

Land reform: unfinished business

Emer O'Siochru of Feasta explains how the Land Question has returned to its traditional place at the heart of Irish politics.

The Land question has always been central to Irish history. Now, following a relatively quiet period, it is at the centre again. Starting in the 1870s a massive land redistribution was carried under the Land Acts, the Congested Districts Board and the Land Commission. This divided the nation's land more or less evenly amongst Ireland's many farmers. As a result, 15% of Irish citizens now own farmland - a very high percentage compared to Britain. But this redistribution of land rights excluded whole classes of citizens, including the entire urban population as well as the landless labourers, who largely disappeared after the famine.

“The history of Ireland must be based on a study of the relationship between the land and the people,”

*Thomas Nulty,
Bishop of Meath*

For a long time these omissions were not a serious issue, as farming and land ownership were not highly profitable. Farmland first acquired real value only when Ireland joined the EEC, and the common agricultural policy began to guarantee payments linked to production. By this time, farmers came to see that they could also augment their income, or 'set up' their children, by the sale of house sites. More importantly, housing development land near the cities became a source of effortless fortunes, and the subject of intense political lobbying.

The lottery in land was allowed to continue delivering modest benefits to the bulk of farmers and huge prizes to a lucky few. This was partly because the situation did not seem to threaten the wider economic and social fabric of the country. Taxes on land were even reduced or eliminated at this time: first rates on domestic dwellings in 1978, and then on land in the 80s. Tax incentives and rates relief schemes followed: first for urban areas and then for rural Ireland. Finally capital gains tax on development land was reduced to 20%.

The downside of privatising land rights soon began to appear. Housing became more and more expensive because of land costs, rent levels in the private rent sector rocketed, and local authorities could not afford to buy building land. Cities and towns sprawled as more and more land was zoned, and single house site sales began to impact on the environment, community servicing costs and farmland prices. The effects of high land costs have become a very real threat - to infrastructure development programmes, business competitiveness, Ireland's attractiveness as a tourist destination, and even to social cohesion and democracy.

First attempts to revisit the land question have been sectoral:

- The various Bacon Reports, and subsequent fiscal measures, attempted to regulate investors and assist first time buyers.
- Part V of the Planning and Development Act required developers to subsidise housing through transfers of land, completed units or money.

- The National Spatial Strategy attempted to regulate for a more balanced and sustainable development throughout the country.
- The current Bill going through the Dáil to regulate rents and provide security to tenants in the private rented sector.

These initiatives have all produced unintended side effects, requiring further government action and regulation. Some issues - such as access to the countryside for recreation - were seen as political hot potatoes, and have been completely avoided. Other important issues were fudged, like the rural land conservation designations and the contentious issue of planning permission for scattered housing in the countryside. This piecemeal and timid approach has been largely ineffective. As a result, calls for a genuine revisiting of the land question have grown stronger.

- Trade Unions and the Community Sector have insisted on real advances in housing availability and affordability.
- The Department of Finance has woken up to the dire financial consequences under the Kyoto Agreement of Ireland's sprawling spatial patterns and high car use.
- The EU has hinted strongly that it will not co-fund inflated land acquisition costs for infrastructure, nor accept watering down of environmental directives or demands for additional payments for public access to rural land under CAP restructuring.
- The highly influential OECD report on Ireland of May 2003 has come out in favour of property taxes, charges on resource use, and independent finance for local government.

“Peasant proprietorship is simply landlordism in another form,”

Michael Davitt

As a result of all these pressures, a major rethink about how land ownership benefit is shared and how land use is controlled has begun at all levels of government:

- The All Party Committee on the Constitution has announced a major review of the provision on private property in the Constitution.
- Martin Cullen, The Minister for the Department of Environment and Local Government, has announced a study of alternative means of financing local government.
- The question of the compulsory purchase of development land has been raised by Minister Noel Ahern and a new 'use it or lose it' policy of land acquisition has been suggested.

Clearly, the time has now come to address the core issues of land ownership. It would seem sensible to review initiatives abroad and suggest workable tax and other mechanisms to deliver social cohesion and sustainable development in Ireland.