

Preface

*The greatest good you can do for another
is not just to share your riches,
but to reveal to him his own.*

— Benjamin Disraeli (1804–1881)

When threats to human well-being develop over a long period of time, it eventually becomes possible to lose sight of the damage they are causing. The Western world is now in the grips of this predicament with regard to various forms of economic dependency—a long-emerging pandemic that is devastating individuals, families, communities, and nations.

For those still able to see the dangers, questions arise about how governments can promote a social welfare system that encourages dependency, discourages self-responsibility, and enables dysfunction, over motivating people to pursue the self-interests required for their own health and happiness. In a wealthy society, people who are temporarily down on their luck and motivated to improve their lives warrant social assistance. However, governments cannot and should not be expected to provide lifelong sustenance and material assistance to employable people, especially those who are adept at “working the system” but unwilling to work at a job. Cartoonist Al Capp, of Li'l Abner fame,

captured the resentment building in hardworking middle-class people toward such individuals when he commented, "Anyone who can walk to the welfare office can walk to work."¹

Even overworked parents are mystified to find their own children succumbing to "affluenza," acquiring the same dependency mindset as those locked into intergenerational welfare; both are burdened with similar attitudes of entitlement and lack of pride in self-sufficiency. "Affluenza" has crept unseen into a middle class that has never before experienced such broad-based material wealth and is unfamiliar with the potentially damaging impacts of the economic dependency it creates.

Of the almost 7 billion people on the planet, many who would otherwise be in the labor force have apparently come to believe they have the right to live off the sweat and effort of those who are prepared to work. Certainly, the welfare state continues to grow among industrialized members of the Organisation for Economic Co-operation and Development (OECD), with social transfers continuing to take a rising share of the gross domestic product (GDP).² According to U.S. census figures, social welfare spending increased from \$52 billion in 1960 to \$1.5 trillion in 1995, representing a per capita increase in payments from \$285 to \$5,622³; current figures take per capita payments into the stratosphere. Another source notes that despite "the 1996 Welfare Reform Act

and the 2006 welfare adjustments, **60.8 million Americans remain dependent on the government for their daily housing, food, and health care**"⁴ (emphasis added). In other words, approximately 20 percent of the American population relies on government support, and recent budget projections indicate that welfare spending will rise to \$10.3 trillion over the next ten years.⁵

Regardless of efforts in 1996 by President Bill Clinton to "end welfare as we know it" through the introduction of the Welfare Reform Act, economic dependency on government has continued to multiply.⁶ In addition to programs that provide emergency help such as Temporary Assistance for Needy Families (TANF),⁷ there are now more than 80 programs in the U.S. providing noncash assistance to low-income families.⁸ A more detailed study is required to indicate why such an alarming trend toward greater economic dependency continues.

A recent article in *The Economist*, "The Biggest Bill in History,"⁹ chronicles the staggering public debt incurred by rich countries while dealing with the financial meltdown of 2008 (now referred to as the "Great Recession"). In taking on such massive obligations, governments have created crippling forms of national economic dependency. Professor Niall Ferguson of Harvard University warns of the precarious stability of empires such as the United States, suggesting, "Most imperial falls are associated with fiscal crises. . . . **Alarm bells should therefore be ringing very loudly, indeed, as the United States contemplates a**

deficit for 2010 of more than \$1.5 trillion—about 11 percent of GDP, the biggest since World War II¹⁰ (emphasis added).

While increased spending during the Great Recession may be justified to cushion the impact on the poor, fear is spreading that the long-term dependency ratio (the number of people in jobs divided by the number of those they are supporting) is growing to an unsustainable magnitude. As the proportion of taxpayers shrinks, the country is rapidly

THE DEPENDENCY RATIO
DE.PEN.DEN.CY RA.TIO: [de-pen-den-see ra-tio] the proportion of people working in a society versus those they are supporting through government programs known as the social safety net, including welfare, social security, and health care.

approaching a point where **more than one-third of Americans do not pay taxes for the benefits they receive**.¹¹ While in 1950 there were sixteen taxpaying workers for every retiree receiving benefits, today there are three; and by the time baby boomers retire, the ratio will be two to one.¹² Demographic projections indicate massive labor shortages, begging the unanswered question of who will carry the weight of economic dependency. With 80 million baby boomers getting set to retire, revenues in national coffers will be diminished at a time when aging retirees themselves will become progressively more dependent on expensive social welfare programs, especially when combined with the escalating costs of social security and health care. Interestingly, this is happening at a time when a greater share of the GDP will also be required to service America's unprecedented national debt.

