

BOOK REVIEW

Principal Model of Divergence In Increasing Inequality In Thomas Piketty (Translated By Arthur Goldhammer). Capital In The Twenty-First Century. The Belknap Press of Harvard University Press Cambridge, Massachusetts London, England 2014

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Abstract:

This book review critically examines Thomas Piketty's *Capital in the Twenty-First Century* through the lens of Islamic political economy and the epistemology of unity of knowledge (Tawhid). Focusing on Piketty's central proposition of inequality, summarized by the condition $r > g$, the review argues that both Piketty's growth-based corrective framework and prevailing human-constructed interpretations of Islamic law remain embedded within mainstream economic reasoning. Consequently, they fail to resolve structural inequality in a sustainable and endogenous manner. The review advances an alternative critique grounded in the Qur'anic worldview of *maqāṣid al-sharī'ah* as the Divine Way, conceptualized through the Law of Unity of Knowledge. By emphasizing circular causation, moral-material complementarity, and participatory socio-economic relations (*halāl al-ṭayyibah*), the review highlights a wellbeing function that transcends capital accumulation and growth-centric models. The analysis concludes that genuine socio-economic equity requires an epistemological shift toward knowledge-induced, ethically endogenous systems rather than exogenously enforced policy mechanisms.

Keywords: Thomas Piketty; Inequality; Islamic Political Economy; Unity of Knowledge (Tawhid); Wellbeing Function

Introduction

Thomas Piketty's *Capital in the Twenty-First Century* has emerged as a landmark contribution in contemporary political

economy, reshaping global discourse on inequality, capital accumulation, and long-run economic dynamics. By formulating the structural condition $r > g$, where the rate of return on capital systematically exceeds the rate of economic growth, Piketty demonstrates how capitalist economies tend toward increasing wealth concentration over time (Piketty, 2014). Drawing on extensive historical data, his analysis challenges the optimistic assumption that market forces and economic growth alone can generate equitable outcomes, instead revealing a persistent tension between capital accumulation and social justice within modern democratic systems.

Despite its critical stance toward neoliberal orthodoxy, Piketty's framework remains embedded within a mainstream economic paradigm that treats inequality primarily as a distributive problem to be corrected through exogenous policy instruments, such as progressive taxation and regulatory intervention (Piketty, 2014). This growth-centered and state-driven orientation raises important epistemological concerns when examined from the perspective of Islamic political economy. Within the Islamic worldview, socio-economic justice is not merely a policy objective but an endogenous outcome of moral consciousness, participatory social relations, and the unity of ethical and material life. Consequently, both Piketty's methodological approach and prevailing human-constructed interpretations of *sharī'ah* risk reproducing the very structural logic of capital dominance they seek to reform.

This book chapter engages Piketty's thesis through the epistemology of the Unity of Knowledge (*Tawhid*), reframing inequality as a manifestation of fragmented knowledge systems rather than solely an imbalance between growth and returns on capital. Drawing on the Qur'anic conception of *maqāṣid al-sharī'ah* as the Divine Way, the chapter advances a wellbeing-oriented framework grounded in circular causation, moral-material complementarity, and participatory socio-economic relations (*ḥalāl al-ṭayyibah*) (Choudhury, 2019; Choudhury, 2021). By contrasting this Tawhidi epistemology with Piketty's growth-based model, the chapter seeks to move beyond corrective redistribution toward a transformative foundation for equity, sustainability, and justice in the world-system.

Discussion

The section towards the end is a focused extract from the above masterpiece by Thomas Picketty. The question raised in this partial book review is that the current egalitarian expectation of Islamic Economics, Finance, and Social Contract by shari'ah scholars is untenable in a market economy. Thereby, only an abounding rich and enforcing policy mechanism of non-democratic states can provide exogenously power-structure of such countries to institutionalize Islamic socio-economic enforcement structure, while avoiding the endogenous market process. Yet it is the latter socio-economic structure that induces the most central driving force of the Islamic worldview. That is, the endogenous induction of essential qur'anic knowledge of unity of knowledge, explained by the socio-economic structure of participated complementary in the order of 'everything'. The qur'anic overarching meaning of maqasid as-shari'ah as the DIVINE WAY is invoked and implicated as the Law of Tawhid. This is explained and continuously sustained as the universal law of unity of knowledge induced by consciousness in 'everything', That is the unifying structure of pairing as the regenerative structure of 'pairing' in 'everything'.

