



Dependency on Government Continues to Grow

Conservative economist Robert Higgs' (pictured at left) warnings about the Heritage Foundation's Index of Dependence on Government were already outdated when they were published on Thursday. The updated statistics from Heritage for 2011, published the next day, showed the situation in the United States to be even worse than Higgs warned.

Higgs noted that the so-called "ruling class" (taken from Angelo Codevilla's book of the same name) is a tiny percentage of the total population in the country, and has in the past only been able to maintain its legitimacy through vote-buying and mainstream media credibility. The fear of the ruling class has always been that dissatisfaction and distrust would result in their expulsion from the seats of power. But Higgs notes that now there are so many Americans dependent upon the government for their very subsistence that resistance to the tyranny of the ruling class is being increasingly neutralized.



The more dependent the citizens become on their government, the less influence they are likely to have in any substantial downsizing of that government:

They have approximately zero influence on the real rulers, yet they exert virtually no weight in opposition to those rulers, either. Fear of losing their government benefits effectively neutralizes them in regard to opposing the regime on whose seeming beneficence they rely for significant elements of their real income.

As a result, and confirmed time after time by various polls on the topic, few of the beneficiaries want to see any reduction in their benefits, thus lending continuing credibility to those in power providing them. Higgs noted ominously:

As the ranks of those dependent on the welfare state continue to grow, the need for the rulers to pay attention to the ruled population diminishes. The masters know full well that the sheep will not bolt the enclosure in which the shepherds are making it possible for them to survive. Every person who becomes dependent on the state simultaneously becomes one less person who might act in some way to oppose the existing regime. Thus have modern governments gone greatly beyond the bread and circuses with which the Roman Caesars purchased the common people's allegiance. In these circumstances, it is hardly surprising that the only changes that occur in the makeup of the ruling elite resemble a shuffling of the occupants in the first-class cabins of a luxury liner. Never



Written by **Bob Adelmann** on December 13, 2011



mind that this liner is the economic and moral equivalent of the Titanic and that its ultimate fate is no more propitious than was that of the "unsinkable" ship that went to the bottom a century ago.

The new numbers from Heritage support Higgs' contention, with 100 million citizens or more than a third of the population dependent in some manner, shape or form on one or more government entitlement programs. For instance, according to Heritage, nearly 50 percent of all Americans don't pay income taxes, and dependence upon government entitlements grew 8.1 percent in just the last year. More revealingly, the Heritage study shows that in 2010 more individuals received income from government programs than the average American earned in disposable income. With federal government employment growth outdistancing state government layoffs by 3.5 percent (twice the average rate over the last 24 years), and fewer taxpayers supporting the system, it's clear that, as Higgs puts it, "the parasites verge ever closer to outnumbering their hosts."

Add in the retiring Baby Boomers, 77 million of whom will be retiring over the next 25 years, and this will stagger the already overloaded system. As authors of the study, William Beach and Patrick Tyrrell, wrote: "No event will financially challenge these...programs over the next two decades more than this shift into retirement of the largest generation in American history." The International Monetary Fund looked at the same numbers and predicted that "U.S. public-sector debt will equal 100 percent of gross domestic product by 2015 unless immediate actions are taken to cut the deficits by an amount equal to 12 percent of the GDP." The debt is growing so fast that even that IMF report is out of date, with the U.S. having exceeded that benchmark months ago. The Heritage authors ask rhetorical questions: Can this republican form of government withstand the political weight of a massively growing population of Americans who believe themselves entitled to government benefits, and who contribute little or nothing for them? Are Americans completely indifferent to history's many examples of experiments in republican government collapsing under the weight of just such a population? Are Americans near a tipping point in the nature of their government and the principles that tie it to civil life? They answer:

A fair reading of these trends and the data contained in this Index leads almost inescapably to the view that, yes, Americans have reached that point.

Economist Higgs <u>answered that same question nearly 15 years ago</u>, noting that Americans, if they are to save themselves, must assume the personal responsibilities for their lives that they have given over to the siren song of living off the efforts of others:

If we are to regain our liberties, we must reassert our responsibilities for ourselves, accepting the consequences of our own actions without appealing to the government for salvation. To continue on the road we Americans have traveled for the past century is ultimately to deliver ourselves completely into the hands of an unlimited government.

Even the most casual perusal of the evidence provided by the Heritage Foundation will show exponential growth in the programs least financially able to pay for it. The authors are right: history has not treated republics well whose ruling class has made promises to their subjects that they cannot keep.





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