Landscapes of Capital. The Political Economy of Brett Christophers

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LANDSCAPES OF CAPITAL

The Political Economy of Brett Christophers

In a set of four books published in just six years, the English geographer Brett Christophers has developed a rigorous empirical-historical critique of contemporary capitalism. Few today will need convincing that the neoliberal offensive, launched in the late 1970s to resolve a global profitability crisis and beat back an insurgent labour movement, has resulted in surging inequality, declining real wages, soaring asset prices, financial instability and ecological devastation. But by analysing the activities of powerful corporations—their investment decisions, asset portfolios, business models—Christophers sets out to show precisely how this transformation has played out. What are its concrete ramifications? How does it affect both everyday lives and broader social relations?

Christophers first posed such questions in *The New Enclosure* (2018), which examined land privatization in Britain, followed by *Rentier Capitalism* (2020), which considered how the country has been reshaped by the monopolization of other scarce resources. The scope of subsequent works was broader, though still largely confined to the Western world, with *Our Lives in Their Portfolios* (2023) charting the rise of asset management firms and *The Price Is Wrong* (2024) assessing the obstacles to the green energy transition. Together, these studies represent an impressive attempt to dissect the capitalist beast and understand its inner workings. The author describes his method as 'political-economic, not ideational'. His focus is on 'actions taken and their impact', as opposed to theories or ideologies.[1] He takes neoliberal policies on their own terms—the assumption that 'profit-maximizing private enterprise would always be leaner, more competitive and more efficient, and would generate better outcomes for consumers'—and exposes their failure with ample quantitative data.[2] Offering a detailed analysis of market logics and corporate rationales, his oeuvre might be situated somewhere in the genre of 'critical business studies', which is partly what explains its positive reception in outlets like the *New York Times*, the *Guardian*, the *Financial Times* and *Bloomberg*.

Despite these establishment laurels, Christophers's work stands in a tradition that runs back through David Harvey and Lefebvre to Polanyi and Marx. His criticisms of each sector of the rentier economy—land, finance, infrastructure, platforms, public services, outsourcing, utilities—are trenchant enough in themselves; together they add up to a comprehensive indictment of the current mode of accumulation. By documenting the social impact of everyday business practice, they not only undermine the mythology of neoliberalism but call into question the more fundamental institutions of private ownership and market coordination. Readers cannot help but conclude that, in the words of the great ecological economist William Kapp, 'The more reliance an economic system places on private incentives and the pursuit of private gain the greater the danger that it will give rise to external "unpaid" social costs.'[3]

Christophers's unusually broad formation helps to explain the originality of his work. Born in Croydon, he read Geography at Oxford, then enrolled at the University of British Columbia in the early 1990s, to write his master's thesis on John Booth Good's Anglican Mission to the Nlaka'pamux people of the Fraser Canyon. Later published as *Positioning the Missionary* (1998), it explored the reasons why the Nlaka'pamux adopted Christianity and the contradictory role that missionaries played in the British colonial project.[4] Returning to the UK at the turn of the millennium, he worked as an analyst at PricewaterhouseCoopers and began advising private-equity clients on acquisition strategy, performing

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[1] Brett Christophers, *Rentier Capitalism: Who Owns the Economy, and Who Pays for It?*, London and New York 2020, pp. 23–4.

[2] Brett Christophers, *The Price Is Wrong: Why Capitalism Won't Save the Planet*, London and New York 2024, p. 55.

[3] K. William Kapp, *The Social Costs of Business Enterprise*, 2nd ed., Nottingham 1978, p. 14.

[4] Brett Christophers, *Positioning the Missionary: John Booth Good and the Confluence of Cultures in Nineteenth-Century British Columbia*, Vancouver 1998.

financial modelling for major European corporations and instructing businesses on advertising campaigns, commercial partnerships and technological innovation. He was on the cusp of becoming a partner at Mercer when he decided to return to academia in 2005. His doctorate, at Auckland University, was a comparative study of television markets in the UK and New Zealand and their mutual imbrication with the American economy.[5] In 2008 he was hired by Uppsala University, where he now teaches in the Geography Department.

