



BOOK REVIEW

G. Alfani, *As Gods Among Men: A History of the Rich in the West*

(Princeton and Oxford: Princeton University Press, 2023). Pages xii + 420 + figures 10 + tables 5. £30.00 hardback.

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The rich should pay their taxes – otherwise their future and that of society at large will look gloomy. This is an admittedly pointed summary of Guido Alfani's new book *As Gods Among Men* which has much more to offer to our understanding of long-run economic inequality, the role of the rich within Western society and the consequences of these historical developments. The book is divided into three parts. The first part contains two chapters which provide a description of the mostly fiscal sources available to study the rich in historical perspective and which make the case for defining the rich through relative measures, i.e. those top 1 or top 5 percent of wealth owners and, alternatively, those who own more than ten times of median wealth. These chapters also provide a concise and updated summary of wealth inequality since Thomas Piketty published his influential tome 'Capital in the Twenty-First Century'. By integrating new evidence on wealth inequality for the pre-industrial period, Alfani shows that inequality has increased near monotonically with the exception only of large-scale catastrophes, such as the Black Death, the German Thirty Years' War and the two world wars. He convincingly argues that 'it is probably wrong to look for a single unifying cause of long-term inequality growth' (p. 54) as Piketty originally tried to do, but demonstrates that, as long as sufficient causes are present, inequality grows. Given this insight, Alfani investigates what we know about the rich and their place in society in such a historically unequal past.

In the second part of the book, Alfani suggests that there were three main paths to accumulate riches in the past: first, being born into nobility; second, becoming an entrepreneur; and third, and more recently, becoming a banker. This is supported by several case studies of archetypal characters, including the nobleman Alan Rufus, the second cousin of William of Normandy, the merchant Jan Pieterszoon Coen, who was governor-general of the Dutch East India Company and the Medici bankers and later rulers of Florence. The main insight Alfani derives from this is that history presented 'cycles of social-economic opening and closure' in which it was relatively more or less difficult to become rich. While the Middle Ages provided limited opportunities besides being a noble, the

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commercial revolution of the eleventh century and even more so the post-Black Death period offered greater freedom for entrepreneurs and bankers. The opening of the Atlantic trade was an even greater opportunity for Western merchants to grow rich – although often on the back of non-Western peoples. The Industrial Revolution was even more favourable to entrepreneurs. Alfani also points out that the end of these cycles of opportunities often coincide with an increase in monopolistic power among larger corporations, such as the Dutch East India Company or the steel and railway conglomerates of Gilded Age America. He says comparatively little about what conditions lead to the opening of a cycle of opportunity however. After evaluating these three paths to riches, the book tackles the role that saving and consumption played in becoming the rich. Here, fascinating new evidence shows that the saving rate among the rich was drastically higher than among the poorer strata of society – across early modern Italy, the yearly saving rate of the rich varied between 20 to 40 percent of their yearly income. This kind of behavior seems to have persisted until today with similar saving rates reported for the rich nowadays. This finding has implications also for modern economic theory, as the influential idea that individuals smooth their consumption and adjust their savings rate over time does not seem to hold for the richest.

In the last part of the book, Alfani seeks to understand how the rich and their role in society have been perceived over time: why do we accept the rich in our midst? Chapter 8 answers this question with a thorough account of intellectual history that traces how the belief that merchant activity and rich commoners were sinful and should be expelled from society changed to a new ‘public theology of magnificence’ that imagines the rich as valuable benefactors to the public. Citing medieval theologian Nicole Oresme, who described the rich ‘as gods among men’ – the title-giving quote – Alfani argues that as material conditions changed and city republics saw an increase in inequality and the share of wealth captured by the rich, intellectuals devised a new role for the rich. This new role obliged the rich to engage in large-scale spending for the public benefit, particularly during times of crises, such as famines and wartime. An insightful example is the siege of Florence in 1529. The reconsideration of economic success as a sign of divine selection in Protestant thought is only one case in point of this change. Alfani shows that this logic also extended to the modern era, citing J. P. Morgan’s action during the 1907 crisis and Roosevelt’s New Deal. He also suggests that societal unrest and revolt, while rarely having purely economic justifications, are more common during times of high inequality. This aspect of the role of the rich is further investigated in chapter 9 which traces giving and philanthropy as key activities of the rich. While providing an interesting long-run overview and examples of this practice, more systematic empirical evidence on whether or not giving did increase in the early modern period would have improved this interesting chapter even more. The last two chapters make for a bleak account, as Alfani traces the growing influence the rich have on politics since the middle of the twentieth which seems to be connected with the renouncing of their traditional role as benefactors in crisis. By shielding themselves from crises and avoiding to pay their fair share in taxes, the

historical justification for their place in society is vanishing – and so is the public’s goodwill.

In sum, this book is a successful blend of empirical evidence on the long-run development of inequality and intellectual history tracing the concomitant changes in thought that led to an acceptance of rich commoners in society. The numerous colourful examples and the continuation of these trends until today make for a stimulating read.

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