Thereby, it can be proved that, neither the TP-methodical approach nor the human-concocted understanding of shari'ah as Islamic Law, can establish the equalitarian structure of the Tawhidi law. This is the law of unity of knowledge, which is regenerated by its pervasive sustainability of participative pairing between all good things of life (halal at-tayyabah). The grounding of this proof is based on the endogenous circular causation relations as the regenerative sustainable structure of interrelations between all life-innovative. The objective criterion of socio-economic future in this case is the wellbeing function. This is not the growth and development model as invoked by TP and the human-concocted shari'ah law. Both of these approaches are concordances of mainstream economics. Contrarily, the vector of halal at-tayyabah comprising social justice (s), income equity (r); economic growth and development (g), economic efficiency (p), etc. (z) are complementary between each other by circular causation relations. The consciousness (ϵ) induces knowledge (θ) in the Tawhidi law of unity of knowledge; and thereby, the complementary circular causation variables are induced by ($\theta(\epsilon)$). The following wellbeing-producing complementary relations

are circularly simulated ($\leftrightarrow$) to yield the wellbeing function:

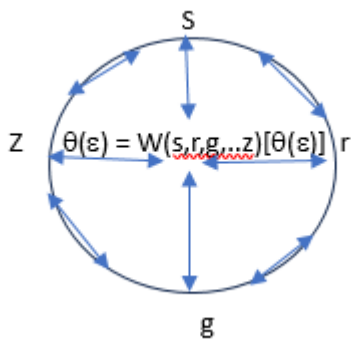


Figure 1: Circular causation simulation between variables yielding wellbeing objective criterion

Because inter-variate complementarities are shown by positive estimated coefficients, therefore, $dr/dg \cong$ positive slope. Thereby, the U-shaped curve of TP- (r,g) is avoided over time. Full-employment output remains elastic along with the near constancy of ‘g’, and thereby of ‘r’ in respect of ‘r’. These circular-causation relations corresponding to the simulation of the wellbeing objective criterion apply for sustainability of the equitable socio-economic contract.

Likewise, if the parametric effect of $\{\theta(\epsilon)\}$ on the circular-causation variables and simulated relations does not exist in the case of existing structure of Islamic socio-economics, consistent with TP-mainstream economic theory. Consequently, the enforced human-concocted condition of real productivity trend with acquisition of goods and services (qabdz), will accentuate capitalist-type capital accumulation and profits. Thereby, the result, $r>g$ will prevail. The entire equitable structure of Islamic social contract is rendered null and void over time along which TP-(r,g) conditions is predicted to prevail along the U-shaped (r,g) curve.

Now compare the above-stated results in the absence of $\{\theta(\epsilon)\}$ -continuous effect on the knowledge-induced Tawhidi social structure. This is the case of simulation results with $\{\theta(\epsilon)\}$ -induction

of the social structure contrary to both TP-type and human-concocted shari'ah-based Islamic socio-economics over time. This comment is not to reject the profound realm of shari'ah in defining the wellbeing of planetary existence. Rather, shari'ah as the divine WAY ought to be brought in conformity with the qur'anic meaning and methodology pertaining to the world-system. This is the system comprehensively encompassed by the methodology (WAY) of unity of knowledge and 'everything' of the world-system and beyond.

TP states regarding Capital inequity of the capitalist bound economy: "This fundamental inequality, which I will write as $r > g$ (where r stands for the average annual rate of return on capital, including profits, dividends, interest, rents, and other income from capital, expressed as a percentage of its total value, and g stands for the rate of growth of the economy, that is, the increase in income or output), will play a crucial role in this book. In a sense, it sums up the overall logic of my conclusions."

"When the rate of return on capital significantly exceeds the growth rate of the economy (as it did through much of history until the nineteenth century and as is likely to be the case again in the twenty-first century), then it logically follows that inherited wealth grows faster than output and income. People with inherited wealth need save only a portion of their income from capital to see that capital grow more quickly than the economy as a whole. Under such conditions, it is almost inevitable that inherited wealth will dominate wealth amassed from a lifetime's labor by a wide margin, and the concentration of capital will attain extremely high levels— levels potentially incompatible with the meritocratic values and principles of social justice fundamental to modern democratic societies."

Conclusion

This chapter concludes that while Thomas Piketty's *Capital in the Twenty-First Century* provides a powerful empirical diagnosis of inequality through the condition $r > g$, its reliance on growth-centered and policy-driven remedies remains epistemologically limited. By treating inequality primarily as a distributive malfunction within capitalism, Piketty's framework does not sufficiently address the deeper moral-material fragmentation that

sustains capital dominance over time. In contrast, the Tawhidi epistemology of the Unity of Knowledge redefines socio-economic justice as an endogenous process grounded in ethical consciousness, circular causation, and participatory complementarity across social and economic domains. From this perspective, neither mainstream economic correction nor human-constructed interpretations of *shari'ah* can deliver sustainable equity without re-anchoring socio-economic systems in the Qur'anic worldview of *maqāṣid al-sharī'ah* as the Divine Way. Genuine wellbeing, therefore, requires a transformative epistemological shift beyond capital accumulation toward a knowledge-induced and ethically integrated world-system.

References

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