

‘Buy Land; they’re not
making it any more’ Mark
Twain

Land: The Most Fundamental Resource
in a Green Economy



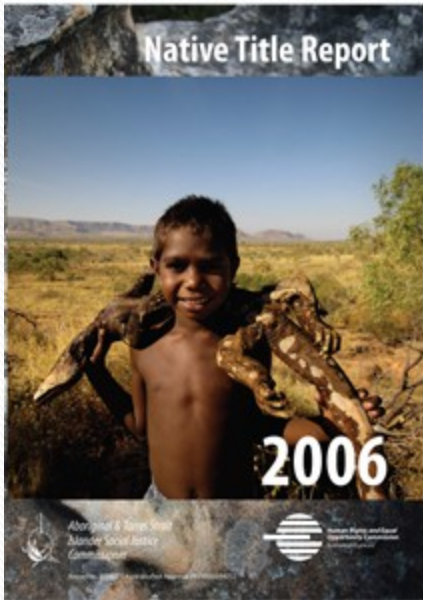
Introductory discussion

- Has anybody ever owned land?
- Has anybody ever used land?
- What do I say that it is the most important resource in the economy?

What is land?

- Classical economists focused on land: ‘the distinguishing feature of land is that it is essentially in fixed supply to the whole economy even in the long run’
- It includes all the resources contained in the land
- Not considered inherently different from capital and can be discussed as an equivalent ‘factor of production’
- Private ownership leads to efficient use of land
- Can be sold in a market which determines its prices in terms of supply and demand
- Can provide a living from rents

The indigenous perspective



- In societies whose very existence depended upon knowing the earth and how to hunt its animals and forage for its foods—the way of life for 99 percent of human history—respect for the natural world and an appreciation of the land itself as sacred and inviolable was surely inevitable. That sensibility was literally so vital that it was embedded in some central place in each culture’s myths and traditions and was embodied in each culture’s supreme spirits and deities.

- Kirkpatrick Sale

- All land is sacred. It is their bible. Indigenous people do not see the land as a commodity which can be sold or bought. They do not see themselves as possessors but as guardians of land. A fundamental difference between the indigenous concept of land and the western idea is that indigenous peoples belong to the land rather than the land belonging to them.

- Zapata and Schielman

Does the land belong to us?

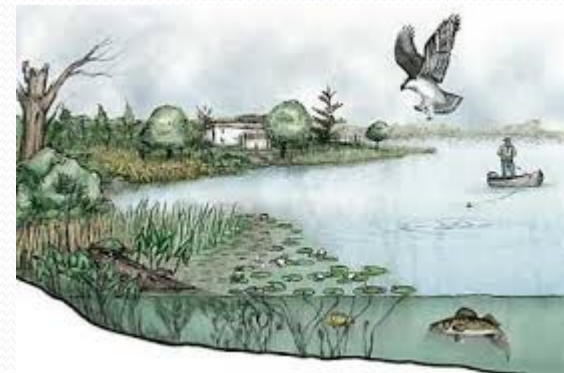


The Enlightenment position

- The natural world is essentially there for our benefit, our use, our comfort. The Colorado River is there to provide water for the people and farms of Southern California, needing only the technology of a Boulder Dam to complete what nature forgot to do; the Northwestern forests are there to provide lumber that the growing populations of the carelessly sprawling suburbs need to build their rightful houses; the Hudson River flows purposefully to the Atlantic so that human wastes and industrial poisons such as PCBs can be carried away, out of sight and mind, to the sea.

