

## 4

# Post-Communal Land Ownership: poverty and political philosophy

DAVID RICHARDS

---

### I

ABSOLUTE private ownership of land has been traced by one authority back to the worshippers of Baal in Canaan, and hence to the nature-religions of the earliest civilisations. In the ancient Near East respect for individual human life was subordinated to the gratification of capricious, uncompassionate gods of nature — or, more pertinently, autocratic kings who owned and controlled (and alienated) earthly estates on the gods' behalf.

Archer Torrey argues that seafaring, trading Canaanites — the Phoenicians — took Baalistic land laws (without the kingship) from Tyre to north Africa when they established the colony of Carthage. Those land laws were adopted by the Roman Republic after the Punic Wars, spread by the Empire, and eventually revived by the modern western world.<sup>1</sup> Today, they are on the verge of application to every corner of the natural domain — the atmosphere, the ocean beds, Antarctica — through tradable pollution permits, discretionary mining licences and the like.

If Roman land law was indeed determined by the Phoenicians, then cultural evolution took a wrong turning at Carthage. With the defeat of Hannibal, an unhappy social paradigm was about to be imposed upon the world.

Pliny (the Elder) wrote: 'great estates ruined Italy.' (*Latifundia perdidere Italiam.*) Such estates were the inevitable outcome of the Baalistic tradition, as the Old Testament prophets pointed out

before and after Phoenician practices swept through Israel under King Ahab (e.g. 1 Samuel 8:14, 20; Micah 6:16 and 2:2; Isaiah 5:8). Their own Yahwistic tradition guaranteed equal land rights through the Mosaic covenant (e.g. Numbers 26:52-56; Leviticus 25:13-34). Herbert Girardet has spelled out the ecological consequences of great estates:

With latifundia becoming the main agricultural unit throughout the empire, the interest of the citizens in the land became purely commercial. The link between land and people was effectively broken and the long-term interest in its fertility was put aside.<sup>2</sup>

The Sahara desert eventually encroached on the North African breadbasket of Rome. Man's footsteps on the Earth, it is said, are deserts. The first giant footsteps were made by the first civilisation, in the (originally) Fertile Crescent. The Sumerian city-states of the third millennium B.C. appear to have been gradually infused with the spirit of private landownership by western invaders of the same origins as the Canaanites. Absentee landownership was rife in Babylonia in the middle of the first millennium B.C. when it entered its protracted decline into desert dust.<sup>3</sup>

The socially unjust and economically inefficient system of land tenure which the West inherited from Rome is at the source of the population concerns of the late twentieth century. Abuse of the environment may also be traced directly to the arrogant laws by which Mother Earth is permitted to be 'owned' by her offspring.

Malthusian crises and adaptive technological 'revolutions' were an inevitable result of the spread of Roman land laws, which polarized societies in terms of the distribution of income and wealth. Greater productivity was certainly made possible by the emphasis on individual property rights, but economic historians are wrong in their assumption that private ownership was the only tenurial model available for achieving technical progress and higher productivity.

Exclusive proprietorial rights may best be defined in terms of the exclusionary powers of those who own land. Certain consequences flowed from this system. Ironically, this was not the most effective way to maximise the productivity of land. Also, these rights were at the expense of both equity in the distribution of output and of sound environmental practice. The cumulative result of the thrust of these effects was to generate further demands for additional advances in

productivity, which necessarily assumed the character of over-exploitation of the natural habitat.

There is a considerable body of opinion among demographers that population problems are caused by poverty rather than by irresponsible fecundity — that poverty leads to high birthrates rather than *vice versa*.<sup>4</sup> The main hypothesis to be advanced in this chapter is that large-scale poverty is primarily the result of the adoption of the Roman version of private land ownership. If this is the case then land reform must feature prominently in any program for relieving population pressure on the environment, let alone poverty relief. A sub-theme will be the direct impact that the rules of land tenure have on the environment.

The merits of alternative land tenure systems cannot be judged without an understanding of land economics. Section II, therefore, briefly introduces the concept of land rent and demonstrates the inevitability of normative decisions, implicit or explicit, regarding its distribution. Section III illustrates the significance of such decisions in the context of the current debate on environmental policy. Section IV draws out the links between land tenure, demographic problems and other environmental problems. Section V turns to the poorer nations of the world, specifically Latin America, where these problems are at their most critical. The 'South' is shown to be following a trail that has already been blazed by the 'North'. This point is reinforced with reference to the Indian sub-continent in section VI, which focuses on the process by which the western path of economic growth leads to the growth of poverty. The contrasting results of two different ways of dealing with the land's rent in South-east Asia are presented in section VII. The case of Africa appears at first sight to conflict with the main hypothesis, and this is the subject of the final section.

## II

'Ownership' of land is in fact ownership of a 'bundle of rights and restrictions' governing land. These rights and restrictions vary between land tenure systems. Full ownership involves 'the *greatest possible interest in a thing which a mature system of law recognizes*'<sup>5</sup> and as far as land is concerned it is most closely approximated in a

*laissez faire* market economy with land tenure institutions derived from Roman Law. The most distinctive features of land ownership in such an economy are that owners may seek the most profitable use to themselves of their land, without reference to social costs, and retain all the profits.

The profit, or income (actual and imputed), accruing to land was known by the classical economists as 'rent'. Curiously, neoclassical economists have generalised the concept of rent in a way that excludes much of land rent. They apply the term to the excess of the earnings of any factor of production over the minimum earnings necessary to retain it in its present use. Thus they restrict land rent to that part of a site's income in excess of the income it could get in its next best alternative use. They have not, however, changed our understanding of the nature of the income from land. Robert Dorfman summarises it thus:

Rent is a payment for the use of any nonproducible resource. Land rents are typical, and are the most important kind. Other examples are the high incomes earned by especially talented individuals, the value of television channels, and the values of artificially scarce resources, such as taxicab licences in New York. By definition, the supply of a rentable resource cannot be changed. The supply curve is a vertical line. The price, or rent, is its value to the user in whose hands it is most productive, to whom it has the highest marginal productivity.

