The State and Financialization of Public Land in the United Kingdom

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Abstract: There exists an influential and growing political-economic literature on the treatment of land—urban and rural—as a financial asset. But this literature pays little attention to the role of the state, beyond its obvious significance in the formalization of tradable property rights. In particular, the issue of the state's own land, i.e. public land, has been afforded scant scrutiny. Has the state, like other actors, increasingly come to treat the land it owns as a form of financial asset? And if so, how, and with what implications? This article addresses these questions by way of an empirical focus on the history of the UK public estate since the beginning of the 1980s.

Keywords: land, the state, finance, United Kingdom, financialization, privatization

Introduction

In recent years one of the central themes of a burgeoning critical literature on the political economy of land has been the reportedly increasing tendency for land to be treated as a form of tradable financial asset, its exchange value privileged over its use value. Often also expressed in terms of land's "financialization" (Kaika and Ruggiero 2016), such a treatment was most influentially conceptualized by David Harvey (1982) in chapter 11 (on rent) of *The Limits to Capital* and has subsequently been identified and discussed in relation to both urban (Coakley 1994; Desai and Loftus 2013; Haila 1988, 1991) and rural (Fairbairn 2014; Gunnoe 2014) settings.

Like all literatures, however, the literature on the financialization of land gives precedence to certain issues while downplaying or neglecting others, including highly significant ones.[1] The present article highlights and seeks to contribute to correcting one important such oversight: namely, concerning the role of the state in this financialization process. That role has to date been afforded very limited theoretical or empirical attention.

The article's specific contribution to understanding the role of the state is to focus on one particular dimension of the state's multifaceted relation to the land and its political economy. It examines the state's changing treatment of its *own* land—which, given the scale of public land ownership in many countries, in the past if not always the present, is an extremely material issue. As other actors have increasingly come to treat the land they own as a form of financial asset, has the state done likewise and, if so, how and with what implications? If it has not, then why not, and in what ways has its treatment substantively differed?

The article addresses these questions through a study of the state's proprietary-land strategy in one territory—the United Kingdom—and focusing on the historical

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period with which other commentators have primarily associated the increasing tendency for land to be financialized: the post-1970s neoliberal period. By couching the historical developments of this period in Harvey's Marxian terms and asking how those terms might need to be reconfigured to accommodate a closer consideration of the role of the state, the article explicitly attempts, moreover, to offer a theoretical argument as well as an empirical-historical one.

The central bundle of claims elaborated in the article runs broadly as follows. First, the article posits that the state's role vis-à-vis land's financialization must be prioritized because, at least in the UK case, it is a crucial one. While Harvey (1982:347) appears to be largely right that the increasing tendency to treat the land as a financial asset is a "guiding feature" of the state's as well as of other actors' orientation towards the land, however, such a feature is, in the UK case, far from straightforward or unambiguous. Because, if the UK state has indeed increasingly come to financialize public land, it has for the most part done so only indirectly. Instead of treating the land—its land—as a financial asset per se by developing, letting, trading, actively speculating with, or otherwise directly exploiting it "according to the rent it yields" (Harvey 1982:347), the state has rather enabled such a treatment to be generalized by strategically selling its land to actors that do treat land in such a way—actors, that is to say, in the private sector. Finally, and perhaps perversely, the state has effected this particular outcome through means that seem, on the face of it, counterintuitive—enabling other actors to ultimately privilege land's exchange value specifically by itself privileging land's use value, such privileging representing the pivotal catalyst for the release of public land to the private sector.

All this will become much clearer as we proceed. The arguments in question are developed over the course of three main sections. The first of these situates the empirical findings and conceptual claims of the article by considering in greater detail the existing literature on land's treatment as a financial asset, starting with Harvey's seminal theoretical statement of this proposition—focusing especially on what he had to say about the state—and then turning to those studies that have explored its historical-geographical applicability and validity, again with an eye in particular to the state's involvement. The second section of the article is also situational, contextualizing the subsequent case study against the backdrop not of relevant literatures but of the key particulars of UK public land ownership and management. This section provides background information on patterns of public land ownership and structures and dynamics of public land oversight and administration, and how these have changed over time. The third, major section of the article sets out and critically interprets its main findings concerning the UK state's post-1970s' own-land treatment.

Prior to preceding, however, two sets of connected prefatory comments are in order. The first concerns my use of the term "state". To ask whether the state does this or that with public land is of course to beg the question of what the "state" actually is. Space here does not permit a detailed consideration of the enormous literature on this subject. Essentially, I follow Harvey's (1976:86–87) conceptualization, which figures the state not as "some mystical autonomous entity" but as a system of interacting institutions (after Ralph Miliband), as a set of social relations (after Bertell Ollman), and in particular, as a *process*: one of "exercising

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power via certain institutional arrangements" and through diverse (e.g. administrative, judicial) channels. And, again following Harvey, while I employ the abstract category of "the state" when generalizing about the collectivity of such processes, I identify the pertinent institutional bodies when describing the actual processes involved.

In the United Kingdom, of course, these processes—that is, "the state"—are highly centralized. Central government in general, and the prime minister's office in particular, is atypically powerful, and "the state" about which I generalize *is* therefore often the prime minister's office specifically—an office closely directing, as we will see, the other institutional arms of the state, be they ministerial departments, local authorities, or whatever else. This brings me to my second prefatory remark. I do aim in this article to generalize from the UK case something of broader analytical value, yet I am mindful of the hazards of doing so. What kind of a difference does the form of the state make to its role in land financialization? I do not answer this question. But, in the conclusion, I raise it in order to consider the linked question of the generalizability of my analysis.

The State and the Treatment of Land as a Financial Asset

Theoretical Formulations

Land, like any other capitalist commodity, has a use value as well as an exchange value and price. One typically sees a mix of such values when one surveys patterns of land ownership and occupation. Indeed, individual owner-occupiers themselves, industrial as well as residential, usually value their land in both ways, appreciating it both for how they use it (to make things, to enjoy shelter) and for the monetary value they can, if necessary, realize by letting or selling it.

In *Limits*, Harvey (1982) argues that the relative weighting of these respective land-valuation registers has fundamentally shifted as capitalism has matured. Having formerly represented a meaningful counterweight to exchange value, land's use value has over time been profoundly and ineluctably degraded. More and more, Harvey (1982:347) argues, what we have seen is land being bought and sold not on the basis of the uses to which its buyers and sellers put it but strictly "according to the rent it yields"—according, in other words, to its exchange value. It is this historical development, this reweighting away from use and towards exchange value, that Harvey styles as "the increasing tendency to treat the land as a pure financial asset"—the tendency to financialize land. A financial asset, after all, is exchange value embodied; it *has* no use, other than to bear exchange value. And, so central and inexorable is this historical tendency for Harvey that he argues *theoretically* for its necessity: "that kind of landownership that treats the land as a pure financial asset" is the "true capitalistic form" of landownership, and as capitalism matures it is thus increasingly the case that *only* such a form "will do. All other forms of landed property must give way" (1982:371).

