Exploring the Basic Income Guarantee

Basic income is one of the most innovative, powerful, straightforward, and controversial proposals for addressing poverty and growing inequalities. A Basic Income Guarantee (BIG) is designed to be an unconditional, government-ensured guarantee that all citizens will have enough income to meet their basic needs. The concept of basic, or guaranteed, income is a form of social provision and this series examines the arguments for and against it from an interdisciplinary perspective with a special focus on the economic and social factors. By systematically connecting abstract philosophical debates over competing principles of BIG to the empirical analysis of concrete policy proposals, this series contributes to the fields of economics, politics, social policy, and philosophy and establishes a theoretical framework for interdisciplinary research. It will bring together international and national scholars and activists to provide a comparative look at the main efforts to date to pass unconditional BIG legislation across regions of the globe and will identify commonalities and differences across countries drawing lessons for advancing social policies in general and BIG policies in particular.

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Basic Income Reconsidered
by Simon Birnbaum

Alaska's Permanent Fund Dividend
Edited by Karl Widerquist and Michael W. Howard

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Examining its Suitability as a Model

Edited by

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ALASKA'S PERMANENT FUND DIVIDEND

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CHAPTER 10

Basic Income and the Alaska Model: Limits of the Resource Dividend Model for the Implementation of an Unconditional Basic Income

Almaz Zelleke

Alaska's Permanent Fund Dividend (PFD) is often hailed as the only existing basic income in the world. As such, it is held up as a model and inspiration for the implementation of basic income schemes in other US states and other countries. In this chapter, I question the characterization of the PFD as either a basic income or a robust model for one. I argue instead that the PFD is a *resource dividend*, a form of redistribution that is related to, but not synonymous with, a basic income. While the ideas of basic income and resource dividends share some philosophical justifications and some roots in intellectual history, they are different enough that they ought not to be confused. Beyond a philosophical desire for semantic clarity, the distinction matters because the justifications for different forms of redistribution, both those justifications that are part of the popular understanding and those that have a more limited academic currency, affect their chances for implementation, their sustainability, and their vulnerability to political processes. In particular, it is possible to design resource dividends in ways that are incompatible with the goals of a basic income and that lead to outcomes in tension with, if not opposed to, its goals. The prominence of the Alaska model in the contemporary basic income debate challenges basic income supporters to more clearly define the idea and specify criteria for the design of basic income schemes.

I begin this chapter with a general clarification of terms and follow with a brief summary of the common philosophical roots of basic income and resource dividends. Next, I survey the arguments for basic income and contemporary definitions from basic income advocates. I then briefly summarize salient aspects of the history, implementation, and current state of the Alaska Permanent Fund (APF) and the PFD. I discuss how the PFD differs from a basic income and discuss why those differences matter. I conclude by drawing lessons from the PFD for basic income advocates.

1. What Is a Basic Income?

Basic income is the guaranteed provision of a minimum income on an individual basis to all eligible members of society. Advocates of basic income differ as to whether this income should be unconditional, or conditional on a requirement to participate in an approved voluntary, care giving, or learning activity for those not in paid employment; whether the same or different amounts should go to children, adults, and senior citizens; and how high the basic income could or should be. Basic income is often identified with a *negative income tax* (NIT), an income grant in the form of a refundable tax credit, which can be conditional or unconditional. But the NIT is a *variable* income grant designed to supplement low incomes, while a basic income is a *uniform income floor* that can be supplemented with earned income.[1] In the literature on basic income, the term *participation income* is used to refer to an income grant conditional on a participation requirement.[2] The term *workfare* has common currency in US welfare debates, referring to income grants conditional on work in paid employment.[3] In the United States, the Earned Income Tax Credit (EITC), established during the Ford administration and subsequently expanded, is a modest NIT that is conditional on having earned income, and therefore on work in paid employment.

