

Re: Smith: ground rents and land rents

Source: <http://sci.tech-archive.net/Archive/sci.econ/2005-08/msg00329.html>

- *From:* "The Trucker" <mikcob@xxxxxxxxxxx>
 - *Date:* Wed, 24 Aug 2005 08:38:22 -0700
-

<ruetheday@xxxxxxxxxxx> wrote in message
news:1124855431.414887.268040@xx
> >As I can no longer post to Usenet directly, I will have to do it through
>>Google, which is a joke.
>
> Welcome to my world. As a traveling consultant, I cannot access my
> ISP's Usenet server while on the road and am forced to use Google's
> newsgroup service which appears to lose functionality and usability
> with each release. A simple quoting feature would be nice.
>
>>IMO opportunity cost is nothing but a red herring, and probably a bogus
>>concept altogether. Defining rent as a return in excess of opportunity
>>cost has the absurd effect of making a doctor's or other highly
>>specialized worker's earnings almost all rent, even in the absence of
>>licensure or other barriers to entry. This dishonest neoclassical
>>redefinition of rent can only be understood as part of the sustained
>>effort to prevent economic science from exposing the evil of landowner
>>privilege.
>
>>Economic rent is more accurately and informatively defined as an
>>economic benefit obtained by being privileged to deny others access to
>>what would otherwise be accessible. It differs morally and
>>economically from the proceeds of robbery or extortion only in being
>>socially accepted.
>
> Please note that I intentionally said opportunity costs AND barriers
> to entry. Without the barriers to entry part, neoclassical economics'
> attempt to define rent as any return in excess of opportunity cost is
> bogus, I agree. However, taken together, they provide a reasonable
> definition of rent – a return in excess of opportunity costs due to
> barriers to entry.

The problem with the "opportunity costs due to barriers to entry"
is that the barriers **MUST** be political force or the definition
is no good. That I would need to study for 12 years and
prove my ability to practice medicine so as to become a
licensed physician may or may not be a barrier that is
erected by political force solely to keep people out of the field.

Certainly the lack of ability to hit home runs is a barrier to entry into big league baseball. But no political force is being used here. It seems to me that political force is NECESSARY to the definition of the term "economic rent".

—
"I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education." – Thomas Jefferson
<http://GreaterVoice.org>

• ***Follow-Ups:***

- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: royls*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: ruetheday@xxxxxxxxxxx*

• ***References:***

- ◆ ***Smith: ground rents and land rents***
 ◇ *From: sinister*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: ruetheday@xxxxxxxxxxx*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: royls*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: Les Cargill*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: ruetheday@xxxxxxxxxxx*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: royls*
- ◆ ***Re: Smith: ground rents and land rents***
 ◇ *From: ruetheday@xxxxxxxxxxx*

- Prev by Date: ***Re: Smith: ground rents and land rents***
- Next by Date: ***Re: On Government Trust Funds***
- Previous by thread: ***Re: Smith: ground rents and land rents***
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