Whether Harvey's assertion of historical inevitability bears scrutiny is debatable. But it is not our concern in this article. Rather, our concern is with how Harvey

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figured the state's role in relation to the growing generic treatment of the land as a financial asset. He did so in three ways.

First, the state plays a crucial structurally facilitative role insofar as it produces and polices the property rights that circulate in land markets alongside the physical lands to which they attach. In capitalist societies, large-scale formal land markets that buyers and sellers trust are almost inconceivable in the absence of safe and secure legally enforceable private rights to the land. A stable capitalist market requires a stable capitalist commodity, and where land is concerned Harvey emphasizes the role that the state plays in this regard. Of course, just because the state and its legal system stand behind the land market does not mean the land will necessarily be financialized; "the ability to alienate and trade land", as Harvey (1982:348) admits, "in no way guarantees that it will be traded as a pure financial asset". No, it does not. But, by the same token, the land *could not* come to be treated as a financial asset if the state did not perform this function. That function is necessary, if not sufficient.

Second, the state plays—or, where it chooses to, *can* play—an equally important role in modulating the speculation that so often plagues land markets. Such a role is especially germane in situations where land is treated as a financial asset because financialized land markets are, ceteris paribus, likely to be more speculative than markets anchored in (potentially) more stable use values. Financialized land markets are singularly ripe for "speculative orgies", Harvey (1982:370–371) argues, since "individual landholders, acting in their own immediate self-interest and seeking to maximize the ground-rent they can appropriate, may force allocations of capital to land in ways that make no sense from the standpoint of the overall requirements of accumulation". Harvey sees only two possible ways that such incoherence and disorder in land markets can be tempered. One is commercial monopolization, which, in eliminating the cut-and-thrust of competitive bidding, "permits a coherent process of land development". And the other is state intervention, in the form for instance of "land use regulation, land expropriation, land use planning and, finally, actual investment". Such intervention aims to render land markets, financialized or not, "less incoherent and less vulnerable to speculative disorders"; it may *also* endeavor to limit the extent to which land *is* treated as a financial asset.

Third, finally and, for our purposes in this article, most importantly, Harvey argues that the state contributes actively and directly to the tendency in question. If, in other words, the land is increasingly treated as a financial asset, this is not only because non-state actors treat it in such a way—*the state does, too.* Acknowledging that the landowning class in advanced capitalist societies such as the UK comprises "motley and heterogeneous groups" ranging from "ancient institutions (the Church, the Crown, large aristocratic estates)" through financial institutions to "a wide range of individual and corporate owners" *and* the state (at various scales), Harvey (1982:346–347, emphasis added) nonetheless insists that "if we probe hard within this diversity we can begin to spot a central guiding feature in the behaviour of *all* economic agents ... this is the increasing tendency to treat the land as a pure financial asset". In short, the state financializes land as well.

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Previous Empirical Explorations

But does it? We do not really know. In the first study to seriously consider Harvey's theoretical claims regarding the treatment of land as a form of financial asset, Haila (1988:85) both noted Harvey's (1982:371) aside that the question of how far actually existing capitalist societies had financialized land was "a matter for historical investigation" and recognized, in turn, that "no investigations of this kind" existed. They do now; and yet the question of whether, and to what extent, the state in particular has been an active and direct agent of such financialization—of whether it indeed exhibits Harvey's "central guiding feature"—remains an open one. It has not been systematically addressed.

Instead, the focus in those studies that have taken up Harvey's implicit call for "historical investigation" has, unsurprisingly, been elsewhere—namely, on private-sector agents of land financialization. As noted in the introduction, the increasing treatment of land as a form of financial asset has been demonstrated in both urban and rural environments. In terms of the former, Haila's own (1988, 1991) work on Helsinki was formative and remains influential. She showed that a variety of actors, through the 1980s, were indeed increasingly treating the land in such a way, with exchange values and rental yields edging to the fore, alongside an "increasing displacement of use values" (1988:97). She thus concluded, with a degree of understatement, that Harvey's was "a good hypothesis" (1988:85). Coakley (1994), in a seminal study of the entangling of property and financial markets under late capitalism, came to comparable conclusions. Focusing on commercial property and the land on which it sat, Coakley essentially agreed with Harvey and Haila but averred that since such property in practice "possesses some but not all of the characteristics of other financial assets" (Coakley 1994:701), it is better seen as a "quasi" financial asset than the "pure" one envisioned by Harvey.

The literature on financialization of rural land is of a much more recent vintage. But, two studies make the case emphatically that such land is also increasingly being treated as a financial asset. Fairbairn (2014) develops this argument in relation to farmland investment in both the global South and the global North, maintaining that "the desire to profit from farmland as a financial asset exists not only among financial actors but also among commercial actors who have typically invested in farmland primarily as a means of production" (Fairbairn 2014:779)—i.e. for its use value. Meanwhile, Gunnoe (2014) describes the treatment of not just farmland but also timberland as a financial asset in rural America, emphasizing speculative investments made by financial institutions in particular.

It would be wrong to suggest that such studies of urban and rural land financialization have neglected the state entirely. They have not. But, the state features in these studies primarily as facilitator rather than agent of financialization. Consider Gunnoe's (2014:487–489) study. The US federal state, he argues, has in three main ways enabled land to be treated increasingly as a financial asset—through financial deregulation; through changes in taxation policy that benefit real estate and finance capital interests; and through changes in monetary policy. Similarly, but in the urban sphere, Haila (1988:89–90) observed that by making planning processes more flexible and by "permitting greater and more direct influence by business", Helsinki's public authorities had, in the 1980s, actively

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"contributed to the power of landowners to treat their property as a pure financial asset". Levien (2012), meanwhile, recounts an example of more forcible facilitation: state-directed transfer of Indian farmers' land, explicitly spurring financialized accumulation.

Yet such studies do not tell us whether the state has been a meaningful land "financializer" itself. This question is simply not properly addressed in the existing literature. Instead, all that this literature offers us is fleeting glimpses and tantalizing hints; the idea that the state *may* be treating land as a financial asset is raised (more or less explicitly), but not meaningfully explored.

Schmelzkopf (2002), for example, in a fascinating analysis of conflict over community gardens located on city-owned land in New York City, posits the state's project as being one of maximizing exchange values, and reads the conflict as, inter alia, an expression of "the domination of exchange over use value" (Schmelzkopf 2002:326)—but takes the idea no further. More tangibly, Berry and Huxley's (1992) study of speculative 1980s investment in urban Australian real estate showed not only that federal and state governments actively facilitated property financialization in ways akin to Gunnoe's and Haila's state actors (e.g. with financial sector deregulation, fast-track planning and tendering procedures, provision of financial guarantees and subsidies, and the like) but also that disused public land "such as railway yards and post facilities" (Berry and Huxley 1992:43) was sold to private developers specifically "to reap the benefit of inflated property prices"—a case of the state treating land as a financial asset if ever there was one, it would seem, though no amplification is provided. Haila (2016:117), meanwhile, intimates that the Finnish state, local and national, has financialized public land by prioritizing rental yields, yet she provides no analysis of this development. And last but not least we have Coakley's (1994:708–709) highly suggestive but abruptly circumscribed observation that the 1980s sale of public housing in the United Kingdom and elsewhere, which effected "an enormous increase in private property ownership", entailed "unleashing the exchange-value aspect of state-owned property in which, typically, the use-value aspect is 'all'". These four studies all gesture at, but pull back from substantively investigating, an intriguing possibility: that the states in question have, indeed, come in one manner or another to financialize the/their land and thus to exhibit the broader tendency Harvey describes. This is the possibility we explore more fully now, in the UK context.