Other forms of redistribution that share philosophical roots with basic income include the *stakeholder grant*, a onetime grant paid to citizens either at birth or maturity;[4] *resource dividends*, periodic payments to citizens or residents reflecting imputed shares in the value of natural resources like oil or land, like the PFD; and the *caregiver income*, a stipend paid to unpaid providers of care to children, the elderly, and adults unable to care for themselves.[5]

Basic income is distinct from another proposal for a universal guarantee: *guaranteed jobs*. Advocates of guaranteed jobs share with advocates of basic income a conviction that the uncorrected market cannot adequately meet the economic needs of all members of society, but they differ on the preferred correction. Advocates for guaranteed jobs are convinced of the intrinsic value of paid employment beyond the income it provides to the well-being and status of citizens; they reject the idea of a guaranteed income unconditional on work, as well as the idea of a participation income, in favor of a universal work requirement and a public works program that serves as employer of last resort.[6]

2. Philosophical Roots of Basic Income, Stakeholder Grants, and Resource Dividends

The related ideas of a basic income, stakeholder grants, and resource dividends have philosophical roots in the age of revolutions.[7] Arguments for the redistribution of wealth emerged when the industrial revolution began to transform the agricultural economy and to democratize the aristocratic political structure, and when the rhetoric of the French and American revolutions adopted the ideal of equality. Condorcet and Thomas Paine, both participants in the French Revolution, proposed early forms of social insurance for the elderly and widows, and universal stakeholder grants at maturity to compensate for the loss of natural rights in the free use of land and natural resources.[8] Nineteenth-century socialists, including Charles Fourier and Joseph Charlier, extended the idea of compensation for the loss of these natural rights by proposing modest universal dividends that would prevent destitution without eliminating incentives to work.[9] John Stuart Mill also endorsed an unconditional guaranteed minimum, with no attempt to distinguish between the "deserving" and "undeserving" poor (as had long been the foundation of British poor relief), as long as it preserved incentives to work.[10] Nineteenth-century economist Henry George argued that the value of land belonged to all, and that government should tax its value alone and abolish all taxes on productive activity.[11] Followers of the Georgist view have extended the idea of common ownership to other natural resources beyond land, and some have argued for the distribution of the rents on these natural resources in the form of resource dividends.[12]

3. Contemporary Arguments for Basic Income

While the term *basic income* can encompass many forms of redistribution in its "big tent" context, and while its advocates see many of these related forms as steps toward a basic income, the term itself is generally agreed to refer to ongoing unconditional income guarantees, rather than onetime stakeholder grants, and to income guarantees at a "substantial" or "generous" level; basic incomes below this level are *partial* basic incomes.[13]

Both the unconditionality and the substantial nature of a basic income require justification. In contemporary capitalist economies, the legal framework of property rights constrains individual access to the means of subsistence. For those without inherited land or capital, the resources necessary for life must be earned through wage labor. Welfare regimes in capitalist economies provide a safety net of *social insurance* and *social assistance* programs to protect individuals from deprivation caused by economic downturns. Conditional social insurance benefits go to those willing but unable to work and thus generally considered "deserving," such as the elderly, the disabled, parents of infants, or workers suffering temporary unemployment due to economic downturns, and their dependents; means-tested social assistance benefits go to those who do not meet the work-related eligibility requirements for social insurance and are generally considered "undeserving." The eligibility criteria for both are meant to preserve the incentive to seek employment for working-age men and women, rather than to remain on benefits. Most developed nations also provide unconditional benefits such as universal health care, free public education, and child allowances. These benefits are broader and more generous in European welfare states than in the United States, an outlier even among the less generous "liberal" welfare regimes, in Esping-Andersen's typology.[14]

Even in the more generous European welfare regimes, the idea of a substantial income grant unconditional on willingness to work faces strong opposition from those who see it as enabling recipients to live without contributing to society's productive efforts. Many contemporary advocates of basic income promote it as a more efficient economic safety net in a capitalist economy, but they also challenge the premise of employment status as a basis for the rights of full citizenship, and base their arguments variously on conceptions of justice, freedom, and equality.[15]

The instrumental justification for a basic income assumes the superiority of capitalist economic systems over socialist systems in bringing about economic growth and a higher standard of living for society overall, but it recognizes the distributive inequities to which capitalism leads. Basic income, because of its universality and unconditionally, is seen by policy theorists and economists as the solution to the perverse disincentives of social assistance programs, which have

the unintended effect of penalizing work effort at low incomes. It is also seen as the solution to gaps in social insurance programs and to the problem of diminishing returns to labor from technological advances.[16] Many who take this approach implicitly dismiss the distinction between the "deserving" and "undeserving" poor without addressing it directly.[17]

Arguments for basic income based on theories of justice, liberty, and equality focus on the rights of individuals in society and claim that a basic income is required to compensate for the inegalitarian effects of the institution of private property; maximize individual liberty in choosing how to live one's life; promote gender equality in a male-dominated world; and create a form of economic citizenship analogous to universal suffrage.[18] These arguments suggest high ambitions for a basic income, ambitions that are impossible to achieve without a substantial basic income.

