

Global Wealth Accumulation and Ownership Patterns, 1800-2025

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Abstract. This paper builds a new historical and comparative database on global wealth accumulation covering all world regions. For recent decades (1980-2025), we provide decompositions of wealth accumulation into volume effects (savings) and price effects (capital gains), as well as global series on capital shares and rates of return. We also provide estimates for national wealth, domestic capital and foreign wealth, private and public wealth throughout the 1800-2025 period. We find very large variations in wealth-income and capital-output ratios, ownership patterns and capital shares over time and across countries. These historical and regional variations appear to be largely due to changing ideology, balance of power and institutions, rather than purely economic or technological factors. We also discuss the implications of our findings for the future in the context of the climate and energy transformation.

* All series constructed in this research are available online in the World Inequality Database (wid.world), together with a detailed replication package and online appendix including raw data sources, methods and codes.

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1. Introduction

How do wealth-income and capital-output ratios evolve over time and across countries, and how does this interact with trends in saving rates, capital shares and rates of return? What are the economic, social and political mechanisms explaining these empirical regularities? According to the well-known “Kaldor facts”, capital-output ratios and capital shares can be assumed to be roughly constant along the path of economic development, at least as a first approximation (Kaldor 1957, 1961).¹ Other economists, however, have long expressed skepticism about these “facts”. There is no strong theoretical reason why such ratios and shares should be constant, and the empirical evidence put forward by Kaldor and his followers to back their claims has always been relatively fragile. Given the lack of adequate historical and comparative series, the Kaldor facts might simply be an “optical illusion” which will dissipate when better data sources become available, as was originally stressed by Solow (1958).

Recent research based on newly available series from rich countries has shown that capital-output ratios and capital shares do indeed vary substantially over time, both in the very long run and in recent decades, which were characterized by a significant rise in wealth-income and capital-output ratios as well as capital shares (Piketty and Zucman, 2014; Karabarbounis, 2024). However, until now there was limited evidence to study these issues at a global level, which severely restricts the set of variations and explanations which can be identified and addressed.²

In this research, we construct the first global database on wealth-income and capital-output ratios covering all world regions. For the recent decades (1980-2025), we provide decompositions of wealth accumulation into volume effects (savings) and price effects (capital gains), as well as global series on capital shares and rates of return. We also provide global estimates for national wealth, domestic capital and foreign wealth, and for private and public wealth throughout the 1800-2025 period. Generally speaking, we find very large variations in wealth-income and capital-output ratios as well as in ownership patterns and capital shares over time and across countries, even larger than those uncovered in previous research centred on rich countries. In particular, less developed regions tend to have lower capital-output ratios but much higher capital shares, a fact that could be explained by several factors, including higher bargaining power for capital owners vis-à-vis workers and other stakeholders. At a

¹ See also Cobb and Douglas (1928) and Keynes (1939).

² The exception are Davies et al. (2011, 2017), who do provide global wealth estimates for a subset of years. They cover less countries and do not take a long-run approach though, so that they do not aim to analyse in detail the differences in the dynamics of wealth accumulation trajectories across regions.

more general level, the large historical and regional variations that we uncover – for instance regarding the changing split between private and public wealth – appear to be largely due to changing ideology, balance of power and institutions, rather than to purely economic or technological factors. We also discuss the implications of our findings for the future in the context of the ongoing climate and energy transformation.

Our analysis yields five central empirical findings. First, global wealth-income ratios have risen dramatically from about 390% of world net domestic product in 1980 to over 625% in 2025—an increase without precedent in the historical record and observed across all world regions. Second, this surge has been driven as much by net saving flows as by sustained capital gains: valuation effects alone account for roughly half of the post-1980 rise. Third, ownership structures have diverged. Private wealth has reached historically high levels in all advanced regions, public wealth turned negative in North America and fell close to zero in Europe, while East Asia stabilized a “mixed” regime with 25–30% of national wealth in public hands. Fourth, capital shares have increased worldwide and remain systematically higher in emerging and poor regions. However, they have risen less than national wealth-income ratios. As a result, average returns to capital have declined moderately, from 7.5% to 5.6%, yet remained well above income growth rates (i.e. $R > G$). Finally, focusing on the very long-run, we document repeated swings in global wealth accumulation since 1800: domestic capital-output ratios rose from about 400% in 1800 to 500% in 1910, fell to 300% by 1950, and rebounded to today’s historic peak of 600–650%; foreign wealth ownership shifted from European colonial dominance in 1800–1914 to U.S. leadership in 1920–1970 and to East Asia and oil-rich economies today; and public-private splits fluctuated amply.

We should make clear from the onset that our database is imperfect and insufficient to properly analyze and quantify the various mechanisms at play. Our main contribution is to establish a number of stylized facts about wealth-income and capital-output ratios, capital shares and rates of return at the global level. These facts are arguably better grounded than the “Kaldor facts”, but they are also more complex, and we certainly do not claim that we have fully satisfactory answers to all of them. We make use of the fact that national balance sheets (i.e. official estimates of stocks of assets and liabilities by institutional sectors) are now being compiled and published in most regions around the world, and that a number of researchers have started to construct historical balance sheets for a large set of developing countries (and not only in rich countries). We stress, however, that the study of global balance sheets is a research area that is still in its infancy. A lot of data continues to be missing, both to confirm and/or amend some

of the stylized facts that we document here and to better understand the forces at play. We hope that the present research will contribute to stimulate further work in the area.

The present work is closely related to several research literatures at the intersection of economic history, national accounting, macroeconomics and international finance. Generally speaking, in recent decades there has been a new wave of research focusing on historical national accounts and macroeconomic history (see e.g. Maddison (2001), Barro and Ursua (2008), Piketty and Zucman (2014), Knoll et al. (2017), Jorda, Knoll, Kuvshinov, Schularick and Taylor (2019), Bolt and Van Zanden (2024)). The present work fits into this literature, with special emphasis on national wealth accounting and the study of capital accumulation. Most work on global national accounts – in particular the work by Maddison and his followers – has focused on the study of income and output flows, rather than on stocks of assets and liabilities. Scholars did play a critical role in the development of national income accounting during the 20th century, as exemplified for instance by the work of Kuznets (1941, 1953) and the work of Maddison and his followers. In our view, they can and should play a similar role for the development of national wealth accounting in the 21st century.

This paper is particularly close in spirit to the work by Piketty and Zucman (2014), who have constructed series on the structure of national wealth and national income covering the top 8 developed economies (USA, Japan, Germany, France, Britain, Italy, Canada, Australia) over the 1700-2010 period. They study the evolution of national wealth-income ratios, the changing public-private wealth split, as well as the relative role of saving/investment flows and valuation effects (capital gains and losses) in accounting for long-run changes in wealth-income ratios. The key difference is that we attempt to cover the entire world economy, which allows us to offer a global historical perspective on the structure of wealth and income, in particular regarding the changing role of foreign wealth and foreign income, the transformation of public-private wealth decomposition, the relative importance of saving and valuation effects, and the determinants of domestic capital shares.

Although the macro-historical literature on national wealth has a very long history, available work has long been confined to Western countries. The first national balance sheets were established in the late seventeenth and early eighteenth centuries by Petty and King in the United Kingdom and Boisguillebert and Vauban in France, together with the first national income accounts. National wealth estimates then became plentiful in the nineteenth and early twentieth centuries, with the work of Colqhoun, Giffen, and Bowley in the United Kingdom; Foville and Colson in France;

Helfferrich in Germany; King in the United States.³ In recent decades, a number of authors have attempted to compile existing historical estimates for a larger number of countries, particularly in the Western world (see Goldsmith (1985, 1991), Twomey (2000), Piketty and Zucman (2014)).

In order to achieve global coverage, we have collected a large number of balance sheets that have been published by national statistical institutes and central banks in a rising number of countries – including in developing countries – in recent years. We also build upon a new body of research estimating historical national balance sheets of the main non-Western economies (see Piketty, Yang and Zucman (2019) and Mo, Wang, Yang and Zhang (2025) for the case of China; Kumar (2019) for the case of India; Novokmet, Piketty and Zucman (2018) and Novokmet, Piketty, Yang and Zucman (2018) for the case of Russia). We also use updated and extended national wealth series constructed for a number of Western countries: Germany by Albers et al (2022), Spain by Artola et al (2021), Switzerland by Baselgia and Martínez (2025), the Netherlands by Toussaint et al (2025), Brazil by Carranza et al (2025), South Africa by Chatterjee et al (2021) and Sweden by Waldenström (2017). We also rely on recent work on the long-run evolution of the structure of foreign wealth (see Nievas and Sodano (2024) and Nievas and Piketty (2025)).

The rest of this paper is organized as follows. In section 2 we describe our sources, methods and concepts and the structure of our database. Our main results on the evolution of global wealth over the 1980-2025 period are presented in section 3. We then describe the decomposition of wealth accumulation into volume effects (savings and investment flows) and price effects (capital gains and losses) in section 4, and the evolution of capital shares and rates of return in section 5. We present in section 6 our results on the long-run evolution of global wealth over the 1800-2025 period. Finally, we offer concluding comments and discuss future research prospects in section 7.

2. A New Database on Global Wealth 1800-2025: Sources, Methods and Concepts

This research relies on the construction of a new database on global wealth accumulation. All series are available and will be regularly updated in the World Inequality Database (wid.world). We refer all interested readers to the online replication package, and in particular to the two technical notes where we describe all details about the construction of the series (see Bauluz et al (2024) and Dietrich et al (2025)).

³ See especially Giffen (1889) and Foville (1893) for classic references. See Piketty and Zucman (2014) for a detailed bibliography and for an attempt to homogenize all existing estimates for the top 8 developed economies over the 1700-2010 period.

In what follows, we concentrate on the main steps of our methodology and focus on the most substantial issues.

The concepts that we use are standard: we follow the latest international guidelines provided by the UN System of National Accounts (SNA 2008) and the definitions and methods exposed by Piketty and Zucman (2014). The complete list of the wealth variables constituting our database is described in Table 1. Regarding the 1980-2025 period, we are able to provide a fairly complete decomposition of national wealth, including the various categories of assets and liabilities held by each institutional sector defined in modern national accounts: the household sector (including unincorporated businesses and non-profit institutions);⁴ the government sector (including all central and local government units, as well as other government agencies and entities like social security funds, public hospitals and universities, etc.);⁵ and the corporate sector (including financial and non-financial corporations, whether they are publicly traded or not, and whether they belong to the household sector, the government sector or the rest of the world). Regarding the full 1800-2025 period, available data sources do not allow us to provide such detailed decompositions, and we focus on the breakdowns between domestic capital and foreign wealth, as well as private and public wealth (see Table 1). Also, our full historical series cover 57 core territories (48 main countries plus 9 residual regions), while our 1980-2025 cover the 216 core countries and jurisdictions used in the World Inequality Database (see Table 2).

Private wealth W_{pt} is defined as the net wealth (assets minus liabilities) of the household sector. Following SNA guidelines, assets include all the nonfinancial assets - land, buildings, machines, etc. - and financial assets, including life insurance and pensions funds, over which ownership rights can be enforced and that provide economic benefits to their owners. Pay-as-you-go social security pension wealth is excluded, just like all other claims on future government expenditures and transfers (like education expenses for one's children and health benefits).⁶ Durable goods owned by households, such as cars and furniture, are excluded as well.⁷ As a general rule, all assets and liabilities are valued at their prevailing market prices. Corporations

⁴ The main reason for including nonprofit institutions serving households (NPISHs) in private wealth is that the frontier between individuals and private foundations is not always clear. This also explains why existing national balance sheets do not always report separate accounts for both sectors. When they do, we find that the net wealth of NPISHs is usually relatively small (typically less than 5% of total private wealth; see section 3 below).

⁵ For a detailed government sector definition see Dietrich et al (2025).

⁶ In any case, such claims would wash out for the computation of national wealth - which we view as a more meaningful concept than private wealth - since they would count as assets for households and liabilities for the government.

⁷ The value of durable goods appears to be relatively stable over time (about 30–50% of national income, i.e., 5–10% of net private wealth). See e.g. Piketty and Zucman 2014, Appendix Table US.6f.

are included in private wealth through the market value of equities and corporate bonds. Unquoted shares are typically valued on the basis of observed market prices for comparable, publicly traded companies.

We similarly define public (or government) wealth W_{gt} as the net wealth of the government sector. In available balance sheets, public nonfinancial assets (like administrative buildings, schools and hospitals) are valued by cumulating past investment flows and upgrading them using observed real estate prices.

We define market-value national wealth W_t as the sum of private and public wealth:

$$W_t = W_{pt} + W_{gt} \quad (1)$$

For a given country or region, national wealth can also be decomposed into domestic capital and net foreign wealth:

$$W_t = K_t + NFW_t \quad (2)$$

Note that net foreign wealth cancels out at the world level, so that from a global perspective national wealth W_t is equal to domestic capital K_t .⁸

Domestic capital K_t can in turn be decomposed as the sum of domestic housing assets (i.e. the market value of housing, including the land underlying the dwellings) on the one hand, and business and other domestic capital assets (including the market value of corporations, and the value of other nonfinancial assets held by the private and public sectors, net of their liabilities). Note that domestic capital includes not only physical capital, but also immaterial capital. In particular, R&D spending is included in investment flows according to SNA 2008 guidelines, and the corresponding R&D assets are included in nonfinancial assets. More generally, given that we value corporations at their market value in our benchmark estimates, this implies that our benchmark estimates of domestic capital include whatever immaterial capital (including organizational capital, reputation, etc.) is reflected in companies' stock market capitalization.

⁸ In raw data there is always a small gap between global foreign assets and liabilities (generally less than a few percentage points). We correct this gap by assuming that the true level of aggregate foreign assets and liabilities is the average between observed assets and liabilities and by adjusting all country-level foreign assets and liabilities with the same proportional adjustment factor. The advantage of this adjustment method is that it is simple and transparent, and that it delivers results that are very close to more complex methods (e.g. using direct evidence about tax havens holdings). Generally speaking, we made robustness checks using several adjustment methods and found that this had very little impact on the global structure of foreign wealth. See Nievas and Piketty (2024, 2025).

An alternative measure of the wealth of corporations is the total value of corporate assets net of nonequity liabilities, what we call the corporations' book value. We define residual corporate wealth W_{ct} as the difference between the book value of corporations and their market value (which is the value of their equities). By definition, W_{ct} is equal to 0 when Tobin's Q – i.e. the ratio between market and book values – is equal to 1. In practice, there are several reasons Tobin's Q can be different from 1, meaning that residual corporate wealth is at times positive, at times negative (see Piketty and Zucman (2014) and Bauluz et al (2024)). We define book-value national wealth W_{bt} as the sum of market-value national wealth and residual corporate wealth:

$$W_{bt} = W_t + W_{ct} = W_{pt} + W_{gt} + W_{ct} \quad (3)$$

Although we tend to prefer our market-value concept of national wealth (or national capital), both definitions have some merit, as we shall see below (see section 3).⁹

Regarding GDP (gross domestic product), NDP (net domestic product) and NNI (net national income), the definitions that we use are also standard and follow SNA guidelines. Net domestic product Y_{nt} is equal to gross domestic product Y_{gt} minus capital depreciation CFC_t (consumption of fixed capital), while net national income Y_t is equal to net domestic product Y_{nt} plus net foreign income NFI_t :¹⁰

$$Y_{nt} = Y_{gt} - CFC_t \quad (4)$$

$$Y_t = Y_{nt} + NFI_t \quad (5)$$

Note that net foreign income cancels out at the world level, so that from a global perspective net domestic product Y_{nt} is equal to net national income Y_t .

We also decompose output flows (GDP, CFC and NDP) depending on whether they originate from the household sector, the government sector and the corporate sector, in the same way as for the stocks of assets and liabilities. The flows of GDP, CFC and

⁹ W_{bt} corresponds to the concept of “national net worth” in the SNA. Following Piketty and Zucman (2014), we propose to use “national wealth” and “national capital” interchangeably (and similarly for “domestic wealth” and “domestic capital,” “foreign wealth” and “foreign capital,” and “private wealth” and “private capital”) and to specify whether one uses “market value” or “book value” aggregates (unless specified otherwise, we use “market value” concepts). Nineteenth-century authors such as Giffen and Foville also used “national wealth” and “national capital” interchangeably. The difference is that they viewed market values as the only possible value, whereas we recognize that both definitions have some merit (see the discussion in section 3 below)

¹⁰ Foreign income mostly consists of foreign capital income but also includes foreign labour income and foreign taxes and subsidies (though these two other flows are generally of much smaller magnitude).

NDP coming from the household sector are split between two components: unincorporated businesses (mixed income) and housing rent (real and imputed).¹¹ Within each sector, we also split output flows between the labour share (labour compensation) and the capital share (operating surplus) (see Dietrich et al (2025)).¹² Although we generally favour net-of-depreciation concepts and ratios, we will see that the measurement of capital depreciation (CFC) involves a number of difficulties and uncertainties, so that it is always preferable to carefully analyze both the gross-of-depreciation and net-of-depreciation ratios.

In order to construct our database, we have collected and homogenized a large number of balance sheets and national accounts tables that have been published by national statistical institutes and central banks in a rising number of countries – including in developing countries – in recent years. Generally speaking, balance sheets are constructed by national statistical institutes and central banks using a large number of census-like sources, in particular reports from financial and nonfinancial corporations about their balance sheet and off-balance-sheet positions, and housing surveys. The perpetual inventory method usually plays a secondary role. One limitation of official balance sheets is that they usually only cover the recent decades. In order to go back in time, we need to rely on work by the many researchers who have constructed historical balance sheets using the same concepts and methods as modern national accounts. In particular, we build upon a new body of research estimating historical national balance sheets of the main non-Western economies (see Piketty, Yang and Zucman (2019) and Mo, Wang, Yang and Zhang (2025) for the case of China; Kumar (2019) for the case of India; Novokmet, Piketty and Zucman (2018) and Novokmet, Piketty, Yang and Zucman (2018) for the case of Russia). We also use updated and extended national wealth series constructed for a number of Western countries: Germany by Albers et al (2022), Spain by Artola et al (2021), the Netherlands by Toussaint et al (2025), Brasil by Carranza et al (2025), South Africa by Chatterjee et al (2021) and Sweden by Waldenstrom (2017). We also rely on recent work on the long-run evolution of the structure of foreign wealth (see Nievas and Sodano (2024) and Nievas and Piketty (2025)). Finally, we use the historical public debt series from IMF “Public Finances in Modern History” database (see IMF (2023), building on previous work by Mauro et al (2015) and Abbas et al (2010)).

¹¹ The second component also includes other operating surplus from household sector (other than mixed income), such as income coming from renting assets to unincorporated businesses or other sectors.

¹² In our benchmark series we assume a fixed gross-of-depreciation capital share equal to 40% for unincorporated businesses (which for most countries-years is less than the gross capital share in the corporate sector; see Dietrich et al (2025)). We also compute alternative series using other assumptions and make sure that this does not affect our main conclusions. See section 5 below.

All details on the construction of the database are provided in Bauluz et al (2024), Dietrich et al (2025) and the online replication package. We should stress that our global wealth database is not meant to be final and that it will be constantly updated and improved in coming years as new estimates become available. For now, existing balance sheets cover about 85-90% of the world GDP in recent years. For missing countries-years, we make transparent assumptions about aggregate wealth on the basis of available information, typically by assuming that countries-years with missing balance sheets have similar wealth-income and capital-output ratios as countries from the same region and with similar levels of per capita GDP. Such assumptions are bound to be approximate and will be relaxed as new countries start to publish official balance sheets. We made a number of robustness checks and considered various alternative assumptions, and our general conclusion is that our imputation methods for missing countries-years are very unlikely to affect our main results and conclusions.

Finally, we should make clear that the fact that we use standard SNA concepts of wealth, capital and output has a number of key advantages (in particular the fact that all countries follow the same concepts and produce estimates which can be used for comparative historical analysis) but also entails a number of limitations. In particular, the notion of domestic capital refers to domestic (non-human) capital used to produce goods and services that are included in national accounts. For instance, land and other natural resources are included only when they are exploited to produce goods and services that are counted in national accounts. This is clearly an enormous limitation which we take as given in the present research, and which should be addressed in the future. We further discuss these issues in the conclusion.

3. The Transformation of Global Wealth 1980-2025

We now present our main results regarding the transformation of the structure of global wealth over the 1980-2025 period. We start with the global rise of national wealth and domestic capital, before presenting our results on the transformation of the private-public wealth mix and the structure of domestic capital by institution. We then analyze the rise of corporate Q ratios (ratio between market value and book value) and cross-company ownership and to the financialization of wealth and rising cross-border ownership. We conclude with a number of robustness checks (in particular, regarding MER vs PPP estimates).¹³ In general, we concentrate upon the main results, and we refer interested readers to the online appendix which includes a large number of

¹³ We start by presenting our main results using market-exchange-rate (MER) market-value estimates – which we consider as our benchmark wealth estimates – and we later discuss MER book-value estimates and finally purchasing-power-parity (PPP) estimates.

additional figures. In particular, we focus on the decomposition of world aggregates into 8 large world regions (Europe, North America/Oceania, Latin America, Middle East/North Africa, Sub-Saharan Africa, Russia/Central Asia, East Asia, South & South-East Asia). The detailed series and figures at the country level are all available in the online appendix and in the World Inequality Database.

3.1. The Global Rise of National Wealth and Domestic Capital

At the world level, according to our estimates, the total domestic capital stock increased from 391% to 627% of net domestic product between 1980 and 2025 (see Figure 1). This is a very significant rise, probably the largest and fastest rise ever observed since 1800, as we will see in section 6. This very large rise is due to both the rise of housing assets and business and other domestic capital assets, with an increasing share of housing assets. Back in 1980, the total domestic capital stock – 391% of net domestic product – included 148% of NDP for housing assets and 243% of NDP for business and other domestic capital assets. By 2025, the total domestic capital stock – 627% of net domestic product – includes 291% of NDP for housing assets and 336% of NDP for business and other domestic capital assets. In effect, the share of housing in the world capital stock rose from 38% in 1980 to 46% in 2025.

The rise of capital-output ratios between 1980 and 2025 occurred in most regions, but with large variations in magnitude (see Figure 2). Generally speaking, capital-output ratios tend to be larger in the world's richest regions – Europe, North America/Oceania, East Asia – than in less developed regions, and this gap has increased over time. The most striking case is that of East Asia, where we observe capital-output ratios that are substantially higher than everywhere else. This was already the case in 1980, but this is even more spectacular in 2025. The spectacular rise of capital-output ratios in East Asia between 1980 and 2025 was first driven by Japan (with a peak in 1990) and later on by China.¹⁴ We will later present detailed decomposition results in order to analyze the relative importance of volume effects (saving and investment flows) and valuation effects (capital gains and losses) to account for these evolutions (see section 4). For now, we can already note that the exceptionally high level of capital-output ratios observed in East Asia can be explained by a combination of factors. Firstly, and most importantly, saving and investment flows have indeed been unusually high in East Asia (first in Japan and then in China). However, we also observe large asset price effects in the form of capital gains (especially for Japan around 1990), though large valuation effects are also present in other regions (unlike the high savings). Finally, what

¹⁴ See Appendix Figures Ai-Ak for country-level series.

distinguishes East Asia – and particularly China – from other world regions is that high savings come from the household sector and the government sector, resulting into an unusually large share of public wealth.

As a first approximation, the evolution of national wealth – which by definition is the sum of domestic capital and net foreign wealth (see equation (2) above) – looks relatively close to that of domestic capital (see Figure 3). Net foreign wealth cancels out at the world level, so by construction domestic capital and national wealth are exactly the same at the world level. At the country level or regional level, the two can differ, depending on whether the country or region has positive or negative foreign wealth and how this changes over time.

For example, in the case of East Asia, we observe that the region has built substantial positive net foreign wealth between 1980 and 2025 (see Figure 4),¹⁵ so that the region's national wealth has increased even more than its domestic capital. In effect, a significant part of the region's national savings was used to finance foreign investment (via positive net current account surpluses) rather than domestic investment. It should be noted, however, that the domestic component of East Asia's wealth accumulation between 1980 and 2025 was about 7 times larger than the foreign component. I.e. East Asia's domestic capital rose from 480% to 832% of NDP (a rise of 352% of NDP), while net foreign wealth rose from 2% to 56% of NDP (a rise of 54% of NDP).

Conversely, in the case of North America/Oceania, we find that the region has built substantial negative net foreign wealth between 1980 and 2025 (see Figure 4),¹⁶ so that the region's domestic capital has increased more than its national wealth, thanks to foreign investment. Generally speaking, the global pattern of foreign wealth holdings has gone through enormous transformations in recent decades. During the 19th century and most of the 20th century, the general pattern was that rich countries – and particularly European colonial powers until World War 1 and to a lesser extent the US between 1920 and 1970 – would own substantial positive foreign wealth in the rest of the world, while poor countries were to a large extent owned by rich countries (see the discussion in section 6 below and Nievas and Piketty (2025)). In recent decades, the overall picture has become a lot more complex. We still observe the world's poorest regions – in particular Sub-Saharan Africa and South & South-East Asia – generally have negative net foreign wealth. However, the world's dominant economic power –

¹⁵ This is again driven by Japan until 1990-2000 and by China thereafter. See Appendix Figures Ai-Ak for country-level series.

¹⁶ This is of course driven by the USA. See Appendix Figures Ai-Ak for country-level series.

the USA – also has substantial negative net foreign wealth, and Europe has only moderate positive foreign wealth (especially as compared to its past holdings). The main holders of positive foreign wealth are now East Asia (including Japan – a rich country, but not richer than Western countries – and China – a middle-income country) and a mixture of oil-rich countries in Middle East/North Africa and Russia/Central Asia.

An alternative way to visualize the structure of foreign holdings is to divide net foreign wealth by each region's domestic capital rather than by each region's net domestic product (see Figure 5).¹⁷ We find that the two regions with the largest positive net foreign assets in the 2020s are MENA (with net foreign wealth around 15% of the region's domestic capital) and East Asia (7%). The regions with the largest net foreign liabilities used to be Latin America, Sub-Saharan Africa and South & South-East Asia in the 1980s-1990s. They have been overtaken by North America/Oceania in the 2010s-2020s (with negative foreign wealth equivalent to about 10% of the region's domestic capital).

Another interesting result is that the share of housing in domestic capital increased in most world regions between 1980 and 2025, albeit with significant variations, both in levels and trends (see Figure 6). We will later return to the discussion and interpretation of these various results. However, we should right away make clear that the data sources collected in the context of this research are insufficient to offer satisfactory explanations to all observed trends. In the case of the housing share, available evidence suggests that variations across regions reflect not only differences in the magnitude of housing investment flows relative to other investment flows (volume effects), but also other factors including land scarcity, agglomeration effects and regulation (rent control, public housing, etc.), which can all have a strong impact on the relative price of housing assets (valuation effects).

3.2. The Rise of Private Wealth, The Decline in Public Wealth

We now turn to our results on the changing structure of private vs public wealth. According to our estimates, net private wealth (i.e. net wealth owned by households and non-profit institutions) increased from 281% to 546% of net domestic product at the world level between 1980 and 2025 (see Figure 7). In practice, this reflects, for the

¹⁷ Yet another way to proceed is to divide net foreign wealth holdings by world NDP or GDP (or by world domestic capital). See Nievas and Piketty (2025).

most part, the rise of personal household wealth (which always represents about 95% of private wealth throughout the period).¹⁸

It is particularly striking to see that the levels of private wealth (expressed as a fraction of net domestic product) are very close in Europe, North America/Oceania and East Asia. There was a noticeable gap around 1990 – with larger private wealth in East Asia, largely due to unusually high asset values in Japan. This gap has narrowed in recent decades, so that the levels of private wealth have become virtually the same in these three regions in recent years (around 550-650% of net domestic product) and substantially higher than in all other regions (about 350-450%) (see Figure 7). This stands in sharp contrast to our findings for national wealth, where we observe a persistent and enormous gap between East Asia on the one hand and Europe and North America/Oceania (see Figure 3).

The explanation for this paradox has to do with the radically different private-public ownership patterns observed in the different regions. In North America/Oceania, the share of public wealth has become slightly negative in recent years (see Figure 8). I.e. public debt is now higher than public assets. This implies that private wealth is even larger than national wealth. In Europe, the share of public wealth is still positive but very small (about 5%). This means that private wealth represents about 95% of national wealth. In contrast, in East Asia, the share of public wealth is as large as 25-30% of national wealth, and has actually increased in recent decades (see Figure 8). The very large level observed in East Asia is explained by the high public share in China (where public wealth has stabilized around 30-35% of national wealth since the 2008 financial crisis), while the rise observed in recent decades is due to the rising weight of China within East Asia. Note that the share of public wealth in Japan is relatively small: roughly as small as in Germany or France, but still higher than in the USA or the UK (see Figure 9).

At a general level, there are three facts which stand out when we look at the evolution of the public-private split of national wealth over the 1980-2025 period. First, we observe a general decline of public wealth in most regions and countries since 1980. It is particularly strong in Russia and China (where the public share in national wealth

¹⁸ On the basis of available data, we find that the share of non-profit institutions in total private wealth has been stable around 4-5% at the world level between 1980 and 2025 (about 3-4% in Europe and East Asia and 6-7% in North America/Oceania). See Appendix Figure A2d. Note that the decomposition of balance sheets between households and non-profit institutions is available in the largest world economies, but that there are many missing countries, especially in less developed regions. This is unlikely to have a big impact on global estimates, but this is clearly an area where more work by scholars and statistical institutes/central banks is needed.

was as large as 70-80% as of 1980), but it also happens in other regions and countries. If we look at our detailed series, we find that the decline in public wealth is due both to the drop in public assets (due to privatization policies) and the rise in public debt.¹⁹

Next, within the context of this general decline in public wealth, one key fact is that the public share has stabilized around 30-35% in China since approximately 2005-2010. In other words, the country that might arguably become the world's dominant economic power in future decades has ceased to be communist but is not fully capitalist. Its property structure can be described as a “mixed property” regime, with substantial private and public components. It is also worth pointing out that the public share in housing ownership has become very small in China (less than 5%) but that the public share in company ownership has stabilized around 50-55%.²⁰ In other words, public property is still playing a dominant role in China's business sector.

Finally, it is striking to see that the world's two richest regions – Europe and North America/Oceania – have the highest private wealth in the world (on par with East Asia) but also the smallest public wealth. We will later return to the mixture of economic and political factors which can explain these various facts, especially when we look at the long-run evolutions over the 1800-2025 period. For now, it suffices to say that these sharply divergent evolutions appear to reflect deep, multifaceted changes in ideology, policy choices and institutions, rather than pure economic factors.

3.3. The Structure of Domestic Capital by Institutional Sector

We now analyze the changing structure of domestic capital by institutional sector. Given the data sources at our disposal, we are only able to decompose domestic capital into two broad components: housing assets on the one hand, and business and other domestic capital assets on the other hand. In the future, it would be very interesting to construct homogenous national balance sheets at the global level to decompose business and other domestic capital assets by industry (agriculture, manufacturing, energy, services, etc.) and by asset category (structures, equipment, immaterial capital, etc.), but unfortunately this is not possible at this stage.

With the data at our disposal, there are two striking facts that emerge very clearly. First, housing assets have at the global level always been predominantly owned by the household sector, with small and declining residual shares for the government sector

¹⁹ See Appendix Figure A3b.

²⁰ See Novokmet, Piketty, Yang and Zucman (2018) and Piketty, Yang and Zucman (2019).

and the corporate sector (see Figure 10). In this decomposition, note that we do not take into consideration whether the corporate entities which own housing assets are privately-owned or publicly-owned corporations (typically via social housing entities).²¹ In any case, the point is that according to available balance sheets only a small fraction of total housing assets is owned by either the government or the corporate sector (about 16% in 1980 and 10% in 2025). The share of non-household ownership has declined significantly over time, with large variations across countries and world regions. For instance, it can be as large as 20-30% or more in Nordic countries like Denmark, the Netherlands and especially Sweden.²²

The second striking fact is that business and other domestic capital assets have always had a more balanced institutional structure than housing assets. Namely, the corporate sector has always owned the largest fraction of these assets (and this fraction has increased over the 1980-2025 period), but the shares owned by the household sector and government sector have always been substantial (see Figure 11). The business and other domestic capital assets owned by the household sector correspond for the most part to the capital assets used by self-employed individuals and unincorporated businesses to produce goods and services. The fact that these assets were as large (in market value) as the corresponding corporate assets in 1980 and are now half the size can be interpreted as reflecting the decline of self-employment and the global rise of the corporate sector over the 1980-2025 period. The business and other domestic capital assets owned by the government sector correspond for the most part to the capital assets used by public entities (central and local government, public schools and hospitals, social security administrations, etc.) in order to produce goods and services. To a large extent, the changing distribution of business and other domestic capital assets between institutional sectors depicted on figure 11 describes the transformation of the structure of capital assets used by the household sector, the government sector and the corporate sector to produce goods and services (excluding housing services) at the global level between 1980 and 2025.

It should be noted, however, that existing national balance sheets have a number of limitations, so that these decompositions by institutional sectors need to be interpreted with caution. First, non-housing assets owned by the household sector include assets

²¹See the discussion in section 2 on institutional sectors. The corporate sector typically includes all entities which cover more than half of their costs via sales of goods and services (including rent in the case of housing), irrespective of their legal status and ownership structure, while the government sector includes entities depending primarily on public subsidies.

²² See online detailed country-level series. Note that the way the frontiers between institutional sectors are being defined in available balance sheets (as well as the way assets are being recorded as dwellings or other assets) may not be fully homogenous across countries. These are issues which would deserve further analysis in future research.

that may not be presently used for production (e.g. non-agricultural land) or which could be rented to other institutional sectors for their own production.²³ Next, non-housing assets owned by the government sector include assets like roads, bridges and other public infrastructures which do not produce goods and services with economic value in the sense of existing national accounts.²⁴ Finally, non-housing assets owned by the corporate sector can be valued in two different ways: either on the basis of the market value of corporations, or on the basis of the book value of corporations. While we use the former definition for our benchmark estimates, we stress that the latter definition also has some merit. If we use the book value rather than the market value, then we find higher levels for non-housing corporate assets, though the gap has reduced over time (see Figure 12). This reflects the fact that the corporate Q ratio has always been smaller than 1 at the global level over the 1980-2025, but that it has increased over time – an issue to which we now turn.

3.4. The Rise of Corporate Q Ratio and Cross-Company Shareholding

According to our estimates, the book value of corporations rose from 180% to 387% of net domestic product between 1980 and 2025 at the world level, with large variations across regions (see Figure 13). By definition, the book value of corporations is the difference between the value of corporate assets (non-financial + financial) and the value of corporate non-equity liabilities (debt). In comparison, the market value of corporations rose from 90% to 324% of net domestic product between 1980 and 2025 at the world level, also with large variations across regions (see Figure 14). The market value of corporations is the equity value (stock market capitalization or equivalent market valuation for non-listed firms).²⁵ It is striking to see that it has always been smaller than the book value at the global level, but the gap has reduced over time. In

²³ This seems to explain why the household sector (excluding housing) appears to have relatively high capital-output ratios – comparable to the corporate sector – in spite of the fact that unincorporated businesses are often less capital intensive than corporations. See Appendix Figures C4a-C4d.

