

Wealth transfers in Belgium, 1798-2022

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Long-run evidence on wealth transfers is scarce, yet central to the 'capital is back' debate

'Capital is back' (Piketty & Zucman, 2014) vs. 'revisionists' (Waldenström, 2024)

- Interpretation
- Measurement

Long-run wealth transfer series exist for only a few countries

Apart from wealth transfers, studying wealth transfer taxation is also important

1. Driver of the 20th-century decline in wealth inequality
2. Outcome to be explained in itself
3. Needed to interpret fiscal transfer data

Belgium is an interesting case ...

- One of highest wealth-to-income ratios in the world today, quickly rising since 1980s
- Early industrialiser
- Fiscal 'outlier' in the 19th & 20th centuries (Watteyne, 2023)

... but poorly documented

- No consistent long-run series of aggregate wealth
- Wealth inequality only from 1935 (Alvaredo et al., 2024; Apostel, 2025)
- Wealth transfers: one unpublished note (Dedry, 2014)
- Statutory rates: single top rate (Scheve & Stasavage, 2012) or four benchmark years (Van de Perre & Van der Herten, 1999)

This paper provides a new dataset and illustrative applications

1. **Statutory** inheritance & gift tax schedules, 1798-2022
2. **Fiscal flow** & tax revenue series: inheritances from 1840, gifts from 1857
3. **Economic flow** series, 1952-2022
4. **Applications**: effective tax rates, share of inherited wealth, regional decomposition

An important caveat

Ideally, one would have high-quality fully encompassing data on wealth transfers and their taxation

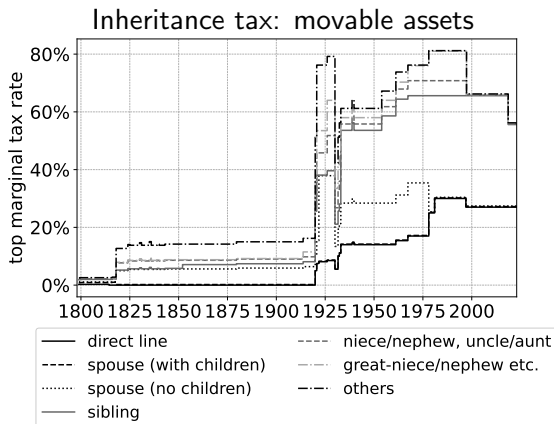
Since such data are not available, corrections are required in a data-constrained environment

⇒ this work is **an attempt to provide sensible estimates given major data constraints**

This does not imply that anything goes!

Statutory tax schedules, 1798-2022

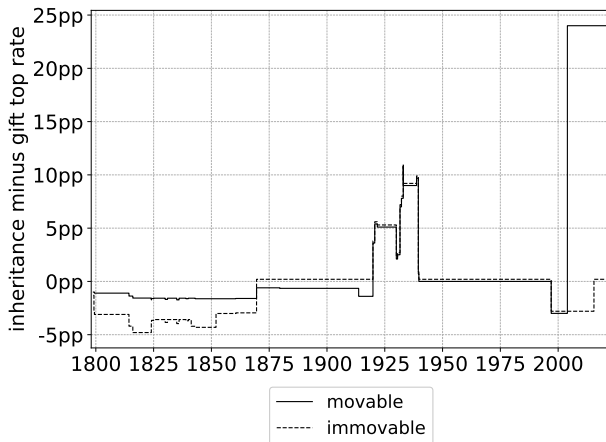
Light and stable taxation in 19th century, large changes in 20th century



1814: direct line exempt · 1852: direct-line immovables taxed · 1919: progressive schedule, movables included · 1920-26: hikes, 1930: cut · 1978/81: direct-line hikes · 1989: regionalised (Flanders shown)

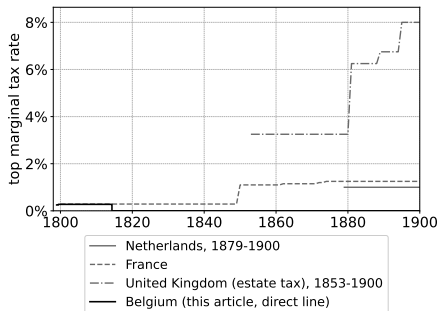
Gift-inheritance tax wedge was substantial in both the 1920s-30s and from 2004 onwards

Inheritance minus gift top rate, direct line (Flanders after 1989)

