



Kaczorowski attended Human Settlements Meeting in Nairobi in May

by *Mary Rose Kaczorowski*,
Ft. Bragg, CA

The 17th Session of the Commission on Human Settlements (UNCHS17) took place at the U.N. headquarters, Nairobi, Kenya, from May 5th to 14th, 1999. The Commission on Human Settlements (UNCHS) is the governing body of the United Nations Centre for Human Settlements (Habitat). UNCHS guides the centre on overall policy, priorities and action. The Commission, which meets every two years, comprises 58 countries, each elected for a four-year term.

This session of the UNCHS reviewed and solicited decisions on the Centre's work program in light of the ongoing revitalization of the Centre and its new strategic focus as the U.N. Agency for Cities. Among the key issues that were considered by the Commission at this session was the follow-up to the U.N. Conference on Human Settlements (Istanbul, Turkey 1996), Co-operation with partners, and two special themes: local implementation of the Habitat Agenda (Istanbul Turkey) with particular attention to local Agenda 21 (Rio Earth Summit/Brazil) and international cooperation for the implementation of the Habitat Agenda. Roundtables focused on Habitat's Support to Urban Governance, Housing Rights and Security of Tenure, Urban/Rural Synergies and World Bank/Habitat City Initiates. Commission documents are available at <http://habitat.unchs.org/home.htm>. Requests for copies of the Habitat Agenda: patel.unchs@un.org.

The Rio Earth Summit and The

Habitat II Conference on Human settlements outlined action plans based on participation, partnership and empowerment of all actions regarding the immense environmental and human settlements problems that humanity now faces and which governments can no longer solve alone. According to Dr. Klaus Toepfer, Acting Executive Director of UNCHS, "With already half of humanity living in cities, one of the principal challenges facing the international community is how to achieve

sustainable development in urban areas...It is, therefore, of the utmost urgency for the Commission and the Centre to address urban problems such as urban poverty, environmental degradation, crumbling infrastructure, crime and unemployment."

As the size of the city gets larger, social and economic relations in the city get more complex. At the beginning of the new century, 16 out of 20 megacities

continued on page 5

Human Settlement & Land Access

continued from page 1

in the world with more than 10 million people will be in developing countries. This fact underscores the dynamism of the urbanization process in developing countries. The imperative of Habitat Agenda's "adequate shelter for all" is urgent in developing countries where there are almost 100 million homeless, including 15 million refugees and displaced persons. The sustainability of human settlements is a pre-requisite for socio-economic development. The challenge posed by rapid urbanization, caused by massive rural-urban migration is especially acute in many countries.

My attendance at UNCHS17 ties into these issues. I brought to this international meeting a summary paper that I had compiled in partnership with Ted Gwartney and Mark Sullivan entitled "Human Settlements and Land Access Strategies." This paper proposes to use land rents as the basis for a financial mechanism that is transparent, stable and aids in the provision of an adequate supply of serviceable land. This paper was distributed to all the national delegations in attendance as well as the observer states plus various NGO's, local authorities and the press. This paper was written with sensitivity to the needs of the developing world. (Editor's note: See this GroundSwell issue, page 6).

Land based revenues can be a vehicle where all stakeholders benefit. But we must also realize that land tenure is a politically "hot" football. Even though UNCHS is now highlighting urban centers, rural areas still are a critical component.

In looking at some of the problems of rural areas, examples of successful projects in land reform using participatory rural development are rare, if only because of the intense political passions that land ownership arouses, especially in rural areas and especially in traditional societies. The scarcity of successful examples is offset to some extent by the powerful positive impact of land reform upon the livelihoods of the poorest of the rural poor when it is carried out. The lack of land reform appears not only to have inhibited any improvement in the economic well-being of the rural poor but also to have contributed to political instability. The recent experiences of rural unrest in Mexico and Peru come inevitably to mind. In this respect, land reform emerges as a form of simultaneous political and economic participation. (DESA, ST/ESA/262)

Since political agendas are the root of many of our land grabbing and sprawl problems any political reform regarding land access and land based revenue generating mechanisms must provide a win-win appeal for all stakeholders.

During this ten-day conference, in addition to spending time talking to (and distributing the Land Access strategy paper to) mayors, national housing authorities, university students, and members of delegations from many countries, I facilitated a "Land Issues/Land Access" working group (hosted by Common ground-U.S.A.). In attendance were women from various sectors of society--including representatives from the Nairobi Mathare 4-A Model Slum Project and a representative of a National Rural Association based in Uganda. The workshop started with basics--dialogue and explorations that sought to assess the issues facing women and their communi-

ties regarding land access and tenure.

The stories were enlightening and shifted in many ways from a Western point of view and experience. We also found many commonalities.