²⁴ This seems to explain why the government sector appears to have very high capital-output ratios – substantially larger than the corporate sector. See Appendix Figures C4a-C4d. Note also that government assets (including school buildings, hospitals, etc.) raise a number of valuation issues. In general, national accountants value government assets (e.g. administrative buildings, schools, hospitals, etc.) in the same manner as for other assets, i.e. on the basis of observed transaction prices for assets with similar characteristics. When there exists no similar asset (or too few transactions), e.g. for roads, bridges or other public infrastructures, other methods can be applied, including the perpetual inventory method (based upon cumulating past investment flows and applying some appropriate price index and depreciation estimates). Finally, note that existing balance sheets exclude natural public assets like national parks, mountains, rivers, oceans, etc., i.e. assets which were not accumulated as a consequence of past investment flows and do not produce goods and services with economic value in the sense of national accounts. See Piketty and Zucman (2014, Appendix) for a detailed discussion of these various methods and issues.

²⁵ National accountants estimate the market value of non-listed companies on the basis of the market valuation of listed companies with similar observable characteristics (including balance sheet information, sector, company size and profit flows) minus a discount for illiquidity.

effect, the corporate Tobin's Q ratio (defined as the ratio between the market value and book value of the corporate sector taken as a whole) has risen from 50% and 84% between 1980 and 2025 at the world level – and is now higher than 100% in North America/Oceania (mostly due to the US) (see Figure 15).

There are many reasons why the corporate Q ratio could be smaller or larger than 1.²⁶ The most obvious set of explanations are accounting factors. For instance, in case the book value of company assets is overestimated (e.g. because capital depreciation associated to past investment flows has been underestimated, i.e. old machinery and equipment has become more obsolescent than what is measured in company books), then Q ratios will tend to be smaller than 1. This is the most common explanation as to why measured Q ratios are often below 1. Given the large difficulties associated to the measurement of capital depreciation (consumption of fixed capital), an issue on which we will later return, this is potentially a plausible explanation. Conversely, in case the book value of company assets is underestimated (e.g. because investment in immaterial capital has been under-evaluated by national accounts), then Q ratios will tend to be larger than 1. This could be the case in the high-tech sector and can potentially explain why Q ratios are larger than 1 in the US. In both cases, whether book values are overestimated or underestimated, one might be tempted to conclude that it is preferable to use market values (our benchmark estimates).

However, the fact that corporate Q ratios differ from 1 could also reflect real economic factors rather than accounting issues. For instance, companies with more market power might be able to make larger profit margins and reach higher market valuations, even if the book value of their assets did not change. Available evidence suggests that market concentration and market power have increased substantially in the US corporate sector in recent decades and in comparison to other regions (in particular in comparison to Europe),²⁷ so this could be a plausible explanation for why the US corporate Q rose above 1. Another potential real economic factor is the possible rise in the bargaining power of capital owners (and especially shareholders) vis-a-vis workers (and other stakeholders in general) over the 1980-2025 period, in relation to changing policies and institutions, including the deregulation of global capital flows and the decline of union power.

In line with this, we should point out that a standard power-based explanation as to why Q ratios could be less than 1 is that shareholders sometimes need to share

²⁶ See Piketty and Zucman (2014).

²⁷ See e.g. Covarubias et al (2019) and Philippon (2019). De Loecker and Eeckhout (2018) also show that markups are substantially higher in the US than Europe.

decision-making rights with worker representatives and other stakeholders (such as local government, consumer or environmental associations), either for legal or reputational reasons.²⁸ E.g. in Germany, under the so-called “co-determination” rules (or “co-management”), worker representatives have by law up to 50% of voting rights in the governing board of large corporations.²⁹ This likely reduces the ability of shareholders to extract as much value as they want from companies (e.g. to liquidate all assets and distribute profits to shareholders), and therefore to reduce equity value relatively to book value. In practice, we do observe that corporate Q ratios have always been substantially lower in Germany than in other advanced economies (like the US, Britain or France) over the 1980-2025 period.³⁰

We will return to this discussion when we present our results on wealth accumulation decomposition, capital shares and rates of return (see sections 4-5 below). Taken together, the different pieces of evidence that we combined in this research suggest that changing power relations can contribute to explain the rise in corporate Q ratios, at least in part. We should, however, make clear that accounting factors can also be part of the explanation, and that the data sources used in this work are insufficient to address these issues in a fully satisfactory manner.

Finally, it should also be noted that the value of corporations is generally larger than the value of their non-financial assets (housing and non-housing assets), and that this gap has increased over time. This holds whether we consider book or market values (see Figures 10-12 and Figures 13-14). There are several explanations for this fact. The first factor is that corporations (and especially financial corporations) own in effect part of the non-financial assets of the household sector and the government sector via household debt and government debt. The second factor – which appears to play a more and more important role over time – is the rise of cross-company ownership. It has been known for a long time that cross-company ownership tends to raise artificially the level of stock market capitalization and aggregate equity value of the corporate sector, even if the underlying real capital assets do not change. But given the enormous rise of cross-company ownership in recent decades – many financial and non-financial corporations now own very large portfolios of financial claims in other

²⁸ See Piketty and Zucman (2014) and Piketty (2014, 2020) for further discussion.

²⁹ More precisely, workers representatives have one third of the voting rights in companies between 500 and 2000 employees and half of the voting rights in companies with more than 2000 employees. These rules were introduced in the 1951-1952 and extended in 1976. In case of ties, shareholders have the decisive vote. But in case workers are able to rally a fraction of the shareholders vote (and/or the vote of regional government representatives, which by law have significant voting rights in a number of companies, e.g. 20% in Volkswagen) then they can shift the majority.

³⁰ See Appendix Figure A5k.

corporations, both domestically and internationally – this effect has reached unprecedented levels and would deserve further research in the future.³¹

3.5. The Financialization of Wealth, The Rise of Cross-Border Ownership

Together with the rise of cross-company ownership, the other major structural transformation which we observe in recent decades is the financialization of wealth and the rise of cross-border ownership. According to our estimates, total gross financial assets owned by all institutional sectors combined (government, household, corporate) rose from 444% to 1164% of net domestic product at the world level between 1980 and 2025 (see Figure 16). This evolution reflects the global financialization of wealth, including the rise of cross-company shareholding and cross-border ownership. We observe a strong upward trend in all world regions, but with large variations in levels. Europe, North America/Oceania and East Asia have the highest level of gross financial assets, while Subsaharan Africa has the lowest.

Of course, the rise of gross financial assets relative to net domestic product could just reflect the general rise of capital assets. In order to control for this, the simplest way to proceed is to divide gross financial assets by domestic capital rather than by net domestic product. According to our estimates, total gross financial assets owned by all institutional sectors combined rose from 114% to 186% of net domestic capital at the world level between 1980 and 2025 (see Figure 17). In other words, total financial assets rose even faster than domestic capital. This reflects the fact that a given unit of real non-financial capital asset – housing asset and especially business and other domestic capital assets – can be owned multiple times in the form of financial claims, in particular in the context of cross-company ownership and cross-border ownership.

We now turn to foreign financial assets.³² According to our estimates, total gross foreign financial assets owned by all institutional sectors combined (government,

³¹ To properly quantify this effect, one would ideally need micro-level data on cross-company ownership. See e.g. Bohren and Michalsen (1994). Also, it would be very interesting to be able to use balance sheets that are consolidated at the level of institutional sectors (e.g. balance sheets excluding the financial claims within the corporate sector). Unfortunately, consolidated balance sheets are available only for a handful of countries at this stage, so for now all our global series are based solely on unconsolidated balance sheets. See Bauluz et al (2024).

³² Note that following SNA guidelines all foreign assets are by construction treated as foreign financial assets. I.e. a foreign resident who owns housing in Paris is treated as a foreign resident who owns financial asset in a (fictitious) corporation in France, which then owns the housing asset. Existing balance sheets do not allow us to separate this component of foreign financial assets in a consistent manner at the global level. Existing evidence that foreign housing holdings did indeed rise significantly in recent decades (see Alstadsaeter et al (2022)), although they seem to represent only a relatively small fraction of the total rise in foreign financial assets.

household, corporate) rose from 37% to 245% of net domestic product at the world level between 1980 and 2025 (see Figure 18). In other words, total foreign financial assets at the world level made less than one tenth of total financial assets (domestic and foreign) in 1980, and they now make almost one quarter of total financial assets. To put it differently, cross border financialization has risen about two to three times faster than domestic financialization.

It is particularly striking to see that total foreign financial assets have reached much higher levels in Europe (and to a lesser extent in Latin America) than in North America/Oceania or in East Asia. The case of Europe is particularly spectacular: gross foreign financial assets went from 56% to 549% between 1980 and 2025. Part of the explanation has to do with the fact that European countries are individually much smaller economies than the US or China, so that in practice a large part of these cross-border assets are within-Europe assets: French companies and households own a lot of financial assets in Germany (usually via their banks and insurance companies), and German companies and households own a lot of financial assets in France.³³ In effect, one of most striking characteristics of the financial globalization which took place in the recent decades is indeed that gross cross-border positions have risen to unprecedented levels, while net positions have remained at levels which are not too different from those observed in the past. In 1980, total gross foreign assets owned by European residents (all institutional sectors combined) were equal to 56% of net domestic product and total gross foreign liabilities were equal to 51% of net domestic product (with net foreign wealth of +5%). By 2025, total gross foreign assets were equal to 549% of net domestic product, total gross foreign liabilities were equal to 520% of net domestic product (with net foreign wealth of +29%).

Note that the rise of gross foreign financial assets (expressed as a fraction of net domestic product) partly reflects the fact that gross financial assets in general – domestic and foreign – have increased a lot in recent decades, particularly in Europe. In order to make meaningful comparisons over time and across countries, the best way to proceed is arguably to divide total gross foreign liabilities by the total financial liabilities issued by all institutional sectors combined (government, household, corporate). In effect, this is measuring the fraction of the total financial debt of a given country (combining household debt, government debt and corporate debt) that is owned by the rest of the world. According to our estimates, total foreign liabilities have increased from 8% to 21% of total gross financial liabilities at the world level between

³³ Unfortunately we do not have systematic global data on bilateral financial claims, so we are not able to net out the within-region financial claims in a consistent manner over the 1980-2025 period.

1980 and 2025 (see Figure 19). Interestingly, the region where foreign ownership – measured as a fraction of total financial liabilities – has increased the most is Latin America, total foreign liabilities have increased from 25% to 67% of total gross financial liabilities between 1980 and 2025. In Europe, foreign ownership – using this same indicator – rose from 10% to 37%. In North America/Oceania, it rose from 6% to 20%, which is already quite spectacular.

Does the level of gross foreign assets and liabilities matter, or should we care only about net foreign asset positions? There are at least two reasons why both matter. First, very large gross positions imply that small differentials between the rates of return on foreign assets and liabilities can have very large consequences for net foreign income flows. This is a major novelty of the modern era and we will return to this issue when we analyze the long run transformations of global wealth ownership patterns over the 1800-2025 period (see section 6 below). Next, at a more general level, gross positions matter because they can have a large impact on the capacity of government to enact policies and regulations – and on the evolution of popular perceptions about the loss of national sovereignty.³⁴

3.6. Robustness Checks: Book-Value and PPP Estimates

We have performed a large number of robustness checks in order to ensure that our main results are robust and do not depend on specific assumptions for missing countries-years. Our general conclusion is that all results appear to be robust.³⁵ In what follows, we particularly want to stress the two following points. First, we get similar results if we use book-value estimates of national wealth rather than market-value estimates. Next, we also get similar results if we use purchasing-power-parity estimates (PPP) rather than market-exchange-rate estimates (MER).

We start with the issue of book-value vs market-value national wealth. Although we use market-value national wealth as our benchmark estimates, we emphasize that both definitions have some merit and offer complementary viewpoints on a complex reality. It all depends on how we interpret the gap between book-value and market-value estimates, an issue which is very much open in our view. In case we fully adopt

³⁴ In some cases, these perceptions might be somewhat exaggerated – national governments can to some extent tax and regulate foreign owners, especially if they build adequate international coalitions in order to promote common taxes and regulations. But they are also partly justified. For given net foreign asset positions, it is arguably more complicated to tax and regulate capital owners when foreign ownership represents 30% or 50% of total liabilities than when it represents 5% or 10%.

³⁵ See online Replication Package and Appendix Figures, where we provide all detailed information on country-specific series and a large number of supplementary figures.

the “balance-of-power” perspective (which can be interpreted as a form of upper bound), then the gap between the book-value and market-value of corporations – what we define as “residual corporate wealth” – can be interpreted as the component of corporate value which belongs to worker representatives and other stakeholders rather to shareholders.³⁶ In practice, residual corporate wealth has always been positive on average at the world level between 1980 and 2025, which is just another way of saying that corporate Q ratios have always been below one. According to our estimates, residual corporate wealth declined from 90% to 62% of net domestic product at the world level between 1980 and 2025.³⁷ Intuitively, this decline corresponds to the fact that corporate Q ratios have become closer to one over time (i.e. shareholders were able to control a larger fraction of corporate value, according to this interpretation). The point, however, is that this decline in residual corporate wealth is relatively small as compared to the global rise in market-value national wealth, which increased from 391% to 627% of net national product between 1980 and 2025 (see Figure 1 above). In other words, if we look at the evolution of book-value national wealth, which we define as the sum of market-value national wealth and residual corporate wealth,³⁸ we find that it rose from 481% to 689% of net domestic product at the global level, i.e. the rise is almost as large as with market-value national wealth.³⁹ The share of housing in national wealth is lower with book-value estimates than with market-value estimates, but in both cases we observe a significant rise between 1980 and 2025.⁴⁰

We turn to the issue of PPP vs MER estimates. Here again, we use MER series as our benchmark estimates, but we stress that PPP series are also useful. In particular, PPP series give more weight to developing countries, in line with their share in the real production of goods and services, including investment goods. In practice, this makes relatively little difference for our main results, due to a number of countervailing effects.

In particular, we find that the total domestic capital stock rose from 389% to 618% of net domestic product at the world level between 1980 and 2025 when we do the country aggregation in PPP terms.⁴¹ The levels are a little lower than those obtained in our benchmark MER series (with a rise from 391% to 627%), due to the fact that poorer countries generally have lower domestic capital (as percentage of their net domestic product) and a higher weight in PPP aggregation than in MER aggregation.

³⁶ See section 2, table 1, and section 3.4.

³⁷ See Appendix Figure A5d.

³⁸ See section 2, table 1, and section 3.4.

³⁹ See Appendix Figure A5j.

⁴⁰ At the world level, the share of housing in national wealth rose from 38% to 46% according to market-value estimates (see Figure 1 above), and from 31% to 42% according to book-value estimates (see Appendix Figure A4d).

⁴¹ See Appendix Figure A8a.

However, a major exception to this general pattern is China (with very large domestic capital-NDP ratio and a larger weight in PPP than in MER), so that the overall gap between MER and PPP estimates is very small. Also, note that net foreign wealth exactly sums up to zero when we aggregate country and regional series using MERs, but is slightly different from zero under PPP aggregation. In practice the gap is relatively small (generally a few percentage points of world GDP) due again to various counteracting effects. I.e. poorer countries tend to have negative foreign wealth but there are many important exceptions, starting with China and the US.⁴²

Next, we find that net private wealth rose from 260% to 525% of net domestic product at the world level between 1980 and 2025 when we do the aggregation in PPP terms. The levels are again very close to those obtained in our benchmark MER series (with a rise from 281% to 546%).⁴³ Finally, we find that the share of public wealth in national wealth fell from 32% in 1980 to 15% in 2025 in PPP terms (as compared to a fall from 28% to 13% in MER terms). In East Asia, the public share fell from 35% to 27% in PPP estimates (as compared to a fall from 29% to 27% in MER series). The higher public share in PPP series reflects the higher share of China and East Asia in the world economy in PPP terms than in MER terms, especially at the beginning of the period.⁴⁴

4. Decomposition of Wealth Accumulation: Volume vs Price Effects 1980-2025

We now present our results on the decomposition of wealth accumulation into volume and price effects between 1980 and 2025. The main result is that capital gains – i.e. increases in asset prices relative to the general price index – play a key role in explaining the rise of wealth-income and capital-output ratios in recent decades. That is, on the basis of recorded flows of saving and investment, the rise would not have taken place. This result confirms and extends previous research focusing on rich countries (Piketty and Zucman (2014)). The key novelty is that capital gains appear to play a major role in most countries and regions (and not only in rich countries), which has important implications for the interpretation of the results. We start by presenting additive and multiplicative decomposition results and then turn to the discussion and interpretation of the results.

⁴² See Appendix Figure A8c.

⁴³ See Appendix Figure A8d.

⁴⁴ See Appendix Figure A8f.

4.1. Additive and Multiplicative Decomposition Results

Generally speaking, we follow the same conceptual and accounting framework as Piketty and Zucman (2014). In particular, we distinguish between additive decomposition and multiplicative decomposition. In the additive decomposition framework, we start from the following accounting equation:

$$W_{t+1} = W_t + S_t + Q_t \quad (6)$$

Where: W_t, W_{t+1} = market-value national wealth at time t and $t+1$

S_t = (net-of-depreciation) national saving between time t and $t+1$ (volume effect) ⁴⁵

Q_t = residual capital gain or loss between time t and $t + 1$ (relative price effect)

In practice, we observe W_t, W_{t+1} and S_t , and we estimate Q_t as a residual term using equation (6). That is, we define capital gains or losses as the fraction of the rise in wealth which cannot be accounted for by the accumulation of saving. When we estimate equation (6), we express all quantities in constant prices using the GDP price index, so that Q_t can be interpreted as a relative asset price effect, i.e. the increase or decrease of asset prices relative to the general price index.

In order to present and interpret our decomposition results between time t and $t+n$ (say, between 1980 and 2025), it is convenient to divide all variables by end-of-period net national income Y_{t+n} . End-of-period wealth-income ratio can then be decomposed as the sum of three terms, namely the initial wealth effect (initial wealth-income ratio divided by cumulated real growth over the period), the volume effect (cumulated new savings) and the relative price effect (residual capital gains or losses):

$$\beta_{t+n} = \beta_t / g_{tt+n} + s_{tt+n} + q_{tt+n} \quad (7)$$

Where: $\beta_t = W_t/Y_t$, $\beta_{t+n} = W_{t+n}/Y_{t+n}$ = ratios between national wealth and national income at time t and $t+n$

$g_{tt+n} = Y_{t+n}/Y_t$ = cumulated real growth of national income between time t and $t+n$

$\beta_t/g_{tt+n} = W_t/Y_{t+n}$ = ratio between national wealth at time t and national income at time $t+n$ (initial wealth wealth)

⁴⁵ Note that net-of-depreciation national saving is defined as sum of net saving flows from all institutional sectors (household, government, corporate), including of course corporate retained earnings. See Table 5 below. This means that the component of company price rise that is due to accumulated retained earnings is treated as a volume effect rather than as a price effect.

$s_{tt+n} = (S_t + S_{t+1} + \dots + S_{t+n})/Y_{t+n}$ = cumulated national savings between time t and $t+n$ divided by national income (volume effect)

q_{tt+n} = residual capital gains or losses between time t and $t + n$ (relative price effect)

We describe on Table 3 the results obtained using the additive decomposition equation for national wealth between 1980 and 2025, both at the world level and separately for each world region.⁴⁶ At the world level, the national wealth-national income ratio rose from 385% in 1980 to 631% in 2025, which can be decomposed into 118% due to initial wealth effect, 268% due to cumulated new savings (volume effect) and 245% due to residual capital gains and losses (changes in asset prices relatively to general price index). In other words, in the absence of valuation effects, the national wealth-national income ratio would have been equal to 386% in 2025 (118%+268%), which means that virtually all of the rise in the wealth-income ratio – which is also equal to the capital-output ratio at the world level – is due to capital gains. In turn, capital gains can be explained by various factors, including agglomeration effects, policy and regulatory changes, rising bargaining power of capital owners vis-a-vis other stakeholders, etc., which we will further discuss below.

It is striking to see that capital gains play a very large role in most world regions (see Table 3). The only exception is Russia/Central Russia, where we observe large capital losses, which can be explained by the existence of massive capital flight.⁴⁷ In all other regions, capital gains are extremely important, generally between 100% and 300% of national income. In the case of East Asia, Europe and Middle East/North Africa, cumulated savings are sufficiently large to generate rising national wealth-national income ratios even in the absence of capital gains, but capital gains account for a very large fraction of the total rise.⁴⁸ In the case of North America/Oceania, Latin America, South & South-East Asia and Subsaharan Africa, there would have been a decline in national wealth-national income ratios in the absence of capital gains.

In the multiplicative decomposition framework, we use the following accounting equation in order to identify residual capital gains or losses:

⁴⁶See Appendix Tables TB1a-TB5c for detailed decomposition results by sub period, as well as separate decomposition results for private wealth, public wealth and foreign wealth.

⁴⁷ The very large cumulated savings of Russia/Central Asia over the 1980-2025 are largely due to current account surpluses (mostly due to enormous trade surpluses in natural resources). This should have led to enormous net foreign wealth, a lot larger than observed net foreign wealth, which leads us to identify a capital loss equal to -217% of national income in 2025. These estimates confirm and extend previous results on massive capital flight in Russia/Central Asia during the 1990-2025 period. See Novokmet, Piketty and Zucman (2018) for further discussion.

⁴⁸ More than a third for Middle East/North Africa, and around three quarters for East Asia and Europe.

$$\beta_{t+1} = \beta_t (1+g_{wst})(1+q_t)/(1+g_t) \quad (8)$$

Where: $\beta_t = W_t/Y_t$, $\beta_{t+1} = W_{t+1}/Y_{t+1}$ = ratios between national wealth and national income at time t and $t+1$

$1+g_t = Y_{t+1}/Y_t$ = national income growth rate

$1+g_{wst} = 1 + S_t/W_t = 1 + s_t/\beta_t$ = saving-induced wealth growth rate (volume effect)

$1+q_t$ = residual capital gains or losses (relative price effect)

We describe on Table 4 the results obtained using the multiplicative decomposition equation for national wealth between 1980 and 2025, both at the world level and separately for each world region.⁴⁹ Generally speaking, both the additive and multiplicative decompositions make sense (they mostly differ in the way they weight older years vs recent years), and they deliver consistent results. At the world level, net national income rose at a real growth rate of 2.8% per year between 1980 and 2025, and net national wealth at a real growth rate of 4.0% per year (both relatively to general GDP price index). On the basis of cumulated new savings, wealth should have grown at 2.1% per year. According to our estimates, the remaining growth (1.8% per year) can be accounted for by residual capital gains and losses (changes in asset prices relatively to general price index). In other words, without capital gains, national wealth would have grown at a lower rate than national income, and the ratio between national wealth and national income would have declined rather than increased. According to our multiplicative decompositions, the only region where the wealth-income ratio would have risen is Middle East/North Africa.

Our results certainly do not imply that savings are not important. For instance, it is striking to see that the world region with the highest wealth-income ratio (namely East Asia) is also the region with the largest saving rate over the 1980-2025 period, thanks in particular to the unusually high level of public saving (see Table 5).⁵⁰ Our results show that it is only through a combination of saving and capital gains that wealth-income and capital-output ratios were able to rise in recent decades, including in high-saving regions like East Asia.

⁴⁹ Both the additive and the multiplicative specifications make sense: they simply differ in the way they weight older years vs recent years. Additive decompositions are somewhat simpler, but the disadvantage is that they tend to overweight recent years (given the general growth of national income). In contrast, the multiplicative decomposition attempts to give equal weight to all years, irrespective of the level of national income. See Piketty and Zucman (2014).

⁵⁰ Note that the relation between high saving rates in East Asia (and to a lesser extent South & South-East Asia) and fast economic growth can go both ways. High saving and capital accumulation can contribute to growth, but high growth itself can contribute to high saving, as households typically take time to adjust their consumption standards to their income. It is also clear that it involves a large component due to political choices.

4.2. Interpretation: Changes in Bargaining Power vs Measurement Issues

There are potentially several factors which can explain large global capital gains over the 1980-2025 period, including agglomeration effects and rising bargaining power of capital owners vis-a-vis other stakeholders. This can be due to a combination of forces, including changing policies and institutions. Unfortunately, the data sources at our disposal make it very difficult to identify each factor separately at the global level. In particular, we are able to decompose national saving into domestic investment and foreign investment (current account surplus), but we cannot decompose domestic investment into housing investment vs non-housing investment (business and other domestic capital assets) in a homogenous manner over the 1980-2025 period. Therefore, we are unable to attribute capital gains separately to the housing vs non-housing sector. Our results on rising corporate Q ratios suggest that capital gains cannot be entirely due to housing and agglomeration effects and are also very important in the corporate sector, in relation to rising bargaining power of capital owners, but we cannot put an exact number on each effect.

It should also be noted that we face considerable uncertainties about the measurement of saving flows. At the world level, the net-of-depreciation national saving rate has been equal to 10.8% on average between 1980 and 2025, including 10.7% for private saving and 0.1% for public saving, with large country variations (see Table 5).⁵¹ However, it is important to be aware of the fact that there is an enormous gap between gross-of-depreciation and net-of-depreciation saving rates. According to our estimates, gross national saving rates rose from 20.9% to 25.4% of gross domestic product at the world level between 1980 and 2025, again with large variations across regions. In particular, gross national savings have generally been around 35-40% of GDP in East Asia, vs less than 15-20% in North America/Oceania, Latin America & Sub-Saharan Africa (see Figure 20). On average, more than one half of these gross saving flows are simply used to compensate for capital depreciation rather than to add new capital. At the world level, capital depreciation (defined as consumption of fixed capital (CFC) in national accounts) rose from 13.0% to 14.9% of GDP between 1980 and 2025 (see Figure 21). Capital depreciation makes a larger fraction of GDP in richer countries, which can be explained by various factors, including a larger capital stock (relative to GDP) and differences in capital composition (e.g. more equipment with short life span like computers, and less structures with long life spans like land and buildings). After

⁵¹ Corporate savings were split between private and public saving on the basis of portfolio composition, and only the private fraction was added to private saving, the rest being included into public saving.

deducting capital depreciation, we find that net national saving rates rose from 9.0% to 12.3% of world net domestic product between 1980 and 2025 (see Figure 22).

Note that at the world level, the rate of capital depreciation (defined as consumption of fixed capital (CFC) divided by total domestic capital stock) has declined from 3.8% in 1980 to 2.8% in 2025, with large regional variations (see Figure 23). This decline can be accounted for by various factors, including rising asset values and changing capital structure (larger share of housing). We also find that the rate of capital depreciation for business and other domestic capital assets (defined as consumption of fixed capital (CFC) divided by corresponding capital stock) has always been substantially larger than the rate of depreciation for housing assets. The average values over the 1980-2025 period have been 4.6% for business and other domestic capital assets, 3.3% for total domestic capital and 1.3% for housing assets. This regularity holds in all world regions, with important variations (see Figure 24).

These patterns of capital depreciation look reasonable, but it is clear that national statistical institutes and central banks face large uncertainties about the measurement of CFC, which can have a strong impact on our wealth accumulation decomposition exercise. For instance, in case capital depreciation is substantially overestimated, then maybe net-of-depreciation national saving rates are sufficiently large to fully account for the rise of wealth-income ratios, without appealing to capital gains. However, this would not be consistent with our finding that the book value of corporations is higher than their market value, which if anything tends to suggest that capital depreciation might be underestimated by national accounts. At this stage, given the available evidence, the safest conclusion seems to be that capital gains account for a very large fraction of the global rise of wealth-income and capital-output ratios in recent decades, and that these capital gains are important both for housing assets (possibly in relation to agglomeration effects and policy changes like the end of rent controls) and for business and other domestic capital assets (in relation to rising bargaining power of capital owners vis-à-vis workers and other stakeholders).

5. Capital Shares and Rates of Return, 1980-2025

We now present our results on capital shares and rates of return. Our method is relatively standard. We estimate the capital share $\alpha_t = Y_{Kt}/Y_t$ in domestic product and from our global national accounts database, and we then divide α_t by domestic capital-output ratios $\beta_t = K_t/Y_t$ in order to compute average rates of return to domestic capital

$r_t = \alpha_t/\beta_t$. Similar computations have already been done for rich countries.⁵² However to our knowledge this is the first time that such estimates of global capital shares, capital-output ratios and rates of return are constructed at the world level. We start with net-of-depreciation capital shares and rates of return, then continue with gross-of-depreciation capital shares and rates of return, and conclude with comparisons between global rates of return and global growth rates.

According to our estimates, the share of net-of-depreciation domestic capital income (housing rent + capital share of self-employment income + corporate profits) in net domestic product has increased from 29% to 36% between 1980 and 2025 at the world level (see Figure 25). The fact that the capital share has been increasing in rich countries in recent decades is relatively well-known.⁵³ The striking result here is that the rise in the capital share also happened in other world regions, and also that the capital share is substantially larger in poor and emerging countries than in rich countries. In some cases, this could be due to a specific sectoral composition, e.g. the very large role of the capital-intensive energy sector in the Middle East/North Africa region. However, it is worth stressing that we also see very high capital shares in non-oil-intensive MENA countries like Egypt or Turkey, as well in South & South-East Asia (particularly India), Subsaharan Africa and Latin America. In principle, the higher capital shares in poor countries can be explained by several factors, including larger bargaining power of capital owners – foreign and domestic – vis-à-vis workers (e.g. due to lack of union power and social legislation).⁵⁴ We also stress that we paid a lot of attention to ensure the homogeneity and comparability of these estimates between poor and rich countries. In particular, these differences are driven for the most part by the corporate sector, and the assumptions that we make about the capital share in the self-employment sector do not play a role regarding this result.

When we divide the global capital share α_t by the global capital-output ratio β_t , we find that the average net rate of return to capital $r_t = \alpha_t/\beta_t$ has declined from 7.5% to 5.6% at the world level between 1980 and 2025 (see Figure 26). In other words, both the capital share and the capital stock have increased, but the capital share has increased less than the capital stock. We stress once again that capital depreciation (CFC, consumption of fixed capital) has a large impact on such computations. According to our estimates, the share of gross-of-depreciation domestic capital income in gross

⁵² See Piketty and Zucman (2014).

⁵³ See e.g. Karabarbounis (2024).

⁵⁴ This interpretation is also consistent with the fact that Western countries like Britain and France had substantially higher capital shares in the 19th century than in the 20th century. See Allen (2009), Piketty (2014) and Dietrich et al (2025).

domestic product has increased from 39% to 47% between 1980 and 2025 at the world level (see Figure 27), and the average gross rate of return to capital has declined from 11.6% to 8.7% between 1980 and 2025 at the world level (see Figure 28).

At the world level, the macroeconomic flow rate of return to capital (defined as the capital share divided by domestic capital stock, excluding capital gains and losses) has always been substantially larger than the real growth rate of per capita GDP (see Figure 29). The average values over the 1980-2025 period have been 10.1% for the gross-of-depreciation rate of return, 6.6% for the net-of-depreciation rate of return and 1.7% for the real per capita growth rate (and about 3.1% if we include population growth).⁵⁵ This conclusion is reinforced when we include capital gains and losses – as estimated in our wealth decomposition equation in the previous section – since capital gains and losses have on average been strongly positive, with large time variance. The gap between the macroeconomic total rate of return to capital (defined as the capital share divided by domestic capital stock, including capital gains and losses) and the growth rate fluctuates over time – a lot more than when we look only at the flow returns – but it has generally been very large (see Figure 30). When we include capital gains and losses, the average values over the 1980-2025 period have been 11.8% for the gross-of-depreciation total rate of return and 8.3% for the net-of-depreciation total rate of return (vs 1.7% for the real per capita growth rate).

The fact that the inequality $R > G$ holds at the global level is reassuring. As it is well-known, $R > G$ is a necessary condition for dynamic efficiency in standard macroeconomic models. It simply means that the economy is not over-accumulating capital at the macroeconomic level, and as such it does not imply anything about inequality and can theoretically be consistent with a representative-agent model with full equality.⁵⁶ Conversely, if $R < G$, this would mean that there is too much capital accumulation at the macroeconomic level: everybody could be better off collectively if we were to consume part of the capital stock.⁵⁷

⁵⁵ The world population growth rate has on average been slightly less than 1.4% per year between 1980 and 2025. It is now below 1% and is scheduled to decline toward 0-0.5% in the coming decades according to demographic projections. See Gomez-Carrera et al (2024).

⁵⁶ See e.g. Piketty (2015). In the steady-state of standard macroeconomic models, representative agents save a fraction G/R of their capital income (which is exactly what is needed to make capital grow at rate G and keep the capital-output ratio constant) and consume the remaining fraction $1-G/R$. Of course, if we introduce idiosyncratic shocks into the model, together with dispersion of saving rates and rates of return between the poor and the rich and regressive taxes (or insufficiently progressive taxes), then $R > G$ can contribute to greatly exacerbate inequality. See also Piketty (2014) and Piketty and Zucman (2015).

⁵⁷ Intuitively, this is because with $R < G$ economic agents need to save more than the full return of their capital income in order to keep the capital-output ratio constant. As is well-known, this cannot happen in the steady-state of dynastic forward-looking models but can occur with OLG-type models. See e.g. Blanchard and Fisher (1989, lectures 1-3).

We should stress that our conclusions about $R > G$ are fully consistent with the rest of the literature (see e.g. Jorda, Knoll, Kuvshinov, Schularick and Taylor (2019) and Barro (2023)). This is reassuring, given that we use different methods to estimate rates of return. Generally speaking, other authors use rates of return on specific assets like equity, bonds or housing, while we compute macroeconomic rates of return by dividing macroeconomic capital shares by macroeconomic estimates of the capital stock. One advantage of our approach is that we are, in principle, able to make consistent macroeconomic comparisons over time as well as across countries and asset classes, and to study these issues at the global level (and not only for rich countries). For instance, according to our series, the gap between R and G is much smaller than the world average in regions with the highest level of capital accumulation, and especially in East Asia, where some countries (including China) might be close to dynamic inefficiency and over-accumulation of capital.⁵⁸

We can also make comparisons by asset class. According to our estimates, the rate of return to business and other domestic capital assets (defined as the capital share divided by corresponding capital stock) has always been substantially larger than the rate of return to housing assets (see Figure 31). The average values over the 1980-2025 period have been 8.9% for the net-of-depreciation rate of return to business and other domestic capital assets, 6.6% for total domestic capital and 2.9% for housing assets. This can be explained by various factors, including differences in risk, bargaining power and/or management costs (unmeasured labour input). This regularity holds in all world regions, with important variations. The same conclusion holds for gross-of-depreciation rates of return (see Figure 32). The average values over the 1980-2025 period have been 13.9% for the gross-of-depreciation rate of return to business and other domestic capital assets, 10.1% for total domestic capital and 4.1% for housing assets. This is again consistent with the findings of other authors using different sources and methods (see Jorda, Knoll, Kuvshinov, Schularick and Taylor (2019)).

