

# GEORGIST THOUGHT AND THE THEOLOGY OF SOCIAL REFORM

by Cliff Cobb

Speech to the Torch Club, Sacramento, December 1997

## THE DIFFICULTY OF NEW THINKING

In order to truly grasp a new concept, we need something old to which to connect it. But in the process, we might simply see the new as an extension of the old. The truly novel element of an idea can be difficult to appreciate.

The new concepts I want to talk about tonight are those of Henry George, a late-19<sup>th</sup> century economist and social reformer. The principles enunciated by George are not simply a restatement of familiar ideas. The Georgist paradigm for social revitalization through tax reform is a novel synthesis that can be distinguished from both capitalism and socialism, individualism and collectivism. In order to grasp it fully, one must move outside old patterns of thinking.

I first came to the ideas of Henry George as a way of solving the problem of urban sprawl without intrusive regulation. Other people are attracted to it as a means of eradicating poverty by raising wages and the demand for labor. Still others see it as an efficient method of financing government.

Those are the hooks that arouse interest in the Georgist system of thought, but they are only fragments. Those fragments are rarely allowed to challenge preconceived ideas. Most libertarians who learn about Henry George remain libertarians; most progressives remain progressive. The idea that the Georgist key unlocks the door to a very different society, which falls outside the libertarian and progressive world-views, is elusive. To those accustomed to fragmented social reforms, it is hard to imagine that abolishing the privileges that choke off initiative and personal responsibility would not just solve isolated problems in our society. Yet that is what Georgist philosophy is about: the renewal of public life and a change in the character of citizens.

When Georgists make comments like that, we are generally met with baffled silence. We seem to leap from a seemingly trivial aspect of economic life, namely the role of land tenure, to a grand philosophy of society and history. It is difficult to explain to a casual audience the precise method by which we believe we can make that jump. The technical details can be provided, but until the imagination has been sufficiently stimulated, most people are not willing to undertake the hard work of seeing how the pieces of Georgist economic theory fit together.

## SOME ELEMENTS OF GEORGIST THOUGHT

My procedure this evening will be to say a few words about Henry George's basic ideas and then talk about some intellectual obstacles to taking them seriously.

Essentially, Henry George perceived that at the root of the myriad problems that arise in a modern society lies in the inequality of ownership of land. A few dozen or few hundred wealthy people in every city own enough real estate to hold everyone else hostage economically. They do so by holding some of the best properties off the market. The result is that those who want to make money the old-fashioned way--by working--are forced to use locations that are not as good as the idle ones that others control. Wages are set according to what a person can earn at the margin of production. As real estate speculation forces people to work on sites with lower productive potential, wages are depressed. In addition, urban land held idle reduces the demand for labor and causes unemployment. Finally, the same practice of leaving urban land idle causes urban sprawl. It forces development to occur at the periphery of a city, thereby raising the cost of public infrastructure and swallowing up tens of thousands of acres of farmland. Henry George proposed to solve all of those problems in a single gesture: by taxing the rental value of all land.

That thumbnail sketch can give you only the barest glimmer of the beauty of the Georgist philosophy. But rather than trying to convey that beauty, I want to discuss why so many people have been unable to recognize it.

## OBSTACLES TO AN APPRECIATION OF GEORGIST THOUGHT

The first problem that newcomers to the Georgist philosophy have is that the word "land" connotes to most people either soil used for farming and forestry or vast expanses of barren rock. Consequently, they say that land is not important in a modern economy in the way it used to be. They do not recognize that building skyscrapers in Manhattan or San Francisco or Chicago is a use of land every bit as much as planting turnips or cotton. Urban location value is precisely what Henry George had in mind when he talked about land. He was not an agrarian reformer, as a few historians have mistakenly labeled him. He was, if one must label him, one of the first urban economists.

Perhaps if we used the term real estate, which is actually a less precise term, we might convey better the connotation that we have in mind. Few people think of farming "real estate." Instead, they think of real estate as a game of speculative

investment that high stakes gamblers play and that sometimes allows upper middle class families to win a few chips. There was a brief time in the 1980s when Donald Trump was considered the icon of American wealth. Few would have questioned in those days that real estate could make a man wealthy, if not necessarily wise.

