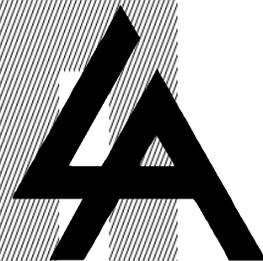


# WHY I CALL MYSELF A FREE MARKET ANARCHIST AND WHY I AM ONE

BRIAN MICKLETHWAIT



On March 5th 1992 I gave a talk to the Cambridge University Free Society, which they advertised as “Do We Need Government?”. What follows is, more or less, and rewritten in the words that occurred to me while writing rather than the words that sprang to mind when I spoke, the talk I gave in Cambridge, with some gaps filled and some irrelevancies omitted. My thanks to the Free Society for the audience and the hospitality.

The only serious reason for *saying* that you believe something is that you do. Nevertheless there are several advantages to adhering in public to the extreme free-market-anarchist anarcho-capitalist close-down-the-entire-government-yes-all-of-it position,<sup>1</sup> which are quite aside from the fact that it's a good and true and honourable idea. It may seem cynical to say it, but the incidental tactical and career advantages of libertarian, total free market anarchism were at least as attractive to me when I first encountered this idea as was its mere truth or satisfactoriness as a workable system.

I already believed in the free market when I encountered the idea of a *really* free market, but the only kind of free market I'd been told of until then tended to be believed in also by boring, middle aged farts, or so the opponents of free markets were able - rather convincingly to my ears - to argue. The free market came over as a tired subterfuge for defending existing business interests and already flowing dividends, rather than as the radical exercise in change and trouble making that I would have preferred. It upheld only capitalism as it already was.

Free market anarchism glorifies a new and different future. It is a radical challenge to the *status quo*, including much of the “capitalist” *status quo*. Students, and intellectuals generally, love to make older and richer people squirm, and free market anarchism does this splendidly.

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www.libertarian.co.uk email: admin@libertarian.co.uk

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Director: Dr Chris R. Tame

Editorial Director: Brian Micklethwait

Webmaster: Dr Sean Gabb

**FOR LIFE, LIBERTY AND PROPERTY**



Radicals of the sort who used to be Marxists are now attracted by free market anarchism, which, like Marxism, is systematic and elaborated in books. Free market anarchists tend to think in grand schemes and grandly successive epochs, as Marxists do. But best of all, and just like Marxism, free market anarchism frightens the horses.

Because of its radical disruptiveness, free market anarchism fits better with the orthodoxy of most universities than do the more three-piece-suited versions of the free market. Free market anarchism is, approximately speaking, politically correct. To put it at its most tactical and superficial, free market anarchist posters in universities are less likely to be torn down by red fascists than are posters of a more conventionally pro-capitalist sort.<sup>2</sup>

## THE ANARCHIST CONSENSUS

Another attraction of saying that the government ought not to exist, rather than merely that it ought to do less, is also tactical. Simply, anarchism is easier to agree about than any exercise in merely “limited” government.

History is made (my desire is to make history) by quite small groups of people, who are all more or less on the same side, who manage to find an echo in the wider world by a combination of agreeing with it and confronting it skillfully. They don't need completely to agree about what they are trying to do, but the more they do agree the better the scheme will tend to work. Free market anarchists make good collaborators with other free market anarchists, because we all agree about our answer to the question “what should the state do?”, our answer being: nothing.

Limited statist, on the other hand, each tend to have their own particular and rather complicated answers to that question. For most, the state should have a special role in “defence”. (Yes, but how much of a role, and how much private enterprise defence should be allowed?) For some (but by no means all) money has to remain a state business. In which case which monetary theory ought the state to follow, given that it is going to have to follow some such theory? For most, the state must also focus on “law and order”, but again, that raises a host of questions about who else may also sell this, and what sort of weapons they may use. And so on and so forth. All very tricky to agree about. Limited statist, although vastly more numerous than free market anarchists, are at a tactical disadvantage.<sup>3</sup>

## EXTREMISM TRANSFORMS THE CONSENSUS

Another tactical advantage to free market anarchism is that even if all you happen to be is a limited statist of some sort or another, you are at least as likely to get a reduction in the scope of the state if you argue for its abolition, instead of if you merely argue for its reduction. To put it arithmetically, if you want to lower the top rate of income tax from 40% to 30%, then you'll probably achieve that outcome more quickly if you present a case, now, for lowering it to zero. Even if you'd actually prefer a rate of 30% to a rate of zero, you might be inclined to go with the argument for zero, and worry about the long term effect of such arguments only in the long term. "Extremism" heaves the consensus into a different position more effectively than arguing for that slightly different position in its own right.

