

capital in the 21st century thomas piketty

Capital in the 21st Century is a groundbreaking book by French economist Thomas Piketty, published in 2013. It has garnered immense attention and debate, reshaping the discourse around wealth inequality and the dynamics of capital in modern economies. Piketty's analysis builds on a wealth of historical data to explore the concentration of wealth and its implications for the future of capitalism. In this article, we will delve into the key themes of the book, the methodology Piketty uses, its reception, and its implications for policy and society.

The Central Thesis of Piketty's Work

At the heart of "Capital in the 21st Century" is Piketty's assertion that the rate of return on capital is consistently greater than the rate of economic growth. This fundamental principle leads to the concentration of wealth in the hands of a few, resulting in rising economic inequality. Piketty summarizes this in a formula:

- $r > g$ (where r is the return on capital and g is the economic growth rate)

This relationship suggests that as long as r exceeds g , wealth will continue to accumulate and concentrate, exacerbating inequality.