

Mapping modern economic rents: the good, the bad, and the grey areas

Mariana Mazzucato, Josh Ryan-Collins and Giorgos Gouzoulis^{*,}

There is increasing consensus that modern capitalist economies suffer from excessive rent extraction in both financial and real economy sectors. However, scholars have yet to develop a coherent analytical framework for identifying the common characteristics of modern economic rents. In particular, there has been little attention paid to distinguishing ‘good’ rents—key to innovation and growth—from ‘bad’ forms which contribute to economic stagnation and inequalities of wealth and income. This paper takes some first steps in this direction. We first review the existing rent theory most pertinent to this distinction, including classical political economy, the early twentieth century institutionalists, neoclassical perspectives and Keynes’s analysis of financial rentiers. Secondly, we map and conceptualise some key stylised features of modern rents, drawing on descriptive empirical evidence. We then identify the key questions that these developments raise for rent theory, elaborating a new research and policy agenda.

Key words: Economic rent, Innovation, Inequality, Secular stagnation
JEL classifications: E02, O43, P14

1. Introduction

A growing body of literature has identified that modern economies are suffering from excessive economic rents—with rent defined as returns based on the control over or ownership of a scarce asset (see *inter alia*, Piketty, 2014; Standing, 2016; Ryan-Collins *et al.*, 2017; Mazzucato, 2018; Stiglitz, 2019; Christophers, 2020; Sayer, 2020). The financial sector increasingly allocates resources towards unproductive activities, charging fees and interest in the process (Bezemer and Hudson, 2016; Jayadev and Epstein, 2019). Land rents are exploding alongside a housing affordability crisis in many advanced economy cities (Knoll *et al.*, 2017; Ryan-Collins *et al.*, 2017). The ‘real’ sector is also increasingly embracing rent extraction business models, from excessive share buybacks (Lazonick and O’Sullivan, 2000), through digital platform network monopolies (Zuboff, 2019; Mazzucato *et al.*, 2021) to big pharmaceuticals firms’ aggressive

Manuscript received 5 October 2021; final version received 6 October 2022

Address for correspondence: Mariana Mazzucato, University College London (UCL), Institute for Innovation and Public Purpose, 11 Montague St, London WC1B 5BP, UK; email: m.mazzucato@ucl.ac.uk

^{*}UCL Institute for Innovation and Public Purpose, London, UK (MM, JR-C) and University of Bristol, Business School, Bristol, UK (GG). This work has been supported by grants from the Thirty Percy Foundation and the Omidyar Network. We are grateful to Antonio Andreoni, Giovanni Dosi and participants of the Data Paradigm Forum workshop (7–8 December 2020) and IIPP research seminar series (2 November 2020) for feedback on earlier drafts.

© The Author(s) 2023. Published by Oxford University Press on behalf of the Cambridge Political Economy Society. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<https://creativecommons.org/licenses/by/4.0/>), which permits unrestricted reuse, distribution, and reproduction in any medium, provided the original work is properly cited.

drug pricing strategies. Natural resource rents maintain ecologically unsustainable forms of production (Ahmadov and van der Borg, 2019) and are in part responsible for a cost-of-living crisis in many economies today following rising energy costs due to the Russia-Ukraine war. These dynamics are viewed as important contributors to widening levels of inequality and also help explain falling levels of investment, income, innovation and economic growth.

However—notwithstanding the increasingly accepted critiques—why is so little changing in terms of policy? One explanation lies with the dominant, neoclassical approach to economic rents which strongly influences policy thinking (Tullock, 1967; Wessel, 1967). This takes a subjective view of rents, focussing on individual preferences and marginal productivity in determining economic value in markets, neglecting the role of ownership, power and the (original) distribution of rents (Ryan-Collins *et al.*, 2017, Ch. 2; Mazzucato, 2018; Stratford, 2022). This approach shifts the focus away from the ‘objective’ analysis of production through which one can understand ‘who is doing what, and who is earning what?’ to a subjective one where value emerges from the analysis of exchange. In this sense, it has moved away from rent as unearned income to one of inefficient markets and prices.

However, even if we take into account power, ownership and contribution dynamics, this still leaves a challenge for policymakers. Not all rents are economically or socially undesirable. As noted by Schumpeter (1942) the processes of competition and innovation inherent in dynamic capitalist growth *inevitably* generate rents as new products are developed which create temporary monopoly-type conditions for the entrepreneur before the innovation diffuses and other market actors ‘catch-up’. The extent to which rents may be defined as ‘good’—transient rents that are key to innovation and growth—rather than ‘bad’—permanent rents that contribute to inequality and economic stagnation—has not been subject to empirical or theoretical analysis. Without such identification, effective policy frameworks for dealing with rents will be harder to develop and justify.

The main approach to identifying rents empirically in the literature has been to assume *a priori* that certain sectors are ‘rentier sectors’ (finance, real estate and natural resource sectors being the preferred candidates) and then track the growth of income or gross value added in such sectors over time as a proportion of GDP or in comparison with other sectors of the economy (see e.g. Epstein and Power, 2003; Dünhaupt, 2012; Jayadev and Epstein, 2019). Such an approach has obvious limits. For example, some forms of financial income can be viewed as economically beneficial, such as interest income on loans that support non-financial start-ups or existing businesses that intend to invest in innovation. Other commonly used measures in economics and national accounts neglect ‘bad’ rents. For example, patent origination is often used as a measure of innovation in a sector or national economy. In the short run, patents can be seen to support Schumpeterian rents, but longer/broader patents enable monopolistic profits—yet there are few attempts to distinguish between these two types of patent in innovation research.

This paper considers how we might go about making such a distinction between ‘good’ Schumpeterian rents and ‘bad’ extractive rents theoretically and empirically. First, we review some of the key theoretical contributions to the literature on rents, including classical political economy, the early twentieth century institutionalists, neo-classical perspectives and Keynes’s analysis of financial rentiers (Section 2). Second, we map and conceptualise some stylised features of modern rents in key sectors through

the good vs. bad lens, focussing on: (i) the real estate and finance sector, (ii) the natural resource sector where the issues of climate change and energy security have come to the fore; (iii) the corporate sector, focussing in particular on the financialisation of business activities; and (iv) the digital platform sector (Section 3). This is by no means a comprehensive overview of modern economic rents and rentier sectors but rather a starting point upon which further research can build. Third, we identify the key questions that these developments raise for the good vs. bad rent distinction, elaborating a new research and policy agenda for identifying modern economic rents and developing effective policies for dealing with them (Section 4). We emphasise in particular the neglected role of the state in socialising ‘bad’ economic rents (e.g. through taxation, public ownership) and stimulating good rents via public investment in innovation and R&D.

2. Theories of economic rent

From the time of the earliest economists—the physiocrats—understanding how to steer growth in ways that maximise the amount of revenue reinvested in ‘productive’ activities, vs. unproductive ones, has been central to economics and policy. The physiocrats wanted to ensure the spoils from land were reinvested in farming techniques and farming activities, rather than siphoned off by merchants, or the whims of royalty. The classical economists—Ricardo, Mill, Smith and Marx—put this distinction at the heart of their study of political economy, defining economic rent as income extracted from the ownership of a scarce asset (such as land or other natural resources) or control over an activity required for economic production.

2.1 *Economic rents in classical political economy*

The classical economists developed an objective theory of value, based upon a normative analysis of what sort of labour should be defined as productive and what should be considered rent-seeking. Activities could be classified as in or out of a ‘production boundary’ with those excluded not being included in measures of a country’s growth and wealth (Christophers, 2013; Mazzucato, 2018). The classicals viewed income from land ownership and much financial sector activity as rent because it involved a transfer of funds from one activity to another, not a contribution to overall wealth. Equally, they argued, the price of a good or service should reflect this contribution. If it did not—for example, if the scarcity of a factor production enabled high levels of rent-seeking—financial gains arising from it should be viewed as unearned income and prime candidates for state taxation, or the imposition of tariffs, for example. Thus, Ricardo (1817), Smith (1776) and Mill (1848) all advocated for the bulk of state taxation to be extracted from land-owners who enjoyed unearned income from ground rent increases driven by economic development which had no relation to their efforts (Ryan-Collins *et al.*, 2017, Ch. 2).

Accordingly, the classicals identified three separate categories of income relating to different agents’ roles in the economic process. Profits accrued to capitalists, wages were paid to labour, and *rents* were to be paid to those who had control over assets that were necessary to the production process but had no or negligible cost of production. These included land and other natural resources but also returns based on monopolistic control over markets or privilege, including interest payments to banks. Mill (1848, p. 492) described rents as revenues from ownership ‘without working, risking or economizing’, describing how the rentier class ‘grow richer, as it were in their sleep’.

A key concern for the classicals was that if too much of the economic surplus was eaten up in the form of rent, insufficient profits would be left over to capitalists for investment and the payment of adequate wages, leading to a self-fulfilling cycle of economic stagnation and rising inequality. Prices—which reflected rentier payments as well as labour and capital costs—would become excessively high and rent would crowd out productive investment. Accordingly, the classicals defined profits as the surplus value created after wages are paid, capital is invested and land rent and interest are deducted. The classical economists were *political* in that their aim was to create policies that would free industrial capitalism from the rentier land and banking structures of feudalism and mercantilism. When Smith talked of ‘free markets’, he meant markets free of rent (Mazzucato, 2018).

Building on the contributions of the early classicals and based on the labour theory of value, Marx (1894 [1991]) provided a more comprehensive theory of rent, arguing that it accrues from excluding others from the use of resources, whether they be natural resources or manufactured. In this regard, it is not only landowners that can generate rent, but also capitalists. As well as Ricardo’s ‘Differential Rent’, Marx developed the concept of ‘Absolute rent’ where a class of producers who have power over a class of consumers in a situation of structured scarcity enables the transfer of a surplus between groups without any increase in value through production; and, thirdly, ‘Monopoly rent’ which is value extraction enabled due to a non-substitutable aspect of a certain commodity, the classical example of which is land.¹ The Marxian analysis suggests that during the course of capitalist development the demand for land will rise, leading to real estate price inflation and excess land rent extraction. Marx (1894 [1991], Ch. 37) argued that this situation is integral to the capitalist mode of production, hence, it is not possible to regulate the system effectively, including via taxation as proposed by the British classicals Smith, Ricardo and Mill. Instead, the more viable solution, in the long run, is the socialisation of economic rents via the nationalisation of all assets.