The second obstacle to seeing why George's message is still relevant today is that an intellectual fad has swept the nation. We have moved into what is frequently called the "information age." Bill Gates has become the icon of wealth in the 1990s. Software designers and knowledge workers are where it's at. They are the ones now regarded as producing the nation's wealth. The age of manufacturing material objects has supposedly died.

It is more difficult to respond to this perception because, like many other faddish ideas, it has some truth to it, even though it is ultimately rather superficial. Undoubtedly, more labor is now used in symbol manipulation and less in the transformation of matter and energy than 20 or 50 years ago. However, that does not mean that the value or relevance of location has changed. Businesses still locate in clusters to achieve economies of congregation and people still want to live near work and friends. It is hard to understand how anyone could imagine that land has been replaced by "information" when companies collectively pay trillions of dollars to occupy strategic sites. In addition, the Georgist philosophy is as much a response to monopolization of sites on the radio dial or of bandwidth on the Internet as it is to control of locations in cities.

The third obstacle to entering the Georgist world is what I would call the piecemeal or segmented problem-solving mentality. A fundamental feature of progressive thought in this century has been the idea that every goal requires a special instrument. If there are hungry people, progressives say we should give them food. If there are delapidated houses, we should build new ones. If farmers aren't receiving enough money for their crops, they should receive a subsidy. If poor people have emotional problems, they should be provided with counseling services. And so it goes. After at least 60 years of that philosophy, government has drowned in its own alphabet soup. Dozens of special needs populations have sprung up, and hundreds of programs have been created to serve them.

In the cacophony of liberal-progressive groups that offer direct relief from suffering, the Georgist voice is overwhelmed. It offers no programs of direct assistance to the poor. It proclaims no plans to build housing for the homeless, food for the hungry, or clothing for the cold. It has no list of needs that must be met by the government. It trumpets no rights, save one--the right of each individual to a share of the value

generated from the earth and from society. In a world used to a litany of woes and plethora of specific solutions, Georgist philosophy has largely been ignored.

## GEORGIST AND OTHER POLITICAL PHILOSOPHIES IN THEOLOGICAL PERSPECTIVE

I have spent a lot of time lately trying to understand why an idea that I believe has such great power has been dismissed so readily by people of good will in our society. I have concluded that the answer to that question can only be found in an understanding of the theological differences between Georgist and other political philosophies. Political differences today are often rooted in theological conflicts that can be traced back hundreds or even thousands of years. I will confess from the outset that my own training in these historical debates is rather limited, but I find that it helps me to think through issues in these terms.

Transcendence vs. immanence:

In the prophetic period of ancient Israel's life, an important debate was over the question whether the existing social order was sanctified by God or not. The religious insiders of the day (like those who preach the gospel of success today) deified the status quo. In effect, they said we have captured God in the temple in Jerusalem, and he is working for us. Or, they might have said, God is in nature, and if we say the right incantations, we can control nature and God. The prophets, by contrast, said that God could not be identified with either nature or society. God stands over against any given social order and critiques it.

Georgists stand with other progressive or radical movements in maintaining a transcendent view of God and ethical reflection. We oppose the status quo as long as it is corrupted by privilege. By contrast, those who see God at work in the market as it is currently constituted (or in a market system that gives further privilege to the powerful) have an immanent view of God. They tend to treat the existing distribution of power and wealth as holy and unalterable. They defend the status quo as inherently good.

Incarnation vs. gnosis:

Throughout history, some people have decided that suffering is a result of being in material form. These gnostics have seen salvation as living in a world of pure spirit, outside of the body. From this perspective, all forms of work are seen as degraded, but especially manual labor. This theology lends itself to political elitism: the ruling

class sees itself as superior because its members need never get their hands dirty. In our day, this theology is manifest in the glorification of disembodied information and the denial of the continuing significance of embodiment and social relationships.

The opposite of this is a theology of incarnation that sees no hope in escape from the world. This does not entail the glorification of materiality but a recognition that our salvation occurs in and through the most basic relationships in our lives, including our relationship to work. Georgists want a world in which work has dignity, not a world in which work has disappeared.