Rent is the purest of unearned incomes. One receives it simply by owning something unique, and one need do nothing to obtain it except to drive a hard bargain. Nevertheless it has an economic function: it allocates unique resources to the uses in which their products are most beneficial according to the test of the market. What has no particular economic function is the identification of rent for the resource — which is a genuine social opportunity cost — with income for the resource owner. *Rental income could be entirely taxed away without any ill effects on the operation of the economy.* Instead we sometimes seem to go out of our way to donate rents to various individuals. Examples are giving away television licenses, charging nominal prices for taxicab medallions, and underpricing irrigation water in arid parts of the country. These giveaways are actually deleterious. They create artificial vested interests and generate struggles for gaining access to the rentable resource.<sup>6</sup>

One may quarrel with some of Dorfman's categorisation of rents. All land rents are composed of a payment for the quality of natural

resources and/or a payment for their position within the spatial arrangement of human activity. The fact that licenses to occupy congested public spaces are *only* valuable for the second reason does not mean that their economic value is not land rent. The limited range of airwave frequencies available to television companies clearly produces land rent. However, one must commend Dorfman's concise summary of the issues involved.

The right of the land owner to the rent produced by the land does not appear to have the same moral sanction as the right of the worker to the wages produced by labour, or of the owner of physical capital to the interest produced by capital formation. The former right has no economic function, and in the interests of a 'level playing field' (a prerequisite of efficient, let alone equitable, resource allocation) it is arguable that it *should* 'be entirely taxed away' and distributed fairly. What constitutes 'fair' distribution is open to question. The most obviously fair way to distribute rent would be to provide a citizen's dividend. A case can be made, however, on efficiency grounds, for reducing taxes on other sources of income instead, but the degree of fairness achieved depends on the form of the tax reduction, and on the public goods that are provided by the community.

The need to make normative decisions regarding entitlements to land is not denied by orthodox economists. Kelvin Lancaster notes that the distribution of income is a function of the sale of factor services and therefore depends upon the distribution of wealth (by which he means the ownership of land and capital) and labour skills:<sup>7</sup>

In general then, each distribution of wealth will tend to be associated with a different equilibrium, and with different prices for goods *and* factors, and for a different distribution of income between labor and owners of wealth ... The contribution of the economist is to note that any distribution of income should leave the appropriate *signals* undisturbed, otherwise the economy is not doing as well as it can, at the chosen distribution of income and wealth.<sup>8</sup>

In a democratic society, therefore, it is necessary to make an explicit decision regarding the 'chosen distribution of income and wealth.' Otherwise the decision will be implicit, and arbitrary: it certainly will not be due solely to the economists' beneficent 'invisible hand'.

## III

The free market advocate, Martin Wolf, is quite clear about what constitutes a fair distribution of entitlements to land (i.e. the environment). In a *Financial Times* survey of the world economy he addresses the issue of how to allocate the limited pollution absorption capacity of the global atmosphere 'sink'. The World Bank has indicated that 'The developing world, almost 80% of the world's population, is responsible for only 7% of the industrial emission of carbon dioxide', the 'greenhouse' gas which may cause global warming.<sup>9</sup> Wolf notes that 'Any agreement to curb emissions would, therefore, involve the most delicate international negotiations.' The current distribution of the atmosphere's services clearly cannot be embalmed by equal restrictions on the further use of those services. This is not because the richer countries want to 'do the right thing' by the poorer countries, but because only a demonstrably fair system might be accepted by the latter. Wolf must therefore address the question of what is a fair system. And he has no difficulty in providing an answer:

The equitable solution would be to allocate the rights to gas emission, globally, on an equal basis per head. Those emitting more than their share would then have to buy that right, so compensating the less advanced countries for the damage being done to a global 'common', the atmosphere.<sup>10</sup>

In other words, the use of global commons should be rationed. The right to the commons is an equal one, not an earned one. This means that it is not an alienable one.

Logic requires that buying the right to use the commons means renting it, because the fairness of equal allocation per head cannot apply to one moment in time alone. By extension, as all land was originally commons, and the right is inalienable, all land should be rationed. This does not mean that, ideally, all people should use exactly their share, as sometimes implied by some theoreticians of land reform. It does mean that those using more than their share should pay rent to those using less.

Wolf continues:

National emission rights must then be turned into constraints on individual behaviour. An argument for using the price system is that it would be easier to identify whether other countries are cheating. A high price of gasoline is relatively visible, while controls are far more impenetrable to the outsider.

But he has no illusions regarding the practicality of this solution:

All these mechanisms are merely a way of making painful adjustments more efficiently. The pain remains . . . Consider, for example, the effects on American society of gasoline at \$10 a gallon. It is difficult to believe that politics will permit such changes . . .

Those who are currently capturing the economic rent of the atmosphere — that is, enjoying its services without charge — will not easily relinquish their privilege, it is true. On the other hand, resistance is compounded by the perception that higher gasoline prices, or a more general 'carbon tax', would be regressive, taking a higher proportion of the purchasing power of the poor than of the rich. Of course, much would depend on how the increased public revenue was spent. But if the rationing-of-nonproducibles principle enunciated by Wolf was applied within nations, as well as between nations, the equity problem would be automatically solved. Higher fossil fuel prices would then be accompanied by an equal distribution of the associated mineral rents.

The orthodox counter to the argument that the 'polluter pays' principle is regressive is that the revenue raised may be spent in a progressive way. Professor David Pearce — appointed a special adviser to the UK environment secretary in the wake of the Brundtland Report to the United Nations on 'sustainable development' (*Our Common Future*) — has publicly suggested that part of green revenue should be used to offset income and corporation taxes. Alternatively, the UK's Henley Centre for Forecasting has suggested that pensions and child benefits should be targeted for support.<sup>11</sup>

At the international level, there is general agreement that if the less developed nations are to be persuaded not to follow in the footsteps of the more developed nations in the matter of mining natural resources and discharging pollution, then massive financial transfers will be necessary to replace the incomes foregone. Professor Pearce has written:

... conservation values in economic terms, can be very large indeed. But big existence values won't mean much to Brazil or Malaysia or Indonesia if they can't be converted into cash. Yet this is exactly what must now happen if the forests are to be saved ... If we all gain from tropical forest conservation we have to retreat rapidly from the stance that it is somehow all their fault and that we should not have to pay.<sup>12</sup>

By funding such 'aid' out of 'green taxes' in the developed countries and relating it to conservation and pollution abatement programmes in developing countries there could be a double gain.<sup>13</sup>

Such pragmatic measures fall far short, however, of the *systematic* solution for combining market efficiency and equity alluded to by Wolf.

