Renewing the case for Marx's concept of absolute rent: towards an historical interpretation

Abstract

This paper re-evaluates Marx's theory of absolute rent, as a means through which the political content of value relations particular to the economies of the post-white settler economies of Australia and New Zealand may be analysed from a working class point of view. It begins by noting that the highly stable hegemonic bloc of the post-war period which underpinned the dominance of marginalist rent theory has been substantially eroded, resulting in material conditions which encourage the re-evaluation of Marx's rent theory. The heavy emphasis given in the literature to Marx's treatment of differential rent has tended to diminish the substantial difference between Marx's rent theory and marginalist theory however. This circumstance makes a reexamination of Marx's theory of absolute rent paramount for a representation of rent theory as a theory of contemporary significance to the analysis of class relations and their international articulation in imperialist relations. The paper attempts this task by reiterating Marx's main argument and discussing problems of interpretation arising from the theory. Having set out the theory, the political implications of absolute rent are contemplated with respect to struggle within the state. The paper concludes by showing how Marx's categories of rent may be applied to help analyse moments of class struggle within the state. This has important implications for the study of the relationship between the economic base and the superstructure within rent-oriented economies.

Historical background to rent theory in settler colonies

The idea that land plays a central role in the appropriation of surplus wealth generated in total social production has a special place within the early history of the Labour movements of Australia and New Zealand. The rent theory of Henry George was popularised in the single tax movements of Britain's white settler colonies at the end of the nineteenth century. George's ideas, derived from writers such as Smith, Mill and Ricardo, were not fully worked out theoretically. Their popularisation nevertheless sharpened the moral outrage of the growing ranks of unemployed. They allowed alienated workers to greet the crisis-ridden form of late nineteenth century capitalist pastoralism with the political intent to socialise landownership.

The critique of rent thus played an important part in ideological struggles ushering in the intensification of farm production, the centralisation of capital and the reorganisation of the state at the turn of the century (Pember-Reeves, 1902). However, the subsequent shift in political power accompanying the emergence of the `state socialisms' of the antipodean social formations dulled the critique. Elimination of the institutional expressions of political unevenness between the rentier class and capitalist class produced a new hegemonic bloc and consequently new forms of ideological reproduction. These forms easily despatched the rude claims of the Georgist critique of rent, based as it was on a classical idea of absolute rent as a monopoly price extracted solely in proportion to the political power of the landowning class.

The reorganisation of ideological production in Australasia at the end of the nineteenth century followed the pattern established in the United States, the capitalist pasturalism of which was similarly subject to the effects of global surplus capacity. The substantially classical idea of rent arising from the political monopoly of the landlord class advanced by the Georgists (a theory of political and economic unevenness) was displace by a refurbished ideology of evenness. Fetter's observation of the `passing of the old rent concept' (1977), made in the context of a reconstitution of American capital in 1901, was thus equally applicable to the new truce between capitals brokered in Australasia at this time. Under this truce rent was no longer to be regarded as a concrete proof of the moral bankruptcy of the claim of the ruling class upon the social surplus: the theories of marginal utility and scarcity underpinning the neoclassical argument denied that surplus profit on land-based production (rent) was a special case of surplus profit. Summarising this movement in theory Fetter wrote:

> The theorists of a century ago, looking on value from the cost-of-production standpoint, thought of monopoly as a rare thing... The contribution and value of land, the only exception to the law of labour value that was quite obvious to them, was accounted for by "the law of rent". Now when our economic growth is bringing to our attention every day new instances of the influence of scarcity on value... it can no longer be ignored that the coat of economic theory is a bad misfit" (Fetter, 1977: 81).

From this point rent, like any other form of profit, could be said to perform the socially productive task of a price signal, helping knowledgable and risk-taking capitalists maximise their profits and the social product thereby. This notion of rent has rarely been challenged. The Keynesian variant of marginalist theory of the period 1930s-1980s did nothing to discourage the neoclassical thesis of rent as a `surplus profit', which is comparable to any other profit falling to a factor of production due to market demand (Samuelson, Hancock and Wallace, 1970). The proliferation of von Neumann input-output theory, the mathematical expression of the dominant class interests of the twentieth century, has reduced the category `rent' to a term so generalised as to be virtually meaningless (Fine, 1983). While it remains acceptable to talk about innovation rents, rents accruing to organised labour, monopoly rents and so on, there is little incentive for doing so.

The polarisation of class divisions in Britain's antipodean ex-dominions progressing over the last two decades (Gregory and Hunter, 1995; Easton, 1997) has rekindled a working class interest in the scientific analysis of the origin and distribution of profit particular to those economies. In the case of Australia and New Zealand there is plenty to suggest political contest over land and over the distribution of wealth captured via land-based production remains at the centre of concrete struggles to distribute the social surplus. This is evident, for example, in:

- the intensity of struggles to determine the economic and environmental conditions governing the development of mining, hydro-electric schemes and tourist facilities;
- the enduring battle over the distribution of land rights to indigenous peoples of Australia and New Zealand and the increasingly central place of those struggles within the language of class struggle as a whole;
- proposed redistributions to Australian rural producers via massive diesel subsidies;
- in the introduction of a land tax regime on valuable urban land holdings by the state government here in New South Wales.

When the alignment of major class blocs is increasingly turning around a re-expressions of the old divisions of town and country, the marginalist concept of rent (and value more generally) appear increasingly inadequate. But an attempt to salvage a rent theory from Labor's Georgist beginnings, made in order to deal with these issues, is soon frustrated. The labourist analyst rapidly confers with Fetter, reaching the conclusion that rent is but an antiquated historical oddity best left in the foisty meeting rooms of the worthy but misguided remnants of the Georgist society. The critique of rent, once a most powerful attack on the hegemony of land-property by the landless, now lies abandoned.

The purpose of this paper is to argue for rent as a specific category of `surplus profit' which can identify the role of land in the distribution of the surplus value appropriated by capitalists from workers. It approaches the issue of rent from a working class position, as a matter of unfinished theoretical business which holds practical analytical potential for current class struggles, particularly those of the ex-white settler colonies. Its argument extends an `orthodox' approach to Marx's theory of surplus value to the special case of the surplus profits falling to the owners of land, without which Marx's analysis of capital "would not be complete" (1959:615). However, the subject is not approached as an academic exercise. The theoretical argument closely follows Ben Fine's interpretation (1979) of Marx's writings on rent, with the goal of developing Marx's abstract categories of rent as tools for historical analysis. In doing so it will attempt to show how rent theory advances the abstraction of the historical logic of class struggle within the post-white settler colonies, encouraging the integration of the analysis of those economies within a broader study of the dynamics of international capitalist relations. The paper focuses specifically on Marx's category of `absolute' rent to this end, for the reasons set out below.

Why examine absolute rent?

Marx's theory of rent distinguishes two distinct aspects of the social practices determining the accumulation of surplus profits from land-based production under capitalism:

1. A mechanism distributing surplus value arising in total social production in relation to the relative advantages presented to capital through the specific attributes of particular lands (*differential rent*)

2. A mechanism which reflects the political and economic effects of the class monopoly of land ownership overall, both:

(a) in respect to the landowning class' political capacity to raise the market prices of commodities (producing a monopoly price which, if sustained, results in a *monopoly rent*);

(b) in respect to the tendency of the existing value of land to inhibit the flow of investment into agriculture, preventing the full capture of value flowing to that sector by the capital setting labour in motion in that sector (resulting in an *absolute rent*).