Another novelty of our approach is that we are able to make consistent comparisons between macroeconomic rates of return on domestic capital and foreign assets. According to our estimates, the average rate of return to foreign assets has declined between 1980 and 2025: it used to be close to the average rate of return to domestic capital assets, and it is now significantly smaller (see Figure 33). This can be explained

⁵⁸ On the possibility that some advanced East Asian economies (especially Japan and Korea) might be in a situation of dynamic inefficiency, see Geerolf (2018).

by various factors, including a transformation of the economic role of foreign assets. I.e. the magnitude of cross-border assets has increased enormously, but they now play increasingly a role of reserve assets (highly liquid and relatively safe, but relatively low return).⁵⁹ This comes with large regional variations: rich countries have higher returns on their foreign assets than on their liabilities and conversely for poor countries.⁶⁰

We should again stress that our approach also has some limitations. We have attempted to construct a consistent stock-flow national accounts database that is as homogenous as possible at the global level, but we certainly do not claim that this is the final word on the issue. We hope that this will contribute to stimulate further research in the area. We feel however that this is a fruitful way to go in order to make consistent comparisons at the global level and revisit core macroeconomic issues such as $R > G$ or the long-run evolution of β and α . One of the key limitations of our approach is that we cannot properly identify the role of bargaining power in the formation of R , β and α . Available evidence and observed variations over time and across countries suggest that bargaining power plays an important role, but the data sources that we used in this paper do not allow us to put precise numbers. This implies for instance that the discussion about $R > G$ is at best incomplete. In standard macroeconomic models, $R > G$ is a necessary and sufficient condition for dynamic efficiency only under the assumption of fully competitive markets (so that R corresponds to the true social marginal product of capital). However, in practice it could for instance be that we are in a situation of dynamic inefficiency but that capital owners are still able to push R above G because they have high bargaining power.

This also matters a lot for the interpretation of the overall evolution of capital shares and rates of return. In principle, the fact that global rates of return have declined over the 1980-2025 period could easily be interpreted using standard macroeconomic models with an aggregate production function $Y = F(K, L)$ and perfect competition. I.e. with rising capital-output ratios $\beta = K/Y$, it makes perfect sense that the marginal product of capital goes down. With a Cobb-Douglas production function and perfect competition, the macroeconomic rate of return – equal by assumption to the marginal product of capital – should have declined exactly in the same proportion as the rise in the capital-output ratio, so that the capital share remains constant. In practice, we observe that the capital share did rise, but that it rose less than the capital-output ratio, so that the rate of return declined less than predicted by the Cobb-Douglas model. If

⁵⁹ To some extent this is similar to the long-run transformation that we observe for public debt, which used to be a relatively high-yield asset (and still is in some contexts) and has largely become a low-yield safe asset over the past centuries. See e.g. Schmelzing (2020) and Fouquin (2023).

⁶⁰ See Nievas and Sodano (2024). We return on this issue in section 6 below.

we were to explain these facts under the assumption of perfect competition and using the language of macroeconomic production functions, the standard interpretation would be to assume a CES production function with an elasticity of substitution higher than one between capital and labour.⁶¹ However another interpretation is that capital owners were able to raise their bargaining power at the global level over the 1980-2025 period, so that the rate of return did not fall as much as it would have otherwise. There are other potential explanations for rising capital shares, including specific assumptions about the pattern of technological change and the fall of the relative price of capital goods.⁶² We very much hope that the global macroeconomic approach developed in this paper will contribute to stimulate further research and help us make progress on these important issues in the future.

6. Global Wealth Accumulation in the Long-Run, 1800-2025

We now turn to our long run results on global wealth accumulation over the 1800-2025 period. Given the limitations of our data sources, we cannot address as many issues as over the 1980-2025 period. We concentrate on two main issues: the changing structure of domestic capital and foreign wealth, and the transformation of the public-private split in ownership patterns.

6.1. The Changing Structure of Domestic Capital and Foreign Wealth

According to our estimates, domestic capital rose from about 400% of net domestic product at the world level in 1800 to about 500% in 1910, down to about 300% in 1950, back up to 600-650% in the 2020s (see Figure 34). As we already discussed, the large rise observed in recent decades can be accounted for by various factors, including rising asset prices (agglomeration effects, policy changes, rising bargaining power of capital owners, etc.) and very high saving rates (private + public) in East Asia. According to our series, this is an unprecedented rise, both in speed and magnitude, and this has pushed the global capital-output ratio $\beta=K/Y$ to the highest level ever observed over the past two centuries.

However, one should be relatively cautious about these conclusions. We have a lot more data over the 1980-2025 period than for previous periods, which also means that we are better able to spot variations, both over time and across countries. In other words, we should be careful not to repeat Kaldor-type “optical illusions” (Solow (1958)).

⁶¹ See e.g. Piketty (2014) and Piketty and Zucman (2014, 2015).

⁶² See Karabarbounis (2024).

If we had the same data quality for the 19th century and early 20th century as for the 1980-2025 period, then maybe we would be able to see similarly large variations. In practice, we have reasonably good estimates for the domestic capital stock going back to 1800 for the most developed countries (Europe, North America/Oceania). Many researchers have produced well-documented estimates and we can be reasonably confident about the orders of magnitude.⁶³ Thanks to recent research, we also have well-documented estimates for the domestic capital stock for some of the largest emerging economies in the world – in particular India and China – going back to the late 19th century and early 20th century (see especially Kumar (2019) and Mo et al (2024)). However, we still have many missing countries, and in order to fill these we used relatively rough estimates of domestic capital stock made by various authors on the basis of available statistical material (see in particular Goldsmith (1985, 1991) and Twomey (2000)). We believe that the orders of magnitude reported on Figure 34 are correct as a first approximation, but we certainly do not claim that these estimates are fully satisfactory. They should be used to assess orders of magnitudes and long-run evolutions, but not to draw conclusions about short-term variations and fine comparisons between countries.

We also stress that more research would be needed in order to decompose the long-run evolution of the structure of domestic capital by asset type. In the case of Britain and France, we have comparable series starting around 1700, and we observe in both cases a long-run rise in the share of housing (except during the 1914-1970 period, when rent control and other policies led to a stabilization or a small fall in the share of housing), an enormous long-run decline in the share of agricultural land, livestock and other agricultural assets (which used to make up the vast majority of domestic capital and has fallen to a few percentage points) and a sustained rise in the share of business and other domestic capital assets. Available evidence suggests similar long-run patterns for other parts of the world – including India and China – but we are unable to provide comparable series at this stage.

The one area where a lot more historical data is available has to do with foreign wealth holdings. The reason is that there is plenty of well-recorded data sources on trade balance, foreign income flows and foreign investment. There is also a well-established tradition of economic research on foreign wealth holdings going back to the 19th century, especially regarding the colonial holdings of European powers (particularly Britain, France and the Netherlands) and their counterparts in other parts of the world,

⁶³ See Piketty and Zucman (2014) for a detailed analysis of these estimates. It should be noted however that these estimates typically cover a few isolated years, so by construction they do not allow us to spot short-term or even in some cases medium-term fluctuations.

including India, Indonesia, Russia and Latin America. Nievas and Piketty (2025) have recently revisited this body of historical evidence and attempted to produce homogenous global estimates of foreign wealth patterns over the 1800-2025 period. Here we borrow their series to analyze the evolution of foreign wealth patterns in relation to those of domestic capital.

We come with a number of conclusions. First, according to our estimates, historical variations in national wealth have been even larger than variations in domestic capital, due to the amplifying impact of foreign wealth (see Figure 35). Typically, Europe owns substantial foreign wealth in 1800-1914, and so does East Asia in 1980-2025 (though in a less massive manner), so that regions with large domestic capital-output ratios tend to have even larger national wealth-output ratios (or national wealth-national income ratios). Next, regarding foreign assets, we observe that Europe owns a rising fraction of the rest of the world between 1800 and 1914. These foreign assets vanish between 1914 and 1950. They are partly replaced by foreign assets owned by the US between 1920 and 1970 and by oil countries (both in Middle East/North Africa and to a lesser extent Russia/Central Asia) and especially by East Asia since the 1970s-1980s (see Figure 36).

At first sight, one might conclude that the magnitude of net foreign assets is comparable today to what it was in 1914, whether we divide them by net domestic product (see Figure 36) or by domestic capital (see Figure 37). However, there are a couple of striking differences. First, we see today a very different geography of the regions which own other regions than the one we observe in the past. Western countries do not own the rest of the world anymore, and the US now have enormous foreign liabilities. Next, if we divide net foreign assets by world domestic product (or world domestic capital), then we find that net foreign assets were substantially larger in 1914 than what they are today, simply because Europe made a significantly larger fraction of the world GDP in 1914 than East Asia or Middle East/North Africa today.⁶⁴

Another striking difference is that, unlike net foreign asset positions (which are not larger today than what they were in 1914), gross foreign asset positions have grown to unprecedented levels in recent decades. This reflects the global financialization of wealth, including the rise of cross-company shareholding and cross-country ownership (see Figure 38). As was already noted, this can have major impacts on the popular

⁶⁴ This is even more striking when we take into account that net foreign assets were concentrated in a handful of European countries (mostly Britain, France, Germany and the Netherlands) and that large parts of South Europe, Eastern Europe and Nordic Europe were actually being owned by the chief European powers, just like other parts of the world. See Nievas and Piketty (2025) for a detailed analysis.

perceptions about the loss of sovereignty and the difficulties to impose regulations and common tax rules to capital owners.

Finally, another major difference is that the flows of foreign income and the stocks of foreign wealth do not always follow each other anymore, or at least not in a systematic manner. In the past, the situation was relatively simple. In particular, between 1800 and 1914, Europe owns a rising fraction of the rest of the world and receives an increasing flow of capital income from the rest of the world. However, in the 2010s-2020s, Europe and North America are still receiving positive foreign income, in spite of the fact that their foreign wealth is small or negative (see Figure 39). This reflects the fact that they receive higher rates or returns on their assets (and pay small returns on their liabilities) than the rest of the world (so-called "exorbitant privilege"). Available evidence suggests that this is strongly related to the unprecedented rise of gross foreign assets and liabilities, which in effect has given a larger role to the international financial system and to the world's most powerful countries and financial institutions.⁶⁵

6.2. The Changing Patterns of Public-Private Ownership

Another area in which we have a lot of historical data is the public-private wealth split. The reason is that public debt and public assets have been relatively well recorded in historical sources. We come with a number of interesting results.

First, if we focus on net private wealth (rather than net national wealth), then the levels of wealth-income ratios observed today in East Asia are actually very close to those observed today in North America/Oceania and in Europe, and to those observed in Europe before 1914 (see Figure 40). I.e. the huge differences observed in levels of national wealth (see Figure 35) are entirely due to differences in levels of public wealth.

Next, if we now look at net public wealth (public assets minus public debt), we observe very large positive levels today in East Asia (driven by China), while public wealth is generally small or negative in Europe and North America/Oceania, both today and at the global level in the 19th century (see Figure 41).

Generally speaking, we observe enormous variations in the share of public wealth in national wealth over the 1800-2025 period, from large negative public shares to large positive shares (see Figure 42). The public share varies from very low or negative

⁶⁵ See Nievas and Sodano (2024). Available evidence suggests that Western countries were also benefiting from "excess yields" in the 19th century and early 20th century, but that this did not play such a large role as it does today. See Nievas and Piketty (2025).

levels in the 19th century to very high levels in communist countries in the 20th century and finally to intermediate levels in the 2020s, with large variations across regions.

These conclusions are reinforced when we look more specifically at the country patterns (see Figures 43-45). In particular, it is striking to see that the dominant economic power of the 19th century (Britain) had large negative public wealth, due to enormous public debt (up to 250-300% of domestic product in the 1820s-1830s).⁶⁶ The dominant economic power of the 20th century (the US) is to some extent in the same position in the late 20th century and early 21st century, though in a less extreme manner than Britain in the 19th century (but with negative foreign wealth rather than positive). In contrast, the country that could become the world's dominant economic power of the 21st century (China) has substantial positive public wealth.

A complete analysis of the determinants of these changing patterns is well beyond the scope of this paper. At this stage, it seems safe to say that changing ideology, institutions and policy choices have played a central role to explain these transformations. Note, however, that political choices about public vs private wealth are always motivated by economic objectives and perceptions (at least in part) and involve strong interactions with economic and financial forces and with power relations at the global level. For instance, the choice made by Britain to issue enormous public debt in the early 19th century (rather than for instance to ask its propertied classes to pay more taxes) is clearly a political choice which has a lot to do with the specific political institutions of the time (in particular the fact that voting rights are concentrated among the propertied classes). This choice had arguably a negative long-run impact on the country's public finances and its ability to invest in education and other assets to prepare itself for the 20th century. But the huge levels of public debt also contributed to foster financial innovation and development, which came with some long-run benefits for the country. The same logic applies to rich countries today. The fact that they have more public debt and lower public wealth than other regions can be viewed as a sign of oligarchic capture and might not be the ideal situation to prepare for sustainable and inclusive development in the century under way. On the other hand, these choices also reflect the financial dominance of Western countries and the fact that they are able to borrow at relatively low rates (at least for now, and to some extent at the expense of other countries). Looking at these politico-economic issues in a broad, comparative historical perspective is a promising avenue for future research.

⁶⁶ See Appendix Figures D4g-D4j for separate series on public assets and public debt.

7. Concluding Comments and Research Perspectives

In this paper, we have attempted to construct a consistent stock-flow national accounts database that is as homogenous as possible at the global level. We come with a number of striking and interesting stylized facts which allow to revisit several core issues in macroeconomics. Generally speaking, we find very large variations in wealth-income and capital-output ratios, public-private ownership patterns and capital shares over time and across countries. Many of these historical and regional variations appear to be largely due to changing ideology, balance of power and institutions, rather than to purely economic or technological factors. We should stress again, however, that we are not able to offer complete explanations for all these facts.

This paper has a number of other limitations, especially if we try to draw lessons for the future. First, it is very difficult to analyze the issue of capital accumulation in the 21st century without putting central emphasis on the issue of human capital. During most of the 19th and 20th centuries, human capital expenditure – defined as total public and private expenditure in education and health, which for the most part is recorded as consumption expenditure rather than investment expenditure in national accounts – was a relatively small fraction of GDP (typically a few percentage points) as compared to saving and investment flows recorded in national accounts (typically between ten and twenty percentage points). However, in the late 20th century and early 21st century, human capital expenditure has become larger than non-human domestic investment (see Bharti et al (2025)). It is therefore obvious that any attempt to study prospects for capital accumulation, economic growth and sustainable development in the 21st century should look both at human capital expenditure and at non-human capital investment.

Next, it is obvious that any credible attempt to study capital accumulation and sustainable development in the 21st century should put central emphasis on the issue of natural capital degradation, climate change and the transformation of the energy mix and the capital structure of the energy sector. Some recent studies have started to investigate the interaction between the climate transition and the future transformations of the public-private wealth split and the wealth distribution (see e.g. Chancel and Rehm (2023), Chancel et al (2025) and Chancel (2025)). Given the very large variations in global wealth patterns that we have documented for the past, it seems indeed likely that new transformations of large magnitude in property structures will again take place in the future, and that they will be shaped by complex politico-

economic forces and changing power relations. We hope the present research will contribute to further work in this important area.

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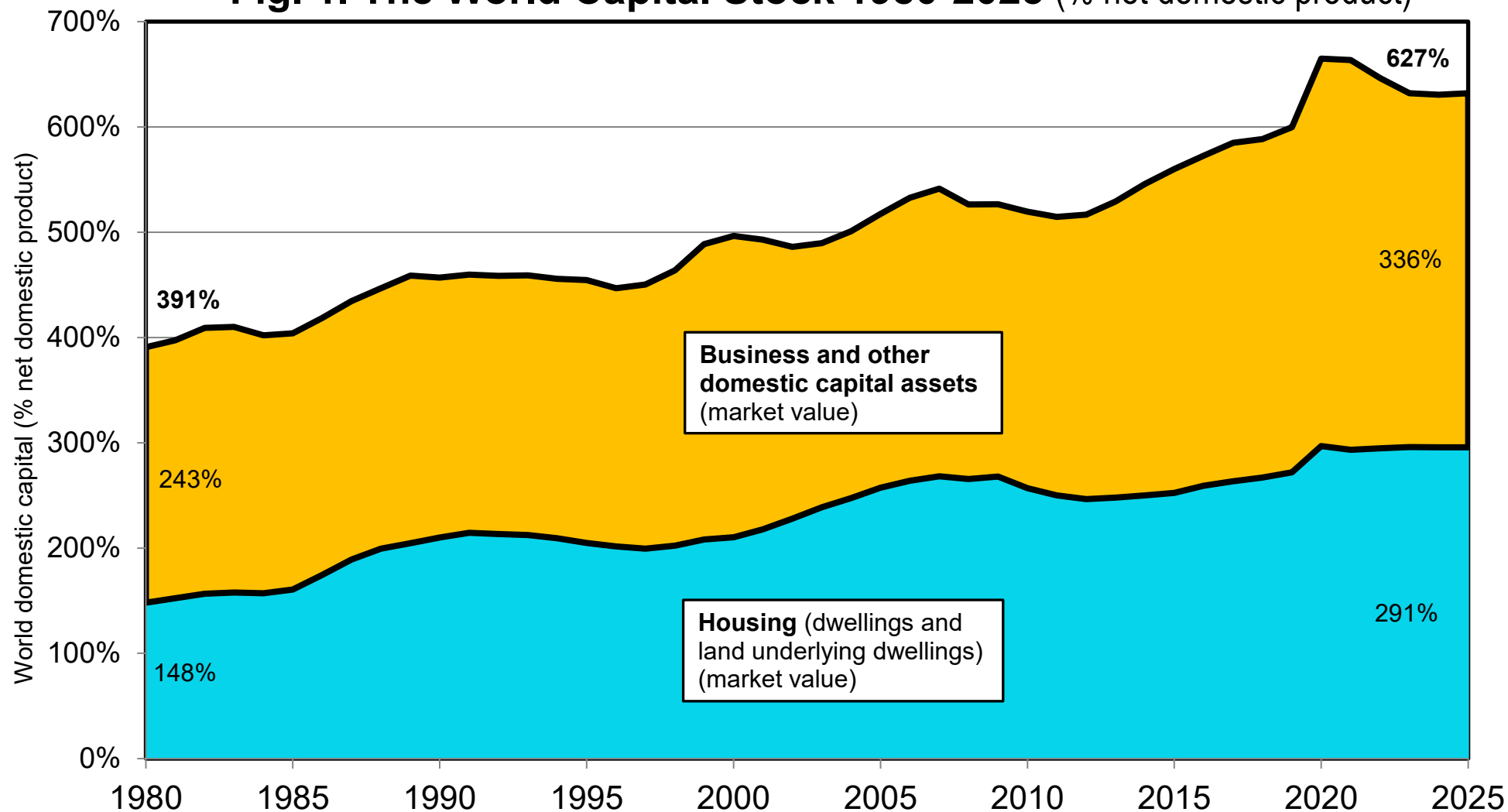
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Table 1. A New Global Wealth Database: Available Series

| | |
|--|--|
| <p>1800-2025 (57 core territories: 48 main countries + 9 residual regions)</p> | <p>National wealth = Domestic capital + Net foreign wealth (nweal = nwnfa + nwnxa)</p> <p>National wealth = Private wealth + Public wealth (nweal = pweal + gweal)</p> <p>Public wealth = Public assets - Public debt (gweal = gwass - gwdeb)</p> <p>Net foreign wealth = Gross foreign financial assets - Gross foreign financial liabilities (nwnxa = nwgxa - nwgxd)</p> |
| <p>1980-2025 (216 core countries)</p> | <p>Same as above, + the following decompositions</p> <p>Domestic capital = Housing assets + Business & other domestic capital assets (nwnfa = nwhou + nwnbus)</p> <p>Private wealth = Private non-financial assets + Private financial assets – Private liabilities (pweal = pwnfa + pwfin - pwdeb)</p> <p>Private non-financial assets = Private housing + Private business & other domestic capital assets (pwnfa = pwhou + pwnbus)</p> <p>Private wealth = Personal household wealth + Non-profit wealth (pweal = hweal + iweal)</p> <p>Public wealth = Public non-financial assets + Public financial assets - Public debt (gweal = gwnfa + gwfin - gwdeb)</p> <p>Public non-financial assets = Public housing + Public business & other domestic capital assets (gwnfa = gwhou + gwnbus)</p> <p>Book-value corporate wealth = Corporate non-financial assets + Corporate financial assets – Corporate non-equity liabilities (cwboo = cwnfa + cwfin - cwdeb)</p> <p>Corporate non-financial assets = Corporate housing + Corporate business & other domestic capital assets (cwnfa = cwhou + cwnbus)</p> <p>Residual corporate wealth = Book-value corporate wealth - Corporate equity liabilities (cwres = cwboo - cwdeq)</p> <p>Tobin's Q = Corporate equity liabilities / Book-value corporate wealth (icwtoq = cwdeq / cwboo)</p> <p>Book-value national wealth = Market-value national wealth + Residual corporate wealth (nwnboo = nweal + cwres)</p> <p>National housing assets = Private housing assets + Public housing assets + Corporate housing assets (nwhou = pwhou + gwhou + cwhou)</p> <p>National business & other domestic capital assets = Private business & other domestic capital assets + Public business & other domestic capital assets + Corporate business & other domestic capital assets - Corporate residual wealth (nwnbus = pwnbus + gwnbus + cwnbus - cwres)</p> |
| <p>Our database on global wealth includes more detailed decompositions for recent decades (1980-2025) than for the full historical period (1800-2025). We also provide complete series on saving rates, capital shares and rates of return over the 1980-2025 period. For variable codes, see wid.world/code-dictionary</p> | |

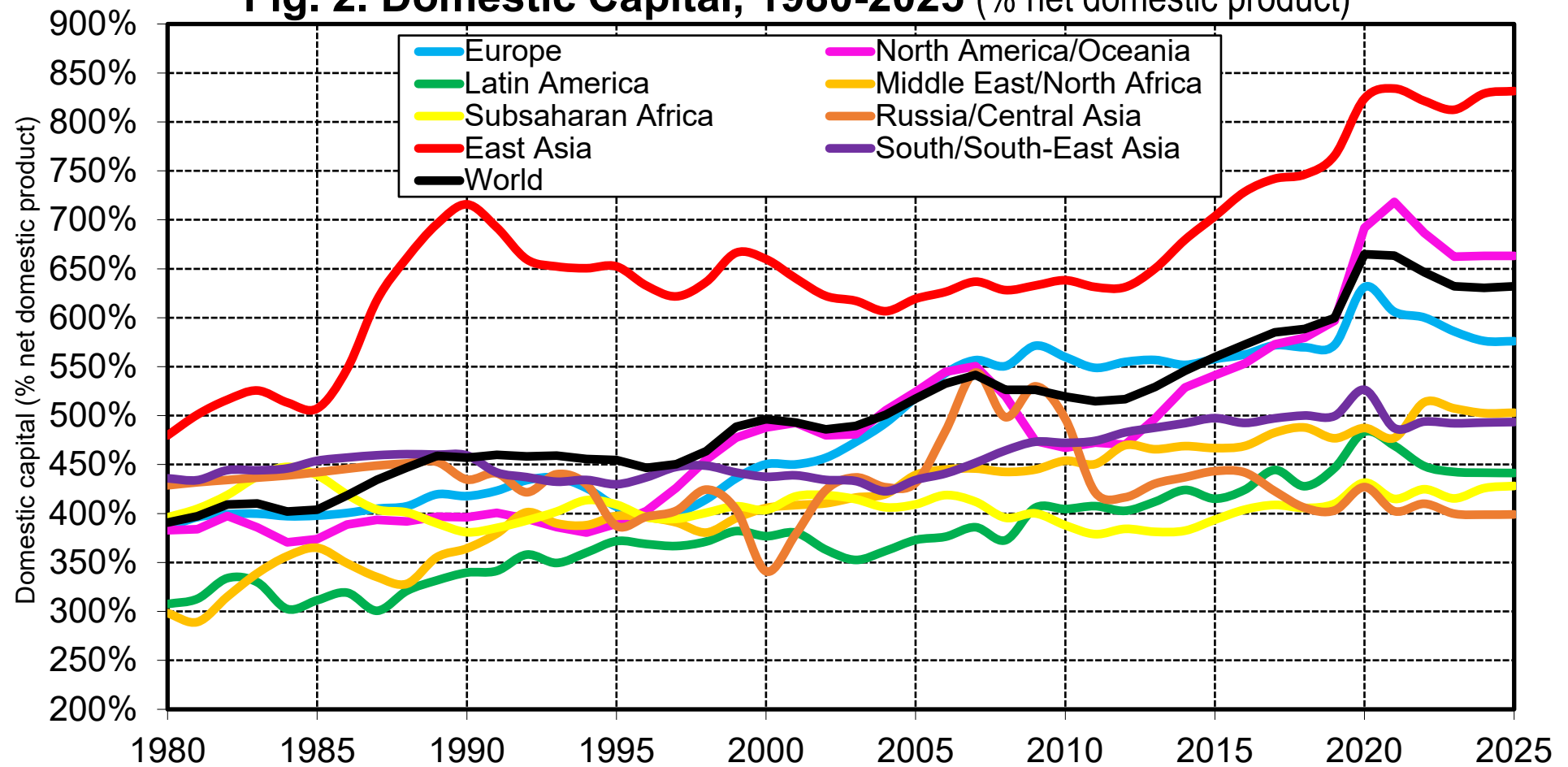
| Table 2. A New Global Wealth Database 1800-2025: Geographical Coverage (57 core territories = 48 main countries + 9 residual regions) | |
|--|---|
| East Asia (5) | China, Japan, South Korea, Taiwan Other EASA |
| Europe (11) | Britain, Denmark, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Other W.EUR, Other E.EUR |
| Latin America (6) | Argentina, Brasil, Chile, Colombia Mexico, Other LATAM |
| Middle East/ North Africa (8) | Algeria, Egypt, Iran, Morocco, Saudi Arabia, Turkey, UAE, Other MENA |
| North America/ Oceania (5) | USA, Canada, Australia, New Zealand Other NAOC |
| Russia/ Central Asia (2) | Russia Other RUCA |
| South/South-East Asia (9) | Bangladesh, India, Indonesia, Myanmar, Pakistan, Philippines, Thailand, Vietnam, Other SSEA |
| Sub-Saharan Africa (11) | DR Congo, Ethiopia, Kenya, Ivory Coast, Mali, Niger, Nigeria, Rwanda, Sudan, South Africa, Other SSAF |
| Our historical database on global wealth covers 57 core territories (48 main countries + 9 residual regions) over the 1800-2025 period, including series for national wealth, domestic capital and foreign wealth, private and public wealth. For recent decades (1980-2025), we cover the full set of 216 core countries included in WID and we provide decompositions of wealth accumulation into volume effects (savings) and price effects (capital gains), as well as series on capital shares and rates of return. Complete series are available on wid.world. | |

Fig. 1. The World Capital Stock 1980-2025 (% net domestic product)



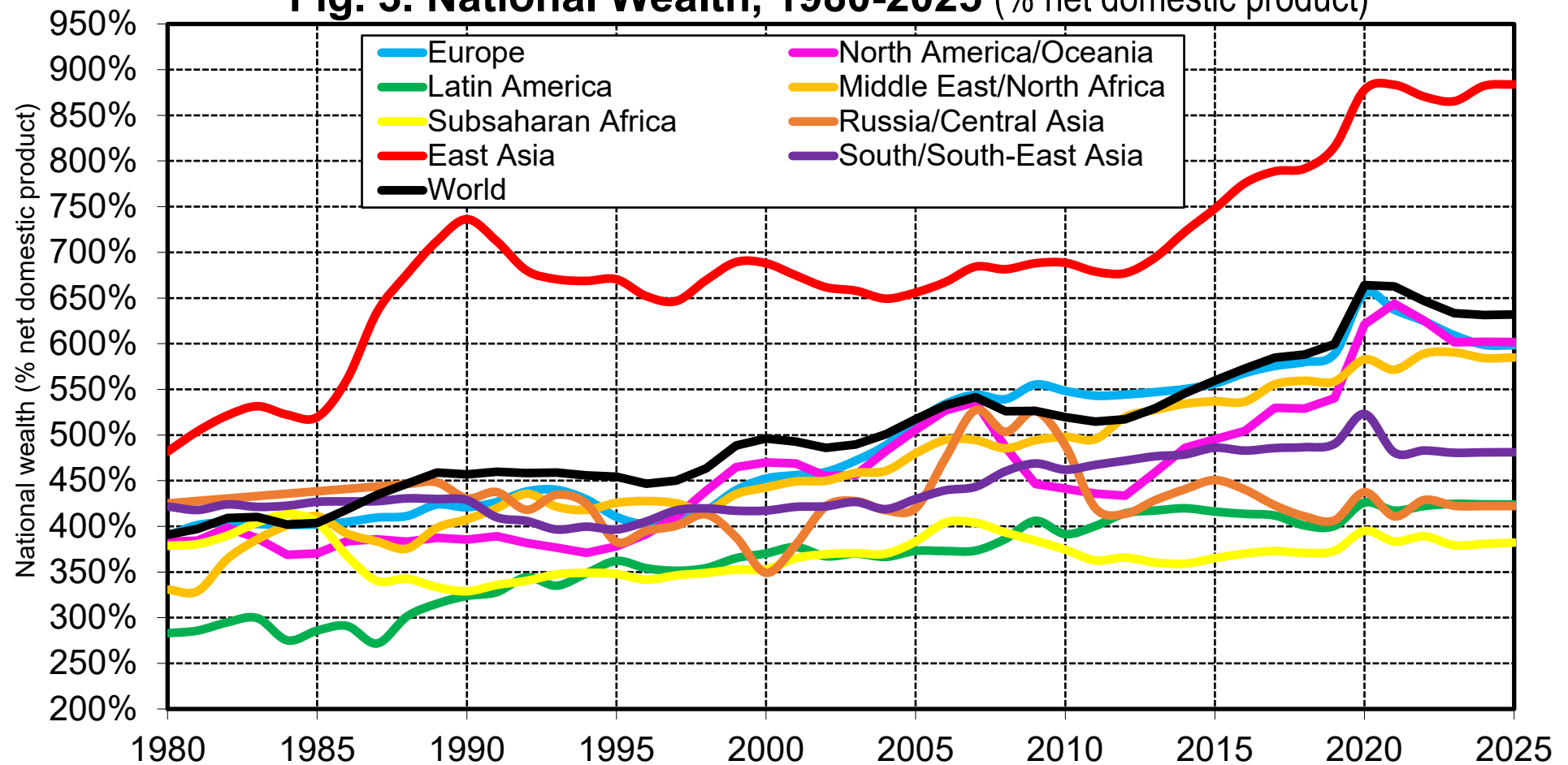
Interpretation. At the world level, the total domestic capital stock increased from 391% to 627% of net domestic product between 1980 and 2025. The rise is due both the rise of housing assets and business and other domestic capital assets, with an increasing share of housing assets.
Note. All assets are valued at market prices in our benchmark estimates, e.g. stock prices for listed companies, etc. **Sources and series:** wid.world

Fig. 2. Domestic Capital, 1980-2025 (% net domestic product)



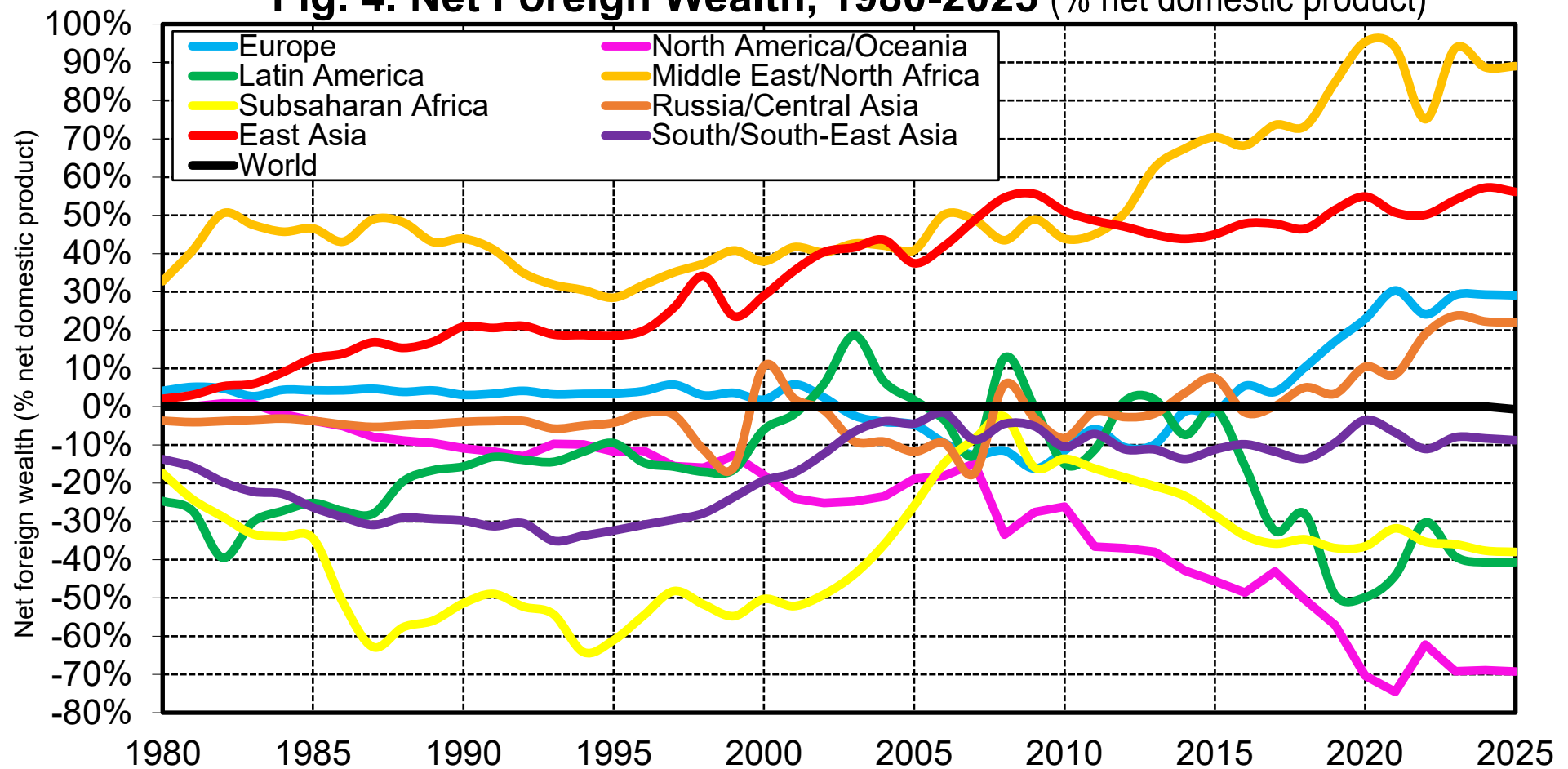
Interpretation. At the world level, the total domestic capital stock rose from 391% to 627% of net domestic product between 1980 and 2025. The rise occurred in most regions, but with large variations in magnitude. The very high levels of domestic capital observed in East Asia can be accounted for by a combination of factors: high saving rates (private and public) (volume effect) and large capital gains (valuation effect), large public wealth. **Sources and series:** wid.world

Fig. 3. National Wealth, 1980-2025 (% net domestic product)