This globe-circling cursus equipped Christophers with the tools of a historical geographer as well as the technical expertise of a private-equity insider. His work is laser-focused on the bottom line, heeding Mary O'Sullivan's advice that the task of the economic historian is 'digging deeply into the character of profits'—the processes by which they were made, how businesspeople understood them, and how both of these have changed over time. Doreen Massey has been a significant influence as well as Harvey, whose work taught Christophers that 'until capitalism has been demystified it cannot be supplanted', and that the best means to do so is to interrogate its spatial and temporal dimensions.[6] Yet Christophers has also tried to build bridges between Marxian political economy and other contemporary heterodox approaches—such as Piketty on inequality or Callon on market performativity—arguing that the former cannot survive unless it connects with literature that has a 'broader scholarly appeal'.[7] Judging by its reception, this attempt to bring a Marx-informed critique into mainstream debates has been remarkably successful. How should it be assessed, politically and intellectually?

Selling Britain

The New Enclosure, the first book in Christophers's informal series, reflects on the extraordinary and scarcely acknowledged fact that since Thatcher's election in 1979, two million hectares of British land—10 per cent of the country's total surface area—has been sold off by public entities, in what amounts to the largest privatization in national history.

[5] Charlie Baker, 'Review: *The Price Is Wrong* Is Another Work of Whistling Ambition from Brett Christophers', *Spear's*, 26 January 2024.

[6] Brett Christophers, 'Book Review: *The Enigma of Capital and the Crises of Capitalism*', *Progress in Human Geography*, vol. 35, no. 4, 2011, p. 579.

[7] Brett Christophers, 'From Marx to Market and Back Again: Performing the Economy', *Geoforum*, vol. 57, 2014, p. 20.

Land, Christophers observes, is the 'ideal vehicle for both the storage and distribution of value' given its simultaneous 'finitude and ubiquity'. The market price of these assets is estimated to exceed £400 billion, but they have often been sold at bargain rates, depriving public bodies of vital income and constraining their capacity to invest. Their new owners have meanwhile made handsome returns. Real estate is now twice as large as any other sector, making it the UK's primary source of economic growth, and property wealth has soared to some £8.1 trillion. Thatcher's ministers promised that this fire-sale would lead to more housing, greater efficiency and community regeneration—none of which has come to pass. Instead, the poorest section of the population has seen the cost of rent as a share of income increase dramatically, from around 25 per cent in 1985 to nearly 45 per cent in 2015.

How have elites gained consent for this disastrous policy? First, by shrouding it in obscurity; as late as 2005, ownership of less than half the landmass of England and Wales was officially registered. Second, by presenting the privatization agenda—most notably Thatcher's Right to Buy policy, which allowed council housing tenants to purchase their homes—as the basis for an affluent 'property-owning democracy'. Yet as Christophers shows, individual ownership has significantly receded since the turn of the millennium. More than 40 per cent of all council flats sold under Right to Buy in England are now rented privately. Most newly enclosed land has been captured by developers, whose aim is to sustain housing prices—protecting the value of their assets and the financial profits they generate—by perpetuating scarcity. They are aided by a lax regulatory regime that places scant social obligations on speculators.

By destroying the commons and draining resources from the public sector, this massive upward redistribution has made it increasingly difficult for local public administrations to provide social amenities, from affordable accommodation and hospitals to leisure facilities, playgrounds and parks. It has created endemic housing insecurity while leaving large tracts of land subject to the whims of international investors. Such naked plunder, Christophers concludes, is not a marginal feature of the contemporary economic order. It is 'at the very forefront of modern capitalist accumulation and growth'. 'Financialization, market rule, economization and entrenched class power' have been variously identified as defining features of neoliberalism. But, for Christophers, its essential characteristic is the 'assault on state ownership', which transforms even the ground beneath our feet into an object of exchange.[8]

Rise of the rentier

Rentier Capitalism extends Christophers's investigation into Britain's role as neoliberal vanguard. It begins by highlighting the inadequacy of both heterodox and orthodox conceptions of rentierism. The former, descending from the land-rent theory of Smith and Ricardo to Piketty and his co-thinkers, denotes income derived from assets, while in the neoclassical tradition, 'rent' describes the excess profits enabled by monopoly power. Neither is sufficient in itself, Christophers argues: the first ignores the way assets are valorized on the market, while the second occludes the dynamics of private ownership. Synthesizing the two, he defines rent as 'income derived from the ownership, possession or control of scarce assets under conditions of limited or no competition'.[9] He goes on to describe how this model of profit-seeking operates across six pivotal sectors of the UK economy: land, finance, natural resources, intellectual property, digital platforms and the outsourcing industry. Just as Dani Rodrik has exposed how putatively 'free trade' tightens the stranglehold of multinationals,[10] Christophers debunks the notion that marketization has fostered competition or increased efficiency. The rentier is a hoarder by definition, he writes—a commercial actor who corners markets in order to raise prices as much as possible.[11] His activities inevitably lead to a concentration of riches, reducing investment and innovation, squeezing labour income and restricting demand.