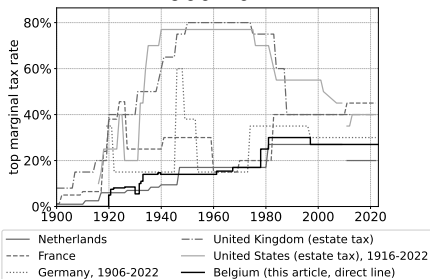


Belgium taxed inheritances lightly compared to its neighbours

1798-1899



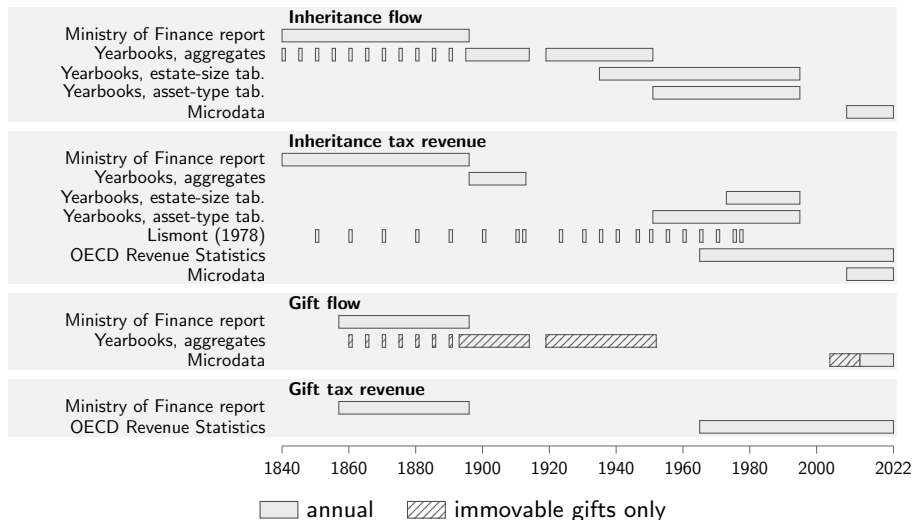
1900-2022



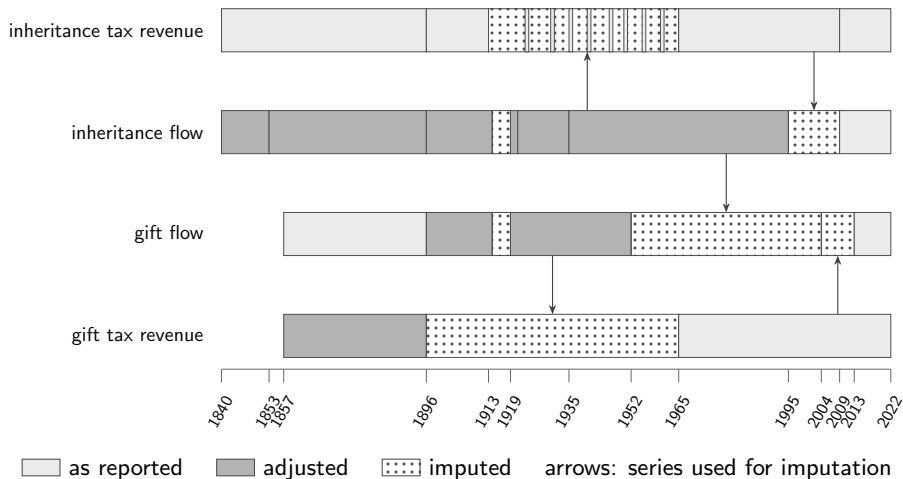
Fiscal flow series, 1840-2022

Key idea: build consistent annual series from tax data

Fiscal data is spread over multiple sources

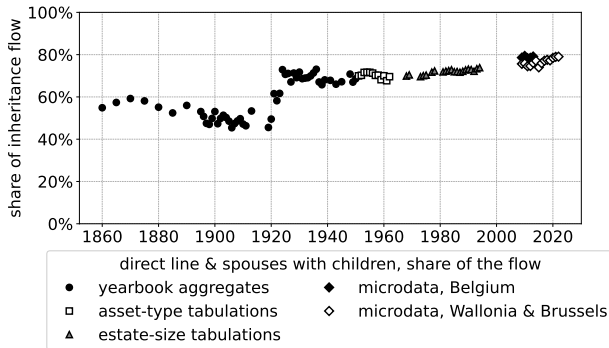


Sources are adjusted or imputed to create a consistent series



Main pre-1920 adjustment is imputing exempted direct line

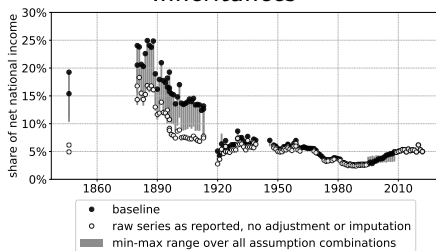
Direct line & spouses with children, share of the inheritance flow