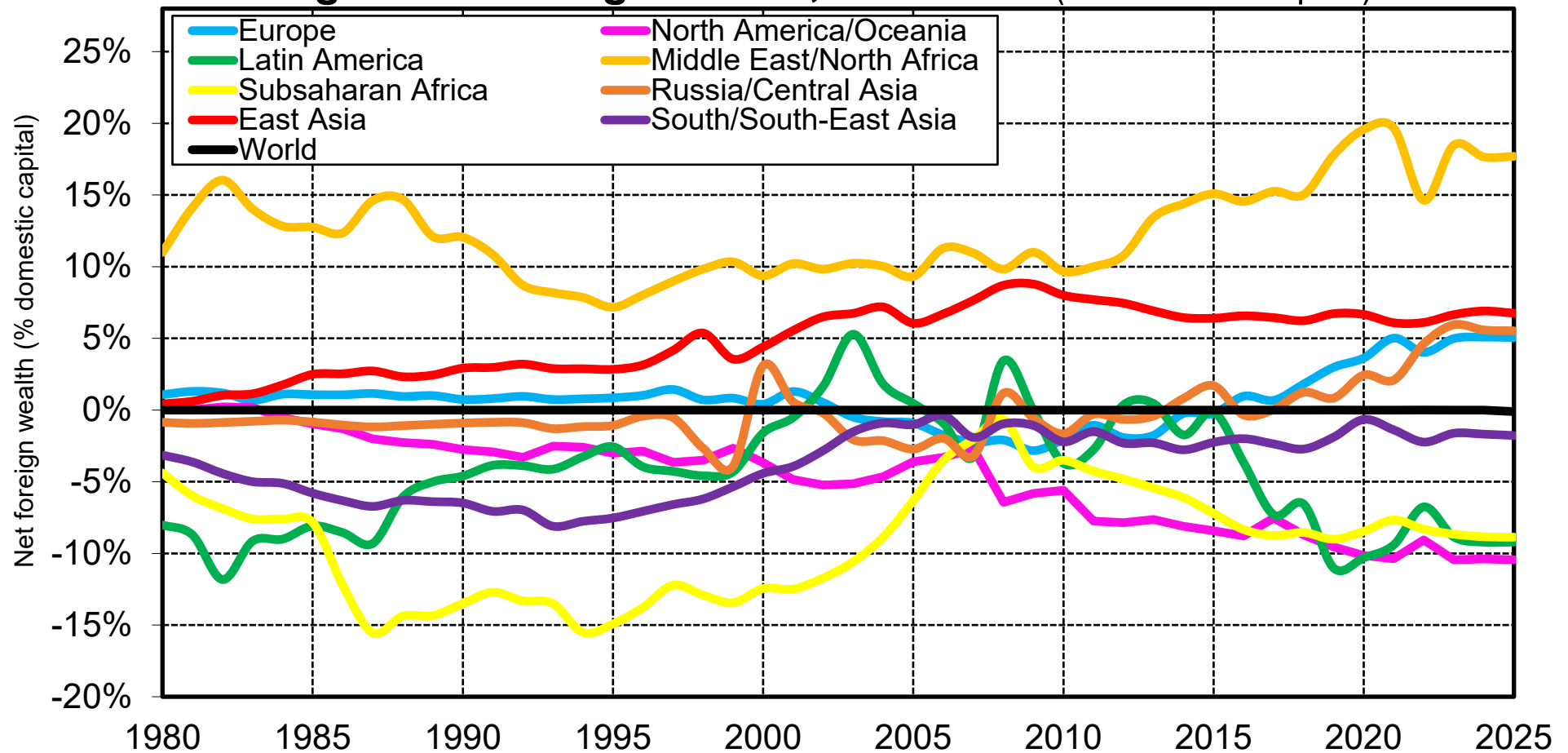
Interpretation. National wealth is equal to the sum of domestic capital and net foreign wealth. At the world level it is equal to total domestic capital as foreign wealth sums to zero. At the regional level, national wealth can be either larger than domestic capital (e.g. for regions with positive foreign wealth like East Asia, which in effect own part of the domestic capital of other regions) or smaller than domestic capital (e.g. for regions with negative foreign wealth like Subsaharan Africa). **Sources and series:** wid.world

Fig. 4. Net Foreign Wealth, 1980-2025 (% net domestic product)



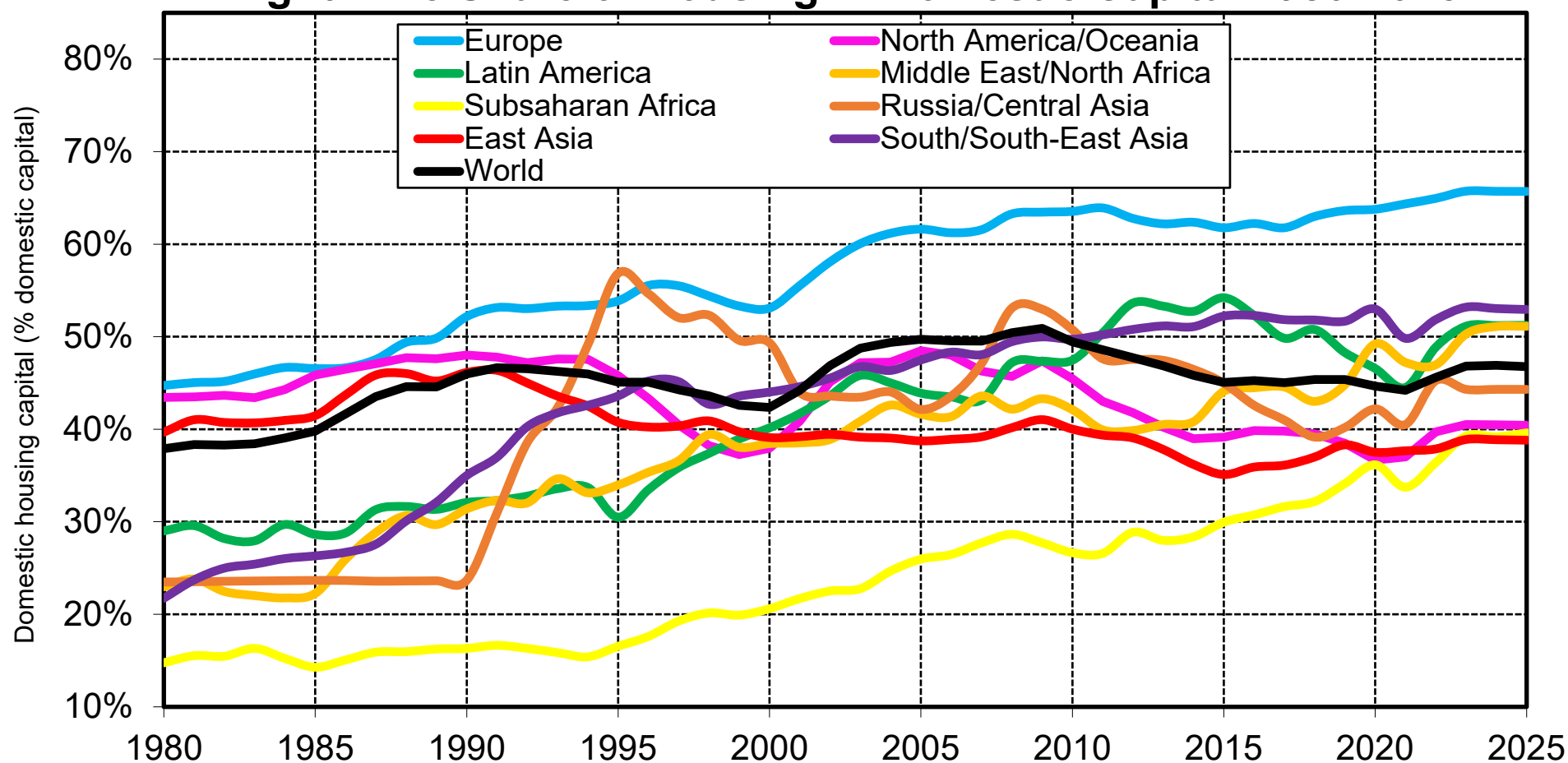
Interpretation. The two regions with the largest net foreign assets in the 2020s are MENA (with net foreign wealth around 75% of the region's net domestic product) and East Asia (50%). The regions with the largest net foreign liabilities used to be Latin America, Subsaharan Africa and South & South-East Asia in the 1980s-1990s. They have been overtaken by North America/Oceania in the 2010s-2020s (with negative foreign wealth equivalent to about 70% of the region's net domestic product). **Sources and series:** wid.world

Fig. 5. Net Foreign Wealth, 1980-2025 (% domestic capital)



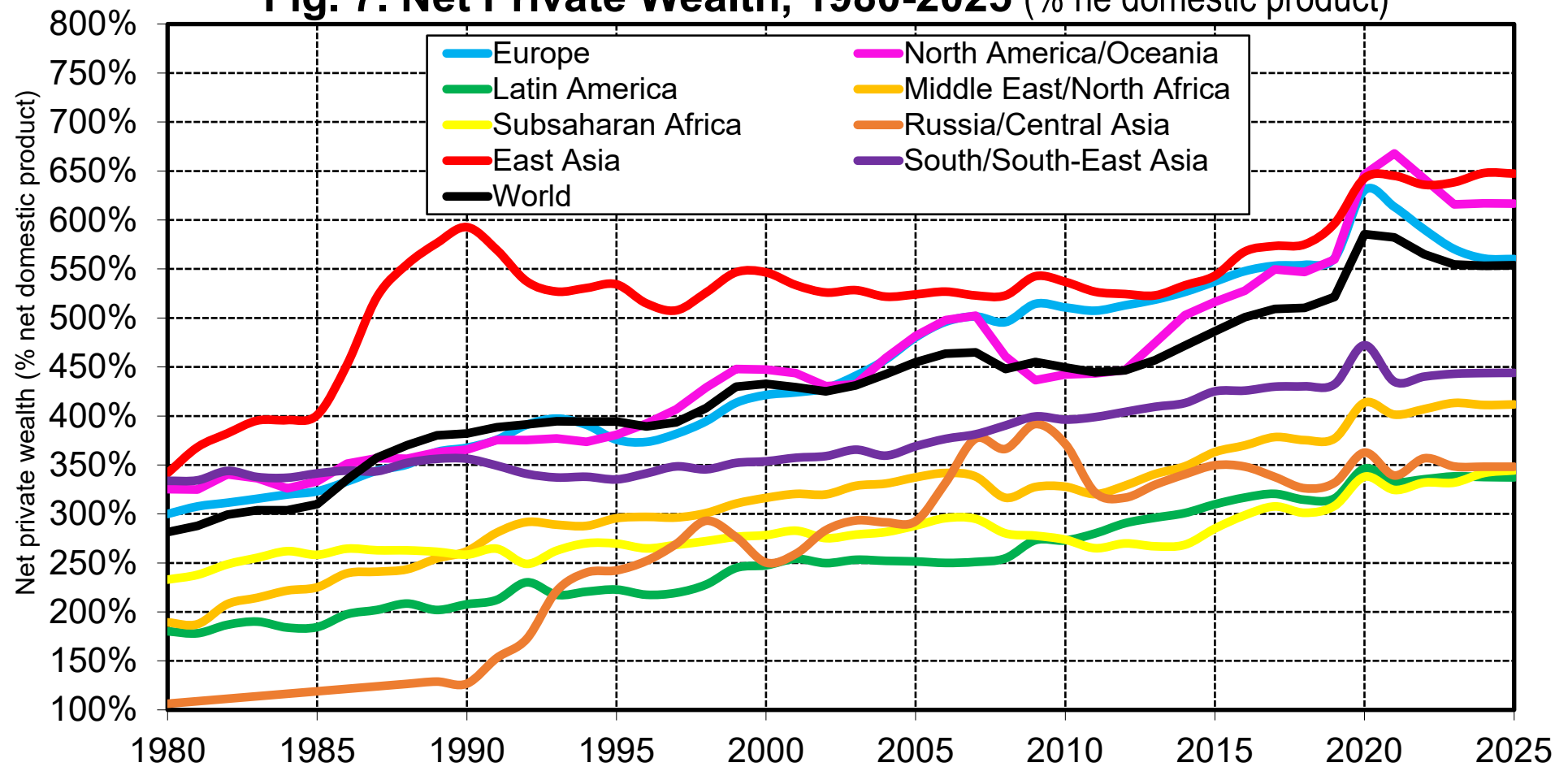
Interpretation. The two regions with the positive net foreign assets in the 2020s are MENA (with net foreign wealth around 15% of the region's domestic capital) and East Asia (7%). The regions with the largest net foreign liabilities used to be Latin America, Subsaharan Africa and South & South-East Asia in the 1980s-1990s. They have been overtaken by North America/Oceania in the 2010s-2020 (with negative foreign wealth equivalent to about 10% of the region's domestic capital). **Sources and series:** wid.world

Fig. 6. The Share of Housing in Domestic Capital 1980-2025



Interpretation. At the world level, the share of housing in total domestic capital increased from 38% in 1980 to 46% in 2025. Variations across regions can reflect not only differences in the magnitude of housing investment flows relative to other investment flows (volume effects) but also other factors including land scarcity, agglomeration effects and regulation (rent control, public housing, etc.) (price effects). The large rise in Russia/Central Asia 1990-1995 reflects both the rise of housing prices and the drop in business valuation. **Sources and series:** wid.world

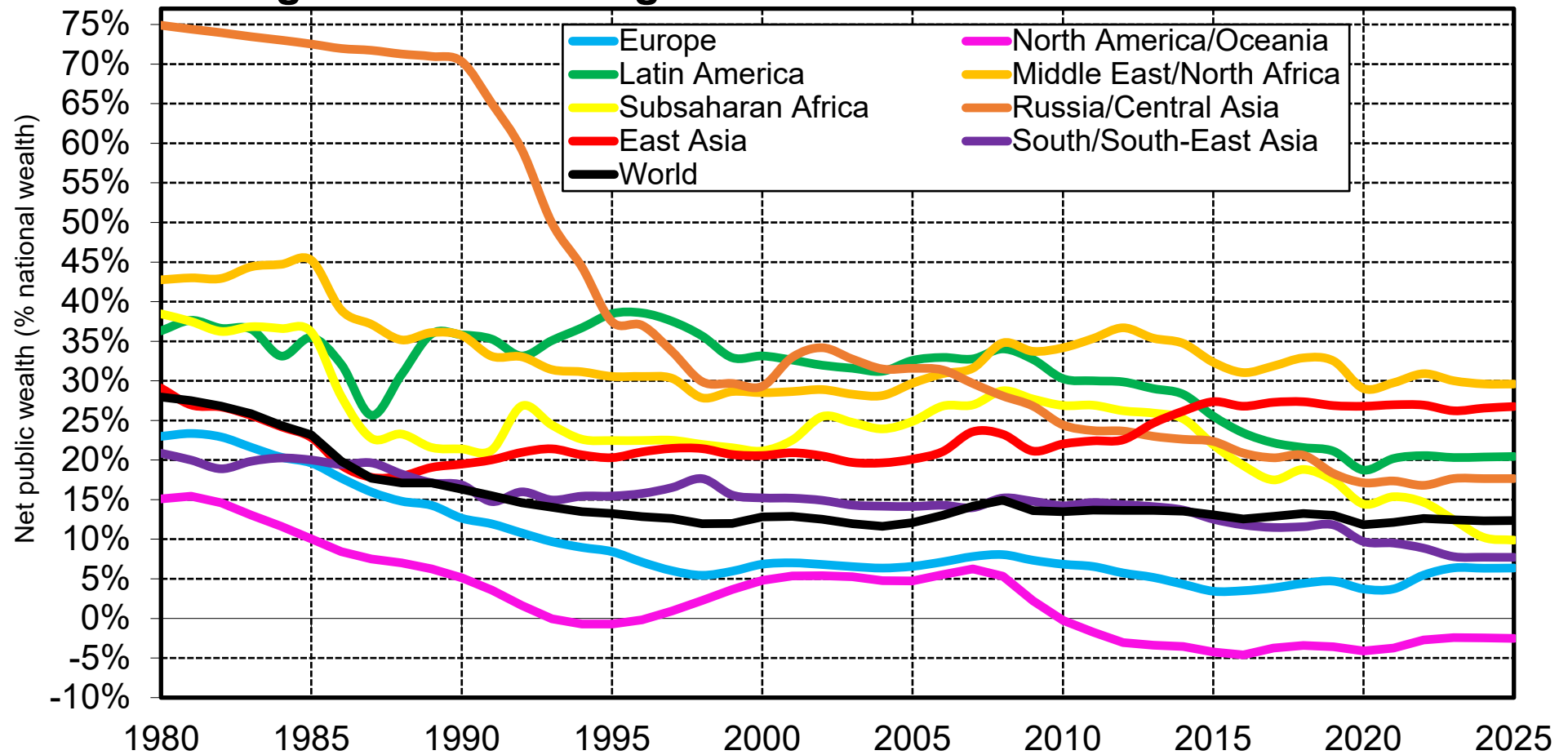
Fig. 7. Net Private Wealth, 1980-2025 (% ne domestic product)



Interpretation. Net private wealth (i.e. net wealth owned by households and non-profit institutions) increased from 281% to 546% of net domestic product at the world level between 1980 and 2025. This reflects for the most part the rise of personal household wealth (which always represents about 95% of private wealth) and this accounts for all of the rise in national wealth (expressed as % of net domestic product).

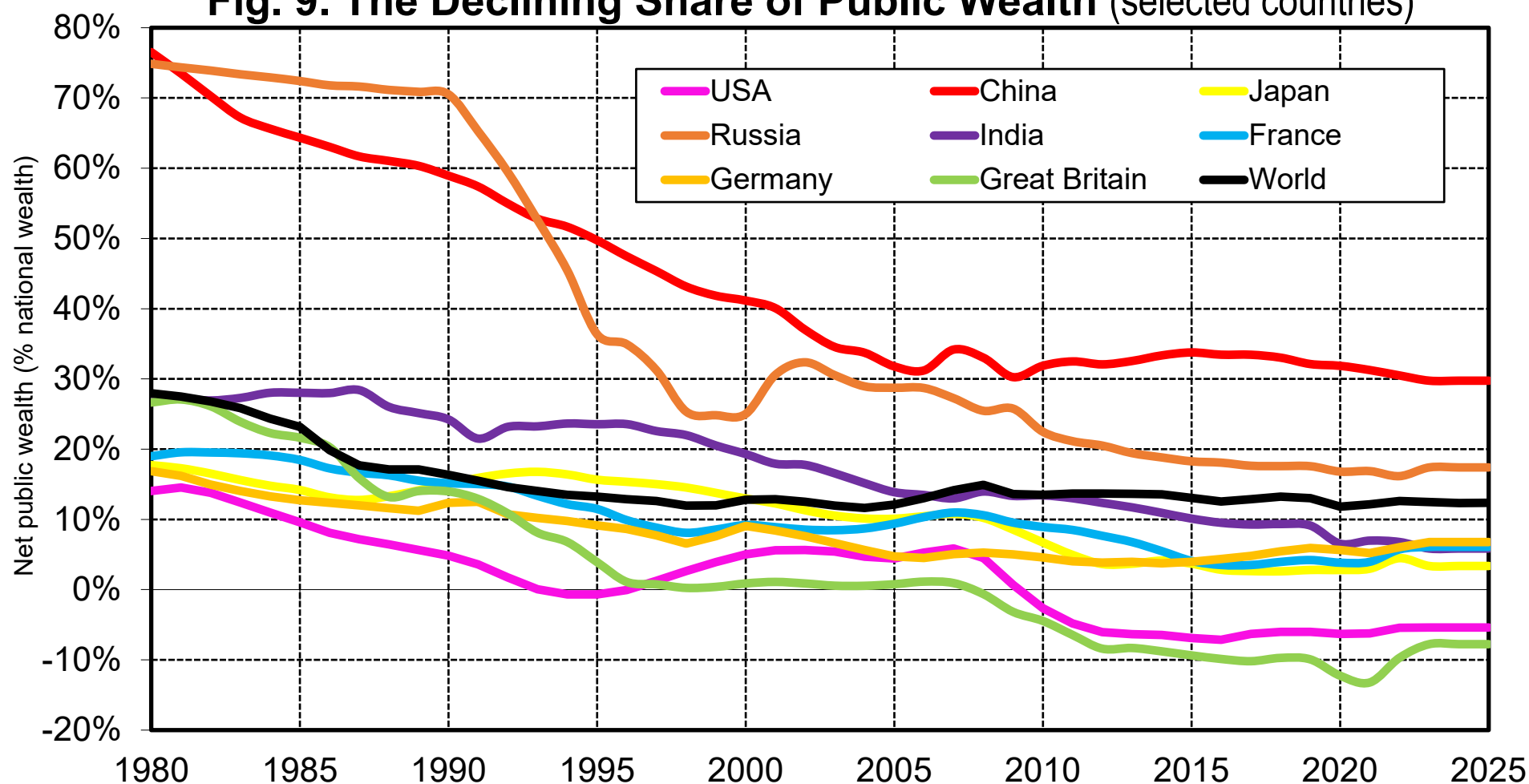
Sources and series: wid.world

Fig. 8. The Declining Share of Public Wealth 1980-2025



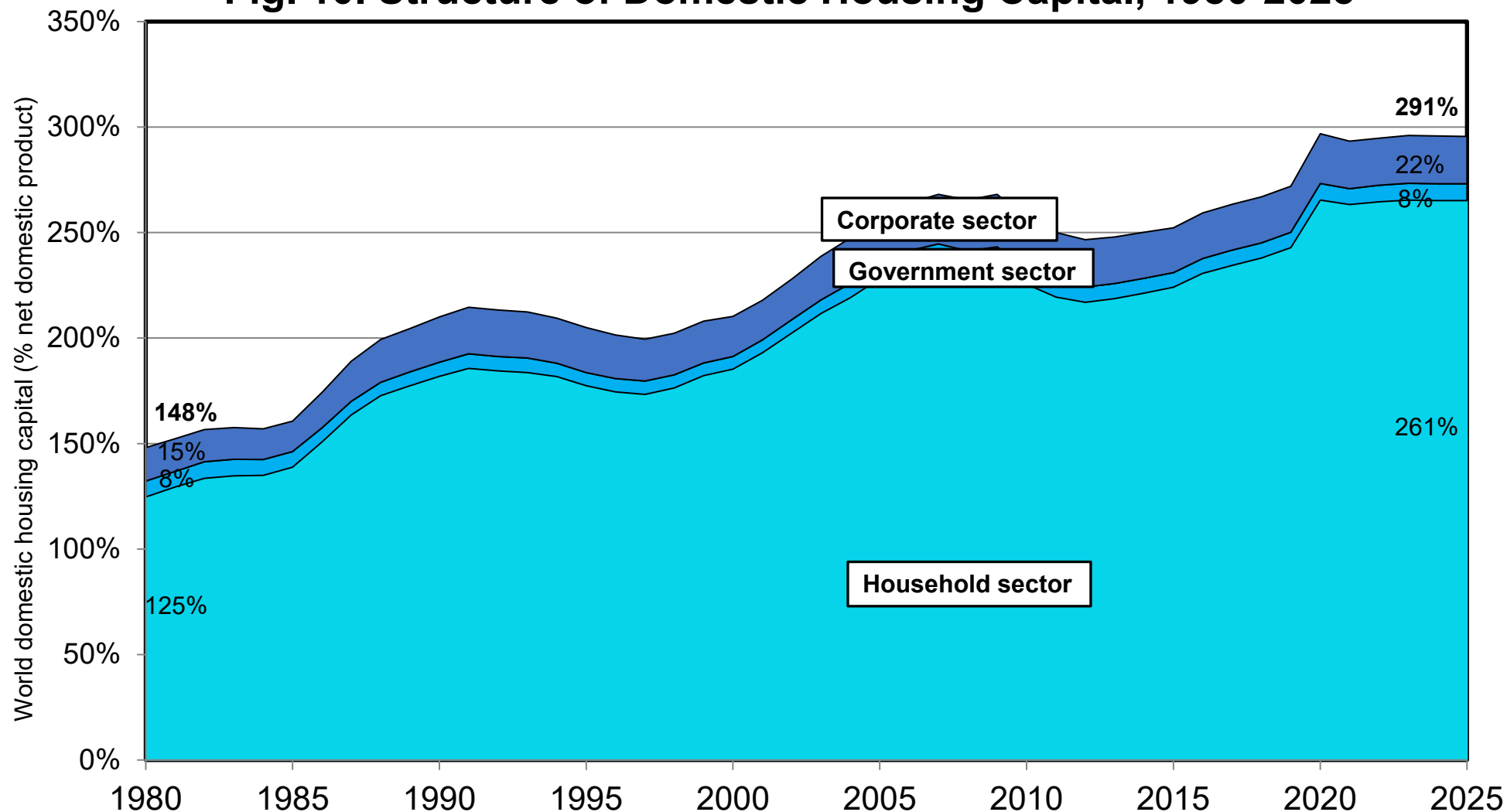
Interpretation. At the world level, the share of public wealth in national wealth has fallen from 28% in 1980 to 13% in 2025. This reflects both the decline of public assets (largely due to privatization) and the rise of public debt. The fall has been particularly spectacular in Russia/Central Asia after USSR collapse in 1990-1991. In North America/Oceania, the public share is now negative, as public debt exceeds public assets. In East Asia, it has stabilized around 25-30%, reflecting the stabilisation of the public share around 30% in China. **Sources and series:** wid.world

Fig. 9. The Declining Share of Public Wealth (selected countries)



Interpretation. At the country level, the decline of the share of public wealth has been of comparable magnitude in China and Russia, except that it stabilized at a higher level in China. **Note.** Net public wealth is defined as net wealth of central and local government and all public entities belonging to the government sector according to national accounts definitions of institutional sectors (SNA 2008). **Sources and series:** wid.world

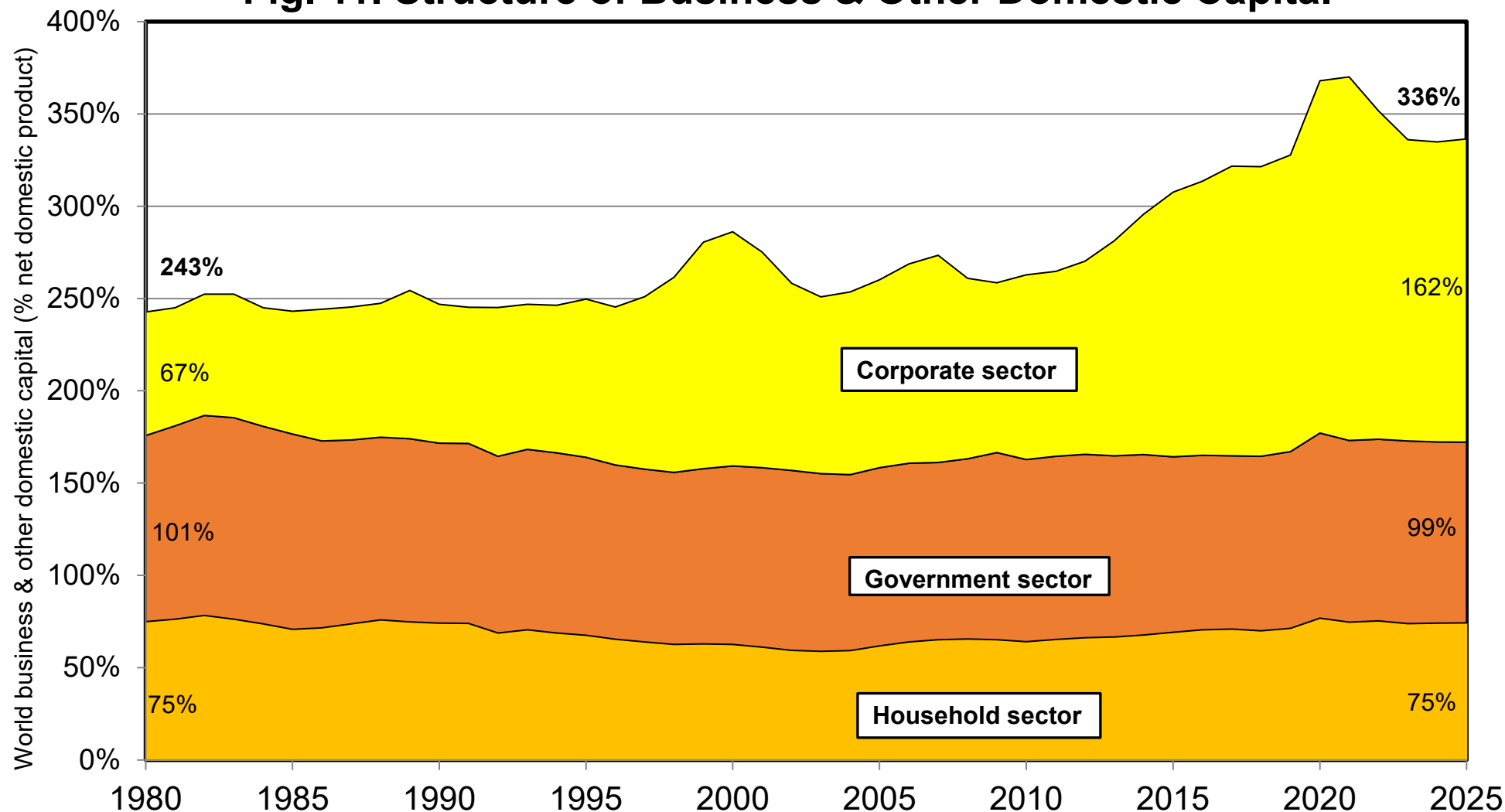
Fig. 10. Structure of Domestic Housing Capital, 1980-2025



Interpretation. At the world level, the market value of total housing capital stock has increased from 148% to 291% of net domestic product between 1980 and 2025. Most of the housing stock has always been owned by households, and this share rose over time.

Note. Public housing entities are classified in corporate sector if they apply significant rent (typically more than half of their resources). **Sources and series:** wid.world

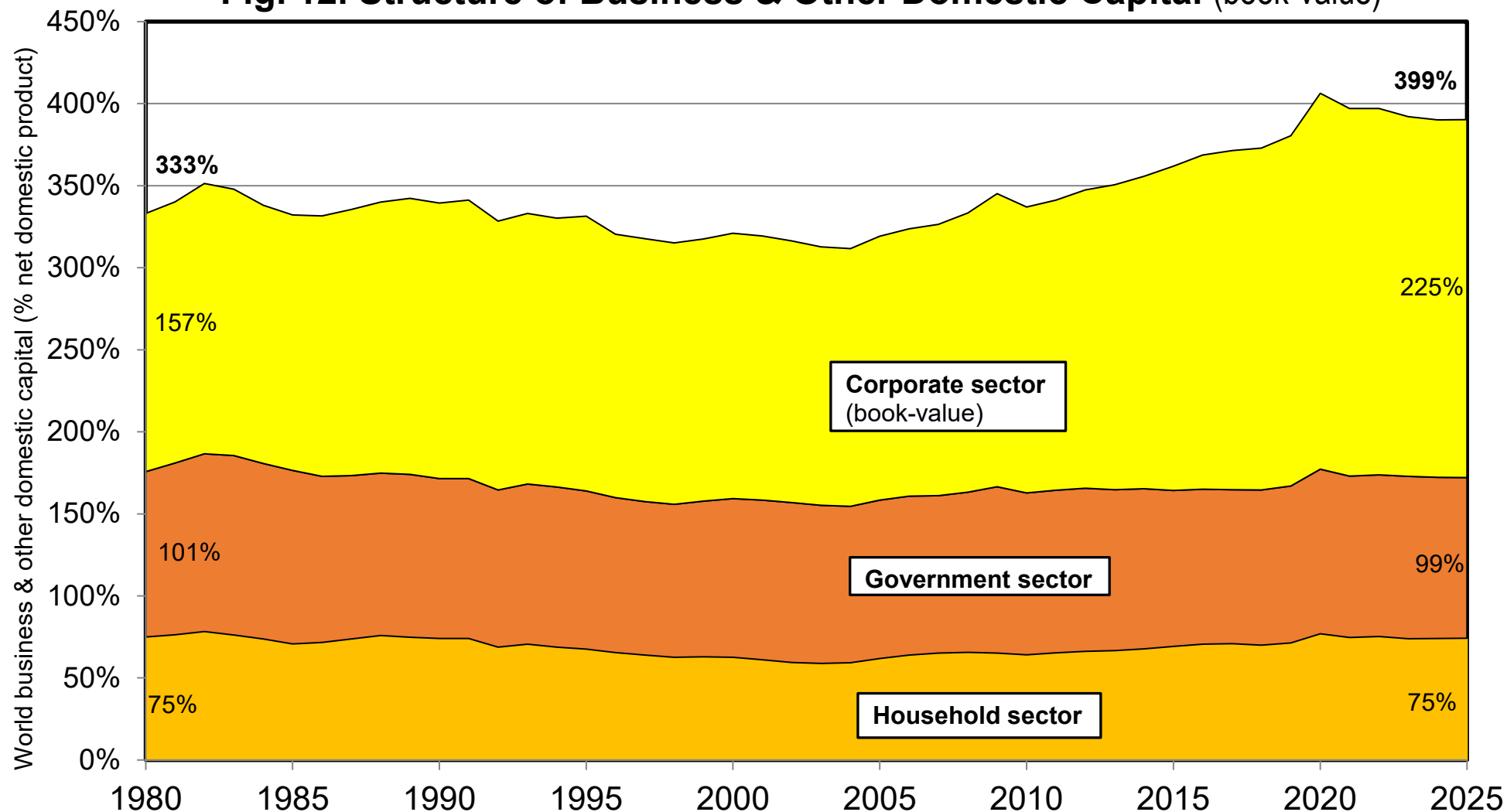
Fig. 11. Structure of Business & Other Domestic Capital



Interpretation. At the world level, the market value of total business and other non-housing domestic capital stock has increased from 243% to 336% of net domestic product between 1980 and 2025, with a large rise in the share of the corporate sector.

