarcation between property rights and political rights, between economic institutions and political institutions, between economics and politics, between economic inequality and political equality, is an illusion.**  
→ The history of property regimes & political systems must be studied jointly

- **Why are property regimes and political systems inextricably linked? Because in all societies, inequality needs to be politically justified.**

I.e. all societies need a set of beliefs and discourses defining acceptable inequality.

In order to be effective, the dominant ideology of inequality needs to be embodied into political institutions and legal rules.

- **Oldest justification of inequality (pre-modern societies): « ternary societies »**  
Core beliefs = in order to function, each society needs to divide its population into three major social groups with different status, functions and legal rights:
- **Nobility/rulers/warriors** provide law and order
- **Clergy/priests/intellectuals** provide spiritual guidance
- **Labourers/workers/Third Estate** (Tiers Etat) provide labour
- The first two groups are both property owners and political rulers (temporal or spiritual): the legitimacy of their property is inextricably tied to the political and spiritual services they are supposed to provide to the entire community
- Multiple variants in Christian Europe, Hinduism, Islam, depending in particular on the various forms of religious ideology, family structures, forced labour, etc.

- **In 15<sup>c</sup>-18<sup>c</sup>, the rise of centralized state power, education and enlightenment gradually destroys the basic justification of ternary societies**

- E.g. if security services are provided by the centralized state and the police force/military, what's the use of the nobility? If intellectual guidance is provided by philosophers, scientists and universities, what's the use of the clergy?

→ **rise of « proprietary societies » in 18<sup>c</sup>-19<sup>c</sup>** based upon a sharp demarcation between political and property rights, and upon a quasi-sacralization of private property

Core beliefs: in order to avoid social chaos and permanent expropriation/ redistribution, strong protection of private property by centralized state is necessary (and sufficient)

- **20<sup>c</sup> crisis of proprietary societies:** inequality, communism, nationalism, colonialism

→ post-communist, post-colonial societies; contested rise of mixed property & social state; complexe legacy of Soviet and Chinese communism; new forms of private property sacralization & proprietary ideology in 21<sup>c</sup> : tax havens, philanthropy; complex interaction between domestic and international dimension of rising inequality: return of class-based or identity-based political conflict?

- **Lecture 9: Property Regimes & Political Systems in Historical Perspective (I): From Ternary Societies to Proprietary Societies** (Wedn. Nov. 29<sup>th</sup> 2017)

The first lecture focuses on the transition from ternary societies (based upon functional political-religious-economic inequality: rulers-priests-workers) to proprietary societies (based upon a sharp demarcation between property rights and political rights) and their followers (including social-democratic, communist and post-communist societies).

- **Lecture 10: Property Regimes & Political Systems in Historical Perspective (II): Party Systems & Inequality in Electoral Democracies** (Wedn. Dec. 6<sup>th</sup> 2017)

The second lecture studies the joint evolution of property/inequality regimes and party systems in electoral democracies. In particular, I stress the interaction between inequality dynamics and the structure of political cleavages and ideology (class-based vs identity-based).

