

POLICIES FOR A SUSTAINABLE FUTURE

Planning for a Sustainable Environment

Andrew Blowers (editor), Earthscan, London, £15.95

RECOMMENDATIONS by the 16 contributors reveal that there is a long way to go before a satisfactory blueprint is produced for solving environmental problems, for their analyses are not yet armed with a satisfactory theory of land use. Result: proposals that do not match up to the scale or nature of the problem.

There are scattered references to the connection between land use, tax policy and environmental problems; but no comprehensive theory of land use that makes sense of why both capitalist and communist countries have failed to use land and natural resources to the advantage of either the individual or society.

Prof. Blowers, in addressing the problem of derelict land in the city, is correct to recommend: "A tax on land values, set at appropriate levels, would act as an incentive, stimulating owners to improve it and release it rather than hold on to it."

But his proposal is partial. He applies it to derelict land alone; and one of his colleagues proposes that the tax should be removed once the land is brought into use. Further, the analysis on which the recommendation is based is confused because it is not underpinned by a theory of land use. Hence, we are once again told that "The complex causes of vacant land have been much debated but essentially it is land without present value because it has no market."

No-one has yet demonstrated that the owners of such sites are therefore willing to abandon their claims to land which supposedly has no value!

Another example of inexcusable confusion is the proposal to create a Sustainable Land Development Fund. The idea is sound: a fund dedicated to dealing with environmental problems, financed out of the rent of land. But what is the method for sluicing rent into that fund? The authors resurrect an idea that has been thoroughly discredited by experience in Britain: a "betterment" levy, exacted when planning permission is granted to landowners.

The authors explain: "Vast

amounts of money change hands when land is developed. A retailer may pay as much as £10 million for two hectares of farmland that has planning permission for a superstore. This enhanced value reflects the profit anticipated by the retailer, but it is considered by many people to belong to the community whose collective actions brought services and population near enough to the site to justify its development. The potential value of the land is only realised with the grant of planning permission."

Right: the community creates the value. Wrong: the potential value is realised not when permission is granted, but when people demand, through the market, the change in the use of the land. Planners can grant permission until the cows come home, but if the "market" does not exist, there will be no increase in value.

My main quarrel with the authors is over this claim: "In the past 45 years three attempts to collect this betterment have been made, each to be abandoned by following governments mainly for political reasons. However, the different schemes were repudiated before there had been sufficient research to assess their full effects and to identify the causes of apparent land shortages."

This is just not true. Certainly, the Tories crystallised political opposition to Labour's three attempts at recovering part of the rent of land for the public purse. But there was ample empirical evidence to justify that opposition, as has been re-emphasised in a new study.* Labour's laws distorted the use to which land was put, and, in one case, contributed to a land boom by working to the advantage of land speculators!

The historical record demonstrates the futility of resurrecting a fiscal policy that has been discredited.

HOW DO WE explain this failure on the part of distinguished scholars and environmental specialists? In part, because they are wedded to the idea that "planning" is capable of more than it can actually deliver. For exam-

ple, they hold the planning system partly to blame for postwar errors in the fields of transportation and industrial pollution. In fact, these problems stem from a simple failure of politics.

Ecological damage would have been automatically limited to sustainable levels if users had been required to pay for the benefits they received from using "land" (defined to include all of nature's resources). The price they ought to have paid is the "rent" of land; the additional rental revenue then substituted for the other taxes that indirectly add to the problems highlighted in this report.

There is an urgent need to review existing policies. One of them is the "voluntary" payments paid by developers for planning permission (known as "planning gain"). Despite the disclaimers by some planning authorities, these are bribes paid in return for planning permission.

For the correct solution, the Town and Country Planning Association need go no further than its roots. The association was created by Ebenezer Howard, an advocate of the land policies of American social reformer Henry George. Howard realised that it was impossible to create decent environments so long as the rent of land was in private hands. His solution: garden cities built on land that was privately used but publicly owned.

Blowers et al. propose an experiment in which land is acquired for the construction of new communities in areas of housing shortage, to demonstrate the practical application of policies that encourage sustainable development. Old hat. That experiment has been running for 80 years in Letchworth (the one "garden city" which, for legal reasons, Mrs Thatcher was not able to privatise).

We now need a solution that embraces existing cities and the environment. That means, as was realised by town planners like Howard and Patrick Geddes, an *ad valorem* tax on the rent of all land, supplemented by rental charges for the use of resources such as rivers and the air.

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