

REFLECTIONS ON THE ORIGIN AND THE STABILITY OF THE STATE

Professor Hans-Hermann Hoppe



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Let me begin with the definition of a state. What must an agent be able to do to qualify as a state? This agent must be able to insist that all conflicts among the inhabitants of a given territory be brought to him for ultimate decision-making or be subject to his final review. In particular, this agent must be able to insist that all conflicts involving *himself* be adjudicated by him or his agent. And implied in the power to exclude all others from acting as ultimate judge, as the second defining characteristic of a state, is the agent's power to tax: to unilaterally determine the price that justice seekers must pay for his services.

Based on this definition of a state, it is easy to understand why a desire to control a state might exist. For whoever is a monopolist of final arbitration within a given territory can *make* laws. And he who can *legislate* can also *tax*. Surely, this is an enviable position.

More difficult to understand is how anyone can get away with controlling a state. Why would others put up with such an institution?

I want to approach the answer to this question indirectly. Suppose you and your friends happen to be in control of such an extraordinary institution. What would you do to maintain your position (provided you didn't have any moral scruples)? You would certainly use some of your tax-income to hire some thugs. First: to make peace among your subjects so that they stay productive and there is something to tax in the future. But more importantly, because you might need these thugs for your *own* protection should the people wake up from their dogmatic slumber and challenge you.

This will not do, however, in particular if you and your friends are a small minority in comparison to the number of subjects. For a minority cannot lastingly rule a majority solely by brute force. It must rule by "opinion." The majority of the population must be brought to *voluntarily* accept your rule. This is not to say that the majority must agree with every one of your measures. Indeed, it may well believe that many of your policies are mistaken. However, it must believe in the legitimacy of the institution of the state *as such*, and hence, that even if a particular policy may be wrong, such mistake is an "accident" that one must tolerate in view of some greater good provided by the state.

Yet how can one persuade the majority of the population to believe this? The answer is: only with the help of intellectuals.

How do you get the intellectuals to work for you? To this the answer is easy. The market demand for intellectual services is not exactly high and stable. Intellectuals would be at the mercy of the fleeting values of the masses, and the masses are uninterested in intellectual-philosophical concerns. The state, on the other hand, can accommodate the intellectuals' typically over-inflated egos and offer them a warm, secure, and permanent berth in its apparatus.

However, it is not sufficient that you employ just *some* intellectuals. You must essentially employ them *all*—even the ones who work in areas far removed from those that you are primarily concerned with: that is philosophy, the social sciences and the humanities. For even intellectuals working in mathematics or the natural sciences, for instance, can obviously think for themselves and so become potentially dangerous. It is thus important that you secure also their loyalty to the state. Put differently: you must become a *monopolist*. And this is best achieved if all "educational" institutions, from kindergarten to universities, are brought under state control and all teaching and researching personnel is "state-certified."

But what if the people do not *want* to become "educated"? For this, "education" must be made compulsory; and in order to subject the people to state-controlled education for as long as possible, everyone must be declared equally "educable." The intellectuals know such egalitarianism to be false, of course. Yet to proclaim nonsense such as "everyone is a potential Einstein if only given sufficient educational attention" pleases the masses and, in turn, provides for an almost limitless demand for intellectual services.

None of all this guarantees "correct"—statist—thinking, of course. It certainly helps, however, in reaching the "correct" conclusion, if one realizes that without the state one might be out of work and may have to try one's hands at the mechanics of gas pump operation instead of concerning oneself with such pressing problems as alienation, equity, exploitation, the deconstruction of gender and sex roles, or the culture of the Eskimos, the Hopis and the Zulus.

In any case, even if the intellectuals feel underappreciated by you—that is: by one *particular* state administration—, they know that help can only come from *another* state administration but not from an intellectual assault on the institution of the state as such. Hence, it is hardly surprising that, as a matter of fact, the overwhelming majority of contemporary intellectuals, including most conservative or so-called free market intellectuals, are fundamentally and philosophically statist.

