

What is Rent?

Revoluciana

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*This post is part of a series that deals with basic leftist concepts and terminology. It is also a **living document** and subject to change on revolucionaria.net.*

Rent is an economic concept with a broad set of applications. The existence of *rent* and *rent-seeking behavior* is a key sticking point between *capitalist* and *anti-capitalist* economic frameworks.

Rent is an expansive term that can be applied much further than real estate; however, this is a good framework to begin conceptualizing the leftist critique, especially as it serves as a familiar touchstone for most people.

Conceptualizing *rent*

You may have noticed a lot of leftists complain about *rent* and for some reason they really don't like landlords as a concept. Sure, most people don't like giving up their hard-earned wages (*wages* — let's tag that word for some later discussion) every month just to afford a place to live, but that's just the way the world works, right? And sure, some people have some pretty mean landlords, but maybe yours is really nice and does their best to make sure you have a great experience where you live. Maybe you scoffed at that last sentence.

How most people probably view *rent*

We live in a society. You need a place to live. As a responsible citizen, you pay for the privilege to live somewhere. Someone else owns a place, and for this *service* you pay them to live there. They own it, but you reside there. You don't have responsibility for upkeep, because it's not yours, which you feel is a fair tradeoff (in relative terms).

For the *service* the landlord provides, you think it only fit that of course they should be paid, even if you don't agree with the price.

How leftists tend to view *rent*

We live in a society. You need a place to live. As a human being, you deserve the right to exist, and to live somewhere. Human beings are the only animals on the planet that are required to pay rent to exist, and for whom it is *illegal* to be homeless. Someone has taken land and hoarded more of it than they need in order to charge you admission to access it, on their terms, extorting your need to exist in the world in order to exploit financial gain.

In return for this admission fee, the landlord performs no labor and no service. They are not paid for *working*, they are paid for *owning*. In fact, they often just hire someone else to do the labor for them (someone you could have hired if you owned the place), often at exploitative rates, as well.

Yes, of course, some landlords may do the labor themselves, but that's beside the point, because the existence of their own labor or not has no bearing on the rent— that's just a matter of profit margins, or increased rent to make up the difference in cost. Insofar as they perform their own repairs, that's not in their capacity as a *landlord*, that's in their capacity as a *laborer*— you can be both things, and these can be distinguished from each other.

The landlord does *nothing* in their capacity as a landlord.

So, while you labor 40+ hours a week, earning barely enough to get by, you pay for what capitalist society deems a *privilege* to stay in a house owned by someone else, while you pay their bills. You not only pay enough for the mortgage, the property taxes, the utilities (you pay for these in your rent, even if they're included), and the fixes & upkeep, you are also paying additional money on top of this simply from which the landlord is able to collect a profit, for doing absolutely nothing. Meanwhile, while your rent payments are busy paying that mortgage so that the landlord is able to increase their own equity, you haven't gained ownership of even the tiniest bit of equity throughout this entire process.

Some people say, "Well, the landlord takes the risk!"

What risk? The financial loss of money?

The renter loses this money every month, *guaranteed*. The renter risks being *homeless* at the whim of the landlord.

The landlord risks the financial loss of money? The renter risks the long-term effects of a life without building ownership and financial value in the first place— in a society that demands it, and punishes those who haven't built up stores of money and *capital*. The landlord "risks" what is utterly denied of the renter.

The renter, who labors hours upon hours, week after week, pays the mortgage, and sees no return. Yet the renter is expected to be grateful when the landlord gives them an extra day or two extension on their *rent* payment.

Eventually, then, the landlord has received enough profit and equity from *your labor*, that they leverage the ownership of the property to get a loan for another property, and they recycle the process with a new location and a new tenant, multiplying the profit with each cycle. Meanwhile, again, the landlord has performed *no labor*, and yet they receive *the fruits of your labor* and the labor of every renter in each of *their* properties.

The only thing that the landlord has done is to *exploit your labor* to receive the dividends of *profit* and *capital* that you have performed the work to earn.

Leftists primarily see *rent* as an exploitative construct. Yes, they are annoyed at the same things you are— high prices, jerks for landlords, and the sink still hasn't been fixed for 3 months despite how many times you've complained about it. However, this is not the basis of reason for leftists having fundamental issues with the concept of *rent*.

Leftists take issue with the idea that people make profit simply from *owning* things, and that they do it by exploiting the labor from others— they do it by exploiting *your labor*.

Investment

The idea of purchasing real estate and renting it out is often looked at in terms of *investment*. There is a reason it's called *property*, after all (*property*, let's tag this word, too, y'all).

When a person purchases a share of stock— any stock, the exact ones that billionaires own, which are the same as the ones that you might own in your retirement fund, if you have one— it works the same way. Why do you think that you get a return on your investment? Why do you think that it grows at a specific interest rate or that you get dividends paid out?

It's all a form of *rent*.

This is why leftists say that *billionaires should not exist*. This is also why it's impossible to become a billionaire simply through hard work, or, at least, it's impossible to become a billionaire through your own hard work. People become billionaires by exploiting the hard work of others.

You do absolutely *no labor* in return for the increased value in your retirement fund. To be clear, yes, of course you performed the labor *for the initial investment*, but you did not lift a finger to perform labor for the increase in value that you receive for letting it sit in that account. Nothing. *Nothing. at. all.*

That's the point, though, right? Set it and forget it. Let your money do the work for you. *You need money to make money, right?*

But your money isn't doing the work for you, is it? It's not *time* that is creating that value, it's *people*. It's the workers.

When you own a share of stock, that share represents your claim on a portion of a company, meaning that you're essentially an owner and landlord of that company, albeit a fractional one. While the workers labor their 40+ hours every week, creating value in excess of the wages they are paid, that excess value is either paid out in dividends (cashed out to you), or it is re-invested into the company to increase its value, just like if a landlord purchases more houses to get more equity and to increase their capture of *rent*.

It's the same thing.

It's the same thing if it's a small, locally-owned business paying its workers minimum wage, it's the same if it's a corporation, it's the same if it's a lemonade stand or real-estate. It's all the same process.

Economics

Rent and *rent-seeking behavior* are at the fundamental basis of *capitalism*, and this is why I chose to start with this piece, and not straightaway with discussions of *capitalism* itself, or *socialism*, *communism*, or *anarchism*, for example.

This is one of the primary leftist critiques of *capitalism* and the way that we structure our societies.

There are leftist approaches to addressing these issues, and some of them differ, but any leftist critique, which is to say, any *anti-capitalist* critique, is going to take issue with the concept of *rent*.

And as you consider this, you may ask yourself questions about the nature of *property* and *liberty* and *who deserves to be paid, anyway?* and *should we only reward those who work?* You may even ask yourself how society can even function without a *profit-motive*, and *how would society work without landlords?* and *how are businesses supposed to exist if you can't make money this way?*

They're all great questions. I think you should explore them. This is simply a foundation. We will *absolutely* discuss these topics further.

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