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Poverty stems from concentrated ownership of natural resources, which forces everyone else to pay a high price for life's necessities: land, air, water, oil. For nations, however, having resources can be a curse, as evidenced by what has happened in Nigeria. One of the worst features of colonialism was the way Europeans divided the land, taking the best for themselves and then criticizing the local people for their farming practices. What is needed to create a fair economy is for the value of natural resources to be shared among all people. Nothing is going to be done about poverty and the high costs of housing until philanthropists and ordinary people understand the role of resource monopolies in maintaining economic privilege. The key question is how to shake prosperous people from complacency.



Monopoly as the Primary Source of Poverty

There is something wrong with our major economic systems: both socialism and capitalism. There is a horrible flaw or knot in the distributive function of any economy that cannot provide people a basic sense of security in their being, and their ability to provide for their families. The challenge is to find out what that flaw is.

The main knot or kink in the distributive function has to do with monopoly holdings. We once had antitrust laws that were taken seriously. That is no longer so. I am even more concerned about a deeper kind of monopoly that is the root cause of poverty, namely, the monopoly over natural resources, the gifts of nature.

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The Resource Curse in Nigeria

Nigeria is an example of what has been called "the resource curse." Oil has definitely been a curse for Nigeria, because the effort to control it led to corruption, war and environmental damage. How did that happen?

Historically, colonial powers looked at Nigeria and other colonies as resources, and imposed European systems of land ownership, replacing traditional ways of guaranteeing that everyone had access to land. The guarantees might be through patrilineal systems in which certain family lineages were given the right to work pieces of land, and it might be the ancestors who were responsible for the distribution of land. In a polygamous society it was understood that a man with more than one wife needed a bit more land. That was an African system of responsibility and obligation to the land.

Once Europeans replaced the pre-colonial systems of land tenure with a European system of absolute rights, the stage was set for the multinational oil companies to negotiate a very sweet deal. It is difficult to negotiate contracts with a large number of people. So usually those contracts are negotiated with just a few top government officials. They give lip service to giving some of the oil royalties to the people, but in practice that is not what happens. Too often the revenues go into the pockets of a few government officials and their corrupt cronies, and just as often, they are deposited in foreign bank accounts.

The youth of Nigeria are feeling excluded from the benefits of oil. They steal from the oil pipelines just for their own families or sometimes to resell, and they risk being massacred. It is harsh. The environment has been totally destroyed. All the lip service about providing schools and roads has been only minimally attended to. Because of the oil wealth, Nigeria's human resource has been neglected: its well educated, multilingual population.

Colonialism and Agriculture

To understand how colonialism changed the African approach to land, we must first recognize that the colonizers neither understood nor cared to understand the cultures they were interfering with.

Rwanda was a case in point. The country was divided, with the most fertile land being given to the white settlers, and the infertile land being given to the traditional African farmers. It was partitioned in that way. When the African farmers used their traditional methods of slash and burn, the Euro-

peans looked on in horror, and said: "Oh no, how could they use those traditional methods! They are terrible! We will come in and teach them to farm in the European style!" That made the Africans dependent on fertilizers and irrigation. The Africans had been doing just fine prior to the disruption in their access to the fertile land. When land is fertile, and they can let it lie fallow, the slash-and-burn method works. It can lie fallow for a while, and then they can move to something else.

The Europeans arrogantly assumed their knowledge was superior. They also felt they had a right to the resources there. The agricultural crops that Europeans introduced tended to be monoculture crops, designed for export. Prior to the colonial influence, there was a richly varied diet in Africa, very healthy, healthier than most Europeans eat. With the advent of monoculture and export crops, imposed by the Europeans, the dietary standard of the indigenous population diminished. I worry that there will be a Green Revolution in Africa by introducing "superior" farming techniques and bioengineered grains. That frightens me, because it holds the promise of disrupting systems that work.

