Wealth Inequality beyond Piketty

Ben Ansell*

Abstract

Thomas Piketty's 2014 magnum opus argued that the holders of capital would receive an ever-rising share of national income over the twenty-first century. While this book has attracted unprecedented interest across the social sciences, we know rather little about the politics of wealth inequality, as opposed to income inequality, and hence how growth in wealth inequality, per Piketty, might have political impacts over the coming decades both within and across countries. A further twist to Piketty's argument is that most of the rise in the return to capital actually comes from residential housing not investment capital. Are homeowners the new capitalists? What are the implications in terms of political divides, particularly between young and old, and those living in prime vs peripheral residential locations? This essay draws on evidence from cross-OECD and Eastern European survey data, along with British data from the BSAS and the Brexit vote, to argue for the importance of new sources of wealth, particularly housing, in defining contemporary political conflicts.

Paper prepared for Challenges to the Contemporary World Order Workshop, Filzbach, Switzerland, 6-8 October 2017.

*Professor of Comparative Democratic Institutions, Nuffield College, University of Oxford. Work on this project is supported by the European Research Council Consolidator grant WEALTHPOL.

1 Beyond Piketty

The last decade has seen economic inequality rise to the forefront of the popular political imagination. Following the credit crisis, the rise in earnings dispersion that had begun in the late 1970s across the advanced industrial world finally began to enter political debates - from the Occupy movement's identification with the '99%' through to the campaign speeches of politicians of the centre and harder left from Bill deBlasio to Bernie Sanders and Jeremy Corbyn. Even a politician as traditionally centre-right as Theresa May entered office promising (though it appears not fulfilling) an agenda focused on the 'Just About Managing' and the 'left-behind' of the global economy.

The lodestone of this debate was Thomas Piketty's epochal 'Capital in the Twenty-First Century' which provided both a simple - yet rigorous - theory explaining the rise of inequality and reams upon reams of historical data demonstrating that the period since the 1980s harkens a return to the world of, if not Dickens, at least Gatsby (Piketty, 2014). Piketty's claim was that rising inequalioties were driven by fundamental laws of capitalism and - lest one might fear Piketty an unreconstructed Marxist - these laws were embedded in basic neoclassical economics. Piketty argues that as long as the rate of return to capital is higher than the rate of growth in the economy (Piketty's famous equation $r > g$), the owners of capital will accrue an ever larger share of the economic pie. For Piketty, the period between 1930 and 1975 when inequality was relatively low was a break from trend, an historical accident that blinds us to the story before and after of an inevitable rise in the return to capital. What, if anything, can be done? Piketty's book is relatively light on politics - a critique made most effectively in Suresh Naidu's reinterpretation of the book (Naidu, 2017). But he does offer prescriptions, most famously a global tax on wealth that might at least reduce net differences in the returns to labor and capital.

As with any work of this magnitude, Piketty's opus has led to a wide array of critiques. These critiques provide an entry point into thinking about how political scientists should think about wealth inequality in the twenty-first century, short of simply throwing our hands up and abandoning the field to the 'fundamental laws of capitalism' that Piketty provides.

A simple first critique is one driven by conceptual confusion among Piketty's readers rather than the author himself (and so is a little unfair perhaps). Piketty's book is really about the relative returns to capital vis-à-vis labor. In that sense it is a book about inequality but for the most part that means between-factor inequality. In contrast most of the popular debate inspired by Piketty is about *within*-factor inequality. That is, when people talk about income inequality they are generally referring to inequalities in the distribution of wage income across individuals - but of course in Piketty's world these are all returns to labor (Piketty does not ignore this but it is not a core part of the underlying theoretical model that differentiates returns to capital from broader economic growth). Likewise, there has been growing interest in so-called 'wealth inequality' - the distribution of assets across people in society. Since not all people hold capital, there is more similarity here to Piketty's labor vs capital model. but still, there is ample inequality in the asset holdings among those people that do possess wealth - indeed most measures of wealth inequality, be it land inequality or housing inequality, show higher rates of wealth inequality (by, say the Gini measure) than hold for income inequality (Cowell, Karagiannaki and McKnight, 2012, 2017). A first step then in moving 'beyond Piketty' is to separate out income inequality from wealth inequality and to examine the political implications of each in turn, along with the relationship between these different distributions.

The second critique is theoretical in nature - and comes from the aforementioned piece by Suresh Naidu (Naidu, 2017). For Naidu, Piketty's famous equation can be rewritten to highlight the importance of political control over 'capital as an institutionally defined set of property rights that are then transacted on asset markets.' Emphasising this aspect of what Naidu terms 'the wild Piketty' moves beyond the mechanistic aspect of Piketty's model of the economy to broader questions about how property rights are established, maintained, protected, or weakened - all intrinsically political decisions. And this then in turn provides an opening for thinking, as citizens generally do, about how the government might use its statutory or regulatory powers to alter pre-tax wealth inequality and its fiscal powers to alter post-tax wealth inequality.

