

Geonomics in a Nutshell

Geonomics is a simple idea. We should all share the bounty of the earth!

Geonomics distinguishes between items that are produced by human effort, that is, wealth, and those that are not, our natural resources, eg land. Since land costs us nothing to make and is the common heritage of us all, we should pay ourselves a dividend from its value – a value that is created by ourselves, our neighbors, our community.

When we pay that money to private owners, we reward both speculation and over-extraction. Economies are part of the ecosystem. The linkage between a prosperous people, and a healthy planet, is Geonomics.

Share the Worth of Mother Earth

Land and natural resources belong to all of us. By definition, natural resources are not made by human effort. They are the equal birthright of all people. Planet Earth offers every inhabitant an amazing store of wealth that can supply our needs for food, shelter and every aspect of living. Justice demands that this natural wealth should be equally available to all, and that nobody should starve, be homeless or suffer poverty. The key to prosperity for all is to provide equality of opportunity for all.

Geonomics is the expression of equal rights and the rejection of privilege. While we can't all occupy the same space, or use the same natural resource at the same time, we can all share in their bounty by collecting the economic rent of land and natural resources. The widening division between the 'haves' and the 'have-nots' is essentially a divide between those who have access to natural resources and those who do not. Since access to our natural resources is a privilege, it is only fair that society should be reimbursed for allowing any individual exclusive access to those resources. People who have been granted that privilege owe rent to the rest of us for the right to access those natural resources. Resource Rents are the natural revenue of society. Public revenue should be obtained from Resource Rents, as well as rents on other privileges provided by government, such as licences and rezoning windfalls.

The Geonomic premise

There is a natural social order, a right way to design human social relations in order to respect both human rights and the needs of the natural world.

The Geonomic Vision is for:

- A world of unimagined prosperity;
- A world of unimagined personal growth;
- A world of unimagined material comfort and leisure.

The genius of Geonomics is that, while raising revenue:

- Geonomics stimulates private work and investment;
- It encourages production and exchange;

- It conserves the environment and ecology, while creating jobs;
- It diverts speculative funds from land into productive use;
- It strengthens public revenue while promoting economy in government
- It saves public money, through lower welfare, police and gaol costs

Geonomic perspective

Community, where we live, and economy, how we live, cannot be separated.

Geonomics can provide a moral basis for society. No individual has the right to privately appropriate the product of the collective community. Wealth produced by an individual belongs to them, but the value of land and natural resources belongs to the community. Land values arising from society's advances, cultural and infrastructure, properly belongs to the community. We should obtain public revenue from community-created wealth.

Some Geonomic perspectives on social issues:

Economic:-	reform of the tax system	Taxes should be shifted from labour and initiative to Resource Rents; rent is surplus value created by the whole community. Change <u>what</u> is taxed; not <u>who</u> is taxed.
Economic:-	reform of land tenure laws	It is an injustice that landowners can speculate on empty sites, denying others use of those sites for jobs or homes. Land will be put to its best possible use: Use it, or lose it!
Public revenue:-	Obtain revenue from:	Resource Rents, monopolies, licences and other privileges granted by government create 'economic rent', which is the natural revenue of government.
Social Justice:-	Abolition of all forms of privilege	We should aim for cooperation instead of competition and greed. "A rising tide will lift all boats."
Environmental:-	Healthy living systems are integral to our functioning and economy -	Full compensation should be paid to the community, for the depletion of any natural resource. "Pay for what you take, not what you make".
Freedom:-	The ultimate goal	Restore the basic human liberties now given up into the tax system
Liberty:-	Enshrine true democracy.	Introduce proportional representation voting, on the Hare-Clark system.
Wage Rates:-	Stop the race to the bottom.	Wage competition between cities and countries drives all wages lower.
Prosperity:-	The new limits to prosperity are our natural	Not boats, but fisheries; Not sawmills, but forests

	systems	Not factories, but breathable air
Peace	Wars are about control of territory, or the natural resources within that territory.	Today, more people are chasing fewer natural resources. Today's oil wars will become tomorrow's water wars, or land wars, unless we share the wealth that belongs to us all.

The Geonomic solution contends that, since *economic rent* is created by the community, not by any individual, that it should be collected by the community and used for the community's benefit.

