

Earth, Land and Economics: A Heideggerian Account of Space in Economics¹

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Abstract

The poststructural examination of space has vigorously challenged Cartesian conceptual prejudices by emphasizing themes such as identity, solicitude, and alterity in order to show how space is constructed through relation as opposed to being neutral and transparent. Though diverse in their critical approaches and constructive aims, poststructuralism generally attempts to explicate a phenomenology of space in terms of lived existence. There are obvious practical implications for this that involve how we take care in addressing others, both human and non-human. However, as lucrative as these challenges may be, one of poststructuralism's main problems concerns the inertia constricting the revision of everyday practices. How can poststructural theory make an impact on a forestructure of existence sedimented by Cartesian prejudices? A pressing demand for poststructuralism, therefore, is to consider how our everyday practices can be redefined.

This paper will examine how Heidegger's concept of earth deconstructs the definition of land as capital and indicates a type of economic practice first described by political economists as the doctrine of ground rent. By drawing the connection between ontological givenness and land, this paper will argue that land's ontological status is one whose givenness places us indebted to it. This indebtedness precludes current practices concerning acquisition of ground rent and suggests that land be understood as a unique type of property that generates unearned income as a form of public revenue.

Key Words: Martin Heidegger, space, earth, land, economics, hermeneutics, phenomenology, Henry George, David Ricardo, rent.

1. Introduction

The science known as economics is generally divided into two periods—the classical, dating from at least the French Physiocrats of the early 18th century, and the neoclassical following the marginalist revolution of the 1870s. Both periods are approached critically by poststructural philosophy for reasons having to do with the general economic conception of human agency that is defined by self-interested and captured under the phrase *homo economicus*.² Such criticisms tend to imply

that the realm of economics remains impossibly separated from the significant advances of poststructural philosophical anthropology.³ While a critical slant towards economics is understandable given recent events and the ever-persistent problem of socio-economic injustice and exploitation, are such poststructural reactions over-reactions? If the poststructural deconstructions cannot offer indications for practical revision, then they curiously remain silent on the most immediate domain of human interrelation.

What I would therefore like to consider today is how one aspect of poststructural thought can respond positively to this dilemma. A contribution from recent phenomenological redescription of space possibly lies in how we might reconceive an economic concept that correlates with these phenomenologies. This concept is the classical factor of production known as 'land'. If such a contribution were to be delineated, one would not only critique the treatment of land as property and capital, but offer in addition a new type of practice that would admit land as an entity according to its own ontological status and not merely as an object subject to human ownership and control.

In my contribution to today's panel, I intend to sketch the foundation upon which such a project can be built. I propose to revisit Heidegger's concept of earth to suggest how it indicates a new type of economic practice relating to land use. To note briefly my thesis: When applied to the economic concept of land, Heidegger's phenomenology of earth deconstructs a presupposition of economic theory that land is a *res extensa*. Instead, earth is both 'given ontologically' and 'ontologically gives' to us such that it establishes our indebtedness to it, thereby creating an exigency to develop a practice of land-use which accords with this indebtedness and, as I will argue, challenges conventional notions of its exclusive ownership.

The structure of my discussion follows in three parts: I will discuss Heidegger's notion of earth, how earth is relevant to the economic concept of 'land,' and indications of how his phenomenology can lead to a new economic practice.

2. Earth

A so-called 'natural attitude' of earth involves recognizing its necessity as a resource for human production and metabolism. Without earth, humans would simply have no access to shelter and food. While this is a truism, what underwrites this natural attitude is nonetheless something philosophically profound. The necessity pertaining to earth is one where we take for granted *that* earth has provided for us, or allowed for the possibility of our dwelling. The natural attitude, in other words, treats earth as a 'standing-reserve,' to use Heidegger's term, that is on call for our survival. And what eludes this attitude is any type of meaningful reciprocation to earth's provision. Normally, when we are given something by someone, we recognize a reciprocal relation in which a counter-gift constitutes an

appropriate response. However, when it comes to such instances as the earth providing or giving something to us, we tend to see this natural gifting as that which does not require a form of counter-gift or even an appropriate subjectivity of reception.

