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# Capitalism, Alone: The Future of the System That Rules the World

by **Branko Milanovic**

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There should be no second thoughts. The very title of the book is a positive insight based on fact finding, not wishful thinking nor a policy recommendation. To the considerable regret of leftist intellectuals around the world, Branko Milanovic declares the triumph of capitalism in somewhat Thatcherite way “There Is No Alternative” in one of the book’s section titles. Hence, it is very reasonable, as the very subtitle of the book suggests, to consider the future of capitalism, the options for its evolution and development, and possibly the policies that would make some of these options more probable. Since the author is obviously aware of the George Santayana’s predicament: “those who cannot remember the past are condemned to repeat it”, his first step in considering the future is reconsideration of the past, including the contemporary times. In that sense, the book is only about two things: history and the future.

The author relies on the definition of capitalism in the manner of Karl Marx and Max Weber “as the system where most production is carried out with privately owned means of production, capital hires legally free labor, and coordination is decentralized” (p. 12), adding Schumpeter’s requirement that “most investment decisions are made by private companies or individual entrepreneurs” (p. 12). Based on this definition, Milanovic concludes that, although in the last one hundred years different modes of production existed including socialism/communism, “none but capitalism remain today, except in very marginal areas with no influence on global developments” (p. 2). There are good reasons for this triumph, according to the author, because it is capitalism that aligns individual and systemic objectives, as the objective of human beings to improve their standard of living perfectly fits the core of capitalism and its ideology that money making is desirable and respectable. We as human beings certainly differ in many things from each other, but we all understand the language of money and wealth, although not necessarily assigning the same value to it. Capitalism understands and accommodates that understanding. It is endowed with “naturalness”, as Milanovic puts it.

Modern capitalism is one of globalisation, there is no doubt about that. But Milanovic offers an intriguing counterfactual. “Had communism triumphed over capitalism, ... it would not have led to globalization” (p. 3), because communist societies were overwhelmingly autarkic. Although global, both in terms of dominance and its

network character, capitalism is far from homogenous. Milanovic identifies two types. One is “liberal meritocratic capitalism”, capitalism that embraces liberal democracy, usually associated with the West, not necessarily as a geographical notion, and the other one is state-led political or rather authoritarian capitalism (though the author prefers the politically correct term political capitalism), i.e. capitalism without political and civil liberties, usually associated with China, although it is not the only country with this type of capitalism. The author thinks that the economic success of political capitalism is the force behind the rebalancing the economic power in favour of Asia, but there are great exceptions to the authoritarian capitalism model in Asia, primarily India, a big and stable democracy since its independence from the British rule. One way or the other, Milanovic suggests that there is competition between the two types of capitalism, though incentives and mechanisms for such a competition are not quite clear and the reader lacks information about the battleground: perhaps Africa?

The author provides a taxonomy, reviews features and delivers a very brief history of liberal meritocratic capitalism, with its beginnings in classical liberalism (UK before 1914), social-democratic capitalism (US and Europe after WWII) and liberal meritocratic capitalism (US in early 21<sup>st</sup> century). Now, the problem is that from the title of the chapter and the dualism spelled out, there is only one type of capitalism save the authoritarian one, and that is liberal meritocratic capitalism, but from Table 2.1. (p. 14), it is evident that liberal meritocratic capitalism exists only in the US in last two decades and that Europe is still in social-democratic stage of capitalism. The reader wonders should perhaps there be at least three types of modern capitalism. The analysis that followed is almost exclusively focused to the development in the US, Europe is somewhat neglected.