Neoclassical critiques of Marx's rent theory have tended to emphasise its differential component. Tribe, for example, identifies Ricardo as "the source of Marx's work on rent" (1977:71), foregrounding his critique of Marx with a discussion of Ricardo's theory of intensive and extensive margins. He goes on to state that "Marx's major disagreement with Ricardo was that this differential rent was not the only form of rent, but rather that another form of rent existed, absolute rent" (p.74). To the extent that Marx's theory of absolute rent draws comment, it is understood as being a variant of a classical notion of absolute rent ("a door fee which capital must pay" [Morishima, 1989:33]), that is, a type of rent to which the category of `monopoly rent' above (2.a) may roughly correspond. This misreading of Marx's theory allows it to be dispatched (as did Fetter with classical rent theory in general), as anachronistic. However, neoclassical critiques of Marx's rent theory find only a misinterpretation of Ricardo. In doing so they fail to acknowledge Marx began his explanation of rent with his critique of Ricardo's analysis of liberal capitalism, of which Marx's conception of absolute rent was an integral part.

The neoclassical emphasis on differential rent has been matched by a similar emphasis in recent Marxist analyses of rent. There are two major reasons for this. Fine (1979, 1983) and Ball (1977, 1986) have written authoritatively on differential rent in order *to emphasise the fundamental differences* between Ricardo's and Marx's theories of differential rent. Fine makes absolute rent central to his interpretation of Marx's theory by revealing its essential role in Marx's unique conception of price of production in relation to products of the land. Ball relies less directly on the idea of absolute rent and is, at times, critical of Fine's approach (Ball, 1986b) Nevertheless, both writers place greatest emphasis on an exploration of differential rent and its subcategories as created by Marx, differential rent I and differential rent II. On the other hand, Harvey's enthusiastic exploration of Marx's theory of differential rent (1982), made through an orthodox approach to Marx's theory of surplus value, derives from his *rejection of absolute rent* on the grounds that it is an obsolete and problematic category. Harvey understands Marx's main theoretical achievement in rent theory as being Marx's theory of differential rent, and its division into categories addressing the relative effects of:

(a) variations in pregiven characteristics (such as fertility and location), *differential rent I*;

(b) variations in the extent to which individual lands are capitalised, *differential rent II*.

Harvey's evaluation of the importance of Marx's highly original conception of differential rent (Harvey, 1982: 349, 353, 355) is to some extent supported by the shift in emphasis from absolute rent in the formative discussion of rent in *Theories of Surplus Value*, to differential rent in the mature presentation of Marx's rent theory in Volume III of *Capital*. However, despite Harvey's rigorous treatment of differential rent, his emphasis on the distributional role of rent and his virtual negation of absolute rent leads him to a position very similar to the marginalist theory he elsewhere consciously stands apart from (Ball, 1986a). For this reason, the arguments made for an application of differential rent made by Ball and Fine must be reinforced by argument explicitly directed to the recovery of the category of absolute rent. As equally important, the theory must be operationalised in historical processes—that is, the value relations of rent must be made visible at the level of concrete class contest—if the theory is to gain credence as a workable basis for political analysis of accumulation via non-reproducible and geographically fixed conditions of production.

Aside from the issues arising from the recent debates on rent, the idea of absolute rent holds potential to develop key concepts of Marx which are rarely concretised. In attributing the value of rent on the worst land in production to the lower than average organic composition of capital (allowing goods from this sector to sell above their price but at or below their value), the idea of absolute rent concretises the effect of trade between sectors which produce different levels of value at the same price. Absolute rent therefore identifies an importance instance in which the effect of differences in the value/price relationship produces concrete effects. This is of no small importance given the prevailing propensity of oppositional critiques of capitalism to employ theories of value (Lipietz, 1982; Himmelweit and Mohun, 1994; Mohun, 1994) which collapse Marx’s notion of value relations into empirical analyses of the value form. Furthermore, as Marx’s idea of absolute rent consists of an argument for the sustained effect of landownership on the distribution of surplus value under fully developed, liberal capitalism, it theorises a modern and enduring rentier class in terms of capitalist value relations. It thus helps address a perceived contradiction between Marx’s treatment of class at the level of relations of production (*Capital: Volume I*) and the treatment of class in respect to distribution (*Capital: Volume III*) in which the rentier emerges as a third class.

Barriers to interpretation of Marx's theory of rent

Marx conceived his political economy as an ideological weapon of the working class to be used in the overthrowal of the capitalist mode of production. The arguments against Marx's propositions are thereby naturalised and well-rehearsed within the politico-juridicial practice of capitalist society. Any attempt to comprehend Marx's theory of value involves unlearning the assumptions coordinating our everyday experience of exchange relations. This makes the principles of Marx's value theory inaccessible to most members of the bourgeoisie, and certainly `educated' economists. As Althusser has noted, Marx's value theory only makes immediate sense to workers: the bourgeoisie must be revolutionised in order to assimilate the same ideas.

However, Marx's rent theory is even more resistant to penetration than the general body of his value theory. Those Marxist political economists retaining the notion of surplus value in spite of the marginalist onslaught developing from the 1970s tend to either skirt around the issue of Marx’s rent theory by inadvertently adopting a neoclassical model of rent as monopoly price (Mandel, 1975), by offering a partial revision (Harvey, 1982; Ball; 1986b; Amin, 1978), or by avoiding the issue of rent completely (Carchedi, 1991; Elson, 1979; Lipietz, 1987; Uno, 1980). Lenin’s influential empirical study of the development of Russia’s capitalist agricultural refrained from utilising the categories of rent identified by Marx in Capital: Volume III. Lenin’s focus on the formation of the home market and the development of national monopoly capital discussed agricultural rents in terms of a transitional stages in the development of capitalism. The work has tended to confirm the neoclassical/labourist thesis that under advanced capitalist relations Marx’s rent theory is either redundant or of peripheral interest. Nor does this conclusion conflict with the theoretical tendency of Marxists to pay most attention to contradictions of relations of production within capitalism’s most advanced forms (e.g. Aglietta, 1979; Mandel, 1975; Uno, 1980). The intensity of the 1973-4 OPEC crisis called for new readings of rent theory. However, Fine, despite providing a most thorough exposition of Marx’s theory (1979) in the period immediately following the crisis, admits to the difficulty in expressing the theory’s distinctive elements in concrete, accessible terms (1992).

Marx’s rent theory is presently a dark continent. It may be illuminated by revisiting Harvey’s conclusions on the subject. Harvey’s comprehensive and generally sympathetic discussion of Marx's rent theory, conducted within a generally orthodox interpretation of Marx's theory of surplus value, characterises it as a work in progress:

... his writings on the subject, all of which were published posthumously, are for the most part tentative thoughts set down in the process of discovery. As such they often appear contradictory. The formulations in the earlier Theories of Surplus Value differ substantially from the few well-honed passages in Capital... The result is a good deal of confusion and an immense and continuing controversy among those few hardy souls who have tried to pick their way through the minefield of his writing on the subject (Harvey, 1982:330).

Harvey strongly supports much of the thrust of Marx's theory. However, he remains unconvinced as to the necessity to identify landed property under capitalism as a separate political force, and similarly discounts Marx's attempts to explain the effects of the landed class' monopoly on rent. Absolute rent is, by Harvey's analysis, a dispendable element of Marx's rent theory:

Rey's (1973) characterization of Marx's theory of absolute rent as a `fiasco' is partially correct in the sense that there is a lot of elaborate theorization about what ends up being of minor importance (Harvey:352).