#### IV

History has shown that where land rents are not equally shared, 'aid' programmes, however well designed, tend, by raising private land rents, to benefit large landowners disproportionately, create further indebtedness and vulnerability, force the poorest off the land or on to the worst land, and thus exacerbate the social divisions and poverty they are supposed to alleviate.<sup>14</sup>

Such inequality 'provides the economic rationale for large families and burgeoning populations.'<sup>15</sup> The poor have to look for security and status in children rather than in wealth, and ultimately only have recourse to pawning their environments for sustenance. It is poverty that created the 'population bomb' which inspired the creation of the Green political parties in the 1970s.

Where each person's equal share in that part of production which is contributed by land (rent) rather than by labour or the products of labour is not guaranteed, a scramble for access to it is set in motion. This is also a scramble for monopoly power over part of society's scarce resource base. Inevitably, might is right in such a struggle. Then the initial advantages conferred by land tend to multiply in a cumulatively causal way. Class systems are the outcome, and disinherited, exploitable labour resources — serfs, proletariat — are created.<sup>16</sup>

At later stages of development, as democracy levers open the landownership base by favouring owner-occupation at the expense



of landlordism, this struggle transforms into efforts by landowners to intensify the use of their land in order to raise rents and reap capital gains on sale. Over-extension of activity into sub-marginal, ecologically unsuitable areas, accompanied by under-intensive use of many super-marginal areas, such as speculatively held vacant inner city and urban fringe sites, set-aside farm land, and even monocropped prairies, are the result. Mason Gaffney writes:

Spread and sprawl in forestry, cities and agriculture are common results of the dominant force driving American politics, the quest for unearned increments to land value . . . Rising population is one factor pushing up land values, but not the strongest. Increased demand per capita is the main factor. These demands include . . . spurious demands . . . like the demand of government for land to 'bank' and hold idle, and the demand of speculators 'with a view to getting a little something for nothing' [Thorstein Veblen].

Veblen went on to say that farm technology adapts to the Procrustean bed of absentee ownership. Rather than leading, technology lags changes in land-holdings wrought by rural speculative investors. Thus it is not 'society' or 'efficiency' alone that mandate monocultural chemical farming, but also the peculiar needs of absentee speculators holding more land than they can work themselves or with their families. Logic of, by, and for this minority is set up as logic for all.<sup>17</sup>

The counterpart of the centrifugal force spurred by land purchase is the centripetal force created by ownership concentration. Massive agricultural subsidies in the developed world, the political wing of the rural real estate business, have helped hasten the demise of the family farm. For example, between 1982 and 1987 the number of U.S. mid-sized farms declined by 12.5% while the number of larger farms fell by 2%. But the investment returns on farm real estate between 1960 and 1988 exceeded the composite returns of the companies in the Standard & Poors 500 index.<sup>18</sup>

In the European Community the story is the same. 'It is reckoned that 80% of the vast sums spent on farm support in the EC have gone to bigger farmers and to traders rather than to the small farmer,' writes Bridget Bloom, the *Financial Times* agriculture correspondent.<sup>19</sup> In an address to an Oxford Farming Conference, agriculture professor Alan Swinbank noted that instead of competing to produce food as cheaply as possible, British farmers were competing to buy land in an effort to maximise their production and their share of

the subsidy largess. This occurred at a time when milk quotas and land set-aside schemes were supposed to reduce food surpluses. Swinbank concluded:

In consequence, land prices are higher than they would otherwise be. High land prices undoubtedly cause land to be farmed more intensively, and thus lead to greater environmental degradation than would otherwise be the case.<sup>20</sup>

Concentration of land ownership leads to centralisation of settlement. Rural depopulation and urban production of the capital equipment used by large farmers — and of their luxuries and financial services — go hand in hand. In the poorer nations of the world, where the same processes operate, accelerated rural-urban migration is particularly evident — rural sectors being proportionately larger — creating ‘many of the real problems of population.’ Michael Todaro writes: ‘A more rational and efficient spatial *distribution* of national populations thus becomes an alternative, in some countries, to the slowdown of overall population growth.’<sup>21</sup>

In the richer countries of the world, however, it is ‘commodity fetishism’ which now congests the urban centres, and increases society’s pressure on the environment, as production of standard economic goods is piled up in the individual’s ceaseless quest for ‘positional’ advantage. The ‘positional economy’, consisting of status symbols which cannot be multiplied by increasing production — the *best* locations, the *best* education, etc. — serves the function of the ever-receding carrot on a stick. It entices producers to turn out more and more commodities, not for their own sake, but for the income needed to outbid others for access to ‘positional goods’.<sup>22</sup>

Land in general is a positional good, as ‘they aren’t making it any more’, (though its distribution between particular uses may change). The more individual uses are restricted by regulations or congestion, the more positional the sites in that use become. In most developed countries, therefore, it is expected that as incomes rise the ratio of house prices to incomes will not fall, unlike the ratio of, say, automobile prices to incomes. One must produce more and more, literally in order to obtain the space in which to stand still — unless, that is, one already owns it.

In Japan, where the land value of the Tokyo metropolitan area equals the land value of the whole of the USA, the frustrations of the

economic squirrel wheel are particularly intense. House prices in the Tokyo area are 8 to 10 times annual incomes. Nobumitsu Kagami, managing director of Nomura Investment Management, has commented that people are beginning to question why they are working. 'Young people are becoming disillusioned and desperate about this. No matter how hard they work there's no way they can acquire what their elders, like me, got simply by being there first. It's an unfair society and people are beginning to see this.'<sup>23</sup>

One of the arguments against introducing road pricing and higher petrol taxes to reduce traffic congestion and pollution is that they would make the automobile 'an even greater status symbol than at present. The motivation to have this status symbol which gobbles up so many of the earth's resources, would be even more pervasive than today.' These are the words of a correspondent to the New Economics Foundation (David Weston, *New Economics*, issue eleven/autumn 1989), who goes on to advocate decentralising society to reduce the need for travel, and banning the internal combustion engine. More fundamentally, however, it would seem that only limitation of society's annual use of primary resources in conjunction with equal rationing can curtail the voracious appetite of the positional economy.

