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Brett Christophers, *Rentier Capitalism: Who Owns the Economy, and Who Pays for It?*, London: Verso, 2020. ISBN: 9781788739726 (cloth); ISBN: 9781788739740 (ebook)

The years since the 2008 financial crisis have seen an expansion of general theories contending that capitalism and markets eventually decay into a stagnant economy characterized by extreme wealth and income inequality, and a class of non-productive rentiers on the top. Thomas Piketty (2014) is the most prominent, but across various disciplines, many are increasingly arguing that free markets do not equalize the playing field from political control, but rather that markets and capitalism lead to the decay of corruption, stagnation, and rents, and that is simply the nature of things. In the face of continuity at a moment of era-defining opportunity to change, there is perhaps some cold comfort to be found in essentially saying that it could have been no different.

Recent scholarship following this path often uses evidence from 30,000 feet – either macro-historiographic summaries or broad, quantitative metrics of inequality over time (see e.g. Scheidel 2017; van Bavel 2019) – leaving the details of what, exactly, generates such large inequalities and huge fortunes. While such scholarship can make a convincing case, by leaving conclusions to historical regularities or ostensible "laws" of capitalism like Piketty's $r > g$,[1] it can reinforce the notion that today's inequalities are on one hand unavoidable and on the other somehow a natural force beyond political or social agency. Such abstract summaries and theories absolve all parties involved of the choices made to get us here. Furthermore, they avoid direct engagement with the specific property rights, business practices, and market rules that generate and comprise wealth, inequality, and economic rents.

Brett Christophers' *Rentier Capitalism* steps in to address this very nicely, providing a detailed, thick examination of the actual cogs and gears that make up the contemporary rentier

[1] Piketty proposed that a timeless law of capitalism is that the average rate of return to capital (r) is higher than the rate of economic growth overall (g), and therefore over time capital rather than labor will eventually be earning the lion's share of national income.

economy. A landlord, a bank, an electric utility, a mining company, a telecommunications firm, a platform like Facebook, and a pharmaceutical company all have exclusive control over something that everyone needs to participate in contemporary life, and use their control over access to it to extract a stable income. He paints an image where the modern economy, in the United Kingdom and more broadly, has accumulated intermediaries into every transaction and social relationship, ringing the rest of us up for income that they feel owed as a legal and moral due. For Christophers, the economy is not best described as a neoliberal economy of laissez-faire and free markets with massive inequalities and rent on the side as a consequence, but instead is systematically a *rentier economy*, where income, wealth, and power goes to those who have things, rather than those who do things.

Though clearly broad in its theoretical ambitions, the bulk of the book is a deep description of the state of the UK economy, with a historical narrative showing how and why the current state of affairs came to be. Going further than pointing out the existence of these gatekeeper rents, Christophers shows how rentier practices have both pervaded sectors one wouldn't expect (e.g. web services, logistics, public contracting, retail, and food service) and take an outsize role in the economic incomes and profits in the contemporary UK. It is structured with a sort of "sectoral" approach, where each chapter extensively details the current state, and recent history, of one of the seven forms of rentierism that Christophers identifies.

To briefly summarize, the first chapter covers financial rents, particularly how the banking sector's control of finance gives it control with which to extract rents, even in times of low interest rates and easy access to capital. Chapter 2 explores rents from natural resource extraction, where long-term contracts for the rights for mineral or fossil-fuel exploration and exploitation serve as an effectively guaranteed income stream. Chapter 3 covers intellectual property rents, particularly emphasizing the patents that UK pharmaceuticals and aerospace rely on, the trademark rents that are the lifeblood of franchise rentiers like McDonald's and Subway, and the copyright that undergirds the UK's entertainment industry. Chapter 4 covers "platform" rents, meaning income derived from controlling a space connecting others, like the London Stock Exchange and technology platforms like Facebook or eBay. Chapter 5 explores rents from service contracts, where the income streams from access to and acquiring government or private sector contracts serves as a guaranteed rent. Chapter 6 covers infrastructure rent, particularly focusing on the UK's privatized utility sector, but also grouping in with this Amazon's control over web services and logistics infrastructure for much of the private sector. Lastly, Chapter 7 explores the most traditional rents – real estate – which in the UK today are more dispersed, among homeowners, than the other forms of rentierism explored.

As a reader, these chapters serve a few purposes. First, the cases show just how many areas of the modern economy, even in productive sectors for essential goods and services or in supposedly innovative sectors, are permeated by rents. Descriptively eradicating the notion that rents are an antiquated feature of backward, pre-market societies, Christophers shows how patents, international investments, privatization policies, manufacturing, and finance all take on a distinct *rentier* character, despite all being thoroughly "modern" in an economic sense. Second, in doing this it attaches specific practices, companies, industries, products, and services to the broader concept of rentier capitalism that serves as a far more damning indictment than broader analyses simply showing shifting distributions of income or wealth. Christophers is cautious to describe without an explicit normative critique, but the sense – with company after company and industry after industry – is of income and wealth that simply was not earned or worked for.