4. Contemporary Definitions of Basic Income

Theoretical arguments for a basic income leave the details of implementation largely unspecified. Philippe Van Parijs, who argues for basic income on grounds of justice and liberty, rejects the idea of setting the basic income at a particular level and argues instead for the highest sustainable basic income as a requirement of a society committed to the ideal of "real freedom for all."[19] Nevertheless, he believes that rich societies such as the United States and Western Europe can afford a basic income above subsistence level.[20] Few other theorists provide even that degree of specificity about the amount of money a basic income would provide. Charles M. A. Clark has argued for a "full" basic income, one that provides subsistence-level income, with variable grant rates depending on age.[21] I have defended elsewhere a basic income high enough to meet basic needs, and have proposed a uniform, universal basic income—one that goes to all adults and children—at a level targeted to meet the subsistence needs of the most vulnerable families: single parents with more than one child.[22]

National and international basic income networks are more explicit about the elements required for an income grant to be considered a basic income. The Basic Income Earth Network (BIEN; formerly the Basic Income European Network), the international network of scholars and advocates of a basic income, defines basic income as follows: "A basic income is an income unconditionally granted to all on an individual basis, without means test or work requirement. It is a form of minimum income guarantee that differs from those that now exist in various European countries in three important ways: it is paid to individuals rather than households; it is paid irrespective of any income from other sources; it is paid without requiring the performance of any work or the willingness to accept a job if offered." Thus, according to BIEN, basic income is unconditional, it is individual, and it is a *minimum* income guarantee, implying a floor beneath which the basic income cannot fall; left open to consider is whether the basic income goes to all members of a community or to adults only, and whether the amount varies by the recipient's age.

The US Basic Income Network (USBIG) defines basic income more explicitly as tied to basic needs. "The Basic Income Guarantee (BIG) is a government ensured guarantee that no one's income will fall below the level necessary to meet their most basic needs for any reason." The definition includes a quote from Bertrand Russell, which reads: "A certain small income, sufficient for necessaries, should be secured to all, whether they work or not, and... a larger income... should be given to those who are willing to engage in some work which the community recognises as useful. On this basis we may build further."[23] "Thus," continues the definition, "with BIG no one is destitute but everyone has the positive incentive to work. BIG is an efficient, effective, and equitable solution to poverty that promotes individual freedom and leaves the beneficial aspects of a market economy in place." By this definition, the basic income must meet basic needs and is seen as a solution to poverty that works in tandem with a capitalist economy. Virtually every other national affiliate of BIEN (there are now 17, including the United States) includes a reference to subsistence, basic needs, or the minimum necessary to lead a dignified life.[24]

Two basic income initiatives are also worth considering. In Brazil, former president Lula signed the goal of a basic income into law in 2004, contingent on the nation's economy and its budgetary resources. The law reads in part as follows:

> A citizen's basic income is created from 2005 onwards, constituting the right of all country nationals and foreigners who have been residing in the country for more than five years, regardless of their social and economic status, to receive, annually, a monetary benefit... The benefit shall be extended to all citizens by stages, upon criteria established by the Executive, and priority shall be given to the poorest segment of the population. The amount of the benefit shall be the same to every citizen and be enough to attend the minimum expenses of each individual with food, education and health, with due regard to the stage of development of the country and its budgetary capabilities.[25]

The BIG Coalition of Namibia, which sponsored one of the few basic income pilots to date, defines basic income as follows:

> A Basic Income Grant is a monthly cash grant that would be paid by the state to every Namibian citizen regardless of age or income. The money, which is paid to people not in need, is recuperated through the tax system. The main benefit of the grant is its ability to improve everyone's life by eradicating destitution and reducing poverty and inequality.[26]

If a survey of theoretical arguments, platforms of basic income networks, and basic income initiatives does not yield a uniform definition, it nevertheless suggests the following essential criteria for a basic income: basic income is unconditional in a way that differentiates it from social insurance programs; it is paid on an individual basis, not on a household basis; unlike social assistance programs, basic income is not means-tested; and it is a minimum income guarantee on which other income sources can build, maintaining the incentive to work in paid employment. This survey also suggests the larger ends to which the basic income is a means: the alleviation, if not eradication, of poverty, and the reduction of inequality.