The UK Public Estate

In the United Kingdom, public land and the non-privately-owned buildings erected on it are referred to collectively as the "public estate". It can be held by government departments (ministerial or non-ministerial), local governments (councils), public corporations, or any other state-owned entity, and embraces everything from forests to public housing and from hospitals to naval bases.[2]

Unfortunately, getting a handle on the scale of this estate is difficult because, as generations of researchers have found, reliable information regarding UK land holdings—public *or* private—is hard to come by. Massey and Catalano (1978:7–8)

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lamented the paucity of dependable data in a landmark 1978 study of patterns of UK landownership; a decade later, Kivell and McKay (1988:169), focusing on urban UK landholdings, similarly found “an almost complete absence of reliable and comprehensive information”. The situation is not much better today. “While in theory it is possible to look up ownership through the Land Registry”, observe Thomson and Wilkes (2014:16), “this often leads to a company registered overseas which is difficult to get in contact with” (as highlighted by the 2016 Panama Papers leaks); and, as for the public sector, “at least one council that we spoke to had ‘no idea’ how much land they had” (2014:17).

What is nonetheless clear, such data-discovery problems notwithstanding, is that the state—centrally or locally—owns a significant proportion of UK land and is, by some margin, the nation’s biggest land owner. Indeed, independent estimates suggest that by itself the Forestry Commission, the government department that owns and manages the country’s approximately one million hectares of public woodland (equating to over 4% of total UK land), is the United Kingdom’s largest landholder.[3]

Until recently, the government provided no official, regularly updated statistics on the estimated value of its total land-related assets but that has now changed with the annual publication of “Whole of Government Accounts”, which consolidate the accounts of around 4000 organizations across the public sector.[4] The fifth and (at the time of this writing) latest such accounts, for 2013–2014, give the public estate an estimated book value of £358 billion.[5] This comprises “land, buildings and dwellings”, and thus includes assets such as schools, hospitals and public housing but not “infrastructure” assets (a further £278 billion) such as roads, the Scottish water network and London Underground.

How is this vast land-and-building portfolio distributed between central government, local government and other public-sector bodies? This is where things get considerably murkier and one is forced to attempt to stitch together an imperfect picture from disparate, incomplete sources; even the Treasury admits that “obtaining and compiling data about the size of the total estate owned and used by the public sector is challenging” (UK Treasury 2009:54). First, local government assets—including schools, public housing, leisure facilities and the like—are estimated to account for approximately two-thirds of the total public estate by value (UK Treasury 2009:54).[6] Second, the “Civil Estate” reportedly represents approximately 15% of the total (GPU 2013:5); this segment, comprising “workspace, offices and other property used to deliver departments’ activities” (OGC 2005:4), is essentially the space used by central government in its various departmental forms, but, importantly, it excludes the land-and-property portfolios of, inter alia, health, defense, the prison service, Environment, Food & Rural Affairs (DEFRA), and, of course, the Forestry Commission. That leaves, finally, a rump, comprising the aforementioned departments plus all public corporations and accounting for somewhere around 15–20% of the total estate (measured, again, by book value). In 2007, it was estimated that within this rump the departments with the largest property holdings were health, with approximately £35 billion, and defense, with around £18 billion (UK Treasury 2009:54); indeed, independent commentators identify the Defence Infrastructure Organisation, the estate arm of the Ministry of

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Defence, as itself the United Kingdom's third largest landholder by area (with c. 240,000 hectares) after the Forestry Commission and the National Trust.[7]

How, lastly, is this large, sprawling estate managed? And what primary changes in management approach have historically occurred? The most significant changes pertain to the degree of centralized control exerted over the estate's administration, in which respect the history of the neoliberal period is one of a centralized system briefly giving way to a more fragmented and decentralized approach, only for centripetal forces subsequently to reemerge.

Centralized oversight and management of the public estate had been formalized in 1972 with the creation of the government's Property Services Agency (PSA). The PSA both actively managed large parts of the public estate and carried out construction work. But it endured a stormy 1980s—allegations of corruption were rife—and in 1990 it was split in two, the state maintaining the property management arm (renamed Property Holdings) while the construction arm became a commercial entity.

The most important break occurred six years later, when accountability and strategy setting for land-and-property holdings were devolved to individual departments. The departments were to be supported by a new body—the Property Advisor to the Civil Estate (PACE)—created the same year (in place of Property Holdings), but PACE provided only light-touch oversight. As a later report (UK National Audit Office 2006:6) observed, what had materialized in the mid-1990s was very much a "departmental silo" approach: "the centralized strategic planning [role] once held under the PSA no longer existed".

However, it would not be long before calls for recentralization began to be voiced—calls whose principal motivation we shall turn to in the following section. The first signs of movement in this direction became visible in 2000 with PACE being supplanted by the new Office of Government Commerce (OGC), one function of which was to provide more by way of "cross-departmental coordination and direction" (UK National Audit Office 2006:6) on estate matters. And although ultimate responsibility would remain with individual departments, OGC's powers were gradually augmented over the ensuing years, such that by 2007 its relationship with those various governmental departments came to be described "as 'controlled decentralisation', where the centre has a monitoring, challenge and intervention role alongside its existing support and guidance" (UK National Audit Office 2007:36).

Yet, the OGC's remit remained institutionally and spatially limited—it extended neither to local government, nor to core chunks of central government's operational estate such as those held and managed by health and defense. The Treasury, though, had its eye on these and in 2009, echoing an earlier appeal by the government's official auditor for a "central executive estates capability for the public sector" (UK National Audit Office 2006:4), it called explicitly for the creation of "a new central property function" to cover "property across the whole of the public sector" (UK Treasury 2009:53)—albeit a unit that would be limited to strategy and guidance as opposed to day-to-day management à la the erstwhile PSA. And the following year the Treasury's wish was granted: 2010 saw the establishment of the new Government Property Unit (GPU) within the Cabinet Office (the OGC

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was shuttered a year later). The GPU has "central oversight over all government land and property".[8] Created specifically "to strengthen central coordination" and improve overall management of the public estate (GPU 2013:5), it remains in operation at the time of writing.

Statutory Financialization?

Pressure to Purge

If the previous section helps provide a broad-brush overview of the scope and nature of the UK public estate and of its changing modes of administration in recent decades, what about its actual treatment? What has the state literally *done* with its estate? Has it—like, Harvey says, other actors—increasingly treated this estate as a form of financial asset? The remainder of the article addresses this question, focusing on the period from the early 1980s through to today.