Sharing Natural Wealth

The wealth that results from that progress should be more fairly distributed. That starts with distributing equitably the value from naturally occurring wealth, by collecting royalties or fees for the use of land, clean water, clear air, mineral rights, and the electromagnetic spectrum. Those royalties or fees could fund government services and eliminate the need for other taxes, to some extent.

We have to make a distinction between human endeavors and natural resources. We have to allow people to keep what their labor creates, but create a system that shares the value of resources. That is best done by charging adequate royalties.

Whatever you may think of Hugo Chávez, at least he is collecting royalties from the oil that is drilled in Venezuela, and he is using those royalties for social services, schools, roads, hospitals. That is where I would like to see oil royalties go. I am just enough of a renegade that I will not buy any gasoline except for Citgo gasoline because I know it is from Venezuelan oil. I do not want the profit from the gasoline that I put in my car to go into the pockets of the multi-national oil companies who will keep it for themselves. So my husband does not like to travel with me, because we are in danger of running out of gas unless there is a Citgo station on

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the horizon. I have vowed that I will walk before I put anything other than Citgo gas in my car, and he knows me just well enough to figure he might be walking with me.

Looking for Root Causes of Poverty Means Questioning the System

I have observed that compassionate people, such as Bill Gates, Bono and Warren Buffet, who are concerned about African poverty, are giving humanitarian aid to solve the problem. I do not want them to stop funding projects in the developing world to promote agriculture or to provide people with mosquito netting or irrigation systems or computer equipment. But I wish they would also look for the root causes of poverty. Their current efforts are similar to lifting drowning babies out of a river when what is most needed is to go upstream to stop the babies from being thrown in the water. To the people rescuing babies, it might seem that the person who runs upstream is abandoning the effort to save them, but clearly stopping the problem at its source is the best solution.

So, I wish that the big foundations would devote at least some of their vast wealth to studying the root causes of suffering. They mostly just treat symptoms of poverty now. I wish Bill Gates would recognize that all the effort he is putting into helping Africans is really just treating symptoms. I would like to make him curious about the causes.

Upton Sinclair said, "It is very difficult to get a man to understand something when his salary depends on his not understanding it." That is the brick wall I run up against in trying to convince my friends of the need to find an economic system that falls somewhere between capitalism and socialism, takes the best of each and creates a new and vibrant system in which we can take care of everybody. No one needs to be poor. But shifting to a system in which everyone has the same privileges and opportunities will require us to change ourselves and own behavior. That is difficult to do.

Land Monopoly and the Cost of Housing

Land monopolies make some people wealthy and impoverish others. This occurs because a few people with large real estate holdings in a city withhold some land from use, waiting for the speculative gain from an increase in land values. This artificial scarcity of urban land drives the price of housing up, forcing everyone to pay a larger portion of their monthly income for housing. If you allow private ownership of land, without collecting an annual user fee for the land being withheld from use, housing costs will skyrocket.

In Barbara Ehrenreich's book, *Nickel and Dimed*, she writes about trying to get by on what she could earn as a regular wage-earner waitress. When she went to areas where the wages were higher, her housing costs were higher still. So in the end she made out less well in areas with high wages. She did not make this point in her book, but as someone who is concerned about the relationship between wages and land values, it screamed out at me on every page. Land monopoly effectively raises the cost of renting an apartment. In Silicon Valley, for example, wages are especially high, but workers have to commute long hours because they can not afford to buy or rent housing near their jobs. It is not the house that is expensive; it is the land under it. Land monopoly really does have an impact on the affordability of housing.

Because I keep using the word "monopoly," I need to be clear that I use that term to mean "highly concentrated ownership." Many people think that there is no monopoly in land because a little over 60% of households in the U.S. own a house and a small amount of land. What is not so obvious is that a small percentage of the people in this country own a very large percentage of the privately owned land. Five percent of the population owns something like ninety percent. That is a huge monopoly, which of course drives land prices up everywhere. That condition could be corrected by changing our tax code. Our tax code rewards withholding land from use, and it causes sprawl, and it causes all kinds of horrible things. We could change it merely by taxing the privilege of holding land.