Sin as structure vs. sin as act:

In the Bible, a broken relationship with God is referred to as sin. That word has a long and complex history. When people use it today, if they use it at all, they generally use it as a synonym for an improper action that results from what a person wills to do. A sin is understood to mean a discrete event, such as stealing or lying, which one chooses to do or not do. This concept of sin tends to lead people to moralize. On the political right, we have Nancy Reagan telling children "Just say no to drugs" as her way of admonishing them not to sin. On the left, we have critics telling corporate American not to pollute rivers or to pay a living wage. That is a way of speaking out against sin.

In Christian theology, there is an alternative notion of sin that dates back at least to St. Paul and Augustine and less certainly to the prophets. This other concept of sin says that it is rooted in the human condition and is not something we can overcome with good intentions and strong will. If we think of sin as something like insecurity or pride or anxiousness, it has little to do with specific acts; it is a characteristic of who we are.

This orientation can then lead in two opposing directions. For those who see the self as a distinct ego, which is as true of New Age psychology as of Christian fundamentalism, it can lead toward piety or a search for personal salvation through psychotherapy.

On the other side are those who understand the self as constituted by its surroundings. Although personal will is not completely absent from this formulation, it is based on the idea that our character and actions are largely determined by our upbringing and our social context. When sin is understood in this way, the response to sin is less about trying to avoid personal wrong-doing and more about trying to change the systems that generate pathological behavior.

I would suggest that Georgists see sin as imbedded in the character not of people, but of the systems that shape human behavior. We see redemption as structural reform that will change those systems and human character. As a result, we are less interested in the intentions of particular actors in economic and political affairs than in the good or evil that results from structural changes.

Specifically, sin consists of all forms of privilege, which allow some people to get something for nothing at the expense of others. Privilege breeds greed and envy on the one side and arrogance on the other. It corrodes the human spirit and results in much of the behavior that has been labeled sin by those who think of sin as an individual failure of will. Christians who understand sin as a structural phenomenon assume that no reform will remove sin from social systems once and for all. The Georgist view on perfectibility is less clear, though it is possible that some Georgists may believe that economic reforms are the ultimate solution to social pathology.

Grace vs. works:

The deepest tension in Christian social thought arises from the conflict between the reasonable idea that one must make any system work by personal effort and the implausible idea that God's grace is ultimately responsible for the success of human enterprise. Although most Christians are nominally committed to the idea that grace is an active force in human affairs, few take it seriously on a practical level. The actual position of most Christians and most non-Christians is the same: "If you want something done, you'd better do it yourself."

This is a place where Georgists decisively part company with liberal-progressives and find some common ground with free-market conservatives. In non-theological language, the difference is between those who trust in planning and those who trust in self-regulating systems.

The difference is a conflict over the efficacy of human agency: liberal-progressives believe it is necessary to fix social problems directly, whereas Georgists and conservatives believe that trying to fix specific problems often tends to make matters worse. Instead of trying to shape the world according to human design, Georgists propose merely to make a few structural reforms and then trust the new system to produce better results than could be planned.

Georgists believe that positive results will flow, like the waters of righteousness and justice that the prophet Amos proclaimed, without any effort on the part of humans.

We need only get out of the way and allow it to happen. We do not need to target specific social problems such as hunger and homelessness, urban problems such as ailing inner cities and suburban sprawl, political problems such as local corruption, wasteful government spending, the demise of democracy, and the growth of apathy and cynicism, or economic problems such as unemployment, poverty, and inflation. These problems would never completely disappear, of course, but there would be dramatic improvements--more dramatic than any we could accomplish through our own direct efforts.

Because grace often seems to work through paradox, it can be observed only indirectly. The evidence for the success of self-regulating systems is never as clear and distinct as the evidence for the success of direct effort. Thus, when someone comes to a meeting of Georgists and says, "Habitat for Humanity builds houses for poor people and Common Cause fights against the abuse of money in politics; what are Georgists doing to improve society?" there is no simple answer. I would say the questioner is being too simplistic in his or her approach. We are offering a system based on grace, not on our own efforts. We can only demonstrate our results by changing the entire foundation of the economic system, not by repairing the damage caused daily by the present one.