Christophers cites the Nairn–Anderson theses to argue that Britain is a rentier state 'by historical disposition', dominated by landowners and financiers since the eighteenth century. These interests were temporarily subdued by the social-democratic settlement of the post-war era, under which monopolies instead used price-fixing cartels to maintain their power and private landlordism was largely crowded out by the state. From the 1980s onward, however, 'rentierism' has been reimposed

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[8] Brett Christophers, *The New Enclosure: The Appropriation of Public Land in Neoliberal Britain*, London and New York 2018, p. 18.

[9] Christophers, *Rentier Capitalism*, pp. xxiii–xxiv.

[10] Dani Rodrik, 'What Do Trade Agreements Really Do?', *Journal of Economic Perspectives*, vol. 32, no. 2, spring 2018.

[11] Javier Moreno Zacarés, 'Euphoria of the Rentier?', NLR 129, May–June 2021, p. 53.

on every major area of economic activity, from the remnants of heavy industry to the expanding service sector. This is the result of four political processes that Christophers documents in detail: privatization, as described in *The New Enclosure*; the neutralization of competition law, which has systematically eroded anti-trust protections; rentier-friendly fiscal policies, including tax loopholes and subsidies; and monetary policies such as Quantitative Easing which have boosted asset prices.[12]

Though the neoliberal period is typically understood in terms of 'financialization', Christophers rejects this rubric, which 'privileges one strand of a broader structural transformation and ignores all of the others'. He points instead to 'rentierization' as the common denominator affecting industrial and non-industrial sectors alike.[13] He tracks the myriad ways in which the state has colluded with private interests to consolidate this model of accumulation. It has widened the scope of intellectual property rights, strengthening copyright protections that benefit the UK's largest aerospace, biotechnology, consumer goods and pharmaceutical companies. It has used infrastructure projects and planning laws to augment land value. It has worked hand-in-glove with the fossil-fuel lobby to secure the seamless flow of resource rents. And it has propped up the 'price-making' privileges of big banks, ensuring that their profits are not dented by interest-rate cuts.[14] The combined effect of these interventions is a precarious economic edifice built upon stagnant growth, sapped productivity and monopsony power, with consumption driven by high levels of household debt.

For Christophers, *contra* Schumpeter and Anwar Shaikh, these ailments are not a distortion of capitalism nor a sign of its malfunctioning. They are rather some of its natural features. In market society, rentier power has an inherent tendency to reproduce itself. The 'golden age' of post-war manufacturing was a fleeting exception, won on the back of wars and revolutions that reversed the system's endogenous trends. 'If rent is capital's logical destination', writes Christophers, 'social and economic devastation may in turn be rent's logical destination.' A radical programme is therefore needed to enact 'de-rentierization' via anti-trust laws, redistributive taxation, industrial policy aimed at supporting productive investment, green energy and public ownership. If

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[12] Christophers, *Rentier Capitalism*, pp. 3, 19, 24–8.

[13] Christophers, *Rentier Capitalism*, p. 5.

[14] Christophers, *Rentier Capitalism*, pp. 152–9, 351–2, 132, 76.

rentierism is capitalism's true face, Christophers contends, then these reforms would necessarily be non-reformist, moving us 'away from capitalism itself and towards something else'.[15]