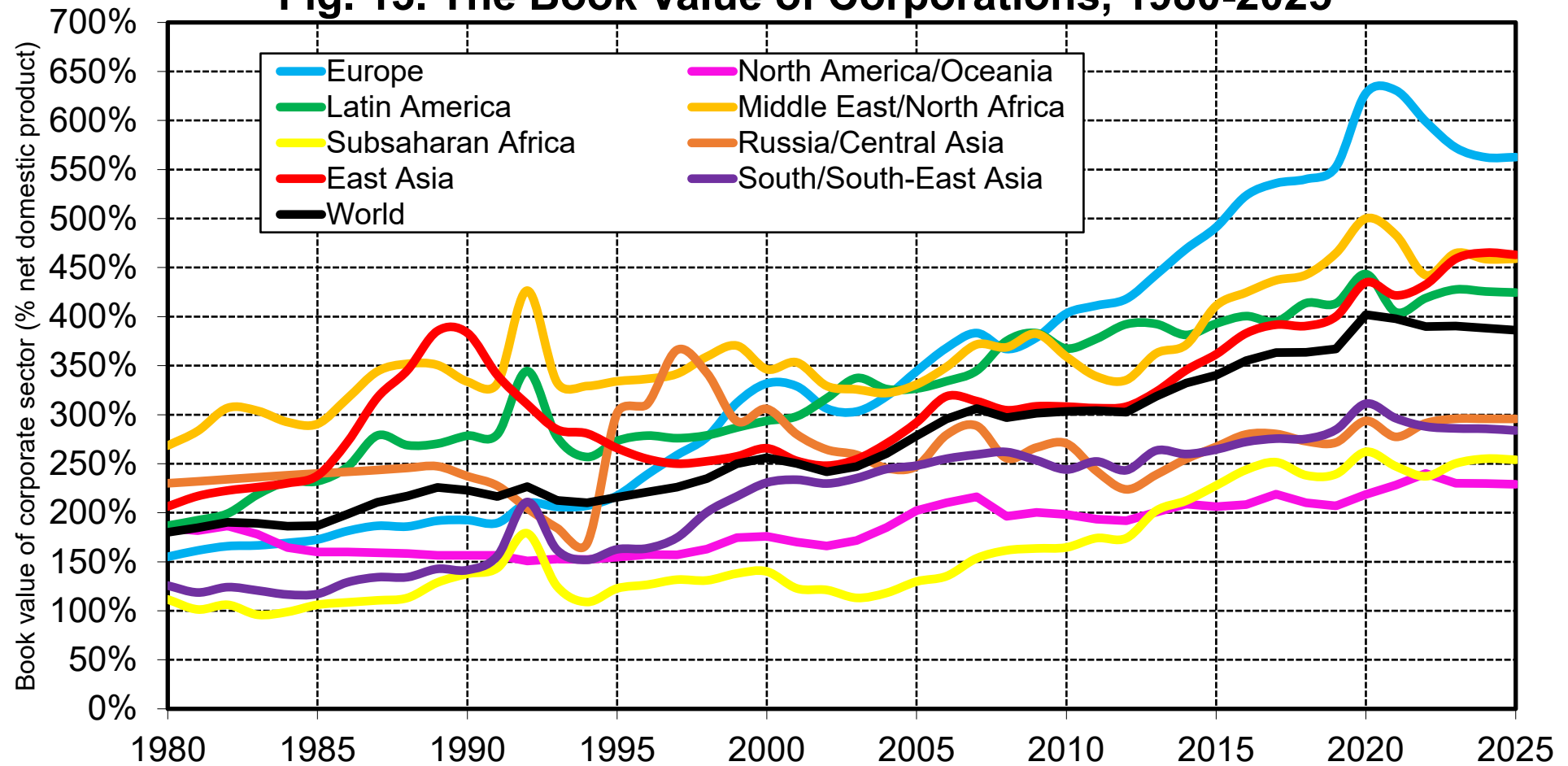
Note. Public companies are classified in corporate sector if they apply significant prices (typically more than half of their total resources). **Sources and series:** wid.world

Fig. 12. Structure of Business & Other Domestic Capital (book-value)



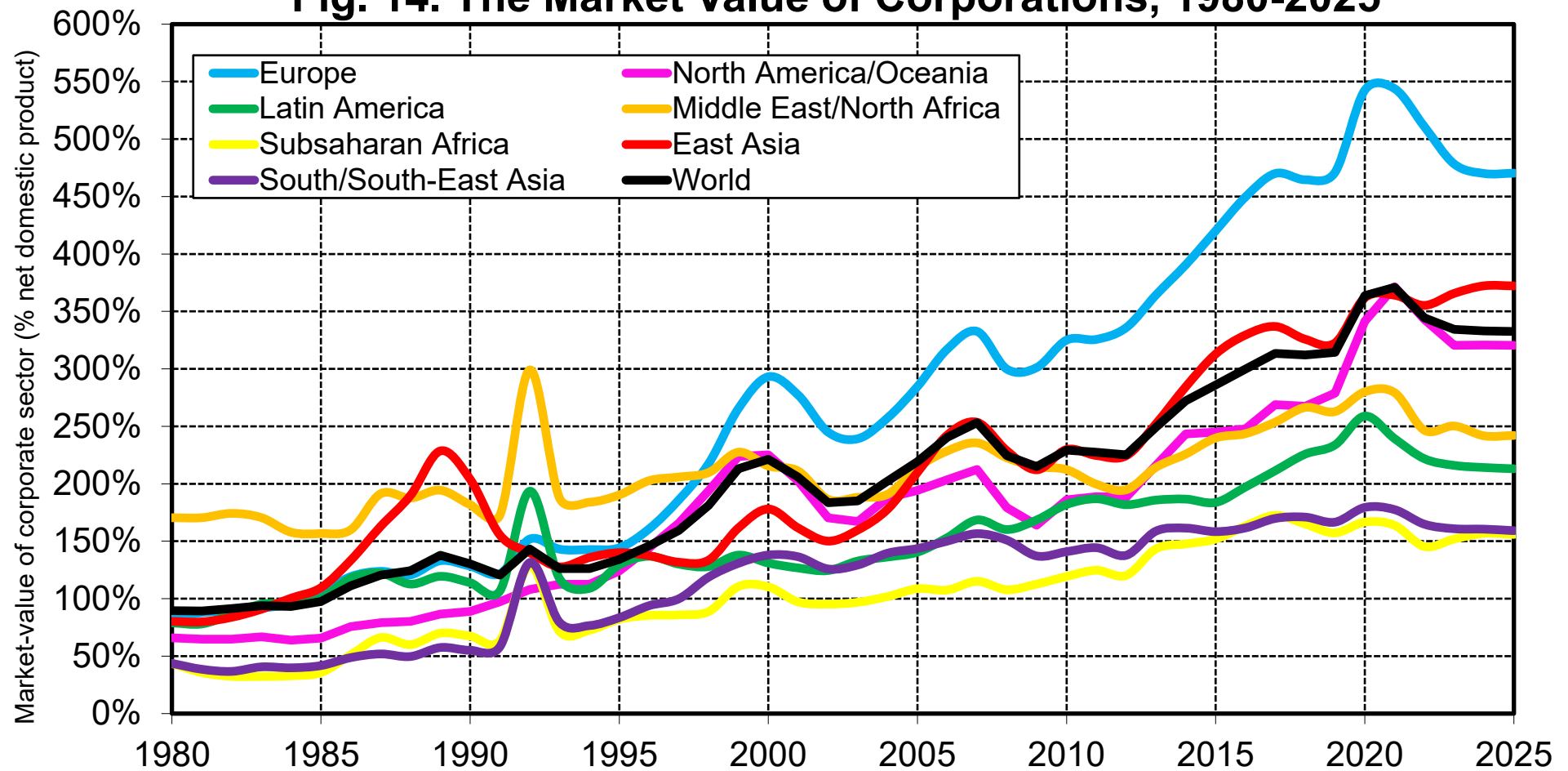
Interpretation. At the world level, the book value of corporate business and other capital stock has increased from 157% to 225% of net domestic product between 1980 and 2025. It has always been larger than the corresponding market value but the gap has reduced over time.
Note. Public companies are classified in corporate sector if they apply significant prices (typically more than half of their total resources). **Sources and series:** wid.world

Fig. 13. The Book Value of Corporations, 1980-2025



Interpretation. The book value of corporations rose from 180% to 387% of net domestic product between 1980 and 2025 at the world level, with large variations across regions. **Note.** The book value of corporations is the difference between the value of corporate assets (non-financial + financial) and the value of corporate non-equity liabilities (debt). The corporate sector covers all corporations (non-financial and financial). **Sources and series:** wid.world

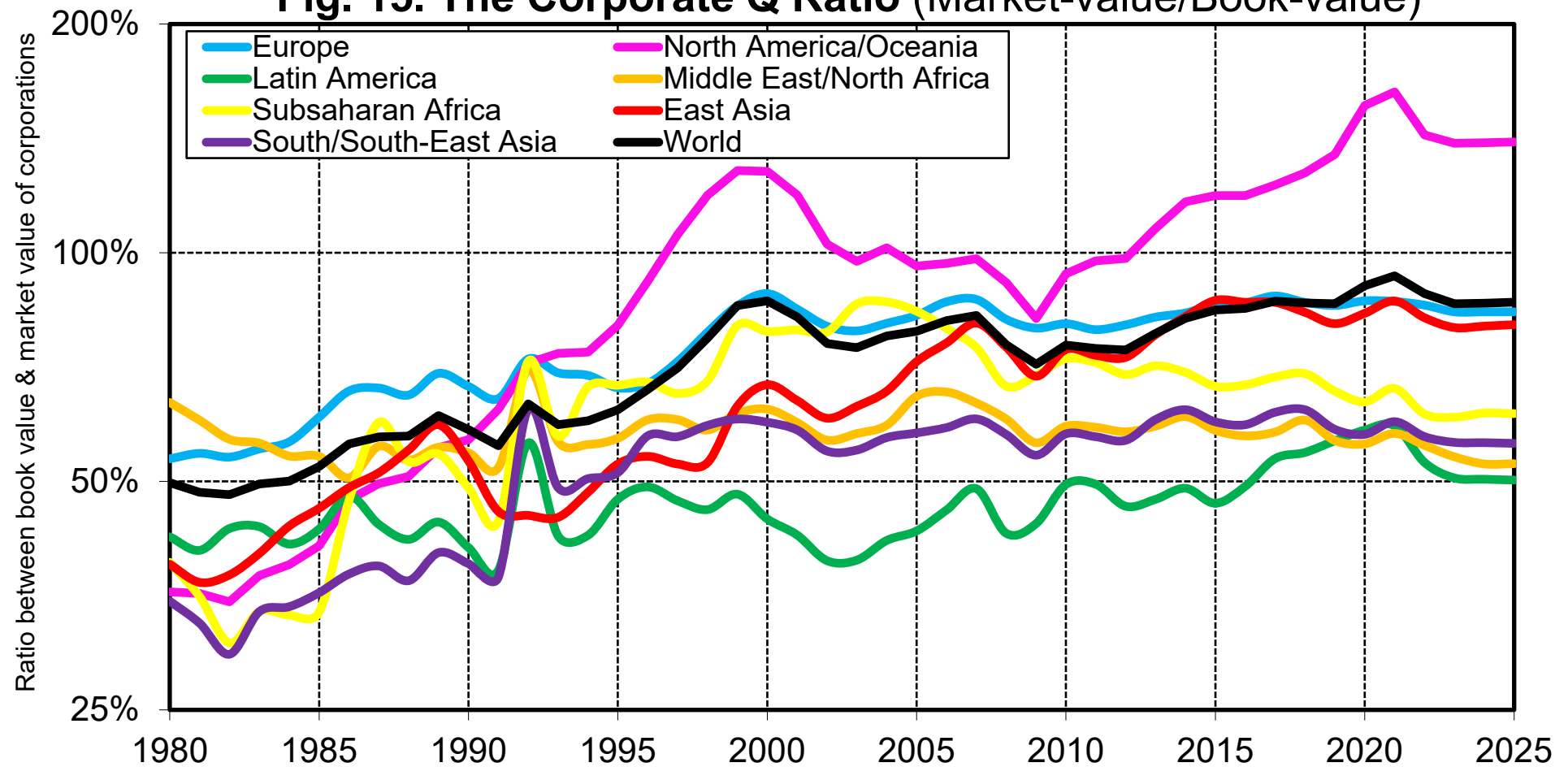
Fig. 14. The Market Value of Corporations, 1980-2025



Interpretation. The market value of corporations rose from 90% to 324% of net domestic product between 1980 and 2025 at the world level, with large variations across regions. It has always been smaller on average than the book value, but the gap has reduced over time.

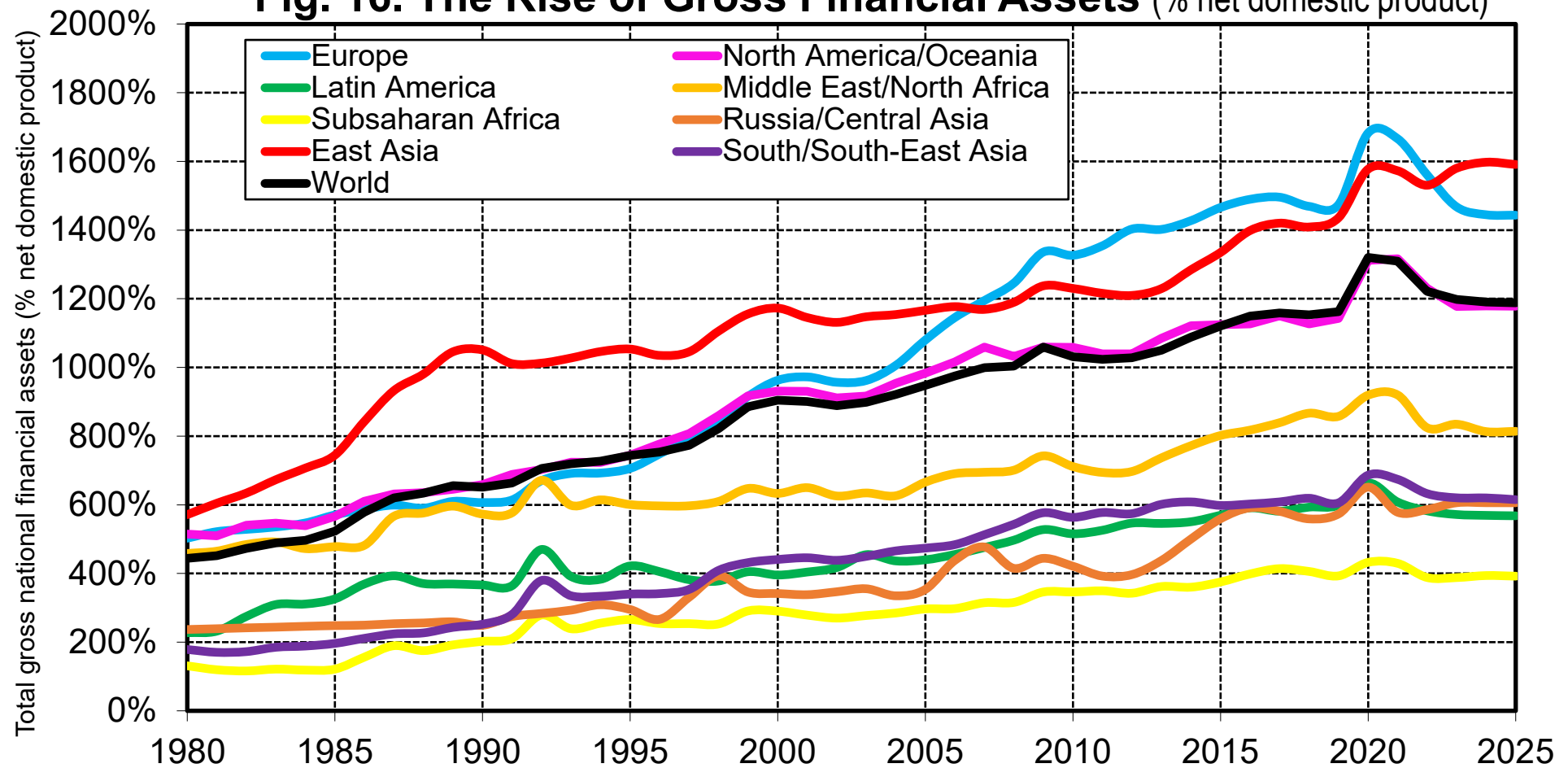
Note. The market value of corporations is the equity value (stock market capitalization or equivalent market valuation for non-listed firms). **Sources and series:** wid.world

Fig. 15. The Corporate Q Ratio (Market-value/Book-value)



Interpretation. The corporate Q ratio (defined as the ratio between the market value and book value of the corporate sector) has risen from 50% and 84% between 1980 and 2025 at the world level (and is now higher than 100% in North America/Oceania). This can be explained by various factors, including a possible rise in the bargaining power of capital owners (and especially shareholders) vis-a-vis workers (and other stakeholders in general). **Sources and series:** wid.world

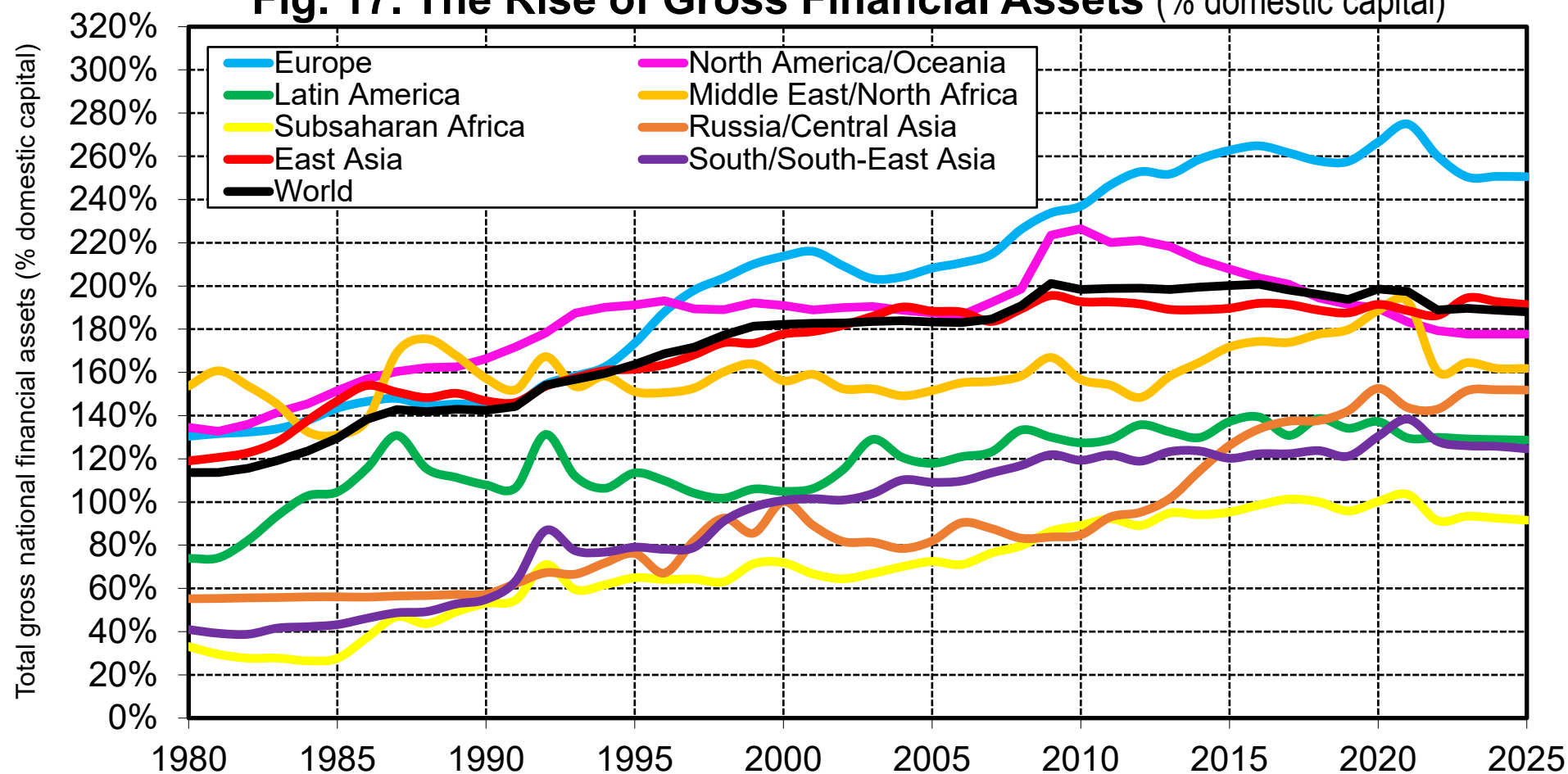
Fig. 16. The Rise of Gross Financial Assets (% net domestic product)



Interpretation. Total gross financial assets owned by all institutional sectors combined (government, household, corporate) rose from 444% to 1164% of net domestic product at the world level between 1980 and 2025, with large variations in levels across regions. This reflects the global financialization of wealth, including the rise of cross-company shareholding and cross-border ownership.

Sources and series: wid.world

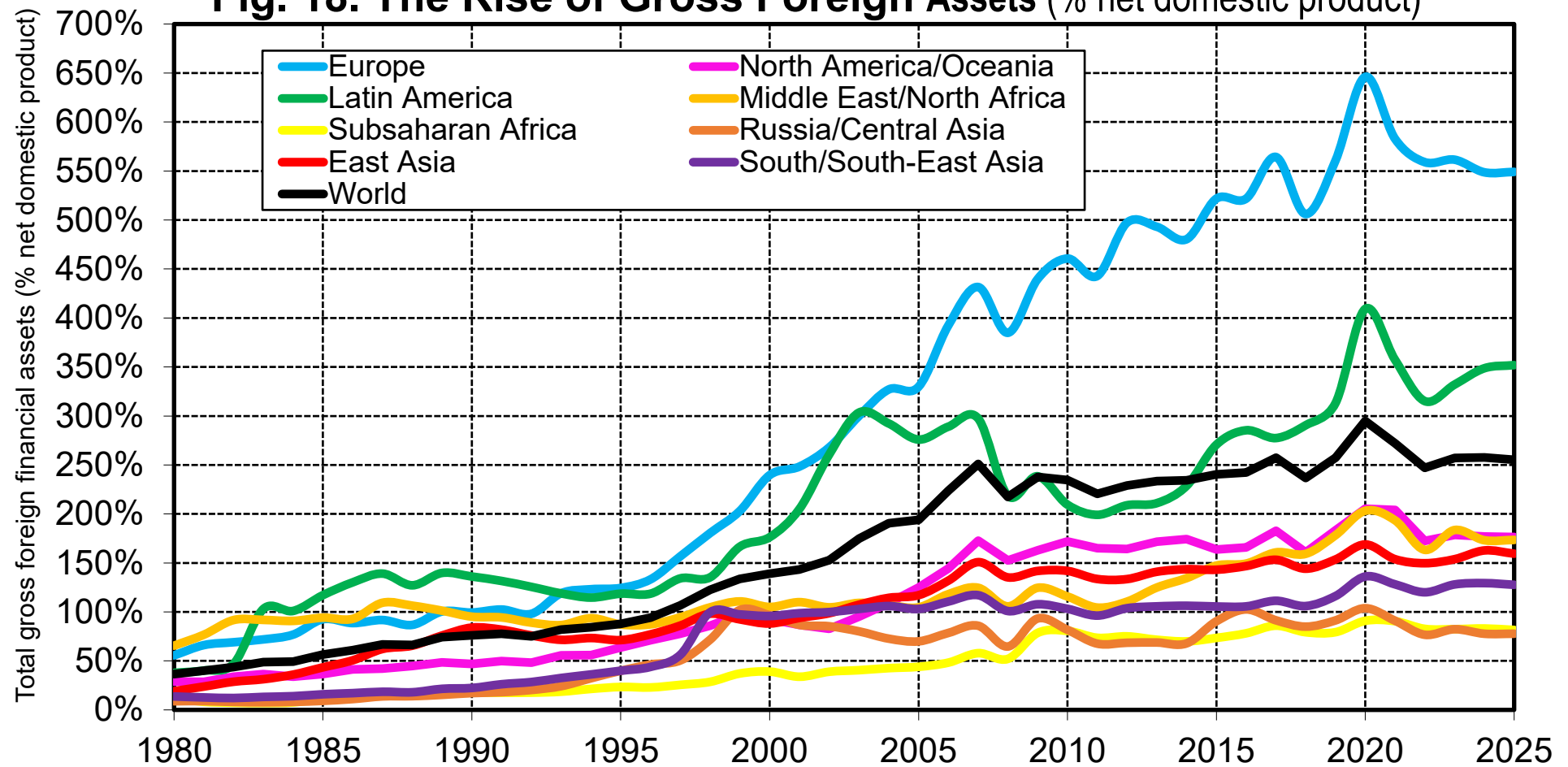
Fig. 17. The Rise of Gross Financial Assets (% domestic capital)



Interpretation. Total gross financial assets owned by all institutional sectors combined (government, household, corporate) rose from 114% to 186% of net domestic capital at the world level between 1980 and 2025, with large variations in levels across regions.

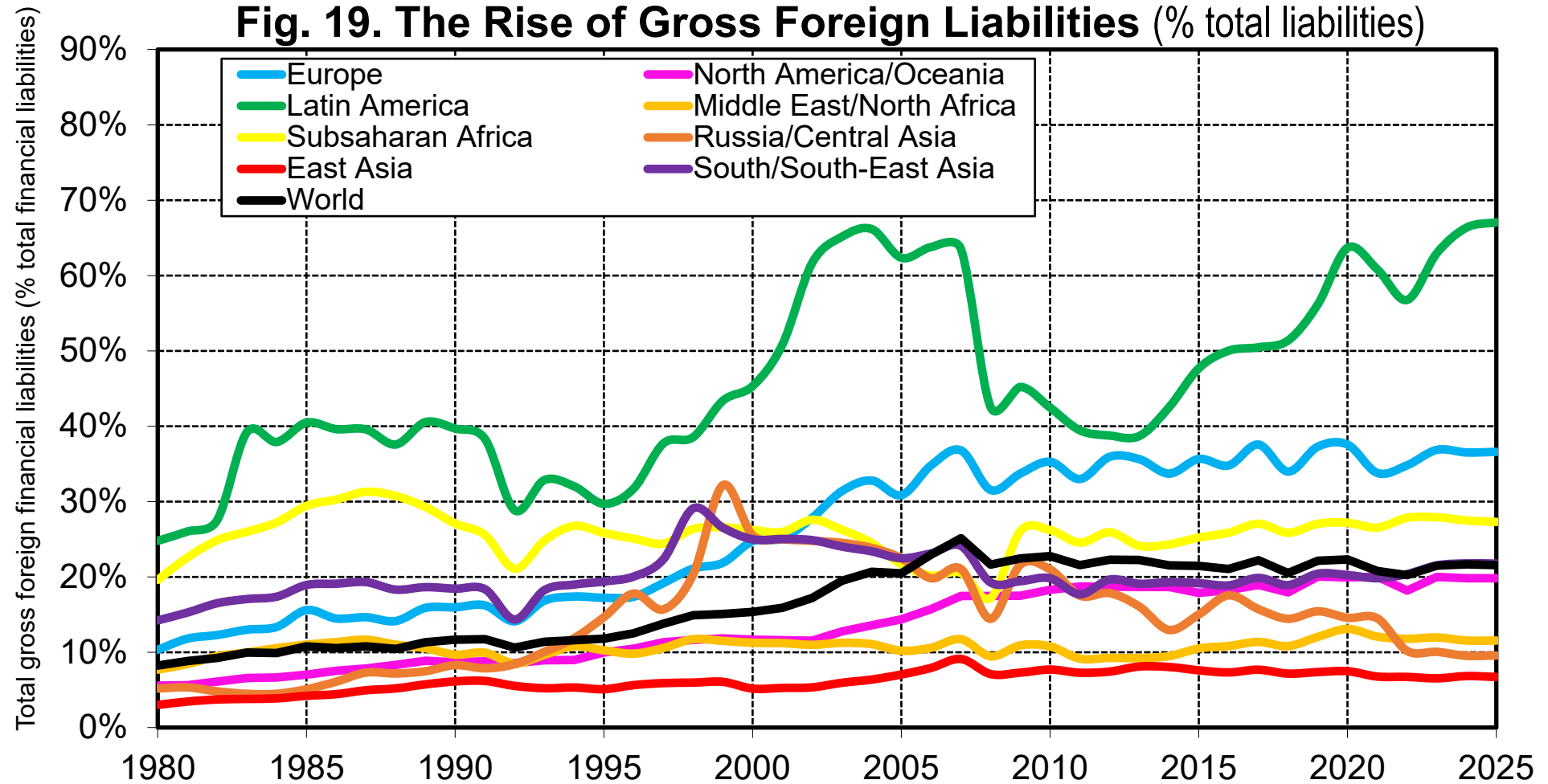
Sources and series: wid.world

Fig. 18. The Rise of Gross Foreign Assets (% net domestic product)



Interpretation. Total gross foreign financial assets owned by all institutional sectors combined (government, household, corporate) rose from 37% to 245% of net domestic product at the world level between 1980 and 2025, with large variations in levels across regions. This reflects an unprecedented rise of cross-border ownership. **Sources and series:** wid.world

Fig. 19. The Rise of Gross Foreign Liabilities (% total liabilities)



Interpretation. Total gross foreign financial liabilities issued by all institutional sectors combined (government, household, corporate) rose from 8% to 21% of total gross financial liabilities at the world level between 1980 and 2025, with large variations in levels across regions. This reflects the fact the cross-border ownership has increased even faster than the domestic financialization of wealth.

Sources and series: wid.world

Table 3. Sources of national wealth accumulation, 1980-2025 - Additive decomposition

| Regions | Market-value national wealth-national income ratios | | Decomposition of market-value wealth-income ratio at time t+n | | |
|----------------------------|---|---------------|---|-----------------------|-------------------------|
| | β_t | β_{t+n} | Initial wealth effect | Cumulated new savings | Capital gains or losses |
| East Asia | 470% | 857% | 63% | 483% | 312% |
| | | | 7% | 56% | 36% |
| Europe | 394% | 600% | 188% | 238% | 174% |
| | | | 31% | 40% | 29% |
| Latin America | 281% | 439% | 115% | 160% | 163% |
| | | | 26% | 36% | 37% |
| Middle East & North Africa | 319% | 588% | 91% | 402% | 95% |
| | | | 16% | 68% | 16% |
| North America & Oceania | 381% | 600% | 126% | 102% | 371% |
| | | | 21% | 17% | 62% |
| Russia & Central Asia | 425% | 433% | 229% | 421% | -217% |
| | | | 53% | 97% | -50% |
| South & South-East Asia | 413% | 491% | 47% | 323% | 121% |
| | | | 10% | 66% | 25% |
| Sub-Saharan Africa | 347% | 388% | 83% | 191% | 114% |
| | | | 21% | 49% | 29% |
| World | 385% | 631% | 118% | 268% | 245% |
| | | | 19% | 43% | 39% |

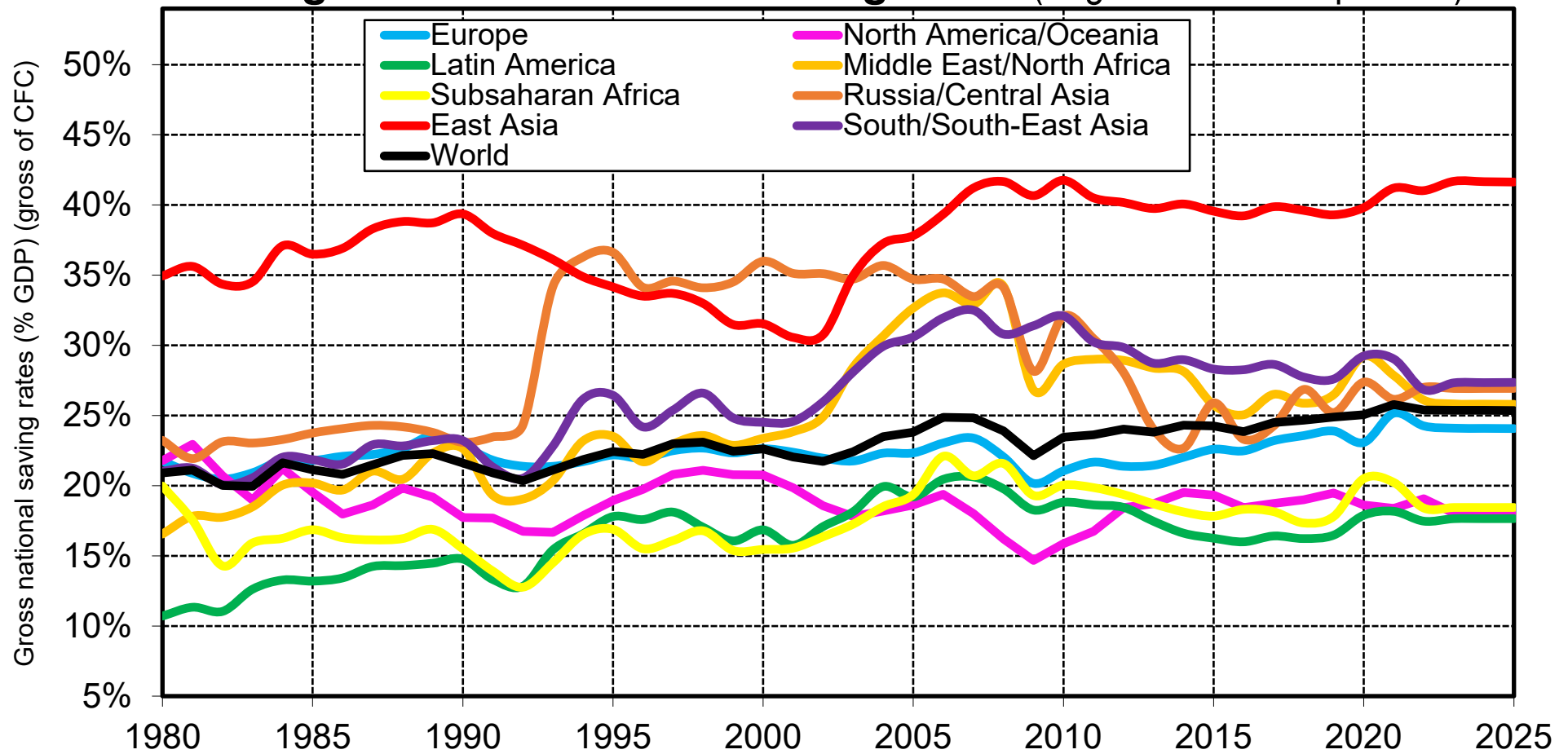
Interpretation. At the world level, the national wealth-national income ratio rose from 385% in 1980 to 631% in 2025, which can be decomposed into 118% due to initial wealth effect, 268% due to cumulated new savings and 245% due to residual capital gains and losses (changes in asset prices relatively to general price index). Capital gains play a very important role in most regions, which can be explained by various factors, including agglomeration effects, policy and regulatory changes, rising bargaining power of capital owners vis-a-vis other stakeholders, etc. **Sources and series:** see wid.world.

Table 4. Sources of national wealth accumulation, 1980-2025 - Multiplicative decomposition

| Regions | Real growth rate of national income g | Real growth rate of national wealth g _w | National saving rate s = S/Y | Savings-induced wealth growth rate g _{ws} = s/β | Real rate of capital gains q |
|----------------------------|---|--|--|--|-------------------------------------|
| East Asia | 4.8% | 6.3% | 26% | 4.0% 64% | 2.2% 36% |
| Europe | 1.7% | 2.7% | 8% | 1.6% 60% | 1.1% 40% |
| Latin America | 2.1% | 3.2% | 6% | 1.4% 45% | 1.7% 55% |
| Middle East & North Africa | 3.0% | 4.4% | 18% | 3.4% 77% | 1.0% 23% |
| North America & Oceania | 2.6% | 3.7% | 4% | 0.9% 26% | 2.7% 74% |
| Russia & Central Asia | 1.5% | 1.5% | 14% | 3.1% 198% | -1.5% -98% |
| South & South-East Asia | 5.2% | 5.6% | 19% | 3.8% 69% | 1.7% 31% |
| Sub-Saharan Africa | 3.4% | 3.7% | 9% | 2.3% 64% | 1.3% 36% |
| World | 2.8% | 4.0% | 11% | 2.1% 54% | 1.8% 46% |

Interpretation. At the world level, net national income rose at a real growth rate of 2.8% per year between 1980 and 2025, and net national wealth at a real growth rate of 4.0% per year (both relatively to general price index). On the basis of cumulated new savings, wealth should have grown at 2.1% per year. The remaining growth (1.8% per year) can be accounted for by residual capital gains and losses (changes in asset prices relatively to general price index). **Sources and series:** see wid.world.