Economic Rent - what's that?

Without an understanding of 'economic rent', the problem cannot be understood. Economic rent is a value that attaches to land. It is the value created by the external community, and arises from the exclusive right to the use of a natural resource. Economic Rent is good! It is our social surplus. It exists, whether we collect it or not.

Economic Rent is the value that is created by the community through its demand for land and natural resources.

At present, it accrues to privileged individuals who own land. Ask yourself – "What services could be provided if this community-created value was collected for community benefit". Or, if you prefer a more individual approach, the surplus could be returned to all citizens by way of a dividend (as is now done in Alaska).

The basic case for Geonomics - 'Resource Rents for Revenue'.

- All persons have an equal right to the bounty of nature;
- No person can legitimately claim private ownership of that which nature has provided;
- Land value is determined by demand for living and working space. It is a measure of the advantages of a particular piece of land over that of the poorest land in use;
- Land value is economic rent, and is paid always, only now it is paid to private landowners.
- Land value is not the government's to give away; it belongs to all of us equally;
- Land values are affected by the provision of services – such as water, gas and electricity;
- Land values are protected by police and emergency services;
- Land values are boosted by hospitals, schools, ports, roads and airports;
- Landowners should pay a charge to the community in return for their exclusive enjoyment of the advantages of the site they occupy;
- Landowners perform no useful economic function, apart from their small part as a member of the wider community;

Benefits of Resource Rents for Revenue:

- It captures increases in land value for the community.

- It is simple to administer and understand;
- Its yield is certain and large;
- It is cheap to collect;
- It cannot be avoided;
- It relieves taxes on employment;
- It rewards work and effort;
- It stimulates employment;
- It replaces other taxes;
- It penalises holding land out of use;
- It eliminates underutilization of land;
- It eliminates speculation in land;
- It contains urban sprawl;
- It avoids over-accumulation of capital due to an artificial land shortage;
- It diverts speculative funds from land into productive use;
- It enables more wage-earners, rather than rent-seekers, to own capital;
- It does not add to the cost of living-
(it already exists, and is collected privately)

Geonomics reconciles:

- Resource rights with private tenure;
- Common land rights with modern capitalism;
- Equity and efficiency in free markets (no trade-off);
- Financing public services without overtaxing business;
- Finances generous public services without stifling employment;
- Create jobs without inflation or deficits;
- Contains urban sprawl and the efficient use of land;
- Taxes ‘bads’, not ‘goods’;
- Heavy taxation with economy in government;
- Full employment with the environment;
- Taxation with private incentives;
- Lower tax on labour and lower tax on capital;
- Supply-side economics with demand-side;

Before Social Justice can exist, we must have Economic Justice

For universal social justice, we need to use an ethic that applies universally. The three basic rules of a universal ethic are:

1. Acts are good if and only if they are welcomed benefits (by the recipient).
2. Acts are evil if they coercively harm others.
3. All other acts are neutral.

The philosopher John Locke referred to justice in terms of independence and equality. Justice requires that we have the greatest possible individual liberty, but acknowledge an obligation to share equally the value of natural opportunities.

Social justice, as we currently perceive it, may be an exercise in futility, as it depends on economic justice which is thwarted by economic ignorance. Justice in economic reform means:-

- the abolition of all taxes on labor and capital;
- the acceptance of individual responsibility;
- the equal sharing of the value of natural opportunities.

Society must recognize that the economy is a natural order, not a political institution that can be designed or planned by bureaucracy. We owe society what it provides for us. Nothing more. That is why we come together as a community. Society is a self-governing organism capable of being run by its citizens. It is not designed to be run by specialists.

Privilege

Private land ownership encourages idleness; land is left vacant for speculative purposes. Collecting site revenue cuts at the heart of privilege: it stops people receiving unearned income. By introducing a holding charge on land, other taxes could be reduced, such as income tax and GST, creating a tax system that is fair for all.

Summary

- Geonomics distinguishes between private property - that which we make or earn; and common (public) property – that which is provided by nature or society.
- Land and natural resources (the global commons) should be the equal and common birthright of all humanity.
- The fair and efficient method for sharing its wealth is to share the economic value of the earth as determined by the market.
- Each person should receive the full reward for their individual production.