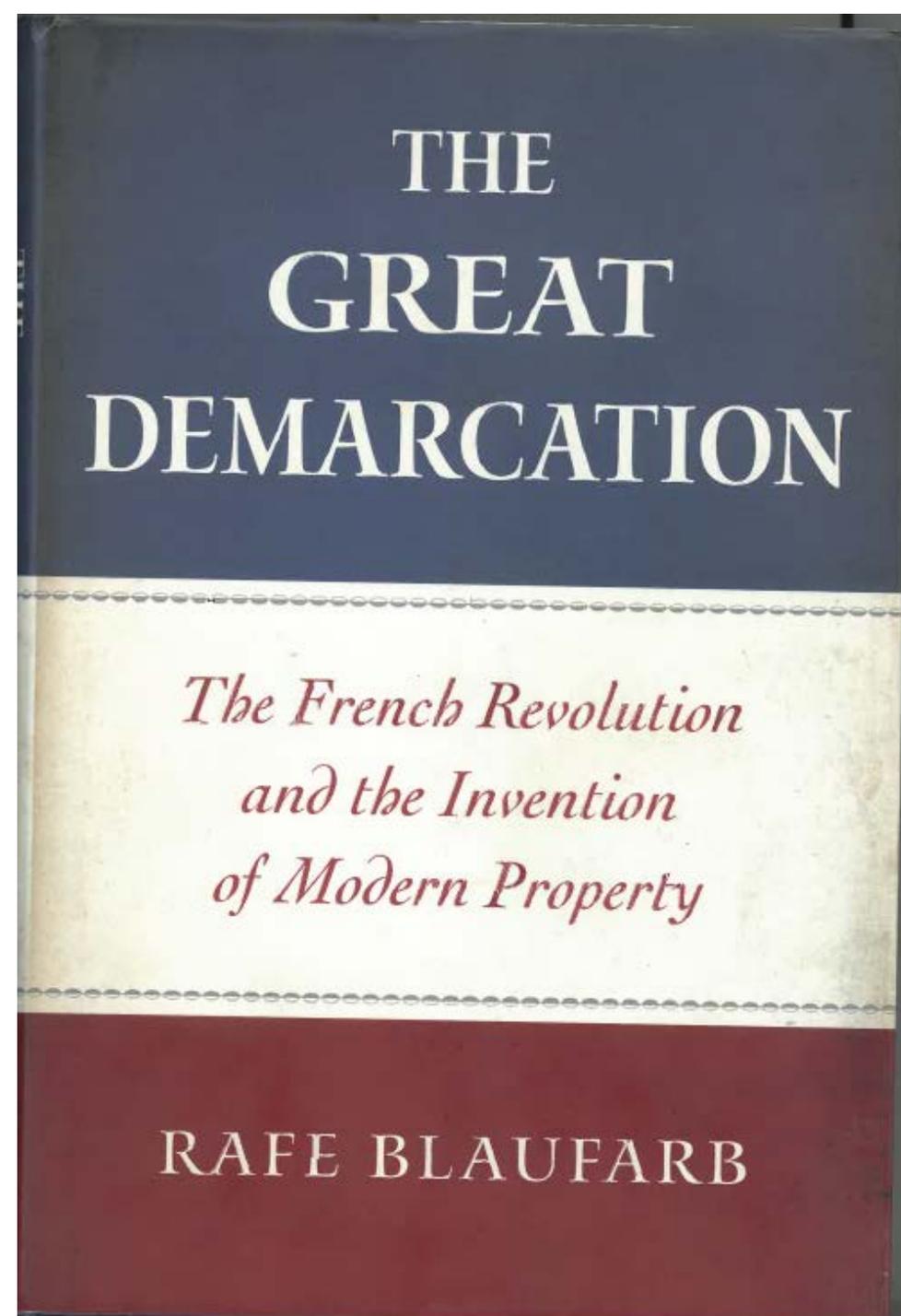
# Roadmap of lecture 9

- From ternary to proprietary societies: lessons from « *The Great Demarcation: The French Revolution and the Invention of Modern Property* » (R. Blaufarb, Oxford UP 2014)
- Variants of ternary societies: European nobility-clergy-labourers society vs Indian caste society vs Muslim ternary societies
- The end of ternary societies and the rise of centralized state power
- After the demarcation: from censitary societies to electoral democracies and mixed property regimes

# Lessons from the « Great Demarcation »

- In ancient societies, property rights and political rights are inextricably and directly linked. Typically local owners also exert political, military and judicial power.
- Most common structure: « **ternary societies** » based upon functional political-religious-economic inequality nobility-clergy-labourer inequality, where each group has different interlinked political and property rights.
- G. Dumézil, « Métiers et classes fonctionnelles chez divers peuples indo-européens », [Annales ESC 1958](#) = classical study on the « ternary society » or « trifunctional » hypothesis: « **There is a common origin to all three-class Indo-European social structures: a warrior class, a clerical class, a commoner class (workers)** »
- As we shall see below, there are major differences across ternary societies
- But in order to better understand the « great demarcation » between ternary and proprietary societies, let's start with the following book:  
R. Blaufard, ***The Great Demarcation: The French Revolution and the Invention of Modern Property*** (Oxford UP 2014)

- Pre-1789 France (Ancien Régime): nobility (1%) + clergy (<1%) + Tiers-Etat (« third estate ») (98-99%)
- Status-based society involving strong inequality of rights: aristocrats do not pay the same taxes & do not have the same political and legal rights as Tiers-Etat; at the beginning of the Revolution, they sit in different assemblies, just like House of Lords vs House of Commons in Britain; then sit together (Young horrified)
- Most importantly, « feudal property » involved various forms of « political » power over non-owners, e.g. judicial power, forced labor, etc.
- French Revolution: attempt to separate pure private property rights (legitimate) from political power (→ state monopoly). But in practice not easy to draw the line between property rights and political rights.
- **Blaufard, *The Great Demarcation***. August 4<sup>th</sup> 1789: « abolition of feudal privileges » (*nuit du 4 août*). But what is the exact definition of « feudal privileges »? = the key political conflict of the French Revolution



- Key difficulty = pre-1789 property rights always involved a mixture of « modern » property rights and « feudal » political rights, including in the language used to refer to these rights
- Typically, land property by the local nobility and clergy also involved judicial power, i.e. the right to exert justice, to issue judgments and to monitor local police force
- General principle of the law of August 4th 1789 (and decree of August 11th 1789) :  
**« pure » land rents are legitimate** and should be consolidated or compensated (*seigneuries privées*) (i.e. the fact that nobles own land and peasants pay rent is not a problem in itself: no attempt to redistribute property or limit concentration of land)
- **But judicial or quasi-political rights** (*seigneuries publiques, charges et offices, dîmes ecclésiastiques, corvées, banalités*, etc.) **should be abolished and transferred to the central state** (e.g. the fact that nobles hold local judicial power (or are tax-exempt) is a problem = the easy part on which almost everybody agrees)
- **In practice, the complication comes from the fact that many payments had a dual nature: they expressed both « legitimate » property rights and « illegitimate » political rights**
- *Lods, corvées, banalités, dîmes*, etc: are these expressions of local oppressive power by nobility and clergy on commoners, and can this be part of legitimate property and social relations which the state needs to consolidate?

- **Lods** = payment made by the peasant (or the holder of usage right or *seigneurie utile* on the land) to the landlord (or the holder of the full property right or *seigneurie directe* on the land) when the usage right is sold to someone else = similar to modern real-estate transaction tax (droits de mutation, stamp duties), except that they were made to private landlords. Very closely linked to judicial/political power exerted by local nobles (property registration).
- **Lods** were often much larger than the land rents themselves: typically between 1/3 and 5/6 of land value (10-20 years of rent) for peasants who wanted to buy back lods from landlords

- **1789-1790: « historical doctrine » (very conservative).** I.e. as long the historical origin of land rights is contractual, then all monetary land rights are legitimate, whether they are called rents or lods or cens or anything else (except pure judicial rights) and should be consolidated or compensated. Pb: how can you prove the contractual origin of land rights?
  - **1789-1790:** general presumption that most land rights are legitimate and have a contractual origin (unless specific documents prove the opposite): « *Nulle terre sans seigneur* ». But in some regions (south) the opposite presumption applies: « *Nul seigneur sans titre* ». In the summer of 1789, peasants start burning castles and property titles...
  - **1792-1794: « linguistic doctrine » (more redistributive).** I.e. if land rights use « feudal » language such as lods, cens, corvée, banalité, etc., then there is a presumption that these rights are illegitimate and should be abolished with no compensation.
  - Pb: lots of rural and urban property titles bought by non-nobles before 1789 used « feudal » language (like lods) in order to refer to « legitimate » rental income → a complete suppression of these rights would have led to massive and arbitrary redistribution
- lots of exceptions (incl. in 1792-1794, e.g. in cases where contractual origins of lods could be established), lots of judicial disputes and court litigations all along the 19<sup>th</sup> century