This autism can indeed be attributed to the Cartesian *cogito*—which assumes no pre-established, meaningful relations to external things. Heidegger’s notion of the alreadiness of the world which grants a totality of significations for our understanding challenges this Cartesian autism.⁴ In ‘The Origin of the Work of Art,’ Heidegger focuses on the alterity of earth in the sense that earth is something that comes into ‘strife’ [*Streit*] with world. In other words, Heidegger makes a conceptual distinction between the earth, which is ontologically there prior to us, and the construction of a world, which is the human ‘wherein’ that instantiates our understanding in terms of forestructures, practices, and artefacts.⁵ This means that world is clearly dependent on earth for its emergence. Heidegger writes, ‘World and earth are essentially different from one another and yet are never separated. The world grounds itself on the earth, and earth juts through world.’⁶ He notes, furthermore, an asymmetry in their relation according to which world is constituted by an active practice that ‘sets-upon’ the earth: ‘The world, in resting upon earth, strives to surmount it. As self-opening, [world] cannot endure anything closed.’⁷

This active description of world includes the poietic capacity of humans to create in a manner that is delimited by the matter there before them. For Heidegger, this is not ‘matter’ in the empty metaphysical sense, but matter as *hule*—literally forest or thicket⁸—that provides for human *techne* in such a way that its specific material constitution indicates a range of appropriate uses. Such uses recall the well-known descriptions of the ‘jug’ and the ‘bridge’ in his essays ‘The Thing’ and ‘Building Dwelling Thinking’.⁹ And what is clear in Heidegger’s examples, is that the ontological relation of humans to earth is one in which the active ‘setting-upon’ innate to world is possible only because it has earth in the first instance. Furthermore, this priority suggests that humans are placed in debt to earth. However, this priority or asymmetry is not enough by itself. Heidegger also wants to show how earth ontologically distinct and irreducible.

He thus refers to our inability to gain dominion over earth. Earth is primarily an abundance that emerges from itself, and because of this, is self-sufficient. Its self-sufficiency, which both reveals and conceals, eludes our attempt to grasp it in its totality. Earth, as Heidegger comments, ‘is the spontaneous forthcoming of that which is continually self-secluding and to that extent sheltering and concealing.’¹⁰ The uniqueness of earth as there already and as self-secluding suggests that it is not material provided for us but rather material that provides for us and yet is never mastered.¹¹ This never being able to master earth introduces a kind of exigency that asks us to respond appropriately in our mode of being called production. Heidegger therefore makes use of Aristotle’s four *atia*, or causes, to

indicate this exigency. Human making is indebted to something outside and beyond ourselves. For example, the so-called ‘material cause’ establishes a type of debt where a carpenter is held responsible for using a certain wood in a certain way, that is, for a specific kind of making. The appropriate uses of pine are different than the appropriate uses of oak or ash.¹²

The term ‘appropriate’ is decisive since the determination of what constitutes an appropriate response is a form of indebtedness. Moving beyond a phenomenology of earth, one can then wonder how humans can be understood as being indebted to earth in their everyday practices. To see this with respect to economics, what is first required is an understanding of how earth is delineated as an economic concept.

3. Earth and Land

Within the classical economic discourse, the givenness of earth was understood in terms of the natural bounty provided for humankind. Furthermore, this bounty was identified concretely as land. On the use of land as a term encapsulating all of nature, the political economist Henry George writes, ‘The term land includes, not merely the surface of the earth . . . but the whole material universe outside of man himself.’¹³ Despite whatever problems one has with classical formulations of economic agency, its initial intention to treat land as a distinct entity in its own right can be seen as a proto-hermeneutical move in which earth’s givenness is conceptualized *as* land. What this ‘as-structure’ allows is for some political economists to recognize how land produces a form of value that cannot be claimed by humans as private individuals. I will discuss this in my concluding remarks, but for now it suffices to see that the concept ‘land’ originally bore a trace of the ontological meaning revealed in Heidegger’s understanding of earth. Indeed, one merely need recall J.S. Mill’s declaration that land is a gift to all when he writes, ‘No man made the land. It is the original inheritance of the whole species.’¹⁴

Today, the notions of a land market and the property ladder indicate that land is seen primarily as an entity for making profit, and more significantly, as an entity to which an individual is entitled to its exclusive ownership. This exclusivity entails rights to its use and transmissibility. Profiting from land-owning, although essential to tilling and producing on the land, is often bound to its transmissibility, or a landowner’s legal right to sell land to another. Because land is finite, it is most profitable not necessarily when being used but when it can be sold.¹⁵

While a genealogical retrieval of the history of the concept of land, as it transforms from John Locke to Adam Smith, would prove fundamental to my thesis, I limit my remarks to the contemporary situation whose watershed moment occurred when the economist Vilfredo Pareto declared without equivocation in his seminal textbook that land is not a distinct factor of production with the universality Mill attributes to it, but is rather, *capital*. That is to say, land is

privately-owned wealth used to create more wealth.¹⁶ Beginning with this definition as the default position means that paralleling the solipsism of Descartes' *cogito*, one begins with an ontologically compromised description of our relation to land. It is merely extant and can thus be set under our dominion without further thought to its manner of being.