Despite Harvey's adoption of an orthodox approach to Marx's theory of surplus value, he ventures remarkably close to the sort of evidence cited by marginalists to prove the democratising impulse of competition:

... absolute rent depends upon the power of the landlords to create a barrier to the equalization of the rate of profit and the persistence of a low value composition of capital within agriculture. If the value composition becomes equal to or higher than the social average, then absolute rent disappears (Harvey, 1982:352).

Harvey appears, uncharacteristically, to prefer a developmentalist explanation at this point:

The low value composition of capital in agriculture is attributable more to technological and scientific lag in that sector than to anything else. Once agriculture catches up, which at some point it must, then absolute rent disappears...(ibid.).

Harvey's doubt as to the persistence of absolute rent can be reduced to his knowledge of the power of credit to average the profits among individual capitals. His conclusions on this matter appear only to follow Marx's comments on the tendency towards labour-rich production in agriculture: "It is in the nature of the case that this difference [in organic composition of capital] must decrease with the progress of agriculture" (1959:765, see also p.772). The inference, one with special relevance for the `best possible shells' of the social democratic white dominions, is that Marx's idea of absolute rent was primarily directed to the type of obvious division between capital, such as that which prompted Ricardo's analysis and the associated political campaign to erode agricultural tariffs. On this point, there is plenty of evidence of Marx's passionate opposition to the remnants of the old and reactionary rentier class: his vitriolic tirades on Malthus' ideological position provide ample evidence on this score. However, Marx’s embrace of capitalism's progressive aspects does not blunten his critique of its historical product. Marx's discussion of rent is expressly directed to the operation of rent under developed capitalism (1959:614-15) and fully encompasses his critique of Ricardo:

To be able to speak at all of a surplus over the average profit, this average profit itself must already be established as a standard and as a regulator of production in general as is the case under capitalist production. For this reason there can be no talk of rent in the modern sense... where it is not capital which performs the function of enforcing all surplus-labour and appropriating directly all surplus-value (Marx, 1959:783).

Marx therefore made it his business to anticipate the types of argument that could be employed to disprove the theory of uneven development implicit in his idea of absolute rent. This aspect of his work on rent was central to his work as a whole. Absolute rent is not, as Ball, Harvey, Tribe and Rey have proposed, a peripheral issue in Marx's theory. It involved the integration of two of Marx's major discoveries—the deviation of prices from values and the historical specificity of the capitalist mode of production—as observed in the distribution of surplus value to land-based products. Marx's refutation of the evenning effects of credit on the value of landed property, (which, paradoxically, Harvey finds surprisingly easy to assimilate in relation to the uneven distributions of surplus profit due to the effects of differential rent) is therefore quite accessible within his writing, though it relies upon an understanding of his theory of surplus value and of his dialectical historical method more generally. The view taken here is that the scope of issues encompassed in rent theory necessarily involves discussion at various levels of abstraction, and that many apparent inconsistencies within Marx's writing on rent can be understood as the product of shifts in levels of abstraction necessitated by an expression of the determination of the social practices of distribution via a theory of the social relations of production.

Marx's case for absolute rent

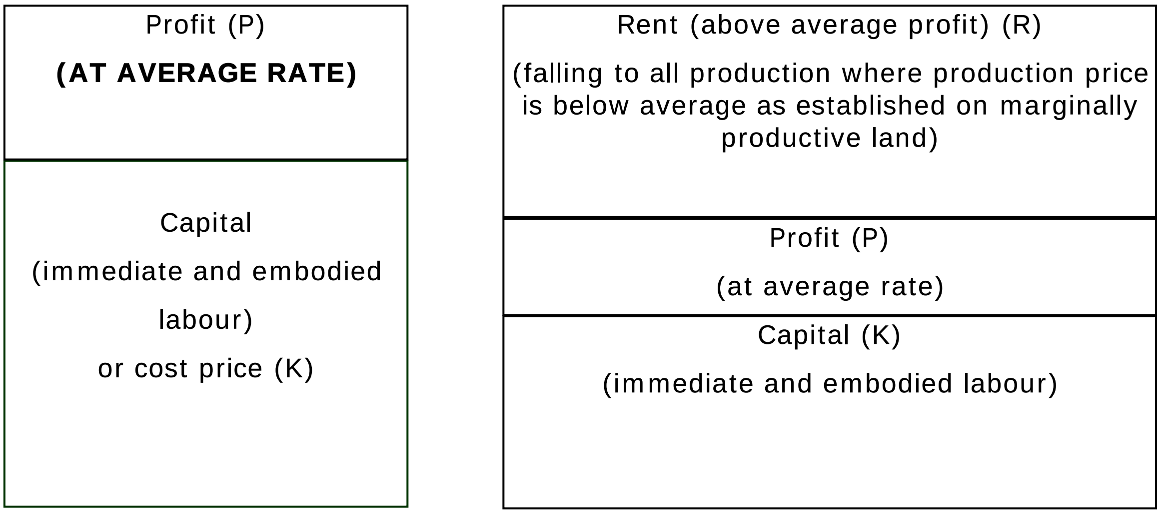
1. The core position of absolute rent

Marx approaches rent deductively, applying his theory of surplus value to the question of surplus profits accruing to land-based production. He shows that to recognise land as a factor of production would be to propose land as an element of production which contains no embodied labour (1959:782; 1968:130). He therefore thinks of land as a condition of production which has no value, thus retaining a theory of labour value. To this extent his argument is driven by the same interest in sustaining a theory of labour value as that which drove Ricardo. However, Marx's notion of the divergence of values and prices leads him to put forward a radically different conception of rent. Marx follows `Ricardo's denial of absolute rent' in order to emphasise the basis of this difference:

If values of commodities and average prices of commodities were identical [as Ricardo maintains] then absolute rent—ie., rent on the worst cultivated land or on that originally cultivated—would be equally impossible. What is the average price of a commodity? The total capital (constant plus variable) laid out in its production plus the labour time contained in the average profit, say 10 per cent. Supposing, that a capital produced a higher value than the average price, just because it was operating in a particular element, an element of nature, say land, then the value of this commodity would be above its value and this excess value would contradict the conception of value being equal to a certain quantity of labour-time. An element of nature, something heterogenous from social labour-time would be creating value. But this cannot be. Hence capital invested in land pure and simple cannot bear a rent (1968:130).

It follows from this that Ricardo's idea of value necessitates the denial of absolute rent: for Ricardo all rent must be differential rent, that is, rent due to the differentials between individual production prices and the average production price. This gives Ricardo's theory of rent an attractive simplicity and apparent utility.

Fig. 1 Ricardo: Rent as surplus profit on better than marginal lands



a. No rent on least profitable land

b. Rent on better land

The difficulty facing Marx and Ricardo is that all land other than the worst land in production (`b' above) attracts surplus value as if it were a form of capital. This contradicts a theory of embodied labour value. Marx's solution is very simple. "If ... one knows that average prices and values are not identical, that the average price of a commodity may be equal to its value or bigger or smaller, then the question, the problem itself, disappears..." (ibid:132) As a given sector of land-based production must permit capitalist production to accumulate at the average rate of profit and further supply a rent to land in that sector, the extra value flowing to the goods produced in that sector evident in rent must correspond to the extra profit due to the high value of the goods produced in that sector relative to their cost-price (which, for Marx, excludes a rent payment). This argument can be applied to all rent earning sectors and shows the core position of Marx's idea of absolute rent in relation to his theory of rent as a whole. A sector of land-based production is shown to attract a form of rent to the extent it is value-rich in relation to the average organic composition of capital across total social production.