Has the work of the intellectuals paid off for the state? I would think so. If asked whether the institution of a state is necessary, I do not think it is exaggerated to say that 99 percent of all people would unhesitatingly say “yes.” And yet, this success rests on rather shaky grounds, and the entire statist edifice can be brought down—if only the work of the intellectuals is countered by the work of intellectual *anti-intellectuals*, as I like to call them.

The overwhelming majority of state supporters are not *philosophical* statist, i.e., because they have *thought* about the matter. Most people do not think much about anything “philosophical.” They go about their daily lives, and that is it. So most support stems from the mere fact that a state *exists*, and has always existed as far as one can remember (and that is typically not farther away than one’s own lifetime). That is, the greatest achievement of the statist intellectuals is the fact that they have cultivated the masses’ natural intellectual laziness (or incapacity) and never allowed for “the subject” to come up for serious discussion. The state is considered as an unquestionable part of the social fabric.

The first and foremost task of the intellectual anti-intellectuals, then, is to counter this dogmatic slumber of the masses by offering a precise definition of the state, as I have done at the outset, and then to ask if there is not something truly remarkable, odd, strange, awkward, ridiculous, indeed ludicrous about an institution such as this. I am confident that such simple, definitional work will produce some very first, but serious doubt regarding an institution that one previously had been taken for granted—a *good start*.

Further, proceeding from less sophisticated (yet, not incidentally, more popular) pro-state arguments to more sophisticated ones: To the extent that intellectuals have deemed it necessary to *argue* in favor of the state at all, their most popular argument, encountered already at kindergarten age, runs like this: Some activities of the state are pointed out: the state builds roads, kindergartens, schools; it delivers the mail and puts the policeman on the street. Imagine, there would be

no state. Then we would not have these goods. Thus, the state is necessary.

At the university level, a slightly more sophisticated version of the same argument is presented. It goes like this: True, markets are best at providing many or even most things; but there are other goods markets cannot provide or cannot provide in sufficient quantity or quality. These other, so-called “public goods” are goods which bestow benefits onto people beyond those actually having produced or paid for them. Foremost among such goods ranks typically “education and research.” “Education and research,” for instance, it is argued, are extremely valuable goods. They would be under-produced, however, because of “free riders,” i.e., of “cheats,” who benefit—*via* so-called neighborhood effects—from “education and research” without paying for it. Thus, the state is necessary to provide otherwise un-produced or under-produced (public) goods such as education and research.

These statist arguments can be refuted by a combination of three fundamental insights: First, as for the kindergarten argument, it does not follow from the fact that the state provides roads and schools that *only* the state can provide such goods. People have little difficulty recognizing that this is a fallacy. From the fact that monkeys can ride bikes it does not follow that *only* monkeys can ride bikes. And second, immediately following, it must be recalled that the state is an institution that can legislate and tax; and hence, that state agents have little incentive to produce efficiently. State roads and schools will only be more costly and their quality lower. For there is always a tendency for state agents to use up as many resources as possible doing whatever they do but actually work as little as possible doing it.

Third, as for the more sophisticated statist argument, it involves the same fallacy encountered already at the kindergarten level. For even if one were to grant the rest of the argument, it is still a fallacy to conclude from the fact that states provide public goods that *only* states can do so.