The pillar of the analysis of the US developments, dubbed liberal meritocratic capitalism, is economic inequality, hardly surprising taking into account previous Milanovic’s substantial contributions and his research interests. So, it is the analysis of sources of increased income economic inequality that follows. The first one is the increased aggregate share of capital in national income. The mechanism is straightforward: because it is the rich who own the capital, the bigger the share of capital in income, the bigger the income inequality<sup>1</sup>. The question, though, is what is the source of this increase. Milanovic points out several explanations, starting with technical progress and the change in the composition of production factors, with the change of corporate structure and rising market power enabling the creation of economic rents. It is somewhat disappointing that the author does not refer to contributions to the debate from the field of industrial organisation regarding the issue of rising capital share, because that is perhaps the only area where something can be achieved through the change of the antitrust policy. The second source of rising income inequality is the high concentration of capital ownership, together with its rising income share. The third source is intriguing: higher rate of returns on assets of the rich. Milanovic explains that by: (1) the assets composition effect, as the rich hold financial assets that produce higher returns than real assets, downplaying the role of the risk premium; (2)

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<sup>1</sup> A relative notion of rich and poor is used in the book: the rich are those who are above average/median income or wealth and the poor those below it. This is quite consistent with economic inequality as the main focus of the consideration.

tax policies, as rich pays less taxes on capital returns; and (3) barriers to entry into high returns assets for the poor. The fourth source of rising income inequality is association of high capital and high labour income in the same individuals, the situation produced either by capital-rich people acquiring high levels of education and earning high wages due to returns to their enhanced human capital or by high-wage earners saving and investing a portion of their income. The fifth source is somewhat sociological: greater homogamy, i.e. assortative mating. Though the author provides some data on this mating pattern (Jeremy Greenwood, Nezih Guner, and Guillaume Vandenbroucke 2017) and following Pierre-Andre Chiappori, Bernard Salanie, and Yoram Weiss (2017), Milanovic introduces the concept of “marriage education premium” and the evidence of its causality is provided by “an after-dinner conversation, lubricated by wine” (p. 36). The final source of the increase in income inequality is the most intriguing: greater transmission of income and wealth across generations pointing out that in the US “three changes happened simultaneously: increase in inequality, increase in the returns to education and increase in the correlation between parents’ and children’s incomes” (p. 41). But the standard methodological comment in modern economics is that correlation is not causation, so the direction of causality remains unchecked. Could it be the other way around, as demonstrated by Tyler Cowan (2017), that increased inequality created greater transmission of income and lower intergenerational income mobility. Furthermore, Cowan (2017) thoroughly analyses the adverse incentives created by lower prospects for mobility that undermines the concept of the American dream, which produces the incentives for efficiency and productivity.

What are the new policies that should be applied in liberal meritocratic capitalism, presumable to decrease inequality? According to Milanovic, old policies are not good (trade unions, taxation and mass education), but there is a new way, at least the new goal! “We should aim for an egalitarian capitalism based on approximately equal endowments of both capital and skills across the population” (p. 46, italics in the original)<sup>2</sup>. Whoever we are these days, Milanovic does not provide a reason why we should aim for this revolutionary social scheme. What would it accomplish? There is no information about the relative costs and benefits of the proposed scheme and its implementation, save that economic inequality would be reduced, something that Milanovic considers as good *per se*, without explanation. The costs in terms of efficiency and productivity, due to substantial alternation of incentives that the recommended revolutionary change would bring, is missing from the book. The medicine can be worse than the disease, especially as the reader is not certain what the disease is. Hence the

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<sup>2</sup> In providing more information what he has recommended, Milanovic suggest to the reader to “consider an imaginary world with absolutely equal endowments of capital and labor: market income inequality would be zero, and no redistribution would be needed” (p. 46). One could imagine absolutely equal endowments of capital, although by massive violation of property rights in whatever way, but equal endowments of labour are difficult to imagine, because the human race is not homogenous. People are different. “All men are created equal” is a normative statement, not a positive one. Some people are gifted (for example, having a high IQ), some are not. Some are talented for activities that create added value and income, some are not. Some people, by their character, capacity to sustain discipline, are capable of acquiring high human capital, others are drop-outs, regardless of the opportunities they have been given. Even artificial intelligence android machines in Ian McEwan’s *Machines Like Me*, which are created identical, become different as they experienced different social environments in their “life”; absolutely equal endowments of capital and labour are beyond even (science) fiction.

reader is ambivalent towards the mechanism that the author proposes for such endowments reshuffling (tax policies making financial assets more attractive to the poor, employee stock ownership plans and heavy taxation of inheritance, irrespective of the change of incentives that it can produce, and improving quality of public schools), not knowing whether it is good or bad if these mechanisms are effective.

