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## The Era of Rentier Capitalism

### Contribution to GTI Forum [Which Future Are We Living In?](#)

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In 2002, when Paul Raskin et al. penned the [Great Transition essay](#), I was in the throes of leaving the UN system, having become convinced that the multilateral system had been emaciated and captured by the forces about which I had been writing, and about which I have been writing in the ensuing two decades. In particular, by the end of the twentieth century, the global economy and global society had become dominated by Big Finance. Driven by the financial sector, governments created intellectual property rights regime based on the US model that gave monopoly profits to corporations possessing patents and so on, enabling corporate conglomeration to thwart the working of market forces.

Most saliently for our collective narrative, what happened in that period is that a new globalized class structure took shape. All transformations throughout history have been forged, for better or worse, by the emerging mass class. All Barbarisms have been forged by alliances of elements of the retreating “ruling” classes and elements attracted by atavistic narratives. All the great rebellions through history have been led by oppressed classes in defense of the commons.

It was clear to me—rightly or wrongly—that by 2002 the emerging mass class was the [precariat](#).<sup>1</sup> But as with all emerging “working classes,” it was split, not yet a class for itself. The progressive part required an alliance with the progressive intelligentsia in order to forge a narrative and countermovement. This stuttered into momentary life around the time of the Arab Spring and the Occupy movement, but it was a false dawn of primitive rebels, defiantly leaderless, knowing what they were against but not yet knowing what they wanted instead. In the wake of COVID and in the midst of huge drops in real living standards during the turbulent 2020s, a new progressive dawn is coming.

Rentier capitalism linked to financialization has coincided with another defining feature of the past two decades, best described as neo-mercantilism, reminiscent of what occurred early in the twentieth century, when the declining imperial powers were European and the rising one was the United States. Symbolically, since China joined the WTO in 2001, it has become the dominant imperial power and rentier state, in dangerous competition with the declining imperial power, the USA.

Globalization has involved nation-states and regional blocs, notably the European Union, advancing the economic returns, the rents, of their national corporate champions. It has been an era of huge subsidies from governments to cut production costs of corporations and to raise profits. It has been an era of the commodification of capital, orchestrated by private equity, backed by central banks. Big corporations do not compete with market forces: they just buy up potential rivals. And rentier capitalism has penetrated all sectors, including the blue economy, which covers 70% of the world's space.<sup>2</sup>

All the time, new class configurations emerge. The global plutocracy are rentiers supreme, gaining billions on top of their billions while economic crises plunge the precariat into more debt and distress. But the beneficiaries are not just the proverbial top 0.1%. They include the elite and salariat below them, amounting to about 30% of the population in a typical OECD country. The value of their private property has boomed under rentier capitalism. They look down on the precariat and may feel sorry for them and their discontent. But it is more likely to be pity, rather than empathy. And pity is akin to contempt.

And here comes the [Barbarization](#). At the political level, it is marked by a vulgar neo-fascist populism, marked by atavism, in which populists promise to bring back some mythical Yesterday. We have seen it in Donald Trump and Jair Bolsonaro and their amoral entourages on one side of the Atlantic, and we have seen it on the other side in Viktor Orban, Vladimir Putin, the forces around Brexit, now, sadly, in Sweden and Italy.

It is all too easy to be gloomy, especially in a global system of hypocrisy over vicarious violence. However, there is a countermovement taking shape, as the precariat grows and becomes more of a class for itself. A countermovement takes time to evolve, and only afterwards do commentators

see it was there. The Owl of Minerva only flies after Dusk.

But a necessary condition for a progressive transformation is that the old progressive agenda must be fully exposed as defunct for the times. This has surely become clear since 2002, with both State Socialism and Social Democracy now little more than “dead men walking.” Twentieth-century laborism, with its commitment to a goal of full employment, is holding back transformation.

The new dawn must begin with a correct diagnosis of rentier capitalism and a strategy for dismantling it. Ultimately, rentier capitalism is about the extension of private property rights at the expense of the commons, which have been systematically plundered, emaciating the essential base of “society.” The beautiful thing is that it is not only the precariat who value and understand the vital need for the commons. Most people understand it. An anger-driven struggle to revive the commons and turn them into the base of a new Renaissance will lead to a new class alliance, an alliance of social forces that is vital if a Great Transition is to occur.

## **Endnotes**

1. Guy Standing, *The Precariat: The New Dangerous Class*, 3rd ed. (London, Bloomsbury, 2021).
2. Guy Standing, *The Blue Commons: Rescuing the Economy of the Sea* (London, Pelican, 2022).

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## About the Author



Guy Standing is Professorial Research Associate at the School of Oriental and African Studies, University of London. He is a Fellow of the British Academy of Social Sciences; co-founder and now honorary co-president of Basic Income Earth Network (BIEN); and Council member of the Progressive Economy Forum. His books include *A Precariat Charter: From Denizens to Citizens*, *The Corruption of Capitalism: Why Rentiers Thrive and Work Does Not Pay*, *Plunder of the Commons: A Manifesto for Sharing Public Wealth*, and *Battling Eight Giants: Basic Income Now*.

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