More recently, neo-Marxist scholars have elaborated on the conceptual distinction between ‘unequal exchange economies’ and ‘rentier economies’. Regarding the former, focussing on exploitation between countries, theorists of imperialism has argued that even when international trade is close to the ‘ideal’ model of perfect competition, the exercise of monopoly and state power by core economies allows them to extract value and resources from the less developed ones (Emmanuel, 1972; Amin, 1976). In contrast to the ‘unequal exchange’ of wage and profit gains within the contemporary globalised industrial production system (Ricci, 2019), rent extraction is just about deriving income from existing financial or other assets and does not correspond to any expansion of real production or investment (Baiman, 2014).

Overall, the classicals can be seen to have laid out an important intellectual framework for conceptualising rents but their theoretical approach takes us only so far when considering modern economic rents. Most obviously, the strong focus on land rents meant there was little thought given to the idea of ‘good rents’ supporting innovation and economic and technological development. The strong emphasis on physical scarcity meant the classicals—except for Marx—neglected how industrial capitalists could engineer rent extraction via the creation of artificial scarcity through patents or control over the platforms needed for economic exchange including the role of finance. These

¹ See Ward and Aalbers (2016) for an in-depth discussion of Marxian views on urban land rents.

issues were taken up by French and German reformers in the eighteenth and nineteenth centuries and went on to influence the early twentieth century institutionalists and evolutionary economists.

2.2 French and German industrial reformers and the institutionalists

Whilst the British classical economists focussed on the concept of land rent and its effect on a rapidly industrialising nation, in France and Germany attention was turning to the role of finance and how it could best be structured to support industrial and technological development to enable these countries to catch up with Britain. In France, [Saint-Simon \(1819\)](#) and his followers elaborated an early distinction between ‘good’ and ‘band’ rents in the financial sphere. They developed a powerful critique of the French aristocracy as a rentier class living off inherited wealth and collecting interest, dividends and rent without performing any kind of productive function, despite their political overthrow during the French revolution. Saint-Simon instead proposed that finance should be subordinated to the interests of the industry with the creation of an industrial-credit system that would provide equity investment rather than debt into major infrastructure and industrial projects. By being paid in dividends from the growing produce of the capital stock rather than interest, the interests of finance and industry would be tied together in a mutually beneficial fashion. Rising productivity would support increasing returns to investors via equity and encourage them to take an active interest in industrial development and extractive rents reduced. Saint-Simonian reformers attracted support from socialists and the French government and saw the creation of the *Societe Generale Credit Mobilier* in 1852 by the Pereire brothers which embodied Saint-Simon’s ideals. It provided low-cost long-term credit in the form of the purchase of stocks and bonds issued by railroads and public utilities ([Hudson, 2015](#), p. 109).

Saint-Simon’s ideas influenced Marx who shared his belief that ultimately industrial credit would usurp the speculative and usurious pre-industrial banking ([Marx, 1894 \[1991\]](#), pp. 704–707). It was also influential in Germany which rapidly developed an industry-oriented banking sector in the latter half of the nineteenth century. Again, banks held equity capital rather than loans, recognising that reinvesting profits in expanding production limited the ability to pay interest, and took the lead in much of the planning that guided Germany’s development, alongside the government ([Hudson, 2015](#), pp. 109–110). In contrast, British merchant banks preferred trade financing over long-term industrial development and lending against existing collateral, including inventory, money due on goods in transit or real estate that could easily be liquidated. They also paid out most of their earnings as dividends instead of investing the shares of the companies their loans were supposedly building up and charged high interest rates for their loans.

The works of Saint-Simon and the developments in France and Germany had a strong influence on the emergence of evolutionary and institutional political economists such as Thorstein [Veblen \(1921\)](#) and Simon [Patten \(1890, 1924\)](#). Whilst building on the classical analysis of land rents, they introduced a stronger role for politics, laws, regulation and institutions in determining the development of rentier activity and capitalist markets more generally, comparing developments in the USA and Europe. For example, both authors claimed that rent extraction from land is casually linked to the liberalisation of the financial system ([Hudson, 2011, 2012](#)). More liberalised financial

systems, such as those in Britain and the USA, allowed more bank credit creation and stock investment for speculative purposes, that is short-term investment in assets like land or natural resources, which pushes up these asset prices, increasing rents and further enhancing their speculative appeal.

The old institutionalist tradition offers an explanation of real estate price inflation which complements the classical political economy approach. The value extraction rate of a non-substitutable, inherently limited ‘commodity’, like land, does not depend only on its inherent physical scarcity, but also on the allocation of credit and finance which can be directed to more productive sectors, as in the German and French Saint-Simon models, or allowed to flow in existing assets such as land or financial assets, further inflating prices. Institutionalists viewed the state as a potential rent minimiser: if key sectors of the economy are state-owned or state-regulated then rent extraction will be minimised, assuming the state itself does not engage in rent extraction.

Thus, contrary to Marx, institutionalists contended that the rent aspect of capitalism could be regulated to a significant extent and welfare could be increased without sacrificing economic efficiency. Also, Veblen’s and Patten’s understanding of rents was broader than that of the classicals: credit creation monopolies and communication and transportation networks are also key rent-seeking sectors. Contrary to Ricardo’s assumption of diminishing returns to scale, both Veblen and Patten assumed that this is a special case, and, in most cases, returns are *increasing*. Like Schumpeter, they described rent as super-profits arising from increasing returns due to technological progress (Hudson, 2012, p. 6). Veblen’s argument was mainly focussed on the case of Wall Street as a key example of increasing returns, whilst Patten (1902) centred mainly on increasing returns due to technology-driven monopolisation.

Contrary to the classicals, Schumpeter (1942) viewed rents as a natural and important feature of a dynamic capitalist economy. Schumpeter argued that the processes of competition and innovation generated rents as new products are developed which create monopoly-type conditions for the entrepreneur. The producer with the most efficient (least cost) technology receives the ‘rent’ (Sautet, 2018). Importantly, however, this phenomenon is transitory. As new production technology disseminates across producers, the market power of more efficient producers declines. The demand curve becomes more price elastic and the degree of differentiation across producers declines and with it the Schumpeterian rents (Aghion and Howitt, 1992). The higher the degree of initial differentiation and the demand for the new product, the higher the rent. These ‘Schumpeterian rents’ are then a natural part of the process of ‘creative destruction’ that is key to dynamic economies that pursue innovation-driven growth (Reinert, 2006). Rather than seeing the banking system as a rent-extractor, Schumpeter viewed banks as the ‘overseer’ of the capitalist system, with the process of credit creation enabling entrepreneurs with no pre-existing savings to steer resources into ‘new combinations’ (Schumpeter, 1934).

2.3 Neoclassical theory and ‘rent-seeking’

Neoclassical economic theory, which began to gain credence in the nineteenth century, argues that in the process of market exchange firms and consumers determine value subjectively. In a competitive market, the equilibrium price of a good would reflect the subjective preferences of millions of economic agents all seeking to maximise their utility. Price should then be seen as determining value, not value prices (Marshall, 1890; Clark, 1891; Wicksteed, 1914).

The theory of marginal productivity emerged from this perspective and argued that in the long run at least, there were no fundamental differences between the returns to different factors of production. Each factor—whether labour, land or capital—would earn its marginal product. The owners of the land will lend it out up to the point where the marginal utility of doing so is lower than that of consuming it themselves, just as the labourer will work up to the point where the marginal utility of continuing to work is lower than taking leisure. Therefore, the (land) rent share is understood as a sub-part of the profit share. In this respect, rentier profits are seen as ‘rewards’ for risk-taking on investments, no different from productive capital investment, rather than resulting from capital gains, interest or monopoly charges as in Ricardo, Veblen and Patten. Accordingly, the focus of the marginal productivity theory is centred on the distribution between labour and non-labour (capitalist-profit) income.

Economic rent was simply the discrepancy between the total return of a factor of production and its equilibrium supply price under perfect competition. Rents are seen as ‘abnormal’ or ‘supernormal’ profits that arise in non-equilibrium conditions caused by either the creation of artificial monopolies or interventions in markets (e.g. collective bargaining) that privilege certain groups; or short-term frictions and information asymmetries (Stiglitz, 1996). These types of rents appear at first sight to be close to the ‘Schumpeterian rents’ described earlier. However, there is a major difference: Schumpeter did not see such as rents as ‘imperfections’ but rather as inherent and necessary elements of a healthy capitalist system. Should such rents disappear, this would be evidence not of a healthy equilibrium, but a lack of dynamic innovation.

Marginal productivity theory became dominant in economic thinking over the twentieth century with little attention paid to rents. In the 1950s, however, several studies were conducted that attempted to calculate the social cost of monopolies and tariffs (notably Harberger, 1954). When a monopoly charges a price to consolidate its power above marginal cost, it drives a ‘wedge’ between the costs borne by the consumer and supplier. Imposing this effective tax distorts the market outcome, and the wedge causes a decrease in the quantity sold, below the social optimum (also described as a ‘deadweight loss’). Perhaps surprisingly, these studies generally found these costs to be negligible (Del Rosal, 2011).

In the late 1960 and 1970s, building on the neoclassical subjective theory of value, ‘rent-seeking’ theory emerged (Tullock, 1967; Krueger, 1974; Posner, 1975). The rent-seeking theory argues that the deadweight costs of monopoly and tariffs understated the true social cost because they neglected the expenditures made to capturing related rents (e.g. transfers to governments or election candidates aimed at securing a monopoly rent). Once these expenditures—which could have instead been employed in more productive activities—are incorporated into the social cost of rentier activity, the economic significance of rents is considerably enhanced (Tullock, 1967). Hence, the social cost or ‘waste’ of rent-seeking arises due to the opportunity cost of the resources devoted to this activity as well as the deadweight loss accruing from the non-equilibrium pricing.

It is certainly true that significant amounts of money are spent on trying to influence government policy; not least via large campaign contributions (e.g. see McMenamin, 2012; Goerres and Höpner, 2014; Philippon, 2019). However, whilst this element of the rent-seeking theory is useful, the broader notion of subjective value remains problematic. Fundamentally, neoclassical theory is unable to capture the fact that certain types of returns—for example, capital gains—accrue to actors due simply to positional

advantage and power rather than effort and wider contribution to society. This specific type of rentier activity *sui generis* might extract rather than create value. The Great Depression of the 1930s revealed how the financial sector, in particular, was prone to the latter.