What remains inconclusive is the relationship between a basic income and the rest of the fiscal apparatus of the state: whether the basic income is taxable; whether it is recuperated from the rich through other taxes; whether other social insurance policies remain in place; and so on. What also remains unclear is whether the basic income is fixed or variable, and if so, under what circumstances. These questions are difficult to answer in the abstract, but their answers become clearer in the context of an actual policy of redistribution that has had to confront these choices in its implementation. I turn now to an examination of Alaska's PFD.

5. The Alaska Permanent Fund Dividend

Chapter 2 by Groh and Erickson in this volume provides a history of the APF and the PFD, which I will not repeat at length here, but a brief summary illuminates the nature of the PFD as compared to a basic income. The 1958 Alaska Statehood Act granted the new state hundreds of thousands of acres of land previously owned by the federal government, and the Alaska Constitution mandated that the state's natural resources be used and developed for the maximum benefit of its people. The lands chosen by the state included vast oil reserves, and oil leases soon began flooding the new state with revenue. The first $900 million windfall from Prudhoe Bay oil exploration leases was quickly spent, prompting the idea that some part of the current windfall ought to be saved for future needs.[27] Two entertaining memoirs by men involved in the creation of the APF and the PFD—Jay Hammond, then governor of Alaska, and Dave Rose, the first director of the Alaska Permanent Fund Corporation (APFC)—tell the story of the political struggles over how to protect the oil revenue windfalls and what to do with them. Their reports of the discussions in the early 1970s reveal competing political philosophies about the role and size of government, the nature of popular sovereignty, and the appropriate use of tax revenues. It's not surprising that what resulted was a compromise that pleased no one completely.

The APF was created in 1976 by a voter-approved state constitutional amendment, mandating the creation of a permanent fund whose principal was protected from being spent, and which was funded by "at least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses." This amounted to an eighth of all revenues generated by oil, according to Hammond, who had argued that half of all oil revenues should go to the APF.[28] At first, the income earned by the APF could be spent at the discretion of the legislature. In 1980, the Alaska legislature created the APFC to manage the fund, which is invested in a diversified investment portfolio designed to maximize returns (rather than to invest in Alaskan development, as some had hoped), and appropriated an additional $900 million into the fund. That year the legislature also approved the Permanent Fund Dividend Law. The first dividend check, $1,000 to each Alaskan resident in the state for one year, regardless of age, was paid in 1982, funded by an appropriation of oil revenues above the constitutionally mandated deposit. The dividend remains a statutory, rather than constitutional, mandate.

In the 28 years since the dividend law was enacted, the dividend has ranged from a low of $331 to a high of $2,069.[29] Allowable spending from the APF is based on the average of the past five years' realized income; by law, the principal cannot be spent (although the APFC has argued, so far unsuccessfully, that the permanent value of the fund will be best maintained by annual spending of 5 percent of total fund value, rather than tying spending to realized earnings). This means that it is possible, in a severe investment downfall, for no realized earnings to be available to pay a dividend, but this has not yet occurred.

6. Is the Permanent Fund Dividend a Basic Income?

While Governor Hammond and others involved in its creation clearly wanted the PFD to play a redistributive and poverty eradication role similar to a basic income, they were unable to win others to their side. On the web pages of the APFC and of the PFD Division of the Department of Revenue, the descriptions of the dividend are quite bureaucratic and instrumental. There is no language about why residents of Alaska are entitled to this dividend, other than references to the constitutional amendment. There are no references to minimum income, basic needs, or even unconditionally, though the latter is implicit in the minimal conditions spelled out for eligibility.[30] On the APFC website, the answer to the statement titled "Why is the Fund successful?" reads as follows:

> It keeps a diversified asset allocation. It was created by a Constitutional amendment. The APFC, which manages the Fund, receives legislative oversight. The dividend program keeps the Fund in the public eye. The Fund has sound management practices, including performance oversight of managers. The Fund is not used as an economic development bank.[31]

It is striking that there is no mention of the ability to fund a PFD as a measure of the APF's success; rather, the PFD is referred to only instrumentally, as a mechanism for keeping the public eye on the APF.

