

Embedding the land market: Polanyi, urban planning and regulation

EPA: Economy and Space

1–22

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DOI: 10.1177/0308518X231203484

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Abstract

How land markets should be regulated is a fraught political question. This paper argues that the heterodox political economy of Karl Polanyi – underutilised in urban studies and planning scholarship – provides a useful language to analyse the role of urban planning in development land markets. We ground our analysis in the concept of embeddedness, building on Polanyi's core contention that economic behaviour is not, and cannot be, distinct from social, political and cultural relations. We juxtapose an account of the institutionalisation of urban planning in England during the mid-20th century with contemporary neoliberal reforms, analysing the dynamic reconfigurations in how development land markets have been differently embedded via the planning system in relation to a shifting political, ideological and economic environment. The paper foregrounds the co-constitutive nature of state regulation and markets, moving past the simplistic regulation-deregulation dichotomy frequently adopted to frame government intervention via the planning system.

Keywords

Karl Polanyi, land, urban planning, regulation, markets

Introduction

The operation of development land markets is a central process in the reproduction of urban space. Amid claims of widespread dissatisfaction with urban outcomes, and urban planning's role in those outcomes, this paper examines the relationship between urban planning and development land markets through the work of Karl Polanyi (1886–1964). Polanyi's work speaks persuasively about the nature of land, markets and state regulation in ways that should appeal to advocates of urban planning (Sternberg, 1993). Despite engagement with his work in cognate disciplines – notably economic geography, political economy and economic sociology (Block and Somers, 2014; Blyth, 2002; Peck, 2013a, 2013b) – mentions of Polanyi in the urban planning literature are sparse and more often

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in passing, typically as a rejoinder to neoliberalism's market fundamentalism rather than more thoroughgoing applications of his thought – although some notable exceptions do exist (see Low, 2002; Rankin, 2001; Roy, 2008; Sternberg, 1993).

We argue that Polanyi's ideas provide a useful theoretical framework to help think about the nature of development land markets, their relationship with (state) regulation and the progressive potential of planning to socially embed land in the economy to produce more equitable and environmentally sustainable outcomes. This understands that urban planning and development land markets are co-constitutive, thereby moving past the unhelpful construction of planning as outside of, or inhibiting, market operations. In so doing, we highlight the sociospatial constraints under which urban planners operate, namely in this instance understandings of 'the market' and the wider conditions required to plan for better places.

Our analysis is principally grounded in Polanyi's concept of embeddedness, a metaphor developed to draw attention to how economic behaviour is not, and cannot be, distinct from social, political and cultural relations. For Polanyi, this served as a corrective to perceptions of *laissez faire* classical liberal economic thought¹ that stressed the desirability of an autonomous, self-regulating market economy that was conceptually distinct and could be 'disembedded' from such relations. Polanyi famously explored how attempts in 18th and 19th century Europe to 'disembed' economies, such that society could become an adjunct to a fully autonomous and self-regulating market, required significant state intervention. He therefore questioned the assumption that the market and the state are 'separate autonomous entities' (Block and Somers, 2014: 6) and should be disentangled to the greatest extent possible. For him, such thinking was starkly utopian and represented an impossibility that, if vigorously pursued, would result in the annihilation of the human and natural substance of society and, therefore, markets themselves (Polanyi, 2001: 3). Crucially, Polanyi argued that state-supported moves to 'disembed' the economy and constituent markets therefore resulted in spontaneous counter and pro-regulatory movements across various political positions as the social and environmental costs of such a project became apparent.

Here, we use Polanyi's ideas to focus on the English historical context, concentrating on two key moments of change in the configuration of state-land market relations. In doing so, we maintain fidelity to Polanyi's own method – namely the analysis of illustrative moments of historical significance and change coupled with the development and application of the Polanyian metaphor of embeddedness in order to explore varying articulations of state-land market relations and the role of ideas in shaping them. The style of analysis bears resemblance to other exploratory approaches such as those based on the work of Michel Foucault (Huxley, 2013; Inch et al., 2023). However, what helps makes our approach distinctly Polanyian is its grounding in a Polanyian morality² that we hope may help to reinvigorate debates concerning the legitimacy and justification of a progressive vision of planning and its social embedding of the development land market.

We first read the early history of English urban planning³ as a social embedding of development land markets in response to a growing awareness of the environmental, economic and social costs of unplanned urban growth and distribution of industry, its effect on land values and the distribution of ownership of land and land value. We then compare this with more recent history, concentrating on the UK Government's recent attempt at major English planning reform beginning in 2020 that included proposals to switch from a long-established discretionary, policy-based system to a more rules-based system that was intended to bring urban planning and market forces into closer alignment (see Gallent et al., 2021). Such attempts at planning reform can be read as forming part of a longer-term neoliberal agenda (Allmendinger and Haughton, 2013). However, while such moves are often framed as being simply 'deregulatory' in character, Polanyi's thought draws attention to the co-constitutive relationship of markets and state regulation and reminds us of neoliberalism's more nuanced requirement of regulation to facilitate markets. We therefore read the post-1970s neoliberal period of English planning as being, in part, a story of dynamic reconfigurations in how development land

markets have been *differently* embedded (rather than ‘disembedded’ – see Peck, 2021) via the planning system in response to a shifting political, ideological and economic environment. However, we also acknowledge that the frequent resistance to, and frustration of, attempts to embed the development land market in alignment with a neoliberal logic is a symptom of the contradiction between the commodity form of land as an asset to be privately owned and traded, and its deep embeddedness in local social and environmental relations.

The paper is structured as follows: the next section situates our analysis within the context of a wider literature that has critically engaged with the nature of the relationship between planning and ‘the market’ in various ways. We then examine Polanyi’s concept of embeddedness and make the case for the value of focusing on *different forms* of embeddedness rather than the embedded/disembedded binary. There follows a discussion of our methodological approach in applying a Polanyian analysis to English planning. We then deploy this approach to an account of the emergence of urban planning in England to show how the guiding logic was to socially embed the development land market in such a way as to overcome the tension between private and public interests which was to be achieved partly by abolishing the private ownership of development land value. In the following section, we analyse the government’s latest attempt to radically reform the planning system in accordance with a neoliberal logic. We show that this was not a case of an attempt to ‘disembed’ so much as *differently* embed the development land market so that development would be guided by shifts in development land value and corresponding price signals. However, this was met by significant local resistance by the government’s own supporters. We end by concluding with reflections on the value of a (moral) Polanyian framework for articulating a positive, progressive vision for urban planning *vis-à-vis* ‘the market’.

In search of a metaphor: State-market relations

That governing institutions seek to improve urban conditions by means of both market dynamism and state regulatory power has become something of a truism within urban studies. Yet, there has been a continuous tendency in some quarters of urban planning and economics literature to contrast ‘planning’ with ‘the market’. Such critiques tend to be conducted using a neoclassical economics framework and are focused on the role of planning in relation to the supply and cost of housing land and housing, as well as the imposition of other economic and social costs (see, e.g. Cheshire and Sheppard, 2004; Cheshire et al., 2012; Evans, 2004; Monk et al., 1996). While such analyses tend to accept that some form of planning is necessary to deal with negative externalities, they also hold that, because the planning system limits the supply of land, it therefore introduces inefficiencies and distortions into the market and its function of balancing supply and demand, thus contributing to housing shortages and affordability issues in some circumstances. Furthermore, the planning system is argued to impose uncertainty, risk and delay on developer and landowning interests, and this is held to further inhibit the elasticity of supply and demand that, if allowed to interact more efficiently, could create better market outcomes.

