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GROUNDING THE HOUSING QUESTION IN LAND: ON ANNE HAILA'S *URBAN LAND RENT*

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KEYWORDS: financialization, neoliberal urbanism, right to the city, the housing question, urban citizenship, urban governance, urban social movements

Anne Haila's *Urban Land Rent* (2015) is an exposé of Singapore's success in transforming the state institutions governing land, property, and markets over the past half-century. During this time, Singapore became a 'property state', wherein the government owns 90% of the land, providing 'affordable owner-occupied public housing for the majority of its population' (Haila, 2015: 4). Haila's designation of Singapore as a 'property state' signifies much more than sanctifying property rights; it also suggests the active deployment of land and property to achieve state objectives. In that process, she claims, Singapore outperformed most other cities in terms of per capita economic productivity – especially those fitting squarely into 'capitalist' or 'socialist' economic paradigms – while maintaining comparatively low unemployment rates. She explains this success through a revised and expanded land rent theory applied to a purely urban context.

Haila develops what we term a critical genealogical analysis of land, rent, and property that results in a powerful synthesis of urban land rent, illustrated through a historical account of the political economy of Singapore's city-state institutions. The broad scope and long-term engagement of her methodological analysis, neither purely qualitative nor quantitative, serves as an excellent

expository through which to see a non-essentialist land rent theory in action. The craft of forming a meta-theory extrapolated through a real site – a purported actually existing alternative to neoliberal urbanism – makes an impressive contribution that others can learn from.

We begin by stressing why Haila's book centers land and housing within capitalism today. Next, we outline the structure of the book and its arguments. Then we summarize the methodological strategy of the book, discuss her twinned methodologies of a critical genealogy of rent theory and an institutional history of transformation in Singapore, and finally highlight ways that her methodology – while theoretically innovative and empirically illuminating – has limitations. Haila's *Urban Land Rent*, in addition to making substantial contributions to extending rent theory into current and future trajectories, provides a valuable example for developing a theoretical language that can be applied to empirical case studies.

Land and housing in capitalism today

Haila's most basic goal in *Urban Land Rent* is to impress upon the reader the importance of land in urban studies. Land, she postulates, has an inextricable connection to how modes of accumulation, techniques of capital extraction, and forms of urban governance regulation coevolve under finance capitalism: a phase of capitalism where growth stems from leveraging and speculating on assets rather than commodity production. It is now commonplace to attribute the 2008 global financial crisis to the proliferation and default of risky, subprime mortgage loans, but urban scholars are only recently reemphasizing the roles of housing and land as central components of contemporary capitalism (Aalbers and Christophers, 2014; Saegert, 2016). Haila's strength is her breadth of approach, ranging from, for instance, Marxist urban theorist Henri Lefebvre to Keynesian economist Joseph Stiglitz, to understand Singapore and contemporary financialization-driven capitalism. While Lefebvre (2003) foresaw the shift from industrial production (the 'primary circuit' of capital) into real estate (the 'secondary circuit'), the role of land has remained a blind-spot among economists, like Stiglitz, who privilege the analysis of real-estate bubbles and strategies to mitigate their effects.

Haila's argument

Urban Land Rent proceeds in two stages. The first half unpacks the state of land rent theory, tracing various 'representations of land' (Haila, 2015: 21), or what we might think of as the 'mythology of land': the stories behind the various traditions of thinking about land. Myths ground 'theories of land' and how land becomes 'property', which ultimately 'justif[ies] landownership' (2015: 21). The second half traces Singapore's development, in which Haila embeds her analysis of land within a series of social institutions, actors, and

politics that meld into the unique ‘preconditions’ of Singapore’s property state and its subsequent ‘housing success’ narrative.

Haila examines how urban scholars have underemphasized the importance of land and property over past decades (major exceptions include Harvey’s (1973) *Social Justice and the City* or Scott’s (1980) *Urban Land Nexus and the State*). Challenging the hegemonic position of neoliberal urbanism in academic discourse on land restructuring, she destabilizes the ‘blind faith’ most urban economists place in private property as an essential prerequisite to fluid land market transactions. Influenced by Karl Marx, Friedrich Engels, and notably Henry George, she centers the role of the state as essential to improving ‘market’ efficiency.

