

# '80s

# THE LAND DECADE

A REMARKABLE upsurge of interest in the crucial role played by land in our lives was perceived during the dying months of the 1970s.

This new interest could be discerned in the pronouncements of political leaders from Cabinet Minister Michael Heseltine in Britain to Alfred E. Kahn, President Carter's chief adviser on inflation, in the USA; and in the documents published by international agencies such as the World Bank and the Food and Agricultural Organisation.

So now we are set for the 1980s, which has been accorded special significance – holding out the prospect of long-overdue political action.

Conferences are being held to define the problems and explore solutions. In the US, the Lincoln Foundation is sponsoring a conference next June which it is calling the World Congress on Land Policy.

In Britain, a new organisation – the Land Decade Education Council – held a conference on Oct. 25 to inaugurate Land Decade 1980-1990.

These developments are important, for they present a fresh opportunity to review the policy options on land ownership and the way in which we use – and abuse – land.

**A**LICE COLEMAN is Director of the Second Land Utilisation Survey in Britain.

Her research supports her blunt indictment: "Britain's biggest industry is making the land unusable." Twenty thousand acres of land in London are misused, she told the hundreds of people who gathered at the Royal Geographical Society on Oct. 25. In one borough, Tower Hamlets, 15% of the land is unused!

Far from conserving land, our scarest of productive assets, we have sprawled over valuable farmland to the point where "the wasteful zone of suburban fringe now occupies twice as great an area as the townscape."<sup>1</sup>

Thus, the systematic survey by Miss Coleman, who is reader in geography at King's College, University of London, verifies what has been self-evident to anyone remotely aware of the condition of the

environment within which we live. But what can be done about it?

**P**LANNING was instituted in 1947 ostensibly to deal with the misuse of land, the blame for which was attributed to the free market. Now over 30 years later, a sober judgment can be passed on *that* solution.

Declares Miss Coleman: "Planning seems to be permitting the same abuses as non-planning..."<sup>2</sup> The new approach, with the centralized controls which found favour in the postwar years, failed to solve any of the old problems. Miss Coleman's authoritative analysis is worth quoting in full.

"...the bureaucratic machine grinds very slowly. The actual land

## NEWS ANALYSIS P. E. POOLE

users, such as the occupants of high-rise flats, react far more sensitively and rapidly to land-use misjudgments than do land-use planners. This *insensitivity* is wasted in our society because the users are deprived by law of the power to make land-use decisions unless they can convince the planners that their decisions are correct – a time-consuming process with no small deterrent effect.

"Land-use powers were taken away from individual users because they were often making decisions that were deleterious and costly to other users. Planning was designed to replace this free-for-all by impartial mutual protection. So there is a genuine dilemma to resolve. How can we reconcile the retention of land-use sensitivity with the prevention of a harmful *free-for-all*? Clearly, the wrong balance was struck in 1947, but what would the right balance be?"<sup>3</sup>

**T**HIS IS A masterly summary of the problem, for it concentrates discussion on the outlines of a solution.

First, we note the importance of a framework which is *responsive* to the needs of each and every individual, who is presumed to know best about his individual preferences.

**The market system, providing it works efficiently, is the only alternative to the bureaucratically-administered solution.**

But this re-introduces the problem of the pre-planning experience.

Were the years before 1947 a "free-for-all"? Hardly. It was a system restricted to meet the needs and motivations of a group of monopolists – those who happened to own land, the supply of which is not capable of being increased except in some marginal cases.

**The single defective feature of the free market has been that the cost of holding land idle has been either nil, or virtually so.**

There are costs associated with holding labour and capital unproductive. Unless they are to die (men) or decay (machines), they have to be "serviced." Since these costs can be borne only for a short while before surplus wealth has wasted away, both of these factors of production have to be brought back into use: they have to earn their keep, and that is the internal stimulus to activity.

Not so with land. The owners can leave *that* factor of production idle for any length of time, and nature will normally "service" herself for nothing! (Land whose value accrues purely from locational advantages incur no such cost whatever.)

