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Did you get your fair share?

> *"In 2017, the UK's net worth was estimated at £10.2 trillion; an average of £155,000 per person. Growth in the UK's net worth was estimated at 5.1% between 2016 and 2017… much of this was from growth in the value of land"*
>
> Office of National Statistics Statistical bulletin: UK national balance sheet estimates: 2018[1].

Does this mean that every man, woman and child in the country got £8,000 richer last year: £19,000 per average household of 2.4 people? "*Did you get your fair share?*" asks Anthony Molloy, Chair of the Labour Land Campaign. "*It's very unlikely that you did if you don't own your home or any other land*[2] *because most of this uplift has been in land value.*" While the year-on-year rise in the value of all assets other than land (essentially buildings on the land[3], bank deposits, stocks and pensions) was just 0.9%[4], **net UK land wealth rose by 9.1%[5].** In fact, over 60% of the more-than-trebling of UK wealth since 1995 has been in land value which now accounts for 51% of the nation's net worth, higher than in any other measured G7 country and well above the one-third it was in 1995.

The value of land is dependent on its proximity to jobs, schools, hospitals, transport, etc., namely things that are created by the community (in particular the state) rather than the landowner. And yet, as Winston Churchill put it, "*… every benefit which is laboriously acquired by the community increases the land value and finds its way automatically into the landlord's pocket*".

Is this a problem? To answer that, one has to compare the £450Bn rise in land value in 2016-2017 to the £1Tn earnings subject to Income Tax in the same period. If it were true that every UK household received nearly half as much in unearned wealth as it did in earned income, it might be a cause for celebration but the reality is very different: 70% of our green and pleasant land by area is owned by just 0.6% of UK citizens and non-citizens (much of it, bewilderingly, "off-shore") and this proportion would probably be discovered to be even more skewed if anyone bothered compiling figures on the more pertinent parameter of land value. Anthony Molloy says, "*That the current UK system carries no significant taxes on our most valuable asset bears witness to our history of restricting rights to vote and sit in Parliament to property owners. Our fiscal system was designed and implemented by landowners but we, the witlessly conniving people, are now **choosing** to further enrich them without their having to lift a finger at the same time as our real wages for honest, productive work are stagnating*".

And it is indeed a **choice**: the 2018 ONS figures can only provide grist to the mill for the growing movement towards shifting taxes off economically productive activity and onto unearned wealth: land value taxation is progressive in that the wealthy pay more than the less well-off; it is fair because landowners will contribute in proportionate measure towards the public infrastructure and services that help drive their rising land wealth and rental incomes; it is easy to collect and impossible to dodge; and taxing unearned wealth rather than work (or trade or enterprise or investment) is economically efficient in that it does not shrink the economy like taxes on economically productive activity.ENDS

The Labour Land Campaign is a voluntary organisation working for fiscal reform by advocating a fairer distribution of wealth through a Land Value Tax.

For more information see www.labourland.org

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http://www.labourland.org/press-releases-and-archive

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[1] https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/bulletins/nationalbalancesheet/2018#growth-in-the-worth-of-household-land-accounts-for-much-of-the-growth-in-uk-net-worth

[2] Notably if your household is one of the 8.5 million (39% of all households) in rented accommodation

[3] The value of bricks-and-mortar rose by 2.2%

[4] Financial net worth actually dropped in 2016-2017

[5] Within the land market, the value of UK non-household-owned land rose faster (12.7%) than that of owner-occupied land (7.9%)