Singapore functions as Haila’s ‘laboratory for testing land rent theory’ (2015: 19), chosen because of its unique combination of features relating to land. The city-state has to contend with a scarce land supply within a confined urban setting, maintains a high proportion of public ownership, and makes substantial provisions for housing. Indeed, land functions within a political ‘land logic’, inscribed into the state apparatus by the People’s Action Party (the nearly unrivaled ruling party since independence in 1965). She works to unravel *how* Singapore elides normative, false-dichotomous framings of urban governance as ‘capitalist’ or ‘socialist’, and urban economies as ‘free market’ or ‘command’, *laissez-faire*, or welfare.

Haila’s examination of Singapore draws on the housing question as postulated by Friedrich Engels (1872), which addresses the inadequacies in the production and provision of affordable, decent housing in a capitalist economy of low wages and unequal political power. She argues that Singapore has ‘solved’ the housing question because around 90% of the population (Singaporean citizens or permanent residents) owned their flats by 2013 (2015: 101), most of them in public housing. Whereas ‘public housing’ means state-owned housing for most urban scholars, she argues that the Singapore city-state has gradually changed incentives through institutions that encourage the transition of tenure from state-owned to a hybrid model that has most features of individual ownership (for example, through the creation of a compulsory pension saving system, which residents can apply toward purchasing their flat, while preserving government control of the land (through approximately 99-year leases). This process of rent ‘manipulation’ by the state is why Haila undertakes this extended analysis of land rent theory and its contemporary relevance.

Methodology: land rent theory in action

Haila derives her theoretical inspiration from the political economy of land and housing institutions. She uses a variety of methodological strategies to connect her theoretical framework of land and rents to the evolution of Singapore as a property state, with particular attention to critical genealogy and institutional

history. *Critical genealogy* unpacks concepts (in this case land, rent, and housing) from a variety of intellectual traditions, interrogates their assumptions, refines the terminology, and then illuminates material manifestations of those components. Once these intellectual fields are tilled, Haila works to sow the seeds through observing Singapore's governance practices. She unfolds her *institutional history* to tease out spatial-historical, material manifestations of land and housing practices, markets, and policies in Singapore through the lens of institutional changes. Contrasting her approach against 'single-city ethnographies and comparisons between cities', she aims 'to analyze land and land ownership, and explain urban development processes' (2015: 46).

Haila asserts that her approach is distinctive from those of other scholars researching Singapore, which she divides into four categories: from the West, from the East with an Asian cultural perspective, as a global city, and as a developmental state. For her, none of these provide satisfactory explanations for Singapore's success, in large part because they neglect the history and consequences of the city-state's governance of land.

Critical genealogy: the life of rent

Haila's methodology of *critical genealogy* is rooted in a process of categorical excavation, wherein she returns to alternative theories of property, and shows how they have not always been as marginal as they may seem today. For Singapore, she demonstrates how such a heterodox lineage can be more effective in elucidating the functioning of land institutions. Her other goal in tracing the genealogy is to develop a language that can be used in an 'intercultural, neutral, and general sense' (2015: 51).

Critical genealogy is a methodology of theoretical excavation. This is a technique that can stand alone (as demonstrated in Haila's (1990) previous writing), but is best used in tandem with an empirical application. Haila's overview of the rent literature is systematic, extracting meaning and theoretical constructs in a way that is instrumental to the empirical work to come. One of the key contributions of her critical genealogy is to destabilize contemporary paradigms, in this case: 'first to show the embeddedness of today's dominant justification story in European history and European philosophies; and second to introduce alternative stories' (Haila, 2015: 56). This involves an exhaustive engagement with a broad literature, historicizing the sources.