Furthermore, the rent-seeking framework has influenced labour economics. Empirical work stemming from this paradigm suggests that powerful unions can extract significant wage premiums and reduce profitability, thus, firms in such sectors or economies are likely to reduce investment in physical capital and R&D (e.g. Hirsch, 1992). Assuming that economies are profit-led, strong unions are viewed as undesirable, since lower fixed capital investment spending will result in slower growth. However, this simplistic view of the union rent-seeking power–growth nexus is an exception rather than the norm. Recent research shows that unions may incentivise R&D investments (Sulis, 2015). This is because strong social pacts commonly achieve long-term agreements between employers and employees, which ensure a stable business environment and allows investors to commit to investment with longer-term horizons which is necessary for R&D-intensive projects. Also, strong unions that can ensure gains from physical capital investments will be distributed fairly between employers, management and employees (via either mutual agreements or the threat of industrial action), are likely to advocate in favour of further R&D (Sulis, 2015). Therefore, strong unions are likely to induce higher investment, rather than impede it, and, in this respect, wage premium constitutes a form of a ‘good rent’.²

2.4 Keynes’s financial rentier and financialisation

Keynes’s (1936) ‘financial rentier’ thesis builds explicitly on the distinction between productive and unproductive investment/activities. Although Keynes’ actual definition of rentier is vague,³ it has been interpreted as a class distinct from capitalists whose main difference is the sector, they choose to invest in. Industrial capitalists seek to profit through investing in the real economy, that is their investment is productive since, ultimately, it creates new value. In contrast, financial rentiers seek profits through exploiting their control over a scarce resource (money) that is by lending money to industrial capitalists and workers to profit from interest payments. According to Keynes, such activity is ‘parasitic’ in the sense that rentiers profit from their accumulated wealth, without creating employment or value (Henry, 2001).

These rentier dynamics lie at the heart of Keynes’s theory of recession and are the reason capitalist economies are prone to cycles. The larger the share of national income is earned by the rentiers, the higher the unemployment rate becomes. Given that workers have higher propensity to consume, this income distribution shift towards rentiers will eventually generate an initial under-consumption crisis. The lack of effective demand will induce industrial capitalists to update their expectations and decrease future investment, which will further decrease employment, thus consumption. Like the institutionalists and classicals, Keynes viewed rent extraction as a political phenomenon. While land is indeed inherently limited meaning rents arise naturally, financial rents depend on the political and institutional power of private financial institutions. As Keynes (1936, Ch. 24) famously noted that ‘...*whilst there may be intrinsic reasons*

² The use of the term ‘rent’ might be misleading in the classical sense since workers extract more of what they deserve rather than extract income that exceeds their contribution to value creation.

³ See McKibbin (2013) for a discussion of Keynes’ use of the term.

for the scarcity of land, there are no intrinsic reasons for the scarcity of capital'. Accordingly, Keynes claimed that appropriate monetary and credit policy can indeed lead to the 'euthanasia of the rentier' through lowering the interest rate, which ultimately will stabilise the economy towards a full employment growth trajectory.

Contemporaries of Keynes, like [Kalecki \(1943\)](#) did not share his optimism about the decline of the rentier, arguing that the linkage between vested interests and macro-economic performance is a fundamental aspect of capitalism. Building on Kalecki, more recent post-Keynesian, neo-Marxist and political economy contributions claim that the transition from the pro-labour Fordist regime to the pro-capital Neoliberal regime was induced by vested interests ([Boyer, 2000](#); [Watkins, 2010](#)). While it is true that during the post-WWII Fordist period, capitalism was indeed regulated—to some extent—in most advanced economies since the early 1980s we have witnessed the resurrection of the rentier rather than his death ([Boyer, 2000](#); [Jayadev and Epstein, 2019](#)).

The late 1970s and 1980s led finance ministries and central banks to raise interest rates to very high levels to fend off inflation, generating large rentier profits for the financial sector ([Epstein, 2001](#)). Whilst interest rates were lower in the late 1990s and 2000s, banks significantly increased the share of real estate and financial sector loans—the rentier sectors—relative to traditional loans to firms that supported capital investment and wages in this period (a fact we explore further in [Section 3](#)). The increase in the volume of lending meant profits could be made even with lower interest spreads—indeed rates on mortgages have typically been lower than on business loans. Besides, banks also began to generate profits from packing and selling these loans to other parts of the financial sector as well as offering new derivative products. Post-Keynesian economists have emphasised the growth of private debt (in particular mortgage credit) as a key source of income for financial rentiers enabled by deregulation and the shift towards consumer-price inflation targeting by central banks, alongside declining public investment ([Bezemer and Hudson, 2016](#); [Seccareccia and Lavoie, 2016](#); [Jayadev and Epstein, 2019](#)).

More broadly, the concept of 'financialisation' is strongly associated with rentier interests and income extraction both from non-financial firms and workers. First, rising financial commitments for non-financial firms are associated with the decline of real investment in both advanced and developing economies over the last 30 years ([Stockhammer, 2004](#); [Tori and Onaran, 2018, 2020, 2022](#); [Stockhammer and Gouzoulis, 2022](#)). Second, the shift of many non-financial firms' portfolios towards large investments in financial assets has 'disconnected' their profitability from value creation further contributing to the decline of real investment and growth ([Tomaskovic-Devey et al., 2015](#); [Bezemer et al., 2016](#)). Third, simultaneously, the pressure non-financial firms experience regarding debt repayments and/or boosting share prices very often leads them to shift these costs to workers via wage cuts ([Dünhaupt, 2017](#); [Kohler et al., 2019](#); [Gouzoulis, 2022](#)). Finally, the rise of household financialisation has made indebted working-class households more risk-averse at the workplace due to fear of defaulting on their debt and thus more compliant to accept wage cuts and work under precarious contracts ([Gouzoulis, 2021, 2023](#); [Gouzoulis et al., 2023a, b](#)).

2.5 Summary

This brief and selective review of the key theoretical approaches to economic rent shows a diverse range of approaches, many with theoretical and empirical challenges.

The classical economists focussed on the scarcity of required natural resources, in particular land, as providing owners bargaining power to raise prices as demand rises to support production in a growing economy. The Institutionalists and Schumpeter recognised a broader set of economic rents driven by rising returns to scale in the finance and technology-intensive industries. Schumpeter recognised that rents were a useful and inevitable feature of a dynamic capitalist economy but assumed that in a healthy economy they would be transitory.

Contrariwise, the early neoclassical theory absorbed rent theory into the meta-theory of marginal productivity and, in doing so, downgraded its significance. Later, the ‘rent-seeking’ theory emerged examining how imposing certain restrictions or allowing certain interest groups to gain monopolistic power leads to suboptimal, non-equilibrium outcomes. Depending on the case context, this approach may be compatible with heterodox approaches, like Schumpeter’s creative destruction.

Keynes shifted attention to the financial sector as the rentier *par excellence*. Via their control over money and credit, the financial rentier exacerbates economic cycles. In a world of fundamental uncertainty, the appropriate policy solution is to reduce the price of money (the interest rate) to near zero, reducing rentier profits and eventually destroying the rentier class to the benefit of industry and productive capital.

These theories all have strengths and weaknesses in and of themselves but how do they help us in understanding modern-day rent extraction and what constitutes ‘good’ vs. ‘bad’ rents? In the next section, we address this issue and examine what twenty-first century rents look like in theory and practice.

3. Identifying rents across different sectors

This section considers modern economic rents across five key sectors: the land and financial sector, the natural resources sector, the corporate sector and the digital platform sector and considers how we might distinguish good from bad rents. We also consider the institutional and policy developments that have contributed to these developments. This is not a comprehensive review but rather a starting point upon which further research can build.

3.1 Modern land and finance rents

Land rents today are more complex than at the time the classicals were writing. The growth of widespread homeownership in the twentieth century beyond wealthy elites constituted the democratisation of land rents as more of the middle classes enjoyed wealth gains on their property. But for the last 40 years house prices, largely driven by land values, have risen at a much faster rate than incomes and consumer prices in nearly all advanced economies (Piketty, 2014; Knoll *et al.*, 2017 and see figure 1) and levels of homeownership have plateaued and indeed begun to fall in many advanced economies (Ryan-Collins, 2018). The consequence has been increasing rentier returns to land and homeowners, in the form of both rising ground rents and capital gains, a housing affordability crisis in many cities and increasingly large household debts as citizens are forced to borrow more to buy a property.

Policy has supported this process. Taxes on land and (increasing) property values have been reduced relative to other types of financial assets and other forms of tenure, as homeownership has become an expectation in advanced economies, making

property a highly desirable asset to store and accrue wealth. Furthermore, from the 1980s onward, deregulation of the banking sector has seen a huge expansion in mortgage lending that has driven up land values and house prices (Ryan-Collins, 2018).

Indeed, today most bank lending in advanced economies involves lending against, or trading, existing assets rather than financing the creation of new productive assets. Figure 1 shows how in the 1990s advanced economy mortgage lending (commercial and domestic) overtook non-mortgage lending (the majority of which is business lending) to reach 70% of GDP, up from just 20% in the 1950s. House prices followed a similar trajectory. In the UK, for example, only around 10% of all bank lending supports non-financial firm investment, with the rest funding real estate or financial asset purchases, pumping up the prices of these assets in the process (Turner, 2015).

As property and land prices increase, households and firms need to borrow more to afford them, increasing the demand for mortgage credit further and creating a positive feedback cycle (Ryan-Collins, 2018). The interest paid out by households and firms on these ever-larger mortgages can be seen as a form of rent since nothing new or productive is being created out of having higher land and house prices. These assets could be provided at the same quality at a lower cost to society. The result is a fall in demand as homeowners' spending power is reduced as more of their income is taken up in rising mortgage, interest or ground rent payments.⁴ Similar dynamics have occurred in the corporate real estate market, although this has been more cyclical and volatile in general. In this case, rising corporate land rents increase the overhead cost of the firm

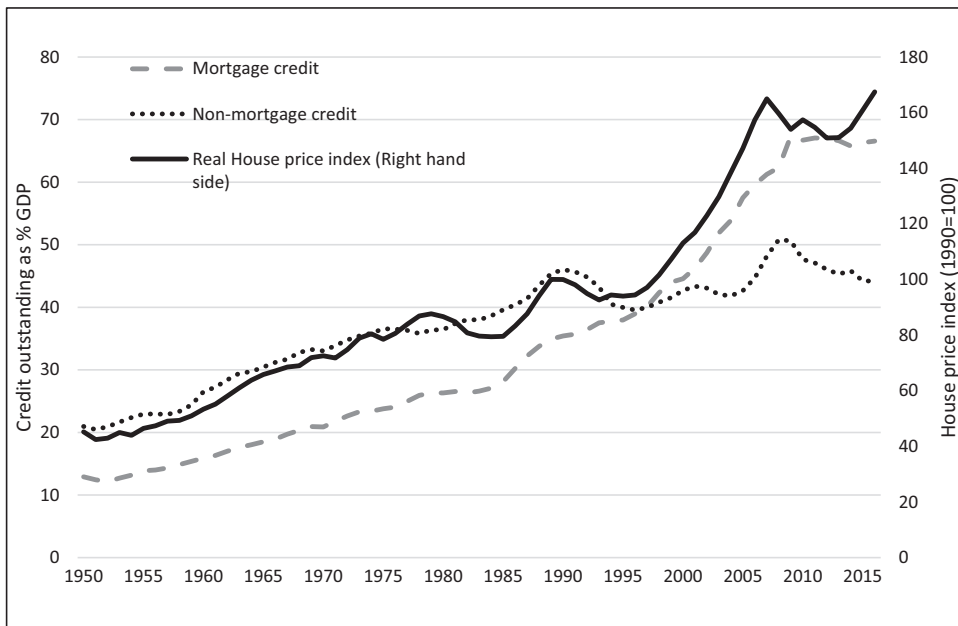


Fig. 1. Bank lending ratios and house prices (right axis) in 17 advanced economies, 1950–2016. Sources: Jordà et al. (2016) and Knoll et al. (2017).

