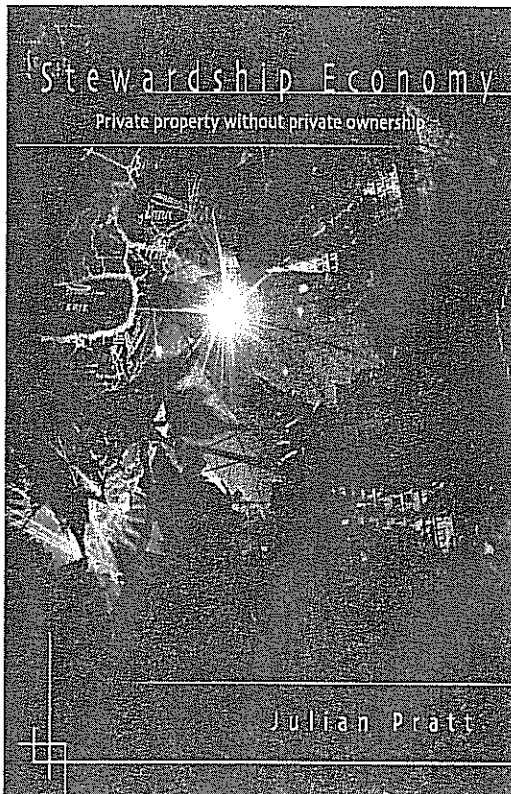


Stewardship Economy

Private property without private ownership

A Book Review by Lloyd Churches



“Once you see the world from the perspective of stewardship, none of the familiar challenges look the same. You will have a new way of thinking of what to do about poverty, the environment, globalisation, the tax-benefit system, house prices, negative equity, recessions, sovereign debt...”

I first came across this book at Prosper Australia's bookshop where the office manager, Anne, told me it was the book Leo Foley spoke of in his speech at the annual Henry George Commemoration Dinner (see previous issue of Progress for an extract). I hadn't realized that Leo had been inspired by a book but since his talk, this word 'stewardship' had been featuring prominently in my thoughts. So naturally, I bought the book the instant I saw it.

I believe the word 'stewardship' is a powerful magical word. I say this because to me it instantly evokes a state of mind that lets me clearly see the georgist paradigm. We want to change the economic system. In essence that means changing the system of property rights. Stewardship of land must replace ownership of land. The word stewardship means you are holding possession of something for the benefit of someone else. With regards to land it means that land does not belong to us although we have possession of it. It means we can keep possession and control of the land but with the responsibility to care for it and the duty to give the market rent of the land (or stewardship fee) to the community.

One of the biggest advantages of the term is that it bypasses the word 'tax'. Traditional georgist literature talks about the single tax or land tax or LVT (land value tax) and about tax reform. By using the term 'tax' we are trapped in an old paradigm, in 'their' paradigm. It's also quite a turn-off. If we want people to understand the vision we need to use language that has the power to evoke a new understanding.

The book's introduction asks us "What would it be like to live in a society that does not treat the land and the environment as things that can be owned in the same way as things that people have made?" and states that "a 'stewardship economy' is one in which the natural world is held in stewardship while artefacts are held in ownership".

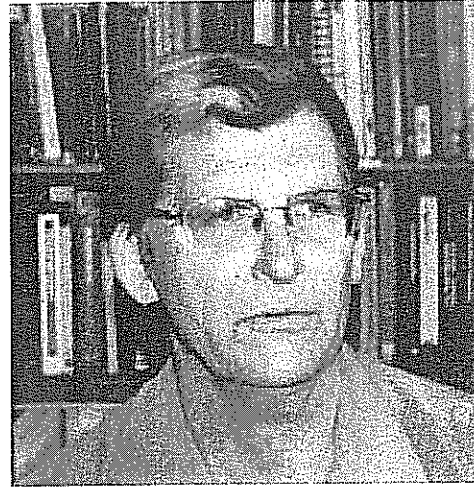
I like the fact that the book is well structured. (It makes me wonder if the author, Julian Pratt, was an engineer like so many georgists are.) In particular I like that there is a section about transition toward a stewardship economy which is clearly separated from the sections about general principles and the description of what a stewardship economy would be like because so often the complexities of transition are

presented as a reason against the idea and people forget that transition is temporary (although temporary can mean a generation in society's timeframe).

The largest section of the book called 'Stewardship in practice' is a description of a stewardship economy compared to an ownership economy. For nearly half the book, the left side starts off with "In an ownership economy..." and the right side says "In a stewardship economy..." and so each spread explores a different issue and so in this way perhaps fifty issues are explored. This sort of depth is truly amazing. As georgists, we all know how one simple idea can have a myriad of beneficial effects and we are constantly amazed as we realize more and more of them. Well here we are treated to the author's extensive knowledge and I'm sure you'll find some of the insights you've had crystallized in his pages. The topics are quite extensive and cover areas such as land use, planning, pollution, energy, economic boom-busts, taxes, international issues to name just a few.

One of the topics, planning, gave me some new insights. He says that in a stewardship economy planning will become prescriptive instead of permissive. This means that now our town planning gives permission to land owners to develop some land but often the landowner is in no hurry to develop. In a stewardship economy there would be the incentive to develop in the form of stewardship fees so the planning is prescriptive, what is planned gets carried out. In an ownership economy, people have paid a lot of money to buy their land so we tend to think it unfair to tell what to do with 'their' land. In a stewardship economy people have not invested huge amounts in land so the money doesn't get in the way and the people would take much more interest in planning their community once they see results.

As you've in no doubt realized I really like this book. However, there were a few things that made me wonder. I didn't understand everything. When he talked about 'true cost pricing' I was suspicious that he was proposing unnecessary charges and I had a hard time accepting the universal income idea as necessary at first. In the end I agree with him all the way and see it as an important way of winning people



Julian Pratt is the author of Stewardship Economy

over during transition. Another thing I thought that was hard to accept is stewardship as a kind of private property. Here he's making the distinction about who decides how the land is used, it is still private individuals that decide, not the collective.

As I was reading I was eagerly waiting to get to this section about transition. I could have jumped ahead but I didn't. It's worth the wait. Although transition is dealt with in one chapter, he does refer to a supplement to be published later that covers transition issues in detail. The chapter therefore is more about general principles and how transition would be different for different countries. It starts with the principle that the owner retains the value of any property rights at the onset of transition.

I highly recommend you get the book. There's so much more I haven't told you about. It should act as your handbook. There's a section on what you can do now; including research, education, campaigns and links to many different organisations and resources.

One downside of the book for us Australians is that many of the examples and terminology are relevant to Great Britain and it would be good to have a book that addresses the Australian economic and political landscape. That could be your next challenge, to rewrite the book for Australians. I'm sure Julian would encourage you to do that because he has released the book under a creative commons license so you can copy, adapt and distribute it as you want.

So who is Julian Pratt? As far as I can gather, this is his first book; he lives in Great Britain and is an active georgist there. He has a website for the book (www.stewardship.ac) and you can even download the book in pdf format for free from there; that's very generous.

You can order the book from the website (via Amazon) or Prosper Australia's bookshop can also send you a copy for \$12 + postage. Consider it your duty to get yourself a copy now! (Ring the office on 03 9670 2754).



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