Besides which, even if you are not personally inclined to take your preferred argument to its "logical conclusion", your opponents will. Unless, that is, *they are aware that you too have also carried out this exercise*, which they will be if you have published and spread around some anarchist tracts, in among the safer stuff about merely diminishing the state somewhat. "True. The logical end point of my argument is indeed that income tax should be entirely done away with. Since you ask, yes I *am* in favour of that. VAT? Yes, that ought to go too." Cannier opponents will not want to give you this chance if they know that you stand ready to take it, which removes a major card from their hand. Free market anarchism seizes the intellectual high ground.

## WINDOW DRESSING TAKES OVER THE SHOP

Even as I proclaimed my early anarchism, I was aware that even if I wasn't necessarily taking it entirely seriously, other lesser intellects were liable to be convinced totally. It was necessary for me to consider whether this stuff really was true and really would work. Window dressing has a way of taking over the shop, for a thunderous example of which one need only consider the recent demise of the Soviet empire. That collapse began as a old fashioned Marxist-Leninist exercise in scene shifting. The bastards in Moscow, for their own entirely bastard reasons, sacked one bunch of Eastern European stooges and installed another lot who, they calculated, would fool more of the people more of the time. But then the extras started to get excited and to take the whole charade seriously. Exit - to cut a long story very short - the Soviet empire. No matter how clever and cynical you may think you are being about this or that idea, by far the best plan is to stick to proclaiming in public those things which you truly believe in. So, having listed some of the *advantages* I see in being a free market anarchist, let me now turn to my *reasons*. For the more I look at my free market anarchist scenery, the more I find that I like it.

## MARKETS ALWAYS WORK

My first and best reason for wanting a free market in everything is to me very obvious and very easily stated.<sup>4</sup> Simply, wherever there are free markets, they work. When markets don't work, it is always because of state interference. Statists blame the free market for the havoc that the state itself causes. The state owns the roads and absurdly underprices their use, and statists blame the free market for making too many cars and causing traffic jams. The state monopolises town planning, and statists blame the free market for "urban blight". The state monopolises the money trade, and statists

blame the free market for credit squeezes and slumps and inflation. And so on. But I assume that if there is a free market in law and order, or defence, or money, or in anything else that people tend to assume "the market can't provide", then these markets also will work splendidly.

You don't have to know how to cook doughnuts to know that tradesmen rather than government officials are the people to be cooking doughnuts and distributing doughnuts. I feel exactly the same way about defence, the details of which I am similarly ignorant of.

It is commonly said that we ought to strike a "balance" between statism and the market, between tyranny and freedom. Why, for heaven's sake? Free markets, when permitted, have been extraordinarily successful. Unfree markets have been a disaster. Why conclude that more free markets, in things not now regarded as suitable for free market arrangement, would fail? Instead, why not conclude the obvious, namely that when it comes to free markets, the more of them we have the better?

## PLACING AN INTELLIGENT BET ON THE UNKNOWN FUTURE

At this point, some of my readers may be a bit taken aback. Am I seriously saying that I favour a free market anarchist world, *without knowing how it will work*? In a word, yes. For how can anyone be sure even about something as trivial as what cars will be like, exactly, in ten years time? I can offer some rough guesses about how, say, free market defence would work, but that's all they'd be. I repeat, the argument for a free market in widgets (or defence) cannot possibly consist of the complete and exact answer to the question: What will free market widgets (or free market defence) be like? We're talking about freedom, about other people's choices, other people's discoveries. You can never be certain what other free people will do with their freedom, because that's what freedom means. All you can say is that, in general, freedom works far better than unfreedom. It's worked with this, and with that, and the claim that it hasn't worked here or there is wrong, because that wasn't freedom. You can only, in other words, be sure about the past.

