Rents and Rentism everywhere? The needed theoretical recovery of ground rent

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Abstract

This article examines the contested concept of rent in political economy debates, tracing its theoretical evolution from classical to contemporary heterodox frameworks. While modern literature expansively applies "rent" to phenomena such as digital platforms, intellectual property, and financial assets, this results in conceptual ambiguity that obscures the concept's analytical power. This article disentangles three foundational approaches at the core of the current conceptual confusion among heterodox writeers: Joan Robinson's rents under imperfect competition, inspired by Alfred Marshall, Keynes's critique of the "functionless" financial rentier class, and the marxist theories of imperialism and monopoly capitalism. Reasserting a classical Marxist approach, the article advocates confining rent to income derived from non-reproducible natural resources, emphasising its structural role in capitalist production relations. Drawing on Ben Fine's work, the analysis revisits Marxist debates on differential and absolute rent, demonstrating how competition between capitals—not market imperfections— gives rise to ground rent as a mechanism for surplus value appropriation. This framework clarifies rent's interplay with financialisation, particularly where stable rental income streams attract speculative finance. The argument positions Marxist ground rent theory as vital for analysing capitalism's.

Keywords: Rent; Competition; Marxist political economy.

1- Introduction

Rents and rentism have become critical concepts to characterise modern capitalism and its dysfunctionality. Yet, the use of the concept has been expanded to reach very different aspects of economic activity, used ubiquitously from ground land rent to financial rents, knowledge rents, shareholder rents, and contract rents (Christophers, 2023; Mazzucato et al., 2023), and more recently, digital platforms rents, tecno "feuds" by so-called technological companies (Varoufakis, 2019). The concept of rent is becoming more ambiguous (and more elaborated) as

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the analytical ambitions attributed to it are raised. Despite its centrality in present political economy literature, the definition of the concept has remained vague. While economist Yannis Varoufakis starts with a similar definition to classical political economy limited to natural resources: “Rent flows from privileged access to things in fixed supply, like fertile soil or land containing fossil fuels; you cannot produce more of these resources, however much money you might invest in them.”, Ryan Collins and co-authors expand the concept to any factor of production, beyond natural resources as in any "(...) benefit derived from the exclusive possession of a scarce or exclusive factor of production. […] rent should not be confused with normal profits or producer surplus, which involve productive human action" (Ryan Collins et al., 2017). Brett Christophers adopts an even broader notion of rent as income coming from any asset, as “income derived ved from the ownership, possession or control of scarce assets and under conditions of limited or no competition” (2019, p. 1439) . Mazzucato et al elaborate further, going from assets to activities rewarded above “normal” levels in “as income derived due to the ownership of a scarce asset or control over an activity needed for economic production beyond the cost of maintaining the operation or maintenance of that asset.” (2023, p. 526). The amplitude of the concept reaches the paroxysm of needing to be disentangled between so-called good, Schumpeterian, rents, which drive innovation, bad, merely extractive, rents and even in-between grey rents (Mazzucatto et al., 2023).

This paper scrutinises rent as a concept with historical, economic and political uses, highlighting three different understandings, rooted in neoclassical, post-Keynesian and marxist political economy, which became intertwined in today's ambiguous perspectives giving rise to misconceptions on capitalism and class. The first is Joan Robinson's (1969) elaboration of the marshallian quasi-rents as a concept of imperfect competition, where rent can be expanded to any factor of production in non-competitive markets. By pressing the "monopolised" ownership of any asset (produced or not), the authors influenced by this approach rest their understanding in a rupture from classical political economy introduced by Alfred Marshall of quasi-rents for specific productive resources, later elaborated by Robinson. However, contrary to Robinson, contemporary takes a more normative turn in the use of rent, and the rentier is seen as a problem to "healthy" (competitive) capitalism, converging with neoclassical economics. The second is present in Keynes’ General Theory (1936), which does not use rent as a meaningful category of analysis of market dynamics but rather as a class analysis. Rent signals a passive income of a particular class or "social stratum" of people in the financial realm to characterise the parasite nature of passive financial income and its earners as an idle class (likewise rentist landowners).

