

The Great British Enclosure

Ross [00:00:28] Welcome to Renegade Inc. As the British housing crisis rages on and on, the so-called solutions become more and more exotic, shared ownership, helped to buy, intergenerational mortgages, work/live spaces, houseboats, shipping containers, the list goes on. But what if we are treating the symptom, not the cause? If we're going to have a factory crank out flat pack homes, what are we going to place them on? For a flat pack housing revolution to work you'd need a factory that makes affordable land, said differently, unless we start calling the housing crisis by its real name, which is extreme land monopoly, we'll end up with ever more loony solutions to what should be a basic human right.

Brett Christophers [00:01:21] Joining me to discuss who owns Britain and why we should care are the author of The New Enclosure, Brett Christopher's and the co-director of Shared Assets, Kate Swade. Welcome to you both. Kate, have you ever played the board game Monopoly?

Kate Swade [00:01:35] Only very occasionally, yeah, I did grow up with it.

Ross [00:01:36] Have you ever played the board game Monopoly and it not ended in either someone storming out in tears or a massive family argument.

Kate Swade [00:01:45] No. Yeah.

Ross [00:01:46] What can monopoly teach us, the board game originally invented by a Quaker woman, what can it teach us about the predicament that we find ourselves in the housing and land market in the UK today?

Kate Swade [00:01:55] Well, obviously it was originally invented as a cautionary tale, right.

Ross [00:01:58] Right.

Kate Swade [00:01:59] Again it's the reason that she invented it was to show how this kind of system leads ultimately to wealth accumulation and one person or one player getting all the money and somebody else storming out in tears. So yeah, I think it's a really sort of salient demonstration of how the current way of thinking about land can be really messed up.

Ross [00:02:18] Is it any coincidence now that we have such inequality in the world, not just on the shores of the UK but in the world and actually how we have ordered the land market, the way we interact with land, are those two things linked?

Kate Swade [00:02:30] I would say so certainly and I think it goes back sort of four/five hundred years to the birth of modern capitalism and the beginning of the sense of the ability for an individual to own a piece of land outright.

Ross [00:02:41] Right.

Kate Swade [00:02:41] Like that was actually one of the key mechanisms that enabled colonialism and enabled the crown to fund people to go off adventuring to find new lands.

Ross [00:02:51] Right.

Kate Swade [00:02:51] And then, yeah, we have exported this system to the rest of the world and it continues to have really detrimental impacts both in terms of the way... the systems that we've set up there and then the way in which our land use has become so unproductive in lots of ways so we rely on the land use of the rest of the world for so much of our food and our fuel and fibres and all of the things you traditionally produce from land. So, yeah, I think there's a knock on impacts both in terms of the way we have things today, but that's been built up over a really long time.

Ross [00:03:21] Giving that historical context, when you hear people say the systems failed, having heard what you've just said, the system hasn't really failed, has it? Because it's worked perfectly according to the principles that it's been set up on.

Kate Swade [00:03:33] Yeah, and nobody sat down and drew it out, right. There's no deliberate cunning plan...

Ross [00:03:36] Someone sitting in a cave...

Kate Swade [00:03:39] Exactly.

Ross [00:03:40] Stroking a cat

Kate Swade [00:03:40] Exactly. But the logical consequences of a bunch of assumptions are playing out and, you know, one of those assumptions is that land is something you can own, it's fundamentally different from, you know, this piece of paper or this glass or this table or even my house, which I can put gold pillars on the outside and fill the garden with gnomes and, you know, add myself a sauna if I want through my own hard work and, you know, if that adds value to my house then I should probably recoup some of that hard work if the next person who comes along really wants that. Whereas the land underneath only has value because of where it is and the investments that the state and the wider community have made in that area to make that a desirable location.

Ross [00:04:22] One of the big success stories, Brett, of neoclassical economics is getting rid of a certain factor of production. So we've got three; land, labour and capital. And there's an amnesia around land when we come to talk about it as a factory production. Without being conspiratorial, you know, having the cave moment. Was that a very deliberate choice on behalf of economists?