⁴ Historically low interest rates over the past two decades have somewhat ameliorated annual debt-servicing costs of households in advanced economies. However, low rates have increased the ability of households to take on more debt and thus increased total debt-to-income ratios, principal repayments and property prices so the overall effects on demand are likely to still have been negative.

with knock-on effects on wages and demand. The secular fall in interest rates has also supported this process, reducing the household's debt-servicing ratio even as incomes have stagnated.

Institutional investor finance has also been channelled into real estate via the creation of mortgage-backed securities and related financial innovations. Again, in most cases, this has just served to further inflate existing land values rather than support any form of productive activity. These innovations were made possible by financial deregulation in the 1980s and 1990s, driven by the desire to secure higher levels of homeownership as well as financial sector lobbying. This market was co-shaped by policy decisions.

How then might we identify these rents to enable more enlightened, value-creating policy decisions? Disaggregating bank lending into loans that are more productive and less productive and then calculating the interest and fees to these different sectors could be one option. 'Productive' could be defined to include all non-financial business lending for example, following the distinction used by central banks and by several recent studies which have analysed the effect of bank lending on growth and financial instability (Bezemer *et al.*, 2016; Jordà *et al.*, 2016).

Once identified, policy could seek to disincentivise non-productive lending (e.g. loans for the purchase of existing housing) and incentivise business lending. Interest or fees earned from originating asset market loans could be taxed at a higher rate. Or, more directly, central banks and financial supervisors could implement forms of credit guidance and control, many of which were common in the post-World War II period (Bezemer *et al.*, 2023). One option could be a 'real economy' (excluding mortgage lending) asset ratio—for example banks would be obliged to ensure that at least 40% of their total lending supported non-financial firms. One complication with both approaches is an increasing proportion of non-financial lending is used for the purchase of financial assets, including share buybacks, mergers and acquisitions (discussed in more detail in Section 3.3). This means further disaggregation which examines what non-financial firms do with bank loans would ideally be needed for greater policy impact.

Policy reforms could also be implemented on the consumer side concerning mortgage credit. For example, stricter macroprudential limits on loan-to-income or loan-to-value could be implemented to reduce debt leverage or a loan could be limited to a ratio of a property's annual rental value (Keen, 2017, p. 119). Such policies would help break the feedback cycle between increasing house prices and credit creation that generates the powerful mutual interest between financial and land rentiers (Keen, 2017; Ryan-Collins, 2021).

Beyond the financial sector, reforms to the land market itself to reduce the speculative (rentier) demand for properties are required. It is notable that, despite the general tendency of rising land rents and house prices, there are exceptions which show it is possible to provide housing and other forms of shelter of the same quality at a lower cost to society. Some successful advanced economies—Germany, South Korea and Singapore—have seen house- and land price-to-income ratios remain flat or even fall since the 1980s. Notably, in South Korea and Singapore land is owned or controlled to a much greater extent by the state (in Singapore 90% of the land is publicly owned) meaning the land rents are effectively socialised and can be used to support more affordable housing (Haila, 2015). Germany has much lower levels of private homeownership (around 60%) than the advanced economy average and greater tenure neutrality with much stronger rights for renters.

Notable also in Germany and Korea is the presence of a more diverse banking system. Whilst in countries such as the UK, commercial shareholder banks dominate, in the former, there is a strong public and cooperative banking presence. This includes large state investment banks that lend to sectors aligned with industrial and economic policy goals (Mazzucato, 2021) similar to the *Credit Mobilier* developed by Saint-Simon's followers—as well as cooperative and local banks where strong relationships with borrowers enable banks to de-risk their lending rather than relying on property-based collateral as has been the case for shareholder banks (Ferri *et al.*, 2014; Ryan-Collins, 2018). These institutional and policy differences in how the state shapes financial and land markets merit further investigation in understanding how we might reduce land and financial rents and help reverse rising household debt and the consequent drag on consumer demand.

3.2 Natural resource rents and climate change

The early classicals defined land in a broad sense, implicitly or explicitly including the ownership of natural resources. A broader definition of land encompasses natural resources—energy, water, carbon sinks, ecosystems—that are equally vital for capitalist production and human survival. Unlike land as locational space, which can be reused for different purposes through time, non-renewable natural resources, can be—and indeed are being—exhausted. Thus, ownership of such a scarce resource assigns substantial monopoly power and the opportunity for significant rentier income. Increasing natural resource rents flowing to private actors will indeed increase the costs of production, reducing investment, innovation and aggregate demand.

Natural resources may be a blessing or a curse depending very much on the interaction between the state and market. Certain countries, such as Norway, have captured resource rents via the development of sovereign wealth funds that support high levels of public welfare and play a market-shaping role in supporting sustainable investment in productive activity. Other advanced economies, like the UK and North sea oil, have wasted similar opportunities and allowed these rents to be privatised (Christophers, 2020, Ch. 2)

For many developing countries, the ownership of natural resources in a globalised world has not led to increased welfare (for a survey see Frankel, 2010), but to rising rents and exploitation. For example, the large oil sector in Africa has been a curse since weak political institutions and globalisation has led domestic corporate trusts and multinational corporations to monopolise these rents with minor—if any—economic benefits for domestic populations (Duruigbo, 2005). Similarly, oil-rich countries in the Middle East have seen the emergence of 'the rentier-state' whereby a small political elite absorbs the bulk of profits from oil excavation (Beblawi and Luciani, 2015). The socialisation of resource rents is, thus, not always the obvious policy solution since it depends on having well-established political and democratic institutions.

Climate change creates important new questions for how we think about resource rents. An energy company (whether state-owned or private) that generates rentier profits from its control over oil extraction in a particular country can be seen to be extracting value not just from the natural wealth of that country or region in the present (assuming it does not equitably redistribute them). Simultaneously, it is also reducing the welfare of future generations at an international level since climate change has

global impacts. Yet, rents generated from the production of renewable energy might be seen as highly desirable, in particular in the short term, as a means of supporting the rapid decarbonisation of the economy and investment in green energy innovation. Indeed, in countries like Germany, a key part of the successful transition to clean energy has been active government intervention and subsidies for cleaner production in sectors like steel and gas (Mazzucato, 2015). Rather than blanket policies to reduce natural resource rents, policymakers thus need to direct markets towards more sustainable models where transient rents may be needed in the short term to support innovation.

3.3 Shareholder rents and the financialisation of corporate governance

Since the 1980s, the shift towards shareholder value maximisation as the dominant form of corporate governance has led to increasing rents in parts of the non-financial corporate sector. This has become possible through legal reforms which promoted the liberalisation of finance and allowed restructuring within the corporate governance system of non-financial firms. Companies are not anymore owned by a single person or small group of industrial capitalists, but by a more diffuse group of shareholders with interests not necessarily aligned with those of the firm's direct management. In particular, modern shareholders (or more precise the funds that manage shares) have come to place a strong emphasis on the short-term value of the companies' share price above and beyond long-term investments (Lazonick and O'Sullivan, 2000; Haldane, 2011). This has led to firms' profits being spent on pumping up stock prices via share buybacks, mergers and acquisitions.

In the USA for example, over the decade 2006–17 net equity issues of non-financial corporations averaged –\$412 billion per year (Lazonick, 2018), meaning more money has gone into the stock market than been taken out. Again, the financial sector has played a key role here. A recent study found that more than *half* of all buybacks in the USA are now funded by debt (Light, 2019). In effect, this is credit creation for directly inflating financial assets (share prices). The capital gains from increasing stock prices due to share buybacks or M&A activity add nothing to the value of the real economy—it is economic rent.

As well as reducing the finance available for investment, this process can feed into downward pressure on wages. Shareholders put pressure on firm managers to keep share prices high since this leads to the maximisation of their income from dividend payments. If the demand for shares is not sufficient to keep share prices high, firm managers increase corporate debt ratios to buy back shares as a means to boost demand, hence, the level of share prices. As the financial position of firms worsens due to the rising corporate debt ratios needed to maintain high share prices and dividend payments, firm managers (in countries with flexible labour markets) will squeeze wages as a means of decreasing costs (Alvarez, 2015; Dünhaupt, 2017; Kohler *et al.*, 2019). Similarly, aggressive mergers and acquisitions (again often funded by debt leveraging) or private equity takeovers often involve 'asset stripping' activities that enhance the short-term efficiency of the firm but involve job losses and wage cuts—as well as increases in debt—that ultimately reduce the long-term viability of the firm. From a macroeconomic perspective, this results in an additional decrease in consumption, thus, in effective demand, investment and innovation, inducing a steeper value extraction-driven slowdown in accumulation.

As shown in Figure 2, the dividend payments-to-capital income ratio for non-financial corporations, that is the rentier income of shareholders, in the USA has increased rapidly since the mid-1980s. Simultaneously, the long-run trends of Gross Fixed Capital Formation (as a share of the GDP), despite some medium-term recoveries, is declining since the late 1970s. This pattern clearly shows the shift of non-financial firms' objective from real investment (and value creation) to rent maximisation in the early twenty-first century.

What are the questions shareholder value primacy raises for identifying economic rents? To answer this question we have to look separately at shareholders' rents and corporate banking rents. First, shareholder dividends, like land rents, are about extracting value from existing assets, in this case, the company's share price. As noted, these can be increased through share buybacks, funded from either profits or bank borrowing or the issuance of corporate bonds. Where borrowing occurs, there is a parallel with mortgage debt asset price inflation.