This is the take more common in post-keynesian economics analysis to this day (Lavoie, 2022; Hein, 2023). Finally, we have Lenin's approach to "imperialism, the highest stage of capitalism", which mixes the rentier as the idle earner of profits from money capital that results from the confluence of finance capital in (non-competitive) monopolies. Despite its approximation with the Marshall take, monopoly pricing does not derive here from any excess cost on "monopolised" factors of production but as a result of the concentration and centralisation of capital described by Marx into cartels and trusts. Such capital structure in core countries would transmute into the imperialist "rentier" state.

Contemporary heterodox intertwine these approaches, the class analysis of financial idle income earners and the analytical non-competitive reality of lack of competition and the normative loss of economic efficiency plus the marxist monopoly capital argument born out from Hilferding (1910) and Lenin (1917), later elaborated by Sweezy and Baran (1966). This article argues that the vague, ambiguous analytical sense of rent gives rise to unhelpful characterisation of capitalism and class dynamics, with significant political consequences.

As the influential rent expert Anna Haila (1990) noted, the debate on ground rent "has always been closely connected with urgent social issues" (p. 275), be it the Corn Laws during David Ricardo's life or the sudden rise in housing prices in the late seventies in the US. Today is no exception, with rampant land and housing prices and the extensive appropriation and extraction of new land and natural resources, not least through deforestation in the Global South, the category of ground rent regains relevance, particularly in its articulation with finance and financialisation. The rising appropriation of non-reproducible natural resources essential to production has been at the center of marxist political economy analysis in new categories of "value grabbing" (Andreuci et al., 2017), "pseudo-commodities" (Felli, 2014) and "assetisation" (Langley, 2020; Swyngedouw, 2022) for new financial agents in the form of investment and pension funds where the category of rent is part and parcel of the analysis of class struggle and state policy (Christophers, 2023; Haila, 2015). This article reasserts and discusses the meaning of rent in the classical political economy perspective, mainly supported by the marxist political economy understanding of rent, following Ben Fine's lifelong work and recent argument (Fine, 2023; 2023a) as income exclusively derived from the ownership of land or other natural resources. The need for a marxist elaboration on ground rent, more analytically precise, is paramount to analysing modern capitalism.

This article is organised as follows. After this introduction we turn to the triple post-keynesian and marxist origins of the current confusion around rent. We distinguish between the Joan Robinson's approach, strongly influenced by Alfred Marshall of rent as transfer pricing, Keynes' approach to the rentier as specfic idle class living from financial income, and Lenin's rise of the rentier and, later, Baran's and Sweezy's monopoly capitalism. The article argues that all these influences are elaborated in modern takes of rent in a understanding of market competition very close to the neoclassical approach of perfect markets. In the third section, the article restates Marx elaboration of ground rent, highlighting how such conception needs a particular understanding of competition between capitals, radically different from the neoclassical approach. Based on modern contribution on the study of ground rent, namely the work of Ben Fine, we argue for the importance of a notion of rent based on non-reproducible land or natural resources as specfic factor of production with strong implications. Finally, in the conclusion the presented concept of rent is mobilized to understnd some of the recent capitalist dynamics, namely the interest taken by finance on land and natural resources in search of this particular stream of inomce.

2. Post-Keynesian takes on rent: lack of competition and the rise of the rentier

Despite common critical moral leanings to the concept of rent, the contemporary uses and abuses of the concept of rent have three different underlying understandings that need to be untangled. One rooted in the Marshallian/Robinson notion of quasi-rents as control of heterogeneous factors that influenced both heterodox and orthodox approaches to rents and rent-seeking behaviour. The second is Keynes and post- Keynesian take of the functionless investor taken as a whole class, the rentier. As Stratford (2023) notes, with notable exceptions in Archbishop Richard Whateley and John Stuart Mill, who use rent as akin to an undeserved advantage born out from scarcity of instruments of production, rent was almost exclusively associated with the possession of land and natural resources from the physiocrats until the marginalist revolution of the late nineteenth century. It was the integration of other factors of production to the Ricardian perspective of marginal diminishing returns applied to land, namely labour and capital, that enabled the expansion of the concept beyond its initial scope of natural resources usually associated with a specific, unproductive class, of landowners (Stratford, 2023). The emergence of competitive marginal prices as a (subjective) measure of value has a lasting effect on the debate around rent, even in approaches that try to distance themselves from the neoclassical framework. For instance, for Carl Menger, land is a mere good that can have different utilities, and, like any other consumption good (a garden) or a capital good, its price is determined by different preferences in demand (Menger, 1950 [1871]). Neoclassical theory achieved such a feat through the confluence of land and capital in the same category, thus mystifying social relations behind landed property and subjacent class relations. Rent is understood as non-justifiable income beyond the good's contribution due to non-competitive control of scarce assets.