Although Milanovic believes that the sustainability problems of the welfare state will be sorted out by equalisation of endowments, “so that taxation of current income could be reduced and the size of the welfare state brought down” (p. 55), that will not solve the problem of adverse selection, which the author himself explains several pages earlier, as the welfare state is primarily an insurance scheme that works only if insurance is compulsory. The migration problem, in regard to the welfare state, is acknowledged and the solution suggested is the limiting of rights of migrants, through “citizenship light”, although it is not quite clear how this concept would sort out the adverse selection problem.

From the analysis of liberal meritocratic capitalism, Milanovic moves to the analysis of political capitalism. After a debate on historicism, or rather ideological caricature of history, labelled as liberal and Marxist history, Milanovic steps forward with his own paradigm and argues that “communism is a social system that enabled backward and colonized societies to abolish feudalism, regain economic and political independence, and build indigenous capitalism” (p. 75, italics in the original). Hence, contrary to the Marx conjecture that colonization would bring capitalism and, of course, inevitably communism – the narrative that Milanovic designates as the Western Path of Development (WPD) – the author suggests that it was communism that brought capitalism to the Third World countries. Furthermore, “Communist revolutions in the colonized Third World played the same functional role that domestic bourgeoisies did in the West” (p. 75, italics in the original).

Is there any empirical support for Milanovic’s conjecture? Well, the reader can think of two: China and Vietnam. Milanovic is aware of a meagre empirical support and his sentence “China and Vietnam are the best examples of combined social and national revolutions” (p. 79) is revealing. Not only are these examples the best, they are also the only ones available, disregarding the specifics of Vietnam’s unification, but the sentence also reveals a possible mechanism of China’s success in building capitalism that has nothing to do with the social revolution. It is “national revolution”. After the dismemberment of China in the first half of the 20<sup>th</sup> century, it is reestablishment of its sovereignty and integrity that counts, and this was accomplished by the Communist Party, as the most efficient fighting machine. It is hardly the Chinese Communist Party, at its height, with Mao Zedong’s the Great Leap Forward and Cultural Revolution, that played “the same functional role that domestic bourgeoisies did in the West”. It was Deng Xiaoping’s radical departure from communist ideology, especially in economic issues, abandoning Mao Zedong’s ideas, that made China capitalist. So, it seems that it was the establishment of China as a sovereign and integral state, done by the Communists, that enabled its later advent as a modern capitalist nation, not the Chinese social revolution.

National revolutions occurred in many former colonies without communists or communism. Communism was not indispensable in the national liberation process in

Asia and Africa. The reader can think of virtually all Third World countries save China; about modern capitalistic economies, integrated in the world economy (like India, Indonesia, Korea, below the 38<sup>th</sup> parallel, of course, Malaysia, Uganda, Botswana, etc.), irrespective of whether they are democracies or not. The list is long and not very flattering for Milanovic's conjecture. Perhaps, the counter-WPD conjecture was conceived to explain the case of China's rise. Nonetheless, irrespective of to what extent it can explain China, it fails to explain almost everything else<sup>3</sup>.

By structuring the chapter around his counter-WPD conjecture, the reader can assume that Milanovic implicitly suggests that political capitalism is the product of communism in the Third World. But this assumption would be wrong. Even the list of examples Milanovic provides as the zealots of political capitalism (China, Vietnam, Malaysia and Singapore) contains countries in which communism was never a significant political option, let alone that communist ideas were only partially implemented<sup>4</sup>. The author provides the list of the features of political capitalism: (1) bureaucracy has its main duty to realize high economic growth and implement policies that allow this goal to be achieved; (2) there is no rule of law as a constraint; and (3) a "dual ability of the state to be guided by national interests (a very mercantilist feature) and to control the private sector" (p. 93)<sup>5</sup>.