But note that exactly the same "objection", applies to any other political doctrine you care to mention. You can't be certain about exactly how they will work either. All you can do, as with free market anarchism, is look at the past, and make some sensible guesses.

## THE MOVE TOWARDS A TOTALLY FREE MARKET IS ITSELF A MARKET PROCESS

My second major reason for believing that free market anarchism will work well is that if it doesn't work it will have to be improved until it does. Only then will people buy it.

Because free market anarchism *will have to be bought*, in little bits, here and there, this bit but not that bit. It won't suddenly erupt with a blaze of trumpets all over the world, everywhere, and simply have to be put up with by everybody whether they like it or not. There won't be only one of it.

The American libertarian Murray Rothbard disagrees with me about this, at any rate in his imagination. In *For A New Liberty* Rothbard imagines a button which if pressed will abolish the state and all its works. A libertarian, says Rothbard, is someone who would press that button, if he ever got the chance.<sup>5</sup>

To me, the whole point of free market anarchism is that in this alternative world no such huge buttons exist. That Rothbard wants to press such a device, even though he knows it's imaginary, does him little credit.

The state itself, now *there's* a button! There's a machine for unleashing turmoil, for turning the lives of half a billion people upside down in the space of a fortnight. But why would any half decent person want to do anything like that?

The more statists spread their statism, the more they strengthen states, and the bigger the state buttons get. It is therefore entirely reasonable for statists to talk about what *they* would do with *their* buttons, in the manner of Lenin. But free market anarchism, insofar as it spreads, will *weaken* the states. It will strengthen the free market. It will widen the choices that individual people can each, separately, make. It will erode, disconnect and destroy the big buttons. For free market anarchists to be talking about pressing an imaginary button is thus deeply confusing.

How, after all, will free market anarchism actually happen? The answer is that individual free market anarchists will attempt to do what they regard as free market anarchism, in the one small locality they've managed to cause a stir in or buy or otherwise control, but not anywhere else. And they'll either create a nice enjoyable place, to which some and maybe many people will be attracted and which will prove able to defend itself against its various enemies and/or commercial rivals. Or they won't, and they'll be out of business. The establishment of a completely free market will itself be - is already - a free market process.<sup>6</sup>

Statism puts the world completely at the mercy of statists, but free market anarchism protects the world against free market anarchists, as and when the need arises.

The usual questions put to free market anarchists about what happens when private armies fight each other, about how defence is a "natural monopoly", and won't "the state" simply re-emerge on the free market, in which case why bother to get rid of it, and so on and so on, are not so much problems for a free market anarchist as problems for entrepreneurs in a free market anarchist world. Private armies which spend too much of their time and too much of their customers' money fighting, either against state armies or other private armies, will not thrive as well as the more peaceful and frugal enterprises.<sup>7</sup>

The above paragraph caused a friend to say that many would be unconvinced, and to recommend elaboration. But I'm saying why I am an anarchist, and these questions simply don't worry me as much as they worry others. The market will provide. Only a few entrepreneurs have to solve these problems for them to be solved. If none do, limited statism will persist indefinitely, by popular demand, with only minor anarchist disruptions.

Meanwhile, in the absence of any free market anarchist buttons, there is no substitute for spreading free market anarchist ideas. Of course, this process will get a lot easier once a few successful free market anarchist enclaves manage to get going and to fly some free market anarchist flags, but that will itself require more respect for free market anarchism around the world than exists now. Once again, the story of communism illuminates the matter. To get established anywhere in particular, communism had to command quite a lot of respect in the whole world generally.<sup>8</sup>

## MONOPOLY POWER IS NOT ESSENTIAL TO ACHIEVE FREE MARKETS

A particular objection to free market anarchism is that there must be a state for the free market to exist, and that in the absence of a state the free market self destructs. Monopoly is the inevitable consequence of non-monopoly. Gangsters will amass wealth, buy guns and re-enslave everybody.