Among other prominent early neoclassical, Marshall seems to have played a significant founding role in the expansion of the concept of rent, not least for his influence in Cambridge. Besides his influence in conventional modern economics, his influence reaches the burgeoning realm of heterodox economics, particularly in Joan Robinson (1969). At first, Marshall's dealing with rent seems remarkably classic as in his article "On rent", as income coming from "natural resources which became private property in forgotten ages" (Marshall, 1893) does not influence prices as a cost incorporated in the commodity. However, his take on rent explicitly refuses any role of social and class relations behind land-owning (Fine, 2023). In his "Principles" (Marshall, 2013 [1890]), Marshall uses the metaphor of a meteoric rain of diamonds that can be used in production, these natural resources are not produced, non-degradable and fixed in supply, the income derived from the stones is a rent in the strictest sense of the term (Dooley, 1991). However, Marshall innovates and introduces the concept of quasi-rent, applicable to fixed capital goods, with inelastic supply in the short run, allowing temporary extra profits in case of higher demand and thus violating the competitive market assumption and opening the path for market imperfections (Dooley, 1991), but compatible with his partial equilibrium analysis. Ground rent becomes economic rent and is now the result of temporary or permanent monopoly prices.

The rise of imperfect market economics, particularly with the introduction of monopolistic competition in the thirties, completes the rupture with classical thinking. Joan Robinson builds on Saffra's criticism of perfect competition to elaborate on the economics of imperfect competition where rent appears in a new light as any surplus "over the necessary minimum" to put any production factor to work that may apply to any "particular pieces of factors may be found which earn rent" (1969, p.103). Any factor of production that is not perfectly elastic supply in the real world, as it happens, "factors of any type often likely to receive rent". Rent is understood as transfer earning needed to make use of any "piece of factor". For Robinson, the concept of rent is diffused among the four factors of production considered: labour, entrepreneurship, land and capital, given their heterogeneity and different transfers of earnings. Seemingly paradoxically with Keynes understanding of rent is the fact that capital, in its money capital form, would be, for Robinson, the least susceptible factor to rents as its homogeneity is higher, albeit the "differences of preference or ignorance" by the capitalists with no knowledge to the industries to whom they will lend[2].

As Joan Robinson later complained in the preface of a new edition of her book, many of her insights were integrated by mainstream thinking. The Robinson take on rent is distinct from the neoclassical perspective in the way it understands factors of production as non-homogeneous nor efficiently allocated to different uses. Moreover, her definition of rent is slightly different from the income above the opportunity cost adopted in modern neoclassical economics as it is not opportunity cost but the cost of transfer of the factor of production in a world of unique, heterogeneous factors (Stratford, 2023). However, the marshallian the starting point of the competitive markets is preserved, albeit in a world where imperfections are not the exception, but the norm. Rent is the norm in capitalism, and no particular normative vindictive is made against it. As Stratford (2023) points out, such a take on rent only becomes compatible with neoclassical economics if one understands markets as delivering "mostly" competitive prices, a premise to which Robinson seems not to agree.