Brett Christophers [00:04:44] That's a good question. So land never really disappeared from the broader tradition of economic thought. I think what the issue is that within a particular, relatively narrow orthodoxy that became the main... increasingly became the mainstream over the 20th century as people have discussed like Laurie Macfarlane and Josh Ryan-Collins. Within that very narrow mainstream there was a development towards treating land like any other asset, any other form of capital. I think it's important to note however that

within a broader tradition of... I guess, political economic thinking, land never really disappeared and there continued to be significant, constructive and creative thinking about the role that land plays in, you know, capitalist dynamics of accumulation and wealth concentration and so on... associated with people like Karl? and various descendants of Marx and various forms of Marxism. The problem was, though, was that that wider school of thinking was very marginalised within the academy specifically, but also within wider western society as well.

Ross [00:05:45] Why was it so marginalised?

Brett Christophers [00:05:46] I guess that's a story of the history of the social sciences in significant part of the 20th century was that radical thinking of most stripes became marginal as economics, particularly from the 1960s onwards (a) became or at least remained very, very narrow, but (b) became very, very dominant as people are beginning to chart that history now in a bit more detail. And I think one of the issues where land was concerned was, you know, really within and I'm sure shared assets is very, very conscious of this, you know, land politically as well as within kind of economic thinking, big questions about the politics of land ownership was very, very central within the UK. You know, really through to the 1970s there was lots of stuff being done about land and questioned about land and unearned increment and so on, were pretty significant questions on the political agenda, but really from the end of the 1970s that just died and from, really from the 1980s onwards, land was not just kind of disappeared from but shunted from the political agenda in the UK and it also disappeared from the academic agenda in the UK. And it's only really in the last few years that you can say that the land question broadly conceived and all the political aspects to that has kind of begun to bubble up again.

Ross [00:07:03] Was it a masterstroke on behalf of the landowners that the property owning democracy was launched in the mid 80s? Because in a sense, everyone could be a mini landowner, a little aristocrat, if you like, and then banking would take off because firing private debt at that asset class would become very profitable. Again, not back to the conspiratorial aspect, but was that an active of strategy?

Kate Swade [00:07:29] I mean, I don't know, I wasn't there. I did hear Michael Heseltine on Radio 4 talking about the... bringing in the Right to Buy council houses and apparently the original policy was that 75 percent of the money from the sale of council houses should go back to local authorities to buy... to be able to build more.

Ross [00:07:46] What happen there?

Kate Swade [00:07:47] The Treasury got in on it, apparently, but one of the... they had a quote from Thatcher of, "If you give people something to conserve, they will become conservatives" and so I'm not sure it was necessarily like, you know, the aristocrats in their den with their kind of aristocratic committee setting out, you know, their cunning plans but I think certainly this sense that property ownership is important, is a particularly British thing but I think that came about in the 70s, you know, that culture was created. At the same time... and I think there was then an active approach of making both council housing less normal, you know, no less... just like something... less secure, increasingly at the moment, but also just less, you know, something much more stigmatise and the fact that there's been no real

attempts to help out the private renters to even the rights of landowners and renters out which could have been done in a number of ways. And the rest of Europe sort of shows that renting needn't be a second class option, whereas in the UK it's really hard to see how, yeah, the idea of staying in the private rented sector for your whole life is not something that people would probably want for their kids because it's so precarious.