The remaining critiques are empirical in nature. The first relates to the microfoundations of Piketty's argument about the relationship between returns to capital and the capital share in the economy, which depends on the elasticity of substitution. Put bluntly, for Piketty's ever-rising share of capital to hold it must be the case that this elasticity is greater than one - that is, it must be very easy to substitute capital for labor. Formally this means that an expansion in the supply of capital used in the economy must outweigh the decline in returns to that capital for the capital share in the economy to increase (the capital share being the product of returns to capital and the relative supply of capital). As Rognlie (2016) has noted in an influential critique, very few microeconometric analyses show this high level of the elasticity of substitution - in most cases the elasticity is substantially less than one. This means that capital cannot in fact be as easily substituted for labor as Piketty supposes. A growing supply of capital will lead to dramatic declines in the return to capital and hence a *declining* capital share. The implication is that r does not always $> g$.

A second empirical critique comes from proponents of the 'secular stagnation' theory - foremost among them Larry Summers - who argue that a surplus of unproductive capital and minimal, even negative, real interest rates are the real story of the past few decades (Summers, 2016). In the absence of productive investments, surplus capital instead bids up the prices of unproductive assets, particularly residential real estate, creating bubbles. This bubble effect produced by low returns to capital harkens back to influential work by Jean Tirole, who argues that when capital cannot find productive returns, asset bubbles may be a rational response (Tirole, 1985). This is a rather different claim to Piketty, where the problems of inequality emerge because capital can always find a productive return faster than the overall growth of the economy.

The final critique and the one most related to this paper builds off the last two - what Piketty finds in his empirical analysis does not in fact jibe with his theoretical approach once one splits apart types of capital. The aforementioned critique by Rognlie (2016) also shows that almost all of the relative gain in the capital share since the 1970s in advanced industrial countries comes from residential capital as opposed to non-residential (productive) capital. House prices, in other words, are the drivers of a rising capital share. While this raises problems for the $r > g$ neoclassical view of the world, the empirics have quite interesting implications for political scientists. Rather than rising wealth inequality simply being the gains of a bunch of plutocrats with skyrocketing industrial investments, it instead appears to relate to booming condo prices, gentrification, and house-flipping - the mundanities of residential life that surround most people.

If wealth inequality is really about housing that means it is in part about the everyday politics of living space and pocketbooks - areas where political scientists, sociologists and micro-econometricians have a good deal to say. It also means that to understand the politics of wealth inequality we might do better not to return to Karl Marx but instead to that other prophet of late nineteenth century radicalism - Henry George. George is most famous today for his land tax reform movement. For George the sins of capitalism were not of the factory but of the property - in that sense, his views were in part a return to Ricardo and suspicion of the landholder. Growth in the economy was pertaining to those who held unproductive but desirable assets - land near railroads, urban apartments, etc. We may have largely forgotten George himself today but his suspicion of the privileges of property jibes well with today's politics.

In the following I resuscitate the Georgian spirit and argue that rising wealth inequality driven by housing is a key political story of our time - that it is a natural counterpart of rising income inequality and that their combination has undermined support for the types of redistributive welfare state policy that marked the postwar era. I term this phenomenon the 'anti-redistribution cycle.' I then turn in brief to some empirical demonstration of the importance of housing in contemporary politics, beginning with broader cross-national evidence before turning to the recent Brexit referendum.

2 The Anti-Redistribution Cycle

To begin our analysis of the politics of wealth inequality it is worth casting our eyes to the broader picture of changes at the national level. One of the most striking relationships, and perhaps an unsurprising one, is that between the recent rise of income inequality and that of wealth inequality. This connection makes a good deal of sense once we set aside the question about inequality *between* labor and capital (that is, income and wealth) and recall that incomes can of course purchase wealth, and that wealth can be amortized as income, we see that inequality *within* one domain is liable to increase inequality within the other.

The direct connection is well described in recent work by Zhang (2015). Zhang shows that over the long run a rising share of income attaining to the top five percent of the income distribution in a given country or US state between 1975 and 2007 was strongly positively associated with house price growth in that unit. Of course, it is quite possible that people with rising house prices can convert that into income, for example by renting out their property. But there is also a bidding-up effect whereby richer upper middle classes bid up the value of an often fixed good - property - with their rising incomes. We might think of this as a gentrification effect, though clearly the story of rising house prices is more complicated than the bidding wars of the bourgeoisie.