However, there is an established literature that has sought to counter such dichotomous conceptions of the role of planning in relation to ‘the market’. Such countermoves tend to be informed by an institutionalist framework that acknowledges the socially constructed nature of markets (Adams et al., 2005) and rejects the neoclassical implication that markets should exist as independently as possible from state ‘interference’. For example, Lord et al. (2015) and Adams and Watkins (2014) have made the case that planning can play a role in supporting development by creating greater certainty regarding the location and form of development. Such a framing seeks to position planning as deploying tools that can variously *shape, regulate, stimulate* or *build capacity* in the market, rather than merely introducing inefficiency (Adams and Tiesdell, 2010; Adams and Watkins, 2014; Healey, 1992; Tiesdell and Allmendinger, 2005).

We see in this literature a search for the right language to encapsulate the nature of the relationship between planning and the market. The choice depends on what kind of relationship one is trying to draw out, in what jurisdiction, at what scale and in what period. The dynamics of this relationship are also connected with broader political economic shifts in state-market relations in historical periods that are shaped by political ideologies that may have competing or contradictory preferences (Dierwechter and Thornley, 2012). Clearly, there is no single form of relationship: the point however is that, according to this literature, the framing of planning as being somehow separate from, or in opposition to, market processes is inadequate and misrepresents the role of planning. There is also in much of this literature an implicit acknowledgement of the *value of planning* that is largely absent from more neoclassically-informed critiques that may approach questions of value through the lens of the price mechanism.

There are other literatures that similarly reject the neoclassical critique and acknowledge the close relationship between the market and planning, but from very different political and epistemological positions. For example, Marxian critiques of planning such as those that were produced in the 1970s and 1980s certainly did not see it as inhibiting market activity, so much as being dominated by market interests and reproducing the capitalist system (e.g. Foglesong, 1986; Harvey, 1985). Here, planning is not in opposition to the market but was rather integral to its operation. In a similar vein, more recent critiques of planning conducted through the lens of post-politics tend to argue that market actors have been able to co-opt deliberative and consultative planning processes to produce outcomes that favour their interests (Metzger, 2017). Here, again, planning and market interests are closely entwined rather than being in opposition, with state actors facilitating outcomes preferred by market actors.

This brief summary demonstrates that value-laden epistemologies and theoretical frameworks have a significant influence on how the relationship between planning and the market is conceptualised and represented. With this in mind, we now turn to Polanyi's account of state-market relations and explore how, through his favoured metaphor of embeddedness, he sought to combat dichotomous thinking. In this sense, therefore, he has something in common with later institutionalist accounts of planning cited above. However, whereas these works can be somewhat modest about their political project, Polanyi was far more ambitious in his.

Embeddedness and freedom in a complex society

Polanyi was careful to differentiate between the concepts of 'the economy' and 'the market'. For him, the economy was an 'instituted' process that embodies two different understandings of 'economic': a substantive meaning that 'derives from man's dependence for his living upon nature and his fellows' and a formal meaning that 'derives from the logical character of the "means-ends" relationship' and 'refers to a definite situation of choice' guided by a 'logic of rational action' (Polanyi, 2011 [1957]: 3). For him, only the substantive meaning is related to the 'facts of nature', whereas the formal meaning is merely a function of logic and has a predisposition to concentrate on 'price as the economic fact *par excellence*' to the exclusion of all else (Polanyi, 2011 [1957]: 5).

Polanyi identified three main social patterns via combinations of which actually-existing economies are socially integrated: reciprocity, redistribution and exchange. Each of these are guided by different norms and values (see Barber, 1995 for a discussion). However, it is patterns of exchange that primarily require 'the support of a system of price-making markets' (Polanyi, 2011 [1957]: 10). It is this aspect, he argues, that economic thought has been elevated and, by doing so, has eclipsed the substantive meaning of 'economic' in favour of the formal, by seeming to offer 'a total description of the economy as determined by choices induced by an insufficiency of means' (Polanyi, 2011 [1957]: 5). However, this is to set up formal economics as distinct from what Polanyi calls 'the human economy' and helps to reinforce the market as the 'ruling force'. In this section we explore

two key Polanyian concepts that he developed to analyse the dynamics of this process: embeddedness and fictitious commodities.

Differently embedded markets

In *The Great Transformation*, Polanyi argued that the attempt to elevate a ‘self-regulating’ market divorced from its wider substantive context was a radical departure from pre-existing economic systems. For him, the ideological move to conceptually disembed the market from society required significant force and (state) planning such that the ‘road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism’ (Polanyi, 2001: 146). A key example Polanyi deploys is the English *Poor Law Amendment Act 1834* that, on one hand sought to deregulate the system of poor relief in a way that was designed to free the labour market, while on the other introduced a new set of state institutions – such as a centralised Poor Law Commission and local work houses – that were ‘designed to make the rural poor “responsive” to the signals of the market’ (Block and Somers, 2014: 9).

Drawing on a wide range of historical examples, Polanyi showed how state intervention aimed at ‘disembedding’ the market resulted in counter-movements that sought to redress the destructive social and environmental effects. The irony for Polanyi was that such countermoves were spontaneous reactions to a deliberately planned and state-supported free market system. This is what Polanyi termed the double movement. This idea – and attendant concepts of embeddedness and a ‘disembedded’ economy based purely on market exchange – does introduce the confusing potential for thinking in terms of ‘degrees of embeddedness’ (Peck, 2021: 25). It is tempting to think of *more* or *less* embedded forms, with countermoves resulting in markets that are ‘more’ socially embedded. However, Polanyi argues that the disembedding of markets from the wider substance of society is utopian – therefore impossible – and any such moves in fact require that markets continue to be embedded, but in *different* institutional forms. Similarly, countermoves to ‘embed’ markets to protect society and the environment from such behaviour require a still different form of institutional embeddedness.

To address this terminological confusion, Block and Somers (2014: 10) use the phrase ‘always embedded economy’. Peck (2021: 10) adds a further gradation by referring to economies and markets as being ‘differently embedded’. This helpful because it draws attention to the *always embeddedness* of markets, while explicitly allowing for the variegated forms of embeddedness that are the product of different historical, political and cultural contexts. Although differing interpretations of the concept continue to animate scholars (see Lacher, 2019), here we adopt the language of *differently* embedded markets. In Polanyian analyses of state-market relations therefore, it is important to pay attention to historical context and the specific forms of embeddedness that emerge and to what end.

Land as fictitious commodity

The Polanyian critique of what he saw as the classical economic vision of an autonomous self-regulating market as a utopian myth rests to a large degree on his concept of fictitious commodities. The forces that are supposed to coordinate an autonomous market and efficiently allocate resources do so in relation to the price mechanism that signals the interaction of supply and demand for commodities. However, for Polanyi, three fundamental inputs into production are not, in fact, commodities even though they are treated as such in orthodox economic thinking: namely, land, labour and money. For Polanyi (2001: 75) these are actually fictitious because commodities are ‘empirically defined as objects produced for sale on the market’. As neither land, labour nor money are explicitly produced for sale, Polanyi held that they are not real commodities and cannot respond in the same way to the forces of supply and demand as do real commodities.

