LAND

Utility, Demand & Scarcity

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Land: Utility, Demand and Scarcity

Land is a real estate or property, without the buildings and equipment, that does not occur in a natural way. Land ownership may offer the title holder the right to natural resources on the land. The traditional school of economics dictates that land is a factor of production, along with capital and labor. The sale of land results in capital gain or loss, land is not a depreciable asset.

The term land can be looked at in a number of ways, and its definition viewed differently depending on the nature under which it is analysed. The basic concept of land is it is a piece of earth, namely a piece of property that has an owner. A more delineated concept of land, the legal concept of land, is that it is a factor of some form of production, and though it is not consumed during this production, no production would be possible without it. Land is, therefore, a resource with no cost of production. Despite the fact usages of land can be altered from less to more profitable, supply cannot be increased without causing any natural damages.

Utility

It is the measurement of "useful-ness" that a consumer obtains from any commodity. Utility may measure how much one enjoys a movie, or the sense of security one gets from buying a gun. The utility of any object or a circumstance can be measured. The land is utilised in supporting human and other terrestrial ecosystems. This can be arranged in the decreasing order of degree of utility:

- Provision of physical space for humans for settlements, industry and recreation and biological habitats for plants, animals and micro-organisms.
- Production of food, fibre, fuel or other biotic materials for human use.
- A store of wealth, minerals and raw materials for individuals, group or community
- Regulation of the storage and flow of surface water and groundwater.
- Enabling or hampering movement of animals, plants and people between one area and another
- Co-determinant in the global energy balance and the global hydrological cycle, which provides both a source and a sink for greenhouse gases.
- Storage and protection of evidence from the historical or pre-historical record (fossils, evidence of past climates, archaeological remains, etc.)
- A buffer, filter or modifier for chemical pollutants.

The above arrangement is very contextual and depends on vast numbers of scenarios. It depends on geography, the subject, purpose of arrangement, etc. The arrangement presented here best fits in the context of settlement of the humans, a new city or township. The reverse might fit for considering setting up a new protected sanctuary.

