

Tuesday, August 5, 2008

The Long Tail of Entitlement Trumps Self-Reliance and Intelligence

I have long had in my mind's eye a kind of chart with a bell curve in it that intuitively explained to me why, over time in a democracy, the lowest common denominator of cultural and political discourse will sink, which will have a negative feedback effect on the overall robustness of society. Today I got an email from my longtime internet penpal Larry Wallman, quoting Ron Paul, that finally motivated me enough to whip up excel and try to plot it:

What Larry Wallman sent via email was his famed "Sunday Comments", which, since I no longer daytrade at all, is actually the only reason I subscribe to his stock market newsletter...

[quote]

Last week, Ron Paul of Texas, said something so profound that it needs to be said here, please read this carefully:

"But the people who are screaming for the housing bailout are the people who got their houses for free. You know, they didn't have to put any money down. The house went up in value. They even borrowed more money. Then they spent it. Now they want you and I to bail them out so that they can keep their homes" - Congressman Ron Paul

You cannot explain what's going on with the latest "bail out" any better than Mr. Paul just did. People got into homes with no money, borrowed against the home because supposedly the value was increasing and then when they found they really couldn't make the payments when the rates reset, they whined to Uncle Sam and now YOU and I are going to have to pay to bail them out. Will I get their home in return for bailing them out? Will I get a percent of the profits if they sell? No. Will I get a lousy Christmas card? No. I get absolutely nothing. You get absolutely nothing. The only people that get something are the politicians who will get votes. Lets face it, if I was a deadbeat, living in a house I had no right to even consider, let alone buy, I'd vote for the idiot that is going to allow me to live there too.

And so it goes, the death spiral of the US economy.[/quote]

Let me explain why my chart may explain why these economic death spirals are inevitable as the tides...

First, we have the "intelligence bell curve", which most would agree looks pretty standard. We have the meaty part in the middle containing average people of average intelligence, but we live on Planet Wobegon and we all consider ourselves to be of above average intelligence. Be that as it may, on either end of the meaty part, to the right we have a small number of intellectually superior people who are the most intelligent among us, and to the left, we have a long, long, LONG tail of couch potatoes who are stupider than monkeys every single one us believes is the exclusive domain of other people.

What makes the phenomenon pernicious is the "common denominator" line. If we bisect our bell curve down the middle, everyone to the right would be considered "above average" intelligence. The problem with these people, is that they tend to think. The further to the right we go up the more intelligent side of the curve, the less effect mindless slogans have in galvanizing this group into a herdlike response to some external stimulus as dictated by a third party (a.k.a. the government).

To make matters worse, the higher intelligence of the people on this side of the curve begets more lateral, non-linear, non-impulsive thought processes, which means that given a problem, the people on this side of the curve will probably come up with a multitude of answers. There is less likely to be a consensus here and if there's one thing a politician MUST HAVE, especially one facing re-election, or election is as many people as possible thinking the same thing.

If we turn our attention to the left side of the curve, we find the duller knives in the drawer. Those more easily bamboozled because of their economic, cultural, and political illiteracy can be herded, grouped, massed and convinced of the same thing much more easily. "They hate us because of our freedoms", "Happiness is just around the corner" and "The economy is fundamentally sound" are what these people almost want to hear, and have no disbelief to suspend. The left side of the intelligence bell curve we find a much more pliable mass of people who can be more easily grouped into easy-to-explain beliefs which can result in them voting more or less in unison.

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Thus, to the politician, the low hanging fruit is always the less intelligent side of the intelligence bell curve, and each iteration of the political process will cause them to target that half of the curve with platforms and policies that "make sense" to stupid people. This either results in a society where the political policies are dictated by the dumbest people, or one where politicians must LIE in order to get elected.

This is why people like Ron Paul will never, ever be the Republican nominee, even though he is pretty well the only textbook definition of a Republican in the entire party.

Posted by Mark Jeftovic in Personal Liberty at 11:51