While Polanyi's definition of fictitious commodities is undoubtedly thin (Sternberg, 1993) and has been comprehensively critiqued (Christophers, 2016), the underlying logic – that land is not the same type of market entity as a car or a chocolate bar, and problems arise if it is treated as such – is intuitive and retains utility (Fraser, 2014). Markets for these fictitious commodities require extensive government involvement to enable them to function. We can see this in relation to modern development land markets, which require government involvement to 'create' them (e.g. via property rights and land registers), manage them (via land taxation and urban policy) and whose activities significantly impact on their value via infrastructure investment and other benefits of co-ordinated urban planning. Indeed, it was acknowledged by the fathers of classical political economy that the characteristics of land make it a unique proposition and its commodification and ownership is therefore problematic (Prest, 1981: 7–21). This acknowledgement was at the heart of the classical economic critique of rent as gains from monopoly ownership of land and the related 19th and early 20th century political attacks on landowners.

Land, freedom and state regulation

Due to these features, land markets are imperfect – axiomatically so in Polanyi's reading – which is one reason most political ideologies accept that we should have *some* form of planning system. This recognition can be found in unlikely places – even Hayek's (1960) *The Constitution of Liberty* makes allowances for a thin regulatory form of urban planning as a practical measure to correct imperfect land markets (Lai, 1999). Hayek supported the regulatory embedding of the land market via an urban planning system, but only in a form that supports its more efficient operation so that the price mechanism can provide an accurate guide for the use of urban land by establishing a 'framework of rules within which the decisions of the private owner are likely to agree with the public interest' and compelling landowners and developers to take into account 'all possible effects of their decisions' (Hayek, 1960: 350 – as quoted in Lai, 1999). Hayek strongly rejected a more positive and distributive form of urban planning that seeks to 'dispense with the price mechanism and to replace it by central direction' (Hayek, 1960: 350 – as quoted in Lai, 1999). This form of planning was, for Hayek, an affront to freedom.

This can be contrasted with Polanyi's conception of freedom, which, in the words of Filip (2012), 'advocated state interference to support the development of virtuous citizens and to achieve the common good so as to ensure that everybody integrated into the social order' (p. 78). For Polanyi (2001), the 'liberal idea of freedom' of the kind advocated by Hayek and the architects of modern capitalism 'degenerates into a mere advocacy of free enterprise' (p. 265). It was 'illusory' because it focused on the freedom to pursue self-interest in a market economy, over values such as justice and affording individuals the freedom to develop their moral character: 'The true criticism of market society is not that it was based on economics—in a sense, every and any society must be based on it—but that its economy was based on self-interest' (Polanyi, 2001: 257).

Freedom for Polanyi was not therefore merely a matter of lack of constraint over the individual and the ability to make free choices in a marketplace, but a *social* and *moral* matter whereby ethical consideration of the impact of one's individual choices – including market choices – on the freedom of others and one's own moral development was essential. This implies a form of state intervention and embeddedness of markets that protects individuals from having their freedom to self-develop impinged by the distributional effects of poorly regulated markets, and the decisions of others in those markets. This led to support for redistributive policies in the interest of greater equality and social justice. He also argued for the abolition of markets in fictitious commodities. However, Polanyi stopped short of centralised state socialism since 'a strengthening of power at the centre' brings a 'danger to individual freedom' (Polanyi, 2001: 264). This was a finely crafted balance: Polanyi wanted to take land, labour and money out of 'the market' while maintaining markets in other goods,

which would ‘continue to ensure the freedom of the consumer, to indicate the shifting of demand, to influence producers’ income, and to serve as an instrument of accountancy, while ceasing altogether to be an organ of economic self-regulation’ (Polanyi, 2001: 260). Therefore, both Hayek and Polanyi advocated for some form of market embeddedness through state regulation, but in significantly *different* formulations, for *different* ends and based on a *different* moral conception of freedom.

Polanyi’s central contribution here lies in his understanding that markets are neither neutral in their distributive effects, nor natural in their origins (Blyth, 2002). He foregrounded the co-constitutive relationship between regulation and markets in a complex society, emphasising how the expression of that relationship is intimately and inextricably tied up in social relations. From such a perspective, urban planning can be seen as part of a broader cultural, social, political and institutional embeddedness of markets, including those in land, that are ‘subject to uneven spatial development and contestable modes of regulation, to disequilibrating forces and endemic restructuring’ (Peck, 2020: 250). It is to this issue we now turn.

Towards a Polyanian analysis of urban planning

The ongoing interest in Polanyi’s work can be attributed to his trenchant style, use of engaging metaphors and ‘the encyclopedic reach of his more-than-capitalist analyses’, yet as Peck (2013a: 1537) points out, ‘those seeking methodological templates, unequivocal theoretical injunctions, or models of case-study exposition will probably have been frustrated’. In this section, we nevertheless attempt to provide some clarity regarding the method that we have employed in our subsequent discussion. This requires a degree of exploratory theory-building that remains provisional and open to challenge. In this sense, we benefit from a Polyanian sensibility that is ‘forgiving, flexible and responsive both to normatively informed exploration and to empirically conditioned elaboration’ (Peck, 2013a: 1538).

The starting point is Polanyi’s metaphor of embeddedness. This has been the subject of much critical discussion due to its ambiguity and the inconsistent way in which Polanyi applied it (Gemici, 2008; Granovetter, 1985). Because Polanyi devised the embeddedness metaphor to critique the attempt to analytically isolate and ‘disembed’ the self-regulating market, it risks committing the same sin by essentialising the concepts of ‘economy’, ‘society’ and ‘market’ which are, rather, signifiers for complex and integrated processes that play out across webs of relations through time and space. This is why we view the language of difference, rather than degree, as more appropriate: it turns our analytical focus onto *what kind of* relations constitute forms of embeddedness, how these change and *to what end*.

It is the last of these questions that is of fundamental importance here. The analysis of purpose is central to Polanyi’s moral project; as above, Polanyi and Hayek were guided in their thinking by radically different commitments to the relationship between society, the economy, markets and the state. They therefore both advocated for very different *forms* of embeddedness, rather than necessarily *more* or *less* embeddedness (Migone, 2011). Indeed, Slobodian (2018) in his analysis of the development of European neoliberalism shows how, rather than seeking to ‘disembed’ the market from the institutions and relations of society, the neoliberal project was concerned with embedding (or encasing) it in different kinds of social and political rules for different ends to its opponents: ‘For Polanyi, it was to restore a measure of humanity and social justice. For neoliberals, it was to prevent state projects of egalitarian redistribution and secure competition, alternatively defined as the optimal functioning of the price-signalling system’ (Slobodian, 2018: 19).