The asset class

While *The New Enclosure* and *Rentier Capitalism* were concerned primarily with state policies, Christophers's newer work shifts the focus to the behaviour of businesses, allowing him to transcend Britain's borders and internationalize his outlook. *Our Lives in Their Portfolios* is a deeply disturbing book whose title should be taken literally. Since the 1990s, many of the material bases of human life—housing, water, energy, transport, healthcare, farmland—have been captured by the titans of asset management. Everything from the apartment you rent to the electricity you use to the bus you ride is affected by the commercial dictates of firms such as Blackstone, Macquarie or Brookfield. Of the $100 trillion pension- and insurance-fund 'assets under management' by this sector, four-fifths are invested in stocks and shares by the 'Big Three', BlackRock, Vanguard and State Street, leading political economist Benjamin Braun to posit a new form of 'Asset Manager Capitalism'.[16] While the share invested in 'real assets' is smaller, Christophers argues, these institutions often micro-manage their portfolios, which now encompass 'vital systems of social reproduction', constituting a form of 'Asset Manager Society'. 'It is the asset manager that decides how the asset is commercially exploited: who electricity is sold to, whether road tolls should be increased, how farmland should be tenanted.'[17] In operating such assets, 'asset managers increasingly take on the role of quasi-governments (albeit unelected ones)'.[18] They have the power to evict entire neighbourhoods, build highways and bridges, create new windfarms or extract fossil fuels.

The conditions for this takeover were created in the 1980s, amid the retrenchment of public spending, the sell-off of state property and regulatory changes that enabled investors to extract greater surplus from

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15 Christophers, *Rentier Capitalism*, pp. 421, 408.

16 Benjamin Braun, 'Asset Manager Capitalism as a Corporate Governance Regime', in J. S. Hacker et al., eds, *The American Political Economy: Politics, Markets and Power*, Cambridge 2021, p. 270; see also Davidson Heath et al., 'Do Index Funds Monitor?', *The Review of Financial Studies*, vol. 35, no. 1, 2022.

17 Brett Christophers, *Our Lives in Their Portfolios: Why Asset Managers Own the World*, London and New York 2023, p. 37.

18 Christophers, *Our Lives in Their Portfolios*, p. 115.

'real assets'. In this new macroeconomic environment, capital came to see infrastructure and real estate as opportunities for 'non-correlated diversification': offering low-risk returns that were largely insensitive to changes in wider market conditions. Because the major institutional investors lacked the 'scale and expertise' to invest in real assets, the task fell to AM firms, which began to grow at lightning speed. They were handed lucrative PPP contracts by New Labour and other like-minded governments, as the vitiated state proved unable to fund large-scale infrastructure projects. They leapt in scale after the 2008 crash, as ultra-low interest rates prompted investors to abandon bonds for riskier assets. Since then, demand for AM services has been boosted by mounting anxiety about the 'infrastructure gap': the fear that states cannot keep up with necessary public investment, amid the deterioration of Keynesian-era public goods and the effects of climate change. Today's politicians have been increasingly keen to 'de-risk' AM investments, channelling even more public money into the private sector.[19]

Christophers provides a sobering socio-economic balance sheet of Asset Manager Society. He identifies three 'golden rules' by which AM funds operate: maximizing revenues, minimizing operating costs and avoiding capital expenditure.[20] In most cases they will refuse to take on long-term obligations for their assets and externalize any risks to public entities. Managers are under constant pressure to reduce overheads, ensuring a steady stream of rentier income along with eye-watering capital gains once their commodities are resold. The uneven distribution of returns means that funds will always benefit much more than their institutional partners and those whose savings they invest (taxpayers, pensioners and so on). Tax optimization practices are also used to ensure that minimal surplus flows back to the state. The results of this financial engineering are plain to see: on the one hand, the generalized degradation of living standards for ordinary people—crumbling houses, polluted water, rising food, energy and transport prices; on the other, super-profits for fund managers.

Eco-Polanyian

A constant feature of Christophers's work is the attempt to show that capitalism is driven by profits rather than efficiency, and that whenever

[19] Christophers, *Our Lives in Their Portfolios*, pp. 75–82, 90–8.
[20] Christophers, *Our Lives in Their Portfolios*, pp. 196–202.

they come into conflict the first will win out. *The Price Is Wrong* uses this insight to explain why, in the electricity sector—linchpin of the low-carbon future—the market-led 'green transition' is failing to materialize quickly enough. Despite widespread recognition that a rapid switch to renewables is needed to reduce carbon output, the use of fossil fuel continues to rise. In 2022, the latter generated 61 per cent of global electricity, while wind and solar generated only 12 per cent between them. Consumption is growing far faster than the supply from renewables. It was once thought that their high cost compared to oil, coal and gas was the main barrier to change. But thanks to state intervention in the form of industrial subsidies and guaranteed prices, plus technological progress and new economies of scale, sustainable energy sources have now been cost-competitive for several years. The latest estimates suggest they are the cheapest form of power. Even so, environmental targets remain elusive. Each time governments try to scale back financial support for green infrastructure, assuming that it is capable of competing with its brown counterpart, the construction of turbines and solar panels drops off.