## V

It is in the poorer countries of the so-called South that the pressures of economic growth on the carrying capacity of the environment are producing the subsistence crises with which the name of Malthus is associated. It is generally agreed that the population problems of the South are due to the disruptive effects of the import of western cultural norms and health measures. In effect, the North has exported only one arm of the 'demographic transition'. Birth rates have not fallen as fast as death rates. What is not quite so generally accepted is that the North has also exported a decrease in subsistence security for the masses, thus actively discouraging downward adjustment of birth rates.

The rigging of international trade in favour of the early industrialised countries is a standard complaint. The Bengal textile industry was clearly decimated in this way in the nineteenth century. It is

generally accepted that agricultural protectionism in industrialised countries is 'doing vast and incalculable damage to the economies of every country in the world,'<sup>24</sup> more especially to the agricultural sectors of less industrialised countries, which are undercut by subsidised food exports. But what is less widely appreciated is the disruptive effect on colonial economies of the imposition of the western system of land tenure. No better trojan horse could have been introduced to undermine their societies, if that had been the aim.

Latin America has the longest history of private landownership imposed by colonising nations. Its *latifundios*, or very large estates, are notorious for devoting large tracts of potential arable land to pasture, or leaving them idle. In Brazil it was calculated in the 1960s that 'total factor productivity on family farms was twice as high (and, therefore, unit costs twice as low) as on the large *latifundio* tracts of land'.<sup>25</sup> The latter occupied 60% of the farmland, the former 6%. It was at this time that the generals launched 'Operation Amazonia' to 'inundate the Amazon with civilization' and fulfil Brazil's manifest destiny. It also served to relieve the pressure of a large slice of the population that was denied access to the nation's best arable land.

Land resettlement programmes rather than land redistribution have also been the policy choice in other tropical rainforest countries. In the Philippines and Indonesia, the elites have retained their holdings while landless peasants have been encouraged to clear the forest — with the same results: declining crop yields, abandoned land, further migration.<sup>26</sup>

'A major explanation for the relative economic inefficiency of farming the fertile land on the *latifundios*,' writes Todaro, 'is simply that the wealthy landowners often value these holdings not for their potential contributions to national agricultural output, but rather for the considerable power and prestige that they bring.' Referring to the similar *hacienda* system in the densely populated Andes, Michael Redclift elaborates: 'The shortage of land off the estate, and its poor quality, enabled the landlord to attract or coerce labour onto the estate without much difficulty.'<sup>27</sup>

As for liberal attempts to improve the situation, 'one of the net effects of Latin American land reform has probably been an increase in landlessness. Agrarian reform, or the threat of it, stimulated

private land sales and helped ensure that landlords divested themselves of their poorest land. Most landlords could be relied upon to modernize the land they retained with generous government assistance.<sup>28</sup> This often meant expulsion of labour-tenants and the introduction of wage labour — the process of ‘proletarianization.’

The developing nations of the present day have one disadvantage which the richer nations did not have when they were developing. As economic growth is pursued in tandem with private land ownership, foreign lands are less available for decanting displaced landless people and for providing cheap imports of raw materials. Great Britain’s industrial revolution was accompanied by massive migration to the New World, as well as internal rural-urban migration. The colonisers behaved every bit as rapaciously towards the ‘free’ commons of the New World as the colonisers of the Amazon jungle are doing today. Thomas Jefferson remarked, ‘We can buy an acre of new land cheaper than we can manure an old one.’ Little wonder that the earliest settled areas had become abandoned ‘sour lands’ even before 1800. In 1817 it was estimated that there was as much abandoned land as cultivated land in North Carolina.<sup>29</sup> Westward expansion soon turned buffalo-laden prairies into ‘dust bowls’.

It is significant that Thomas Malthus chose this free-for-all pioneer fringe from which to collect his empirical data for the ‘natural’ increase in human population. To be consistent he should have restricted the ‘carrying capacity’ component of his model to similar circumstances — that is, of unlimited free land available for the taking. Unregulated commons are, of course, over-used until necessity determines regulation. The question is, what is the best form of regulation?

The United States has evidently not found it. ‘The puny fees paid by ranchers to use federal lands fall short of the cost of managing that land ... In 1985, he [President Reagan] signed an executive order setting grazing fees at a rate far below that of private land ... The Bureau of Land Management budget has dropped so low the agency cannot afford to protect that land from abuse ... two-thirds of the [174 million acres of] BLM range land is in unsatisfactory condition.’<sup>30</sup> Clearly, raising the fees to reduce grazing to a sustainable level is the answer, but the vested interests involved have sufficient political power to block such a reform. That explains why land

tenure systems the world over are inequitable: they are the tools of the powerful.

The USSR, before *perestroika*, had the same problem as the federal lands of the US, only it had the excuse of fallacious theory on its side. Believing that land had no value because it contained no labour, it could be forgiven for basing its economic development on the exhaustion of its rich natural resource base. But the lesson of reality has been learned: 'As time went on,' President Gorbachev admitted, 'material resources became harder to get and more expensive . . . So the inertia of extensive development was leading to an economic deadlock and stagnation.'<sup>31</sup> In early 1990, Soviet citizens received for the first time the right to 'own' or lease land in return for land taxes or rents, *though not to buy or sell it*. Perhaps the errors of western land tenure have also been learned?

It was Marxist theory which misled the Soviets. But it was the frontier spirit of rugged individualism which misled the founders of the United States. Additionally, both nations' economic philosophies were moulded by the experience of abundant land for the taking. Significantly, it was only once the pioneer fringe had dashed itself on the Pacific Ocean that Henry George emerged in the US with the message that the Earth's resources are not infinite and should be shared equally: 'Has the first comer at a banquet the right to turn back all the chairs and claim that none of the other guests shall partake of the food provided, except as they make terms with him?' he asked.<sup>32</sup>

But even while there were still free banquets beckoning those who do not wish to make terms, not all could emigrate to take advantage of them. New Jersey had introduced a comprehensive poor law as early as 1774. The land of New England was already being apportioned into private holdings of the minimum practical size, and by 1790 net emigration was taking place. As in Olde England, when the land was enclosed the 'sturdy beggars' appeared on the streets. An increasingly landless population meant that a quarter of New York city's inhabitants was receiving public or private charity in 1817. Contemporaries put the problem down to vice or drink<sup>33</sup> — another example of the importation of erroneous perspectives from the Old World!

