

A Plan to Replace the Welfare State*

By Charles Murray†

The welfare state is within decades of collapse, author Charles Murray told a conference co-sponsored by the Progress Foundation and AIER earlier this year. In the provocative and thoughtful talk he delivered in Zurich, which is reprinted here, he outlined a system that he says will achieve the welfare state's basic goals without creating its accompanying problems.

The backdrop for tonight's presentation is a train wreck in slow motion that we have been watching approach for the last few decades and that is now only a few decades away from happening. I refer to the end of the welfare state as we have come to know it. Everywhere, it is approaching financial and social collapse.

The looming financial disaster is the most obvious part of the problem. For the EU countries, the calculus is quite simple. The benefits of the advanced European welfare states require taxes from working-aged citizens. You haven't been producing enough working-aged citizens from among your native populations, so you're going to have to accept massive immigration. This could conceivably work if Denmark, let's say, had massive immigration of Norwegians. But Denmark cannot remain Denmark if the massive immigration consists of Albanians, Nigerians, or Iranians. The cultural consensus that allowed the welfare state to work as long as it did is too deeply embedded in the cultures that produced it. Forget Albanians, Nigerians, or Iranians. The Danish welfare state wouldn't work if there were massive immigration of Italians or Poles. And that leads

me to what I meant when I said that the welfare state everywhere is within decades of social collapse.

In the beginning, the welfare state seemed so simple, and it was so obviously the right thing to do. It is not right that elderly people should be in poverty, so let the government provide everyone with a guaranteed pension. If the unemployed husband and father can't find a job, let the government give him some income until the economy improves. Some people who are sick cannot afford to go to a physician, so let the government pay for health care.

It turned out not to be simple after all. The act of giving pensions increases the probability that people will reach old age needing them. When governments give unemployment benefits, it turns out that more and more people say they cannot find jobs. The demand for medical care always outstrips the supply. But despite the complications, these were the easy tasks. The countries of Northern Europe, ethnically homogeneous, with traditions of work, thrift, neighborliness, and social consensus—did them best.

The problem is that traditions decay when the reality

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As in all Progress Foundation economic conferences, the views expressed by the participants are their own and do not necessarily represent the views of the sponsoring institutions. As with previous events, however, we believe that the analysis in this article is both timely and pertinent.

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facing the new generation changes. The habit of thrift decays if there is no penalty for not saving. The work ethic decays if there is no penalty for not working. Neighborliness decays when neighbors are no longer needed. Social consensus decays with immigration. Even the easy tasks became hard as time went on.

During the second half of the 20th Century, the welfare state confronted a new phenomenon that came to be called the underclass. As the years passed, poor young men increasingly reached adulthood unprepared to work even when jobs were available. They were more disposed to commit crimes. Poor young women more often bore children without a husband. Poor children more often were born to parents who were incompetent to nurture them. In the United States, it was obvious by the 1980s that government had failed. Then the evidence grew that government had exacerbated the problems it was trying to solve. As the Americans were reaching these discoveries, an underclass began to emerge in the European welfare states as well.

Achieving Basic Goals Without Welfare

That the easy tasks of the welfare state became hard and that underclasses are growing throughout the Western world are not coincidences. The welfare state produces its own destruction. The process takes decades to play out, but it is inexorable. First the welfare state degrades the traditions of work, thrift, neighborliness that enabled a society to work at the outset, then it spawns new social and economic problems that it is powerless to solve.

So what to do in the face of the train wreck? I am a liberal, in the European sense of that word, and the liberal solution is simple. Prevent the government from redistributing money in the first place. If I could wave a magic wand, that would be my solution. Leave the wealth where it originates and watch how its many uses, individual and collaborative, enable civil society to meet the needs that government cannot.

But while I may be idealistic, I am not completely out of touch with reality. We are not going to stop massive transfer payments, in the United States or in Europe. And so the question becomes, is there any way

to achieve the basic goals of the welfare state without all the problems that go with the welfare state?

The answer is yes, and way to do it is extremely simple.

Step back for a moment consider just what it is that all those bureaucracies of the welfare state and all that money we're spending are supposed to accomplish. Strip away all the rhetoric, and it comes down to this: We want everyone to have access to a decent standard of living, including decent health care, throughout their lives. That's it. If we could accomplish that very basic goal, it would be an historic achievement.