Brett Christophers [00:08:55] There was a number of things going on in the early 1980s that Kate began to refer to, I mean... I think partly the Right to Buy programme raised much more money in the early 80s than had been anticipated and so there was never any prospect of the Treasury not getting their hands on that surplus. I think the second thing was that local authorities, not in all cases, but in many cases, were kind of the hubs of resistance to the Thatcherite programme and therefore the very last thing that Thatcher and the Treasury and the Cabinet Office were going to do was to kind of sucker local authorities in any ways, the programme was in many respects about muzzling the local authorities so that was another reason why the receipts were centralised to such a significant degree. And then I think the third thing was obviously you had deindustrialisation of the UK, you had, you know, an increase in unemployment by about 4 million so, you know, the receipts from the council house selling programme along with receipts from the North Sea oil, those were the two kind of key sources of income to pay the increased welfare budget in the early 1980s so I think you put all those things together and you can see a pretty good, strong explanation for what happened with those council house receipts.

Ross [00:10:06] Is it fair to say that a nation of shopkeepers became a nation of estate agents?

Brett Christophers [00:10:11] Obviously not in its totality, but it's pretty obvious to anyone walking around the UK over the last 20 or 30 years that the real estate sector has become a massively more significant sector in economic terms over the last 30/40 years in the UK. And actually for all the talk that we hear about the financialization of the UK economy and it all becoming about financial services, if you look at the actual data for the changes in the UK economy over the last 30 or 40 years, there's been more growth in terms of gross value added, so the contribution of different industries to economic output, there's been more growth in real estate than there has in finance over the last 40 years.

Kate Swade [00:10:48] I think there's something that's interesting at the moment of how many... actually the conversations I end up having with my friends, is how difficult it is to either buy or sell property at the moment, that people are trying to sell things that they thought would be like, "sure bets" four or five years ago and actually having buyers drop out, drop out, drop out. And I think the kind of prevailing uncertainty around Brexit and what's actually going to happen, this sort of sense that things will keep going up feels like it's starting to crumble away at the edges, you know. And I think that's a really interesting thing because this idea of perpetual growth is clearly not something that can be sustained, and particularly for sort of flats and houses at the kind of entry-level end of the market, there is an upper level of how much... how expensive they can get while wages aren't rising. One of our kind of core beliefs is that we should use land to produce the things that people need. And people absolutely need homes. But the kind of utter like vacuum like effects of the housing market on the money that people are spending on running to stand still literally in their own homes means that you're really jeopardizing other productive things that people could be both doing with their time and with land. So land is often worth more if you just like, yeah, the

houses, if you just lock them up and don't touch them and leave them there to increase in value or rural land or land that is not for housing use, you know, people are sitting there very much invested in the idea of hope value and waiting for it to go up to a point at which they feel they can sell. So that becomes your primary driver rather than how can I use this land best. And I think that's actually really expressed in the way we tax land at the moment, you know, you go back to Henry George and the idea of land value tax, which is all about taxing land, the value of land rather than its productive use. And I'm not necessarily an advocate of land value tax, but I think we have the almost exact opposite at the moment where we have council tax and business rates, both which are levied on the occupier not the own. So the owner can sit there and their assets can go up in value while the people who are actually living in or working in those properties are having to pay the tax that I would say in reality they should be paying.

Ross [00:13:06] Welcome back to Renegade Inc. Before we talk more about land ownership being a very British problem with Brett Christophers and Kate Swade, let's have a look at what you've been tweeting about in this week's Renegade Ink Index.

Ross [00:13:16] First up, we've got a tweet from Rory Meakin. Fascinating in London. Helped to buy "substantially increased prices... and had no discernible effect on construction volumes", but at the English/Welsh border, where there isn't much of a shortage/crisis, the opposite. More construction without affecting prices.

Kate Swade [00:13:35] I've been in the housing market recently looking to buy a house and it was so interesting the new ones that were eligible for Help to Buy in London were so overengineered...

Ross [00:13:44] When you say overengineered, what does that mean?

Kate Swade [00:13:44] Well... so things like Bluetooth enabled bathroom mirror...

Ross [00:13:48] Smart homes?

Kate Swade [00:13:49] Yeah, exactly. Which bumps the price of a two bedroom apartment up to six hundred thousand pounds because its...