My recent work with John Ahlquist shows a related story (Ahlquist and Ansell, 2017). Here we show a positive relationship between the top one percent income share and the ratio of credit to GDP in a broad range of OECD countries dating back to the 1960s. While this relationship is broadly positive it is also driven by countries without a strong history of left-wing government. We argue that in such countries redistribution is relatively weak and that this leads to a more direct translation of rising income inequality into greater borrowing (and related to Zhang, commensurately higher house prices as cheap credit feeds into the housing sector). Our story relates to positional consumption dynamics - as the bulk of the citizenry see the richest getting richer this drives a 'keeping up with the Joneses' dynamic - in order to maintain relative consumption despite stagnating incomes, middle-income citizens borrow increasing amounts of credit. In countries, however, where redistribution is high there is a smaller gap between the net incomes of the rich and everyone else and this reduces the motivation to engage in positional consumption. Alternatively the story is similar if positional consumption is driven not by pure other-regarding characteristics but instead by bidding over positional goods such as, you guessed it, housing.

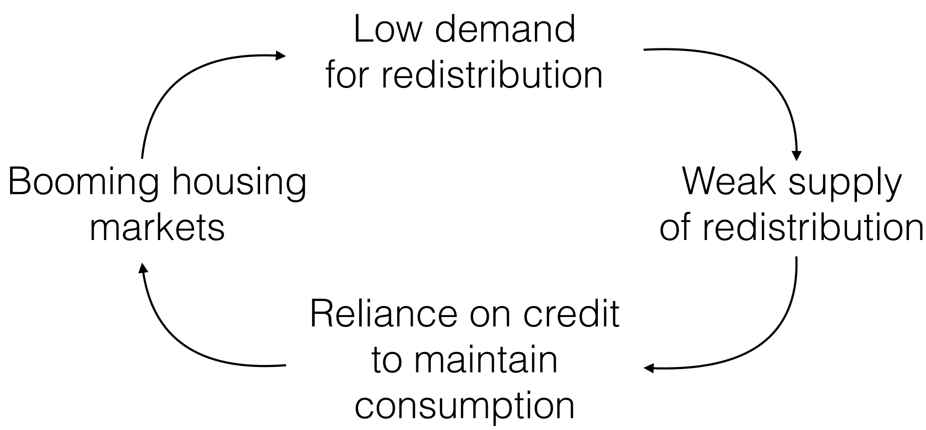
So income inequality can drive wealth inequality. We already have one political story here - the effect could be reduced in countries where the *supply* of redistribution is substantial. This raises the following obvious question. Are there connections between wealth inequality and the *demand* for redistribution among citizens?

Beginning with Kemeny (1981) and expanded in detail by Schwartz (2009) and Schwartz and Seabrooke (2008), scholars have argued for cross-national variation in the financing and behaviour of housing markets that mirrors, perhaps functionally, the structure of national welfare state and redistributive systems. Housing provides a form of 'private insurance' (Ansell, 2014), on which individuals can draw in old-age or during tough times. We should expect housing to be important in the aggregate but how do regional and individual differences in housing *within* countries affect politics? In Ansell (2014), I argue - and demonstrate using British and American panel data - that individuals with more valuable housing, even controlling for the occupational and income differences associated with owning nicer homes, are much less supportive of government spending on social insurance and indeed lean to the right ideologically. This effect is distinct from simply being a homeowner - it is the value of one's home, not merely title to a house, that matters.

This connection between house prices and support for redistributive policies helps to explain why despite rising income inequality in the UK and USA from the 1980s through the 2000s, there was no great surge in either public support for redistribution or in its actual level. Rising house prices pushed homeowners towards political attitudes that were less supportive of redistribution and social insurance. Another way of thinking about this is once we take into account people's wealth as well as their incomes the apparent paradox of stagnating incomes not leading to demands for government action goes away.

Of course, when house prices collapsed in the credit crisis, one might have expected greater demands for intervention. Here the evidence is more mixed. There was an immediate response of enormous fiscal stimuli across the advanced industrial world which fits this theory. However, this was followed by a turn to austerity policies by 2010 before house prices had really risen again. With that caveat we can note that a restrictive fiscal policy post 2010 was accompanied by massive monetary stimulus through quantitative easing in the USA, the UK, and eventually the Eurozone and this in turn boosted house prices once more, thereby taking the edge off demands for an end to austerity, at least among the homeowning set.

