HGF BRIEFING NOTES

REPORT ON HGF OPEN EVENT

- by Gavin Kerr

The first talk of the day was from Beth Stratford, a freelance economist, founder member of the London Renters Union, and Honorary Research Fellow at UCL. Beth began her extremely informative and engaging presentation "Rentier power on a finite planet: theoretical origins, future implications", by providing an overview of the main differences between the idea of rent developed by classical economists like Adam Smith, David Ricardo, and John Stuart Mill, and the modern conception of economic rent which has replaced the earlier classical idea (at least among mainstream economists). After briefly highlighting the deficiencies of the modern conception of rent, Beth identified a variety of forms of rent extraction prevalent in modern, industrialised societies and explained how the explosion of rent extraction has generated a vicious cycle in which economic actors are incentivised to seek rents rather than profits deriving from productive investment. This destructive dynamic impoverishes workers, disempowers consumers, and compels society to seek to maximise economic growth, causing further environmental harm and preventing us from taking steps to adapt to a resource constrained world. Beth nevertheless finished on a positive note by identifying a range of policies which could start to break the vicious cycle of rent extraction and disempowerment, emphasising the success which can be achieved by grassroots organisations such as the London Renters Union.

We heard next from Martin Jacobson, a political theorist and philosopher who has recently graduated with a PhD in political science from Uppsala University. Martin began his provocative and insightful talk "Georgism and the liberal theory of class" by outlining the radical libertarian view that so-called 'free market capitalism' is not in fact a free-market system 'reined in' by a thin layer of regulation, but is, rather, a fundamentally extractive system in which every aspect of the economy is subject to distortive and exploitative privileges and monopolies which undermine the free market, thereby enabling firms to offset competition and generate monopoly profits while socializing risks and costs to taxpayers, consumers, and workers. Against this analytical backdrop, Martin then explored the relationship between anarchism and Georgism, arguing that while anarchists certainly have much to learn from Georgism (most importantly, that landlords have the power to appropriate whatever remains of the productive surplus after other monopolists have taken their cut), Georgists could also learn from the anarchist tradition. Following the anarchists, Georgists would be wise to take seriously the danger of state capture and domination by special interests, which could occur even in the context of a 'Georgist' society in which the full rent of land is socialised. Martin closed by raising the question of whether a solution to this problem might be found in the democratic distribution of land rent via a universal basic income.

After enjoying our lunch, we heard from Joseph Milne, a retired lecturer in religious studies and medieval philosophy at the University of Kent, and well-known among HGF members as the editor of *Land&Liberty*. In his fascinating and profoundly thought-provoking talk "Economics and the Common Good", Joseph first outlined the premodern holistic view of society as a harmonious system aligned rather than at odds with human nature, and grounded on the fundamental virtue and character of the citizens of which it is composed. Joseph then explained how this conception of society had broken down by the 15th century, and was then buried beneath the mechanistic and atomistic philosophy that followed the scientific revolution, which elevated the individual over the community. The sense of community has been further undermined, Joseph suggests, by the fear of being dispossessed of one's property, a fear which naturally accompanies the perils of an industrial society that alienates us from nature, and our general failure to understand our place in nature and relation with the land. Unless we develop an understanding that the land and nature are providential gifts, the fear of dispossession will continue to isolate the individual and rule the mind of the age. Joseph concluded by emphasising that the focus of organisations like HGF should be on education, rather than campaigning for a land value tax, which could easily be eroded even if it were somehow introduced.

The final talk was from David Triggs, Honorary President of HGF, and a former chartered engineer and management consultant who specialised in the provision and management of public water services throughout the world. David's incredibly apposite talk "Exploring the scope for public revenue without taxation in the UK" took up where Joseph left off, as well as referring back to questions discussed during Beth Stratford's presentation. David began by quoting at length from George's essay *The Condition of Labour*, published as an open letter to Pope Leo XIII, in which George argued that poverty is not part of God's natural order and therefore could be eradicated through political action. This provided an intriguing backdrop to the more concrete part of David's presentation, in which he assessed some of the benefits that would arise if existing taxes on employment, production, and trade were replaced by collecting the rental value of land as public revenue. David's controversial yet tightly argued and well-evidenced contention is that existing taxes assessed on wages and output artificially inflate the cost of government, since employers (including the state as employer of anyone working in the public sector) must pay twice as much to employ labour as they would in the absence of such taxes. The elimination of these taxes, David suggests, would result in a dramatic elevation of the rental value of land, which, if collected as public revenue, would generate a significant budget surplus. This is in stark contrast with the hopeless current fiscal situation, in which a slew of inefficient and socially destructive taxes that deter people from engaging in productive economic activity are insufficient to cover the cost of government, with the result that vast sums must be borrowed to make up the deficit. David concluded by challenging the audience to identify any mistakes he might have made if his conclusions seemed too good to be true.