Fig. 20. Gross National Saving Rates (% gross domestic product)



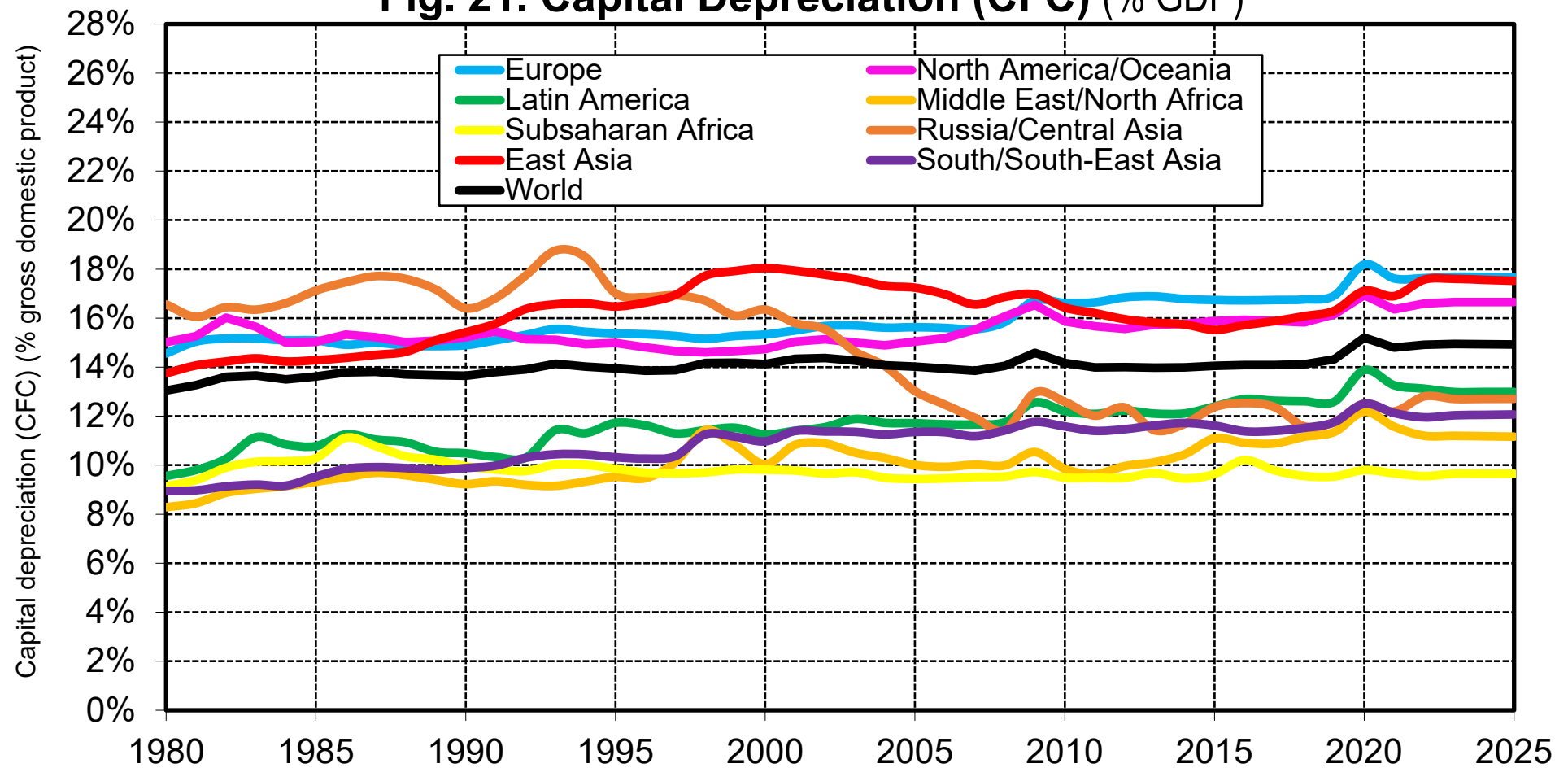
Interpretation. At the world level, gross national saving rates (private + public) rose from 20.9% to 25.4% of world gross domestic product between 1980 and 2025, with very large variations across regions. In particular, gross national savings have generally been around 35-40% of GDP in East Asia, vs less than 15-20% in North America/Oceania, Latin America & Subsaharan Africa. **Sources and series:** wid.world

Table 5. Saving Rates 1980-2025: National vs. Private & Public

| Average net saving rates 1980-2025 (% net national income) | Net national saving (private + public) | Net private savings (personal + corporate) | incl. personal savings | incl. corporate savings (retained earnings) | Net public saving |
|---|--|--|------------------------|--|--------------------------|
| East Asia | 26.3% | 17.0% | 11.6% 68% | 5.4% 32% | 9.3% |
| Europe | 7.6% | 9.6% | 6.0% 63% | 3.6% 37% | -2.0% |
| Latin America | 5.6% | 5.0% | 3.8% 75% | 1.3% 25% | 0.5% |
| Middle-East & North Africa | 17.5% | 11.8% | 4.7% 40% | 7.1% 60% | 5.7% |
| North America & Oceania | 3.8% | 8.8% | 5.0% 57% | 3.8% 43% | -5.0% |
| Russia & Central Asia | 14.2% | 8.1% | 3.0% 37% | 5.1% 63% | 6.1% |
| South & South-East Asia | 18.5% | 16.8% | 10.6% 63% | 6.2% 37% | 1.8% |
| Sub-Saharan Africa | 9.2% | 7.0% | 2.4% 34% | 4.6% 66% | 2.2% |
| World | 10.8% | 10.7% | 6% 61% | 4% 39% | 0.1% |

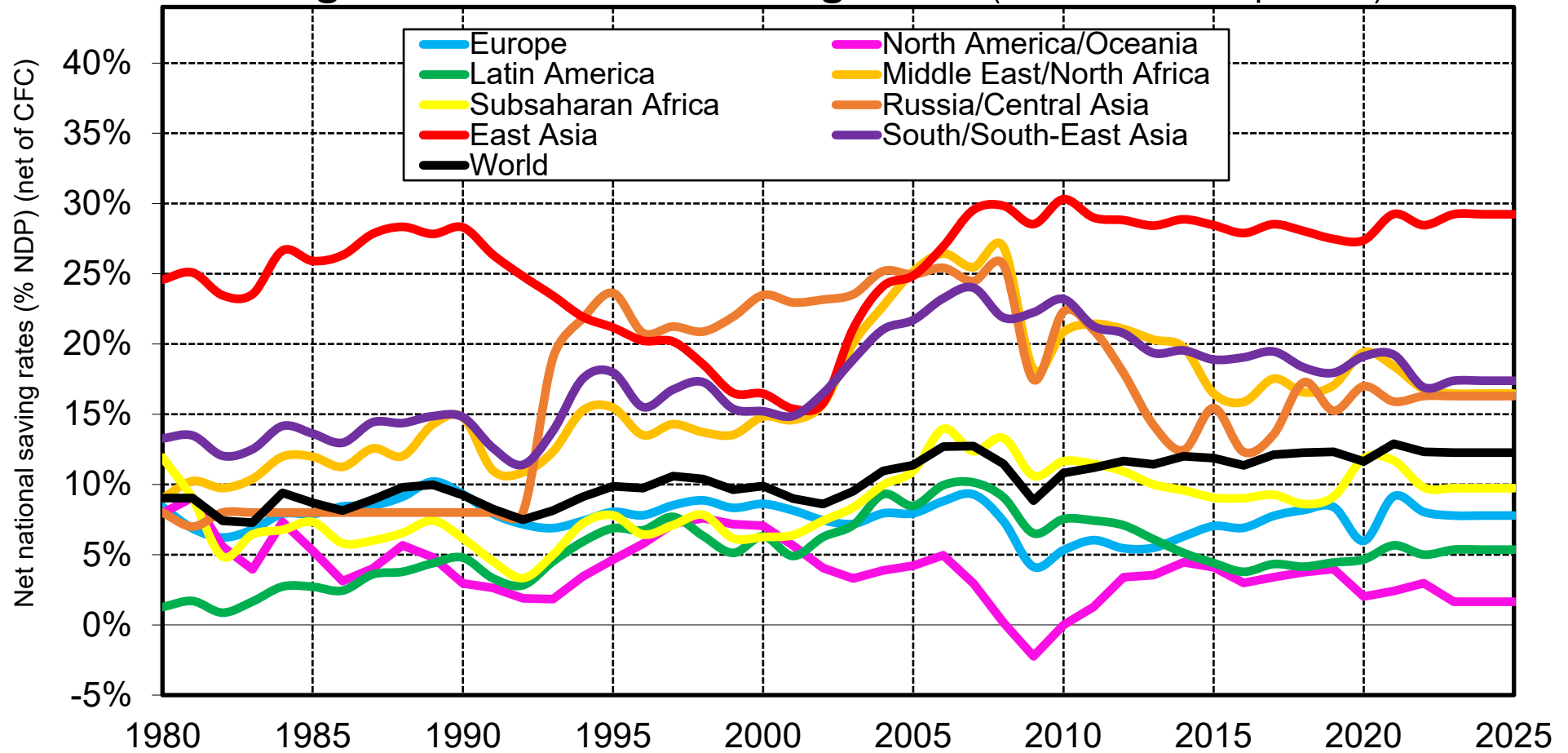
Interpretation. At the world level, the net-of-depreciation national saving rate has been equal to 10.8% on average between 1980 and 2025, including 10.7% for private saving and 0.1% for public saving, with very large country variations. **Note.** Corporate savings were split between private and public saving on the basis of portfolio composition, and only the private fraction (usually the predominant fraction) was added to private saving, the rest being included into public saving. **Sources and series:** see wid.world.

Fig. 21. Capital Depreciation (CFC) (% GDP)



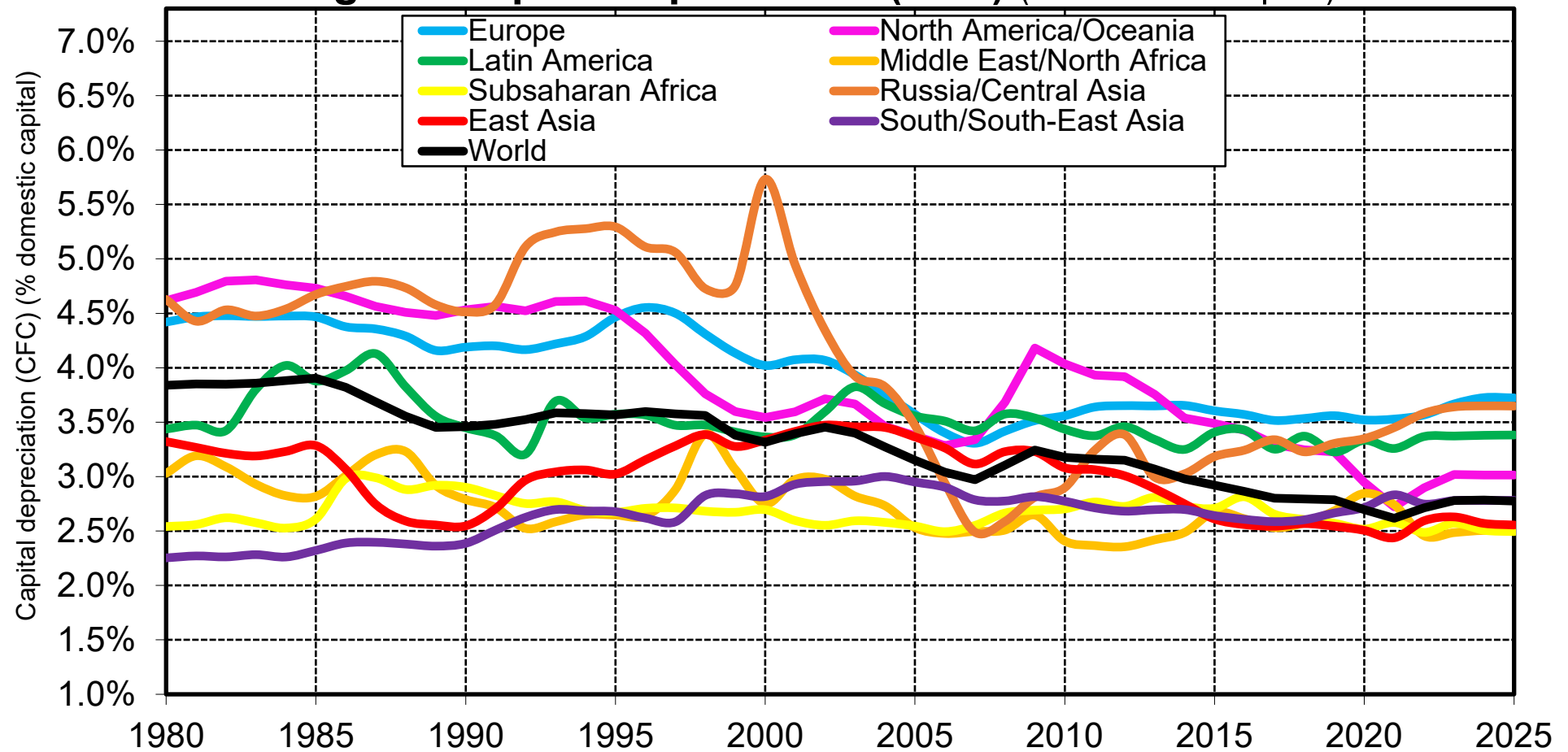
Interpretation. At the world level, capital depreciation (defined as consumption of fixed capital (CFC) in national accounts) rose from 13.0% to 14.9% of world GDP between 1980 and 2025. Capital depreciation makes a larger fraction of GDP in richer countries, which can be explained by various factors, including a larger capital stock (relative to GDP) and differences in capital composition (e.g. more equipment with short life span like computers, and less structures with long life spans like land and buildings). **Sources and series:** wid.world

Fig. 22. Net National Saving Rates (% net domestic product)



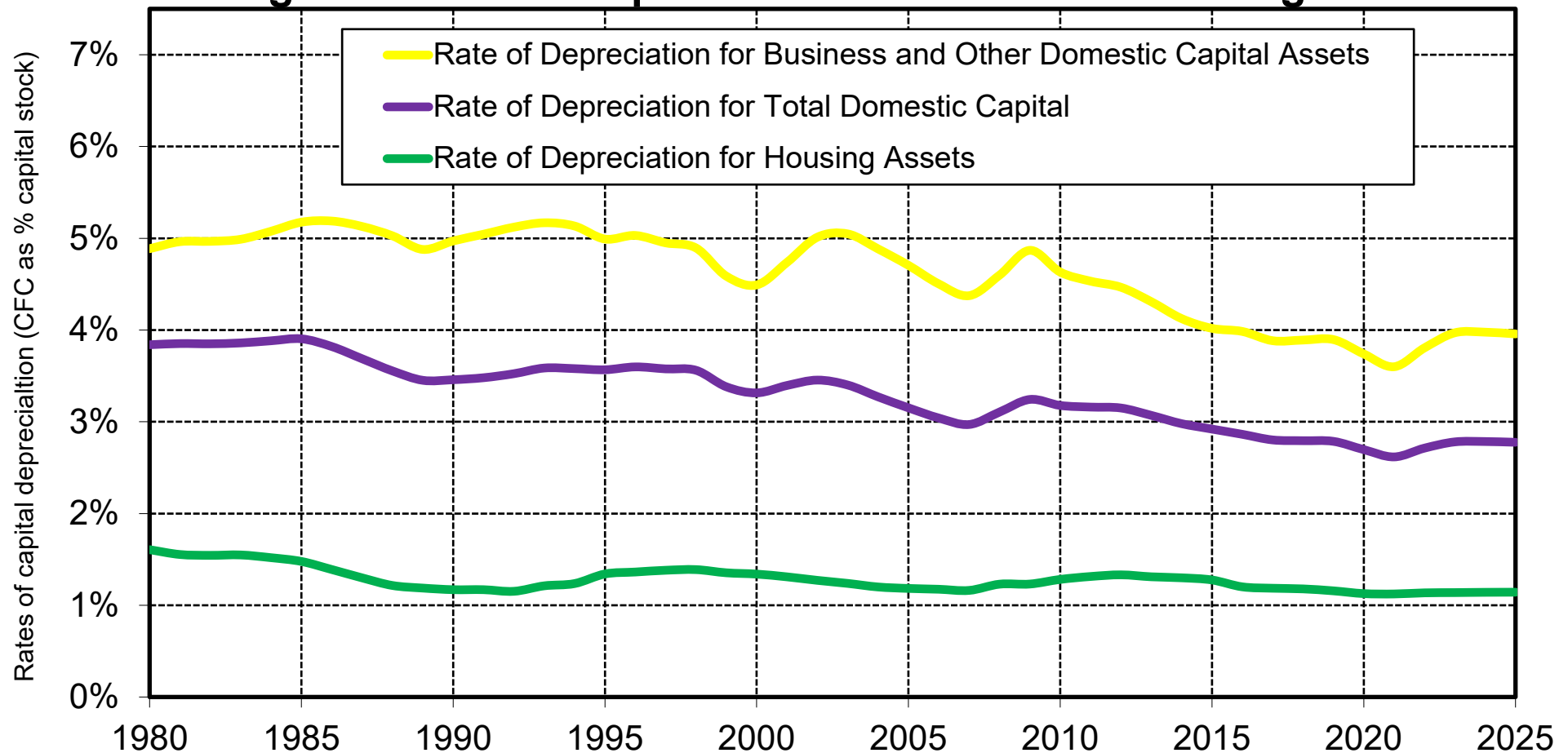
Interpretation. At the world level, net national saving rates (private + public) rose from 9.0% to 12.3% of world net domestic product between 1980 and 2025, with very large variations across regions. In particular, net national savings have generally been around 25-30% of NDP in East Asia, vs less than 5% in North America/Oceania. **Sources and series:** wid.world

Fig. 23. Capital Depreciation (CFC) (% domestic capital)



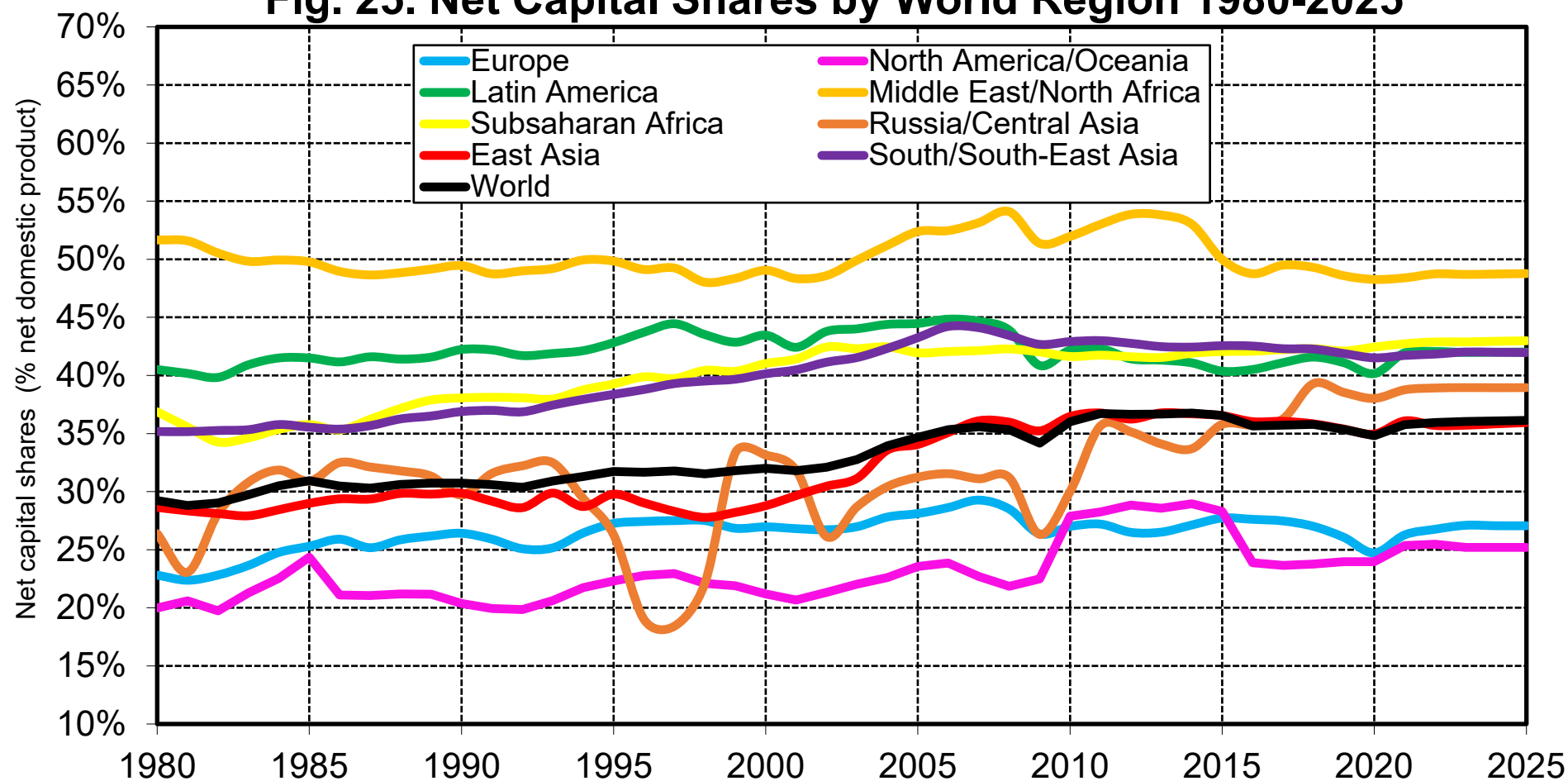
Interpretation. At the world level, the rate of capital depreciation (defined as consumption of fixed capital (CFC) divided by total domestic capital stock) has declined from 3.8% in 1980 to 2.8% in 2025, with large regional variations. This decline can be accounted for by various factors, including rising asset values and changing capital structure (larger share of housing). **Sources and series:** wid.world

Fig. 24. Rates of Depreciation: Business vs Housing Assets



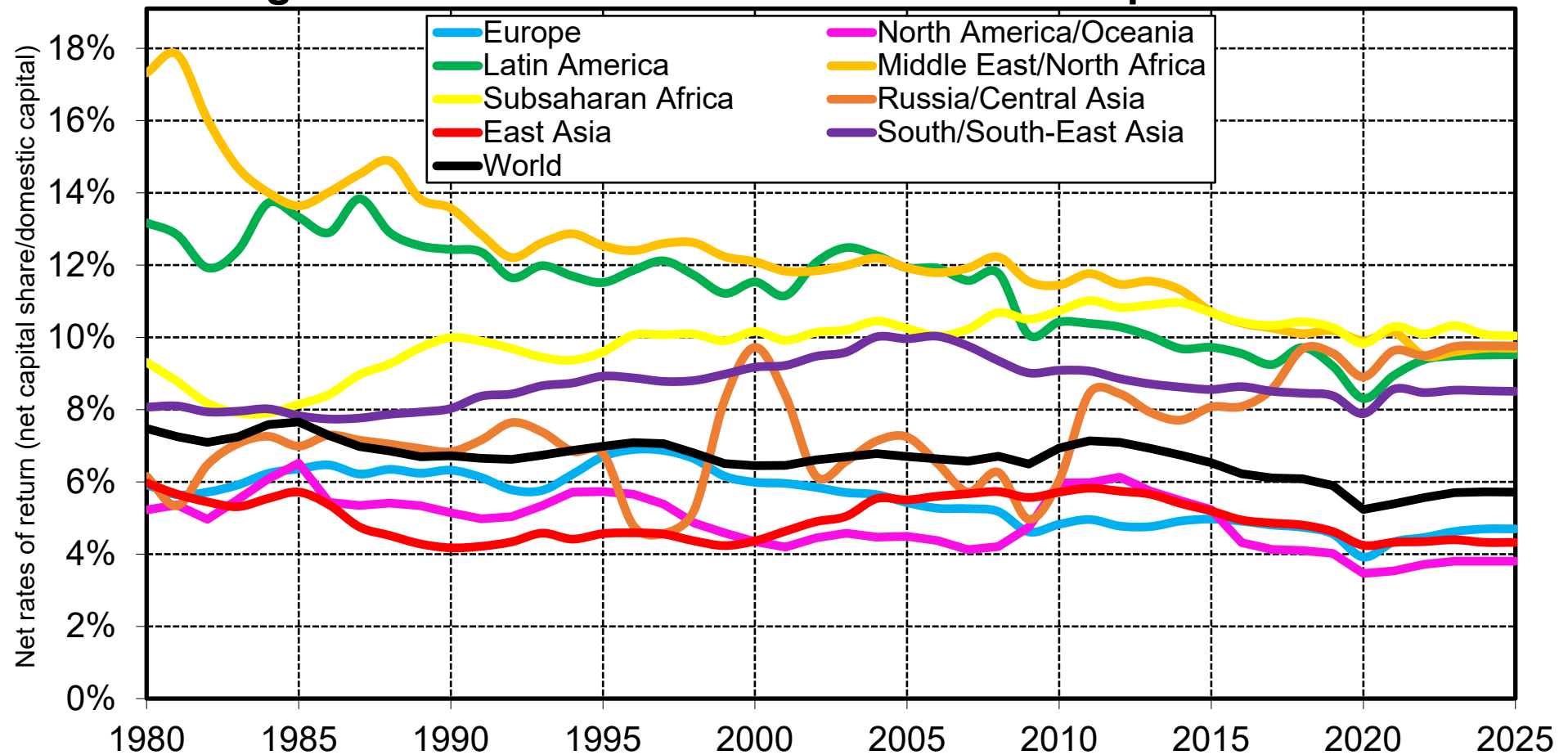
Interpretation. At the world level, the rate of capital depreciation for business and other domestic capital assets (defined as consumption of fixed capital (CFC) divided by corresponding capital stock) has always been substantial larger than the rate of depreciation for housing assets. The average values over the 1980-2025 period have been 4.6% for business and other domestic capital assets, 3.3% for total domestic capital and 1.3% for housing assets. This regularity holds in all world regions, with important variations. **Sources and series:** wid.world

Fig. 25. Net Capital Shares by World Region 1980-2025



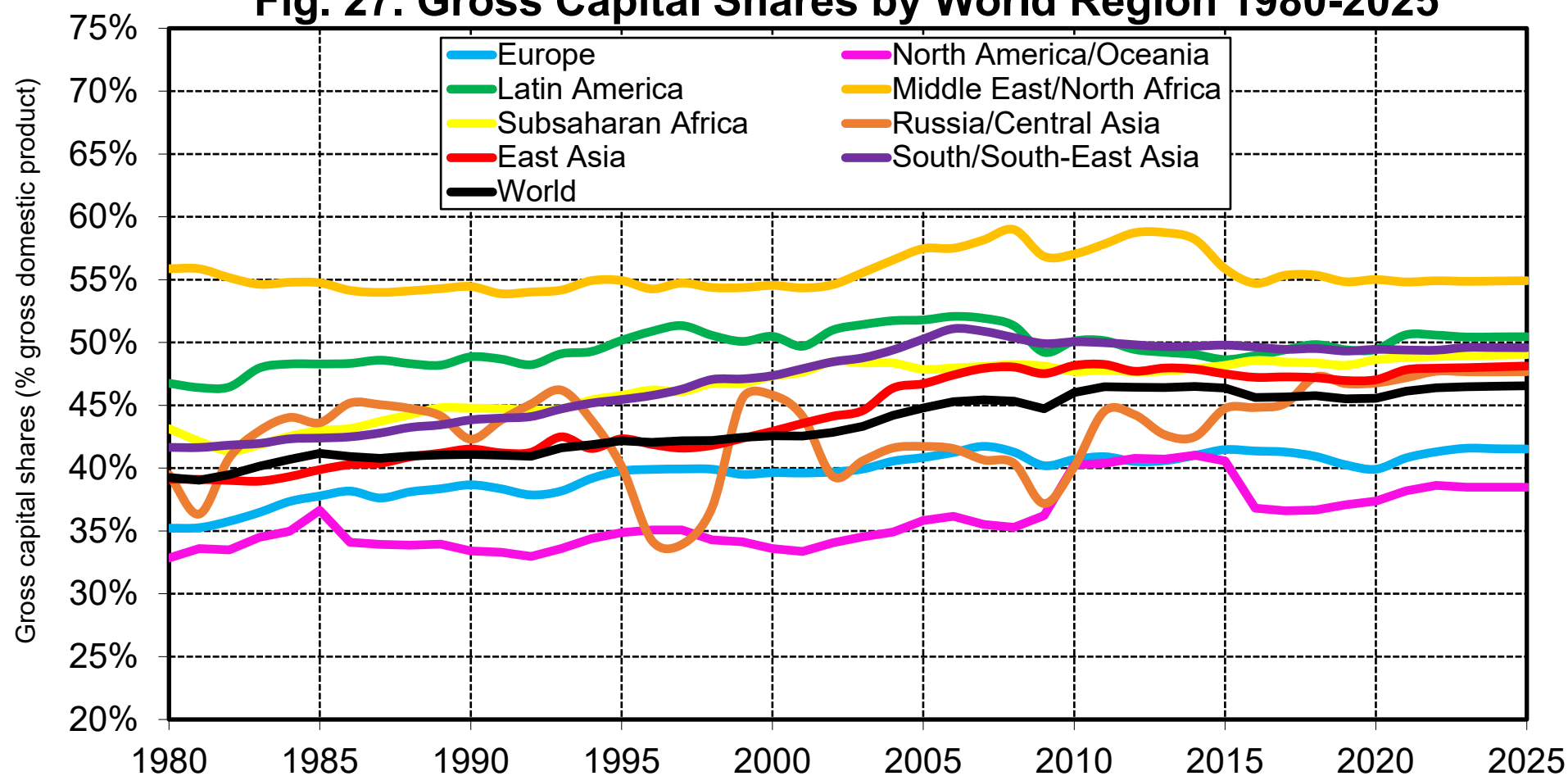
Interpretation. At the world level, the share of net-of-depreciation domestic capital income (housing rent + capital share of self-employment income + corporate profits) in net domestic product has increased from 29% in 1980 to 36% in 2025. The capital share has always been larger in poorer countries, which can be explained by several factors, including larger bargaining power of capital owners vis-a-vis workers and different sectoral composition. **Sources and series:** wid.world

Fig. 26. Net Rates of Return to Domestic Capital 1980-2025



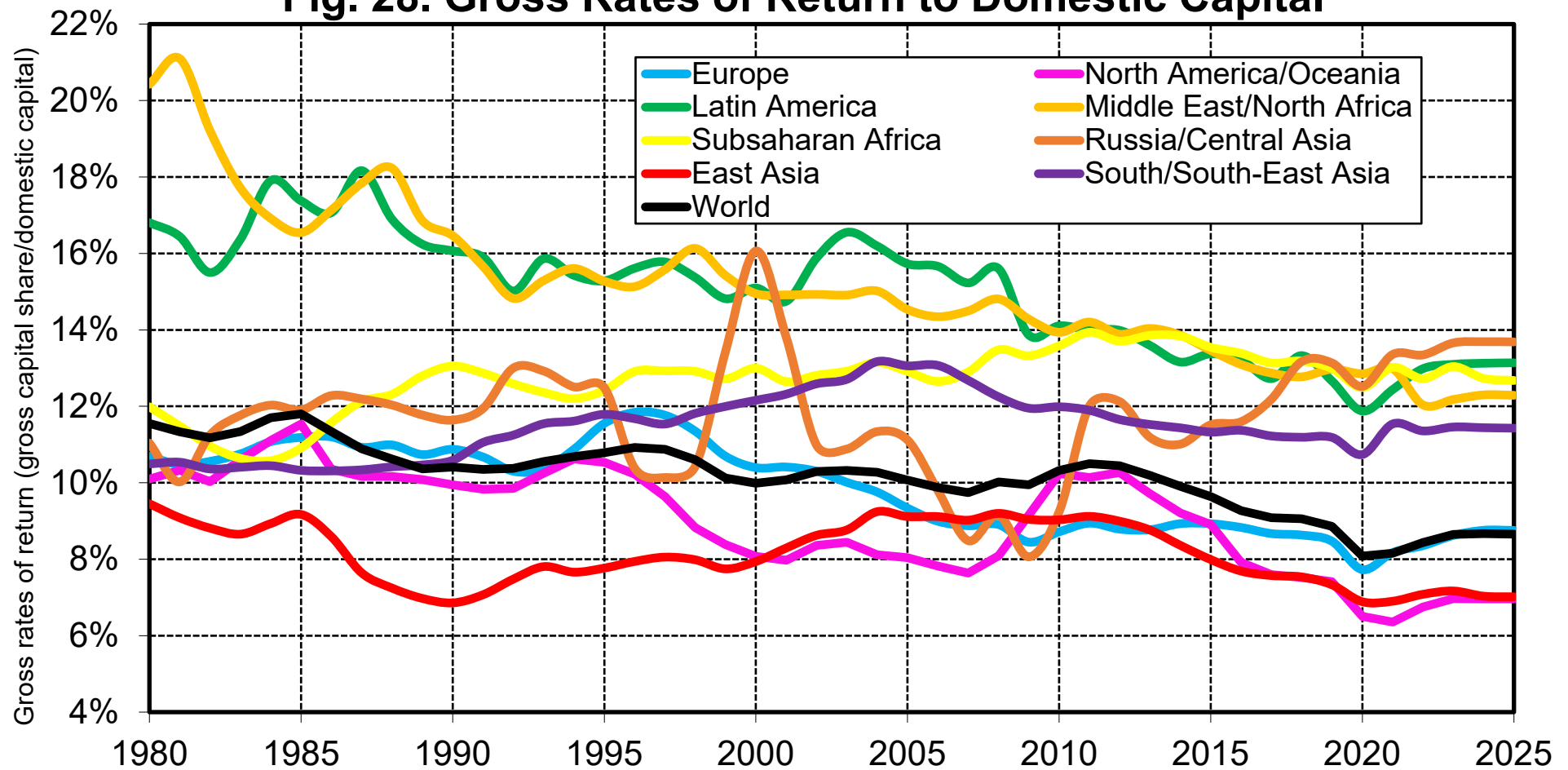
Interpretation. At the world level, the average net rate of return to capital (defined by the ratio between the net capital share and total domestic capital) has declined from 7.5% in 1980 to 5.6% in 2025. This reflects the fact that the capital share has increased less than the capital stock. The higher of returns observed in poorer countries can be explained by several factors, including larger bargaining power of capital owners vis-a-vis workers and different sectoral composition. **Sources and series:** wid.world