I deny that this is automatic, and if the general state of opinion is that such behaviour is bad, I deny that it is even likely. Most gangsterism now is not so much a challenge to the state as the consequence of it. Where the state both refuses to offer certain valued services and makes it illegal for others to offer those same services, then gangsters move in. For example, most states both fail to police the streets they own, and make it illegal for others to police them. The result is gang warfare between organisations tough enough to defy the state, and between all of these organisations and the state itself. It is the unpredictable semi-presence of the state that causes the "anarchy" (in the colloquial and bad sense), not the complete and predictable absence of the state. If there really were completely "no go" areas in our major cities, then they'd be much more peaceful than now.

## THE STATE IS A STATE OF MIND

I would add that as long as the *idea* persists that there ought to be some kind of state in circumstances like these, then to that extent the state will still exist. The state is a state of mind, as are all institutions.

Suppose you were to dynamite Cambridge University and destroy all its documents, archives and scholarly products, but leave most of the people who now run Cambridge University alive, go, and then return to Cambridge in thirty years time. Cambridge University would undoubtedly still exist. It would probably be uglier, and perhaps a less good university (although you never know, it might be a better one), but it would still be there. But now suppose that by some magical procedure the *idea* of Cambridge University were to be destroyed in all the minds now containing that idea, even as the buildings and documents and libraries of Cambridge University remained physically unscathed. Cambridge University would rapidly subside into ruin.

The state is like that. If enough people want it, they'll get it, and all the confusion that necessarily accompanies it.

And, free market anarchism is also like this. There has to be a necessary minimum of enthusiasm for such an idea, just as there has for any other system is to catch on.

Obviously, whether the idea is self-consistent will greatly influence whether or not people continue to be enthusiastic about it. Total socialism as at first believed in by Lenin is completely impossible and completely unworkable, no matter how many people start out wanting it, and no matter how long the delusion persists. Nor would any "Leninist" version of free market anarchism, the sociological equivalent of Rothbard's button, survive its own practical application. For if people still wanted a state and were freed by a free market anarchist elite to pursue whatever they wanted, then the state would be re-established, either by the people themselves, or by the free market anarchists in the attempt to defend their free market anarchism by force. But if there was widespread enthusiasm for free market anarchism, there'd be no reason for any elite, except perhaps a vanguard of propagandists to persuade people to think this way.<sup>9</sup>

## AGAINST VIOLENCE

I hope it is clear that both as a preference and as a free market anarchist tactic I don't like violence, for much the same reasons that I dislike Rothbard's button, only more so. Violence disrupts or even ends the lives of innocent bystanders, *and* it doesn't work. Many "orthodox" anarchists, who oppose both the state and the free market relations which will inevitably flourish in the absence of a state, are keen on violence, either because they are frustrated by the impossibility of achieving all that they want, or just because they are violent anyway and are looking for a doctrine which will excuse that. I am violent neither by temperament nor by conviction, even if I do sometimes shout during arguments. I favour trade, which is non-violent and based on consent, and I also prefer the kind of persuasion which doesn't come out of the barrel of a gun.

## THE MUTATION OF STATES TOWARDS TRADE

In a free market anarchist world, something interesting will happen to states. I don't ever expect a world in which "states" do not exist, in the sense of not even claiming to exist. But I do foresee a world in which states and state institutions relate to each other and to the world more in the manner of commercial enterprises than in the bossy manner of states nowadays. Current discussions of how states already compete with each other for tax revenue, by competitively lowering their tax rates, i.e. engaging in price wars, foreshadow such a world.<sup>10</sup> Soon we may see states charging for citizenship, and maybe then perhaps advertising for citizens. (Some states already do this, discreetly.) Some states may offer different varieties of citizenship for sale, with or without "welfare" rights for instance, much as in the nineteen twenties the motor car industry, lead by General Motors, began to offer ranges of cars to suit different sized pockets, rather than just one car, in one colour.

When discussing free market anarchism, I often find myself referring to such places as the Channel Islands and the Isle of Man. This is because, it seems to me, these places already resemble commercial enterprises. With places as small as these, even if they do regard themselves as "political" rather than "commercial", it surely makes little sense to do lots of silly politicking if you don't like the way they're run. Why not just leave? Why not simply take your business elsewhere? If you don't like your country, treat it as a product, rather than as some kind of hereditary disease. Treat government as a service industry. Once most people think that way, then even if much statist wording remains, we'll be well on the way to the world I want.<sup>11</sup>

Meanwhile, all those who are making money out of free market anarchism not happening - out of the state, that is - will have plenty of warning if their cosy and corrupt arrangements look like being shut down. This will, as I say, happen either gradually or not at all, and there'll be lots of public debate and discussion about it beforehand, because the only way to achieve such changes is to spread the idea of them, and you can't spread ideas in private.