**The only solution, then, is to use our tax system to prevent speculative investment in land – by creating a fiscal cost on land ownership.**

This would stimulate the full and efficient use of land as and when the community needed it.

**T**HE ABSENCE of any fiscal inducement to use land properly has been at the heart of the pre-1947 problems.

Speculators held land idle for varying periods of time, despite the observed needs of people in the surrounding areas. Land was allowed to lie derelict in the urban centres, thereby forcing people to build their homes on the green fields.



● Alice Coleman in Tower Hamlets

The only solution is land value taxation. The value of an economic model which incorporated this reform is that the value of land is determined by the actual needs of individual people as expressed collectively through the institution of the marketplace. Thus, it meets the *responsiveness* criterion.

Landowners who have to pay an *ad valorem* tax on their holdings would bring them into full use – or turn them over to users who were willing to pay the tax to the community.

This tax, of course, is no more than the rental value which a tenant would be willing to pay to a private landowner.

Thus, high-value land – such as the tracts in the inner cities – would come into immediate use. This would relieve the pressure on green fields, where values (and therefore fiscal obligations) would decline; agricultural land would be conserved.

AT ITS first conference, however, the Land Decade Education Council settled for advocating two major forms of action.

One was a decennial land use survey. This is essential. It would monitor what was actually going on, but it could not direct action. It would be a stock of knowledge, to be used or abused. Land speculators, for example, could use a detailed, periodical survey to guide them to areas where values were likely to rise fastest. The risks in land speculation would be even further reduced!

But how do you direct action in a communally-beneficial way? The Council wishes to use moral suasion to encourage the people to adopt a

responsible attitude, harnessing the use of publicity and awards.

This, unfortunately, is not a solution proportionate to the scale of the problem. A dynamic mechanism needs to be formulated if the efforts of the next few years are not to be wasted.

That the Council's initial proposals are cautious is not surprising: most of its present supporters are landowners anxious to preserve their interests.

For example, John Quicke, a former president of the Country Landowners' Association, said in his speech: "One of the landowner's main functions has always been the positive planning of land use.

"By and large the planning of the countryside should be left to landowners and farmers. Over the generations they have created the English landscape, and they can be relied upon to maintain it, if they are allowed to do so.

"And not only maintain it, but to respond positively to the pressures of a changing society. Positive planning has always been, is, and should remain in the hands of the owner of the rights over land."

This is a curious claim to make in the light of the facts about the scandalous under-use of much of our rural land presented by Miss Coleman.

Blame for "blighted" rural land, of course, is shifted onto the shoulders of planners. But it suits some owners to sit back and wait for their "blighted" land to be bought at prices phenomenally higher than their agricultural value!

MISS COLEMAN is inspired by altruism, but she is mistaken in believing that other people – presented with the documented facts – will respond in a similar way.

She suggests that the Council "would recruit caring but landless volunteers to offer their services to caring landowners."

School children, admittedly, can be encouraged to undertake a blitz on dumped rubbish. There will undoubtedly be people who can be encouraged into selfless action.

But this would not constitute a systematic solution proportionate to the problem, a problem which is magnifying itself with every passing day.

To its credit, however, the Council is encouraging like-minded people and organisations to debate the appropriate policies. They are treading gingerly into a delicate area – that of private property rights and the liberty of the individual – which must eventually be confronted if we are to come to terms with realistic appraisal of the alternatives.

By opening up the debate, the Council will have performed an invaluable service. Then it will be up to the politicians to meet the challenge posed by the unstable relationship between man and land, an instability which dislocates the economy and leads to serious ecological abuses.

#### REFERENCES

1. A. Coleman, 'Last bid for land-use sanity', *The Geographical Magazine*, Sept. 1977, p. 821.
2. A. Coleman, 'Is planning really necessary?' *The Geographical Journal*, Vol. 142, 1976, p. 411.
3. 'Last bid...', *op. cit.*, p. 824: our emphases.