Wealth and gender in the long run. France, 1825-1960

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Extended abstract – Very preliminary

Opening: the roles and uses of wealth

Recent debates on wealth inequality tend to underestimate variations in the composition of this wealth and its role in determining its distribution. Wealth is evaluated by aggregating under a single monetary value goods of a different nature (and, therefore, different use). This is particularly true when exploring historical evolutions over time, as the types of goods that forms wealth change a lot–because the structure of the economy, and therefore the forms of capital that are valued in it, are profoundly transformed. There is no shortage of examples: the transition from an agrarian to an industrial economy profoundly modified the role but also the value of land; the concentration of the population in cities disrupted the modalities of acquisition and exchange of urban housing; the introduction of a pension system reduced the interest and value of savings for retirement; and so on.

In fact, the utility of different type of wealth is strongly related to the context in which they are used. It depends, obviously, on the structure of the economy (which values some forms of capital and not others), but also on the structure of society, in a broader sense: the technical, administrative, and legal structure. Again, there is no lack of examples: a poor and hardly exploitable land that sees its value explode with the arrival of the railroad or the development of tourism.

One of the consequences of this way of seeing things is that the nature of the individuals themselves is important for assessing or valuing wealth and thus studying wealth inequalities. It therefore seems essential to understand who owns wealth and in what ways (whether it is a matter of legal rights or simply different usage patterns). For contemporary Western societies, the situation of women reflected (and, in many ways, still reflects) the existence of a strong dichotomy between the possession of wealth and the actual ability to dispose of it as one wishes.

Many recent works of economic history have contributed to reevaluate the role and place of women in the economic take-off and the industrial revolution(s) (e.g., Humphries and Schneider 2019; Horrell and Humphries 1995). This is not simply a rewriting of labor history, but a profound change in the way we view the contemporary history of Western societies. Yet these debates have had little or no influence on the study of income or wealth distributions. Hence, the history of wealth and wealth inequalities tends to compare the amounts of wealth possessed by individuals (in the form of monetary aggregates) without considering the legal, social or institutional ways in which this wealth is used. This leads to quite paradoxical analyzes that produce Gini indices or wealth quartile distributions where men and women are assigned an amount of capital owned, as if both groups could use their wealth in the exact same way. This paper aims at challenging this vision.

To do so, we simultaneously mobilize individual data on the wealth (at death) of French men and women over nearly a century and a half and a chronology of women's rights over property. By comparing the former with the latter, we show how the ways in which wealth is used determines its possession, for both genders. In addition, we need ways to operationalize the differences between owning wealth and using it. There are many ways to do so, one could

look for instance at the way men and women face ageing ((Bourdieu, Postel-Vinay, and Suwa-Eisenmann 2008) or consider the way they own different types of asset (Green et al. 2009). In this paper, we will contrast two sets of comparison, comparing wealth ownership by men and women according to another dimension. First, we compare individuals by marital status (including differences in marriage contracts that modulated ownership rights), which were directly linked to rights of using wealth. Second, we compare individuals by occupations, comparing independent workers and wage-earners, given the implications of this dichotomy to the use of wealth.

Legal constraints to the use of wealth

The (timid) egalitarian attempts of the French Revolution to bring the rights of women and men closer were quickly swept away and the *Civil Code* of 1804 confirmed the legal inferiority of women who were legally incapable, under the authority of their father and then their husband. Only the widow had, at least in theory, legal rights. Before widowhood, women had the same status, powers and rights as young children.

Their condition was improving, albeit slowly, with, for example, access to university in 1880, the possibility for women to be witnesses in legal acts (civil status or notarial acts, for example) in 1897, and increasing access to their own economic means. In 1907, a law gave a married woman the right to receive her salary and to dispose of it freely (on condition that she exercised a profession distinct from that of her husband). Women thus gained some autonomy, albeit limited. Nevertheless, it was not until the 1938 reform of the *Code Civil* that the legal incapacity of married women was abolished. But many other legal restrictions remained until 1965, including the need for a husband's permission to work and choose a job.

These developments are clearly linked to the evolution of property law, especially within the couple: the law of 13 July 1965, unanimously considered as a turning point, addresses first and foremost the management of the couple's common property. We mobilize a representative sample that allow us to observe that property, for couple living under various legal arrangements. This will allow us to compare wealth ownership according to the rights of using it that each spouse possessed.