This is most readily illustrated in her critique of Douglas North's scholarship, which has been foundational in reemphasizing modern ideologies of property rights. Haila identifies several inconsistencies in the empirical and logical basis of his arguments, proceeding to refute them one by one with the support of relevant academic studies. As with every theoretical branch she engages with, the thoroughness and clarity of her critique forms the basis of her method. She breaks down the assumptions underlying North's theory into a set of points that she examines in turn. What sets her method apart is that she uses this process,

central to any critical scholarship, to synthesize decades' worth of research and to organize relevant literatures via a uniform structure to support her argument (e.g. in the form of tables, for example). This allows her to mobilize the relevant literature to draw out the validity of a different conceptualization and even paradigm.

The crux of Haila's critique of North is the concept of 'efficiency', a concept that she returns to throughout the book to tell the story of Singapore in a more 'neutral' way. She uses the term to distinguish liberal economics from radical political economy. Liberal economics – in its classical, neoclassical, and neoliberal variants – emphasizes private property rights as foundational to individual incentives and fluid market transactions. She stresses the influence of John Locke, for whom property is foundational to individual liberty, focusing on North's claim that private property is more economically efficient than other forms of land ownership (2015: 34). Yet she also engages theories of land beyond 'neoclassical economics' (2015: 37–44), from Proudhon, Hume, Pufendorf, and Rousseau to Kant, who contest private ownership and situate land's 'propertiness' within social relations. For example, challenging the 'natural' notion that land must be privately owned, Hume recognized that 'property depends on the laws of society' (Haila, 2015: 37). Haila's methodology of reconstructing 'debates on genealogies' demonstrates that Locke's notion of private property, extended today 'to all sorts of alienable things and universalized as a hegemonic ideology' (Haila, 2015: 44), was contested and unascertainable among classical political economists.

To expand conceptions of property, Haila turns to Marx, Engels, and George. She is particularly concerned with land rent, arguing that 'rent theorists pay attention to social causes and consequences of land reforms', 'complicating' land and property by seeing 'rent as a social relation involv[ing] a power relationship and social control' (2015: 63, 59). Marx and Engels understood land rent as fundamentally a class relationship, arguing that land should be nationalized, which Haila considers a radical proposal because the government could most equitably distribute its usage. George was more politically pragmatic (Haila calls this progressive). Believing that nationalizing land would trigger catastrophic social conflict, George argued for taxing land, because 'rent is "unearned" and therefore would be legitimate to confiscate' (Haila, 2015: 55). A land value tax would be 'assessed on land values separately from the value of buildings and improvements ... confiscating the land rent' (2015: 79, 67). Haila then connects land rent theory to urban development, painstakingly cataloguing and differentiating the diverse uses of rent (at least 13) of varying significance.

More than an exercise in theoretical exegesis, for Haila challenges the how concepts are often 'neutralized'. Her goal is to (re)define terms like rent-seeking or rent-manipulation so they can apply in places like Singapore with its fundamentally different conceptualization of property, without its system of governance being rendered deficient. Challenging its pejorative treatment in

the literature, rent-seeking – the ‘manipulation of the law or government in order to obtain profit’ (2015: 58) – plays an important role in her institutional analysis.

Chapter four of her book serves as a pivot between the critical genealogy and the institutional history, blending key ideas from her theoretical excavation with the intellectual history of Singapore’s leaders. For example, Haila connects George’s political economy of land with Singapore through the history of two of the country’s most influential leaders. She notes that Lee Kuan Yew, Singapore’s first prime minister who remained in office for over 30 years, and Goh Keng Swee, the second deputy prime minister, both attended lectures at the London School of Economics by Harold Laski, a Fabian socialist heavily influenced by the land economics of George. This helps set the stage for understanding the fluidity of change in state institutions that she describes in the second half of her book.

Institutional history

One of Haila’s central arguments is that Singapore’s leaders were able to define a distinctive style of land efficiency through the rapid and versatile development of ‘land institutions’ to govern its economic and social uses. Unlike North’s account of efficiency, which is entirely embedded within a capitalist and individualistic rights framework, she contends that Singapore demonstrates that an alternative conception is possible, based on balancing capitalist imperatives against social good. She examines the emergence of institutions designed to mediate the interactions between the state, global, and national capital, and residents. Her analysis of institutions focuses on the context shaping their emergence and the issues precipitating change, including the role of actors working to shape the institutional trajectory of the country.

