



MESSAGE FROM THE PRESIDENT GEORGE W. McCARTHY

Land Policy Demands Collaboration

SPECIALIZATION IS A HALLMARK OF MODERN SOCIETY.

It also contributes to systemic risk and periodic crises. But it's possible to mitigate, and in some cases reverse, the negative impacts of this basic organizing reality by marshalling diverse skills toward shared goals. When it comes to pressing and complex matters of land policy, conservation, and climate change, specialists, working collaboratively, can blunt the excesses and failures of specialization.

How did we get here?

In 1776, Adam Smith hypothesized in his canonical capitalist text, *The Wealth of Nations*, that the relative success of any national economy was a direct result of its ability to increase productivity through the division of labor. Smith famously noted the effects of breaking the pin-making process into 18 distinct tasks, from pulling and cutting wire to placing finished pins in paper for sale. Smith claimed that this process improvement increased the average productivity of workers more than two hundred-fold. He extended the allegory of the pin factory to countries:

The division of labour, however, so far as it can be introduced, occasions, in every art, a proportionate increase in the productive powers of labour. The separation of different trades and employments from one another seems to have taken place in consequence of this advantage. This separation, too, is generally carried furthest in those countries which enjoy the highest degree of industry and improvement; what is the work of one man, in a rude state of society, being generally that of several in an improved one.

As one “rude” man is replaced by a set of “improved” men, production increases dramatically. Presumably, there is adequate demand to absorb 200 times as many pins as were produced before specialization. Smith does not discuss the task of managing the system or the market. Perhaps he should have. The process of separating tasks and professions into narrow areas of specialization generated unintended consequences that we continue to face today.

Since Smith's time, advanced economies took to the practice of separating employment with great alacrity. The United States raised the division of labor to an art form, not solely in industry but also in fields such as medicine, law, and academics. This specialization afforded us impressive economic benefits—extraordinary spurts of growth lasting for decades. However, specialization also brought collapses, sometimes characterized as system failures—resulting from the inability of isolated specialists to see that the sum of the parts they produced added up to an unacceptable whole. These failures included economic crises resulting from overproduction, asset bubbles created by overexuberant investors that led to stubborn recessions or depressions, or dust bowls created by excessive plowing of the land as we mechanized agriculture in the 1920s. We now are beginning to witness similar failures of public systems that deliver critical necessities such as drinking water to cities. Managing legacy capital investments based on narrow financial expertise resulted in children poisoned with lead in Flint, Michigan.

System failures are examples of the “isolation paradox,” a topic about which I've written before (Winter 2015). Individual actors rationally pursue their self-interest but produce degenerate collective outcomes, like the tragedy

of the commons or the prisoner's dilemma. As I noted, a remedy for the isolation paradox is coordinated collective action. This coordination might be orchestrated by management in a factory. In other settings, we look to higher authorities, like governments or churches, to help us overcome narrow self-interest. Self-organized coordination, or collaboration, is another remedy to system failure and offers a formula for success. It is a topic that is frequently discussed, less frequently attempted, and rarely successful. We're beginning to understand why.

Competing definitions of “collaboration” can be found in any dictionary. The first meaning usually presents it as cooperation with others on a joint endeavor; the second, as collusion with an enemy occupying one's territory. Although modern usage favors the first sense, the design of many of our public institutions reflects the second. Systems set up to maximize yields from specialization foment internal turf wars that hinder or prevent collaboration and often betray institutional missions. This is easy to detect in universities, hospitals, or the government, but it is present everywhere, even in land policy think tanks.

Leaders and governing bodies of these institutions constantly try to foster collaboration to manifest important, but unknown, benefits. These are sometimes described as “synergies” and are taken, on faith, as good outcomes that easily outweigh the seemingly trivial costs of “working together.” Academic institutions promote interdisciplinary studies in much the same way, as if some fundamental value that was lost through specialization can be recovered by grafting disciplines together. I, too, subscribed to this belief and spent some four decades trying to capture the magical benefits of working across disciplines. I found that the costs of collaboration are routinely underestimated, while the benefits remain difficult to identify and impossible to quantify. Collaboration seemed to produce ancillary benefits, but it wasn't necessary to achieve primary goals.

At the Lincoln Institute, I've recently come to realize that cross-disciplinary collaboration is not only desirable; it's necessary to achieve our primary mission.

We recently refocused our mission to connect theory and practice—making sure that we complete the circuit between conceiving land-based policies and tools and promoting their adoption and implementation. Completing this circuit is not a trivial challenge. It reveals the absolute importance of coordination between actors with different skill sets. Nowhere is weaving together deep disciplinary strands more important than when we try to get our best land policies or tools implemented on the ground in ways that matter.

Land-based solutions might seem simple, but effective implementation is a multistep process rife with potential for error. For example, taxing property to build a revenue base under local government is a simple concept. Implementing a property tax in new places is anything but simple.

The property tax, like most land policies, is administered locally. But it requires intergovernmental cooperation because local governments need an enabling legal framework from higher levels of government in order to impose the tax, collect it, and enforce it. This requires legislative

The Adam Smith Monument in Edinburgh. Credit: Getty



action at state or national levels. And the challenges do not end there. An effective local property tax system requires other new local capacities: a land registration system to determine who gets taxed, a valuation system to estimate the basis on which to assess the tax, and an enforcement mechanism to penalize those who do not pay their property tax. Implementing the property tax requires coordination among a number of people with very different skill sets: legal expertise to craft enabling frameworks, legislative expertise to get the enabling framework enacted, technical expertise to establish registration and valuation systems, financial management skills to track and record tax payments, and policing expertise to enforce collections, to name a few.

In almost every other case, land policy solutions are much easier to prescribe than they are to administer. Much like the property tax, land value capture to fund infrastructure requires enabling legal frameworks, valuation systems, and enforcement mechanisms. Conserving and protecting private lands in perpetuity depends on legal instruments like conservation easements to record the intent. It also requires ongoing monitoring and coordination of multiple stakeholders to make sure that easements are honored. Preparing for climate change requires careful analysis of future scenarios and appropriate planning for remedial actions like building green infrastructure. And it also requires the skills to finance and manage that infrastructure over time.

As we have worked with policy makers and practitioners to address urgent global challenges, we have confronted two obstacles: our limited ability to deliver the right advice, policies, and tools for each situation, and communities' limited capacity to make use of our assistance. We had to examine basic questions. Are we organized in

the right way to help communities implement effective land policies? What do communities need to bridge theory and practice to effectively implement land policies? We concluded that we needed to fix ourselves first before we could prepare communities to receive and implement our assistance.

Over the last four years, we have worked diligently to break down our internal silos. We institutionalized collaboration in a new department: International and Institute-wide Initiatives. We committed ourselves to the frequent and deep communication needed across all functional areas of the Institute to maintain effective collaboration. We launched issues-based global campaigns that drew on all areas of our expertise, starting with the global campaign to promote municipal fiscal health some three years ago. Coordinating efforts among highly skilled specialists is producing powerful and exciting results. It has propelled us onto the global stage and provided us an opportunity to work in new places with important global institutions.

As we now focus on implementing better land policies and making a difference on the ground, we are confronting the need to help communities overcome their own balkanization. We're helping to forge both horizontal and vertical coordination—across departments within local governments and among governments at local, state, and national levels. Our early efforts are showing great promise. Time will tell whether we are successfully establishing and maintaining intra- and inter-governmental collaboration. But we've concluded that, if we want our work to make a difference in the future of places and people, there is no alternative but to collaborate. So far, we've learned that collaboration is hard and requires sustained effort. But it is the only way to ensure that our work will make a real difference. □

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