Ross [00:13:55] What is a Bluetooth mirror? I mean, are you that busy in your life...?

Kate Swade [00:13:58] Exactly. You're like, we don't want to be paying for this... like it's... it's still debt.

Ross [00:14:02] Next from Shelter. A children's playground being blocked for use by social residents is symbolic of a much deeper problem and a harsh reality that segregation and stigma are being institutionalised in our housing system. What's your view on that?

Brett Christophers [00:14:18] To the extent that I am... I know much about the UK housing market, my sense is that segregation and stigma have been institutionalised for a long time, and I suppose that one of the big challenges facing the UK is trying to reverse that but it's going to be a long, hard road and there's very little evidence at the moment that anything

really substantive is being done in that direction really and certainly Help to Buy is not going to help with that at all.

Ross [00:14:39] Next from Socialist Voice. Many homeowners would feel uncomfortable living next to social housing and this snobbery is fuelling a segregation crisis. The stigma around social tenancies has led to new developments physically separating residents by class using poor doors.

Ross [00:14:57] Finally, from Capitalists for LVT. "It is quite true that land monopoly is not the only monopoly which exists, but it is by far the greatest of monopolies - it is a perpetual monopoly, and it is the mother of all other forms of monopoly." And that's from a little known guy called Winston Churchill. Land monopoly. The mother of all. Do you agree?

Brett Christophers [00:15:20] I'm not sure I'd use the term mother, I mean, not in the sense it's necessarily spawned other forms of monopoly but if you go back to the early period of capitalism, then land monopoly and rent on land, I think certainly has served as the kind of the original prototype or model for other forms of rentierism over time. So I think rent as a kind of a capitalist, social institution, has diversified over the past hundred and fifty years and land, rent and land monopoly has been the model on which other forms of monopoly and rent have been modelled. I think that would be fair to say.

Ross [00:15:54] Brings us neatly to your book, which we've chosen as Book of the Week this week, *The New Enclosure*. Why did you write it and what did you learn from that process?

Brett Christophers [00:16:03] I wrote the book, which is about the privatization of land in the UK, so the transfer of land from public to private land ownership over the last 40 years or so. I wrote it because in doing research into that topic I realised that this had been a major phenomenon and that it was a phenomenon that people just really didn't know about. So it was actually a relatively simple... I mean, we all write books for different reasons, but it was actually a very simple motivation. It's something important has happened and people don't know about it and they need to know about it because it's really significant to their lives. It's really as simple as that.

Video Clip - Marion Shoard [00:16:38] I think what we have to do is to reconfigure the social contract between landowners and landless people in this country. And what I think we need to do is not so much focus on who actually owns land, the key thing is to work out what rights landowners should have. Although people think that they own land, I mean, actually there are all sorts of limitations like, land can be compulsory purchase perhaps for a bypass, there can be a public footpath across your land, you can have a site... a special scientific interest declared on it and suddenly, you know, you can't do all sorts of things on that land. The right to build on land was nationalised in 1947 so that's been the tradition in this country and I think what we need to do now is to figure out whether landowners have got the bunch of rights that we think they should have or whether that should be tweaked a little bit. I mean, one of the areas I've looked at is the whole field of where people can walk in the countryside or indeed on all land and move around over... in the water as well. There it's a very messy picture and where you can go is very messy and I just do feel that, you know, in the new century we need a new right for people to be present in the countryside, that the right to exclude people for no good reason if they're not going to do any harm is something that we

need to assert. So what are the benefits then of introducing greater rights of access, whether it's a general right or partial right to cover, say, all woodland, for instance. Well, people have lots more land in which they can refresh themselves and gain exercise and generally be in touch with nature. We'd be able to understand and develop a sort of intimacy with our land that we're often not able to do it at the moment. You know, archaeological sites are out there which we can't get to, we can't walk along a lot of waterways, you know, rivers and streams. But I think it's also part of the dignity of the citizen that we should have the right to be present in our land so long as we're not doing harm. I think that would also give people a more... a greater sense of responsibility about the environment, that, it's theirs.