- **Other pb: « corvée »** = in some cases, peasants were supposed to give one day (or two days or three days...) of labour to the landlord to cultivate the landlord's own land.  
Is this illegitimate (i.e. is this a survival of the time of serfdom or slavery, thereby proving a violent, non-contractual origin), or is this simply a legitimate, contractual land rent that has not been relabelled using post-serfdom language?
- « **Banalité** »: obligation for peasants to use specific equipments operated by a landlord, e.g. a grain mill or oven or winepress. These were abolished, except in some cases where the contractual origin or quasi-tax-vs-public-good nature could be established
- « **Dîme ecclésiastique** »: quasi-tax payments made to the Church (even when the land did not fully belong to the Church). Generally abolished with no compensation, in spite of the warning by clergy members that in some cases the dîmes were financing local public services (education, health) provided by religious organizations.

- Generally speaking, pre-1789 property regime often involved **overlapping perpetual property rights**: the same piece of land or real estate could have at the same time perpetual usage rights to some individuals, and perpetual payments (lods or rents or other obligations: cens, dîmes, etc.) to other individuals (typically nobles) or religious organizations (monasteries, local parishes, bishops, pope, etc.)
- French Revolution abolished perpetual land rents and overlapping perpetual rights: since then, one cannot pay rents forever without becoming the full single owner at some point.
- Closely related to the end of the intergenerational transmission of debt, but not exactly the same issue: here the question is whether it is allowed or not to tie an infinite-horizon debt or obligation to a given asset (apart from the transmission of « full » indivisible property)

## **Global redistributive impact of French Revolution = very difficult to establish**

- 1815: compensation of aristocrats for lost rent (« milliard des émigrés »)
- 1789-1815: church property was redistributed much more than aristocratic property
- Significant redistribution of land toward small farmers, but even more so to large farmers (especially from church property, and to a lesser extent from aristocratic property)  
(**Abbé Sieyès: « the abolition of *dîmes* will benefit rich property owners, not the poor »**)

**Complete redefinition of the very notion of property rights:** strengthening of individual monetary property rights; weakening of local power and control by the elites (nobles, priests)

- **Key episode in the rise of modern personal freedom:** in the long-run, centralized state is arguably better able to guarantee individual rights than local ternary elites (nobles, priests)
- **But also key episode in the tightening of the power of private property owners** over non-owners; this contributed to extreme « proprietary » inequality during 19<sup>c</sup>
- **In some cases, brutal dismantling of local public services:** lower level judicial courts used to be operated by local landlords; schools ad hospitals operated by local religious organisations; it took time to replace previous financing (lods, cens, dîmes) by state and communal finance
- Progressive wealth & inheritance taxes would have been useful to make the process more equitable... but everything happened very fast: conservative & Napoleonic reaction 1795-99

- Blaufard, *The Great Demarcation*, 2014: very nice articulation between judicial archives illustrating concrete cases and more abstract legal/philosophical debates; between **short-run political history** and **long-run intellectual history**
- **Long-standing controversies 16<sup>c</sup>-18<sup>c</sup> about state centralization and the role of nobility**
- Bodin-Loyseau-Quesnay (absolutist, physiocrats, anti-nobility): « during the early Middle Ages, the Frank nobility exploited the king's weakness to capture more local power, it is time to correct this and to let the monarch and the centralized state take care of the future of the kingdom » → sovereignty/taxation vs private property
- Boulainvilliers-Montesquieu (anti-centralized state, pro-nobility) : « maybe the Frank nobility took power by violence; but they later gained their legitimacy by protecting the population against Normans and Hungarians and should keep their judicial powers; if we accept absolutism, then the French monarch will become like a Turkish despot »
- **In a few years (1789-1794), practical legal answers on the definition of legitimate vs illegitimate property and power had to be provided: highly chaotic process**
- See also books by J. Israel on « radical Enlightenment » vs « moderate enlightenment »: some debates happened before the Revolution (i.e. same Chamber for nobility & commoners? Diderot yes, Voltaire no); many issues had to be addressed on the spot

# Ternary societies: main variants

- There are large differences in ternary societies depending on religious and political ideology regarding family structures, role of priests vs warriors, labor status, capital doctrine, and the process of state formation and centralization
- **(1) First major variation: can the clerical class reproduce itself or not?**
- **In most religions (Hinduism, Buddhism, Shiite and Sunni Islam, Judaism), priests can marry and have children, who are often priests, so that the clergy is a « real » class, which exists separately from the nobility/warriors class → the clergy can sometime enter in competition with the nobility, and even dominate the nobility**
- Hinduism: Brahmins (priests, intellectuals) vs Kshatryas (warriors, rulers)
- Islam: Shiite or Sunni clergy vs ruling nobility (Muslim princes, soldiers, warriors)  
(Modern electoral democracies: intellectual party (left) vs business party (right)...)
- **In principle, the clergy/priests class provides spiritual leadership, religious services (marriage, funerals, births) and often education and health services; while the nobility/warriors class is supposed to provide security/protection services**

- **Sometime the clergy can end up operating quasi-states at the local level** (with large property endowments, quasi-tax revenues, schools, judicial powers, local police, etc.) **and have more prestige and power than nobility/warriors class**
- **Brahmins in some parts of India** (especially when Kshatryas were not ruling: domination by Muslim and British rulers hugely lowered prestige of Kshatryas)
- **Shiite clergy in Shiite regions of Ottoman Empire (Irak 17<sup>c</sup>-19<sup>c</sup>) and Iran**
- Long-standing differences in religious ideology within Islam: from Ali 7<sup>c</sup>, Shiite follow Imams/spiritual leaders, while Sunni follow Caliphs/temporal leaders
- Different modern political developments: Persian constitution 1906 with legislative role for ulemas; 1979 constitution of Islamic Republic of Iran with veto power for « Council of experts » (universal suffrage, but only clergy members (ulemas) & individuals with religious degrees can be candidate) and « Council of guardians » headed by a « Guide »; in principle a marja (highest-ranking ulemas), but rule changed in 1989; the marjas did not fully participate to this modern attempt to institutionalize clergy rule into centralized state
- See J.P. Luizard, *Histoire politique du clergé chiite*, 2014