Fig. 27. Gross Capital Shares by World Region 1980-2025



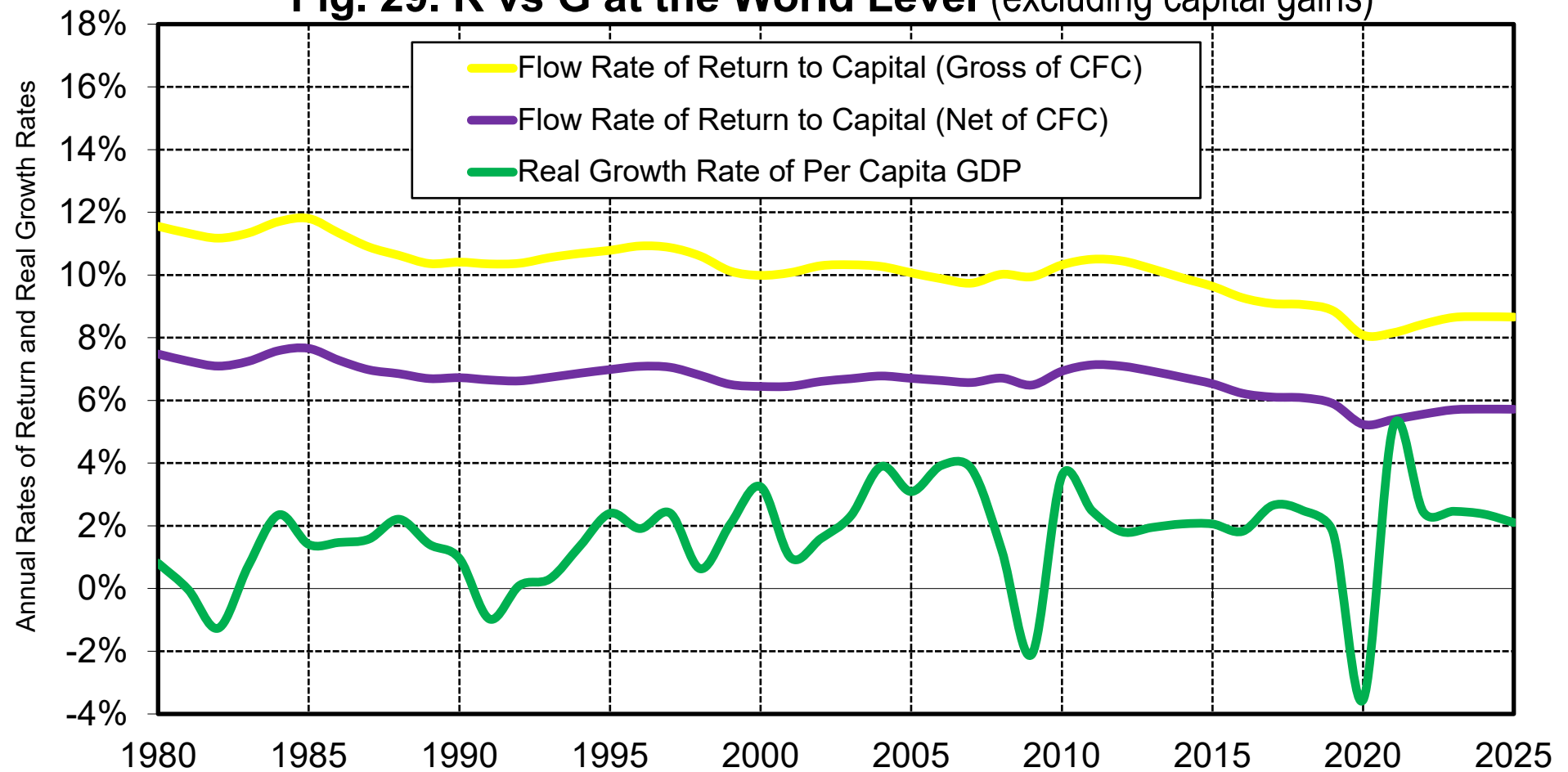
Interpretation. At the world level, the share of gross-of-depreciation domestic capital income (housing rent + capital share of self-employment income + corporate profits) in gross domestic product has increased from 39% in 1980 to 47% in 2025. Estimates of capital depreciation (CFC, consumption of fixed capital) have a very large impact on capital shares and rates of return. **Sources and series:** wid.world

Fig. 28. Gross Rates of Return to Domestic Capital



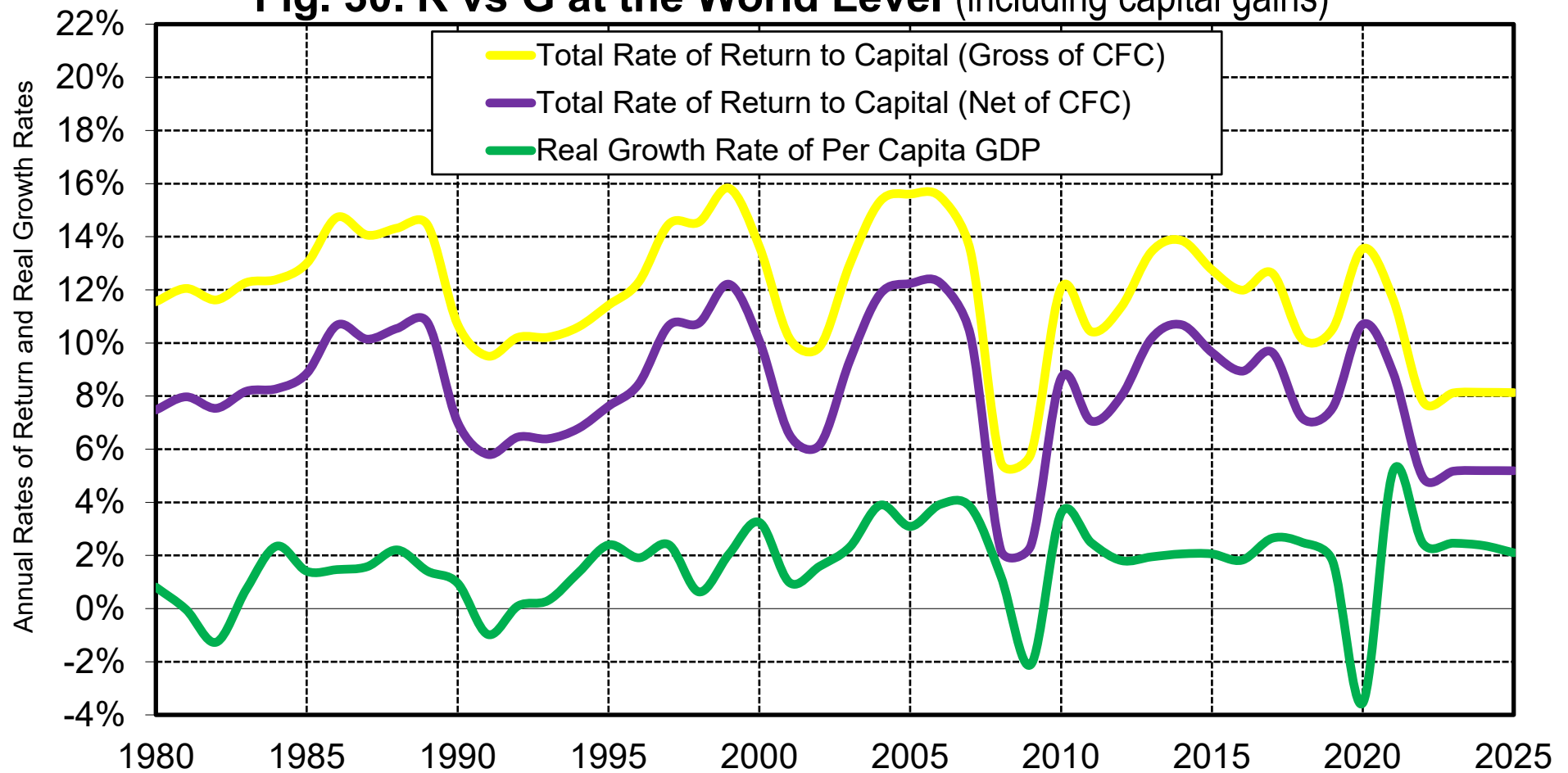
Interpretation. At the world level, the average gross rate of return to capital (defined by the ratio between the gross capital share and total domestic capital) has declined from 11.6% in 1980 to 8.7% in 2025. Estimates of capital depreciation (CFC, consumption of fixed capital) have a very large impact on capital shares and rates of return. **Sources and series:** wid.world

Fig. 29. R vs G at the World Level (excluding capital gains)



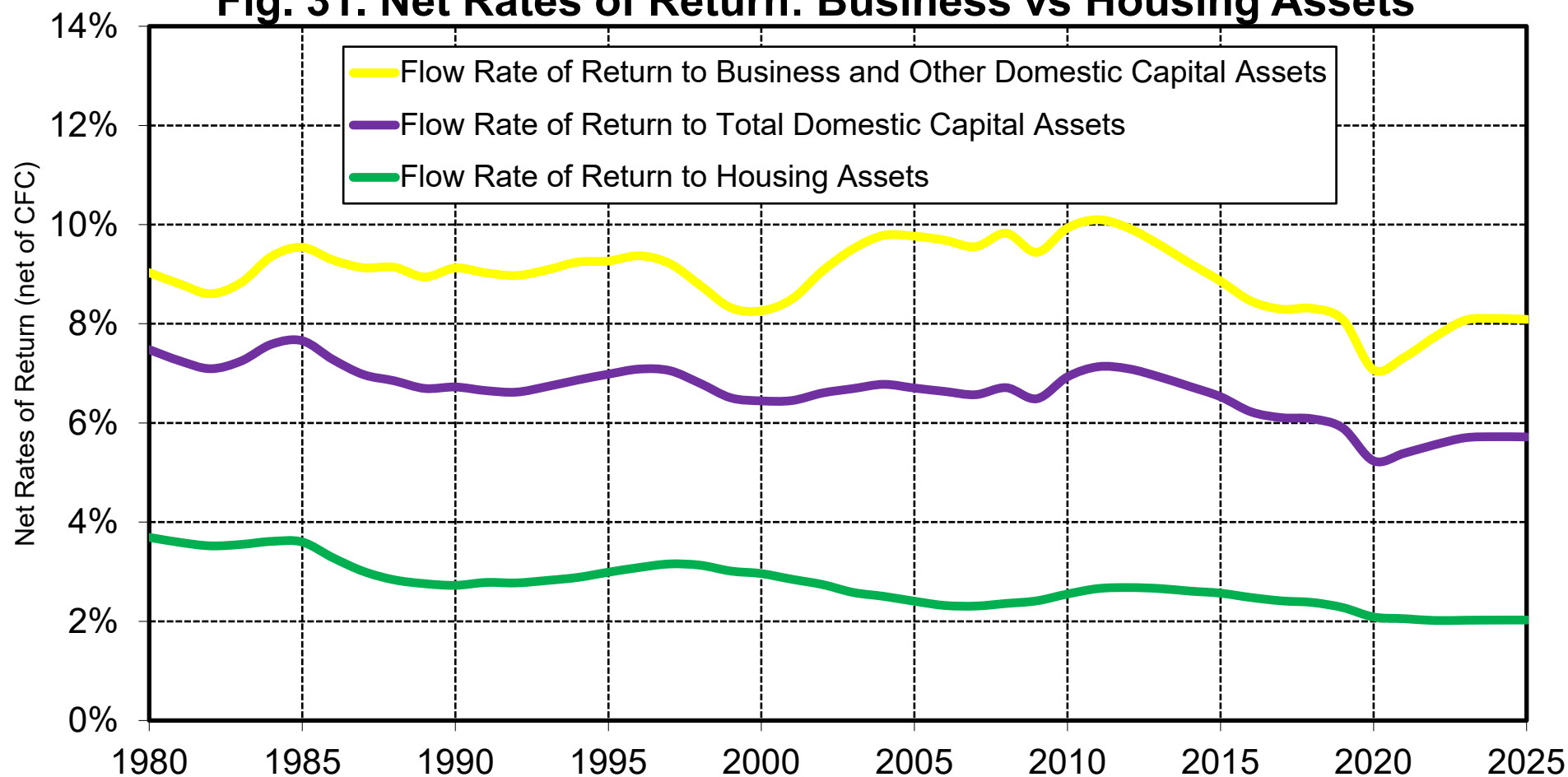
Interpretation. At the world level, the macroeconomic flow rate of return to capital (defined as the capital share divided by domestic capital stock, excluding capital gains and losses) has always been substantially larger than the real growth rate of per capita GDP. The average values over the 1980-2025 period have been 10.1% for the gross-of-depreciation rate of return, 6.6% for the net-of-depreciation rate of return and 1.7% for the real per capita growth rate. The inequality $R > G$ (a necessary condition for dynamic efficiency in standard macroeconomic models) holds in all world regions, with significant variations. **Sources and series:** wid.world

Fig. 30. R vs G at the World Level (including capital gains)



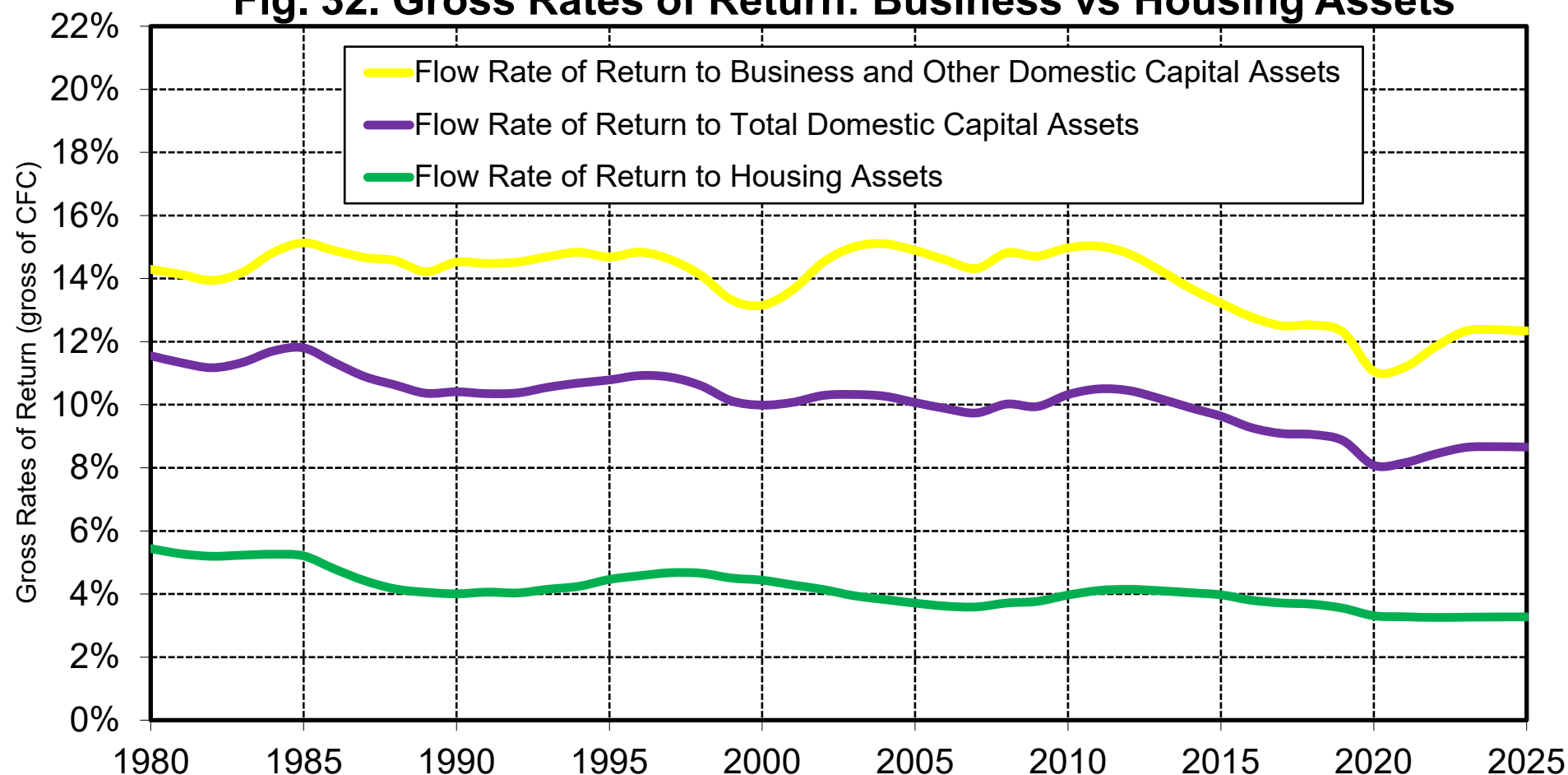
Interpretation. At the world level, the macroeconomic total rate of return to capital (defined as the capital share divided by domestic capital stock, including capital gains and losses) has always been substantially larger than the real growth rate of per capita GDP. The average values over the 1980-2025 period have been 11.8% for the gross-of-depreciation rate of return, 8.3% for the net-of-depreciation rate of return and 1.7% for the real per capita growth rate. The inequality $R > G$ (a necessary condition for dynamic efficiency in standard models) holds in all world regions, with significant variations. Capital gains raise rates of return but also make them more volatile. **Sources and series:** wid.world

Fig. 31. Net Rates of Return: Business vs Housing Assets



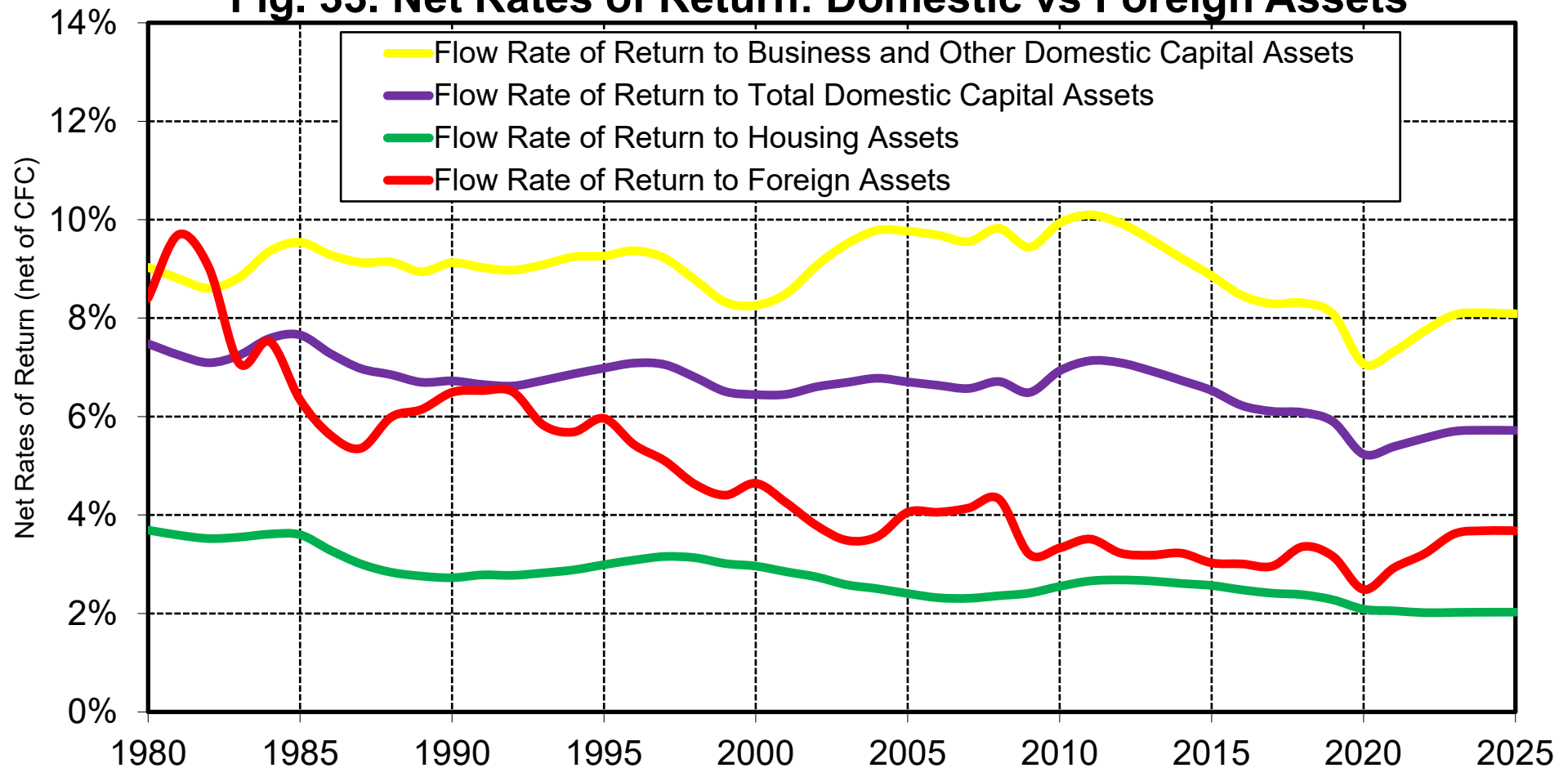
Interpretation. At the world level, the rate of return to business and other domestic capital assets (defined as the capital share divided by corresponding capital stock) has always been substantial larger than the rate of return to housing assets. The average values over the 1980-2025 period have been 8.9% for the net-of-depreciation rate of return to business and other domestic capital assets, 6.6% for total domestic capital and 2.9% for housing assets. This can be explained by various factors, including differences in risk, bargaining power and/or management costs (unmeasured labour input). This regularity holds in all world regions, with important variations. **Sources and series:** wid.world

Fig. 32. Gross Rates of Return: Business vs Housing Assets



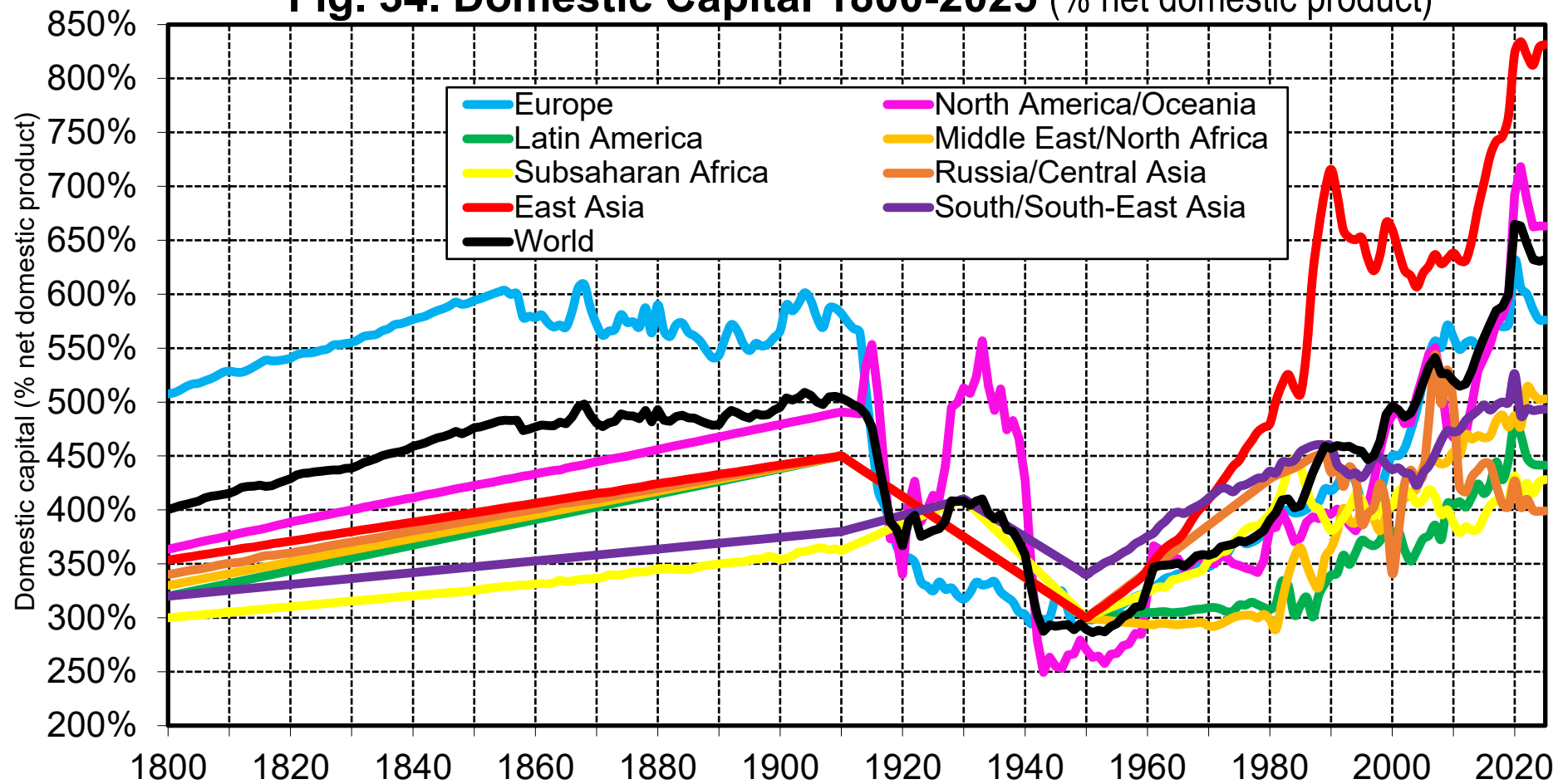
Interpretation. At the world level, the rate of return to business and other domestic capital assets (defined as the capital share divided by corresponding capital stock) has always been substantial larger than the rate of return to housing assets. The average values over the 1980-2025 period have been 13.9% for the gross-of-depreciation rate of return to business and other domestic capital assets, 10.1% for total domestic capital and 4.1% for housing assets. This can be explained by various factors, including differences in risk, bargaining power and/or management costs (unmeasured labour input). This regularity holds in all world regions, with important variations. **Sources and series:** wid.world

Fig. 33. Net Rates of Return: Domestic vs Foreign Assets



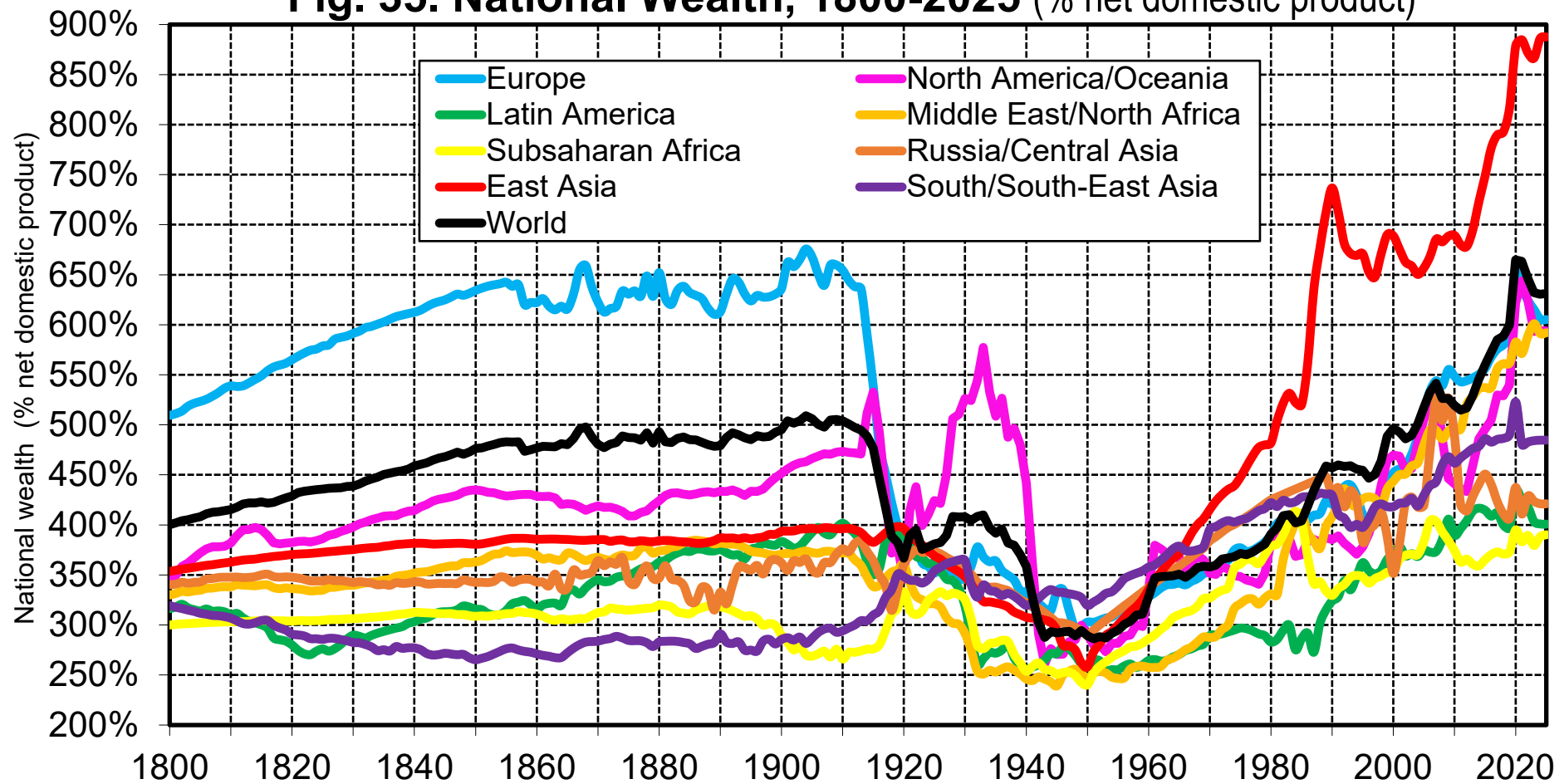
Interpretation. At the world level, the average rate of return to foreign assets has declined between 1980 and 2025: it used to be close to the average rate of return to domestic capital assets, and it is now significantly smaller. This can be explained by various factors, including a transformation of the economic role of foreign assets. I.e. the magnitude of cross-border assets has increased enormously, but they now play increasingly a role of reserve assets (highly liquid and relatively safe, but relatively low return). This comes with large regional variations: rich countries have higher returns on their foreign assets than on their liabilities & conversely for poor countries. **Sources and series:** wid.world

Fig. 34. Domestic Capital 1800-2025 (% net domestic product)



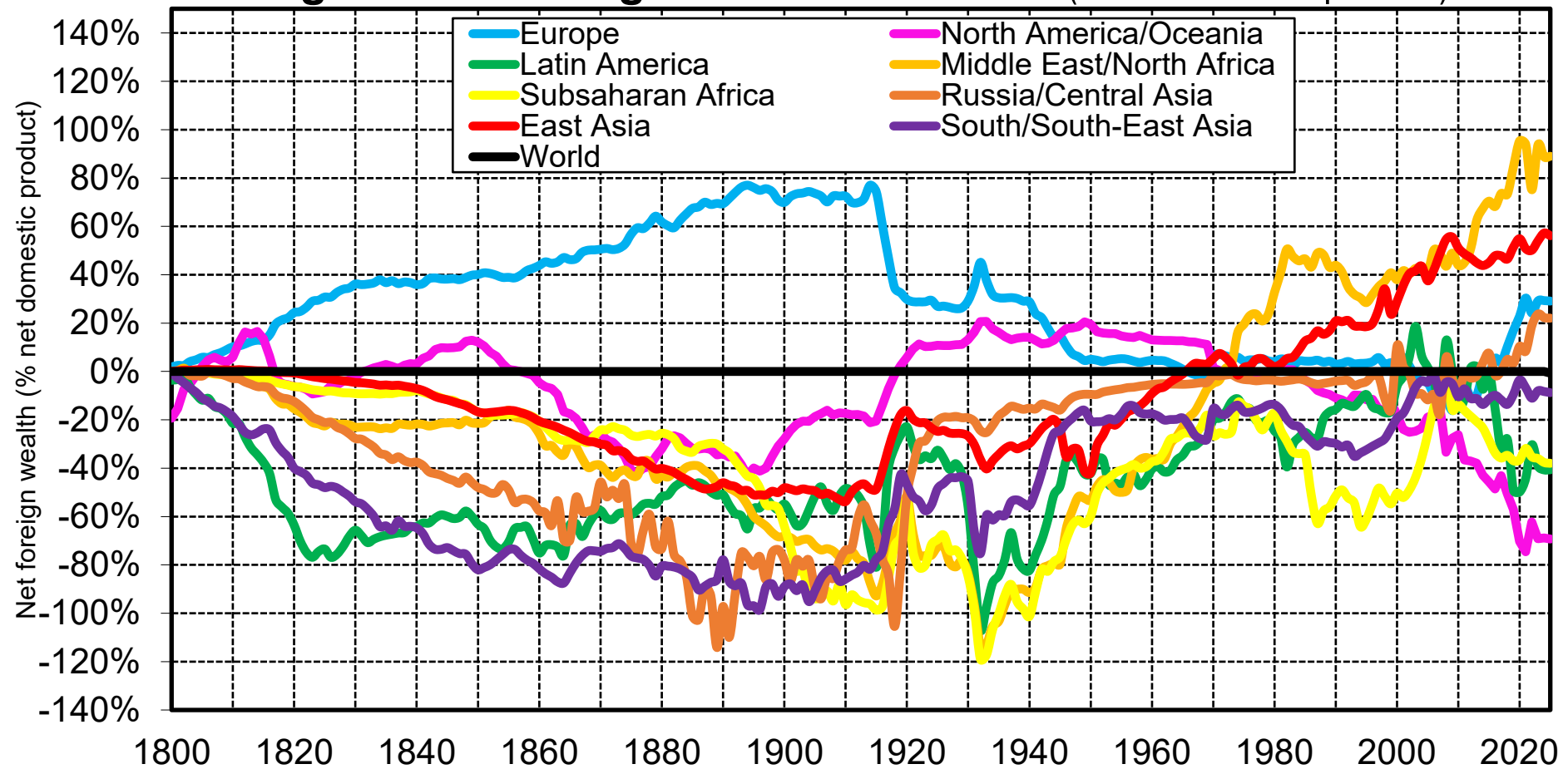
Interpretation. According to available historical sources, domestic capital rose from about 400% of net domestic product at the world level in 1800 to about 500% in 1910, down to about 300% in 1950, back up to 600-650% in the 2020s. The large rise observed in recent decades can be accounted for by various factors, including rising asset prices (agglomeration effects, policy changes, rising bargaining power of capital owners, etc.) and very high saving rates (private + public) in East Asia. **Sources and series:** wid.world

Fig. 35. National Wealth, 1800-2025 (% net domestic product)



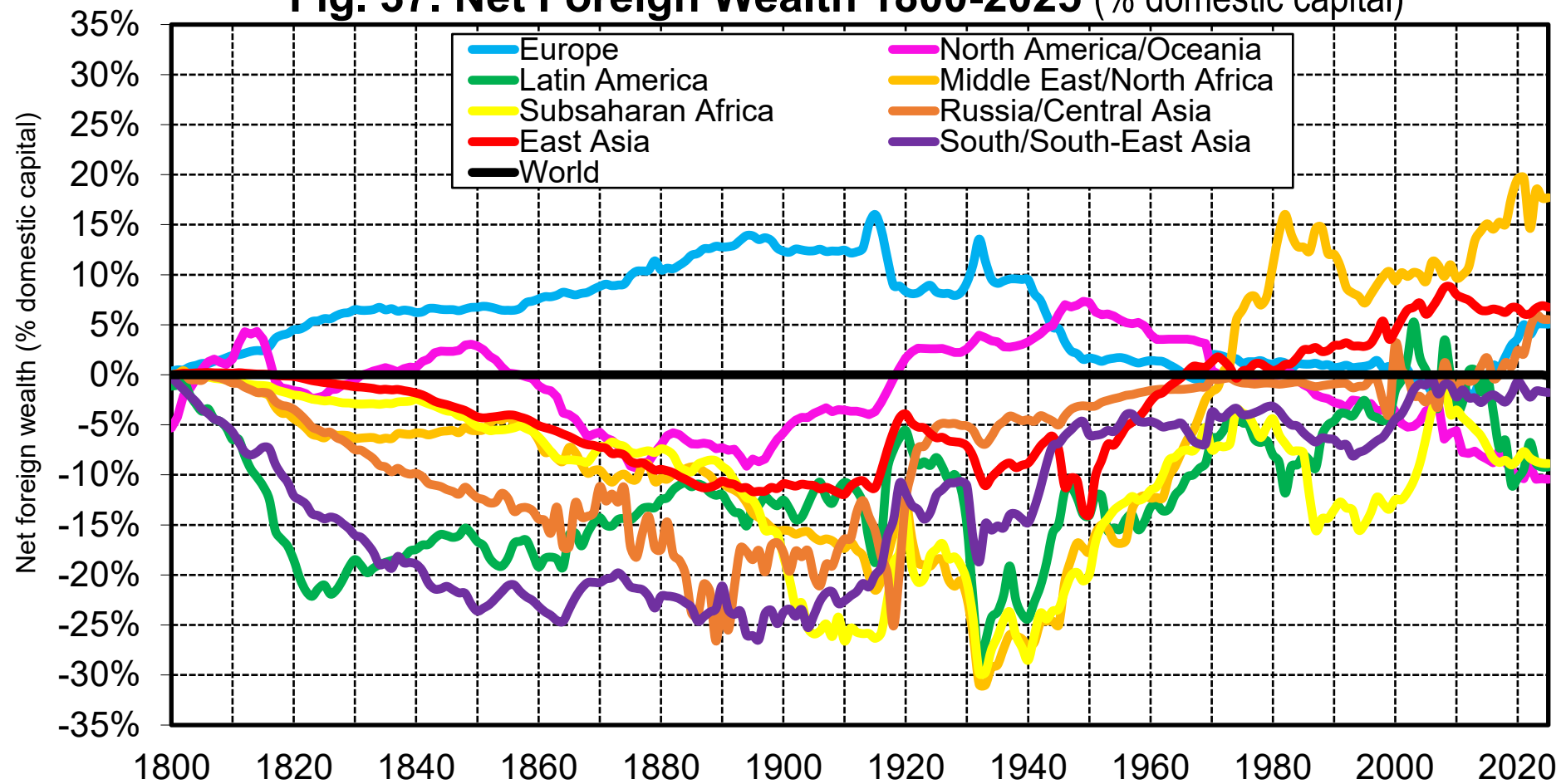
Interpretation. Historical variations in national wealth by region have been even larger than variations in domestic capital, due to the amplifying impact of foreign wealth: Europe owns substantial foreign wealth in 1800-1914, and so does East Asia in 1980-2025 (though in a less massive manner). **Sources and series:** wid.world