Exploitation vs. ecology

- Neoclassical economists no problem with ‘exploitation’ but ecologists do
- Three insights from ecology:
 - ‘carrying capacity’
 - ‘regenerative capacity’
 - ‘ecological niche’
- Population and consumption within the limits of that ecosystem’s regenerative capacity, and not exceeding what it can support or ‘carry’



Guiding principles of a green approach to land:

- Land ownership is conceptually dubious: there is a preference for stewardship
- Rather than exploiting the earth and its resources we should adopt a posture based on respect for the land, almost as an entity in its own right
- Since land is a ‘common treasury’ or ‘common wealth’ it follows that it should be shared fairly between those who have a need for it, and according to that need



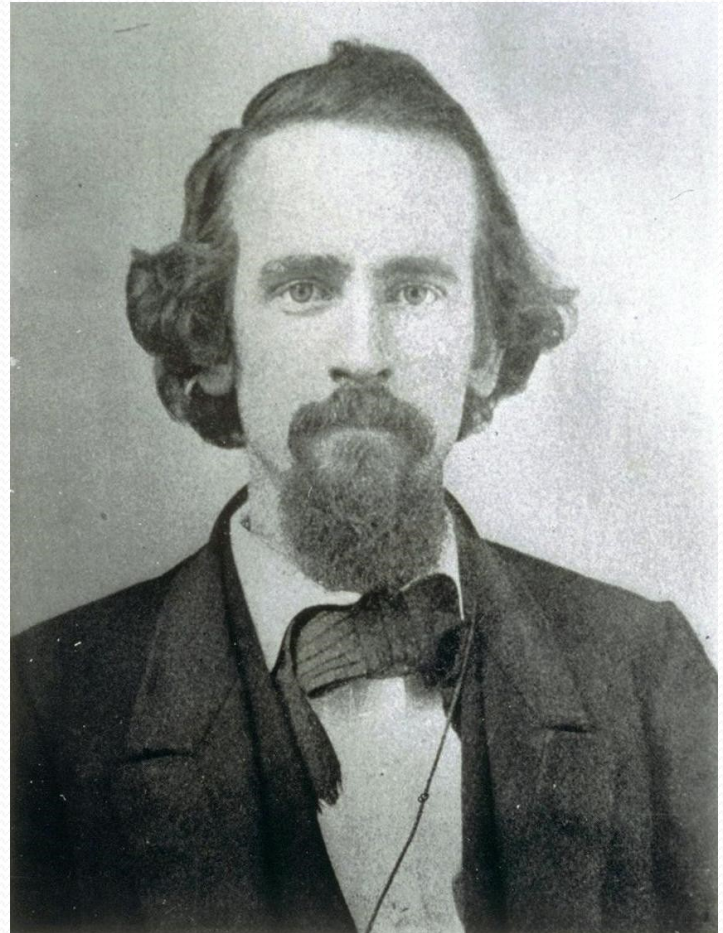
Discuss in groups

- How does land ownership work in your country?
- Do you have any areas that are owned as public or common land?
- Is land taxed in your country?
- Has your country ever undergone 'land reform'?



Who gains the benefit from land?

- Henry George
- *Progress and Poverty*, 1880
- The 'single tax'
- Site-value tax or Land Value Tax



Reasons for taxing land



- It is fixed
 - The proceeds of the most valuable resource should be shared
 - It leads to efficient use of land and means it is not left 'idle'
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- Reduce the concentration of land ownership
 - Can work with planning system to influence land use

Canons of good taxation practice

- Cheap to collect
- Difficult to evade
- Should fall lightly on production—sales and employment taxes discourage economic activity
 - Discourages speculative land holding, e.g. Olympic site in Stratford
 - Encourages active use of land

Land taxes in different countries

<i>Country</i>	<i>Experience</i>
Australia	Some form of LVT in every federal state
Russia	Following privatisation of land in 2001 land tax was set at fixed rate per hectare
Denmark	Land tax levied on all private property, at a rate that varies between municipalities
USA	Two-rate property and land tax used in Pennsylvania; two rate system used in Pittsburgh between 1913 and 2001
Canada	Some cities and provinces tax land values at higher rates than improvements—a commitment to the principle of land value tax

Land Value Tax

- What would the consequences be?
- Can you see issues and problems?
- Who would gain? Who would lose?
- Would there be more development or less?
- Would it lead to more or less inequality?