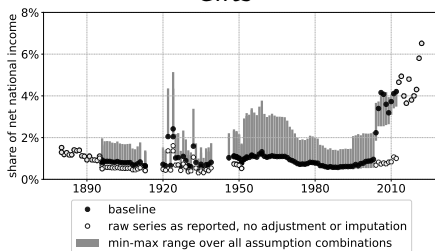
Low 1921-23 share may reflect post-war effects, administrative capacity building, or the 1923 collateral hike

Inheritances decline during most of 20th century, gifts spike when the tax gap opens

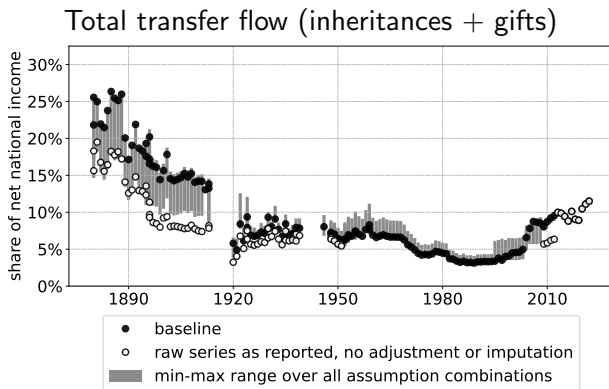
Inheritances



Gifts

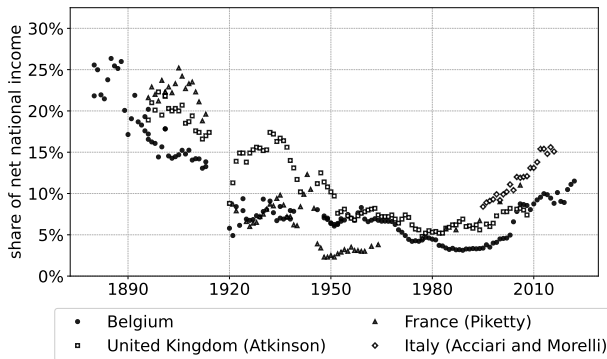


U-shape in total transfers is robust to the adjustment and imputation choices



Belgian evolution broadly in line with France and the UK,
except for the 1980s-mid-2000s dip

Total transfer flow (Belgium baseline, France, UK, Italy)



Economic flow series, 1952-2022

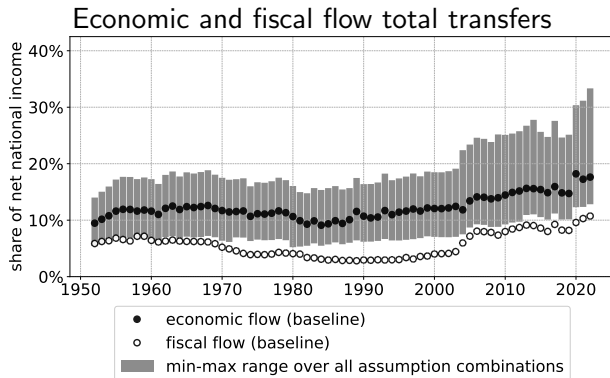
Key idea: estimate the transfer flow from aggregate wealth, mortality, and relative wealth at death, without any tax data

Estimating the economic flow requires four inputs, three of which are shaky for Belgium

$$B_t = (1 + v_t) \mu_t m_t W_t$$

- m_t mortality rate
- W_t private net wealth
Vuchelen & co-authors (1952-97), national accounts (1998-)
- μ_t wealth at death / wealth of the living
1.4 from reweighted 2009-22 microdata (Apostel, 2025), assumed constant
- v_t gifts / inheritances
Fiscal ratio until 2003, from 2004 fiscal gifts added to the economic inheritance flow

Economic flow estimates are higher and uncertain, but confirms the post-1970 dip and the recent rise



Upward uncertainty from gifts, downward from μ and W

Reconciling fiscal and economic flows

Why is the fiscal flow below the economic flow? Two candidate explanations

1. Economic flow is too high: uncertain inputs (relative wealth at death, private wealth)
2. Fiscal flow is too low: tax avoidance & evasion are not captured in tax data

