

Allocated Distribution Theory



The arguments in this module are my impression of the community's will. Perhaps something similar will come from an [ISO](#) working group during [Phase I](#); perhaps not. Post-federation, the community is the final arbiter of the distributions, as manifested in [quadratic voting and moving averages](#).

The root of an allocated distribution lies with [John Locke](#). The value creator has the right to say how that value is spent. Just as the individual owns the fruits of their labor, the community owns what it created.

Land value, or more appropriately, [location value](#), is created by the community. We are an equal community member and thus receive an equal share of the [ground rent](#).

However, as the creator of that value, it is the right of the community to say democratically how that money can be spent. Allocated distribution theory is another way of saying that [land-based capitalism](#) is pure capitalism of labor and pure communism of land.

Every person receives an equal share of the Earth's bounty, and the community decides how it should be spent. Ironically, it is precisely this communism of the land that allows for pure capitalism of labor, eliminating both taxes and regulation.

There is another seeming contradiction as well. **The more controlled the distribution, the freer the society.** This is counter-intuitive. However, a strong safety net increases risk appetite. A world that treasures freedom encourages risk-taking, whether it is jumping from an airplane, starting a new business, or changing the direction of one's life.

An allocated distribution provides the strongest possible safety net. The best way to encourage risk-taking is to provide a safety net below which no one can fall. Most people will fail 4 or 5 times before they have a successful business. If the safety net had gapping holes, few would walk the tightrope with those odds.

Wouldn't monthly cash provide a safety net as well? Yes, but one that is full of holes. In this module, we examine the problems with cash distribution.

In a just society, there will be far fewer scams and fewer desperate cash needs. However, some, particularly those who grew up under [debt-based capitalism](#), will have enormous debts! **Cash is good for all debts, public and private, while [earmarked funds](#) are not.**

If failure leaves one in debt, family food, and housing money can go to the creditor. Creditor standards are looser, knowing that cash keeps coming every month. This is not in the community's interests, which created the location value behind the [Earth Dividend](#).

Stupidity and impulsiveness are not reasons to lose the benefits of the Earth Dividend. There is no way to lose them. Even in the penitentiary, distributions continue. It is a safety net through which no one can fall.

The right to get stoned or abuse one's own body in any manner possible is an [objective right](#) not likely to be overridden in many [dominions](#). However, this must be done with the money one earns. [Sovereign](#) individuals are the sole owners of their labor.

Doing this with the Earth Dividend is not in the community's interest that created this value. Cash spent on alcohol and drugs can lead to business failure, health crises, and injury to others.

Housing is a right in land-based capitalism. However, forcing a landlord to rent an apartment is tyranny. No landlord would ever rent to a gambler who blows their Earth Dividend at the races, the stock market, or Vegas every month. The Earth Dividend housing distribution goes directly to the landlord, with no possibility of shenanigans.

Many people will choose not to be employed but to start a business, pursue a hobby or sport, learn a trade, write a book, make a film, and so on. What landlord in their right mind would ever rent to those people if the Earth Dividend were in cash?

Education is vital for a prosperous society. It is both a public and a private good. Given cash, few would choose education over five or six luxury vacations or a new house. This choice is not in the interest of the community that created the Earth Dividend's value.

The right to life for children includes the right to nutritious meals. Though most parents intend to provide for their children, a few would be tempted to spend the money elsewhere. The best way to ensure all children receive nutritious meals without bureaucracy is to earmark a portion of the Earth Dividend for food.

[Dominions](#) have a right to impose a sunset, budgeted [consumption tax](#) over and above the Earth Dividend revenues by a 2/3 plurality. The consumption tax becomes progressive by exempting the Earth Dividend from this tax. This is only possible with earmarked funds.

In families, young adults and other family members will be reluctant to surrender a portion of their cash stipend to the family shopper. Either the family shopper will end up spending more of their own money on food, or large families will lose their efficiency as everyone does their own shopping—accounting for who spends what is more complicated. A food distribution will solve many conflicts.

As citizens of Earth, we have a right to know that other citizens are not going hungry because they spent their food money on a drug fix, alcohol, or at the casinos. This is a choice people can make with the fruits of their own labor, not the bounty of the Earth.

We have a right not to have mothers with children, or anyone for that matter, begging on the street for food. A food distribution does not restrict anybody's freedom. If you can demonstrate that your food distribution is better spent elsewhere, there are [procedures for reallocating distributions](#).