Ross [00:18:56] So you've written a book and put it into the world and you saw that there was a problem as in... something was happening to society and people couldn't really articulate what that was, they knew that there were social ills, the socio economic indicators weren't going in the right direction, inequality taking off. Why have we got such a mental block when it comes specifically to land, especially when we're, in this country, obsessed with the housing market?

Brett Christophers [00:19:18] I mean, maybe we can spread this out into a broader conversation but I think one of the main reasons is simply that, yes housing, and questions of ownership of housing and private ownership of housing, in particular, are very, very, very, very central in the UK, both economically and culturally and socially. But I also think that on the whole people don't associate housing with land and I think that's a big part of the question that I think when people buy and sell housing what they don't realize is that what they are essentially buying and selling is in large part... increasingly large part... the land on which the housing sits. So I think that people just don't think about land and about the question of who owns land or about the question of the ways in which the ownership of that land matters to what that land is used for and under what circumstances and what condition.

Ross [00:20:06] And why have we not been able to, as a society, divorced the land and a depreciating asset, fundamentally, that the house... I mean, now it's not a depreciating asset if a bank is firing lots of private debt at it and you get a mania that has been the British housing market for the last 25 years. But is it because there have been government gifts for policy and actually we think, well, we're getting on quite well, our wages are pretty stagnant, we'll keep this going for as long as we can?

Brett Christophers [00:20:32] Yeah, I think that's a big part of the question. And I also just think that, as I hinted at earlier, I think that over the period during which land has been privatized, en masse, at the same time as that's happened, the questions of land ownership have really just been pushed off the agenda. So I think that's another big part of it. I think that people who own land, particularly people who own lots of land and institutions who own lots of land, don't want other people to know about it. I think that's a massive part of it. And the fact, for example, that, you know, a very high proportion of Conservative Party politicians are significant landowners, whether that land is owned through the ownership of residential property or otherwise, that's a significant issue, it's something that people don't want to be brought to light.

Ross [00:21:17] Politically, land reform, is it starting to become an issue again?

Kate Swade [00:21:21] So in Scotland they've had two land reform acts now. And there has been like a concerted political... there's very much been on the political agenda thanks to decades of activism and the fact that the... Scotland is, I suppose, the starkest place in the UK in terms of that inequality of land ownership. And so you have amazing stories about communities buying their islands back and it's been primarily... I think they've now got half a million acres in community ownership of one sort or another. In England it feels a lot further away, like, we've been quite active in something called The Land Justice Network. One of the hypotheses was like if we brought people who were housing activists and anti gentrification activists and food activists and farming experts together, would they have stuff to say to each other? And yes, they absolutely do because all of their problems are land problems in one way or another. So when you talk about land reform it could mean a number of different things to all of those people at various points along the spectrum. I think where I would like to see some of the conversation going is if you start from the point of view that land is a common good regardless of who owns it and therefore, the exclusive or... the use of it should come with responsibilities as well as rights. And actually having a much deeper conversation about what should the responsibilities of land ownership be, feels a bit more of a fruitful path to go down.

Brett Christophers [00:22:37] The key thing is that private land ownership has just been "the" default model.

Kate Swade [00:22:43] Yeah.

Brett Christophers [00:22:43] So I think the point is that there is no one best model of land ownership and land use. Different forms of ownership can work well for local communities in different situations, and sometimes private land ownership might work perfectly well. But sometimes land is best owned by the state because the state can perform a kind of coordinating role that other landowners can't. And sometimes land is best owned by local communities. A kind of a mixed ecology of land ownership is probably the best that we can aspire to.

