

Land-Based Capitalism, Fertility, and the Dreaded Baby Tax



The [fertility rate](#) in the United States has risen in the past few years to 1.782 in 2022. However, none of the Western industrial nations met the 2.1 fertility rate required for zero population growth (Israel is an exception at 3.04). France and Ireland are close at 1.84. One could attribute this to the Catholic religion, except that Spain, Italy, Portugal and Poland, also Catholic countries are near the bottom at less

than 1.4.

Good social benefits seem to help. Indeed, Iceland and Sweden, not very religious, are higher at 1.77 and 1.85 respectively. Both have great maternal and paternal benefits along with free medical care and education.

The tradeoffs between parental benefits and the burden of heavy taxation, like the tradeoff between restrictions on abortion and the oppression of women, make it difficult to find a successful formula for achieving a birth rate over the 2.1 threshold.

Although [land-based capitalism](#) does not require the population growth of [debt-based capitalism](#), the problems of low fertility are eliminated without taxation or other forms of coercion. Primarily, this is accomplished with the [Earth Dividend](#).

Future Incentives to Have a Child

Today	Under Land-based Capitalism
A college education costs parents about \$102,828 for four years at a state college. Either that or the student is saddled with a mountain of debt that is difficult to pay off, even with a good salaried job. Worse, if they take the loan and flunk out, they are forever impoverished.	All education, including trade schools, are free and unlimited.
It can cost \$300+ per month for each child's medical insurance.	Quality medical care is free.

According to the [USDA](#), it cost \$233,610 in 2015 to raise a child until they reached 18 years of age. Of that, \$42,050 is spent on food and \$67,747 is spent on housing.

Food distribution per child for those same years is \$51,840 and housing distribution is \$86,832. Despite the recent (2021-2022) inflation, numbers are comparable or better.

Children at home interfere with the mother's ability to have a career. The cost of a nanny can eat up over half of a salary.

Economies of scale from the distributions encourage the formation of [collectives](#) and large alternative/extended families. Not only will work and home tend to be integrated at one location, but many within a large household or collective will choose to be caregivers.

The Earth Dividend and its effect on culture will eliminate most of that \$233,610 burden. Children will be seen as the blessings they are and not the curse of financial hardship. This value will reduce, if not completely eliminate, the desire for fetal abortion.

In a functional economy, positive population growth leads to higher land values, new divisions of labor and prosperity. The higher fertility rate of land-based capitalism and the Earth Dividend are solutions, not problems.

But some solutions can work too well. Lurking under the surface is a negative externality famously documented by [Garrett Hardin in The Tragedy of the Commons](#).

Here he documents what is the greatest flaw in land-based capitalism. For while the tragedy of the commons on land is solved by [exclusive use](#) to the highest bidder, there is no solution to this tragedy found in democracy or free markets.

If each human family were dependent only on its own resources; if the children of improvident parents starved to death; if, thus, overbreeding brought its own "punishment" to the germ line--then there would be no public interest in controlling the breeding of families. But our society is deeply committed to the welfare state, and hence is confronted with another aspect of the tragedy of the commons.

In a welfare state, how shall we deal with the family, the religion, the race, or the class (or indeed any distinguishable and cohesive group) that adopts overbreeding as a policy to secure its own aggrandizement? To couple the concept of freedom to breed with the belief that everyone born has an equal right to the commons is to lock the world into a tragic course of action.

Every person can surrender or reclaim [sovereignty](#) at will. Land-based capitalism brings a panarchy of experimental societies alongside the non-sovereign cellular councils. Sovereign societies are invited to prove their worth through better production. Exports can be used to increase land holdings.

Consider a society that does not use production, but reproduction to increase its land holdings. Women are used as baby machines. Young girls are forced to become pregnant. There are de jure and de facto [exit rights](#), but for those women steeped in the religion, transfixed by the culture, or tied to loved ones, there is no exit.

[Elinor Ostrum](#) won a Nobel Prize for demonstrating, among other things, that peer pressure, and low fees or taxes, could put a halt to the commons tragedy. It is in this spirit that the [Federation Constitution](#) must allow for a 2/3 plurality of the entire Federation to impose a “baby tax” on newborns.

Suppose the baby tax is \$10,000. Many families, particularly in the case of accidental pregnancies, would find this unaffordable. The proposed remedy for failure to pay is an income/inflow tax levied on the maternal and paternal families (if different) until the tax, interest, and a small penalty are paid. Distributions are never taxed, protecting the child’s right to nutritious meals, and warm and safe shelter. [Sovereignities](#) would be taxed on their exports.

A small baby tax is meant to encourage responsible reproduction. It is possible that a small tax from the start would eliminate any problems and avoid what would have been a larger tax at a later date.

Can the people direct their baby tax at a particular sovereignty that is “enslaving” its women? Probably. The 2/3 plurality can violate objective rights to stop a negative externality.

However, the externality must be defined by objective measures. People cannot tax reproduction in a sovereignty with ideas they dislike, while other sovereignties, or sovereign individuals pay no tax, yet have the same or higher fertility rates.

The baby tax is designed to work without bureaucracy. When a newborn is registered for the Earth Dividend, the sovereignty in which the mother is a member (usually her family or herself), and the sovereignty in which the father is a member (if different), are assessed the baby tax.

If unpaid, a 40% tax on all inflows of all sovereignty members is applied until the tax, interest, and a small penalty, are covered. The baby tax is somewhat voluntary and can be avoided by trading exclusively in an alternate currency.

In a sense, with the Earth Dividend, all income becomes discretionary. Thus, saving up \$10,000 should not be a hardship. Accidental pregnancies leave six or seven months to earn that income before taking it easy is required. Opportunities to sell one's labor are abundant under land-based capitalism.

The baby tax is the Achilles heel of the Earth Dividend. It is not good policy to pretend the issues motivating it do not exist. Here are the essential issues for future debate.

1. Relieves pressure on women to be baby-creating wealth machines.
2. Stops young girls from being forced into pregnancy at puberty.
3. Prevents attempted domination by any community, theology, or creed through procreation.
4. Eliminates fears of future population control based on race, creed, religion, or whims of tyrants.
5. Eliminates the need for authoritarian government, predatory war, and even disease to control allocation of limited resources.
6. Promotes the idea that every child is valuable.
7. Protects against in vitro gestation and an army of entitled clones.
8. Discourages those who are addicted to drugs and alcohol, gambling, or other habits that prevent savings from being parents.
9. Discourages wealthy men with many wives and mistresses from building empires through procreation.
10. Within the reach of all working people, because all earned income is discretionary.
11. Creates a new sense of entitlement for the Earth Dividend. They are no longer handouts. They are paid for.
12. Encourages new family structures, collectives, kibbutzim, and other mutual organizations to facilitate reproduction just as they facilitate production.