Now consider this blindingly obvious economic reality that somehow no one seems to notice: The advanced nations of the West are so wealthy that accomplishing

that goal is easy. I will put the case in terms of the country I know best, the United States. We start with a situation in which a large majority of the population doesn't need any help whatsoever to reach the goal. They make

enough money on their own. Now on top of that great wealth, every year the United States government transfers more than a trillion dollars from some citizens to other citizens. And the United States still has millions of people in poverty, millions of people without comfortable retirements, millions of people without access to adequate health care. It's absurd. Only a government could spend so much money so badly. The solution? Give the money to the people.

Income Instead of Benefits

Scrap the structure of the welfare state. Instead of sending taxes to Washington, straining them through bureaucracies, and converting what remains into a muddle of services, subsidies, in-kind support, and cash hedged with restrictions and exceptions, just collect the taxes, divide them up, and send the money back in cash grants to all American adults. Make the grant large enough so that the poor won't be poor, everyone will have enough for a comfortable retirement, and everyone will be able to afford health care. We're rich enough to do it.

In a book I published two years ago, *In Our Hands*, I laid out a specific plan for doing this that gives every

American citizen age 21 and older a monthly cash grant that is electronically deposited into that person's bank account (no bank account, no grant) that amounts to \$10,000 per year. I am not going spend any time on the financial details that are specific to tax revenues and policies in the United States. Each of the nations that you represent has specific circumstances that make those details irrelevant to your own situation. The crucial points are these:

1. The guaranteed income replaces every transfer of money from some individuals and groups to other individuals and groups. There are no more medical benefits, unemployment benefits, retirement benefits, or child allowances. And, for that matter, there are no more agricultural subsidies or corporate subsidies.

2. There's enough money to fund the program. Using conservative assumptions, the projected costs of the current system and of the guaranteed income cross in 2011. By 2020, a guaranteed income would cost half a trillion dollars less than a continuation of the current system. By 2028, the cost differential would be \$1 trillion per year. This statement does not take transition costs into account. I will simply note that a system that will cost a half trillion dollars less than the current system per year by 2020 leaves a lot of room for dealing with transition costs.

3. Work disincentives can be minimized. The problem with most income supplements is that they impose huge marginal tax rates on low-income workers. Why take a job if you lose your government benefit and end up with only ten or 20 percent more income than you got when you weren't working? In my guaranteed income plan, earned income has no effect on the size of the grant until that income reaches \$25,000, after which a surtax on the incremental earned income is imposed. Think of it this way: Someone who reaches \$25,001 and starts paying the surtax has a choice: Keep working, and have a net income of almost \$35,000, or stop working and have an income of \$10,000. Not many people are going to stop working, though some might cut down on the hours they work. It's not possible to get rid of work disincentives altogether, but they can be manageable.

4. Ten thousand dollars, or something close to that

amount, is enough money. I make that case in detail in the book with regard to poverty, retirement, and health care. I don't mean that it is enough for a single person to live a comfortable life without working and without cooperating with anyone else. I mean that it is enough for anyone who does join cooperatively with someone else, and someone who does spend his working years in the labor market. A married couple is the classic example. An American married couple in which just one person works at a low-paying job can do much better, as a couple, under the guaranteed income than they do under the current system. But you do not have to think in terms of married couples. Any two adults—or groups larger than two people—have the same ability to pool resources and live comfortable, secure lives under a system in which every adult has \$10,000 in resources per year. Furthermore, I can make these statements even if I make conservative assumptions about the state of the economy and periods of unemployment.

Trimming Bureaucracies

The arithmetic and evidence demonstrating those statements takes up about half of the book. I urge you to do the same arithmetic for your own country. Here is the short statement: It is amazing how much direct cash grants can do to meet basic social needs compared to what is accomplished by huge bureaucracies doling out welfare benefits. We can argue about what the precise amount of the grant should be. There is no argument about the greater benefits that ordinary people would get from cashing out the apparatus of the welfare state and devoting all of the resources that are saved to money that actually goes to people, not bureaucracies. The only reason that governments of advanced Western nations are facing financial problems meeting basic

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human needs is because they are spending the money so foolishly.

But why am I so enthusiastic about a system that only works for people who are willing to cooperate with at least one other person? And that brings me to the larger purpose of a guaranteed income that replaces the apparatus of the welfare state. To my mind, the real problem advanced societies face has nothing to do with poverty, retirement, or health care. The real problem is how to live meaningful lives in an age of plenty and security.

