

# Put land at heart of a 'Rural New Deal' for Scotland



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**Post-Covid it is crucial that Scotland extends community ownership as a way of stimulating local economic development and resilience, argues Dr Calum MacLeod**

THE COVID-19 PANDEMIC has shone an unforgiving light on the structural vulnerabilities of Scotland's rural areas.

The depopulation crisis facing many communities in the Highlands and Islands will be familiar to readers of this newspaper. Tourism – the economic lifeblood underpinning much of the employment in rural areas – ground to a halt in lockdown, undermining the prospects of those dependent on the sector for their livelihoods.

A shortage of affordable housing, together with limited access to high quality broadband and to other services further undermines the resilience of many of our rural communities.

As the worst of the initial and – so far – only wave of the pandemic subsides the Scottish Government's attention is turning from Covid-19's containment to Scotland's recovery from its dislocating economic and social effects.

Ministers will not be short of advice in that regard.

Recommendations have already been produced by the Advisory Group on Economic Recovery and the Just Transition Commission. More will follow in the coming weeks from government-appointed advisory groups on social renewal and on towns.

These groups have all been tasked by ministers with addressing the same multi-layered, highly complex challenge, that of making Scotland's post-pandemic recovery fairer, greener and more sustainable.

## Rural New Deal

Against that background, the case for creating a Rural New Deal with land reform – defined as measures that modify or change the arrangements governing the possession and use of land in the public interest – becomes ever more compelling.

It's well known that Scotland has one of the most concentrated patterns of land ownership in the world.

A recent book, 'Land Reform in Scotland: History, Law and Policy' edited by Malcolm Combe, Jayne Glass and Annie Tindley, states: "Land ownership in Scotland continues today to be dominated by just over 400 private owners (0.008 per cent of the population) who have been estimated to own 50 per cent of privately owned rural land".

That concentration of ownership matters because how land is owned and used and, crucially, who benefits from these arrangements, are central issues in determining Scotland's progress towards becoming a greener, fairer and more sustainable society.

There's nothing new in that insight.

The 'land question' has always revolved around deep-seated structural problems with the concentrated pattern of predominantly private land ownership in rural Scotland that act as barriers to the sustainable development of the nation as a whole and local communities in particular.

These structural problems essentially revolve around the monopoly possession and exercise of power as it relates to land as a factor of production.

Specifically, who has power; how it is exercised; and in whose interests it is exercised.

## Corrosive monopoly

The Scottish Land Commission – the

government agency established in 2017 to ensure that land reform stays on the public policy agenda – is unambiguous about the corrosive effects of monopoly land ownership on rural communities' prospects.

In its 2019 report on large scale and concentrated land ownership in rural Scotland the commission stated: "There is no automatic link between large-scale land holdings and poor rural development outcomes but there is convincing evidence that highly-concentrated land ownership can have a detrimental effect on rural development outcomes."

"These effects arise because landowners have the power to decide who can access land, when, for what purpose and at what price. This power is created by the current system of private property rights and is therefore directly linked to land ownership."

The current Scottish Parliament seems to agree.

Following a land reform debate in March last year MSPs passed a motion which, among other things, "recognises the close relationship between land ownership and land use; agrees that community ownership of land should be the norm and not simply a response to market failure or disputes with landowners; recognises the importance of the Scottish Land Fund in supporting community land and asset buyouts; agrees the importance of ensuring that land reform continues to be a key policy priority to change the entrenched and inequitable pattern of land ownership in Scotland."

The support expressed by our parliamentarians for land reform is encouraging but it must continue to be matched with tangible action as rural Scotland charts a path towards economic recovery and sustainability.

The immediate threat of the Covid-19 pandemic may be receding.

In contrast, the climate emergency remains the ever-present and overarching public policy challenge facing Scotland and the entire planet.

## Luxury purchase

It's at the intersection between land viewed as a commodity, climate change as both an existential threat and an economic opportunity, and the purchasing power of the super-rich that the pressing need for land reform comes into sharpest focus.