To explain this paradox, Christophers demonstrates that cost is by no means the sole factor in the quest for profits, despite Marx's famous assertion that 'the battle of competition is fought by the cheapening of commodities'. Drawing on Andreas Malm's work, he shows that British industrialists' fateful decision to switch from water power to coal and steam hinged not on cost, but on profit.[21] As Christophers sums up: spatially flexible, reliable and available on the market, coal enabled capital to secure a reliable and disciplined supply of labour power. When it comes to green electricity, profitability is elusive. Production and distribution on the fragmented neoliberal market is a complex process that demands significant upfront investment, which may not be recovered for years to come. Being relatively young, with low barriers to entry, the green-energy industry is subject to heightened competition, which depresses profit margins further. States have tried to compensate for these shortcomings with an array of tax credits, but the underlying problems remain.

Among them is the so-called 'cannibalization effect', whereby 'renewables potentially undermine the conditions of their own future viability and growth', precisely by virtue of their own success in reducing the

[21] Andreas Malm, *Fossil Capital: The Rise of Steam Power and the Roots of Global Warming*, London and New York 2016.

price of electricity. If cheaper renewables are a good thing for customers, the opposite may be true for investors. 'The more that the roll-out of renewables drives down wholesale prices overall, the more that companies hoping to build the world's next generation of wind and solar farms are confronted with the prospect of a diminution in the revenues that those future facilities can be expected to produce.'[22]

This explains why major oil companies, disappointed by the returns from green investments, are planning to expand their capacity for fossil fuel extraction. The simple fact is that there is no reason for the sector to embrace a highly disruptive transition which might lower costs at shareholders' expense. *The Price Is Wrong* cites Martin Wolf: 'while it is possible to prevent businesses from doing profitable things, it is impossible to make them do things they consider insufficiently profitable'.[23] For Christophers, the explanation for all these difficulties in sustaining the green transition by market means is plain: electricity is not a suitable object for marketization in the first place, which is why trading it requires so many special props and rules. It should be understood as a fictitious commodity, in Polanyi's sense, along with land, labour, money; not a made-for-market 'real commodity' but an essential form of infrastructure. Only one conclusion can be drawn: 'the private sector needs to be stripped of responsibility for renewable energy generation', which can't be counted on being profitable enough for the private sector to develop it 'as urgently and massively as we need.'[24] Public ownership is essential for the opposite reason to that outlined in *Rentier Capitalism*: not to curb excess profits, but to compensate for insufficient ones.

Beyond markets

Christophers's empirical-analytical achievement is formidable. His assessment of the Thatcherite counter-revolution and its socio-economic legacies is unmatched—lucid, forceful and extensive. Nor have many contemporary economists rivalled his analysis of corporate activities and their social implications. His immanent critique of neoliberal reforms is robust: challenging the mainstream on its own terms, refusing to succumb to left melancholia or defeatism, and registering the need to

[22] Christophers, *The Price Is Wrong*, pp. 225–6.
[23] Martin Wolf, 'Dancing on the Edge of Climate Disaster', *Financial Times*, 23 November 2021; quoted in Christophers, *The Price Is Wrong*, p. 143.
[24] Christophers, *The Price Is Wrong*, pp. 376–7.

adumbrate an alternative political economy. But what might the latter entail? First of all, it would mean moving beyond Christophers's discussion of nationalization to consider the deeper dynamics of structural transformation. The extent to which Christophers's argument supports a programme of systemic change, as opposed to state ownership and an improvement of market mechanisms, is somewhat unclear. His research could be read—and probably is, by many financial journalists and analysts—as a clear-eyed exposition of market failures rather than an indictment of markets themselves. While it appears to indicate certain pathways towards decommodified coordination models, it also seems to endorse a set of reforms and regulations that stop short of large-scale planning.