Haila’s account of institutional change, focused on unintended consequences and endogenous change, is congruent with traditional forms of institutional analysis in political science. Yet, she attempts to shift the focus from political power to ‘problem solving’. She highlights the pragmatism of Singaporean politicians and developers, sometimes at the expense of a more nuanced understanding of institutional stickiness and contestation.

This is clearly visible in her chapter five, where Haila uncovers the institutional webbing connecting different aspects of policy, government, and economics with the housing question. Haila moves quickly from one institution to the next, stating the problem and the solution as if one followed fluidly from the other. In the process, she offers illustrations of her theoretical framework on the ground and deploys it to explain the situation in Singapore.

Haila seamlessly narrates the state-led institutional reforms, additions, and adjustments implemented to adapt to changing economic and demographic circumstances facing Singapore, drawing a direct connection between the ideological content of these institutional changes and the radical European

land rent theories known to its policymakers. This is animated through secondary historical sources, newspapers (mostly English language), demographic data, policy analysis, and direct observation. By combining these sources, she creates a comprehensive picture of how the diverse organizations became involved in realizing the state's institutional vision.

Haila analyzes the role of institutions in shaping land use through a focus on statutory boards, government-linked companies, and globally operating investment corporations. Her 20-year engagement with the city, formally and informally interviewing numerous officials, developers, bankers, and civil servants, enables a rich analysis. At the same time, the narrative often includes parallels to comparative cases with which Singapore shares important institutional features, especially China and Hong Kong, but also European countries in order to illustrate where Singapore departs from such conventional housing typologies as the inverse relationship between the size of the public housing sector and homeownership.

Haila argues that this sprawling institutional complex has enabled the state to facilitate the ease of entry of international businesses through clear expectations and low establishment costs, to ensure that land is devoted to the right mix of industrial, commercial, and housing uses to keep the costs of labor reproduction low (enhancing attractiveness for investors), and to tamp down land speculation. Noting how mainstream economists have extensively utilized rent-seeking to explain the supposed shortcomings of Asian economies, particularly their lack of entrepreneurialism (2015: 122), she argues that while Singapore's developer lobbies use political manipulation, the institutional context within which they are embedded prevents them from acquiring monopoly rents. In making land available only through auctions, the state can impose restrictions on how land can be used, and for how long. Paradoxically, this heavily regulated land market is thus critical to insuring that the state can flexibly match land use to land needs through densification and redevelopment. It also prevents speculation by putting a timeframe on development (avoiding vacant lots) and restricting resales within five years, limiting property flipping. Haila argues that these anti-speculation rules were significant in enabling Singapore to bounce back very quickly after the 1997 Asian financial crisis (2015: 205). Simultaneously, she suggests, Singapore's economic success has resulted from a coupling of land regulations with smooth business practices, allowing domestic or international companies to enter the city and invest quickly.

While urban economic theory might suggest that this approach would be inefficient, slowing economic growth due to over-burdensome management, Haila argues that Singapore has demonstrated an actually existing 'correct mixture' of highly regulated urban environment that can foster economic growth. Through this analysis, she seeks to provide a framework for understanding not only land governance in Singapore, but also one that is relevant for other cities.

Limitations of Haila's methodological strategy

An unfinished genealogy

Haila's methodological choices align with a specific set of goals. She set out to synthesize land and rent theory and apply it to an overlooked aspect of one of the most puzzling case studies of modern urban development. Her larger goal is to provide the foundation for theorizing across land and rent paradigms, proposing a framework for elucidating state-led development and individual property rights systems. The book is a step in this direction, not a complete blueprint.

With regards to transcending intellectual boundaries, Haila asserts that she is offering an alternative to the four dominant lenses through which Singapore has been analyzed. Yet there is a sense of irony when she equates the western theoretical lens with the property rights framework only to use another set of European thinkers to develop her alternative. In essence, she is bringing a western framework marginalized in the European context to the context of Singapore, where it provides novel insights.