What these chapters did not do, however, was convince me that the differences between these sectors or types of rentier capitalism are an important dimension of rentier capitalism more generally. While some of these sectors economically play a fundamentally different role than others (i.e. finance), the impression is rather that *despite* all the substantive differences across different sectors, different regulatory regimes, and different exigencies of the modern economy, rents and rentiers are still creeping in at every corner, inserting themselves as intermediaries, gatekeepers, or landlords in as many economic bottlenecks as can be found or created.

Instead, this convinced me of the need for a *general* understanding of rents, their role in market economies, and why they appear to creep in slowly in every sector, firm, or industry. Christophers gives four reasons applying to the UK, but they seem proximate and contingent where a more general theory or explanation is needed. First, competition law has been weakened and constrained in the wake of the "law and economics" movement[2] and reinterpretation of many of its core tenets, placing many rentier assets – like intellectual property – beyond the reach of competition law. Second, the privatization wave in the 1980s and 1990s in the UK simply expanded the pool of assets that the private sector could convert into rentier income streams, made all the worse by the fact that in the UK it was natural monopolies (like utilities) that were privatized most aggressively. Third, monetary and fiscal policies, particularly taxation, have favored many categories of rentier assets for a generation. Lastly, the direct inflation of asset values via monetary policy like quantitative easing and changes in financial regulation have served to directly boost rentier incomes.

Christophers concludes with several prescriptions for actions necessary to escape the rentier economy, which in sum are a mirror reflection of the explanations for its rise in the first place, and they suggest simply undoing the proximate causes of the rentier economy in the UK. He proposes reinvigorating competition policy, reforming tax policies to redistribute to non-rent incomes (and simply mitigate the size of large, rentier fortunes), and a large expansion of the role of government in commercial investment, to both redirect investment towards non-rentier ends and make up for the deadweight loss of rentier market actors simply not investing enough.

At the end of these proposals and his detailed sector-by-sector descriptions, one is left a bit with the impression that rentierism is not a new, emergent feature of capitalism, but instead is

[2] The law and economics movement began in the United States and was inspired by ideas from the Chicago School. In antitrust and competition law, it favored a significant scaling back of enforcement, and prioritized the ostensible efficiency gains from large corporate combinations. Robert Bork and Richard Posner were among the main thinkers in this area.

in and of itself a re-description of capitalism itself. Christophers himself acknowledges this, as he openly admits that upon the adoption of his broad proposals, the economic system created will not be capitalism, in any standard definition of the word. What would be created, for Christophers, is something new: a market-based system focused less on assets and property rights, directed towards essential goods and services over the new and "innovative", and (presumably because of our current path towards ecological disaster) focused far more towards green practices and the environment.

That is all well and good, but we are left with two competing explanations that Christophers simultaneously endorses. First are the meso-level explanations just mentioned – weakened competition policy, privatizations, etc. – and the corresponding proposals to undo them. But the meso-level explanations seem to be, in part, more of descriptions of the apparatus of a rentier economy than they are explanations for it. Second, however, is the broad, macro-level assertion that capitalism will inevitably decay into a rentier economy, which Christophers makes at many points: "as Piketty has argued, rentierism is effectively hardwired into capitalism" (p.409). And the macro-level assertion walks away from what this book does best – concrete description, characterization, and analysis – returning to the broad, impersonal, and structural claims made by other scholars who did not have the detailed case evidence that Christophers brings to bear.

I conclude by turning to an overarching conceptual point of the book: what, exactly, makes something a rent? The book is outstanding at analyzing the concrete character of the rentier economy even absent such a definition, and yet the question of what rents are and why they're so prevalent comes full circle and remains elusive by the end. Christophers cleverly sidesteps contradictions in other conceptualizations with a two-part definition of rents. One, drawing from the heterodox tradition, rent is income that is derived by virtue of ownership or control over an asset, not by performance of some service or production of some good. Second, drawing from the neoclassical tradition, rent is income that is earned in the absence of market competition.

As nice as this definition is, it leaves more questions than it answers, and speaks to some of the contradictions in the very concept of rents. As Christophers has explored in previous work (Christophers 2016), there is something intrinsic about the role of rents and market power in the interaction of profits, competition, and investment, and it is not clear that this is captured in the general claim – both here and by others – that entrepreneurs and elites over time decay into rentiers.

Much of the greatest value in the book is in a methodical, thick description of exactly how deeply rentier patterns and dynamics have grown into every channel of the economy, and yet the take-away seems to circle back to a similar assertion put forth by others: the plain assertion that rents accumulate over time in capitalist, market societies. After an immense effort to describe the detailed choices made in creating the rentier economy, the conclusion urges us to think beyond it.

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