- **In Christianity, priests cannot marry and have children, so that they do not constitute a real class:** they have to come from the two other classes (from nobility for higher clergy, or from commoners for lower clergy)
- This limits the potential for an open competition between the two social elites (clergy vs nobility), but sometime this was not sufficient to prevent conflict.  
**The Christian clergy never existed as a self-reproducing class, but the Christian Church did exist as a powerful political and property-owning organization.**
- There are periods of strong political and military fight between clergy and nobility in Christian Middle Ages: Popes vs Emperors/Kings.  
Pontifical states (until 19c): not too different from Shiite states.
- Like most religions, Christian religion has both a spiritual and a political ambition: in order to provide spiritual guidance and religious/ education/ health services, one needs to accumulate property and to develop a pragmatic approach to ownership and economic development

- P. Brown, *Through the Eye of a Needle. Wealth, the Fall of Rome and the Making of Christianity in the West, 350-550 AD*, Princeton UP 2012 → **rise of Christian property**
- G. Todeschini, *Les Marchands et le temple. La société chrétienne et le cercle vertueux de la richesse du Moyen Age à l'Époque Moderne*, Albin Michel 2017
- « **Christian doctrine had no problem with investment, modern financial techniques and positive capital returns**, as long the Church remained in control of a large part of the capital stock and could exert political and spiritual control of Christian societies »; « No general prohibition of usury: the concern was that money would flow the most useful – and easy to control – investment, and that the assets of the Church could not be alienated by money-makers and heretics »
- Is Christian pragmatic capital doctrine at the origin of modern capitalism? Maybe not: other religions also had large property endowments and developed pragmatic financial doctrines; competition between European nation states was maybe even more important; but the point is that the Christian church was certainly not anti-capitalist or anti-property

- J. Goody, *The European Family*, Blackwell 2000: « The main specificity of the European-Christian family (in addition to the prohibition of marriage for priests) as compared to other religions and civilisations is the prohibition of adoption, remarriage of widows, and marriage between first cousins. Why was Christian Church so normative? »
- « The objective of the Christian church was to maximize property transmission to the Church, in particular gifts by widows (male and especially female widows) and parents with no children; and more generally to limit the ability of families to organize property transmission & the power of kin groups »
- « **By limiting family power and encouraging private gifts, the Church was able to appropriate 20-30% of land in Western Europe in 500-800 & keep it until 1800-1900** »  
(comparable to share of Chinese Communist Party in China's capital stock today...)
- « Close marriages (e.g. cousins) are a very natural way to protect family wealth and avoid misalliance: very common in ancient Greece, Rome, Islam, Hinduism, Judaism and most societies ». « The Christian Church had a radical political project, so radical that this norm could never be fully imposed to Christian nobility & bourgeoisie »
- « Return of divorce, adoption, remarriage, etc. in late 20<sup>c</sup> = return of normal family strategies after 1500 years of Christian prohibition and family morale»

- **(2) Other major difference between ternary societies : variations in the complex and sometime incomplete process of « unification » of labour:** the third class (commoners, workers) is sometime divided into two or three (peasants/rurals vs traders/craftsmen, or peasants/rurals vs traders/craftsmen vs untouchables), so that there four or five basic classes
- **E.g. India's caste system: five basic classes (varnas = broad castes) instead of three**
  - Brahmins (priests/teachers)**
  - Kshatriya (warriors/rulers)**
  - Vaishya (traders/craftsmen) (≈skilled labor)**
  - + Shudra (laborers) (≈common labor)**
  - + Dalits (untouchables) (specific occupations like working with leather and animal skin, cleaning, etc.)**
- No formalisation of the system until Caste Censuses conducted in 1881-1931 under British rule
- Complex mixture of self-reporting, identity manipulation, local council and administrative approval: see e.g. Cassan, « Identity based policies and identity manipulation: Evidence from Colonial Punjab », [AEJ 2014](#)

- At independence (1947), Indian govt decided to rule out untouchability and to stop conducting caste censuses, but it enacted reservations for lower castes (former untouchables) suffering from discrimination (=quotas for public sector jobs, university admissions, elected councils)
- **Approximate** distribution of population today (with large regional variations):
  - 30% « Forward Castes » (FC)**  
(≈Brahmins 5-10% + Kshatryas 5-10% + Vaishya 10-20%)
  - + **40% « Other Backward Castes » (OBC)** (≈Shudras) (common labor)
  - + **30% « Backward Castes » (SC-ST)** (former untouchables & prejudiced groups)  
(≈20% Scheduled Castes (SC=Dalits) + 10% Scheduled Tribes (ST=aboriginal or isolated population))

- **Initially the reservations were mostly for SCs-STs. They were gradually extended to OBCs** (Mandal Commission 1980) (with exclusion of « creamy layer », i.e. richest income groups within OBCs), and to poorest groups within Forward Castes in some states.
  - Major political conflicts, rise of caste-based parties
- (see e.g. C. Jaffrelot, *Inde: la Démocratie par la caste. Histoire d'une mutation socio-politique (1885-2005)*, 2005; *Religion, caste and politics in India*, OUP 2010)
- Indian Muslims (14% pop) do not benefit from SC-ST status but can benefit from OBC status. Major source of conflict with Hindu parties (Muslim rule in Mogul India 16<sup>c</sup>-18<sup>c</sup>: many low castes convert to Islam)
  - decision by the federal government of India to conduct a « **Socio-Economic and Caste Census** » in **2011** in order to clarify the relation between caste, income, wealth and poverty (**=first caste census since 1931 British census**) and to gradually transform the caste-based reservation system into a parental-income or parental-wealth-based reservation system
  - long and difficult process of social integration