## VI

Free banquets are no longer available anywhere in the world. The poorer nations of the South are pressing against environmental limits and touching the sensitivities of the North. But the consequent need for nations to come to agreement over sharing the contents of nature's larder actually puts the South in a bargaining position, because the North has hitherto taken the lion's share. For the first time in history the disinherited of the Earth may have a grip on the economically powerful. The political sovereignty of poor nations over land may yet weaken the unshakeable command over the Earth's natural resources upon which the richer nations depend. For the ownership of land of value is the basis of economic power.

'North' and 'South' are convenient primary labels for classifying the rich and poor nations of the world, though it is accepted that they are evocative rather than precise categories. It is also accepted that the divide between rich and poor runs within nations, and within communities, as well as between them. It applies at all geographical levels. It is instructive, however, to replace the labels in this classification, with the labels 'Landowners' and 'Landless', in order to see to what extent they apply. Of course, there are degrees of landownership, and landownership also includes all those, such as professional agents and moneylenders, who have an interest in the rent of land without being titular owners.

In one Southern continent the distinction between Landowner and Landless has already been shown to be powerful for explaining social problems. As Redclift states:

The exactions of a *rentier* class and the opposition mounted by peasant farmers in Latin America are demonstrated in the social conflicts that have provided a common theme in Andean history and ethnography... Control over resources in the Andes was determined by the prevailing systems of land tenure, reflecting established and emerging class interests... The political power of these classes depends upon maintaining the existing pattern of highly unequal land distribution and land uses.<sup>34</sup>

Turning to southern Asia, the renowned development economist Gunnar Myrdal confirms that 'Colonial rule acted as an important catalyst to change, both directly through its effects on property rights and indirectly through its effects on the pace of monetization

in the indigenous economy and on the growth of population.<sup>35</sup>

European land tenure systems of private ownership were imposed, resulting in the

breakdown of much of the earlier cohesion of village life with its often elaborate, though informal, structure of rights and obligations. The landlord was given unrestricted rights to dispose of the land and to raise the tribute from its customary level to whatever amount he was able to exact. He was usually relieved of the obligation to supply security and public amenities because these functions were taken over by the government. Thus his status was transformed from that of a tribute receiver with responsibilities to the community to that of an absolute owner unencumbered by obligations towards the peasants and the public, other than the payment of land taxes.<sup>36</sup>

It is no coincidence that this also describes the situation in England in the late fifteenth and sixteenth centuries when the Roman view of land was being re-introduced after the Danish and Norman interludes. The first major enclosures created landlessness, accompanied a population explosion, and led to the enactment of the first Poor Law. Just as the land tax was gradually withering away in England during that transformation of property rights, so the landlord in India and Pakistan today is able largely to avoid it. Todaro judges that 'in many respects, therefore, his position of power in the economic, political and social structure of the rural community is analagous to that of the Latin American *patron*. There is a difference in that the former is an absentee owner whereas the latter often lives on his *latifundio*. But the efficiency and productivity implications are the same.' As are — he might have added — the equity implications.

Professor Myrdal's analysis of the process of the impoverishment of the peasantry has two further components. As summarised by Todaro,

The creation of individual titles to land made possible the rise to power of ... the moneylender. Once private property came into effect, land became a negotiable asset that could be offered by peasants as security for loans ... At the same time, Asian agriculture was being transformed from a subsistence to a commercial orientation, both as a result of rising local demand in new towns and, more importantly, in response to external food demands of colonial European powers ... [So] the peasant's cash needs grew significantly ... Often moneylenders were more interested in



acquiring peasant lands as a result of loan defaults than they were in extracting high rates of interest. By charging exorbitant interest rates or inducing peasants to secure larger credits than they could manage, moneylenders were often able to drive the peasants off their land. They could then reap the profits of land speculation by selling this farmland to rich and acquisitive landlords. Alternatively they often became landlords themselves. At any rate, largely as a consequence of the moneylender's influence, Asian peasant cultivators have seen their economic status deteriorate steadily over time.

The inevitable outcome of these extremes of wealth and poverty, where children provide either status or security, is a third component — rapid population growth. This creates a vicious circle. Cumulative subdivision and fragmentation of holdings reduces their viability until

production falls below subsistence level and chronic poverty becomes a way of life. Peasants are forced to borrow even more from the moneylender at interest rates ranging from 50 to 200%. Most cannot repay these loans. They are then compelled to sell their land and become tenants with large debts. Because land is scarce they are forced to pay high rents... And because labour is abundant wages are extremely low. Peasants thus get trapped in a vice of chronic poverty from which, in the absence of major rural reconstruction and reform, there is no escape.<sup>37</sup>

A lament from Sir Thomas More's *Utopia*, published in 1516, concerning a matter 'peculiar to you Englishmen alone' (at the time), provides a fitting refrain in India half a millennium later:

the husbandmen be thrust out of their own, or else either by covin and fraud or by violent oppression they be put besides it, or by wrongs and injuries they be so wearied, that they be compelled to sell all. By one means, therefore, or by other, either by hook or crook, they must needs depart away, poor, silly, wretched souls, men, women, husbands, wives, fatherless children, widows, woeful mothers with their young babes, and their whole household small in substance and much in number, as husbandry requireth many hands.<sup>38</sup>

Looking back a further 3,000 years, the Biblical story of the Israelite Joseph also has a familiar ring. Joseph, the slave-turned-Egyptian prime minister, organised the accumulation of buffer stocks during seven fat years preceding seven lean years. Herbert Girardet recounts the consequences:

When the drought became severe, the Pharaoh was in a position to sell grain to the people of Egypt (and also to tribesmen such as the Israelites), in exchange for silver and gold they had accumulated. When precious metals had run out they had to sell their herds of cattle and sheep in exchange for wheat and barley. Finally, towards the end of the drought, the Egyptians were forced to sell their plots of land to the Pharaoh in exchange for grain. From then on, he and his successors were able to extract land rent from their subjects, thus greatly increasing the political and economic powers of the ruling dynasties.<sup>39</sup>

(This experience no doubt stood the Israelites in good stead when the Mosaic land laws came to be framed. They were designed to prevent the concentration of land ownership — e.g. Leviticus 25.)