The land rent theory that she develops is incisive, opening new avenues of inquiry into Singaporean exceptionalism. Yet this is in tension with her stated desire for her approach to be applicable to other cities. In one sense, Haila fails to engage with a genealogy that takes the position of her case in Singapore seriously, to consider alternative approaches to 'property' that do not fit her fourfold typology. Singapore is exceptional because it offers a way to 'purify' an abused or maligned rent theory, but she does not consider that a generalizable rent theory might require detours into non-western theory, only non-western empirics.

While *Urban Land Rent* brings insights into the synergy between land regulation and an ultra-liberalized market, her methods distort some of Singapore's complexity. For example, gaps remain in how the Singaporean version of homeownership relates to the private property rights framework. At the micro-level, the incentive structure the Singaporean system provides for individual homeowners and its implications for how they navigate the economic system is vague. This raises questions regarding the lack of fit with prevalent theories: is the mismatch theoretical, or is it due to Singapore's exceptionalism? Haila argues that Singapore is better understood through the lens of land rent theories, but what this approach obscures may be as important to understanding Singapore as what it illuminates.

Haila excels in showing how classical economists take for granted both institutions like property rights and the larger capitalist structure. Yet she does not demonstrate how rent theory is empirically superior to liberal economic accounts. Her laser focus on the role of land and property governance in Singapore's development makes her causal argument persuasive to the extent she shows that any account of Singapore's success would be incomplete without the factors she emphasizes. Yet this focus makes it difficult to see how her framework would perform better in a different context.

Top-down institutional history

Haila's methodology is less persuasive when she unravels Singapore's institutional history because much remains left out. As noted above, her primary empirical strategy is intermixing interviews, newspaper clippings, and secondary historical source material to present and analyze the emergence of this property state. There is considerable detail that is very precise and includes emergent themes relevant to land in contemporary urban studies (Real Estate Investment Trusts, securities, derivatives, anti-speculation strategies, etc.). Yet, whereas Haila emphasizes complementarities between the various political and economic systems, much of the data fails to connect to critical aspects of Singapore's development. In adopting a retrospective approach to Singapore, presenting it as a model state in resolving the housing question, she tends to present the road taken as a teleological trajectory, with no other possibilities, wrong-turns, or contestations.

Furthermore, Haila's institutional narrative fits into a classical approach to institutions where change is seen as the result of exogenous factors, a framing to which Singaporean state leaders themselves often turn to rationalize their actions. Given the expanse of institutions she covers, she cannot provide a more nuanced account of the fluctuations in power dynamics that shape all these organizations' and actors' incentives over time. For example, chapter five lists the dozens of government agencies that were created to regulate land and housing, but without establishing clear parameters for their creation. This gives the impression that the state has been able to respond to changing conditions rapidly, sometimes predict problems, and unwaveringly adapt to new challenges. Yet such a trajectory seems unlikely in light of the apparent failures that both democratic and authoritarian (Rodan, 2012) regimes inevitably run into, including Singapore (for a discussion of the limits of the racial quota system, see for example Sin, 2002). This creates a kind of selection bias; because Singapore succeeded, Haila can retrospectively retrace all the correct steps.

This bias is reproduced in her choice of interlocutors for the interviews sprinkled throughout the text: primarily major figures. Her analysis thus lacks the perspective of non-experts, or attention to how resistance or urban social movements might have contested dominant institutions. She acknowledges the mass evictions that characterized Singapore's transition from a city of informal kampungs to one whose population became concentrated in dense, newly constructed, high-rise flats. Yet, by leaving no room for considering alternative possibilities, this implies that this end justified evictions as the means. The process itself was problematic and the outcome is not without salient concerns. The city mitigated evictions by offering displaced populations public housing and subsidies (Haila, 2015: 99), but this might just shift the question of displacement from access to housing toward political and cultural access to particular housing forms. For example, migrant workers are confined to poor dormitory-style housing, with little means to claim access to the housing they are responsible for building.

By definition, critical urban scholarship seeks to integrate the perspectives of the most dispossessed in cases where they are directly implicated. Less influential informants – such as tenants, marginalized citizens, and non-citizen migrant workers – should have been interviewed and would have likely enriched the conclusions. Singapore, like many other city-states with limited populations of citizens, has notorious issues with migrant workers who provide much of the day-to-day labor for the state, particularly in the construction industry that makes housing development possible.