- **Why did India's caste system develop into a five-caste system, as opposed to European ternary societies nobility-clergy-commoners?**
- L. Dumont, *Homo Hierarchicus*, 1966, based on ancient Indian texts:  
(see also M. Weber, *Hinduism and Buddhism*, 1913)
- **Initially there were three groups:** Brahmins (priests), Kshatriyas (warriors), Vaishya (traders/craftsmen)
- **Shudras used to be slaves or serves outside the three-class system who were finally integrated as a fourth basic class**
- **Dalits (untouchables) were left out as quasi-serves suffering massive prejudice and discrimination** (2011 SECC: still a question on « legally emancipated bonded labor »: former quasi-serves servants freed in 1950s)
- Uncertain, but highly plausible: in Europe the process of labour unification spans over centuries: end of slavery around 800-1000, end of serfdom around 1000-1400 in Western Europe and as late as 1700-1860 in Eastern Europe and Russia (contradictory impact of black Death 14<sup>c</sup>)

- M. Arnoux, *Le temps des laboureurs. Travail, ordre social et croissance en Europe (11<sup>e</sup>-14<sup>e</sup> siècle)*, 2012: the rise of three-class social structure in medieval Western Europe around 1000-1400 comes together with the end of slavery/forced labour and the unification and rising dignity of labour and labourers; this also led to more intense labor supply and territorial expansion
- **I.e. the trifunctional (or ternary) society is hierarchical, but at least it unifies the class of labor (≠ slave or caste societies), and it is an important part of the rise of modern societies**
- One should not exaggerate the extent of labor unification: there is a continuum between paying « corvée » (still important in France 1789) and paying a rent, i.e. between « archaic » serfdom relations and « modern » property relations. Political revolutions can make a difference

- « Burakumin » in Japan (quasi-untouchables, see [Carré Annales HSS 2011](#), « Les marges statutaires dans le Japon pré-moderne ») were gradually integrated into the rest of society via modernization and the rise of the social and educational state in late 19c and early 20c
- **Japan late 19c early 20c: very different strategy of development and social integration than India under British rule** (colonial British rulers were happy to divide and rule Indian society and did not care much about equality and social integration)
- Different trajectories and bifurcations are possible: **the development state can put an end to historical prejudice and discrimination**
- Roms in Europe today: massive prejudice; ex-serves and slaves not integrated following emancipation in Romania 1865

# The end of ternary societies & the rise of centralized state power

- Why do Brahmins and Kshatriyas represent as much as 5-10% of pop (each) in India (with large variations across regions), while the French nobility represented less than 1% of population in 1789?
- Very uncertain, but there is extensive evidence showing that the size of elite groups does vary a lot in the history of ternary societies, in particular in response to the rise of centralized power
- **France: nobility was about 1.5-2% of population in 1450-1500 down to 1.1% in 1700 and 0.5% in 1789.** Clear evidence of downward trend.
- In absolute numbers, the peak in number of noble households is around 1650, and we observe a large fall between 1700 to 1789, from about 50 000 to 30 000 households (4-5 members/hh → about 0,5% of 27M pop 1789)
- See e.g. Dewever, « On the changing size of nobility under Ancien Regime, 1500-1789 », [2017](#)

- **Clear evidence that the downward trend in the size of nobility was related to the rise of absolutism and centralized monarchy**, and particularly to the great enquiries of the nobility launched by Louis XIV in 1660s, in order to register the frontier between nobility and non-nobility.
- The political objective was clearly to control the nobility, and also to reduce the number of tax exemptions. At the same time letters of ennoblement were sold in order to raise fiscal revenue, but the overall impact was clearly to reduce the size of the group.
- Was the decline also due to a deliberate strategy of some members of nobility to alter fertility and matrimonial strategies? I.e. with centralized state power one needs fewer sons and swords to maintain one's property and power. Possible but unclear.

- **Why did Brahmins and Kshatriyas remained so large in India (as much as 5-10% of pop each) as compared to European nobility?**
- **Probably the main difference is the lack of centralized state power:** lack of political unity in India: Muslim domination 16c-18c (Mogul rulers in Delhi, fragmented territory), and then British rule 18c-20c
- The fact that the Indian warrior class was often not ruling (Muslim rulers) raised the relative prestige of clerical class (Brahmans) (L. Dumont).
- In the same way, the lack of strong centralized state power arguably made it critical for elite groups (Kshatriyas and Brahmans) to be numerically important in order to enforce local domination over worker class; maybe all ternary societies before rise of centralized state had relatively large elite groups
- Other major Indian specificity: hundreds of sub-castes within each broad caste (varna), persistence of arranged marriage within sub-caste until the present day
- Probably not entirely different from occupational guilds in pre-modern Europe, except for the persistence
- **The colonial experience (especially under British rule) led to a completely different trajectory:** colonial caste censuses → rigidify caste system  
abolition of castes at Independence, except for positive discrimination → rising demand for caste recognition → slow process of social integration

# After the demarcation: censitory societies

- Proprietary societies separate property rights and political rights, and sacralize private property. But they still need a political system. The Great demarcation cannot be the end of the story.
- **Most natural political system in proprietary societies: distribute political rights in relation property rights themselves**, sometime with multiple classes of voters (a bit like shareholder corporations) → **censitory societies**
- France 1815-1848: « censitory monarchies » (suffrage restricted to tax and property qualifications); less than 1% of adult males had the right to vote under the Restoration (90 000 voters out of 10 millions), up to 2% under the July Monarchy; higher property requirements for holding office (<0.2% eligible)
- France: brief universal suffrage in 1792 (not fully applied) and 1848 (first elected president became emperor), & finally in 1871 (Third Republic)
- Britain 19<sup>c</sup>: less than 2% of adult male pop had right to vote until 1831; then reforms in 1831, and especially 1867, 1884 & 1918 (universal suffrage) gradually put an end to property qualifications and extended the franchise (right to vote)

