

Racked by RENT

A grasp of *economic rent* is vital to understanding geoism and the path to social justice and environmental sanity. Short

definitions are helpful but limited – the return to privilege; a free ride at society's expense; unearned increment; excess profits that monopolists reap in the absence of competition; the income imputable to natural resources; the share in the wealth produced which the exclusive right to the use of natural capabilities gives the owner; or even the natural source of revenue for the community.

Sydney's **David Smiley** continues his series wherein he fleshes out the meaning of rent through a string of vivid historical examples.

RICARDO ON RENT

In David Ricardo's theory of rent, as population increase land of inferior productivity or location becomes occupied, generating rent on superior land. From successive occupation there emerges a landowning minority living on the rent collected from the majority.

For example, the pre-industrial city (Malina, B., 1981, *The New Testament World, Insights from Cultural Anthropology*) contained ten percent of the population that it controlled. Of these two percent were priests, administrators and absentee landlords (minor landlords lived on their farms). The remaining eight percent were small merchants, craftsmen, beggars and slaves. Such societies could, and still can, remain stable for hundreds of years, population being limited at the level of subsistence.

But at some point such societies often become unstable and vulnerable to revolution or occupation. In this article we look at a Ricardian explanation of occupation, the example being European colonisation and hegemony. We start with the occupation, by settlers, of the best land. First settlers occupy the best land displacing any native population into second best land. The second wave of settlers occupy second-best land, displacing native populations into third best land, and so on. Eventually, as the living standards of the displaced native population declines, they find it advantageous to become available as wage labour, at rates that are highly suitable to the settlers.

This is an unusual, but I think accurate, description not only of the origins of Apartheid, but of African colonisation by the Belgians, French, British, and Dutch, and of Latin American colonisation by the Spanish and Portuguese. The origins of European hegemony, and many of the problems we now face. ■