Kate Swade [00:23:10] But as well as a mixed ecology of land ownership, I think we need much more of a mixed ecology of models of use and management. So at the moment one of the problems with the system is it's based on hierarchy and exclusion, right, like I have my freehold, I will grant you a lease over this bit and tell you what you can do or what you can't do. And so the models that we have for communities taking control of lands follow that system so they take on a lease... often, you know, your local authority will be like, here, would you like a full repairing lease on this crumbling heritage building with 10 million pounds worth of repairs that need doing because we haven't been able to do them for the past 15 years. Whereas actually what we need is models where the state can do what the state does best, which is be fiduciarily sensible and long lasting and then the community can do what it does best, which is really creative, really entrepreneurial enterprises that can... that may well wax and wane and some will grow and become incredibly established but the model that we have been like, okay, here's a 25 year lease, take it or leave it, actually doesn't work well for the way in which communities work.

Brett Christophers [00:24:12] If the UK is not at the point already then it will relatively soon come to the point where the cost, not necessarily the economic cost, but the social cost

and the cost in terms of the resilience of the social fabric will become so much that it can't confront the problem of current patterns of land ownership in use. If the current model persists then if you think about how current privately owned land and particularly housing land get passed onto the next generation, then that's going to be exclusively passed on to people whose parents are homeowners because there'll be no one else. And it's just a recipe for greater social fracture in the long term.

Ross [00:24:46] Where do you think that we can focus our efforts to try and make sure that this is not only on the political agenda but actually we start to take some action because we've all seen the effects of exclusion and the effects of inequality?

Kate Swade [00:24:58] I think the thing of... asking the question, you know, one of the things that I think really works in Scotland's... so Andy Wightman who's the Green MSP who did a huge amount to kind of push that through and spoken at an event of ours and he was like actually what you need to do is get people talking about land in the pub. And so that sense of like the housing crisis is a land crisis. Climate crisis is a land crisis. And people becoming, I suppose, more literate in the fact that it exists as a problem.

Ross [00:25:23] And therefore they've become more confident to talk about it...

Kate Swade [00:25:25] Yeah.

Ross [00:25:25] Because they feel that they have some knowledge of it?

Kate Swade [00:25:27] Yeah. And are more likely to ask pertinent questions of their politicians, for example.

Brett Christophers [00:25:32] I think one of the big problems when I look at the UK from sitting outside the UK is that so many people and institutions in the UK are heavily invested in the current system as it currently is. The Tory party will never do anything significant about land and land ownership for obvious reasons, which are to say, you know, not just the personal investment of people within the Tory party itself, but also just, you know, its main constituency. But, you know, it's tough for the Labour Party to really take on these questions as well because you begin to make noises about, you know, possibly land value taxation or things like that...

Kate Swade [00:26:08] Garden tax, garden tax...

Ross [00:26:09] The Daily Mail.

Brett Christophers [00:26:09] And you know you get hammered and there's a reality to the fact... if you look at, you know, voting patterns within the UK, property owners vote a lot more than renters and so people ask, for example, you know, why are Labour Party 10 points behind in the poll, well things like The Land for the Many Reports, probably didn't help, sad to say. If people feel that their own personal investments are in any way likely to be threatened, then they're not going to vote for a party that's taking things in that direction.

Kate Swade [00:26:38] Which is partly because people feel that they can't trust that their state pension will be there or their private pension will be there or that social care will step in when they need it. And it's not because we're a nation of like greedy, avaricious accumulators - although maybe some people are - it's because we have sort of systematically disinvested in the rest of the kind of common fabric that we need to keep us all afloat and so people are totally reliant on their houses as an investments to sort them out, to pay for their children's university fees, to think about their pensions and that's... again, it's like you can't blame capitalist entities for being capitalists in the capitalist system, you can't blame people for acting in that way, in the system that we're in.

[00:27:20] Brett, Kate. Thank you both very much for your time. That's it from Renegade Inc. this week. You dropped the team, studio@renegadeinc.com or you can tweet us @Renegade_inc. Join us next week for more insight from those people who are thinking differently but until then, stay curious.