According to the author, there are two contradictions in the political capitalism. The first one is that between "the need for a technocratic and highly skilled elite and the fact that the elite must operate under the conditions of selective application of the rule of law" (p. 93). Milanovic is convinced that a technocratic elite is educated to follow the rules, and arbitrariness undermines that principle. The second one is between inequality-increasing corruption, which is "endemic in such systems because the discretionary power ..." and "the need, for reasons of legitimacy to keep inequality in check" (p. 94). Accordingly, the system is always in "precarious equilibrium" (p. 95), taking into account that the two contradictions are inherent to the system.

The section title "Will China 'Export' Political Capitalism" is revealing to the reader. After all, it seems that the counter-WPD paradigm and the concept of political capitalism are introduced to explain one country – China. For Milanovic the attractiveness of Chinese capitalism is due to "autonomy for the rulers, the ability to cut through red tape and deliver faster economic growth" as well as "the fact that China has been

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<sup>3</sup> Milanovic uses the Daron Acemoglu and James A. Robinson (2012) prediction that "China must ultimately fail", as proof of the inability of their theory to explain China, dismissing their approach based on political and economic institutions, rather than "political and economic inequalities", as suggested in the book (p. 74).

<sup>4</sup> The introduction of counter-WDP paradigm, i.e. communism that precedes capitalism, was not necessary for the introduction of the concept of political capitalism and it can create some confusion to the reader as if it is a necessary condition. The other confusion can be created because Milanovic (p. 91) refers to Weber and his concept of political capitalism as "the use of political power to achieve economic gain" (Max Weber 1920 p. 71) as this Weber's concept is actually rent-seeking society. Milanovic is clear at the beginning of the book (p. 5) that he refers to the authoritarian capitalism (Weberian political capitalism can exist in democracy), quite uncontroversial theoretical concept, and only refers to it as a political capitalism as a kind of political correct treatment of the countries.

<sup>5</sup> In short, according to this feature, the state is isolated from the public choice mechanism, and there is no rent-seeking whatsoever. Irrespectively whether this is true in the case of China or some other country of Milanovic's political capitalism, this is completely different from the Weberian political capitalism.

by far the most economically successful country in the past half century” (p. 121, italics in the original). For Milanovic, based on these insights declared as facts, the only question is whether China will try to export its system. After a few pros and cons, the reader does not know what are the odds on the supply side. The reader expects also the analysis of the demand side, but it is missing, apart from the sobering end of the chapter. The insight that two inherent problems of this model are that it “rests on (1) the ability to insulate politics from economics, which is intrinsically difficult because the state plays an important economic role and (2) the ability to maintain a relatively uncorrupt centralized “backbone”” (p. 128), also intrinsically difficult because the state plays an important economic role, downplays the model’s viability. Taking all that into account, together with features of political capitalism like no democracy, no political or civil freedoms, no rule of law, it seems that the problem could be limited demand, even in Africa these days. But with the insight at the end of the chapter, the authors’ words about China in “precarious equilibrium” (p. 95) get a more sinister flavour. Forget the export, what will happen to China remains the question.

Milanovic starts analysing the interaction of capitalism and globalization with the pressing issue: mobility of labour, i.e. migrations. The author introduced the concept of “citizenship premium” and argues that this premium is economic rent. His argumentation is based on the view that “in an economic sense, citizenship is a joint monopoly ...” (p. 133, italics in the original). Well, the modern industrial organisation insight is that monopoly (i.e. economic) rent is created when a monopolist decreases the output and there is no evidence of such a decrease in case of citizenship. Milanovic very clearly defends free migrations from the perspective of economic progress, as the global productivity of the labour increases due to them and that increases economic welfare. But the author is aware of the possible adverse effects of free migrations, following George J. Borjas (2015) and its argument that migrants from poor countries bring with them also informal institutions that can undermine the institutional framework of the receiving country if the melting pot is not working overtime. Also, natives, especially in the countries with a well-developed welfare state, are reluctant to accept immigrants as they will produce an increased burden in income redistribution and insurance. The greater the immigrants’ rights, the more reluctance is created. Milanovic, quite reasonably, recommends flexibility of immigrants’ rights, suggesting that the right to work in one country should not inevitably create full citizenship with all the rights stemming from that status – a concept of “citizenship light”. Time will tell whether and to what extent this recommendation will be accepted.