- US: 26% of white males vote in 1824, 55% in 1832, 78% in 1840 = in advance of Europe (Tocqueville, *Democracy in America*, 1830), and even more so in advance of Latin America (<5% of males can vote until late 19c) (Engerman-Sokoloff, “The Evolution of suffrage institutions in the New World”, [JEH 2005](#))
- But: massive slavery until 1860s (the most massive slavery system in history, together with Brasil); and no voting right for blacks in South US until 1960s
- South Africa: universal white vote (1948-1994) vs censitary white-black vote (pre-1948 in Cape Colony, progressive white proposal in 1950s-70s) vs universal white-black vote (post-1994)
- **Colonial societies:** extreme legal & political domination by small group of foreigners
- Very different forms of domination and numerical importance of settlers: e.g. within French colonies, it varies from 0.1-0.5% of total pop in Indochina or Subsaharan Africa to 5% in Morocco or even >10% in Algeria ( $\approx$  South Africa)
- Colonial India: about 1% of population is given the right to vote in 1909, 3% in 1919, 10% in 1935 (property requirements + separate Muslim-Hindu electorate)

# The end of ternary societies vs the rise of modern slavery

- **Slavery = most extreme form of inequality; forced labour: widespread in all premodern societies**
- The notion of « slave society » (M. Finley, *Ancient Slavery & Modern Ideology*, 1979)
- « **Societies with slaves** » (i.e. societies where slavery exists but plays minor role: typically, slaves = a few % of total pop) (= in most societies, slaves are part of a graduated serves-elites inequality regimes)
- ≠ « **Slave societies** » : societies where slaves play a major role in the overall structure of population, production & property: say, societies where slaves make between 25% and 50% of total population
- According to Finley, slave societies are relatively rare in history: the main examples are **ancient Greece** and **Rome** (slaves = 30-50% of total pop), **southern United States** (slaves = 40% of total pop until 1865), **Brasil** (slaves = 30-35% of total pop until 1887) (+ **British and French slave islands** : slaves = up to 90% of pop until abolition/compensation 1833-1848) (Haïti revolt 1791 → public debt 1825-1950) (see [Introduction to Economic History, Lecture 5](#))
- Recent research: other slave societies = Kongo 15-16<sup>c</sup>, Sokoto 18-19<sup>c</sup>, Sumatra 17<sup>c</sup> (30-50% slaves)
- **Paradox: the unification of labour and nation-states in the West** (end of domestic forced labour → unified ternary societies; rise of centralised state → transition toward proprietary societies, with US-France radical evolution and UK gradualism) **came with the rise of modern Atlantic slavery, colonialism and extreme inequality of political rights at the international level during 18<sup>c</sup>-20<sup>c</sup>** → the globalisation of inequality: industrialization and international traded created new forms of inequality regimes at the global level

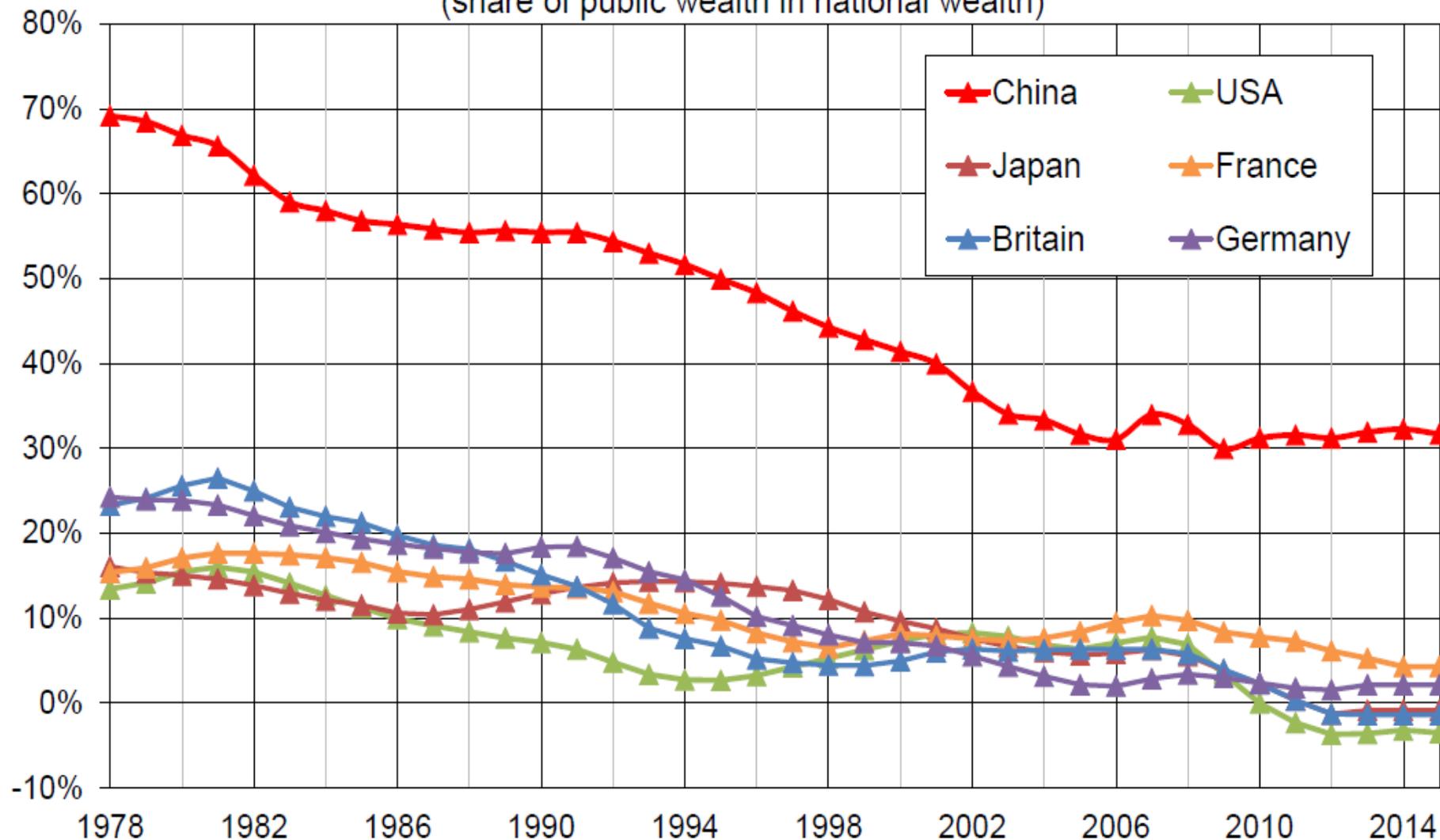
# The crisis of proprietary societies: the rise of electoral democracies & the communist challenge