In identifying the important distinctions between Marx's understanding of differential rent and those of Ricardo (Fine, 1983), the most important must be the fundamental dependence of the existence of differential rent upon the pre-existence (and continuing existence) of absolute rent, upon which Marx's unique theory on the operation of production prices in rent-related capitalist production depends. Differential rent, the rent which arises due to production on land better than the worst land, is due to the sale of commodities below their price of production, and so offers an alternative explanation for the difference between individual prices and production price evident in the phenomena of rent. Rent is in this case due both to the labour-rich character of the sector, and to the peculiar quality of land, which allows the power relations of capital to be expressed as a special case of relative surplus value.

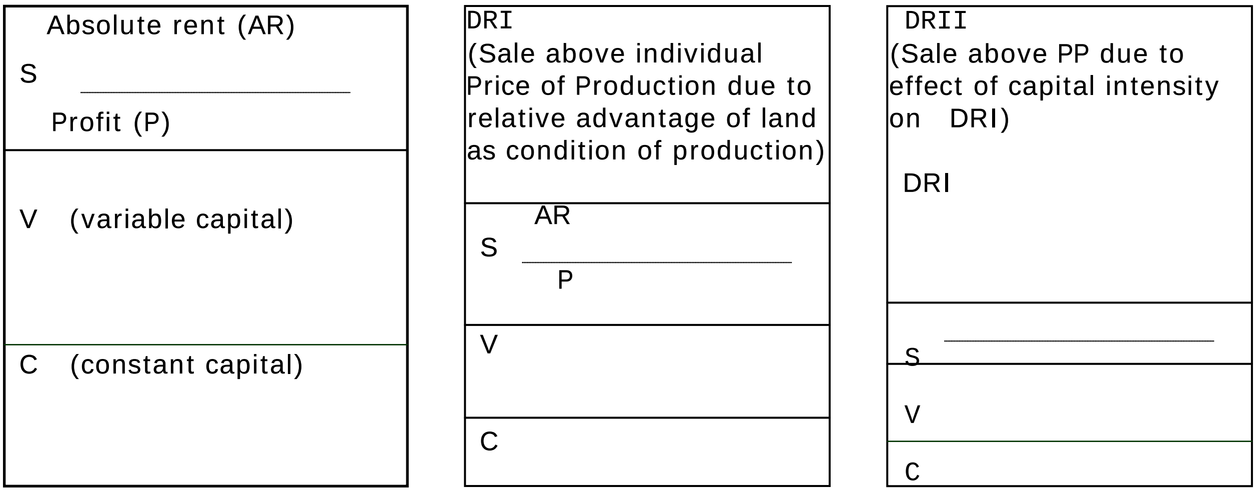
Marx's developed theory of rent therefore encompasses two discrete dimensions of the rent mechanisms. These may operate completely independently of one another in regard to their relative magnitudes in respect to the economic value of a given location at a certain point in time, yet both elements must operate to sustain the existence of landed property under capitalism:

- *absolute rent* captures rent due to the effect of differential value relations between land-based production and capital-based production
- *differential rent* captures value due to the operation of differential prices.

The combined effect of the various aspects of rent are therefore very hard to concretise and conceptualise. They cannot be obtained as empirical elements of rent in respect to individual capitals on land: if this were so, their values would obtain commodifiable entities as does rent as a whole give land a singular fictitious value. The shift in emphasis from absolute rent in Theories of Surplus Value to differential rent in Capital: Volume III does not imply the historical or theoretical redundance of absolute rent however, but rather extends the dimension of absolute rent within Marx's developed concept of the operation of prices of production particular to land-based capitalism (Fine, 1979). Figure 2 below illustrates the interelationship of Marx's aspects of rent within the total value of rent, and their implications for the creation of the `fictitious' capital value of land created through the operation of markets for land. This may help address a paradoxical feature of Marx's theory, in which rent-embodying goods are said to simultaneously both:

- sell below value but above price (capturing absolute rent)
- sell above value and above price of production (capturing differential rent).

Fig. 2 Marx: flow of value to goods in a specific sector sold above price but below or at value (absolute rent) and above value (differential rent)



a. Rent on least profitable land

b. Rent on better land

c. Rent on better capitalised land

S = surplus value, V = variable labour, C=constant capital, AR= absolute rent, DR=differential rent, PP=price of production

<u>2. Absolute rent on the worst land</u>

We have seen above that the difference between Ricardo and Marx's approach may take the form of a theoretical or empirical debate over the existence of rent on the worst land in production. In order to persist with the notion of the equivalence between average price and value, Ricardo must deny that rent is paid on the worst land in production. For Ricardo, rent becomes an element of average price except in the case of production of the cheapest commodity on the worst land, where it is altogether absent. He does not therefore have to take up the question of absolute rent falling to the worst land bearing the production of capital-rich agricultural production such as marginal dairy production, which occurs on good land and pays rent (see 7 below). Only the existence of rent paid on the most `marginal' production on the most marginal land need be refuted.

Ricardo puts forward two instances in which land cannot bear rent: in the case of production on the worst land; and in the case of the land originally cultivated which, lacking any comparison with other localities of production, does not attract a differential rent (Ricardo, 1911:34-5) and hence no rent at all. However, the conditions giving rise to land upon which Ricardo's notion of the worst land depends were historically remote and ideal even to the conditions of the early nineteenth century. They assume the existence of a never-ending supply of land to provide an excess over the last moment of differential rent, an ever-expanding frontier.

Ricardo’s frontier has imperialist political implications. Historically, the evolution of the question of rent, evolving with the Physiocrats, came about through quite the opposition set of conditions: that is through a class monopoly on land. The lands of Britain, over-burdened and swollen with a perceived `surplus population', had already proved the non-reproducible nature of land. The distinctly finite nature of land provided the conditions through which landed capital began its rapid accumulation with the introduction of capitalist farming techniques, and which concentrated landownership into the political tyranny which drove the enclosure movement.

The question of the existence of absolute rent is therefore linked to the persistence of a class monopoly on land. Ricardo, as representative of industrial and merchant capital, must oppose the very existence of that monopoly by positing the conditions which erode its permanence as a natural and ahistorical social feature. These conditions were the availability of new lands, the expansion of the productive margin, enabling the transcendence of the economic and political stranglehold of the British landed elite through imperialist expansion, the discovery of `empty' (in the Australian legal fiction of *terra nullius*) or `waste' (New Zealand) lands.

The international expansion of Britain's realm weakened the rentier’s monopoly over land in that country, though it could never entirely eliminate the rentier’s political effects (Blaug, 1958). Nor was a marginal Ricardian frontier ever established in the process of settling the new colonies of the antipodes. The establishment of Australia and New Zealand as crown colonies of Britain announced the intention to violently enforce the monopoly of British capital on those lands over the uses made of those lands by their indigenous populations. In conjunction with this forceful expansive gesture of British capital, Wakefield's scheme of a `sufficient price' for land was a deliberate and artificial barrier, set at such a level as to prevent immigrant workers from experimenting with marginal forms of peasant production. The avowed aim of this scheme was the maintenance of a working class to bring value to the land to enable capitalist accumulation. However, an important secondary consequence was the creation of a class of people effectively excluded from landownership, allowing another class monopoly of the land. Even in the case of the `free' land taken up by the squatters, the cost of establishing capitalist pasturalism (the cost of stock, provisions and equipment for a year) itself served as a very formidable concrete barrier limiting the development of land to the wealthy, effectively extending the existing hegemony of the British landed gentry outward to the antipodes (McIntyre, 1985:26; Sutch, 1966; Eldred-Grigg, 1977). While squatters paid no rent, the excess profits flowing to the lands they worked showed an effective rent accumulating on their land. The history of pastoral capitalism therefore shows no evidence of a rent-free margin in the sense Ricardo requires.