This equivocation is surprising, since coordination questions are omnipresent in Christophers's studies. In a recent discussion of Harvey's work, he observes that the rentier can only perform a 'positive coordinating role' if he is permitted to pursue irrational forms of speculation—a 'capitalist contradiction writ large', which the extant system has little means of resolving.[25] Similarly, Christophers's thesis on the failure of markets to coordinate the roll-out of renewables seems to imply that vertical integration is necessary to oversee the administration of energy production. This reasoning could also be applied to processes like mining, as in the case of lithium extraction, where it is necessary to balance the level of capital investment—and its environmental impact—with the resources required to electrify away from fossil fuels. This cannot be done without non-market mechanisms and *in natura* ecological calculation; otherwise the green transition will be subject to abrupt stop-and-go movements, as firms adjust their investment decisions in response to short-term price changes.[26]

Were we to generalize these arguments, we would surely end up agreeing with Alice Amsden that when market prices are 'wrong', public intervention may be needed not to 'correct' them, but to fix them at the wrong level, in line with developmental priorities.[27] Yet this would require the

[25] Noel Castree, Greig Charnock and Brett Christophers, *David Harvey: A Critical Introduction to His Thought*, London 2022, p. 110.
[26] Daina Beth Solomon, 'Albemarle May Lower Capex If Lithium Prices Stay Low', *Mining.com*, 2 May 2024.
[27] Alice H. Amsden, 'Third World Industrialization: "Global Fordism" or a New Model?', NLR I/182, July–August 1990.

deployment of capital controls, strategic trade and credit policies, as well as the nationalization of key industries and infrastructures; that is to say, a full-scale political mobilization to establish a regime of economic and ecological planning. Christophers's findings in *The Price Is Wrong* make this apparent, yet it is not explicitly acknowledged. We can observe the same political deficit in *Rentier Capitalism*, where Christophers frames rentierism as the outcome of piecemeal policy changes rather than a political-ideological onslaught. By extension, his policy-based remedies (anti-trust laws, nationalization) do not seem to register the deeper political shifts that would be required to realize them.

This oversight is particularly striking given Christophers's sophisticated analysis of management capabilities under contemporary capitalism. If, as he writes, asset managers have spent decades developing the ability to control the infrastructure they own, it poses the intriguing question of how such control could be transferred to democratic actors. What kind of managerial tools are needed to exercise it? How much do these tools, in their present form, advance what Bettelheim called the *socialization of possession*: 'the ability to put the means of production into operation'?[28] These issues are raised but not addressed by Christophers, whose granular focus on the present economic conjuncture can sometimes eclipse its future possibilities.

Macro-totalities?

As uncompromising as Christophers's work may be, its concern with industry dynamics also represents something of an epistemological limit. Adam Tooze picked up on this point in an early review of *The New Enclosure*, where he wrote that 'One can flout Hayek by delving into the depths of governmental machinery . . . But we also need to defy Hayek's insistence that the economy cannot be represented or made calculable . . . For all their many inadequacies, we must cling to the macro- in macroeconomics and macro-finance'.[29] Christophers's work suffers from a certain myopia in that it shrinks from viewing the economy as a calculable totality. In *The Price Is Wrong*, for instance, he spends several

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[28] Charles Bettelheim, *Economic Calculation and Forms of Property*, New York 1975, p. 56.

[29] Adam Tooze, 'Framing *Crashed* (9): Christophers's *The New Enclosure*, *Crashed* and the Problem of Dirty and Clean Histories of Neoliberalism', author blog, 20 January 2019.

pages describing Biden's Inflation Reduction Act, before explaining that he is less interested in 'what this support framework will in practice achieve, than in what its materialization suggests about the contemporary political economy of renewable power'.[30] Rather than evaluating the overall effects of green subsidies, he confines himself to sectoral economic analysis. The choice to restrict the book's focus to the central argument of the non-profitability of the green transition is understandable. Yet those who have attempted the more ambitious task come in for opprobrium. 'Left objections to de-risking are not particularly helpful', Christophers tells us, for: 'Unless the state were successfully to arrogate to itself the job of developing, financing, owning and operating renewable energy infrastructure, or were willing and able widely to compel private-sector actors to invest in the development of such infrastructure against their own volition, it is hard to see what good would come of a refusal to de-risk.'[31] Christophers is adept at making what might be called the 'business case against capitalism', but this is not enough to win the intellectual battle for an alternative.