In Jamaica the best tracts of land are now held by corporations. In Costa Rica when the poor get title to rural land they are led to believe that selling the land for money to generate a move to the city is the best choice. In Uganda a rural community is fighting an American company that wants to put in a dam. Two hundred families would lose the land. Uganda also had the experience of a World Bank project that focused on upgrading a slum area. The land, construction technology and training in construction (for housing) was provided. This particular "slum upgrading" failed. Even though 99 year leases were given out, individuals moved out to sublease/or sell the land to rich people. In America it was pointed out that individual holdings of farmland were sold to development corporations because the offers were too good to refuse. The understanding of land tenure and what it means to community cohesions was completely lacking in all these cases. The traditional western point of view would be to quantify the market value revenues and calculate who won out.

In rural Kenya as in many countries we have the issue of land inheritance. Here, cultural attitudes dictate land ownership -- where land tenure is closed to women. In Uganda where women have legal tenure rights, rural culture still dictates land be passed on to male heirs.

The result of this workshop was a listing of problems and solutions. A summary of some of the problems: the changing role of the state and lack of responsibility for fair land distribution, corporate industrialization of land dislocating populations or destroying a natural resource base, citizens left out as major stakeholders in land use planning, lack of transparency between local authorities and large corporations, no access or lack of credit to obtain title or leases to land, lack of understanding by the average citizen on how to access public finance mechanisms to create or maintain basic community infrastructure (water, roads, etc.), lack of gender balance in land use governance and planning, etc.

Solutions that were explored: It is not enough just to own land, there is a pressing need to educate on responsibilities and relationship of land tenure to sustainable human settlements, bottom up initiatives are needed in all areas, community land trusts are models that assist in provision of citizens as stakeholders and as land owners, reforms are needed to facilitate access to land to apply land tax strategies that create attractive incentives for corporations to release land holdings, local authorities need to create mechanisms to enable poor segments of society to access land to help upgrade their participation in a global market economy, institute land speculation reforms including disincentives for slumlords.

The group outlined strategies to continue much needed Land Issues/Land Access Dialogues at other U.N. conferences and meetings and addressed the need to create and compile an inventory/summary of articles and research abstracts by women regarding land issues: access, inheritance, gender,

continued on page 6

Human Settlement & Land Access

continued from page 5

ecology, housing and land access, tenure, taxation and legal instruments, credit/financial mechanisms (public and private partnerships) and include in this publication a resource list especially from a gender perspective. Established were an informal international network on Land Issues & Women as Stakeholders and co-coordinators Marie Cerillo (Woodland Community Land Trust in Clairfield, Tenn.) and "Redwood Mary" (Mary Rose Kaczorowski)

I was also a part of the U.N. Huairou Commission delegation of grassroots women from around the world, representing over 50 organizations comprised of hundreds of thousands of women working on human settlements, gender equity, social justice, environmental, human rights and environmental issues. We were there to participate in the Dialogues and to continue to lobby for the inclusion of grassroots women participation in the debates, highlight our solutions as well as the pressing issues that our communities face in this changing world moving toward globalization and urbanization. I work with the U.N. Huairou Commission and the National Congress of Neighborhood Women on Land Access & Environmental Issues, processes as essential components to the acts in an advisory capacity to UNCHS. The road to inclusion of civil society has been outlined by UNCHS (The United Nations Center for Human Settlements, also known as Habitat) which actively works toward transparent and accountable governance and the promotion of participatory decision-making in many world conference proceedings and documents including the Rio Earth Summit Agenda 21, The Istanbul Habitat Agenda, and at The Beijing World Conference on Women.

I also went to Nairobi with a vision -- To begin to create an international partnership in solidarity with citizens active in educating about the value of protecting our forest eco-systems and taking a peaceful stand in defense of these forests. In communicating with Julia Butterfly Hill and Kenya's Greenbelt activist Wangari Maathai before my departure, we three agreed to together combine our efforts and hold a press conference seminar that brought attention to the value of forest ecosystems and how these fast disappearing life giving resources are crucial to the well being of both rural and urban human settlements world-wide.

We were given an agendized event at this UNCHS Conference. Wangari and I were asked to have our prepared written statements for observer states, non-governmental organizations and press. I personally had high level U.N. Commission Members and a few members from nation Delegations and even a few mayors from the world approach me to express their gratitude for our presentation. The basic reaction was that "they now realized the critical relationship between forests and their connection to the well being of human settlements."

Prior to attending UNCHS17 in Nairobi I also attended the Commission for Human Settlements in New York (CSD7). On the agenda was sustainable tourism (tourism

now being a major economic base for many areas -- a phenomenon world-wide). And I brought to a NGO working session the issue of land tenure and housing issues -- based on what is happening in my Mendocino County Coastal Community: the escalation of land prices and access and rentals being brought up to what the market can bear -- with urban folks moving in and jacking up rents to urban prices while rural salaries remain low and job bases precarious. We discussed land value taxation and port taxation fees. The latter applicable to small island states where buildings are not the issue -- or land access -- but the impact of cruise ships and inability of small islands to handle the fiscal cost/impact of tourism (particularly waste, consumption of local resources). I also discussed the collection of rent from "the airwaves" radio broadcast and TV stations.