3. The effect of the land barrier

The political power residing in that class which had established ownership rights in respect to the land, the pivotal condition of food production, was particularly in evidence in the late eighteenth and early nineteenth century Britain. In such circumstances the extra value evident in the rising rents available to the rentier class could be considered as a monopoly price, extracted from the total social surplus. However, Marx shows that considering the effect of the organisational power of the landlord class (eg. those enforcing enclosure and raising corn tariffs) only partially explains the extra rent which is evident at the level of prices as a monopoly price. In fact, his discussion of rent in full consciousness of the subduing of the rentier class in Britain, along with his repeated declaration of his object as modern, capitalist rent, shows he considers the organisational power of landowners secondary and of decreasing significance in the case of the most developed capitalist economies. By abstracting the economic position of the rentier class, Marx theorised the rentier as a class when "land merely represents a certain money assessment" independent of "former political and social embellishments and associations" (1959:618). The idea of absolute rent is vital to this theorising:

Although landed property may drive the price of agricultural production above its price of production [in the sense that it becomes a monopoly price], it does not depend on this, but rather on the general state of the market, to what degree market-price exceeds price and approaches the value, and to what extent therefore the surplus-value created in agriculture over and above the given average profit shall either be transformed into rent or enter into the general equalisation of surplus value into average profit (1959:764).

The different senses given to the term price above underscores Marx's consideration of price as a secondary, phenomenal form of value. The above passage can only be understood by relinquishing an idea of average or natural price. Once that step has been taken, the apparently determining position of the movement of market-price becomes far less important, as it becomes clear that market price is determined historically by landed property, the result of this history being the low organic composition of production on land. The land barrier is not then just the political effect of the rentier's power producing monopoly price, but the fact that new capital investing in land-based production must anticipate the extraction of rent in estimating prices of production at the level of cost price in the same way that the extraction of the interest on capital advanced must be anticipated. While capitals continue to compete for the condition of production available in land "the barrier imposed by the need to pay rent" (Fine, 1979:256) remains.

Marx risks taking on the very circularity he elsewhere guards against, as here the price of land seems to determine price. This impression might be further reinforced by the idea of the historicity of landed property as an encumbence of history. ("Since landed property exists, capital ... must leave the excess of value over cost-price to the landowner" [1968: 243].) This confusion is of a type I will discuss below in relation to the operation of levels of abstraction in Marx's writings on rent. However, it is necessary to discuss how, at the concrete level of individual moments of accumulation on land, there is a tendency towards labour-rich production which reproduces the conditions giving rise to rent. The movement of history is to some extent duplicated in the individual moment of accumulation via rents.

4. Absolute rent and non-circulating surplus labour

The movement towards low organic composition of capitalist production on land is represented schematically below in relation to an individual capital.

a. Monopoly rent

An individual capital may capture extra value through the political capacity of the landlord class to effect price movements. If so, the price of land-based products may increase independently of changes in the volume or composition of productive capital and thus produce a rent. In this case agricultural products are sold above their value and price of production.

b. Absolute rent

In the above case, the landowner obtains extra value through exchange of commodities arising from production on their land. Let us say some of this extra wealth falls to the capitalist. How should this excess wealth be reinvested? The answer to this question throws light on the nature of the rentier's interest as a class. If constant capital is intensified for an individual capital on the land, either through a general intensification of labour and capital in production or through a specific intensification of the means of production, more value will be captured. Expanded production will nevertheless result in an increased volume of commodities. This will tend to lower the unit value of the commodity and hence the market price will fall, and so too the rate of profit across agriculture will tend to subside. Marx has shown how the tendency to invest over the average organic composition of capital for a sector of production is kept in check through the equalisation of profits via the operation of markets.

However, if farming capital reinvests their profit in variable capital in such a way that the labour does not affect the volume of goods produced, then neither the price of production established in that sector nor the price in excess of the price of production previously established (in this discussion, through the landowners' political power) is affected in any obvious way. But how can additional labour be usefully employed in land-based production without affecting the volume of the product? And why doesn't a decision not to apply surplus labour to production directly erode the productivity of capital, as would normally be the case?

Marx's answer to this crucial question is apparently contradictory. He identifies some of the extra value arising due to the labour-rich nature of production as being non-circulating, thus failing to satisfy his criteria for the `modern form of rent' he intends to investigate (1959:783). The result of this non-circulation in the case of land is that surplus labour is not necessarily manifested as surplus product. This idea can be easily expressed in concrete terms. If labour is employed more intensively on the land than in social production at large, the same rate of surplus value will lead extra surplus value to be produced. In concrete terms, relatively more hours will be spent by workers in work producing goods of value in excess of those goods representing the value of embodied labour and capital in the production process. In saying that some of the extra value is non-circulating Marx is just saying that some of the extra time worked by labour goes into producing things which do not affect the volume of realisable output. The capitalist may conceivably have an interest in this process. A farmer might ask the workers to improve the homestead and garden's aesthetic appearance, consuming the extra labour in someway which does not affect the value of production nor be permanently embodied in the money value of the land (in the way that an improvement to fertility might). The high value of the rentier class' consumption of symbolic goods (the great estates [Eldred-Grigg, 1980], the `hunt', the culture of consumption which

Malthus incorrectly identifies as the force driving accumulation [Marx, 1971:51-3]) proves the extra value flowing to the land, giving absolute rent a money value. In the case of absolute rent, the issue becomes the amount of labour "set in motion" in production (1959: 760, 771); the anticipation of the continuation of conditions sustaining the sale of the product of the land above its price of production means that the degree to which labour is embodied within a good becomes secondary, and is certainly not determined by the movement of prices alone, but just as much the expectation of the rentier on land deriving the same profits as productive capital (1959: 799). This is not to mean Marx is arguing for the determination of rent by prices, but rather that the value of rent is dependent on the class struggle determining the general rate of profit (affecting the expectation of returns), which under capitalism turns in the last instance on the expression of contradictions between the capitalist and the working class. However, the value of rent may also be determined through the expression of the struggle between the rentier and capitalist in the state form. The state may determine the non-circulation (stockpiling) or destruction of agriculture product, or the forced subsidisation of agriculture in the name of higher farm profits. Such actions raise the value flowing into the sector in order to hold the value of output constant. Contrary to Ball's argument (1986b: 168), this is quite a different scenario from one in which price is forced up across the board by the class power of rentiers.

The upshot of the non-equalisation of the surplus labour set in motion in land-based commodities is their sale above their price of production, such that the abstract value of market price tends towards or is equal to the value of concrete labour set in motion in the production of those goods. The value/price relation of land-based production, to the extent that it exists outside the equalisation of prices and profits, is therefore theoretically the subject of contest between the rentier and capitalist class (Amin, 1977). This contest is most explicitly concretised in the political struggles associated with attempts to procure rent through monopoly price. However, as there is no clear boundary separating (i) the rent due to value arising from the surplus labour set in motion from (ii) the value of the rent due to surplus price over and above the cost price and full value of absolute rent (ie. the monopoly rent), the political effect of the rentier class on prices is a permanent feature of capitalism. This component of class contest is further refracted through the operation of differential rent. The detail of Marx's explanation for the operation of this process across lands of different quality and at different levels of intensity, contained in the theories of differential rent I and II, cannot be entered into here.