However, it is not surprising that the idea of rent as deviation from competitive outcomes came to dominate neoclassical economics and the normative indicative of rent-seeking behaviour of public choice economics, where rents arise from changing property rights, and thus exogenous interference on markets as assumed by public choice theorists, such as Tullock, Kruger and Buchanan. The notion of rent is here always the result of monopolies (or tariffs), understood as devices of legal transfers of consumer surplus to producers, giving rise to deadweight welfare loss compared to a competitive setting (Tullock 1967). Monopolies can be private, individual, and born out of any resource, as in the "unusual collection of natural attributes" of Michael Jackson, understood as “human capital”, is Tullock’s given example in 1992, which the author “has “nothing against”. The same is not true when dealing with labour unions and State's interference. These are understood as external interference in the construction of uncompetitive settings. The competition for rents would give rise to bribes and the wasteful rent seeking

[2] Different levels of knowledge that may give rise to rents by capitalists seem very close to more contemporary takes on rent as arising from market imperfections due to information asymmetry.

behaviour, pointed out by Anne Kruger, thus making it rational to employ (waste) resources in seeking such monopolies (Tullock, 1992).

A different take on rent in the post-keynesian literature is found in Keynes. He first took on the rentier in his tract of monetary reform as the "bond holding class" that Lavoie and Seccareccia, and see as the “Investing Class” (as against the “Business Class” and the “Earning Class") (Seccareccia and Lavoie, 2016). Keynes's take on the rent is very particular, borrowing more from the moral stance on the rentier as an unproductive (useless) class. The rentier is not very well defined, serving primarily as a normative take on bondholders that do not have to take any risks to earn interest, a "functionless investor". Keynes points to the rentier as someone who benefits from making capital scarce without any sacrifice or risk. Rentism is solely associated with non-riks financial assets and their holders. The euthanasia of rentier appears as slow but natural process that “will be nothing sudden, merely a gradual but prolonged continuance of what we have seen recently in Great Britain, and will need no revolution” thanks to the agency of State. The abnormal character of the financial rentier as an artificial negative feature in capitalism is to be easily overcome. Interestingly enough, Keynes compares the financial rentier with whom he is worried about with the land rentier: "Interest today rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce, just as the owner can obtain rent. After all, land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of capital." (1936, p. 376). The financial rentier analogy appears defined not from any imperfect market outcome but from the normative perspective of the idle class of people who earn income without effort or risk of a factor of production made scarce, capital.

Despite Keynes's brief elaboration on rents and the rentier class, the category found ample use in post-keynesian economics as a different class of the functioning capitalist. Rentiers have been defined in the post-Keynesian literature in a very similar way to the one used by keynes, as "those who benefit from high interest rates or capital gains on financial assets" (Lavoie, 2022: 39), expanded in Stockhammer as an identity to managers of non-financial business in the context of financialisation 'we would expect that managers and consequently non-financial businesses identify increasingly as rentiers and consequently will also behave as such. We would expect higher dividend payout, lower growth and more financial investment of non-financial businesses.' Significantly, the use of rent as an economic category is not to be seen in the whole of Lavoie or Eckard Hein’s post-keynesian textbooks. For Hein, rent is to be connected and included as a form of profits besides dividends and interest. More importantly is the the category of rentier households as a class distinct from workers, managers and firms owners. They have different propensities to consume besides their different income sources that receive capital income from their holdings of financial assets and also from their ownership of commercial banks. Rentiers' income is partly consumed and partly saved. This is a very similar take on rentier income from the one found in Epstein and Jayadev (2005) as “profits earned by firms engaged primarily in financial activities plus interest income realised by all non-financial non-government resident units, i.e. the rest of the private economy” (2005, p. 50).

The seminal neoclassical-inspired and ambiguous uses of rent are not limited to post-Keynesianism and Keynes himself. In marxist political economy, Lenin (1971 [1917]) seems to integrate, *avant la lettre*, both understandings mentioned above in his imperialism. The rentier as and idle class of people that “lives entirely on income obtained from money capital is separated from the entrepreneur and from all who are directly concerned in the management of capital”, probably inspired by Engels take of the rentier. Rent as non-competitive result of cartels and trusts is inspired by Hilferdingn(1981 [1910]) through the latter introduction of monopoly prices similar to rent as in the ricardian approach to land, here expanded to differential income between more or less efficient enterprises in a non-competitive cartel that fixes prices. For Lenin, imperialism is the result of the rise of finance capital in "rentier states" who monopolise colonies as much as the general economy becomes "monopoly prices are established, even temporarily, the motive cause of technical and, consequently, of all progress, disappears to a certain extent" leading to the parasitic decay of capitalism, a common trope on the present literature on rent and rentism. The origin of rent is not here the excess cost of the monopolised factor of production but the power obtained by the concentration and centralisation of capital around a few firms that fix prices.