Figure 1: The Anti-Redistribution Cycle



So far we have two stories. First an argument that rising income inequality produces rising wealth inequality, especially in housing, and especially where redistribution is minimal. This is the effect of the *supply* of redistribution on credit demand. Credit expansion then further fuels the booming housing market, thereby weakening the *demand* for redistribution. In just those places where the supply of redistribution is low the demand for redistribution will remain low - this equilibrium being channeled through the housing market. In total, housing market booms create an 'anti-redistribution cycle' - as seen in Figure 1 - low redistribution creates demand for credit in response to inequality, but this then produces asset booms that themselves reduce the demand for redistribution.[1]

Wealth inequalities also shape the coalitional dynamics of politics in surprising new ways. Wealth through homeownership is of course related closely to income - richer people are more likely to own houses and, among homeowners, to have more expensive houses. But it is also related to dimensions beyond income. In particular, there is a very strong age gradient with house values.[2] Retired people have been the biggest beneficiaries of both house price increases *and* in many countries

[1]There is an intriguing further connection between wealth inequality and the welfare state. Schwartz (2014) argues that countries with funded pension schemes (as opposed to PAYG systems funded from general taxation) rely in part on securitization of mortgages to provide the pool of borrowing that sustains private pension systems. In such countries wealth inequalities thus emerge from both private pensions entitlements and securitized housing assets.

[2]Obviously incomes also rise at first with age but they tend to top out in middle age whereas house values have generally increased the longer the house is held, including during retirement

of public spending priorities, given increased spending on pensions (e.g the UK), healthcare (e.g. the USA) and reduced public spending on higher education. Many commentators have noted the importance of age as a core cleavage in elections in the recent populist cycle. Nowhere perhaps has this been sharper than in the UK where the Conservatives in 2017 won over seventy percent of the vote of the over 65s but under 25 percent of the under 24s.

Another factor of growing importance in electoral politics and with an intimate connection to the housing market is place. Regional and local differences in voting have become profound in many recent elections, including not only the US and UK but also the recent French and German elections. Of course regional differences in partisanship are often longstanding. Yet many commentators have noted the alignment of partisanship with 'winning' cosmopolitan urban areas - often the ones with the highest house prices - and 'losing' peripheral or declining industrial areas - often with fire-sale property prices. The fact that differences in the property market are so strongly associated with regional economic success and that they reduce the ability of citizens to easily move throughout the country may be locking in regional political polarization.

Finally, the third characteristic associated with elections over the past few years has been the ever-growing importance of education in determining preferences. This provides an interesting contrast to the wealth factors. Education should be mostly strongly associated with income, especially as service sectors and human-capital intensive manufacturing grow. The rise in income inequality is in part a reflection of growing returns to super-star education-intensive industries such as finance, tech, and healthcare. At the same time, many educated people are not seeing their rising incomes translate directly into rising wealth as property prices also shoot up. This presents an interesting - if speculative - political cleavage between the well to do but asset-poor educated young and the income-poor but house-rich low-education old. How long such a cleavage lasts depends on how the assets of the baby boomers make their way down the generational chain.

In the next sections I turn to explore these relationships examining the role of housing in shaping cross-national attitudes to redistribution - a standard economic dimension - and then in the Brexit vote in 2016 - a vote that appears to have reflected a number of second-dimension 'values' factors as well as economic experiences.

3 Cross-National Evidence

I begin by examining cross-national evidence on the relationship between house prices and broad attitudes towards redistribution drawn from the International Social Survey Program (ISSP) 2009 and the Life in Transition Survey in Eastern Europe. here I am drawing off earlier work in Ansell (2014) and ongoing with work Lawrence Broz (Ansell and Broz, 2017) and David Adler (Adler and Ansell, 2017).[3]

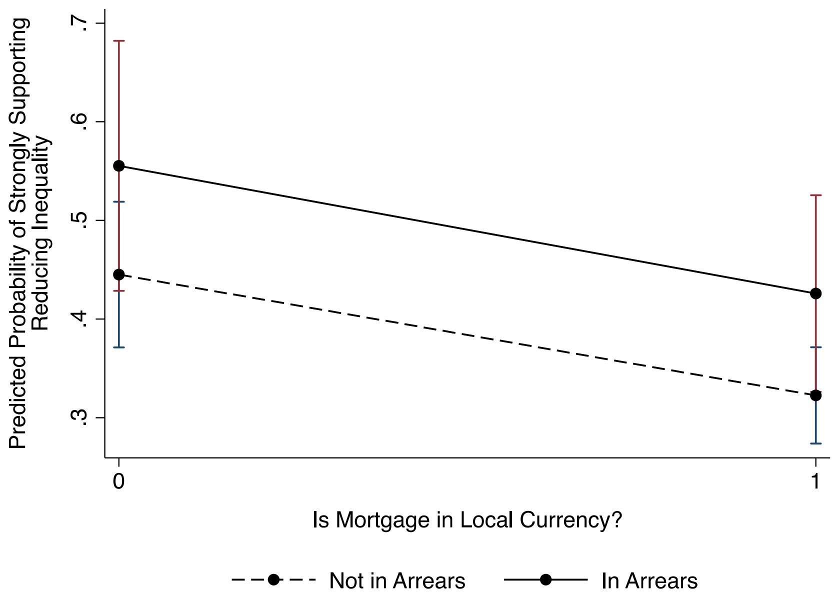
These pieces argue that rising house prices act as 'private insurance' for homeowners, whose wealth rises, making them less desirous of state provided social insurance. This occurs through several mechanisms: for one, the ability to self-insure directly substitutes for the need to rely on tax-based risk pooling. Moreover, higher house prices, presuming they stay that way, increase the permanent income of homeowners, since they can convert the house gain into income either for themselves through selling the house, using it as collateral, or reverse mortgaging, or for their children through bequest. Higher permanent incomes lead to greater aversion to taxes. Finally higher house prices might themselves subject citizens to increased taxes - typically property taxes - and reduced eligibility for means-tested benefits such as long-term care. In all, higher house prices should push the preferences of homeowners in an anti-redistributive direction and broadly towards the political right. In Ansell (2014) I find consistent evidence not only in the ISSP but also in the American National Election Survey and the British Household Panel Survey that variations in house prices both across individuals and for the same individual over time have strong effects on redistributive and ideological preferences, at least in terms of classic first dimension politics. In fact, I find the strongest evidence for these effects is among right-inclined voters, who move further to the economic right as house prices rise and back towards the center when house prices decline.