As to capital mobility, Milanovic relies on the views in Richard Baldwin (2018) and accepts the concept of global value chains<sup>6</sup>. And rightly so. For the author this new stage of globalisation provides new and substantial development opportunities for the Third World. Milanovic highlights two features of the global value chains pattern: (1) the importance of institutions and institutional competition for attracting foreign investments; and (2) built-in incentives for investors for technology transfer (including know-how) to the receiving countries, i.e. to their branches in those countries with the prospects for spillovers. An intriguing finding of the author is that due to these changes

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<sup>6</sup> Boris Begović (2018) extensively reviews Baldwin’s book.

in the character of globalisation “a tacit coalition ... has been formed, at the global level, between rich people in rich countries and poor people in poor countries” (p. 153). Time will tell what will be the impact of this coalition.

The way that Milanovic considers worldwide corruption could be somewhat controversial. Starting with the way that corruption is measured: estimates of the funds held in tax havens, global net errors and omissions on balance on payments, explained partly as capital flight related to domestic corrupted activities and the wealth acquired through political connections and that boils down to one study (Caroline Freund 2016) with two points of time. The author downplays the importance of the well-established Corruption Perception Index.

The author suggests three main sources for corruption: (1) hypercommercialized and globalized capitalism; (2) open capital accounts; and (3) the demonstration effects of globalization. As to the first one, Milanovic considers that communism was almost corruption free and that the advent of capitalism, especially in China, as he subscribes to the finding of Minxin Pei (2016), produced corruption. For the reader who has lived under communism, this is not quite convincing and perhaps the difference between corruption in communism and capitalism is its industrial organisation, centralised vs. decentralised corruption, as suggested by Andrei Shleifer and Robert W. Vishny (1993). Milanovic labels the second source as enabling condition, “a factor that facilitates worldwide corruption” (p. 163) and his analysis is focused to the Western banks and law offices that helped the corruption proceeds to be laundered, perhaps then recycled as foreign investment in the country of origin. His statement that “the domestic theft of money is meaningful only if that money can be internationally laundered, and this requires the support of the main global financial centers” (p. 169) clearly demonstrates that Milanovic misinterprets corruption, a specific illegal activity (Johan Graf Lambsdorf 2007), as every financially motivated crime (“theft”), and that the burden of responsibility is not on the country of origin, i.e. extensive government intervention and murky interface between government and the private sector. Within that wider framework of financially motivated crime and its globalisation, Milanovic acknowledges that the Western governments have moved against Western segments of the network, which according to his own analysis is an “enabling condition”, only to conclude that political economy constellation will not thwart money laundering in Western countries. His verdict is that “almost nothing will be done to control corruption” (p. 173). The future will provide an answer whether he is right. Perhaps the political economy constellation will change, as in the case of the Mafia in the US.

The sections on globalisation of capital, based on global value chains, and the one on worldwide corruption are very different in the way they are written and read by the reader who is a trained economist. The first one (on globalisation of capital) is like a ride on well-tuned brand new V8 Mercedes-Benz on the smooth German Autobahn. The second one (on worldwide corruption) is like riding in a 1950s vintage Land Rover on the bumpy dirt road in the countryside of North Wales (if there is anything else but countryside there).

The most riveting chapter of the book is the final one “The Future of Global Capitalism”. It starts with a section title that leaves no dilemma to the reader what the author means “The Inevitable Amorality of Hypercommercialized Capitalism”.

According to Milanovic, the moral constraints have gone, and it is only law that provides some checks on human behaviour motivated by self-interest. As the author points out “morality, having been gutted out internally, has become fully externalized” (p. 181, italics in the original). The problem with this unambiguous insight is that it is supported only by circumstantial and anecdotal evidence. The remarks of an American preacher regarding the murder of Saudi journalist Jamal Khashoggi (p. 180) is hardly evidence of disappearing religiously based moral constraints. And it is a pity that rich findings of Samuel Bowles (2016) on relations between internal and external constraints with substantial empirical evidence is not referred to in this section of the book. Furthermore, since this chapter is about the future, the reader does not know whether fully externalised morality is the end of (capitalist) history.