Lenin's (and Hilferding's) approach was the inspiration for the influential self-entitled "neomarxist" school of monopoly capitalism founded by Paul Sweezy and Paul Baran with the book by the same name, whereby competition would have been substituted by monopolies in the late nineteenth and early twentieth century that slowdown capital accumulation and have to deal with the problem of surplus absorption (Sweezy and Baran, 1966). Other prominent marxists would later develop the similar approaches, such as Kalecki and his influential theory of monopoly (markup) price among post-keynesians (Shaikh, 2016). In fact, as has been noted, efforts in Cambridge on imperfect competition by Kalecki and Sraffa were influenced by marxist political economy, namely Hilferding and Luxembourg (Cuyvers, 2022) and, on the other hand, Paul Sweezy was influenced by Keynes and Robinson, being one of the early introducers of the first in the US (Carter, 2020).

The three approaches presented above are not incompatible, but their interchanging and, more commonly, simple addition use in some of the literature turns rent as a concept ambiguous and confusing. For instance, if the class analysis of the rentier is taken out of the financial realm and applied to every income gained through any kind of temporary monopoly, profit turns to rent and then capitalists indeed would transmute to lords akin to feudalism. In common in the present multiple uses of rent is the idea of the end of the competition and supposed price-setting behaviour. Albeit trying to focus on the specific scarcity of particular assets or activities, they do not distinguish themselves from the excess opportunity cost notion of economic rent or quasi-rent present in neoclassical economics add "(...) a resource where the availability of the resource is insensitive to the size of the payment received for its use (...)" (Alchian, 1992: 591). The political implication is a lament of the end of capitalism, innovation and economic growth and prosperity, normally leading to praise on competition and competitive markets as the proper policy response to rent and rentiers. Some authors, such as Ryan Collins et al. (2017), try to distance themselves from the amalgamation between capital and land common in neoclassical economics, but they involuntarily return to this same theoretical framework as they understand rent as excessive income, the result of imperfect competitive markets, in which the profits would not exceed opportunity cost. The influence of neoclassical economics is explicitly admitted in the influential work by geographer Brett Christophers, who assumed inspiration of rent as a concept born out of neoclassical economics origins, which we showed is more complex than what is assumed by the author (Christophers, 2019).

3 - Capitalist ground rent as a result of competition

Ryan-Collins et al (2017), in their book on the political economy of land and housing crisis start from a very opportune overview on the history of economic thought and how land as a distinct factor of production in classical political economy was lost and amalgamated in the dominant neoclassical economics. Land is distinct from other factors of production in its immobility, apparent eternity and non-reproducible given its spacial uniqueness. However, as already noted, these authors adopt the wide and ambiguous conception of rent seen above, born out from a world of "imperfect information and finite land" where rent "refers to any benefit that is derived from exclusive possession of a scarce or exclusive factor of production, in excess of the cost of bringing that factor into production" (Ryan-Collins et al., 2017), thereby encompassing patents, unproductive finance, etc. The particular features that involve land as a factor of production are lost.

Being a central category in the analysis of contemporary capitalism and financialisation as having a critical role in the allocation of capital, either speculative or productive (Haila, 1990), and inequality dynamics, the ambiguous use of the category to analyse non-competitive capitalist realities as in patents or the treatment of land as a financial asset analogous to fictitious capital born out of "monopoly rent" similar to interest (Harvey, 1982) puts marxist political economy in the same post-keynesian conundrum of rent either as non-competitive allocation of resources (the Robinson take) or as a moral category for non-entrepreneurial capitalists (Keynes take).

A different marxist political economy approach, which sees itself as heir of classical political economy, has been quite critical of this idea of neoclassical competition at the heart of the heterodox approaches mentioned above. As different authors have noticed, Marx has a specific view of competition that breaks from the neoclassical notion of competition among numerous capitals where there is no price setting behaviour, everyone is a price taker (Shaikh, 2016). Competition has evolved with the process of centralisation and concentration of capital, even if there are monopolies (temporary or not) at the product market level, competition is always rife at the financial level as it allocates capital between different industry branches. Eventual monopolies compete among themselves.