The consistent and overwhelming government emphasis during this period, I argue, has been on disposal of public land—reducing the size of the public estate by selling it to private-sector actors. This process, of course, has been just part of a wider, ongoing regime of privatization initially begun in earnest by the first Thatcher administration. What is particularly important to understand in the present context, however, is that while its sale has received significantly less critical attention than that of other public assets (e.g. in Meek 2014), land was, from the very outset, demonstrably to the fore. "At first", writes Parker (2009:400) of Thatcherite privatization in its totality, "the disposals programme mainly took the form of sales of surplus land and buildings". And, since then, land has remained a prime privatization target, its disposal stridently championed by what Kivell and McKay (1988:169) aptly describe as the powerful "coalition of interests" ranged against public land ownership: "the political right, landowners, builders/developers, financial interests, private industrialists and the growing population of home owners".

While it is impossible, for reasons already identified, to put reliable numbers on the scale of this longstanding land disposal program, it has plainly been colossal.[9] Take, as an approximate indication, the following two sets of estimates, assembled at the beginning and end respectively of the period under consideration. In the mid to late 1970s, the public sector was estimated by Massey and Catalano (1978:6) to own "about 19 per cent of total acreage" in Britain. In 2016, the equivalent share for England and Wales is estimated to have fallen to just 6% (Evans 2016).

A great deal could be said about the state's motivations for this disposal program. Such motivations—sometimes made explicit, sometimes rather more veiled—have been many and varied, and they represent a fascinating and important potential research subject in and of themselves (see Christophers and Whiteside forthcoming): sometimes, to be sure, they have simply mirrored more generic arguments for privatization (e.g. reducing government operating costs, closing budget deficits, and realizing the alleged benefits of private ownership relating to efficiency, growth, wealth creation, etc.), but at others they have been more specific to land and property (e.g. enabling more flexibility in property space utilization or providing land for

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residential development to alleviate localized housing shortages). Despite surfacing at certain points in what follows, however, these motivations are not the focus of this article, which is concerned squarely with the land *treatments* they have served to legitimate.

Such treatments, focused on disposal, have to a certain extent been shaped and even sometimes effected by means of formal government legislation. The clearest examples of the active role of legislation in regard to disposal came right at the outset of the period we are interested in. The Housing Act and the Local Government, Planning and Land Act, both passed in 1980, truly set the stage in no uncertain terms for what would ensue over the next three and a half decades. The first of these two statutes activated Margaret Thatcher's famous Right to Buy initiative, facilitating the discounted sale of council houses to tenants, and was lauded by the then Secretary of State for the Environment, Michael Heseltine, as "lay[ing] the basis for perhaps as profound a social revolution as any in our history. Certainly no single piece of legislation has enabled the transfer of so much capital wealth from the State to the people" (HC Deb 15 January 1980, c1443).[10] The second statute not only required local councils to publish registers of surplus land holdings but, by means of the new Public Request to Order Disposal mechanism, gave central government the explicit power to compel disposal thereof—a power that in 2011 was retooled and renamed, somewhat euphemistically, as the Community Right to Reclaim Land (as we shall see, the community's rights are actually extremely limited), and that in 2014 was complemented by the new Right to Contest, which enables anyone "to challenge government to sell land or property if [they] believe it's not needed and could be put to better economic use".[11]

But, generally speaking, disposal has been ordained and effected more through other, non-legislative forms of influence. The prime minister's office and the Treasury, in essence, have increasingly forcefully *pressured* the various (other) holders of public land to purge their portfolios of surplus sites, with the pressure being applied at times mainly on local authorities and at times mainly on government departments (White 2011:13). Indeed, the desired ability effectively to apply such pressure helps to explain in large measure the push for recentralization of estate oversight that, as we saw in the previous section, has characterized the period from 2000 onwards. Thus when, in 2009, the Treasury made its call for a "new central property function", it specifically emphasized that such a unit would be able to "challenge departments in identifying underutilized and surplus assets, and would oversee the implementation of asset disposals across government" (UK Treasury 2009:62).

Such challenging and the pressure it entails have broadly intensified over time and this intensification can be readily traced. Certainly, some individual departments came under acute pressure from relatively early on, the health service being the prime example: in 1982, the then Secretary of State for Social Services, Norman Fowler, launched an inquiry "to consider measures *that will ensure* that health authorities identify underused and surplus land and property and, where appropriate, dispose of it" (HC Deb 11 March 1982, c995, emphasis added)—which they duly did. As recently as 1999, however, the various holders of public land were still required merely to formulate and publish essentially neutral "estate strategies",

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thus demonstrating that a strategic approach to the management of their part of the public estate was being taken (see especially PACE 1999). Such a strategy could, in principle, equally well have argued for land acquisition as for disposal. Moreover, in 2005 the official line was still that "It is not the Government's policy to dispose of its estate as a matter of principle"—even if the next sentence reminded the reader that "the Government does have a responsibility to the taxpayer to maximise efficiency and effectiveness in the management of the estate that may result in surplus property being identified" (OGC 2005:2).

Ingenuous or not, this kind of equivocation—it is good to dispose of some surplus property, but it is not essential, and definitely *not* a matter of principle—is now very much a thing of the past. It *is* the government's policy to dispose of the public estate as a matter of principle, even if it does not put things in such stark terms. In 2005 the Cabinet had granted the OGC "a more interventionist role where departments may be departing from best practice" in property management (UK National Audit Office 2006:5), and by 2009 it was crystal clear what represented such "best practice": that exemplified by poster-child Hampshire County Council, whose chief executive was lauded for providing "strong leadership for the management of the county's property portfolio of over 5000 buildings" and who "by applying good property management practices [had] been able to realise over £300 million from the disposal of surplus land and property" (UK Treasury 2009:60). Gone, too, are the neutral "estate strategies" of the past, replaced by compulsory assignments with a rather less equivocal agenda. The then Prime Minister David Cameron, reported the Department for Communities and Local Government (DCLG) in a 2012 progress report on the unambiguous project of "Accelerating the Release of Surplus Public Sector Land", had "asked all major landholding Departments to publish *land release strategies*"—those departments, furthermore, "being held to account for delivering by Cabinet Committee" (DCLG 2012:7, emphasis added).

And such strategies were now directed towards—and hence strictly circumscribed by—specific, quantified disposal targets. Here, a little bit of history is important. Disposal targets had actually been in circulation for a number of years. In its 2004 Spending Review, most notably, the Treasury had targeted the disposal of over £30 billion in public-estate assets by 2010, with £24 billion of this to come from local government (UK Treasury 2009:61). Also, both the National Audit Office and the Treasury were longstanding advocates of targeting higher occupational densities for public sector bodies, the former suggesting that 13 square meters per person (and "tighter" in "many circumstances") was a reasonable and achievable objective (UK National Audit Office 2006:5), the latter going further still: existing usage was estimated at 14.5 square meters for central government, but that inestimable benchmark of "good practice in public and private sector organisations" showed that "this can be reduced by a third" (UK Treasury 2009:61).