Therefore, when thinking through the metaphor of differently embedded markets, analytical attention is focused on the nature of the institutional rules that shape markets, with a particular focus on what they are supposed to achieve and for whom. In short, what values and preferences are bound up in these institutional rules? Analytically, this means interpreting how markets are represented in the

discourses that converge to (re)shape the policies, laws and informal rules that constitute markets. To be sure, this approach is not necessarily original or distinct in its methods. What makes it Polanyian is how it fits into an overall project of moving beyond unhelpfully dichotomous framings of ‘planning versus the market’. This is important analytically because it seeks to avoid over-simplification regarding the role of urban planning and how it relates to the market. It is also important politically, because it heeds Block’s (2020: 101) warning against forms of analysis that may inadvertently reinforce the neoliberal position by conceptualising the market as operating with its own autonomous logic, rather than being a set of relations that are interdependent with society and the wider economy and are, in part, guided by political choices.

Turning to the empirical focus of this paper, our analysis is focused on two historical moments that represent contrasting attempts to differently embed ‘the market’ in the 20th century. Such moments represent the emergence of influential interpretations state-market relations around which multiple interests cohere. The need to articulate evolving ideas requires contemporary actors to advocate for their position, thereby often exposing their ideological commitments. Focusing on such moments of change allows for a longer-run contextualisation of historical processes (such as the changing nature of regulation), but one that is necessarily exploratory even as it is empirically grounded. Our analysis relies on existing research, as well as a close reading of a range of contemporary primary source material including advisory reports, policy statements, parliamentary debates and legislation. In line with the exploratory nature of the Polanyian approach, our analysis does not aim at a systematic deconstruction of historical sources, but rather a critical and normatively informed account grounded in key empirical sources.

In applying this form of analysis to the history of urban planning in England we focus first on how the relations between the development land market, the economy and society were conceptualised and reconfigured during the institutionalisation of the modern urban planning system in the 1940s. This was a period in which development rights in all land was nationalised as well as 100% of development value, representing an attempt to embed the development land market in such a way as to largely abolish the landowner profit motive for development. We then contrast this with the most recent attempts by the UK government to reform the English planning system to bring it into closer alignment with a neoliberal logic by loosening the constraints on the development land market imposed by the planning system and so enable land use change to be more responsive to increases in development land value and the profit motive. As we shall explore, that this agenda has been largely thwarted for the time being due to local political resistance is indicative of the tension between the ‘placelessness’ of the neoliberal imaginary and the deeply localised and embedded nature of development land markets.

We have opted to compare these two points at opposite ends of the timeline of modern English planning because they illuminate fundamental differences in conceptions of the relationship between planning, the development land market and the role of the state. These are suggestive of different forms of counter-movements and visions of embeddedness that are a feature of different material and ideological historical conditions. In contrasting these visions for the form of embeddedness of the development land market, we seek to illustrate the power and potential of a Polanyian analysis of planning. Such an analysis entails exposing false dichotomies that risk ‘othering’ or otherwise dismissing the market and legitimising a view of it having the capacity to exist beyond politics and society, as well as being sensitive to the cycles of social and political counter-movements that seek to differently embed the market through time. In addition to the analysis of moments of historical significance and the application of a neo-Polanyian reading of embeddedness, we adopt a Polanyian sensibility that acknowledges the problematic of planning being a mere ‘handmaiden of capital’ while also being underpinned by a strong commitment to its progressive potential to guide development to produce more even, equitable and environmentally sustainable outcomes.

The development of urban planning in England

The embedding of development land markets via urban planning in the 1940s

Although the modern planning system in England was formally and fully institutionalised via a series of Parliamentary Acts in the 1940s and 1950s, there is a longer history during which state planning emerged as a response to the socially and environmentally destructive effects of unregulated development land markets. Cherry (1979) shows how the period between 1885 and 1905 was crucial in the development of urban planning as a state function, due in part to the influence of housing, land and social reform movements. These drew attention to the plight of the urban poor through a discovery of poverty and argued for more healthy living conditions and adequate housing provision for the working class. High land values – a result of imperfect markets – in central urban areas were considered a major causal factor in poor housing (Cherry, 1979: 311), which contributed to the politicisation of the urban land question in England during this period, particularly in London. Early planning ideas such as those of Howard (1902) were intimately connected with the social distribution of land rents which, in this period, was a highly politicised topic, with Fabians and liberals alike advocating for land reform, if not full land nationalisation. Thus, Cherry (1979: 318) argues, ‘liberal, reformist, “progressive” ideologies converged’ in response to the socially destructive effects of late Victorian capitalism (with the constituent markets maintained and supported by state activity) to create favourable conditions for more extensive state regulation in environmental matters.

The nascent English planning movement continued to grow in the first half of the 20th century, driven by a continuing concern with improving the living conditions of urban dwellers, to promote more and better suburban housing, and a desire to protect and conserve nature and the countryside from unplanned urban sprawl. In the context of a broader turn away from *laissez faire* in the late 1930s (Ward, 2011: 70), there was a significant amount of government planning activity in the 1940s. Various reports published during and immediately following the Second World War were commissioned to inquire into the geographical distribution of industry, land utilisation in rural areas, new towns and compensation and betterment (i.e. land value increases) in respect of public control and use of land. These are some of the foundational texts of the modern British planning system and they all, in varying ways, framed ‘the market’ as something that needed to be socialised to protect urban and rural environments, and the communities living in them, from the harmful effects of *laissez-faire* development.

For example, the first interim report of the New Towns Committee (1946) presented the ‘twin evils’ of slums and overcrowding as having their roots in 19th century social and economic conditions in which ‘the health of the people, no less their spiritual and social well-being, were sacrificed to industrial progress’ (p. 3). The authors of the report of the Royal Commission on the Distribution of the Industrial Population bemoaned the social disadvantages and economic conditions that they saw as arising from ‘the haphazard manner in which urban development has proceeded in the past’ (RCDIP, 1940: 85) which was marked by high densities, poor quality housing and the displacement of residential land use by commercial uses via the operation of the land market. For the commissioners, these ‘disadvantages of concentration could be remedied or greatly reduced by good planning’ (RCDIP, 1940: 85).

Another foundational report, that of the Expert Committee on Compensation and Betterment, otherwise known as the Uthwatt Committee, identified the two main causes of the problem that they were addressing as being that ‘land in private ownership is a *marketable commodity* with varying values according to location and the purposes for which it is capable of use’ and that ‘land is held by a large number of owners whose interests lie in putting their own particular piece of land to the most *profitable use* for which they can find a market, whereas the need of the State and the community is to ensure the best use of all land of the country *irrespective of financial return*’ (ECCB, 1942: 23 – emphasis added). This implied a rejection of the market price mechanism as a guide for the best use of land, a suspicion

of the rent⁴ that could be commanded by landowners in the form of development value, and an acknowledgement of the potential tension between the private incentives for land development *created by its commodity status* in a private market, and the ‘public interest’.

The Uthwatt strategy was therefore, in part, one of trying to bring private and public interests into alignment: ‘If planning is a necessity and an advantage to the community, as is undoubtedly the case, a means must be found for removing the conflict between private and public interest’ (ECCB, 1942: 23).⁵ Part of the Uthwatt recommendations was for land that had been granted planning permission to be purchased by the state and leased back to the applicant, thus nationalising development land in a gradual, piecemeal way. Although this element was not adopted by the government, its subsequent 1944 White Paper on the control of land use presented the proposed system of comprehensive urban planning as seeking to ensure that ‘individual rights of land tenure may be reconciled with the best use of land in the national interest’ such that ‘various claims on land should be harmonised so as to ensure for the people of this country the greatest possible measure of individual well-being and national prosperity’ (MTCP, 1944: 2–3).