One of the items on the British administration's famine-warning check list in India was falling land prices as people sold their last assets to exchange for food. Landowners expanded their estates at such times. Grain prices naturally rose and speculators and hoarders made their fortunes.<sup>40</sup> In the famine in Bangladesh in 1974, 81% of those seeking food relief owned no land or less than half an acre.<sup>41</sup>

The Green Revolution has turned India into a net food exporter. 'But poor Indians are still hungry. 47% of those living in the countryside still own less than 1 acre of land. 22% own none at all.'<sup>42</sup> The World Bank notes that some 90% of the world's billion or so hungry people live and work in rural areas.

The Brandt Report to the United Nations made the mistake of thinking that land reform can only provide 'small relief' for the landless in densely populated countries such as Bangladesh, where 'large holdings account for only 0.2% of the total land', and so recommended instead investment in irrigation and flood control to allow multiple cropping, thus increasing the demand for labour. Redclift contests this argument:

In Bangladesh rural poverty is not a consequence of simple population pressure, but of the combined forces of accelerated technological change and a social structure rooted in inequality... [It] is closely linked with the growth of inequality in command over natural resources... As Clay suggests, 'If the objective is to eliminate poverty rather than alleviate it, there is no satisfactory alternative to assuring the landless a guaranteed share in the income stream from the one basic resource — land'.<sup>43</sup> Such a prescription has advantages that neither rural public works nor grain purchases possess, and it would do more than relieve seasonal fluctuations in poverty.<sup>44</sup>

Claire Whittemore summarises the position succinctly in an Oxfam booklet, *Land for People*, compiled in the light of the experience of Oxfam's field workers:

The most powerful people in a rural society are those who have control over the most land. So investment in the rural sector inevitably benefits the landholders and the more land they have, the more it benefits them. They are able to use their increased wealth to buy more land and to mechanise. The result is more landless people and fewer jobs.<sup>45</sup>

Whittemore (p. 37) quotes the World Bank as admitting, in relation to loans for 3,000 deep tubewells in Bangladesh, 'In a project such as this where the major result is to increase the productivity of the land, to a large extent the distribution of direct benefits must reflect the existing land ownership pattern.'

An early draft of the Oxfam booklet was used by a lobby group opposing official views at the United Nations Food and Agriculture Organisation's 'World Conference on Agrarian Reform and Rural Development' in Rome in 1979. Whittemore (p. 33) notes that 'The FAO was created to serve the interests of its member governments. It has to present an acceptable, non-political image to all of them . . . as such it approaches all the problems of hunger, land and food with technical solutions such as improved irrigation and better varieties of seeds.' The Green Revolution was clearly the apogee of the FAO's approach, but

It can now be seen to be essentially a short term solution, and inadequate even in the short term. The changes which have accompanied it have made it more difficult, if not impossible, to attack the basic problem of land reform and to achieve an equitable and efficient distribution of productive resources. The power of the present landowners has become almost unchallengeable. The failure of the [Indian] Government even to impose a land tax on the beneficiaries of huge public expenditure on irrigation, credit subsidies, subsidised seed, fertilisers, etc, is an indication of their political power and influence.<sup>46</sup>

Gunnar Myrdal would not disagree: 'Almost everywhere governments have made a sham of it,' he writes. 'Secondary reforms — community development, agricultural extension, credit and other co-operatives — have had an easier passage. But in the absence of effective land reform, they have tended to assist the upper strata in the villages and thus actually increase inequality.'<sup>47</sup>

## VII

An historical illustration of how fairer sharing of land rent helps to avoid the Malthusian trap of low output growth and high population growth is provided by Matthew Edel, in what has been called 'by far' the best introduction to the political economy of ecology.<sup>48</sup> He compares the economic development of Java and Japan. Both are large islands off the coast of Asia, but the former has greater natural advantages, particularly its rich volcanic soils.

Before colonisation by the Dutch in the seventeenth century, Java had a lower population density and higher rice yields than Japan. The Dutch then enforced the production of cash crops, particularly sugar. By 1830 landowners were obliged to lend one-fifth of their land to the Governor for sugar production, and landless labourers to provide 66 days labour a year for public construction work. The rental surpluses that formerly supported the Sultans and ensured leisure time for the labourers were thus mainly diverted abroad through the introduction of production for export.

After 1870 Dutch corporate plantations took over the cash crops, which now occupied one-third of the irrigated terraces and still enjoyed enforced labour. Within a few decades the growing population was pressing on the limits of land supply. The Dutch government, under its 'ethical system', began diverting resources into maintaining living standards. This averted Malthusian checks, and population growth continued apace. The area under sugar gradually gave way to rice until, by Independence in 1945, there were virtually no sugar plantations left. *Kolonisatie* policy, precursor of the Indonesian Transmigration programme, was also instituted. 'Surplus people' were decanted as coolie labour to plantations in the sparsely populated 'Outer Islands' of the archipelago.<sup>49</sup>

Japan was not colonised in the seventeenth century. Instead, the Tokugawa Shogunate upheld the nation's independence and, in return, staked a claim on the country's surplus production by taxing the peasants. By 1850, rice yields were the same as Java's. In 1868, the Meiji Restoration disposed of the aristocracy. Edel continues:

Feudal dues that had consisted of a share of the crop were replaced by a fixed land tax levied on the potential yield of fields. This tax allowed landowners to reap all of the benefits of any productivity increases

beyond the presumed initial capacity of their farms. It is generally acknowledged to have contributed greatly to farmers' incentives. At the same time, the government introduced a system of agricultural education, comparable only to the United States' extension service in its scope. This, too, contributed greatly to productivity. Rising productivity allowed the increase in Japanese population to be diverted out of agriculture into industry.<sup>50</sup>

Two pillars of perfect competition — a fairer share-out of land rent and better information — thus initiated Japan's economic 'take-off'.<sup>51</sup> Equipment and fertiliser were produced for agriculture, and rice yields in the mid-twentieth century were double those in Java. Population density, however, was less than half that of Java, as was the rate of population growth.