Family in modern “hypercommercialized capitalism” is subject of atomization and commodification, according to Milanovic. Atomization refers “to the fact that families have largely lost their economic advantage as an increasing number of goods and services” which are now “purchased or rented in the market” (p. 187). The other side of atomization is commodification “we satisfy the needs of people through maximum commodification of our assets, including our free time” (p. 190). Obviously, Uber and AirBnB are the trademarks of commodification. Milanovic believes that this trend is a movement towards an ultimately more depersonalised exchange with most transactions being one-off contracts. This prospect is Milanovic’s own version of Huxley’s *Brave New World*: “we would be selling all ... goods and services to each other: a neighbor will not keep an eye on your children for free, no one will share food with you without payment, you will make your spouse pay for sex, and so forth” (p. 194).

Be that as it may, the reader is happy when Milanovic moves from this dystopia, to more tangible issues like technological progress and universal basic income (UBI). The author successfully rebuffs fears about AI based technological progress and deals with the concept of universal basic income as a possible antidote to the massive unemployment. Milanovic considers some of the problems of the UBI, emphasising that it “does not insure against risks; it completely ignores them” (p. 204). The author is aware that UBI provides a challenge to the welfare state based on the insurance, nonetheless, alas, provides no clues about possible answers to it. The reader regrets that the section on UBI is so short, taking into account Milanovic’s vast knowledge on inequality and welfare state issues.

There are two big dilemmas at the end of the book regarding the future of capitalism. The first dilemma is rather unexpected. For Milanovic the dilemma is: war or peace? The reader is a bit puzzled, not only by Milanovic unconventional explanation of the origin of the Great War<sup>7</sup>, but also by painting the picture of the modern international relations within the framework of the Cold War, not in terms of ideological contest (capitalism is alone, after all) or the bipolar world of that time, but in terms of

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<sup>7</sup> This explanation is based on John Hobson (1902) and his view that “the European imperialism that ultimately led to the war arose because of high domestic inequality in income and wealth generated by globalized capitalism” (p 206). Thomas Hauner, Branko Milanovic, and Suresh Naidu (2017) provides details to the income inequality hypothesis of the origin of the Great War, quite distinctive from the hypotheses provided by contemporary historiography (Fergusons, Hastings, Fromkin, Clarke, MacMillan, etc.), however that are different among themselves. Begović (2014) provides a comparative review of the modern historiography on the origins of the First World War.

possible nuclear war and destruction. Since Herman Kahn (1960) hardly any authors described the aftermath of a nuclear holocaust and the outcome regarding the world economy. Irrespective of how convincing the description is, the crucial question is how convincing is the scenario, i.e. is it really so compelling as to be included in the book as one of the two dilemmas regarding the future of capitalism.

The other dilemma is the outcome of the contest between liberal and political capitalism. Milanovic considers the main advantage of liberal capitalism to be based on democracy. On the one hand, not only is democracy desirable in itself, a “primary good”, but it also has an instrumental value: reversing bad policies in the democratic decision-making process. On the other hand, according to Milanovic, “against these advantages of liberal capitalism, political capitalism promises much more efficient management of the economy and higher growth rates” (p. 208). The reader wonders: does it actually? As to the efficient management, Milanovic himself, only a page later, points out that “political capitalism has a greater tendency to generate bad policies and bad social outcomes that cannot be reversed because those in power do not have an incentive to change course” (p. 209). Bad policies and efficient management of economy do not go together, unless irresponsible cutting of corners by the autocrats, i.e. efficient decision making, is considered efficient management of the economy. As to the higher growth rates, the only evidence that is collected so far in empirical growth economics demonstrates that some nondemocratic countries, predominantly China, still far from the technological frontier, have recorded higher growth rates than democracies that are close to the technological frontier – nothing more. It undisputable that political capitalism can be attractive for autocrats (incumbent or new entries) in poor countries, but this is hardly enough for global competition.