Across these various foundational texts of the modern British planning system, therefore, the framing of the relationship between the market, society and urban planning was one where planning was seen as necessary to enable economic and development activity to be guided in the public interest and that the commodity status of land (and development value) in private ownership represented a potential barrier to this because of the potential for divergence between the highest financial value and the highest social value of land use. The vision was one of greater integration and alignment of private and public interests via land and development markets that would be shaped by government policy. In Polanyian terms, ‘the market’ (and the development land market in particular) would, in theory, be embedded in such a way as to acknowledge the substantive aspect of the ‘economic’ to produce more environmentally, socially and economically beneficial outcomes.

The findings and recommendations of these reports provided the foundations for subsequent Acts of Parliament, the most significant of which was the Town and Country Planning Act 1947 which nationalised development rights in all land, and, among other provisions, introduced a development charge on private developers to be compensated for out of a discretionary £300 million fund in cases of hardship. The development charge was initially intended to be calculated at 80% of development value but was ultimately introduced via secondary legislation at 100%. This, in theory, enabled the state to collect *all the uplift* in land value that resulted from the grant of planning permission. This essentially involved adopting a quasi-Polanyian strategy of *abolishing the market in development values* (while paradoxically *retaining a market in land*) by seeking to ensure that all land privately transacted would do so at existing use value (because, in theory, developers would only be willing to pay a price based on existing use due to their future liability to pay the 100% development value charge when development occurred). It was hoped that this would partially resolve the contradiction between public and private interests in the land market because (in theory) landowners would no longer chase development value and would instead make land available for whatever use was deemed by planners and ministers to be socially necessary, rather than the most profitable use.

These ‘financial provisions’ of the 1947 Act caused significant debate in parliament, with many Conservative MPs expressing support for planning for environmental protection and economic development but displeasure at the level of state interference in land markets and private ownership of wealth in land that these provisions represented (Shepherd, 2020: 16). These debates reveal significant tensions concerning the status of land in the economy and the institutions of its ownership in the government plan to embed the development land market by de-commodifying development value and nationalising development rights. For example, objections were expressed regarding the perceived arbitrariness of the £300 million figure and the lack of clarity regarding how the compensation scheme would work in practice, as this emblematic quote from Conservative MP Sir Hugh Lucas-Tooth illustrates:

If we legislate for expropriation on unfair terms, we are doing nothing short of committing a public theft. . . It is of the utmost importance that when public needs require private rights or private property to be taken over, the compensation should be scrupulously fair. (HC Deb 20 May 1947, c.2272)

However, some Labour members, such as Henry McGhee MP, objected to the principle of compensating landowners on the basis that, in their view, development value derived from the efforts of the community and, therefore, landowners had no legitimate claim. This kind of argument betrays an almost Polanyian suspicion of the commodification of land and, indeed, its ownership for financial gain:

There are radical and special differences between land and other commodities. . . These values are created by the enterprise of the people. . . I suggest that there is neither equity nor morality in the proposal to pay this huge sum of £300 million. . . (HC Deb 29 January 1947, c.1024-1025)

In contrast, some opponents, such as Unionist MP Sir William Darling, even objected to the principle of planning on the basis that it undermined the freedom that produced the myriad individual decisions that comprises the self-ordering market, although this was a minority view:

It is not true that this theory—which I profoundly regret is accepted in all parts of the House—that planning by Government, through bureaucracy, is somehow better than the kind of planning which self-seeking persons, pursuing their own interests, somehow manage to achieve. . . It is that system of millions of persons seeking their own advantage which the Government intend to throw away for a planning board under the direction of the Minister himself. (HC Deb 30 January 1947, c.1192-1193)

However, the government was committed to the planned transformation of the economic system via the embedding of development land markets, as this quote from Labour MP Hugh Dalton illustrates:

I believe that history will judge this Measure to be one of very great and fundamental importance in the reshaping of our economic system. . . Through the years, through many centuries, the land of this country has, in one way or another, been misused and monopolised by some sections of the people. . . Today, we are placing the national interest first. . . We could do great things with this land of ours, if we chose. I believe the Bill gives us the instrument with which we can do these great things. (HC Deb 30 January 1947, c.1232-1233)

However, in a trenchant critique of the new British urban planning system, Hayek (1952) argued that because its financial provisions suspended the operation of the price mechanism by seeking to abolish the market in development values, development and economic activity would depend on the arbitrary values and decisions of planners rather than the spontaneous order of the market. He spoke disparagingly of what he saw as the economic illiteracy of the ‘architects and administrators’ who developed the legislation and quotes favourably a critique of the new planning system by British economist Sir Arnold Plant, who argued that the 1947 Act ‘threatens to ossify our industrial and commercial structure at the very points which flexibility and speed of redeployment are the indispensable requirement of successful enterprise in a competitive system’ (Plant, 1949 – as quoted in Hayek, 1952: 624). For Hayek, the British urban planning system represented a faulty, designed institution (rather than one that spontaneously ‘grew up as the result of free development’) that, by abolishing the price mechanism that would otherwise signal the most valuable (and therefore ‘best’) use of land, carried with it the threat that economic activity would be suppressed.

Indeed, the 100% development charge did have the effect of removing the incentive for many landowners to sell land for development as they suspected that this element of the 1947 planning settlement would be repealed by the Conservative Party next time they were in government (Cox, 1984: 94–95).

Further, despite the development charge, some development land continued to be privately traded in the market at a price that included some development value because these landowners refused to sell for less and were able to command inflated prices due to limited supply of building licences at the time (Cox, 1984: 95). Therefore, although there was general political consensus for the development land market to be socially embedded via the planning system in the interest of managing the risks of uncontrolled development, because landowners retained their monopoly power as owners of the limited ‘commodity’ of land and this remained embedded in a private market, they retained their power to demand and extract rent as development value. This meant that the contradiction between public and private that was (and is) a function of the private market in development land as a (fictitious) commodity remained.

True to the expectations of landowners, the subsequent Conservative Party government did indeed repeal the development charge, setting off a prolonged period of post-war legislative dynamism concerning the form and extent of regulation and taxation of development land values (Cox, 1984). However, despite this struggle over the commodification of land and the distribution of ownership of development land value, there has remained a consensus regarding the need for some form of planning regulation in England although there has been little agreement regarding what institutional form this should take. In particular, the history of urban planning in England since the neoliberalisation of British politics and the economy since the late 1970s has been one of near perpetual reform, characterised by a restless search for efficiency, and institutional and spatial fixes (Wargent et al., 2020). Planning is now frequently attacked in ways that seek to dismantle (disputed) fundamental principles that have their roots in the post-war settlement that gave birth to the modern planning system (Lord and Tewdwr-Jones, 2014). However, as we shall see, neoliberal critiques stop short of proposing the abolition of urban planning or questioning the need for some form of state appropriation of a proportion of development land value and, instead, propose a form of embeddedness that would give primacy to market forces over social objectives for land use, rather than the other way around.

