

## **On Rents in Input-Output Modeling**

Topic: Organized Session: Rents and Physical Resource Constraints in Input-Output Models  
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This paper proposes a new approach at dealing with the concept of rents in input-output modeling. Backgrounds are given in the first part of the paper. A central point will be the presence of rents concepts which have originated in an analytical context significantly different from modern IO analysis. This results in the occurrence of several useful concepts which did not yet find a proper place in the standard IO frameworks.

We concentrate on a number of problems. One major problem concerns the determination of market prices in the presence of homogeneity issues, such as those related to differences in access to and quality of natural resources, where also property rights play a role. We present a number of models that illustrate the issues at hand. Implications for the familiar fixed-coefficients assumption are discussed.