Returning to the criteria for a basic income I identified above, the PFD certainly meets the first three: it is unconditional in a way that differentiates it from social insurance programs; it is paid on an individual, not a household, basis; and unlike social assistance programs, it is not means-tested. It is particularly significant that the PFD goes to individuals, including children, as there is no child allowance in the United States, and it is easy to imagine a different choice on the part of the designers of the PFD to have limited it to adults only. Welfare policies in the United States are routinely scrutinized for any incentives for increased childbearing. Did the PFD escape this scrutiny because Alaskans reject the dominant ideological distinction between the "deserving" and "undeserving" poor?[32] Or do the citizens of this rugged and sparsely populated state accept the need to incentivize population increases?

The PFD only minimally meets the fourth criterion, that it be a minimum income guarantee on which other income sources can build, because the dividend fluctuates on an annual basis depending on the investment returns realized by the APF. Since its inception, the PFD has had a significant degree of variability. Putting aside for the moment the actual level, if recipients are unable to forecast the level of the dividend in advance of its distribution in October of each year, its usefulness as a minimum income guarantee on which other income sources can build is limited. This problem could conceivably be addressed by using economic forecasting to inform recipients of the anticipated level to facilitate their planning, but it is not currently a feature of the PFD. Finally, the PFD does maintain incentives to work in paid employment.

Regarding the ends of a basic income, however, the PFD does not meet the goals of either poverty eradication or reductions in inequality, and contributes only modestly to poverty alleviation. The dividend is only a small percentage of the US poverty threshold, which is itself an imperfect proxy for the social minimum. In 2008, when the PFD reached its highest level at $2,069, the individual poverty threshold in the United States was approximately $11,000; for a family of four it was approximately $22,000. Thus, at its highest level, the PFD would have provided less than 20 percent of the income necessary for an individual to reach the poverty threshold, but almost 40 percent of the income necessary for a family of four to reach the poverty threshold—not a bad start toward a minimum income guarantee. However, at its lowest level in 1984, the percentages of the poverty threshold were only 6 percent for an individual and 12 percent for a family of four. (In 2010 the percentages were 12 percent and 23 percent, respectively.) Furthermore, APF earnings are likely to track overall economic conditions, meaning that dividends will be lower during economic downturns, precisely when recipients need them most. Thus, on the basis of its level alone, the PFD is at best a *partial basic income*, and in some years, a trivially low partial basic income.

Given its fluctuating nature, it is difficult to see the PFD as an effective antipoverty measure. Governor Hammond wanted oil revenues to address rural and elderly poverty, but this was not a dominant strain in the discussions around the creation of the APF or the PFD. Hammond also wanted the PFD to be distributed according to length of residence in the state, rewarding the pioneers who had invested the most of their own time and energy into building Alaska.[33] In fact, many of those involved in the creation of the permanent fund explicitly rejected the "socialist" and redistributive aspects of the proposed PFD.[34] The PFD was conceived, rather, as a mechanism to distribute some of the profits of the windfall created by the unusual oil resources owned by the state to all Alaskans—a worthy intention in line with the rationale for resource dividends, but not an antipoverty measure.

Finally, because of its flat and universal nature, the PFD on its own makes a very modest contribution to the reduction of inequality. But the PFD together with the elimination of the state individual income tax that was part of its founding has an overall regressive effect on income distribution. To have a significant redistributive effect, the PFD would have to be recouped from wealthy individuals; in the absence of a progressive state income, consumption, or wealth tax, the PFD would have to be distributed on a sliding scale with larger dividends given to those with less income from other sources, and smaller dividends given to those with more income from other sources, rather than as a uniform flat payment.

There is evidence, however, to support the claim that the PFD is intended to serve other goals more directly. First, as noted on the APF's website, the PFD "keeps the Fund in the public eye" and thus constrains the legislature's ability to drain the fund for other purposes; this goal is preeminent in accounts by participants in its creation. Second, as indicated by the residency requirement for recipients, the PFD is designed to entice residents to come to Alaska, the most sparsely populated state in the United States, and to stay there. Most importantly, the PFD achieves the goal of sharing a portion of the state's wealth with all its residents.[35]

Rather than fulfilling the goals of even a partial basic income, the APF embodies a measure of intergenerational justice by saving a portion of current revenues from nonrenewable natural resources for future generations, a worthy goal, and one highlighted in the APFC's annual report. Under the current fiscal regime, the contemporary generation benefits from the state's oil wealth collectively through oil revenue contributions to the annual state budget, and individually through the elimination of the income tax and through the receipt of the dividend; future generations will benefit from the preservation of the APF's principal, which may continue to fund a PFD or be repurposed to fund other expenditures. Thus, the dividend is both a current individual benefit and a means of protecting the principal from current use. The PFD should be considered a *resource dividend*, and it is a good model for resource dividends elsewhere, but it is not a *basic income*.