### VIII

If the private ownership of the rent of land were the fundamental cause of demographic and environmental crises, one might expect these phenomena to be least evident in Africa, where western notions of property have been slowest to penetrate communal social structures. In fact, over the last two decades such crises have been more conspicuous there than in any other part of the world. Drought, desertification, and famine have struck in two major episodes, and sub-Saharan Africa is unique in having declining per capita food production. Population growth is the fastest in the world. Does this cast doubt on the preceding argument?

Closer examination of the incidence of famine and environmental degradation suggests not. As one major study points out, 'it is the distribution of population that has gone awry. In many African countries, people are alternatively crowded into overused lands and elsewhere spread too thin.'<sup>52</sup>

Nowhere is this more obvious than in South Africa where the system of apartheid sets aside less than one-seventh of the land for three-quarters of the population. Many have to migrate to shanty towns near the white centres of employment and send home remittances to their families. The *Bantustans*, where the black population has been resettled, are on the poorest soils, are over-crowded, and are suffering soil erosion and falling crop yields.

Ethiopia is Africa's poorest country. 'Its history is littered with records of famine, not least because, until the 1974 revolution, its elite city life rested on one of the most exploitative systems of land tenure in Africa.'<sup>53</sup>

In the Sahel drought of the early 1970s 'what is incontrovertible, is that the structural processes at work in the region over a long period, particularly the growth of large-scale commercial agriculture [notably cotton], forced more of the rural population to make excessive demands of the natural resource base.'<sup>54</sup>

In the Sudanese famine of 1985-6 the same processes were at work. Half the area under cultivation is devoted to cash crops, the other half — mainly marginal, and the sites of the worst famines — is devoted to traditional farming and pasture. The transfer of the best land to commercial farming has mainly taken place since 1970, increasing the vulnerability to famine. Although the earlier Sahel drought had been as bad, it did not produce famine in Sudan. Until the 1960s rural Sudan was largely 'unowned'. Then the government began granting land leases tantamount to ownership to foreign companies, and selling land leases on very favourable terms to ex-government and ex-army officers. In the 1970s, the Unregistered Land Act made all land the property of the state, unless formally registered. Much land traditionally used by peasant farmers and nomads thus passed to mechanised agriculture within a few years. The World Bank funded the clearing of over 5 million acres of nomadic pasture. By 1985, 1.75 million of the previous occupants were now dependent on seasonal work. 'It is here — in the fundamental shift from self-sufficiency ... to a dependent labour force — that we find the root cause of Sudan's crisis in the 1980s', conclude Jon Bennett and Susan George.<sup>55</sup>

The plans of state bureaucrats, new landowners, merchant cartels, and their foreign advisers, however, relied upon the world price of cotton ceasing to follow its long-established downward trend. It did not oblige, and the IMF was called in just as famine was beginning to take hold. Its rescue package removed food and consumer goods subsidies and raised the price of imports by devaluing the currency. Food riots ensued in the capital, Khartoum, and the president was deposed — but grain continued to be exported to the Gulf States.

These examples confirm that at the root of the African tragedy of

the last two decades is the corrosive dynamic identified in other continents: private appropriation of land rent. Throughout the 'Free World', a ceaseless quest is being pursued to turn the banquet of nature into inedible gold through the trade in land titles. Those in possession of more land inexorably displace those in possession of less. Landowners accumulate money in the bank; the landless accumulate children on the land. Those at the margins of the world economy pawn the natural wealth of the South in order to accumulate financial wealth for the North. As Anthony Sampson warns in *The Midas Touch*,

While money can be multiplied, the land remains finite. Unless we can reverse the vicious circle of poverty and degradation, our greed will begin to undermine the real wealth which is the basis of our existence.<sup>56</sup>

Achieving a fairer share-out of the world's land and natural resources is, therefore, the primary environmental problem requiring the attention of professors, politicians, and the mass media. It is the just and efficient way to raise the living standards and self-reliance of the poorest people in the world. It thus addresses the ultimate source of high birth rates. It is the case, however, that the very existence of this issue is largely obscured from sight by controversies surrounding symptoms rather than causes, with policy emphasis on an assortment of cures — birth control policy, environmental regulations, assorted technological 'fixes', and even faster economic growth — rather than prevention.

## NOTES

- 1 Archer Torrey, 'The Land and Biblical Economics', in *Land and Liberty*, (London, July-August, 1979), p.63.
- 2 John Seymour and Herbert Girardet, *Far from Paradise: The Story of Man's Impact on the Environment* (London: British Broadcasting Corporation, 1986), pp.61-62.
- 3 *Ibid.*, pp.24-32. See also Georges Roux, *Ancient Iraq*. (2nd ed; London: Penguin Books, 1980), pp.129, 133, 170, 370, 372 and 379.
- 4 For example, World Commission on Environment and Development, *Our Common Future* (Oxford: Oxford University Press, 1987), p.106,