The situation is particularly troubling when factoring in the trend of rapid population growth in the poorest ethnic minorities—groups that already disproportionately rely on social welfare programs. A new demographic study reveals that the “tipping point” in America could be reached in 2010 with the birth of minority babies outnumbering whites for the first time, suggesting the nation is on course to have a white minority by 2050.¹³ Some experts predict that a burgeoning “white underclass” may then start to explode, exacerbating the already huge burden placed on taxpayers and social services.

Not only do we fail to recognize the grave danger of economic dependency to individuals, families, communities, and nations, but a widening of the social safety net is now being promoted to gain political votes. This is happening when arguments for the redistribution of wealth in favor of generous social assistance programs should be less compelling, considering that what is being redistributed is *debt* not wealth. Will our legacy to our grandchildren be crippling debt as well as diminished autonomy and power?

We must open our eyes to the devastating toll that economic dependency is inflicting on the population—how an entrenched culture of entitlement will endanger its future economic and moral resiliency. Simultaneously we must understand how economic dependency can be transformed into healthier outcomes providing greater happiness and security through knowledge and

common sense. When experience tells us that economic dependency is leading to a crisis in sustainability and solutions need to be found, partisan politics is a harmful distraction. Political differences need to be set aside for purposes of the larger good—of overcoming the dependency mindset.

Only through researching for my first book, *Dances with Dependency: Out of Poverty through Self-Reliance*, did I realize the devastating toll that economic dependency has taken in its silent sweep across the globe. Since then, I have discovered some of its fundamental principles, which appear in boxed sections at the end of each chapter in the present book.

In essence, this book identifies various forms of economic dependency and illustrates its self-defeating nature of entrapment so readers can understand how its unforgiving impact might be overcome through purposeful action. It expands on the debilitating effects of economic dependency and the essential elements of freedom through self-reliance. Unlike *Dances with Dependency*, however, it is intended as a handbook for anyone who is experiencing forced or self-imposed economic dependency and is searching for a way out of its addictive grip and onto a path of self-determination, self-worth, and personal dignity.

To assist readers in comprehending the economic dependency trap, this book contains some new concepts, such as the idea of “undependence” and a

related interpretation of the Declaration of Independence. These ideas are intended to show readers how more prudent decisions can be implemented to mitigate the impact of economic dependency.

This book also distinguishes four basic forms of economic dependency:

- *Government-to-citizen dependency*

In the West, the so-called social safety net (social assistance or welfare-type programs) has become so costly and unwieldy that it is being described by many as a “social safety hammock,” an unsustainable yet superficially comfortable financial millstone around the necks of nations. While the “social safety net” was in place to catch people when they fell from positions of meeting their basic needs, the “hammock” is designed to pay for every conceivable need. Also as a result of the Great Recession, “corporate welfare” has been established through a \$16.3 trillion taxpayer exposure for government bailout guarantees.

The bargain in the classic Communist model is that the state sustains everyone at the same level. As a result, populations are often mired in poverty, have no property rights, and lack incentives to improve their lives.

- *Government-to-government dependency*

Despite the fact that over \$2 trillion in systemic aid—as opposed to emergency or humanitarian aid or charity-based aid—has been transferred from rich to poor countries in the last fifty years, with Africa being the largest recipient, it has failed to deliver sustainable economic growth or to reduce poverty. Closer to home, transfer payments to Native American tribal governments in Canada and the United States have delivered results as disheartening as those associated with Western aid to poor countries in Africa. Arguably in nations with federal governments, comparable transfers of “equalization payments,” have created similar disincentives for reform. It turns out that taking monies from rich states in a federation and giving it to poorer states have some impacts that are comparable to international aid.

- *Intra-family dependency*

As part of a trend that has accelerated since the 1990s, the rapidly expanding and hardworking middle-class has showered material wealth on its largely unappreciative offspring, known as Generation Y. As a result, a sizable segment of this generation has developed a sense of entitlement without the skills or desire to be self-sufficient, self-responsible, or accountable—a situation that has become so predominant and damaging that psychologists refer to it as a disease of “influenza.”