5. The possible elimination of absolute rent

Once the absolute rent has been subtracted from the cost price of production on the worst land, the value circulating can enter into the usual processes equalising levels of profit and fixing the price of production as established by Marx. The operations establishing production price of a given commodity is therefore most in evidence on the worst land used for production of that commodity. Absolute rent appears to operate quite independently of this process. Furthermore, as the size of absolute rent is subject to both the political and economic determination of market price it can be construed that it may be eliminated altogether. Harvey's reading of Marx proposes that the rising of organic composition of capital in agriculture, in lowering the market price, might alone eliminate absolute rent as a category. Marx himself seems to vacillate on this point (see discussion of point 7 below). This ambiguity may be attributed to the incomplete nature of the writings on rent (Fine, 1979:241-42) rather than to a central contradiction within his argument of the magnitude identified by Tribe. Nevertheless, the uncertainty is evident in the limitation of Marx's goal (in refuting Ricardo) to the theoretical "*possibility* of absolute rent without violating the law of value" (quoted in Harvey, 1982:349).

The question as to the susceptibility of the value of land to the contestable nature of the value of the non-circulated component of surplus labour (ie. absolute rent) can be resolved in two ways:

- through a return to the role of history in Marx's conception of property. This will lead on to a discussion of the operation of levels of abstraction (Fine and Harris, 1979; Carchedi, 1991) that may be identified within Marx's discussion of rent (see 6 below).
- by showing that absolute rent can be sustained as an aspect of rent for capitals capturing a high differential rent (see 7 below).

6. Landed property: historical aspects

We have seen that non-circulating labour-value takes a concrete form, though one that cannot be realised in exchange and which therefore tends to rest upon the land as an extra value residing in the land. The extra value appearing as absolute rent thus flows to land through the realisation of the product of the land. But being consumed before circulation, the extra value does not enter into the equalisation of profits. Another aspect of profit thus appears on land, though one which is impervious to the best efforts of capital to attain its value. This aspect of profit is unaffected by the intensity of further capitalisation of production, which would result in the lowering of the individual production price and the consequent capture of an additional, differential rent. If the capitalist wants the rent, they must buy the land itself. This movement itself reinforces the status of land as property (and the permanent barrier to the equalisation of profits) rather than eroding it.

Concrete and abstract aspects of rent's historical form

How can a non-circulating element of value be said to be embodied within the product? This idea appears to contradict the idea of `the commodity' as advanced in Volume I of *Capital* and to the aim of mass production more generally. However, this contradiction is consistent with Marx's approach to rent as an historically backward form enduring within the capitalist mode of production. Absolute rent theorises the structural effects of this backwardness on the operation of the distribution of surplus value and the laws of capitalism (Amin, 1977). To this extent, the inconsistencies presented by the operation of rents develop rather than undermine Marx's argument, and arise from his dialectical approach.

The historically backward form that the land barrier presents to capital has a concrete and abstract aspect. The concrete form of this barrier is apparent, for example, in the expansion of the political and economic power of the landed aristocracy: firstly in the centralisation of agricultural capital and landownership through which the rentier class represented the progressive and dominant historical force; later, in the concentration of political force to extend the absolute rent of land-based product in opposition to the strength of those capitals which do not employ land as a condition of production. The presence of land as a concrete political force continues to emerge from time to time in capitalism, though is generally eclipsed in advanced capitalisms by capital proper.

In the case of `the modern form of rent' the rentier class no longer leads, and the position of land has been abstracted within the circuit of exchanges predicated by capitalist relations, which can be expressed historically as the shift from rents to profits as the dominant form of surplus value (1959:799-800). Given that rent evidently endures within capitalist relations, the historical content of the form of landed property as abstracted through commodity exchange in the capital circuit must also be considered as a pre-capitalist form of property even though it is fully encompassed within capitalist relations.

7. Existence of absolute rent on developed land with high DRII

Intensification of the capitalisation of land-based production, such as that which might eliminate the technological lag which Harvey sees as the providing a concrete basis for what Marx understood as absolute rent, has two aspects:

- a *relative* aspect (organic composition of capital, which relates the ratio of constant to variable capital to the same ratio across total social production) and;
- an *absolute* aspect (pertaining to the size of a capital relative to a particular area).

The distribution of intensity of production (arising from the differential advantages presented to land-based production due to characteristics of land, resulting in differential rent) markedly vary the characteristics of production within a single sector of agriculture. This variation may take on the appearance of a change in the composition of capital across a single sector of agriculture. Farmland with high rental value must be intensively farmed to meet the rent and no longer outwardly exhibits the `technological lag' indicative of an organic composition of capital lower than the social average. Returning to Harvey's comments, such concrete examples might suggest that absolute rent would be a category of rent which cannot be applied to farms intensively capitalised to take full advantage of their superior locational advantages. Marx made a number of comments on the implications of investment on land-based production which on face value support Harvey's interpretation of absolute rent as a category declining in significance with intensification:

> The same chain of reasoning which demonstrates the possibility of the existence of absolute rent, shows its reality, its existence, as a purely historical fact, which belongs to a certain stage of agriculture and which may disappear at a higher stage (Marx, 1968:244).

This could be taken to mean that in those cases where the organic composition of capital in land-based production rose to or above the social average across all sectors of the economy, that no absolute rent was involved. Elimination of absolute rent would, in this case, coincide with the evening-out of the organic composition of industrial and agricultural capital. If this was so, absolute rent falling to land-based production would indeed be "attributable more to technological and scientific lag in that sector than to anything else" (Harvey, pp.352) and differential rents alone would appear to do the work. This form of argument would confirm the generally held view that absolute rent, and so the discourse of rent in general, is only appropriate to the extreme historical backwardness of underdevelopment and to the crude political features of semi-capitalist rent-seeking economies. It supports the widely held view that the development of the modern ex-dominions turns on the competition between national capitals (relative surplus value) through international trade (Pinkstone, 1997; Bramble, 1990) rather than in relation to flows of rent.

However, this interpretation of Marx's intent appears unsustainable, both from:

1. the point of view of the distribution of absolute rent <u>within a single sector</u> of land-based production producing a single commodity (such as corn) and;
2. in relation to the distribution of absolute rent <u>across different sectors</u> of land-based production.

1. Absolute rent within a single sector

The question of the distribution of absolute rent within a single sector is settled through Marx's discussion of the theoretical possibility of absolute rent on all land, irrespective of the capital intensity or organic composition of capital of production on the land in question. Marx shows that where individual cost prices are lower than the average cost price established through production on the worst land, the condition under which differential rents arise, this lower cost price is proportionate to the smaller amount of labour value involved in production: the organic composition of capital particular to that field of land-based production is therefore not automatically affected by the advantages presented to production by better lands, but only the size of the capital overall:

If the value is greater, then the cost-price is greater in the same proportion, for the value is only greater in proportion as more capital or labour is expended; hence the relation between value and cost-price remains the same and hence absolute rent remains the same (Marx, 1968:255).

