# Lecture 25: Rent Dissipation

In this book, the concept of “Rent Dissipation” has been used to analyze government’s intervention with the market in Lecture 9, pointing out that the essence of price control is the infringement on right to income right of the seller. Price control causes the part of the income (rent) to become ownerless, and self-interested people rush to compete for it, resulting in rent dissipation.

Price control is criticized by welfare economics as inefficient or wasteful. Having learned Coase theorem, readers should understand that the reason lies in that the right to that part of income is not clearly delineated, so there is no market transaction for it, which means it is impossible to use price criterion to restrict competition or determine the outcome of competition, so non-price criteria take the place that must lead to rent dissipation.

Although price control has been analyzed in detail in Lecture 9, the concept of “rent dissipation” has not been systematically introduced, which will be the theme of this lecture.