Yet, for all such legacy targets, the Treasury insisted that existing incentives were "not sufficiently effective" (2009:61). More incentivization was required. This would materialize two years later, with the government targeting the release by 2015 of enough land to build up to 100,000 new homes, and insisting that departments configure their estate "strategies" accordingly (DCLG 2012:7). If being "held

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to account" by the Cabinet Committee were not incentive enough, meanwhile, Chancellor George Osborne threatened in 2012 to take sites without compensation where things were not moving sufficiently quickly (Ross 2015). A new target—land disposal for 150,000 new homes by 2020—was subsequently established in March 2015.

Privatization by Default

It would be easy to deduce from the fact that these recent targets are geared explicitly to releasing land for homebuilding that the beneficiary of disposal would be "the public" broadly defined and that the disposal policy is therefore, by definition, in the "public interest". It is after all a largely accepted wisdom that the contemporary United Kingdom has pressing housing shortages and that new homes do therefore need to be built en masse (although see Dorling [2014] for a counter-argument). In addition, the strategy of using "surplus" public land for new housing development is itself nothing new, showing noteworthy continuity with the past. More than half a century ago, Lord Bladen Wilmer Hawke argued in parliamentary debate that where governmental departments held surplus pieces of land, the latter "should be made available to the local authority if required for residential purposes" (HL Deb 29 November 1962, c1351).[12]

Nevertheless, it would be a mistake to make the aforementioned deduction. For one thing, just because the government today compels disposals from the public estate on housing-development grounds does not mean that houses actually get built (still less that they are "affordable"). In fact, the House of Commons Public Accounts Committee published a damning report in September 2015 showing that the bodies in charge of the government's releasing-land-for-homebuilding program—the DCLG and the Homes & Communities Agency (HCA)—collected no information on homes built or even started on the sites released.[13] The DCLG's defense, revealingly, was that "The target was not to build homes; it was to release land".[14] Interesting. In any event, those close to the ground reported that for all the government rhetoric, the reality was that "very few of the sites sold have yet seen a bulldozer" (Ross 2015).

For another thing, and more fundamentally, it cannot be overemphasized that this ongoing program of releasing land for homebuilding is specifically—perhaps even first and foremost—about land *privatization*. The DCLG document that trumpets the program makes this entirely plain. To get homes built, the government was looking, the then Minister for Housing and Local Development (Grant Shapps) stated, "to the private sector" (albeit without requiring it to actually build, for fear of "putting a burden on developers"[15]); and land sites were not being simply released but rather were "being released to the market" (DCLG 2012:6, 9). This, too, marks an important shift from erstwhile policy, just as the transition of land disposal from being a strategic option to a strategic imperative does. Look closely again at Lord Hawke's 1962 advice on releasing surplus land for housing: such land was to be made available *to local authorities*, for, one assumes, local authority (public) housing. No such option is made available today. Shapps's land title transfer

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really has little in common with the one Hawke submitted, which was to occur *within* the public sector.

Indeed, Shapps's overt privatization policy goes against the grain of important principles that have long been embedded in UK government policy—if not practice—on disposals of surplus public land. The guiding principle has been: once surplus land has been identified, make it available first to other public sector bodies that might need it, and only then set about selling it on the open market. In other words, disposal should not necessarily mean privatization and thus commodification, although clearly that will often be the final outcome. As PACE insisted in the third edition of its *Estate Services Guide* (PACE 1999:disp. 2.1): "Prior to disposing of any property Departments should liaise with PACE to ensure that it is not required to meet the accommodation needs of another Department". PACE's successor, the OGC, subsequently formalized this requirement and gave it a fixed timescale: land or buildings to be disposed of had to be entered on the government's Register of Surplus Public Sector Land, established in 2003, for a period of at least 40 working days before they could be marketed to the private sector. "If no other government bodies express an interest in the asset", the OGC (2005:5) allowed, "the owning department can then place the asset on the open market for sale".

This formalization was undeniably necessary. There was a long history of certain public sector bodies flouting the expectation that other such bodies would be given first look at their unwanted land. In May 2000, for example, the Commons debated the issue of sales of non-operational railway land by the British Railways Board (BRB). The concern, as expressed by the Liberal Democrat Michael Moore, was that the BRB had been unilaterally entering "into open sales of all its remaining assets. No preferential terms are offered to local authorities or rail interest groups, nor are they given first refusal" (HC Deb 10 May 2000, c899). This concern was clearly well founded: government spokesman Nick Raynsford said in response that improvements to the disposal process then being made—he assured fellow members of parliament that the government was not "acting rashly and ordering BRB to sell off all land as quickly as possible"—meant "that we are not repeating past mistakes" (HC Deb 10 May 2000, c906). Those past "mistakes" were not disputed.

In hindsight, however, the OGC's formalization of the first-look requirement does not appear to have made much practical difference. The types of practices referred to by Moore continued. In 2007, for example, the chief executive of the Town and Country Planning Association (TCPA) vocally criticized the government for the fact that "often publicly owned sites have been confirmed as surplus to requirements but remain vacant until marketed for the highest price"—a hint, there, of land being treated as a financial asset?—thus "preventing housing associations and local authorities obtaining the sites on behalf of local people" (cited in Milne 2007). And of course, when, four years later, central government made a flagship program out of releasing major landholding departments' surplus sites for housing development, the possibility that local authorities or housing associations might get their hands on such sites by virtue of first-look privileges was not even on the radar. Far from it; in fact, when the second such target—land disposal for 150,000 new homes by 2020—was set in 2015, local authorities not only were not potential

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recipients but were instructed to follow the departments' lead and "loosen their grip" on their *own* surplus land, towards the same end (Jowett 2015). That "mistakes" in the process of surplus land disposal continue to be made is, at any rate, unsurprising—the DCLG apparently "was not even aware of the guidance departments should be following when disposing of assets" whilst in charge of the 2011–2015 land-release-for-homebuilding initiative.[16]

Perhaps the most flagrant violation of the principle that land could potentially be released to actors *other* than for-profit private businesses, meanwhile, is found in another relatively recent government policy tool, the above-discussed Community Right to Reclaim Land. This, incidentally, was also launched by Grant Shapps, and in the same year as the homebuilding-oriented disposal drive: 2011. The tool's name may have warm and fuzzy connotations of local communities (re)claiming surplus public space, but the reality is nothing of the sort. Once the relevant public body is ordered to dispose of the land, it "is usually (but not automatically) sold on the open market; *there is no first refusal for community groups*".[17] A *community* right?

In sum, if holders of public land are increasingly required to dispose of land, they are also increasingly expected to transfer it to a specific constituency: the private sector. In the 1980s and 1990s much of the land released by individual public sector bodies also ended up in private hands, of course, but ordinarily only after other public sector bodies had been given first look; today, it appears, it is generally transferred to private hands by default.

