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Book Reviews

Daniel Halliday, *The Inheritance of Wealth: Justice, Equality, and the Right to Bequeath* (Oxford: Oxford University Press, 2018), 256 pages. ISBN: 9780198803355 (hbk.). Hardback/Paperback: £33.99/£19.99.

Most inherited wealth seems to be morally objectionable – most, but not all. With this simple qualification, Daniel Halliday pokes a thorn in the side of many contemporary theories of justice. His argument, in *The Inheritance of Wealth*, is that insufficient attention to the phenomenon of intergenerational wealth has left many theories short of a cogent argument for curtailing bequests to the extent we believe they should be curtailed – no less, but also no more. This argument, however, is only a point of departure for the heart of the book, which goes on to develop just such an account and to revive a practical tax scheme, the so called Rignano scheme, to match it.

This departure is important, because later on parts of it, in new form, motivate Halliday's own proposal. The first two (non-introductory) chapters are conversations with history, with chapter 2 sketching the early liberal arguments for restricting bequests. Grounded in the specific form of capital prevalent at the time (agricultural land), these arguments – of three broad stripes – have an anti-feudal bent, but, normatively, they apply more widely. The first stripe is an economic concern (Smith's and Mill's) about efficiency and incentives. Mill is the one to articulate this worry most broadly into a puzzle of incentives: expectations of bequest incentivise productivity in the bequeather, but also idleness in the bequeathee – clearly, "a balance needs to be struck" (p. 55; although Halliday is sceptical about the idleness objection, see pp. 90–95). Halliday is more sanguine about the second stripe: the concern (William Godwin's and, again, Smith's) that "the *concentration* of large inheritance flows" (p. 36) contributes to the *replication* of hierarchies, domination, and class systems. (More on the third stripe below.)

Mill's incentive puzzle reappears in chapter 3 where we are offered a solution: Eugenio Rignano's tax scheme. Rignano's proposal is to distinguish

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between the bequest of newly created (first-generation) wealth and that of priorly received (second-generation) wealth. Taxing the former at a lower (say, 50%) rate and the latter at a higher (say, 100%) rate, Rignano claimed, would align incentives in just the right way. There are problems with this *utilitarian* justification for the scheme and Halliday lets Rignano's critics – mostly, Josiah Wedgwood – make the case against it. But the main idea of progressivity over *time* rather than (only) monetary size, and hence of a sensitivity to "the cumulative effects of intergenerational transfers" (p. 72), remains intact. The utilitarian justification might be unconvincing, but there could be a more *egalitarian* case for the scheme.

Halliday looks for such a case in chapter 4, a conversation with the present and the very recent past, where he canvasses existing egalitarian theories of the luck variety. The distinction between brute and option luck appears to be the obvious candidate, as recipients of wealth transfers are better off (and non-recipients worse off) through no choice of their own. But such "naïve luck egalitarianism" (p. 77) is too indiscriminate: if the reason for restricting inheritance is purely the distributive disadvantage caused by the arbitrariness of the birth lottery, then that is a case for restricting *all* types of wealth transfers – from the *n*-th billion down to the family Tolstoy volume. Halliday finds other egalitarian accounts based on the choice/circumstance distinction similarly lacking. It is not just intuition that opposes the restriction of certain, perhaps relatively small in size, transfers. There is a good case for allowing such transfers based on their role in improving social mobility (pp. 102–103). But social mobility is a step towards thinking of injustice as grounded in differences between *groups*, rather than individuals.

Halliday takes this step in chapter 5, which – together with chapter 6 – collects the threads so far into a novel account of the injustice of inheritance and why the Rignano scheme, or a variation of it, is the right remedy. Here are the moving parts. If we are concerned about (equality of) opportunity, as egalitarians and Halliday are, then we need to care about its determinants – the social and cultural (nonfinancial) capital into which people are born and raised. Inequalities in such capital are not (just) a matter of care and skills passed on by *individual* parents to their children; rather, parents and children are themselves members of economic groups, and it is back to *group membership* to which differences in nonfinancial capital – and opportunities for care and skill investments – are traced. Given that wealth is an economic segregation mechanism, this is a strong case for curtailing it and an ingenious move: when it comes to inequalities of opportunity due to brute luck, Halliday says, the correct unit is the group, not the individual.