Even in developing countries, surprising forms of economic dependency have emerged, such as the “little emperor syndrome” in China. China’s one-child policy has led to parents and grandparents doting on children, catering to their every whim and passing on all of their assets to them. Like middle-class parents in the West, many Chinese are starting to wonder whether their hard work and sacrifices will be squandered by the spoiled and undisciplined new generation.

Wealthy families who fear the impact of affluenza on their offspring have many options for countering the threat. Some may ultimately decide not to pass on their assets to their children.

- *Intra-organizational dependency*

Organizations such as corporations, nonprofit enterprises, and bureaucracies also face dependency issues within departments or among employees.

Each of these forms of economic dependency contributes to undermining and penalizing self-responsibility while seemingly rewarding and enabling dependency—and yet the negative fallout is rarely perceived. Many people are blind to the fact that the social welfare system applies a small bandage to the gaping wound of poverty, ignoring its root cause while inadequately addressing the symptoms. Many also do not notice that government-to-government policies directly generate governmental corruption and dysfunction on a massive scale.

Few people recognize that undisciplined giving can spoil children and destroy families by fostering harmful attitudes of entitlement that undermine self-sufficiency; too rarely do hard-working middle-class parents learn, to their dismay, that spoiling children can encourage attitudes similar to those instilled by welfare dependency—a mindset frowned upon by previous generations.

Ultimately, what sustains this pervasive blindness in our times is that the topic of economic dependency itself is often deemed too politically correct to openly oppose. I believe, however, that we are all better served by following the advice of the great Apache leader Cochise, who said we should “speak straight so that these . . . words go like sunlight to our hearts.”¹⁴

Oscar Wilde once commented, “It is always with the best intentions the worst work is done.”¹⁵ This attitude applies to the recent effort to free the poor of the destructive effects of poverty by demolishing public-housing projects in American inner cities. Instead of its intended effect, it exported serious crime to the suburbs where many of the poor inner-city folks subsequently took up residence, destabilizing many decent suburban African American neighborhoods in the process.¹⁶ Yet in spite of the damning evidence that exists, researchers have been afraid to speak out about the real and terrible consequences of this experiment—fearful to denigrate a trial effort launched with the best of intentions.

This book champions the use of honesty in facing the important issue of economic dependency, which too often is clothed in ideology and protected by political correctness. When a conscious course of action has created horrific consequences, a spade should be called a spade. Sensitivities concerning good intentions and inconvenient truths should never displace an honest discussion of a failed course of action. It also serves no useful purpose to dwell on blame. In a free and democratic society, everyone should be prepared to engage in open dialogue in a respectful manner without fear of attack—particularly when the results of a failed course of action are creating widespread harm.

The polarized dialogue of the poverty industry—composed of individuals and organizations whose livelihoods are based on maintaining the misery of the impoverished—and right-wing commentators does not provide the common ground needed to effectively tackle poverty rooted in economic dependency. However, freed from the deceptive lenses of ideology and partisan positions that bend our perceptions, we can recognize the forces of economic dependency and see how they operate.

At the same time, it serves little purpose to look critically at the welfare plight of the impoverished and economically dependent without providing solutions for a way out of the trap. The purpose of this book is therefore not only to help acknowledge the existence of the economic dependency trap but to

present a blueprint for those wishing to find their way out of it to a more sustainable, healthier future. It is my hope that such understanding can come to everyone like “sunlight to the heart.”

The major pitfall of economic dependency is how it impacts hope, the essential sustenance of life. It is human nature to instinctively seek out the promise of a better future. “If it were not for hope,” according to the Scottish proverb, “the heart would break.”¹⁷ The economic dependency trap has regrettably robbed the poor, the unsuspecting middle-class, and the unwary wealthy of hope and aspirations, instilling in their place apathy and confusion. Blinded over time, the rest of us have acquiesced to the status quo when it is within our reach to instead awaken power and dignity among those impacted. To paraphrase Mother Teresa: to keep a lamp of hope burning, we have to continually fill it with oil.¹⁸ In other words, keeping hope alive takes constructive action, exactly what the Davids need to be able to overcome the Goliaths who impede paths to a healthy future in which people embrace their self-worth and develop the skills to become self-reliant.

