



THE HUMAN RIGHT TO THE EARTH

*A Commons Rent Approach to Public Finance for the SDGs
Based on an Ethic of Fairly Sharing the Value of the Earth*

UN NGO Input

The Earth Belongs to Everyone! All human beings have an equal claim to land and natural resources. The deepest ethical dimension of territorial rights recognizes that humanity is one and indivisible in its fundamental claim to the earth as a birthright of all.

There are some practical ways to assert this right. One is claiming the “Commons Rent” of land and natural resources as the most equitable source of public finance for meeting SDGs. Commons Rent is the surplus value or unearned income that is created by society as a whole that attaches to surface land and natural resources. The value of Commons Rent increases as development proceeds. In most areas of the world the commons rent is privatized and is the focus of rent-seeking, land grabbing and other land speculation activities.

We advocate for a public finance policy that captures the Commons Rent via land value taxation, land value capture and properly established sovereign wealth funds. This policy approach keeps land affordable for housing, agriculture, infrastructure and other basic needs. Part and parcel of this public finance policy is to reduce or eliminate taxes on goods and services. In other words, do not tax labor if we need jobs, do not tax houses if we need housing, and do not tax food production if we need food.

A Commons Rent form of public finance was strongly recommended in the Vancouver Action Plan, the founding document of UNCHS (HABITAT) in 1976. Most recently in 2012, Dr. Paul Collier, author of [The Bottom Billion](#) and a top World Bank and IMF Advisor on Africa, urged this approach during his keynote talk to the *World Bank Land and Poverty Conference* when he stated strongly that “land rent must be socialized.”

During the past decade I have been on working trips to Kenya, Senegal and Nigeria. I know that the indicators show that as development proceeds in African cities, as most other areas of the world, the price of land increases faster than the return to wages as a proportion of the economic pie. This dynamic is a universal economic law called “The Law of Rent.”

Where the Commons Rent public finance policy approach has been applied even partially, as it has been in numerous cities, there is an increase in employment, affordable housing, and sufficient funding for

infrastructure and environmental safeguards with an accompanying decrease in crime and other social problems. (Details are available upon request.)

This policy approach has also promoted what might be called “natural land reform” where land becomes steadily available to those who need it for the production of basic goods to meet real human needs.

We also advocate for properly structured sovereign wealth funds that capture full natural resource rents and utilize this source of funding for public benefit, to finance renewable energy technology and for environmental monitoring and restoration local to global. We have prepared a detailed analysis of best practices for sovereign wealth funds. We also advocate for the elimination of inequitable resource extraction and agribusiness subsidies, for full transparency regarding profits generated from commons resources and for participation of civil society in decision making regarding the use of land and natural resources.

To conclude, Commons Rent, the socially generated value of nature’s gifts of land and natural resources, is sufficient to fund all necessary infrastructure and public goods without having to tax labor and production. If we do not draw from Commons Rent for the common good, economic inequality will most likely continue to grow. Financing SDGs from Commons Rent is a new paradigm economics that already has been successfully implemented to varying degrees around the world. This public finance approach addresses wealth inequality at its root.

For further information contact Alanna Hartzok, co-director Earth Rights Institute, NGO representative for the International Union for Land Value Taxation, and affiliated with Commons Cluster and Commons Action for the UN at alanna@earthrights.net Go to: www.commonSACTIONfortheUnitedNations.org www.theiu.org, www.earthrights.net, www.course.earthrights.net, www.globalcommonstrust.org

From the *Vancouver Action Plan* – the 1976 founding document for UN- Habitat (UNCHS):

Social justice, urban renewal and development, the provision of decent dwellings and healthy conditions for the people can only be achieved if land is used in the interests of society as a whole.... Excessive profits resulting from the increase in land value due to development and change in use are one of the principal causes of the concentration of wealth in private hands.

Taxation should not be seen only as a source of revenue for the community but also as a powerful tool to encourage development of desirable locations, to exercise a controlling effect on the land market and to redistribute to the public at large the benefits of the unearned increase in land values... **The unearned increment resulting from the rise in land values resulting from change in use of land, from public investment or decision or due to the general growth of community must be subject to appropriate recapture by public bodies (the community).**

The equal right of all men and women to the use of land is as clear as their equal right to breathe the air. It is a right proclaimed by the fact of their existence. For we cannot suppose that some men and women have a right to be in this world and others do not. - Henry George