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Except for the focus on group membership, rather than structure and hierarchy, the argument so far might have been made by the typical relational egalitarian. (Halliday is sympathetic to what we find in Elizabeth Anderson and Iris Marion Young, among others; see pp. 104–110. Curiously missing from that discussion is Martin O'Neill's recent 'non-instrumental egalitarianism,' which, like the book, has a distinctly Rawlsian motivation.) But this is only part of Halliday's story – and a *static* one at that. Halliday's is a dynamic theory, and it is here that Smith's and Godwin's worry about the replication of hierarchical relations comes in. In filling in the gaps of that worry, Halliday makes a second ingenious move: wealth transfers, he observes, are not isolated stocks, but "iterations within longer inheritance *flows* – chains of transfers that extend along successive generations" (p. 139). He thus invites philosophers to move the analysis of inheritance beyond the cross-sectional framework. And if they did embrace the dynamic, time-series, view, they would be able to explain not only why (vast) wealth, but also why the (unrestricted) *inheritance* of wealth might be morally objectionable.

Halliday's answer, defended in chapter 6, is that repeated wealth transfers down family lines replicate group inequalities in nonfinancial capital and thus allow some groups to hoard opportunities at the expense of others. This dynamic perspective escapes two common, and related, objections: that the real causal mechanism behind the divergence of nonfinancial capital across groups lies elsewhere, say, education; and that, indeed, it could not be inheritance that is doing the work, because transfers are received too late in one's life. Halliday's causal claims are very weak: even if the *direct* causal work is done by other factors, as it might very well be, material resources are important preconditions and thus have important *indirect* effects. What is more, these effects accumulate and the children of recipients of wealth benefit from an 'inheritance multiplier' – it is not just financial comfort that such children enjoy and that allow them to build valuable nonfinancial capital; such children also benefit from the nonfinancial capital of *their* parents. Transfers might come too late in children's lives, but if this is second-generation wealth we are speaking of, first-generation wealth might have come just in time for children to benefit from the wealth received by their parents.

All of this implies that the effects of inheritance are non-linear across time – a first-generation transfer might help a family escape poverty and enter the middle-class, but subsequent transfers (mostly) compound existing group differences. This means that curbing the compounding segregational effects of inheritance requires a tax system (1) that is sensitive to the maturity of wealth, that is, the number of times it has been passed down a family line, and (2) that is – *at least* – progressive over time. This is, of course, the *raison d'être* of the

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Rignano scheme. Implementing this scheme requires filling in the finer details and the final chapter 8 is devoted to some of the practical work that needs to be done here.

Halliday motivates the Rignano scheme with an account that is, in the end, distinctly egalitarian – and so it seems to let non-egalitarians off the hook. Chapter 7 gives some reasons for why *libertarians* should also care about restricting inheritance along Rignano lines. Here, Locke's opposition to inherited power and Paine's commitment to the common ownership of land, sketched in chapter 2 (the third stripe), are given new life in a number of arguments open to libertarians, wherever they might lie on the left-to-right spectrum.

The idea that the injustice of inheritance is grounded in the replication of group differences, and thus of hierarchical or class positions, has clear Marxist overtones and an extra chapter on these similarities would have been welcome. Particularly so, as there are connections to be made to recent work (for example, by Nicholas Vrousalis) on how structures of domination replicate. But the text is, after all, about egalitarianism and this is asking too much. Halliday's is a lively book and, like any stimulating read, one wishes it were longer and didn't end – a testament to the manuscript's many novel moves. And as one of the few careful discussions of the philosophical issues *specific* to the inheritance of wealth, the book should be read widely – by philosophers and economists alike.

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