It is our argument that to identify and study rent as income born out exclusively from land and other natural resources, one has to adopt the approach of capital competition as a permanent feature of capitalism and look beyond the natural features of the land and natural resources, but their place in the capitalist mode of production as a particular historical form of production and distribution. Marxist political economy has a long tradition of elaborating on the sources of rent as a specific feature of landowning in capitalism, from Marx himself to the debates on rent from the seventies and eighties. Unfortunately, such debates have been largely ignored in recent takes of rent, with some notable exceptions (Robertson, 2024).

For Marx (1992 [1894]), ground rent has to be understood as a result of the particular economic, political and legal conditions that allow the appropriation of a natural resource, such as land, and that, within the framework of capitalist competition, produce income for the owners of the said resource. Rent, although based on monopolistic control of a natural resource and constitutes remuneration for property, takes different forms: labour rent, rent in kind and money-rent. Marx defines ground rent as land remuneration within the scope of capitalist production relations and not as an anachronic pre or extra-capitalistic barrier to accumulation. Ground Rent depends on global social value, developing as monetary income within the framework of the capitalist mode of production. It is, therefore, a part of the surplus value. However, this income claim cannot be explained simply by the general conditions for surplus value and profit or by the specificity of the agricultural sector and its assets. The uniqueness of income comes from the power of landownership (or any other unproduced natural resource) to capture a part of the value that arises from production when land and natural resources are used as a factor of production. Ground rent is, therefore, the historical product of a particular economic, social, and legal context that gives power to its owners compared to the holders of other factors of production. Rent is distinct from other sources of excess surplus value that can be achieved temporarily by efficient production techniques. In these latter cases, which would include knowledge, patents or fina,ncial rents the excess profits will always be temporary in relation to competitors (Fine, 1979).

Fine (1979, 1980, 2019) follows Marx's approach to rent as a crucial element in understanding marxist political economy and upholding the labour theory of value, namely through his interpretation of the transformation problem. While such debate falls outside the scope of this paper, Fine’s take on ground rent as intrinsically capitalist (and not extra or pre-capitalist) stresses the role of competition between capitals in determining ground rent in Marx. In Fine, the analytical difference between the three types of rent - differential rent type I, type II differential rent, and absolute rent - cannot be disentangled. Competition between capitals establishes market value within a sector that determines surplus profits derived from lower than market values. The utilisation of natural conditions under capitalist relations of production, or what Marx describes as “the monopoly over definite portions of the globe”, enables the permanent appropriation of such surplus profits by landowners. But why are these surplus profits permanent and captured by this class?

Briefly, in the case of type I differential income ground rent depends on land fertility and, consequently, productivity equal quantaties of capital on different types of land. In this case, ground arises from the difference between the production that comes from the work of more fertile land and the less fertile land used, with the latter production costs equaling the price of the commodity without giving rise to any income. The amount of ground used, reaching the least fertile, is regulated by capitalist competition. Ground rent is appropriated by landowners permanently due to their social position, although they have no intervention in production. However, Marx expands diminishing returns by Ricardo argument, showing that the expansion of agricultural production is not only carried out in less fertile lands (where the Ricardian law of diminishing returns would occur); it also moves from the least fertile lands to the most fertile. This expansion into different types of land depends on factors other than the fertility and intensity of the capital used in each plot, as, for example, the location and distance to consumer markets or other natural characteristics of the land (ease of cultivation).