## IT WILL WORK AND IT COULD WIN

That's basically it. Discussions of the above notions can be prolonged and intricate, but my reasons for being a free market anarchist are really pretty simple, and I see no need to go beyond the LA's double-sided A3 format when explaining them, and obvious advantages in not doing that.

Free market anarchism is exciting, but not unpleasantly so. It puts the wind up the more orthodox believers in the free market, but without creating extreme misery for anybody, and certainly not if done effectively and politely.

Free market anarchism will work, because only those bits of it that do work will catch on.

Free market anarchism will triumph over the state not by smashing states, but by coopting them. Some states may dwindle to nothing. Others will not, but will instead mutate into commercial organisations.

Or then again, maybe none of this will happen. People may not want complete freedom, so there's nothing inevitable about it. It is merely, I believe, desirable.

## NOTES

1. ... which from now on I will refer to as "free market anarchism". The word "libertarian" is a little too vague, for it blurs the exact distinction between the limited state and no state that I'm getting at here. Cambridge undergrad speak for a free market anarchist is "loony libbo".
2. Not that intellectuals don't have vested interests of their own. The most fundamental intellectual vested interests is *change*, change of any kind. If things must be changed, then there must be a class of people who dream of what these changes will consist of and will point towards them. But if all is fine as it is, who needs intellectuals?
3. The same can be said of those much less limited statist who consider themselves to be half way between the extremes of riproaring free marketeering and total state despotism. But there are as many different versions of the mixed economy as their people mixing it.
4. So obvious is this particular argument for free markets in everything that in my Cambridge talk I clean forgot to mention it.
5. Murray Rothbard, *For A New Liberty*, Collier Macmillan, New York, 1978, p. 302. Rothbard's to me decidedly inglorious career since writing this excellent polemic can be interpreted as the futile search for that button. First it was the "new left" which was going to be the short cut to the libertarian nirvana (by being hoodwinked away from its anti-capitalist urges), and now it is the populist conservatives (who are comparably imperfect in their devotion to liberty). Rothbard has spent his life shovelling personal insults upon whichever libertarians happen to be putting off the social group he is currently seeking to coopt. He used to insult libertarians of a more gradualist and conservative inclination; now he insults those with more "alternative" preferences, like gays and illegal drug enthusiasts. When this latest disagreeable and doomed subterfuge has failed what short cut will Rothbard urge upon us next? Something else equally silly, I expect. What a waste of a reputation, and of a life.
6. There is an article by David Botsford in the first issue of *Millenium*, Volume 1, Number 1, the journal he himself recently started, about "New Nations of the World", pp. 8-14. As soon as these daft places get anywhere, real nations close them down, because they lack the connections in the world that only a widespread intellectual victory can create.
7. See also my *Taking Free Market Defence Seriously*, Foreign Policy Perspectives No. 7, Libertarian Alliance, London, 1987, which covers many of the arguments repeated here.
8. And once respect for the idea of communism collapsed in the West, by around 1980, that meant that the writing was on the wall for communism in Russia, although I can't claim to have predicted that the collapse would follow so quickly.
9. See what I mean about intellectual vested interests!
10. See George Gilder, *The Spirit of Enterprise*, Penguin, Harmondsworth, Middlesex, 1986, pp. 139-140, for just such a discussion.
11. The world itself, on the other hand, is not a place most of us can conveniently think of escaping from. There *is* only one *world*, and in the absence of mass space migration it faces no market pressures from rival worlds, like the competition faced by states from other states. The new frontier of statist appallingness, I am convinced, is now the world state. The most determined statist have left their national socialist electorates to their nationalistic dreams, and now concentrate on the United Nations, the World Health Organisation, and the like, in which their more farsighted but hitherto junior brethren have long been active. Let us hope that the memory of how disgusting national socialism has been will go some way to restraining world socialism.