

ENLIGHTENED DOCTOR

R.V. Anderson, ed. *Commons Without Tragedy: Protecting the Environment from Overpopulation - A New Approach*, London, Shephard-Walwyn, Savage, Md., Barnes & Noble, 1991.

IT IS NOW more than 100 years since Henry George set up the two central columns of the portico in front of a still imaginary temple of economic justice. They stand for 'two simple principles', as he put it, 'both of which are self-evident'. Here they are:

1. All men have equal rights to the use and enjoyment of the elements provided by nature.

2. Each man has an exclusive right to the use and enjoyment of

REVIEW by
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what is produced by his own labour.¹

To achieve these results, he proposed: *To abolish all taxation save that upon land values.*² It was

to the neglect of these two principles, and to the heaping of taxation on to labour and its products, that he ascribed the worsening of poverty in an age of material progress.

As a preliminary to establishing these propositions by means of deductive reasoning that would have done credit to a Euclid, he had disproved the two main current theories that attempted to account for the same phenomenon. Of these the best known is that of Thomas Malthus,³ that populations tend to increase faster than subsistence.

Zimbabwe lesson

ONE of the problems facing the governments of both Zimbabwe and Namibia is the huge cost of making a significant impact on land reform. In the case of Zimbabwe these costs have to be faced at a time of severe financial constraints under the Structural Adjustment Programme.

What are the prospects for new approaches where the government has much less direct involvement? Can legislation be introduced which encourages significant changes in land ownership with the government only playing the role of watchdog or umpire? Now that the concept of market forces is so popular, is there any way that it can be harnessed to promote more productive use of land?

In the case of Botswana an ingenious policy has been worked out to gradually ensure that land owned by foreigners is taken over by citizens. The recent Land Reform Policy Conference in Namibia deliberated hard on this problem. The government was forced to point out that it is difficult to attract foreigners to invest while measures are being taken to arbitrarily dispossess other foreigners at the same time. The Botswana measure gets round the problem by working through market forces.

Legislation was passed to the effect that all land sales must be advertised and a heavily loaded transfer tax is levied if the buyer is a non-citizen. Presumably if price levels escalate and the tax becomes ineffective, it can be raised until it does. The major attraction of taxation as a land reform tool for African countries during structural adjustment is that it should be self-financing and may even make a net contribution to government revenue.

The Zimbabwe outline Land Policy, that was announced at the end of July 1990, has a section which proposes the imposition of a new Land Tax. The Minister, Dr Witness Mangwende, commented that: "this is mainly to encourage the proper utilisation of land and also to avoid the bad habit of people who just buy land for speculative purposes". It could also have the effect of encouraging people

• ZIMBABWE-BASED RONALD WATTS tells *Land and Liberty* that "land taxation is now a very live issue throughout South Africa." He recently undertook a lecture tour of the Universities of Cape Town and Pretoria. In this article, he explains why land reform ought to include a reform of the tax system

to sell farms either for resettlement, or for other more efficient, large-scale farmers to take over. With some additional legislation it would be relatively easy to encourage the sub-division of farms.

The concept of developing many more medium-scale farms in Zimbabwe, particularly in the higher rainfall areas, has already been floated by Dr Mandivamba Rukuni, the Dean of the Faculty of Agriculture at the University of Zimbabwe.

Legislation to encourage such a move could include tax incentives where properties are divided, and a relaxation of the present rules that discourage sub-division.

According to Alan Buri, the president of the Commercial Farmers Union, his members are unhappy about proposals to limit the number of farms by decree. It is likely that measures to reduce the size of farms through the use of market forces would find fewer objections.

Zimbabwe already has a system of land taxation applied by rural councils and the Government had promised to take this into account in fixing the new tax. In 1989 rural councils in Mashonaland West raised \$1.70 million while the other provinces raised lesser amounts. Presumably, the new tax will be on a much higher scale and may need to be off-set against income tax.

There has been much controversy over the question of