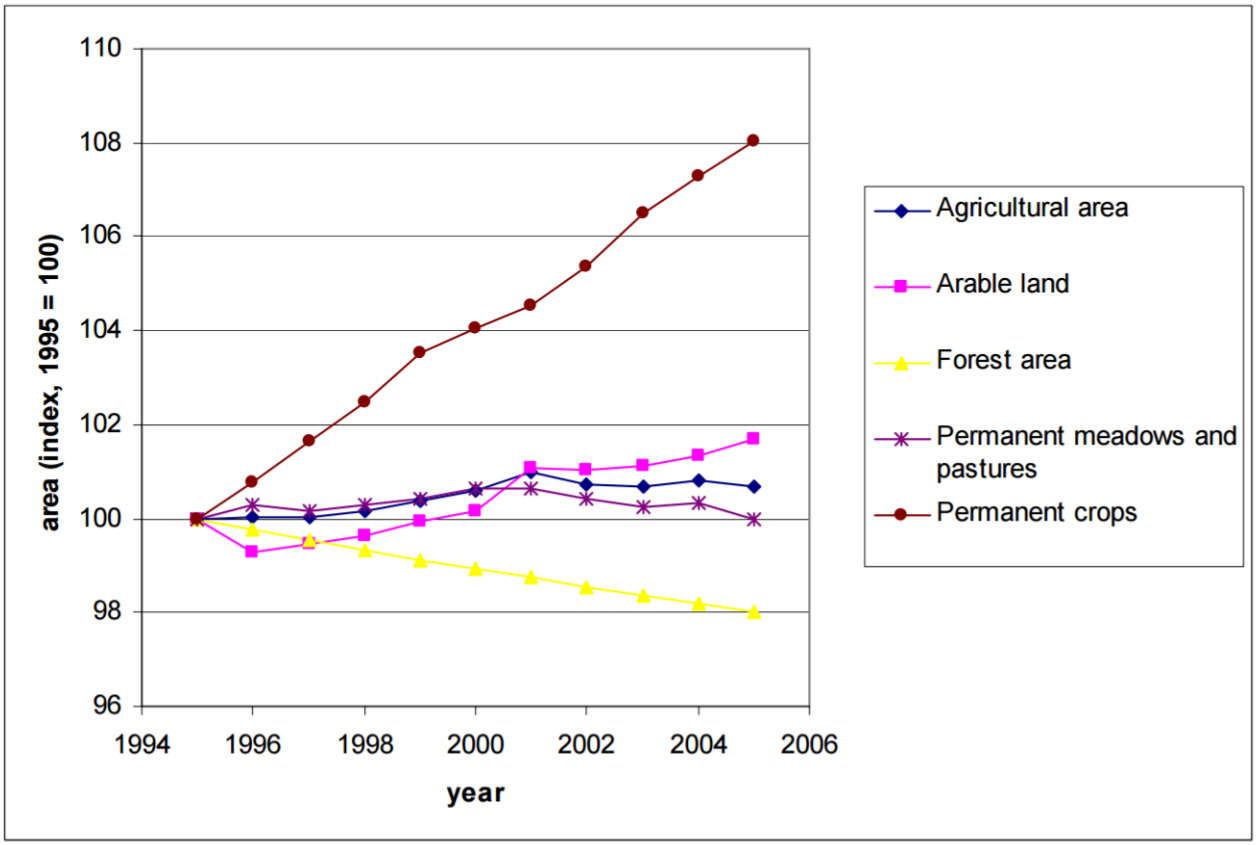
Demand

Land and territory has always been the key reason for the conflicts between kingdoms and the countries since a long time.The land has always been in demand as it fulfils majority of the needs of the population. These needs have been discussed broadly in the Utilities section. Demand of the land can be clubbed into the following two broad categories:

1. Civilian demands: Building individual houses, setting up businesses, land for agriculture
2. Civic demands: Land for providing amenities and governance to the residents and citizens.
3. Strategic demands: Land for setting up security bases, helping the economy, natural resources, etc.

The rising population of humans on the earth is putting a lot of burden on the land and the resources that land supports. This has lead to reduction is forest areas and soil fertility, leading to a lot of scarcity on different aspects.

Land use developments between 1995 and 2005 (index, 1995 = 100)



Source: FAOSTAT.

Scarcity

Land is limited in its natural form. The increasing population and exploitation of the current resources is leading to the scarcity of the land of high utility. Scarcity is a vast area covering a lot of aspects. The these include scarcity of:

- Arable land.
- Land available for settlements
- Land under green cover
- Land for extracting resources(New resources/old resources being exhausted)

Land has direct impact on the economy of a country. It is where the residents live, the economic infrastructure and support is present. It supports and provides the livelihood to all. To cope up with the scarcity, the governments have to take decisions which need pumping of a lot of money.

1) Arable land.

With the rise of urbanisation in countries to accommodate the ever-increasing population, forest cover is getting depleted to build more cities and support agriculture.
It is estimated that during the last 40 years nearly one-third of the world's arable land has been lost to erosion and continues to be lost at a rate of more than 10 million hectare per year.

2) Land Available for Settlements.

Land for settlements is on a continuous decline as we have utilised the available land already. With the tentacles of cities spreading to accommodate the increasing settlement requirement, many suburbs to the cities are created. Inspite of that, the general population prefers living in the city as employment opportunities are easily available. For creating new employment opportunities, land is required which already is in a scarcity

Many countries and cities are already going for a much capital intensive land reclamation for these settlements. Because of demand for space and scarcity of it, the prices of land in packed cities is on rise. This leads to the hardships to the people who migrate there for better economic opportunities. This land might be available for settlements elsewhere but the availability only does not fulfil the criteria. There needs to be the provision of potable water, dumping grounds, hospitable climate and other amenities that support.

3) Land under green cover

Forests are the lungs of the planet. More than that it is the habitat of thousands of species that form the important part of ecosystem. With the spreading of the cities and rise in afforestation for utilising the land for other resources for the economic benefits. The scarcity of land under green cover is leading to the loss of the sink of greenhouse

gases and hampering the ecosystems. This is further leading to the global warming and rise of sea levels. This may in future lead to the loss of land to the sea.

4) Land for extracting recourses

The economy of a country in the present capitalist and consumerism engulfed society largely relies on the availability of various minerals and fossil fuels. The mining of coal, limestone, and other minerals from the land quarries render land useless. We are being provided the resources at expense of the other.

Productive land and soil are the basic building blocks for our lives and economies. They are our most precious natural capital resource, yet demand is spiralling out of control. The absolute minimum arable land required to sustainably support one person is 0.07 hectares 16. In 1961, there was 0.45 hectares of land available to feed one person 17. By 2011, the land has been reduced to just 0.20 hectares.

The apparent tradeoff between forest, settlement and agriculture can be minimised through spatial management and the use of degraded or low competition lands. Although some land use displacement is an unavoidable consequence of land use zoning, it never offsets 100% of the benefits for forest conservation—the glass remains half full. A zero-sum game in trade of agricultural and forestry products can be avoided by improving land use efficiency and the spatial adjustment between land use and the productive potential of regions. The rebound effect associated with agricultural intensification can be controlled by regulating land use, trade and consumption, e.g., through certification schemes. Global scale cascading effects of land use decisions could also be regulated through new forms of global governance linking trade with environmental protection