Differently embedding the land market: The 2020 planning White Paper

Allmendinger and Haughton (2013) explore how successive rounds of English planning reform in recent decades can be interpreted as representing different periods in the ongoing neoliberalisation of urban planning. Their analysis extends from 1979 to 2010 and identifies six eras in which the relationship between different scales of governance, land markets and the economy were adjusted via changes to planning legislation, the role of planning documents and the influence of central government over regional and local planning activity. The result is an account of the temporal, scalar and spatial variation of neoliberalism as manifested in English planning via periodic moves, for example, to loosen the regulatory burdens on the market (e.g. 1979–1991) or, in turn, create a stronger system of plans to create more certainty for development interests and work with the market to deliver development (e.g. 2002–2006). Since 2010 central government has sought to circumvent the positive planning and decision-making powers of local planning authorities, particularly when it comes to the question of housing delivery (Gallent et al., 2021). This can be seen as part of an ongoing campaign to, in neo-Polanyian terms, *differently* embed the development land market via carefully designed and deliberately planned state regulation so that it can function more ‘autonomously’ and efficiently. This should, therefore, more closely resemble the classical liberal utopian vision of the relationship between the market, society and the state of which Polanyi was so suspicious, while still maintaining a degree of protection necessary to internalise ‘negative externalities’ and prevent the land market from undermining itself.

Here, we focus on the recent experience of the 2020 proposals for English planning reform which were aimed at significantly increasing the supply of new housing (see MHCLG, 2020). This example provides a contemporary account of the form of embeddedness that is preferred in the neoliberal imaginary that informed the Conservative government’s proposals, as well as the characteristics of the

resultant countermovement from the government's own supporters who did not respond positively to the government's agenda. Two of the key texts for the government's White Paper proposals were reports produced by centre-right think tanks Centre for Cities (Breach, 2020) and Policy Exchange (Airey and Doughty, 2020). Both of these organisations have been influential on Conservative policy agendas for planning, part of a longer-term trend of the growing influence of advocacy think tanks on planning policymaking in the UK (Haughton and Allmendinger, 2016). Policy Exchange, in particular, has been acknowledged as a key influence, with several of its personnel having been recruited to roles in government such that the think tank has been identified as a 'recruitment ground for the [Conservative] party best' (Pautz, 2013: 369). For example, Nick Boles, its first Director, later became a planning minister in the Conservative-led coalition government that was formed in 2010, while Alex Morton, one of Policy Exchange's key commentators on planning in the period 2010–2015, became a special advisor to the prime minister and drafted the planning-related material in the 2015 Conservative manifesto (Field Team, 2019). More recently, Jack Airey, the lead author of the January 2020 Policy Exchange report on planning cited above, was the following month recruited by government to advise on planning reform (Quinn, 2020). It is therefore worth examining how the planning system and development land markets are framed in influential think tank reports as part of a strategy to legitimise the ideas for reform that are promoted to government (Foye, 2022).

Both the Policy Exchange and Centre for Cities reports betrayed a distinctly Hayekian set of concerns regarding the economic inefficiencies 'imposed' on development land markets by the urban planning system. This perspective is neatly summarised in the Policy Exchange report. Here, the authors described the means of allocating scarce resources in society as placed on a spectrum, with the price signal at one end, and central planning mechanisms on the other. The British planning system, we learn, 'sits very firmly on the central planning side of this spectrum', leading to undesirable outcomes such as uncertainty, complexity and inefficient allocation of land (Airey and Doughty, 2020: 22–23). In a closely similar report, think tank Centre for Cities argued for a diminution of planning's ambit, whilst also recognising that the 'solution [to the housing crisis] is not deregulation, but *the correct mechanism for regulation*' (Breach, 2020: 23 – emphasis added). This report proposed a move to a more rules based regulatory system on the basis that this would result in more certainty, less planning risk for landowners and developers, and, therefore, a more autonomous and efficient development land market. Both reports therefore resolved that 'Market conditions should instead determine how urban space is used' within pre-defined zones (Airey and Doughty, 2020: 73).

The Policy Exchange report also touched on the question of land values which has haunted the British planning system since the failure of the 1947 system to end the private trading of development value in land markets. The current system is criticised in the report as being too complex, slow and uncertain, although the principle of some kind of social redistribution of development value is accepted on the basis that this can be used by the state to mitigate negative externalities that arise from development projects (Airey and Doughty, 2020: 45). These accusations of delay and uncertainty in the current land value capture system stem from the combination of negotiated agreements between local authorities and applicants (section 106 agreements) to secure contributions for affordable housing and to mitigate site impacts, and a relatively inflexible optional-to-charge levy that is used to fund local infrastructure (the Community Infrastructure Levy). There has been much scholarship examining the divergence of public and private interests in section 106 negotiations based on contested viability assessments based on fallible predictions, in which the private pursuit of development value can create a barrier to planning for socially beneficial outcomes. Research has shown how the policy objectives of local authorities have been undermined by developers and landowners who have used their resources to retain large proportions of development value and profit at the expense of contributions to affordable housing, particularly in London (Sayce et al., 2017). This has prompted a repoliticisation of urban land issues in England (Shepherd, 2023). As such, the current system of land value capture can be seen as a site of struggle to socially embed the development land market, where the

monopoly power of landowners as suppliers of land clashes with the monopoly power of the state as supplier of development rights, with each using this leverage to seek to secure a proportion of development value that planning permission crystallises. As such, land value capture as currently practiced is an institutional fix which is based on the acceptance of the legitimacy of land in its commodity form and the profit motive in land release via markets.

Many of the recommendations in the Policy Exchange and Centre for Cities reports were taken forward in some form in the government's subsequent White Paper (which cited both think tanks), the ministerial foreword of which states that the objective is to deliver a 'significantly simpler, faster and more predictable system' (MHCLG, 2020: 8). The proposals duly included a shift away from discretionary policy-led planning, to a more rules-based system with reduced potential for community involvement in individual development decisions. A new infrastructure levy was also proposed, intended to more efficiently apportion development value between private and public interests by being based on prices achieved through the spontaneous order of the market rather than on negotiations based on fallible market predictions. Interestingly, one of the rationales for the new infrastructure levy is to remove the scope for developers to 'overpay for land and then negotiate their contributions downwards through the use or misuse of viability assessments' (DLUHC, 2023: np), evidence of a 'double movement' by a government seeking to contain the political risk arising from inequitable outcomes from section 106 negotiations while simultaneously seeking to liberate market actors from delays imposed by the current system.

The White Paper also proposed that local plans should identify three categories of land: growth, renewal and protected areas. Planning permission for development in growth areas would be automatically granted by the local plan, thus enabling the development land market to respond more efficiently to price signals. Development in renewal areas would be more closely controlled, and protected areas (such as environmental conservation areas) would be insulated from market pressures. Although not in either of the foundational reports, the government also consulted on a change to the way in which the housing targets that local authorities need to plan for are calculated, with the explicit objective of 'boosting supply' MHCLG (2020). The new method proposed had a greater emphasis on housing affordability and areas with high household growth projections, which meant that many of the most significant uplifts in housing target numbers would affect London and the southeast of England.