As to the future of liberal capitalism, Milanovic considers two paths or perhaps stages in the possible and (between the lines) desirable evolution direction. The first one is people’s capitalism, in which everyone has approximately equal shares of capital and labour income, and the second is egalitarian capitalism, in which everyone has approximately equal amounts of capital and labour income. It is not quite clear whether one excludes the other, but the reader who suffered extensive Marxist catechesis in the high school and at university is tempted to conclude that these two are stages, like socialism and communism (the end of history) in the classical Marxist sense.

The other path, Milanovic warns, is the convergence of liberal and political capitalism. The essence of this convergence would be that liberal capitalism moves towards the political capitalism, not the other way around. Milanovic, wisely, does not evaluate the probability for such a development, but leaves it as a scarecrow at the end of the book.

The book deals with a substantial number of issues, including the taxonomy of capitalism, the features of the identified types of capitalism both historic and contemporary, meritocratic-liberal and political capitalism, liberal and Marxist history, Western development path, about inequality, in income, wealth and opportunity, welfare state, corruption, globalisation, technological progress and universal basic income, migrations and citizenship, taxation, funding of political parties, public education, the rise of China and Asia, to mention some of the topics. The reasonable question is then what is the size of the book that can be expected. Perhaps, a multi volume work,

something like Arnold Toynbee's "A Study of History". Surprisingly, the book is only 229 pages long, not including three appendixes, endnotes and the reference list; 272 pages in total.

Nonetheless, there is a foreseeable cost of such (many topics – short book) approach: there is no room for in-depth analysis. Accordingly, the analysis is partial, not thorough; it is rather shallow, almost superficial in some cases. It is not well elaborated, because that cannot be done in such a compact format. The evidence that is provided is to a great extent circumstantial and anecdotal. Some of the debates are hardly more than a memo from a dinner table conversation, like the one on the rumour of the Yugoslav prime minister owning an apartment in Paris (p. 166). It is not surprising that not enough intellectual light is shed on the controversies elaborated in the book. It is swimming and snorkelling in the sea, rather than a deep-sea diving operation.

For an experienced author like Milanovic such a trade-off was no secret. He knew *ex ante* what he was doing. Instead of the specialist books Milanovic that has produced up to this one, all of them highly regarded by the trade, Milanovic decided to turn the page and to go the other way. This is a book written by an economist, but not only about economic topics, and not (only) for economists, but rather for the general public. The style and size of the book then go hand in hand. The general public just does not like to delve deep into the methodology of economics, into various methodological dilemmas, especially those about measurements, economics' theoretical models and all these things. Hence the book is very readable for educated non-specialists, i.e. for the upper intellectual segment of the general public. Furthermore, these days the general public does not like long books, people do not have enough time for reading, they have other priorities, for example social networks. So, this publishing endeavour has been well thought out – whether by Milanovic or Harvard University Press, or both, whichever – intended to intrigue the general public with a substantial number of relevant issues, almost all of them public policy relevant. What is slightly puzzling is that such an analytical approach produced a text in which ubiquitous words are "inherent" and "inevitable", "intrinsically" and the like. Perhaps words such as "likely", "probably" and, of course, "perhaps" would be more appropriate.

One way or the other, this is a bold decision by Milanovic, making the move from a specialist in his field to a public intellectual debating the future of capitalism with a wide range of public policy issues, and he should be applauded for that. The book opens many relevant questions about the future of capitalism, meaning – with capitalism being alone, at least for the time being – the future of the world. It provides a lot of food for thought, especially for public intellectuals and public policy decision makers. A wild guess is that the insights of the book will be further debated among them, perhaps over a glass of wine, rather than at the rigid economic department university seminars and decision-making boardrooms. Time will tell whether this move paid off for Milanovic, whatever the currency may be. Time will also tell what will be the influence of his book on public policy makers and the intellectual climate in the West.

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