

Ancient and historical evidence on institutions and inequality: Accounting for the uncertainties.*

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Abstract. We explore wealth inequality among households over the past 11 millennia, based on a new data set with two features: we provide 1) comparable estimates for economies with extraordinary heterogeneity in technology and institutions and 2) probability distributions measuring the degree of uncertainty associated with each of our 402 estimates, including likely error due to sampling, the common lack of data on those entirely without wealth, the definition of households, and differences in asset type as well as population size. Using a permutation-based method that takes full account of these uncertainties we find that while most Neolithic and Bronze Age economies exhibit modest levels of wealth inequality, over the past two millennia or so the estimated degree of wealth inequality is substantial and very similar across radically different institutions, ranging from ancient autocratic states like the Ottoman Empire to modern democracies. The exceptions are informative: we can be reasonably certain that economies without a state organization (irrespective of whether the economy was based on hunting and gathering or farming) are notably less unequal, while economies in which enslaved labor played a major part in production are more unequal.

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