It is quite apparent that the ideas of land base rents as a fiscal policy can be best applied to developing countries. Outreach to the areas by our movement has been minimal. Education on implementation of such strategies in the developing world can protect public finance revenues and help stabilize developing and transitional economies.

Human Settlement & Land Access Strategies

by Mary Rose Kaczorowski ("Redwood Mary"), Ft. Bragg, CA

The purpose of the second United Nations Conference on Human Settlements (Habitat II) was to address two themes of equal global importance: "Adequate shelter for all" and "Sustainable human settlements development in an urbanizing world." A large segment of the world's population lacks shelter and sanitation, particularly in developing countries. Sustainable development of human settlements combines economic and social development with environmental protection and full respect for all human rights and fundamental freedoms. This offers a means of achieving a world of greater stability and peace, built on ethical and spiritual vision.

(Editors note: The following paper was prepared by Common Ground-USA's UN NGO representative Kaczorowski and by Schalkenbach Foundation's Gwartney and Sullivan. See footnotes at end of article.)

**Presentation at 17th
United Nations Commission on
Human Settlements
Nairobi, Kenya, May 5-14, 1999**

Failure and Inadequacy of Present Methods

Private sector development and current economic systems have failed to provide healthy living environments. Governments have failed to adopt land management practices that ensure equitable access to land and necessary resources that are in harmony with the natural ecosystems that are our basic support infrastructure for all life. The fundamental problem is that our current market economies do not guarantee equity. We need to take a serious look at unequal access to land -- for land is our most basic means of production. Land is where we grow food and upon which we build shelter.

Less understood is the fundamental importance of land and

continued on page 7

Human Settlement & Land Access Strategies

continued from page 6

public finance policy as a substratum for development policy. Land and public finance policies can be productively and ethically created as capital formation strategies to stimulate the efficient, accessible and environmentally sound use of land and access to resources.

It is widely recognized that many of our world's social problems have their roots in economic disparities. In order for decent affordable shelter to be realized for all, the interrelated issues of land access and public finance policy need to be clearly understood and addressed. It is possible to formulate public finance and taxation policy in such a way as to further affordable access to land.

Access to Land

Access to land is the strategic prerequisite for the provision of adequate shelter for all and for the development of sustainable human settlements affecting both urban and rural areas. It is also one way of breaking the vicious circle of poverty. The failure to adopt appropriate rural and urban land policies and land management practices remains a primary cause of inequity and poverty. It is also the cause of increased living costs, environmental degradation and vulnerability of urban and rural habitats, affecting all people, especially poor and low-income people. Collecting land rent provides the funds needed to provide public services, frees the best land to be used effectively and inhibits wasteful speculation.

To ensure an adequate supply of serviceable land, governments should prepare a comprehensive inventory of all land that includes the information necessary to implement a land value assessment and taxation system with an appropriate mapped cadastral system and land registration procedure.

A transparent and equitable fiscal incentive mechanism to stimulate the efficient, ecological use of land, utilizing land-based taxation in mobilizing financial resources for service provision by local authorities, should be applied. Fiscal measures to promote the efficient functioning of the market for vacant land, ensuring the supply of housing and land for shelter should be developed. The full use of existing infrastructure in urban areas, encouraging optimal density of the occupation of available serviced land in accordance with its carrying capacity, at the same time ensuring the adequate provision of parks, play areas, common spaces and facilities, and plots of land for home gardening must be developed. The adoption of innovative instruments that capture gains in land value and recover public investments should be included.

Land codes and legal frameworks that define the nature of land and real property and the rights that are formally recognized should be developed. Local and regional expertise should be mobilized to promote research, the transfer of technology and education programs to support land administration systems.

Rural development should be promoted through such measures as equal access to land, land improvement, eco-

nomics diversification, the development of indigenous land settlements, including the protection of arable land and the environment.

Equitable Land and Fiscal Strategies

Land values are created by a community of people who share a land area. No single individual can create land value (rent) by himself. Land value is created by the interaction of all people who live within that community. The land rent should be used to benefit all people within that community who together created that value.

Each person should be given an equal right to access and use the best land available, as long as they are prepared to pay to the community the annual rental value that others would be willing to pay. The money paid to the community should be used for adding public infrastructure, building roads, sanitation, water supply, schools and providing public services. No taxes should be placed on people's labor or commerce unless the land rent were insufficient to fund all community services.

