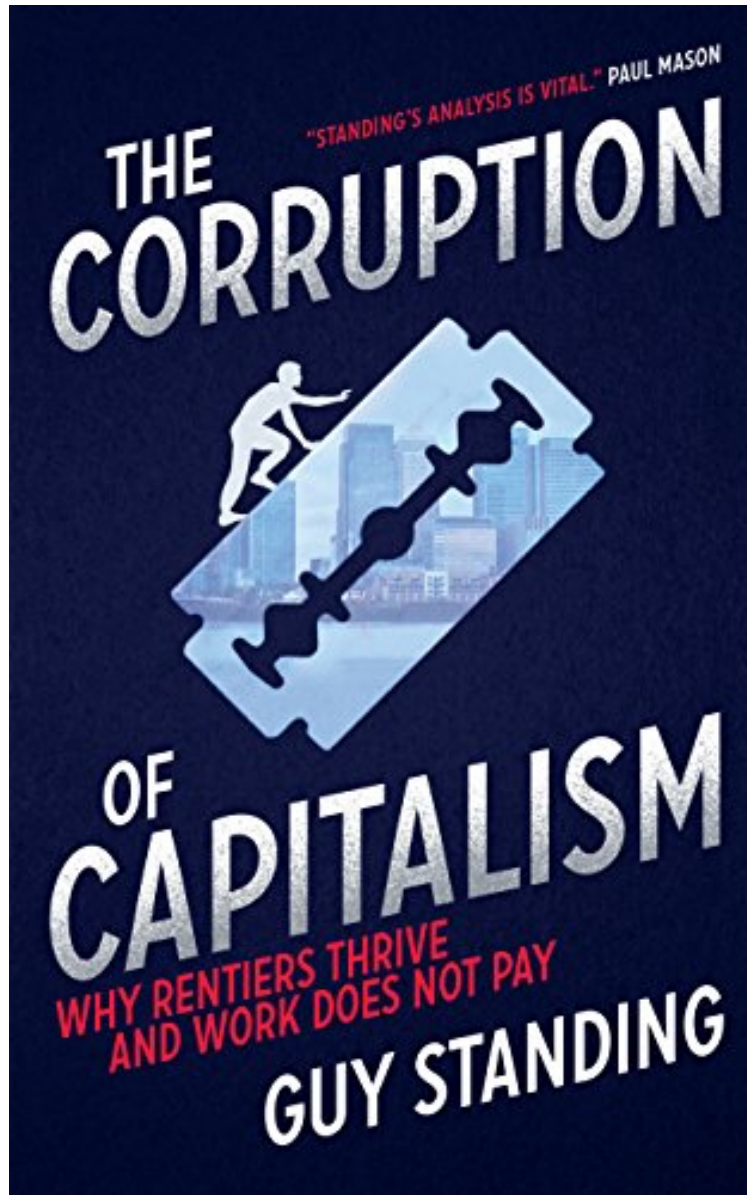


[Free pdf] The Corruption of Capitalism: Why rentiers thrive and work does not pay

The Corruption of Capitalism: Why rentiers thrive and work does not pay

Guy Standing

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Guy Standing : The Corruption of Capitalism: Why rentiers thrive and work does not pay before purchasing it in order to gage whether or not it would be worth my time, and all praised The Corruption of Capitalism: Why rentiers thrive and work does not pay:

10 of 10 people found the following review helpful. Kings and menBy Hande Zlsquo;There is a knock on the door; it

has been heard before. The man has come for the rent; he wants it now. On the mantelpiece, the tin is empty. This absorbing book is about how capitalism has veered off course, how the claims made in its name is driving it to an end that is contrary to its initial promise. The author is Guy Standing (but his name seems to have been omitted in the notice). How have the great capitalist societies come to create the most 'unfree market system ever'? Standing points out that monopoly, patents, and copyright rules provide guaranteed incomes to the minority few for decades. The rentier society is borne of neo-liberalism, and the obsession to be competitive. Nations now seek to be competitive when the old political economy ran on 'comparative advantages'. Nations now seek to be the best at the same things. Something has to give. That something began with the loss of the commons. A rentier is the one in society who has the assets. The rest are the labour. The prevailing view—who came up with this idea in the first place—is that economic growth is in the hands of rentiers. Hence governments keep handing out subsidies to them and not the rest. That, in the author's view, results in the growing inequality. Students who need a university degree are part of the growing number of debtors because tertiary education has become very expensive. Yet 59% of graduates in 2014 held jobs that do not require a degree. That means that most of them would be paid lower than their qualifications deserve. The 'plague of subsidies', the 'scourge of debts', and the 'plunder of the commons', lead to the 'corruption of democracies' (titles of the chapters in this book). The corruption of democracy is marked by a change in politics and that, in turn, is marked by the transformation of political parties. That is exemplified when Labour Business Secretary Peter Mendelson exclaims, 'We are intensely relaxed about people getting filthy rich'. And so, as a result, people revolt. How? Standing discusses the mass demonstrations—the largest and the most in any era—and concludes that nothing much has changed so far. More has to be done. There is a lot of energy out there he says, and people have nothing but derision for the plutocracy. Standing makes a few positive observations. First we must try and make work pay; we have to reverse the trend of expanding protection for intellectual property; build democratic sovereign funds; and to give more money to the people, that is, a sort of 'QE for the people'. It is not likely that anyone has answers but the importance of this book is that it is raising some serious questions, and even those it criticises (the rentiers) cannot brush all the questions aside. 'They cannot call it a class war until we fight back'. Rentiers cannot afford a fight-back from labour.

4 of 4 people found the following review helpful. Wealth Differentials: Good Analysis, Weak Conclusion
By Ross W V Milburn
If you want to know why wealth differentials, both those within countries, and globally, are astronomical, then then Professor Guy Standing nails it with uncompromising clarity. But if you want to know what we should do about it, then Standing's book has little to contribute, as he fails to follow through with the logic of his own revelations. Let me comment on the valuable part of the book first. Standing quite rightly criticises states and the international finance and trade institutions for building up legal support for the accrual of income by various forms of property, thus creating the astronomical wealth differentials between those who work and those who don't need to. Apparently, in the USA, for example, the share of income going to labour shrank from 53% of GDP in 1970 to 43.5% in 2012. I am further encouraged when Standing describes the subject of his book as '...the corruption of a claimed ideal—'free markets'—and how economies are being rigged to favor owners of assets—the 'rentiers'—while depressing income from labor. He adds that 'Today we have the most unfree market system ever created. It is deeply corrupt because its leaders claim it is the opposite of what it is becoming.' So far, so good. Standing thinks that national governments act in a criminally unjust way, building a social pyramid by legislating to drive money into the hands of the wealthy and away from those who work for a living. Sounds plausible, right? He also backs up his claims with detailed examples. A prominent source of unearned income comprises 'intellectual property rights'—mostly patents and copyright. We are told that 31% of the profits of western firms are 'idea-intensive', comprising global rentiers, deriving income from possession of intangible assets, such as patents, brands and copyright, under a strengthened intellectual property regime built since the 1990s. The author notes that patents provide 20 years of monopoly income and copyright provides income without work for 70 years after the death of the actual creator. China is now the leader in registering patents, incidentally. Other unearned income includes a huge array of state subsidies, including the tax havens where wealthy individuals, corporations and politicians stash their ill-gotten gains, so that their lifestyles can be subsidised by the tax-paying workers. Subsidies of all kinds account for over 6% of GDP in most rich countries, in the form of direct payments, cost or price reductions, or tax concessions, claims Standing. The economic system depends upon systematic debts enmeshing millions of people. Indeed, currency itself is issued by central banks against debt, and we have seen the damage done by unsustainable home mortgages and the incredible growth of student debt in the USA. Standing also criticises the privatisation and commercialisation of the commons, the public sphere, which also accelerates the ecological crisis. The author is on shakier ground here, though, for surely in a free market economy, all voluntary economic activities should be permitted, but all harms prohibited. The state is culpable if it permits fracking or other activities that can be shown to harm people through pollution. The libertarian position, called the NAP (Non-Aggression Principle), is the solution to this problem. When harm is done to people or their property, the solution is legal prohibition, not tinkering with the rules of free market exchange, which neither the state nor any other body, has the moral right to do. Accepting that most of Guy Standing's complaints against the