7. Could the PFD Become a Basic Income?

Because the PFD is universal, individual, and unconditional, the dividend itself has the structural potential to evolve smoothly into a resource-financed basic income. All that would be required would be to increase the amount of the APF earnings directed to dividend payments to an agreed-upon social minimum. Using the federal poverty threshold for a family of four as a proxy for the social minimum, this would mean increasing the annual dividend to almost $5,600 per person; using the individual poverty threshold would require a dividend of over $11,000 per person. At the current APF level (approximately $40 billion in 2011) and current population (approximately 700,000 residents in Alaska), this would require a fourfold to ninefold increase in the $858 million in APF earnings directed to the dividend, 10 to 20 percent of the APF's value on an annual basis for a full basic income.

It is impossible for the APF to devote this level of funding to the dividend on a regular basis and maintain the value of the principal for future generations, but a partial basic income could be funded on a stable basis as long as the legislature is willing to appropriate additional funds to supplement APF earnings in years with poor investment returns, or to recoup the dividend from high earners through an income tax. Alternatively, other state revenues, including oil revenues beyond those subject to the constitutionally mandated contribution, could be added to the APF to increase its size and earnings, and the state operating budget could be supplemented with revenues from income or wealth taxes. Given the decision to repeal the income tax and not to devote a greater proportion of oil revenues to the APF when revenues were considerably higher than they are now, and with no evidence of interest in a basic income among Alaskans, this seems unlikely. This is not to suggest that "path dependency"[36] has made alternative fiscal regimes impossible in Alaska, only that this particular fiscal regime—one that does not guarantee a minimum income—seems to suit the residents of this particular state.[37]

8. Conclusion: Lessons of the Permanent Fund Dividend for Basic Income Advocates

If we agree that basic income is to have a robust relation to basic needs and that it is meant to reduce inequality, the Alaska PFD, as important a benefit as it may be for poor Alaskans in particular, does not meet the criteria for a basic income. Therefore, it has limited value as a model for basic income schemes in other parts of the world. It is notable that there has been no movement in Alaska to move from the variable dividend to a stable basic income, either partial or full—something that its large oil revenues and small population would make possible. In addition, an important part of the social contract underlying the PFD appears to be the APF's role in eliminating income taxes, thereby limiting the progressive aspects of the PFD.

Also notable is the fact that the Alaska PFD has not in its 30-year history inspired the creation of other resource dividends in the United States. Despite the claim that oil resources are only one form of common resources that can be taxed to provide a dividend for citizens, the Alaska case so far seems an exceptional one based on the rare situation of an oil-rich region, and it may serve as a model only for other oil-rich regions. In some ways, the modest US EITC, a negative income tax deliberately designed to supplement the income of low-wage workers, provides a more promising model for a minimum income guarantee than the PFD.[38]

One need not criticize resource dividends to distinguish them from a basic income. It is certainly preferable to have oil profits distributed broadly rather than to end up in the pockets of only a few corporate executives, wealthy shareholders, and political cronies. But a basic income, partial or full, is such a radical departure from contemporary practice and ideology that it will likely only be achieved if it is designed with the twin goals of unconditionality and poverty alleviation from the start.

The PFD does serve as an excellent model for the conceptualization of natural resources as commonly owned—an important step along the path to acceptance of the idea of a basic income. It provides a model of cash transfers to individuals without any stigma of dependence, fraud, waste, or failure—attributes often attached to recipients of other government cash transfers. The PFD's funding source in natural resources rather than in taxes on individual income or wealth seems to exempt its recipients from any need to justify their use of the dividend, and to exempt the transfer as a whole from the "socialist" label. This suggests that basic income schemes tied to a Georgist system of taxation are likelier to win wide acceptance than those funded by progressive income taxes or employment rents—funding sources more directly linked in the public mind to individual effort and achievement. But a resource dividend's merits cannot be considered in isolation from the overall fiscal regime of a region or nation; while redistribution may be more acceptable to the electorate if funded by resource wealth rather than income taxes, inequality cannot be fully addressed without a progressive tax structure on individual earnings or wealth.

