

HGF School Essay Competition

How the ideas of Henry George are relevant to young people today - Peter Bunce's winning essay.

In a world fraught with economic difficulty and few prospects for young people the ideas of Henry George offer a refreshing and radical approach to improving the situation. As an economist he has been over looked and tossed by the wayside as less radical theories have come to prominence; it has been a long time since a major politician has openly advocated the work of George as a valid solution, but for me, as I assess in greater depth his ideas, it seems that now is a time where George's theories would have a profound and positive impact on our lives and on our economy. The empirical evidence of the monetarist economic theories, advocated by the likes of Friedman, in tandem with a rigid taxation policy, demonstrates its inadequacy, its flaws and its dangers, for the financial crisis that still threatens the financial and economic world is a consequence of such greed, deregulation and disincentives to genuinely invest. There needs to be a change of course if we are to see long term economic growth, that is sustainable and whereby the young people of today can truly benefit, and can achieve social and economic wellbeing within a society or community. Henry George presents a clear theory, that one cannot say would definitely deal with the previously mentioned issues, but seems to present a valid and multi-dimensional solution. As empirical evidence is the clearest indicator of economic success or failure giving the theories a practical baptism is the only way to test their validity; so let us start now.

The debt burden which has become a social norm across the globe and which considering its nature is a consequence of a greed that is not conducive to a civilised and unified society. It provides us with far too much anxiety and is something that though argued to be unavoidable is something that we can quite easily be rid of. It has become the bedrock of our financial community, and through irresponsible debt we were landed with the economic crash of 2008; debt became loose and not payable and we were left with no valid way out but bail outs.

Debt of course is a hindrance we are all likely to face but its most prevalent cause for the youth is the cost of tuition fees, which of course have been hiked up by the Coalition to £9,000 in the majority of cases. The debt that one will leave University with will be astronomical and will already provide you with a disincentive to take risks, to pursue enterprise and will limit your opportunities immediately. To limit young people so dramatically by placing them in such a predicament seems to be an affront to the ideas of social equality, whereby all have equal opportunities to succeed, which are so vehemently advocated by all major political parties in the United Kingdom.

Henry George would see the problem of student debt as one that would be directly related to the government's budget deficit, or otherwise, most directly of course related to taxation. The problems are inexplicably linked, for the tax system in this country provides similar disincentives to workers as does the tuition fees system to students. If the government were to take hold of its finances and not pursue

taxation policies that are unjust and unequal, it could provide the money to fund higher education permanently. It would not require the student loans system whereby the initial funding is paid by the government but then is repaid by the students, for the money which will have been acquired through a fairer land based tax, which would dissolve the idea of personal gain in search of a more communitarian form of gain, will allow the governments revenue to outweigh its outgoings.

If we accept the ethical premise that all peoples, especially the young who have done nothing to abuse or degrade the earth, have an equal right to the use of the earth and all its natural resources hitherto, then one would view that George's admonishment of the present taxation system, as fair and justified and of the premise of our present democracy that we have a right to 'own property' to be an idea of inequality and injustice. It is from this premise, one equally advocated by Jean-Jacques Rousseau who stated "that the fruits of the earth belong to us all, and the earth itself to nobody", that Henry George formed his ideas, whereby the taxation on capital and labour were counterproductive to economic activity for they discouraged it and caused greater unemployment. It is the support for a land value tax that is interesting for our present economic situation, for it would, in theory, increase the capital investment, and would because of the communitarian aspect of the theory add extra value, because of the contribution of the community, to the land and help counter the effects of the previous private ownership, without taxation, of land. To tax the land, would put an end to the land speculation, which was a major cause of our economic difficulty and would protect wages, and ensure that real wages were secure and not under threat from a profoundly unfair tax system. If it were to raise capital investment it would encourage job creation which would begin to offset the alarming figures of 1 million youth unemployed that so plague our headlines, and so worry the present young people, who see a stagnant and fearful economic system. Of the few who do try, they are trying in self-interest, and not for the good of the collective, and where it has become so bitter, and where the taxation system has become so intrusive, how one can expect, without a huge change young people to have hope or enterprise.

The ideas of George are increasingly relevant, and it would be foolish to suggest that only in some areas can they benefit the young people of today, for all economic principles are inherently linked in some manner, and to pursue a Georgist approach one must accept all aspects of the philosophy. If we see debt and taxation as the two major vices, that undoubtedly threaten the progress of today's youth, then the ideas of George to move

taxation from income and capital to land, which will ensure sufficient government funding to support the higher education of our young people, are highly relevant and perhaps present the solution to a stagnant and degrading economic system whereby self-interest by the free market leads to exploitation, and in which government taxation limits a communities aspirations and hopes. Young people deserve a chance, by which they can serve and be served by the community, in which they can

contribute to wealth production but not exploit their neighbours or the earth, to pursue the economic theory of Henry George would allow those young people that opportunity.