Accordingly, debt-fuelled dividend payments can be classified as rents, as they are a reward without a contribution to the production or the circulation process. Simultaneously, firms have to decrease their productive spending, that is long-term investment and R&D expenditures, to repay the loans they signed to fuel the shareholder bubble. Thus, they limit further the productive capacity of the economy. Second, corporate banking rents (i.e. interest payments on corporate loans), in principle, could either foster or discourage innovation depending on where the credit goes. If firms use

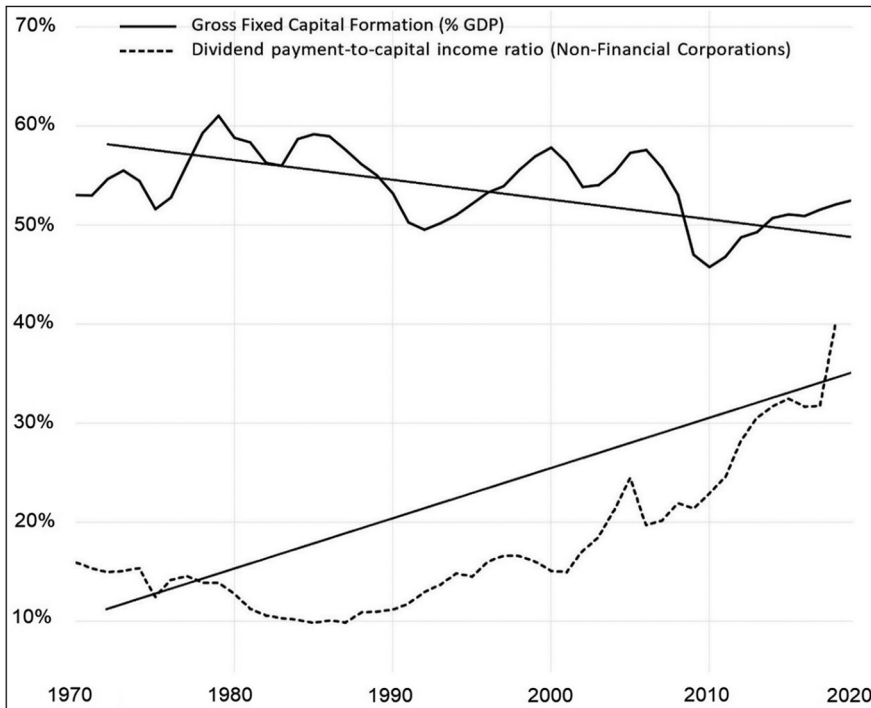


Fig. 2. Dividend payments of NFCs and GFCF in the USA, 1970–2020. Source: OECD—stats.oecd.org; FRED—fred.stlouisfed.org; Accessed: June 2020.

debt to fund long-term productive investments this can support value creation and profitability. In this scenario, interest payments to commercial banks might indeed be seen as a reward to banks for acting patiently and taking risks by investing in long-term investment projects. Thus, more research is needed on what non-financial firms use bank credit for, in advanced economies.

3.4 Innovation and patent rents

Schumpeter's (1942) notion of technology rents as an incentive for innovation and growth has significant explanatory power for the dynamics of research and development expenditures. New technologies lead to product differentiation, thus, to short-term monopolistic gains until the new technology diffuses. That creates an incentive for other firms to become R&D intensive to earn such short-term rents in the future, hence, innovation fosters competition, fosters further innovation.

Patents are traditionally justified as incentivising the efforts of entrepreneurs by enabling them to appropriate the rewards—the Schumpeterian rents—from their innovation. Nevertheless, for patents to stimulate innovation they should be narrow (limited to the downstream part of the innovation chain relevant to the new invention) and weak (easily licensable)—not strong and wide (Mazzoleni and Nelson, 1998). Instead, in practice they are too strong and wide, impeding innovation and leading to what Baumol (1990) called 'unproductive entrepreneurship'.

According to the World Intellectual Property Organization (WIPO), patents are generally granted for 20 years, with the minimum being 14 years for design patents (1995 Act). The average duration of patents is so long that it acts as a disincentive for investment since once a firm innovates and the patent is granted, it secures income from it for approximately two decades. Simultaneously, competitor firms have to pay fees to use these patents, decreasing their available funds for their R&D expenditure. In this respect, it can be concluded that much patent income since the mid-1990s is indeed rent. In this respect, long-lasting patents do not reward long-term investment and innovation, but instead, protect those who do not take further risks after they successfully innovate once.

According to the rent-seeking theory, patents create rents only if they lead to higher prices. However, the monopoly rents arising from patents may harm the economy even when prices remain unchanged. Similar to our analysis of natural resource rents, patent payments are part of the economy's overhead costs (although not all firms require patented commodities). Therefore, firms can attempt to remain competitive (i.e. not increase their prices) by suppressing wages or by decreasing their profit margins. In both cases, this could trigger a slowdown in accumulation and investment, either due to the demand effects of higher inequality or due to less retained profits (given that these get reinvested), respectively. As reported in Figure 3, aggregate patent rents are rising both in the USA and the UK since the early 1990s, but substantially more rapidly in the former.

Given this stylised fact, it is key for our understanding of the dynamics of innovation that future research tests whether the patentisation of innovation has indeed contributed to stagnation either by squeezing profit margins or wages. From a policy perspective, it is key to rethink and shape patent legislation, at the domestic and international levels, in a way that encourages productive rather than unproductive entrepreneurship. First, the duration of the patent must be substantially shorter than it currently

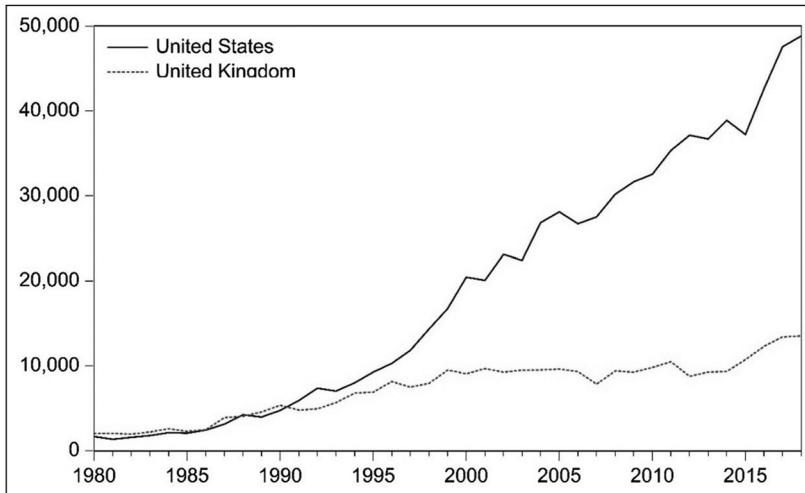


Fig. 3. Charges for the use of intellectual property, payments (BoP, 2010 USD, Bn), 1980–2018.
Source: World Bank—data.worldbank.org, Accessed: June 2020.

is. Second, the earnings from such patents must be reinvested both in human capital development within the firm and in new high-risk innovation-oriented investment projects rather than being redistributed to shareholders. Third, when a firm obtains a patent via a project that has received state support or builds on existing knowledge created by the public sector, then, there should exist some means via which the public sector also shares in the profits from such a patent. Finally, long-term patents may indeed be useful and considered a ‘good rent’ in the context of a development strategy that targets the development of certain underdeveloped industries. Allowing longer-term patents in such sectors will potentially crowd in capital, increase the overall level of employment in the economy, and promote a more coordinated growth model. Yet, it is important for the state to supervise and actively intervene in the process to secure that rents do not lead to the monopolisation of the sector with adverse effects for employment and growth.

3.5 ‘Platform capitalism’ and digital rents

The recent growth of digital platform monopolies and, their rising influence over the circulation sphere has raised concerns about rent extraction in the real economy (Langley and Leyshon, 2017; Sadowski, 2020; Mazzucato *et al.*, 2021; Mazzucato *et al.*, 2023). Neoclassical theory suggests that the larger the number of users on a platform, the lower should be the price to the consumer (Katz and Shapiro, 1985). In reality, the evidence suggests that due to important network effects, digital platforms—once they reach a critical size and number of users—experience *increasing*, rather than decreasing marginal returns (Langley and Leyshon, 2017; Srnicek, 2017; Zuboff, 2019). Digital platforms function as intermediaries between the producer and the consumer, charging a fee over the final price. While they may aid product circulation in some cases, supporting exchange and economic growth, the fee charged to the producer for access to the platform is non-productive income, as it is determined largely by market power and it does not add anything to the value of the final product.

While the prices of final goods and services may be reduced via digital intermediation and circulation, the more popular a platform becomes the more it can increase its income share by squeezing producers' income via charging fees and other aggressive policies (O'Reilly, 2019). In this sense, while consumers may get products at relatively stable or lower prices, producers' profit may decline, thus, their incentive to reinvest and innovate. Consumers may appear to gain in the short term by having a greater choice on one easy-to-access platform, but, eventually, they may suffer from low quality and a diminishing variety of choices as competing firms are forced to exit the market due to falling profits.

For example, digital platforms like Uber and Lyft, which have become monopolies within the taxi sector, extract approximately 25–35% of the total fare on average (Mishel, 2018; Mehotra and Gordon, 2019; Rapier, 2019). Independent professionals have to pay fees to be included in these platforms since, otherwise, they will not be able to access sufficient customers to compete in the market. Yet, no ostensible value is added to the economy during these processes. Somewhat paradoxically, the value these platforms create in terms of connecting users in new networks is not captured in the national accounts, partially because there is nothing to 'count' since users give up their information free of charge. Thus, the commodification of personal information—and indeed services in the 'sharing economy'—is a source of economic rents.

Amazon provides an example of a related form of digital rentierism. Acting as an intermediary for companies that do not have the capacity to distribute their product, Amazon charges a fee to store and ship a company's products from its warehouses on demand via its 'Sold by Amazon' (SBA) platform (Milnes, 2019). The SBA system also offers an additional service: automatic dynamic price adjustment, that is Amazon lowers or increases the price of the goods of certain sellers based on their competitors' pricing decisions to keep them competitive. Amazon extracts rent as a fee to join SBA in return for 'selling' its access to data on competitors' pricing strategies and conducting dynamic price adjustments according to this information. Amazon effectively utilises its monopoly power over product distribution and pricing data to provide additional service as an uncertainty and competition 'minimiser' for those who join SBA. That gives us two types of digital rents: (i) pay for product distribution services; (ii) pay for access to data on competitors' decisions/strategies.

Using Amazon's online calculator of fees,⁵ we find that for a company that sells a total number of 100 products (in our example, books) with an average price of £10, the total amount paid by the customers is £1,400 and the final revenue of the producer is £1,140, leaving Amazon with a rent of £260 (or 22%). This calculation does not include the monthly subscription fee of £25 (excl. VAT) per month, the VAT charges or any other service fees, such as the SBA fees. Simultaneously, Amazon has also become a producer of a wide variety of products, which constitutes a major conflict of interest since it has become the product distributor of its competitors (Edelman, 2019). This allows it to tame competition by charging fees that Amazon itself does not have to pay for its own-brand products and extend its monopoly power from the circulation sphere to the product market. This is similar to the algorithmic rent extraction model of Apple's App Store (Nicas and Collins, 2019).