The time to release people and governments from economic dependency is at hand. To reinvigorate hope and attain these goals, we need to act directly and expediently. In the language of my tribe, the Tsimshian of the Pacific Northwest Coast, this is termed *Wai Wah*—which means “just do it.” In deciding

on a course of action to advance from economic dependency to self-reliance, we must further heed the wisdom of John F. Kennedy, who wrote that we should “not let our fears hold us back from pursuing our hopes [and our true potential].”¹⁹

Notes

1. <http://www.quotesandpoem.com/quotes/write-comment-quotes/author/Al-Capp/1755/> and http://thinkexist.com/quotation/anyone_who_can_walk_to_the_welfare_office_can/6975.html.
2. Peter H. Lindert "What Is Happening to the Welfare State?" University of California, Davis, March 18, 2004 and <http://www.unc.edu/depts/econ/seminars/Lindert.pdf>. Lindert defines welfare states as those that "devote 15 percent of GDP or more to social transfers"; the Netherlands, and Ireland are exceptions that have cut transfers as a share of GDP; even though there are currently few welfare states among Second and Third World countries, they are expected to emerge as populations age and prosper. It is noteworthy that current Third World Christian and Muslim countries are developing higher social transfers than those of OECD countries at similar stages of development.
3. http://www.allcountries.org/uscensus/598_social_welfare_expenditures_under_public_programs.html.
4. <http://www.heritage.org/Research/SocialSecurity/cda1001.cfm> and Alan Deacon, *Perspectives on Welfare*, Philadelphia, PA: Open University Press, 2002, 99, a source suggesting that Clinton's welfare reforms did have an impact on reducing the numbers dependent on welfare, at least by 2002.
5. <http://www.heritage.org/Research/Welfare/sr0067.cfm>.
6. The bill is officially known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. <http://www.faqs.org/childsmelserhood/Th-W/Welfare-Reform-Act-1996.html>.
7. <http://www.cbpp.org/cms/?fa=view&id=936>.
8. Neil Smelser, William Julius Wilson, and Faith Mitchell, eds. *America Becoming: Racial Trends and Their Consequences*, vol. 2, no. 154;

http://www.nap.edu/openbook.php?record_id=9719&page=154.

9. Editorial, "The Biggest Bill in History" *The Economist*, June 13, 2009, 13. The article discloses that "new figures from...IMF suggest that public debt of the ten leading rich countries will rise from 78% of GDP in 2007 to 114% by 2014... [owing] \$50,000 for every one of their citizens."

10. Niall Ferguson, "The Fragile Empire: Here Today, Gone Tomorrow? Could the United States Fall That Fast?" *Vancouver Sun*, March 8, 2010, A11.

11. <http://forums.anandtech.com/showthread.php?p=29487301>.

12. <http://www.socialsecurity.org/pubs/articles/tanner-050114.html>.

13. Alex Spillius, "Minorities Will Become Majority in U.S. by 2050," *Vancouver Sun*, March 12, 2010, B3.

14. In W.C. Vanderwerth, *Indian Oratory: Famous Speeches by Noted Indian Chieftains*, Norman Oklahoma: Oklahoma University Press, 1971, 153.

15. Oscar Wilde *Collected Works of Oscar Wilde: The Plays, Poems, the Stories and the Essays, including DE PROFUNDIS*, Hertfordshire, Great Britain: Wordworth Editions Limited, 1997, 1010 and http://books.google.ca/books?id=xZIRfVy0LbcC&pg=PA1010&lpg=PA1010&dq=It+is+always+with+the+best+intentions+the+worst+work+is+done.&source=bl&ots=aX1sXRSBWF&sig=967jzguHec8XzG7BgBCCLGjHcxQ&hl=en&ei=3eWAS9nTLI-2swPQnIX7Aw&sa=X&oi=book_result&ct=result&resnum=3&ved=0CAoQ6AEwAjqK#v=onepage&q=It%20is%20always%20with%20the%20best%20intentions%20the%20worst%20work%20is%20done.&f=false.

16. Hanna Rosin, "American Murder Mystery" and <http://www.theatlantic.com/doc/200807/memphis-crime>. Apparently, the situation was so bad for many that, in spite of all the good reasons for dismantling the slums, they still yearned for their former inner-city homes, where at least they shared a sense of community.

17. <http://www.englishproverbs.org/wisewords/ifnotforhopeheartwouldbreak.html>.

18. <http://www.charityvillage.com/cv/ires/quotes.htm>

19. http://thinkexist.com/quotation/we_should_not_let_our_fears_hold_us_back_from/160568.html.