

WWZ Research Seminar

Thursday, May 2, 2019, 12:30pm, S 15, HG

**„ Why is wealth inequality greater when the shadow price of capital goods is higher?
A model with illustrations from the Neolithic and Bronze Ages, and conjectures
for the future“**

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Abstract

What can we learn about the likely future trajectory of economic disparities from an understanding of the role of new technologies and institutions in the emergence of substantial inequality in wealth during the late Neolithic and Bronze Ages and its persistence to the present? Our estimates of wealth inequality over the past 11 millennia, measured to assure comparability across different asset types and demographic structures, suggest that the only populations with notably less inequality are Neolithic and some later labor-intensive farming economies without a state organization exercising a monopoly on the use of force. Using a dynamic model of stationary wealth inequality, we provide reasons why a labor-limited economy would exhibit less wealth inequality. We speculate that a more labor-limited knowledge- and care-based economy of the future may provide the economic foundations for a more egalitarian society.