Another interesting example of digital rentierism is Google, which has established a global monopoly on information distribution through the popularity of its

⁵ <https://services.amazon.co.uk/services/sell-online/pricing.html>.

search engine and, at the same time, become a digital advertising monopolist. From a producer's perspective, while being included in Google search results is free, Google charges a fee for 'promotion' to a higher position in the search results (O'Reilly, 2019). Such a fee constitutes rentier income, as Google is exploiting its market power to extract payment without offering a specific service other than discriminating between users who pay and users who do not. Again, the ordering 'work' is done via relatively costless algorithms. From a consumer's perspective, productive firms also tend to use such digital services to steer customers in more profitable directions. A typical example is the income foregone by customers that are entitled to free tax filing services but do not have sufficient information on their rights. Elliot (2019) demonstrates that customers commonly end up paying for expensive tax filing services they do not need, as tax filing companies promote online specific high-cost services, limiting indirectly the access to essential information on free services.

Digital tech companies appear to offer subsidised or free services to users. In fact, they are making money essentially by enabling advertisers to reach more quickly their target audience by selling freely provided information on their users that can help predict their future activities. Zuboff (2019) has described this as the creation of a 'behavioural surplus' since it is virtually costless to the platform company to collect, process and share such data by using increasingly sophisticated machine-learning and algorithms.⁶ The fees they charge to advertisers are included in GDP figures—but the information freely provided by users is not.

Overall, the rise of platform capitalism constitutes a key element of the contemporary rentierisation process. What makes this specific sector unique, as compared to other rentier sectors, is that firms within it have increasingly dominated the circulation of products and information, enabling them to extract rents via the monetisation of freely given information from consumers and by charging producers a fee for the use of their increasingly monopolistic platforms, bearing down on their profits. Whilst this value extraction process may not result in a higher aggregate price level, the restructuring of overhead costs may well increase the rent share at the expense of the wage and profit shares, triggering stagnation in the long term. Given the recent emergence of digital technology platforms, a research programme is needed to test these hypotheses empirically in this sector, perhaps more than any other.

4. Discussion and conclusion

Marx noted the necessity of a theory of economic rent: '*Without this, our analysis of capital would not be complete*' (Marx, 1894 [1991], Ch. 37). The aim of this paper was to help develop a more sophisticated understanding of modern economic rents at a time when there is widespread concern that capitalism has become 'rigged' in favour of an ever-smaller business and financial elite (Wolf, 2019). Our working hypothesis, like that of many other critical social scientists, is that a large part of society's surplus in capitalist economies is extracted in the form of rent payments, in particular to the financial and real estate sector but also increasingly to large non-financial corporations which have developed new business models that evade the existing 'rules of the game' in Baumol's (1990) terms. However, following Schumpeter, we also accept

⁶ For example, Baiman (2020) estimates that in 2014 Facebook has extracted an absolute rent of \$3.8 billion (including within-industry, within-country and between-firm rents).

that certain types of rent are an inevitable feature of a dynamic capitalist economy that naturally accrue to innovations. Also, rents to certain sectors—for example the renewable energy sector—may be overall beneficial for demand and economic growth in the short-to-medium term. The question, then, is how do we better identify good and bad rents, measure them and then develop accounting frameworks and policies to deal with them?

We have defined economic rent following the classicals 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. As the first step in our analysis, we reviewed existing theories of economic rents from classical political economy, the early twentieth century institutionalism, neoclassical ‘rent-seeking’ theory and Keynes’s analysis of financial rentiers. Subsequently, we explored economic rents in different sectors of contemporary capitalism with a focus on ‘good’ vs. ‘bad’ rents. This survey, whilst limited in scope and depth, demonstrates how the last few decades have been accompanied by a rapid increase in bad rents. Unfortunately, the dynamics of rent accumulation would appear to be self-fulfilling. Rent accumulation encourages further rent-seeking or ‘conspicuous consumption’ rather than productive investment (Stiglitz, 2016) as we noted in both the real estate and non-financial corporate sectors where financialisation has led to positive feedback cycles driven by asset price inflation.

The consequence is that the cost structure of the economy is elevated to an artificially high level. This undermines productive investment and innovation and, paradoxically, the creation of the Schumpeterian innovation rents which are so important to economic growth. It also represses demand in the household sector with knock-on effects on consumption, whilst firms increasingly compete based on their short-term share price rather than innovation. New forms of economic rent are also emerging that threaten our physical existence (non-renewable resource rents) and our privacy and industrial capitalism more generally (digital rents).

Better identifying and measuring these rents, beyond simple macroeconomic aggregate measures such as gross value added, should be possible. In the financial sector, it is important to study the allocation of credit and investment as well as its quantity and then to trace what firms—in particular non-financial firms—actually do with it. This will allow a more nuanced understanding of the extent to which the financial sector’s profits (generated through interest and, increasingly, fees) represent economic rents or support more productive activities.

Examining the distribution of rents is also key to understanding whether a firm’s business model can be truly described as ‘rentier’ or otherwise. The growth of share buybacks and other investments aimed at inflating financial asset prices suggest many US firms have lapsed into rentierism. Resource rents can be used effectively to support growth and innovation but more frequently have been abused to the neglect of domestic populations. The threat of climate change and biodiversity loss means there is a strong case for a greater focus on reducing non-renewable resource rents which extract value from both present and future generations. Supporting the creation of Schumpeterian rents in green sectors to encourage innovation and investment is likely to be key to enabling a structural transition to a more sustainable economy. The emergence of digital rents opens up several new questions for researchers but access to data may be a particular issue given that so much of the raw material (personal data) these firms use to generate income is not subject to market exchange.

4.1 Policy implications

This brings us to the question of policy. Whilst we have emphasised that rents are, to some extent, an inevitable feature of capitalist economies, the current explosion of ‘bad’ rents is certainly not an inevitability. Rather, policy interventions—or non-interventions—have played a key role. Homeowners in big cities can ‘earn’ more from the capital gains on their homes than they do from paid work (Ryan-Collins and Murray, 2021) partially because they pay no tax on the huge and unearned increase in the land values underneath their primary residences. The corporate financialisation process driven by shareholder value is exacerbated by the fact that debt leveraging—often needed for aggressive mergers and acquisitions—is effectively cheaper than equity investment due to tax discounts on interest payments. The ‘patent box’ policy, now widely used in the EU, gives tax relief on profits arising from registering a patent, which is itself a monopoly reward that seeks to defend the appropriability gain of the innovator from potential competitors. Regulators and governments have turned a blind eye to rentier profits from unsustainable activity in the resource sector and highly intrusive and monopolistic business models in the tech sector.

What is often missing from today’s discussions is an understanding of how different actors in the economy contribute to the creation of new markets and new rents and then how those actors are rewarded for their contributions—the ‘risk–reward nexus’ of the capitalist system (Lazonick and Mazzucato, 2013). Notably absent is an understanding of the positive role the public sector can play in reducing or socialising rents, a feature emphasised by the German and Institutional schools in the nineteenth and early twentieth centuries, as noted in Section 2. Whether it is an investment in a new metro station that massively increases land values in the neighbouring areas or investment in early-stage military or academic Research and Development (R&D) for new technology such as the touch screen phone that revolutionises multiple sectors (Mazzucato, 2013), the outcome tends to be the same. The rents that arise from these investments are captured by other parties who either did not contribute at all to the rents they receive (in the case of existing landowners) or who only became involved at a later stage when profits are more certain (as in the case in many examples of successful technology innovations).

Policy frameworks thus need to acknowledge the role of the state in the value creation process and secure a reward for its contribution where economic development and innovations are successful. Options include the state keeping or taking land into public ownership to socialise increases in land value from economic growth as Singapore has done very successfully (Haila, 2015) to taking equity stakes in public R&D investments (Detter *et al.*, 2020) or profit-sharing and conditionalities attached to investment (Laplane and Mazzucato, 2020; Mazzucato and Li, 2020; Mazzucato, 2022). The recent nationalisation of major national energy companies by some European countries in the light of the energy crisis caused by the Ukrainian war is an example of the socialisation of rents but only under extreme political pressure.

Taxation can also be much better aligned to socialise rents. In most advanced economies, the bulk of taxes presently falls on production (corporate taxes), incomes and consumption (Value Added Taxes) rather than rents and wealth.⁷ It is now well

⁷ In the USA most states still employ property taxes on primary residences although as a proportion of total tax this has been in decline for many years (Ryan-Collins, 2018, p. 26).

established, however, that the taxing of economic rents (in particular scarcity rents such as on land) has very little or no distortive effects on the economy since there are no costs involved with bringing a factor such as land into production (Blöchliger, 2015). A similar type of argument can be made about the information that is harvested electronically—at negligible costs—by platform economy firms that enjoy network externalities.

Regulation policy has become strongly influenced by neoclassical theory and become centred upon issues of competition with this defined narrowly around consumer ‘choice’ (and subjective value) and a limited understanding of pricing structure and pricing efficiency. Instead, competition policy should be focussed on keeping the prices charged by monopoly-type organisations closer to actual production costs plus normal profit. Where necessary this should involve anti-trust type legislation to prevent the creation of monopolies for example via breaking up firms which use market power in one market to take over others.

However, in some sectors, a prior step to reforming competition regulation is gaining a better understanding of the business practices of modern rentier actors and how they create and extract value. This applies in particular to modern platform companies where financial reporting frameworks assume a world of consumers purchasing physical commodities in more or less competitive markets, rather than a world where (rentier-) profits are generated from the monetisation of freely provided data from users accessing free online services (Petit and Teece, 2021; Mazzucato *et al.*, 2023). Regulators might introduce requirements to report on non-financial operating metrics such as the number of monthly active users within defined major market segments (current rules allow firms to define their own segments). With improved operating and financial information by product segment, anti-trust authorities can better consider the extent and durability of firms’ market power vis-à-vis consumers and producers. By mapping these more complex monopoly rents more rigorously, researchers can provide strong justification for stronger anti-trust regulation.

Furthermore, whilst the classicals identified land-owners as the key rentier class and Keynes targeted the financial sector, our review suggests that contemporary rentierism is a pervasive phenomenon, with different rent extraction business models existing in different sectors and social classes with diverse rentier interests. These findings complement recent efforts to redefine notions of class given the increasing importance of asset ownership to opportunity (Piketty, 2014; Adkins *et al.*, 2021). For example, middle-class households in advanced economies invest in housing as a financial asset, either enjoying windfall capital gains (as primary residences are typically not taxed) or rising ground rents if they become landlords. By taking an Uber taxi ride or ordering a good on Amazon, we, as consumers, are supporting and benefiting from a digital rent extraction model that may lead to job losses and stagnating demand. The dynamics likely make policy reform challenging as the identification of interests across socio-economic groups becomes more complex, and diverse coalitions between middle-income households and elite rentiers form.