Food distributions encourage larger extended and alternative families and collectives. Food distributions for as few as six people allow them to enjoy a menu without regard to cost, while a single person on a single food distribution will have to economize to stretch the budget. Unearmarked cash offers no manageable incentives for larger families or collectives.

The housing distribution allows mortgage lenders to make loans at low interest rates for families whose total housing distribution is more than sufficient to cover the mortgage. The automatic draws on the housing distribution are ground rent first (optional), mortgage or tenant rents next, and association assessment next. The remainder can be spent on utilities, repairs, or improvements. Cash distribution qualifications for a mortgage would be much tighter.

The housing distribution will encourage the development of efficiency studios, with all utilities, for those unemployed living alone. A fixed tenant rent equal to the \$404 per month (2022 dollars) housing distribution is possible because landlords can rent these out to the unemployed without fear of default. A cash distribution is riskier and will force people experiencing poverty into homelessness or substandard housing.

This bears repeating for housing: As citizens of Earth, we have a right to know that other citizens are not homeless because they spent their housing money on a drug fix, alcohol, or at the casinos. This is a choice people can make with the fruits of their own labor, not the bounty of the Earth. We have a right not to have homeless on our doorsteps, sleeping on rapid transit, under viaducts, and over vents.

The housing distribution is expected to be quite liberal, with many exotic uses. It can be used for vehicles such as vans, RVs, houseboats, and **fuel**. The housing distribution could be used for families without children for a treehouse in the woods or a mountain cave. In the deep woods, it can be used for sleeping bags, lanterns, and an ax. The housing distribution earmarking will be a list of exclusions rather than inclusions.

Housing and food distributions relieve the burden of taking in a new family or collective member. Wherever a person might wander, they will be welcomed because they bring added food to the table and new utilities to the home.

The sum is greater than the parts due to economies of scale. A cash stipend will tend to be hoarded and not freely shared. This is a major cultural shift from the isolation and loneliness promoted by debt-based capitalism.

Cash is valid for the payment of all debts, public and private. A single business mistake could leave a family hungry and homeless until bankruptcy is declared. It is illegal to demand food or housing distributions as repayment for a debt (a mortgage on the primary residence is an exception).

Credit for food or housing cannot be extended in promise for future distributions. Distributions can only be transferred within the [sovereignty](#) or used at the point of sale for their designated purpose. No matter what happens, there will always be food and shelter.

The medical distribution is used to purchase a basic insurance policy. If obtaining such insurance were an implied portion of unallocated cash, many citizens would

opt not to buy the policy. Equity demands that those without a policy or funds be refused medical treatment. If confinement to a penitentiary is legal, either the medical distribution must be mandatory, or criminals will have a right to medical treatment while their victims do not.

In a just society, the medical distribution is a right, and the Earth Dividend must be used for a premium. Because [self-insured HMOs](#) are designed for choice and rebates, this does not restrict anyone's freedom.

In 2010, there was news of a house burning down as a Tennessee fire department watched. The family had not paid for fire protection. If police, fire, and defense distributions are paid from a personal cash stipend, chaos will reign.

In the Federation, moving into a police or fire district increases funding by one distribution, and moving out decreases it. This fosters good police-fire-community relations; each person is an asset to their community.

Education is the essence of culture, an open-minded, liberal society, and a technological world. If you handed everyone a wad of cash and told them to get educated or party, most would party. Allocating money for childhood education does not guarantee that unallocated funds will be spent on universities and trade schools. Most people would still forego an education.

Society needs people to learn to program and operate the complex machinery of the future. Economic growth requires the human capital from education. Educational funds are not distributed equally, even with equality of opportunity. One sum would either be prohibitively large or cheat some students out of a complete education.

While the housing distribution covers just about everything, the significance of a housing distribution is the automatic draws that occur before the recipient receives a penny. These are ground rent (entirely voluntary), then mortgage for property owners, and apartment/housing rent for tenants. Utility payments can optionally be made an automatic draw.

The base case against non-allocated distributions is simply the global community creates that value. They determine per-capita allocations democratically. The international community can use the value it created to build a better world.

Perhaps the most significant benefit of an allocated distribution happens long before federation. As Earth Dividends are awarded, producers seeking the valuable

Elsie will reallocate productive resources away from luxury items into service of the Earth Dividend. This will bring down the cost of these necessities and allow a level playing field for all of Earth's population.