- In the late 19c and during the 20c, proprietary societies face major challenges: fragility of censitory paradigm, both at international and domestic level
- Rising demand for equality, both at the international level (rising demand for decolonization → independence wars) and at the domestic level (rising demand for universal suffrage and mixed property regimes → triumph of electoral democracies and social-democratic regimes)
- Communism: most serious challenge to proprietary societies (based on the absolute opposite programme: complete end of private property) in late 19c and during the 20c... except that the dramatic failure of Soviet Union (1917-1989) finally led to the strengthening of proprietary ideology since 1990; Russia has now become the country of oligarchs and offshore wealth and has contributed to reinforce proprietary ideology

# The changing share of public ownership

- During the 1950-1980 period, the share of net public wealth in net national wealth was as large as 25-30% in many Western countries = mixed property regime (see [Introduction to Economic History, Lecture 5](#))
- By 2015, the share of net public wealth is negative not only in Italy but also in US, UK and Japan (and only slightly positive in France and Germany)
- **But in China, public share seems stabilize around 30%**
- See Alvaredo et al 2017 [Global Inequality Dynamics: New Findings from WID.world](#) ; Piketty-Yang-Zucman [Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015](#) ; Novokmet-Piketty-Zucman 2017 [From Soviets to Oligarchs: Inequality and Property in Russia 1905-2016](#)
- Changing ideology on efficiency of private vs public property: rise of new proprietary ideology?
- Rising public debt: more difficulties to agree about fair tax burden with growth slowdown and globalization?

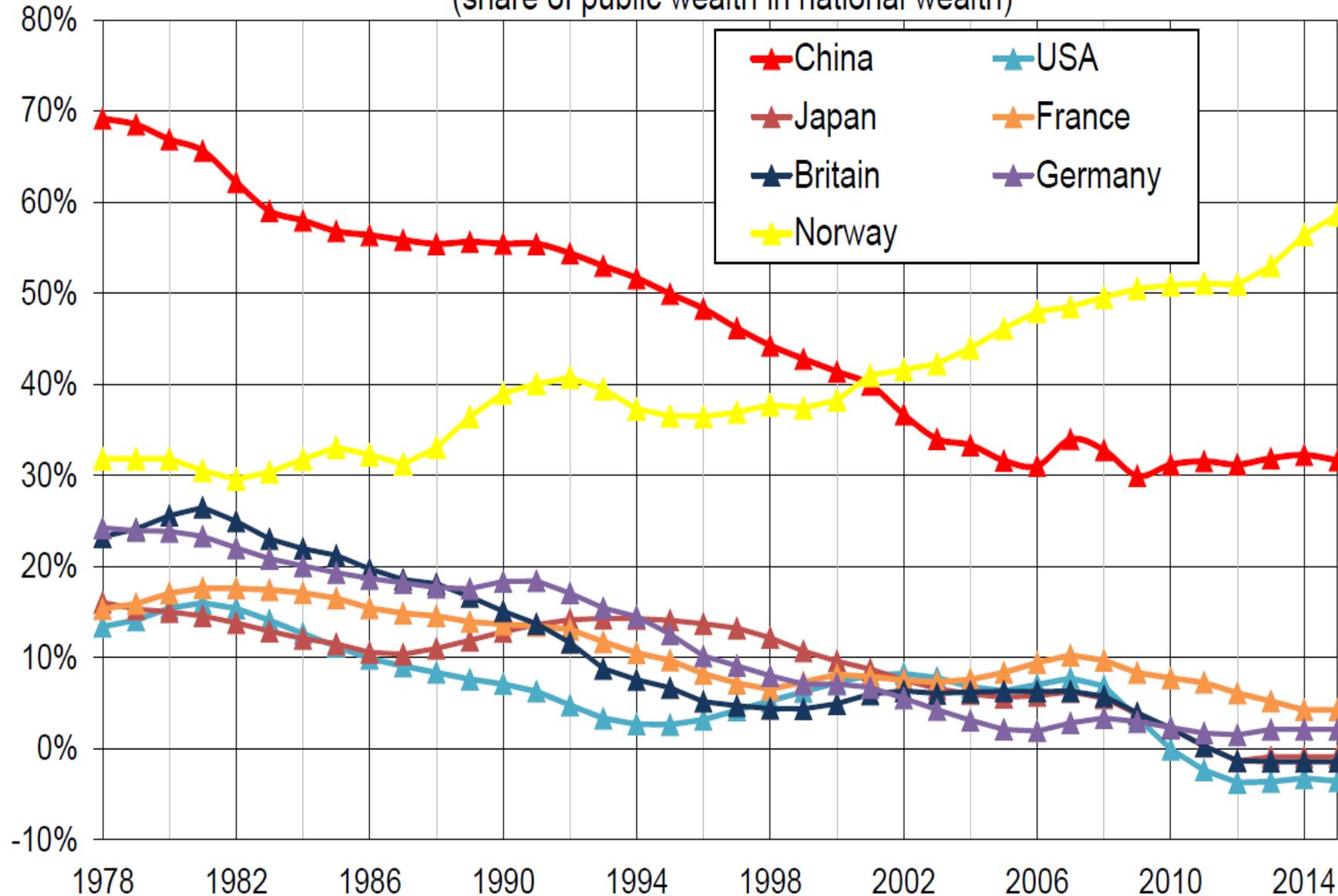
**Figure 2b. The decline of public property**  
(share of public wealth in national wealth)



Share of net public wealth (public assets minus public debt) in net national wealth (private + public).

