

EU Task Force on Land Tenure

EU Land Policy Guidelines

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Comments from **Land Research Trust**

7 Kings Road, Teddington, Middlesex, TW11 0QB, UK
Tel: 020 8943 3352 e.mail metaman@compuserve.com
Registered Charity No: 327041

Presented by

Dr Francis M Smith,

16 Whitehall Close, Wilmslow, Cheshire SK9 1NP, UK
Tel: 01625 532778 e.mail fsmariba@aol.com

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Part 2 Operational Guidelines

1. Situation Analysis. Land and natural resources and key development challenges.

1.2 The relation between land tenure and poverty.

1.3 Fiscal and financial issues

Traditionally sovereigns and rulers have used their power to keep land or give it to their favorites. This and other traditional views have led to the attitudes to land ownership which have to be taken into account. In Africa, for example, a leader tends to support a wide circle of family and friends as a natural right of his position.

The ideal attitude to be encouraged in order to address poverty and gross inequalities is to regard land as the shared resource of the nation. This must include the land itself, the environment above and the minerals below. The latter give rise to major conflicts yet are not mentioned in the Land Policy guidance. Discovery of mineral and oil deposits often leads to the elite siphoning off wealth and to widespread corruption. High taxation of such wealth and its use for the community should be a condition of exploitation.

In years to come it may be possible to establish *world* rights to a share of mineral wealth from an individual country. This should certainly apply to wealth on the seabed.

In many countries an unequal distribution of economic activity already prevails, perpetuating an unequal distribution of wealth in terms of land, capital and income. A fairer distribution of wealth can only be achieved by the collection of annual rent from land; incomes can be hidden or sent abroad and are not a reliable source of taxation for welfare services; taxing capital discourages enterprise and initiative. Where land is held out of use by the elite, the wealthy or by hereditary tradition, the only way (short of revolution or civil war) of alleviating the resultant poverty is to collect the annual land rent whether the land is used or not.

Such a procedure will address the often-seen domination by a minority section, often ethnic, of a country; a potential revolt by the dominated ethnic majority could be avoided.

Land planning will not benefit the landless unless land is freed through this means and national income generated to provide for the administration of land and welfare.

Land values will be much higher in built up areas and will generate annual value contributions greater than the rural areas.

Land and Property

The word property is commonly, and often by economists, used to encompass land, buildings and improvements. However, land is naturally occurring and of fixed amount. It is therefore quite distinct from buildings and improvements which are man made and hence replaceable; charges made on buildings and improvements discourage initiative and are counter-productive.

5. Adequacy, affordability and sustainability of land interventions.

Land registration and valuation is a pre-requisite for the collection of annual land values. The achievement of both of these appears to be the only way of improving prosperity, reducing the gap between the poor and the elite, ensuring the collection and distribution of benefits from natural resources to provide an income for the provision of welfare services, health and education.

If aid were provided to assist with land registration and valuation then it would be desirable to make it a condition that annual land values and natural resource values were collected and used for the good of the community.

The benefits of such a system for the reduction of poverty and the improvement of national prosperity over a long period would need to be explained.

Agreement on the reduction of corruption would need to go side by side with the fair distribution of the wealth of the country through its use for welfare.

The annual land rent charges depend on the natural productive power of the land and its distance from the market for example; development and urban land would be valued on the basis of the demand for the particular location and would tend to be higher as one moves toward the centre of a conurbation.

Ideally valuations should be assessed annually but in practice the frequency should be high enough to avoid valuations becoming seriously out of date.

Initially the value collected would be at 25 per cent of annual value, increasing over a given period, say seven to 10 years, to 100 per cent.

Public parks, protected areas and safari parks, for example, would not be in private hands and therefore would be non-contributory. Contributions from private land could be reduced to encourage development in designated areas. Amounts collected from poor or low-value agricultural areas would be very small indeed and could even be waived in return for communal working agreements for example. Exceptions on any other grounds should not be allowed, particularly for those in privileged positions.

When 100 per cent of the annual land value is collected, the land loses its capital value; this makes start-up businesses much less capital intensive and requires only the transfer of deeds for the land, acceptance of the liability for an annual rental charge and the purchase of buildings and improvements. It is a source of national income and creator of equal-opportunities and a stimulus to economic activity. Security of tenure must be given to users who are the generators of wealth.