According to Anna Henderson, an associate at Galbraith property consultancy: "for most buyers an estate is a luxury purchase to enjoy, not unlike a superyacht or a Lamborghini".

In its recent Scottish Estate Market Review Report, property firm Strutt and Parker notes that: "new markets for carbon credits and likely changes so that government support for land management is linked to environmental outcomes, is likely to increase the demand for Scottish estates".

These are admirably candid assessments from experts who make it their business to track the dynamics of the Scottish estates market very closely.

Nevertheless, the idea that great swathes of rural Scotland are little more than a rich person's luxury plaything strikes a jarringly discordant note with our self-image as an egalitarian and inclusive nation.

Similarly, the scope for private

landowners to profit from the natural capital derived from land without any obligation to reinvest that profit for the benefit of local communities seems at odds with the notion of a progressive and fair Scotland.

Scotland's Rural New Deal therefore needs to urgently address how land is owned and used and to what ends as a matter of social justice.

That means providing fiscal, legislative and other support measures so that communities can deliver public benefits (for example, via peatlands restoration, afforestation and renewable energy schemes) and – crucially – reinvest the resulting revenues locally for community benefit by virtue of owning the land from which natural capital benefits are derived.

Legislating for a public interest test as regards the suitability of prospective private purchasers of land over a certain scale would help address these issues.

That's an option to which the Scottish Government has already signalled its commitment in principle.

Assessing the impacts of such purchases in relation to a just transition to net zero emissions should form one part of that public interest test.

Scotland also needs a reconfigured fiscal system that enables rural communities to both contribute to, and experience, a post-Covid economy that places fairness, sustainability and local wealth building and retention at its heart.

Exploring the scope for introducing fiscal measures such as land value taxation to reduce the inflated prices associated with estate purchases is one such option in that regard.

There's also much to be done to nurture and grow the still relatively young community landowning sector in rural Scotland.

## Support during pandemic

'Built-In Resilience: Community Landowners' Response to the Covid-19 Crisis', a recent joint report by Community Land Scotland and Scottish Woodlands Association shows that 'anchor' community trusts have played a critical role in supporting people living in their areas during the pandemic.

These trusts are also playing a key role in their local economies' subsequent recovery.

Some plan to establish incubation spaces for local businesses. Others have

been sourcing food locally, both for shops and for delivery to people who have been shielding, vulnerable or self-isolating.

New connections are being made with local suppliers and some community trusts are now providing services to vulnerable and disadvantaged people in their communities.

This is resilience-building from the ground up.

It's therefore crucial that Scotland continues to invest in scaling up community ownership as a way of stimulating local economic development, resilience and community wealth-building.

There's an over-riding case for retaining the Scottish Land Fund after the next Scottish Parliament election in May 2021 and increasing its budget from £10 million to £20 million annually.

So doing will consolidate and further expand the fund's vital strategic function in facilitating more community ownership of land and other assets throughout rural Scotland.

## Greener and fairer

There is no 'one-size fits all' solution to the rural challenges created by the Covid-19 pandemic and the climate emergency.

Nevertheless, the contemporary relevance of the centuries old 'land question' to rural Scotland's long-term sustainability has never been clearer.

Land reform is crucial to ensuring that the rural economic recovery is greener, fairer and wealthier precisely because of its emphasis on land as a shared asset for delivering the common good.

In the weeks and months ahead Scotland's policymakers need to demonstrate bold policy imagination and the political will to transform land reform's promise of the 'better' society into action.

That means placing who and what land is for at the heart of a New Deal for thriving and sustainable communities in rural Scotland.

As we emerge from the pandemic into an increasingly uncertain future 'business as usual' is no longer a credible option.

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*This article has been written in a personal capacity.*

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Community trusts, like that covering Portree and surrounding districts, have played a critical role in supporting people living in their areas during the pandemic