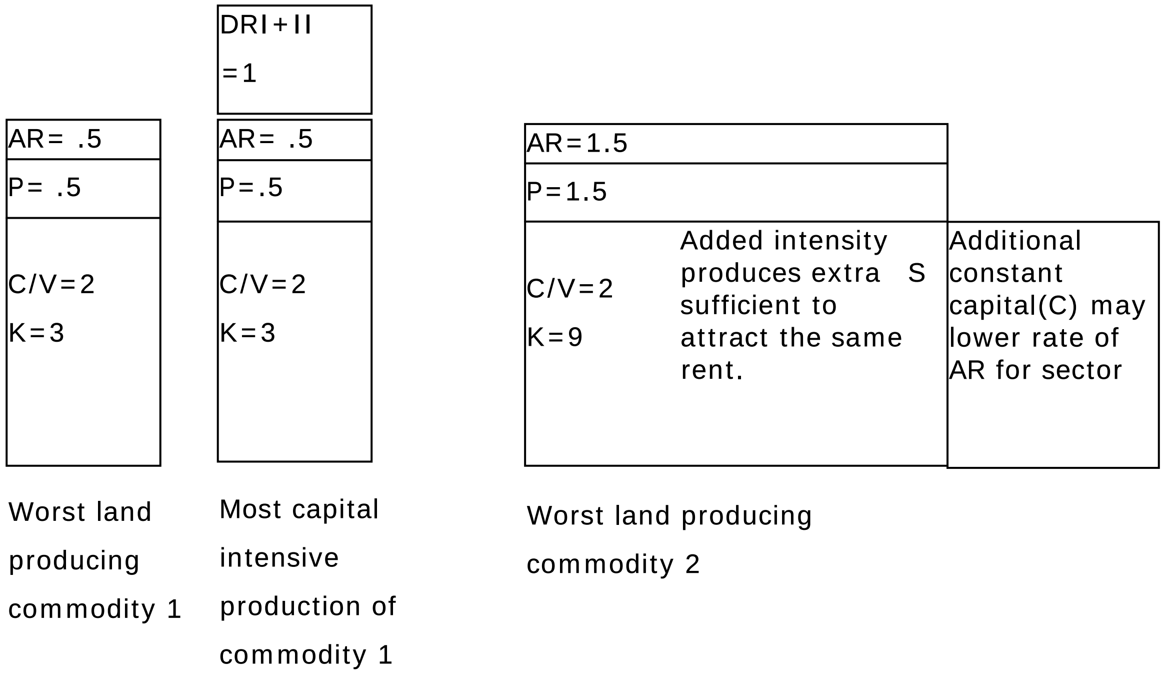
The amount of absolute rent payable to a particular portion of land may therefore vary with the intensity of capital applied, though the *rate* of absolute rent to capital will remain constant for the sector in question.

2. Absolute rent in intensively capitalised rent-bearing sectors

The case of absolute rent across sectors producing different commodities is not dealt with by Marx in any depth. The question of the effect of constant capital-rich land-based production on the rate and volume of absolute rent is discussed briefly in the context of beef production. Beef was a very expensive commodity at the time of writing (Marx, 1971:516; 1959:767). Despite the capital intensive nature of beef production, Marx does not attribute the high rents of land associated with capital intensive production solely to the effect of differential rent (in this case, DRII). He argues that an absolute rent also falls to this type of land. The volume of this rent has its basis in the rent that would have fallen to the corn-producing land taken out of production by the more capital intensive beef production.

The proposal to regard the absolute rent due to fall on land employed by a particular sector as having its origins in the rent due to fall to the sector displaced by it appears inconsistent. What is differential rent to one sector is, to a more intensive sector, suddenly given the status of absolute rent. This apparent inconsistency can be reconciled through consideration of the place Marx gives to absolute rent on the worst land, the point at which the price of production for a specific commodity is established by "the worst method of production" (Fine, 1979:250). Marx's notion of absolute rent therefore allows some differentiation in respect to a particular product, according to the intensity of capitalisation of production occurring on the land. This latter variation in absolute rents may serve to layer different forms of land use in discreet bands in the manner proposed by von Thunen (von Thunen, 1966), defining the price movements of similar and substitutable commodities in isolation from the operation of continuous margins of profit and differential rents. Marx acknowledged this aspect of his argument lay underdeveloped (1959:615). However, by incorporating it within the overall conception of the operation of differential and absolute rent it strengthens the apparently tentative proposition of the ` possibility of absolute rent' (which is commensurate with the tendency in Volume III to stress the relatively small and historically diminishing volume of absolute rent as an aspect of rent) into something much more concrete and enduring, with application for the most intensely capitalised lands. In this case, absolute rent might be identified as the discrete concrete value of rent on the least rent-bearing land on which a particular commodity is found. Furthermore, it suggests that Marx saw the elimination of absolute rent as involving far more than the equalisation of profits in respect to a particular commodity, such as might be effected by a movement in market price or in respect to the monopoly price of a particular commodity. It implies the cheapening of market prices for land-based goods across the board, suggesting that the new `stage' of agriculture which Marx suggests may dispense with absolute rent pertains to the social regulation of agricultural production within an entirely new mode of production, in which rent is eliminated altogether . Moreover, if we accept that the rate of absolute rent across sectors may be unaffected (see below) or vary independently of intensity of capitalisation (as manifested in total rent volumes), the potential equalisation of compositions of capitals across sectors does not demand the abandonment of the concept of absolute rent, nor make it empirically redundant even in the case of capitals above average organic composition.

Fig.3. Rent composition/capital intensity in adjacent sectors
(Rate of surplus value (S/V) = 1, Organic composition of capital (C/V) in sector 1 = 2)



8. Rent and levels of abstraction

Marx's discussion of rent is consistent with his critique of political economy as a whole. That critique implies far more than a technical argument about the problems presented to the mathematical expression of exchange relations. The discussion of rent in *Theories of Surplus Value* links an analysis of political economic discourse to a materialist theory of history. The overlayering of detailed analysis of technical arguments and particular class/historical positions against the broader historical framework of `the mode of production' creates many ambiguities. Overshadowing the layering of philosophical, literary and historical interests, the theory of rent as presented in Volume III of *Capital* is logically preceded by the theory of abstraction of the social forces of production in the concept of surplus value, established in Volume I of *Capital*. The relationship between the explanatory function of surplus value and that of rent, a subcategory of surplus value, can be summarised in the observation that the analysis of rent is at a lower level of abstraction. This has important consequences for the representation of the argument, as the factors determining rents are necessarily more complex and mutually determining. The clarity of argument available in Volume I of Capital, and of the associated movement between levels of abstraction present in that work, is for this reason much less apparent in Marx's writings on rent theory. Being at a lower level of abstraction, that of distribution and competition between capitals, the relationship of the origin of surplus value to the processes determining its distribution is far less obvious. Demand takes a far more prominent position, assuming a seemingly determining role at times in the operation of competition between capitals for land and through market price.

The idea of levels of abstraction, which in this case is the justification for accepting that an argument made at the level of production can and should precede the analysis of distribution, is as inseparable from Marxist rent theory as it is from Volume III as a whole. To make this statement will provide little assistance, however, to those readers attempting to conceptualise exchange in terms of simultaneous exchanges of equivalents. An ahistorical approach to exchange relations will resist Marx's rent theory and the idea of levels of abstraction equally well.