Economic flow could be too high

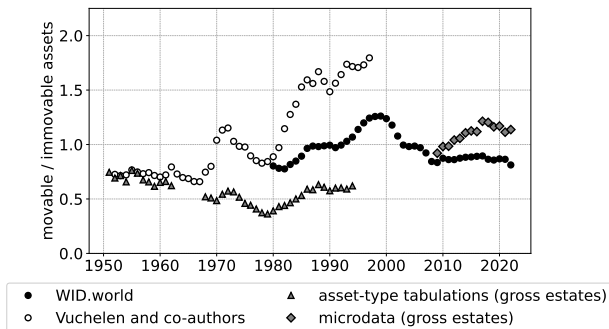
- μ may have been lower in the past (1.05 in Dedry, 2014)
- Aggregate private wealth estimates may be too high (e.g. alternative estimates for immovable property at 66-77% of national accounts)
- Both robustness runs bring the economic flow close to the fiscal flow in the 1950s-60s and after 2005, but not for 1970-mid-2000s

Fiscal flow could be too low

- Evasion substantial (e.g. Balthazar 1971; Hardewyn 1999; Tilliet 1996) and concentrated in movable property (e.g. Baudhuin 1960; Delporte and Moreau 1996; Pacolet and Van De Putte 2000)
- Increased in second half of 20th century according to Frank (1988) but not according to Tiberghien (1990)
- Likely lower today: e.g. bearer shares abolished (2008), automatic information exchange (2017)

Movable property underrepresented in inheritance flow from mid-1950s until 2000s

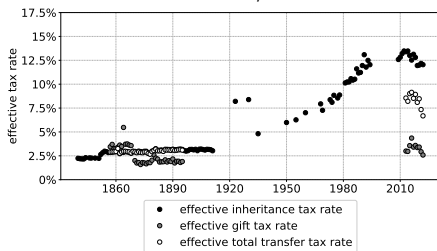
Movable / immovable assets: inheritance flow vs. private wealth



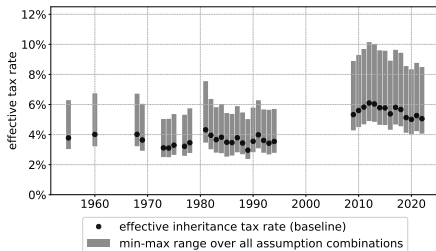
Three applications

Effective inheritance tax rates: rising in the fiscal data, flat in the economic flow

Fiscal flow based, 1840-2022

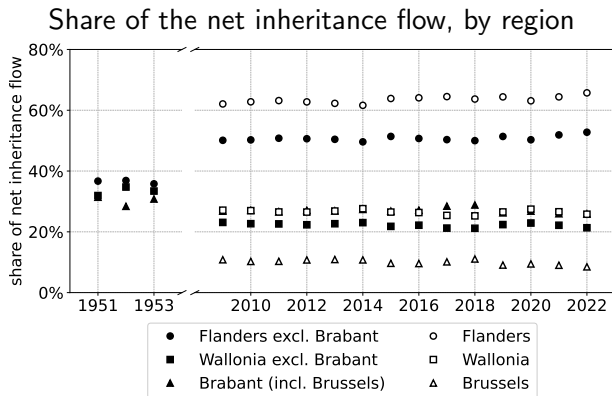


Economic flow based, 1955-2022



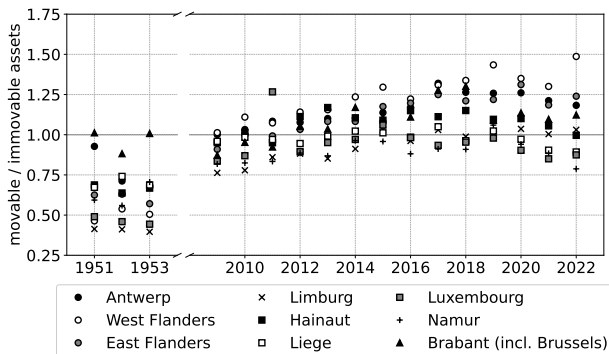
Tax hikes and fixed nominal rate schedule raised the burden on declared transfers, but not on the estimated total flow → consistent with rising avoidance and evasion

