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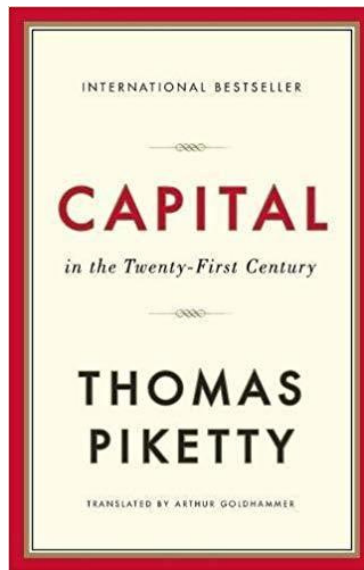
by DANIEL MURPHY  
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## *Capital in the 21st Century*

**In a shiny new documentary, the ideas of inequality critic Thomas Piketty are writ large.**

I was mildly embarrassed. Boarding the 6 o'clock from Fairfield to Flinders St I bumped into some lovely young parents from the local school. They were off to the centrepiece of the Melbourne International Film Festival: Nick Cave playing his film scores at Hamer Hall. We shared a chuckle at my MIFF night out: a doco about a book by a French economics professor at the multiplex in Melbourne Central.

Thomas Piketty's Capital in the 21<sup>st</sup> Century became something of an instant classic upon release in 2014. His dissection of the rise of inequality in modern societies struck a chord, shifting over three million copies. Still, I was surprised to emerge from the stairwell and discover the cavernous 800 seat room, usually reserved for superheroes, all but full. Plonking my bottle of craft beer in a drink holder designed for a bucket of Fanta, I settled in to see if economic analysis could make it on the big screen.



Despite stretching to 650 pages, Capital...is not a tough read. Piketty employs popular culture references, quoting Jane Austen characters' anxiety over rent returns to show how the 19<sup>th</sup> century gentry amassed their riches. Academic jargon is avoided and the argument is easy to follow.

The platform is there for a documentary maker to weave a compelling narrative and Kiwi Justin Pemberton rises to the task. The usual mix of historical footage, talking heads, time lapse, original animation and movie clips is taken up a notch, largely due to the very high production values afforded by the backing of French entertainment behemoth StudioCanal. It is a visual treat and a buzz to watch on the big screen. The retro synth soundtrack by Air's JB Dunckel helps propel things along.

The viewer is given a crash course in economic history, from colonial plunder and slavery to the robber barons of the gilded age. Did you know in the latter 19<sup>th</sup> century the main use of the US Army was putting down strikes? As the 20<sup>th</sup> century unfolds, Depression is succeeded by the New Deal and Nazism by WW2. The 1950s and 60s are portrayed as a golden era, when the unity required to defeat fascism fostered a sense of common good in western societies. The welfare state, universal health care and trade union rights contributed to rising well-being in suburban dream homes. Social mobility became normal and the middle class sprung forth.

Which was great, unless you were part of the old monied ascendancy who fretted over declining profit shares and how your children would fare on a level playing field. Opportunity knocked in the early seventies as recession, high inflation and unemployment plagued the capitalist economies simultaneously. Labelled 'stagflation,'

this combination of problems was previously thought impossible under the dominant Keynesian economic model.

This was the moment those who never accepted the post-war settlement had prepared for. They emerged from their think tanks with coherent sounding solutions, promising to get capitalism its groove back if societies applied free market fundamentals. They were remarkably successful in advancing their argument and a procession of neoliberal icons are seen at pivotal points in the counterrevolution: Reagan sacking striking air traffic controllers, Thatcher rolling back the state, Clinton signing away the Glass-Steagall Act, ending 60 years of banking regulation.

The Iron Lady's ascent from greengrocer's daughter to Downing St is held up as an example of post-war social mobility that would be impossible now, a contention the aristocratic backgrounds of David Cameron and Boris Johnson would seem to support.

Of course, four decades on, the promise of unfettered capitalism carrying us all down the yellow brick road to prosperity is exposed as a hoax. Privatisation, deregulation and financialisation, spun as enablers of a more dynamic economy that would lift all boats, are just fancy words for upwards redistribution.

A talking point of late-neoliberalism is how the wealthy justify their privilege and maintain the pathological urge to acquire evermore. What drives someone with eight billion in the bank, or eight negatively geared investment properties, to keep up the mad pursuit? One of the film's most thought provoking sequences shows a psychological experiment in which some Monopoly players start with more money and play by a different set of rules. As the rigged games unfold, the advantaged get ultra-greedy and act as if success is all a product of their superior skill.

In the closing scenes, striking inequality facts are driven home by cuts from yachts moored in tax havens to scooters delivering takeaway. Piketty, pudgy and unassuming but the most compelling voice among glamorous academics and economics gurus, warns we are on a fast track back to the chronic inequality of the 19<sup>th</sup> century. As wealth concentrates in fewer hands, it prefers to collect rent and dividends a la Mr Darcy, than invest in productive enterprise in economies growing ever slower since the 1970s. Is this not what the Australian election was just fought over? Maintaining government subsidy of income gained from property and shares.

The mix of economic problems we now face could be labelled 'stagflation': dwindling growth caused by upwards concentration of wealth and income. The talking heads offer some solutions, particularly wealth and inheritance taxes, but the emphasis is more on sickness than cure.

As the crowd shuffled back into the food court I was thinking redistributing capital in the 21<sup>st</sup> century will take some doing, but Piketty's growing profile can only help.

Capital in the 21<sup>st</sup> Century will receive a cinema release later this year.

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