Type II differential rent is not determined by the quality of the land but rather by the intensity of capital in improving the quality of different types of land. Industrial production admits different degrees of intensity of capital used (that is, the differences in the organic composition of capital), but the non-reproducible aspect of the natural resource allows the surplus profits produced to be susceptible to being captured by the land owner and not by the capitalist. In the case of type II differential income, we are faced with temporary surplus profits resulting from competition, in which production techniques and differentiated access to the credit market, born out of competition between capitals, play an essential role in the intensity of capital used. However, if the existence of temporary surplus profits is a condition for type II differential rent, they do not define the existence of rent, which results from the ability of landowners to appropriate these profits. A greater amount of capital invested in the same plot of land may give rise to greater value produced proportionally, surplus profits captured by landowners in the form of rent. differential rent is thus the result of capital competition in the access of different lands (DRI) and capitals (DRII) with subsequent surplus profits that can be captured by land owners. According to Fine, the disentanglement of the two is virtually impossible since "some lands may be worst for one level of investment but not for others" or "Some capitals may be normal for some types of lands and other capitals normal for other lands" (!979, p. 254). Now, while rent is born out from surplus value exploited by capital in competition but captured from landowners, this capture is in itself a limit to the movements of capital, and thus competition In this particular sector, as rent is the toll that capital has to pay the landowner, it creates the conditions for lower constant capital expenditure and lower organic composition of capital in this particular sector. What might seem a circular and apparent paradoxical argument whereby DRII limits competition, giving rise to rent, is to be solved by the particular features of the land and natural resources, as monopolised, non-reproducible, productive resources, controlled by land owners. Land as a separate and unique factor of production is here stressed.

Moreover, the implications of lower composition of capital in the sectors using land becomes clear in the concept of absolute rent. While competition between capitals within plays a central role in determining differential rent as a difference between market values and individual ones, competition between capitals in different sectors will play a determining role in determining absolute rent, the process of appropriation of surplus value in the sphere of agricultural production (or any other sector using land/natural resources). In the case of absolute rent, rent concerns the ability of landowners to capture part of the value produced in a capitalist economy through prices of production (where capitals reach the average profit) above market values in the sector using land. However, that does not mean that absolute rent is a mere added cost is the result of the monopoly on "portions of the globe", and thus monopoly "rent" captured from other sectors. Absolute rent derives from DRII as the capture of excess surplus value emerging from the lower composition of capital in the sector, thus giving rise to surplus profits not compared to other capitals in the sector, such as in DRII, but between sectors. Marx's analysis assumes that a higher surplus value is needed in the agricultural sector than in the industrial sector since agriculture, where limits to competition are explained by the particular character of land, would depend more on living labour. Absolute rent would prevent the equalisation of profit rates between manufacturing and agriculture, constituting another barrier to capital accumulation in the latter sector. The lower organic capital composition is not the result of mere technological lag as in Harvey's (1982) account of rent. It is intrinsic to the concept of rent itself to be born out from non produced and, irreproducible and proprietary land ownership. Marx, in his analysis of land rent in a context of generalised capitalist production, is, therefore, more interested in understanding the capture of surplus value by owners in capitalist production that uses natural (non-produced) factors of production, such as land, and how such capture influences production costs, production prices and, ultimately, market prices compared to other sectors, namely the industrial one (Fine, 1979).

Despite Fine's focus on agricultural rent to scrutinise Marx's theory of rent, his theoretical restatement of Marx's rent concept can be expanded to other sectors other than agriculture. As