When people are not required to pay taxes on their wages, purchases or savings, and when they can secure access and use of land without a massive up front price, they would then only pay a modest annual land rent. They would be more productive knowing that they will keep more of what they earn. They would then have the means to build housing, improve their land and trade with others without having to pay taxes on their work. More land would be available. Some who own land that they don't use, would be more likely to make it available to those who have a good use for the land.

The Self-Financing Society

Market economists do know that the best result would be achieved by raising public revenue from community created land values rather than from taxation. Dr William Vickrey, who received the Nobel prize for economics in 1996, elaborated the principles in his works (summarized in Banks, 1998: 144-45). Equitable Land and Fiscal Strategies result in the lowest possible charges for the use of public services and the highest possible private benefits in the labor and capital markets. This establishes the self-financing society. The capital needed for public investment is financed internally, out of a country's own capacity to create rent from investment in infrastructural projects.

An example is the construction of a weir on the river running through Belfast in Northern Ireland. This created an attractive waterfront in the heart of the city. The weir made it possible to redevelop adjoining sites. The city administration commissioned a report on the economic effects, which concluded:

"In 1990 it was estimated that the total land value increase attributable to the weir would be in the region of 1.75 million LbS. The post-project appraisal has revealed that the weir

continued on page 8

Human Settlement & Land Access Strategies

continued from page 7

has been responsible for an estimated land value increase of 4.3 million LbS. (ERM Economics, 1997: 80)."

This increased value in Belfast was an incentive to speculate in land. But if the 4.3 million LbS. were reserved as public revenue, it would pay for the construction of the weir, deter land speculation, attract private investment in the re-development of properties by the river and enable the government to reduce taxes on wages and profits. Everybody wins.

In the public sector, capital investment in infrastructural projects would no longer be a debt burden, because the projects would become self-financing. Land rent generated by these projects, can cover the full cost of creating and running public services. In the private sector, people would not have to borrow as much money (mortgages) to buy land for residential, commercial or industrial use. They would access the land on condition that they paid an annual rent out of the value which flowed from their use of the land.

The claim that a nation is short of capital is incorrect. In fact, a nation could become self-sufficient in the supply of capital from internal sources. But a pre-condition for this is the removal of taxes on productive capital. Examine what would happen as a result of the elimination of taxes on buildings and commerce:

- * Initially outside capital would be attracted to the locality,

- * The decision not to penalize people who invest their savings in new buildings also leads to the stimulation of a higher level of national income,

- * This results in higher saving, which does lead to the creation of new capital,

- * From the national viewpoint, it is better to supply investable funds from domestic savings and production rather than incurring foreign debt.

As people prosper within a community, better services are created and made available. As a community begins to sustain itself, the focus can then be shifted to environmental preservation and improving social conditions. Human rights

will be respected, people will help one another and equity would exist. The rational strategy begins by visualizing a nation based on raising revenue from land value and leaving individuals free to produce wealth without excessive taxation to discourage them.

People's lifestyles today are impoverished by taxation which deters the formation of capital (by reducing the incentives to save and invest in productive enterprise). This, in turn, reduces the productivity of labor, lowers wages, and converts poverty from a personal misfortune into an institutional process.

Conclusion

One of the major benefits of raising public revenue from land rent rather than from production and distribution is to prevent the flight of capital from a developing country. A rational government, in looking forward into the 21st century, would prepare defensive strategies. Some of the challenging prospects include:

- * Neutralization of the rent effect. The scope for land speculation to disrupt the economy will be magnified by globalization.

- * Securing investable funds. As finance becomes ever more fluid, countries with the lowest profit levels will be avoided.

- * Protecting public finance. With the advances in computerized accounting systems, corporations will be able to conceal their profits from moveable products. It is not possible to conceal the land and resources which they have to occupy to pursue their industrial and commercial activities.

A nation can prosper by adopting the transparent partnership between private development and land rent based public finance. It ensures that the increases in land rents are drawn into the public sector at the local level; therefore, they cannot be manipulated for private gain in a way that would destabilize the economy.

For further information or implementation assistance please contact:

Mary Rose Kaczorowski
National Congress of Neighborhood Women,
UN Huairou Commission, Environment/Land Issues E-net,
P.O. Box 2856, Ft. Bragg, CA 95437
E-mail: redwoodm@mcn.org

Robert Schalkenbach Foundation
149 Madison Avenue, Suite 601, NY, NY 10016-6713;
Tel: 212-683-6424; Fax: 212-683-6454
Website: <http://www.progress.org/books>
Ted Gwartney, Exec. Dir., E-mail: tgwartney@aol.com;
Mark A. Sullivan, Exec. Asst., E-mail: schalkenba@aol.com

Common Ground-USA, P.O. Box 57, Evanston, IL 60204
Ph: 847-475-0391; Fax: 209-396-9072
E-mail: swalton@landtax.org