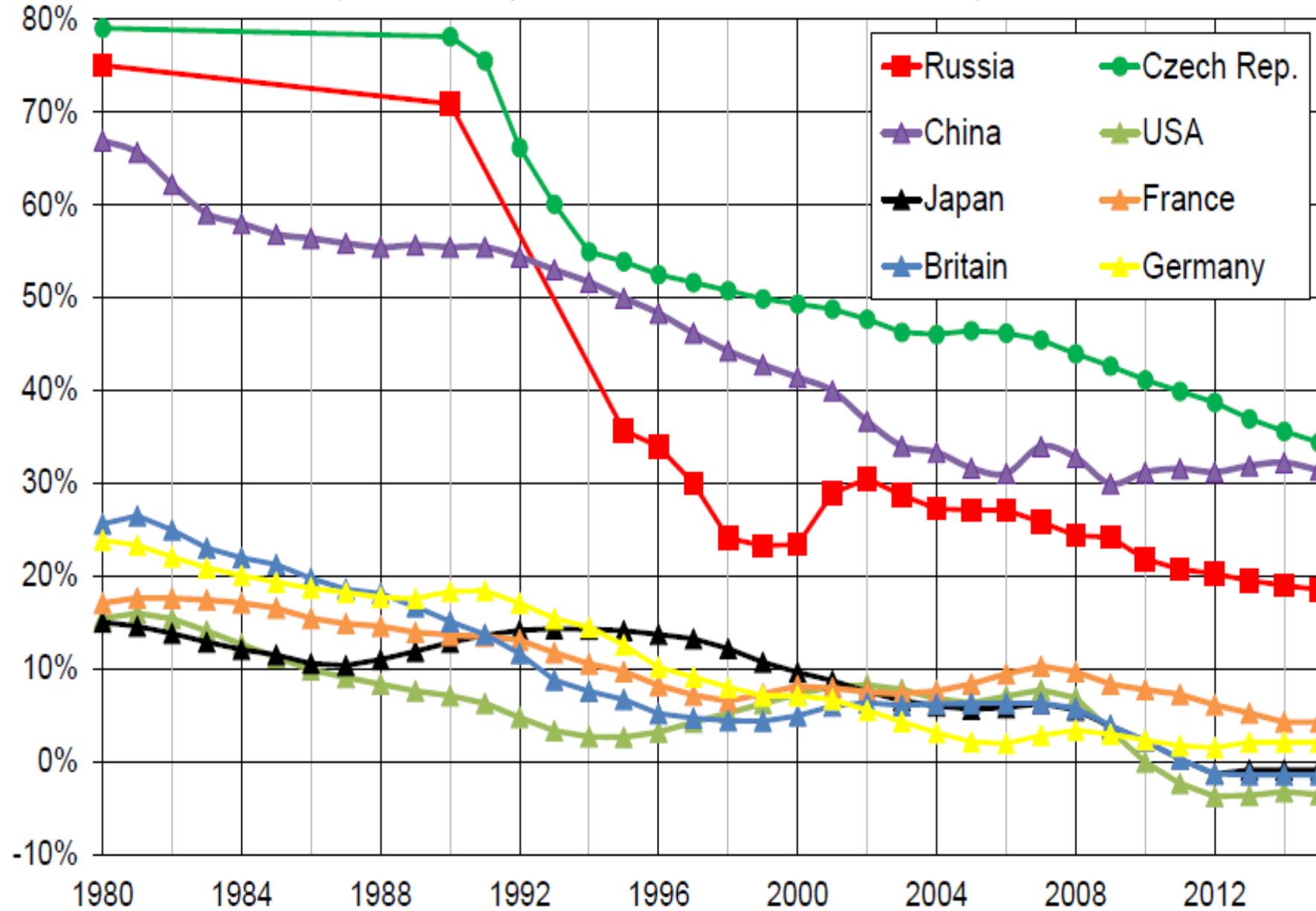
China: Piketty, Yang and Zucman (2016). Other countries: Piketty and Zucman (2014) and WID.world updates.

**Figure 2c. The decline of public property vs. the rise of sovereign funds**  
 (share of public wealth in national wealth)



Share of net public wealth (public assets minus public debt) in net national wealth (private + public).  
 China: Piketty, Yang and Zucman (2016). Other countries: Piketty and Zucman (2014) and WID.world updates.

**Figure 7c. The decline of public property: Russia vs other countries**  
(share of net public wealth in net national wealth)



# Are electoral democracies the end of history?

- The electoral illusion: universal suffrage is not sufficient to bring political equality and economic equality.
- First because there are constitutional limitations (e.g. unanimity rule for taxation in EU; varying degrees of protection of private property in most constitutions) and informational limitations (unequal access to information, biased media, lack of participatory democracy, etc.) to universal suffrage
- Chinese challenge: « democratic deliberation works better among CPC members than in Western electoral democracies » (CPC members = about 10% of China's population, ≈ participation in US or French presidential primaries)
  - **details on how electoral democracies and political parties are organized are not details and should be studied as historical objects**
- Next because inequality involves complex, multi-dimensional issues (property, education, income, identity, etc.): it is difficult to fit a consistent coalition and ideology into a single political party or organisation
  - **see next lecture on [“Party Systems & Inequality in Electoral Democracies”](#)**