Throughout history, much of the meaning of life was linked to the challenge of staying alive. Staying alive required being a contributing part of a community. Staying alive required forming a family and having children to care for you in your old age. The knowledge that sudden death could happen any time required attention to spiritual issues. Doing these things was a matter of necessity. But doing them also filled life with meaning in this most fundamental sense: People spent their lives doing important things with their time. The satisfactions associated with being a good spouse, good parent, good neighbor, and a productive member of the community were real, deep, and justified.

The Europe Syndrome

Life in an age of plenty and security requires none of the things that used to be part of staying alive. Being part of a community is not necessary. Marriage is not necessary. Children are not necessary. Attention to spiritual issues is not necessary. It is not only possible but easy to go through life with a few friends and serial sex partners, earning a good living, having a good time, and dying in old age with no reason to think that one has done anything more significant than passing the time.

And so I come to my most inflammatory proposition for the audience: Western Europe is warning us in America of what lies ahead if we follow in your path. Since I am about to say some very negative things about Europe, I guess I should begin by confessing that I love Europe. A few years ago I wrote a 700-page book celebrating Western Europe—not the West including the United States, but Western Europe specifically—as the fountainhead of human greatness in the arts and sciences. I accepted the invitation to speak here because I take every chance I get to visit. If you could follow me over the next few weeks while I am traveling in Swit-

zerland, Italy, and France, you would hear me muttering to myself many times, “Why can’t the United States be like this?” That is the context in which I am about to say some very critical things about Europe.

Western Europe adopted the welfare state earlier than the United States and implemented it more completely. Putting aside for a moment the looming budgetary crises, you succeeded in your central goals. On almost any dimension of material wellbeing, your countries lead the world. Your indicators of economic equality are the highest, and your indicators of economic deprivation are the lowest. The average American intellectual thinks that the European welfare state represents the ideal America should emulate.

In my view, the ideal represented by the European welfare state is suited only for a particular way of looking at human existence: one that thinks that the purpose of life is to pass the time as pleasantly as possible, and the purpose of government to enable people to do so with as little effort as possible. This attitude toward the purpose of life is reflected in what I will call the Europe Syndrome.

Europe’s short workweeks and frequent vacations are one symptom of the Syndrome. The idea of work as a means to self-fulfillment has faded, especially for the working class. The view of work as a necessary evil, interfering with the higher good of leisure, dominates.

A Culture of Self-Absorption

The collapse of marriage is another symptom. Part of the reason is direct: The advanced welfare state removes many of the traditional economic incentives to marry. But the larger reason involves the welfare state’s effect on another reason for marriage: the desire to have children as a couple. The welfare state treats children as a burden to their parents that must be lightened through child allowances, subsidies, and services. The people of Europe have responded by agreeing.

Children are no longer a central expression of one’s life, but are objectified. Which to do, have a baby or buy a vacation home? Such is the calculus that young European adults routinely express when asked about their plans for children, and the value of the vacation home looms large. Why have a child, when children are so expensive, so much trouble—and, after all, what good are they, really? Such are the attitudes that young European adults routinely express when asked why they

have no children.

And so, throughout Europe, fertility rates have fallen far below replacement level. This historically unprecedented phenomenon signifies more than a demographic trend. It reflects a culture of self-absorption—absorption not in some great ambition, but in passing one’s time as pleasantly as possible.

The secularization of Europe is another symptom of the Europe Syndrome. Churches are empty. Europeans have broadly come to believe that humans are a collection of activated chemicals that, after a period of time, deactivate—nothing more. This unique secularization—no culture in recorded history has been nearly as secular as contemporary Europe’s—cannot be blamed simply on modernity and economic wealth. Religion is alive and well in the United States. Secularization has occurred specifically in the most advanced welfare states.

Such is the nature of the Europe Syndrome. The question, of course, is whether it is so awful. What’s wrong with a society in which everyone one can pass the time as pleasantly as possible?

In the time I have, I must present my argument in its barest form.

A human life can have transcendental meaning. In Aristotelian terms, human beings have an excellence that can be realized. In more ordinary terms, human beings can live satisfying lives. What do I mean by satisfying? I guess the best way to put it is this: When you get to be 70, can you look back on who you have been and what you have done, and say to yourself that you spent your life doing important things? Can you be proud of who you have been and what you have done? If the answer is yes, you have lived a satisfying life. If the answer is no, it makes no difference how pleasant your life has been. It has been empty.

Vital Institutions

That is my first proposition. My second proposition is that the number of institutions through which a satisfying life can be constructed is quite limited. There are just four: vocation, family, community, and religion. I will leave aside religion for this presentation, since it raises so many unique issues. Think in terms of vocation, family, and community. If they are the institutions

through which people construct satisfying lives, one of the chief functions of government is to ensure the vitality of those three institutions. And that’s the most important value of a guaranteed income that replaces the welfare state. It would revitalize all three of those institutions, to varying degrees.