Subsidizing Financialization

What we have seen in the United Kingdom since the beginning of the 1980s, therefore, is the state deliberately and strategically impelling the transfer of public land to land-hungry private-sector actors. Given that the financialization of land and property has been widely shown to be a, if not the, trademark contemporary modus operandi for such actors more generally, the state has clearly been fueling UK public land's financialization—its treatment as a financial asset.

Of course, the financialization effected by such private actors in the UK context is not this article's main theme. The role of the state is. However, two comments concerning such financialization are worthwhile. The first is that evidence of land being treated as a financial asset on a substantial scale specifically by those actors to whom the UK state has sold that land is not hard to find. An egregious example concerns the developers who have benefited from disposal-for-housebuilding since 2011. Between 2010 and 2015, fewer than 2000 homes were actually built on the land released for housebuilding, which had a capacity for over 100,000 homes (Evans 2016). Why? Partly because no obligations to build were imposed, and partly because "housebuilders" have increasingly found land financialization more profitable than its development. "Large UK housebuilders", noted Griffith (2011:29), "have become more focused on land trading and adding value through the planning system than the actual business of building homes".

Second, the private-sector financialization of UK land predated the 1980s, even if it subsequently expanded in scope courtesy of large-scale land privatization. The

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clearest analysis of the early financialization of UK land is provided by Massey and Catalano (1978:chapter 6), who formulate a brilliant critique of the contradictions of what they call "the financial form of landownership"—one bafflingly ignored by most of those who today write of land and property financialization as if it is something new. Already by the early 1970s, insurance companies, pension funds and the like were heavily invested in UK land. This development was a chief provocation for contemporary advocates of land nationalization, among whom the late Doreen Massey was herself a prominent figure (see especially Massey et al. 1973).

But, simply impelling land release to the increasingly financialization-oriented private sector is not all that the UK state has done. It has also often gone out of its way to ensure that such release occurs on terms that are maximally attractive to the land's private-sector acquirers. It has done this in several ways. Three especially important methods are reviewed in this sub-section.

First, and most generally, central government has not only privatized public land but has also widely—if not wholly—privatized the processes whereby land for disposal is identified, marketed and sold. In the first instance, those in control of disposal increasingly hail from the same for-profit business world to which land is typically being transferred. Any number of examples of the private sector being invited to engage in such processes could be cited; in some instances it takes more-or-less complete control.[18] But what is most important to understand is that the government's stall was set out at the very beginning of the period we are concerned with. When Norman Fowler launched his above-mentioned inquiry in 1982 into how the health service could be motivated to rationalize its estate, the team charged with finding ways to "ensure" (Fowler's word) the health service complied was private sector-heavy and brought with it, Fowler crowed, "great and relevant commercial expertise" (HC Deb 11 March 1982, c995). Undoubtedly it did. Yet, as the Labour peer William Molloy later observed in an angry Lords debate, the private-sector individuals in question were, in the process, "given massive power". And they used that power to ensure not just that "surplus" land was identified but that it *was* released. "Their report in January 1983", Molloy said, "was designed to *force* health authorities to dispose" (HL Deb 7 December 1983, c1161, emphasis added).

Private-sector "expertise" has been embedded in the process of public estate rationalization ever since, both in terms of individual actors being called upon—as in the health service example—and, less conspicuously but arguably no less materially, in terms of the particular expert knowledges mobilized to justify estate purging. The argument that disposals of public land *should* be made has been strenuously and continuously articulated by central government (as well, of course, as by others in Kivell and McKay's "coalition of interests" against public ownership). But the (typically economic) justifications relied upon to support such an argument are not of the government's own making. And nor, significantly, have they tended to be derived from nominally "objective" intellectual sources—academia, for example. Rather, they have usually been private-sector knowledges. Consider the basis on which the GPU, the body today charged with "central oversight" of the public estate, calls for that estate's active dismantling. It says that rationalization, *specifically* through "transferring assets to the private sector", supports economic growth. How does the GPU know this? Because, "in January 2013 Knight Frank published a

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report showing that, in London, rationalisation of the government estate reverberated through the property and construction sector to stimulate the London economy by around £3 billion" (GPU 2013:14). And what or who is Knight Frank? A London-based real estate agent!

The second method by which the UK state has abetted the private sector to which land is being transferred has been to seek to reduce the risk accompanying transfer. All land transactions carry risk, of course, not least the risk that for one reason or another the buyer is unable to realize her or his ambitions for the land being bought. In the context of disposals from the public estate, however, the state has sought to mitigate such risk, especially the risk that, post disposal, planning permission for redevelopment is not approved. Specifically, central government and its various successive estate management arms have consistently encouraged public sector bodies to secure planning permission *prior* to disposal. PACE, for example, was a firm advocate of this approach, noting existing Treasury guidance that "where land has potential for development it should normally be sold with planning permission for the type of development which will maximise sale proceeds" (PACE 1999:disp. 2.1.2). DEFRA has been a model student in this regard. In its first (2011) edition of the "land release strategy" for homebuilding that Prime Minister Cameron requested from all departments, for example, it confirmed that it remained "committed to reducing its operational property portfolio" and in particular that it would "wherever appropriate seek to secure planning permission to mitigate development risk and offer *a certain development opportunity* to the open market" (DEFRA 2011:3, emphasis added).[19] Government has recently reaffirmed its commitment to this approach, prompting the British Property Federation's chief executive to acknowledge this generous "helping hand for those regenerating our towns and cities" (cited in Williams 2015).

If this helping hand represents an implicit subsidy inasmuch as it shrinks the financial risk shouldered by the private-sector developer-buyer, the government, third and lastly, has also offered more explicit subsidies to the same constituency. The most transparent of these was introduced in 2011 in the shape of the "Build Now, Pay Later" scheme (DCLG 2011). This scheme enables the developer to do exactly what it says: start building—specifically, housing—on land acquired from the public sector, but pay for that land later.[20] Two models are available, although both fundamentally involve deferring payment for the land until the developer has begun to generate sales revenues. Under one, labeled "Risk Sharing", the actual quantum of payment for the land is tied to eventual revenue receipts, with the developer and land-seller sharing those receipts according to pre-negotiated percentage shares. Under the second, labelled "Phased Payments", the land price is fixed but payment is spread across a number of phases with specified dates or triggers (e.g. numbers of completed housing sales) for when payments will be made. Despite the different structure and label, however, this second model is essentially about risk sharing—or, better, risk transfer, *to the state*—too. Who, after all, bears the risk of housing development simply not occurring—a very *real* risk, it would appear, given what we learned above? The state clearly bears most and sometimes all of such risk. In doing so, it explicitly subsidizes the privatization and any subsequent financialization of the land.

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On Use and Exchange Values and Their Interrelation

But, is the UK state's substantive role in the financialization of public land solely a matter of feeding the financialization machine by releasing such land to actors who *can* often be expected to treat it as a financial asset (itself no small contribution, of course)? And in relation to such release, what does the state actually do to occasion sale? More specifically, what is involved in land site x being selected and packaged for disposal as opposed to land site y or z or, indeed, no land sites at all? This sub-section addresses these important questions.