Inheritance flow shifted from Wallonia to Flanders

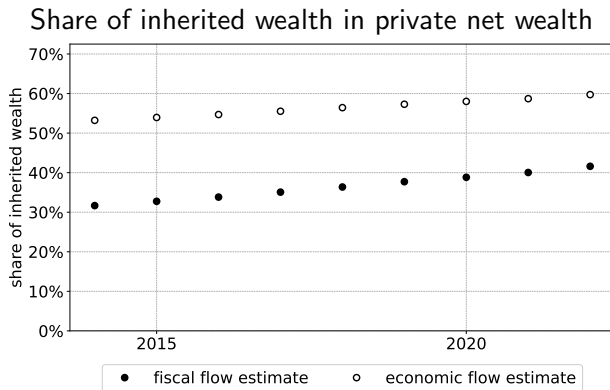


Inheritance flow had considerably higher proportion of movable property in Brussels in 1950s

Movable / immovable assets in estates, by province



Regardless of level differences, the share of inherited wealth is rising fast



Simplified steady-state approach (Alvaredo, Garbinti & Piketty, 2017)

Conclusions

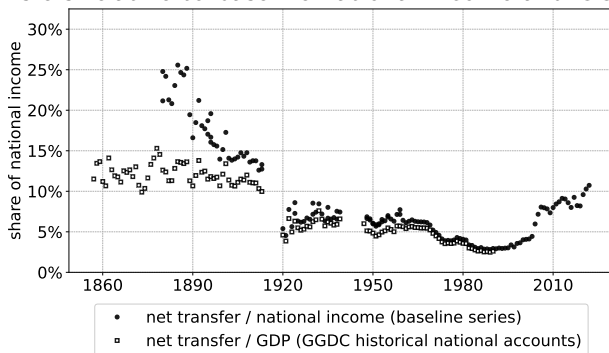
- **Statutory tax rates** were low and stable during 19th century, and increased substantially during 20th century, with large gift-inheritance tax wedge in the 1920s-30s and since 2004
- **Fiscal flow** has a U-shape, with gift spikes in accordance with gift-inheritance tax wedge
- **Economic flow** is higher and comes with substantial uncertainty, broadly stable in the 2nd half of the 20th century $\Rightarrow$ gap with fiscal flow plausibly reflects avoidance & evasion
- **Future research** on consistent long-run private wealth and national income series seems desirable

Thank you!

Backup

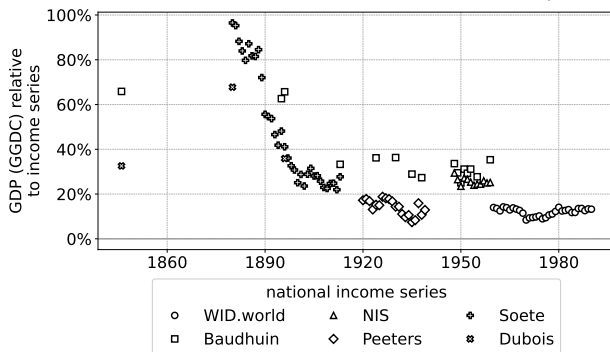
GGDC GDP leads to lower and stable 19th century estimates, but U-pattern remains

Total transfers relative to baseline national income and GGDC GDP



GGDC GDP is higher than national income estimates, especially in 19th century

GGDC GDP relative to each national income series (% difference)



Main data sources of the fiscal series

Source	Inheritance flow	Inheritance tax	Gift flow	Gift tax
Ministry of Finance report (1900)	1840-95 (taxable flow)	1840-95	1857-95 (movable & immovable)	1857-95
Statistical yearbooks, aggregates	1840-90 (5-yearly), 1895-1950 (excl. 1914-18); taxable flow, excl. usufruct	1896-1912	1860-90 (5-yearly), 1893-1951; immovable only	–
Yearbooks, estate-size tabulations	1935-94 (net flow; small estates underreported)	1973-94	–	–
Yearbooks, asset-type tabulations	1951-94 (net flow by asset type)	1951-94	–	–
Lismont (1978)	–	1850-1910 (10-yearly), 1912, 1923, 1930-75 (5-yearly), 1977	–	–
OECD Revenue Statistics	–	1965-2022	–	1965-2022
Tax administration microdata (AAPD, VLABEL)	2009-22	2009-22	immovable 2004-22, movable 2013-22	not used