In Europe, the guaranteed income would have the least effect on vocation. Most people find their vocation by trial and error. The process of finding a job that makes one happy often continues well into a person’s 20s and often beyond. To do it, you need to be able to change jobs and move geographically, often several times.

In the United States, the role that a guaranteed income would play is twofold: A guaranteed income would make it easier to find a vocation by changing jobs, and it would make it easier for a person to accumulate the capital to start his own business. In Europe, it would not have as much effect because your labor markets and employers are highly regulated. Having a guaranteed income wouldn’t make it easier for employers to take a chance on a new employee. It wouldn’t

reduce the number of regulatory requirements facing people who want to start a new business. Its main effect would be to increase the value of a low-income job. Right now, the difference

between the incomes you get from a low-income job and the income from unemployment benefits is not very much in most European countries.

Under the guaranteed income as I propose it, a low-income worker would get to keep all of the income from that job. It would all be pure profit. That alone is likely to have a major positive effect on work effort—not a trivial benefit in itself, but especially important to men who are husbands and fathers—and that brings me to the second of the three institutions I want to discuss, the family. If a man working at a low-income job is providing a better life for his family than they would have if he quit, he is doing something important with his life. Replacing the welfare state with a guaranteed income would have that effect, and it would be a great benefit for men and for families.

Positive Effects on Families

Another major effect of the guaranteed income on the family involves births—not the number of births, but

the circumstances of those births. Throughout Europe, as in the United States, the percentage of children born to single women has grown rapidly in recent decades. I have spent much of my career pointing to the overwhelming evidence that, statistically, children who grow up without fathers are at a terrible disadvantage in life, and that societies in which large proportions of children grow up without fathers experience increasing crime, social disorganization, dropout from the labor force, and other problems.

In the United States, this evidence is no longer in dispute. Scholars on the left as well as those on the right now accept the importance of stable two-parent families for the well-being of children and the health of a culture. In Europe, I have encountered hardly any interest in the subject among your sociologists. It is not that Europe is having a different experience from the United States, but that few European scholars have been willing to brave the dangers of investigating the hypothesis that fathers are important.

In any case, the guaranteed income as I propose it—replacing all existing benefits—will almost certainly produce a large reduction in births that occur to single women, for the simplest of reasons: It introduces new penalties for nonmarital births for everyone involved.

A guaranteed income obviously increases the economic penalty of having a baby for a single woman under 21. She no longer gets any government assistance. That increases the penalty for the parents of a teenaged mother who is still living at home. They have to pay for the costs of the baby.

Impacts on Fathers

A guaranteed income radically increases the penalty for the father of the child. Under a guaranteed income, every man age 21 or older has a known income stream deposited to a known bank account every month. Police do not need to track him down or try to find him on a day when he has cash on hand. All they need is a court order to tap the bank account. Even teenaged fathers who are not yet getting the grant need not escape. Just write the child-support law so that their obligation accumulates until they turn 21, when he has to start paying it back. The guaranteed income transforms the perspective of a young man on what it means to impregnate a woman.

For single women 21 and older, the major effect of a guaranteed income is to create a cost of having a

baby that doesn't exist now. Under the current system, the birth of a baby brings resources that would not be offered if the baby did not exist. Under a guaranteed income, the baby will be a drain on resources. I frame the argument in the abstract, but it will not be abstract when a guaranteed income goes into effect.

Think in terms of a 20-year-old woman from a low-income neighborhood with a boyfriend. She knows she is about to start receiving a monthly check. She also knows older women in her neighborhood who are already getting that check. The ones without babies are spending it on themselves. Her friends with babies are buying diapers and baby food, and probably living with their mothers because they cannot afford a place of their own.

If you don't think that births to single women is a problem, then reducing such births is not a benefit of the guaranteed income. As someone who believes that births to single women are the single most important cause of a growing underclass, I believe this effect to be among the most important positive benefits of a guaranteed income.

There are other positive effects on the family. Today, I will focus on just one, the effects on a mother's decision to work outside the home. The guaranteed income does nothing to discourage a woman from having a career outside the home. Indeed, it makes it easier, by providing a supplement to pay for daycare for children. But what about the large number of women who want to be fulltime mothers and housewives, especially while the children are young? A guaranteed income is not going to affect the decisions of women in wealthy households. But for many women with young children who work only because they have to help pay the bills, the guaranteed income can easily represent the difference that makes it possible to do what they want to do—if, and only if, they also have a husband's income and cash grant. This is unambiguously positive for those women and positive for the children as well. It also constitutes a major incentive for women who want children to marry.