In relation to the first question about the scope of the state's active role in land financialization, does the state not sometimes treat its land as a financial asset in the most direct sense? One could arguably make this case on two separate grounds. First, UK local authorities frequently do hold non-operational land and property explicitly as an investment—for rental income and capital gain and thus for the land's exchange, not use, value. Such land and property constitutes a financial asset in the strictest sense. But, the local authority investment portfolio is small, representing only approximately 5% of the total local authority estate by value, at c. £10 billion in 2012/2013 (Audit Commission 2014:8). More importantly, it is not growing. In fact between 2004/2005 and 2012/2013 it shrunk. If anything, this suggests *de*financialization. Furthermore, all UK public bodies are prohibited from engaging in the activity that Harvey (1982), among others (e.g. McMichael 2012), views as the very hallmark of land financialization, namely speculative land hoarding (OGC 2005:2).[21] And the United Kingdom, significantly, has *not* gone down the trail blazed in Finland, where the government, both nationally and in Helsinki, appears to have explicitly and directly financialized public land by establishing corporatized real-estate managers charged with "maximizing rent revenue" from the public estate, compelling public users into paying market rents and thus pitching them into market-based competition with one another (Haila 2016:117).[22]

Second, and referring back to earlier sections, what about the government (according to the TCPA) marketing surplus land "for the highest price", or the Treasury recommending that land should be sold with pre-approved planning permission for the type of development that will "maximize sale proceeds"? What is the state doing (or at least, in the former case, alleged to be doing) here, if not treating the land directly as a financial asset? General principles of UK government accounting in fact stipulate that public land disposal *should* generally be for the best price (prioritizing "value for money considerations"), although allowances are made for public bodies—especially local authorities—to "make land disposals which will contribute to the promotion or improvement of the economic, social or environmental well-being of an area at less than best consideration" (HC Deb 26 April 2007, c1317w).

Yet, in attempting to achieve best price the state is not fundamentally treating its land as a financial asset, because this privileging of exchange value over social and community benefits and the like occurs only at a secondary or subsidiary juncture. It applies to land where the decision to sell has already been taken. To treat land as a financial asset, we learned from Harvey, is to treat it—to determine its future ownership and use—strictly according to the economic rent it is expected to yield under different scenarios. As such, in the examples alluded to in the previous paragraph it

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would only be valid to say that the state is directly financializing its land if the disposal outcome were *itself* determined purely by exchange value criteria—if, that is, treatment of public-sector land sites were imprimis a question of how to maximize the economic value that can be extracted from them. But, as we shall see, in the United Kingdom that has generally not been the case. The state has not sought across its estate to maximize economic rent per se; rather than representing a strategic behavior, sale-price maximization has been, if you like, a tactical one, exercised only once strategic directions have been a priori determined.

Hence, the state's role in financializing public land has been largely indirect, it being left to other actors to treat that land first and foremost as a financial asset—even as the increasing, highly strategic, and surely at least partly ideological central-government preference for releasing disposable land *to the private sector* clearly performs a profoundly important function, and even as the pressure from the same source to rationalize public estates escalates. If sale of public land is not specifically precipitated by exchange-value criteria, however, what criteria *do* trigger disposal? The remainder of this sub-section explains that, perhaps paradoxically, the answer is found not in exchange but in use value.

One word that has cropped up repeatedly in our discussion of the UK state's land disposal program to this point is the word "surplus". Its significance is paramount and can be simply stated. *Only land identified as surplus by its immediate public-sector owner* is disposed of. Recall, again, some of the key government policies and artefacts of the past three and a half decades in the land disposal context. The 2011 land-for-homebuilding initiative, for example, was about "accelerating the release of *surplus* public sector land", not of public sector land per se; the database containing information on all public sites presently earmarked for disposal is the Register of *Surplus* Public Sector land; and so on. If land is to be sold, in short, it must be deemed surplus, and this determination must be made, as successive policy documents have indicated, by "the 'owning' department" (e.g. OGC 2005:4).

If the pivotal trigger for sale and potential financialization of public land is its identification as surplus, therefore, a—if not the—crucial question obviously becomes: on what basis is land identified as such? Referring back to Harvey's terminology, what can we say about the particular form of land *treatment* that sees it becoming "surplus" and potentially disposed of as such?

This is where the apparent paradox arises because, for the UK state, land's status as surplus (or not) is entirely a matter of use value, not exchange value. Again, the relevant language and treatment guidance for owning departments could be extracted from any number of official documents over the past three and a half decades—this, indeed, is one area in which very *little* has changed—and the following are merely examples. But, they are perfectly representative. In 1999, PACE's guidance on producing "estate strategies" stated that such strategies should be led by "needs" and based on a classification of sites into those "for continued use, those needed for a short period only and those which are surplus to requirements", including any requirements likely "to arise in the foreseeable future" (PACE 1999:strat. 2.0, disp. 2.1). Surplus sites materialize, the OGC (2005:1, 5) subsequently confirmed, "where a public body no longer has a use for a property"—such assets "are no longer needed to meet current or future operational objectives and

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so are surplus". Or, as the website of the HCA presently notes, "the register of surplus public sector land identifies land held by central Government and its agencies that is surplus to operational requirements".[23] Such information and guidance could not be clearer: the treatment that leads to land becoming "surplus" is a use-value treatment; it is about *operational* needs and requirements. If all of a department's land is in use and shown to be in use, none will be sold. And that, plainly, is not treating land as a financial asset.

This recognition enables us, then, to advance a tentative theoretical claim concerning the UK state's role in the increasing treatment of public land as a financial asset. And in this regard it is helpful to repeat and extend Coakley's (1994) above-quoted suggestion that the historic sale of public housing in various territories has involved "unleashing the exchange-value aspect of state-owned property in which, typically, the use-value aspect is 'all'". For, the UK state's disposal of surplus land and property more broadly evinces a process of unleashing the exchange-value aspect of use-value-oriented state-owned property *by explicitly evaluating that use value*—or, more precisely, by determining whether the property in question actually has a substantive and demonstrable value-in-use for the current public-sector owner occupier. This is the pivotal treatment that ultimately enables any eventual financialization. *Ascertaining and declaring that land has no use value to the state is what ultimately makes it possible for the land's exchange value to be privileged by another actor.*

Of course, it may well be the case that exchange-value criteria come to the fore, as already noted, in the treatment of "surplus" land once the primary decision to dispose of it has been taken. Equally, exchange-value considerations may represent part of the (central government) rationale for encouraging or compelling different public-sector bodies to undertake the task of scouring their land portfolios for potential surplus in the first place. Such considerations might be general—exploiting land's generic exchange value, for instance, to help close government budget deficits—or more specific to particular land sites. To give, in the latter case, an example we have encountered already, namely that of the early-1980s inquiry into potential rationalization of the health service estate, the highly critical Lord Molloy claimed that a "property speculator mentality" inspired the inquiry team's proposal to effect a land sale in Surrey that "would dwarf previous known hospital land sales in England". Molloy cited the "vulgar" language of the Mental Illness Working Party (with the sales specifically targeting psychiatric hospitals), which spoke of the "development potential" being "enormous" and which enthused that "the demise of most of the large psychiatric hospitals in and around Epsom is bound to have an enhancing effect upon residential land values" (HL Deb 7 December 1983, c1164).