Fig. 36. Net Foreign Wealth 1800-2025 (% net domestic product)



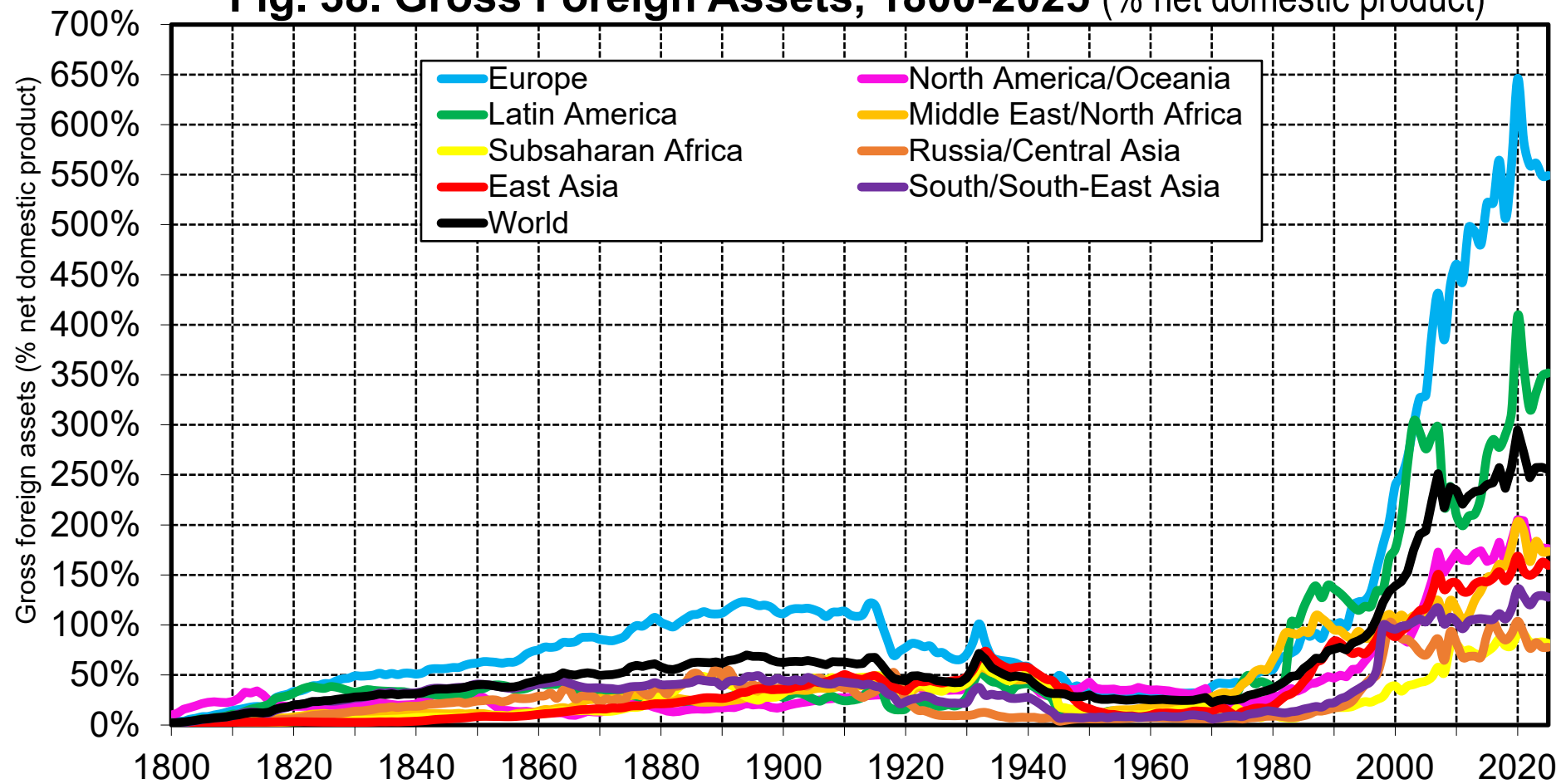
Interpretation. Between 1800 and 1914, Europe owns a rising fraction of the rest of the world. These foreign assets vanish between 1914 and 1950. They are partly replaced by foreign assets owned by the US between 1920 and 1970 and by oil countries and East Asia since the 1970s-1980s. **Sources and series:** wid.world

Fig. 37. Net Foreign Wealth 1800-2025 (% domestic capital)



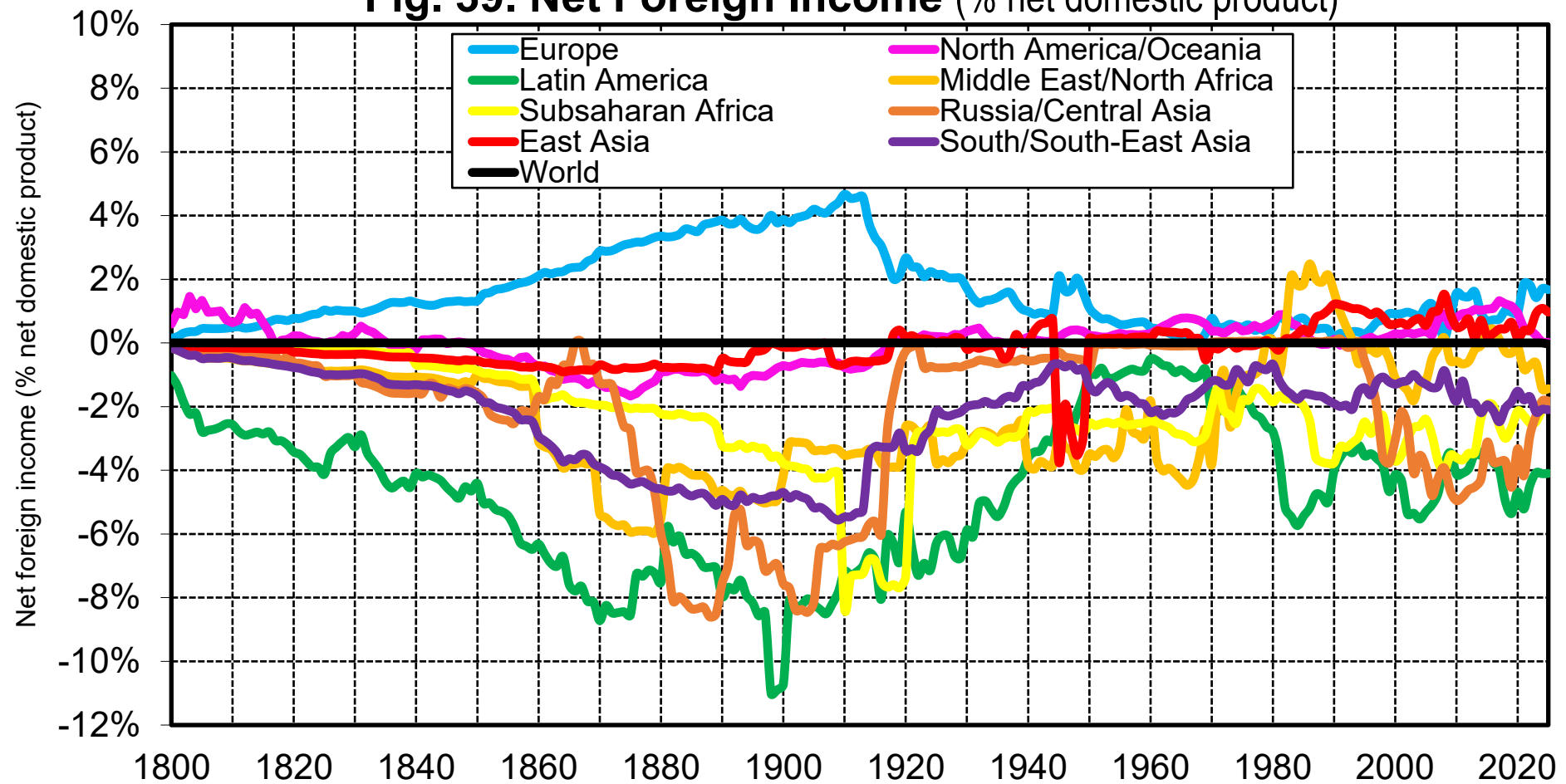
Interpretation. Between 1800 and 1914, Europe owns a rising fraction of the rest of the world. These foreign assets vanish between 1914 and 1950. They are partly replaced by foreign assets owned by the US between 1920 and 1970 and by oil countries and East Asia since the 1970s-1980s. **Sources and series:** wid.world

Fig. 38. Gross Foreign Assets, 1800-2025 (% net domestic product)



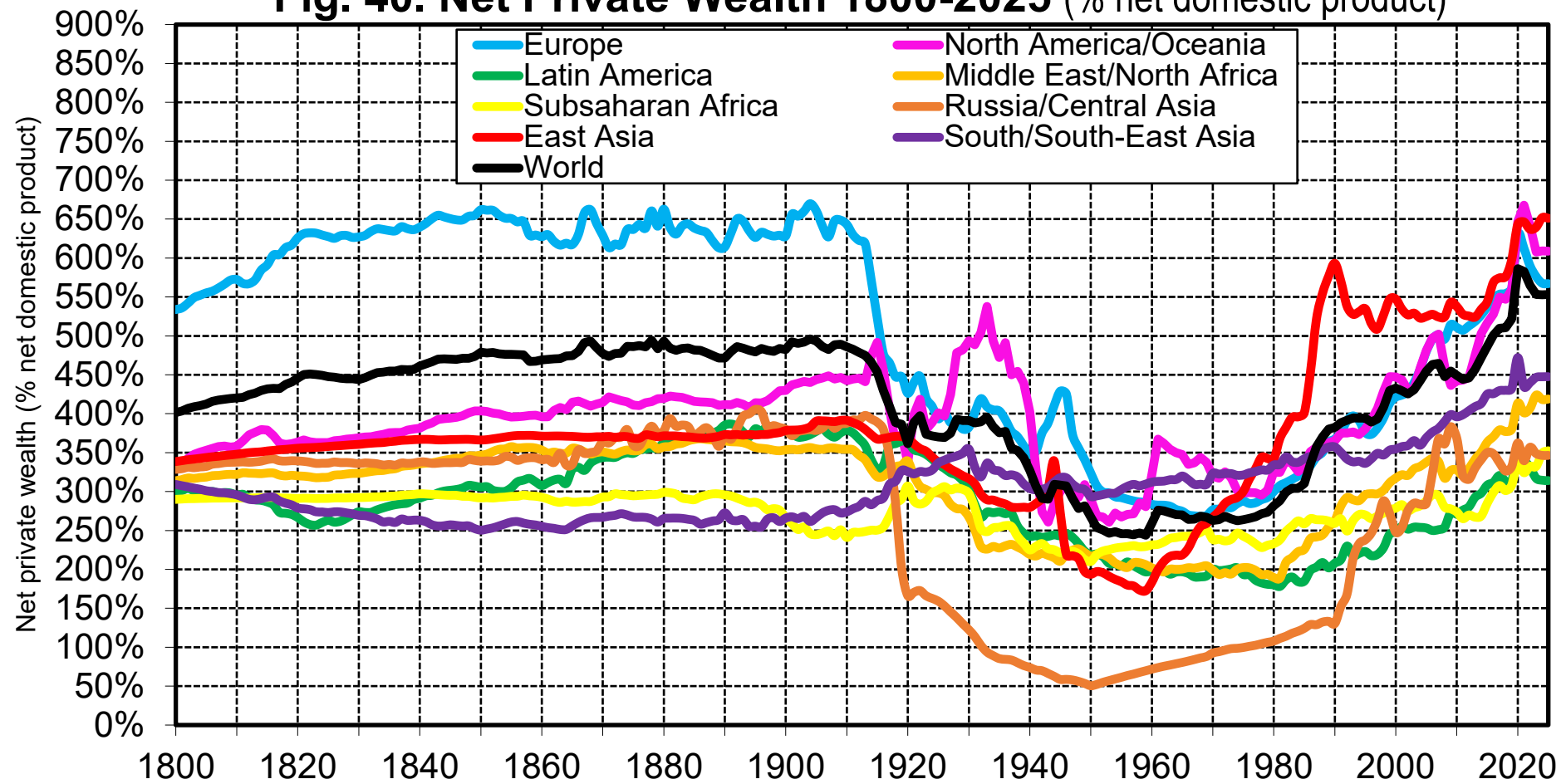
Interpretation. Unlike net foreign asset positions (which are not larger today than what they were in 1900-1910), gross foreign asset positions have grown to unprecedented levels in recent decades. This reflects the global financialization of wealth, including the rise of cross-company shareholding and cross-country ownership. **Sources and series:** wid.world

Fig. 39. Net Foreign Income (% net domestic product)



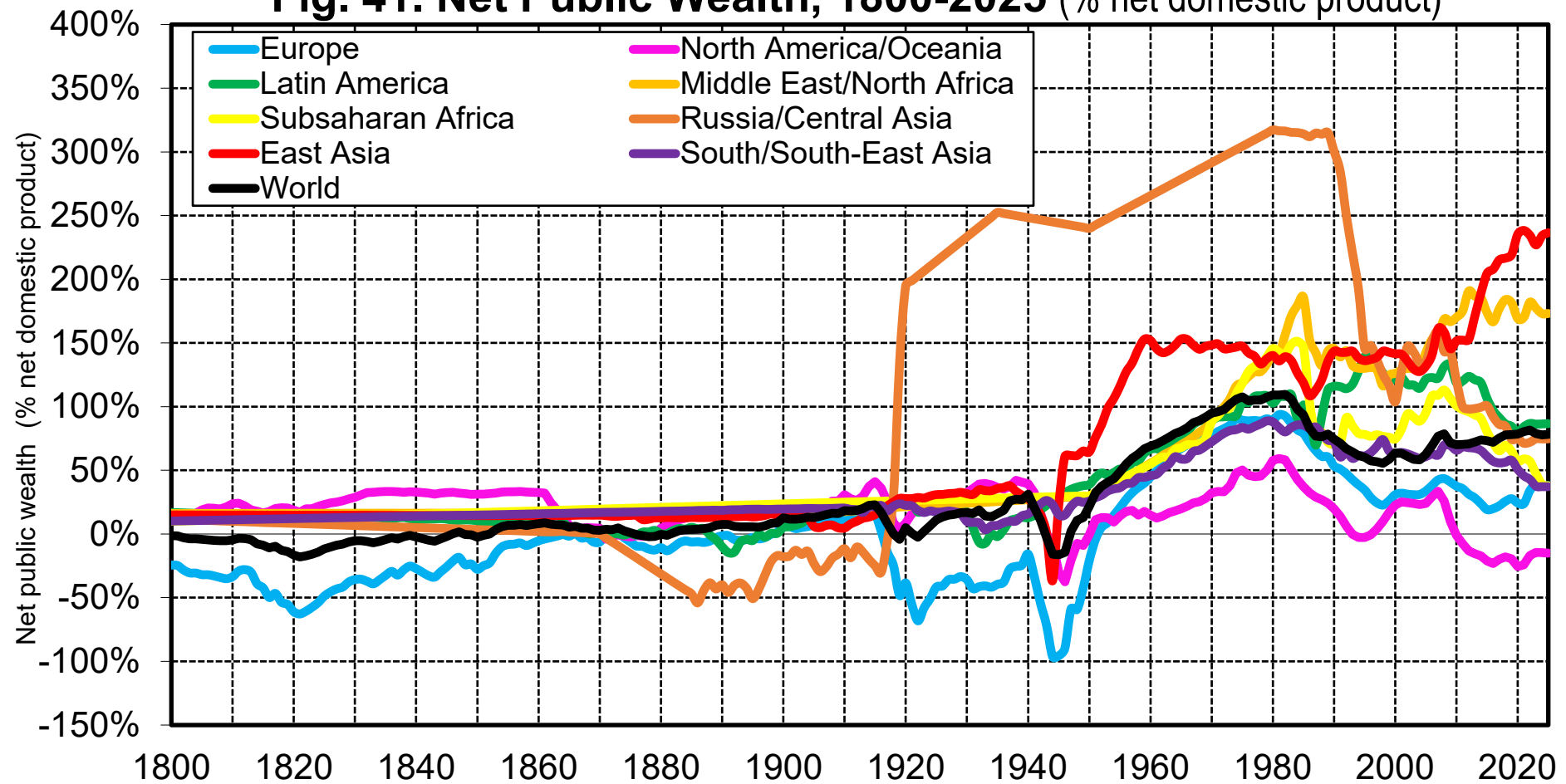
Interpretation. Between 1800 and 1914, Europe owns a rising fraction of the rest of the world and is receiving an increasing flow of capital income from the rest of the world. In the 2010s-2020s, Europe and North America are still receiving positive foreign income, in spite of the fact that their foreign wealth is small or negative. This reflects the fact that they receive higher rates or returns on their assets (and pay small returns on their liabilities) than the rest of the world (so-called "exorbitant privilege"). **Sources and series:** wid.world

Fig. 40. Net Private Wealth 1800-2025 (% net domestic product)



Interpretation. If we focus on private wealth (rather than national wealth), then the levels of wealth-NDP ratios observed today in East Asia are very close to those observed today in North America/Oceania and in Europe, and to those observed in Europe before 1914. I.e. the differences in national wealth are entirely due to differences in levels of public wealth. **Sources and series:** wid.world

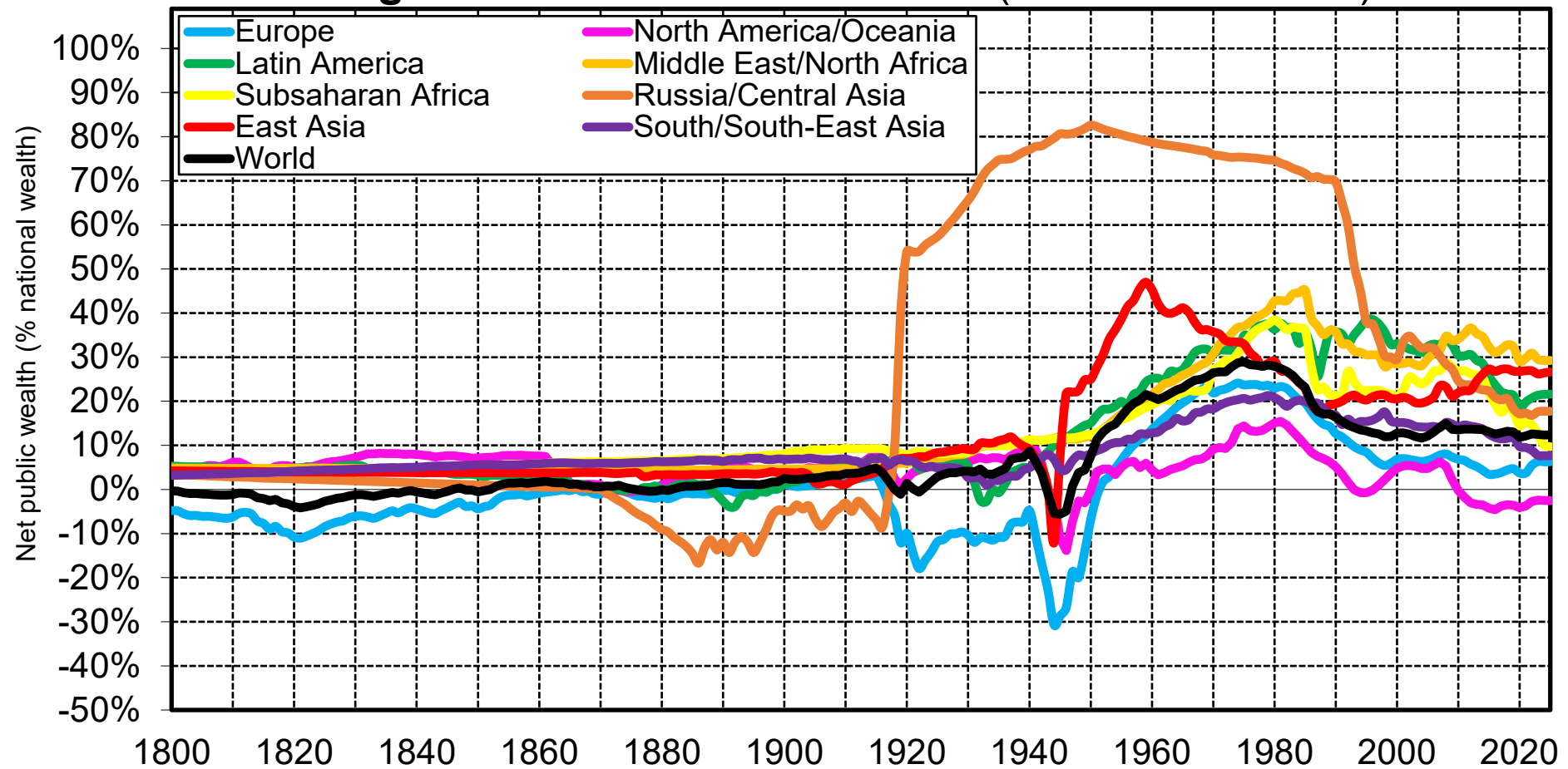
Fig. 41. Net Public Wealth, 1800-2025 (% net domestic product)



Interpretation. Net public wealth (public assets minus public debt) are very large in East Asia (driven by China), while they are small or negative in Europe and North America/Oceania.

Sources and series: wid.world

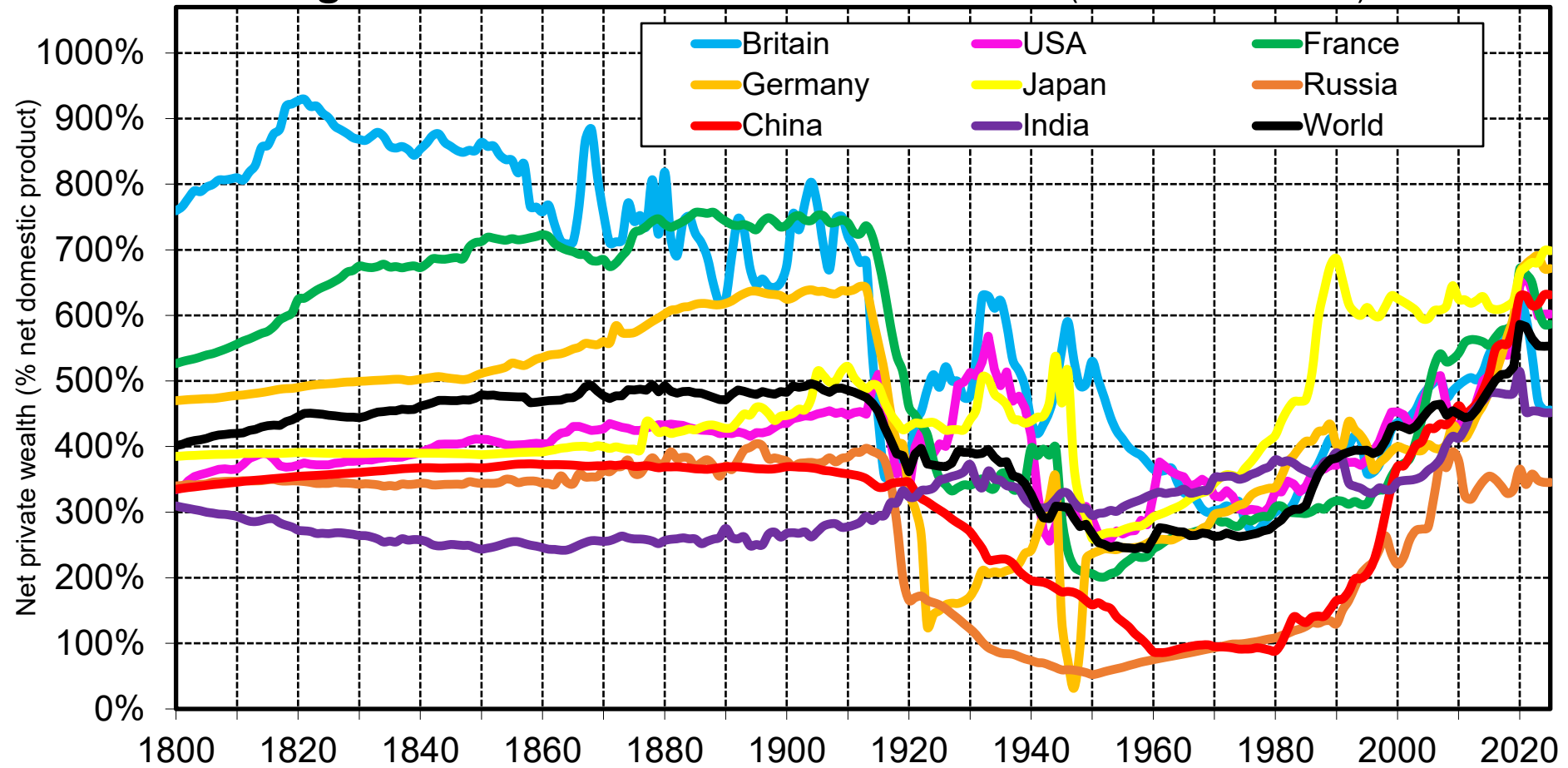
Fig. 42. Share of Public Wealth (% national wealth)



Interpretation. We observe very large variations in the share of public wealth in national wealth, from very low levels in the 19th century to very high levels in communist countries in the 20th century to intermediate levels in the 2020s, with large variations across regions.

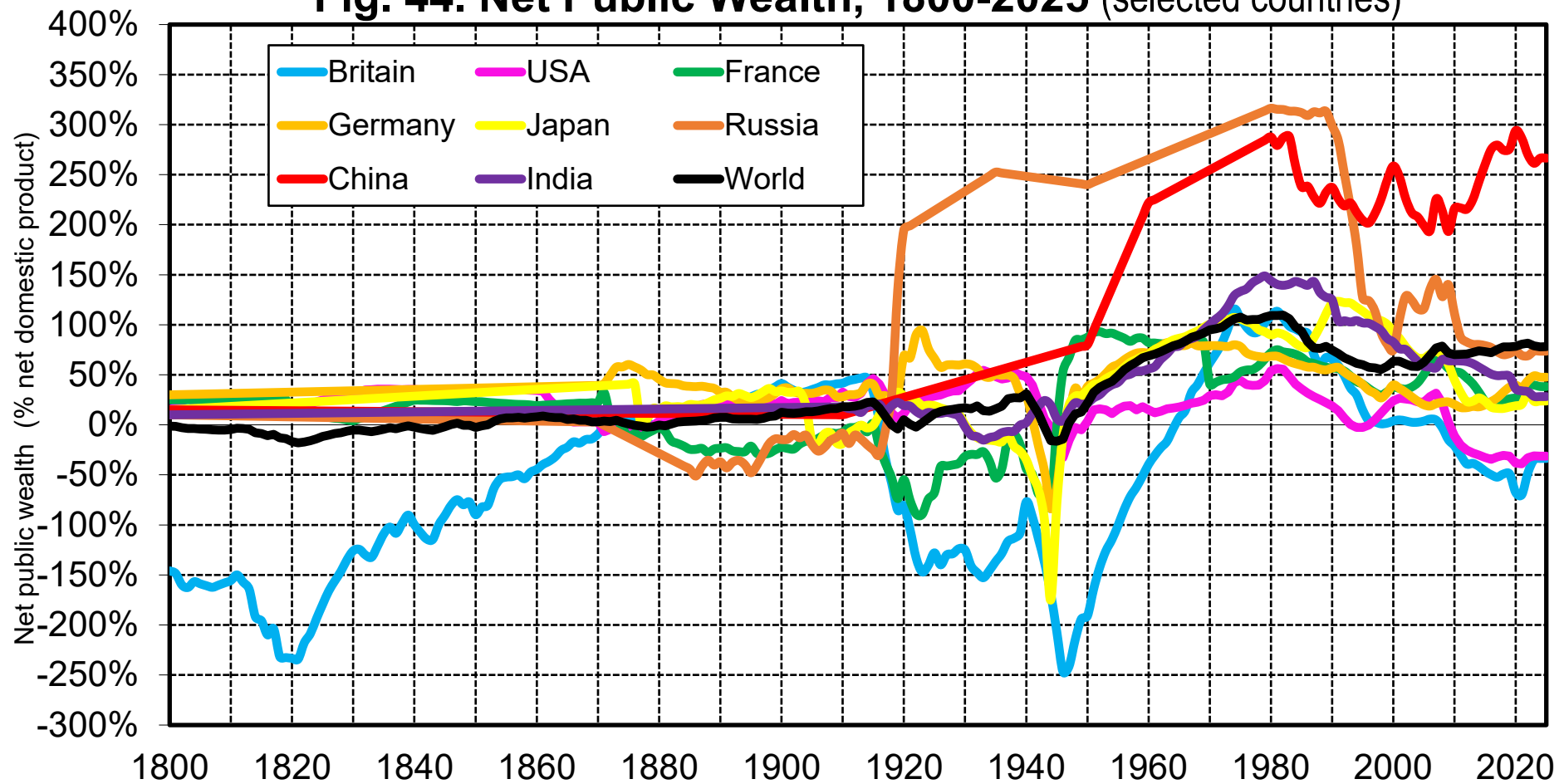
Sources and series: wid.world

Fig. 43. Net Private Wealth 1800-2025 (selected countries)



Interpretation. If we focus on private wealth (rather than national wealth), then the levels of wealth-NDP ratios observed today in East Asia are very close to those observed today in North America/Oceania and in Europe, and to those observed in Europe before 1914. I.e. the differences in national wealth are entirely due to differences in levels of public wealth. **Sources and series:** wid.world

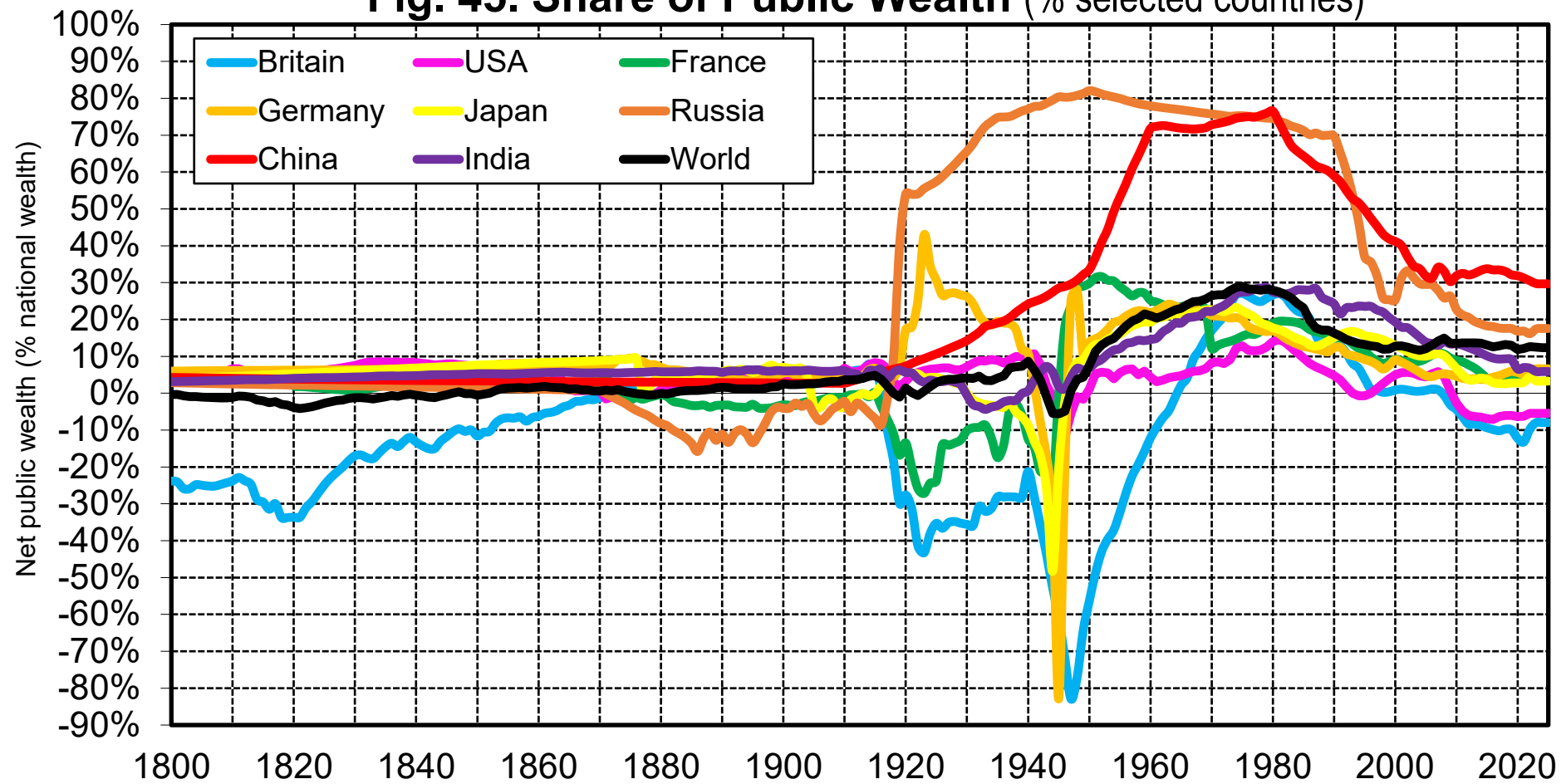
Fig. 44. Net Public Wealth, 1800-2025 (selected countries)



Interpretation. Net public wealth (public assets minus public debt) are very large in East Asia (driven by China), while they are small or negative in Europe and North America/Oceania.

Sources and series: wid.world

Fig. 45. Share of Public Wealth (% selected countries)



Interpretation. We observe very large variations in the share of public wealth in national wealth, from very low levels in the 19th century to very high levels in communist countries in the 20th century to intermediate levels in the 2020s, with large variations across regions.

Sources and series: wid.world