Nor does Christophers explore the macro-economic limits of Asset Manager Society, although he touches on the subject towards the end of *Our Lives in Their Portfolios*. Although monetary conditions have become less favourable to the asset-management industry since the pandemic, with the rise in interest rates, Christophers predicts it will maintain its dominance. He cites three main reasons for its seemingly bright future. First, the incomes generated by 'real assets' are largely protected from inflation, often through state regulation. Second, higher borrowing costs impede investment in the expansion of infrastructure, which constrains supply and thus supports the income generated by existing assets. Third, the return of industrial policy, plus changing international development paradigms, looks likely to de-risk investment and boost revenues. There is also the expectation that 'infrastructure is the asset class that is going to capture most of the fundraising for the energy transition'.[32]

These points seem perfectly reasonable when considered in isolation. Yet the prospects for Asset Manager Society need to be assessed more broadly. On the one hand, we have the opportunistic and haphazard

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[30] Christophers, *The Price Is Wrong*, p. 282.

[31] Christophers, *The Price Is Wrong*, p. 351.

[32] Madison Darbyshire and Antoine Gara, 'Infrastructure Funds Draw Billions of Dollars as Energy and Supply Chains Shift', *Financial Times*, 15 December 2023.

management of 'assets', vital for sustaining human life, geared toward short-term returns; on the other, we have the massively anti-redistributive effects of this enterprise. From capital's perspective, this creates a potential contradiction, since poor infrastructure, degraded services and higher costs could damage productivity and weigh on effective demand. They might also expose the industry to political backlash and regulatory changes: a possibility that Christophers does not contemplate, even if his own research has made it more likely.

Rentier or financier?

At a more fundamental level, Christophers's aversion to the macro is manifest in his rejection of 'financialization' in favour of 'rentierism'. He adopts Greta Krippner's definition of the former term, wherein profits increasingly accrue 'through financial channels rather than through trade and commodity production'. In this limited sense, he may be right that the process of neoliberal transformation is better understood as one of '*rentierization*, whereby, to paraphrase Krippner, profits have increasingly taken the form of economic rents—including but not limited to financial rents—rather than income from trade or commodity production'. Yet, by focusing on the financial income of non-financial corporations, Krippner and Christophers miss the significant surge of financial payments—interest initially, but mostly dividends and share buybacks—by such companies.[33] They fail to engage with the question of whether financial claims on the real economy can be realized in the long term. This is a significant lacuna, because one of the most pressing contemporary macro-economic issues is the fate of fictitious capital, which has been over-accumulated on an enormous scale during the past four decades.[34]

Taking stock of the 2008 crisis, James Crotty observed that the over-extension of finance was likely untenable, not only politically—since it wastes vast resources, including human labour and expertise, in

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[33] Joel Rabinovich, 'The Financialization of the Non-Financial Corporation: A Critique to the *Financial Turn of Accumulation* Hypothesis', *Metroeconomica*, vol. 7, no. 4, November 2019; Niall Reddy and Joel Rabinovich, 'Debunking the Short-Termist Thesis in Financialization Studies: Evidence from US Non-Financial Corporations 1998–2018', Working Paper 2227, Post-Keynesian Economics Society, December 2022.

[34] Cédric Durand, *Fictitious Capital: How Finance Is Appropriating Our Future*, London and New York 2017.

financial activities—but also economically, given the limited amount of cash flow the real economy can provide to sustain the value of financial assets.[35] Since then, fifteen years of unconventional monetary policies have allowed fictitious capital to expand even further. How might we understand the implications of financialization in light of Crotty's warning? A more workable definition of the term would divide it into two phases.[36] The first, starting in the late 1970s, was characterized by the empowerment of financial actors. During this period, which saw high interest rates and rapid liberalization, diminishing retained earnings by non-financial corporations resulted in a dramatic slowdown of investment. The second stage, running from the 2000s to the present, has been defined by entrenched financial hegemony and new waves of monopolization, which have allowed the largest corporations to hoard capital that cannot find sufficiently profitable outlets.[37] In contrast to the previous period, high financial payments drawn from corporate profits have become the consequence rather than the cause of flagging investment.