This paper hopefully opens up a new research agenda on better defining and mapping modern economic rents beyond the dominant neoclassical paradigm and in doing so developing policies better equipped to deal with them. Future research should seek to empirically test how rising rentier costs influence investment, innovation and wages in the context of economies with different institutional structures due to varying

property and legal rights. So that policy proposals that come out of this are realistic, more in-depth case-study research is also needed to flesh-out rentier business models in greater detail. This applies not least to the digital sector where new kinds of rentier business models are becoming increasingly significant at both national and international levels.

Bibliography

- Adkins, L., Cooper, M. and Konings, M. 2021. Class in the 21st century: asset inflation and the new logic of inequality, *Environment and Planning A*, vol. 53, no. 3, 548–72
- Aghion, P. and Howitt, P. 1992. A model of growth through creative destruction, *Econometrica*, vol. 60, no. 2, 323–51
- Ahmadov, A. K. and van der Borg, C. 2019. Do natural resources impede renewable energy production in the EU? A mixed-methods analysis, *Energy Policy*, vol. 126, 361–9
- Alvarez, I. 2015. Financialization, non-financial corporations and income inequality: the case of France, *Socio-economic Review*, vol. 13, no. 3, 449–75
- Amin, S. 1976. *Unequal Development*, New York, Monthly Review Press
- Baiman, R. 2014. Unequal exchange and the Rentier economy, *Review of Radical Political Economics*, vol. 46, no. 4, 536–57
- Baiman, R. 2020. The impact of rent from unequal exchange on Shaikh's classical-Keynesian political economic analysis: the example of Facebook, *Review of Radical Political Economics*, vol. 52, no. 2, 239–58
- Baumol, W. J. 1990. Entrepreneurship: productive, unproductive, and destructive, *Journal of Political Economy*, vol. 98, no. 5, 893–921
- Beblawi, H. and Luciani, G. (eds.). 2015. *The Rentier State*, London, Routledge
- Bezemer, D., Grydaki, M. and Zhang, L. 2016. More mortgages, lower growth? *Economic Inquiry*, vol. 54, no. 1, 652–74
- Bezemer, D. and Hudson, M. 2016. Finance is not the economy: reviving the conceptual distinction, *Journal of Economic Issues*, vol. 50, no. 3, 745–68
- Bezemer, D., Ryan-Collins, J., van Lerven, F. and Zhang, L. 2023. Credit policy and the 'debt shift' in advanced economies, *Socio-Economic Review*, vol. 20, no. 1, 437–78
- Blöchliger, H. 2015. *Reforming the Tax on Immovable Property: Taking Care of the Unloved*, Paris, OECD Economics Department Working Papers No. 1205
- Boyer, R. 2000. Is a finance-led growth regime a viable alternative to Fordism? A preliminary analysis, *Economy and Society*, vol. 29, no. 1, 111–45
- Christophers, B. 2013. *Banking across Boundaries: Placing Finance in Capitalism*, London, John Wiley & Sons
- Christophers, B. 2020. *Rentier Capitalism: Who Owns the Economy and Who Pays for It?* London, Verso
- Clark, J. B. 1891. Distribution as determined by a law of rent, *Quarterly Journal of Economics*, vol. 5, no. 3, 289–318
- Del Rosal, I. 2011. The empirical measurement of rent-seeking costs, *Journal of Economic Surveys*, vol. 25, no. 2, 298–325
- Detter, D., Fölster, S. and Ryan-Collins, J. 2020. 'Public Wealth Funds: Supporting Economic Recovery and Sustainable Growth', UCL IIPP Policy Report (IIPP WP 2020-16)
- Dünhaupt, P. 2012. Financialization and the rentier income share—evidence from the USA and Germany, *International Review of Applied Economics*, vol. 26, no. 4, 465–87
- Dünhaupt, P. 2017. Determinants of labour's income share in the era of financialisation, *Cambridge Journal of Economics*, vol. 41, no. 1, 283–306
- Duruigbo, E. 2005. The World Bank, multinational oil corporations, and the resource curse in Africa, *University of Pennsylvania Journal of International Economic Law*, vol. 26, 1–67
- Edelman, F. 2019. *Amazon Doesn't Favor Its Own Brands—Except When It Does*, <https://www.wired.com/story/amazon-gating-private-labels-antitrust/>
- Elliot, J. 2019. *Congress Is About to Ban the Government from Offering Free Online Tax Filing. Thank TurboTax*, <https://www.propublica.org/article/congress-is-about-to-ban-the-government-from-offering-free-online-tax-filing-thank-turbotax>

- Emmanuel, A. 1972. *Unequal Exchange: A Study of the Imperialism of Trade*, New York, Monthly Review Press
- Epstein, G. 2001. *Financialization, Rentier Interests, and Central Bank Policy*, Amherst, MA, Department of economics, University of Massachusetts, 7–8 December
- Epstein, G. and Power, D. 2003. Rentier incomes and financial crises: an empirical examination of trends and cycles in some OECD countries, *Canadian Journal of Development Studies/Revue canadienne d'études du développement*, vol. 24, no. 2, 229–48
- Ferri, G., Kalmi, P. and Kerola, E. 2014. Does bank ownership affect lending behavior? Evidence from the Euro area, *Journal of Banking & Finance*, vol. 48, 194–209
- Frankel, J. A. 2010. The natural resource curse: a survey (No. w15836), *National Bureau of Economic Research*.
- Goerres, A. and Höpner, M. 2014. Polarizers or landscape groomers? An empirical analysis of party donations by the 100 largest German companies in 1984–2005, *Socio-Economic Review*, vol. 12, no. 3, 517–44
- Gouzoulis, G. 2021. Finance, discipline, and the labour share in the long-run: France (1911–2010) and Sweden (1891–2000), *British Journal of Industrial Relations*, vol. 59, no. 2, 568–94
- Gouzoulis, G. 2022. Financialisation, globalisation, and the industrial labour share: the cases of Iran and Thailand, *Industrial Relations Journal*, vol. 53, no. 1, 35–52
- Gouzoulis, G. 2023. What do indebted employees do? Financialisation and the decline of industrial action. *Industrial Relations Journal*, vol. 54, no. 1, 71–94
- Gouzoulis, G., Constantine, C. and Ajefu, J. 2023a. Economic and political determinants of the South African Labour Share, 1971–2019, *Economic and Industrial Democracy*, vol. 44, no. 1, 184–207
- Gouzoulis, G., Iliopoulos, P. and Galanis, G. 2023b. Financialisation and the rise of atypical work, *British Journal of Industrial Relations*, vol. 61, no. 1, 24–45
- Haila, A. 2015. *Urban Land Rent: Singapore as a Property State*, New York, Wiley & Sons
- Haldane, A. 2011. *The Short Long, Speech Given to the 29th Société Universitaire Européenne, de Recherches Financières Colloquium, Brussels 11 May 2011, Bank of England*, <https://www.bankofengland.co.uk/speech/2011/the-short-long-speech-by-andy-haldane>
- Harberger, A. C. 1954. Monopoly and resource allocation, *The American Economic Review*, vol. 44, no. 2, 77–87
- Henry, J. F. 2001. Keynes' economic program, social institutions, ideology, and property rights, *Journal of Economic Issues*, vol. 35, no. 3, 633–55
- Hirsch, B. T. 1992. Firm investment behavior and collective bargaining strategy, *Industrial Relations*, vol. 31, no. 1, 95–121
- Hudson, M. 2011. Simon Patten on public infrastructure and economic rent capture, *American Journal of Economics and Sociology*, vol. 70, no. 4, 874–903
- Hudson, M. 2012. *Véblen's Institutionalist Elaboration of Rent Theory*, Levy Economics Institute of Bard College Working paper, no. 729, August 2012, https://www.levyinstitute.org/pubs/wp_729.pdf
- Hudson, M. 2015. *Killing the Host*, New York: ISLET
- Jayadev, A. and Epstein, G. 2019. The rise of Rentier incomes in OECD countries: financialization, Central Bank policy and labor solidarity, pp. 350–78 in Epstein, G. (ed.), *The Political Economy of Central Banking*, chapter 13, Cheltenham, Edward Elgar Publishing
- Jordà, O., Schularick, M. and Taylor, A. M. 2016. The great mortgaging: housing finance, crises and business cycles, *Economic Policy*, vol. 31, no. 85, 107–52
- Kalecki, M. 1943. Political aspects of full employment, *Political Quarterly*, vol. 14, no. 4, 322–30
- Katz, M. L. and Shapiro, C. 1985. Network externalities, competition, and compatibility, *American Economic Review*, vol. 75, 424–40
- Keen, S. 2017. *Can We Avoid Another Financial Crisis?* London, Polity
- Keynes, J. M. 1936. *The General Theory of Employment, Interest, and Money*, London, UK, Macmillan
- Knoll, K., Schularick, M. and Steger, T. 2017. No price like home: global house prices, 1870–2012, *American Economic Review*, vol. 107, no. 2, 331–53
- Kohler, K., Guschanski, A. and Stockhammer, E. 2019. The impact of financialisation on the wage share: a theoretical clarification and empirical test, *Cambridge Journal of Economics*, vol. 43, no. 4, 937–74