But, there does not *have* to be an exchange-value consideration; if the use-value "test" shows land to be surplus, it will be made available for disposal whether there exists an exchange-value motivation or not. Furthermore, the question of whether exchange value does or does not factor into rationale is largely speculative. And more importantly still, motivation is not the same as treatment. Harvey's (1982) thesis was not about motivations for land's changing treatment—it was about land's changing treatment per se. The UK state may well want to see the land treated more and more in the manner of a financial asset, but wanting it done

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and doing it are not equivalent. In the case of UK public-sector land, any exchange-value motivation is for nothing if the use-oriented "surplus" test fails. Ultimately, it is not an exchange value-based treatment that has unleashed the exchange value of UK public land. The matter of whether such land gets released potentially to be treated as a financial asset by the private sector turns on its value when treated as a *non*-financial operational asset by the public sector.

Conclusion

The growing treatment of land as a form of financial asset is arguably one of the most economically and politically noteworthy trends of recent capitalist history. To date, the literature concerned with this trend has had little to say about how public land fits into the picture. Yet a fuller understanding of the tendency in question demands a critical appreciation of the specific status of public land and of how this land and its treatment might be changing. Private-sector actors clearly figure in this dynamic in various ways—in helping manage, develop and commercially exploit public land, in buying it from the state, and sometimes in creating it as willing or forced sellers of land to the state—but our first step must be to get a handle on the strategy and actions of public land's existing owner: the state, in its various national and local institutional forms. This article has sought to contribute to this task, examining the UK state's treatment of the national public estate over the past three and a half decades.

Insofar as it has engaged in a large-scale program of estate rationalization resulting in sales of significant landholdings to the private sector, the UK state has manifestly contributed to the wider tendency for land to be "financialized" *by* that private sector. But the state has not itself treated its land as a financial asset. Such a treatment has, in fact, been cautioned and militated against, even if it—and the privileging of exchange value it represents—has arguably exerted an important background influence on the state in terms of motivations to privatize public landholdings. Indeed, it is specifically through treating and evaluating public land as an *operational* asset, and thus emphasizing its *use* value, that the state has tended to differentiate between land sites to be retained in public ownership and land sites to be released.

Considerable explorative and analytical work, however, remains to be done to flesh out our incipient understanding of the state, public land, and such land's financialization. In the UK case, for example, how much of the estate has actually been sold, to whom, under what terms and conditions, and with what implications for various stakeholders? What rationales have motivated disposal at different times and for different state actors, and how might these motivations be critically evaluated? What current plans exist for treatment of the remaining public estate, and how should we interpret—even publicly engage with—these in the light of the history charted in this article?

Looking further afield, can we generalize from the UK case to other territorial and political contexts? In what ways and to what extent has the state contributed to land financialization in places where the state assumes a less centralized form than it does in the United Kingdom? Does the theoretical argument about use and

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exchange values and transformations of public land developed in this article have a broader applicability, or is its purchase limited to the United Kingdom? These and other such questions should be part of the focus of an ongoing critical historical-geographical literature on land and its crucial political economy.

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Endnotes

[1] I have my doubts about the analytical value of the concept of "financialization" (Christophers 2015), but the particular phenomenon examined in the present article—land's treatment as a financial asset—is one for which I think the term financialization can be used *relatively* unproblematically—essentially, as a shorthand.

[2] What it does not encompass, significantly, is the property and land referred to collectively as the Crown Estate, which "belongs to the reigning monarch 'in right of The Crown', that is, it is owned by the monarch for the duration of their reign, by virtue of their accession to the throne"; and which is managed by an independent organization headed by a board that is appointed by the monarch. See http://www.thecrownestate.co.uk/our-business/faqs/#whoownsthecrownestate

[3] See http://www.countrylife.co.uk/life-in-the-country/who-owns-britain-top-uk-landowners-20178. The Commission's holdings were estimated (in 2010) to be a total of 2,571,270 acres (1.04 million hectares).

[4] See https://www.gov.uk/government/collections/whole-of-government-accounts

[5] See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/445748/PU1786_WGA_summary_report.pdf

[6] Needless to say, the breakdown of the public estate by area may be substantively different to the indicative value-based breakdown provided in this paragraph.

[7] See http://www.countrylife.co.uk/life-in-the-country/who-owns-britain-top-uk-landowners-20178

[8] See https://www.gov.uk/government/groups/government-property-unit-gpu

[9] Mapping the extent of this scandalously under-reported privatization project is a central objective of a wider, ongoing research project, to be published as Christophers (forthcoming).

[10] HC Deb = House of Commons debates. See http://www.parliament.uk/business/publications/hansard/commons/

[11] For details of these two latter-day tools see, respectively, http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/262/26208.htm and https://www.gov.uk/guidance/right-to-contest (from where the quotation is taken). The much-contested 2016 Housing and Planning Act gives central government further powers to compel public bodies to dispose of land.

[12] HL Deb = House of Lords debates. See http://www.parliament.uk/business/publications/hansard/lords/

[13] See http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubacc/289/28902.htm

[14] See http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubacc/289/28906.htm

[15] See http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubacc/289/28906.htm

[16] See http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubacc/289/28905.htm

[17] See http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/262/26208.htm (emphasis added).

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[18] "A number of public sector organisations such as the Ministry of Defence and Central Bedfordshire Council are starting to partner with the private sector to promote their surplus land holdings. The public sector retains ownership of the land whilst the private sector funds, manages and leads the planning and disposal process. The private sector is remunerated from the eventual sale proceeds ..." See http://www.telerealtrillium.com/business-areas/development/strategic-land/public-sector-land

[19] At the time of writing, other departments to have published land release strategies include the Ministry of Defence, the Department of Health, the Department of Transport, and the Homes & Communities Agency.

[20] The scheme built on a smaller-scale precursor introduced by the predecessor Labour government in its last months in office in early 2010, the Public Land Initiative.

[21] As ever though, there is a legitimate question as to where "investment" (allowed) ends and "speculation" (not allowed) begins.

[22] Since the 1990s, there have been various attempts to make UK public bodies (especially local authorities) more "efficient" users of their land, buildings and other fixed assets by introducing new rules of capital accounting incorporating so-called "asset rents". But this is a very long way from public land being financialized: the rents are only notional; there is no question of land being redistributed towards (actual) rent maximization ends; and in any case, as the Audit Commission (2000:46) noted, "very few councils have managed to introduce [asset rents] in a way that affects user behaviour".

[23] See https://cfg.homesandcommunities.co.uk/ourwork/register-surplus-public-sector-land (accessed 15 December 2015). Similarly, the above-discussed Community Right to Reclaim Land refers to the disposal specifically of "unused or under-used land"; see http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/262/26208.htm

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