

The Modern Rent-Bearing Capital:

New Enclosures, Knowledge-Rents
and the Production of Valueless Commodities

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Broad Question

What are the current changes in capitalism concerning productive and financial issues?

Background Reasoning

For Marx, **capital** is the social subject. But if it is the subject, what are its **predicates**?

Money



Changes in the
monetary and
financial system

Commodity



Changes in the
productive system

Specific Question

Most Marxists focus nowadays on the money predicate of capital.

Is it possible to explain some current productive and financial changes in capitalism by using the **commodity form** and the **production process** instead of the money form and the financial system?

Preliminaries

Modern-day industry is increasingly making use of and producing **scientific knowledge**. However, knowledge is almost always a public good.

Solution: **'New Enclosures'** = monopoly rights + intellectual property rights + patents + royalties + etc., which **separate the production of knowledge and its appropriation**.

Production of **commodities *sui generis* ('knowledge-commodities')**, which cannot be sold, but only **rented**. E.g. computer software, chemical formulae and engineering secrets. The "buyer" can use it, but he does not own it.

Main Thesis (1)

With the capitalist production of knowledge, the commodity form is embracing a new sphere of social life.

As Marx clearly states throughout *Capital*, **every time that the commodity form encompasses a new social object we observe an original logical development of the capital form:**

- (a) product of labor becomes commodity → commodity
- (b) labor power becomes commodity → capital
- (c) money becomes commodity → interest-bearing capital
- (d) land becomes commodity → ground-rent
- (e) knowledge becomes commodity → 'knowledge-rent'**

Main Thesis (2)

Knowledge-commodities are **valueless**:

As Marx stated, the magnitude of value is determined by the SNALT to reproduce the commodity.

Knowledge-commodities need labor to be produced for the first time but not to be reproduced further on, because they **can be copied easily and unlimitedly**.

Main Thesis (3)

When those knowledge-commodities are “sold”, how should we classify their revenues?

They are **not interest**, because interest (and interest-bearing capital) presupposes a sum of **value** to exist, and those commodities are valueless.

Therefore, these revenues are **rents** (i.e. ‘**knowledge-rents**’), that are a deduction from the extra-profit (due to the higher labor productivity) that its use in the production process creates.

Main Thesis (4)

Knowledge-commodities, even though **valueless**, have an arbitrary **price**. And it figures in the production process not as a value, but as a **use-value (its capacity to increase productivity)**.

Therefore, the growing importance of knowledge-commodities and knowledge-rents represents the formation of an **arbitrary price system, not subject to the standard equalization of the profit rate**.

More to Be Found in The Article (1)

Unlike other commodities, knowledge-commodities are valueless and, therefore, have their **own special and unique 'valorization' circuit**: $M - C - \dots P \dots - C - M'$

Knowledge-rent as an **absolute and differential rent**

How to avoid a Keynesian ('own-interest-rates') approach to this problem

More to Be Found in The Article (2)

Modern Rent-Bearing Capital: a form of capital that receives its revenues from the capitalist production of knowledge and from the trading of patents in a new market in which patents themselves become commodities.

Possible connection of rent-bearing capital and **financialization**

= which is not the growing importance of the financial sector but rather a **higher stage in the autonomization process in which values become increasingly detached from its own support, use-values.**