The White Paper proposals, therefore, were not aimed at 'disembedding' the development land market but *differently embedding* the land market via the planning system to enable the market to respond more efficiently to price signals in growth and renewal areas. Some protection of land from development would be retained to protect market forces from destroying it and land value capture reforms would be introduced, aimed at more efficiently allocating development value between public and private interests by being more responsive to market movements. The framing of the relationship between private (market) and public interests in the foundational planning texts of the 1940s were inverted, as they have been many times in British political debate since then. Instead of the price signal and profit motive that accompanies the (fictitious) commodity status of land as being a *barrier* to the most socially advantageous use of land, it was framed as the very power that would deliver the 'best' use of land (outside of protection areas). This vision did not necessarily entail *less* state involvement in land markets, but *different* state involvement.

However, following the publication of the White Paper, there was a significant countermovement that included the government's own supporters. This was, in part, a symptom of growing resentment in areas of the country that had experienced unwanted new housing development due to the changes made to national planning policy in 2012. This had made it easier for developers to get planning permission in contravention of local policy where local authorities were unable to demonstrate a sufficient supply of housing land (Savills, 2021). The policy had, in effect, been primarily aimed at regulating local authorities to ensure that enough homes were granted planning permission, rather

than limiting the behaviour of private actors in the development land market. This change to policy had prompted significant opposition at the time based on concerns about environmental impacts (Shepherd, 2021), and this again manifested in various debates in parliament in response to the 2020 White Paper, in which many Conservatives (as well as members of the opposition) attacked the government's proposals. In particular, it was the government's proposal to increase housing targets coupled with the attempt to remove the scope for community involvement in the determination of development proposals that prompted concern.

The White Paper (MHCLG, 2020: 20) had suggested that the proposed reforms would:

... democratise the planning process by putting a new emphasis on engagement at the plan-making stage. At the same time, we will streamline the opportunity for consultation at the planning application stage, because this adds delay to the process and allows a small minority of voices, some from the local area and often some not, to shape outcomes.

However, objections voiced in the parliamentary debates expressed concern that these measures would, in fact, reduce the democratic accountability of the planning system and result in more unwanted development in local areas. It seemed to some that the government was seeking to use its regulatory powers to *protect development land markets* from local communities rather than the other way around, as suggested in this emblematic quotation from Labour politician Steve Reed:

Under the Government's proposals, residents will be gagged from speaking out, while developers will be set loose to bulldoze and concrete over local neighbourhoods pretty much at will. These proposals are nothing less than a developers' charter that silences local communities, so developers can exploit local communities for profit. (HC Deb 21 June 2021, c.620)

Although this undoubtedly over-states the case, such concerns were not just the preserve of combative political rhetoric, but had a very real manifestation when, almost a year after the publication of the August 2020 White Paper, the Conservative Party lost a local by-election in a previously staunchly Conservative-supporting constituency, a result that was widely attributed to concerns over the impact on local character from new development (BBC, 2021). Such was the strength of political opposition to elements of the government's proposals for planning reform that many of the most controversial elements were seemingly dropped, with the Minister now responsible for planning ultimately pledging to adjust the system to lessen the power of housing targets to drive through locally unpopular development (HC Deb 6 December 2022, c.415WS).

In Polanyian terms, this was symptomatic of a 'double movement'. The government's proposed reforms prompted a spontaneous reaction based on a rejection of the attempt to adjust the planning system to enable the development land market to respond more efficiently to the price signal while being insulated from potentially troublesome opposition of local communities and their concerns regarding the environmental and local character impact of new development. This was an expression of the tension between the impersonal forces of the market and the deeply personal, place-specific, collective identities of local communities in which the market (or, more accurately, markets) is/are embedded. We see this as being a symptom of the fictitious commodity form of land which obscures its social and environmental character. The trading of rights to land value (or, capitalised rent) in the market is deeply rooted in real sites in real places in which human and ecological communities are literally embedded. No wonder, then, that the attempt to embed the development land market in such a way as to protect it from interference from community voices prompted such opposition.⁶

However, this opposition was arguably also *concurrently* an expression of the protectionist impulses of a *petit-rentier* class of homeowners (and, therefore, landowners) who can use their considerable resources and political power to prevent development in their local areas (and protect the commodity of their property) via local opposition and by exerting national pressure through their

political representatives. This was not a straightforward story of a ‘progressive’ counter-reaction, but a complex tale of the convergence of public and private interests in political opposition to government proposals. Nevertheless, while contemporary English planning certainly does not consistently produce development outcomes that garner public support – and in many ways is a mechanism for the financialisation and commodification of land and the protection of existing assets’ value (Shepherd et al., 2022) – it nevertheless remains an institution that has the potential to protect communities and land from impersonal market forces that would assetise land in response to the development value component of the price mechanism.

Such a reading fundamentally disputes a ‘planning versus market’ dichotomy whereby ‘less’ planning regulation would enable the market to work more efficiently to deliver housing. Instead, we see the playing out of the effects of varying beliefs in *how*, not whether, development land markets should be embedded via the planning system. Following Polanyi, we can read some of the adjustments that have been made to the English planning system in recent years as being, not always necessarily deregulatory, but rather in pursuit of a form of (sometimes expanded) regulation that embeds development land markets in ways that seek to enable the housing development market to function more efficiently, but still protects society – particularly landowning interests – and the environment from (some of) the effects of unplanned development. However, this is predicated on a much more limited conception of what urban planning can and should seek to achieve and for whom, than that which gave birth to the modern planning system in the 1940s.

Conclusion

This paper has explored the potential for Polanyi’s ideas as a framework for interpreting the emergence of the formal institution of urban planning in England, the character of some of its recent institutional adjustments, and the relationship between the development land market and state regulation. In so doing, the paper makes three contributions. First, it deploys the Polanyian metaphor of embeddedness to examine how the development land market is always necessarily nested within a web of political and social (institutional) relations. Regardless of the utopian fantasies of right-of-centre think tanks, it cannot be freed from such relations to function autonomously and efficiently, in part because land is not a commodity in the way that chocolate bars or cars are, but also because transactions in development land are predicated upon development *of* that land that can have wider impacts on the economic, political and social relations in a locality.

Second, the paper explores how urban planning has historically been, and remains, a space through which various interests can seek to, in neo-Polanyian terms, *differently embed* the development land market for different ends. This analytical language emphasises the always embedded nature of development land markets and draws attention to the shared acceptance across political and ideological divides of the necessity of state regulation, whilst also acknowledging the lack of consensus regarding its proper form.

Third, by using Polanyi’s ideas to explore these dynamics, the paper draws attention to the constitutive nature of state regulation and markets. We have sought to expose the conceptual incoherence of neoliberal framings that seek to present development land markets as being capable of operating with an autonomous logic, rather than being embedded with society and the wider economy via a planning system that is, in part, guided by political choices. Crucially, this acknowledgement and accompanying Polanyian language helps us move past the regulation-deregulation dichotomy which frequently frames government intervention as well as the arguments of its opponents.