Database

We use the TRA survey. This dataset gathers wealth at death and individual information, such as occupation and place of residence, of 50,000 adult individuals deceased in France between 1820 and 1960. Individuals are selected with their names beginning with the letters TRA so as to facilitate family reconstruction. Information on wealth is based on two sources: *Tables de Successions et d'Absences* and *Registres de Mutations par Décès*. The latter provides exhaustive detail on assets composition.

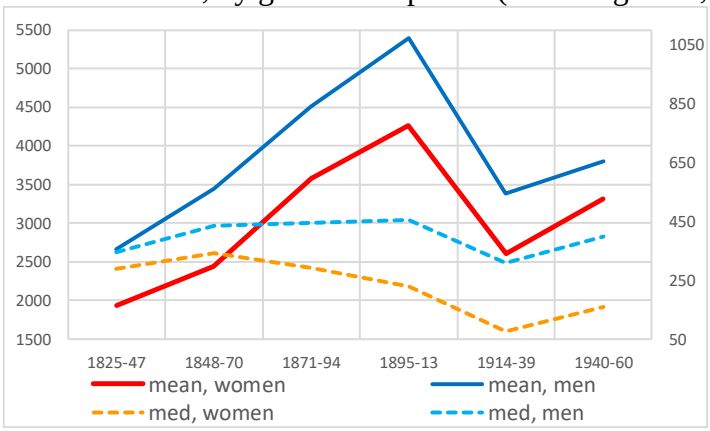
The sample with complete information on assets composition counts 8,000 individuals. Previous work has shown the representativeness of the TRA survey and how it captures well the French demographic and geographic trends (Bourdieu, Kesztenbaum, and Postel-Vinay 2014). The survey is also representative of the estates left by the deceased in France, as reported by the Fiscal authority, once the top one percent is taken out. In short, the survey can be considered as a random draw of 1/1200 (respectively 1/2000) of the French population of deceased before (resp. after) 1940. Hence, our sample can be considered as a household survey, which is representative of the bottom 99 percent of the French population who together owns around 70 percent of total wealth.

Ownership and use of wealth

This paper encompasses contrasted economic situations in French history. To follow the long-term changes we focus on, we distinguish six sub-periods, defined by the year of death of the individuals: 1825-1847 (slow growth); 1848-1869 (industrialization during the Second Empire); 1870-1895 (deceleration); 1895-1913 ("Belle Epoque"); 1914-1918 (WW1); 1919-1939 (interwar) and 1940-1960 (post-war reconstruction).

It is important to remember that not all individuals owned wealth. Indeed, in the early 19th century, one-third of the adult population did not hold any wealth and this proportion increased up to the interwar period. Moreover, among those who held some wealth, many only held a buffer against income shocks: a few months-worth savings, some furniture and clothes that could be sold in case of need. Less than half of the population held real estate and even less owned a house. There are few differences in terms of wealth ownership between men and women. Looking at the value of wealth, the differences by gender are more substantial, as Figure 1 shows. However, there is still a strong relationship between men's and women's wealth ownership, despite the very different rights they have on it.

Figure 1. Mean and median wealth, by gender and period (including the 0, without top1%)



Note: mean (resp. median) wealth on the left (right) axis. Constant 1914 Francs.

To go further, we need to find an empirical counterpart to the opposition between owning wealth and being able to use it. In other words, we must find ways to observe empirically how different ability (legal or otherwise) to use wealth between men and women affected the level of wealth they held. We rely on two sets of comparison. In both cases we will compare wealth ownership by men and women according to a second dimension.

First, we compare individuals by marital status (including by marriage contracts that modulated ownership rights), which were directly linked to rights of using wealth. Second, we compare individuals by occupations, comparing independent workers and wage-earners. Indeed, the ability to earn income outside of the family, e.g., through wage on the labor market, is a decisive feature to complement the use of wealth. This proves to be a major change in the long-run (Ruggles 2015). Compared to the US situation described by Ruggles (and in fact to most Western countries), France is specific in that women's participation to the labor force has always been quite high (Maruani and Meron 2012).

Références

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