The idea that grace would abound if only we allowed it to happen is as difficult to accept on a collective level as it is individually. In the modern world, the idea that we must solve our own problems and control our own destiny is even more deeply entrenched than in ages past. The idea that we should let go and stop trying to relieve every form of suffering that passes before us will sound to many like the counsel of defeat. It is not, however. It is a call to take a risk and to trust something beyond ourselves.

#### Costly grace vs. cheap grace

Among people who have taken the idea of grace seriously as a guide to action, another conflict has arisen. Some have taken the gift of grace as a license to live recklessly and without concern for others. Others have recognized that grace can only be recognized by those who have undergone some type of discipline, made some sort of sacrifice, or engaged in some form of repentance.

Conservatives who sanctify the existing social order and the outcomes of the market exemplify the complacency and smugness of what Dietrich Bonhoeffer called "cheap grace." By that he meant the self-serving assumption that the gifts of life belong to us as individuals because we deserve them. It is tied to a corrupted form of

the Calvinist idea of "the elect." Accumulations of wealth are justified by one of two assumptions: either the rich have earned what they have or they are entitled to a greater share than others because they have received a special form of grace--an entitlement to extract the fruits of others' labor. The idea that great fortunes have been "earned" is insidious. The proponents of this view choose a handful of self-made millionaires as examples and overlook a long history of slavery, conquest, and exploitation. All of that history is wiped away with the claim that free exchange benefits everyone and that removing the shackles of government interference will improve everyone's lot in society.

When conservatives demand a pure market system, free of government regulation and entitlement programs, they do not simultaneously offer to give up their privileges and entitlements. They demonize government interference and put their faith in freedom of exchange. Doing so is an act of willful ignorance. The marketplace is fair only if it is freed from the legacy of inherited and accumulated privilege in the form of the private gain from landownership.

Every religion that I am aware of suggests the necessity of struggling to let go of old patterns if one is to live a new life. We have to give up the things that are holding us back in order to receive the gifts we look forward to. Giving up the possessions, ideas, and habits that prevent us from growing is what has traditionally been called repentance. Conservatives are, in effect, asking for grace without repentance, another way of saying "cheap grace."

By contrast to the hardness of the conservative heart, Georgist philosophy seeks repentance of a very specific and demanding sort. It asks us to let go of the private claim to own that which has been given to us by God and by the other members of our community. It means giving up every privilege that allows us to get something from others without working for it. If we want something for nothing, it should be a gift of grace, available to all, not the stolen bread from our neighbor's table. By giving up our claims to private benefits from land ownership and other monopoly privileges, we would gain a just and harmonious social order in which one person's gain would not be another's loss.

## CONCLUSION

It is, of course, quite possible to understand Henry George's ideas without resorting to theological language. One might, for example, describe his philosophy as a proposal to make capitalism what it professes to be: a system of opportunity. It could be described as a way of rooting out the vestiges of feudalism and landlordism

that prevent the free exchange of human skills and effort. It can also be classified as a method of making markets work more efficiently and equitably. In fact, most of the writing that has been done on George's thought has been confined to the metaphors of economics.

I have resorted for two reasons to theological language to explain what I see as the underlying pattern in the Georgist paradigm. First, I believe it is in keeping with Henry George's synthetic approach to see his ideas in the larger stream of Western thought, which includes biblical and theological categories. Second, I believe it is important to rescue religious and theological language and thought from intellectual obscurity. We are accustomed to thinking that we should discuss theology only on Sunday morning and apply those categories only to private behavior. As a result of disowning the religious traditions that once served as the foundations of political philosophy, our society has been left with barren, mechanical metaphors.

It is possible that an economic revolution will occur purely on the basis of a rational acceptance of abstract principles of justice and efficiency, but I doubt it. Few of us are capable of letting go of patterns of behavior simply because they do not work. Instead, we are drawn into a new world by the yearnings of the heart and by the work of grace in our lives. The same is presumably true of entire societies. A deep transformation occurs only if we are drawn collectively toward specific reforms that are felt to be part of a larger drama. I have suggested that Georgist philosophy could contribute to the creation of that drama and that we will all lose if we do not take the risk of taking its radical message to heart.