- and affirmative statements in Thijs de la Court, *Beyond Brundtland: Green Development in the 1990s* (London and New Jersey: Zed Books Ltd, and New York: New Horizons Press, 1990), p.32, and Stuart McBurney, *Ecology into Economics Won't Go, or, Life is not a Concept* (Bideford: Green Books, 1990), p.109.
- 5 A.M. Honoré, 'Ownership' in A.D. Guest, ed., *Oxford Essays in Jurisprudence* (Oxford: Clarendon Press, 1961), p.108, his emphasis.
  - 6 Robert Dorfman, *Prices and Markets* (3rd ed; Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1978), pp.246-7, emphasis added.
  - 7 Kelvin Lancaster, *Modern Economics: Principles and Policy* (Chicago: Rand McNally & Co., 1973), p.292.
  - 8 *Ibid.*, p.307 and p.303.
  - 9 Speech by Barber Conable, World Bank President, reported by Peter Norman in 'Economics Notebook', *Financial Times* (London, October 2, 1989).
  - 10 Martin Wolf, 'The global sink', in *Financial Times Survey*, 'The World Economy' (London *Financial Times*, September 26, 1989), p.XI. See Michael Grubb, *The Greenhouse Effect: Negotiating Targets* (London: Royal Institute of International Affairs, 1989).
  - 11 John Hunt, 'Pleas for green policies fall on stony ground', in *Financial Times* (London, March 3, 1990).
  - 12 David Pearce, 'Options for the forest' in *Guardian* (London, December 8, 1989).
  - 13 Wilfred Beckerman, *Pricing for Pollution* (London: Institute of Economic Affairs, Hobart Paper 66, 2nd ed., 1990), pp.13-14; Norman Myers, *The Sinking Ark* (Oxford and New York: Pergamon Press, 1979), Ch. 19.
  - 14 See Claire Whittemore, *Land for People: Land Tenure and the Very Poor* (Oxford: Oxfam Public Affairs Unit, 1981).
  - 15 Michael P. Todaro, *Economic Development in the Third World* (4th ed.; New York: Longman, 1989), pp.224-228. See also references in 2, above.
  - 16 See Richard G. Wilkinson, *Poverty and Progress: An Ecological Model of Economic Development* (London: Methuen, 1973), Ch. 5; Michael Redclift, *Development and the Environmental Crisis: Red or Green Alternatives?* (London, New York: Methuen), Ch. 3.
  - 17 Mason Gaffney, 'Nonpoint Pollution: Tractable Solutions to Intractable Problems' in *Journal of Business Administration*, Vol. 18 — No. 1 and 2 (Vancouver: University of British Columbia, 1988/89), p.150.
  - 18 Nancy Dunne, 'Subsidies have failed to save the family farmer' in *Financial Times* (London, August 9, 1989).
  - 19 Bridget Bloom, 'Hunger and Utopian Ideas' in *Financial Times* (London, November 23, 1989).



- 20 Quoted by Nicholas Schoon, 'EC farming subsidies dismissed as "false remedies" to food surpluses' in *The Independent* (London, January 4, 1990).
- 21 Todaro, *op. cit.*, p.209.
- 22 See Fred Hirsch, *The Social Limits to Growth* (London: Routledge and Kegan Paul, 1977).
- 23 Interviewed by Anthony Sampson, writer and presenter of *The Midas Touch* (Csaky/Antelope Film production for BBC Television South & East, in association with TV Asahi of Japan and Channel 7 of Australia, 1989). For part of the interview, see Anthony Sampson, *The Midas Touch* (London: Hodder & Stoughton, BBC Books, 1989), p. 85.
- 24 Richard Body, 'Protectionism, Rent and the Dynamics of Agricultural Degradation' in Richard Noyes, ed., *Now the Synthesis* (London and New York: Shephard-Walwyn and Holmes & Meier, 1991) p. 207.
- 25 Todaro, *op. cit.*, p.305.
- 26 Sandra Postel, 'Halting Land Degradation' in Lester Brown *et al.*, *State of the World 1989* (New York, London: W. W. Norton & Co., 1989), pp.28-29.
- 27 Redclift, *op. cit.*, p.71.
- 28 Redclift, *op. cit.*, p.69.
- 29 Wilkinson, *op. cit.*, Ch. 7.
- 30 Jack Anderson and Dale Van Atta, 'Grazing Federal Lands to Dust,' in *Washington Post* (Washington, January 28, 1990).
- 31 Mikhail Gorbachev, *Perestroika* (London: Fontana, 1988), pp.19-21.
- 32 Henry George, *Progress and Poverty* (1879; Centenary Edn; New York: Robert Schalkenbach Foundation, 1979), p.344.
- 33 Wilkinson, *op. cit.*, Ch. 7.
- 34 Redclift, *op. cit.*, pp.70-71, 67.
- 35 Gunnar Myrdal, *Asian Drama* (New York: Pantheon, 1968), p.1035.
- 36 *Ibid.*
- 37 Todaro, *op. cit.*, pp.307-308.
- 38 Thomas More, *Utopia* (1516; London: Heron Books, published by arrangement with J. M. Dent & Sons Ltd, undated), p.26.
- 39 Seymour and Girardet, *op. cit.*, p.30.
- 40 Jon Bennett and Susan George, *The Hunger Machine* (Cambridge, England: Polity Press, 1987), p.200.
- 41 Amartya Sen, *Poverty and Famines; an Essay on Entitlement and Deprivation* (Oxford: Clarendon Press, 1981), p.144.
- 42 Bennett and George, *op. cit.*, p.25.
- 43 Redclift, *op. cit.*, pp.74-75.
- 44 E. J. Clay, 'Seasonal Patterns in Agricultural Employment in Bangladesh' in Chambers, Longhurst and Pacey, *Seasonal Dimensions to Rural Poverty* (London: Frances Pinter, 1981), p.100.

- 45 Whittemore, *op. cit.*, p. 29.
- 46 Whittemore, *op. cit.*, p. 41.
- 47 Gunnar Myrdal, 'The Need for Radical Domestic Reforms' in his collection of essays, *Against the Stream* (London: Macmillan, 1973).
- 48 Matthew Edel, *Economies and the Environment* (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1973). The commendation is in E. K. Hunt and Howard J. Sherman, *Economics: An Introduction to Traditional and Radical Views* (5th ed.; New York: Harper & Row, 1986), p. 573, note 4.
- 49 Mariel Otten, 'Transmigrasi: From Poverty to Bare Subsistence' in *The Ecologist*, Vol. 16, No 2/3 (Camelford, UK: 1986), p.71.
- 50 Edel, *op. cit.*, p. 55.
- 51 See Fred Harrison, *The Power in the Land* (London: Shephard-Walwyn, 1983), Ch. 11.
- 52 Independent Commission on International Humanitarian Issues, *Famine: A Man-Made Disaster?* (London: Pan, 1985), p. 11.
- 53 *Ibid.*, p. 66.
- 54 Redclift, *op. cit.*, p. 67.
- 55 Bennett and George, *op. cit.*, p. 59.
- 56 Sampson, *op. cit.*, concluding statement of the TV series.