Christophers's diagnosis of contemporary capitalism is in many ways consistent with this second stage of financialization. Today's capitalists are often uninterested in the productive valorization of their assets. One way or another, their economic position shields them from competition and allows them to extract maximal income while making minimal investments. Cash flows are thereby redirected to rentiers—a process aided by central banks, which cumulatively increases the dead-weight of financial claims in relation to the real economy. Once we take this into account, we can contextualize Christophers's claim that rentierism leads inexorably to social catastrophe. As Harvey has shown, crises tend to occur when financial speculation has become perilously untethered from the real economy. When tensions in the valorization landscape are released, this generates socio-economic and geo-political shockwaves that devalorize capital and redistribute value among social groups and geographical spaces.[38]

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[35] James Crotty, 'Structural Causes of the Global Financial Crisis: A Critical Assessment of the "New Financial Architecture"', *Cambridge Journal of Economics*, vol. 33, no. 4, 2009.

[36] Tristan Auvray, Cédric Durand, Joel Rabinovich and Cecilia Rikap, 'Corporate Financialization's Conservation and Transformation: From Mark I to Mark II', *Review of Evolutionary Political Economy*, vol. 2, 2021.

[37] John Plender, 'The Overlooked Threats to the Global Financial System,' *Financial Times*, 16 April 2024.

[38] David Harvey, *The Limits to Capital*, London and New York 2006 [1982].

Since 2008, central bankers and Treasury officials have extemporized various ways to manage these crisis tendencies. But the underlying conditions persist, periodically erupting in new forms, whether in monetary instability, growing geopolitical rivalry or disorder in the financial system itself. Some of these symptoms are unmissable, such as the US–China trade war, the Federal Reserve's scramble to contain the fallout from the collapse of Silicon Valley Bank or the state-led rescue of Credit Suisse. But others are more subtle. Close observers have noticed cracks that have recently begun to appear in the world of private finance. Each year since 2018, private-equity firms have taken more money from investors than they have distributed back to them in gains. With valuation estimates distorted by the fact that asset managers often purchase assets from one another, this has led to a quasi-pyramid scheme that can only be sustained as long as fresh money keeps flowing in. Though this has not yet resulted in major disruptions, the warning signs are multiplying, with asset managers struggling to sell their firms and infrastructure at expected prices. There are now $3.2 trillion worth of assets that have gone unsold for fear they will turn out to be loss-making.[39]

Two roads

Among the questions posed by Christophers's work, then, is whether rentierism should be seen as the default state of capitalism or a transitional one, a sign of business-as-usual or one of looming breakdown. His first two books present rentierism as an essential feature of the system which may well last indefinitely. Yet there is evidence to suggest that it is, in fact, a morbid pathology which is already destabilizing accumulation and threatening capital's self-reproduction. Over the coming years, the intensification of these systemic convulsions may amount to what the French Regulationists call a *grande crise*, which will demand a major institutional reshuffling. At stake here is the hegemony of finance itself, which looks increasingly vulnerable despite the impressive portfolios of asset managers. Assuming that an eco-socialist alternative remains out of reach, there are at least two possible outcomes to consider.

The first is that rentierism will be displaced by a new form of capitalism which is more competitive and state-directed—capable of dynamizing

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[39] Will Louch, 'Dealmaking Slowdown Leaves Private Equity with Record Unsold Assets', *Financial Times*, 11 March 2024; Robin Wigglesworth, 'Private Capital Has Raised More Money than It Has Returned', *Financial Times*, 31 May 2024.

the accumulation of productive capital and realigning financial claims to allow for their effective valorization. Under the whip of external competition, notably the rise of China, Western powers may adopt a more aggressive industrial policy in an attempt to maintain their positions in the world system. They will face numerous hurdles, however: the waning of state capacities to discipline the private sector, the tremendous challenge of managing the devalorization of over-accumulated capital—with all its economic, sociopolitical and geopolitical ramifications[40]—and the dramatic acceleration of the ecological crisis.

The second possibility is that rentier and monopoly interests will continue to preside over an increasingly unequal, authoritarian and stagnant society, whose political structures will slowly mutate into some institutionalized oligarchic form. Over-accumulated fictious capital will remain congealed and uninvested. Commodification will no longer be the vector that allows profits to grow out of abstract labour. Instead, a small stratum of super-rich individuals will harness new technologies to secure their rents and reproduce their lavish lifestyles in an ever more degraded and militarized world. As we prepare to defend ourselves against these prospects, Christophers's dynamic quartet is a vital starting point.

[40] Cédric Durand, 'Hollow States', NLR–*Sidecar*, 15 May 2023.