

Flaws with Current “Welfare” Distributions



Current welfare distribution systems produce almost as much harm as good. Some would say more harm. Funded off the productive labor of others, they can be especially heinous. Yet without them, many would die of hunger and cold. [Debt-based capitalism](#) presents us with a dilemma.

The most humiliating moral hazard of current welfare systems is to put people in their “place”, “You receive the dole and I don’t”. It encourages classism and racism. It creates a brand of inferiority.

The brand is furthered by the resentment of working taxpayers, particularly those working long slaving hours. Rebellion is quelled with the belief that those receiving the dole are indeed inferior.

One of the most insidious aspects is “means testing”. On the surface, it seems fair to give the benefit only to those who truly need it. Yet the first casualty of such equity is truth. Means testing creates mendacity. It turns the poor into liars.

But it’s not just lies, it’s corruption. Means testing incentivizes members of the parasitic and large bureaucracy that enforces means testing to take a little handout and overlook an income source. The bureaucrats are every bit the cogs in a giant machine as are their recipients. Any collusion between the two that benefits them both is welcomed.

I believe the worst moral hazard of current welfare systems is how they discourage work. First and foremost, benefits are lost if one finds a job. This is fodder for an informal economy. It is an economy where no taxes are collected by the government, raising the burden on those who do pay taxes, and their resentment.

Finding employment is discouraged, if for no other reason than the difficulty of regaining the benefits should the job be lost. The new worker is being asked to exchange idleness for slavery.

If the job is not what they expected after a few months, the worker has no choice but to stay on. The welfare benefits are gone and reapplying might take several months or more of destitution. There is no reapplying while one still has a job.

Then there is the reality of revenues versus expenses. The cost of child care, wardrobe, transportation, and time costs can be well above the difference between minimum wage and welfare.

Discouraging thrift is another moral hazard built into welfare systems. Savings are forbidden. Even a small amount of assets disqualifies a recipient. Saving enough money to start a small business is forbidden. It is difficult to develop good financial habits. Lying about assets is the norm, grooming the poor for the penitentiary.

Isolation is another tragedy of the welfare system. Families are broken apart as benefits are reduced per person as household size increases. There is no division of labor in single households. Loneliness increases medical problems and social costs.

The Earth Dividend

The [Earth Dividend](#) is a right of the wealthiest billionaire and also the street pauper. Subservience, bribes, and lies are not required to get the dividend. There are no “haves” and “have-nots”, no implied or hidden inferiority. Everybody gets an equal share.

The Earth Dividend is supported by voluntary purchases of [location value](#), not productive labor. There is every incentive to get a job, because the Earth Dividend never goes away. There is no fear that the job might be a bust. With the Earth Dividend, one can feel free to explore new career choices, return to school, or start a small business.

In [land-based capitalism](#), there is never a penalty for saving money. Collect the dividend, work odd jobs, and save to invest in the future. [Voluntary collectivism](#) and large families are natural outcomes of the Earth Dividend. Almost always, there will be someone trustworthy around to care for children.

The Earth Dividend is the anti-welfare benefit!