Marx provides extensive remediation for the problem of ahistoricity, the lengthy `Genesis of capitalist ground rent' (1959) tracing the evolution of landed property and its relation to the development of capitalism in loving detail. The application of this historical method, in terms of form of exposition and in relation to the structure of argument, best demonstrates the highly abstract conceptual instruments bequeathed to us by Marx. This method is as applicable to the analytical tools represented in value theory as it is to Marx's less abstract analyses of history at the level of concrete class relations. So we arrive at the potential application of rent theory as a means to reveal the movement of history in a way that bring Marx's argument as a whole to life.

9. Application of rent theory

The aspects of rent identified by Marx resist being concretised in the analysis of particular rents on an individual capital. The degree to which an absolute rent falling to land is due to the effect of monopoly as opposed to the efficiency of production or the effects of non-circulation of value is impossible to assess with accuracy. Similarly, the extent to which rent is due to absolute rent as opposed to differential rent is hard to determine in respect to the individual case. This does not necessitate the abandonment of Marx's proposals in regard to rent. In fact, it is only the inseparable nature of the different aspects of rent which prevents them each from assuming discreet commodifiable entities (1968:320). Marx attempts to operationalise the various components of rent advanced in his theory deductively. The resulting tables which pepper the explanation of his theory are not intended, therefore, as haphazard attempts to derive a mathematical proof (Tribe, 1977) or as models for an empirical study of rents. Rather they expose the role of the various aspects of rent by projecting their interaction in the light of changing historical circumstances: rising and falling demand for land and commodities and availability of capital and labour (Fine, 1979). This should come as no surprise, as Marx's theory of the value relations of production was not intended to operate as an accounting tool (Baumol, 1974 ; Carchedi, 1991; Harvey, 1982) but to identify abstract class relations underlying production and exchange. Marx's rent theory therefore has no empirical application at the point of production on the land. It cannot, for example, be used to ascertain to what degree a given parcel of land accrues rent due to class monopoly (monopoly price), the historical product of that monopoly (absolute rent), its location on better land (DRI) or more intensive capitalisation relative to other land of the same quality (DRII). Whatever the social basis of the surplus profit consistently falling to production on a given land, it will have no effect on the only subject of debate between the individual capitalist and the individual landlord: the magnitude of the rent.

The market provides a practical answer to questions of this nature, though only to the extent that the abstraction of value relations in exchange establishes prices of production and equalises rates of profit. Marx's observation that land-based production remains to a degree outside the processes equalising profits shows the relationship of approximation between value and price established in production is further obscured in the case of rent.

The aspects of rent retain an analytical significance in spite of all this. In addressing “the modern form of rent” (in which the circulation of capital has eliminated the politico-economic advantages of particular landed capitals) the unevenness implicit in the idea of absolute rent can only be expressed at the level of abstract class relations, the economic effects of landownership in general. The aspects of rent are therefore implicitly directed to the analysis of the dynamic of historical trends in the class struggles between rentier and capitalist blocs at the level of the social formation, permitting a link to be made between <u>the struggle for control of the state</u> played out by sectors of capital and <u>the value relations forming the material basis of these struggles</u>. It is here that Marx's aspects of rent come into their own and the size of rent, the only element of concern to a marginalist approach, recedes in importance. The differing social and political implications of absolute rent, rent due to monopoly price, and to differential rent I and II concretise aspects of rent in the historical dynamics of rent-based economies (see the table `Aspects of rent’ below).

Preferential trade: monopoly or absolute rent?

Absolute rent has an powerful analytical potential in respect to the historical development of value relations underpinning the experience of British imperialism particular to the white–settler colonies. The wealth of these colonies has often been explained in terms of the value flowing from a monopoly rent due to the quality and volume of the superior lands under production in those colonies. This apparent monopoly of `natural abundance’ was challenged by the rise of competing capitalist pastoralisms at the end of the nineteenth century. From that point the high value of nineteenth century rents (which had, in fact, arisen through the supremacy of British capital as expressed in colonial rent-extracting production, and so should arguably be considered as an expression of differential rent) had to be won back from Britain through military commitments to the British war effort. Preferential trade arrangements resecured what appears to have been a monopoly rent, in that the decline in the relative value of dominion exports to imports were arrested by a political restriction of access to the British market. However, the basis of this monopoly was not the material monopoly of productive lands (some of which were outside New Zealand and Australia) but the political and ideological capacity of the dominant rentier fraction in white-settler states to force a sudden intensification of surplus value flowing into land-based production (through extended shifts and work intensification during wartime) and a related destructive consumption of labour power in the furnaces of the imperialist wars. I argue that the sudden movements in rent values associated with wartime production in the white settler colonies are best thought of in terms of Marx's theory of absolute rent, though this conclusion is contradicted in respect to the experience of workers buying in the home market of those countries, where the rentier's monopoly over the products of the land permitted the extraction of rent via a monopoly price in that market (Sutch,†1932). Absolute rent still remains applicable to the political analysis of advanced `semi-peripheral' capitalisms. The continuing capacity of New Zealand's dominant rentier fraction to command an increase in absolute rent in recent years via its capacity to dominate the state form is very evident in the period 1975-1984, when the real values of farmland prices soared (in contrast to primary export prices) as a result of massive export subsidies (Lattimore and Tyler, 1990; Johnston and Sandrey, 1990). The labour intensive aspect of major new rent-capturing industries of education and tourism suggest other areas to which the political contests implied in the idea of absolute rent may apply.

Aspects of rent and determination of the state

Aspect of rent	Conditions	Likely effect	State form
Monopoly rent (rent from monopoly price)	Commanding political organisation of landowners.	Intense short term contests between rentier and capitalist blocs. Rise in prices obtained by restricting markets.	Institutionalised rentier control of the state (prone to elimination by the free circulation of capital)
Absolute rent	High availability of labour. Shortage of capital. (stagnation)	Labour-consuming production. Non-circulating consumption of surplus labour	Imperialist state: delivery of tribute of wartime surplus labour.
Differential rent I	Freely available capital and labour (imperialist expansion)	Rapid influx of labour and capital (ie. gold rush, oil strike, founders rents)	Speculator state: optimises rapid influx of capitals (developing DRII).
Differential rent II	Accumulation and consolidation of capital. Expansion of the `frontier' of production.	Intensification of capitals. Higher level of cooperation between labour and capital. Development of infrastructure, secondary industry, etc..	White settler `state socialism': interlinkage of rentier and capitalist blocs organised around preferential trade arrangements.

Conclusion

Absolute rent is not an adjunct to Marx's concept of rent, the object of the preparatory *Theories of Surplus Value* which was later jettisoned in favour of the more robust category of differential rent. Marx's concept of absolute rent is fundamental to his conception of the operation of prices of production of land-based commodities. The idea of absolute rent is not of purely technical interest to Marx's conception of the distribution of surplus profit in respect to land-based commodities however. Unlike the idea of differential rent, which theorises rent in relation to the laws of competition between capitals, absolute rent specifically exposes the potentially contestable nature of the value of land, which exists even under advanced capitalism. It therefore theorises a class which, like the finance capitalist, lives off the wealth appropriated from total social production, but which has quite a different set of interests. In doing so absolute rent offers a powerful critique to otherwise unassailable axioms of contemporary property relations, and in particular exposes the chronic disunity between capitalists and rentiers which the `semi-peripheral' capitalist states have historically worked to negate and obscure. Further, in discriminating the specific political implications of the different aspects of rent, Marx's rent theory can refine the analysis of the distributional struggles between rentier and capitalist bloc (Fine, 1992) to periodicise the development of these struggles in relation to movements in world market values and the transformation of these values through the uneven effects of imperialism.

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