It is also interesting, though to consider how the method of purchasing a property might frame these results. In work with Lawrence Broz examining Eastern European data we find that mortgage-holders may be somewhat conflicted - in a sense their financial leverage can have a multiplier effect on their attitudes - when times are good and prices are rising they have made a killing off limited downpayments and become highly supportive of cuts to social insurance but when times are bad they can easily fall into negative equity and as Figure **??** shows, this is associated with support for redistribution. Using data from the Life in Transition Survey (LiTS), Broz and I find that attitudes towards reducing inequality among mortgage-holders depend on whether they are in arrears (which make them more supportive of redistribution) and whether they borrowed in foreign currency, thereby facing the risk of currency shocks to repayments (which again makes them more supportive of redistribution).

Finally, rising house prices also affect the redistributive preferences of renters. David Adler and I refer to this as *housing market dualization* as rising house prices

[3]In the former piece I also examine British and American panel survey data, which I don't replicate here.

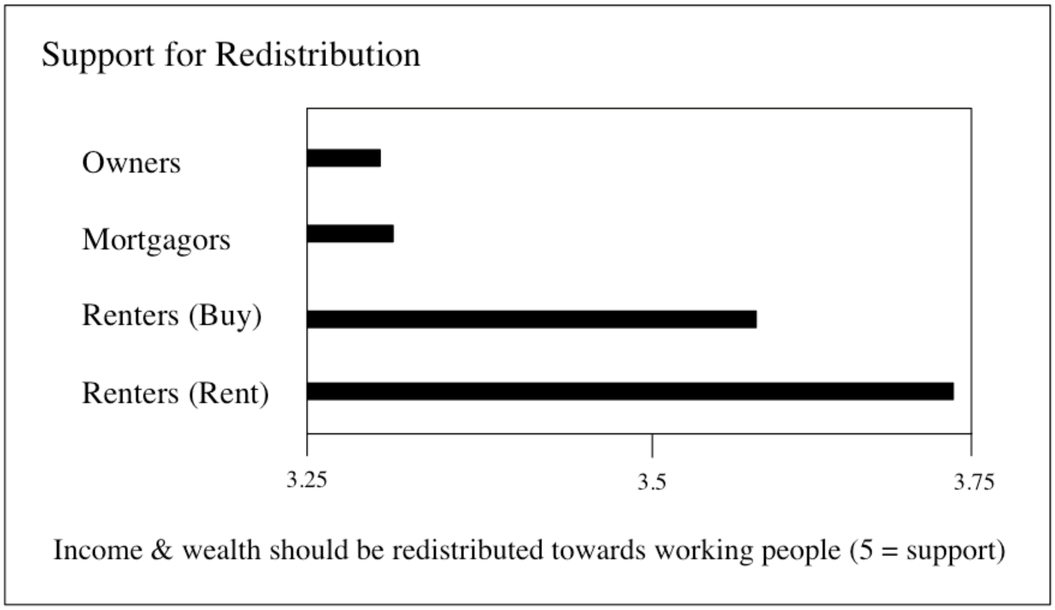
Figure 2: Support for Reducing Inequality and Mortgage Situation in Eastern Europe (Ansell and Broz, 2017)



cause a polarization between the preferences of owners and renters over attitudes towards housing policy and redistributive policy more generally. Using the British Social Attitudes Survey from 2010 we find that splitting respondents into four groups - owners, mortgage-holders, renters who intend to buy in the near future, and renters who plan on continuing to rent - shows a spectrum of attitudes. Figure 3 shows that long-term renters are dramatically more supportive of redistribution than all other groups. Locked out of the British housing market, they lack the ability or opportunity to self-insure through housing. Owners and mortgage-holders cluster around lower support for redistribution with renters planning to buy appearing to have more moderate preferences. These results hold up across a broad array of other areas of social policy: from housing policy to views about the fairness of society - in all cases, long-term renters are more ideologically to the left and owners and mortgage-holders to the right, with renters planning to buy a 'swing' group.