I have offered Heidegger's notion of earth as a path by which we can begin to see land as an entity to which we are asked to make an appropriate response. But with this proposal, it is essential to indicate how economics itself would change accordingly.

4. Economic Rent

First, let us note that the universal givenness of land is set in tension with the need of each human to work and live in his or her own place. Even when one expands this anthropology of work to include a complex society, the formation of businesses and the ability to live are predicated upon access to land. What this tension describes is a situation in which something universally given is historically mediated. In other words, land's givenness is qualified by the condition of finitude.

Economics speaks of finitude in terms of the scarcity of land as well as the variability of the quality and desirability of land that often correlates to productive advantages it bestows—such as superior soil grade or proximity to a city center. This means that land's givenness is qualified; it is temporally manifest in terms of scarcity and qualitative difference. This qualification, in other words, further magnifies the conditions under which we are asked to make an appropriate response to land's givenness. Thomas Sheehan makes a crucial point concerning finitude: 'for Heidegger human openness is intrinsically "in-complete" Our lack makes us be open and finite by ever remaining a lack.'¹⁷ In short, the ontological feature of lack is a necessary feature of being's givenness since any completeness would make obsolete the movement, temporalizing, and becoming of being.

At first, it would appear this condition reinforces the notion that economics is a 'dismal science' predicated upon ruthless competition for limited resources. However, David Ricardo noted a phenomenon which Mill subsequently referred to as 'Ricardo's doctrine of rent,' or what is often referred to generally as 'ground rent.'¹⁸ Given a growing community in which availability of land becomes scarce, there arises a distinction between different pieces of land. In a condition in which land is scarce, some land is deemed more desirable than others for its productive advantage—and this often comes down to its soil grade or location. Ricardo therefore noted that the more advantageous land yielded a higher productive return than inferior pieces of land assuming *the same expenditure of labor and capital on both plots*.

Ricardo defined this difference as an *unearned income*, unearned because the increase in return was due not to labor but to the productive advantage a piece of land provided.¹⁹ The doctrine of ground rent therefore expresses a so-called law of the human relation to land: As we come to use land under conditions of scarcity and qualitative difference, the natural givenness of land's bounty becomes more acute as it manifests, not universally, but according to specific conditions and historical developments. Under conditions of finitude, that bounty is instantiated precisely as a difference—that is, a difference in which some land is more advantageous and productive than others.

Ricardo suggested that because this income was unearned, it was not appropriate for it to be claimed privately but in fact should be used as a basis of public revenue—that is, the unearned income is a land tax. This notion survives still today, largely due to the work of the political economist Henry George. It has been implemented on a small scale in local communities with success,²⁰ but it is not a popular type of reform because it has been confused with, on the one hand, property tax²¹ and, on the other hand, state ownership of land. While the former confusion would require a more detailed discussion than permitted here, the latter is easy to dispel since what George allows for is private use of land but not private right to the unearned income or ground rent. One can therefore distinguish 'use and possession of land' from 'entitlement to ground rent.'²²

What the categorization of rent as public revenue provides is a way of seeing an aspect of economic production in terms of gift and debt. Our debt to land requires a change in practice which sees its unearned income as a product of its ontological givenness as it is instantiated according to the conditions of finitude—i.e., scarcity and variance in quality. Furthermore, when taken as a form of public revenue, ground rent places the community in view of decisions involving use of this revenue—or that is to say, decisions which require practical deliberation as well as debate. So in this sense, land figures itself into other human practices that constitute political and the social discourse.

5. Conclusion

To recapitulate the major points of my proposal: I have used Heidegger's discussion of the givenness of earth as the basis for rethinking our economic understanding of practices relating to land-use. On the one hand, the ontological givenness of land requires that we treat it as an entity that is not reducible to exclusive human control. On the other hand, this givenness is qualified by the condition of finitude which means that land is not given in an unqualified way. Rather, the condition of land's givenness is received according to the finite conditions of scarcity and qualitative difference. I have identified Ricardo's doctrine of ground rent as a theory which potentially accounts for this scarcity and difference by noting the way in which these features give rise to ground rent as an

unearned income and potentially accounts for land's givenness by allocating this ground rent as a source of public revenue. From the perspective of expediency, a hesitancy towards such a practical proposal that cuts against the grain of centuries of political and economic preunderstanding is quite reasonable. But poststructural philosophy, at least as many of my analytic colleagues would say, has never been 'reasonable;' but I would certainly maintain in view of my proposal today that this is for better reasons than they would assume.

Notes

An expanded version of this paper is forthcoming as an article in *Research in Phenomenology*, 41:3 (2011 in press).