state are justified, what can we do about it? The author feels that rebellion against the present unjust economic system can only be brought about by the social class that suffers most directly from it, which he labels "the precariat," who are the most dispossessed workers who survive in insecure and unstable labor conditions. Frankly, judging by the "Occupy" movement, I don't think that the precariat has got the answer to economic justice, and I don't think Professor Standing has either. Standing apparently wants to retain democracy in something like its present form, but he wants a whole array of regulation to negate the hierarchical structure of money and power that has been erected by it. Just to give one example, instead of demanding that intellectual "property" be abolished, because it is a monopoly created by force, Standing wants it to be moderated. OK, so that would mean slightly less money for the non-working rich. That's a bit like saying that we should aim to reduce rape by 10% to reduce the suffering of the victims. If something is morally wrong, then it should be prohibited. Standing is also a supporter of the Basic Income, which means the state using force to take money from those who (may have) earned it and giving it to those who have not – surely a strange idea in a book whose central tenet is condemnation of unearned income? All of Standing's ideas amount to enforced redistribution of income by politicians, the very people who have created the insanely destructive version of the market that we now call "capitalism." But if every kind of top-down state creates an artificial hierarchy of wealth and social class, presumably that is because, like the rest of us, politicians want money and power. How can democracy deliver justice, if the public has no control over political action? I have no doubt that humans will find a way to protect economic justice one day. As humans migrate to cities, state governance may be replaced by city governments, which are far less aggressive or hierarchical. And perhaps libertarian ideas, including consensual or direct democracy, will be applied. Standing's book does not have the answer, even though it was within his grasp.

There is a lie at the heart of global capitalism. Politicians, financiers and global bureaucrats claim to believe in free competitive markets, but have constructed the most unfree market system ever. It is corrupt because income is channelled to the owners of property - financial, physical and intellectual - at the expense of society. This book reveals how global capitalism is rigged in favour of rentiers to the detriment of all of us, especially the precariat. A plutocracy and elite enriches itself, not through production of goods and services, but through ownership of assets, including intellectual property, aided by subsidies, tax breaks, debt mechanisms, revolving doors between politics and business, and the privatisation of public services. Rentier capitalism is entrenched by the corruption of democracy, manipulated by the plutocracy and an elite-dominated media. Meanwhile, wages stagnate as labour markets are transformed by outsourcing, automation and the on-demand economy, generating more rental income while expanding the precariat. *The Corruption of Capitalism* argues that rentier capitalism is fostering revolt, and concludes by outlining a new income distribution system that would achieve the extinction of the rentier while promoting sustainable growth.

“Is it possible to make capitalism work for the many rather than the few? In this thoughtful book, Guy Standing focuses on the central problem of modern capitalism – the tendency of great wealth to transform itself into political power that corrupts the political process and generates laws and regulations favouring the wealthy – and suggests useful and important solutions.” Robert B. Reich ? “The Basic Income is an idea whose time has come, and Guy Standing has pioneered our understanding of it – not just of the concept but of the challenges it is designed to meet: rapid automation and the emergence of a precarious workforce for whom wages derived from work will never be enough. As we move into an age where work and leisure become blurred, and work dissociated from incomes, Standing's analysis is vital.” Paul Mason ?