We also find that the positive attitudes of renters to redistribution rise with their expectation of house price increases - that is, renters who plan to stay that way are much more supportive of redistribution if they think house prices will rise dramatically (presumably locking them out for good). In sum, the British housing market appears to be polarising political attitudes - at least in terms of first-dimension politics - between its relative winners (homeowners) and losers (renters). But what about second dimension politics and the rise of populism? We now turn to examine the Brexit vote where 2016's populist revolution broke through rather dramatically.

Figure 3: Redistribution Attitudes of Owners and Renters: BSAS (Adler and Ansell, 2017)



4 Evidence from the Brexit vote

This section examines the relationship between housing and the Brexit vote, drawing on some recent research (Ansell, 2017).[4] This presents an interesting case for thinking about how wealth inequality interacts with populist forces and the preferences of the 'left behind.' The political economy story from the previous section is only part of the story of Brexit. The areas of the country where housing boomed - and the homeowners in them - have both felt richer than other less-benighted areas and weakened the national political demand for redistribution even as inequality across regions grew. It is quite possible British citizens in 'Left Behind' parts of the country could have been 'bought off' and had their relative decline compensated fiscally. To some degree, this is what New Labour's system of tax credits achieved. However, the austerity policies brought in under the Conservative-Liberal Democrat coalition in 2010, and their acceleration under the Conservative majority post 2015 weakened this commitment to moderate redistribution, even as they produced a second housing boom. The widening of grievance between house-rich and house-poor areas grew further. Housing then is part of the underlying story of populism

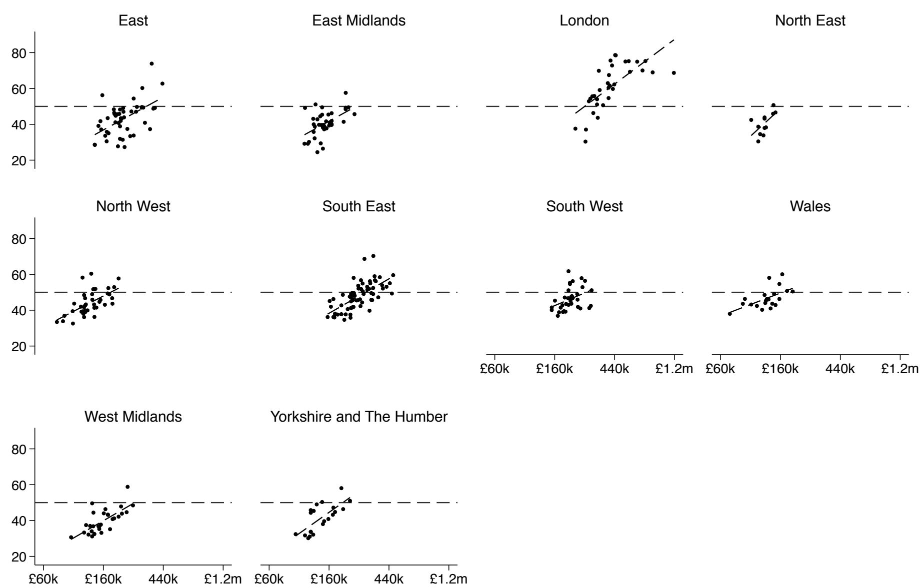
Along with this recent story, that is largely one of differing recent regional political economies, is a longer term story of *place*. While regional economic growth did in part predict Brexit votes, there was a longer term gap across localities that does not appear completely determined by the last decade or so. Instead, certain regions of the UK have lagged behind the mean for decades, if not centuries. The postindustrial Northeast, Wales, and the West Midlands are all good examples, as are peripheral agricultural regions such as South Lincolnshire, (non-tourist) Cornwall, and North Yorkshire. Here house prices have been low by national standards for generations - not simply because they missed the past two decades' boom but also reflecting longer term economic and cultural peripheral status. In these cases, house prices stand in for something else - a dislocation from the service-led growth of modern Britain and the cultural attitudes - particularly openness to immigration and multiculturalism - that come with that. Indeed, both levels and changes in house prices appear strongly related to Brexit vote choice. Areas with recent growth and long-run wealth were strong supporters of the status quo of remaining in the EU. Stagnant and poorer areas were the backbone of the Leave victory. Thus the story about the connection between wealth inequality and populism is more complex than the political economy story above - longstanding spatial differences in Britain (and presumably elsewhere) may be shaping *both* wealth inequality and the attractiveness of populism.