More importantly, however, it must be pointed out that the entire argument demonstrates a total ignorance of the most fundamental fact of human life: namely scarcity. True, markets will not provide for all desirable things. There are always unsatisfied wants as long as we do not inhabit the Garden of Eden. But to bring such un-produced goods into existence scarce resources must be expended, which consequently can no longer be used to produce other, likewise desirable things. Whether public goods exist next

to private ones does not matter in this regard—the fact of scarcity remains unchanged: more “public” goods can come only at the expense of less “private” goods. Yet what needs to be demonstrated is that one good is more important and valuable than another one. This is what is meant by “economizing.” Yet can the state help economize scarce resources? *This* is the question that must be answered. In fact, however, conclusive proof exists that the state does *not* and cannot economize: For in order to produce anything, the state must resort to taxation (or legislation)—which demonstrates irrefutably that its subjects do *not* want what the state produces but prefer instead *something else* as *more* important. Rather than economize, the state can only redistribute: it can produce more of what *it* wants and less of what the people want—and, to recall, whatever the state then produces will be produced inefficiently.

Finally, the most sophisticated argument in favor of the state must be briefly examined. From Hobbes on down this argument has been repeated endlessly. It runs like this: In the state of nature—before the establishment of a state—permanent conflict reigns. Everyone claims a right to everything, and this will result in interminable war. There is no way out of this predicament by means of agreements; for who would *enforce* these agreements? Whenever the situation appeared advantageous, one or both parties would break the agreement. Hence, people recognize that there is but one solution to the *desideratum* of peace: the establishment, per agreement, of a state, i.e., a third, independent party as ultimate judge and enforcer.

Yet if this thesis is correct and agreements require an outside enforcer to make them binding, then a state-by-agreement can never come into existence. For in order to enforce the very agreement which is to result in the formation of a state (to make *this* agreement binding), another outside enforcer, a prior state, would already have to exist. And in order for *this* state to have come into existence, yet another still earlier state must be postulated, and so on, in infinite regress.

On the other hand, if we accept that states exist (and of course they do), then this very fact contradicts the Hobbesian story. The state itself has come into existence *without* any outside enforcer. Presumably, at the time of the alleged agreement, no prior state existed. Moreover, once a state-by-agreement is in existence, the resulting social order still remains a self-enforcing one. To be sure, if A and B now agree on something, their agreements are made binding by an external party. However, the *state* itself is not so bound by any outside enforcer. There exists no external third party insofar as conflicts between state-agents

and state-subjects are concerned; and likewise no external third party exists for conflicts between different state-agents or -agencies. Insofar as agreements entered into by the state vis-à-vis its citizens or of one state agency vis-à-vis another are concerned, that is, such agreements *can be only self-binding on the State*. The state is bound by nothing except its own self-accepted and enforced rules, i.e., the constraints that it imposes on itself. Vis-à-vis itself, so to speak, the state is still in a natural state of anarchy characterized by self-rule and enforcement, because there is no higher state which could bind it.

Further: If we accept the Hobbesian idea that the enforcement of mutually agreed upon rules *does* require some independent third party, this would actually rule out the establishment of a state. In fact, it would constitute a conclusive argument *against* the institution of a state, i.e., of a *monopolist* of ultimate decision-making and arbitration. For then, there must also exist an independent third party to decide in every case of conflict between me (private citizen) and some state agent, and likewise an independent third party must exist for every case of intra-state conflicts (and there must be another independent third party for the case of conflicts between various third parties)—yet this means, of course, that such a ‘state’ (or any independent third party) would be no state as I have defined it at the outset but simply one of many freely competing third-party conflict arbitrators.

Let me conclude then: the intellectual case against the state seems to be easy and straightforward. But that does not mean that it is practically easy. Indeed, almost everyone is convinced that the state is a necessary institution, for the reasons that I have indicated. So it is very doubtful if the battle against statism can be won, as easy as it might seem on the purely theoretical, intellectual level. However, even if that should turn out to be impossible—at least let’s have some fun at the expense of our statist opponents. And for that I suggest that you always and persistently confront them with the following riddle: Assume a group of people, aware of the possibility of conflicts; and then someone proposes, as a solution to this eternal human problem, that he (someone) be made the ultimate arbiter in any such case of conflict, including those conflicts in which he is involved. I am confident that he will be considered either a joker or mentally unstable—and yet this is precisely what all statist propose.