Haila does not completely ignore the most precarious experiences, highlighting how immigrant laborers often live in overcrowded housing with 30 people sharing a flat. Yet she claims that Singapore has solved the housing question and that tenants have a right to the city, while seemingly omitting the perspective of those at the margins. This is best illustrated by the section she devotes to inequality in Singapore, which pushes aside potential issues in four short pages (2015: 165–169). Her argument here is unclear about whether the housing question has been resolved, or the right to the city achieved, for precarious populations who are clearly living in poor conditions with limited access to the city and basic human rights. Indeed, Engels' (1934) original discussion of the housing question criticizes dealing with the housing shortage by simply extending ownership of housing to the working classes, describing this as a bourgeois socialist solution that does not confront the real problem – the capitalist mode of production. In overextending her claims, Haila seems to be making the case that inequality has adequately addressed in Singapore, displacing, if not silencing, dissent in the process.

Summarizing, Haila's political economy of land remains a top-down, somewhat functionalist analysis, failing to incorporate perspectives from those who her theory aspires to emancipate: the most vulnerable. Ananya Roy (2014) has written that the paradox of inclusive growth in cities like Singapore is that the city-state is ultimately dependent on an underside of immigrant labor who are silenced, displaced, and denied urban citizenship). In repeatedly highlighting the near universal access to public housing and ownership, questions persist as to who is left out. It might be suggested that the 'unfinished' nature of her genealogy of urban land rent in Singapore triggered the empirical blind-spots of Haila's institutional history. In framing her land genealogy so tightly around the Fabian socialist rent theory, justified by their (limited) connection to a very select few (albeit important) Singaporean elite, the analysis is set up as a top-down approach. Haila's conclusions raise a warning for scholars not to overstretch the implications of urban scholarship at the risk of silencing vulnerable populations or neutralizing broader language of urban emancipation. It also is important to emphasize, as Haila acknowledges (perhaps without sufficient emphasis), that Singapore's single-party 'democratic' system over the past half-century poses ongoing challenges for how to 'think through' the exceptionality of Singapore as also an applicable case study for other cities.

Conclusion: a model to selectively replicate

Notwithstanding these concerns, *Urban Land Rent* is an inspiring example of a project demonstrating actually existing alternatives to failing urban governance policies associated with neoliberal urbanism worldwide, policies that have contributed to widening inequality. It also is a crucial reminder that urban studies and urban economics must fuse housing and finance in order to understand the central role of land within global capitalism.

Reflecting on Haila's motivations, it is important to reiterate her commitment to the production of knowledge within the tradition of critical urban scholarship. She demonstrates how one might seriously synthesize and extend a theoretical tradition in urban studies, while also illuminating those ideas through a multi-decadal research commitment to a globally oriented city-state. In systematically examining a broad scope of literature through the lens of the empirical issue of interest, she shows how to construct an original argument through which to approach empirical work. *Urban Land Rent* thus stands out as an excellent example of translating a theoretically informed perspective into an in-depth case study.

Haila's approach comes with important reservations, however. By overcommitting to a theoretical framework that privileges top-down analysis, her analysis obscures elements relegated to urban peripheries. In this era when urban theory is of such central concern, it is tempting for scholars to commit to a theoretical framework and then feel the need to fit their empirical findings within its confines, rather than approaching empirical work with an open mind – asking how empirics may challenge received theory. Haila's critical genealogy exemplifies this temptation, against which its limitations offer a warning. The problem is not methodological: institutional analysis is uniquely well adapted to studying issues of disparate power and representation and also tends to inductively breed theory from observed empirical regularities. But her institutional analysis is embedded within her theoretical commitment.

Urban Land Rent is an essential read for students investigating rent theory, housing studies, or the role of land and finance in cities today (and especially for those thinking outside the orthodoxy of neoliberal urbanism), but we recommend that readers proceed with caution. Haila's critical genealogy and institutional history serve well to illuminate urban land rent theory and Singapore as a 'property state', yet her conclusions remain contingent on her top-down approach.