Stay-At-Home Mothers

More mothers staying at home because they choose to do so will also be good for marriage itself. A marriage can be filled with family activities, or it can be stripped down. The more time that is filled by jobs, the more stripping-down of family life has to occur.

It is not a matter of choice. Weekends are a different kind of experience in a family where all the domestic chores of the week must be crowded into Saturday and Sunday versus one where they are not. The availability for volunteer work at the local school differs between those two households. The availability to be a neighbor in times of need differs. The availability to care for aging parents differs. The availability to be active in one's church differs.

All of these activities on the part of either parent are in addition to the childrearing activities that can fill a marriage or be stripped down. It is a simple relationship: The more resources that are devoted to a marriage, the richer that marriage is likely to be. The richer the marriages in a community, the more the community thrives. A guaranteed income's effect on enabling married women to stay home if they wish could be one of its most important ones.

Now I turn to community. This is perhaps the greatest divide separating Americans and Europeans, because it involves the role of voluntary associations and private philanthropy. Our histories in the United States and Europe are very different. Here is Alexis de Tocqueville, writing in the 1830s, on Americans and voluntary associations:

Americans of all ages, all stations in life, and all types of dispositions are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types—religious, moral, serious, futile, very general and very limited, immensely large and very minute. Americans combine to give fêtes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons, and schools take place in that way.... In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association.

The relevance to community is this: Under the guaranteed income, everyone will have the resources to provide for their own health care, retirement, and periods of unemployment. Everyone will have the means, joining cooperatively with at least one other person, to

live a comfortable life. But some people will not. Some people will squander their money or meet with terrible misfortunes beyond their control. The plan for a guaranteed income that I propose returns responsibility for those remaining human needs to civil society and all those voluntary associations that de Tocqueville talked about. Is this a good thing or a bad thing?

Strengthening Civil Society

It may be argued that it is better to have paid bureaucracies deal with these human needs. That way, the burden is not left to people who choose to help, but shared among all the taxpayers. Furthermore, it is more convenient to have bureaucracies do it. Being a part-time social worker appeals to some people, but most of us would rather pay our taxes and be done with it.

The benefits of returning these functions to civil society are of two kinds: Benefits for the recipients of assistance, and benefits for the rest of us.

The Benefits for Recipients. People trying to help those in need must struggle with the dilemma that is known as moral hazard. People who are in need through no fault of their own can be given generous assistance with no risk. But people who are in need at least partly because of their own behavior pose a problem: How to relieve their distress without making it more likely that they will continue to behave in the ways that brought on their difficulties, and without sending the wrong signal to other people who might be tempted?

Bureaucracies have no answer to this dilemma. They cannot distinguish between people who need a pat on the back and those who need a stern warning. They cannot provide help to people who have behaved irresponsibly in a way that does not make it easier for others to behave irresponsibly. Bureaucracies, by their nature, must be morally indifferent. In contrast, private organizations are not just free to combine moral instruction with the help they give. Such moral instruction is often a primary motivation for the people who are doing the work. Religious belief is sometimes its basis, but the point of view emerges in secular organizations as well. If the behavior of the recipients of the help has contributed to their problems, then the provision of assistance must be linked with attempts to get them to change their ways.

The result is that private philanthropies tend to provide help in ways that minimize moral hazard. People get the material assistance they need, but along with

messages that it's time to get their lives in order. Some people see criticism and stigma as bad things. I see them as good things. Essential things. Taking them away from social assistance has been a disaster.

The Benefits for the Rest of Us. The second large benefit of taking these functions back into our own hands is that turning them over to a bureaucracy means turning over too much of the stuff of life to them. By stuff of life I mean the elemental events of birth, death, growing up, raising children, comforting the bereaved, celebrating success, dealing with adversity, applauding the good, and scorning the bad—coping with life as it exists around us in all its richness. The chief defect of the welfare state from this perspective is not that it is inefficient in dealing with social needs (though it often is), nor that it is ineffectual in dealing with them (though it often is), nor even that it often worsens the very problems it is supposed to solve (as it often does). The welfare state drains too much of the life from life.

Values and Voluntarism

This argument is not an exhortation for us all to become social workers in our spare time. Give the functions back to the community, and enough people will respond. Rather, the existence of vital, extensive networks of voluntary associations engaged in dealing with basic social needs benefits all of us for two reasons.