For those who want to use the Alaska model in other regions, the questions that remain are whether natural resources in non-oil-rich communities are valuable enough to fund full or partial basic incomes; the extent to which other state or national constitutions include explicit references to communal ownership of natural resources; and whether resource dividends can be successfully linked to progressive income tax schemes in order to reduce inequality while providing a more substantial income floor than the PFD has provided to date.

Notes

1. In the 1960s, conservative economist Milton Friedman advocated replacing all social insurance and welfare programs with an NIT. See Friedman 1962.
2. See Atkinson 1996.
3. See Mead 1986 for the justification of work requirements for income grants.
4. See Ackerman and Alstott 1999 for a contemporary proposal for a stakeholder grant.
5. See Kittay 1999 for a proposal for a caregiver income.
6. See, e.g., Harvey 1989.
7. See Van Parijs n.d., Cunliffe and Erreygers 2004, and King and Marangos 2006, for comprehensive histories of these ideas. Van Parijs has uncovered earlier references to redistribution to the poor in the work of Thomas More and the sixteenth-century Belgian humanist Johannes Ludovicus Vives, but they proposed guaranteed employment rather than guaranteed income or universal grants.
8. De Condorcet 1988 [1795], 273–74; Paine 1995 [1791 and 1797].
9. Fourier 1967 [1836], sec. 491–92, and 1803; and Charlier 1848. See also Cunliffe and Erreygers 2001; and Cunliffe, Erreygers, and Van Trier 2003.
10. Mill 1987 [1849], Book V, ch. 11, para 47. See also Morley-Fletcher 1980–81, 310–11; and Van Parijs 1985.
11. George 1992.
12. See, e.g., Hartzok 2008.
13. See Parker 1989 and 1995 for models of a partial basic income.
14. Esping-Andersen 1990.
15. See Van Parijs 1992 for a useful overview of arguments for basic income.
16. See, e.g., Atkinson 1995; Parker 1989 and 1995; and Meade 1993. See also Friedman 1962.
17. See, e.g., Brittan and Webb, 1990.
18. See, e.g., Van Parijs 1995; Fraser 1997; Zelleke 2002; 2004; 2011; McKay 2005; and Pateman 2005.
19. Van Parijs 1995 and 2001.
20. Van Parijs 2001, 5–6.

21. Clark 2003. His proposed basic income ranges from about $3,500 for minors to about $8,000 for senior citizens in 1999 dollars.
22. Zelleke 2007. This amounted to a minimum basic income of $6,000 in 2004 dollars, using 2004 US poverty thresholds.
23. Russell 1996 [1918], 93.
24. Links to national affiliates of BIEN are available at Basic Income Earth Network website, accessed June 5, 2011.
25. Renda Básica de Cidadania website, accessed June 5, 2011.
26. BIG Coalition Namibia website, accessed June 5, 2011.
27. Whether this money was squandered or properly spent on building up the infrastructure of a poor, undeveloped state is the subject of some debate. See Hammond 1994, 247, and Rose 2008, 117–25.
28. Hammond 1994, 247–48.
29. The 2011 PFD amount is $1,174. For more information about the PFD, see the Alaska Department of Revenue, Permanent Fund Dividend Division website, accessed June 5, 2011.
30. The statement on PFD eligibility reads as follows: "To be eligible for a PFD, you must have been an Alaska resident for the entire calendar year preceding the date you apply for a dividend and intend to remain an Alaska resident indefinitely at the time you apply for a dividend." Alaska Department of Revenue, Permanent Fund Dividend Division website, accessed June 5, 2011.
31. From the Alaska Permanent Fund Corporation website, accessed June 5, 2011.
32. See Steensland 2008, 238–39.
33. Hammond 1994, 251–53. This provision was ruled unconstitutional by the US Supreme Court.
34. Rose 2008, ch. 8; and Hammond 1994, 253–56.
35. Kasson 1997, 24.
36. Pierson 2000.
37. Alaska's dependence on oil revenues for the state operating budget may yet force a change in its fiscal regime, but to date, unsuccessful attempts to diversify the government's revenue base have included proposals to repurpose the AFP and limit the PFD as well as to institute income or sales taxes. See McBeath et al. 2008, ch. 5.
38. Steensland 2008, 228. Eligibility for the EITC has already been expanded once, from only workers with dependent children to childless workers as well.