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Anne Haila

Urban Land Rent: Singapore as a Property State

Wiley-Blackwell, Chichester, 2015, pp. 304, paperback edition, \$44.95.

Reviewed by Franklin Obeng-Odoom

In development studies, Singapore is often cited as a shining example of how adopting a culture of hard work and advanced capitalist behaviour can lead to the success of entire societies. The world development agencies are particularly notorious for presenting the Singaporean case thus and then proceeding to recommend a Singaporean Model. Others, emphasising cultural superiority, tend to claim that it is the 'Asian values' held by Singapore that explain its meteoric rise. So, the culture of poverty is scorned in favour of a Singaporean culture of progress.

In *Urban Land Rent: Singapore as a Property State*, Anne Haila disputes these claims and, in their place, advances a new thesis: that the rise of Singapore is best explained in terms of how the state owns and uses landed property. Singapore is regarded as a property state because it uses its land for social and economic transformation of the city-state and its peoples. Specifically, land is put to public uses such as public housing. Unlike the holy grail of privatisation advocated by the World Bank for the slimming down of the state, Singapore has taken a path of investing

and building an elaborate state system that tries to curb speculation and hence influences land values. Indeed, in Singapore, value accruing to land as a result of community and state activities is deducted from 'market value'.

These ideas, Haila argues, were influenced by the embrace of Fabianism and Georgism. Generally, these philosophies shape what answers are given to key questions such as 'who gets rent, why and how it is distributed?' (p. 226) as well as the historic debates about the origin of property, the role of property in evolution, and the place of property in driving efficiency (pp. 33-6). The book shows that Singapore offers a path that does not easily sit in the binary 'philosophies of property' segmented into Lockian, individualistic focus and J.J. Rousseau's consent-based models (pp. 36-8). Thus, this book brings a fresh perspective to the historic property rights debates. It brings back the land question from where it is now often located – business and finance, to political economy – continuing and substantially extending into property and political economy of earlier work such as Roger Simon Farrell's *A Yen for Real Estate: Japanese Real Estate Investment Abroad – From Boom to Bust* (2000).

The relational spatial analysis in the book under review attempts to resolve the problem which Charles Gore called 'spatial separatism' in his 1984 classic, *Regions in Question: Space, Development Theory and Regional Policy*, showing how spatial analysis can be simultaneously cartographic, relative, and relational through property rights analysis. The focus on structural/socio-economic factors, especially property, demonstrates the failure of the cultural approach to development used by many economists and particularly anthropologists to explain the social conditions of Indigenous peoples, African Americans, Africans, and Native Indians.

This is a major book in urban political economy and the political economy of development for these reasons but also because it is well written and researched. The endorsement by the master of rent analysis in urban political economy, David Harvey, sums it up: 'This is a must-read for anyone concerned with contemporary economic conditions and trends'.

The book is structured into nine chapters. The first sets the scene by anchoring the study to ongoing debates about how best to explain Singapore's development, identifying the gaps, and showing the

distinctive approach used by the book to address the gaps. Chapter 2 provides a critical review of the various ideologies of land in the form of land regimes, debates on how they arose, philosophies of property, and ends with a highlight of the economic, social, moral, and political aspects of the land question. Chapter 3 deals with property rights theories more generally and rent theories specifically, while chapter 4 looks at examples of land reform programmes, including Chinese models. Singapore increasingly becomes the focus of attention from chapters 5 to 8. Chapter 5 looks at various land and housing sector agencies in the city-state. Chapter 6 examines the property lobby in Singapore and the strategies the state uses to rein in attempts by property tycoons to call the shots and embark on large scale speculation. Chapter 7 looks at the world from a Singaporean perspective by stressing how Singapore has become a safe haven for global real estate flows and in what ways Singaporeans and Singaporean institutions invest in land around the world. Chapter 8 considers the dark side of excessive financialisation of land in Singapore, linking that trend to various financial crises, while chapter 9 concludes by summarising the arguments and reflecting on their significance for the present and the future of development and urban policy and for debates in the political economy of development.

Like many good books, not all the light produced by *Singapore as a Property State* illuminates; some blinds, especially that related to *explanation* of the rise and fall of economic ideas and the nature of economic analysis. The argument that the Lockian theory of property remains and has grown in influence because it appeals better to people's sense of justice and through misinformation by the media (p. 38) is a case in point. The rise of the Lockian theory of property – developed to justify the colonial appropriation of land and to downplay Indigenous labour by claiming that mixing land with mere farming labour does not justify ownership of land (p. 37) – rose to popularity and continues its reign to-day because it supported and continues to support the wealth and aspirations of the powerful.

The book under review is meticulous in its presentation and analysis, but referring to multiple theories of rent and property rights (e.g. in chapter 3) and 'different rent concepts' (p. 57) while still using the singular ('property rights theory'/'rent theory'), equating Georgism to single tax (e.g., pp. 67, 69, 78-80) and overlooking the *essence* of Henry George (social problems and 'unequal access to land'), detract from this fine record. Also questionable is the classification of neoclassical urban

economics rent theory in relation to the classical traditions. Rent theory in mainstream urban economics is not simply different from classical theories in terms of definition, as the book argues (p. 47), but also in terms of role. While the classical theorists typically emphasised rent as a mechanism for structural inequality, neoclassical urban economics sees rent as an equilibrating mechanism that sorts out different land uses – as even a casual reading of Arthur O’Sullivan’s textbook on neoclassical *Urban Economics* (2012) makes clear.

I raise these points not to disparage this important book, but to indicate how its distinguished author might further enhance its quality in a revised version. As a teacher of urban economics and property and political economy, I use this book for my classes and research and strongly recommend it to readers of this journal. The book takes property rights analysis seriously, provides a fresh and original analysis about Singapore, and lucidly shows how this important city-state works. It will give political economists insights into how mainstream economics imperialises fields as diverse as urban planning, urban studies, and development studies through the export of its approaches and ideas and tools for analysis. Anne Haila’s book demonstrates this imperialising character concretely (see, for example, pp. 56-7). Development policy analysts also will benefit from reading this book, as it contextualises the Singaporean approach to development and social transformation forcefully. The book successfully disputes the foggy, false, and faux explanations of the Singaporean story as a successful case of neoliberalism, the superiority of culture, and inferiority of a state-based, land-heavy development policy.

Urban Land Rent: Singapore as a Property State demonstrates how building state capacity, and active and dynamic state intervention programmes by a social state, as well as the use of land rent by the state, can contribute to social transformation and inclusion.

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