We Need to Talk about Land

This article is part of <u>Uncommonwealth</u>, a series of articles that discuss housing affordability, economic justice, and inequality in the United States.

Whether we are aware of it or not, land and the market for land are at the core of many of the most intractable problems we are facing today as a society. Increasing poverty, inequality, and social exclusion can be squarely traced back to the enclosure and commodification of land, processes which in turn have led to the hoarding and rampant speculation that are now making housing inaccessible for an ever-increasing number of Americans.

At the core of this dilemma is the fundamentally misguided role we have assigned to land in our society: rather than treating land as a public good to be shared and stewarded by communities for the betterment of society, we treat it as a commodity to be used for the benefit of private individuals. We have enclosed land and subdivided it into millions of tiny monopolies that rather than benefiting society as a whole, bestow upon the possessors sole stewardship, unearned income, and unwarranted wealth.

The Unique Nature of Land

Treating land as a private good would not be problematic if it were an ordinary good. But land is not a normal good, it is a unique and fundamental resource.

First, land is not only scarce but unlike computers or apples, it is also finite. Yes, in theory, we could create floating islands on which to live or produce, but, at least in the short term, this is not financially or technologically feasible at a meaningful scale. We are stuck with what we have and it is not quite that much: inhabitable land represents only 12% of the total surface of the planet.

Second, land is essential for life. All human beings — and all terrestrial creatures for that matter — need land for our very survival. Land is simply indispensable. We use land for producing most of our food, for our shelter and housing, and for producing all other essential and nonessential goods and services that are basic to our way of life.

Third, land is not easily substitutable. When it comes to housing, for instance, most of us are not willing or able to <u>live on a boat</u> or to forgo housing altogether: we need housing to protect ourselves from the elements, for personal safety (physical and psychological), and to safeguard our possessions.

By virtue of land being both vital and having few viable replacements, land is also a highly inelastic good. This means that no matter how much the cost of land increases, because it is a basic necessity, our consumption of land cannot fall by much. In practice, this means that with increasing prices we are all stuck paying more for land, even if that comes at the expense of the consumption of other goods and services.

For landlords, the inelastic nature of land is a blessing, for it allows them to increase prices as demand rises even when wages do not keep up, as has been happening for the past fifty years. For those who rent, those who are in the market for purchasing a home, or who require land for any activity whatsoever, the inelasticity of land is a curse — ever scarcer, ever more concentrated, the cost of land only goes up, stripping from the vast majority of individuals in our society a greater share of their income.

Unjustifiable Monopolies of Land

When a good is scarce and finite, critical for survival, and not easily substitutable, commodifying it and restricting access to it by handing over exclusive ownership of that good to some individuals at the exclusion of others is tantamount to handing those owners a personal monopoly. These landlords are then able to use that monopoly power to extract rents from those who are excluded from the ownership of land.

These rents constitute an unearned transfer of wealth to landowners from nonlandowners who have no other choice but to pay up. The transfer of wealth that occurs through land markets thus represents not only an unjustifiable windfall, but also a tremendous opportunity cost for society. The unearned money that is handed over to pay for rent could have otherwise been devoted to productive activities that actually improve society (investments in technology, education, arts, innovation, etc.), rather than to feed the insatiable greed of those who through economic might, politics, deceit, or sheer force accumulate and hoard our land.

What construct bestows on some and not others the right to use the land, to sell it, to trade it, to profit from it, to extract rent from others through it? Is having arrived first enough to justify the exclusive ownership of land? Is possessing the force to violently remove other inhabitants from a plot of land enough to warrant its exclusive and lawful possession? Is working the land or maintaining it regardless of how it was obtained while others have no access to it truly sufficient to validate the claim to a monopoly on a plot of land? Does possessing more money than others actually entitle some to deprive the rest of their basic human right to access to land and housing?

There is no ethical claim, no rational argument that can ever justify the private possession of land at the exclusion of others, especially when, historically, that exclusion has come about through physically, politically, economically, and socially violent acts of theft, removal, and enclosure. There is simply not a single valid argument that can warrant it and yet we have allowed it.

We obtain exclusionary deeds to land, we buy it and we sell it, we profit from it, and use it as a means for accumulating wealth. Most of us have utterly convinced ourselves that it is beneficial to treat land as if it were any other commodity, as a stock, as yet simply another means for gambling, for extracting money from our society, a mechanism for some to profit at the expense of everyone else.

Perhaps we accept this because we are the ones doing the extracting or perhaps because we believe one day it will be us who will be in a position to extract, a fallacy that ultimately leads to the impoverishment of most of us.

From a social perspective, the optimal usage of land is not one in which a few individuals possess monopolies on most of the land and are able to use them to extract rents from the rest. Rather, the optimal usage of land is one in which we all, together and through our communities, are able to democratically and inclusively determine how best to use our collective land, how to allocate this precious resource so that all of us, at a minimum, have a place in which to live and enough space for all of the basic needs in our communities: grocery stores and shops, schools, hospitals, roads, public utilities, etc.

We must rethink our relationship with land and its role in our society. We must remember that land is our common inheritance and that it therefore belongs to all of us. We must consider that land ought to

be treated as a public asset, one to be shared and stewarded by all of us, as communities, not as individuals.

And by the way, land and houses are not the same thing, so let it be clear that I am speaking about the common possession of land, not necessarily of the physical improvements or structures we call our homes. In fact, the reason I am arguing for public stewardship of land is so that all of us can, in fact, have access to land upon which to build our homes. This truly can only be possible if we create mechanisms that allow us to share rather than enclose, accumulate, and hoard the land upon which our homes, our cities and towns, are to be built.