Composition of the final flow series by period

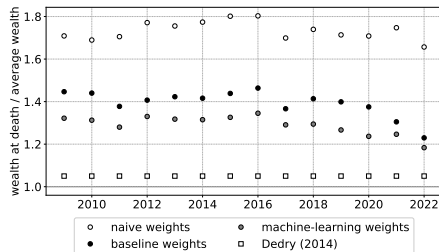
Series	Period	Source	Adjustment or imputation
Inheritance flow	1840-1895	Ministry of Finance report	usufruct excluded; direct line & spouse imputed (immovables until 1852, movables); +10.3% underreporting
	1896-1934	Yearbook aggregates	direct line movables imputed (until 1920); +6.8% usufruct (1921-34); +10.3% underreporting
	1935-1994	Yearbook estate-size tabulations	Apostel (2025) underreporting correction
	1995-2008 2009-2022	OECD inheritance tax Microdata	divided by 12.5% effective rate none
Gift flow	1857-1895	Ministry of Finance report	none
	1896-1951	Yearbook immovable gifts	$\times 1.5$ (movables = 50% of immovables)
	1952-2003	Imputed inheritance flow	$\times$ immovable-gift-to-inheritance ratio (12% $\rightarrow$ 16%), $\times 1.5$
	2004-2012 2013-2022	OECD gift tax Microdata	divided by 2.9% effective rate none
Inheritance tax	1840-2022	MoF, yearbooks, Lismont (1978), OECD, microdata	missing years: interpolated tax-to-inheritance ratio $\times$ flow
Gift tax	1857-1895	Ministry of Finance report	+ imputed transcription tax
	1896-1964	Imputed gift flow	$\times$ same-year effective inheritance tax rate
	1965-2022	OECD	none

Comparison with Dedry (2014)

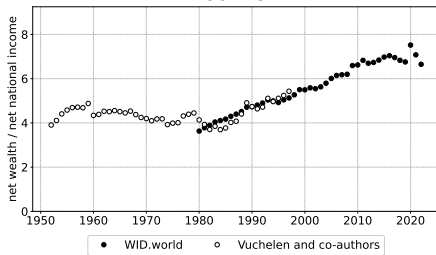
- Same historical sources, but no OECD data or microdata
- No correction for usufruct double-counting (pre-1919) or omission (1919-34)
- No correction for the direct line & spouse exemptions (pre-1852 / pre-1919)
- No correction for unrecorded 'spoken declarations'
- Movable gifts 1900-50 imputed from the 1857-95 share (ignores the 1869 valuation break), recent decades from incomplete administrative aggregates and linear interpolation
- Relevance: the 19th-century gap with France that Dedry interprets as Belgium being a 'young, expansionary country' largely disappears after the corrections

Economic flow inputs: relative wealth at death and private wealth

μ : wealth at death / wealth of the living



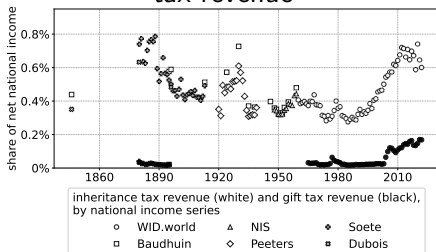
private net wealth / net national income



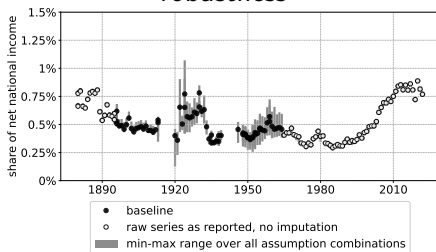
μ : naive weights 1.7, theory-driven (baseline) 1.4, machine-learning 1.3 (Apostel, 2025); Dedry (2014) 1.05. Private wealth: Vuchelen & co-authors (1952-97) and WID.world (imputed 1980-97, national accounts from 1998) are remarkably close.

Transfer tax revenues

Inheritance (white) and gift (black) tax revenue



Total transfer tax revenue, robustness



Net national income denominators come from five sources

1846-1959: Baudhuin (1967), scattered years, factor cost, conceptually narrow (Buyst, 1997)

1920-1939: Peeters et al. (2005), market prices, 15-20% above Baudhuin in overlapping years

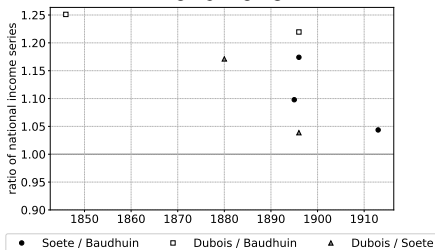
1948-1959: NIS, factor cost

1960-2022: WID.world (UN data), market prices

Pre-1914: gross national income of Dubois (1846, 1880, 1896) and Soete (1880-1913), rough estimates (Clement, 1995)

Alternative national income estimates relative to Baudhuin (1967)

1846-1913



1924-1959