Marx points "whenever natural forces can be monopolised and guarantee a surplus-profit to the industrial capitalist using them, be it waterfalls, rich mines, waters teeming with, or a favourably located building site, there the person who by virtue of title to a portion of the globe has become the proprietor of these natural objects will wrest this surplus-profit from functioning capital in the form of rent" (Marx and Engels, 1975, p. 457). Now, in the case of building sites, Marx distinguishes location as an influence on differential rent, as already treated in DRI, and the "prevalence of monopoly prices". Monopoly prices should not be confused, as often is the case, with the monopoly over land as a non-produced and non-reproducible resource nor as a condition for absolute rent (Harvey, 1982). Monopoly prices are defined as "a price only determined by the purchaser's eagerness to buy and ability to pay, independent of the price determined by the general price of production, as well as the value of the products". They are not prices on simple monopolised land, as private property in capitalism, but as prices of commodities produced with specific land or the specific land itself. In this case, as the price is not only above but not determined by the general price of production, there is no role for competition between capitalists nor landowners. Marx questions "whether the rent springs from monopoly price, because a monopoly price of the product or the land exists independently of it, or whether the products are sold at a monopoly price, because rent exists" (Marx, 1992 [1894]) . The former is exemplified with the production of wine of "very extraordinary quality" yielding a monopoly price conductive of surplus profits mobilised from the surplus-value of other sectors. The latter case is more complex and prone to confusion. In this case "if grain were sold not merely above its price of production [as in absolute rent], but also its value, owing to the limits set by landed property to the investment of capital in uncultivated land without payment of rent." (Marx, 1992 [1894]). In this case, landowners have the power to stop or withdraw land from investment not because they have a monopoly portion of the globe but because it has *specific* portions for which there is no competition for what is produced (legal or natural). In theories of surplus value, Marx provides the example of an island with no access to foreign trade and, thus, no competition, as a theoretical example of monopoly price arising. But he points out that even in the case of England, where landowners try to withdraw land to raise rents on the remaining ones, they are unsuccessful. Outside these exceptions, later developed for building sites in "Das Kapital", "landed property can only affect and paralyse the action of capitals, their competition in so far as the competition of capitals modifies the determination of the values of commodities". Contrary to the case of absolute rent, there is no new land to act as "regulatory" land in the competition between landowners. Hence, in the first case, monopoly price is gained from the extraordinary wine produced in Champagne,and in the second case the, not necessarily extraordinary, housing produced in the Champs Elysees or Mayfair.

4- Concluding remarks

In her seminal paper on rent, Haila (1990) reviews the seventies debates on rent posing three questions: where does the rent emerge?; who receives rent and what are their behavioural patterns?; what is the economic role of rent? Here we have reinstated the marxist take on rent while stressing the natural and irreproducible character of land, not alien but part of capitalism and the competition between capitals. What stands out from Marx's contribution to his study of ground rent are two essential points:

1) land rent is exclusive to the ownership of non-(re)producible natural resources, which allows the appropriation of part of the surplus produced by natural resources owners;

2) land rent emerges from eminently capitalist production relations, with competition between capitals at its centre. Its appropriation by landowners (capitalist or not) is only possible through the attribution of historically constructed property rights and as part of the dynamics of competition and accumulation of capitalism.

From these two points, we can infer a third, which is essential to identify what is specific in the relationship between land and finance:

3) land rent, emerging from capitalist production, has the ability to abstract from the specificities of the production. Income does not depend on a single use given to the land, be it agricultural cultivation or construction, but rather on the social product of what is produced in a capitalist economy through market competition (within and between sectors). In short, being subordinated to the social relations of production of a given economy, ground-rent does not depend on the use (and risk) of capital invested in the production of specific use values.

Equipped with the analytical strength of land rent as a concept to describe contemporary capitalism limited to land and other natural resources within capitalist relations, whereby it is not the end of competition as in approaches stressing imperfect markets as the undesirable origin of rent, but competition between capitals itself as a condition of its arousal, albeit limited by it. Such approach helps us to understand one the seemingly paradoxes of contemporary capitalism, the rampant financialisation/assetization of land and housing. Finance being characterised by the quest of liquidity it seems paradoxical that its interest, apart from very liquid assets, has been increasingly in assets, or the creation of such, in extreme opposite of liquidity, land that is not reproducible nor movable, be it in sectors apparently so different as agriculture or housing. In fact, the arrival of new financial agents in the form of investment funds has been accompanied by the rising flows of capital being invested in "alternative assets" such as land or other fixed infrastructure where land plays a central part (Christophers, 2024).

As pointed in Ryan-Collins et al (2017) part of the explanation for this apparent paradox lies in how land and housing are good reserve of wealth and collateral for financial investors and thus a preferential target relative to other classes of assets. Less is said about how it is so. From our exposition, the reasoning becomes more logical. Land provides a stream of income in the form of rent that is able to capture extra surplus profits from specific sectors in the form of stable (leased) streams of income, ground rent, arising from natural resources and not dependent on single, specific use in the production of a specific commodity. Moreover, in the form of land, ground rent enables the capture of value from other sectors of activity, thus providing a crucial feature of finance, the apparent detachment of profits from the dirty business of production.

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