

Abstract

Despite claims that ground rent is “the primary conceptual vehicle” for incorporating geography into political economy [136]christophers2016forreal, ground rent and the macroeconomic logic of the capitalist space economy are out of fashion as theoretical concerns in contemporary geographic political economy ward2016virtual,Peck2016_Macroeconomic,sheppard2011geographical.Consequently, altho

This paper introduces recent heterodox macroeconomic theory into geographic political economy and spatiality into formal heterodox macroeconomic theory. It does so by combining ground rent with the “second-generation” synthesis of Marxian, Keynesian, and institutionalist macroeconomic political economy (Goldstein2009_Heterodox;also see godley2012monetaryand keen2011adynamic, keen2013amo

Most previous work on ground rent focuses on the mechanisms and institutions through which rent is extracted, but this paper takes ground rent as given and focuses on its macroeconomics. The paper first “clears the air” by discussing heterodox economics and geographical political economy, methodology, value, and ground rent. It then develops several exploratory, abductive simulation models, incrementally incorporating different heterodox economic elements and forms of ground rent. The models build on Marx’s circuit of capital but add post-Keynesian and institutionalist features, and they employ twenty-first century innovations, such as Foley’s foley1982realization,foley1986understanding,foley2013profitrates dynamic disequilibrium models of the circuit and recent reinterpretations Marxian value theory freeman2010trends in. The goal is to develop a better understanding of the macroeconomics of ground rent that can inform research and policy in both heterodox economics and geographical political economy.

[title=References]