Such arguments regarding the nature of urban planning and markets are not new of course. What differentiates the account presented here is that we have used a Polanyian method that espouses fidelity to historical specificity and context, coupled with Polanyi’s powerful metaphorical language. Such an approach is based on an application of Polanyi’s ideas to urban planning in specific places

and times and avoids dealing in the kind of universalising and abstract mode of analysis of which Polanyi was so suspicious (Holmes, 2014). Furthermore, by using a Polanyian framework to examine the dynamics of state-land market relations in urban planning, our analysis is informed by a Polanyian *morality*. As such, our critique is informed by a questioning of the moral implications of ‘the market society’ and, by extension, the morality of market fundamentalism in recent planning reform. Polanyi believed in the potential for state intervention to ‘support the development of virtuous citizens and to achieve the common good’ (Filip, 2012: 78). By using his ideas, the paper implicitly acknowledges the transformative and progressive potential of urban planning to embed the land market so that land is managed and developed to support the flourishing of citizens and society as a whole, rather than predominately for private gain.

As such, the kind of Polanyian analysis explored in the paper prompts us to move on from unhelpful framings of ‘planning versus the market’ to develop an understanding of the relationship between markets/regulation that articulates a positive vision for planning that does not simultaneously reject the power of markets and also acknowledges a substantive understanding of the plurality of real economies (including land economies) as extending far beyond the narrow logic of the price mechanism. However, Polanyi rejected land as a commodity – defining it as a ‘fictitious commodity’ – and advocated for the abolition of land markets, while acknowledging the allocative efficiency of markets in regular commodities. While ending the commodity status of land and taking land out of ‘the market’ may, in theory, be the Polanyian solution, this seems highly unlikely to happen on a large scale in today’s political climate.⁷ As such, there will continue to be contradictions between the profit expectations of individual landowners and the needs of wider society as well as political challenges arising from these, despite (or perhaps because of) current land value capture orthodoxy.

In the absence of a viable political project to abolish the land market, there is potential for urban planning to reposition the role of land in the economy along logics that are more closely aligned with Polanyi’s substantive meaning of ‘economic’ that prioritises the human and more-than human co-dependence for survival and flourishing, rather than merely the cold, formal logic of market exchange. This could involve developing institutions that seek to moderate market logics by encouraging more reciprocal and redistributive social patterns in relation to land use. It could also involve much more extensive and progressive taxation, and redistribution, of land values. Certainly, in the context of the climate emergency, it should involve enabling what Low (2002: 53) described as ‘ecosocialisation’, or the ‘spontaneous struggle of human society to protect itself from the anticipated ecological devastation caused by the global market, itself reshaped by institutions of social protection’.

We therefore call for a Polanyian reappraisal of planning that is based on his recognition that markets contain the twin possibilities of allocative efficiency and social prosperity (except in the case of markets in fictitious commodities), and the degradation of the environment and denial of human dignity. Recognising the role of urban planning regulation in guiding the former and guarding against the latter, reframes planning as a necessary and positive force in the production of urban space. This provides a theoretical underpinning to a more nuanced understanding of planning’s role and moves away from the virulent strain of scepticism regarding state intervention in the ‘free’ market within orthodox economic discourse (for a discussion, see Ferm et al., 2021) and the different but equally sceptical critique of the ‘dark side’ of planning as being a state tool that facilitates rent capture and serves the interests of capital (e.g. Foglesong, 1986; Stein, 2019) – although such critiques do also tend to acknowledge the progressive and transformative *potential* of planning.

Thinking with Polanyi in this way offers both a *justification* for planning – it speaks to the value of planning in the context of the current (albeit faltering) neoliberal moment, that articulates a particular vision for market-relations without rejecting markets – and a *challenge* to establish a vision around which development land markets may be embedded for progressive and environmentally sustainable ends. Such a project would entail ideological work to engage in ongoing contestation concerning societal values, and to persuade people of the transformative power of urban planning beyond it being

a market supporting mechanism required only as far as necessary to ensure ‘certainty’ to given actors in development land markets. Here, Polanyi’s thought adds theoretical depth to the argument that urban planning, as an institution, can and should shape markets to serve wider society.

Acknowledgements

We are grateful to the journal editor and three anonymous reviewers for comments that helped improve the paper. Any errors and omissions remain the responsibility of the authors.

Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: The authors would like to acknowledge the support of the Economic and Social Research Council (grant ES/W001675/1). No new data were created during this study.

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Notes

1. We acknowledge that (i) the idea of ‘laissez-faire’ has a contested history, (ii) it is not necessarily accurate to describe all ‘classical economists’ as being devotees of this idea and (iii) that some may have been misrepresented as such by their ‘popularisers and vulgarisers’ (Keynes, 2004; Waller, 2006). Indeed, Matthew Watson shows how Polanyi’s work betrays a ‘rather curious history of economic ideas’ (2014: 608) that ignores the pre-Ricardian institutionalism in classical economics, particularly Adam Smith’s attempts to ‘historicize the individual economic agent within a substantive definition of economy’ (2014: 613). However, the point stands that Polanyi was reacting to the arguments (as he saw them) that were made by classical economists such as Ricardo and Malthus and, in particular, their political and ideological deployment. As Block (2001: xxiv) points out: ‘Polanyi does say that the classical economists wanted to create a society in which the economy had been effectively disembedded, and they encouraged politicians to pursue this objective’. It is this perceived agenda that Polanyi was critiquing, and it is partly for this reason that his ideas have particular power for analyses of the neoliberal period.
2. Morality was a central theme in Polanyi’s thought. His morality was grounded in a deep concern regarding the corrosive effects of the modern market economy on the moral values of citizens and society. As such, there is room in Polanyi’s thought for public institutions (such as urban planning) to be designed in such a way as to encourage and support the development of a set of public moral and ethical values grounded in the recognition that individuals should consider their market activity within a wider social and environmental context, grounded in the recognition that their decisions and actions ‘impact the social and political life of society as a whole’ (Filip, 2012: 77).
3. In the UK, urban planning was more commonly referred to as town and country planning throughout the 20th century. More recently, other qualifiers have also frequently been used (e.g. land-use or spatial). We use urban planning here, which may be more familiar to an international audience.
4. We use the general term ‘rent’ in the sense of rent can be commanded by landowners as a class that has monopoly ownership of a resource that is in limited supply and who can therefore exercise power over its supply and price. See Ward and Aalbers (2016) for a discussion of various forms of rent.
5. This rather simplistic framing of ‘public’ versus ‘private’ interest does not acknowledge the wide variety of potentially clashing interests that could constitute the ‘public interest’, or the range of different motives that may inspire the behaviour of landowners in practice (Adams and May, 1991). It is, therefore, questionable whether there can ever be a removal of conflict between public and private interests when it comes to land development. As such, the 1947 system’s vision of the embedded land market was, perhaps, just as

impossibly utopian as that which was the target of Polanyi's critique. Indeed, we do not intend to here present an uncritical hagiography of the early modern urban planning system. Rather, we revisit this period as a point of contrast with the contemporary moment rather than seeking to contribute to a mythological origin story of English planning.

6. We thank an anonymous reviewer for encouraging our argument in this direction.
7. While there may currently be little hope for the wholesale abolition of the land market, there is in England a growing movement that is interested in non-market approaches to land and housing ownership such as that offered by the Community Land Trust model (CLTN, 2023).

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