With these caveats about multiple possible mechanisms aside, Figures 4 and 5

[4] The following two paragraphs are largely paraphrases of the argument in that piece.

give a good sense of just how predictive house prices are of local support for Remain / Leave. I use here the log of median house prices by local authority district - around 350 of these are analysed in England and Wales - and at the smaller ward level (here I have just a sample collected by the BBC, numbering 1,100 wards of the 8,000 or so population of wards).

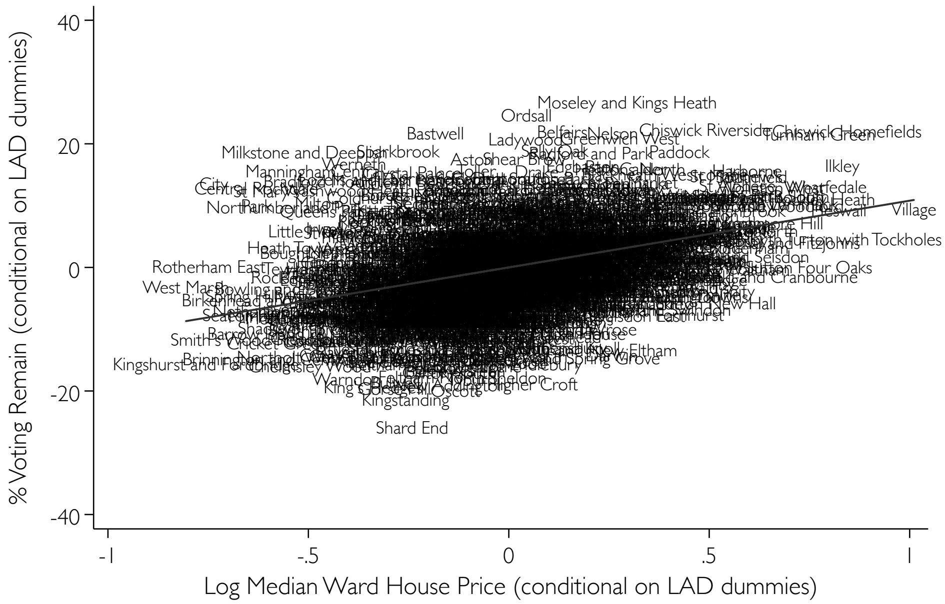
Figure 4: Log House Prices and Remain Vote by Region (Ansell, 2017)



What is striking about the evidence from these figures is that higher house are systematically associated with higher local levels of support for Remain. Moreover, this is not simply a regional effect - i.e. this is not 'just London.' Within each region, local authorities display the same positive relationship between house prices and support for Remain (Figure 4) and across wards, controlling for dummies for local authority district, the same thing occurs (Figure 5). Similar results obtain if we use the percentage change in house prices over the past decade instead of the current level of house price (levels and change are positively correlated - i.e. there was housing market divergence over the period).

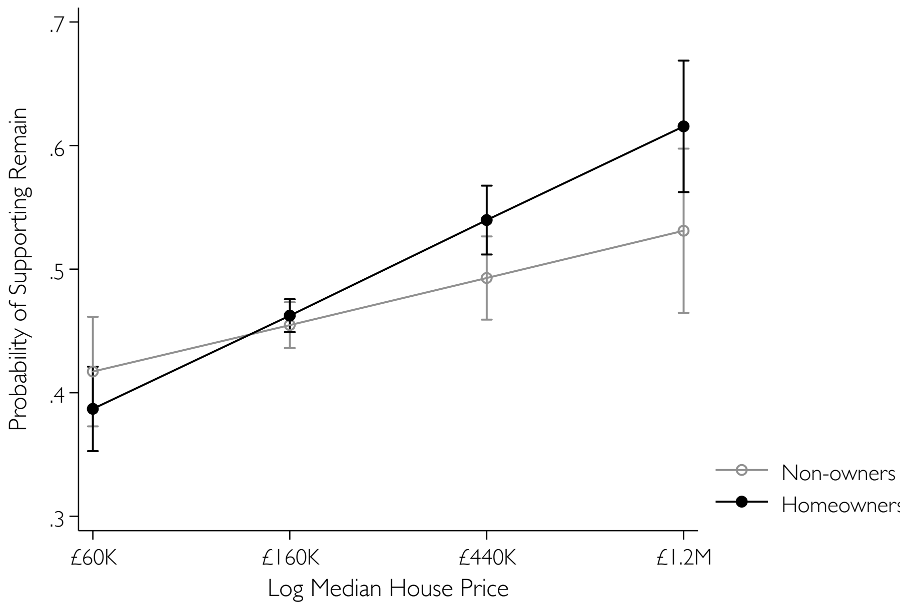
Finally, using British Electoral Survey data I can drill down to the individual vote choice level. Here I find that homeowners in local authorities with higher house prices were more supportive of remain than homeowners in local authorities with lower house prices. Indeed, the data suggest that the rank ordering between renters

Figure 5: Prices at the Ward Level and Remain Vote (Ansell, 2017)



and homeowners in terms of Brexit support flipped as house prices rise - at low house prices, renters were more pro-Remain than homeowners but at high levels of house prices, the reverse is true. Figuren 6 demonstrates this striking pattern.