- ² This phrase, however, is misleading. J.S. Mill has been cited with providing the theoretical bases for *homo economicus* in his discussion of method. He never maintains that the guiding concept of self-interest is complete or sufficient. See J. S. Mill, 'On the Definition and Method of Political Economy,' in *The Philosophy of Economics*, Third Edition, ed. Daniel M. Hausman (Cambridge: Cambridge University Press, 2008), 41–42. For a more recent discussion of this in view of Adam Smith, see Amartya Sen, *On Ethics and Economics* (Oxford: Blackwell, 1988).
- ³ See, for example: Jacques Derrida, *Without Alibi* (Stanford: Stanford University Press, 2002), 229; Derrida *Given Time: I. Counterfeit Money* (Chicago: University of Chicago Press), 12–13, Derrida 'The principle of reason: the university in the eyes of its pupils,' *Diacritics*, 13:3, 2–20, Derrida, *A Derrida Reader: Between the Blinds* (New York: Columbia University Press), 410; Foucault, *The Order of Things* (London: Routledge, 1970), 223–226; and Paul Ricoeur, *The Course of Recognition* (Chicago: University of Chicago Press, 2005), 232–245.
- ⁴ Martin Heidegger, *Being and Time*, trans. John Macquarrie and Edward Robinson (Oxford: Blackwell, 1995), H70–71, 161, 181–182.
- ⁵ Cf. Heidegger, *Being and Time*, H65. The 'there' I refer to is not meant to denote 'da' but more the 'lethic thereness' that is prior to Dasein encountering things in being. Cf. Thomas Sheehan, 'A paradigm shift in Heidegger research,' *Continental Philosophy Review*, 34 (2001), 193.
- ⁶ Heidegger, *Poetry, Language, Thought* (New York: Harper & Row, 1971), 48–49.
- ⁷ Heidegger, *Poetry*, 49; 'it' replaced by brackets.
- ⁸ Heidegger, 'On the Essence and Concept of Φύσις,' *Pathmarks*, ed. William McNeill (Cambridge: Cambridge University Press, 1998), 209–210.
- ⁹ Heidegger, *Poetry*.

- ¹⁰ Heidegger, *Poetry*, 48. Furthermore he writes, ‘The earth, however, as sheltering and concealing, tends always to draw the world into itself and keep it there’ (49).
- ¹¹ This dichotomy between earth and world is what grounds the distinction between the two poetic processes of human creation and natural flourishing which Heidegger. Phusis, as nature, is self-sufficient while human techne is not.
- ¹² For an extensive discussion of this, see Richard Rojcewicz, *The Gods and Technology: A Reading of Heidegger* (Albany: SUNY Press, 2006).
- ¹³ Henry George, *Progress and Poverty* (New York: Robert Schalkenbach Foundation, 1992), 38.
- ¹⁴ Mill, *Principles of Political Economy* (Amherst: Prometheus Books, 2004), II.ii §6, 237–238.
- ¹⁵ For a detailed study of land speculation, see Fred Harrison, *The Power in the Land: Unemployment, the Profits Crisis and the Land Speculator* (London: Shephard-Walwyn, 1983).
- ¹⁶ Vilfredo Pareto, *Manual of Political Economy* (London: Macmillan Press, 1971), 321. For an analysis of the historical treatment of land in political economy, see my forthcoming article in *Research in Phenomenology* (see note 1).
- ¹⁷ Sheehan, ‘A paradigm shift,’ 199.
- ¹⁸ Mill, *Principles*, 411. The irony here is that one of the most important classical economists, who held a pessimistic view of human civilization, offers a theoretical insight that demonstrates how this condition of finitude is transformed into a type of practice that one can place under the category of counter-gifting, or in this case, giving thanks to land.
- ¹⁹ For the purposes of time constraint, I cannot address how Ricardo’s insight pertains today even with technological advances that can ‘improve’ inferior land. Suffice it to say, that such ‘improvement’ is not really an improvement to a piece of land but the expenditure of capital to increase yield.
- ²⁰ Arden, Delaware is one community in the United States. For other examples, see Harrison, *Power in the Land*.
- ²¹ Thinking they instituted a land tax, in 2008 the British parliament removed a rate-relief on landlords that previously allowed them to keep rents high and their land unused. Because this rate was levied on property, and not land, the many landlords refused to drop their rents and instead destroyed their buildings. This allowed them to keep rents up (in anticipation of a return in the future) while avoiding any tax penalty. This allows them to further gain through land speculation.
- ²² George, *Progress and Poverty*, 405. For criticism of George on this distinction, see John Pullen ‘Henry George’s Land Reform: The Distinction between Private Ownership and Private Possession’, *American Journal of Economics and Sociology*, 60(2) (April 2001), 547–556.

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