- Krueger, A. 1974. The political economy of the rent-seeking society, *American Economic Review*, vol. 64, 291–303
- Langley, P. and Leyshon, A. 2017. Platform capitalism: the intermediation and capitalisation of digital economic circulation, *Finance and Society*, vol. 3, no. 1, 11–31
- Laplaine, A. and Mazzucato, M. 2020. Socializing the risks and rewards of public investments: economic, policy, and legal issues, *Research Policy*, Vol. 49, Supplement.
- Lazonick, W. 2018. The functions of the stock market and the fallacies of shareholder value, in Driver, C. and Thompson, G. (eds.), *Corporate Governance in Contention*, Oxford, OUP
- Lazonick, W. and Mazzucato, M. 2013. The risk-reward nexus in the innovation-inequality relationship: who takes the risks? Who gets the rewards? *Industrial and Corporate Change*, vol. 22, no. 4, 1093–128
- Lazonick, W. and O’Sullivan, M. 2000. Maximizing shareholder value: a new ideology for corporate governance, *Economy and Society*, vol. 29, no. 1, 13–35
- Light, L. 2019. *More Than Half of All Stock Buybacks Are Now Financed by Debt. Here’s Why That’s a Problem*, *Fortune*, August 20, 2019. <https://fortune.com/2019/08/20/stock-buybacks-debt-financed>
- Marshall, A. 1890. *Principles of Economics*, London, UK, Macmillan
- Marx, K. 1894 [1991]. *Capital: Volume III*, London, UK, Penguin
- Mazzoleni, R. and Nelson, R. R. 1998. Economic theories about the benefits and costs of patents, *Journal of Economic Issues*, vol. 32, no. 4, 1031–52
- Mazzucato, M. 2013. *The Entrepreneurial State*, London, UK, Anthem Press
- Mazzucato, M. 2015. The green entrepreneurial state, in Scoones, I., Newell, P. and Leach, M. (eds.), *The Politics of Green Transformations*, London, Routledge
- Mazzucato, M. 2018. *The Value of Everything*, London, UK, Penguin
- Mazzucato, M. 2021. *Mission Economy: A Moonshot Guide to Changing Capitalism*. Allen Lane.
- Mazzucato, M. 2022. Rethinking the social contract between the state and business: A new approach to industrial strategy with conditionalities. *UCL Institute for Innovation and Public Purpose, Working Paper Series* (IIPP WP 2022-18). <https://www.ucl.ac.uk/bartlett/public-purpose/wp2022-18>
- Mazzucato, M., Entsminger, J. and Kattel, R. 2021. Reshaping platform-driven digital markets, pp. 17–34 in Moore, M. and Tambini, D. (eds.), *Regulating Big Tech: Policy Responses to Digital Dominance*, Oxford, Oxford University Press
- Mazzucato, M., Strauss, I., O’Reilly, T. and Ryan-Collins, J. (2023). Regulating Big Tech: the role of enhanced disclosures. *Oxford Review of Economic Policy*, vol. 39, no. 1, 47–69
- Mazzucato, M. and Li, H. L. 2020. ‘A Market-Shaping Approach for the Biopharmaceutical Industry: Governing Innovation Towards the Public Interest’, UCL IIPP Working Paper Series (IIPP WP 2020-21)
- McKibbin, R. 2013. Political sociology in the guise of economics: JM Keynes and the Rentier, *The English Historical Review*, vol. 128, no. 530, 78–106
- McMenamin, I. 2012. If money talks, what does it say? Varieties of capitalism and business financing of parties, *World Politics*, vol. 64, no. 1, 1–38
- Mehotra, D. and Gordon, A. 2019. *Uber and Lyft Take a Lot More from Drivers Than They Say*, <https://jalopnik.com/uber-and-lyft-take-a-lot-more-from-drivers-than-they-sa-1837450373>
- Mill, J. S. 1848. *Principles of Political Economy*, London, J. W. Parker
- Milnes, H. 2019. ‘A Slippery Slope’: Amazon Wants to Control Third-Party Sellers’ Product Pricing, <https://www.modernretail.co/platforms/a-slippery-slope-amazon-wants-to-control-third-party-sellers-product-pricing/>
- Mishel, L. 2018. Uber and the labor market: Uber drivers’ compensation, wages, and the scale of Uber and the gig economy, *Economic Policy Institute*, vol. 15.
- Nicas, J. and Collins, K. 2019. *How Apple’s Apps Topped Rivals in the App Store It Controls*, <https://www.nytimes.com/interactive/2019/09/09/technology/apple-app-store-competition.html>
- O’Reilly, T. 2019. *Antitrust Regulators Are Using the Wrong Tools to Break Up Big Tech*, <https://qz.com/1666863/why-big-tech-keeps-outsmarting-antitrust-regulators/>
- Patten, S. N. 1890. *The Principles of Rational Taxation*. Philadelphia, UPenn
- Patten, S. N. 1902. *The Theory of Prosperity*, London, Macmillan

- Patten, S. N. 1924. *The Reconstruction of Economic Theory* (Reprinted in *Essays in Economic Theory*, R. G. Tugwell (Ed.). New York, Alfred A. Knopf)
- Petit, N. and Teece, D. J. 2021. Innovating big tech firms and competition policy: favoring dynamic over static competition, *Industrial and Corporate Change*, vol. 30, no. 5, 1168–98
- Philippon, T. 2019. *The Great Reversal*, Cambridge, MA, Harvard University Press
- Piketty, T. 2014. *Capital in the 21st Century*. Trans. Arthur Goldhammer, Cambridge, MA, The Belknap Press
- Posner, R. A. 1975. The social costs of monopoly and regulation, *Journal of Political Economy*, vol. 83, no. 4, 807–27
- Rapier, G. 2019. *Uber and Lyft Drivers Are Planning a Massive Strike This Week Over Work Conditions and Pay Rates*, <https://www.businessinsider.com/uber-and-lyft-strike-protest-drivers-planning-to-over-pay-rates-2019-5?r=US&IR=T>
- Reinert, E. S. 2006. *European Integration, Innovations and Uneven Economic Growth: Challenges and Problems of EU 2005*, The Future of the Information Society in Europe: Contributions to the debate, Seville, Spain: European Commission, Directorate General Joint Research Centre, Institute for Prospective Technological Studies (IPTS), pp. 124–52
- Ricardo, D. 1817. *On the Principles of Political Economy and Taxation*, London, UK, J. Murray
- Ricci, A. 2019. Unequal exchange in the age of globalization, *Review of Radical Political Economics*, vol. 51, no. 2, 225–45
- Ryan-Collins, J. 2018. *Why Can't You Afford a Home?* Cambridge, UK, Polity
- Ryan-Collins, J. 2021. Breaking the housing–finance cycle: macroeconomic policy reforms for more affordable homes, *Environment and Planning A: Economy and Space*, vol. 53, no. 3, 480–502
- Ryan-Collins, J., Lloyd, T. and Macfarlane, L. 2017. *Rethinking the Economics of Land and Housing*, London, Zed Books
- Ryan-Collins, J. and Murray, C. 2021. When homes earn more than jobs: the rentierization of the Australian housing market, *Housing Studies*, <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.2004091>
- Sadowski, J. 2020. The internet of landlords: digital platforms and new mechanisms of rentier capitalism, *Antipode*, vol. 52, no. 2, 562–80
- Saint-Simon, H. 1819. *Le Politique*. 1:1. Paris, Corrèard
- Sautet, F. 2018. Schumpeterian Rents, in Augier, M. and Teece, D. J. (eds.), *The Palgrave Encyclopedia of Strategic Management*, London, Palgrave Macmillan
- Sayer, A. 2020. Rentiership, impropriety and moral economy, *Environment and Planning A: Economy and Space*, 1–14, doi:[10.1177/0308518X20908287](https://doi.org/10.1177/0308518X20908287)
- Schumpeter, J. A. 1934. *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*, Cambridge, MA, Harvard Economic Studies
- Schumpeter, J. A. 1942. *Capitalism, Socialism and Democracy*, New York, Harper & Row
- Seccareccia, S. and Lavoie, M. 2016. Income distribution, Rentiers, and their role in a capitalist economy, *International Journal of Political Economy*, vol. 45, no. 3, 200–23
- Smith, A. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*, London, UK, W. Strahan and T. Cadell
- Srnicek, N. 2017. *Platform Capitalism*, New York, John Wiley & Sons
- Standing, G. 2016. *The Precariat: The New Dangerous Class*, London, Bloomsbury Academic
- Stiglitz, J. E. 1996. *Whither Socialism?* Cambridge, MA, MIT Press
- Stiglitz, J. E. 2016. New theoretical perspectives on the distribution of income and wealth among individuals, in Basu, K. and Stiglitz, J. E. (eds.), *Inequality and Growth: Patterns and Policy*, London, Macmillan
- Stiglitz, J. E. 2019. *People, Power, and Profits: Progressive Capitalism for an Age of Discontent*, London, Penguin UK
- Stockhammer, E. 2004. Financialisation and the slowdown of accumulation, *Cambridge Journal of Economics*, vol. 28, no. 5, 719–41
- Stockhammer, E. and Gouzoulis, G. 2022. Debt-GDP cycles in historical perspective: the case of the USA (1889–2015), *Industrial and Corporate Change*, doi:[10.1093/icc/dtac043](https://doi.org/10.1093/icc/dtac043)
- Stratford, B. 2022. Rival definitions of economic rent: historical origins and normative implications, *New Political Economy*, doi:[10.1080/13563467.2022.2109612](https://doi.org/10.1080/13563467.2022.2109612)

- Sulis, G. 2015. *Unions and Investment in Intangible Capital*, IZA World of Labor, <https://wol.iza.org/articles/unions-and-investment-in-intangible-capital/long>
- Tomaskovic-Devey, D., Lin, K. H. and Meyers, N. 2015. Did financialization reduce economic growth? *Socio-Economic Review*, vol. 13, no. 3, 525–48
- Tori, D. and Onaran, O. 2018. The effects of financialization on investment: evidence from firm-level data for the UK, *Cambridge Journal of Economics*, vol. 42, no. 5, 1393–416
- Tori, D. and Onaran, O. 2020. Financialization, financial development and investment. Evidence from European non-financial corporations, *Socio-Economic Review*, vol. 18, no. 3, 681–718
- Tori, D. and Onaran, O. 2022. Financialisation and firm-level investment in developing and emerging economies, *Cambridge Journal of Economics*, vol. 46, no. 4, 891–919
- Tulloch, G. 1967. The welfare costs of tariffs, monopolies, and theft, *Economic Inquiry*, vol. 5, no. 3, 224–32
- Turner, A. 2015. The case for monetary finance—an essentially political issue, in 16th Jacques Polak Annual Research Conference, pp. 5–6
- Veblen, T. 1921. *The Engineers and the Price System*. New York, B. W. Huebsch
- Ward, C. and Aalbers, M. B. 2016. Virtual special issue editorial essay: ‘The shitty rent business’: what’s the point of land rent theory? *Urban Studies*, vol. 53, no. 9, 1760–83
- Watkins, J. P. 2010. Rescuing the Rentier—neoliberalism, social imbalance, and the current economic crisis: a synthesis of Keynes, Galbraith, and Minsky, *Journal of Economic Issues*, vol. 44, no. 2, 471–8
- Wessel, R. H. 1967. A note on economic rent, *American Economic Review*, vol. 57, no. 5, 1221–6
- Wicksteed, P. H. 1914. The scope and method of political economy in the light of the marginal theory of value and of distribution, *The Economic Journal*, vol. 24, no. 93, 1–23
- Wolf, M. 2019. Why rigged capitalism is damaging liberal democracy, *Financial Times*, 18 September 2019, <https://www.ft.com/content/5a8ab27e-d470-11e9-8367-807ebd53ab77>
- Zuboff, S. 2019. *The Age of Surveillance Capitalism*, London, Profile Books