Figure 6: British Election Study: House Prices, Ownership and Supporting Remain



5 Where to?

I began this memo with some thoughts about what we can and cannot learn from Piketty's magnum opus. In particular I emphasised that the distribution of resources *within* labor and capital may be as important as those *between* them and noted that Piketty's own theory has a good deal of difficulty meeting empirical data - from the concerns about microelasticities of substitution through to the finding that most of the returns to 'capital' pertain to residential housing - hardly the robber baron industries that Piketty's work might suggest. But of course Piketty has done social scientists a huge favor in forcing an ever closer focus on how the distribution of *both* income and wealth matter and to think through how they might shape citizens's demands in complementary or contrasting ways. I have argued that wealth can play a role in substituting for social insurance and that, in the absence of high levels of redistribution, income inequality can bleed easily, through increased borrowing, into growing wealth inequality. Put together these create an *anti-redistribution cycle* that has a certain lock-in characteristic.

At the micro-level wealth inequality also forces new cleavages - between young and old, and across regions. Growing *housing market dualization* means owners and renters form permanent political camps - often with diametrically opposed views on economic policy. What is especially intriguing is how this relates beyond economic policy to so-called second dimension politics. While housing and populism are fairly distinct factors, one cannot help but think that a roaring housing market in cosmopolitan, diverse urban areas might incite - perhaps understandably - resentment in homogenous, nationalistic rural or peripheral regions. As house prices lock in regional differences - making it harder for citizens to move to different locales, we face a long-run hardening of discontent and mutual suspicion. Good fences may make good neighbors but high fences appear to be making the best of enemies.

References

Adler, David and Ben Ansell. 2017. "The New Politics of Housing." Working Paper.

Ahlquist, John S and Ben Ansell. 2017. "Taking Credit: Redistribution and Borrowing in an Age of Economic Polarization." *World Politics* 69(4):640–75.

Ansell, Ben. 2014. "The political economy of ownership: Housing markets and the welfare state." *American Political Science Review* 108(2):383–402.

Ansell, Ben. 2017. "Housing, Credit and Brexit." Paper presented on Europe in Crisis symposium, Madison WI.

Ansell, Ben and J Lawrence Broz. 2017. "Global Capital Markets, Housing Prices, and Partisan Fiscal Policies." Working Paper.

Cowell, Frank, Eleni Karagiannaki and Abigail McKnight. 2012. Mapping and measuring the distribution of household wealth: a cross-country analysis. Technical report London School of Economics and Political Science, LSE Library.

Cowell, Frank, Eleni Karagiannaki and Abigail McKnight. 2017. "Accounting for Cross-Country Differences in Wealth Inequality." *Review of Income and Wealth* .

Kemeny, Jim. 1981. *The myth of home-ownership: Private versus public choices in housing tenure.* Routledge.

Naidu, Suresh. 2017. A Political Economy Take on W/Y. In *After Piketty The Agenda for Economics and Inequality*, ed. Heather Boushey, J Bradford deLong and M Steinbaum. Harvard University Press.

Piketty, Thomas. 2014. *Capital in the 21st Century.* Harvard University Press Cambridge, MA.

Rognlie, Matthew. 2016. "Deciphering the fall and rise in the net capital share: accumulation or scarcity?" *Brookings papers on economic activity* 2015(1):1–69.

Schwartz, Herman. 2009. *Subprime nation: American power, global capital, and the housing bubble.* Cornell Univ Press.

Schwartz, Herman. 2014. "Is there a really big trade–off? Housing, welfare and pensions reconsidered from a balance sheet perspective.".

Schwartz, Herman and Leonard Seabrooke. 2008. "Varieties of residential capitalism in the international political economy: Old welfare states and the new politics of housing." *Comparative European Politics* 6(3):237–261.

Summers, Lawrence H. 2016. "The age of secular stagnation: What it is and what to do about it." *Foreign Aff.* 95:2.

Tirole, Jean. 1985. "Asset bubbles and overlapping generations." *Econometrica: Journal of the Econometric Society* pp. 1071–1100.

Zhang, Fudong. 2015. "Inequality and House Prices." University of Michigan, Working Paper.