The first reason is that such networks are an indispensable way for virtue to be inculcated and practiced in the next generation, and the transmission of virtue is the indispensable task of a free society that lasts. The link between virtue and the success of a free society is not theoretical, but tangible and immediate. A free market cannot work unless the overwhelming majority of the population is honest in business transactions. Allowing people to adopt any lifestyle they prefer will not work if a culture does not socialize an overwhelming majority of its children to take responsibility for their actions, to understand long-term consequences, and to exercise self-restraint. Ultimately, a free society does not work unless the population shares a basic sense of right and wrong based on virtue classically understood.

The question then becomes how virtue is acquired. Aristotle's answer is still the right one: Virtue has the characteristics of a habit and of an acquired skill. It is not enough to tell children that they should be honest, compassionate, and generous. They must practice honesty, compassion, and generosity in the same way that they practice a musical instrument or a sport. Nor does the need for practice stop with childhood. People who behave honestly, compassionately, and generously do not think about each individual choice and decide whether in this particular instance to be honest, compassionate, or generous. They do it as a habit.

If this is an accurate description of how virtue is acquired, then transferring human problems to bureaucracies has an indirect consequence that ultimately degrades the society as a whole: Doing so removes the arena in which virtues such as generosity and compassion are practiced.

It may not be necessary for everyone to become a volunteer social worker to find satisfaction in life, but it is important that people deal with the human needs of others in a way that is an integral part of everyone's life. In a society where the responsibility for coping with human needs is consigned to bureaucracies, the development of virtue in the next generation is impeded. In a society where that responsibility remains with ordinary citizens, the development of virtue in the next generation is invigorated.

Personal Rewards and Community

The other reason that the stuff of life should not be handed over to bureaucracies involves the dynamics through which communities remain vital or die. Communities are vital when they have important things to do. They die when they have nothing important to do. When the government says to a community, "We'll take care of that," it takes away important things for the community to do. By hiring professional social workers to care for those most in need, it cuts off nourishment to secondary and tertiary behaviors that have everything to do the community as a source of rich satisfactions.

There is nothing abstract in that statement. I can take you to my community in the United States and

show you dozens of people whose major satisfactions in life do not come from the job they hold or how much money they make, but the roles they fill within their community. My wife is one of them, for that matter. The existence of those roles depends on keeping those functions within the community, and not turning them over to the government.

These are my reasons for thinking that the effects of a guaranteed income on civic life will be transforming.

You may be asking yourselves what all of this can possibly have to do with real politics in the real world. This year or next year, nothing. But I believe that, eventually, something very like a guaranteed income is politically inevitable. Two historical forces lead me to this conclusion. The first is the secular increase in wealth that has characterized the West since the advent of capitalism.

Real per-capita GDP has grown with remarkable fidelity to an exponential growth equation for more than a century. In the United States, that curve cannot keep going up for much longer without it becoming obvious to a consensus of the American electorate that lack of money cannot be the reason we have poverty, lack of medical coverage, or an underclass. The problem is that we are spending the money badly.

Structural Limits of Government

The second great historical force is the limited competence of government—not the United States government or the EU governments, but every government in every culture in every era. The limits do not arise because bureaucrats are lazy or the laws improperly written, but from truths about how human beings

behave when they are not forced to elicit the voluntary cooperation of other people.

If constructed with great care, it is possible to have a government that administers a competent army, competent police, and competent courts. Even accomplishing this much is not easy. Comparatively few governments in the world's history have succeeded. Every step beyond these simplest, most basic tasks is fraught with increasing difficulty.

By the time the government begins trying to administer to complex human needs, it is far out of its depth. Individuals and groups acting privately, forced to behave in ways that elicit the voluntary cooperation of other people and groups, do these jobs better. The limited competence of government is inherent. At some point in this century, that, too, will become a consensus understanding.

Perhaps it will not come soon enough for Europe. The effects of the massive immigration that the EU countries are experiencing and the imploding native populations are going to revolutionize the political landscape in the countries surrounding Switzerland within a matter of decades. You just may not have enough time. But pessimists are often wrong, and I hope I am.

Europe and the United States have accumulated great wealth, more than enough to minister to all the human needs that material resources can solve. What's left are the human needs that material resources cannot solve. To minister to them—to minister to the human needs of our own lives and our children's lives, we need to take responsibility for our lives back into our own hands—ours as individuals, ours as families, and ours as communities.

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